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Paper 46
Entered: August 9, 2023

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CHANEL, INC.,
Petitioner,

v.

MOLO DESIGN, LTD.,
Patent Owner.

IPR2022-00545
Patent 9,689,161 B2

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

DEFRANCO, *Administrative Patent Judge*.

JUDGMENT
Final Written Decision
Determining Some Challenged Claims Unpatentable
35 U.S.C. § 318(a)

Molo Design, Ltd. ("Molo") is the owner of U.S. Patent No. 9,689,161 B2 (Ex. 1001, "the '161 patent"). Chanel, Inc. ("Chanel") filed a Petition requesting *inter partes* review of claims 1–10, 12, 14, 18–25, and 27 of the '161 patent. Paper 1 ("Pet."). We instituted *inter partes* review of all the claims as challenged in the Petition. Paper 9 ("Inst. Dec."). Molo filed a response (Paper 19, "PO Resp."), Chanel filed a reply (Paper 30, "Pet. Reply"), and Molo followed with a sur-reply (Paper 32, "PO Sur-Reply"). We also permitted Chanel to file a Sur-Sur-Reply (Paper 40) to address new evidence that Molo introduced with its sur-reply. *See* Paper 36 (denying Chanel's motion to strike but authorizing Chanel to file rebuttal evidence and argument).

We have jurisdiction under 35 U.S.C. § 6. We held an oral hearing on June 8, 2023, a transcript of which is in the record. Paper 45 ("Hrg. Tr."). This Final Written Decision is entered pursuant to 35 U.S.C. § 318(a). For the reasons below, we determine that Chanel fails to demonstrate that claims 1–10, 12, 14, and 18 of the '161 patent are unpatentable as anticipated under 35 U.S.C. § 102(b) or obvious under 35 U.S.C. § 103. However, we determine that Chanel does demonstrate that claims 19–25 and 27 are unpatentable as obvious under 35 U.S.C. § 103.

I. BACKGROUND

A. Related Matters

Chanel filed concurrent petitions for *inter partes* review of three related patents—U.S. Patent Nos. 7,866,366 B2 (IPR2022-00543), 8,561,666 B2 (IPR2022-00544), and 9,797,134 B2 (IPR2022-00546). Those patents, along with the '161 patent at issue here, are also the subject of an infringement action filed February 22, 2021 and captioned *Molo Design Ltd.*

v. Chanel, Inc., No. 1:21-cv-01578 (S.D.N.Y). *See* Paper 6 at 2. That action was stayed on May 2, 2022, pending the outcome of our review of Chanel's Petition in this proceeding and the related proceedings. *See* Ex. 3001 (Stay Order).

B. The '161 Patent

The '161 patent relates to a "freestanding extensible wall for partitioning an area of a room." Ex. 1001, Abstract, Fig. 1. The partition has "a core formed from a plurality of laminar panels of a flexible flaccid material." *Id.* at 2:9–11. Each of the laminar panels "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 2:11–14, Figs. 2, 3. Figure 1 of the '161 patent, reproduced below, is a perspective view of the freestanding partition.

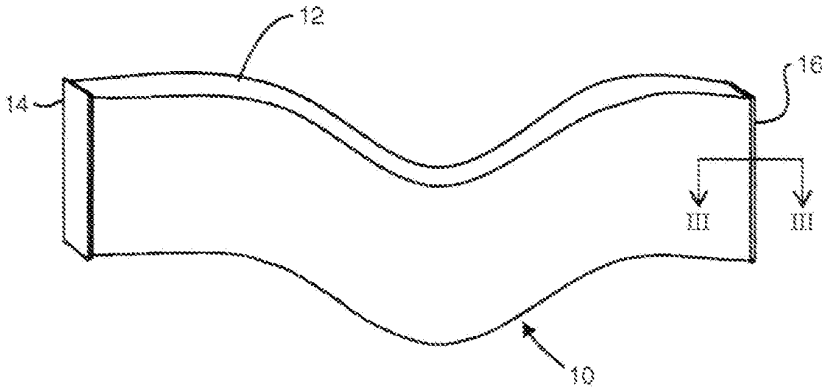


FIG. 1

As shown, the partition comprises "a core 12 and a pair of supports 14, 16 at opposite ends of the core." *Id.* at 4:15–17. The supports are connected to end panels at opposite ends of the core. Figure 3 of the '161 patent, reproduced below, is a partial cross-sectional view of the expanded core depicting the end panels of the core with the supports attached thereto.

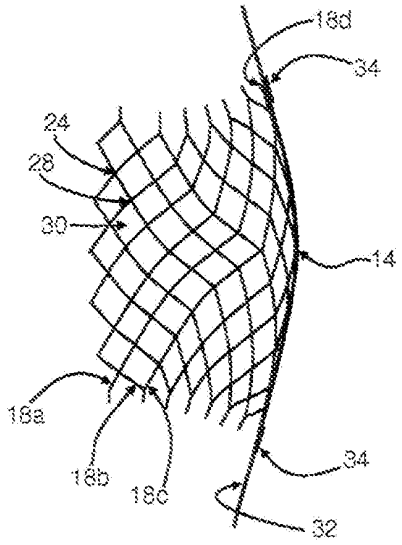


FIG. 3

As shown, the expanded core includes interconnecting panels 18a, 18b, 18c forming voids 30 within the core, and end panels 18d at opposite ends of the core. *Id.* at 4:30–51. "The supports 14 and 16 extend laterally beyond the core as indicated at 32 and are adhered to respective ones of the end panels 18d." *Id.* at 4:59–61. As described, the supports 14 and 16 "are made from a self-supporting material, typically a non woven felt material, which has a degree of flexibility but also has sufficient rigidity to resist collapse of the core." *Id.* at 4:51–55.

With the core expanded, "the supports 14 and 16 may be folded along a vertical axis to provide enhanced rigidity at each end of the partition 12." *Id.* at 5:12–14, Fig. 5. The supports include Velcro fasteners that permit opposite edges of the supports to be "brought together" and "engage one another" to "hold the support in a folded tubular configuration." *Id.* at 5:15–19, Fig. 5. "Further support[s] may be provided along the length of the partition" by using dowels inserted into the voids of the core and supported by bases. *Id.* at 14:14–26, Fig. 48.

