

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

adidas AG,
Petitioner,

v.

Nike, Inc.,
Patent Owner.

Case IPR2017-00264
Patent 8,042,288 B2

Before JOSIAH C. COCKS, MICHAEL J. FITZPATRICK, and
JAMES B. ARPIN, *Administrative Patent Judges*.

ARPIN, *Administrative Patent Judge*.

DECISION

Denying Institution of *Inter Partes* Review
37 C.F.R. § 42.108

I. INTRODUCTION

A. Background

adidas AG (“Petitioner”) filed a Petition to institute *inter partes* review of claims 1–7, 9–13, and 21–38 of U.S. Patent No. 8,042,288 B2 (Ex. 1001, “the ’288 patent”). Paper 1 (“Pet.”). Nike, Inc. (“Patent Owner”) filed a corrected Preliminary Response. Paper 7 (“Prelim. Resp.”)

Having considered the Petition, the corrected Preliminary Response, and the evidence of record, we determine that the Petition presents the same or substantially the same art or arguments as those previously presented to the Office in IPR2016-00920. Accordingly, we exercise our discretion under 35 U.S.C. § 325(d) and deny institution of *inter partes* review as to any of claims 1–7, 9–13, and 21–38 of the ’288 patent based on any of the grounds asserted in the instant Petition.

B. Related Matters

Both parties describe this *inter partes* review as related to IPR2013-00067 involving U.S. Patent 7,347,011 B2. Pet. 1; Paper 3, 2. In addition to identifying IPR2016-00920, in which Petitioner previously challenged claims 1–38 of the ’288 patent (Pet. 48; Prelim. Resp. 1; Paper 3, 2; Paper 8, 1), Petitioner identifies a second Petition for *inter partes* review challenging claims 8 and 14–20 of the ’288 patent. Paper 8, 1. Further, Petitioner identifies two additional *inter partes* review proceedings as related to the instant proceeding: (1) IPR2016-00921 involving U.S. Patent No. 7,814,598 B2; and (2) IPR2016-00922 involving U.S. Patent No. 8,266,749 B2. Pet. 2; Paper 3, 2.

C. The '288 Patent

The '288 patent is entitled “Article of Footwear Having a Textile Upper.” Ex. 1001, Title. The '288 patent characterizes its disclosure as being directed to an “upper incorporating a textile element formed with a knitting machine.” *Id.* at 3:27–29. Figures 1 and 8 of the '288 patent are reproduced below.

