

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

2985 LLC D/B/A MOUNTAIN VOYAGE CO.,
Petitioner,

v.

THE RIDGE WALLET, LLC,
Patent Owner.

IPR2024-00692
Patent 10,791,808 B2

Before WILLIAM V. SAINDON, JASON W. MELVIN, and
MATTHEW S. MEYERS, *Administrative Patent Judges*.

MEYERS, *Administrative Patent Judge*.

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

I. INTRODUCTION

A. Background and Summary

2985 LLC d/b/a Mountain Voyage Co. (“Petitioner” or “Mountain Voyage”) filed a Petition to institute an *inter partes* review of claims 1–9 and 11–21 (the “challenged claims”) of U.S. Patent 10,791,808 B2 (Ex. 1001, “the ’808 patent”). Paper 1 (“Pet.”). The Ridge Wallet, LLC (“Patent Owner” or “Ridge”) filed a Preliminary Response. Paper 9 (“Prelim. Resp.”). After receiving authorization, Petitioner filed a Preliminary Reply (“Pet. Reply,” Paper 11), and Patent Owner filed a Preliminary Sur-reply (“PO Sur-reply,” Paper 13).

We have authority, acting on the designation of the Director, to determine whether to institute an *inter partes* review. 35 U.S.C. § 314; 37 C.F.R. § 42.4(a) (2020). The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a), which provides that an *inter partes* review may not be instituted unless “the information presented in the petition . . . and any response . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least [one] of the claims challenged in the petition.”

After considering the Petition, the Preliminary Response, and the evidence of record, we determine that Petitioner has demonstrated a reasonable likelihood that it would prevail with respect to at least one of the challenged claims. Accordingly, we institute an *inter partes* review of all challenged claims on all asserted grounds pursuant to 35 U.S.C. § 314. *See SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1359–1360 (2018) (requiring institution on all claims, if any); *see also* Patent Trial and Appeal Board

Consolidated Trial Practice Guide 64 (Nov. 2019) (“Trial Practice Guide”) (providing guidance in view of *SAS*).¹

B. Real Parties-in-Interest

Petitioner identifies Mountain Voyage as the real-party-in interest. Pet. 1. Patent Owner identifies The Ridge Wallet LLC as the real party-in-interest. Paper 3, 2.

C. Related Proceedings

The parties identify a number of proceedings in which the ’808 patent is asserted, including *Certain Compact Wallets and Components Thereof*; Inv. No. 337-TA-1355(USTIC) (“the ITC case”) and *The Ridge Wallet, LLC v. 2985 LLC, d/b/a Mountain Voyage Co*, Case No. 1:23-cv-00407 (DCO) (“the Parallel Litigation”). Pet. 1–2; Paper 3, 3–4. Patent Owner also identifies that the ’808 patent is asserted in *The Ridge Wallet LLC, v. Shenzhen Pincan Technology Co. Ltd. d/b/a ARW-Wallet*, Case No. 23-cv-00392 (EDTX).

The parties also identify that *Shenzhen Pincan Technologies Co. Ltd. d/b/a ARW* (“Shenzhen”) previously filed a petition in IPR2024-00340 (“the Shenzhen IPR”) challenging claims 1–24 of the ’808 patent. Pet. 2; Paper 3, 4; *See Shenzhen Pincan Technologies Co. Ltd. d/b/a ARW v. The Ridge Wallet LLC*, Case IPR2024-00340, slip op. at 1 (PTAB, Jan. 2, 2024) (Paper 1). We instituted *inter partes* review of claims 1–24 based on the petition filed in the Shenzhen IPR. *See* Shenzhen IPR, slip op. at 43–44 (PTAB July 12, 2024) (Paper 18, “Shenzhen IPR Decision on Institution”).

¹ Consolidated PTAB Trial Practice Guide (Nov. 2019), *available at* <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

Subsequent to the Shenzhen IPR Decision on Institution, Mountain Voyage filed a second petition for *inter partes* review in IPR2024-01264 (“the 1264IPR”) challenging claims 1–24 of the ’808 patent. *See* 2985 LLC d/b/a Mountain Voyage Co. v. Ridge Wallet LLC, Case IPR2024-01264, slip op. at 1 (PTAB, Aug. 6, 2024) (Paper 1, “1264IPR Pet.” or “Second Petition”). The Second Petition was accompanied by a Motion for Joinder with the Shenzhen IPR. IPR2024-01264, Paper 2 (“Mot.” or “Motion”). According to Mountain Voyage, the Second Petition “is substantively identical to the petition in the Shenzhen IPR, challenging the same claims of the ’808 [p]atent on the same grounds while relying on the same prior art, arguments, and evidence.” Mot. 1. Ridge filed an Opposition to the Motion for Joinder (IPR2024-01264, Paper 9).

On September 6, 2024, Mountain Voyage filed a paper, titled “Petitioner’s Notice of Ranking Petitions” in the instant IPR and the 1264IPR. IPR2024-00692, Paper 15; IPR2024-01264, Paper 10 (collectively, “Ranking Paper”).² With authorization, Patent Owner filed a “Memorandum Regarding Serial Petitions” in the instant IPR and the 1264IPR (IPR2024-00692, Paper 16; IPR2024-01264, Paper 11 (collectively, “Memorandum”)) and Petitioner filed a “Response to Patent Owner’s Memorandum” in the instant IPR and the 1264IPR (IPR2024-00692, Paper 17; IPR2024-01264, Paper 12). We note, however, that the Preliminary Response in the 1264IPR is not due until November 26, 2024

² Should a petitioner wish for the Board to consider whether more than one petition is necessary, it is “expected that petitioners will justify multiple petitions in the first instance in their petitions or in a separate paper with the petitions.” Trial Practice Guide, 59–60, n.4.

and Mountain Voyage's Motion for Joinder cannot be decided until the Preliminary Response in 1264IPR is filed (or explicitly waived) or the time for filing such a response has expired. *See* 35 U.S.C. § 315(b). Therefore, we do not consider Patent Owner's Memorandum or Petitioner's Response to Patent Owner's Memorandum because Mountain Voyage may not be joined as a party to the Shenzhen IPR at this time. *Id.*

D. Overview of the '808 Patent

The '808 patent is titled "COMPACT WALLET." Ex. 1001, code (54). The '808 patent describes that "[t]he present invention utilizes bookend plates resiliently bound with an encircling elastic band to contain one or more credit card-sized objects in a wallet configuration." *Id.* at 2:9–11. The '808 patent identifies that "an object of the invention to provide a compact wallet substantially no larger than a credit card" and "a further object to maximize expandability of the wallet to accommodate multiple objects of substantially the same size." *Id.* at 2:24–28.

Figure 11 of the '808 patent illustrates the compact wallet with an attached money clip, and is reproduced below.

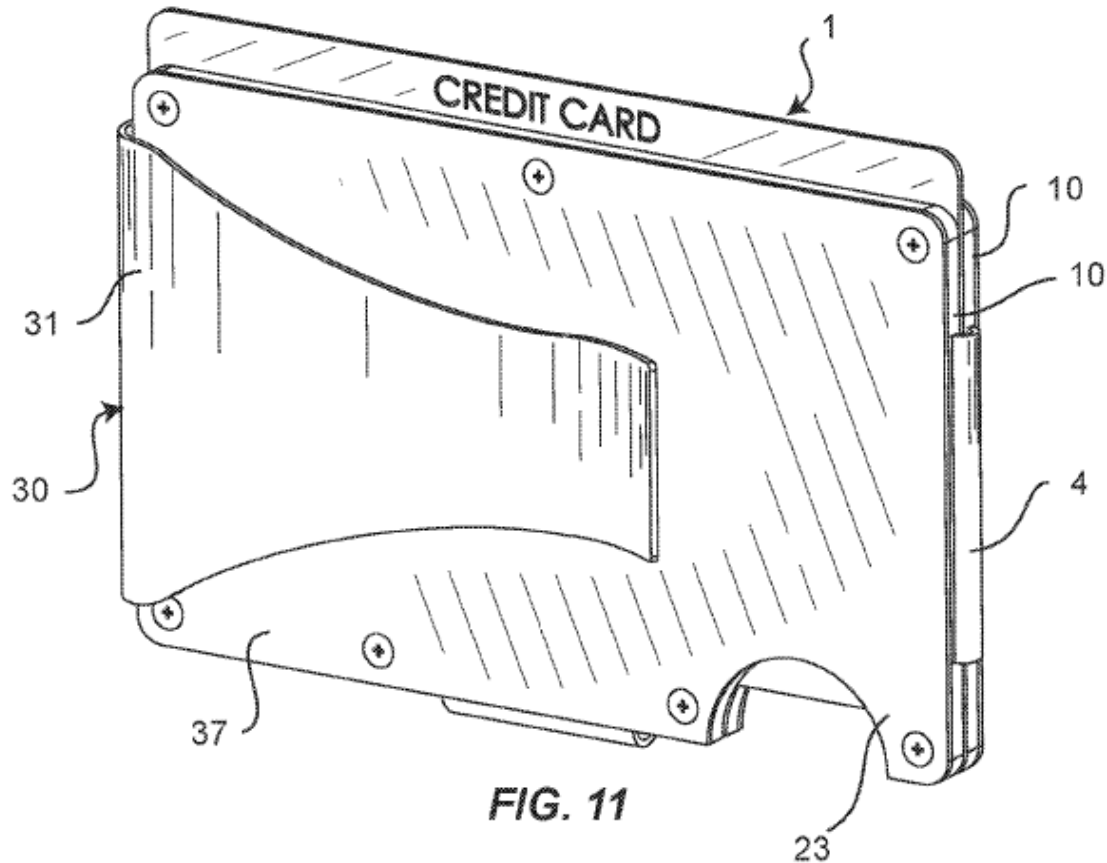


Figure 11 depicts a perspective view of the compact wallet 1 of the present invention. Ex. 1001, 3:30–31. More particularly, Figure 11 illustrates compact wallet 1

comprised of at least two rigid plates 10, serving as “bookends” as it were, with one or more card-like contents 2 sandwiched between them. The sandwiched composite is bound by at least one encircling elastic band 4. The encircling elastic band 4 holds the card-like contents 2 securely by means of compression, while also expanding elastically to open space between the rigid plates 10.

Id. at 3:58–65. Figure 11 also illustrates auxiliary feature 30, which encompasses money clip 31 that “is added to at least one of the rigid plates 10 to occupy a position on an outside surface 37 thereof.” *Id.* at 5:11–13. The ’808 patent discloses that

auxiliary feature 30 is removably attached to at least one of the rigid plates 10 by means of a tang 33 inserted into a recess 34 in the groove 21 outboard of the elastic band 4. The outboard positioning prevents interference with the free operation of the elastic band. In a particularity, the recess 34 has an undercut 35 and the tang 33 has a hook 36 (FIG. 12). The hook 36 engages the undercut 35 to prevent inadvertent dislodgement of the auxiliary feature 30 when attached to 30 the compact wallet 1.

Id. at 5:23–31.

E. Illustrative Claim

Petitioner challenges claims 1–9 and 11–21 of the '808 patent. Pet. 1. Challenged claims 1, 14, and 19 are independent. Claim 1 is illustrative, and is reproduced below.

