

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NEW BALANCE ATHLETICS, INC.,
Petitioner,

v.

NIKE, INC.,
Patent Owner

Case IPR2024-00778
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 Brookstein
1004	U.S. Patent No. 2,440,393 to Clark, et al.
1005	G.B. Patent No. 228,917 to Müller
1006	U.S. Patent No. 6,299,962 to Davis, et al.
1007	G.B. Patent No. 500,230 to Mills
1008	U.S. Patent No. 3,429,147 to Perrier, et al.
1009	U.S. Patent No. 1,093,032 to Cadenas
1010	David J. Spencer, <i>Knitting Technology: a Comprehensive Handbook and Practical Guide</i> (3d ed. 2001)
1011	Hazel Pope, <i>A Machine Knitter's Handbook</i> (1988)
1012	Excerpts of Harry Wignall, <i>Knitting</i> (1964)
1013	Excerpts of George E. Linton, <i>The Modern Textile Dictionary</i> (1st ed. 1954)
1014	H. Stoll GmbH & Co, <i>Stoll Training: Manual Flat Knitting Machine</i> (2013)
1015	adidas AG v. Nike, Inc., IPR2016-00922 Final Written Decision (Paper No. 31)
1016	Curriculum Vitae of Dr. David S. Brookstein
1017	Excerpts of Hollen et al., <i>Textiles</i> (6th ed. 1988)
1018	U.S. Courts, Statistics and Reports, Table C-5, U.S. District Courts–Civil Federal Judicial Caseload Statistics, March 31, 2023

Petitioner New Balance Athletics, Inc. (“New Balance”) requests *inter partes* review (“IPR”) of claims 1-21 of U.S. Patent No. 8,266,749 (“the ’749 patent,” EX1001).

I. INTRODUCTION

The claims of the ’749 patent are directed to a method of making footwear by knitting a material with multiple textured sections and cutting out the textured portion for use in the footwear. But these claims are directed to the same methods that had been used in the field long before the earliest filing date of the ’749 patent. Knitted textiles have been used in footwear for decades and, as such, the processes for making knitted textiles to be used in footwear have also been known and widely used.

According to the ’749 patent, the prior methods of using knitted textiles for footwear required multiple pieces of material to impart different properties to different portions of the upper. However, as described in more detail below, these representations about the prior methods are incorrect. Since as early as the 1930s and 1940s, manufacturers were knitting various textures into a single piece of fabric, trimming away waste material, and using that multi-textured material to make footwear, including shoes and stockings. Long before the ’749 patent, the shoemaking industry had employed various knitting machines to knit patterns and textures into portions of textiles with precision. The ’749 patent even admits that

the methods described could be accomplished with knitting machines that were known and used at the time the '749 patent was filed. EX1001, 7:9-25, 8:61-9:4. The methods described in the '749 patent are nothing more than a recitation of what the field was already doing and had been doing for a long time.

New Balance, therefore, requests that the Board institute this proceeding and find all claims of the '749 patent unpatentable as anticipated by, and/or obvious in light of, the prior art discussed below.

II. TECHNICAL BACKGROUND

Knitting is an old technology, with extensive application in manufacturing textiles long before the early 2000s. EX1003, ¶¶32-58.

A. Knitting Basics

Knitting is a process of interlooping yarn to create a textile. *Id.* There are two basic types of knitting used in commercial manufacture, warp knitting and weft knitting. *Id.*, ¶¶33-58. While the process of interlooping the yarns is different between the two types of knitting, both warp knitting and weft knitting can be used to make a variety of textiles with varied patterns and textures. *Id.* Different textures are accomplished through the use of different yarns and stitches that result in different arrangements of the loops of yarn. *Id.*, ¶¶34-52.

In addition to knitted loops for both warp knitted and weft knitted fabrics, additional straight yarns can be laid-in the knitted structures. *Id.*, ¶42. These laid-

in yarns are not included in the loops that create the knit structure, but are inserted between the loops. *Id.*, ¶¶42, 52. A laid-in yarn can be a relatively thicker yarn or a yarn that is different than the knitted yarns. *Id.*

B. Modern Knitting Machines

By the 2000s, warp and weft knitting had been mechanized for commercial manufacture of knitted textiles. *Id.*, ¶43

Knitting machines are highly customizable, electronically-controlled, and programmable. *Id.* A knit fabric designer is able to select the yarn and the stitch to be used in particular sections of knit material. *Id.* This includes introducing inlaid yarns by supplying the yarn across the backs of the knitting needles to trap the yarn in the fabric. *Id.*, ¶¶42, 52, 58. By incorporating different stitch patterns and yarns in different arrangements, a knit fabric designer can use these machines to incorporate different textures and patterns into the knitted material. *Id.*, ¶¶33-58. For example, knitting machines can be used to create a wide variety of textured fabrics including gossamer-sheer nets and veilings, heavy carpets, and industrial items like fishing nets and swimming pool covers. *Id.*, ¶43.

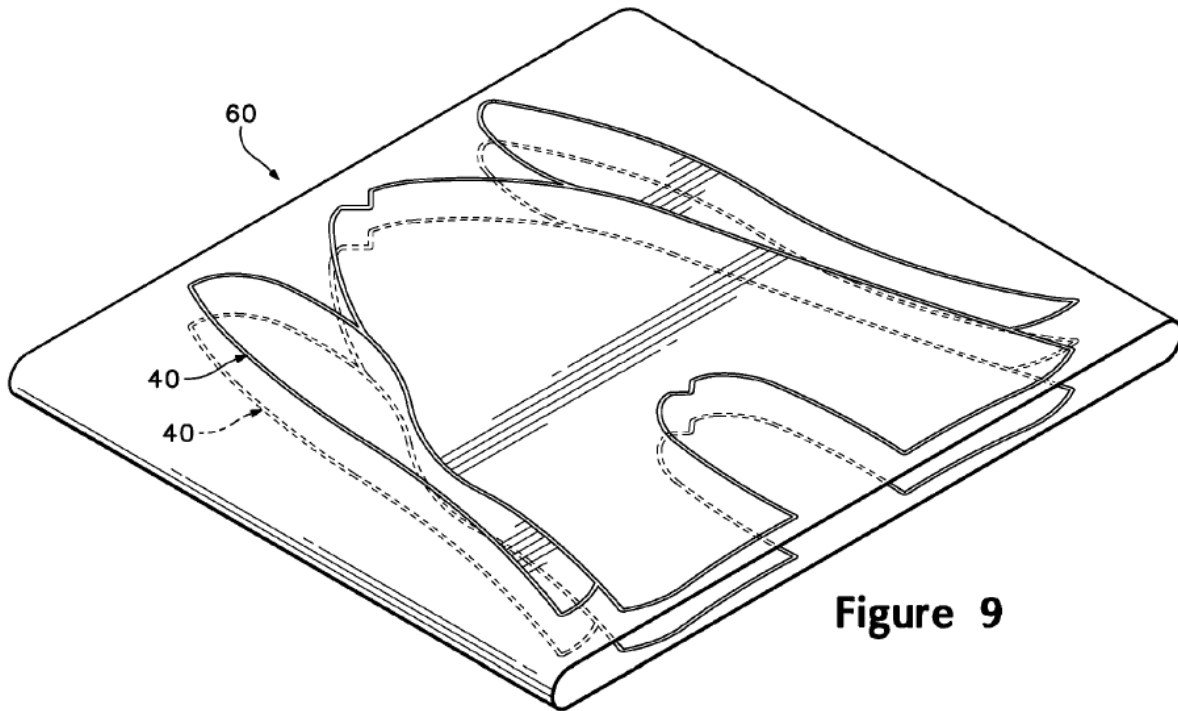
The most common types of knitting machines used in the early 2000s were Simplex, Milanese, tricot, and raschel machines for warp knitting. *Id.*, ¶45. For weft knitting, the most common types were flat bar, straight bar, and circular knitting machines. *Id.*, ¶54.

III. THE '749 PATENT

The '749 patent is titled Article of Footwear Having a Textile Upper. EX1001. 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. EX1003, ¶¶64-68. The '749 patent was filed on September 20, 2011, and claims priority to an application filed on March 4, 2004. EX1001; EX1003, ¶13. For purposes of this Petition, New Balance does not challenge that the '749 is entitled to its earliest filing date.

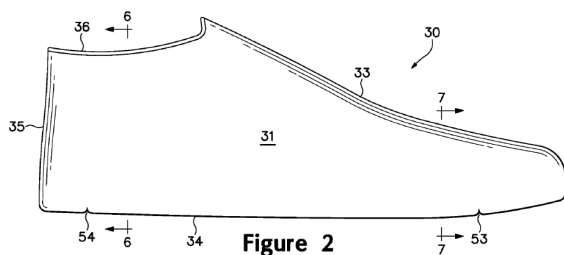
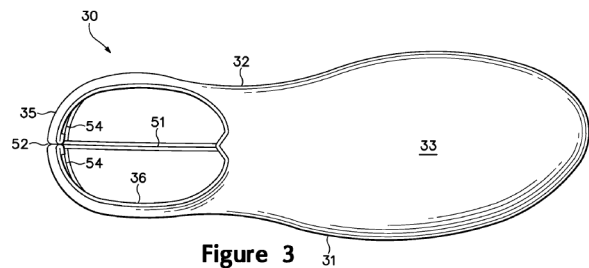
A. Specification

The '749 patent discloses an article of footwear with an upper that incorporates a knitted textile element. EX1001, 3:27-39; EX1003, ¶¶59-68. The knitted textile element “may be formed as part of a larger textile element [60],” including multiple knitted textile elements 40 and a surrounding structure:

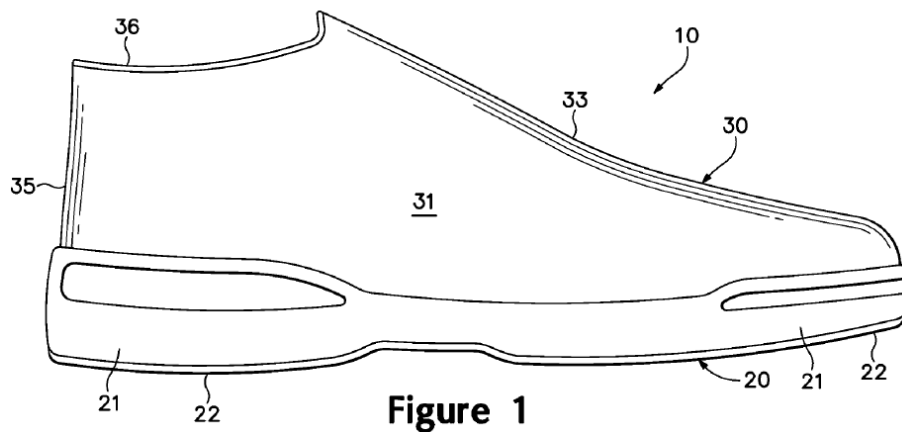
**Figure 9**

EX1001, 5:45-46, 7:53-60, Fig. 9.

