**UNITED STATES INTERNATIONAL TRADE COMMISSION**
**Washington, D.C.**

**Before the Honorable Bryan F. Moore**
**Administrative Law Judge**

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| **In the Matter of**<br><br>**CERTAIN COMPACT WALLETS AND COMPONENTS THEREOF** | Investigation No. 337-TA-1355 |

**WITNESS STATEMENT OF DANIEL KANE ON BEHALF OF COMPLAINANT**

**Q1. Would you please introduce yourself to the Administrative Law Judge?**

A. My name is Daniel Kane, and I'm the Founder and Chief Product Officer of The Ridge Wallet LLC.

**Q2. What is The Ridge Wallet LLC?**

A. It's the company I started to sell one of my inventions, which is a slim, metal, front-pocket wallet.

**Q3. And when did you come up with that product?**

A. I came up with the first version in 2013.

**Q4. Please describe how you came up with the original version.**

A. Well, I wanted to avoid the bulk of a traditional folding wallet while still providing access to cards, IDs, and that kind of thing. So, I came up with a way to integrate elastic into the overall exoskeleton and provide a secure storage while providing a wallet that took up as little space as possible.

**Q5. Was there a way to hold cash in the original version of the Ridge Wallet?**

A. Yes, in the earliest versions we actually had external face plates that included an integrated money clip, for people that carried around cash as well as cards.

**Q6. What do you mean when you say "integrated?"**

A. "Integrated" referred to the fact that the money clip was either bent from the same piece of metal, or was welded onto the outside of the wallet. But, in either case, that money clip in the early versions of the product was not removable.



RIDGE EXHIBIT 2012
Shenzhen Pincan Tech. Co. Ltd. v. The Ridge Wallet LLC
IPR2024-00340

**Q7. Were there future versions of the product?**

A. Yes, there were. After the initial launch, which was via Kickstarter, we continued to work on product development in pretty much everything we did.

**Q8. What do you mean by that?**

A. Well, we were a young company that was introducing its first product. Our goal was to find something that people wanted to buy, and if what we had wasn't that, we wanted to make our product better. So, everything we did—from market research, to advertising, to fulfillment, to handling returns—all fed back into product development. We really thought of the product development work as an "all hands on deck" approach.

**Q9. Did that mentality apply for all employees?**

A. Yes. Especially in the earliest days of the company, literally everybody was doing product development. It was a very open group, so we would meet to talk about what was going on constantly, and the goal was always to find ways to make the product better. I sometimes use the word "ideate" —and that's what everybody was doing, all the time, in those early days.

**Q10. Did that ideation process lead to the additional variations of the wallet that you mentioned before?**

A. It sure did. Probably the biggest piece of product development work we did in those early days involved the invention of the technology that found its way into our first patent.

**Q11. Is that U.S. Patent No. 10,791,808, which is at issue in this case?**

A. Yes, it is.

**Q12. Do you know what exhibit number that document is marked as?**

A. Yes, the '808 Patent, as we refer to it, is marked as CX-0001.

**Q13. Who currently owns the '808 Patent?**

A. Ridge owns it. I assigned my rights as the inventor to the corporation.

**Q14. Did you do that in writing?**

A. Yes, I did. The assignment document is marked as CX-0002.



RIDGE EXHIBIT 2012
Shenzhen Pincan Tech. Co. Ltd. v. The Ridge Wallet LLC
IPR2024-00340

**Q15. Is that your signature on CX-0002?**

A. Yes, it is.

**Q16. What led to the filing of the '808 Patent?**

A. We realized that, while the money clip was a great feature, it was not perfect. Welding the money clip to the outside of the wallet, or making it integrated into the outermost panel, was just not something that the customers loved. So our ideation sessions led us to an invention where we redesigned the inner plates of the wallet so that they could accommodate a removable money clip. We came up with a design where the money clip could be sandwiched between the outer plate and the inner plate, and there were interlocking structures between the inner plate and the clip that would prevent the user from accidentally pulling the clip out of the wallet.

**Q17. Did that realization result from the product development work you discussed before?**

A. Oh yes. I was hearing feedback from the marketing and customer teams, among others, which led me to that new money clip realization.