1. A compact wallet, comprising:

at least two rigid plates interposed to sandwich card-like contents there between, each rigid plate having a longitudinal extent;

at least one encircling elastic band interposed with the at least two rigid plates along longitudinal extents thereof to bias them inwardly and securely hold the card-like contents while providing elastic volume there between for adding or removing contents;

a channeling means configured to minimize the profile of the wallet and hold position of the at least one encircling elastic band with respect to each rigid plate while allowing freedom for the dynamic extension and contraction of the band over the entire running length thereof; and

an auxiliary feature removably attached to at least one of the at least two rigid plates, the auxiliary feature having a tang insertable into a recess formed inside the at least two rigid plates, the tang having a hook, the hook extending at an angle to the tang, the hook engaging an undercut of the recess to prevent inadvertent dislodgement of the auxiliary feature from the recess,

whereby, card-like contents may be carried with minimal silhouette on or with a person while allowing expandable capacity and ready access to individual contents from between the at least two rigid plates.

Ex. 1001, 6:40–65.

F. Prior Art and Asserted Grounds

Petitioner asserts that claims 1–9 and 11–21 of the '808 patent are unpatentable on the following three grounds (Pet. 11):

Claim(s) Challenged	35 U.S.C. §³	Reference(s)/Basis
1–9, 11–21	103	Kane ⁴ , Beckley ⁵
1–9, 11–21	102	Kane, Pelz ⁶
1–9, 11–24	103	Kane, Matthews ⁷

Petitioner also relies on the Declaration of Mr. James B. Babcock. Ex. 1002.

II. ANALYSIS

A. Legal Standards

“In an [*inter partes* review], the petitioner has the burden from the onset to show with particularity why the patent it challenges is unpatentable.” *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) (citing 35 U.S.C. § 312(a)(3) (2012) (requiring *inter partes*

³ The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284 (2011), amended 35 U.S.C. §§ 102 and 103 effective March 16, 2013. Because the '808 patent's earliest effective filing date is after the effective date of the AIA amendments to §§ 102 and 103, this decision refers to the AIA versions of §§ 102 and 103.

⁴ The Ridge Wallet 2.0 (Kickstarter), Retrieved from the Internet on Sept. 3, 2013, URL:<<https://www.kickstarter.com/projects/124039987/the-ridge-wallet-20/>>. (Ex. 1006, “Kane”).

⁵ US 2014/0060712 A1, published Mar. 6, 2014 (Ex. 1007, “Beckley”).

⁶ US 2,326,558, issued Aug. 10, 1943 (Ex. 1008, “Pelz”).

⁷ US 2009/0134223 A1, published May 28, 2009 (Ex. 1009, “Matthews”).

review petitions to identify “with particularity . . . the evidence that supports the grounds for the challenge to each claim”).

A claim is unpatentable under 35 U.S.C. § 103(a) if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which that subject matter pertains. *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of ordinary skill in the art; and (4) objective evidence of nonobviousness when presented. *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966).

In analyzing the obviousness of a combination of prior art elements, it can be important to identify a reason that would have prompted one of skill in the art “to combine . . . known elements in the fashion claimed by the patent at issue.” *KSR*, 550 U.S. at 418. A precise teaching directed to the specific subject matter of a challenged claim is not necessary to establish obviousness. *Id.* Rather, “any need or problem known in the field of endeavor at the time of invention and addressed by the patent can provide a reason for combining the elements in the manner claimed.” *Id.* at 420. Accordingly, a party who petitions the Board for a determination of unpatentability based on obviousness must show that “a skilled artisan would have been motivated to combine the teachings of the prior art references to achieve the claimed invention, and that the skilled artisan would have had a reasonable expectation of success in doing so.” *In re*

Magnum Oil Tools Int'l, Ltd., 829 F.3d 1364, 1381 (Fed. Cir. 2016) (citations omitted).

We analyze the challenges presented in the Petition in accordance with the above-stated principles.

B. Level of Ordinary Skill in the Art

We review the grounds of unpatentability in view of the understanding of a person of ordinary skill in the art at the time of invention. *Graham*, 383 U.S. at 17. Factors pertinent to determining the level of ordinary skill in the art include (1) the educational level of the inventor; (2) the type of problems encountered in the art; (3) prior-art solutions to those problems; (4) the rapidity with which innovations are made; (5) the sophistication of the technology; and (6) the educational level of workers active in the field. *Envtl. Designs, Ltd. v. Union Oil Co.*, 713 F.2d 693, 696–97 (Fed. Cir. 1983). Not all factors may exist in every case, and one or more of these or other factors may predominate in a particular case. *Id.* Moreover, these factors are not exhaustive, but merely a guide to determining the level of ordinary skill in the art. *Daiichi Sankyo Co. v. Apotex, Inc.*, 501 F.3d 1254, 1256 (Fed. Cir. 2007). Further, the prior art itself may reflect an appropriate skill level. *Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001).

Petitioner asserts that one of ordinary skill in the art would have had “at least a bachelor’s degree in engineering (e.g., mechanical engineering) or a related field” and “work experience in analyzing, designing, or creating mechanical devices.” Pet. 10 (citing Ex. 1002 ¶¶ 29–32). Petitioner also asserts that “[f]urther education, or work experience, in the relevant field may compensate for a deficit in the qualifications outlined above.” *Id.* At

this stage of the proceeding, “Patent Owner does not dispute Petitioner’s proffered identification of [one of ordinary skill in the art]’s skill level.” Prelim. Resp. 10.

On the current record, we determine that Petitioner’s definition of a person of ordinary skill in the art is consistent with the scope and content of the ’808 patent and the asserted prior art, and, at this stage, we apply Petitioner’s definition for purposes of this Decision.

C. Claim Construction

In an *inter partes* review, a patent 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). This rule adopts the same claim construction standard used by Article III federal courts, which follow *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc), and its progeny.

Under that standard, the words of a claim are generally given their “ordinary and customary meaning,” which is the meaning the term would have to a person of ordinary skill at the time of the invention, in the context of the entire patent including the specification. *See Phillips*, 415 F.3d at 1312–13. “In determining the meaning of the disputed claim limitation, we look principally to the intrinsic evidence of record, examining the claim language itself, the written description, and the prosecution history, if in evidence.” *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 469 F.3d 1005, 1014 (Fed. Cir. 2006) (citing *Phillips*, 415 F.3d at 1312–17).

According to Petitioner, “four terms require an express construction.” Pet. 12 (citing Ex. 1002 ¶¶ 69–71). In particular Petitioner proposes constructions for the terms, “channeling means,” “recess,” “hook”, and

“undercut.” *Id.* at 12–14. For each of these terms, Petitioner provides a construction “[c]onsistent with Petitioner’s construction proposed in the Parallel Litigation,” and except for “channeling means,” Petitioner asserts that if the “construction be found too narrow, Petitioner offers an alternative construction.” *Id.*

Patent Owner does not take issue with Petitioner’s construction of “channeling means,” but asserts with respect to the remaining terms that “Petitioner’s inconsistent positions (and, worse, Petitioner’s failure to address the same) warrant denial of the Petition,” because the Petition “does not satisfy 37 C.F.R. § 42.104(b)(3)–(4).” Prelim. Resp. 11–14 (citing Ex. 2010). We disagree.

The issue before us under Section 42.104(b) is whether the Petition provides Patent Owner sufficient notice of its claim construction and how Petitioner applies the asserted prior art in light of that construction. *10X Genomics, Inc. v. Bio-Rad Laboratories*, IPR2020-00086 Paper 8 at 18–19, 21 (PTAB Apr. 27, 2020). There is no doubt about the constructions Petitioner asserts in this proceeding—the Petition articulates explicit constructions, i.e., the exact same constructions as those proposed by Petitioner in the Parallel Litigation. That Petitioner provides an alternative construction if the Parallel Litigation construction is “found to be too narrow,” is of no import where Petitioner explains how it applies the asserted prior art in light of that construction. Although we acknowledge Patent Owner’s assertion that there are “inconsistencies between [Petitioner’s] litigation claim construction positions and IPR claim construction positions,” Patent Owner has not identified these inconsistencies. Prelim. Resp. 12 (citing *Orthopediatrics Corp. v. K2M*,

Inc., IPR2018-01546, Paper 10 at 10–12 (PTAB Feb. 14, 2019)). Moreover, the *Orthopediatrics* case has not been designated precedential or informative, and thus, is not binding on the present case. And further, the arguments available and issues involved in district court may differ from those available here; there is nothing necessarily inconsistent with additional details or different language being necessary in one forum versus another.

In this regard, we do not discern any inconsistencies in Petitioner’s proposed constructions for the terms “recess,” “hook”, and “undercut” that would warrant denial of the Petition. For example, with respect to the term “recess,” Petitioner asserts that “Beckley’s depression 15 teaches a recess, as properly construed, because it is a groove having a sidewall that is adjacent to a longitudinally extending groove (*e.g.*, pocket 17).” Pet. 23 (citing Ex. 1002 ¶ 171). Petitioner also asserts that Beckley’s “depression 15 is a surface groove that defines an indentation occurring in a surface of the base 2.” *Id.* In support of these assertions, Petitioner relies on the following annotated Figure 1 of Beckley.

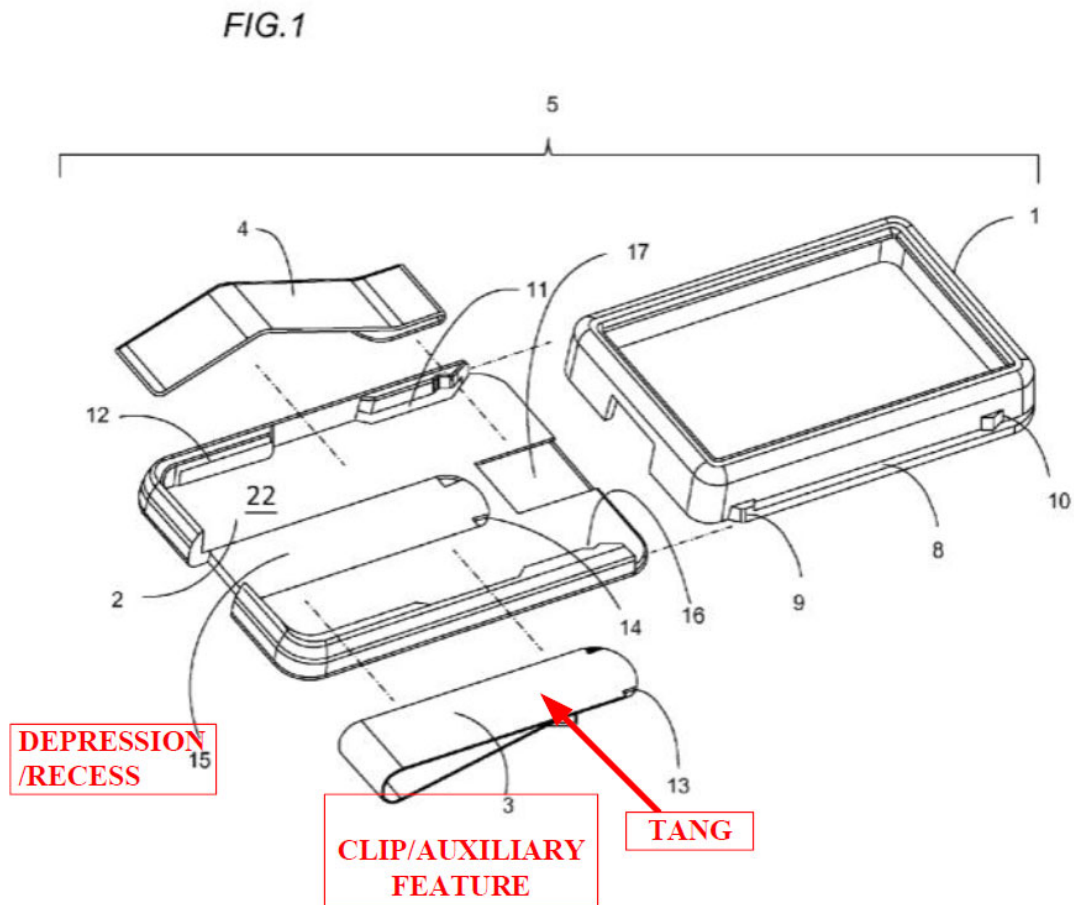


Figure 1 of Beckley shows wallet 5 having “components including a container portion 1, a base portion 2, a spring clip 3 for holding currency and a retention spring 4 for card retention.” Ex. 1007 ¶ 35. Petitioner’s annotations include a red rectangle around reference numeral 15, which Beckley describes as “depression 15” and which Petitioner labels in red as “depression/recess.” *Id.* ¶ 38; Pet. 23. Petitioner’s annotations also include a red rectangle around reference numeral 3, which Beckley describes as “spring clip 3 for holding currency,” and which Petitioner labels in red as “clip/auxiliary feature.” *Id.* ¶ 35; Pet. 23. Petitioner’s annotations further include a red arrow pointing to a portion of the clip, which Petitioner labels in red, inside a red rectangle, as a “tang.” Pet. 23. Given the similarity

between a groove and an indentation, we do not discern any inconsistencies in Petitioner's claim constructions that warrant denial of the Petition. Rather, as Petitioner asserts, the former construction is narrower than the latter. *Id.* at 13.