C. The Asserted Challenges

Claims Challenged	35 U.S.C. §	Basis
2, 6, 7, 8, 10, 12, 14	102	SoftHousing I[1]
1–10, 12, 14, 18	103	SoftHousing I, SoftHousing II,[2] SoftHousing III,[3] Arens,[4] *and/or* Okuno[5]
2, 6, 8, 10, 12, 14	102	SoftWall[6]
1–10, 12, 14, 18	103	SoftWall, SoftHousing I–III, Arens, *and/or* Okuno
19–25, 27	103	MacAllen,[7] Stratton,[8] Fischer,[9] Reisenthel,[10] Tolna,[11] *and/or* EnduroFence[12]

In further support of these challenges, Chanel submits the declaration of Lance Rake. *See* Ex. 1003. Molo, in turn, submits the declaration of Alan Ball. *See* Ex. 2010. Molo also submits declarations from each of the

[1] DBEW International Design Competition 2004, *Golden Prize*, HANSSEM CO., LTD., May 9, 2004 (Ex. 1005, "SoftHousing I").
[2] *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").
[3] *First Step Soft Housing*, Common Ground, Nov. 6, 2003 (Ex. 1007, "SoftHousing III").
[4] US 4,493,174, issued Jan. 15, 1985 (Ex. 1013, "Arens").
[5] JP S49-87173 A, published Aug. 21, 1974 (Ex. 1011, "Okuno").
[6] *Flexible textile walls expand and compress to create rooms-within-a-room*, ARCHITECTURAL RECORD, VOL. 192, NO. 9, P. 205, Sept. 2004 (Ex. 1028, "SoftWall").
[7] US 2008/0023156 A1, published Jan. 31, 2008 (Ex. 1037, "MacAllen").
[8] US 7,217,061 B2, issued May 15, 2007 (Ex. 1038, "Stratton").
[9] US Des. 353,946, issued Jan. 3, 1995 (Ex. 1039, "Fischer").
[10] US 2005/0076552 A1, published Apr. 14, 2005 (Ex. 1040, "Tolna").
[11] DM 057 813, published Dec. 28, 2005 (Ex. 1041, "Reisenthel").
[12] *Enduro Fence Package-150*', MARKERS, INC., Aug. 27, 2008 (Ex. 1042, "EnduroFence").

named inventors of the '161 patent, Ms. Stephanie Forsythe and Mr. Todd MacAllen. *See* Exs. 2006, 2007.

D. The Challenged Claims

Six of the challenged claims are independent—claims 1, 2, 19, 22, 23, and 27. Independent claims 1, 2, 19, and 22 are directed to an "extensible wall," while independent claims 23 and 27 are directed to "flexible furniture." Ex. 1001, 16:40–19:32. Independent claim 2 is illustrative and recites:

> 2. A method for partitioning an area of a room, the method comprising:
>
> positioning an extensible wall in the area of said room, said wall having a base, a top, oppositely directed surfaces extending between said base and said top, said base, top and surfaces defining a core, said core comprising a cellular structure having multiple voids extending from said base to said top upon movement of said oppositely directed surfaces away from each other, said base having a width of at least 10 centimeters and said core having a height of at least 1 meter,
>
> placing said base on a floor of said room, and
>
> *moving opposite ends of said core apart* to expand said cellular structure and extend the length of said core and *to form at least a substantially straight freestanding wall configuration, whilst maintaining its vertical extent.*

Id. at 16:64–17:13 (emphases added).

Independent claim 1 is directed to an "assembly" of the extensible walls described in claim 2, and, like claim 2, requires that each extensible wall "form at least a substantially straight freestanding wall configuration, whilst maintaining its vertical extent." *Id.* at 16:40–63.

II. ANALYSIS

A. Burdens of Proof

To prevail in its challenges, Chanel must prove unpatentability by a preponderance of the evidence. 35 U.S.C. § 316(e) (2018); 37 C.F.R. § 42.1(d) (2018); *see also Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) ("In an [*inter partes* review], the petitioner has the burden from the onset to show with particularity why the patent it challenges is unpatentable."). This burden of persuasion never shifts to Molo.[13] *See Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015) (discussing the burdens of proof in an *inter partes* review).

B. Level of Ordinary Skill in the Art

Chanel argues, with support from its declarant, Mr. Rake, that one skilled in the art during the relevant time frame "would have a bachelor's degree and at least 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." Pet. 21–22 (citing Ex. 1003 ¶¶ 42–46). Molo does not contest Chanel's definition, and Mr. Rake agrees that it accurately reflects the level of skill in the art. *See* Pet. Reply 1 ("The parties agree on the POSITA and level of ordinary skill in the art."); Ex. 2010 ¶ 34 ("I believe this is an accurate definition of a POSITA and

[13] Although occasionally we may focus on Molo's arguments, we do not shift the ultimate burden from Chanel. We focus on Molo's arguments simply to identify issues in dispute, some of which we find unpersuasive in view of the record as a whole.

have used this for my analysis."). Because Chanel's definition of the level of skill in the art appears reasonable and consistent with the '161 patent and the prior art, we adopt it for purposes of our analysis.

C. Claim Construction

Pursuant to 37 C.F.R. § 42.100(b), we apply the claim construction standard set forth in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc). That is, the words of a claim 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).

1. Chanel's claim construction positions in the district court

Chanel argues 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. 22–23. Molo responds that Chanel's refusal to expressly construe any claim terms in this proceeding "directly conflicts" with Chanel's position in the parallel district court action, where Chanel proposed an express construction for the claim terms "end panels" and "operable," and argued that the term "flaccid" is indefinite. PO Resp. 17–18. According to Molo, by advancing "contradictory" claim construction positions before us and the district court and "[b]y failing to reconcile these positions, [Chanel] has not met its burden to demonstrate how the [claim] terms should be construed as required by the Board's regulations." *Id.* at 19; *see also id.* at 17 (citing 37 C.F.R. § 42.104(b)(3)).

We disagree that Chanel advances contradictory positions before us and the district court. Although Chanel may elaborate on its construction of certain claim terms in the parallel district court action more so than it does here, 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 before the district court—"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 claim terms to the district court, while simply saying here that the meaning of those terms is readily apparent from the prior art or that no express construction is needed because the prior art discloses the disputed limitations under any construction. We see no reason to incentivize Chanel to create claim construction issues that have no bearing on the challenges in the Petition. And because we can resolve the issue of whether Chanel meets its burden of proving unpatentability 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.

2. "freestanding"

Independent claims 1 and 2 require that the claimed extensible wall be "freestanding . . . whilst maintaining its vertical extent." Notably, neither Chanel nor Molo disputes our preliminary construction of the term "freestanding" to mean "standing alone free of support or attachment," as set forth in our Institution Decision. *See* PO Resp. 19–20 ("Patent Owner does not dispute the Board's determination and has applied the Board's interpretation of 'freestanding' as basis for [its] arguments set forth herein."); Pet. Reply 23 ("It is undisputed that 'freestanding' means 'standing alone free of support or attachment.'").

The meaning of "freestanding" set forth in our Institution Decision is consistent with the Specification and prosecution history of the '161 patent. For instance, during prosecution, the applicants rebutted the Examiner's finding that "supports are required for the structure to be freestanding" by representing that "the extended wall, *which is the structure itself*, is freestanding when the base of the wall is placed on the floor of a room" and is "*without supports*." Ex. 1002 at 185, 190 (first emphasis added). Based on that representation—that the expanded structure is capable of standing on its own without additional supports that are not part of the structure itself—the Examiner allowed the claims. *See id.* at 192.