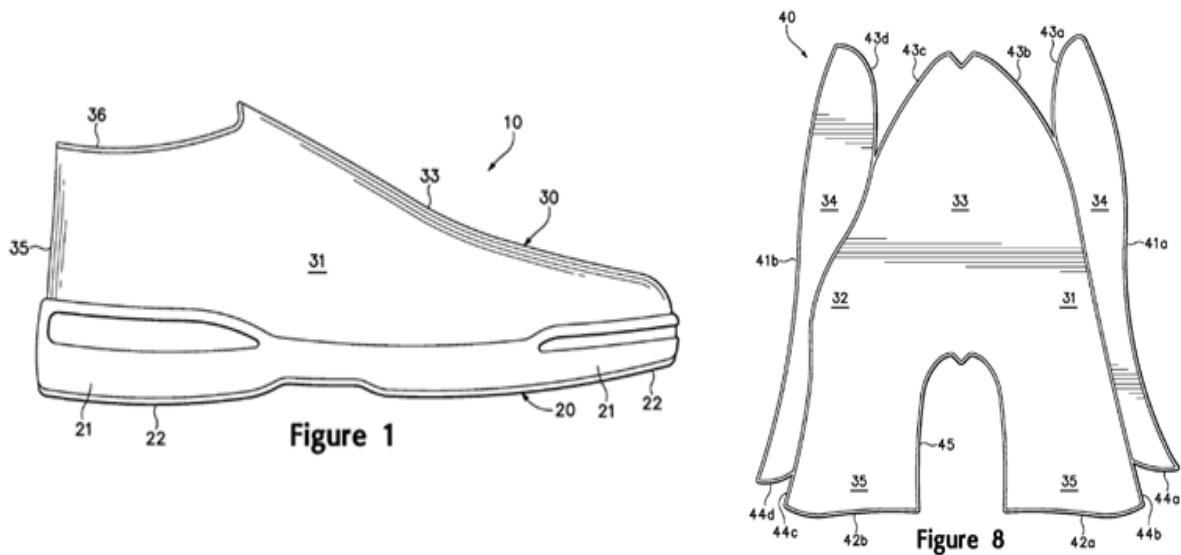


Figure 1 depicts “a lateral elevational view of an article of footwear having an upper.” *Id.* at 4:1–2. Figure 8 depicts “a plan view of a textile element that forms at least a portion of the upper.” *Id.* at 4:11–12. As shown in Figure 1, article of footwear 10 including sole structure 20 and upper 30. *Id.* at 4:43–44. Upper 30 is at least partially formed from textile element 40, which, as shown in Figure 8, forms regions 31–35, and “is a single material element that is formed to exhibit a unitary (i.e., one-piece) construction. *Id.* at 5:38–44.

D. Illustrative Claims

Claims 1, 21, 29, and 36 are independent; and claims 2–7 and 9–13 depend directly or indirectly from claim 1;¹ claims 22–28 depend directly from claim 21; claims 30–35 depend directly or indirectly from claim 29; and claims 37 and 38 depend directly from claim 36. Ex. 1001, 11:44–12:3, 12:8–21, 12:58–14:37. Claim 1 is illustrative and is reproduced below:

1. An article of footwear comprising:

an upper incorporating a circular-knitted textile element having a plurality of knit constructions, the circular-knitted textile element being removed from a circular-knitted textile structure, and further having longitudinal edges that are joined together to define at least a portion of a void for receiving a foot; and

a sole structure secured to the upper.

Id. at 11:44–51.

E. Applied References and Declaration

Petitioner relies on the following references and declaration in support of its asserted grounds of unpatentability.

Exhibit No.	Reference
1003	Declaration of Lenny M. Holden
1006	U.S. Patent No. 3,985,003 to Reed (“Reed”)
1007	U.S. Patent No. 5,345,638 to Nishida (“Nishida”)

¹ Although claim 1 is not expressly challenged in the petition in the related proceeding, IPR2017-00263, claim 8, which depends directly from claim 1, is challenged in that petition. IPR2017-00263, Paper 1, 1; see Ex. 1001, 12:4–7. Therefore, with respect to claim 8, Petitioner asserts that limitations of claim 1 are taught or suggested by the combined teachings of Nishida, Reed, and Shiomura in IPR2017-00263. Consequently, IPR2017-00263 and IPR2017-00264 include substantially overlapping challenges to the claims of the ’288 patent.

Pet. iii.

F. Asserted Grounds of Unpatentability

Petitioner contends that claims 1–7, 9–13, and 21–38 of the ’288 patent are unpatentable under 35 U.S.C. § 103 on the following ground:

Reference(s)	Basis	Challenged Claim
Nishida and Reed	35 U.S.C. § 103(a)	1–7, 9–13, and 21–38
Nishida	35 U.S.C. § 102(b)	36–38

Pet. 7. In the earlier petition in IPR2016-00920, Petitioner challenged claims 1–38 of the ’288 patent as unpatentable under 35 U.S.C. § 103(a) on the following grounds:

References	Basis	Challenged Claim
Nishida, Reed, Shiomura, and Shepherd	35 U.S.C. § 103(a)	1–38
Nishida, Castello, Fujiwara, Shiomura, and Shepherd	35 U.S.C. § 103(a)	1–38

IPR2016-00920, Paper 6, 3; see Prelim. Resp. 3. Further, in support of the grounds asserted in IPR2016-00920, Petitioner also relied on the declaration testimony of Mr. Holden (IPR2016-00920, Ex. 1003).

II. ANALYSIS

A. Denial of Institution of Inter Partes Review in IPR2016-00920

In IPR2016-00920, this same panel reviewed the grounds asserted in the petition, and we were not satisfied that the petition provided adequate explanation or was appropriately precise and specific in articulating the basis of the proposed grounds to warrant institution of an *inter partes* review.

IPR2016-00920, Paper 6, 5.