**Q18. How did the marketplace like that new design?**

A. It was crazy—that really was our lightning in a bottle. We were doing pretty well before that, but when we went to the removable money clip variant, things really took off. We started selling wallets as fast as we could make them, and that design really just seemed to click with people.

**Q19. Did your product development efforts continue after that?**

A. Definitely. Even today, most of what we do touches on product development. We are always looking at what we put out into the marketplace in terms of both products and advertisements, and reviewing what we get back from the market in terms of purchasing decisions and explicit feedback. And, we use that information to figure out what the next big thing will be for Ridge.

**Q20. Have there been any developments you can specifically think of based on that work, but that occurred after the '808 Patent?**

A. Yes, for sure. The fact that we had that removable money clip allowed us to sell something that we call a "cash strap." So now, since the money clip can be removed and the wallet can be reassembled, a person can buy the wallet and switch back and forth between the money clip and the cash strap with the same "guts" of the wallet.



RIDGE EXHIBIT 2012
Shenzhen Pincan Tech. Co. Ltd. v. The Ridge Wallet LLC
IPR2024-00340

**Q21. What do you mean the same "guts?"**

A. The structures inside the wallet plates that engage with the money clip are always there, on every plate of every wallet we sell. So the wallets are always "ready" to have a money clip mounted in them. But, for people who would rather secure cash with the strap (or who don't want to carry cash at all), the money clip can easily be taken out and replaced or not used.

**Q22. And has that been popular?**

A. Absolutely. People really seem to like that flexibility. We sell lots of wallets that have both a money clip and a cash strap, and people seem to like that they can change back and forth as much as they want.

**Q23. Was there a patent that resulted from that design work?**

A. For sure. There is a continuation patent that covers the wallet with a cash strap, so the patent office apparently thought that invention was pretty good, too.

**Q24. You talked about "lightning in a bottle"—when would you say that occurred?**

A. It's hard to pinpoint an exact date, but the design we put into the '808 Patent was really the thing that seemed to take us from doing pretty well to doing so well we needed to expand the company drastically. It really felt like we had found something that people were looking for, but not getting from our prior designs.

**Q25. Is that still true today?**

A. It is. We sell our products at the highest price point of our competitors—we are the original and still the top, compact wallet in the space. And we can still charge a premium price because of it.

**Q26. Mr. Kane, what is your current title at Ridge?**

A. I am the Founder and Chief Product Officer.

**Q27. Has that always been true?**

A. No. Obviously, I have always been the founder, but for a while I was also acting as the Chief Executive Officer.

**Q28. So, is it fair to say you're pretty familiar with Ridge's business?**

A. Yes, absolutely. I've been very involved from the beginning.

**Q29. Would you say there is a mission statement at Ridge?**

A. Yes, we actually have a four-part mission statement that we developed very intentionally.

**Q30. And what is that?**

A. First, we strive to create with legacy in mind and make everyday more meaningful.

Second, we strive to use strong designs to solve problems.

Third, we always try to look to the best materials to improve our products.

And fourth, we strive to rethink and innovate better everyday carry worldwide.

**Q31. Does that mission statement, or its parts, apply to any specific grouping of employees?**

A. Not at all. To make our mission as effective as possible, we always try to listen to and consider product changes and design recommendations across the entire Ridge platform, regardless of team or job title. There really are no bright lines at Ridge where we say certain people do or do not have valuable product change and design recommendation inputs.

**Q32. Does Ridge have a facility you would consider to be the "main" office?**

A. Yes, we do. We have a building in Santa Monica where our Southern California employees tend to work from.

**Q33. Would you describe that facility to the ALJ?**

A. Sure. It's made up of two floors, and covers about 3800 square feet.

**Q34. What kinds of activities does Ridge do at that facility?**

A. The Santa Monica Facility is where Ridge performs product development, research and design, and returns, among other activities. And like I said, that's where the employees who work in that area go into the office when they are in an office. And when out of town employees are in Southern California, they usually stop by to work from the office.