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:

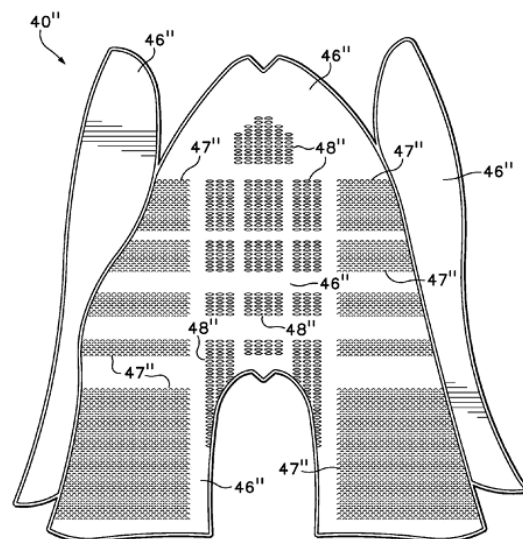
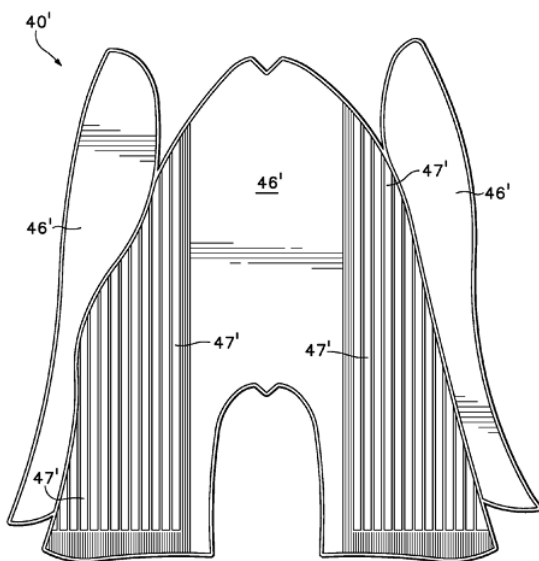
**Figure 2****Figure 3**

EX1001, 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:



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.

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). EX1003, ¶¶69-70.

Claim 1	
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 an article of footwear.

Claim 13 similarly recites a method of manufacturing an article of footwear. EX1003, ¶70. Claim 13 differs from claim 1 by 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. *Id.*

C. Prosecution History

The Examiner issued two substantive office actions during prosecution of the '749 patent. EX1002, 22-27, 40-45; EX1003, ¶71. 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 to Nishida ("Nishida"). EX1002, 40-45, 22-27; EX1003, ¶71. In its response to the first office action, Nike argued that Nishida did not disclose "simultaneously knitting a textile element with a surrounding textile structure" or "the knitted textile having at least one knitted texture that differs from a knitted texture in the surrounding textile structure." EX1002, 35-36. The Examiner was not convinced, stating that material was "inherently simultaneously knitted because it [was] as a single element," and that the art disclosed techniques such as "embroidery" and "chang[ing] the type of yarn" that would create different textures. *Id.*, 25-26. In response, Nike reiterated its arguments, arguing that the prior art was not simultaneously knit because it "necessarily teaches that the backing material for the web of material must be formed prior to the production of the layouts," and that techniques like embroidery are a "subsequent operation onto an existing backing material." *Id.*, 35-36. The Examiner subsequently allowed the claims. *Id.*, 3-8.

D. Adidas IPR

adidas AG (“adidas”) filed a Petition for IPR of the ’749 patent in 2016 (*adidas AG v. Nike, Inc.*, IPR2016-00922 (“adidas IPR”)). EX1015; EX1003, ¶¶72-74. adidas presented two grounds of invalidity: a combination of Nishida and U.S. Patent No. 3,985,003 (“Reed”), and a combination of U.S. Patent No. 4,038,840 to Castello, U.S. Patent No. 6,330,814 to Fujiwara (“Fujiwara”) and Nishida. EX1015, 7; *adidas AG v. Nike, Inc.*, IPR2016-00922, Paper No. 2, 8 (P.T.A.B. April 19, 2019).¹

In its Patent Owner Response, Nike asserted and expanded on the same arguments regarding Nishida presented during prosecution. *See adidas AG v. Nike, Inc.*, IPR2016-00922, Paper No. 9, 51-54 (P.T.A.B. April 19, 2019). The Board rejected each of Nike’s arguments about Nishida’s disclosure and found that Nishida discloses each limitation of claims 1 and 13. *adidas AG v. Nike, Inc.*, IPR2016-

¹ The Board initially denied institution as to adidas’s second ground based on a combination of Castello, Fujiwara and Nishida. *adidas AG v. Nike, Inc.*, IPR2016-00922, Paper No. 6, 21-23 (P.T.A.B. October 21, 2016). After *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1354 (2018), the Board modified its Institution decision to include this second ground. *adidas AG v. Nike, Inc.*, IPR2016-00922, Paper No. 23, (P.T.A.B. August 24, 2018).

00922, Paper No. 31², 28-32 (P.T.A.B. April 19, 2019). Despite these findings, the Board determined that no claims were invalid over the combination of Reed and Nishida because adidas failed to show a motivation to combine these references. *Id.*, 38-50. The Board also found that adidas failed to carry its burden regarding Ground 2. *Id.*, 50-70. Nike appealed the Board’s decision, and the Federal Circuit affirmed based on the Board’s finding that adidas failed to show a motivation to combine. *See adidas AG v. Nike, Inc.*, 963 F.3d 1355 (Fed. Cir. 2020).

E. lululemon IPR

lululemon filed a petition for IPR of the ’749 patent on January 12, 2024, IPR2016-00922 (“lululemon IPR”). EX1003, ¶¶75-77. The lululemon IPR presents six grounds of invalidity: 1) Nishida anticipates claims 1-8 and 12-18, 2) Nishida in view of the general knowledge of a person of ordinary skill in the art (“POSA”) renders obvious claims 9-10 and 19-20, 3) U.S. Patent No. 2,047,742 to Zuckerman anticipates claims 1-3, 5-8, 11, 13-17, and 21, 4) Zuckerman in view of the general

² New Balance generally cites to *adidas AG v. Nike, Inc.*, IPR2016-00922, Paper No. 31 (Feb. 19, 2019), EX1015, which is the most recent Final Written Decision in the Adidas IPR. The Board’s findings with respect to Nishida and Reed in this decision on remand are substantively the same as those in Paper No. 21 (Oct. 19, 2017), which is the Board’s original Final Written Decision.

knowledge of a POSA renders obvious claims 3, 9-19, 14, and 19-20, 5) Zuckerman in view of U.S. Patent No. 2,675,631 to Doughty renders obvious claim 12, 6) Nishida in view of Zuckerman renders obvious claims 11 and 21. EX 1003, ¶76. Nike has not filed a Preliminary Response, and the Board has not issued an institution decision.

IV. LEVEL OF ORDINARY SKILL

A hypothetical POSA relevant to the '749 patent 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. EX1003, ¶¶28-31. 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.*, ¶30.

In the adidas IPR, the Board found that a POSA would have had at least a few years of experience in the footwear industry, a broad understanding of shoemaking, and an understanding of (1) the product cycle for the process of designing, developing and bringing a new product to market; (2) milestones for reviewing upper material designs; (3) the available and varied ranges of typical construction methods

within a product cycle; and (4) the functional requirements of footwear and the range of material choices available. *See* EX1015, 32-33.³

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

V. CLAIM CONSTRUCTION

The Board construed certain terms of the claims of the '749 patent in the adidas IPR Final Written Decision under the broadest reasonable construction standard then applicable to IPR proceedings.⁴ EX1015, 12. New Balance 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. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312-13 (Fed. Cir. 2005). The Board's prior constructions are below:

Term	Construction
unitary construction	"a configuration wherein portions of a textile element are not joined together by seams or other connections."
a first area and a second area with unitary construction	"a first area and a second area with a unitary construction" to mean "a textile element having a unitary construction <i>and</i> having a first and second area."

³ The Federal Circuit's decision did not address the level of skill of a POSA.

⁴ The Federal Circuit's decision did not address construction of any claim terms.

Term	Construction
wide-tube circular knitting machine	“a circular knitting machine forming body garment sized, tubular textile structures, including those having a diameter that ranges from 10 inches to 20 inches.”
impart	“to give, convey, or grant from.”
texture	“a non-smooth surface formed while simultaneously knitting a textile element with a surrounding textile structure.”

EX1015, 12-16, 37-38.

New Balance submits that the Board need not specially construe any other claim terms. *Toyota Motor Corp. v. Cellport Sys., Inc.*, IPR2015-00633, Paper No. 11, 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); EX1003, ¶¶78-84.

