

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BROOKS SPORTS, INC.,
Petitioner,

v.

HERBERT E. TOWNSEND,
Patent Owner.

IPR2018-00577
Patent 7,490,416 B2

Before MEREDITH C. PETRAVICK, HYUN J. JUNG, and
SCOTT A. DANIELS, *Administrative Patent Judges*.

JUNG, *Administrative Patent Judge*.

DECISION

Granting in Part Patent Owner's Request for Rehearing of
Final Written Decision of *Inter Partes* Review
37 C.F.R. § 42.71(d)

I. INTRODUCTION

A. *Background and Summary*

Brooks Sports, Inc. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) requesting institution of an *inter partes* review of claims 1 and 6 of U.S. Patent No. 7,490,416 B2 (Ex. 1001, “the ’416 patent”). Petitioner contended that claim 1 was anticipated under 35 U.S.C. § 102 by Izumi¹ (“challenge 1”).² Pet. 2. Petitioner also challenged claim 1 under 35 U.S.C. § 103 as unpatentable over (1) Izumi (“challenge 2”), (2) Rudy³ and Plant⁴ (“challenge 4”), (3) Christensen⁵ and Ito⁶ (“challenge 6”), and (4) applicant admitted prior art and Izumi (“challenge 8”). *Id.* at 2–3. Petitioner challenged claim 6 under 35 U.S.C. § 103 as unpatentable over (1) Izumi and Chang⁷ (“challenge 3”), (2) Rudy, Plant, and Chang (“challenge 5”), (3) Christensen, Ito, and Chang (“challenge 7”), and (4) applicant admitted prior art, Izumi, and Chang (“challenge 9”).

After we issued a Decision to Institute an *inter partes* review of the challenged claims (Paper 6, 22), Herbert E. Townsend (“Patent Owner”) filed a Patent Owner’s Response (Paper 16, “PO Resp.”), to which Petitioner

¹ JP H7-9105, published February 10, 1995. Exs. 1002, 1003.

² Patent Owner refers to Petitioner’s challenges as challenge 1, challenge 2, challenge 3, etc. in its Request for Rehearing. We use the same labeling in this Decision.

³ U.S. Patent No. 6,158,149 B1, issued December 12, 2000. Ex. 1005.

⁴ GB 2 349 798 A, published November 15, 2000. Ex. 1006.

⁵ U.S. Patent Application Publication No. US 2003/0120353 A1, filed February 5, 2003, published June 26, 2003. Ex. 1008.

⁶ U.S. Patent No. 4,768,295, issued September 6, 1988. Ex. 1007.

⁷ U.S. Patent No. 4,918,838, issued April 24, 1990. Ex. 1004.

replied (Paper 28, “Pet. Reply”⁸). Patent Owner also filed a Sur-Reply (Paper 27, “PO Sur-reply”⁹). Oral argument was conducted thereafter. *See* Paper 31.

We entered our Final Written Decision, in which we determined that Petitioner had shown by a preponderance of the evidence that claims 1 and 6 of the ’416 patent were unpatentable over certain combinations of cited art. Paper 32, 71–72 (“Final Dec.”). Specifically, we determined that Petitioner did not show by a preponderance of the evidence that claim 1 is anticipated by Izumi (challenge 1). *Id.* at 35. We also determined that the combinations based on Christensen and Ito do not teach or suggest all the limitations of claims 1 and 6 (challenges 6 and 7). *Id.* at 72. We determined, however, that claim 1 is unpatentable over (1) Izumi (challenge 2) and (2) Rudy and Plant (challenge 4) and that claim 6 is unpatentable over (1) Izumi and Chang (challenge 3) and (2) Rudy, Plant, and Chang (challenge 5). *Id.* at 71–72. We did not reach the other challenges of claims 1 and 6 (challenges 8 and 9). *Id.* at 71.

Patent Owner timely filed a Request for Rehearing in which it asks that we modify the Final Written Decision to reject challenges 3 and 8, to disregard the testimony of Petitioner’s expert, and to provide a ruling and grounds for denying Patent Owner’s request to disregard Petitioner’s testimony. Paper 34, 1–8 (“Request,” or “Req. Reh’g”).

For the reasons set forth below, Patent Owner’s rehearing request is *granted in part*.

⁸ We refer hereinafter to Petitioner’s Corrected Reply (Paper 28) which replaced Petitioner’s earlier-filed Reply (Paper 18).

⁹ We refer hereinafter to Patent Owner’s Corrected Sur-Reply (Paper 27) which replaced Patent Owner’s earlier-filed Sur-Reply (Paper 20).