Similarly, for the term "hook," Petitioner asserts that "Beckley's barb 13 teaches a hook, as properly construed, because the barb 13 abruptly changes direction from the trunk section of the clip 3 to define a ledge for catching or holding." Pet. 24 (citing Ex. 1007 ¶ 38, Fig. 1; Ex. 1002 ¶ 179). Petitioner also asserts that "barb 13 is a curved or bent device for catching or holding." *Id.* In support of these assertions, Petitioner relies on the following annotated Figure 1 of Beckley.

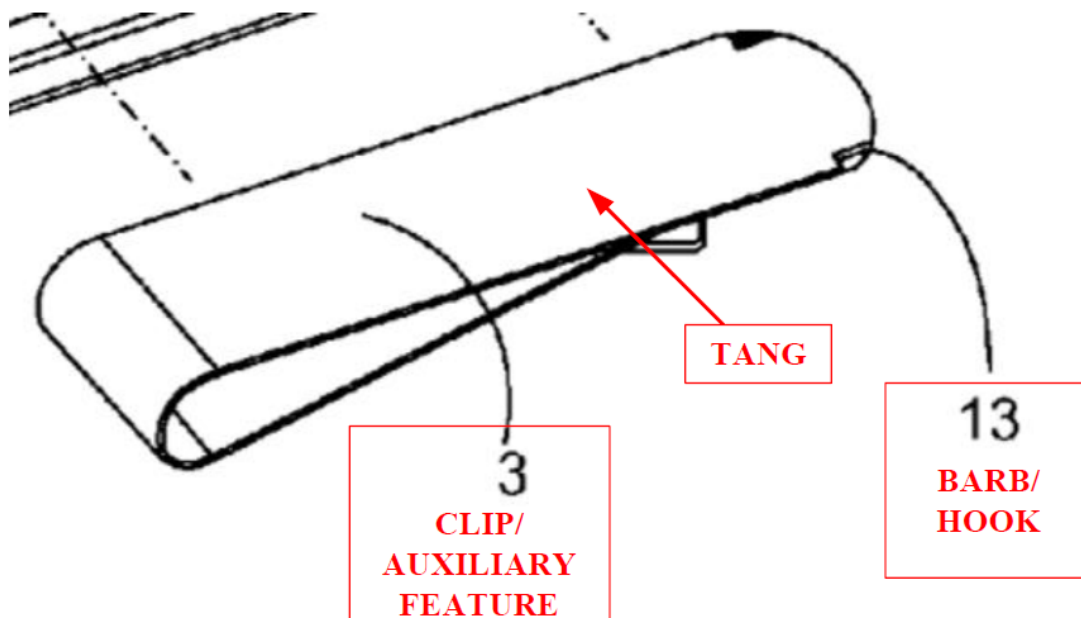


Figure 1 of Beckley as annotated by Petitioner only depicts that portion of Figure 1 that depicts spring clip 3 for holding currency. Pet. 24. Petitioner's annotations include a red rectangle around reference numeral 13, which Beckley describes as "barb[] seen at 13" and which Petitioner labels

in red as “barb/hook.” *Id.* ¶ 38; Pet. 24. Petitioner’s annotations also include a red rectangle around reference numeral 3, which Beckley describes as “spring clip 3 for holding currency,” and which Petitioner labels in red as “clip/auxiliary feature.” *Id.* ¶ 35; Pet. 24. Petitioner’s annotations further include a red arrow pointing to a portion of the clip, which Petitioner labels in red, inside a red rectangle, as a “tang.” Pet. 24. Given that both of Petitioner’s constructions describe the barb for holding, we do not discern any inconsistencies in Petitioner’s claim constructions that warrant denial of the Petition. Rather, as Petitioner asserts, the former construction is narrower than the latter. *Id.* at 14.

Likewise for the term “undercut,” Petitioner asserts that “Beckley discloses cavities 14 that constitute, as properly construed, the claimed ‘undercut’ because each cavity 14 defines a cut away portion from the bottom sidewall of the depression 15 (‘recess’).” Pet. 25 (citing Ex. 1007 ¶¶ 38–39), Fig. 1; Ex. 1003 ¶¶ 190–193). Petitioner also asserts that “[e]ach cavity 14 is an underside recess that is either cut or molded into the depression 15 (‘recess’) to define a lip or protuberance.” *Id.* at 25–26. Given the similarity between a cut away portion and a cut, we do not discern any inconsistencies in Petitioner’s claim constructions that warrant denial of the Petition. Rather, as Petitioner asserts, the former construction is narrower than the latter. *Id.* at 14.

We are also not persuaded by Patent Owner assertions that “Petitioner has flatly failed to do what the [Trial Practice Guide] requires.” Prelim. Resp. 14. As discussed above, Petitioner has included a statement identifying a proposed construction of the particular term (*see* Pet. 13–14, 23–25) and has identified where the intrinsic and/or extrinsic evidence

supports that meaning (*see* Pet. 23–25). “The rules do not preclude providing alternative claim constructions in a petition or in later-authorized filings.” *Changes to Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents*, 77 FR 48680-01; *see also* IPR2020-00921, Paper 13 at 43 (PTAB Aug. 5, 2021).

Moreover, we determine, at this stage, that no terms require explicit construction to resolve the issues presented by the arguments and evidence of record to reach a decision on institution. *See Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (per curiam) (claim terms need to be construed “only to the extent necessary to resolve the controversy” (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))).

D. Summary of Asserted Prior Art References

1. Overview of Kane (Ex. 1006)

Kane is a webpage from Kickstarter describing The Ridge Wallet 2.0. Ex. 1004, 2. According to Kane, “The Ridge 2.0 can accommodate various numbers of cards without losing elasticity; providing an extremely thin wallet that isn't limited in it[s] capacity.” *Id.* A graphic depicting Kane’s wallet is reproduced below.



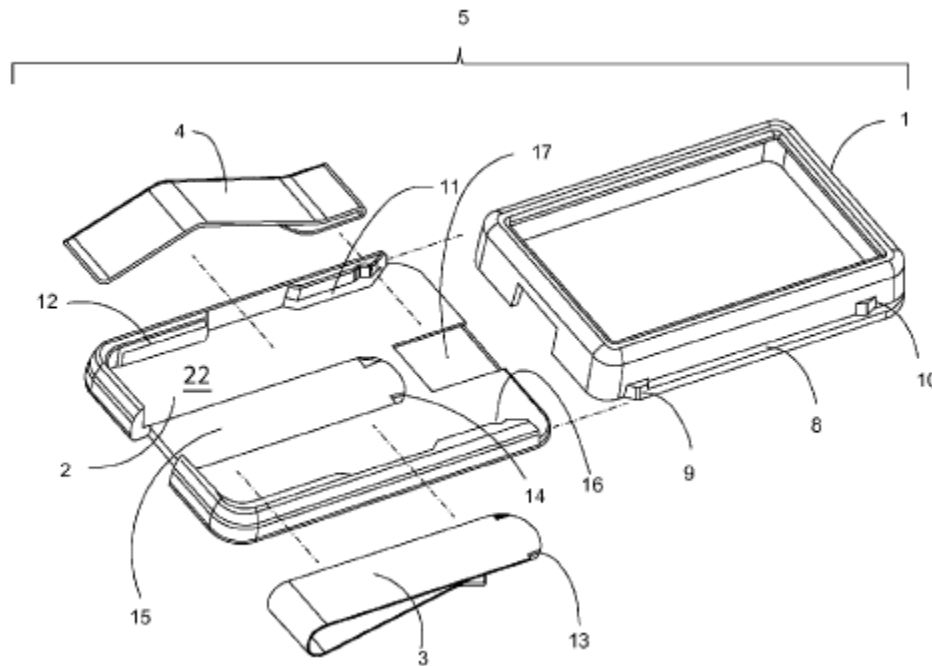
The graphic above depicts Kane's wallet with cards disposed therein. *Id.* at 5. Kane discloses that its "Integrated Elastic Track can expand to hold up to 12 cards and then immediately contract to hold a single card securely." *Id.* A graphic demonstrating the elasticity of Kane's wallet is reproduced below.



The graphic above depicts Kane's wallet expanding to hold 1, 4, 7, and 10 cards. *Id.*

2. Overview of Beckley (Ex. 1007)

Beckley "relates in general to a wallet, and more particularly to a semi-rigid apparatus that securely contains items usually carried on one's person such as identification cards, credit cards, currency, etc." Ex. 1007 ¶ 2). An exemplary embodiment of wallet 5 is depicted in Beckley's Figure 1, reproduced below.



As shown in Figure 1, wallet 5 includes “four separate components including a container portion 1, a base portion 2, a spring clip 3 for holding currency and a retention spring 4 for card retention.” *Id.* ¶ 35. More particularly, Beckley discloses that “clip 3 is assembled to the base 2 by inserting the clip 3 into a depression 15” and “held in place by a pair of barbs seen at 13 mated into a set of cavities 14 on the base 2” with retention spring 4 being “assembled to the base 2 by sliding it onto a pocket 17.” *Id.* ¶ 38.

3. Overview of Pelz (Ex. 1008)

Pelz is directed to “hearing aid microphone units, and more particularly to the clips by which such units are attached to the garments of the wearers.” Ex. 1008, p. 1, 1:1–4. An exemplary embodiment of Pelz’s device and clip is depicted in Figure 5, reproduced below.