VI. OVERVIEW OF CHALLENGE AND PRECISE RELIEF REQUESTED

New Balance requests institution of IPR based on the following grounds:

Ground	Reference(s)	Basis	Challenged Claims
1	Clark	§102	1, 2, 5-9, 11-13, 15-19, and 21
2	Clark in combination with Müller	§103	3, 4, and 14
3	Clark in combination with the knowledge of a POSA	§103	9, 10, 19, and 20
4	Clark in combination with Davis	§103	5, 12, and 15
5	Mills	§102	1-8, 11, 13-18, and 21
6	Mills in combination with the knowledge of a POSA	§103	9, 10, 19, and 20
7	Mills in combination with Cadenas	§103	12

Clark (EX1004), Müller (EX1005), Davis (EX1006), Mills (EX1007), and Cadenas (EX1009) are all analogous art to the subject matter of the '749 patent because they are all from the “same field of endeavor”—manufacturing footwear.

EX1003, ¶¶84-116; *see Unwired Planet, LLC v. Google Inc.*, 841 F.3d 995, 1000-01 (Fed. Cir. 2016).

This Petition is supported by the declaration of Dr. David Brookstein, Ph.D. (EX1003), an expert in the field of textile engineering. Dr. Brookstein’s experience is reflected in his Curriculum Vitae (EX1016) and within his Declaration (EX1003, ¶¶3-11).

Pursuant to 37 C.F.R. §42.104, New Balance certifies that the ’749 patent is available for IPR and it is not barred or estopped from requesting IPR on the identified grounds.

New Balance authorizes the U.S. Patent & Trademark Office to charge Deposit Account No. 506989 for the fee set in 37 C.F.R. § 42.15(a) for this Petition and further authorizes any additional fees to be charged to this Deposit Account.

VII. GROUND 1: CLARK ANTICIPATES CLAIMS 1, 2, 5-9, 11-13, 15-19, AND 21

A claim is unpatentable as anticipated by a prior art reference if “each and every limitation is found either expressly or inherently in a single prior art reference.” *Sanofi-Synthelabo v. Apotex, Inc.*, 470 F.3d 1368, 1375 (Fed. Cir. 2006) (internal quotations omitted). Anticipation under 35 U.S.C. §102 may be established by showing, as a matter of fact, that all elements arranged as specified in a claim are disclosed within the four corners of a reference, either expressly or inherently, in a manner enabling one skilled in the art to practice an embodiment of the claimed

invention without undue experimentation. *See Clearvalue, Inc. v. Pearl River Polymers, Inc.*, 668 F.3d 1340, 1344 (Fed. Cir. 2012).

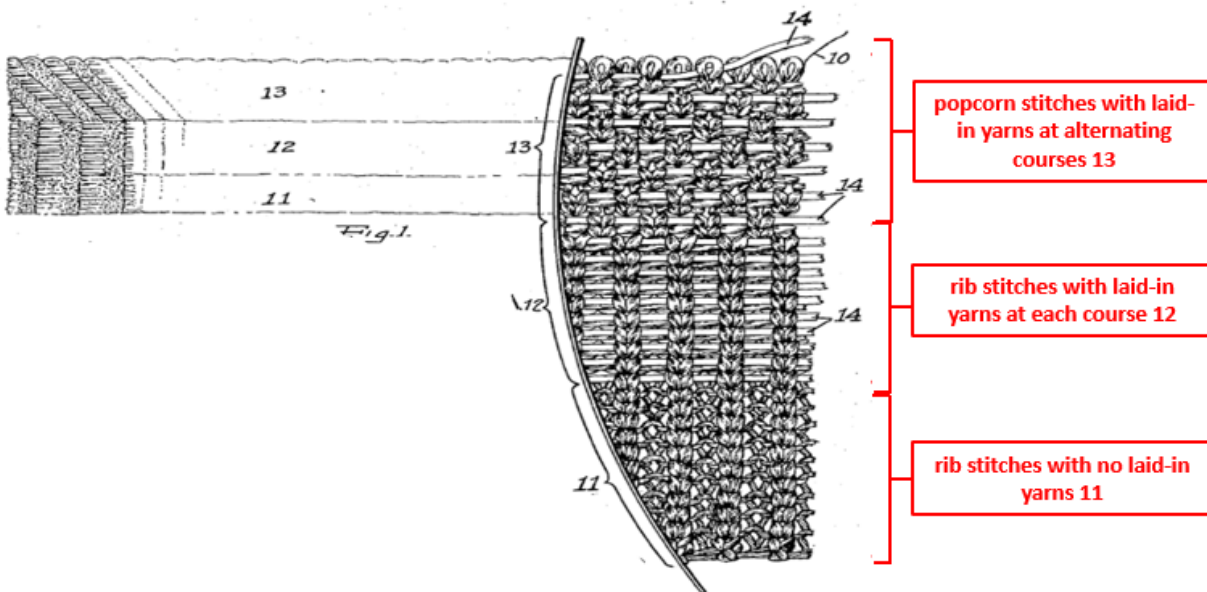
A. Clark (EX1004)

U.S. Patent No. 2,440,393 to Clark, et al. (“Clark”), EX1004, issued on April 27, 1948, and is prior art to the ’749 patent. EX1003, ¶¶86-94. Clark was not before the Patent Office during prosecution of the ’749 patent or any other IPR. *Id.*

Clark discloses a method of making knitted uppers for women’s footwear by knitting a portion of textured fabric and using a “last,” or form, to shape the upper into a shoe. EX1004, 1:3; EX1003, ¶¶86-94. An “upper” is the part of a shoe that is above the sole. EX1003, ¶87. Clark explains that the disclosed upper “exactly reproduces the contour of the last upon which it is fashioned and preserves or maintains that contour in wear.” EX1004, 1:4-7; EX1003, ¶88. Clark accomplishes this lasting contour by knitting heat sensitive yarn throughout the fabric. EX1003, ¶88. Clark discloses that “[f]rom time to time during the knitting operation relatively coarse or heavy strands of vinyon yarn are laid in place so that they lie in parallel longitudinal courses in the knitted band or web and are substantially straight throughout their length.” EX1004, 1:45-50. The upper is then stretched over a last and heat treated by “steaming at atmospheric pressure applied for one minute” allowing the vinyon strands to “have increased in diameter and have contracted with the fabric in which they are embodied so that the vinyon strands and the fabric fits

skin tight upon the last conforming accurate to every curve in its contour.” *Id.*, 4:15-19; 4:21-27.

Clark discloses that different textures may be used throughout the shoe upper to achieve the desired pattern for the shoe. EX1003, ¶¶124-29. As shown in Figure 1, below, the knitted material has different textures both through the use of different stitch patterns and through inlaid strands of vinyon yarn. *Id.*, 2:1-2:5.

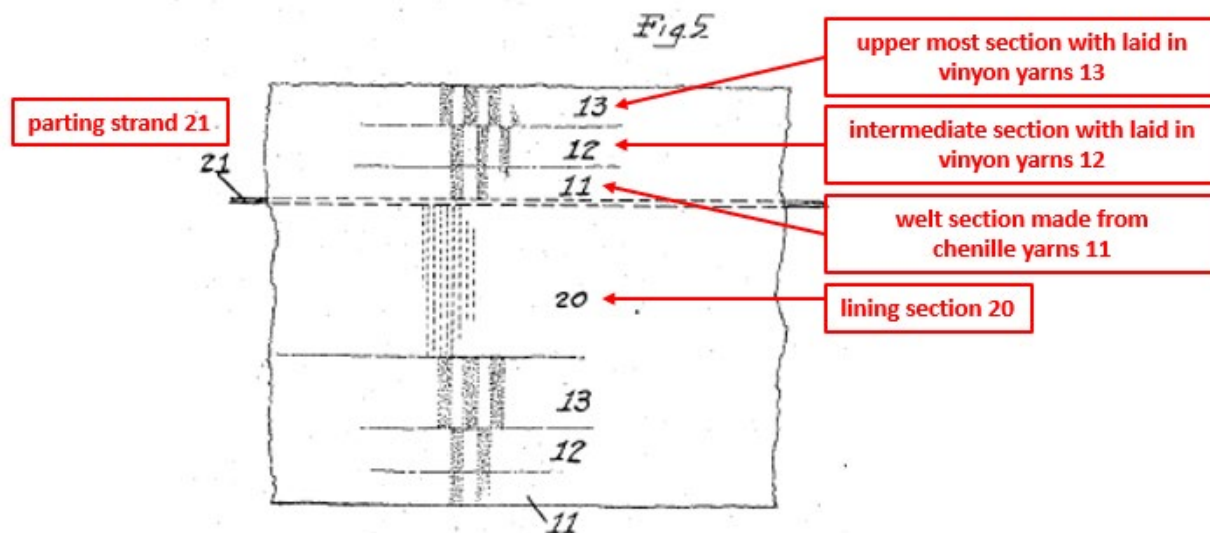


Id., Fig. 1 (annotated).

Figure 1 shows section 11 with a rib stitch without an inlaid vinyon yarn, section 12 with a rib stitch with tightly spaced inlaid vinyon yarn, and section 13 with a popcorn stitch with more loosely spaced inlaid vinyon yarn. EX1003, ¶¶92-94. Clark also states, however, that “[a]ny convenient knitting stitch can be

employed in section 12” and “in forming the section 13 any desired form of knitting stitch may be employed.” EX1004, 3:27-31; 3:50-54.

The adjacent sections of knitted fabric (sections 11, 12, 13) are knitted continuously. EX1003, ¶92. As shown in Fig. 5, below, the sections of material that contain the uppers are separated by a parting strand. *Id.*, ¶93.



Id., Fig. 5 (annotated).

Clark further discloses that the material can be knitted to a width that provides for two or more uppers. See EX1004, 4:37-46; 4:61-66. The section containing an upper is first separated from the larger material along the parting strand. EX1003, ¶¶130-32. After being removed from the larger fabric, the upper material is placed on the last and heat treated. The edges along the bottom of the upper may be lasted together and the exposed edges are trimmed. EX1004, 3:71-4:3, 4:62-66; EX1003, ¶92.

