

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CHANEL, INC.,
Petitioner,

v.

MOLO DESIGN, LTD.,
Patent Owner.

IPR2022-00544
Patent 8,561,666 B2

Before KEN B. BARRETT, CARL M. DEFRANCO, and
RICHARD H. MARSCHALL, *Administrative Patent Judges*.

MARSCHALL, *Administrative Patent Judge*.

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314

Chanel, Inc. (“Chanel”) filed a Petition requesting *inter partes* review of claims 21–23 of U.S. Patent No. 8,561,666 B2 (Ex. 1001, “the ’666 patent”). Paper 1 (“Pet.”). Patent Owner Molo Design, Ltd. (“Molo”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). Because we determine that Chanel demonstrates a reasonable likelihood that at least independent claim 21 of the ’666 patent is unpatentable, we institute an *inter partes* review of all claims as challenged in the Petition. *See* 35 U.S.C. § 314(a).

I. BACKGROUND

A. Related Matters

In addition to this Petition, Chanel has filed petitions for *inter partes* review of three related patents—U.S. Patent Nos. 7,866,366 B2 (IPR2022-00543), 9,689,161 B2 (IPR2022-00545), and 9,797,134 (IPR2022-00546). Prelim. Resp. 3. Those patents, along with the ’666 patent at issue here, are also the subject of an infringement action filed February 22, 2021 in *Molo Design Ltd. v. Chanel, Inc.*, No. 1:21-cv-01578 (S.D.N.Y). Pet. 2; *see also* Paper 4, 2. That action was stayed on May 2, 2022, pending the outcome of our review of Chanel’s petitions in this proceeding and the related proceedings. Prelim. Resp. 3 n.1.

B. The ’666 Patent

The ’666 patent relates to an “article of flexible furniture” having “a core formed from a plurality of laminar panels of a flexible flaccid material.” Ex. 1001, code (57), 2:4–6. “Each panel has a pair of oppositely-directed major faces with faces of adjacent panels being inter-connected to provide a cellular structure upon movement of the faces away from each other.” *Id.* at 2:6–9. The cellular structure includes “voids” formed within the core upon expansion of the panels. *Id.* at 4:35–37, Figs. 3, 5. A “pair of supports” are

provided at opposite ends of the core and connected to the faces of the panel. *Id.* at 2:9–11. “The supports are self-supporting to provide rigidity to the article of furniture.” *Id.* at 2:11–12. “In this way, the supports may be moved apart to expand the cellular structure and extend the overall length of the article of furniture.” *Id.* at 2:13–16.

The article also includes “[a] series of longitudinal passages 460 extend[ing] through the end panels 414, 416 and the core 412.” *Id.* at 8:56–57, Fig. 19. “Each of the passages 460 is circular in cross section and is located on the center line of the core 412.” *Id.* at 8:58–60. “An LED light ribbon 462 is inserted into one or more of the passages 460 so as to extend through the core 412 to the end support 416.” *Id.* at 9:2–4. “When energized, the light from the LED is diffused through the core 412 giving a glowing appearance to the core 412.” *Id.* at 9:52–54.

C. The Asserted Challenges

Petitioner challenges claims 21–23 of the ’666 patent based on the following grounds. Pet. 6.

Claims Challenged	35 U.S.C. §	Basis
21	102	Okuno ¹
21–23	103	Okuno, SoftHousing I, ² SoftHousing II, ³ Kennedy, ⁴ and/or Dorsey ⁵

¹ JP S49-87173 A, published Aug. 21, 1974 (Ex. 1011, “Okuno”).

² DBEW International Design Competition 2004, *Golden Prize*, HANSSEM Co., LTD., May 9, 2004 (Ex. 1005, “SoftHousing I”).

³ *Design Beyond East & West—Collection of Winning Works of DBEW International Design Contest* (Interior Architecture of China Magazine ed.) TIANJIN UNIVERSITY PRESS, March 2004 (Ex. 1006, “SoftHousing II”).