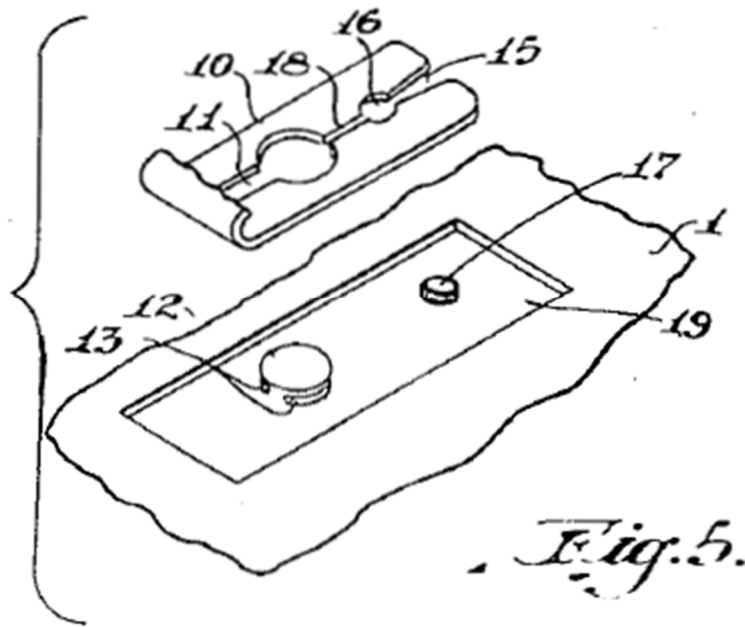


Figure 5 depicts Pelz's device as hearing aid case 1. *Id.* at p. 1, 2:22–23.

Clip 2 is detachably connected to the case by inserting stud 12 having slots 13 into key-hole shaped slot 11 of case-engaging spring arm 10 and retained there by pin 17 being inserted into recess 16. *Id.* at p. 1, 2:54–p. 3, 1:28.

Pelz discloses that the case has “a rectangular depression 19 for the spring that serves the double purpose of a guide for the spring in attaching it to the case, and a recess for the arm 10 so that the spring and stud and pin will not project from the case any farther than necessary.” *Id.* at p. 2, 1:61–66.

An alternative embodiment of Pelz's invention is depicted in Figure 8, reproduced below.

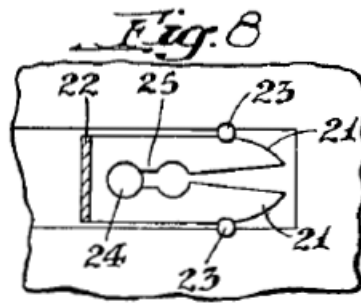


Figure 8 depicts a modification of spring 22 having clip 2 (not shown). In Figure 8, laterally resilient fingers 21 engage “a pair of metal pins 23 located at the opposite sides of the spring-receiving recess in the case.” Ex. 1008, p. 2, 1:73–p. 2, 2:6. The sides of the pins normally extend into recesses in opposite sides of the spring, and “[w]hen the clip is pushed downwardly on the case the resilient fingers are forced together slightly by the pins so that they can pass between them until the head of the stud 24 reaches the enlarged upper end of the slot 25.” *Id.* at p. 2, 2:7–13.

4. Overview of Matthews (Ex. 1009)

Matthews is directed to a card holder that holds “standard wallet-sized cards for performing monetary transactions.” Ex. 1009 ¶ 4. Figure 4, reproduced below, depicts a partially exploded back perspective view of a card holder. *Id.* ¶ 23.

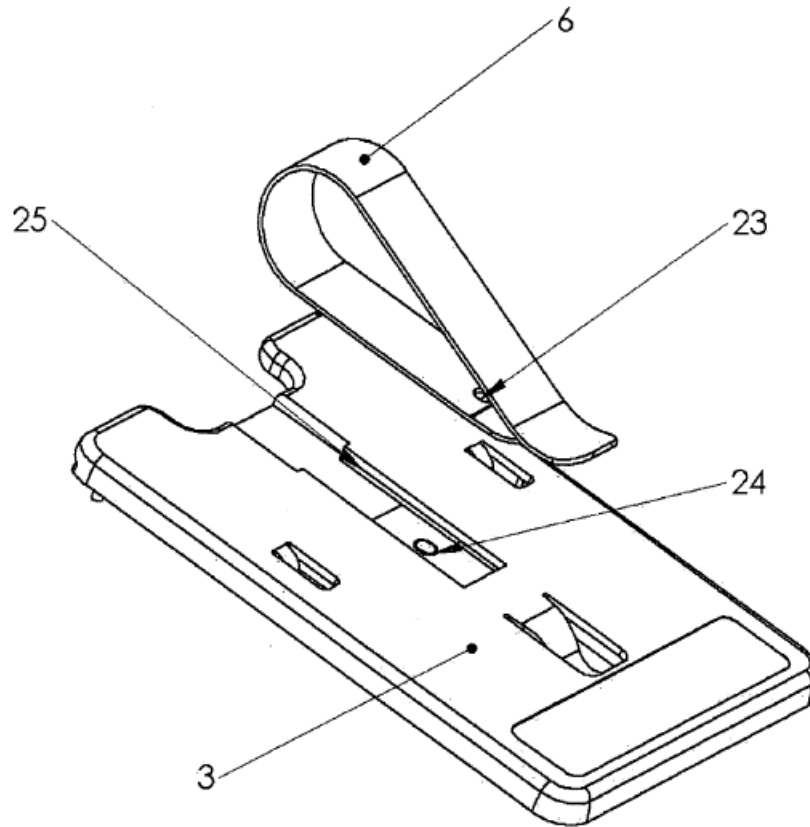


FIG. 4

Figure 4 shows a back piece 3 and clip 6 of the card holder. *Id.* ¶ 33. Clip 6 slides under overhangs 25 in the back surface of the back piece, and hole 23 on the clip is pushed over protrusion 24 to retain the clip on the back piece. *Id.* Matthews explains that “[t]his design allows for secure retention of the clip but also for user assisted removal if desired.” *Id.* ¶ 41.

E. Alleged Obviousness over Kane and Beckley (Ground 1)

Petitioner asserts that claims 1–9 and 11–21 are unpatentable as obvious over Kane and Beckley. Pet. 15–48. Petitioner also relies on the testimony of Mr. Babcock to support its arguments. *Id.* (citing Ex. 1002).

Patent Owner presents arguments disputing Petitioner's assertions. *See* Prelim. Resp. 16–18.

1. Analysis of Claim 1

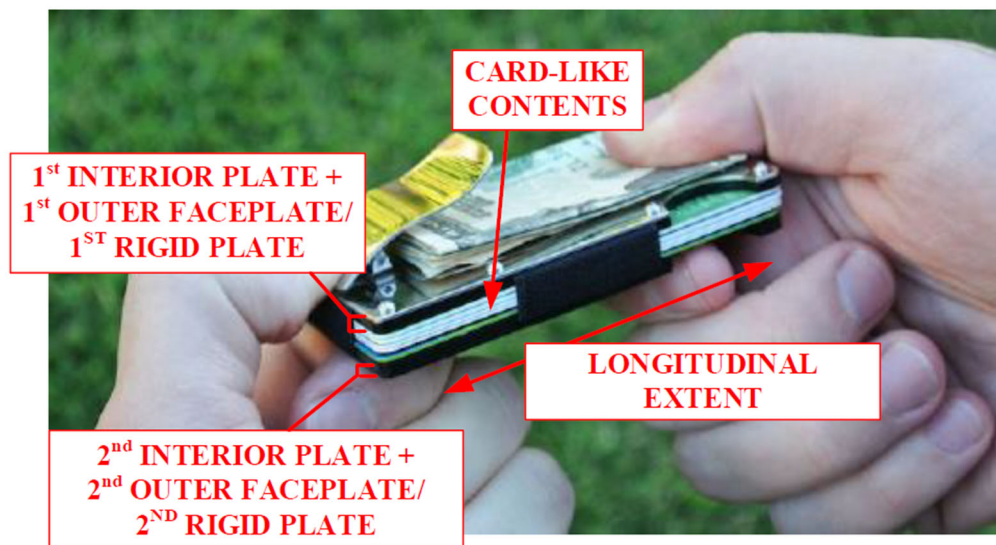
Petitioner asserts that claim 1 is unpatentable as obvious over Kane and Beckley. Pet. 17–27 (citing Exs. 1002, 1006, 1007; Pet. 14–17). We use Petitioner's notations to identify the claim elements. *See* Pet. ix.

a) Claim 1[a]: A compact wallet, comprising

Petitioner argues that if the preamble is limiting, both Kane and Beckley disclose a compact wallet. Pet. 17–18 (citing Ex. 1002 ¶¶ 121–126; Ex. 1006, 2–5; Ex. 1007 ¶ 34).

b) Claim 1[b]: at least two rigid plates interposed to sandwich card-like contents there between, each rigid plate having a longitudinal extent

Petitioner asserts that Kane discloses this limitation. Pet. 18 (citing Ex. 1002 ¶¶ 127–137; Ex. 1006, 4–7). Petitioner provides the following annotated copy of a figure found on page 4 of Kane. *Id.* (citing Ex. 1006, 4).

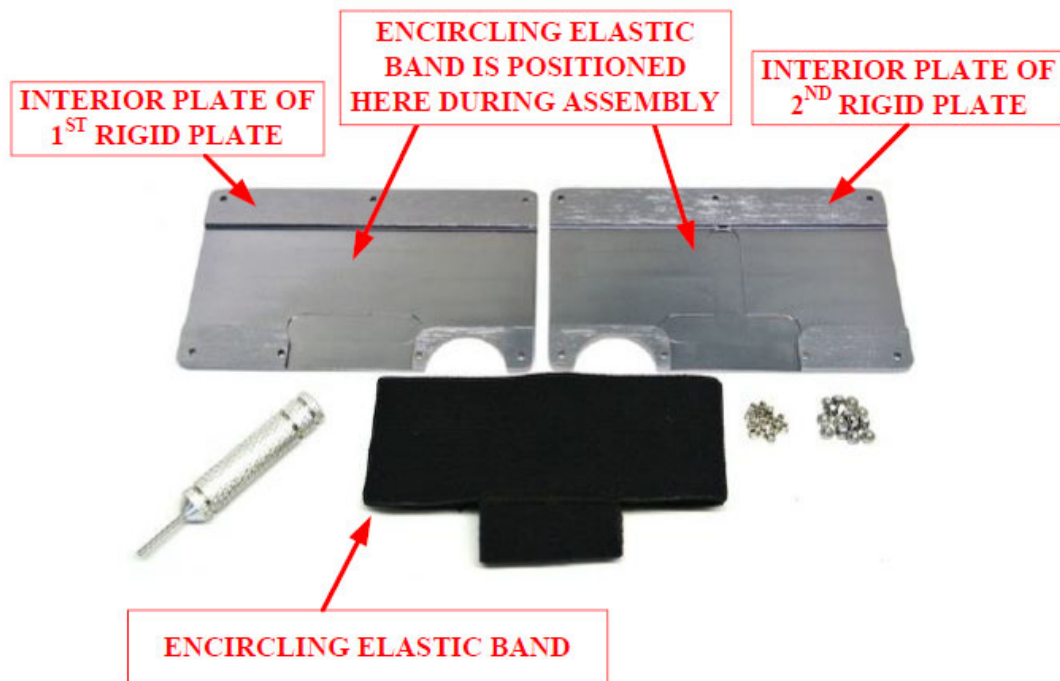


Ex. 1006 4 (annotated).