Pursuant to 35 U.S.C. § 312(a), a petition may be considered only if it “identifies, in writing and with particularity each claim challenged, the

grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim.” In IPR2016-00920, the deficiency in the petition lay in its failure to identify “with particularity” the grounds and evidence that form the underlying basis for Petitioner’s patentability challenge. *Id.* For instance, with respect to claim 1, the petition cited to portions of Nishida for all of the limitations of claim 1, and also submitted parallel citations for certain limitations to portions of Reed. *Id.* at 6. The petition in IPR2016-00920, however, did not provide adequate explanation of which limitations Petitioner contended were absent from Nishida and which it was relying upon Reed to supply. *Id.* Moreover, the first ground asserted in the petition in IPR2016-00920 was presented as based on the combined teachings of Nishida, Reed, Shiomura,² and Shepherd,³ yet Petitioner provided no explanation as to how or why Shiomura’s and Shepherd’s teachings were germane to claim 1. *Id.*

After reviewing the entirety of the proposed ground, we concluded that the petition tended to demonstrate that the teachings of Shiomura and Shepherd might be pertinent in some fashion only to a small subset of the involved claims (i.e., claims 7, 18, 26, 34, and 38), rather than to all of claims 1–38, as was alleged in the petition. *Id.* Further still, with respect to that small subset of claims, Shiomura and Shepherd appeared to be applied in parallel with one another apparently to account for the same additional claim limitations, but Petitioner left unexplained why it was necessary that both of those references were named in the asserted ground. *Id.* Consequently, we determined that the proposed ground based on Nishida,

² U.S. Patent No. 4,785,558 to Shiomura.

³ U.S. Patent No. 6,779,369 B2 to Shepherd.

Reed, Shiomura, and Shepherd contained defects with respect to each of challenged claims 1–38, on which Petitioner sought *inter partes* review. *Id.* at 7. Accordingly, having *evaluated* the petition in IPR2016-00920, we determined that Petitioner had not shown a reasonable likelihood of success in any of its challenges to claims 1–38 of the ’288 patent, and we ultimately *denied* institution of *inter partes* review on all grounds. *Id.* at 8.

B. Assertion of Refined Grounds in the Instant Petition

In the instant Petition, Petitioner challenges a subset of the claims challenged in IPR2016-00920 based on a subset of the references relied upon in the first ground asserted in IPR2016-00920. Pet. 6–7. In particular, in IPR2016-00920, Petitioner challenged claims 1–38 of the ’288 patent as allegedly rendered obvious by the combined teachings of Nishida, Reed, Shiomura, and Shepherd; but, in the instant proceeding, Petitioner is challenging claims 36–38 of the ’288 patent as anticipated by Nishida and claims 1–7, 9–13, and 21–38 as rendered obvious by the combined teachings of Nishida and Reed. *Id.* Further, we note that claims 36–38 are challenged on alternative anticipation and obviousness grounds.

C. 35 U.S.C. § 325(d)

We have discretion whether to institute any *inter partes* review. *See* 35 U.S.C. § 314(a); 37 C.F.R. § 42.108. Our discretion may be guided by 35 U.S.C. § 325(d), which provides that “the Director may take into account whether, and reject the petition or request because, *the same or substantially the same prior art or arguments* previously were presented to the Office” (emphasis added).

Petitioner was aware of the issues created under 35 U.S.C. § 325(d) by the filing of the instant Petition and attempted to address them

preemptively. Pet. 48–52. Specifically, Petitioner presents three arguments as to why we should not exercise our discretion to deny institution under 35 U.S.C. § 325(d). We are not persuaded by Petitioner’s arguments.

First, Petitioner argues that the instant Petition presents arguments the Office has not considered previously; and, thus, Petitioner is not seeking a “second bite at the apple.” Pet. 49–50; *but see* Prelim. Resp. 5–6 (Patent Owner argues to the contrary.). In particular, Petitioner argues that we denied the earlier petition “without substantively addressing its merits because the Board was ‘not satisfied that the Petition provides adequate explanation or is appropriately precise and specific in articulating the basis of the proposed ground to warrant institution of an *inter partes* review on that ground.’” Pet. 50 (quoting IPR2016-00920, Paper 6, 5). This argument is erroneous.