**Q35. Do you recognize CPX-0005 and CPX-0006?**

A. Yep. They are both our Matte Olive Ridge wallet with a money clip.



RIDGE EXHIBIT 2012
Shenzhen Pincan Tech. Co. Ltd. v. The Ridge Wallet LLC
IPR2024-00340

**Q36. Do all the Ridge wallet products look the same with respect to the features at issue in the '808 Patent?**

A. Yes in part and no in part.

**Q37. Why do you say that?**

A. Well, the wallet marked as CPX-0005 has a money clip design that we refer to as the "bar" design. You can see on that product that a bar goes across the part of the money clip that is inside the wallet to provide for rigidity and resiliency. The other design is a three-prong design that doesn't have the bar; you can see that design in CPX-0006.

**Q38. Okay, why did you say "yes in part?"**

A. Because the internal design of the plates has always been the same since we first offered the modular money clip idea The money clips have always been designed to fit with the same plate design, so the money clip changes only required us to change the clip itself, not the guts of the wallet.

**Q39. Mr. Kane, are you familiar with the Ridge.com website?**

A. Yes, I am.

**Q40. Would you look at CX-0011 and confirm that is a set of printouts from the Ridge.com website?**

A. Yes, it is. It looks pretty recent, since that is the Hennessey sweepstakes wallet on the top there.

**Q41. And does CX-0011 describe features of the Ridge wallets?**

A. Yes, it does. Especially the last page describes some of the features of that Hennessey wallet, which are largely applicable to all of our wallets.

**Q42. Are you familiar with a brand called [redacted]**

A. Yes, I am.

**Q43. What is [redacted]**

A. That's a sub-brand we use to capture a different segment of the market.

**Q44. Do you recognize CPX-0007?**

A. Yep. That's the [redacted] version of the [redacted] wallet.

**Q45. Are all the [redacted] wallets the same?**

A. Yes. Other than the color of the outer plates, all the [redacted]-branded wallets look and work the same.

**Q46. Is the money clip design for the [redacted] wallets the same as for the Ridge-branded wallets?**

A. No, [redacted] uses a slightly different design. You can see that in CPX-0007, which has a design much more what we see in the knockoffs we come across.

**Q47. What do you mean by the "knockoffs we come across"?**

A. One of the biggest problems we face, and the reason this case was filed, is that there are lots of factories, mainly in China, that build knockoff products and sell them to companies for next to nothing. So a person with very little money or resources can go to these factories, set up a shell company, buy wallets that look like ours, and sell them on Amazon for way less than we sell our wallets. And then we have to try to play whack-a-mole using Amazon takedown efforts, lawsuits in district court, and the ITC to combat that. The [redacted] wallets' money clips look just like the knockoffs we most often see in the marketplace.

**Q48. Are you familiar with the active Respondents in this case, ARW and SWZA?**

A. I am. They are two of the knockoffs whose products look just like [redacted] products.

**Q49. What do you know about ARW and SWZA?**

A. I understand that they are Chinese companies who buy wallets from a factory, essentially off-the-shelf, and then stick a logo on them and re-sell through Amazon into the United States.

**Q50. Do the wallets infringe your '808 Patent?**

A. I'm no legal expert, but they sure seem like an exact copy of what I came up with when we filed the '808 Patent.

**Q51. So, to be clear – you believe that ARW's wallets infringe the '808 Patent?**

A. Yes, I do.

**Q52. And you believe that the SWZA wallets infringe the '808 Patent.**

A. Yes.



RIDGE EXHIBIT 2012
Shenzhen Pincan Tech. Co. Ltd. v. The Ridge Wallet LLC
IPR2024-00340

**Q53. Do you recognize CPX-0001?**

A. Yes, that's an ARW wallet, in its box, as we received it when we bought it before this case was filed.

**Q54. Do you recognize CPX-0002?**

A. Yes, same thing. That's a SWZA wallet, in its box, as we received it when we bought it before this case was filed.

**Q55. Do you know of the two non-responding respondents in this case, RossM and INSGG?**

A. Yes, of course. They are smaller knockoff companies who are also infringing our patents.

**Q56. And did Ridge purchase products from those Respondents prior to filing this case?**

A. Yes, we did.

**Q57. Have you seen those products?**

A. I sure have. They are standard fare knockoffs we see all the time, and again their designs match pretty closely with the [redacted] design in particular.

