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On behalf of **lululemon usa inc.**

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LULULEMON USA INC.,
Petitioner,

v.

NIKE, INC.,
Patent Owner.

Case IPR2024-00460
Patent 8,266,749

**PETITION FOR *INTER PARTES* REVIEW OF
U.S. PATENT NO. 8,266,749**

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LIST OF EXHIBITS

Exhibit No.	Description
1001	U.S. Patent No. 8,266,749 to Dua, et al.
1002	Excerpts of Prosecution History for U.S. Patent No. 8,266,749
1003	Declaration of Dr. David S. Brookstein
1004	International Patent Publication No. WO 92/22223 to Nishida (“Nishida”)
1005	English Translation of Nishida (Ex.1005)
1006	U.S. Patent No. 1,803,554 to Knilans (“Knilans”)
1007	U.S. Patent No. 2,147,197 to Glidden (“Glidden”)
1008	U.S. Patent No. 2,047,724 to Zuckerman (“Zuckerman”)
1009	Spencer, Knitting Technology: A Comprehensive Handbook and Practical Guide, Chapters 2-3, 6-9, 12-13, 16-18, 20, 24, and 28-29, Third Edition, 2001 (“Spencer”)
1010	Excerpts of Man-Made Fiber and Textile Dictionary, Fourth Edition, Issued 1978, Reprinted 1983
1011	JP 2002-65303A to Tani, et al. (“Tani”)
1012	English Translation of Tani (Ex.1011)
1013	U.S. Patent No. 5,345,638 to Nishida (“Nishida-US”)
1014	Curriculum Vitae of Dr. David S. Brookstein
1015	Joint Disputed Claim Terms Chart, <i>Nike, Inc. v. lululemon usa inc.</i> , C.A. No. 1:23-cv-00771-AS (S.D.N.Y.)
1016	Lewis, et al., A Machine Knitter’s Guide to Creating Fabrics, Part 1: Chapters 1-2 and Part 2: Chapters 1, 4, 6, and 13, 1986
1017	U.S. Patent No. 2,675,631 to Doughty (“Doughty”)

Exhibit No.	Description
1018	<i>Adidas AG v. Nike, Inc.</i> , IPR2016-00922, Paper 2 (Petition for <i>Inter Partes</i> Review) (P.T.A.B. Apr. 19, 2016)
1019	<i>Adidas AG v. Nike, Inc.</i> , IPR2016-00922, Paper 6 (Institution Decision) (P.T.A.B. Oct. 10, 2016)
1020	<i>Adidas AG v. Nike, Inc.</i> , IPR2016-00922, Paper 9 (Patent Owner Response) (P.T.A.B. Jan. 23, 2017)
1021	<i>Adidas AG v. Nike, Inc.</i> , IPR2016-00922, Paper 21 (Final Written Decision) (P.T.A.B. Oct. 19, 2017)
1022	<i>Adidas AG v. Nike, Inc.</i> , IPR2016-00922, Paper 31 (Decision on Remand) (P.T.A.B. Feb. 19, 2019)
1023	Wingate, Excerpts of Fairchild’s Dictionary of Textiles, Sixth Edition, 1979

Petitioner lululemon usa inc. (“lululemon”) requests *inter partes* review (“IPR”) of claims 1-21 (“challenged claims”) of U.S. Patent 8,266,749 (“the ’749 patent,” Ex.1001).

**I. MANDATORY NOTICES, GROUNDS FOR STANDING,
AND FEE PAYMENT**

Pursuant to 37 C.F.R. §42.8(a)(1), the mandatory notices identified in 37 C.F.R. § 42.8(b) are provided below as part of this Petition.

A. Real Party-In-Interest (37 C.F.R. §42.8(b)(1))

lululemon usa inc. is the real party in interest for Petitioner. The parent company for lululemon usa inc. is lululemon athletica inc.

B. Related Matters (37 C.F.R. §42.8(b)(2))

The parties are currently engaged in district court litigation in the case captioned *Nike, Inc. v. lululemon usa inc.*, C.A. No. 1:23-cv-00771-AS (S.D.N.Y). Nike, Inc. (“Nike” or “Patent Owner” or “PO”) has asserted the ’749 patent against Petitioner in this district court litigation. Nike has also asserted the ’749 patent in district court litigation against Skechers USA, Inc. (2-23-cv-09346 (C.D. Cal.)) and New Balance Athletics, Inc. (1-23-cv-12666 (D. Mass.)). Neither Skechers nor New Balance have had any involvement in the present petition.

C. Lead and Backup Counsel (37 C.F.R. §42.8(b)(3))

Petitioner provides the following designation of counsel, all of whom are included in Customer No. 20,995 identified in Petitioner’s Power of Attorney.

Lead Counsel	Back-up Counsel
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D. Service Information (37 C.F.R. §42.8(b)(4))

Please direct all correspondence to lead counsel and back-up counsel at the addresses shown above. Petitioner also consents to electronic service by email to lululemonIPR-749@knobbe.com.

E. Grounds for Standing (37 C.F.R. §42.104)

Petitioner certifies that the '749 patent is available for IPR and is not barred or estopped from requesting IPR on the identified grounds.

F. Payment of Fees (37 C.F.R. §42.15(a))

The Office may charge the §42.15(a) fee to Deposit Account No. 11-1410. Review of twenty-one claims is requested. Payment for any additional fees due may be charged to the above-referenced Deposit Account.

II. INTRODUCTION

The '749 patent is directed to articles of footwear and claims methods of making the footwear. The footwear is constructed by knitting a structure that includes a textile element and a surrounding structure, removing the textile element, and then incorporating the textile element into the footwear. The broad methods claimed were well-known before the '749 patent's earliest filing date.

The '749 patent's figure below shows representative textile elements (green) and a representative surrounding structure (purple).

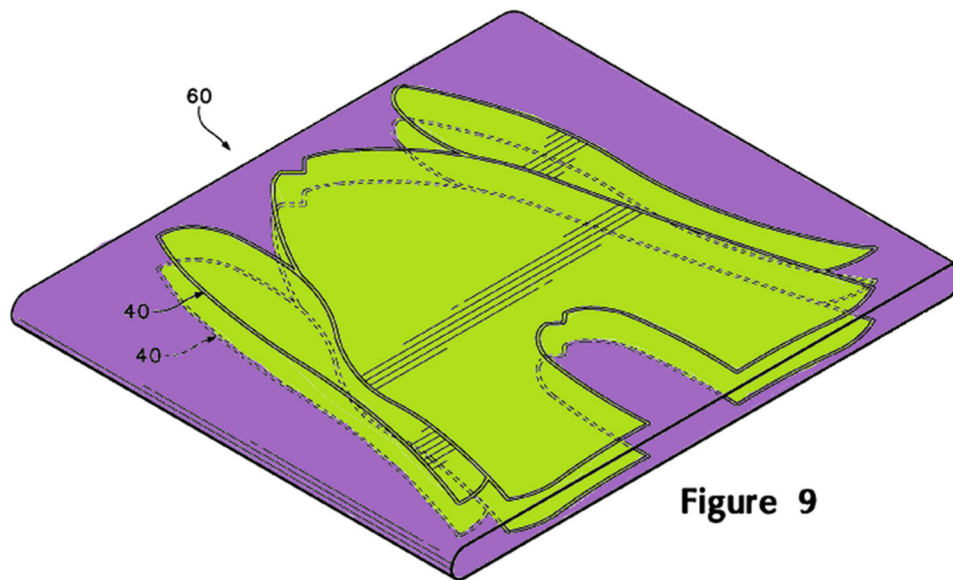
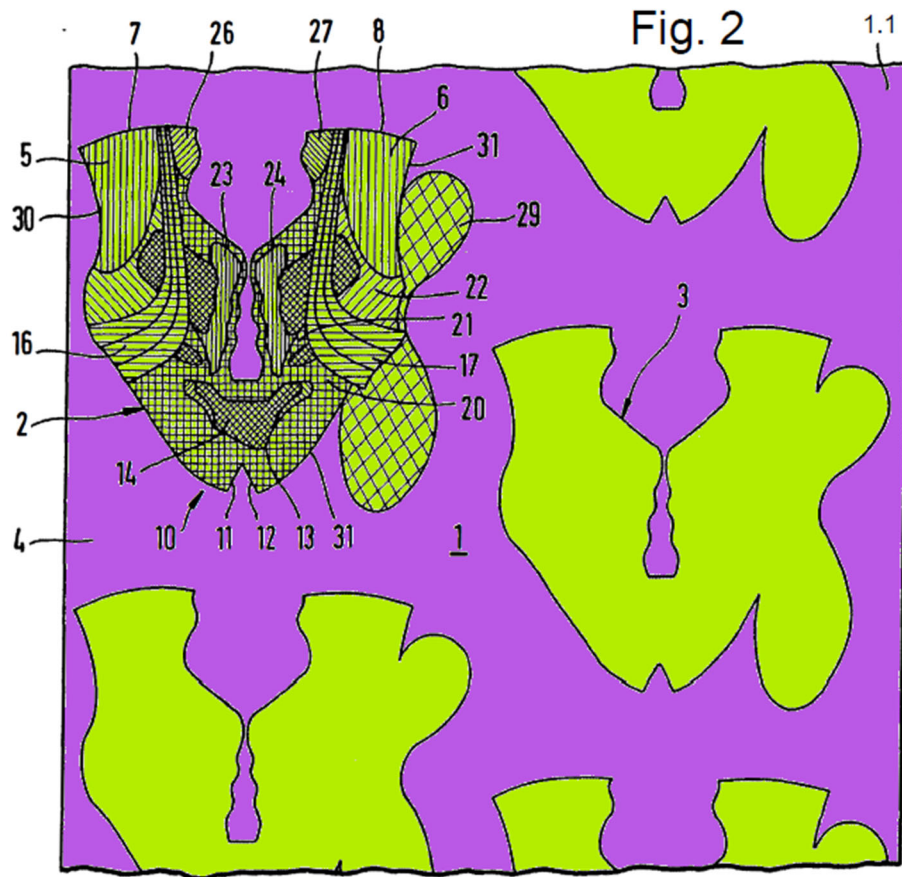


Figure 9

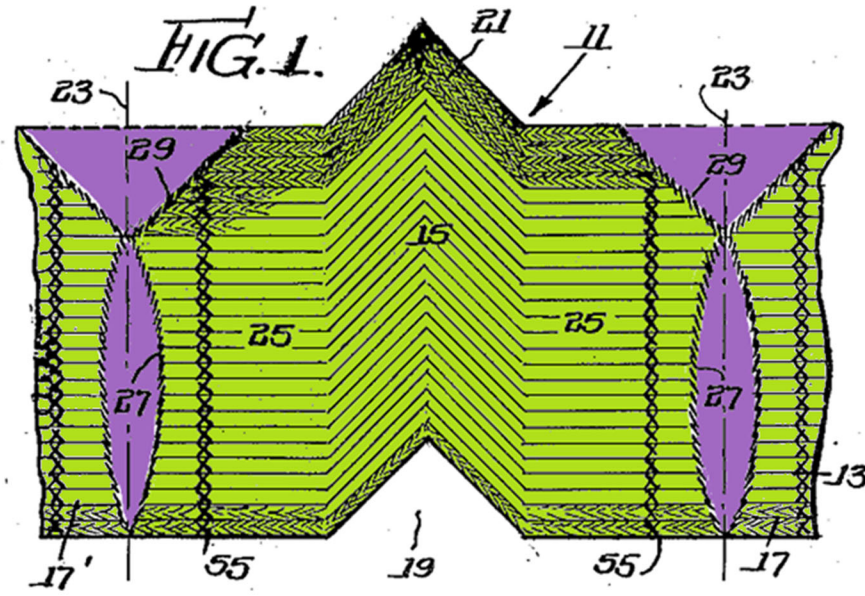
The textile elements and surrounding structure are simultaneously formed in a single textile structure before the textile elements are removed and incorporated into articles of footwear. Each textile element can be an upper, which is the part of a footwear that covers a foot and securely receives and positions the foot with respect to a sole.

According to PO, “[b]efore the ’749 patent, footwear manufacturers made uppers by piecing together multiple different materials to impart different properties to different areas of the upper.” Ex.1020, 1. PO alleged that the ’749 patent addressed inefficiencies with that process through “simultaneously knitting a textile element (e.g., an upper) and a surrounding textile structure where the textile element has at least one texture that differs from the texture in the surrounding structure.” *Id.*, 1-2, 5-7. “In this way, the textile element (e.g., an upper) is formed of a single knitted material, but may have different textures or properties in different areas like a conventional upper made from multiple materials.” *Id.* Such an approach purportedly avoids using multiple suppliers, materials, and machines. *Id.*

Contrary to PO’s assertions, the ’749 patent claims nothing new or inventive. Knit structures with the claimed textile element and surrounding structure were well-known before the ’749 patent. For example, Nishida (Ex.1004/Ex.1005), which published in 1992, discloses knitting multitextured footwear textile elements (green) and a surrounding structure (purple) as part of a single textile structure:



Similarly, Zuckerman (Ex.1008), which published in 1936, discloses knitting multitextured footwear textile elements (green) and a surrounding structure (purple) as part of a single textile structure:



Both Nishida and Zuckerman disclose cutting the textile elements from the surrounding structure and incorporating the textile elements into articles of footwear.

The '749 patent was previously challenged in an IPR by Adidas AG (“Adidas”) based on obviousness grounds. The Board instituted IPR but ultimately determined that Adidas failed to meet its burden on motivation to combine. Ex.1019; Ex.1022, 38-50. The Board recognized in its Final Written Decisions that a single reference (Nishida-US) disclosed every independent claim element. Ex.1022, 29-31; Ex.1021, 25-27. However, because Adidas presented no anticipation or single-reference obviousness ground over Nishida-US, the Board did not invalidate claims over such a ground based on Nishida-US.

This Petition presents grounds showing that Nishida-US’s PCT counterpart (Nishida) anticipates and renders obvious many of the '749 patent’s claims. Given the Board’s prior findings, PO cannot rightly contend that Nishida fails to disclose

the independent claims. This Petition also presents grounds showing that Zuckerman anticipates and renders obvious many of the '749 patent's claims.

The prior art confirms there is nothing new or inventive in the challenged claims and it would have been obvious to simultaneously knit a textile element and a surrounding structure with different textures for known manufacturing efficiency benefits. Thus, the challenged claims of the '749 patent should be cancelled.

III. THE '749 PATENT

A. Specification

The '749 patent discloses an article of footwear with an upper that incorporates a knitted textile element. Ex.1001, 3:27-39; Ex.1003, ¶¶20-26. The knitted textile element “may be formed as part of a larger textile element [60],” including multiple knitted textile elements 40 (green) and a surrounding structure (purple):

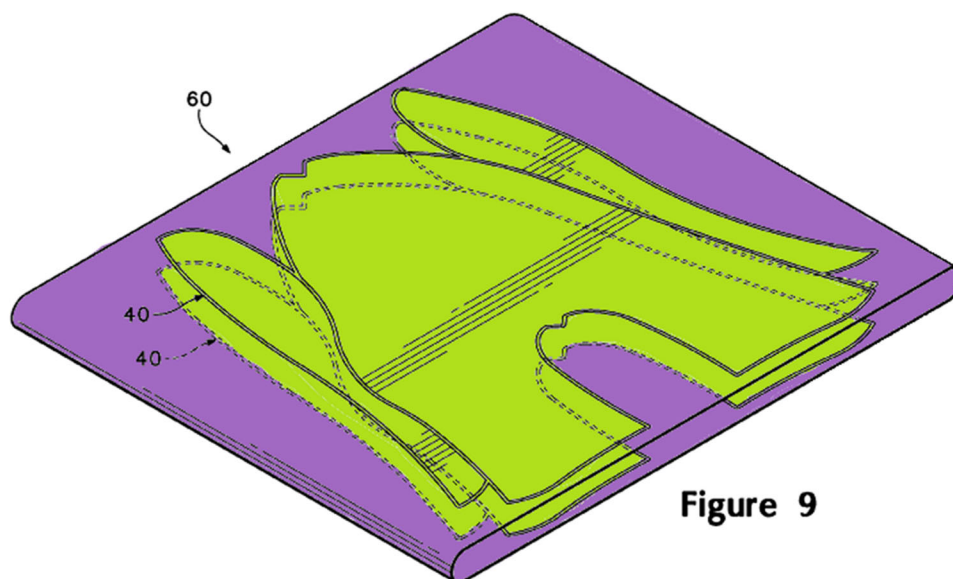
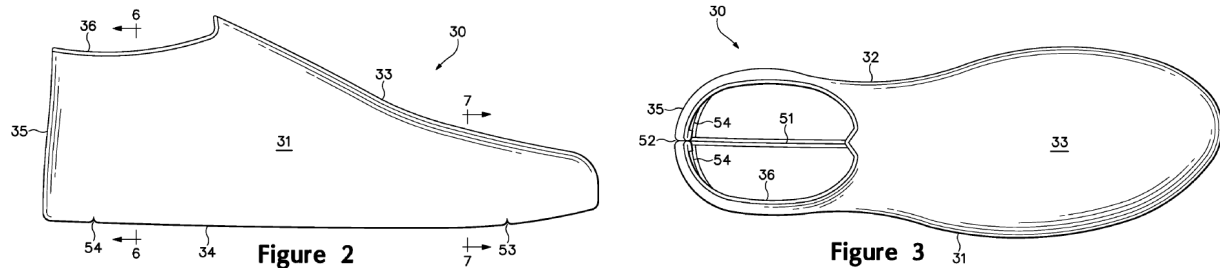


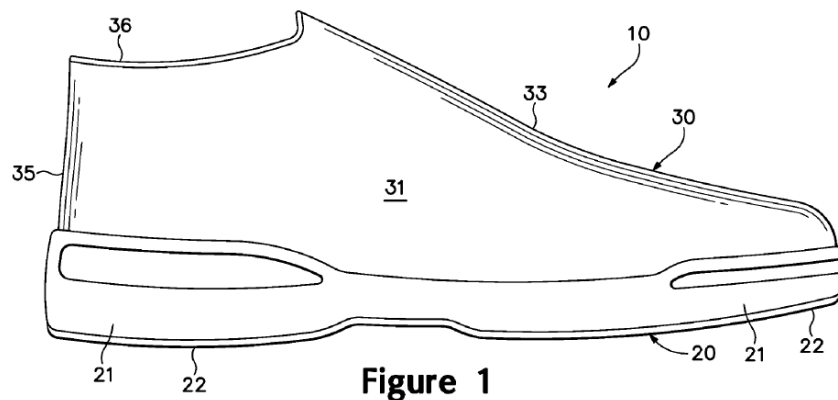
Figure 9

Ex.1001, 5:45-46, 7:53-60, Fig. 9 (annotated); Ex.1003, ¶20.

The knitted textile element 40 is “removed from the larger textile element [60] and various edges of textile element 40 are secured together to form the shape of upper 30,” as shown in Figures 2-3:



Ex.1001, 5:45-48, Figs. 2-3. The upper 30 is then incorporated into an article of footwear:



Id., 4:1-2, Fig. 1.

The '749 patent discloses that its knitted textile element can include different textures in different areas. *Id.*, 9:18-28. The different textures exhibit aesthetic differences or structural differences, such as varying stretch, wear resistance, or air-permeability. *Id.*, 9:43-46. The different textures can be formed by varying “yarn

type” or “stitch configuration.” *Id.*, 9:58-10:7, 3:33-37. Uppers with multiple textures are illustrated in Figures 10 and 11:

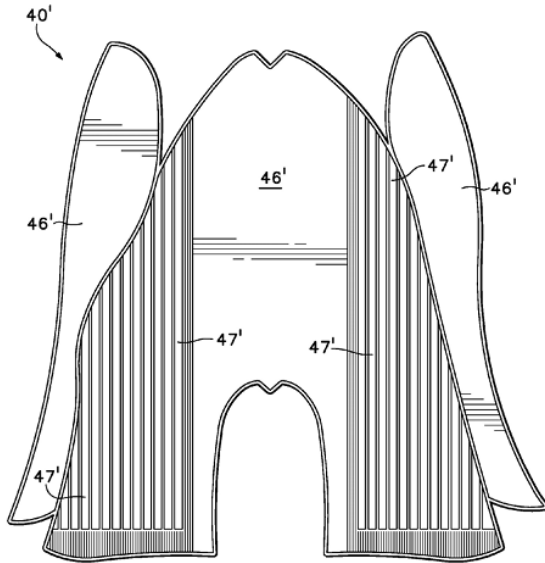


Figure 10

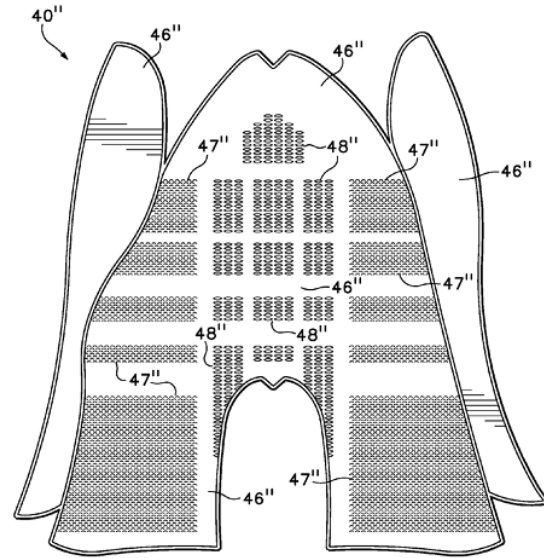


Figure 11

Id., 9:18-57, Figs. 10-11. One texture of the knitted textile element may also vary from a texture of the surrounding area of a larger textile element from which the knitted textile element is removed. *Id.*, Claim 1.

The '749 patent admits that knitting machines for creating the disclosed textile elements were known. *Id.*, 7:9-25, 8:61-9:4. The '749 patent nowhere asserts that modifications were required to the conventional operation of known knitting machines to implement the described methods. Ex.1003, ¶26.

B. Claims

The '749 patent includes 21 claims. Claims 1 and 13 are independent. Claim 1 is reproduced below (with bracketed labels added for reference and certain features emphasized). Ex.1003, ¶27.

Claim 1	
1[pre]	A method of manufacturing an article of footwear, the method comprising:
1[a]	<i>simultaneously knitting</i> a textile element with a surrounding textile structure, the knitted textile element having at least one knitted texture that differs from a knitted texture in the surrounding knitted textile structure;
1[b]	<i>removing</i> the knitted textile element from the surrounding knitted textile structure;
1[c]	<i>incorporating</i> the knitted textile element into an article of footwear.