“The process ... results in the production of a resilient form-fitting upper such as has not been heretofore available in the shoemaking industry.” EX1004, 4:67-70. A POSA would have understood Clark to describe a well-known process for manufacturing a knitted textile article like the upper of Clark. EX1003, ¶117. Clark’s “last-fitting upper” is produced and formed to create an article of footwear. *Id.* This process for manufacturing knit shoes was well known by 2004. *Id.*

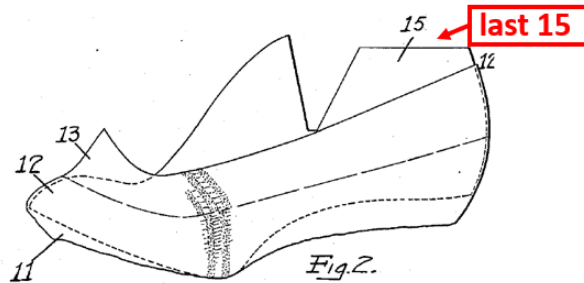
B. Independent Claim 1

Clark discloses all elements of 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.” EX1001, 4:43-44.

Clark describes a method of manufacturing a “last-fitting upper” from a knitted material. EX1004, 1:1-3; EX1003, ¶¶117-20. Clark stated that his invention was designed to “produce a satisfactory shoe upper” to fill the “urgent demand in women’s shoes for a great variety of ornamental and different color effect.” EX1004, 1:5-13. Fig. 2, below, shows this “last-fitting upper” stretched upon a shoe last in the shape of a human foot. Clark further stated that the upper is “to be incorporated eventually in the shoe bottom.” *Id.*, 3:9-10. A shoe is an article of footwear.



Id., Fig. 2 (annotated).

As a result, Clark discloses all elements of the preamble.

2. Limitation 1.a

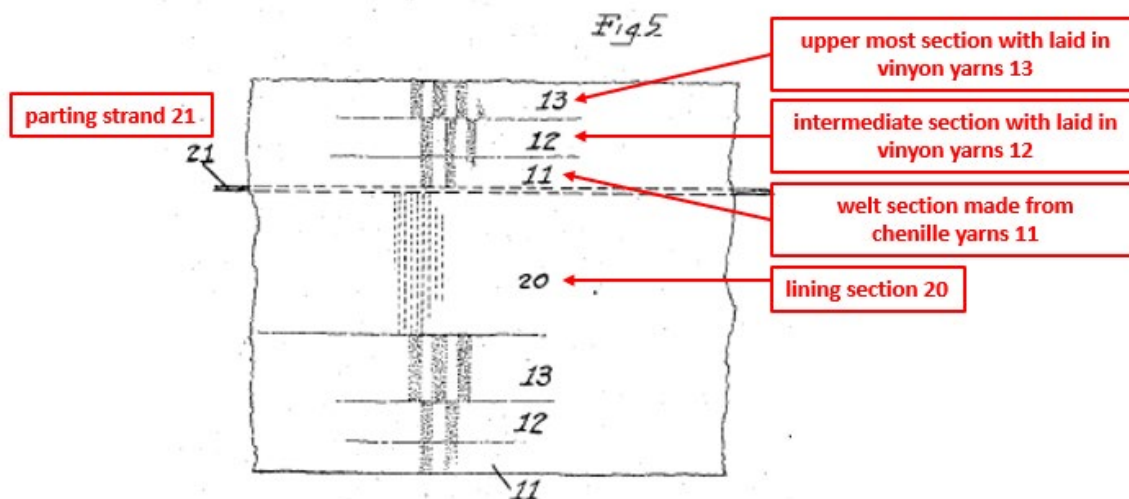
Claim 1 provides that the method of making an article of footwear includes “simultaneously knitting a textile element with a surrounding textile structure, the knitted textile element having at least one knitted texture that differs from a knitted texture in the surrounding knitted textile structure.” Clark discloses all elements of limitation 1.a. EX1003, ¶¶121-29.

i. “simultaneously knitting a textile element with a surrounding textile structure”

Limitation 1.a requires knitting a textile element such that that the knitted textile element be knitted with a surrounding structure as a single material. *Id.*, ¶121.

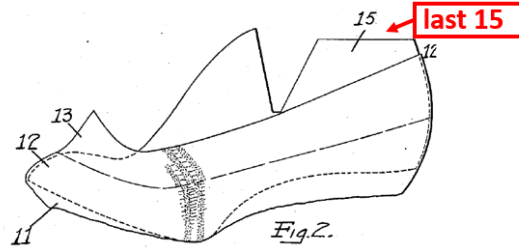
The upper of Clark is a textile element, and it is knitted with a surrounding textile structure. Clark discloses that the textures incorporated for the upper are knit within a larger piece of material. *Id.*, ¶¶121-23. The material is knitted in a continuous fashion, as shown in Figure 5, and this will include the portion that will be used for the upper (the textile element) and the material that is trimmed away (the

surrounding textile structure). EX1003, ¶¶124-25. The material for the upper includes vinyon strands that are “laid in place” during the knitting operation simultaneously with the surrounding structure in order to create a single composite textile. *Id.* The vinyon strands are laid into the stitches “without any disturbance to the knitted structure of the fabric.” *Id.*, 1:43-55.



Id., Fig. 5 (annotated).

The portion of the material that becomes the upper is removed from the strip of material at the parting strand and stretched over a last to form the shape of the shoe, as shown in Fig. 2. *Id.*, ¶119. Once formed, the exposed edges are further trimmed to finish the upper. *Id.*, ¶128.



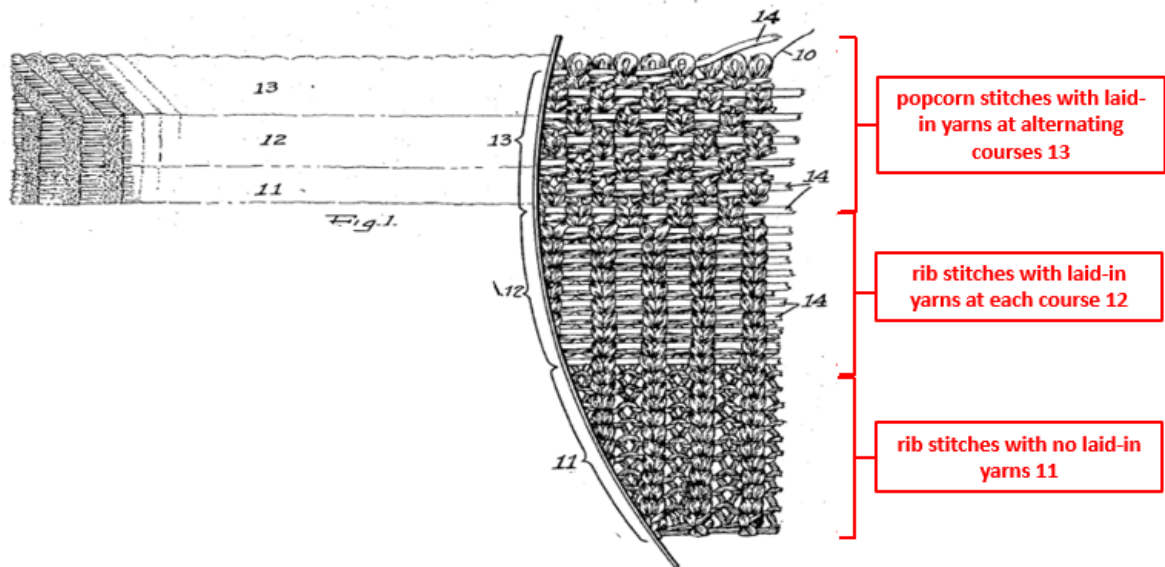
Id., Fig. 2 (annotated).

Therefore, Clark discloses a process in which the textile used for the upper is knitted simultaneously with surrounding material that is not included in the upper.

ii. “at least one knitted texture that differs from a knitted texture in the surrounding knitted textile structure”

Limitation 1.a further requires that the knitted textile element have at least one texture that is not present in the surrounding material. EX1003, ¶¶124-29.

Clark discloses two ways that texture is incorporated into the material—through incorporation of inlaid vinyon strands and through the use of different stitches. *Id.* For example, in Figure 1, three different textures are shown, identified as 11, 12, and 13. *Id.*



EX1004, Fig. 1 (annotated).

Section 11 shows rib stitching without inlaid vinyon strands, and section 12 displays a rib-stitch with closely spaced inlaid vinyon strands. EX1003, ¶¶126-27. Section 13 shows a popcorn stitch with vinyon strands that are spaced further apart. *Id.* Clark additionally notes that “[a]ny convenient knitting stitch can be employed in section 12” and “in forming the section 13 any desired form of knitting stitch may be employed.” *Id.*; EX1004, 3:27-31, 3:50-54.

Clark discloses that the upper is made from the knitted material in such a way that the vinyon strands form a continuous band around the foot. *Id.*, 2:6-17; 3:55-63. The knitted band is placed on a last and heat treated to form the desired shaped of the upper. *Id.*, 4:4-36. After heat treating, the exposed edges of the material—at the top and/or bottom of the upper—can be “trimmed in any desired outline.” *Id.*, 4:61-66. In this trimming process, only portions of the material at the bottom of the

shoe, and potentially at the top of the shoe would have exposed edges that could be trimmed. EX1003, ¶128. As Dr. Brookstein explains, at least section 12, and in some embodiments, section 13, would not be trimmed, and therefore, the texture of these sections would not be present in the textile material that is cut away from the upper. *Id.*

Accordingly, Clark discloses a textile element that has at least one knitted texture that differs from the surrounding textile structure as required in limitation 1.a. Taken together, Clark discloses all elements of limitation 1.a.

3. Limitation 1.b

Limitation 1.b requires that the method include “removing the knitted textile element from the surrounding knitted textile structure.”

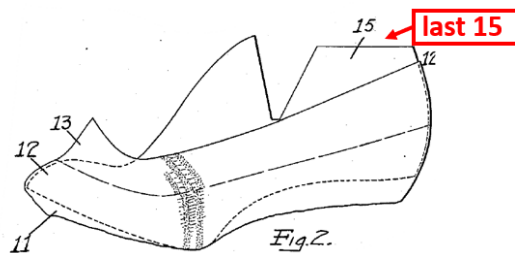
Clark discloses that the knitted textile element is not knit in the shape or form of an upper, meaning that portions of the material that are not part of the upper must be cut away. *Id.*, ¶¶130-35. As discussed above, the upper is first cut away from surrounding material at the parting strands and the upper is then further removed from surrounding material when the exposed edges of the upper are trimmed. *Id.* ¶131; EX1004, 4:37-50, 4:61-66. The material that is trimmed from one or more exposed edges of the upper after it is formed on the last does not form part of the finished upper, and therefore, is part of the surrounding textile structure. EX1003, ¶131.