**Q58. Do you recognize CPX-0003?**

A. Yes, I do. It's a RossM wallet, in its box, as we received it when we bought it before this case was filed.

**Q59. Do you recognize CPX-0004?**

A. Yes, that one too. It's a INSGG wallet, in its box, as we received it when we bought it before we filed this case.

**Q60. Do you believe that RossM infringes the '808 Patent?**

A. Yes, I do.

**Q61. Do you believe that INSGG infringes the '808 Patent?**

A. Absolutely.



RIDGE EXHIBIT 2012
Shenzhen Pincan Tech. Co. Ltd. v. The Ridge Wallet LLC
IPR2024-00340

**Q62. Prior to the filing of the '808 Patent, were you seeing knockoffs coming out of China?**

A. Not really, no. The market wasn't as mature at that time, but we really saw the uptick in knockoffs start after we came up with the ideas in the '808 Patent. The Chinese factories seemed to know they couldn't sell product if it didn't have the removable money clip idea, along with the internal structures that you needed to make that work.

**Q63. Does that indicate anything to you about the inventions in the '808 Patent?**

A. Yes, similarly to what we saw with our business really taking off when we incorporated that feature into our products, it seemed like the Chinese factories started to think they had something saleable when they incorporated the patented features of the '808 Patent into their knockoff products.

**Q64. Do you know of a brand called "Storus?"**

A. Yes, we were involved in some litigation with Storus for a long time; the company is sometimes called Mosaic, too.

**Q65. Was Mosaic a party in this ITC Investigation?**

A. Yes, they were, until we settled with them a few months ago.

**Q66. How did you first hear about Mosaic?**

A. We first heard about them when they sued us for patent infringement in California in the first part of 2020.

**Q67. Have you heard of something called the SMCII?**

A. I have now. I didn't have any idea what it was before that lawsuit started.

**Q68. What is the SMCII?**

A. It's a product that Mosaic was selling recently through the Storus brand that was another knockoff of our Ridge Wallet.

**Q69. Did it have any other names?**

A. It's not completely clear to me, but sometimes I think they called it Smart Wallet and sometimes they called it SMCII—for Smart Money Clip II.

**Q70. Do you believe that product was on sale before you filed the '808 Patent?**

A. I sure don't.



RIDGE EXHIBIT 2012
Shenzhen Pincan Tech. Co. Ltd. v. The Ridge Wallet LLC
IPR2024-00340

**Q71. Would you say you kept a pretty good eye on the wallet industry in the 2010's?**

A. Oh yes. As I said, I lived this stuff, so if a product was out there, I would have known about it.

**Q72. How do you know?**

A. Well, as part of dealing with the Mosaic lawsuit, I did some Google searches with date limitations on them. I looked for "Storus Smart Money Clip II" results that predated 2019. And I didn't find a single result on Google from before 2019. I also looked at Storus' website on the Wayback Machine, and again I didn't see that product for sale on archived versions of Storus' website before about 2020.

**Q73. If you are right, what does that tell you about the knockoff wallet industry?**

A. It's evidence of more of the same. ARW and SWZA here came out only in the late 2010's or so; Mosaic was the same. After we created the compact wallet space, and the Ridge brand, factories in China started offering knockoffs to anybody that wanted to sell them. And that's what we are seeing with ARW, SWZA, Mosaic, INSGG, and RossM.

**Q74. Mr. Kane, we talked about your belief that the Respondents here, which are ARW, SWZA, RossM, and INSGG, infringe the '808 Patent. Do you recall that?**

A. Yes.

**Q75. Do you believe that Ridge's wallets all practice the '808 Patent?**

A. Yes, I do.

**Q76. Why do you say that?**

A. Each of the wallets we sell includes the internal structures and features that permit a user to add or remove a money clip. There are internal structures that can interface with the clip so a user can't pull it out unless he or she unscrews and plates and takes it out.

**Q77. Do you have any idea how long that's been the case?**

A. Yes. Since about August, 2016, the wallets we have sold have had the design elements that are required to practice the claims of the '808 Patent.

**Q78. Is that true even for wallets that are sold with just a cash strap?**

A. Yes, sir.

**Q79. Are there different versions of the money clip?**

A. Yes. We changed manufacturing partners in the last 10 or so months and, as part of that, the design of the clip changed.