Claim 13 similarly recites a method of manufacturing an article of footwear. Ex.1003, ¶28. Claim 13 differs from claim 1 in adding a second knitted textile element and recites “varying at least one of the types of stitches or the types of yarns” “to impart a texture” to the textile elements different from the texture of the textile structure between the knitted textile elements.

C. Prosecution History

The Examiner issued two substantive office actions during prosecution. Ex.1002, 40-45, 22-27. Both office actions rejected claims 1-8, 11-18, and 21, which are the same as corresponding issued claims, as anticipated by U.S. Patent No. 5,345,638 (Nishida-US – Ex.1013). *Id.* Nishida-US is a U.S. national phase of the Nishida PCT application (Nishida – Ex.1004/Ex.1005) used in Grounds 1-2 and 6

herein.¹ The office actions indicated claims 9-10 and 19-20 (same as corresponding issued claims), which recite types of knitting machines, include allowable subject matter. *Id.*; Ex.1003, ¶29.

PO argued in reply to the first office action that Nishida-US fails to disclose “a knitted textile element *simultaneously* formed with a knitted textile structure during a knitting process.” Ex.1002, 35. In particular, PO argued that Nishida-US discloses knitting a backing material and *later* knitting layouts onto the backing material. *Id.*, 35-36. The Examiner rejected this argument. *Id.*, 24-26. PO next conducted an interview with the Examiner and argued that Nishida-US does not disclose at least one texture in the knitted textile element differing from a texture in the surrounding textile structure. *Id.*, 20, 16-17. PO filed another reply maintaining its argument that Nishida-US fails to disclose simultaneous knitting and also arguing that Nishida-US fails to disclose the claimed differing textures. *Id.*, 16-17. The Examiner subsequently allowed the claims. *Id.*, 3-8.

The Examiner wrongly accepted PO’s arguments. Ex.1003, ¶¶30-31. Nishida-US discloses simultaneously knitting the textile element and surrounding textile structure, and also that the knitted textile element has at least one texture differing from a texture in the surrounding textile structure. *Id.* Indeed, the Board

¹ The reference to a Japanese priority application on Nishida-US’s face appears to be erroneous. Ex.1013.

expressly found in the *Adidas* IPR that Nishida-US discloses those limitations, demonstrating the Examiner’s error. Ex.1022, 29-31.

D. Adidas IPR

Adidas filed a petition for IPR of the ’749 patent in 2016 (*Adidas AG v. Nike, Inc.*, IPR2016-00922 (“*Adidas IPR*”)). Ex.1018. Adidas relied on a **combination** of Nishida-US and U.S. Patent No. 3,985,003 (“Reed”).² Ex.1018, 7. PO did not file a Preliminary Response, and the Board instituted. Ex.1019. The Board noted in its Institution Decision that “[a]lthough [Adidas] appears to identify a disclosure from Nishida[-US] in its claim charts ... as teaching each of the limitations of claims 1 and 13, [Adidas] does not assert expressly that Nishida[-US] *alone* renders claim 1 or 13 unpatentable. Therefore although [Adidas] may argue and present evidence that Nishida[-US] alone renders claim 1 or 13 unpatentable, we decline to institute grounds not expressly asserted by [Adidas].” *Id.*, 16.

In its Patent Owner Response, PO asserted and expanded on the same arguments against Nishida-US that the Examiner considered. *See* Ex.1020, 51-54. The Board rejected each PO argument about Nishida-US’s disclosure and found that

² Adidas presented a second ground based on another combination. Ex.1018, 7. The Board originally did not institute on this second ground. Ex.1019, 23. However, the Federal Circuit later remanded in view of the Supreme Court’s *SAS* decision. *Adidas AG v. Nike, Inc.*, 894 F.3d 1256 (Fed. Cir. 2018). The Board considered the second ground and issued a Final Written Decision. Ex.1022. No art in the second ground other than Nishida-US overlaps with art relied on in grounds herein.

Nishida-US discloses each limitation³ of claims 1 and 13. Ex.1022⁴, 29-31. Despite these findings, the Board determined that no claims were invalid over ***the combination*** of Reed and Nishida-US because Adidas failed to show a motivation to combine. *Id.*, 38-50.

The Board’s findings confirm that Nishida-US discloses each limitation of claims 1 and 13. Yet, because Adidas presented grounds based on the combination of Reed and Nishida-US rather than just Nishida-US, the Board did not consider anticipation or single reference obviousness in view of Nishida-US. *See* Ex.1019, 23 (identifying instituted grounds); Ex.1022, 28 n.11 (Adidas’ ground “necessarily rests” on the combination of Reed and Nishida-US); *see also* 35 U.S.C. §§ 312, 314; *Koninklijke Philips N.V. v. Google LLC*, 948 F.3d 1330, 1335-36 (Fed. Cir. 2020) (holding the statutory text precludes institution on grounds other than those presented in the petition). PO appealed the Board’s decision, and the Federal Circuit affirmed based on the Board’s motivation to combine analysis. *See Adidas AG v. Nike, Inc.*, 963 F.3d 1355 (Fed. Cir. 2020).

³ The Board did not expressly address Nishida-US’s disclosure of the preamble. Ex.1022, 28 n.11. Regardless, Nishida-US discloses “[a] method of manufacturing an article of footwear” as recited in the preamble.

⁴ Petitioner generally cites to Ex.1022, which is the most recent Final Written Decision in the *Adidas IPR*. The Board’s findings with respect to Nishida and Reed in Ex.1022 are substantively the same as those in Ex.1021, which is the Board’s original Final Written Decision.

The *Adidas IPR* and its result present a unique situation and outcome. Despite the Board finding that Nishida-US discloses claims 1 and 13, the Board considered the combination of Reed and Nishida-US because Adidas presented no ground of anticipation or single-reference obviousness over Nishida-US. *See* Ex.1019, 16; *see also* Ex.1022, 28 n.11 (“Petitioner’s asserted ground necessarily rests on the *combined* teachings of Reed *and* Nishida[-US].” (emphases original)).

Aside from this Petition presenting new grounds based on Zuckerman, this Petition seeks to remedy the windfall PO received in the *Adidas IPR*. This Petition relies on a translation of the German language PCT application (Nishida) from which Nishida-US is a national phase entry. Petitioner demonstrates herein why PO’s arguments against Nishida-US are facially wrong. Nishida unambiguously discloses simultaneously knitting textile elements and surrounding textile structure with different textures, as explained below.

IV. LEVEL OF ORDINARY SKILL

The ’749 patent relates to an article of footwear comprising an upper that includes a knitted textile element. Ex.1001, 1:20-23. A hypothetical person of ordinary skill in the art (“POSA”) would have had at least a bachelor’s degree in textile engineering, mechanical engineering, or similar technical degree and at least 3 years of experience working with knitted textiles for use in fabric-based articles, including apparel such as footwear. Ex.1003, ¶¶34-37. For individuals with

different educational backgrounds, a person could still be of ordinary skill in the art provided that person's additional experience compensates for any differences in that person's education as stated above. *Id.*, ¶37.

This Petition does not turn on this specific definition of the level of ordinary skill. The claims are anticipated or would be obvious from the perspective of any reasonable definition of a POSA.

V. CLAIM CONSTRUCTION

In an *inter partes* review a claim “shall be construed using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. [§] 282(b).” 37 C.F.R. § 42.100(b). Under this standard, claims “are generally given their ordinary and customary meaning,” as understood by a person of ordinary skill. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312-13 (Fed. Cir. 2005) (citation omitted).

The Board construed some terms in the most recent Final Written Decision in the *Adidas IPR* under the broadest reasonable construction standard then applicable to IPR proceedings. Ex.1022, 15. Petitioner does not seek to have any terms that the Board construed in the *Adidas IPR* re-construed in view of the now-applicable *Phillips* standard.

A. “unitary construction” (Claims 11 and 21)

In the co-pending litigation, the parties have agreed that the phrase “unitary construction” in claims 11 and 21 means “configuration wherein portions of a textile element are not joined together by seams or other connections.” Ex.1015, 11; Ex.1003, ¶¶40-41. This is the same construction as in the *Adidas IPR*. Ex.1022, 16.

B. “a first area and a second area with a unitary construction” (Claims 11 and 21)

The parties have also agreed that the phrase “a first area and a second area with a [unitary construction]” in claims 11 and 21 means “a textile element having a [unitary construction] and having a first area and a second area.” Ex.1015, 11; Ex.1003, ¶¶42-43.

C. “wide-tube circular knitting machine” (Claims 9 and 19)

The Board determined in the *Adidas IPR* that “the broadest reasonable interpretation of the term ‘wide-tube circular knitting machine’ is ‘a circular knitting machine forming body garment sized, tubular textile structures, including those having a diameter that ranges from 10 inches to 20 inches.’” Ex.1022, 16. This construction has been applied throughout this Petition. Ex.1003, ¶44.

D. “impart” (Claims 11 and 21)

The Board stated in the *Adidas IPR* that “to the extent any construction of this term is necessary, we find that the broadest reasonable interpretation of the term

‘impart’ is ‘to give, convey, or grant from.’” Ex.1022, 17. This construction has been applied throughout this Petition. Ex.1003, ¶45.

E. “texture” (Claims 8, 11, and 21)

The Board stated in the *Adidas IPR* that “to the extent any construction of this term is necessary, we find that the broadest reasonable interpretation of the term ‘texture’ in the context of claims 11 and 21 is ‘a non-smooth surface formed while simultaneously knitting a textile element with a surrounding textile structure.’” Ex.1022, 18-19.⁵ This construction has been applied to claims 8, 11, and 21 in this Petition. Ex.1003, ¶46.

F. Other Terms

Petitioner submits that the Board need not specially construe any other claim terms. *Toyota Motor Corp. v. Cellport Sys., Inc.*, IPR2015-00633, Paper No. 11 at 16 (P.T.A.B. Aug. 14, 2015); *see also Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999) (“[O]nly those terms need be construed that are in controversy, and only to the extent necessary to resolve the controversy.”); *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017); Ex.1003, ¶47.

⁵ The Board confirmed that its construction of “texture” also applied to claim 8 by using the header “‘texture’ (claims 8, 11, and 21)” when discussing the construction. Ex.1022, 17-19.

VI. RELIEF REQUESTED

Petitioner requests that the Board cancel claims 1-21 of the '749 patent as anticipated or obvious in view of the following prior art:

Ex.	Reference	Date	Art Type
1004/1005	Nishida	December 23, 1992	§102(b)
1008	Zuckerman	July 14, 1936	§102(b)
1017	Doughty	April 20, 1954	§102(b)

Nishida, Zuckerman, and Doughty are analogous art because they are from the same field as the '749 patent, e.g., knitted textile elements for footwear articles. Ex.1003, ¶63; Ex.1001, Abstract; Ex.1005, 5; Ex.1008, 1(L):1-4, Abstract; Ex.1017, 1:22-29; *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 995, 1000 (Fed. Cir. 2016). Nishida and Zuckerman are also pertinent to a problem the '749 patent inventors were focused on, e.g., knitting an upper and a surrounding area as part of a single knitting process. Ex.1003, ¶63. In addition, Zuckerman and Doughty are pertinent to a problem the '749 patent inventors were focused on, e.g., constructing durable footwear. *Id.*

IPR is requested for the following unpatentability grounds:

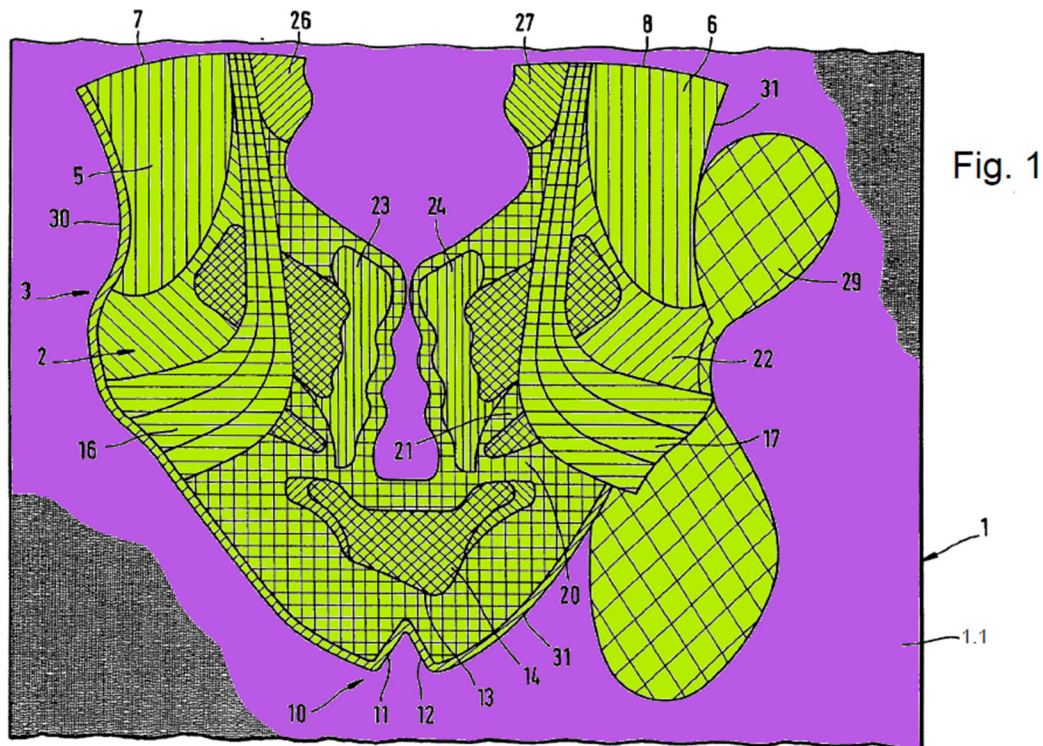
Ground	Reference(s)	Basis	Challenged Claims
1	Nishida	§102	1-8 and 12-18
2	Nishida in view of a POSA's general knowledge	§103	9-10 and 19-20
3	Zuckerman	§102	1-3, 5-8, 11, 13-17, and 21
4	Zuckerman in view of a POSA's general knowledge	§103	3, 9-10, 14, and 19-20
5	Zuckerman and Doughty	§103	12
6	Nishida and Zuckerman	§103	11 and 21

The Petition is supported by the expert declaration of Dr. David Brookstein (Ex.1003). Ex.1003, ¶¶1-19, 48-62, 206-209.

VII. GROUND 1: NISHIDA ANTICIPATES CLAIMS 1-8 AND 12-18

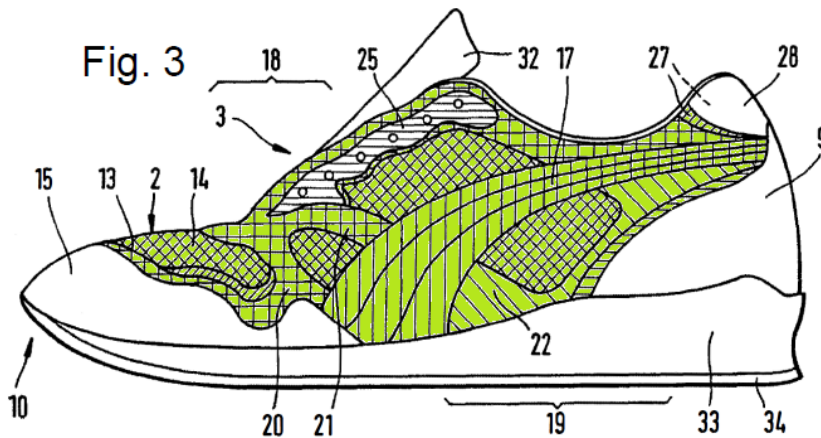
A. Disclosure of Nishida

Nishida discloses a method for making a shoe upper from a knitted material sheet, referred to as “material web 1.” Ex.1005, 5-7. As illustrated in Figure 1, material web 1 is constructed to have multiple parts, including a part that is incorporated into a shoe (referred to as “unwound web part(s) 2” (green)) and another part that is not incorporated into a shoe (referred to as “surface areas 1.1” (purple)):



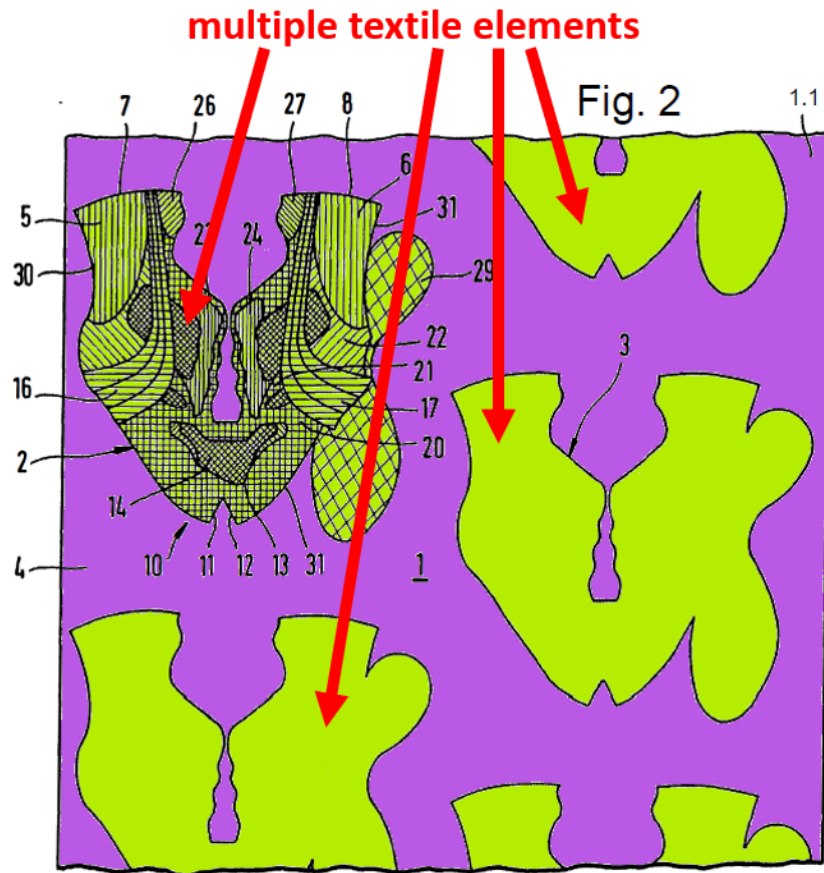
Id., 5-7, Fig. 1 (annotated); Ex.1003, ¶¶64-65. Unwound web part(s) 2 may be “divided into different individual parts or areas, which are distinguished from each other by a different type of fabric and/or by different fibers or threads,” such as wool, silk, or metal threads. Ex.1005, 5. Unwound web part(s) 2 “are produced in the required quality, thickness, multilayered, or the like” for a shoe upper. *Id.*, 4; Ex.1003, ¶65. In contrast, surface areas 1.1, which are discarded after unwound web part(s) 2 are cut out, “consist of a lightweight fabric quality being as simple and inexpensive as possible” and “can be produced in the manner of a gauze or with a low to very low number of warps and/or wefts and/or, e.g., thin-threaded or the like.” Ex.1005, 4, 7-8; Ex.1003, ¶65.

Nishida's material web 1 may be created "by a method customary in the textile industry, e.g., ... knitting." Ex.1005, 5. "[W]hen the strip of material (1) is manufactured, the patterns [unwound web part(s)] (2) of the uppers are produced, at the same time as the strip of material [1]." *Id.*, Abstract; Ex.1003, ¶66. Unwound web part(s) 2 are cut out from material web 1. Ex.1005, 5. A finished shoe upper (green) of unwound web part(s) 2 is "placed in an adhesive, injection or casting mold, in which a midsole 33 and an outsole 34 are formed by known methods" to construct a shoe:



Id., 6, Fig. 3 (annotated); Ex.1003, ¶66.

Nishida discloses various embodiments for material web 1. Ex.1003, ¶67. For example, material web 1 can include parts for multiple knitted textile elements (uppers):



Ex.1005, Fig. 2 (annotated); Ex.1003, ¶67. In another example, material web 1 may have the knitted textile element shape shown in Figure 4 below, which differs from the knitted textile element shape in Figures 1-2:

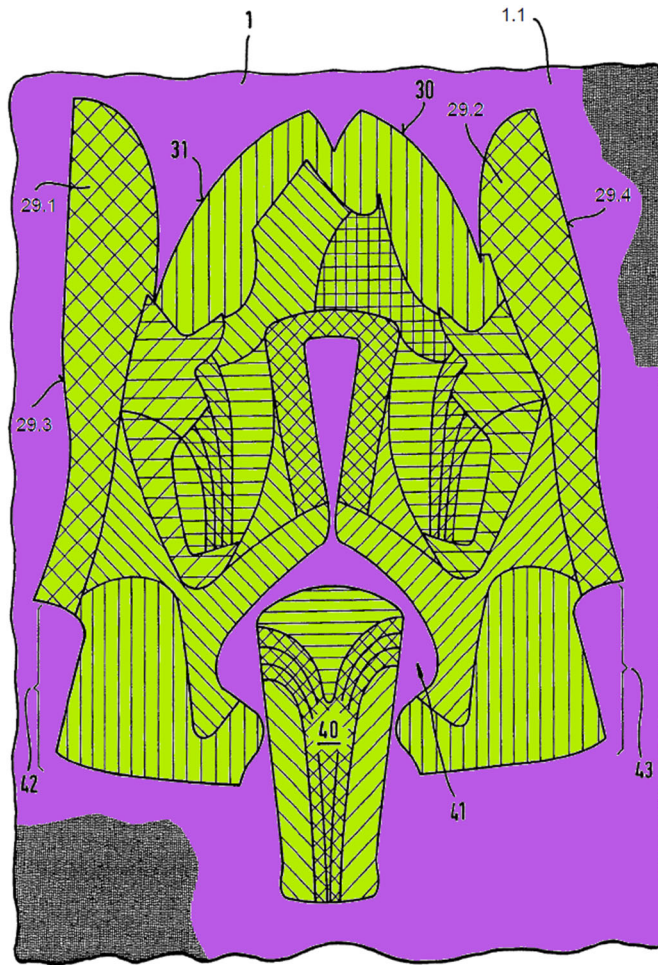


Fig. 4

Ex.1005, Fig. 4 (annotated); Ex.1003, ¶67.

B. Claim 1

1. Preamble

The preamble of claim 1 recites “[a] method of manufacturing an article of footwear.”

The ’749 patent provides that “[t]he primary elements of footwear 10 are depicted in Fig. 1 as being a sole structure 20 and an upper 30.” Ex.1001, 4:43-44.

“Sole structure 20 has a generally conventional configuration that includes a midsole 21 and an outsole 22.” *Id.*, 4:55-56.