⁴ US 2007/0017172 A1, published Jan. 25, 2007 (Ex. 1035, “Kennedy”).

⁵ US 2006/0082987 A1, published Apr. 20, 2006 (Ex. 1034, “Dorsey”).

21	102	SoftHousing I
21–23	103	SoftHousing I, SoftHousing II, Okuno, Kennedy, <i>and/or</i> Dorsey
21–23	103	MacAllen, ⁶ SoftHousing I, SoftHousing II, Okuno, Kennedy, <i>and/or</i> Dorsey

In further support of these challenges, Chanel submits the declaration of Lance Rake. *See* Ex. 1003. Molo does not submit a rebuttal declaration at this stage.

D. The Challenged Claims

Claim 21, the sole independent claim challenged by Chanel, recites:

21. An article of flexible furniture having

[a] a core formed from a plurality of laminar panels of a flaccid material and each panel having a pair of oppositely directed major faces, adjacent faces of said panels being inter-connected to provide a cellular structure upon movement of abutting faces away from each other,

[b] opposite ends of said core terminating in a pair of end panels whereby said panels may be move apart to expand said cellular structure and extend the length of said core,

[c] a passage extending in a direction between said end panels and intersecting said cellular structure, and

[d] a light source located within said passage and operable to illuminate said core from the interior thereof.

Ex. 1001, 17:11–22 (bracketed text added).

II. ANALYSIS

A. Level of Ordinary Skill in the Art

Chanel’s declarant, Mr. Rake, testifies that one skilled in the art during the relevant time frame “would have a bachelor’s degree and at least

⁶ US 2006/0260231 A1, published Nov. 23, 2006 (Ex. 1033, “MacAllen”).

two years of relevant experience working as an industrial designer, interior designer, furniture designer, architect, or other similar professional” and “would be knowledgeable regarding furniture design and/or the design of exhibit and display systems, and would have a general understanding of related manufacturing processes.” Ex. 1003 ¶ 43. At this stage, Molo does not contest that testimony. *See generally* Prelim. Resp. Nor, for now, do we see any reason to question it. Thus, for purposes of institution, we keep in mind the level of skill in the art as articulated by Chanel’s declarant. The level of skill in the art is also reflected by the prior art of record.

B. Claim Construction

Pursuant to 37 C.F.R. § 42.100(b), we construe the claims under the standard set forth in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc). That is, the claim terms are generally given their plain and ordinary meaning as would have been understood by one skilled in the art at the time of the invention and in the context of the entire patent disclosure. *Id.* at 1312–13. Only terms in controversy need be construed, and only to the extent necessary to resolve the controversy. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)).

Here, Chanel posits that we “need not construe any terms in order to resolve the underlying controversy” because “[a]ny reasonable interpretation of those terms—as understood by a POSITA at the time of the invention—reads on the prior art.” Pet. 22. Molo responds that we should deny the Petition because Chanel is advancing a claim construction that “directly conflicts” with a construction it proposed in the parallel district court action

for the claim terms “end panels,” “operable,” and “flaccid,” as recited in claim 1. Prelim. Resp. 5–9; *see also id.* at 7 (“Petitioner’s assertion that the Board need not construe these terms is in direct conflict with its representations to the district court.”). Although Molo contends “the Board would be inviting reversible legal error” by failing to construe these claim terms further, it neither proffers its own construction of these terms nor otherwise explains why Chanel’s proposed construction is erroneous. *See id.* at 6–7. Instead, Molo contends that, by advancing “inconsistent” and “contradictory” claim construction positions before us and the district court, Chanel “fails to satisfy its burden” of identifying how the challenged claims are to be construed. *Id.* at 7–10, 12 (citing 37 C.F.R. § 104(b)(3)).