The Specification also supports that the expanded structure is freestanding in the absence of additional supports due to foldable supports 14 and 16 being adhered to end panels 18d at opposite ends of the core so as to be part of the structure itself—

> An end panel 18*d* of the core is connected to respective ones of the supports 14 and 16 over its entire width. The supports 14 and 16 are made from a self-supporting material, typically a

> non woven felt material, which has a degree of flexibility but also has sufficient rigidity to resist collapse of the core 12. The supports 14 and 16 extend laterally beyond the core as indicated at 32 and are adhered to respective ones of the end panels 18*d*.
>
> * * *
>
> Once partially extended, the supports 14 and 16 may be folded along a vertical axis to provide enhanced rigidity at each end of the partition 12.
>
> * * *
>
> [T]he supports 14, 16, at the free ends of the partition [are] folded upon themselves to provide stable support.

Ex. 1001, 4:50–61, 5:12–14, 5:57–59. With that intrinsic evidence in mind, we maintain the construction in our Institution Decision that the term "freestanding" means "standing alone free of support or attachment."

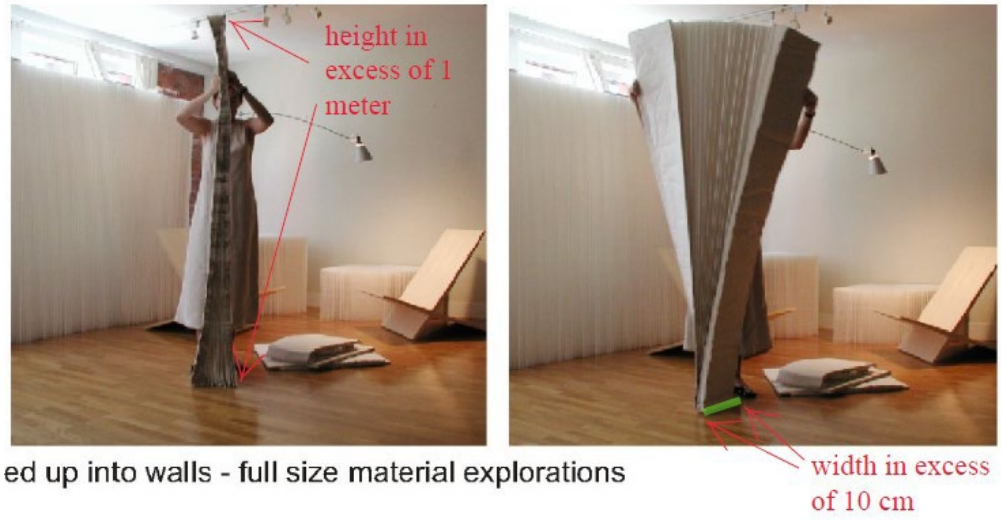
D. Anticipation Based on SoftHousing I

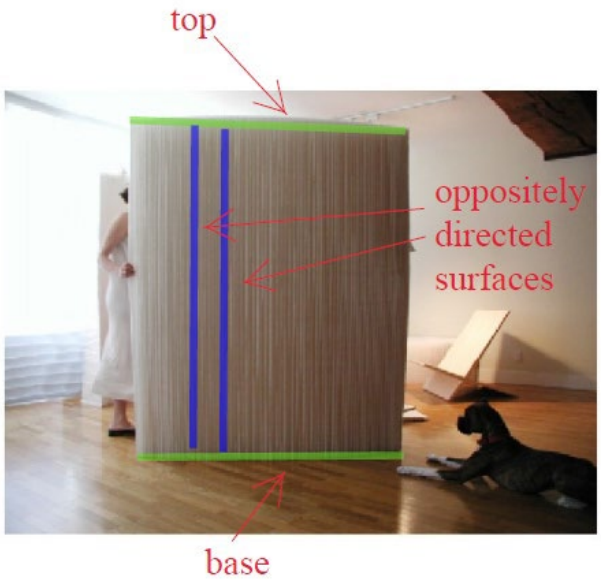
1. Claims 2, 6, 7, 8, 10, 12, and 14

We begin with Chanel's challenge that independent claim 2 is unpatentable as anticipated by SoftHousing I. Pet. 23. In particular, Chanel contends that a series of images from SoftHousing I, reproduced below, show a softwall prototype that satisfies each of the recited steps of method claim 2. *See id.* at 23–27 (citing Ex. 1003 ¶¶ 64–66, 101–109).



Blankets of honeycomb tissue being opened up into walls - full size material explorations

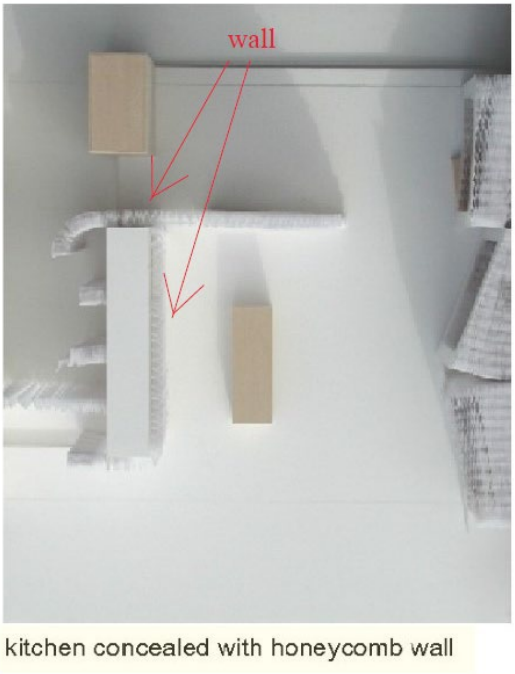


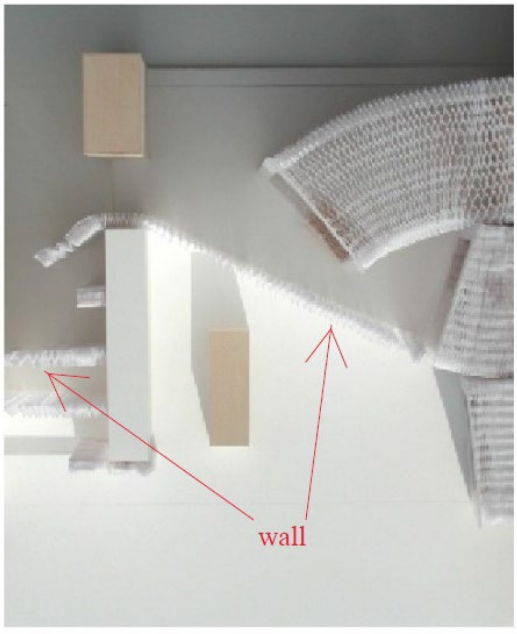


According to Chanel, the above images depict a "freestanding" wall under our interpretation of that term, i.e., a wall that is "standing alone free of support or attachment." Pet. 27. It is undisputed that, as shown in those images, one of the inventors of the '161 patent, Ms. Forsythe, is expanding a "softwall" prototype so as to position it on the floor. We also note that Chanel does not rely on the *softblock* prototypes in the background of the above images, presumably because they indisputably lack "a height of at least 1 meter," as also required by claim 2. *See id.* at 23–27, 33–37; *see also*

Hrg. Tr. 9:6–11 (confirming that Chanel is "relying on the taller prototypes" where "the claims require at least one meter of height"). Indeed, the Petition never references the "softblock" embodiment in mapping the images of SoftHousing I to claim 2, and, instead, annotates only aspects of the taller "wall" embodiment as meeting the claim limitations. *See id.* To the extent Chanel later argues in its reply brief that the "softblock" prototype depicted in SoftHousing I is "freestanding," we reject that argument as raising a new ground/embodiment not previously argued in the Petition. *See, e.g.*, Pet. Reply 23–25.