Nishida discloses a method of manufacturing an article of footwear. Ex.1003, ¶¶68-71. For example, Nishida discloses “production of a shoe upper.” Ex.1005, Abstract. Nishida also provides that a finished shoe upper is “placed in an adhesive, injection or casting mold, in which a midsole 33 and an outsole 34 are formed by known methods.” *Id.*, 6; *see also id.*, 4, 9 (“producing a shaped shoe part..., cutting ... and sewing the shoe uppers..., and attaching the associated sole part”). This process forms a shoe, which is an article of footwear. Ex.1003, ¶71.

2. Limitation 1[a]

This limitation recites “simultaneously knitting a textile element with a surrounding textile structure, the knitted textile element having at least one knitted texture that differs from a knitted texture in the surrounding knitted textile structure.” Nishida discloses this limitation. Ex.1003, ¶¶72-80.

i. Simultaneously Knitting

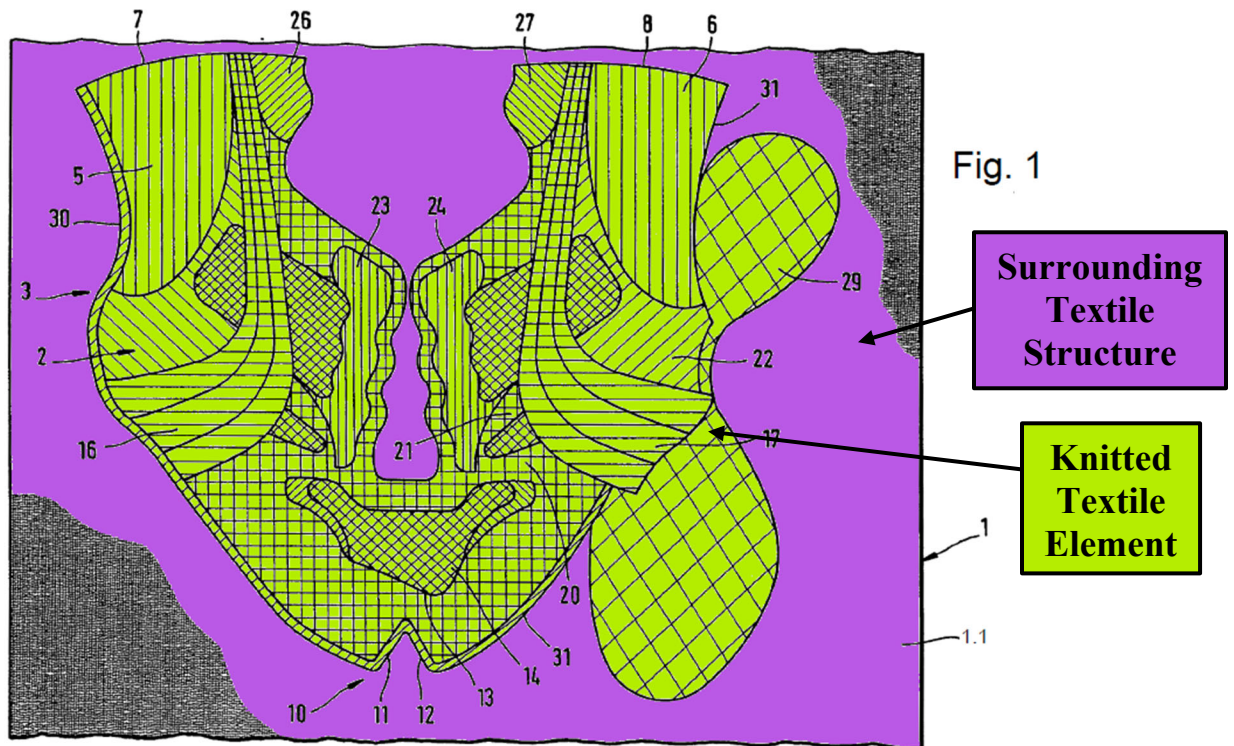
Limitation 1[a] includes a simultaneously knitting limitation that requires “simultaneously knitting a textile element with a surrounding textile structure.”

The term “simultaneously” is used only once in the ’749 patent’s disclosure: “a first textile element 40 and a second textile element 40 may be simultaneously formed in a single textile structure 60.” Ex.1001, 7:58-60. Simultaneously here

refers to forming one or more textile elements and a surrounding textile structure as part of a single textile structure during a single knitting process. Ex.1003, ¶73.

Nishida discloses the simultaneously knitting limitation. *Id.*, ¶¶74-75. For example, Nishida provides that “when the strip of material (1) is manufactured, the patterns (2) of the uppers are produced, ***at the same time*** as the strip of material.” Ex.1005, Abstract (emphasis added); *see also id.*, 9 (Claim 1), 4 (“[P]atterns can already be produced directly during the production of the material web.”), 6. The material is “a material web [1] which, during its production by a method customary in the textile industry, e.g., by weaving and/or ***knitting*** and/or embroidery, is provided with a single or a plurality of unwound web part(s) 2 for the shoe-upper shape 3.” *Id.*, 5 (emphasis added). In addition to material web 1 including unwound web part(s) 2, material web 1 includes surface areas 1.1 that are separate from unwound web part(s) 2 and also produced during production of material web 1. *Id.*, 7-8; Ex.1003, ¶75.

Each of unwound web part(s) 2 in Nishida is a knitted textile element. Ex.1003, ¶76. Surface areas 1.1 are a surrounding textile structure. *Id.* Figure 1 illustrates the single textile structure of Nishida’s material web 1 that is knit during a single knitting process and includes its knitted textile element (green) and surrounding textile structure (purple):



Ex.1005, Fig. 1 (annotated); Ex.1003, ¶76. Figure 4 of Nishida illustrates another embodiment of a knitted textile element (green) and surrounding textile structure (purple):

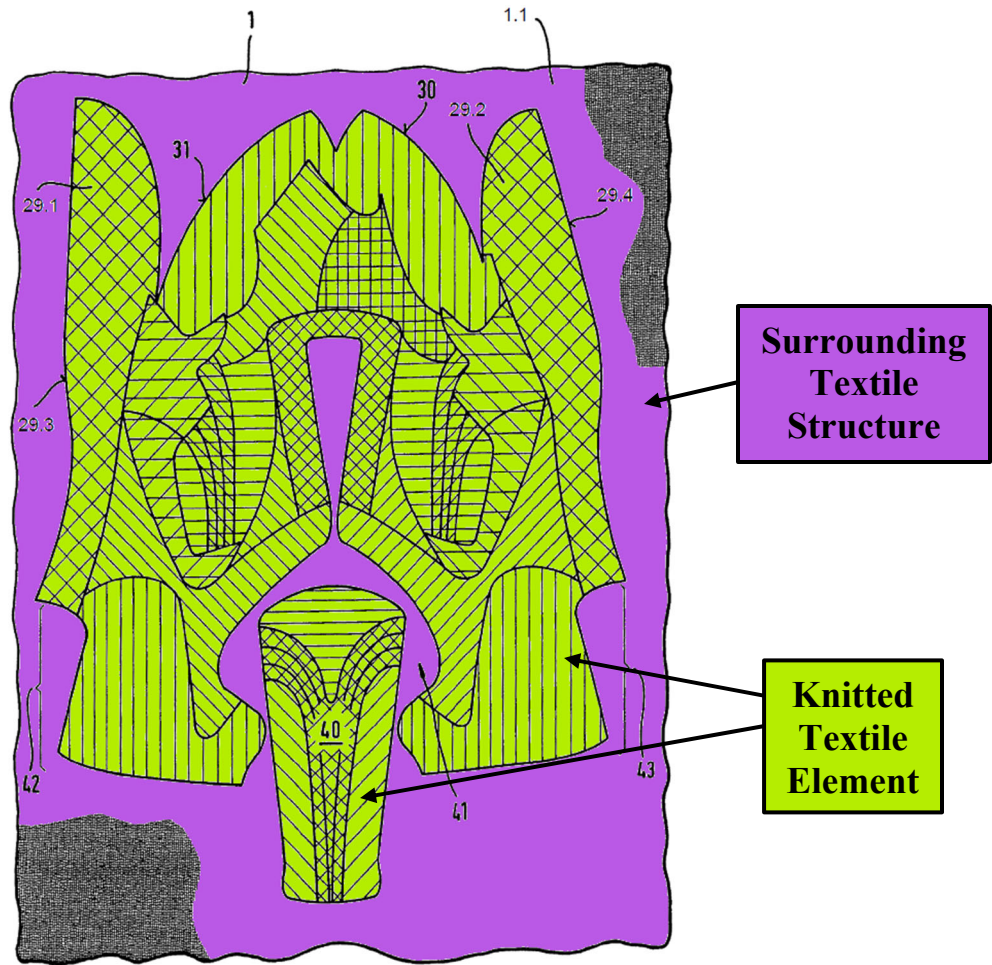


Fig. 4

Ex.1005, Fig. 4 (annotated); Ex.1003, ¶76. Thus, Nishida discloses simultaneously knitting a textile element (unwound web part(s) 2) with a surrounding textile structure (surface areas 1.1).

ii. Differing Knitted Textures

Limitation 1[a] includes a differing knitted textures limitation that requires “the knitted textile element having at least one knitted texture that differs from a knitted texture in the surrounding knitted textile structure.”

The '749 patent discloses forming different textures in a single knitted structure by varying yarn type or stitch configuration. Ex.1001, 9:61-65, 3:33-37. “[Y]arn may be formed from cotton, wool, elastane, rayon, nylon, and polyester,” and “[e]ach of these yarn types may impart differing properties to the areas corresponding with textures.” *Id.*, 9:61-65. The '749 patent also provides that different areas may be formed of different stitch configurations “to impart varying textures to a surface of the textile element.” *Id.*, 3:33-37.

Nishida discloses the differing knitted textures limitation. Ex.1003, ¶78. For example, Nishida provides that the knitted textile element may be produced “using different manufacturing techniques, such as ... different yarn material ... [or] different material thickness.” Ex.1005, Abstract; *see also id.*, 4 (“[O]nly those parts of the material web corresponding to the pattern or an area of a pattern of the shoe upper or the associated sole part are produced in the required quality, thickness, multilayered, or the like.”). Nishida’s knitted textile element may be “divided into different individual parts or areas, which are distinguished from each other ... by different fibers or threads, e.g., of wool, wool with metal threads, silk, silk with metal threads or wool with synthetic fibers, and the like, and/or ... differently formed fiber strands or fiber strand compositions, such as twisted, processed in parallel, and the like.” *Id.*, 5. On the other hand, Nishida’s surrounding textile structure “ha[s] a lower quality and/or density and/or a lower weight.” *Id.*, 10 (Claim 12); *see also id.*,

4. The surrounding textile structure “consist[s] of a lightweight fabric quality being as simple and inexpensive as possible” and “can be produced in the manner of a gauze or with a low to very low number of warps and/or wefts and/or, e.g., thin-threaded or the like.” *Id.*, 7-8. The differing yarns, material thickness, and/or other properties of Nishida’s knitted textile element relative to Nishida’s surrounding textile structure result in at least one texture in the knitted textile element differing from a texture in the surrounding textile structure. Ex.1003, ¶78. Thus, Nishida discloses that each of its knitted textile elements (unwound web part(s) 2) has at least one knitted texture that differs from a knitted texture in the surrounding knitted textile structure (surface areas 1.1).

iii. Simultaneously Knitting Differing Knitted Textures

Nishida discloses the simultaneously knitting and differing knitted textures limitations together. Ex.1003, ¶79. In particular, Nishida describes that, during the process of simultaneously knitting the textile element (unwound web part(s) 2) with the surrounding textile structure (surface areas 1.1), the knitted textile element (unwound web part(s) 2) is knit to have at least one knitted texture differing from a knitted texture knit into the surrounding textile structure (surface areas 1.1) for the reasons discussed for the differing knitted textures limitation. *Id.*

Accordingly, Nishida discloses limitation 1[a].

3. Limitation 1[b]

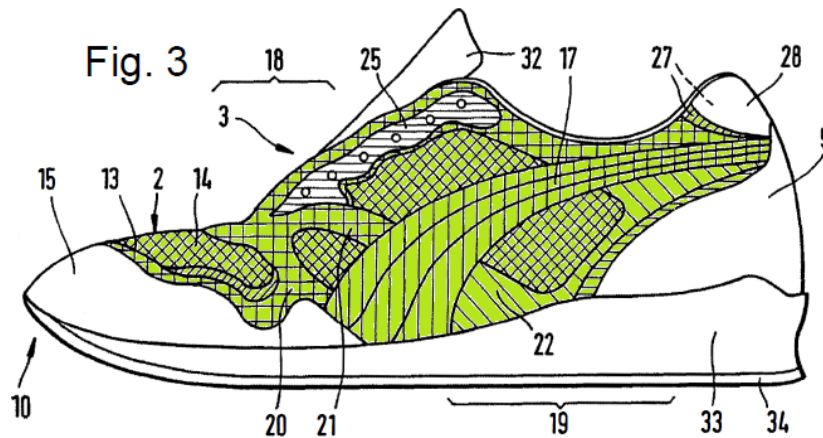
This limitation recites “removing the knitted textile element from the surrounding knitted textile structure.”

Nishida discloses this limitation. Ex.1003, ¶81. For example, Nishida discloses that the knitted textile element is cut out of material web 1. Ex.1005, 5 (“[a]fter cutting out the unwound web part 2 from the material web 1”). Nishida refers to its surrounding textile structure as “offcut resulting from the cutting.” *Id.*, 4. Thus, Nishida discloses removing (cutting) the knitted textile element (unwound web part(s) 2) from the surrounding textile structure (surface areas 1.1).

4. Limitation 1[c]

This limitation recites “incorporating the knitted textile element into the article of footwear.”

Nishida discloses this limitation. Ex.1003, ¶82. For example, Nishida discloses “[t]he finished shoe upper 3 is then placed in an adhesive, injection or casting mold, in which a midsole 33 and an outsole 34 are formed by known methods as shown in Fig. 3.” Ex.1005, 6; *see also id.*, 7-8. Figure 3 illustrates an example shoe that incorporates the knitted textile element (green). *Id.*, 5.



Id., Fig. 3 (annotated). The shoe is an article of footwear. Ex.1003, ¶82. Thus, Nishida discloses incorporating the knitted textile element (unwound web part(s) 2) into the article of footwear (shoe).

C. Claim 2

Claim 2 depends from claim 1 and recites: “wherein simultaneously knitting a textile element with a surrounding textile structure includes simultaneously knitting a plurality of textile elements.”

The '749 patent discloses knitting a textile element “as part of a larger textile element [60]” that includes multiple knitted textile elements 40 (green) and a surrounding structure (purple):

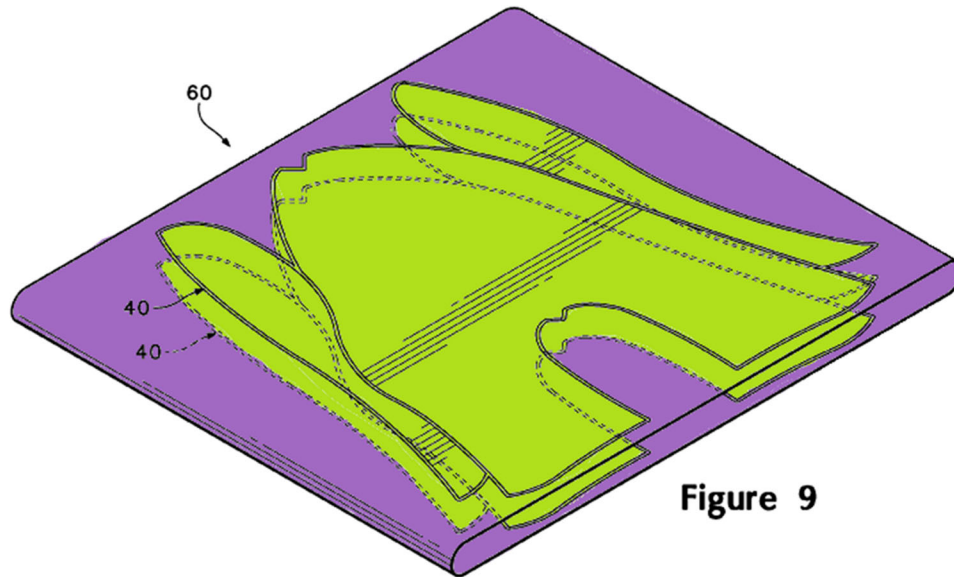
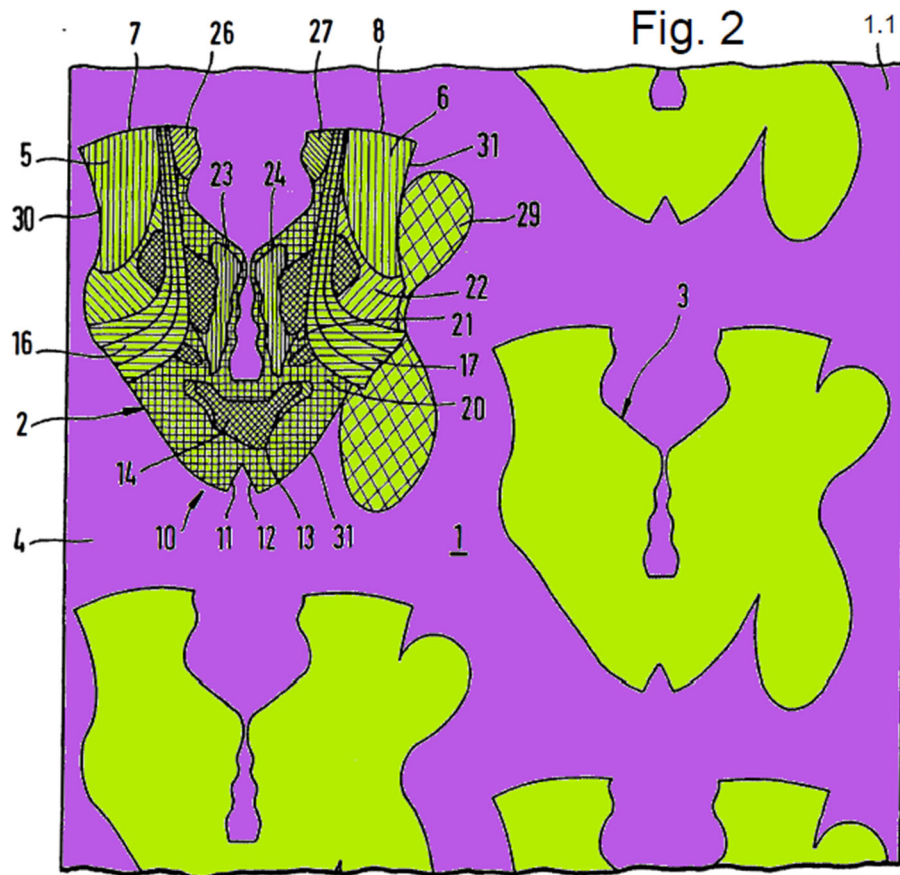


Figure 9

Ex.1001, 5:45-46, 7:53-60, Fig. 9 (annotated); Ex.1003, ¶84. As can be seen from the above figure, the larger textile element 60 is knit during a single knitting process.

Ex.1003, ¶84.

Nishida discloses this limitation. *Id.*, ¶¶83-85. For example, Nishida discloses knitting during a single knitting process “a fabric with *several* unwound web parts for different shoe uppers,” as shown in Figure 2. Ex.1005, 5 (emphasis added); Ex.1003, ¶85.



Ex.1005, Fig. 2 (annotated); Ex.1003, ¶85.

D. Claim 3

Claim 3 depends from claim 1 and recites: “wherein simultaneously knitting a textile element with a surrounding textile includes knitting an outline of the knitted textile element.”

The '749 patent discloses that “the types of stitches vary throughout textile structure 60 so that a pattern is formed with the outline of textile element 40.” Ex.1001, 7:40-43. In Figure 9 below, “the outline of textile element 40 is depicted

on a front portion of textile structure 60, and the outline of another textile element 40 is depicted on a rear portion of textile structure 60:”

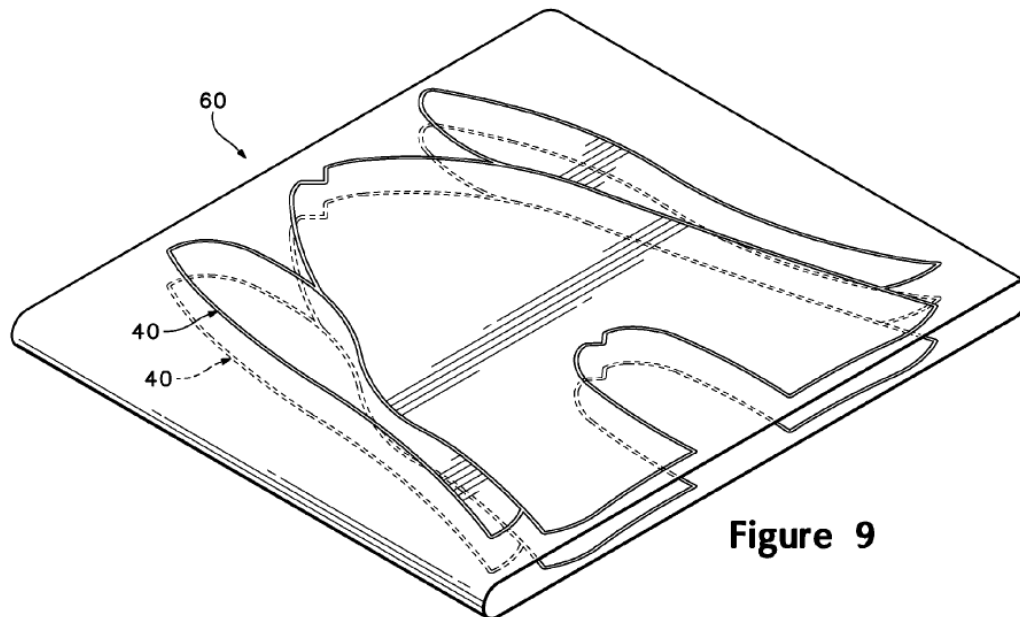
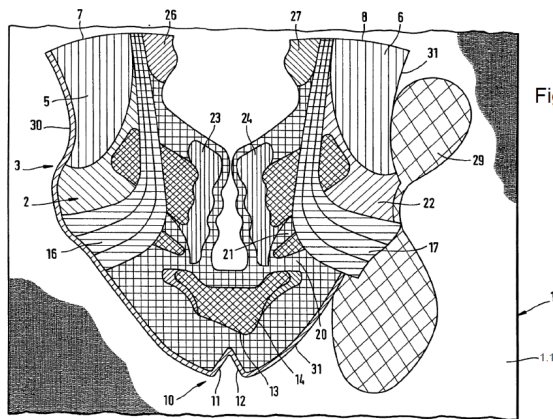


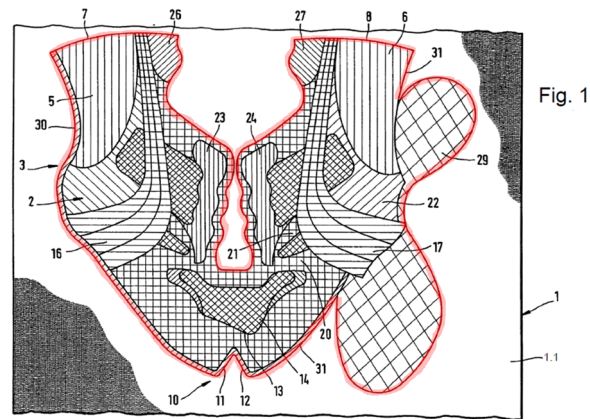
Figure 9

Id., 7:55-58, Fig. 9.