II. ANALYSIS

A. *Legal Standards*

37 C.F.R. § 42.71(d) sets forth, in relevant part that:

A party dissatisfied with a decision may file a single request for rehearing without prior authorization from the Board. The burden of showing a decision should be modified lies with the party challenging the decision. The request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply.

See also Req. Reh’g 1 (quoting, in part, 37 C.F.R. § 42.71(d)).

B. *Whether the Decision should be modified to reject challenge 8 to claim 1 because it is based on challenge 1 of claim 1 that the Board denied*

Patent Owner contends that the Final Written Decision overlooked Petitioner’s challenge 8’s reliance on challenge 1 (*see* Pet. 3), which challenges claim 1 as being unpatentable over applicant admitted prior art (“AAPA”) and Izumi. Req. Reh’g 4 (citing Final Dec. 70–71). Patent Owner argues that this challenge relied on Petitioner’s assertion that Izumi discloses “material consisting essentially of a dilatant compound.” *Id.* Patent Owner further argues that, because the Final Written Decision rejected this assertion in Petitioner’s challenge 1 (anticipation of claim 1 over Izumi; *see* Pet. 2), the Decision necessarily must reject challenge 8 as well. *Id.*; *see also id.* at 1–3 (citing Dec. 34; Pet. 67). Patent Owner requests that the Decision be modified to reflect this. *Id.* at 4.

For challenge 8, Petitioner asserted that “Izumi also discloses use of a silicone bouncing putty equivalent to the claimed dilatant compound” and thus discloses the limitation of claim 1, “said at least one cavity filled with

material consisting essentially of a dilatant compound.” Pet. 67. Petitioner relied on AAPA for limitations of claim 1 other than a “material consisting essentially of a dilatant compound.” *See id.* at 65–67. For challenge 9, Petitioner argued that dependent claim 6 is unpatentable over AAPA, Izumi, and Chang. *Id.* at 68–69.

In our Final Written Decision, with respect to challenge 1, we were “not persuaded by a preponderance of the evidence that Izumi discloses that its putty is the claimed material,” i.e., a “material consisting essentially of a dilatant compound.” Final Dec. 34. We did not reach challenges 8 and 9 because Petitioner showed by a preponderance of the evidence that claims 1 and 6 were unpatentable based on challenges 2–5. *Id.* at 70–71. However, because challenges 8 and 9 rely on Izumi for “material consisting essentially of a dilatant compound,” Petitioner did not show by a preponderance of the evidence that claim 1 is unpatentable over AAPA and Izumi and that dependent claim 6 is unpatentable over AAPA, Izumi, and Chang.

As such, Patent Owner’s request that we modify the Final Written Decision by determining that Petitioner failed to meet its burden on challenge 8, in addition to challenge 1, is granted. We also modify the Final Written Decision to determine that Petitioner failed to meet its burden on challenge 9.

C. Whether the Decision should be modified to reject challenge 3 to claim 6 to the extent that it is based on challenge 1

Patent Owner contends that Petitioner’s challenge 3 (*see* Pet. 2), the challenge of claim 6 as being unpatentable over Izumi and Chang, relied upon either challenge 1 (*see id.*) or challenge 2 (*see id.*). Req. Reh’g 5 (citing Pet. 42). Patent Owner argues that, because the Final Written Decision held that Petitioner did not show by a preponderance of the

evidence that claim 1 is anticipated by Izumi (challenge 1), the Final Written Decision necessarily must reject challenge 3 to the extent that it relied on challenge 1. *Id.* (citing Dec. 34–35). Patent Owner requests that the Decision be modified to reflect this. *Id.*

For challenge 3, Petitioner asserted for claim 6, which depends from claim 1, that “[a]ll of the limitations of claim 1 are disclosed by *or* obvious in view of Izumi.” Pet. 42 (emphasis added). Thus, challenge 3 relies upon challenge 1, which is the anticipation of claim 1 by Izumi, or upon challenge 2, which is the obviousness of claim 1 over Izumi. As discussed above, we were not persuaded by Petitioner’s challenge 1. Final Dec. 34. As such, we grant Patent Owner’s request that we modify the Final Written Decision by determining that Petitioner did not show by a preponderance of the evidence that claim 6 is unpatentable over Izumi and Chang to the extent that this challenge relied upon the anticipation challenge of claim 1 by Izumi.