We disagree with Molo’s characterization of Chanel’s claim construction positions. Indisputably, Chanel elaborates on its construction of certain claim terms in the parallel district court action more so than it does here, but that is because the district court action involves issues of infringement and indefiniteness that are wholly outside the purview of this proceeding. Indeed, when Molo raised this identical argument in the district court action—“that Chanel has engaged in gamesmanship by advancing conflicting arguments before the PTAB and this Court”—the district court explained that “it is neither uncommon nor impermissible for a party to advance different arguments before a District Court and the PTAB” where the parallel action “concerns issues outside the scope of *inter partes* review.” Ex. 3001 at 9 n.1. That is the case here—the issues of infringement and indefiniteness before the district court may require a more developed claim construction than is needed to resolve the issue of patentability here. Thus, like the district court, we see nothing improper about Chanel advancing a

more detailed meaning of certain claim terms in the district court action, while simply saying here that the meaning of those terms is readily apparent from the prior art. Thus, we decline to deny the Petition on that basis.

Because the threshold for institution can be resolved without expressly construing the claim terms “end panels,” “operable,” and “flaccid,” we reject the notion that Chanel somehow violates our rules by not developing a more explicit construction of those terms. *See, e.g., Nidec*, 868 F.3d at 1017 (approving Board decision not to construe claim language where the construction is not material to the dispute).

C. Particularity of the Challenges

Molo argues that the Petition should be denied for failing to identify the various claim challenges with sufficient particularity. *See* Prelim. Resp. 16–21 (citing Pet. 6); *see also* 35 U.S.C. § 312(a)(3) (stating a “particularity” requirement for petitions). According to Molo, although Chanel purports to identify five challenges to the claims, the use of the conjunction “and/or” in Chanel’s obviousness challenges gives rise to “at least 52 *different combinations* against the challenged claims,” which Molo asserts “fails to meet the particularity requirements for an IPR petition.” *Id.* at 19–21.

We disagree with Molo’s characterization of Chanel’s challenges. At the outset, we note that a petitioner’s use of the “and/or” conjunction in initially listing its challenges to the claims does not in and of itself warrant denial of a petition. Rather, the *entire* petition must be assessed in determining whether the particularity requirement is met. Here, in faulting the Petition for lacking particularity, Molo focuses solely on Chanel’s obviousness challenges as listed in a table on a single page of the Petition.

See Pet. 6. What Molo disregards is Chanel’s detailed explanation of those challenges elsewhere in the Petition. *See, e.g., id.* at 29–36 (Ground 2), 41–58 (Grounds 4, 5).

For instance, with respect to the Okuno-based obviousness challenge (Ground 2), the Petition relies solely on Okuno as to the limitations of independent claim 21 and identifies specific teachings from the prior art (be it SoftHousing I/II, Kennedy, or Dorsey) that correspond to elements from the *dependent* claims 22 and 23 such that the challenge for each claim is readily discernible. *See, e.g.,* Pet. 29 (incorporating Okuno anticipation challenge as establishing that Okuno teaches all elements of claim 21); *id.* at 29–32 (relying on SoftHousing I/II or Kennedy for teaching LED lighting); *id.* at 32–35 (relying on Dorsey for teaching LED lighting strips within furniture channels). The same is true of the Petition’s obviousness challenge based primarily on SoftHousing I, which relies solely on SoftHousing I as disclosing the limitations of claim 21. *See, e.g.,* Pet. 41–48. In other words, Chanel’s use of the “and/or” conjunction does not apply across all the prior art references making up a particular challenge, but, as the Petition makes clear, applies only to a very limited number of tertiary references relied upon to teach very specific elements from the dependent claims. Given the clear reliance on specific disclosures of the tertiary references and the simplicity of dependent claims 22 and 23,⁷ Petitioner’s challenges are readily understandable.

⁷ Claim 22 depends from claim 21 and further requires “wherein said light source is a ribbon of lights extending along said passage,” while claim 23 depends from claim 22 and further requires “wherein said lights are LED lights.” Ex. 1001, 17:23–26.