Chanel also points to two additional images in SoftHousing I, reproduced below, contending that they also disclose softwalls that are "freestanding." Pet. 24; *see also* Pet. Reply 24 ("The photographs were staged so that the expanded structures appear to be freestanding.").





Molo responds that none of the images in SoftHousing I depicts "a substantially straight freestanding wall configuration, whilst maintaining its

vertical extent," as recited by claim 2. *See* PO Resp. 22–26. According to Molo, the SoftHousing I images show that "Ms. Forsythe (one of the inventors of the '161 Patent) is either holding up the structure for support, or the structure is affixed to a wall for support." *Id.* at 23–24. In support, Molo submits the testimony of the two inventors of the '161 patent, Ms. Forsythe and Mr. MacAllen.

As for Chanel's reliance on the *softwall* images in SoftHousing I, we agree with Molo that none of those images depicts "a substantially straight freestanding wall configuration, whilst maintaining its vertical extent," as recited by claim 2. Nor would one skilled in the art have understood them as such. Instead, the images appear to show that the softwall is being held by a person to avoid collapse or attached to a permanent wall to avoid collapse. Indeed, both inventors of the '161 patent, Mr. MacAllen and Ms. Forsythe, corroborated that the images in SoftHousing I depict "early prototypes" that "did not have folding end panels or supports, which [were] only developed later," and, thus, the prototypes "were not self-supporting or vertically stable standing on their own, rendering them prone to collapse." Ex. 2007 ¶ (xi), Ex. 2006 ¶ (xi), respectively.

Similarly, under questioning from Chanel's counsel, Mr. MacAllen described the images in SoftHousing I as follows:

> Q. On the right side of this photo, is that an expanded softwall prototype?
>
> A. It is.
>
> Q. And in the background left of this photo, is that an expanded softblock prototype?
>
> A. It is.
>
> Q. So am I correct that you had prototypes of both softwall and softblock as of 2002?
>
> A. Yes.

> Q. In paragraph 11 of your affidavit you write "These early prototypes did not have folding end panels or supports, which we only developed later." Do you see that?
>
> A. Yes.
>
> Q. What did you mean by that?
>
> A. *The early prototypes simply had no other -- they had no means of self-support. They didn't have end panels. They didn't have folding end panels. They didn't have any kind of end panels.*
>
> * * *
>
> Q. What do you mean by "end panels" in this context?
>
> A. End panels would be what we later developed to make the softwalls stand on their own.
>
> Q. Did you mean that these prototypes did not have end panels that were different from the panels that formed the core of the structure?
>
> A. Correct.
>
> Q. Could the ends of these prototypes be folded in a tubular configuration?
>
> A. We know -- we know now that they could be.
>
> * * *
>
> Q. You also write in paragraph 11 that these prototypes were not self-supporting or vertically stable standing on their own, rendering them prone to collapse. What did you mean by that?
>
> A. *They were unstable and would easily fall over.*

Ex. 1049, 24:8–25:2, 26:21–27:6, 28:7–13 (emphases added).

That testimony by Mr. MacAllen confirms what the images in SoftHousing I already show, namely, the softwall is being held up by a person or is attached to another structure.[14] Despite that evidence, Chanel

[14] We previously noted in our Institution Decision that Molo's inventor testimony was unpersuasive because it failed to account for how *one skilled in the art* would have understood SoftHousing I. *See* Inst. Dec. 14 n. 14. Now that Chanel's cross-examination of the inventors is part of the record,

contends that the images "were staged so that the expanded structures appear to be freestanding." *See* Pet. Reply 24. But Chanel's contention in that regard lacks evidentiary support or other citation to the record.[15] If anything, the fact that Ms. Forsythe appears in the images and is clearly shown holding the ends of the softwall would have informed the viewer that some support was needed to hold up the softwall, otherwise why have Ms. Forsythe in the image at all. So, in our view, the images in SoftHousing I likely would have suggested to one skilled in the art that the softwall prototypes depicted therein are not standing alone free of support or attachment.

Chanel attempts to make much of the fact that Mr. MacAllen "never disclosed" that the softwalls in SoftHousing I "were prone to collapse." Pet. Reply 25. But the fact that Mr. MacAllen may have neglected to disclose certain information about the softwalls depicted in SoftHousing I is irrelevant. The relevant inquiry is more about what the images *disclose* than what they do not. To that end, one skilled in the art looking at the images in SoftHousing I would have seen Ms. Forsythe holding the ends of the softwall prototype, which reasonably would have raised a concern about whether the softwall prototype would collapse in the absence of her grip, especially given the accompanying description of the softwall prototype as

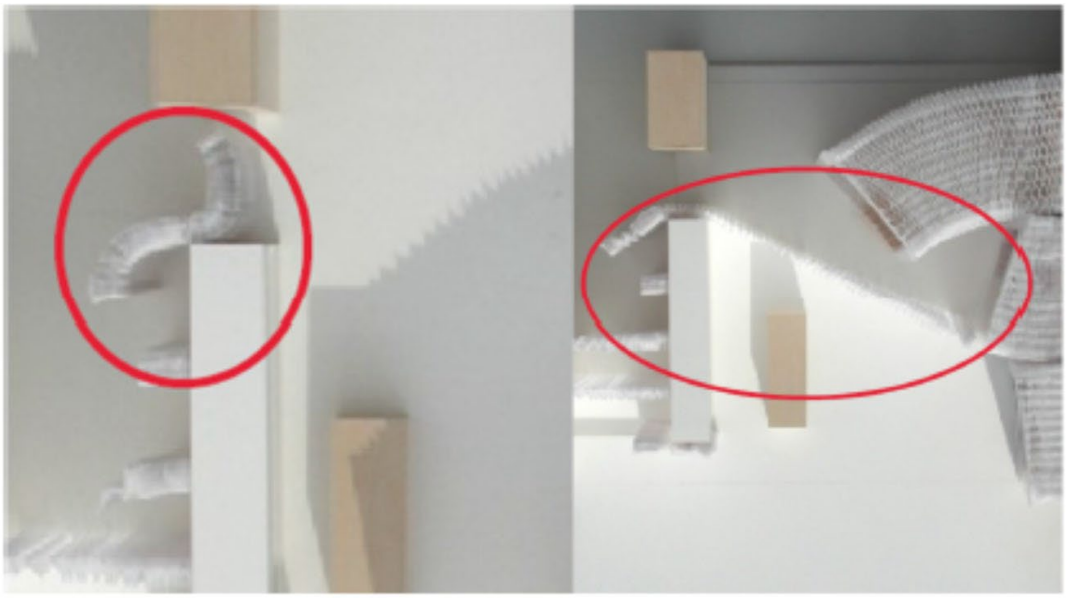
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we find that the inventor testimony more clearly reflects what one skilled in the art would have gleaned from the images in SoftHousing I.