The wallet shown in Petitioner’s annotated figure depicts card-like contents sandwiched between two rigid plates having a longitudinal extent identified by Petitioner’s arrow, annotated in red. *Id.*

- c) Claim 1[c]: at least one encircling elastic band interposed with the at least two rigid plates along longitudinal extents thereof to bias them inwardly and securely hold the card-like contents while providing elastic volume there between for adding or removing contents;*

Petitioner asserts that Kane discloses this limitation. Pet. 19 (citing Ex. 1002 ¶¶ 138–140, 143–144; Ex. 1006, 5–6). Petitioner provides the following annotated copy of a figure found on page 5 of Kane. *Id.* (citing Ex. 1006, 5).



The wallet shown in Petitioner’s annotated figure depicts Kane’s encircling elastic band along with grooves in Kane’s rigid plates for the elastic band. *Id.* (citing Ex. 1006, 5–6); *see also* Ex. 1006, 5 (“The track runs along two hollow interior plates machined from anodized aircraft grade aluminum.”).

Petitioner also provides the following annotated copy of a figure found on page 5 of Kane. Pet. 20 (citing Ex. 1006, 5).



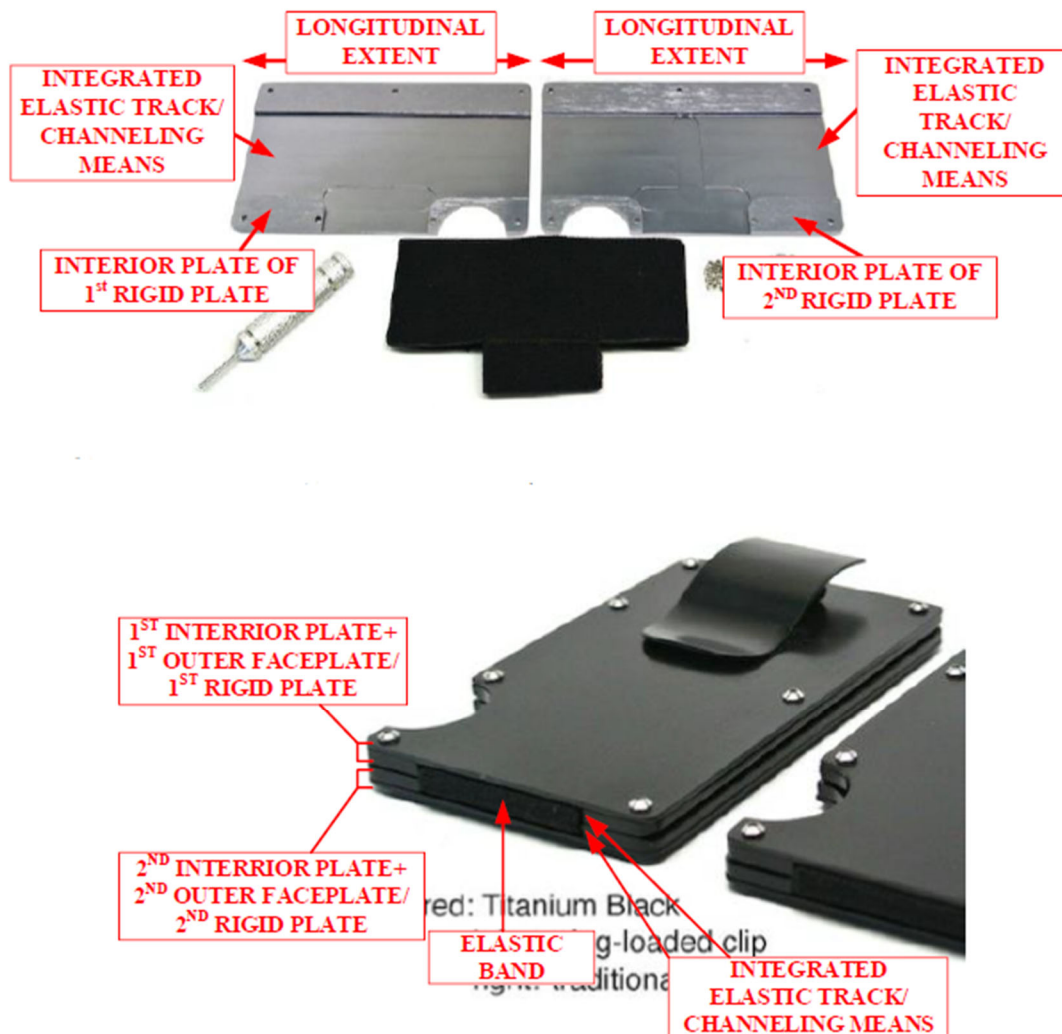
The wallet shown in the figure reproduced by Petitioner depicts an elastic band that sits in a groove within each rigid plate that encircles the plates and cards. *Id.* at 19–20 (citing Ex. 1006, 5). Petitioner asserts that “Kane discloses the encircling elastic band biasing the rigid plates towards each other (‘inwardly’) to secure the card-like contents.” *Id.* Petitioner also provides the following annotated figure found on page 5 of Kane. *Id.* at 20–21 (citing Ex. 1006, 5).



Petitioner’s annotated figure depicts Kane’s wallet expanding or contracting to accommodate a varying number of cards from 1 to 10. *Id.* (citing Ex. 1006, 5–6); *see also* Ex. 1006, 5 (“The Integrated Elastic Track can expand to hold up to 12 cards and then immediately contract to hold a single card securely.”). Petitioner asserts that Kane discloses the encircling elastic band is able “to secure the card-like contents while expanding/contracting to provide elastic volume there between for adding/removing contents.” *Id.* at 20.

- d) Claim 1[d]: a channeling means configured to minimize the profile of the wallet and hold position of the at least one encircling elastic band with respect to each rigid plate while allowing freedom for the dynamic extension and contraction of the band over the entire running length thereof; and*

Petitioner asserts that Kane discloses this limitation. Pet. 21 (citing Ex. 1002 ¶¶ 145–153). Petitioner provides the following annotated copy combining two of the figures found on pages 5 and 7 of Kane. *Id.* at 21–22 (citing Ex. 1006, 5, 7).



The wallet shown in Petitioner’s annotated figures depicts Kane’s encircling elastic band along with grooves in Kane’s rigid plates for the elastic band. *Id.* (citing Ex. 1006, 5, 7). Petitioner asserts that “Kane discloses an integrated elastic track (‘channeling means’) within each rigid plate as a groove spanning the longitudinal extent of each rigid plate.” *Id.* at 21 (citing Ex. 1006, 5). According to Petitioner, Kane’s “integrated elastic track (‘channeling means’) functions to minimize the profile of the wallet and hold position of the encircling elastic band with respect to each rigid plate

while allowing freedom for the dynamic extension and contraction of the band over the entire running length thereof.” *Id.* at 22 (citing Ex. 1006, 5).

e) Claim 1[e]: an auxiliary feature removably attached to at least one of the at least two rigid plates,

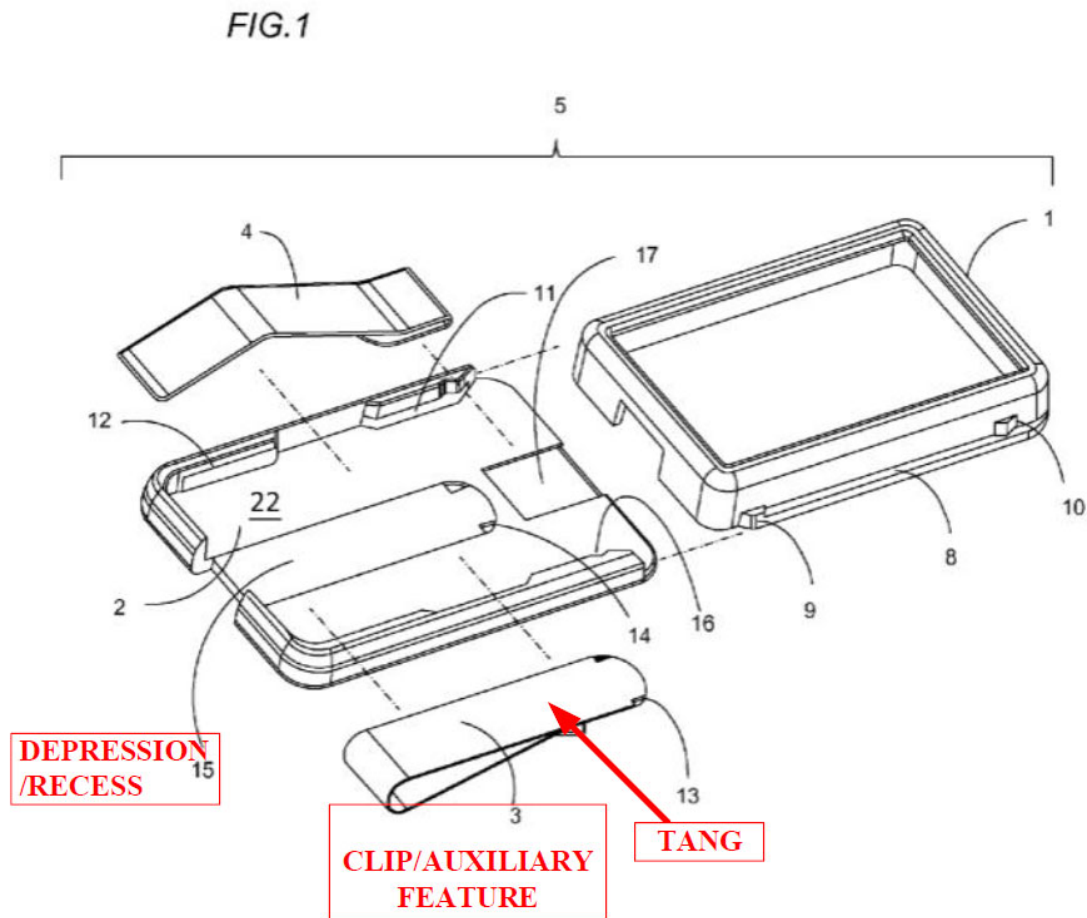
Petitioner asserts that Beckley discloses this limitation. Pet. 22 (citing Ex. 1002 ¶¶ 154–159). Petitioner asserts that “Beckley discloses a clip 3 (‘auxiliary feature’) removably attached to the base portion 2 of the wallet via an engagement of barbs 13 on the clip 3 and cavities 14 in the base portion 2.” *Id.* (citing Ex. 1007 ¶¶ 38–39, Figs. 1, 2A–2B, 4A–4B, 6A–6B; Ex. 1002 ¶¶ 154–159). According to Petitioner, an ordinary artisan would have been motivated to modify Kane’s device, which has a clip to be a device with a removable clip, “to allow a consumer to remove the clip when not needed in accordance with the minimalist preferences, personalization, adapted use, and/or maintenance/repair operations promoted by Kane, as well as provide a removable clip that allows the consumer to hold currency.” *Id.* at 15 (citing Ex. 1006, 3, 6–10, 15–16). Petitioner adds that “[t]he technique of configuring a compact wallet with a removable clip utilizing a barb and cavity engagement was within the realm of ordinary capabilities of [an ordinary artisan] based upon the teachings of at least Beckley.” *Id.* at 16 (citing Ex. 1007 ¶¶ 38–39, Fig. 1; Ex. 1002 ¶¶ 165, 197, 340, 411).