As a result, Clark discloses all elements of limitation 1.b.

4. Limitation 1.c

Limitation 1.c recites that the method includes “incorporating the knitted textile element into the article of footwear.” *Id.*, ¶¶133-35.

Clark discloses a “process of making fabric shoe uppers.” Clark’s knitted band from which the upper is made is stretched over a last and heat treated to form a “resilient self-sustained last-fitting [upper].” EX1004, 5:28-6:10. Fig. 2, below, shows this last-fitting upper stretched upon a shoe last in the shape of a human foot. Clark further explains that the upper will be incorporated in the shoe bottom. *Id.*, 3:9-10; EX1003, ¶133.



Id., Fig. 2 (annotated).

As a result, Clark discloses limitation 1.c.

As described in detail above, Clark discloses all elements of claim 1, making it unpatentable as anticipated. *Clearvalue*, 668 F.3d, 1344.

C. Independent Claim 13

Claim 13 includes limitations similar to those in claim 1. EX1003, ¶¶136-46. Clark discloses all limitations of claim 13 for reasons similar to those discussed for claim 1. *Id.*

1. Preamble

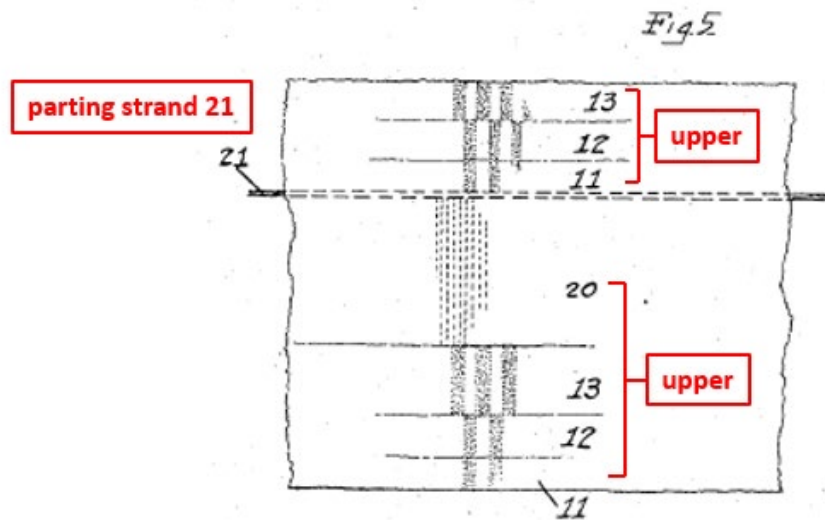
Claim 13 includes the same preamble as claim 1. Therefore, Clark discloses the preamble of claim 13 for the same reasons explained above for claim 1. *See* Section VII(B)(1); EX1003, ¶137.

2. Limitation 13.a:

Limitation 13.a requires that the method includes “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.”

As explained above, Clark discloses simultaneously knitting a textile element and a surrounding structure. *See* Section VII(B)(2)(i). Clark additionally discloses knitting a fabric that includes two or more textile elements within the larger textile structure. EX1003, ¶¶138-39. Clark discloses that “the knitting operation may proceed until a band is provided of sufficient width to supply bands for two or more uppers.” EX1004, 4:37-46. Additionally, as shown in Fig. 5, Clark discloses that the knitting process may continue in a manner where the one section of textured

material is followed immediately by another section of textured material, both of which have sections that will become uppers. EX1003, ¶¶138-39. Clark explains that these sections of material containing the uppers would be part of the same larger fabric structure and set apart from each other with a parting strand. *Id.*; EX1004, 4:43-50.



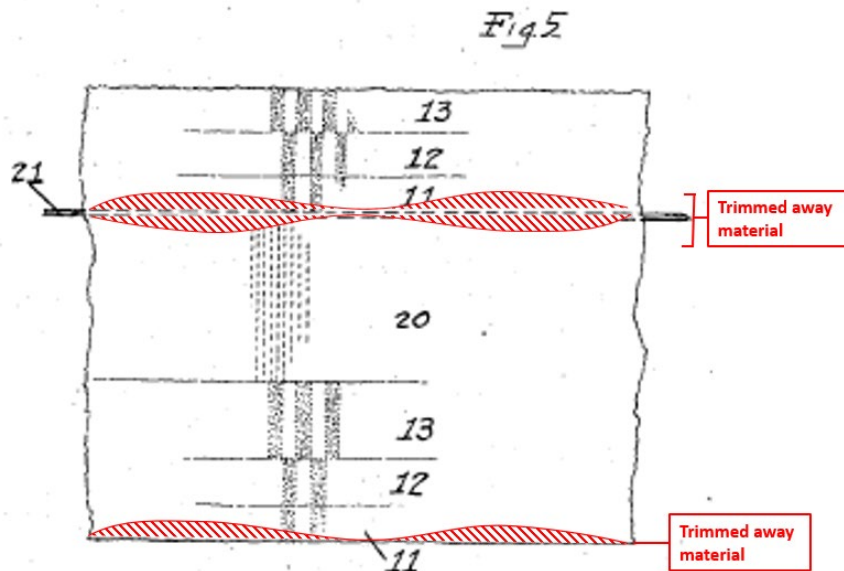
Id., Fig. 5 (annotated)

As a result, Clark discloses all elements of limitation 13.a.

3. **Limitation 13.b**

Limitation 13.b requires that the method include “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.”

As discussed above, Clark discloses varying the types of stitches and/or types of yarn to create different textures in a textile element. *See* Section VII(B)(2)(ii), EX1003, ¶¶140-42. As also discussed above, Clark discloses a method of making an upper where the upper includes at least one texture that is not in the surrounding textile that is trimmed away from the upper. *See* Section VII(B)(3), EX1003, ¶¶140-42. Clark additionally discloses that there would be surrounding textile structure that extends between the portions of the material used for the uppers. EX1003, ¶¶140-42. For example, the portions of 11 and 20 that are trimmed away from the embodiment portrayed in Figure 5, constitute the surrounding textile structure that extends between one upper and the next. *Id.*, 4:43-50, 4:61-65.



Id., Fig. 5 (annotated); EX1003, ¶141.

As a result, Clark discloses all elements of limitation 13.b.

4. Limitation 13.c

Limitation 13.c further recites a step of “removing the first and second knitted textile elements from the knitted textile structure.”

As explained above, Clark discloses that the material containing one upper is cut away from other sections of material containing other uppers, and that the surrounding material is further trimmed from the exposed edges of the upper after forming to the last. *See* Section VII(B)(3); EX1003, ¶¶143-44. This would occur for each of the uppers made as part of the larger knitted fabric. EX1003. ¶143.

Therefore, Clark discloses all elements of limitation 13.c.

5. Limitation 13.d

Limitation 13.d further requires that the method include “incorporating at least one of the first and second knitted textile elements into the article of footwear.”

As discussed above, Clark’s uppers are made to be part of a women’s shoe, and a shoe is an article of footwear. *See* Section VII(B)(4) Each of the uppers made from Clark’s larger knitted textile would be made into shoes. EX1003, ¶¶145-46

As a result, Clark discloses all elements of limitation 13.d. Taken together, Clark discloses all elements of claim 13, making it unpatentable as anticipated. *Clearvalue*, 668 F.3d,1344.

D. 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.”

As explained above, Clark discloses all elements of claim 1. *See* Section VII(B). As discussed above, Clark discloses a method of making two or more uppers in a single textile structure. *See* Section VII(C)(1). As a result, Clark discloses all elements of claim 2, making it unpatentable as anticipated. EX1003, ¶¶148-49; *Clearvalue*, 668 F.3d, 1344.

E. Claims 5 and 15

Claims 5 and 15 depend from claim 1 and 13, respectively, and add the limitation that “wherein the knitted textile element has a substantially planar configuration upon removal from the surrounding knitted textile structure.”

As explained above, Clark discloses all elements of claims 1 and 13. *See* Section VII(B)-(C) above. Clark further discloses a process of making a material with a substantially planar configuration. EX1003, ¶¶150-53. Each portion of material that will be formed into a single upper will retain its planar configuration after the upper portions are separated from each other, and a portion of the surrounding textile structure, at the parting strands. *Id.*, ¶151. As a result, Clark

discloses all elements of claims 5 and 15, making them unpatentable as anticipated.

Clearvalue, 668 F.3d, 1344.

F. Claims 6, 7, and 16-18

Claims 6 and 16 depend from claims 1 and 13, respectively, and add the limitation “wherein the knitted textile element includes longitudinal edges formed when the knitted textile element is removed from the surrounding knitted textile structure.” Claims 7 and 17 depend from claim 6 and 16, respectively, and add the limitation: “wherein the longitudinal edges are joined together to define at least a portion of a void for receiving a foot.” Claim 18 depends from claim 16 and recites: “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.”

As explained above, Clark discloses all limitations of claims 1 and 13. *See* Sections VII(B)-(C). Clark further discloses that the shape of the upper is formed by joining the ends of the knitted band at the back of shoe to form an “endless band” that extends longitudinally around the foot and that the edges of the knitted material may be “lasted together across the bottom of the last.” EX1004, 3:55-59, 3:71-4:3; EX1003, ¶¶154-59. Therefore, Clark discloses that the edges of the upper can be joined along the longitudinal edge to form the void for receiving a foot and that the longitudinal joint extends along the bottom of the upper. As a result, Clark discloses

all elements of claims 6, 7, and 16-18, making them unpatentable as anticipated.