[15] To the extent Chanel points to the testimony of Ms. Forsythe and Mr. MacAllen that "the shorter softblock prototypes were, in fact, freestanding," we are not persuaded. *See* Pet. Reply 24. That is because the Petition did not rely on SoftHousing I's *softblock* embodiment when challenging the claims.

comprising "soft, flexible honeycomb structures" made of "white tissue paper." Ex. 1005 at 1 n.*.

Chanel also argues that two additional images in SoftHousing I, reproduced below, "show softwalls that appear to be freestanding." Pet. Reply 24. Those images, however, clearly show the softwall prototype either attached to or leaning against what appears to be a solid-white permanent wall. Thus, based on what those images plainly show, we find it doubtful that one skilled in the art would consider the softwall prototypes depicted therein to be freestanding, or as properly construed, standing alone free of support or attachment.



Mr. MacAllen indeed confirms that the softwall prototypes in the above images were attached to the solid-white permanent wall. Under questioning, Mr. MacAllen explains the images as follows:

> Q. So the prototype softwalls are surrounding the kitchen in this layout?

> A. Yeah. The prototype softwalls are all attached to the permanent kitchen structure, which is a permanent self-supporting structure.
>
> Q. This softwall on the -- shown above the kitchen in this aerial view; is that attached to the kitchen?
>
> A. Yeah, that prototype is attached to the kitchen.
>
> Q. Where is it attached to the kitchen?
>
> A. It's attached at the top. Its base is attached at the top, correct.
>
> Q. The portion that abuts up against the kitchen rectangle?
>
> A. Yes.

Ex. 1049, 49:17–50:7.

We find that testimony persuasive and credible. Each image clearly depicts the softwall prototype in contact with the solid-white kitchen wall. Moreover, looking at the images in conjunction with the description of the softwall prototypes depicted in SoftHousing I—"soft, flexible honeycomb structures," "white tissue paper," and "material is like a curtain"—one skilled in the art would have been left with the distinct impression that the softwall prototypes are too flimsy to support themselves unless attached to a permanent kitchen wall or some other structure. Ex. 1005 at 1–2.

In sum, we determine that a preponderance of the evidence weighs against finding that SoftHousing I anticipates independent claim 2. Chanel does not persuade us otherwise. And because challenged claims 6, 7, 8, 10, 12, and 14 depend from claim 2, Chanel likewise fails to demonstrate they are anticipated by SoftHousing I.

2. Dependent Claims 12 and 14

Aside from their dependency on claim 2, we also find unpersuasive Chanel's arguments and evidence for why dependent claims 12 and 14 are anticipated by SoftHousing I. Claims 12 and 14 require that the

"freestanding wall" of claim 2 include "a pair of supports at opposite ends of said core, . . . said supports being self-supporting to provide rigidity to said core." Ex. 1001, 17:38–43, 46–47. Attempting to overcome the lack of any disclosure in SoftHousing I of a "freestanding wall," Chanel annotates the images in SoftHousing I to allegedly show "supports" on the ends of the honeycomb core from which the softwall prototype is made. Pet. 30. Chanel's annotations of the SoftHousing I images are reproduced below.



We reject Chanel's annotation of the above images as wholly unsupported and exceedingly misleading. Not only does Chanel's annotation improperly inject a claim element into the images that is plainly not there, but the evidence as a whole indicates the contrary. For instance, as described in SoftHousing I, the softwall prototype is constructed of "white tissue paper." Ex. 1005 at 1 n.*. Consistent with that description, the above images to the left and center show the softwall protype in a collapsed state at the feet of Ms. Forsythe, much like a folded blanket. That is hardly indicative of end faces that provide rigidity. And although the image to the right shows the softwall prototype standing upright, it is unclear how much of the structure is being propped up by Ms. Forsythe given that only one of her hands is gripping the end of the softwall while her other hand is hidden from view and could very well be propping up the rear of the softwall.

Moreover, as confirmed in sworn declarations from Ms. Forsythe and Mr. MacAllen, the so-called "supports" that Chanel annotates into existence were not present in the softwall prototypes depicted in SoftHousing I. *See* Ex. 2006 ¶ xvii; Ex. 2007 ¶ xvii. According to their declarations, the softwall prototypes "did not have folding end panels or supports" but were "prone to collapse" when left to stand on their own. *Id.* We find that testimony persuasive, as it is consistent with what the above images plainly show—that the end faces of the honeycomb core are flimsy and lack sufficient rigidity to stand on their own, especially given their collapsed state at the feet of Ms. Forsythe.

Based on the evidence as a whole, we reject the notion that SoftHousing I discloses "supports . . . being self-supporting to provide rigidity to said core," as required by dependent claims 12 and 14. As such, Chanel does not demonstrate by a preponderance of the evidence that dependent claims 12 and 14 are anticipated by SoftHousing I.

E. Obviousness Based on SoftHousing I–III, Arens, and/or Okuno

Chanel challenges claims 1–10, 12, 14, and 18 as obvious over SoftHousing I in combination with SoftHousing II and III,[16] Arens, and/or Okuno. *See* Pet. 7, 32. This obviousness challenge is somewhat misleading, however, because it really consists of three separate challenges in which Chanel discusses:

[16] It is undisputed that SoftHousing II and III describe the same expansible softwall as that described in SoftHousing I. *See* Pet. 14 ("*SoftHousing III* includes some of the same images as *SoftHousing I* and *II*"), 32 ("A POSITA would have been motivated to combine the *SoftHousing I–III* publications because they concern the same prior art product/project.").

> (1) only SoftHousing I and Arens in challenging independent claim 1 and dependent claims 3–5 (*see id.* at 33–42);
> (2) only SoftHousing I in challenging independent claim 2 and dependent claims 6–10, and 18 (*see id.* at 39, 42, 44); and
> (3) only SoftHousing I and Okuno in challenging dependent claims 12 and 14 (*see id.* at 43–44).