As we stated in the decision denying institution in IPR2016-00920, “[h]aving evaluated the Petition, we determine that [Petitioner] has not shown a reasonable likelihood of success in any of its challenges to claims 1–38 of the ’288 patent.” IPR2016-00920, Paper 6, 8 (emphasis added). Thus, we denied institution in the earlier petition only after evaluating the arguments and evidence presented. Moreover, to the extent that we may have been unable to evaluate fully any argument or evidence, or both, which Petitioner presented in the earlier petition, that was Petitioner’s fault, and not ours. *See* IPR2016-00920, Paper 6, 6 (“Vagueness in the presentation of a ground does not benefit a petitioner.”).

Second, Petitioner argues that “instituting this Petition will protect the public’s interests without harassing the Patent Owner or burdening the Board.” Pet. 50. This argument also is unavailing. Generally, it is in the

public interest that unpatentable claims are cancelled. However, Congress contemplated and expressly authorized the denial of petitions without regard to the patentability of the challenged claims under certain circumstances. Section 325(d) is but one example. *See* 35 U.S.C. § 317 (termination upon settlement); *but see Apple, Inc. v. Smartflash LLC*, Case CBM2015-00015, at 6 (PTAB Nov. 4, 2015) (Paper 49) (“There is a public interest in resolving the issues raised by these challenges because the record is fully developed.”). Moreover, each petition is evaluated on its merits and allowing a petitioner to refine a poorly drafted petition based on guidance provided by the Board’s denial of that petition may be deemed to result in harassment of the patent owner. Prelim. Resp. 8–10; *see Travelocity.com L.P v. Cronos Technologies, LLC*, Case CBM2015-00047, at 13 (PTAB June 15, 2015) (Paper 7) (“Moreover, a decision on a petition for covered business method review is not simply part of a feedback loop by which a petitioner may perfect its challenges through a subsequent filing.”).

Third, Petitioner argues that “the Board has been willing to revisit a [p]etitioner’s arguments from a previously denied petition in a second petition when the law has changed.” Pet. 51–52. In particular, Petitioner argues that:

When Petitioner in this case filed the Prior Petition, the rules limited the number of pages allowed in an IPR petition. Since the Prior Petition included numerous diagrams and figures, Petitioner’s ability to address all thirty-eight claims in the ‘288 patent with precise and specific articulations for each asserted ground of invalidity was restricted under the page number limitation. Subsequent to the filing of the Prior Petition, on May 2, 2016, the rules changed to include word count limits instead of page count limits, which is a more equitable approach for Petitions that include numerous diagrams and figures. Thus, the

equities weigh in Petitioner's favor of being able to present arguments under the new word count requirements.

Id. (citations omitted). This argument is unpersuasive and ignores both the facts of this case and those surrounding the rule change.

Petitioner's earlier petition was filed on April 19, 2016, and, although Petitioner is correct that, on May 2, 2016, new final rules went into effect which changed the previous page limit to a word count limit, the final rule change was published on April 1, 2016. Consequently, Petitioner was fully aware of the change *before* it filed the earlier petition on April 19, 2016. IPR2016-00920, Paper 3, 1. Further, Petitioner was not prevented then from filing multiple petitions, as it has done now, filing two petitions (IPR2017-00263 and IPR2017-00264) each challenging a subset of the claims of the '288 patent. In fact, the Board has advised petitioners to consider exactly this strategy in the comments to our original Final Rules (77 Fed. Reg. 48612, 48635 (Aug. 14, 2012) (Response to Comment 91 ("Alternatively, the filing of multiple petitions directed to subsets of related claims should be considered.")) or, alternatively, a motion to waive page limits (Office Trial Practice Guide, 77 Fed. Reg. 48756, 48762–63 (Aug. 14, 2012)). Finally, we are aware of no litigation between these parties; hence, there apparently was no bar that prevented Petitioner from filing its earlier petition *after* the new rules went into effect. Pet. 1–2; Paper 8, 1–2; *see* 35 U.S.C. § 315(b).

Based on our consideration of the parties' filings, we exercise our discretion and decline to institute *inter partes* review as to any of the challenged claims.

III. CONCLUSION

For the foregoing reasons, we exercise our discretion under 35 U.S.C. § 325(d) and deny institution of a trial in connection with this proceeding.

IV. ORDER

It is ORDERED that the Petition is *denied*, and no trial is instituted.

Case IPR2017-00264

Patent 8,042,288 B2

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