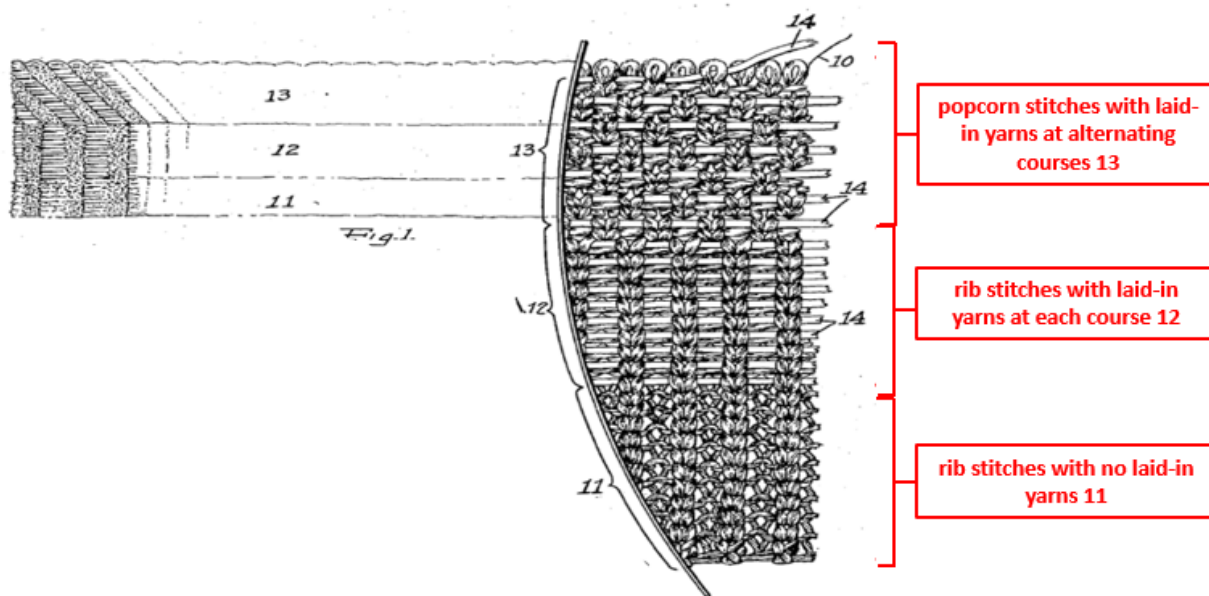
Clearvalue, 668 F.3d, 1344.

G. Claims 8, 11, and 21

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.”

Claims 11 and 21 depend from claim 1 and 13, respectively, and recite: “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.”

As explained above, Clark discloses all limitations of claims 1 and 13. *See* Sections VII(B)-(C) above. As also discussed above, Clark discloses varying stitch type and/or yarn type to create different textures within the upper. *See* Section VII(B)(2)(ii). Clark also describes knitting an upper with two or more different textures, as illustrated in Figure 1.



Id., Fig. 1 (annotated). Additionally, the knitted upper in Clark has a unitary construction because it is made as a single knitted fabric. EX1004, 4:37-39.

Therefore, Clark discloses all elements of claims 8, 11, and 21, making them unpatentable as anticipated. EX1003, ¶¶160-65; *Clearvalue*, 668 F.3d, 1344.

H. Claims 9 and 19

Claims 9 and 19 depend from claim 1 and 13, respectively, and recite the limitation: “wherein simultaneously knitting a textile element with a surrounding textile structure includes utilizing a wide-tube circular knitting machine.” EX1003, ¶¶166-68.

As explained above, Clark discloses all limitations of claim 1 and 13. See Sections VII(B)-(C). Clark further discloses that the fabric of the upper can be knitted using a circular knitting machine. EX1003, ¶¶167; EX1004, 2:14-17; 3:60-

63. The circular knitting machine used to make the uninterrupted band would need to have a diameter big enough to encompass an adult foot horizontally toe-to-heel, making it a “wide-tube circular knitting machine” of the ’749 patent. EX1003, ¶167.

As a result, Clark discloses all elements of claims 9 and 19, making them unpatentable as anticipated. EX1003, ¶¶160-65; *Clearvalue*, 668 F.3d, 1344.

I. 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.”

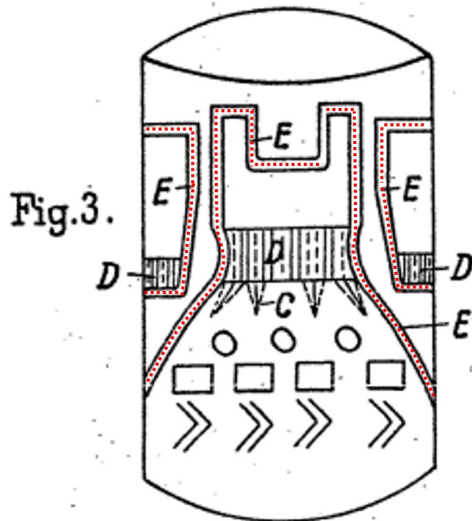
As explained above, Clark discloses all limitations of claims 1 and 13. *See* Sections VII(B)-(C). Clark further discloses that the upper is “to be incorporated eventually in the shoe bottom.” EX1004, 3:9-10. While Clark does not explicitly describe the process of attaching the upper to a sole, the process for doing so was well known and a POSA would have understood that the upper disclosed in Clark would necessarily need to be attached to a sole in order to be the functional shoe that Clark discusses. EX1003, ¶169-172. Therefore, Clark expressly or inherently discloses all elements of claim 12, making them unpatentable as anticipated. *See MEHL/Biophile Int’l Corp. v. Milgraum*, 192 F.3d 1362, 1365 (Fed. Cir. 1999);

**VIII. GROUND 2: CLARK IN COMBINATION WITH MÜLLER
RENDERS OBVIOUS CLAIMS 3, 4, AND 14**

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.” Claim 4 depends from claim 3 and recites: “wherein the outline has the shape and proportion of the knitted textile element.” Claim 14 depends from claim 13 and recites “wherein knitting a first textile knitted element simultaneously with a surrounding knitted textile structure includes knitting an outline of the first knitted textile element.”

As explained above, Clark discloses all limitations of claims 1 and 13. *See* Sections VII(B)-(C). A POSA looking to make an upper like that in Clark in 2004 would have been motivated make the process of cutting away waste material simple and efficient, and the POSA would have recognized that using an outline in the knitted pattern was a well-known way to do so. EX1003, ¶¶173-78. Indeed Clark itself acknowledges the benefits of providing lines for cutting in that it uses parting strands to delineate where one section of material ends and the next begins. EX1004, 4:37-46. A POSA would have understood that there were several ways to further improve this process by 2004. EX1003, ¶¶173-78.

For example, Müller teaches the benefits of using outlines around textile elements manufactured within larger fabrics. EX1005; EX1003, ¶¶95-97. Müller describes a method of knitting garment pieces into a larger fabric and discloses a method of introducing purl stitches to a knitted fabric to “enable lines [] along which the fabric is to be cut.” EX1005, 1:63-67; *see also* Fig. 3. Müller explains that the outline helps save time when cutting because it eliminates the need to stretch the material before cutting. *Id.*, 1:70-76; 83-87. Müller describes that by “conform[ing] as approximately as possible to the figure ... [t]his saved a good deal of labour, because, in the existing practice, the fabric has to be stretched on a shape, marked thereon and then cut.” *Id.*, 1:18-19, 67-68.



Id., Fig. 3 (annotated).

Accordingly, a POSA would have been motivated to incorporate an outline similar to that disclosed in Müller into the design of Clark to simplify the cutting process. This outline would be knitted simultaneously with the larger material and

would have the shape and proportion of the upper to facilitate quick and accurate trimming. EX1003, ¶176.

A POSA would have reasonably expected success in creating an outline for Clark's upper based on at least the disclosures in Clark and Müller. *Id.*, ¶177. Müller explains that these methods were easily made with the existing technology, making the combination of Müller's outline with Clark's upper design simple for a POSA. EX1005, 1:9-10, EX1003, ¶177.

Therefore, a POSA would have been motivated to combine Clark with the outline described in Müller with a reasonable expectation of success, which renders claims 3, 4, and 14 unpatentable as obvious. *Intelligent Bio-Systems, Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1365 (Fed. Cir. 2016); *KSR Intl'l Co. v. Teleflex Inc.*, 550 U.S. 398, 421 (2007).

IX. GROUND 3: CLARK IN LIGHT OF THE KNOWLEDGE OF A POSA RENDERS OBVIOUS CLAIMS 9, 10, 19, AND 20

Claims 9 and 19 depend from claim 1 and 13, respectively, and recite the limitation: "wherein simultaneously knitting a textile element with a surrounding textile structure includes utilizing a wide-tube circular knitting machine." Claims 10 and 20 depend from claim 1 and 13, respectively, and recite the limitation "wherein simultaneously knitting a textile element with a surrounding textile structure includes utilizing a jacquard double needle-bar raschel knitting machine."

As explained above, Clark discloses all limitations of claims 1 and 13. *See* Sections VII(B)-(C). As also described above, Clark expressly describes using a “circular knitting machine.” EX1004, 2:16-17. Even without Clark’s mention of a circular knitting machine, however, a POSA would have been motivated to make Clark’s upper with either a wide-tube knitting machine or a jacquard double needle bar raschel knitting machine because as of 2004, these machines were well-known and widely-used in the manufacturing of knitted textiles. EX1003, ¶¶179-85.

In 2004, there were a select number of options available to produce knitted fabric efficiently in a manufacturing setting. *Id.*, ¶¶43, 53. A POSA would have understood that wide-tube circular or a jacquard double needle bar raschel knitting machines were two of those options. EX1003, ¶180. The ’749 patent acknowledges that both wide-tube circular and raschel knitting machines were known and suitable for use with the claimed methods. EX1001, 6:65-7:8; EX1003, ¶184. Where there are “a finite number of identified, predictable solutions, ... it is likely the product is not of innovation, but of ordinary skill and common sense.” *KSR*, 550 U.S., 421. The types of knitting machines identified in claims 9, 10, 19, and 20 are two workable options among a small set of choices, and a POSA would have understood that either of the claimed machines could be successfully used to make the upper in Clark. EX1003, ¶180. Therefore, claims 9, 10, 19, and 20 are unpatentable as obvious. *KSR*, 550 U.S., 421.