D. Whether the Decision should be modified to set out the Board’s decision and reasoning on Patent Owner’s request that the testimony of Petitioner’s expert’s be disregarded

Patent Owner contends that in its Sur-Reply, Patent Owner asked the Board to “disregard Petitioner’s Expert’s testimony as lacking credibility in view of his relationship to Petitioner and his failure to correct testimony even though he acknowledged that he knew that prior testimony was wrong.” Req. Reh’g 6 (citing PO Sur-reply 5–10). According to Patent Owner, the Final Written Decision “makes clear that Patent Owner’s request that Petitioner’s Expert’s testimony be disregarded was denied” but “[t]he Decision does not set out any ruling on Patent Owner’s request nor any grounds for that ruling.” *Id.* (citing Dec. 22, 46, 49, 51, 53, 62, 63). Patent

Owner requests that the Final Written Decision be modified to set out the Board's decision on Patent Owner's request that Petitioner's Expert's testimony be disregarded and the grounds for that decision. *Id.* at 6–7.

In its Sur-reply, Patent Owner pointed out that Petitioner's Expert, Dr. Shorten, "testified that he and his company began working for Brooks [(Petitioner)] in 2005 testing shoes that Brooks provided." PO Sur-reply 5. Patent Owner contended that Dr. Shorten first testified that he had never seen a running shoe that had a dilatant compound in the sole. *Id.* at 7. Patent Owner argued that in a second declaration, "Dr. Shorten stated that he tested dilatant compound ('Silly Putty') inserts in a shoe midsole" in 1985, and pointed out that he also tested a "Power Bounce shoe" from "Brooks" around 2005. *Id.* at 8–9. Patent Owner further argued that "Dr. Shorten plainly knew that his testimony at his first deposition concerning the Power Bounce shoe was flatly wrong when the second deposition began" but "[h]e refused to correct that testimony." *Id.* at 10. Patent Owner stated that "[t]he Board has discretion to determine the credibility of and the weight to give testimony" and contended that "Dr. Shorten's long relationship with Brooks, convoluted positions, and failure to tell the truth render his testimony not credible." *Id.* at 10.

Patent Owner does not point to where it asked the Board to disregard Dr. Shorten's testimonies entirely. Nonetheless, in the Final Written Decision, in addressing Patent Owner's arguments concerning the relevant art and level of ordinary skill in the art, we stated that the parties' arguments "address what weight we should give to the testimony of the parties' declarants" and "[f]or the reasons addressed below, the parties' declarants both provide relevant testimony on issues being assessed dependent on the declarant's particular background and expertise." Final Dec. 13. We, thus,

did not disregard any of the declarants' testimonies in their entirety. Rather, we assessed portions of the testimonies and how much weight should be given to them. In doing so, we considered Dr. Shorten's relationship with Petitioner and the alleged conflicting testimony. Such matters go to credibility of the witness, but do not justify disregarding the testimony altogether as requested by Patent Owner.

Even if there were conflicting testimonies as to whether Dr. Shorten ever tested a running shoe that has a dilatant compound in the sole, Dr. Shorten effectively corrected such discrepancy in his second declaration by testifying that his employee tested the Power Bounce shoe. *See* PO Sur-Reply 9. These two matters raised by Patent Owner did not rise to the level that Dr. Shorten's entire testimony should be disregarded.

Thus, the request that the Final Written Decision be modified to indicate that the testimony of Petitioner's expert, Dr. Shorten, be disregarded, is denied. To the extent that Patent Owner requests the Final Written Decision be modified to provide grounds or explanations in regard to the denial of Patent Owner's request that Petitioner's expert testimony be disregarded, that request is granted as shown by our additional reasoning provided above.

E. Whether the Decision should be modified to set out the grounds for the Board's decision to disregard the conclusion of Petitioner's Expert that dilatant compound does not work in a shoe midsole

Patent Owner contends that in its Response, "Patent Owner argued that Petitioner's Expert's testimony represented a failure to create the claimed shoe and that failure was a secondary consideration that supported nonobviousness of claim 1 of the 416 Patent." Req. Reh'g 7 (citing PO Resp. 61). Patent Owner argues that, however, "[t]he Decision does not

identify any grounds for disregarding Petitioner's Expert's original specific testimony as to his conclusion in 1985." *Id.* at 8 (citing Final Dec. 70; Ex. 2009, 149:25–150:9). Thus, "Patent Owner requests that the Decision be modified to set out the grounds for the Panel's decision not to credit Petitioner's Expert's deposition testimony as to his conclusions in 1985 concerning use of 'Silly Putty' in a shoe in favor of his later and different testimony." *Id.*

In its Response in regard to secondary considerations, Patent Owner argued that "Petitioner's expert tried and failed in 1985 to create shoes that had a dilatant compound in the sole." PO Resp. 61. Petitioner replied that "Dr. Shorten explains there was not a failed attempt, but a reasonable decision to not to try because better materials were available." Pet. Reply 27 (citing Ex. 1071 at ¶¶ 164–170). In his Reply Declaration, Dr. Shorten testified that Silly Putty in a shoe component "does not perform better than EVA [(ethyl vinyl acetate)]," that "it performed worse," and that "[g]iven the additional cost and weight compared to EVA, Silly Putty does not provide a better option." Ex. 1071 ¶ 170.