**Q80. Is this an example of ongoing product development work?**

A. Yes, it absolutely is. We were having some rigidity issues, so we've tried a few different ways to make the money clip more rigid while still mounting to the original internal structure of the wallet plates. Those different money clip designs, and, really, the problem they try to solve, is something we achieved through the feedback loop process I talked about a bit earlier.

**Q81. Do all iterations of the money clip meet the patent claims?**

A. Again, I'm not a legal expert, but my understanding is that they always have had the structures that need to be there to meet the claims that talk about the money clip.

**Q82. Did the internal design of the wallets change at all?**

A. No. The product development work we did revolved around redesigning the clip to solve the problems we'd seen, while not needing to change the internals of the wallet. So the solution we came up with achieved those goals. And, as I said, it still did so in a way that the patent claims are met by each iteration of the money clip.

**Q83. Thank you. What other kinds of product development work go on for the wallets?**

A. We are always developing new products. Whether it's new finishes on the plates, or new techniques for manufacturing the plates, we are always coming up with new and better wallets. And it's never as simple as just painting a new color on the outside. For example, we are working right now on how to offer the best possible wood and leather wallets; that's tricky, because those materials will crack when they are in the dimensions we are talking about here, so we are always looking at ways to give people the Ridge experience with the aesthetics they keep coming back for.

**Q84. You talked about [redacted] before, do you recall that?**

A. Yes.

**Q85. Do you believe that [redacted] wallets all practice the '808 Patent?**

A. Yes, I do.



RIDGE EXHIBIT 2012
Shenzhen Pincan Tech. Co. Ltd. v. The Ridge Wallet LLC
IPR2024-00340

**Q86. Why do you say that?**

A. Each of the wallets we sell includes the internal structures and features that permit a user to add or remove a money clip. There are internal structures that can interface with the clip so a user can't pull it out unless he or she unscrews and plates and takes it out.

**Q87. Has that been true of all [redacted] wallets ever sold?**

A. Yes.

**Q88. Are there different versions of the money clip?**

A. For [redacted] no. All the money clips, and the mechanisms for attaching them to the wallets, are the same.

**Q89. Has the internal design of the [redacted] wallets ever changed?**

A. No, it has not.

**Q90. Mr. Kane, did Ridge want to bring this case?**

A. No. We don't make money paying lawyers. In fact, to help save some of that money, we recently brought two of our lawyers in-house.

**Q91. Then why did you file it?**

A. We were sick of seeing people knock our products off, intrude on the product category we created, and infringe our patent. So we took the action we had to take to try to protect our brand. Unfortunately, this space is definitely a game of whack-a-mole. We knock one infringer down, and a half dozen others spring up.

**Q92. What remedy is Ridge seeking?**

A. I don't know the exact name, but we are after an order that generally excludes infringing products from coming into the USA; not just the products attributable to the respondents here.

**Q93. Why do you think that's appropriate?**

A. That kind of order is the only thing that will really help us in a world where if ARW and SWZA are off the market, there will be others right behind them. These products clearly infringe, and we are hoping the ITC will understand that this kind of product can be bought off a menu at a Chinese factory. The only way to meaningfully protect our IP is through an order that will preclude importation regardless of what company is doing the importing.

**Q94. Is the type of product we are talking about here the kind of thing that can be easily introduced by other sellers?**

A. Yes. Every day we see new sellers selling the same thing with a different logo. And we try as best we can to buy the products, tear them down, chart them, send letters to Amazon and the sellers, that kind of thing. But it's an uphill battle. They can come out faster than we can react. We have hired in-house lawyers to help, and that's been better, but even still it's like trying to plug cracks in a dam. So that's why we went to the ITC: it's the only place where we feel like we have a chance to get what we really need to protect the product category we came up with, patented, and now lead.

**Q95. Does this witness statement contain your answers to my questions?**

A. Yes, it does.

**Respectfully Submitted:**

**Date: September 25, 2023** **Signature:**



RIDGE EXHIBIT 2012
Shenzhen Pincan Tech. Co. Ltd. v. The Ridge Wallet LLC
IPR2024-00340