We discern nothing unusual or obtuse about Chanel’s approach to its obviousness challenges; the Petition clearly identifies the relevance of each reference as applied to the challenged claims. As such, we reject the notion that Chanel’s use of “and/or” when listing its challenges in an abbreviated format, such as a table, “results in an unwieldy, excessive, and burdensome number of possible combinations,” as Molo argues. *See* Prelim. Resp. 20. Rather, in the context of the Petition *as a whole*, Chanel has fully met its statutory burden of particularly identifying the challenge to each claim.

D. Anticipation by Okuno (Claim 21)

We begin with Chanel’s challenge of claim 21 as being anticipated by Okuno. *See* Pet. 22. Chanel provides a detailed mapping of how Okuno meets each element of the claim. *See id.* at 22–28 (citing Ex. 1011, Figs. 1–5). Chanel also provides supporting testimony from its declarant. *See* Ex. 1003 ¶¶ 80–91. More particularly, Chanel contends that Okuno discloses each of claim 21’s elements as follows:

Preamble: “An article of flexible furniture having” (Pet. 22–23 (relying on Ex. 1011, 1:20–22, Figs. 1–5));

Element a: “a core formed from a plurality of laminar panels of a flaccid material and each panel having a pair of oppositely directed major faces, adjacent faces of said panels being interconnected to provide a cellular structure upon movement of abutting faces away from each other,” (Pet. 23–25 (relying on Ex. 1011, 1:8, 2:6–11, 2:16–3:11, 4:57–65, Fig. 1 (annotated); Ex. 1003 ¶¶ 85–86));

Element b: “opposite ends of said core terminating in a pair of end panels whereby said panels may be move apart to expand said cellular structure and extend the length of said core,” (Pet. 25–26 (relying on Ex. 1011, 2:6–3:4; Figs. 1–2 (annotated)));

Element c: “a passage extending in a direction between said end panels and intersecting said cellular structure,” (Pet. 26–27

(relying on Ex. 1011, 1:22–26, 4:19–23, Figs. 1–2 (annotated))); and

Element d: “a light source located within said passage and operable to illuminate said core from the interior thereof.” (Pet. 28 (relying on Ex. 1011, 1:20–2:2; Figs. 1–2 (annotated), 3–4)).

At this stage, Molo does not substantively respond to Chanel’s showing with respect to Okuno’s teachings. *See generally* Prelim. Resp. From our review, the current record (including Chanel’s contentions, the cited portions of Okuno, and Chanel’s supporting declaration) supports a reasonable likelihood that Okuno anticipates the “flexible article” of claim 21.

E. Chanel’s Other Challenges

Chanel also asserts various other challenges against claim 21, as well as dependent claims 22 and 23, based on anticipation and obviousness. *See* Pet. 29–58. Like the anticipation challenge based on Okuno alone, Molo does not address the merits of Chanel’s other prior art challenges. *See generally* Prelim. Resp. Because, as discussed above, Chanel meets the threshold for institution by demonstrating a reasonable likelihood that at least claim 1 is unpatentable as anticipated by Okuno, we need not decide whether Chanel’s other challenges demonstrate the same. Those challenges, in our view, are best left for trial after full development of the record. Because Chanel demonstrates that at least one claim of the ’666 patent meets the threshold for institution, we institute an *inter partes* review of all claims as challenged in the Petition. *See* 37 C.F.R. §§ 42.108(a), (c); *SAS Inst. v. Iancu*, 138 S. Ct. 6668, 1359–60 (2018).

III. CONCLUSION

We institute an *inter partes* review of all claims as challenged in the Petition.

IV. ORDER

Accordingly, it is:

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review of claims 21–23 of the '666 patent is *instituted*; and

FURTHER ORDERED that, pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4(b), notice is hereby given of the institution of trial, which will commence on the entry date of this Decision.

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