We stated in the Final Written Decision that Petitioner replied that its declarant "explains there was not a failed attempt, but a reasonable decision to not to try because better materials were available." Final Dec. 70 (citing Pet. Reply 27). Also, as pointed out in the Final Written Decision, Dr. Shorten testified that "Silly Putty is heavy and costly compared to EVA, a benchmark material," "[g]iven the additional cost and weight compared to EVA, Silly Putty does not provide a better option," and "I don't think it has any -- in the form we see it in, you know, the patent referenced in the Townsend, I don't think there's any commercial value there personally." *Id.* (citing Ex. 1071 (Shorten Reply Dec.) ¶¶ 164, 170; Ex. 2009 (Shorten

Deposition), 150:14–17). The Final Written Decision explained that “[b]ased on the record, a preponderance of the evidence persuades us that others tried but decided for economic reasons that using a dilatant compound in a shoe was an unattractive option.” Final Dec. 70. Thus, the Final Written Decision provided grounds for disregarding Petitioner’s Expert’s testimony with respect to his conclusion in 1985 to the extent that it conflicts with the later testimony. The fact that Dr. Shorten clarified or corrected his earlier testimony does not mean that we should disregard his later testimony, because there is nothing in the record to hold against the veracity of later testimonies, other than that earlier inconsistent testimony itself.

Consequently, the request to modify the Final Written Decision to set out the Board’s decision and reasoning on Patent Owner’s request that the testimony of Petitioner’s expert’s be disregarded, is granted as shown by our additional reasoning provided above.

III. CONCLUSION

For the forgoing reasons, Patent Owner has shown that:

(1) Petitioner did not show by a preponderance of the evidence that claim 1 is unpatentable over AAPA and Izumi (challenge 8), and we thus grant Patent Owner’s request to modify the Final Written Decision to reflect this and that Petitioner did not show by a preponderance of the evidence that claim 6 is unpatentable over AAPA, Izumi, and Chang (challenge 9);

(2) Petitioner did not show by a preponderance of the evidence that claim 6 is unpatentable over Izumi and Chang (challenge 3) to the extent that it relied upon the anticipation of claim 1 by Izumi (challenge 1), and we thus grant Patent Owner’s request to modify the Final Written Decision to reflect this;

(3) to the extent that the Final Written Decision did not provide grounds or explanations for denial of Patent Owner's request that Petitioner's expert testimony be disregarded, we grant Patent Owner's request to modify the Final Written Decision by providing the grounds or explanations set forth above; and

(4) to the extent that the Final Written Decision did not provide grounds or explanations for denial of Patent Owner's request that the conclusion of Petitioner's expert that dilatant compound does not work in a midsole, we grant Patent Owner's request to modify the Final Written Decision by providing the grounds or explanations set forth above.

However, Patent Owner has not shown that the relationship between Petitioner's expert and Petitioner and the conflicting testimonies of Petitioner's expert rise to the level that Dr. Shorten's entire testimony should be disregarded, and we thus deny Patent Owner's request to modify the Final Written Decision to reflect this.

Accordingly, Patent Owner's Request for Rehearing is granted in part.
Outcome of Decision on Rehearing:

Claim	35 U.S.C. §	Reference(s)/Basis	Denied	Granted
6	103	Izumi, Chang		6 ¹⁰
1	103	Applicant admitted prior art, Izumi		1
6	103	Applicant admitted prior art, Izumi, Chang		6
Overall Outcome				1, 6

¹⁰ As discussed above, the request is granted only to the extent that this challenge to claim 6 as unpatentable over Izumi and Chang relies on Izumi anticipating claim 1.

Final Outcome of Final Written Decision after Rehearing:

Claim	35 U.S.C. §	Reference(s)/Basis	Claims Shown Unpatentable	Claims Not Shown Unpatentable
1	102	Izumi		1
1	103	Izumi	1	
6	103	Izumi, Chang	6	
1	103	Rudy, Plant	1	
6	103	Rudy, Plant, Chang	6	
1	103	Christensen, Ito		1
6	103	Christensen, Ito, Chang		6
1	103	Applicant admitted prior art, Izumi		1
6	103	Applicant admitted prior art, Izumi, Chang		6
Overall Outcome			1, 6	

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that Patent Owner's Request for Rehearing Pursuant to
37 C.F.R. § 42.71(d) (Paper 34) is *granted in part*.

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