Relying on the testimony of Mr. Babcock, Petitioner asserts that there would have been a reasonable expectation of success in forming “a depression and cavity, like that of Beckley, into a rigid plate of a compact wallet, like that of Kane, to effectuate a removably attached clip as there are a finite number of locations at which to attach the clip.” Pet. 17 (citing Ex. 1002 ¶ 398). According to Petitioner, “[f]orming the depression into a

rigid plate, like that of Kane, would be a mere continuation of routine milling operations used for producing the plates and thereby would not require additional machinery to manufacture and minimal additional costs.” *Id.* (citing Ex. 1002 ¶¶ 165, 173, 197, 340, 326, 411, 446). Petitioner adds that “[b]y incorporating the teachings of Beckley into Kane, such a person would be applying a known technique to a known device ready for improvement to yield predictable results.” *Id.* (citing Ex. 1002 ¶¶ 172, 180, 186, 194, 325, 346, 412, 444).

f) Claim 1[f]: the auxiliary feature having a tang insertable into a recess formed inside the at least two rigid plates,

Petitioner asserts that Beckley discloses this limitation. *Id.* at 23 (citing Ex. 1002 ¶ 169–175). More particularly, Petitioner asserts that “Beckley discloses the clip 3 (‘auxiliary feature’) having a tang insertable into a depression 15 (‘recess’).” *Id.* (citing Ex. 1007 ¶¶ 38–39, Fig. 1; Ex. 1002 ¶¶ 169–175). According to Petitioner, “Beckley’s depression 15 teaches a recess, as properly construed, because it is a groove having a sidewall that is adjacent to a longitudinally extending groove (*e.g.*, pocket 17).” *Id.* (citing Ex. 1002 ¶ 171). That is, “depression 15 is a surface groove that defines an indentation occurring in a surface of the base 2.” *Id.* (citing Ex. 1002 ¶ 171); *see also id.* at 13. In support of this assertion, Petitioner provides an annotated version of Figure 1 of Beckley, reproduced below.

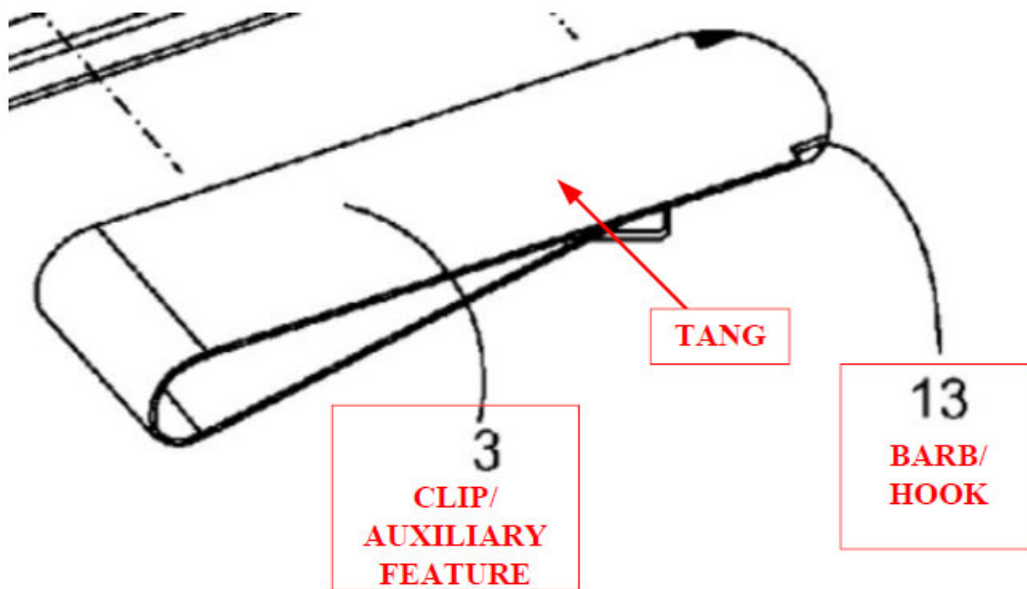


Petitioner’s annotated figure depicts base 2 of Beckley’s device. *Id.* Base 2 includes depression 15, which petitioner labels in red as “depression/recess.” *Id.* Adjacent to base 2 is clip 3, which Petitioner labels in red as “clip/auxiliary feature.” *Id.* Petitioner’s annotation further includes a red arrow pointing to clip 3, which Petitioner labels in red as “tang.” *Id.*

g) Claim 1[g]: the tang having a hook,

Petitioner asserts that Beckley discloses this limitation. Pet. 24 (citing Ex. 1002 ¶ 176–183). In particular, Petitioner asserts that “Beckley discloses the tang of the clip 3 having a barb 13 (‘hook’).” *Id.* (citing Ex. 1007 ¶ 38, Fig. 1; Ex. 1002 ¶¶ 176–183). According to Petitioner, “Beckley’s barb 13 teaches a hook, as properly construed, because the barb

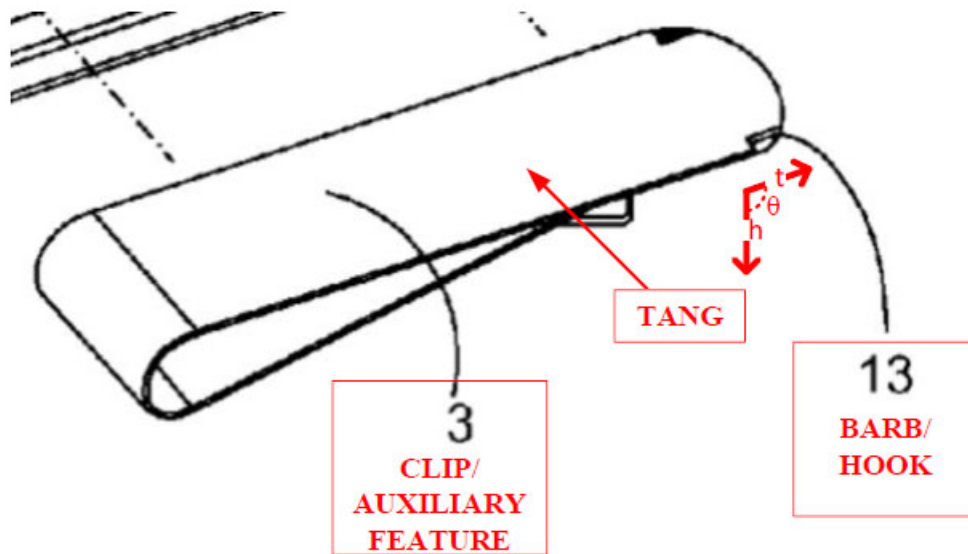
13 abruptly changes direction from the trunk section of the clip 3 to define a ledge for catching or holding.” *Id.* (citing Ex. 1007 ¶ 38, Fig. 1; Ex. 1002 ¶ 179). In support of this assertion, Petitioner reproduces the following annotated Figure 1 of Beckley.



Petitioner’s annotated Figure 1 depicts only the portion of Figure 1 that depicts clip 3. *Id.* Petitioner enlarges this portion of Figure 1 to depict that the tang of clip 3 has barb 13 that is “a curved or bent device for catching or holding,” which Petitioner labels in red as “barb/hook.” *Id.*; *see also id.* at 13–14.

h) Claim 1[h]: the hook extending at an angle to the tang,

Petitioner asserts that Beckley discloses this limitation. Pet. 25 (citing Ex. 1002 ¶¶ 184–189). In support of this assertion, Petitioner reproduces the following annotated Figure 1 of Beckley.



Petitioner's annotated Figure 1 depicts only the portion of Figure 1 that depicts clip 3. *Id.* Petitioner enlarges this portion of Figure 1 to illustrate that the tang of clip 3 has barb 13, which Petitioner labels in red as "barb/hook." *Id.* Petitioner's figure also includes a pair of red arrows, one labeled "t," which extends in the length direction of clip 3 and the other labeled "h," which extend in the depth direction of clip 3. *Id.* Petitioner also adds a dotted arc between the two arrows, which Petitioner labels as "θ." Relying on the testimony of Mr. Babcock, Petitioner asserts "Beckley depicts the tang extending in direction (t), the barb(s) 13 ('hook') extending in direction (h), and the angle therebetween (θ)." *Id.* (citing Ex. 1002 ¶¶ 184–189).

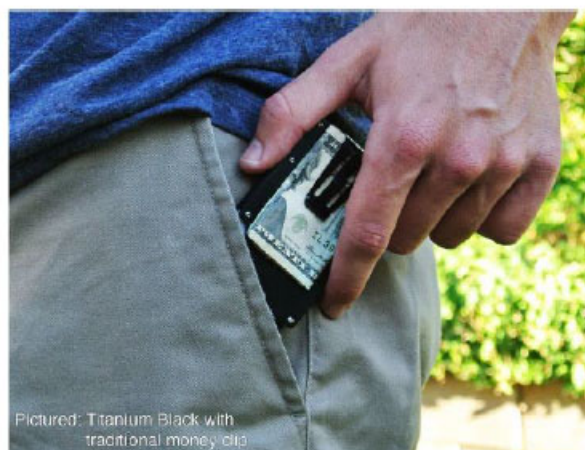
- i) *Claim [1i]: the hook engaging an undercut of the recess to prevent inadvertent dislodgement of the auxiliary feature from the recess,*

Petitioner asserts that Beckley discloses this limitation. Pet. 25–26 (citing Ex. 1002 ¶¶ 190–193). More particularly, Petitioner asserts that Beckley discloses cavities 14 that constitute, as properly construed, the claimed 'undercut' because each cavity 14 defines a cut away portion from

the bottom sidewall of the depression 15 (‘recess’).” *Id.* at 25 (citing Ex. 1007 ¶¶ 38–39, Fig. 1; Ex. 1002 ¶¶ 190–193). According to Petitioner, “[e]ach cavity 14 is an underside recess that is either cut or molded into the depression 15 (‘recess’) to define a lip or protuberance” and “Beckley discloses that the clip 3 ‘is held in place by a pair of barbs seen at 13 mated into a set of cavities 14 on the base 2.’” *Id.* at 25–26.

j) Claim 1[j]: whereby, card-like contents may be carried with minimal silhouette on or with a person while allowing expandable capacity and ready access to individual contents from between the at least two rigid plates.

Petitioner asserts that Kane discloses this limitation. Pet. 26 (citing Ex. 1002 ¶¶ 199–202). More particularly, Petitioner asserts that “Kane discloses that card-like contents may be carried with minimal silhouette on or with a person.” *Id.* (citing Ex. 1006 2, 3: “Core design: Low profile to easily fit in your front pocket”; Ex. 1002 ¶¶ 99–202). To support its position, Petitioner provides the following figure found on page 4 of Kane. *Id.* (citing Ex. 1004, 4).



Petitioner’s figure depicts a person inserting (or removing) Kane’s wallet into a pocket of their pants. According to Petitioner, Kane meets this

limitation because Kane discloses: “[t]he Ridge 2.0 can accommodate various numbers of cards without losing elasticity; providing an extremely thin wallet that isn’t limited in its capacity,” and “a wallet that ‘allow[s] easier access to the middle cards.’” *Id.* at 26–27 (citing Ex. 1006, 2, 3; Ex. 1002 ¶ 201).

2. Patent Owner’s Contentions Regarding Claim 1

Patent Owner contends that Petitioner’s ground of unpatentability based on Kane and Beckley is deficient. *See* Prelim. Resp. 16–18. More particularly, Patent Owner argues that Petitioner’s analysis is conclusory and based on an “improper reliance on incorporated-by-reference material” that does not demonstrate why one of ordinary skill in the art would have been motivated to combine Kane and Beckley. *Id.* at 16–17. Patent Owner also contends that Petitioner’s ground of unpatentability is deficient because it fails to address secondary considerations relating to the issue of obviousness. *Id.* at 22–23; PO Sur-reply 3–5. According to Patent Owner, months before the Petition was filed, Patent Owner provided evidence about secondary considerations relating to the issue of obviousness. Prelim. Resp. 22–23.