Nishida discloses this limitation. Ex.1003, ¶¶86-88. Nishida provides that the simultaneously knitting includes knitting an outline (red) of the knitted textile element:



Unannotated Nishida Fig. 1



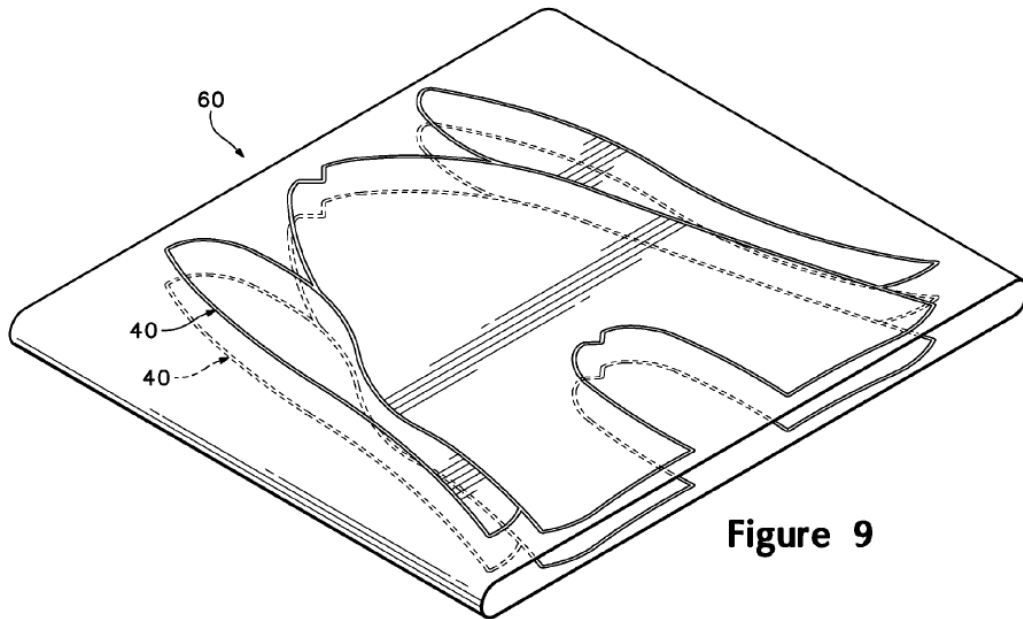
Annotated Nishida Fig. 1

Ex.1003, ¶88. As can be seen, the edges of Nishida’s knitted textile element form the outline. *Id.*; *see also* Ex.1005, 5, 7. Nishida also provides that its surrounding textile structure can “have a lower ... density” than the Nishida’s knitted textile element, which would create such an outline. Ex.1005, 10 (Claim 12); Ex.1003, ¶88; *see also* Ex.1005, 4. Thus, Nishida discloses claim 3.

E. Claim 4

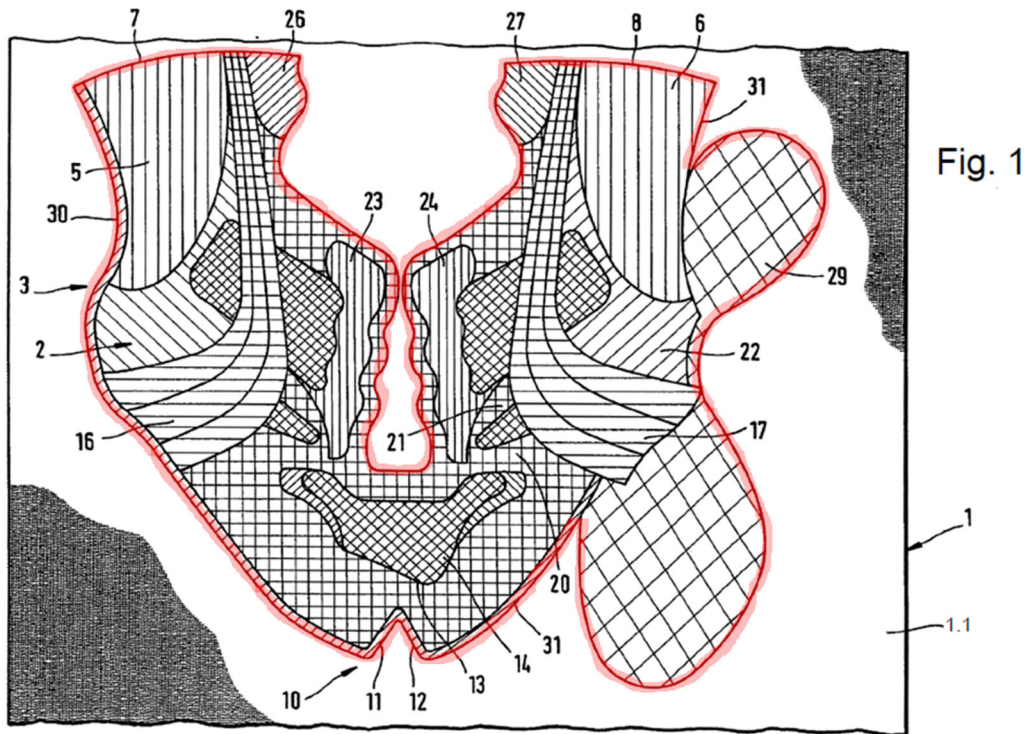
Claim 4 depends from claim 3 and recites: “wherein the outline has the shape and proportion of the knitted textile element.”

The ’749 patent discloses that the types of stitches vary throughout the textile structure “so that a pattern is formed with the outline of textile element 40.” Ex.1001, 7:40-43. The outlines of two textile elements are depicted in Figure 9:



Id., 7:53-58, Fig. 9.

Nishida discloses this limitation. Ex.1003, ¶¶89-91. For example, as can be seen in Figure 1, Nishida's knitted textile element has an outline that differentiates the shape and proportion of the knitted textile element (unwound web part(s) 2) from the surrounding textile structure (surface areas 1.1). *Id.* This outline is highlighted below:

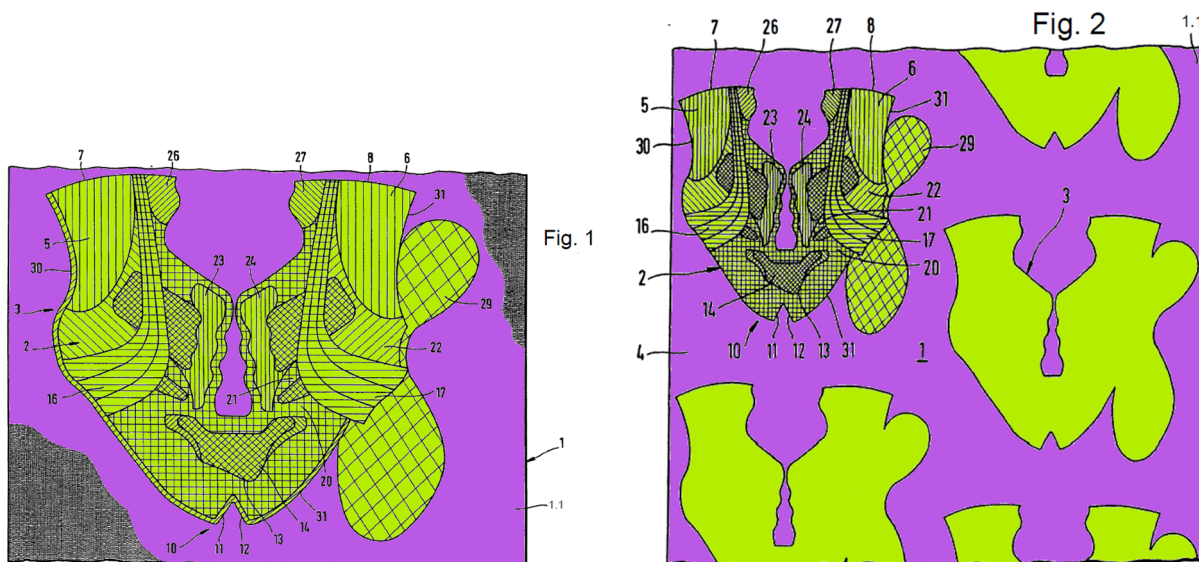


Ex.1005, Fig. 1 (annotated); Ex.1003, ¶91; *see also* Ex.1005, Figs. 2, 4-5.

F. Claim 5

Claim 5 depends from claim 1 and recites “wherein the knitted textile element has a substantially planar configuration upon removal from the surrounding knitted textile structure.”

Nishida discloses this limitation. Ex.1003, ¶¶92-93. For example, as can be seen in Figures 1-2, Nishida’s knitted textile element (green) has a substantially planar configuration within the surrounding textile structure (purple):

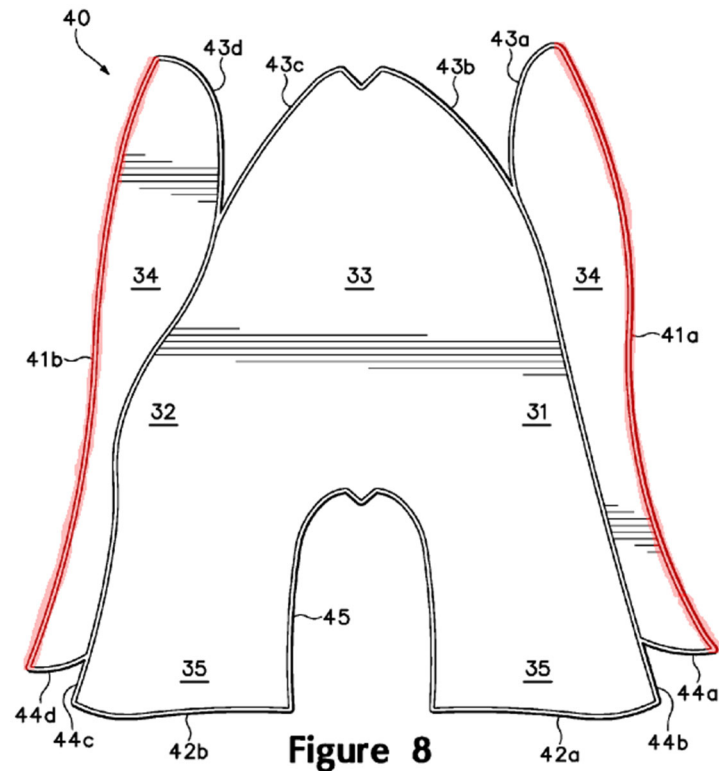


Ex.1005, Figs. 1-2 (annotated); Ex.1003, ¶93; *see also* Ex.1005, Figs. 4-5. Further, Nishida discloses that material web 1 includes individual part 29, which is “folded out of the unwound web part 2 into the plane of the shoe sole,” Ex.1005, 6, confirming that the knitted textile element (unwound web part(s) 2) has substantially planar configuration upon removal from the surrounding textile structure (surface areas 1.1) and prior to folding. Ex.1003, ¶93.

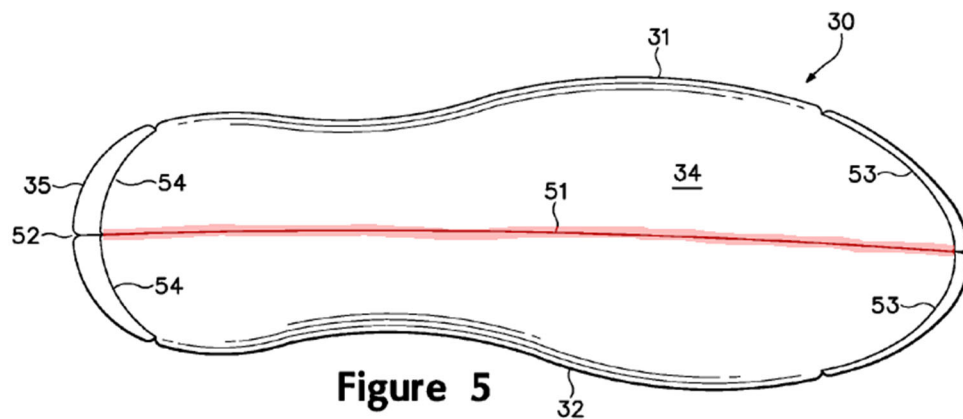
G. Claim 6

Claim 6 depends from claim 1 and recites: “wherein the knitted textile element includes longitudinal edges formed when the knitted textile element is removed from the surrounding knitted textile structure.”

The '749 patent does not use the phrase “longitudinal edges” outside of the claims. However, the '749 patent discloses that a textile element 40, which forms part of an upper, includes edge 41a (red) and edge 41b (red), as shown in Figure 8:



Ex.1001, Fig. 8 (annotated), 5:62-64; Ex.1003, ¶95. Edge 41a and edge 41b are secured to form seam 51 (red) that is described as “extend[ing] along the longitudinal length of lower region 34,” as shown in Figure 5:



Ex.1001, Fig. 5 (annotated), 5:50-52, 5:62-6:5; Ex.1003, ¶95.

Nishida discloses this limitation. Ex.1003, ¶¶94-96. For example, as can be seen from Figure 4, Nishida’s knitted textile element in one embodiment includes outer contours 29.3 (red) and 29.4 (red) that are similar to the ’749 patent’s edge 41a and edge 41b:

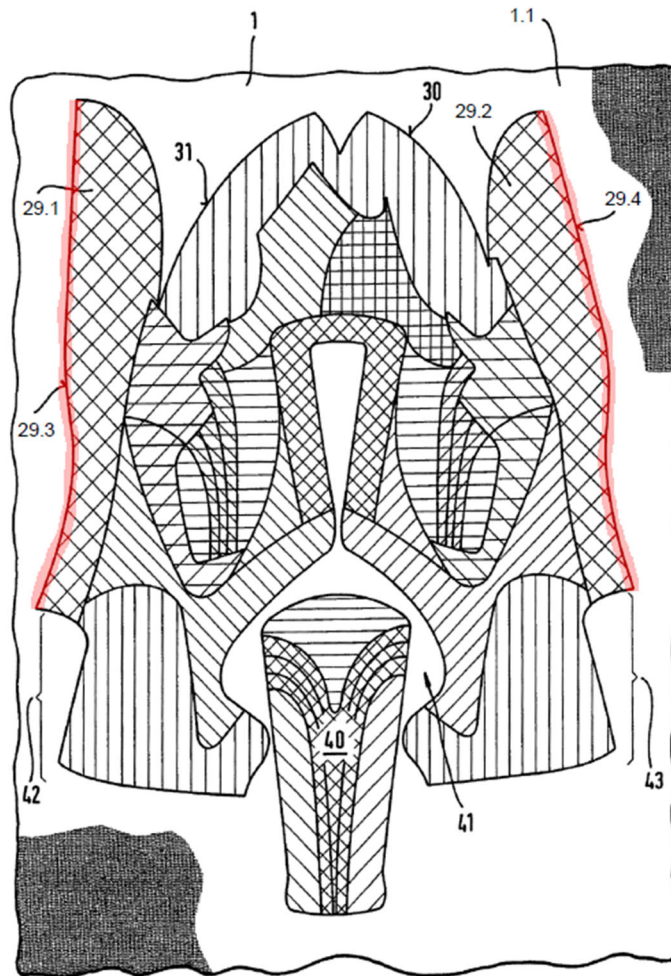


Fig. 4

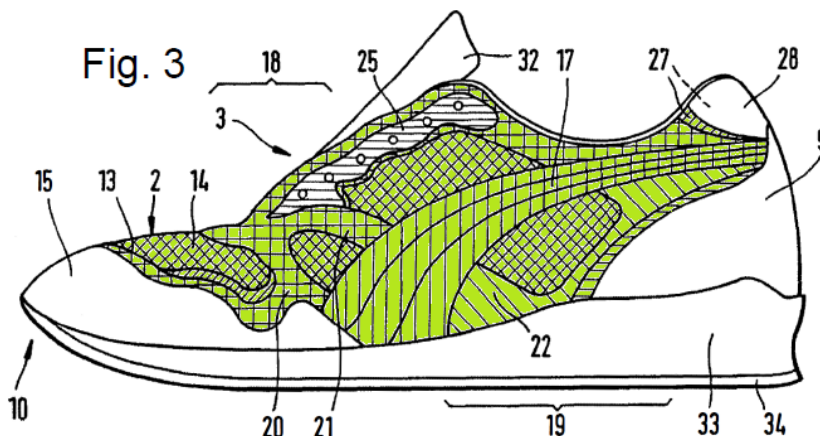
Ex.1005, 6-7, Fig. 4 (annotated); Ex.1003, ¶96. Nishida provides that “outer contours 29.3 and 29.4 are preferably joined together by a longitudinal seam,” similar to the ’749 patent’s seam 51. Ex.1005, 7; Ex.1003, ¶96. Thus, Nishida

discloses that its knitted textile element (unwound web part(s) 2) includes longitudinal edges (outer contours 29.3 and 29.4) formed when the knitted textile element (unwound web part(s) 2) is removed from the surrounding knitted textile structure (surface areas 1.1).

H. Claim 7

Claim 7 depends from claim 6 and recites: “wherein the longitudinal edges are joined together to define at least a portion of a void for receiving a foot.”

Nishida discloses this limitation. Ex.1003, ¶¶97-98. For example, as discussed for claim 6, Nishida discloses that its knitted textile element’s “outer contours 29.3 and 29.4 are preferably joined together by a longitudinal seam.” Ex.1005, 7. This longitudinal seam brings together sole part sections 29.1 and 29.2 to “form the complete sole part 29” and part of a void for receiving a foot. Ex.1005, 7; Ex.1003, ¶98. Nishida discloses its knitted textile element like “[t]he finished shoe upper 3 (green) is then placed in an adhesive, injection or casting mold, in which a midsole 33 and an outsole 34,” which forms a shoe such as shown in Figure 3:



Ex.1005, 6, Fig. 3 (annotated); Ex.1003, ¶98; *see also* Ex.1005, 5, 7-8. Thus, Nishida discloses its longitudinal edges (outer contours 29.3 and 29.4) are joined together (via longitudinal seam) to define at least a portion of a void for receiving a foot.

I. Claim 8

Claim 8 depends from claim 1 and recites: “wherein the knitted textile element has a plurality of different knitted textures formed by varying at least one of the stitch type and the yarn type.” As described below, Nishida discloses varying the knitted texture by varying at least the yarn type. “When a claim covers several structures or compositions, either generically or as alternatives, the claim is deemed anticipated if any of the structures or compositions within the scope of the claim is known in the prior art.” *Brown v. 3M*, 265 F.3d 1349, 1351 (Fed. Cir. 2001). Thus, Petitioner need only show that the art discloses varying *either* the stitch type or yarn type.

For example, Nishida discloses that its knitted textile element (unwound web part(s) 2) may have different textures. Ex.1003, ¶¶99-101. Nishida provides that the knitted textile element can be produced “using different manufacturing techniques, such as ... different yarn material ... [or] different material thickness.” Ex.1005, Abstract. Nishida also discloses that the knitted textile element may be “divided into different individual parts or areas, which are distinguished from each other ... by different fibers or threads, e.g., of wool, wool with metal threads, silk, silk with metal threads or wool with synthetic fibers, and the like, and/or ... differently formed fiber strands or fiber strand compositions, such as twisted, processed in parallel, and the like.” *Id.*, Abstract, 5. Nishida accordingly provides that its knitted textile element may have a plurality of different knitted textures by at least varying the yarn type used to knit the knitted textile element. Ex.1003, ¶101. Thus, Nishida discloses claim 8. *Id.*

J. Claim 12

Claim 12 depends from claim 1 and recites: “wherein incorporating the knitted textile element into the article of footwear includes securing edges of the knitted textile element to form a seam that extends along a lower region of an upper and securing the upper to a sole structure.”

Nishida discloses this limitation. Ex.1003, ¶¶102-103. For example, as discussed for claim 6, Nishida’s knitted textile element in one embodiment includes

outer contours 29.3 and 29.4 that are joined by a longitudinal seam, similar to the '749 patent's edge 41a and edge 41b that are joined by seam 51. *Id.*, ¶103. Nishida's longitudinal seam extends along a lower region of Nishida's upper like the '749 patent's "[s]eam 51 extends along the longitudinal length of lower region 34." Ex.1005, 6-7, Fig. 4; Ex.1001, 5:50-52; Ex.1003, ¶103. Nishida also discloses "[t]he finished shoe upper 3 is then placed in an adhesive, injection or casting mold, in which a midsole 33 and an outsole 34 are formed by known methods, as shown in Fig. 3." Ex.1005, 6; *see also id.*, 7-8. This process forms a shoe as discussed for limitation 1[c]. Ex.1003, ¶103. Thus, Nishida discloses claim 12.