Aside from identifying SoftHousing II and III as a basis for obviousness, nowhere does Chanel otherwise substantively discuss SoftHousing II and III in conjunction with specific elements of the challenged claims. *See id.* at 32–44. As such, we address this obviousness challenge only as particularly discussed in the Petition. For the reasons discussed below, this obviousness challenge, which relies primarily on SoftHousing I, fares no better than Chanel's anticipation challenge based on the same reference.[17]

1. Independent Claim 1

As mentioned above, Chanel's obviousness challenge of claim 1 identifies only SoftHousing I and Arens as teaching the various claim elements. *See* Pet. 33–39. Just as it did in arguing anticipation of claim 2, Chanel's obviousness challenge of claim 1 relies solely on images in SoftHousing I for teaching the "freestanding wall" element. *Compare* Pet. 24–27 (anticipation challenge of claim 2), *with id.* at 33–37 (obviousness challenge of claim 1). But Chanel's arguments and evidence for why SoftHousing I discloses the "freestanding wall" of claim 1 are no more persuasive to prove obviousness than when Chanel posed them in a failed

[17] Because these SoftHousing I-based obviousness challenges fall short in demonstrating unpatentability of the challenged claims, we need not reach Molo's objective indicia of non-obviousness, which Molo asserts only in support of independent claims 1 and 2. *See* PO Resp. 61, 64 (arguing nexus only with respect to claim 2); PO Sur-Reply 26–27, 32 (arguing nexus only with respect to claims 1 and 2).

attempt to show anticipation of claim 2. Nor does Chanel's reliance on Arens for the "fastener" element of claim 1 cure the deficiency in SoftHousing I's disclosure of the "freestanding wall" element. *See* Pet. 38–39. Thus, we determine that Chanel fails to demonstrate by a preponderance of the evidence that claim 1 would have been obvious over SoftHousing I and Arens.

2. Independent Claim 2

Chanel's obviousness challenge of claim 2 is no different from its anticipation challenge of the same claim, relying solely on SoftHousing I with reference back to its anticipation challenge. *See* Pet. 39 ("*SoftHousing I* discloses the elements of claim 2, as explained in VIII.A.1."). Short of any new argument or evidence, Chanel's challenge of claim 2 as obvious over SoftHousing I alone fails for the same reasons discussed above with respect to Chanel's anticipation challenge of claim 2. Thus, Chanel fails to demonstrate by a preponderance of the evidence that claim 2 would have been obvious over SoftHousing I.

3. Dependent Claims 3–10 and 18

Claims 3–10 and 18 depend ultimately from claim 2. Chanel relies on only SoftHousing I to challenge dependent claims 3, 4, 6–10, and 18, and relies on SoftHousing I and Arens to challenge dependent claims 3 and 5. *See* Pet. 39–44. In doing so, Chanel does not present any new arguments or evidence that cures the deficiency in SoftHousing I's disclosure as to the "freestanding wall" limitation of claim 2, from which these claims depend. *See id.* As such, Chanel's challenge of these dependent claims fails for the same reasons as its challenge of independent claim 2. Thus, we reject the notion that a preponderance of the evidence shows that these dependent

claims would have been obvious over SoftHousing I either alone or in combination with Arens.

4. Dependent Claims 4 and 5

An additional reason exists for why dependent claims 4 and 5 are not obvious over SoftHousing I. Claims 4 and 5 recite, respectively, that "opposite ends of said core are flexible and are in *a tubular configuration about an axis parallel to said major faces*" and "at least one fastener positioned at each of said opposite [] ends to maintain said tubular configuration." Ex. 1001, 17:18–24 (emphasis added). Chanel concedes that SoftHousing I does not expressly teach these dependent limitations, but relies heavily on the knowledge of one skilled in the art at the time. *See* Pet. 40–41; *see also* Pet. Reply 27–28 ("an ordinary part of basic design training is experimenting with paper and cardboard folding to enhance structure"). According to Chanel, one skilled in the art "would have understood that the *supports in SoftHousing I* . . . are flexible enough to be folded into various configurations if desired" and "would have been motivated to fold the supports into a tubular configuration [1] for functional reasons, such as when additional stability was desired, and/or [2] for aesthetic reasons." Pet. 40–41 (emphasis added); *see also* Pet. Reply 28 (citing Ex. 1003 ¶ 136).

We disagree on both counts. Chanel's justification for folding the end panels of SoftHousing I into tubular supports finds absolutely no support in the record, and instead, amounts to impermissible hindsight. More specifically, Chanel's first justification—"functional reasons"—most certainly is derived from the '161 patent itself, which states unequivocally that "supports 14 and 16 may be folded along a vertical axis to provide enhanced rigidity at each end of the partition 12." Ex. 1001, 5:12–14.

Nowhere does Chanel or its declarant, Mr. Rake, point us to any teaching in SoftHousing I or other prior art indicating that folding the end panels of a honeycomb-like structure into tubular supports was known to enhance its structural integrity.

Instead, Chanel's sole evidence for modifying SoftHousing I, be it for functional or aesthetic reasons, is the unsupported and conclusory opinion testimony of Mr. Rake. *See* Pet. 40–41 (citing Ex. 1003 ¶¶ 134–137). But nowhere does Mr. Rake provide any evidentiary support for his conclusions. Instead, he simply opines generally on the limits of folding paper effectively—"[T]here's kind of a limit to how you can manipulate paper effectively, and one of the things you do is fold it. That's, like, first off. Take a piece of paper, it has no structure, no strength, and you put a fold in it, and you can probably stand it on a – on a desk." Ex. 2011, 200:3–14. But that testimony says nothing about folding paper into a tubular shape, let alone folding end panels of a honeycomb structure into a tubular shape. As such, we reject the notion that Mr. Rake's testimony provides credible support for modifying the paper-like end panels of SoftHousing I into tubular supports.

Nor does Chanel's reliance on Arens for teaching the "fastener" element of dependent claim 5 cure the deficiency in SoftHousing I's disclosure of the "tubular configuration" element. *See* Pet. 41–42. Thus, we conclude that Chanel fails to demonstrate by a preponderance of the evidence that claims 4 and 5 are unpatentable as obvious over SoftHousing I and Arens.

5. Dependent Claims 12 and 14

In challenging dependent claims 12 and 14 as obvious over SoftHousing I and Okuno, Chanel refers back to its anticipation argument and repeats its assertion that "*SoftHousing I* discloses the elements of claims 12 and 14." Pet. 43. As discussed above, the evidence of record does not support that SoftHousing I alone discloses "a pair of supports at opposite ends of said core, . . . said supports being self-supporting to provide rigidity to said core," as required by dependent claims 12 and 14. Perhaps understanding that shortcoming, Chanel additionally argues that "Okuno discloses a pair of supports made of a non-woven material that satisfy the elements of claims 12 and 14" and that one skilled in the art would have been led to combine the teachings of SoftHousing I and Okuno because "both focus on flexible expandable honeycomb furniture." *Id.* According to Chanel, Okuno's supports, made of cardboard or aluminum, "have sufficient rigidity to resist collapse of the core when the article is in an expanded configuration." *Id.* at 43–44 (citing Ex. 1011 at 2).

Unlike SoftHousing I, Okuno discloses rigid supports—namely, "substrates 1, 1"—for a honeycomb structure. *See* Ex. 1011 at 2, Fig. 1. However, Chanel fails to explain why one skilled in the art would have looked to Okuno's lampshade to modify a partition wall as disclosed in SoftHousing I. Although Chanel states that both are constructed of honeycomb structures, so too are many other objects, including beehives, window shades, collapsible containers, and expandable benches, chairs, and tables. *See* Ex. 1003 ¶ 55. So, it was incumbent on Chanel to state a more compelling reason for combining the teachings of SoftHousing I and Okuno than simply they share a common material, i.e., a honeycomb-like core.