A POSA would have been specifically motivated to use a wide-tube circular knitting machine identified in claims 9 and 19 to make the textile disclosed in Clark because a POSA would have understood that this type of knitting machine would allow for multiple knitted textile elements be produced in a continuous uninterrupted portion of the same fabric. EX1010, 105; EX1003, ¶182. A wide-tube circular knitting machine would accommodate making a larger piece of textile that would allow for more uppers to be knit simultaneously. EX1003, ¶182.

A POSA would also have been specifically motivated to use a jacquard double needle bar raschel knitting machine identified in claims 10 and 20 because they are well suited for knitting complex, intricate patterns. EX1010, 384; EX1017, 6, 9; EX1003, ¶183. Additionally, like wide-tube circular knitting machines, jacquard double needle bar raschel machines are also useful for knitting larger textiles that would include multiple uppers such as Clark's. EX1003, ¶183; *see* EX1010, 388.

Accordingly, a POSA would have been motivated to use the knitting machines of claims 9, 10, 19, and 20 to make the uppers of Clark because (1) they were among a small group of options for commercial manufacture of knitted textiles, and (2) they each had known benefits that would have motivated a POSA to use them. EX1003, ¶¶179-85. The POSA would have reasonably expected success when knitting Clark's upper with either a wide-tube circular knitting machine or a jacquard double needle bar raschel knitting machine because of their extensive commercial use. *Id.*

As a result, claims 9, 10, 19, and 20 would have been unpatentable as obvious to a POSA in light of Clark and the general knowledge of a POSA.

X. GROUND 4: CLARK IN COMBINATION WITH DAVIS RENDERS OBVIOUS CLAIMS 5, 12, and 15

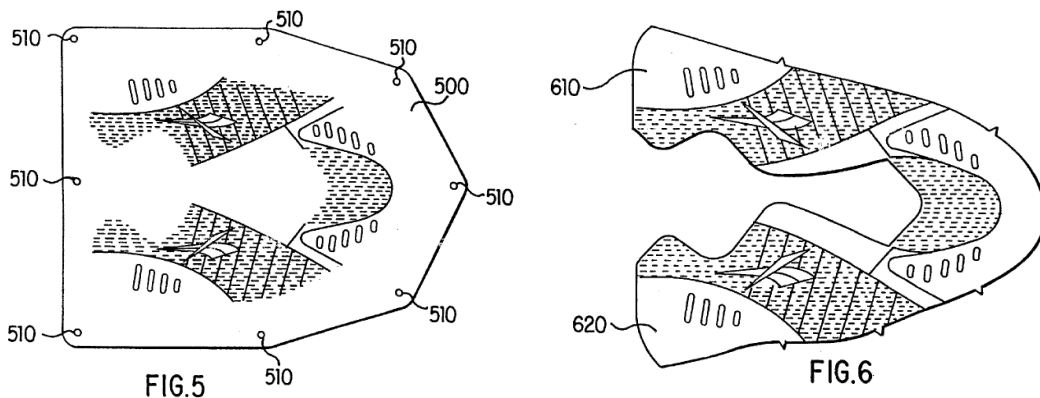
A. Claims 5 and 15

Claims 5 and 15 depend from claim 1 and 13, respectively, and add the limitation: “wherein the knitted textile element has a substantially planar configuration upon removal from the surrounding knitted textile structure.”

As explained above, Clark discloses removing the upper from the surrounding fabric and the upper retaining its substantially planar configuration. *See* Section VII(E). For the avoidance of doubt, however, a POSA would have been motivated to remove the upper from the surrounding material before the upper is given its three dimensional shape with a reasonable expectation of success, rendering claims 5 and 15 unpatentable as obvious. EX1003, ¶¶186-89.

By 2004, a POSA would have understood that it was common practice to cut an upper to shape before forming it into the shape of the final shoe. *Id.*, ¶188. For example, Davis discloses a method of manufacturing an athletic shoe involving making an upper from a knitted material. EX1006, 1:65-2:3, 7:52-58; EX1003, ¶¶98-101. Davis uses texture plates to mold different textures and appearances into the fabric for the upper. EX1006, 3:26-29, 3:39-43. After the molding process is complete the upper is die cut to the desired shape and incorporated into the shoe.

Id., 8:52-54. As Figs. 5 and 6 show, below, the sheet of knit material with the upper element is in a planar configuration and the upper is cut from the surrounding textile structure into the desired shape. EX1003, ¶189. It remains in a planar configuration upon removal. *Id.*



EX1006, Fig. 5; Fig. 6.

A POSA would have understood that cutting the upper prior to forming it into a shoe would make the cutting process efficient and uniform. EX1003, ¶189. Once the upper in Clark is removed from the surrounding knitted textile structure, it would remain in a planar configuration. A POSA would have reasonably expected success in cutting Clark's upper to shape prior to shaping it into a shoe as in Davis, because Davis's method reflects the "typical shoe manufacturing process." EX1003, ¶189; EX1006, 1:16-17.

Therefore, claims 5 and 15 would have been unpatentable as obvious to a POSA in light of Clark and Davis.

B. 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.”

As explained above, Clark discloses attaching the described upper to a sole in order to make a functional shoe. *See* Section VII(I). For the avoidance of doubt, however, a POSA would have also found it obvious to attach the upper disclosed in Clark to a sole in light of, e.g., the disclosures in Davis. EX1003, ¶¶190-95.

As described above, Clark discloses all elements of claim 1 and discloses that the edges of the upper may be secured along the bottom of the upper. *See* Sections VII(B), VII(G). A POSA making the upper of Clark would have been motivated to secure a sole to the upper because doing so would make the upper in Clark a wearable, functional shoe. Clark understood that his upper was “to be incorporated eventually in the shoe bottom” and a POSA would have understood that attaching uppers to sole was and is a routine step in completing many types of shoes. EX1004, 3:9-10.

For example, Davis discloses a method of manufacturing an athletic shoe and confirms that securing the bottom of the shoes to the upper is a typical step in making a shoe. EX1006, 1:11, 1:16-24. Therefore, a POSA would have understood that a

sole may be added to the upper in Clark by attaching the seams on the bottom of the upper to the sole, similar to the upper-sole combination in Davis, to arrive at a functional shoe. EX1003, ¶193. A POSA would have reasonably expected success in creating a shoe after cementing, molding, or sewing Clark’s upper to a sole based on, e.g., the successful combination of these elements in Davis. *Id.*

Therefore, claim 12 would have been unpatentable as obvious to a POSA in light of Clark and Davis.

XI. GROUND 5: MILLS ANTICIPATES CLAIMS 1-8, 11, 13-18, AND 21

A. Mills (EX1007)

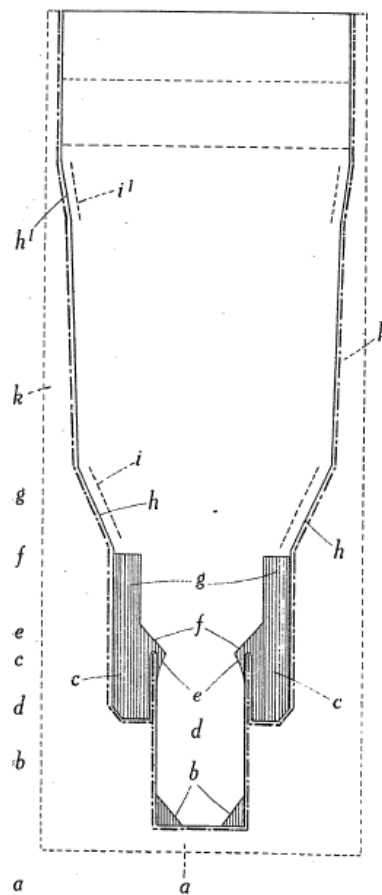
British Patent Specification 500,230 to Mills (“Mills”), EX1007, was published on February 6, 1939. It was not before the Patent Office during the prosecution of the ’749 patent.

Mills discloses a method of manufacturing a knitted stocking, which is an article of footwear. EX1007, 1:19-25; EX1003, ¶102-06. Mills explains that the entire stocking is “knitted on the same machine,” including portions that make up the leg, heel, and foot. *See id.*, 5:67-75. Mills’ process allows for efficient production of material for the footwear without requiring variation in in the number of wales and allows for making a fabric with different textures within the material through either decorative stitches or incorporating reinforced sections of material. *Id.*, 2:53-63; 6:30-38. Mills explains that the material for the stockings is preferably

made on a circular knitting machine with a diameter wider than the widest point of the stocking blank. *Id.*, 5:63-75.

Mills also explains that different stitches are incorporated to define the outline of the stocking blank. *Id.*, 6:30-43. The outline, shown in Fig. 2 below, allows the shaped section to be easily cut away from the surrounding knitted textile structures. *See id.*, 2:117-123. Once the waste material is cut away from the stocking blank, the stocking edges are seamed to form the stocking. *Id.*

Fig. 2.



Id., Fig. 2. Mills discloses all elements of claims 1-8, 11, 13-18, and 21. EX1003, ¶¶196-243.

B. Claim 1

Mills discloses all elements of claim 1.

1. Preamble

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

Mills discloses a method of manufacturing an article of footwear. Mills describes “a practicable method whereby there may be produced a commercially satisfactory fashioned stocking.” EX1007, 1:19-25. A POSA would have understood that a stocking is an article of footwear. EX1003, ¶¶ 197-99.

2. Limitation 1.a

Limitation 1.a 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.”