K. Claim 13

Claim 13 includes limitations similar to those in claims 1 and 2. Ex.1003, ¶104. Nishida discloses claim 13 for reasons similar to those discussed for claims 1 and 2. *Id.*

1. Preamble

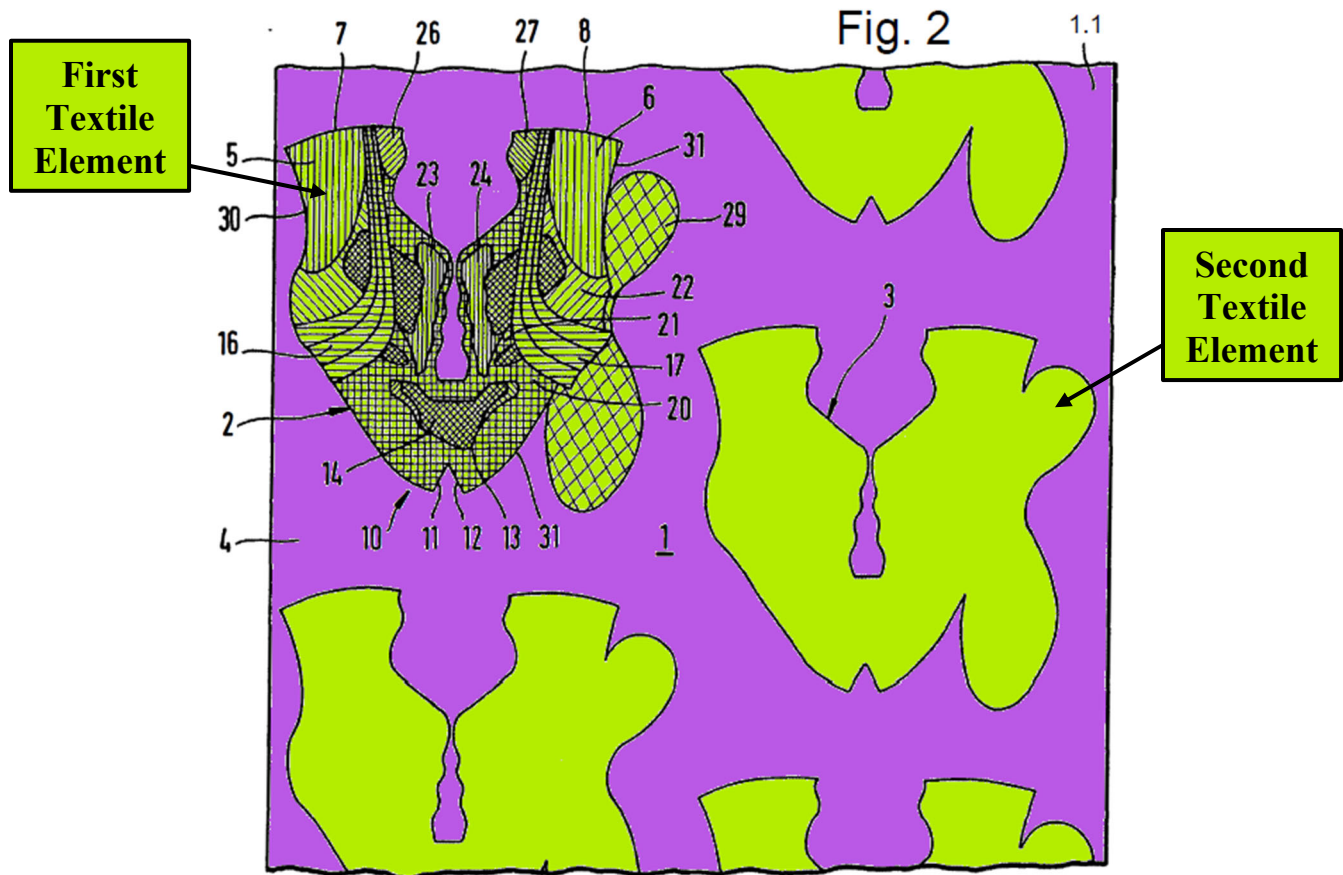
Claims 13 and 1 have the same preamble. As discussed for claim 1, Nishida discloses the preamble. Ex.1003, ¶105.

2. Limitation 13[a]

This limitation recites "knitting a first textile element and a second textile element simultaneously with knitting a surrounding textile structure, the first knitted textile element located within a first portion of the knitted textile structure, the

second knitted textile element located within a second portion of the knitted textile structure.”

Nishida discloses this limitation. Ex.1003, ¶106. For example, Nishida discloses knitting “a fabric with several unwound web parts for different shoe uppers.” Ex.1005, 5, Fig. 2. Nishida also provides that “the individual patterns or partial patterns [of the uppers] can already be produced directly during the production of the material web [1].” *Id.*, 4; *see also id.*, Abstract (“patterns (2) of the uppers are produced, at the same time as the strip of material (1) is produced”). As discussed for claim 2, Nishida discloses knitting two textile elements (unwound web parts 2) simultaneously with knitting a surrounding textile structure (surface areas 1.1). As can be seen from Nishida’s Figure 2, a first textile element is located within a first portion of Nishida’s knitted textile structure (material web 1) and a second textile element is located within a second portion of the knitted textile structure:



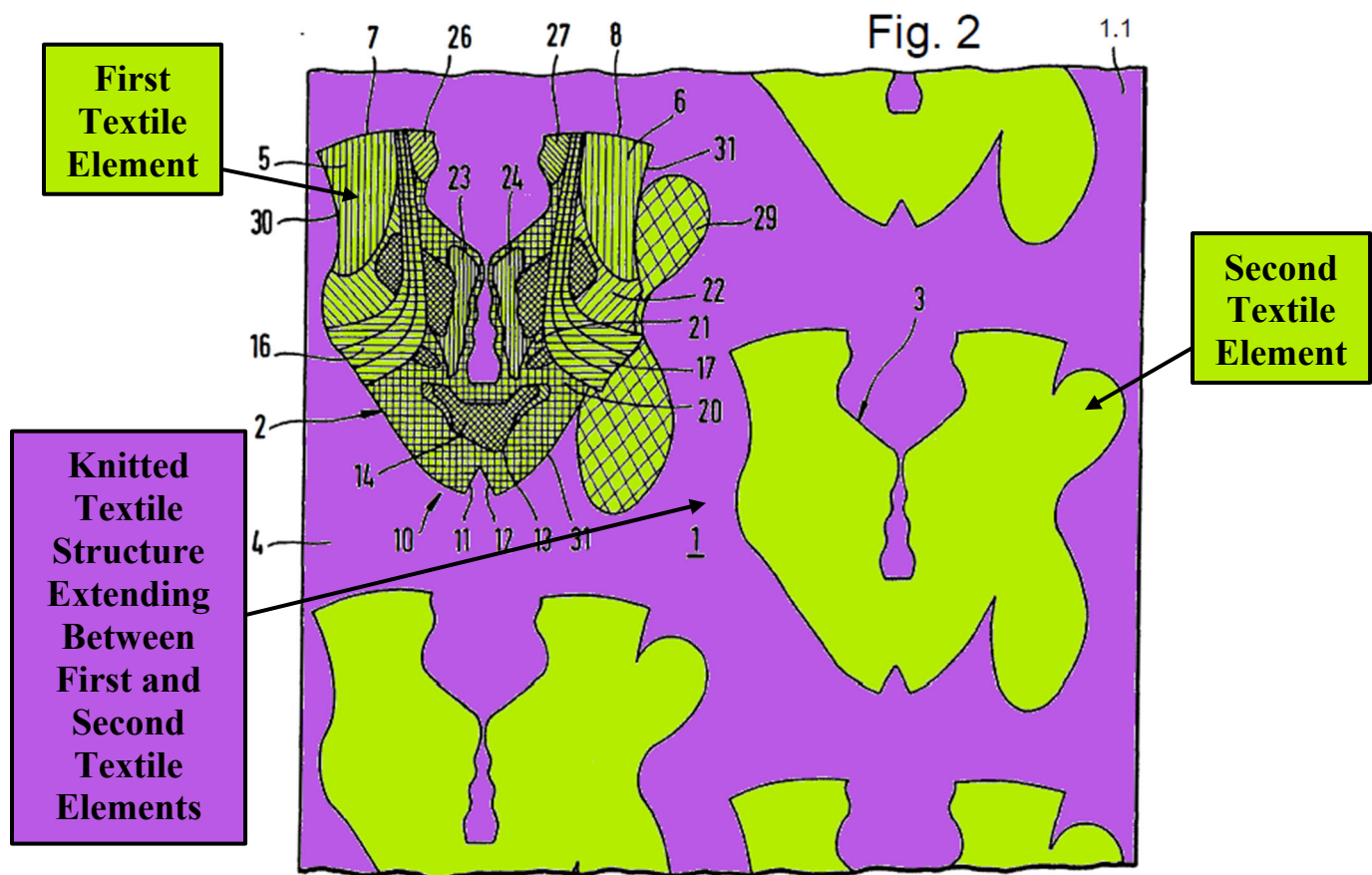
Ex.1005, Fig. 2 (annotated); Ex.1003, ¶106. Thus, Nishida discloses limitation 13[a].

3. Limitation 13[b]

This limitation recites “varying at least one of the types of stitches or the types of yarns in the knitted textile structure to impart a texture to the first and second knitted textile elements different from a texture of the knitted textile structure extending between the first and second portions.”

Nishida discloses this limitation. Ex.1003, ¶107. As discussed for limitation 1[a], Nishida discloses that a knitted textile element (unwound web part(s) 2) has at

least one knitted texture that differs from a knitted texture in a surrounding textile structure (surface areas 1.1). The textures between the knitted textile element and the surrounding textile structure differ from using one yarn type in the knitted textile element that is different from another yarn type used in the surrounding textile structure, as discussed for limitation 1[a]. The surrounding textile structure (surface areas 1.1) in Nishida is a knitted textile structure extending between the first and second textile elements (unwound web parts 2) as can be seen from Figure 2:



Ex.1005, Fig. 2 (annotated); Ex.1003, ¶107. Thus, Nishida discloses varying at least one of the types of stitches or the types of yarns (varying yarn type) in the knitted

textile structure (material web 1) to impart a texture to the first and second knitted textile elements (unwound web parts 2) different from a texture of the knitted textile structure extending between the first and second portions (surface areas 1.1).

4. Limitation 13[c]

This limitation recites “removing the first and second knitted textile elements from the knitted textile structure.”

Nishida discloses this limitation. Ex.1003, ¶108. As discussed for limitation 1[b], Nishida discloses removing (cutting) a knitted textile element (unwound web part(s) 2) from a surrounding textile structure (surface areas 1.1). Nishida also discloses removing (cutting) two textile elements (unwound web parts 2) from the knitted textile structure (material web 1) with respect to Figure 2. *Id.* Nishida thus discloses removing (cutting) the first and second knitted textile elements (unwound web parts 2) from the knitted textile structure (material web 1).

5. Limitation 13[d]

This limitation recites “incorporating at least one of the first and second knitted textile elements into the article of footwear.”

Nishida discloses this limitation and incorporating at least one of its knitted textile elements (unwound web part(s) 2) into the article of footwear (shoe) for the reasons discussed for limitation 1[c]. Ex.1003, ¶109.

L. Claim 14

Claim 14 depends from claim 13. Nishida discloses claim 14. Ex.1003, ¶¶110-111. Nishida discloses that knitting a first textile element (one of unwound web parts 2) simultaneously with a surrounding textile structure (surface areas 1.1) includes knitting an outline of the first knitted textile element (one of unwound web parts 2) for the reasons discussed for claim 3. *Id.*; *see also* Ex.1005, Fig. 2.

M. Claim 15

Claim 15 depends from claim 13. Nishida discloses claim 15. Ex.1003, ¶¶112-113. As discussed for claim 5, Nishida discloses a knitted textile element (unwound web part(s) 2) has a substantially planar configuration upon removal from a surrounding textile structure (surface areas 1.1). This is also the case for Nishida's second knitted textile element, which is the same as the first. *Id.*

N. Claim 16

Claim 16 depends from claim 13. Nishida discloses claim 16. Ex.1003, ¶¶114-115. Nishida discloses the first knitted textile element (one of unwound web parts 2) includes longitudinal edges formed when the first knitted textile element (one of unwound web parts 2) is removed from the surrounding knitted textile structure (surface areas 1.1) for the reasons discussed for claim 6. *Id.*; *see also* Ex.1005, Fig. 2.

O. Claim 17

Claim 17 depends from claim 16. Nishida discloses claim 17 for the reasons discussed for claim 7. Ex.1003, ¶¶116-117.

P. Claim 18

Claim 18 depends from claim 16. Nishida discloses claim 18 for the reasons discussed for claim 12. Ex.1003, ¶¶118-119.

VIII. GROUND 2: NISHIDA IN VIEW OF A POSA’S GENERAL KNOWLEDGE RENDERS OBVIOUS CLAIMS 9-10 AND 19-20

Claims 9-10 and 19-20 recite the type of knitting machine used to perform the method of claim 1 or 13. Claims 9 and 19 recite performing the claimed method on a “wide-tube circular knitting machine.” Claims 10 and 20 recite performing the claimed method on a “jacquard double needle-bar raschel knitting machine.”

The ’749 patent inventors did not invent these knitting machines; they were well known in the industry. Ex.1003, ¶122; *see also e.g., id.*, ¶¶49-62. The ’749 patent admits that wide-tube circular knitting machines suitable for use with the claimed methods were known and identifies one such usable commercially available machine—the Santoni SM8 TOP1. Ex.1001, 7:9-37. The ’749 patent does not assert that modifications to the conventional operation of these commercially available machines were required to practice the claimed methods. Ex.1003, ¶122.

Nishida renders obvious these limitations in view of a POSA’s general knowledge. Ex.1003, ¶¶120-129; *see also e.g., id.*, ¶¶48-62. Nishida does not

specify what knitting process and machine is used to knit its material web 1. *Id.*, ¶123. Instead, Nishida leaves the selection of the knitting process, including the appropriate knitting machine, to a POSA. *Id.* It would have been obvious to use either a wide-tube circular knitting machine or a jacquard double needle bar raschel knitting machine in view of Nishida’s disclosure. *Id.* Both machines were generally known knitting machine types for producing knitted structures like those described in Nishida, and a POSA would have been motivated to select the two machines. *Id.* Spencer (Ex.1009), which is a widely used reference book about knitting, dedicated portions of multiple chapters to the two machines. *Id.*; *see e.g.*, Ex.1009, 90-102, 61-62, 151, 166, 195-207.

A POSA would have been motivated to look to circular knitting and raschel knitting as two of a finite number of options for producing Nishida’s material web 1. Ex.1003, ¶124; *see KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 421 (2007) (“finite number of identified, predictable solutions” that lead to anticipated success “is likely the product, not of innovation, but of ordinary skill and common sense”); *see also Uber Techs., Inc. v. X One, Inc.*, 957 F.3d 1334, 1341-1342 (Fed. Cir. 2020) (reversing Board’s finding that limitation was not obvious because it was one of finite number of known predictable solutions at time of alleged invention). Industrial knitting machines for producing a knitted sheet like Nishida’s fall into two broad categories: warp knitting and weft knitting. Ex.1003, ¶¶124, 49; Ex.1010, 4.

Both categories were well known by 2004, and machines of both types were commercially available long before 2004. Ex.1003, ¶124. Those categories are further broken into major subcategories: weft knitting into “[c]ircular” and “[f]lat” and warp knitting into “[m]ilanese,” “[r]aschel,” and “[t]ricot.” *Id.*; Ex.1010, 4 (emphasis added). A POSA would have recognized that a circular machine (specifically, a wide-tube circular knitting machine) or a raschel machine (specifically, a jacquard double needle bar raschel knitting machine) would produce the structures described in Nishida and would have been cost-effective and low complexity options to do so. Ex.1003, ¶¶124-126; *see also* Ex.1009, 90-102, 61-62, 151, 166, 195-207; Ex.1012, [0010], [0018]-[0020], [0057]-[0058]; Ex.1023, 3-4. A POSA would accordingly have selected either machine to implement the methods disclosed in Nishida. Ex.1003, ¶127.

Using wide-tube circular and jacquard double needle bar raschel knitting machines would have involved nothing more than applying a known technique (using a wide-tube circular knitting machine or a jacquard double needle bar raschel knitting machine to knit a textile element) to a known method (knitting a material web like Nishida’s that includes both knitted textile element(s) (unwound web part(s) 2) and surrounding knitted textile structure (surface areas 1.1)) that is ready for improvement and yields predictable results (knitting a material web like Nishida’s with a wide-tube circular knitting machine or a jacquard double needle bar

raschel knitting machine). Ex.1003, ¶128; *see KSR*, 550 U.S. at 417. It was known that circular knitting machines could knit material sheets from which desired portions are cut out. Ex.1009, 90, 151 (“circular garment-length machines are generally more productive than V-bed flat machines for cut-and-sew knitwear,” and in particular, after the advent of electronic controls, large diameter machines were the more cost-effective option); Ex.1003, ¶128. Wide-tube circular knitting machines, in particular, were known to utilize multiple yarns and stitches across the same knit structure. Ex.1009, 91-102; Ex.1003, ¶128. It was also known that double needle-bar raschel machines were useful in manufacturing knit footwear and other articles. Ex.1012, [0010], [0018]-[0020], [0057]-[0058]; Ex.1009, 166, 195-207; Ex.1003, ¶128. Such machines were known for simultaneously knitting multiple knitted textile elements side-by-side, which would facilitate the knitting of a structure like Nishida’s. Ex.1009, 201; Ex.1003, ¶128.

A POSA would have reasonably expected success in implementing Nishida’s knitting with a wide-tube circular knitting machine or a jacquard double needle bar raschel knitting machine. Ex.1003, ¶129. At most this would have involved the mere selection of particular circular or raschel machines for implementing Nishida’s material web 1. *Id.* Such machines were commercially available and would not have required more than basic setting up to knit Nishida’s structures. *Id.* A POSA would have known that wide-tube circular and jacquard double needle bar raschel

knitting machines would easily create a simple knitted article such as Nishida’s before the ’749 patent’s earliest priority date. *Id.* Thus, the claim limitations would have involved no more than the routine selection of one well-known species of knitting machine for use in performing Nishida’s method. *Id.*

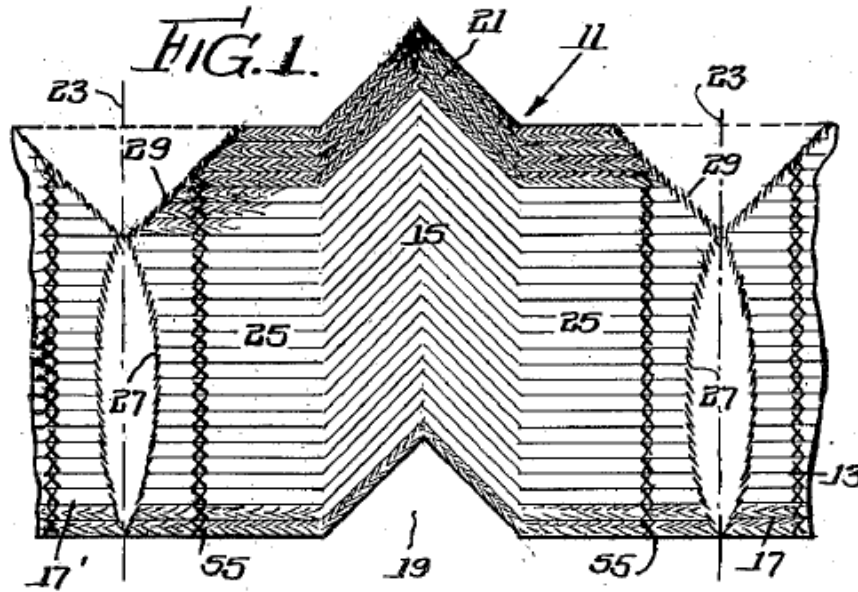
**IX. GROUND 3: ZUCKERMAN ANTICIPATES
CLAIMS 1-3, 5-8, 11, 13-17, AND 21**

A. Disclosure of Zuckerman

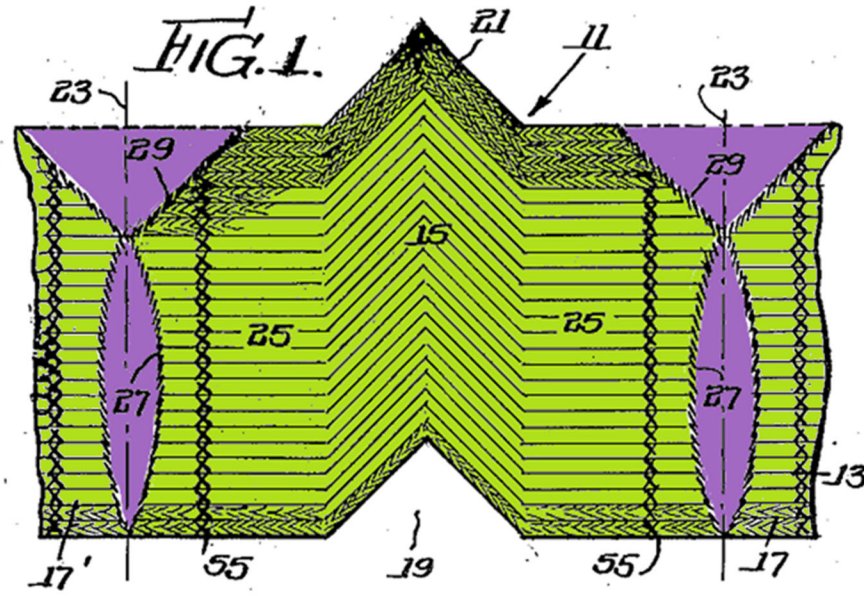
Zuckerman discloses “knitted footwear and [a] method of making the same.” Ex.1008, 1(L):1-4⁶; Ex.1003, ¶¶130-132. According to Zuckerman, its described approaches “simplify the production of knitted articles fashioned or shaped to conform with the foot” and facilitate inexpensively making such articles. Ex.1008, 1(L):5-10.

As illustrated in Figure 1, Zuckerman discloses knitting a continuous sheet of fabric 13 “as a continuous strip on a knitting machine.” *Id.*, 1(R):45-50; *see also id.*, 1(L):45-1(R):2.

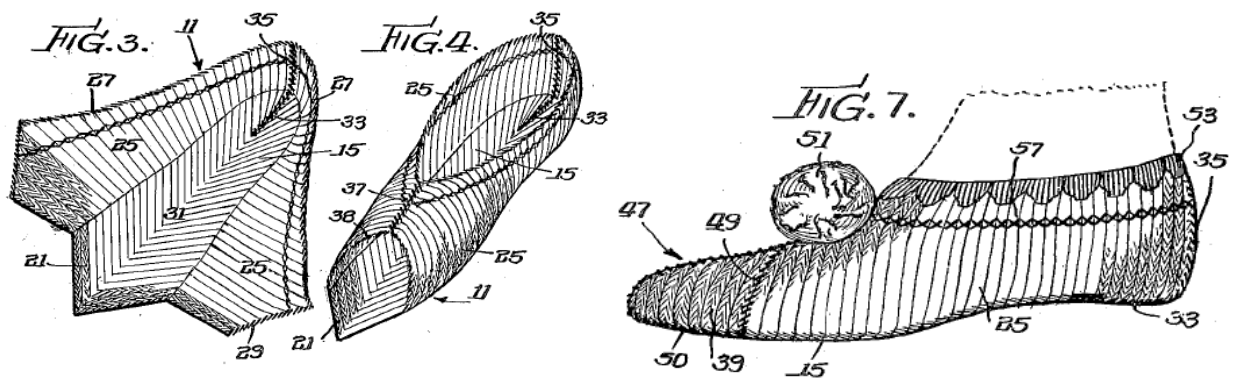
⁶ Citations to Zuckerman are in the format: page number(left/right column):line number(s).