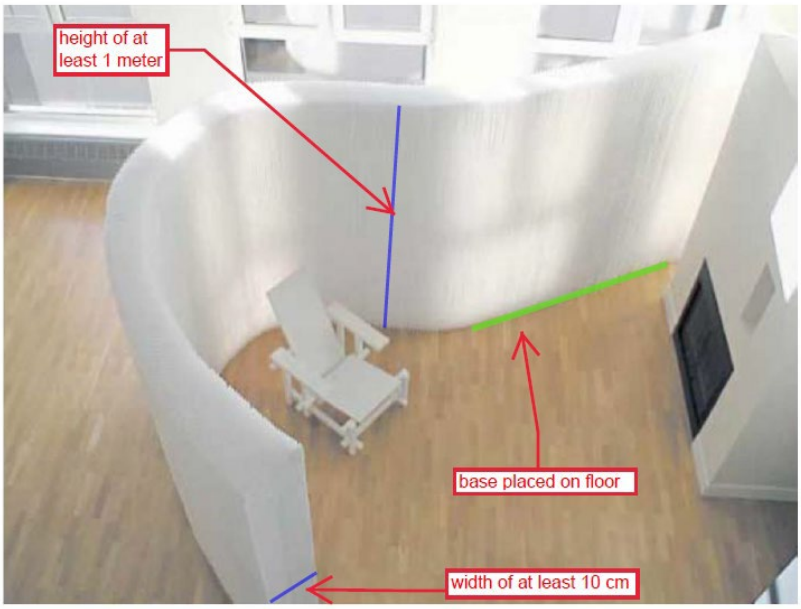
Indeed, conspicuously absent from Chanel's evidence is any testimony from Chanel's declarant, Mr. Rake, regarding a reason to combine Okuno with SoftHousing I. *See* Ex. 1003 ¶ 141 (relying solely on SoftHousing I for teaching the subject matter of claims 12 and 14); *see also* Pet. 43–44 (lacking citation to Mr. Rake's declaration).

Without more, we are not persuaded that Chanel articulates sufficient reasoning with rational underpinning for combining Okuno's teachings with SoftHousing I. Thus, we determine that Chanel fails to demonstrate that dependent claims 12 and 14 would have been obvious over SoftHousing I and Okuno.

F. The SoftWall-Based Challenges (Claims 1–10, 12, 14, and 18)

Chanel relies on SoftWall as a basis for both anticipation and obviousness, asserting that claims 2, 6, 8, 10, 12, and 14 are unpatentable as anticipated by SoftWall alone and that claims 1–10, 12, 14 and 18 are unpatentable as obvious over SoftWall in combination with SoftHousing I–III, Arens, and/or Okuno. *See* Pet. 44–59 (referencing Ex. 1028). It is undisputed that "Softwall is essentially the exact same disclosure as the SoftHousing references," but with "a different image." Hrg. Tr. 48:2–3; *see also* Pet. 51–52 ("*Softwall* expressly references Soft House and explains that it 'utilizes the same honeycomb structure.'"). So, similar to the SoftHousing-based challenges, the parties dispute only whether SoftWall discloses a "freestanding wall configuration, whilst maintaining its vertical extent," as required by independent claims 1 and 2. *See* Hrg. Tr. 21:6–7 (Chanel confirming as much); PO Resp. 42–46 (addressing only this claim limitation).

Chanel focuses on a particular image in SoftWall, reproduced below, as meeting the limitations of independent claims 1 and 2, including the "freestanding wall" limitation. *See* Pet. 47; Pet. Reply 14.



According to Chanel, "[t]he image in *SoftWall* shows a wall that is freestanding in the manner described by Applicants during prosecution of the '161 patent." Pet. 47–48, 53, 56 (citing Ex. 1002 at 185). In so arguing, Chanel attempts to infer that "freestanding" simply means "when the base of the wall is placed on the floor of a room," per a statement in the prosecution history of the '161 patent. Ex. 1002 at 185. But that tells only half the story. As explained above in our construction of the term "freestanding," that statement must be read in the context of the applicants' full exchange with the Examiner, where, in response to the Examiner's finding that "supports are required for the structure to be freestanding," the applicants responded not only that "the extended wall, which is the structure itself, is freestanding when the base of the wall is placed on the floor of a room" but also because it is "*without supports*." Ex. 1002 at 185, 190. Based on that

representation—that the extended structure is capable of standing on its own without additional supports not part of the structure itself—we construed the term "freestanding" to mean "standing alone free of support or attachment," a construction that Chanel never disputes. Thus, we reject Chanel's suggestion that SoftWall discloses a freestanding wall simply because the image shows the base of the extensible wall on the floor of a room.

Nowhere does SoftWall teach or otherwise suggest that the honeycomb structure depicted in the image is capable of standing on its own free of support or attachment per the proper meaning of "freestanding." Instead, the above image in SoftWall shows the honeycomb structure extending from the permanent wall adjacent the fireplace while the accompanying text describes the honeycomb structure as "compressible for storage" and "fold[ing] away when not in use," which, in our view, reasonably would have led one skilled in the art to believe the honeycomb structure is attached to the wall from which it can be pulled for use or stowed against when not in use. *See* Ex. 2010 ¶ 152. Indeed, Chanel's own declarant, Mr. Rake, did not deny the possibility of the honeycomb structure in SoftWall being attached to the wall—

> Q. Do you know if the wall [in Ex. 1028] that you identified in paragraph 144 [of Ex. 1003] is attached to some other structure?
> A. It might be. I can't – there's one end I can't see.

Ex. 2011, 138:21–139:2. In the absence of persuasive evidence to the contrary, i.e., that the honeycomb structure in the image is *not* attached to the wall, Chanel's argument with respect to the SoftWall image appears to be speculative and conclusory.

To the extent Chanel argues that the inventor of the '161 patent, Mr. MacAllen, admitted that the softwall prototype in the above image was

capable of "standing on its own," we are not persuaded. *See* Pet. Reply 14–15 (citing Ex. 1049, 57:18–20). Mr. MacAllen expressly qualified that statement by adding that the softwall could stand on its own only "[v]ery temporarily." Ex. 1049, 57:18–20. That is because, as Mr. MacAllen explained, the expanded softwall prototypes were "prone to collapse" when left to stand on their own, meaning "[t]hey were unstable and would easily fall over." *Id.* at 28:3–13. Indeed, Mr. MacAllen testified that the softwall prototypes were simply part of "an ideas competition" that motivated him and Ms. Forsythe "to find a way to support the wall from collapse," which was the addition of "folding end panels to [the] softwall prototype." *Id.* at 41:4–11, 53:5–54:5. It is undisputed that the softwall prototype depicted in SoftWall lacks folding end panels. *See id.* at 57:11–17. So, while the softwall prototype may have been capable of standing on its own for a few seconds, the fact that it collapses immediately upon being left on its own would hardly be viewed as "a freestanding wall" that "maintain[s] its vertical extent," as required by independent claims 1 and 2.