3. Discussion of Claim 1

Having considered the conflicting positions of the parties, we conclude that, at this stage of the proceeding, Petitioner has shown a reasonable likelihood that it would prevail in challenging the patentability of independent claim 1. In our view, Petitioner’s analysis, on this record, adequately identifies where all the elements of claim 1 are found in Kane and Beckley. We also determine that Petitioner provides sufficient arguments and evidence, at this stage of the proceeding, to support its reasoning that a person having ordinary skill in the art would have been

motivated to modify Kane's compact wallet to incorporate the removable clip taught by Beckley, as Petitioner proposes.

Although we acknowledge Patent Owner's argument that Petitioner's analysis is "nothing but a statement that a POSITA 'would have been motivated' to make the desired combination" (Prelim. Resp. 17), this does not overcome Petitioner's evidence that Beckley teaches the desirability of removable clips on compact wallets. *See* Pet. 16 (citing Ex. 1007 ¶¶ 4, 10). For example, Mr. Babcock opines that one of ordinary skill in the art would have modified Kane's clip to be removably attachable, "to provide a compact wallet that allows a consumer to remove the money clip ('auxiliary feature') when not needed, in accordance with the minimalist preferences." *Id.* at 15 (citing Ex. 1002 ¶ 166). On the current record, we find Mr. Babcock's opinion to be adequately supported by Beckley's disclosure that currency clip 3 is used to hold paper currency, "when the clip 3 is attached to the base 2." Ex. 1007 ¶ 39. Thus, at this stage, we credit Mr. Babcock's declaration testimony opining that one of ordinary skill in the art would have been "motivated to removably attach a money clip ('auxiliary feature'), like that disclosed by Beckley, to an interior plate-outer faceplate pair ('rigid plate'), like that disclosed by Kane," in order to "advance the maintenance operations promoted by Kane." Ex. 1002 ¶¶ 166, 167, *see also* Pet. 15.

We also are not persuaded by Patent Owner's argument that Petitioner's assertions regarding a "'Reasonable Expectation of Success' can be ignored as mere attorney argument." Prelim. Resp. 18. Petitioner asserts that forming the depression into a rigid plate is "a mere continuation of routine milling operations used for producing the plates" and the ordinary artisan "would be applying a known technique to a known device ready for

improvement to yield predictable results. Pet. 17 (citing Ex. 1002 ¶¶ 172–173). Here, Mr. Babcock identifies that the depression “recess” would be a “continuation of one or more milling operations conducted to form the integrated elastic track (‘channeling means’)” (Ex. 1002 ¶ 173), and suggests that it would have been obvious to one of ordinary skill in the art “to form a depression (‘recess’), like that disclosed by Beckley, inside an interior plate-outer faceplate pair (‘rigid plate’), like that disclosed by Kane,” as “a known technique to a known device ready for improvement to yield predictable results.” *Id.* ¶ 172. On the current record and at this stage of the proceeding, Patent Owner does not argue, and we see no reason to believe, that such a modification is not within the ability of one of skill in the art. *See KSR Int’l Co.*, 550 at 421 (“A person of ordinary skill is also a person of ordinary creativity, not an automaton.”).

We are also not persuaded that Petitioner’s ground of unpatentability is deficient because Petitioner has not addressed adequately Patent Owner’s assertions of secondary considerations. *See Prelim. Resp.* 22–23. According to Patent Owner, its “astronomical success” is “tied to the timing of the filing of the application that led to” the ’808 patent, and thus, “shows the nonobvious nature of the inventions claimed therein.” PO Sur-reply 4. Patent Owner asserts that the Petition “does not address the rampant copying of the ‘808 [p]atent,” including “a readily available article about Petitioner itself [that] confirms that Petitioner’s entire business model is predicated on copying (stealing) Patent Owner’s design.” *Id.* (citing Ex. 2008). Patent Owner further asserts that the ITC “recently granted Patent Owner a General Exclusion Order based on infringement of the ‘808 [p]atent, recognizing Patent Owner’s domestic industry in connection with the ‘808 [p]atent,” and

“demonstrating non-obviousness, as no party made a compelling invalidity defense in that case.” *Id.* at 5 (citing Ex. 2009).

Petitioner responds that “[f]or objective evidence of secondary considerations to be relevant, there must be a nexus between the claimed invention and the objective evidence.” Pet. Reply 3 (citing *In re GPAC*, 57 F.3d 1573, 1580 (Fed. Cir. 1995)). Petitioner contends that Patent Owner’s “interrogatory statements are insufficient evidence of secondary considerations at least due to their conclusory nature,” and that Patent Owner has not demonstrated nexus. *Id.* at 4.

As explained by the Federal Circuit,

[f]or objective evidence of secondary considerations to be relevant, there must be a nexus between the merits of the claimed invention and the objective evidence. *See In re GPAC*, 57 F.3d 1573, 1580 (Fed. Cir. 1995). A showing of nexus can be made in two ways: (1) via a presumption of nexus, or (2) via a showing that the evidence is a direct result of the unique characteristics of the claimed invention.

A patent owner is entitled to a presumption of nexus when it shows that the asserted objective evidence is tied to a specific product that “embodies the claimed features, and is coextensive with them.” *Brown & Williamson Tobacco Corp. v. Philip Morris, Inc.*, 229 F.3d 1120, 1130 (Fed. Cir. 2000).

Volvo Penta of the Americas, LLC v. Brunswick Corp., 81 F.4th 1202, 1210 (Fed. Cir. 2023).

At this stage of the proceeding, we agree with Petitioner that Patent Owner’s purported evidence of copying and commercial success lacks nexus to the claimed invention. To show that the accused devices at issue, i.e., the purportedly copied and commercially successful products sold by Petitioner, are coextensive with at least one independent claim of the ’808 patent,

Patent Owner relies on the Business Insider article (Exhibit 2008).

However, the article merely discloses that the wallet “was a very similar style to a competitor wallet, he said: ‘I just emulated their product.’”

Ex. 2008, 7. At least one difficulty with Patent Owner’s argument based on the Business Insider article is that there is no product mentioned or described in the article, especially one that includes a removably attached “auxiliary feature” that has a tang with a hook. On the current record, Patent Owner has thus failed to make a sufficient showing to establish a presumption of nexus. Patent Owner also does not attempt to establish nexus by arguing that its secondary considerations evidence is a direct result of the unique characteristics of the claimed invention. Likewise, on the current record, Patent Owner is not entitled to a presumption of nexus because it has not shown that the asserted objective evidence is tied to a specific product that embodies the claimed features, and is coextensive with them.

Nor does Patent Owner’s reliance on the ITC order fare any better. *See* PO Sur-Reply 5 (citing Ex. 2009). The order does not mention invalidity, let alone invalidity based on Kane and Beckley. Nonetheless, we will reevaluate arguments about objective indicia of non-obviousness on a fully developed record.

Accordingly, on the current record, we determine that Petitioner has provided sufficient arguments and evidence to support its assertion that one of ordinary skill in the art would have been motivated to combine Kane and Beckley. *See In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006) (“[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.”).

4. *Conclusion for Ground 1*

After our review of Petitioner's assertions with respect to claim 1 and the supporting evidence (as summarized above), we determine that Petitioner has shown, sufficiently at this stage, that Kane, in combination with Beckley, teaches all the limitations of claim 1, and that a person of ordinary skill in the art would have had reason to combine the features of each reference, as Petitioner proposes. We therefore determine that Petitioner is reasonably likely to prevail in showing that claim 1 is unpatentable under § 103(a) as obvious over Kane and Beckley.

We have also reviewed the arguments and evidence of record for claims 2–9 and 11–21 in Ground 1, and similarly find that for purposes of institution, Petitioner has demonstrated a reasonable likelihood that Kane and Beckley would have rendered these claims obvious. *See* Pet. 27–48.

On this basis, we institute *inter partes* review of all challenged claims on all grounds in the Petition. *See SAS Institute Inc.*, 138 S. Ct. at 1358; 37 C.F.R. § 42.108(a).

F. *Remaining Grounds*

Petitioner alternatively contends that claims 1–9 and 11–21 are unpatentable as obvious over Kane and Pelz (Ground 2) and that claims 1–9 and 11–21 are unpatentable as obvious over Kane and Matthews (Ground 3). Pet. 48–87. Patent Owner disputes Petitioner's contentions as to these additional grounds. *See* Prelim. Resp. 18–22. Because we have determined above that, at this stage of the proceeding and on the present record, the information presented in the Petition and Preliminary Response shows that there is a reasonable likelihood that Petitioner will prevail with respect to at least one claim based on the alleged obviousness over Kane and Beckley

(Ground 1), we need not address Petitioner’s additional challenges at this time. *See* 35 U.S.C. § 314(a).

We note that Patent Owner’s arguments in opposition to Grounds 2 and 3 mirror the arguments raised by Patent Owner with respect to Ground 1, i.e., the Petition fails to demonstrate that one of ordinary skill in the art would have had reason to combine the features of each reference, as Petitioner proposes. Thus, Patent Owner’s arguments with respect to Grounds 2 and 3 turn primarily on whether Petitioner has met its burden of showing that one of ordinary skill in the art would have been motivated to combine the art to result in Petitioner’s proposed combination as set forth in Grounds 2 and 3.

III. DISCRETION UNDER 35 U.S.C. § 325(D)

Patent Owner argues we should exercise discretion under § 325(d) and deny institution because “the Petition advances proposed Grounds that rely on the same or cumulative prior art references (and predominately Patent Owner’s own, cited and considered prior art) that were previously presented to and considered by the Examiner during prosecution” and the “Petitioner has not demonstrated that the Office erred in a manner material to the patentability of the Challenged Claims.” Prelim. Resp. 23–24. For the reasons discussed below, we do not invoke our discretion to deny institution under § 325(d).

1. Legal Standards

Under § 325(d), in determining whether to institute an *inter partes* review, “the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments

previously were presented to the Office.”⁸ Our § 325(d) analysis employs a two-prong framework: (1) whether the prior art and arguments presented in the petition are the same or substantially the same as those previously presented to the Office; and (2) if so, whether the petitioner has demonstrated a material error by the Office in its prior consideration of those prior art and arguments. *Advanced Bionics, LLC v. Med-El Electromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 (“*Advanced Bionics*”), 8 (PTAB Feb. 13, 2020) (precedential).

We consider several non-exclusive factors as set forth in *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (Dec. 15, 2017) (precedential as to § III.C.5, first paragraph) (“*Becton, Dickinson*”), which “provide useful insight into how to apply the framework” under § 325(d). *Advanced Bionics*, 9. These non-exclusive factors include:

- (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, including whether the prior art was the basis for rejection;
- (d) the extent of the overlap between the arguments made during examination 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 asserted prior art; and
- (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.

⁸ The Board institutes trial on behalf of the Director. 37 C.F.R. § 42.4(a).

Becton, Dickinson, 17–18 (formatting added). “If, after review of factors (a), (b), and (d), it is determined that the same or substantially the same art or arguments previously were presented to the Office, then factors (c), (e), and (f) relate to whether the petitioner has demonstrated a material error by the Office.” *Advanced Bionics*, 10.