Id., Fig. 1. “[C]ontinuous strip [13] compris[es] several blanks [11]” where each blank 11 has multiple textures. *Id.*, 1(L):1-15, 2(L):39-44, 1(R):50-2(L):11, 2(L):44-52, Fig. 1; Ex.1003, ¶131. These varying textures may be formed by knitting with yarns that have different weight and durability, knitting in different arrangements (e.g., varying rib arrangements), and knitting some areas more tightly than others. Ex.1008, 1(L):1-15, 2(L):39-44, 1(R):50-2(L):11, 2(L):44-52, Fig. 1; Ex.1003, ¶131. Each blank 11 (green) is “formed by cutting the continuous strip 13 across at intervals” so that other portions of continuous strip 13 (purple) remain that are separate from blank 11:



Ex.1008, 2(L):12-22, Fig. 1 (annotated); Ex.1003, ¶131; *see also* Ex.1008, 1(L):5-15, 1(R):45-50. The cut knitted textile element (blank 11) is then folded, seamed, and incorporated with other components to make a footwear article like a slipper:



Ex.1008, 2(L):53-2(R):37, Figs. 3-4, 7; Ex.1003, ¶132.

B. Claim 1

1. Preamble

Zuckerman discloses the preamble. Ex.1003, ¶¶134-135. For example, Zuckerman discloses: “My invention relates in general to knitting and knitted articles and has more particular reference to knitted footwear and method of making the same.” Ex.1008, 1(L):1-4; *see also id.*, 1(L):5-15.

2. Limitation 1[a]

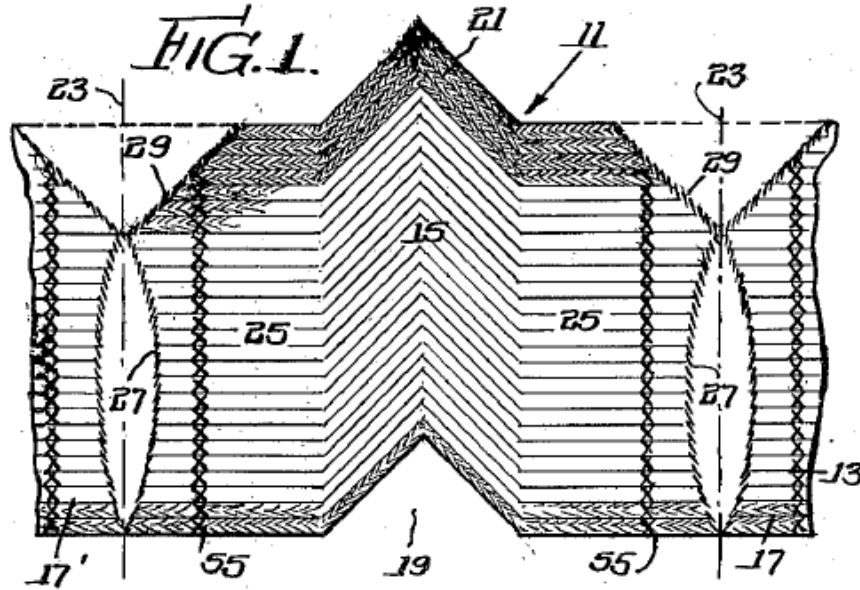
Zuckerman discloses limitation 1[a]. Ex.1003, ¶¶136-147.

i. Simultaneously Knitting

Zuckerman discloses the simultaneously knitting limitation. Ex.1003, ¶¶137-139. For example, Zuckerman discloses that its blank 11 is knit as part of a continuous strip 13 on a knitting machine:

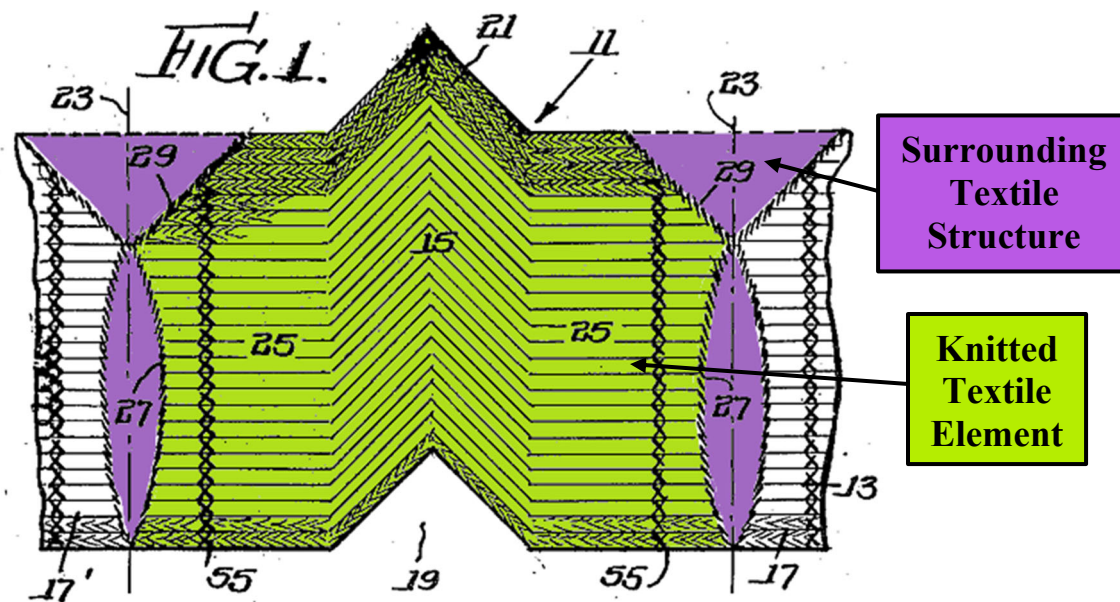
To illustrate my invention, I have shown on the drawing how I make fashioned footwear from knitted fabric. I accomplish this by first forming blanks **11**, from which the finished articles are formed. The blanks are preferably formed by cutting the same from a strip of fabric **13**, which may be made as a continuous strip on a knitting machine

Ex.1008, 1(R):41-50; *see also id.*, 1(L):45-1(R):2.



Id., Fig. 1.

Each blank 11 in Zuckerman is a knitted textile element. Ex.1003, ¶139. The portion of continuous strip 13 that surrounds blank 11 and is not part of blank 11 is a surrounding textile structure to the knitted textile element. *Id.* Figure 1 illustrates continuous strip 13, including its knitted textile element (green) and surrounding textile structure (purple):



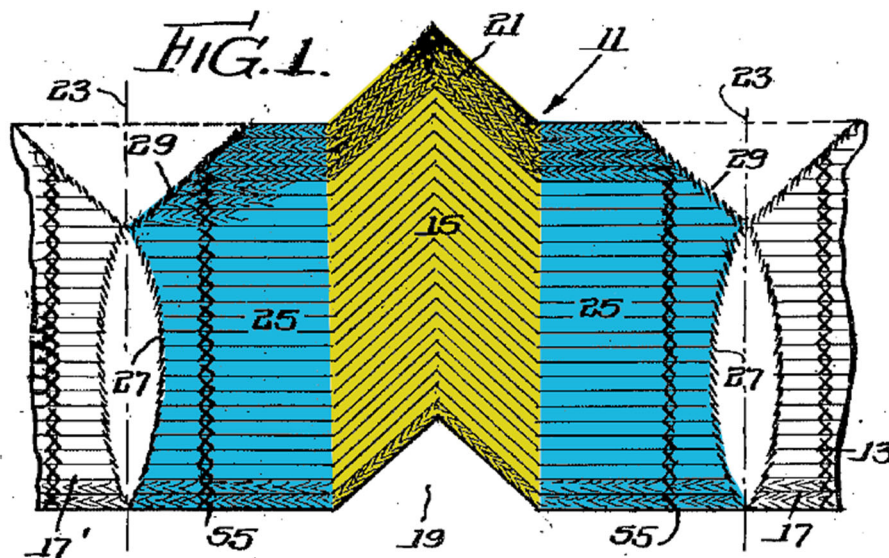
Ex.1008, Fig. 1 (annotated); Ex.1003, ¶139. Continuous strip 13, which includes the knitted textile element and the surrounding textile structure, is “made as a continuous strip on a knitting machine,” and accordingly knit simultaneously. Ex.1008, 1(R):45-50; Ex.1003, ¶139. Thus, Zuckerman discloses simultaneously knitting a textile element (blank 11) with a surrounding textile structure (portion of continuous strip 13 surrounding blank 11).

ii. Differing Knitted Textures

Zuckerman discloses the differing knitted textures limitation, including by varying stitch configuration and yarn type. Ex.1003, ¶¶140-145. For example, Zuckerman describes that each knitted textile element has at least one knitted texture that differs from a knitted texture in the surrounding textile structure. *Id.*, ¶141. Zuckerman confirms three different ways that its knitted textile element is

multitextured, and thus has at least one texture that differs from a texture in the surrounding textile structure. *Id.*

First, Zuckerman discloses that each knitted textile element (blank 11) has a herringbone portion 15 with angular ribs (yellow) and a non-herringbone portion 25 with parallel ribs (blue). Ex.1008, 2(L):16-22, 1(R):50-2(L):11.



Id., Fig. 1 (annotated); Ex.1003, ¶142. Such different rib arrangements create different textures in the knitted textile element, which means that at least one texture of the knitted textile element is different from a texture in the surrounding textile structure. Ex.1003, ¶142; *see also e.g., id.*, ¶¶50-62.

Second, Zuckerman discloses that “yarn, forming the sole portion 15 [yellow], also may be heavier and more durable than that used in the remaining portions [blue] of the blank [11] which, of course, form the upper in the finished article.” Ex.1008, 2(L):39-44. A heavier and more durable yarn creates a fabric with a different texture

than a fabric created with the lighter and less durable yarn, which also creates at least one texture of the knitted textile element that is different from a texture in the surrounding textile structure. Ex.1003, ¶143.

Third, Zuckerman discloses “knitt[ing] more tightly” sole portion 15 of the knitted textile element than other parts (e.g., side portions 25). Ex.1008, 2(L):44-52; Ex.1003, ¶144. Such tighter knitting involves using a different stitch configuration in the knitted textile element’s sole portion than the other parts of the knitted textile element. Ex.1003, ¶144; *see also e.g., id.*, ¶¶56-62. This results in different textures in the sole portion than the knitted textile element’s other parts and creates at least one texture in the knitted textile element that is different from a texture in the surrounding textile structure. *Id.*, ¶144.

Accordingly, Zuckerman’s knitted textile element (blank 11) is multitextured, and therefore the knitted textile element (blank 11) has at least one knitted texture that differs from a knitted texture in the surrounding knitted textile structure (portion of continuous strip 13 surrounding blank 11).

iii. Simultaneously Knitting Differing Knitted Textures

Zuckerman discloses the simultaneously knitting and differing knitted textures limitations together. Ex.1003, ¶146. In particular, Zuckerman describes that, during the process of simultaneously knitting the textile element (blank 11) with the surrounding textile structure (portion of continuous strip 13 surrounding blank

11), the knitted textile element (blank 11) is knit to have at least one knitted texture differing from a knitted texture knit into the surrounding textile structure (portion of continuous strip 13 surrounding blank 11) for the reasons discussed for the differing knitted textures limitation. *Id.*

Zuckerman thus discloses limitation 1[a].

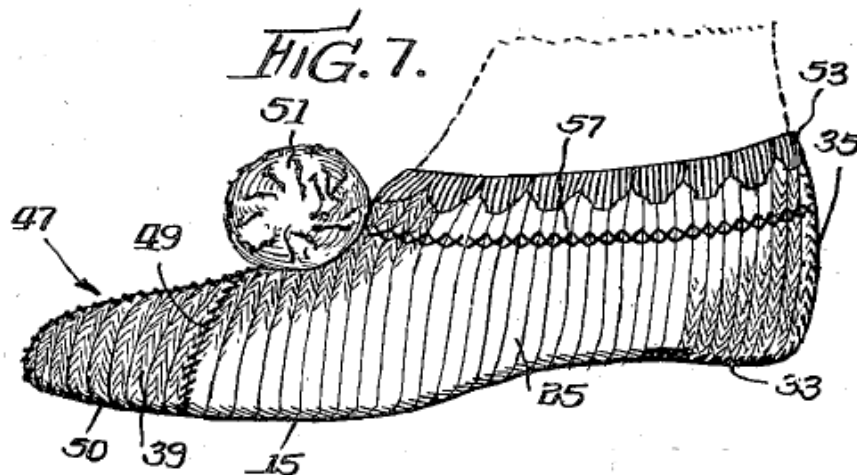
3. Limitation 1[b]

Zuckerman discloses limitation 1[b]. Ex.1003, ¶148. For example, Zuckerman provides that “blanks [11] are preferably formed by cutting the same from a strip of fabric 13.” Ex.1008, 1(R):45-50; *see also id.*, 1(L):5-15. Continuous strip 13 includes blank 11 and the portion of continuous strip 13 surrounding blank 11 as discussed for limitation 1[a]. Ex.1003, ¶148. Thus, Zuckerman discloses removing (cutting) the knitted textile element (blank 11) from the surrounding textile structure (portion of continuous strip 13 surrounding blank 11).

4. Limitation 1[c]

Zuckerman discloses limitation 1[c]. Ex.1003, ¶149. For example, Zuckerman discloses “[t]o fashion a slipper from the blank 11, the edges defining the notch 19 are brought together and stitched as at 33 to form a rounded heel portion in the sole.” Ex.1008, 2(L):53-56; *see also id.*, 2(L):56-2(R):26. Zuckerman provides that one disclosed slipper is formed of components in addition to blank 11,

including a toe covering portion. *Id.*, 2(R):17-37, 1(R):31-36. Figure 7 illustrates a finished slipper after Zuckerman's manufacturing steps:



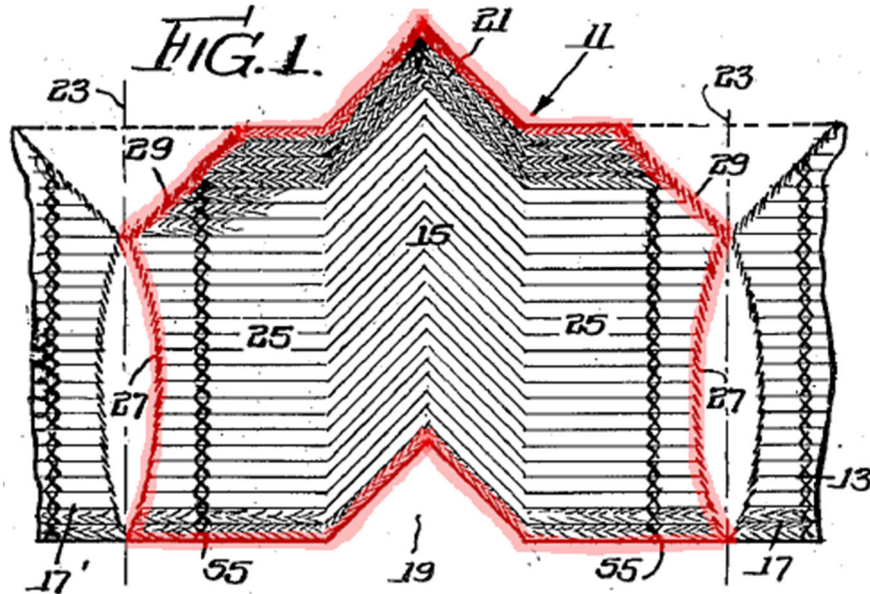
Ex.1008, 1(R):35-36, 2(R):17-37, Fig. 7; Ex.1003, ¶149. Thus, Zuckerman discloses incorporating the knitted textile element (blank 11) into the article of footwear (slipper).

C. Claim 2

Zuckerman discloses claim 2. Ex.1003, ¶¶150-151. For example, Zuckerman discloses “knit[ting] a continuous strip [13] comprising several blanks [11].” Ex.1008, 1(L):5-15; *see also id.*, 1(R):45-50, 2(L):12-22. Thus, Zuckerman discloses simultaneously knitting a textile element (blank 11) with a surrounding textile structure (portion of continuous strip 13 surrounding blank 11) includes simultaneously knitting a plurality of textile elements (blanks 11).

D. Claim 3

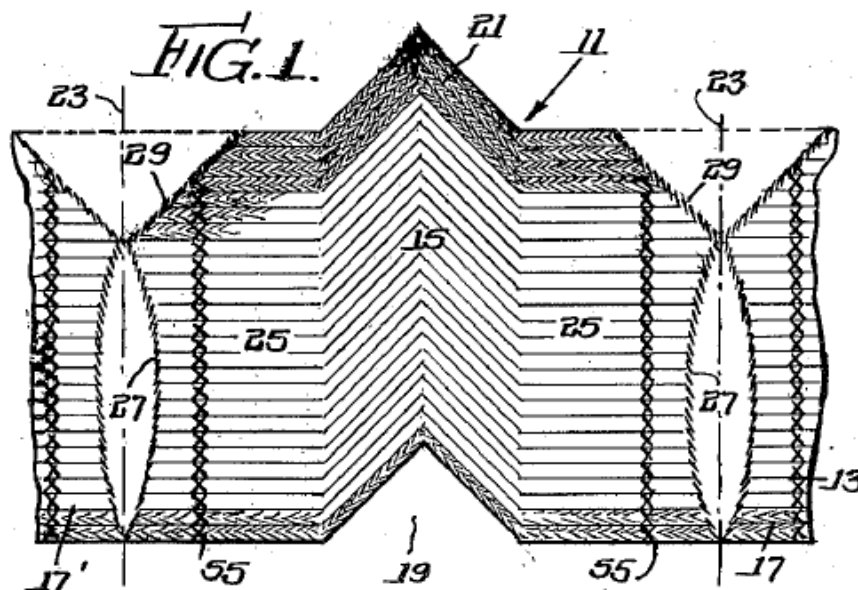
Zuckerman discloses claim 3. Ex.1003, ¶¶152-153. Zuckerman provides that the simultaneously knitting includes knitting an outline (red) of the knitted textile element:



Ex.1008, Fig. 1 (annotated). As can be seen, Zuckerman discloses varying the stitches throughout continuous strip 13 to form an outline of the knitted textile element (blank 11) along lines 29 and 27. Ex.1003, ¶153.

E. Claim 5

Zuckerman discloses claim 5. Ex.1003, ¶¶154-156. For example, Zuckerman discloses that “blanks are preferably formed by cutting the same from a strip of fabric 13, which may be made as a continuous strip on a knitting machine.” Ex.1008, 1(R):45-50, 1(L):10-15, 2(L):12-16. Figure 1 illustrates continuous strip 13 is substantially planar:

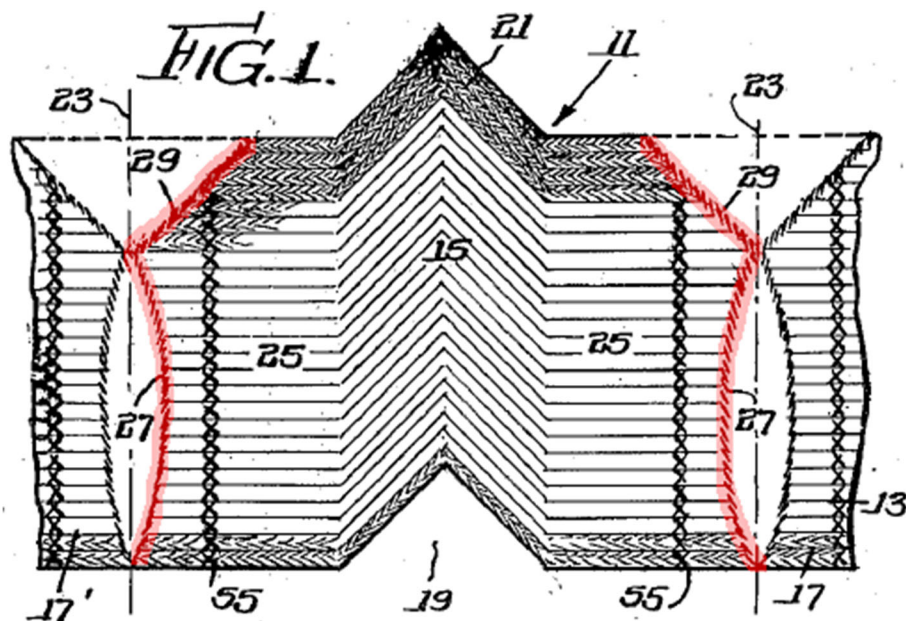


Id., Fig. 1; Ex.1003, ¶155. The phrase “strip of fabric” also indicates that the structure of continuous strip 13 is substantially planar. Ex.1003, ¶155. As discussed for limitation 1[b], Zuckerman’s knitted textile element is cut out of continuous strip 13 and separated from the surrounding textile structure. Further, Zuckerman’s knitted textile element’s edges are brought together and stitched “to form a rounded heel portion,” Ex.1008, 2(L):53-56, which introduces a non-planar structure, confirming that Zuckerman’s knitted textile element (blank 11) has substantially planar configuration upon removal from the surrounding textile structure (portion of continuous strip 13 surrounding blank 11) and prior to bringing the edges together. Ex.1003, ¶156.