In sum, despite Chanel's arguments to the contrary, the proffered evidence does not persuade us that SoftWall discloses or otherwise suggests an extensible wall that stands on its own free of support or attachment. Thus, we conclude that Chanel fails to demonstrate by a preponderance of the evidence that claims 2, 6, 8, 10, 12, and 14 are unpatentable as anticipated by SoftWall alone, or that claims 1–10, 12, 14 and 18 are unpatentable as obvious over SoftWall in combination with SoftHousing I–III, Arens, and Okuno, none of which cure the deficiency of Softwall.

G. The MacAllen-Based Challenge (Claims 19–25 and 27)

Chanel asserts that independent claims 19, 22, 23, and 27 (and their respective dependent claims) are unpatentable as obvious over the combined teachings of MacAllen, Stratton, Fischer, Reisenthel, Tolna, and/or EnduroFence. Pet. 59–82. In doing so, Chanel relies on MacAllen for teaching all the elements of independent claims 19, 22, 23, and 27, including a "freestanding wall," but concedes it lacks the "two vertical support" limitations of the claims. *Id.* at 64–71 (claims 19 and 22), 77–80 (claims 23 and 27). For the "vertical support" limitations, Chanel points to teachings in Stratton, Fischer, Reisenthel, Tolna, and EnduroFence. *See id.* at 64–66, 68–70. According to Chanel, one skilled in the art would have been motivated to add the vertical supports taught by those references to partition walls such as MacAllen's in order

> to fortify the structures and help them maintain a particular position or configuration . . . in a high-traffic location [where they] may be frequently bumped by passers-by . . . especially if the partition is made out of lightweight material such as that disclosed in *MacAllen*.

Id. at 66–67; *see also id.* at 70–71 (stating additional reasons).

Notably, Molo does not dispute that MacAllen discloses all the elements of claims 19–25 and 27, except for the "vertical support" limitations of the claims. *See* PO Resp. 48, 56. Nor does Molo dispute that Stratton, Fischer, and Reisenthel teach providing vertical supports for a flexible partition and that Tolna and EnduroFence teach providing voids or pockets within a partition for the insertion of vertical supports. *See id.* at 48–50, 53, 55–56. Rather, Molo's sole issue with the asserted combination centers on whether one skilled in the art would have undertaken to add the

vertical supports taught by these references to MacAllen's wall. *Id.* Molo argues they would not have undertaken to do so because MacAllen already teaches using tubular supports as means of support for its freestanding and stackable wall, and, thus, does "not need assistance to maintain a particular position or configuration." *See id.* at 51; *see also id.* at 56–58 (arguing essentially same).

We find that Chanel has the more persuasive position. Chanel clearly explains that the use of intermittently-spaced vertical supports in a flexible partition was "well-known in the art for decades," as taught by Stratton, Fischer and Reisenthel, and that, even though a partition may have the ability to stand on its own, one skilled in the art nonetheless would have understood that it may tip over or otherwise be moved out of position when subjected to "airflow or physical contact" in particular applications. Ex. 1003 ¶¶ 86, 88. In such cases, one skilled in the art reasonably would have been led to use vertical supports in order to reinforce the partition against such forces and maintain its upright and positional configuration. *Id.* ¶ 88–89. Indeed, Chanel's declarant, Mr. Rake, describes a particular application that would benefit from adding vertical supports even where the partition can stand on its own: "a POSITA would understand that a dressing room—a high-traffic area that has a high probability of unanticipated contact between individuals and the partition—may require a vertical support to maintain the partition in its desired shape." *Id.* ¶ 92. In that case, the functional reason of additional stability would have led one skilled in the art to add vertical supports.

As further reasoning, Mr. Rake explains that a partition capable of standing on its own may nonetheless require additional supports in order to

counteract "varying degrees of 'position memory'—the tendency of something to revert back to a given shape"—depending on the desired expansion and curvature of the expandable partition. *Id.* ¶ 90. One skilled in the art also would have understood that "recessing the support into the body" of the partition provides "an aesthetic benefit of a more pleasing appearance" and "a functional benefit of reducing the risk of a tripping hazard." *Id.* ¶ 91. To that end, we find that the vertical supports in Stratton, Fischer, Reisenthel, Tolna, and EnduroFence not only enhance stability of the partition but also provide mobility to change the partition's shape and invisibility to maintain the partition's attractiveness. In other words, modifying MacAllen to add vertical supports for their known and intended purpose amounts to nothing more than the predictable use of known elements according to their established function. *See KSR Int'l Co. v. Teleflex Inc.,* 550 U.S. 398, 401 (2007).

In sum, Chanel provides sufficient reasoning with rational underpinning for why one skilled in the art would have undertaken to add vertical supports to the wall of MacAllen. *See* Pet. 64–67 (citing Ex. 1003 ¶¶ 86–92, 192–197). Notably, Molo does not present any objective indicia of non-obviousness in support of the patentability of claims 19–25 and 27. *See* PO Resp. 61, 64 (arguing nexus only with respect to claim 2); PO Sur-Reply 26–27, 32 (arguing only that "claims 1 and 2 of the'161 patent are coextensive with softwall + softblock products"). As such, we conclude that Chanel demonstrates by a preponderance of the evidence that the asserted combination of MacAllen with Stratton, Fischer, Reisenthel, Tolna, and/or EnduroFence renders obvious claims 19–25 and 27.

III. CONCLUSION

For the above reasons, we determine that Chanel fails to demonstrate by preponderant evidence that claims 1–10, 12, 14, and 18 of the '161 patent are unpatentable as anticipated under 35 U.S.C. § 102 or as obvious under 35 U.S.C. § 103. However, we determine that Chanel succeeds in demonstrating by a preponderance of the evidence that claims 19–25 and 27 are unpatentable as obvious under 35 U.S.C. § 103.

IV. SUMMARY

Challenged Claims	35 U.S.C. §	Basis	Claims Shown Unpatentable	Claims Not Shown Unpatentable
2, 6, 7, 8, 10, 12, 14	102	SoftHousing I		2, 6, 7, 8, 10, 12, 14
1–10, 12, 14, 18	103	SoftHousing I–III, Arens, Okuno		1–10, 12, 14, 18
2, 6, 8, 10, 12, 14	102	SoftWall		2, 6, 8, 10, 12, 14
1–10, 12, 14, 18	103	SoftWall, SoftHousing I–III, Arens, Okuno		1–10, 12, 14, 18
19–25, 27	103	MacAllen, Stratton, Fischer, Reisenthel, Tolna, EnduroFence	19–25, 27	
Overall Outcome			19–25, 27	1–10, 12, 14, 18

V. ORDER

Accordingly, it is:

ORDERED that claims 19–25 and 27 of the '161 patent have been proven to be *unpatentable*;

FURTHER ORDERED that claims 1–10, 12, 14, and 18 of the '161 patent have *not* been proven to be unpatentable; and

FURTHER ORDERED that, because this is a Final Written Decision, parties to this proceeding seeking judicial review of the Decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

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