2. *Relevant Prosecution History*

In this proceeding, as discussed above, Petitioner challenges claims 1–9 and 11–21 of the ’808 patent on three grounds, which rely on combinations of Kane with Beckley, Pelz, or Mathews. A discussion about what these prior art references describe can be found above. *See supra* § II.D.

During prosecution, the Office rejected claims 1–18 as anticipated by Kane and rejected claims 19–24 as obvious over Kane and Chapin⁹. Ex. 1004, 70. The Examiner reasoned that

Kane teaches a wallet with elastic band interposed between the two plates, finger notches, and a clip (traditional) which goes over the edges of the outside wall. It would have been obvious to one of ordinary skill in the art to provide a clip with the two tangs (protrusions), as taught by Chapin, note portion 109, fig. 11, to provide an alternative clip structure.

Id. In response to the Examiner’s rejection, Applicant amended claim 19 as follows:

inserting, removably, the at least one tang of the second auxiliary feature into the at least one recess to make the second auxiliary feature available at an outside face of at least one of the two rigid plates, the at least one recess having an undercut operable to engage a hook of the tang to prevent inadvertent dislodgement of the second auxiliary feature from the at least one recess, the hook

⁹ US 5,038,985, issued August 13, 1991 (Ex. 2013, “Chapin”).

extending at an angle to the tang, the at least one recess receiving the tang being disposed inside at least one of the two rigid plates.

Id. at 149–150 (newly added claim language underlined).¹⁰ Applicant argued that

The Examiner relies on Chapin for a teaching of tangs on a clip structure. In Kane and in Chapin, a clip is mounted on an exterior surface. There is no teaching or fair suggestion to have a tang of an auxiliary feature that is disposed inside a recess formed in the plate, where the recess has an undercut receiving a hook of the tang to keep the auxiliary feature in place.

Id. at 144. In addition, Applicant argued that “there is no such structure described by the references, nor is there any reason to modify a compact wallet to include such a feature, absent hindsight reconstruction of Applicant’s claim.” *Id.* The Applicant made similar arguments with respect to independent claims 1 and 14. *Id.* at 134–143¹¹.

In response, the Examiner entered the amendments to independent claims 1, 14 and 19 that led to allowance, and the Examiner cited these amendments in the reasons for allowance. *See* Ex. 1004, 157 (“Note the disclosure NPL (09/19/2018). This disclosure does not have the limitation of the recess having an undercut operable to engage a hook of the tang.”).¹² The Examiner included the signed IDS as an attachment to the Notice of

¹⁰ Applicant amended claims 1 and 14 to add what Petitioner refers to as limitations 1e–1i. *See* § II.E.1.e–i.; *see also* Ex. 1004, 146, 148 (claim amendments).

¹¹ Applicant concurrently filed with the amendment an Information Disclosure Statement (IDS) listing Kaminski, US 7,334,616, issued Feb. 26, 2008 (Ex. 2006, “Kaminski”) as the sole reference.

¹² We understand the Examiner’s reference to the disclosure of “NPL (09/19/2018)” to refer to the Kane reference as it is the only Non-Patent Literature (NPL) reference relied upon in the Office Action, mailed on 9/19/2018.

Allowance (Ex. 1004, 156), and indicated that “ALL REFERENCES CONSIDERED EXCEPT WHERE LINED THROUGH. /T.M.M/. Ex. 1004, 196.

3. *Whether the Prior Art and Arguments are the Same or Substantially the Same*

Under the first part of the *Advanced Bionics* framework, we consider “whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office.” *Advanced Bionics*, Paper 6 at 8. Patent Owner argues that Petitioner relies on art that is the same as, or cumulative of, art previously presented to the Office. Prelim. Resp. 23–29; Sur-reply 1–3. For purposes of this Decision, we need not decide whether the same or substantially the same art previously was presented to the Office. As discussed below, even if we assume that the first part of the *Advanced Bionics* framework is satisfied, Petitioner demonstrates that the Office erred in a manner material to the patentability of the challenged claims in the second part of the framework.

4. *Whether Petitioner has Demonstrated Material Error*

Under the second part of the *Advanced Bionics* framework, we consider “whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.” *Advanced Bionics*, Paper 6 at 8. Petitioner asserts that “the Petition establishes that the combination of Kane with Beckley, Pelz, or Matthews discloses or suggests a ‘recess having an undercut operable to engage a hook of the tang,’ which was the reason for allowance specified by the Examiner.” Pet. Reply 3 (citing Ex. 1004, 157; Pet. 22–26, 53–57, 72–78). Petitioner thus asserts that

“Beckley, Pelz, and Matthews address an oversight during prosecution that was material to the patentability of the Challenged Claims.” *Id.*

On this record, we agree with Petitioner. During examination of the ’808 patent, the Examiner allowed claims 1–24, based on the newly added claim language discussed above, because none of the prior art of record disclosed “the limitation of the recess having an undercut operable to engage a hook of the tang.” Ex. 1004, 157. Even if we assume that Beckley, Pelz, and Matthews are cumulative to Chapin, and the Examiner considered references cumulative to Chapin, including Kaminski, on this record, Petitioner demonstrates that the Examiner overlooked teachings that are relevant to the limitations that were the basis for allowing the challenged claims. Therefore, on this preliminary record, we agree that there is sufficient evidence of material error to avoid discretionary denial in this case. Specifically, as discussed above, we find that Petitioner has set forth a reasonable likelihood that the challenged claims are unpatentable over Kane and Beckley, which also leads us to conclude that the Office’s prior failure to apply these references against the pending claims was an error that was material to the patentability of these claims. That is, on the current record Petitioner’s evidence indicates that, at least, the combination of Kane and Beckley discloses or suggests a “recess having an undercut operable to engage a hook of the tang.” Pet. 25–26; Ex. 1007 ¶¶ 38–39, Fig. 1; Ex. 1002 ¶¶ 190–193. And, at this stage of the proceeding, Patent Owner does not dispute that the combination of Kane and Beckley teaches the limitation that was the basis for allowing the claims. Instead, Patent Owner argues that it would not have been obvious to combine the references. *See, e.g.*, Prelim.

Resp. 16 (“The Petition Does Not Establish Combinability of Kane and Beckley.”).

Patent Owner acknowledges that “the discretionary denial permitted by 35 U.S.C. § 314(a) (e.g., under *General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357 (PTAB Sept. 6, 2017) [“*General Plastics*”]) may not be applicable here” (Prelim. Resp. 31), but argues that discretionary denial under 35 U.S.C. § 325(d) is appropriate because “Petitioner is seeking to use the Board’s rationales and rulings in the [Shenzhen] IPR to its advantage here.” *Id.* However, we are not persuaded that discretionary denial under 35 U.S.C. § 325(d) is appropriate based on the use of the same primary reference and overlapping secondary references in the Shenzhen IPR and the instant Petition, as Patent Owner suggests. Nor does Patent Owner direct us to any authority extending the application of *General Plastic* to a situation, such as here, where we already determined that we will not invoke our discretion to deny institution under § 325(d); *Cf. General Plastic* at 9–10).

As a result, on this record, Petitioner demonstrates that the Office erred in a manner material to the patentability of challenged claims.

5. Conclusion

For the foregoing reasons, we decline to exercise discretion to deny institution under § 325(d).

IV. PATENT OWNER’S ADDITIONAL REASONS FOR DISCRETIONARY DENIAL

A. Patent Owner’s Request for Denial Based on the Board’s Word Count Limits Under 37 C.F.R. § 42.24

Patent Owner argues Petitioner violates 37 C.F.R. § 42.6(a)(3) by citing Mr. Babcock’s declaration, which includes pages of arguments and

evidence that are not in the Petition. Prelim. Resp. 32. Patent Owner asserts, for example, that Petitioner “incorporates by reference Mountain Voyage’s opening claim construction brief in the parties’ ongoing District of Colorado case.” *Id.* Patent Owner states “the only arguable support Mountain Voyage has for having presented any claim construction arguments whatsoever is an incorporation-by-reference of its opening claim construction brief in the District of Colorado case between Petitioner and Patent Owner.” *Id.* at 35 (citing Petition 13–14; *see also* Ex. 1015). According to Patent Owner, “this does not satisfy what the [Trial Practice Guide] says petitioners **must** do, and for that reason denial is appropriate.” *Id.*

Patent Owner’s argument is misplaced. There is no requirement that all statements in a supporting expert declaration be present in a petition, for the petition to not have improperly incorporated by reference from the declaration. A petition can provide general reasoning, and the expert declaration can provide more or further detail in support of that reasoning. What a petitioner may not do is to simply state conclusions in the petition, and rely on the expert declaration to provide all of the reasoning, explanation, and analysis. Patent Owner has not shown that that is what Petitioner has done.

We do not see the Petition as simply stating conclusions and leaving all reasoning and analysis to be expressed in the testimony within the expert declaration. We do not have to resort to Mr. Babcock’s declaration to ascertain Petitioner’s reasoning and analysis. Patent Owner identifies pages 15, 17, 48, 49, 51, 52, 66, 67, and 69 of the Petition as examples of the expert declaration supplying reasoning and analysis. We have reviewed

these pages of the Petition and do not find support for Patent Owner's assertion.

For example, on page 15 of the Petition, under the heading "Motivation to Combine," the Petition states that the combination of Kane and Beckley would have been obvious "to allow a consumer to remove the clip when not needed in accordance with the minimalist preferences, personalization, adapted use, and/or maintenance/repair operations promoted by Kane, as well as provide a removable clip that allows the consumer to hold currency." Pet. 15. There, Petitioner cites to various portions of Kane and Beckley in support of the assertions. That Petitioner also cites to various paragraphs of Mr. Babcock's declaration to support the corresponding reasoning and analysis presented in the Petition has no significance where Mr. Babcock's declaration provides further detail in support of that reasoning.

In another example, on page 17 of the Petition, under the heading "Reasonable Expectation of Success," the Petition states that an ordinary artisan "would have reasonably expected success incorporating the teachings of Beckley into Kane," because it "would be applying a known technique to a known device ready for improvement to yield predictable results." Pet. 17. That Petitioner also cites to various paragraphs of Mr. Babcock's declaration to support the corresponding reasoning and analysis presented in the Petition has no significance where Mr. Babcock's declaration provides further detail in support of that reasoning.

Pages 48, 49, 51, 52, 66, 67, and 69 of the Petition provide a similar motivation to combine and reasonable expectation of success analysis for Grounds 2 and 3 based on Kane and Pelz and Kane and Matthews,

respectively. Because each portion of the Petition provides sufficient general reasoning, and the expert declaration provides more or further detail in support of that reasoning, we decline to exercise discretion to deny institution for exceeding the word count limit.

V. CONCLUSION

We determine that the information presented in the Petition establishes that there is a reasonable likelihood that Petitioner would prevail in challenging at least one claim of the '808 patent, and we decline to deny institution under 35 U.S.C. § 325(d). Based on the foregoing, we institute *inter partes* review of all challenged claims on all grounds raised in the Petition. *See* 37 C.F.R. § 42.108(a) (“When instituting *inter partes* review, the Board will authorize the review to proceed on all of the challenged claims and on all grounds of unpatentability asserted for each claim.”). At this stage of the proceeding, we have not made a final determination with respect to the patentability of any of the challenged claims or the construction of any claim term.

VI. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that *inter partes* review of claims 1–9 and 11–21 of the '808 patent is instituted on the grounds asserted in the Petition; and

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

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