F. Claim 6

Zuckerman discloses claim 6. Ex.1003, ¶¶157-158. For example, Zuckerman discloses that “[t]he opposite cut edges of the blank [11] are preferably formed as

shown in Figure 1 of the drawing, the edges being curved inwardly toward the herring bone portion 15 as at 27 [red] from the side of the blank containing the notches 19 toward the side of the blank containing the projections 21, the remaining edge being cut on a slant as shown at 29 [red]”:

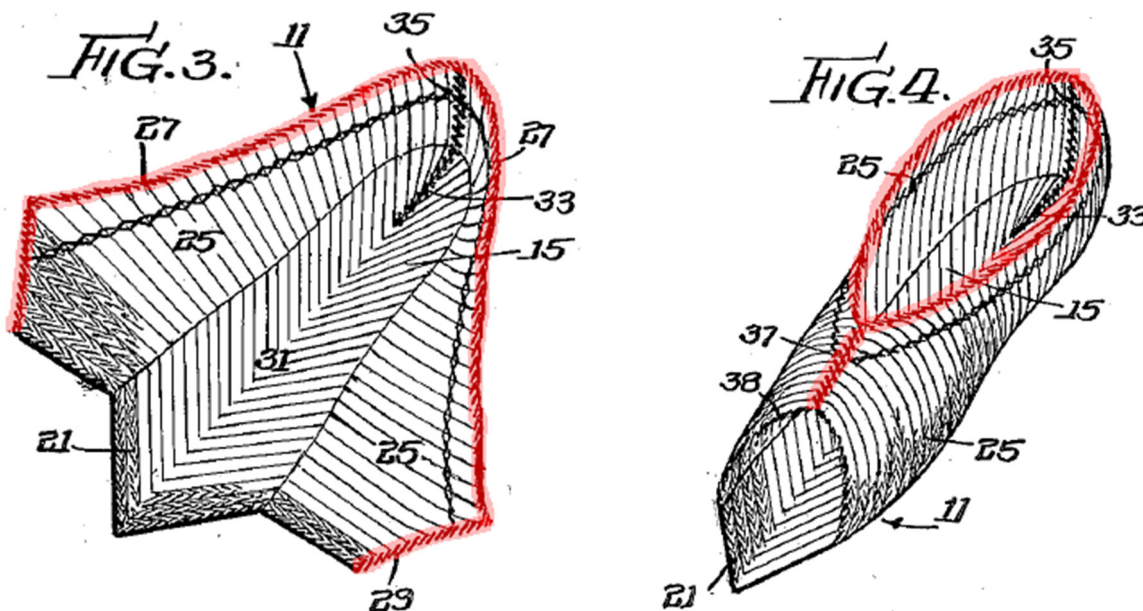


Ex.1008, 2(L):22-29, Fig. 1 (annotated); Ex.1003, ¶158. The cut edges 27 and 29 are longitudinal edges of the knitted textile element (blank 11) that are formed when the knitted textile element (blank 11) is removed from the surrounding knitted textile structure (portion of continuous strip 13 surrounding blank 11). Ex.1003, ¶158.

G. Claim 7

Zuckerman discloses claim 7. Ex.1003, ¶¶159-160. For example, Zuckerman discloses that “[t]he curved cut edges 27 [red] at opposite ends of the blank [11] cooperate to form the ankle receiving opening in the finished article while the

diagonally cut edges 29 [red] are secured together [at 37] to form an instep covering portion,” as shown in Figures 3-4:



Ex.1008, 2(L):29-34, 2(L):60-64, Figs. 3-4 (annotated); Ex.1003, ¶160.

H. Claim 8

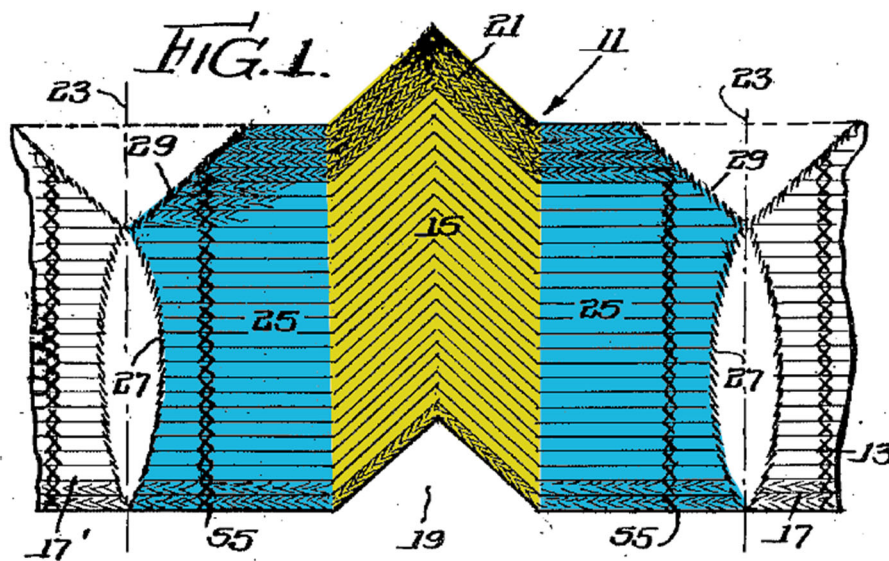
Zuckerman discloses claim 8. Ex.1003, ¶¶161-162. As discussed with respect to limitation 1[a], Zuckerman discloses that its knitted textile element (blank 11) has a plurality of different knitted textures (multitextured) formed by varying at least one of the stitch type and the yarn type. *Id.*, ¶162.

I. Claim 11

Claim 11 depends from claim 1 and recites: “wherein simultaneously knitting a textile element with a surrounding textile structure includes forming the knitted textile element to include a first area and a second area with a unitary construction, the first area being formed of a first stitch configuration, and the second area being

formed of a second stitch configuration that is different from the first stitch configuration to impart varying textures to a surface of the knitted textile element.”

Zuckerman discloses this limitation. Ex.1003, ¶¶163-164. For example, Zuckerman discloses knitting continuous strip 13 where its knitted textile element (blank 11) includes a first area (blue) and a second area (yellow) with a unitary construction, as shown in Figure 1:



Ex.1008, 1(R):50-2(L):11, Fig. 1 (annotated); Ex.1003, ¶164. Zuckerman discloses that its knitted textile element includes ribs and has the first area (sole portion 15) with an “angular arrangement of the ribs” and the second area (side portions 25) with “parallel ribs.” Ex.1008, 1(R):50-2(L):11, Fig. 1; Ex.1003, ¶164. Such an angular arrangement of the ribs creates a different texture than parallel ribs at least because of the different stitch configuration used to knit horizontal ribs versus diagonal ribs. Ex.1003, ¶164; *see also id.*, ¶¶58-62. Moreover, Zuckerman discloses “knitt[ing]

more tightly” sole portion 15 than other parts (e.g., side portions 25). Ex.1008, 2(L):44-52; Ex.1003, ¶164. Such tighter knitting involves using a different stitch configuration in the knitted textile element’s sole portion than the other parts, which results in different textures in the sole portion compared to the other parts. Ex.1003, ¶164; *see also e.g., id.*, ¶¶58-62. Thus, Zuckerman discloses claim 11.

J. Claim 13

Claim 13 includes limitations similar to those in claims 1 and 2. Ex.1003, ¶165. Zuckerman discloses claim 13 for reasons similar to those discussed for claims 1 and 2. *Id.*

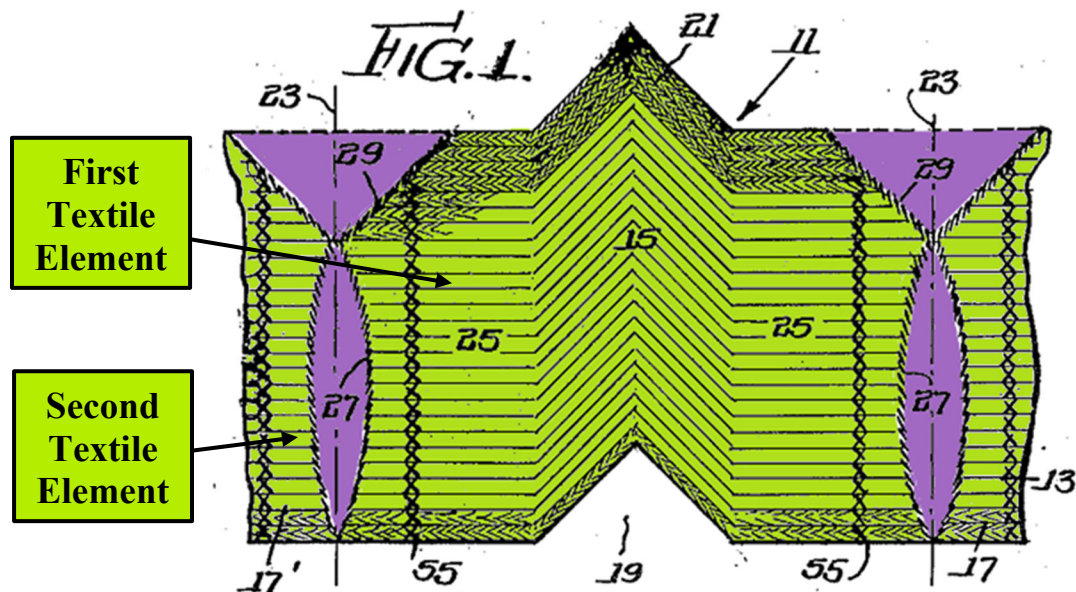
1. Preamble

Claims 13 and 1 recite the same preamble. As discussed for claim 1, Zuckerman discloses the preamble. Ex.1003, ¶166.

2. Limitation 13[a]

Zuckerman discloses limitation 13[a]. Ex.1003, ¶167. As discussed for limitation 1[a], Zuckerman discloses knitting a first textile element (blank 11) simultaneously with a surrounding textile structure (portion of continuous strip 13 surrounding blank 11). Zuckerman also discloses knitting two textile elements simultaneously with knitting a surrounding textile structure. *Id.* As can be seen from Figure 1, a first textile element is located within a first portion of Zuckerman’s

knitted textile structure (continuous strip 13) and a second textile element located within a second portion of the knitted textile structure:

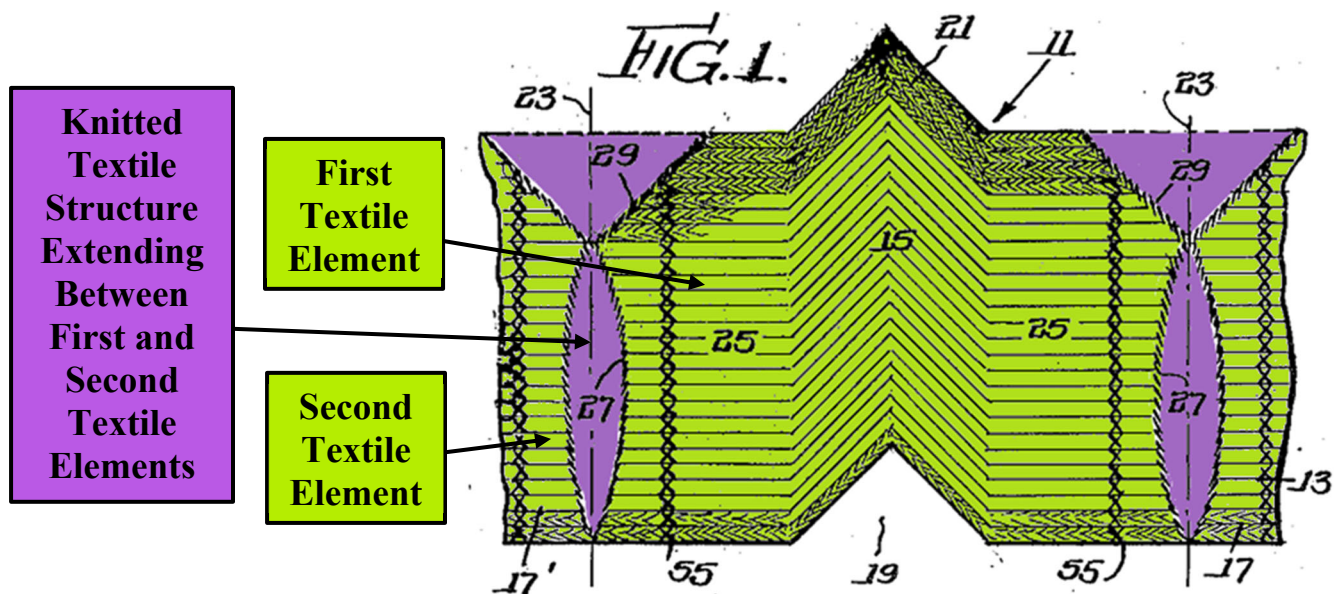


Ex.1008, Fig. 1 (annotated); Ex.1003, ¶167; *see also* Ex.1008, 1(L):5-15. The second textile element is cutoff in Figure 1, but Zuckerman provides that each textile element is knit in the manner described with respect to blank 11. Ex.1003, ¶167. Thus, Zuckerman discloses limitation 13[a].

3. Limitation 13[b]

Zuckerman discloses limitation 13[b]. Ex.1003, ¶168. As discussed for limitation 1[a], Zuckerman discloses that a knitted textile element (blank 11) has at least one knitted texture that differs from a knitted texture in a surrounding textile structure (portion of continuous strip 13 surrounding blank 11). The textures between the knitted textile element and the surrounding textile structure differ from using two different stitch types or yarn types in the knitted textile element, which

result in the knitted textile element having a different texture than a texture in the surrounding textile structure, as discussed for limitation 1[a]. *Id.* The stitch type varies, for example, because the stitch type for Zuckerman's parallel ribs differs from the stitch type for Zuckerman's diagonal ribs. *Id.* The surrounding textile structure (portion of continuous strip 13 surrounding blank 11) in Zuckerman is a knitted textile structure extending between the first and second textile elements (blank 11) as can be seen from Figure 1:



Ex.1008, Fig. 1 (annotated); Ex.1003, ¶168. Thus, Zuckerman discloses varying at least one of the types of stitches or the types of yarns (varying stitch and/or yarn type) in the knitted textile structure (continuous strip 13) to impart a texture to the first and second knitted textile elements (blanks 11) different from a texture of the knitted textile structure extending between the first and second portions (portion of continuous strip 13 surrounding blank 11).

4. Limitation 13[c]

Zuckerman discloses limitation 13[c]. Ex.1003, ¶169. As discussed for limitation 1[b], Zuckerman discloses removing (cutting) a knitted textile element (blank 11) from a surrounding textile structure (portion of continuous strip 13 surrounding blank 11). Zuckerman also discloses removing (cutting) two textile elements (blanks 11) from the knitted textile structure (continuous strip 13). *Id.* For example, Zuckerman discloses that “blanks [11] are preferably formed by cutting the same from a strip of fabric 13.” Ex.1008, 1(R):45-50; *see also id.*, 1(L):5-15. Thus, Zuckerman thus discloses removing (cutting) the first and second knitted textile elements (blanks 11) from the knitted textile structure (continuous strip 13).

5. Limitation 13[d]

Zuckerman discloses limitation 13[d]. Ex.1003, ¶170. In particular, Zuckerman discloses incorporating at least one of its knitted textile elements (blank 11) into the article of footwear (slipper) for the reasons discussed for limitation 1[c]. *Id.*

K. Claim 14

Zuckerman discloses claim 14. Ex.1003, ¶¶171-172. In particular, Zuckerman discloses that knitting a first textile element (one of blanks 11) simultaneously with a surrounding textile structure (portion of continuous strip 13

surrounding one of blanks 11) includes knitting an outline of the first knitted textile element (one of blanks 11) for the reasons discussed for claim 3. *Id.*, ¶172.

L. Claim 15

Zuckerman discloses claim 15. Ex.1003, ¶¶173-174. As discussed for claim 5, Zuckerman discloses a knitted textile element (blank 11) has substantially planar configuration upon removal from a surrounding textile structure (portion of continuous strip 13 surrounding blank 11). This is also the case for Zuckerman's second knitted textile element, which is the same as the first. *Id.*, ¶174.

M. Claim 16

Zuckerman discloses claim 16. Ex.1003, ¶¶175-176. In particular, Zuckerman discloses that the first knitted textile element (blank 11) includes longitudinal edges formed when the first knitted textile element (blank 11) is removed from the surrounding knitted textile structure (portion of continuous strip 13 surrounding blank 11) for the reasons discussed for claim 6. *Id.*, ¶176; *see also* Ex.1008, Fig. 1.

N. Claim 17

Zuckerman discloses claim 17 for the reasons discussed for claim 7. Ex.1003, ¶¶177-178.

O. Claim 21

Claim 21 depends from claim 13. Zuckerman discloses claim 21 for the reasons discussed for claim 11. Ex.1003, ¶¶179-180. Claim 21 recites similar limitations for a “first knitted textile element” rather than a “knitted textile element” like claim 11. *Id.*, ¶180.

X. GROUND 4: ZUCKERMAN IN VIEW OF A POSA’S GENERAL KNOWLEDGE RENDERS OBVIOUS CLAIMS 3, 9-10, 14, AND 19-20

A. Claims 3 and 14

To the extent that Zuckerman does not disclose claims 3 and 14, Zuckerman and a POSA’s general knowledge render obvious claims 3 and 14. Ex.1003, ¶¶181-184. As discussed for limitations 1[a]-1[b] and 13[a]-13[b] in Ground 3, Zuckerman discloses simultaneously knitting a textile element with a surrounding textile structure and removing the knitted textile element from the surrounding textile structure. A POSA would have also understood how to knit an outline as part of a knit structure and the benefits of incorporating such an outline into a knit structure like Zuckerman’s. *Id.*, ¶182. Spencer (Ex.1009), which is a widely used reference book about knitting, describes outlines in multiple chapters and highlights uses and benefits of such outlines that would be generally known to a POSA. *Id.*; *see e.g.*, Ex.1009, 184 (“using outline threads”), 30, 90, 106.

It would have been obvious for multiple reasons to knit an outline of the knitted textile element as part of knitting Zuckerman’s continuous strip 13. Ex.1003,

¶183. First, an outline of the knitted textile element is depicted in Zuckerman, i.e. along lines 29 and 27 in Figure 1. *Id.* It would have been known to vary the stitches throughout continuous strip 13 to provide an outline to serve as a guide for subsequent cutting, sewing, or assembly steps. *Id.*; *see e.g.*, Ex.1009, 30 (“cutting around the outline after finishing”), 90 (“[c]utting-out techniques vary widely, from marked lays whose outlines are followed by hand-guided cutting knives”). Such a guide would have helped with improving efficiency, minimizing errors, and reducing waste during manufacturing. Ex.1003, ¶183. Second, varying the stitches to provide an outline would have been known to be useful for increasing structural integrity around the knitted textile element’s edges. *Id.*; *see e.g.*, Ex.1009, 106 (“production of a firm starting welt” where “[a] *welt* is an attractive and secure edge of a knitted article that helps to prevent laddering or unroving of a structure”). Simultaneously knitting such an outline, such as with differences in stitches, would also have been easily achieved as part of knitting continuous strip 13 and involved no more than conventional knitting processes for continuous strip 13. Ex.1003, ¶183.

B. Claims 9-10 and 19-20

Zuckerman and a POSA’s general knowledge render obvious claims 9-10 and 19-20. Ex.1003, ¶¶185-189. As discussed in Ground 2, wide-tube circular knitting machines and jacquard double needle-bar raschel knitting machines were well

known by 2004. It would have obvious to a POSA to use either machine with the process described in Zuckerman. *Id.*, ¶187. Zuckerman does not specify what knitting process and machine is used to knit its continuous strip 13, leaving a POSA to select a process and appropriate machine. *Id.* A POSA would have been motivated to use either a wide-tube circular knitting machine or a jacquard double needle bar raschel knitting machine in view of Zuckerman's disclosure. *Id.*

A POSA would have been motivated to look to a circular machine (specifically, a wide-tube circular knitting machine) or a raschel machine (specifically, a jacquard double needle bar raschel knitting machine) as one of a finite number of options for producing Zuckerman's continuous strip 13 for the reasons discussed in Ground 2. Ex.1003, ¶188; *see KSR*, 550 U.S. at 417. Using circular or raschel knitting machines would also have involved nothing more than applying a known technique (using a wide-tube circular knitting machine or a jacquard double needle bar raschel knitting machine to knit a textile element) to a known method (knitting a continuous strip like Zuckerman's that includes both knitted textile element(s) (blank(s) 11) and surrounding knitted textile structure (portion of continuous strip 13 surrounding blank 11)) that is ready for improvement and yields predictable results (knitting a continuous strip like Zuckerman's with a wide-tube circular knitting machine or a jacquard double needle bar raschel knitting machine). Ex.1003, ¶188; *see KSR*, 550 U.S. at 417.

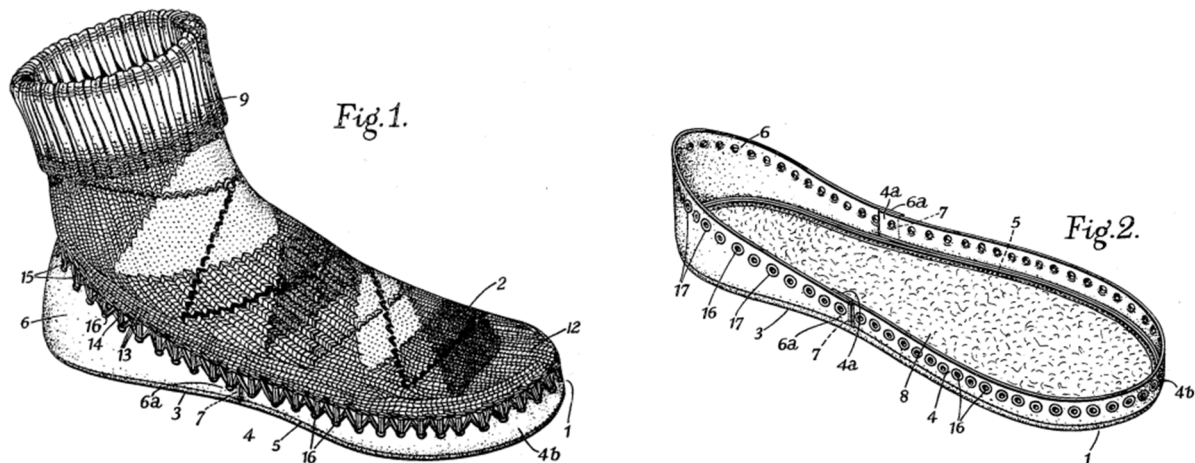
A POSA would have reasonably expected success in implementing Zuckerman's knitting with a wide-tube circular knitting machine or a jacquard double needle bar raschel knitting machine. Ex.1003, ¶189. At most this would have involved a mere selection of particular circular or raschel machines for implementing Zuckerman's continuous strip 13. *Id.* Such machines were commercially available and would not have required more than basic setting up to knit the structures described in Zuckerman. *Id.* A POSA would have known that wide-tube circular and jacquard double needle bar raschel knitting machines would easily create a simple knitted article such as Zuckerman's before the '749 patent's earliest priority date. *Id.* Accordingly, the claim limitations would have involved no more than the routine selection of one species of knitting machine for use in performing Zuckerman's method. *Id.*

Thus, claims 9-10 and 19-20 would have been obvious.

**XI. GROUND 5: ZUCKERMAN IN VIEW OF DOUGHTY
RENDERS OBVIOUS CLAIM 12**

A. Disclosure of Doughty

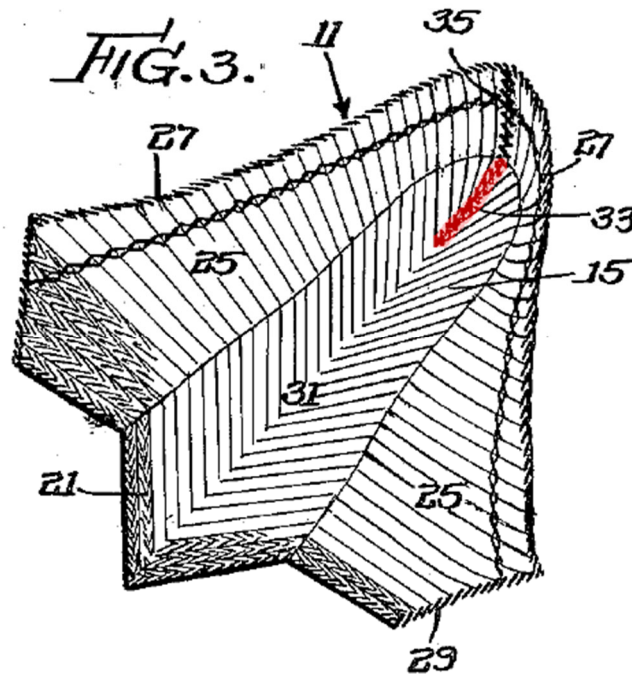
Doughty discloses “articles of footwear such, for example, as ... so-called slipper socks.” Ex.1017, 1:22-24; Ex.1003, ¶190. Doughty's “article of footwear compris[es] a separately made foot bottom or sole section [shown in Fig. 2 below right] which is joined to a knitted instep portion [shown in Fig. 1 below left] in such a way as to be readily detachable therefrom.” Ex.1017, 1:22-29.



Id., Figs. 1-2. According to Doughty, “the effective life of the instep portion can be appreciably extended” from the separate and detachable design. *Id.*, 1:50-52.

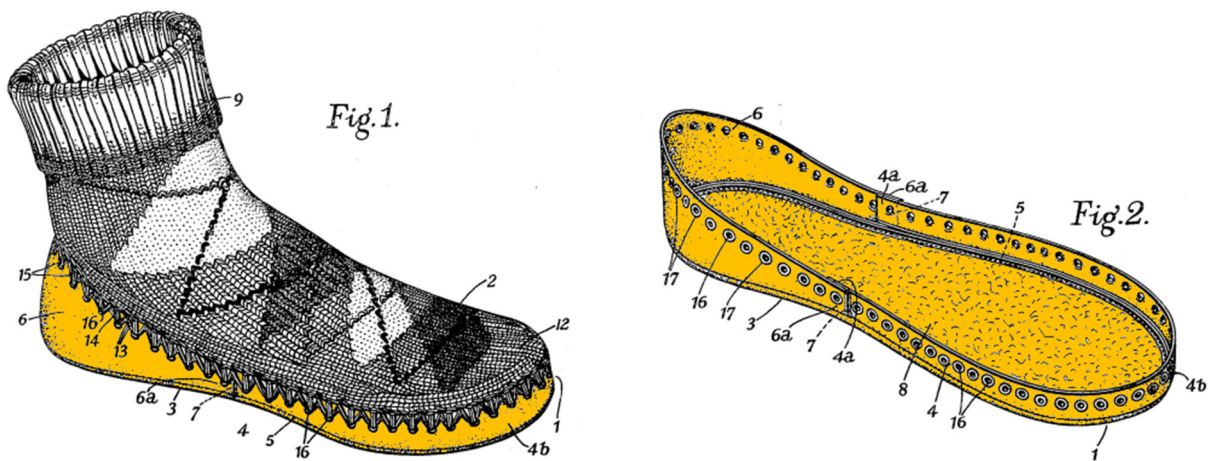
B. Claim 12

Zuckerman in view of Doughty renders claim 12 obvious. Ex.1003, ¶¶191-196. Zuckerman discloses that incorporating the knitted textile element (blank 11) into the article of footwear (slipper) includes securing the knitted textile element’s edges to form a seam extending along an upper’s lower region. *Id.*, ¶192. For example, Zuckerman discloses “[t]o fashion a slipper from blank 11, the edges defining the notch 19 are brought together and stitched as at 33 [red] to form a rounded heel portion in the sole,” as illustrated in Figure 3:



Ex.1008, 2(L):53-60, Fig. 3 (annotated); Ex.1003, ¶192. As shown, stitching 33 forms a seam that extends along the upper's lower region which is positioned under a wearer's foot. Ex.1003, ¶192.

It would have been obvious in view of Doughty to secure Zuckerman's upper to a sole structure. *Id.*, ¶193. For example, Doughty discloses "an article of footwear comprising a separately made foot bottom or sole section [orange] which is joined to a knitted instep portion in such a way as to be readily detachable therefrom," as shown in Figures 1-2:



Ex.1017, 1:25-29, Figs. 1-2 (annotated); Ex.1003, ¶193. Doughty provides that “the knitted instep portion can, where appropriate, be readily detached from the foot bottom or sole section for washing, and thereafter as readily and neatly reattached either to the same, or to a fresh foot bottom or sole section.” Ex.1017, 1:33-38. Such a construction is desirable “where the foot bottom or sole section is made of a material which cannot be washed like knitted fabric or might deteriorate or become otherwise spoiled by wetting” or “where the knitted instep portion is an expensively produced component as compared with the foot bottom or sole section, the latter can, when worn out, be easily detached and replaced by a new section.” *Id.*, 1:38-47. “In this way the effective life of the instep portion can be appreciably extended.” *Id.*, 1:50-52.

A POSA would have been motivated to secure Zuckerman’s upper to a sole structure like Doughty’s. Ex.1003, ¶194. Incorporating such a sole structure would facilitate easy washing of and reduced wear on a knit upper like Zuckerman’s and

permit changing of the sole structure if the sole structure were to wear out, extending the knit upper's life. *Id.* Incorporating such a sole structure would also allow for use of a knit upper like Zuckerman's in more varied environments because the sole structure would provide added protection and durability. *Id.*

A POSA would have reasonably expected success in attaching a sole structure like Doughty's to a knit upper like Zuckerman's. *Id.*, ¶195. This would have been trivial as confirmed by other prior art patents, including U.S. Patent Nos. 1,803,554 (Ex.1006) and 2,147,197 (Ex.1007), which also disclose attaching a sole structure to such a knit upper. *Id.*

Thus, claim 12 would have been obvious.

XII. GROUND 6: NISHIDA IN VIEW OF ZUCKERMAN RENDERS OBVIOUS CLAIMS 11 AND 21

Claims 11 and 21 would have been obvious over Nishida and Zuckerman. Ex.1003, ¶¶197-205. Nishida discloses simultaneously knitting a textile element with a surrounding textile structure as discussed for limitations 1[a] and 13[a] in Ground 1. Nishida also discloses that the different areas of its knitted textile element have a unitary construction because “when the strip of material (1) is manufactured, the patterns (2) of the uppers are produced, at the same time as the strip of material.” Ex.1005, Abstract; Ex.1003, ¶198; *see also* Ex.1005, 4.

It would have been obvious in view of Zuckerman to use different stitch configurations in knitting the different areas of Nishida's knitted textile element.

Ex.1003, ¶199. As discussed for limitation 1[a] in Ground 3, Zuckerman discloses “knitt[ing] more tightly” sole portion 15 than other parts (e.g., side portions 25). Knitting more tightly involves using different stitch configurations than knitting less tightly. *Id.*

A POSA would have been motivated to use one stitch configuration (e.g., knit more tightly) in a first area of Nishida’s knitted textile element and a different stitch configuration (e.g., knit less tightly) in a second area consistent with Nishida’s encouragement to freely change the “knit of individual areas.” Ex.1005, 8; Ex.1003, ¶200. The different stitch configurations would have been understood to provide different properties to the different areas. Ex.1003, ¶200; *see also e.g., id.*, ¶¶50-62.

Stitch configurations like knitting more tightly would have provided known benefits, including enhanced durability and support. *Id.*, ¶201; *see also e.g.*, Ex.1008, 2(L):35-52; Ex.1005, 5 (“wear-resistant part”), 6 (“[A]reas ... may be designed in the form of tension bands and/or be produced in a particularly tensile-resistant manner.”); Ex.1016, 5 (“[i]nterlock rib” is “semi-elastic” whereas full needle rib is “very elastic”), 23 (describing how a “slip stitch cam setting” “produces a tighter fabric” whereas a tucking stitch setting “produces a very stretchy fabric”), 35 (“blister fabrics” have “comparatively less stretch”), 51 (similar); Ex.1009, 47 (describing different properties of “[r]ib structures” and “plain structures”), 49 (describing different properties of rib types), 53 (same), 57 (same), 118 (explaining

how tighter stitch configurations alter properties and illustrating resulting textures);
Ex.1007, 1(R):33-41.

On the other hand, stitch configurations like knitting less tightly would have provided other known benefits, including enhanced breathability, flexibility, and weight reduction. Ex.1003, ¶202; *see also e.g.*, Ex.1005, 4 (“design the individual patterns or partial patterns to be soft, rigid, elastic, of different color, etc., depending on the subsequent stress or desired shape”) (“[T]he shoe upper or the associated sole part are produced in the required quality, thickness, multilayered, or the like.”), 5 (“[T]oe area 14 is to be designed to be relatively pliable, soft or elastic, and optionally also air-permeable.”) (“[T]he toe area 14 has an advantageous air exchange capability.”), 6-7 (“The finished shoe uppers made from material webs are characterized by an extremely low weight.”). In one implementation, a POSA would have selected the first area to be Nishida’s sole portion and the second area to be Nishida’s non-sole portion so that the sole portion would have enhanced durability and/or support and the non-sole portion would have enhanced breathability, flexibility, and/or weight reduction. Ex.1003, ¶202.

A POSA would have known that adjusting knitting tightness would be a suitable and, in some instances, lower cost approach for changing properties of an upper, such as in place of using different yarns in different areas of an upper as described in Nishida. *Id.*, ¶203. Switching between yarns and switching between

stitch configurations would have been no more than two known methods of achieving a desired property within an area of an upper. *Id.*; *see also e.g.*, Ex.1009, 31-32 (explaining that changing “lapping movements” which create warp knit stitch configurations “can be arranged to produce fabrics ranging from dimensionally stable to highly elastic without necessarily changing the type of yarn”). Switching between yarns and switching between stitch configurations thus would have been no more than selecting from two known variants to achieve the same goal. *Intel Corp. v. PACT XPP Schweiz AG*, 61 F.4th 1373, 1380-81 (Fed. Cir. 2023) (obvious to use any known “suitable option” according to its established function).

A POSA would have reasonably expected success in using different stitch configurations in knitting the different areas of Nishida’s knitted textile element in view of Zuckerman’s disclosure. Ex.1003, ¶204; *see also e.g., id.*, ¶¶49-62. The introduction of different stitch configurations in knitting Nishida’s knitted textile element would have been trivial. *Id.*, ¶204. It would have been known how to use Nishida’s “computerized web material production equipment, whose programs, according to the appropriate default setting, can be adjusted almost freely” to knit different stitch configurations in the different areas. *Id.*; *see also* Ex.1005, 8.

Thus, claims 11 and 21 would have been obvious.

**XIII. BOARD SHOULD NOT EXERCISE DISCRETION
TO DENY INSTITUTION**

A. Board Should Not Decline Institution Pursuant to 35 U.S.C. § 325(d)

This is Petitioner’s first petition challenging the ’749 patent. It presents a strong case of unpatentability. When analyzing Section 325(d), the Board weighs certain non-exclusive factors: “(a) the similarities and material differences between the asserted art and the prior art involved during examination; (b) the cumulative nature of the asserted art and the prior art evaluated during examination; (c) the extent to which the asserted art was evaluated during examination...; (d) the extent of the overlap between the arguments and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art; (e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the prior art; and (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.” *Becton, Dickinson and Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper No. 8 (P.T.A.B. Dec. 15, 2017) (precedential in relevant part). Factors (a), (b), and (d) relate to whether the art or arguments are the same or substantially the same as those previously presented to the office. *Advanced Bionics, LLC v. Med-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 10 (P.T.A.B. Feb. 13, 2020) (precedential). Factors (c), (e), and (f) “relate to whether the petition has demonstrated a material error by the Office” during prior consideration of the art or arguments. *Id.*

Factors (a)-(b): Art Considered During Examination

PO submitted Zuckerman and Doughty in an IDS during prosecution of the '749 patent. Although the translated PCT application of Nishida was not considered, a corresponding U.S. national phase entry (Nishida-US) was considered as discussed above.

Factors (c)-(d): Overlap Between Consideration of Art and Arguments

Zuckerman and Doughty were cited but not substantively discussed during prosecution, nor were they addressed in the *Adidas IPR*. As discussed in Sections III.C-D, Nishida-US was used in rejections during prosecution and also in combination with other references in the *Adidas IPR*.

Factors (e)-(f): This Petition and the Board's Decision in the Adidas IPR Demonstrate the Examiner's Error and Constitute New Circumstance Warranting Reconsideration

As discussed in Section III.C, the Examiner allowed the '749 patent because she accepted PO's arguments that Nishida-US failed to disclose the simultaneous knitting and differing knitted texture limitations of claims 1 and 13. That was an error. Indeed, in the *Adidas IPR*, the Board determined that Nishida-US discloses those very limitations and rejected PO's arguments to the contrary as discussed in Section III.D. In view of the Board's determinations, the Examiner erred in allowing the '749 patent's claims over Nishida-US. Thus, factor (e) weighs strongly in favor of institution.

Furthermore, as discussed in Section III.D, despite the Board’s findings regarding Nishida-US, the Board did not consider a ground of unpatentability based on Nishida-US without combining Nishida-US with another reference. This was not a Board error, but rather due to the grounds presented by Adidas in the *Adidas IPR*. Ex.1019, 16; Ex.1022, 28 n.11. The Board’s findings that Nishida-US discloses each independent claim limitation constitutes a changed circumstance not present during examination. This Petition presents Nishida as an anticipatory and single-reference obviousness reference for the first time to the Board, and for the first time since the Examiner materially erred by allowing the ’749 patent’s claims over Nishida-US. Absent invalidation of the ’749 patent’s claims, PO will continue to seek remedies (from Petitioner and others) based on these invalid claims. These changed circumstances strongly support institution.

Furthermore, the Examiner materially erred by failing to reject any claim over Zuckerman. As discussed above, Zuckerman anticipates most ’749 patent claims.

B. Board Should Not Decline Institution Pursuant to 35 U.S.C. § 314(a)

This Petition raises a compelling case of unpatentability for all ’749 patent claims. Per the Director’s June 21, 2022, Memorandum on the “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (“Guidance Memorandum”), this fact “alone demonstrates that the [Board] should not discretionarily deny institution under *Fintiv*.” Guidance

Memorandum at 5. Further, as described below, Petitioner stipulates that if IPR is instituted Petitioner will not pursue in the district court proceeding the same grounds of invalidity raised in this Petition or any grounds that it reasonably could have raised in this Petition. And per the Guidance Memorandum, the Board also should not discretionarily deny institution for this additional reason. Guidance Memorandum at 7. These factors are dispositive against any discretionary denial, but for completeness each of the *Fintiv* factors⁷ are addressed below.

Factor 1: Institution Will Increase Likelihood of Stay

Institution will enable the Board to resolve the issue of validity, and a finding of invalidity may relieve the district court of the need to continue litigation related to this patent. The district court action is still in its relatively early stages and though a *Markman* hearing took place, no trial date has been set. The opportunity for such simplification increases the likelihood that the court will grant a stay in view of IPR institution. *Qualcomm Inc. v. Apple Inc.*, No. 3:17-CV-2402-CAB-MDD, 2018 WL 4104951 (S.D. Cal. Aug. 29, 2018); *TAS Energy, Inc. v. San Diego Gas & Elec. Co.*, No. 12CV2777-GPC BGS, 2014 WL 794215 (S.D. Cal. Feb. 26, 2014).

⁷ *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 6 (P.T.A.B. Mar. 20, 2020) (precedential).

Factor 2: District Court Schedule

No trial date is scheduled in the district court action. Based on the 18-month IPR schedule, a Final Written Decision (“FWD”) in an IPR arising from the present Petition would issue around June 2025.

Factor 3: Investment In The District Court Proceeding

The district court proceeding is still at an early phase. Fact discovery is not scheduled to close until March 2024. Expert discovery has not yet commenced.

Patent Owner first asserted the ’749 patent against Petitioner on January 30, 2023 when it filed a complaint in the district court action. Petitioner prepared and filed the instant Petition prior to the statutory period provided by Congress under 35 U.S.C. § 315(b).

Factor 4: The Petition Raises Unique Issues

Petitioner hereby stipulates that if the Petition is instituted Petitioner will not assert in the district court proceeding that the challenged claims are invalid based on any ground raised or that reasonably could have been raised in this Petition. Thus, there will be no overlap of invalidity issues between the district court action and the IPR. *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (P.T.A.B. Dec. 1, 2020). This factor militates against any discretionary denial. Guidance Memorandum at 7.

Factor 5: Overlap Between The Parties In The Parallel Proceeding

While the same parties are involved here and the district court action, this factor is not determinative.

Factor 6: Other Circumstances Support Institution

Petitioner has presented a compelling case of invalidity for all claims. This fact “alone demonstrates that the [Board] should not discretionarily deny institution under *Fintiv*.” Guidance Memorandum at 5.

XIV. CONCLUSION

Petitioner respectfully requests that the Board institute an IPR and cancel claims 1-21 of the '749 patent.

Dated: January 12, 2023 By: /Ali S. Razai/
Ali S. Razai (Reg. No. 60,771)
KNOBBE MARTENS OLSON & BEAR, LLP

Attorneys for Petitioner lululemon usa inc.

APPENDIX 1

Listing of Claims from U.S. 8,266,749	
Claim 1 ⁸	
1[pre]	A method of manufacturing an article of footwear, the method comprising:
1[a]	simultaneously knitting a textile element with a surrounding textile structure, the knitted textile element having at least one knitted texture that differs from a knitted texture in the surrounding knitted textile structure;
1[b]	removing the knitted textile element from the surrounding knitted textile structure;
1[c]	incorporating the knitted textile element into the article of footwear.
Claim 2	
2	The method of claim 1, wherein simultaneously knitting a textile element with a surrounding textile structure includes simultaneously knitting a plurality of textile elements.
Claim 3	
3	The method of claim 1, wherein simultaneously knitting a textile element with a surrounding textile includes knitting an outline of the knitted textile element.
Claim 4	
4	The method of claim 3, wherein the outline has the shape and proportion of the knitted textile element.

⁸ Bracketed labels have been added for convenient referencing to the claim limitations.

Listing of Claims from U.S. 8,266,749	
Claim 5	
5	The method of claim 1, wherein the knitted textile element has a substantially planar configuration upon removal from the surrounding knitted textile structure.
Claim 6	
6	The method of claim 1, wherein the knitted textile element includes longitudinal edges formed when the knitted textile element is removed from the surrounding knitted textile structure.
Claim 7	
7	The method of claim 6, wherein the longitudinal edges are joined together to define at least a portion of a void for receiving a foot.
Claim 8	
8	The method of claim 1, wherein the knitted textile element has a plurality of different knitted textures formed by varying at least one of the stitch type and the yarn type.
Claim 9	
9	The method of claim 1, wherein simultaneously knitting a textile element with a surrounding textile structure includes utilizing a wide-tube circular knitting machine.
Claim 10	
10	The method of claim 1, wherein simultaneously knitting a textile element with a surrounding textile structure includes utilizing a jacquard double needle-bar raschel knitting machine.

Listing of Claims from U.S. 8,266,749	
Claim 11	
11	The method of claim 1, wherein simultaneously knitting a textile element with a surrounding textile structure includes forming the knitted textile element to include a first area and a second area with a unitary construction, the first area being formed of a first stitch configuration, and the second area being formed of a second stitch configuration that is different from the first stitch configuration to impart varying textures to a surface of the knitted textile element.
Claim 12	
12	The method of claim 1, wherein incorporating the knitted textile element into the article of footwear includes securing edges of the knitted textile element to form a seam that extends along a lower region of an upper and securing the upper to a sole structure.
Claim 13	
13[pre]	A method of manufacturing an article of footwear, the method comprising:
13[a]	knitting a first textile element and a second textile element simultaneously with knitting a surrounding textile structure, the first knitted textile element located within a first portion of the knitted textile structure, the second knitted textile element located within a second portion of the knitted textile structure,
13[b]	varying at least one of the types of stitches or the types of yarns in the knitted textile structure to impart a texture to the first and second knitted textile elements different from a texture of the knitted textile structure extending between the first and second portions;
13[c]	removing the first and second knitted textile elements from the knitted textile structure;
13[d]	incorporating at least one of the first and second knitted textile elements into the article of footwear.

Listing of Claims from U.S. 8,266,749	
Claim 14	
14	The method of claim 13, wherein knitting a first textile knitted element simultaneously with a surrounding knitted textile structure includes knitting an outline of the first knitted textile element.
Claim 15	
15	The method of claim 13, wherein the first and second textile knitted elements have substantially planar configurations upon removal from the surrounding knitted textile structure.
Claim 16	
16	The method of claim 13, wherein the first knitted textile element includes longitudinal edges formed when the first knitted textile element is removed from the surrounding knitted textile structure.
Claim 17	
17	The method of claim 16, wherein the longitudinal edges are joined together to define at least a portion of a void for receiving a foot.
Claim 18	
18	The method of claim 16, wherein incorporating the first knitted textile element into the article of footwear includes securing the longitudinal edges of the first knitted textile element to form a seam that extends along a lower region of an upper.
Claim 19	
19	The method of claim 13, wherein knitting the first and second knitted textile elements simultaneously with a surrounding knitted textile structure includes utilizing a wide-tube circular knitting machine.

Listing of Claims from U.S. 8,266,749	
Claim 20	
20	The method of claim 13, wherein knitting the first and second textile knitted elements simultaneously with a surrounding knitted textile structure includes utilizing a jacquard double needle-bar raschel knitting machine.
Claim 21	
21	The method of claim 13, wherein knitting the first knitted textile element simultaneously with a surrounding knitted textile structure includes forming the first knitted textile element to include a first area and a second area with a unitary construction, the first area being formed of a first stitch configuration, and the second area being formed of a second stitch configuration that is different from the first stitch configuration to impart varying textures to a surface of the first knitted textile element.

CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d), the undersigned certifies that this PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT NO. 8,266,749 contains 13,944 words according to the word-processing program used to prepare this paper. The foregoing word count complies with the 14,000-word type-volume limit specified by 37 C.F.R. § 42.24(a)(1).

Dated: January 12, 2023 By: /Ali S. Razai/
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the date below a copy of this PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT NO. 8,266,749, PETITIONER'S POWER OF ATTORNEY, AND EXHIBITS 1001-1023, were served by FedEx on the Patent Owner at the correspondence address of record for the subject patent as follows:

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A courtesy copy has been sent by FedEx on this day to Patent Owner's counsel of record in the matter identified in Section I.B of the Petition as follows:

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