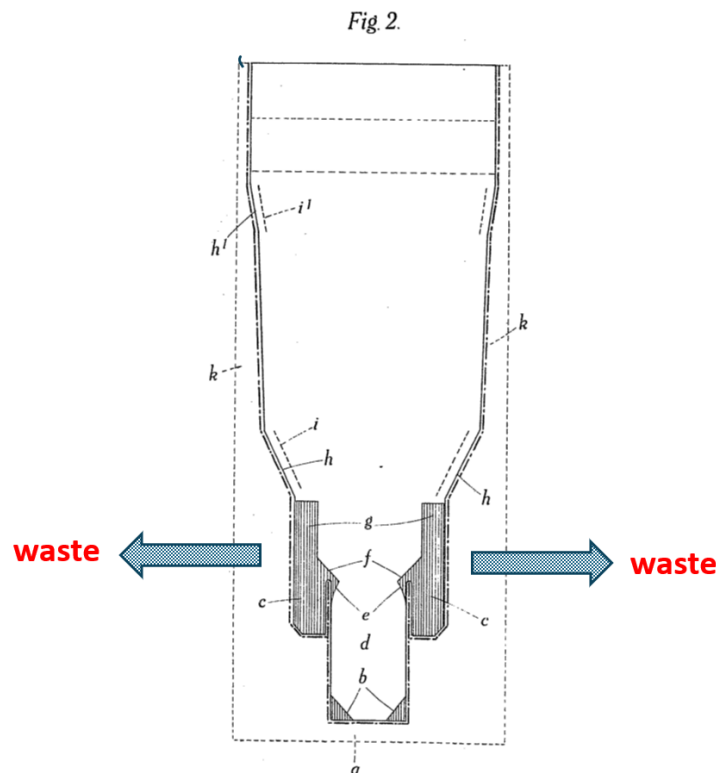
Mills discloses all elements of limitation 1.a. *Id.*, ¶¶200-09.

i. “simultaneously knitting a textile element with a surrounding textile structure”

Limitation 1.a requires “simultaneously knitting a textile element with a surrounding textile structure.”

Mills explains that the material should be made on “a machine which produces fabric the circumferential diameter of which is approximate the same as or even greater than the maximum width of the stocking blank.” EX1007, 5:67-75.

Fig. 2, reproduced below, shows the stocking blank is a knitted textile element that is knit within a surrounding textile structure that is not incorporated into the stocking. The surrounding textile structure is shown around the edges of the stocking and labeled with, for example, *a* and *k*. A POSA would have understood that, based on the basic operation of a circular knitting machine, the stocking blank and the surrounding waste material would be knitted simultaneously. EX1003, ¶202.



Id., Fig. 2 (annotated).

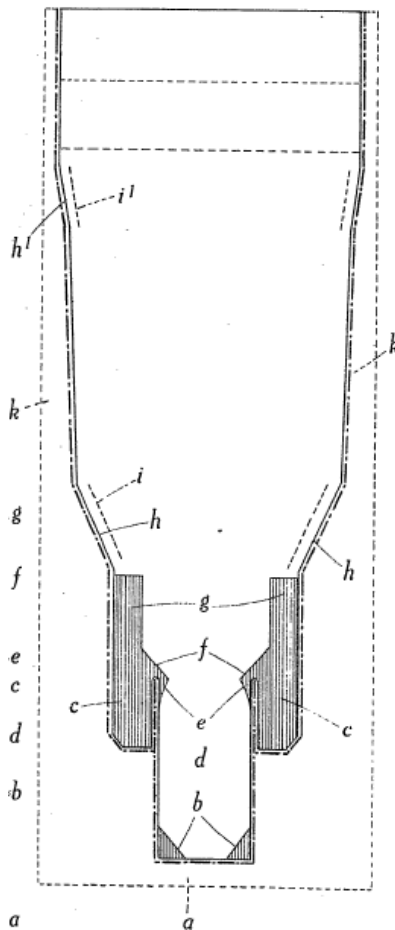
As a result, Mills discloses all elements of this limitation.

ii. “at least one knitted texture that differs from a knitted texture in the surrounding knitted textile structure”

Limitation 1.a further requires that the knitted textile element have “at least one knitted texture that differs from a knitted texture in the surrounding knitted textile structure.”

Mills discloses that portions of the stocking blank may have a different texture, including the “welt, heel, foot bottom and toe pouch.” EX1003, ¶¶204-09. Mills explains that this can be accomplished by splicing (i.e., adding in) additional yarns into the knitting process or knitting with a stouter thread in certain portions of the material. *Id.*, ¶205; EX1007, 6:78-83. Fig. 2 shows the spliced areas as the darker shaded areas.

Fig. 2.



EX1007, Fig. 2.

Introducing a stouter thread or splicing threads into the knit would result in a different texture than either the base fabric of the stocking blank or the surrounding waste material. EX1003, ¶206; *see* EX1007, Fig. 2. Mills also explains that the surrounding waste material is created by allowing the yarn to “float” over the corresponding needles, rather than be knit with the same stitches as the stocking blank. EX1003, ¶207; EX1007, 6:44-61. This difference in the stitches used would

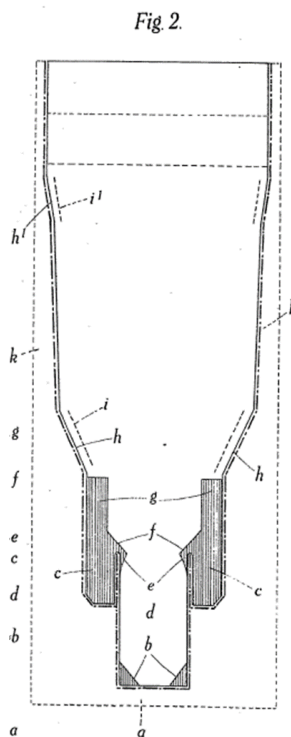
also create a different texture in the stocking blank (the textile element) and the surrounding waste material (the surrounding textile structure). EX1003, ¶207.

As a result, Mills discloses all elements of this limitation. Taken together, Mills discloses all elements of limitation 1.a.

3. **Limitation 1.b**

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

Mills explains that the stocking blank is cut from the knitted tube before it is seamed. EX1007, 6:106-110. The portions of the fabric that are cut away are discarded as waste. *Id.*, 6:44-46.



Therefore, Mills discloses removing the stocking blank from the surrounding fabric. EX1003, ¶¶210-11.

As a result, Mills discloses all elements of limitation 1.b.

4. Limitation 1.c

Limitation 1.c requires “incorporating the knitted textile element into the article of footwear.”

Mills describes making a stocking in which “[d]esirably the seaming operation follows the cutting, and therefore the method includes the steps of cutting from the fabric a stocking blank of the requisite shape and then seaming together the edges of the shaped blank to produce the fashioned leg tube.” EX1007, 2:117-123. The fashioned “leg tube” is part of “a commercially satisfactory fashioned stocking.” *Id.*, 1:19-25; EX1003, ¶¶210-211.

As a result, Mills discloses all elements of limitation 1.c.

In light of the above, Mills discloses all elements of claim 1, making it unpatentable as anticipated. *Clearvalue*, 668 F.3d at 1344.

C. Claim 13

Claim 13 includes limitations similar to those in claim 1. EX1003, ¶213. Mills discloses all limitations of claim 13 for reasons similar to those discussed for claim 1. *Id.*, ¶¶213-21.

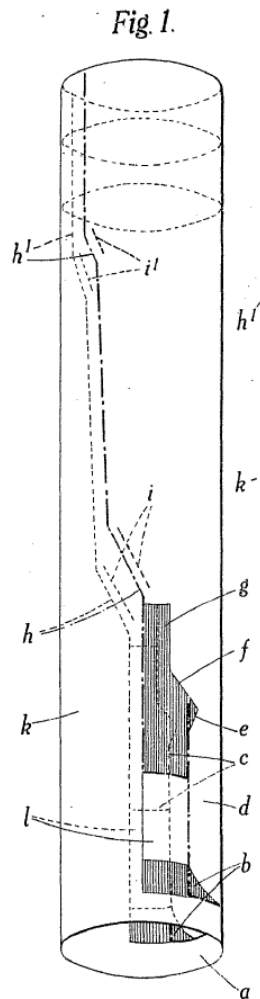
1. Preamble

Claims 13 and 1 have the same preamble. Therefore, Mills discloses the preamble of claim 13 for the same reasons explained above for claim 1. *See* Section XI(B)(1); EX1003, ¶¶214-15.

2. Limitation 13.a

Limitation 13.a requires that the method includes “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.”

As discussed above, Mills discloses simultaneously knitting a textile element with a surrounding textile structure. *See* Section XI(B)(2)(i). Mills further discloses knitting two textile elements in the same larger textile structure. EX1003, ¶¶216-17. Fig. 1 in Mills shows the shape of the stocking blank that is cut from a knitted tube.



EX1007, Fig. 1.

A POSA would have understood that the knitting process would not stop at a single stocking blank, but would continue knitting the tube to produce a larger textile structure from which many stocking blanks would be cut. EX1003, ¶216. As Dr. Brookstein explains, when knitting a textile on a knitting machine, the textile is pulled off the machine to ensure there is sufficient tension on the yarns to remove the loops from the knitting needles and allow the knitting process to continue. *See*

id. The knitting machine will have take-down rollers that continuously pull the fabric off the machine to ensure a consistent take-down tension. *See id.*; EX1010, 268-69. Accordingly, the knitted tube of Mills would necessarily be manufactured as a chain of stocking blank sections in a continuous tube. Therefore, Mills discloses a method where multiple textile elements are produced within different portions of the tubular fabric. EX1003, ¶216.

As a result, Mills discloses all elements of limitation 13.a.

3. Limitation 13.b

Limitation 13.b 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.”

As discussed above, Mills discloses varying stitches or types of yarn to impart a texture to a textile element that is different from the texture of the surrounding textile element. *See* Section XI(B)(2)(ii). Mills further discloses a method of making stocking blanks such that untextured waste material extends between the two textile elements. EX1003, ¶¶218-19. Namely, the “small parallel portion of fabric a” is knitted before starting the stocking pattern and does not include any splicing thread. EX1007, 7:35-38. This portion of the fabric without the slicing thread and

without being part of a stocking blank, would inevitably be present between each of the stocking blanks. EX1003, ¶218.

As a result, Mills expressly or inherently discloses limitation 13.b. *See Milgraum*, 192 F.3d, 1365; *Glaxo Inc*, 52 F.3d, 1047; *In re Baxter*, 952 F.2d, 390.

4. Limitation 13.c

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

As described above, Mills discloses removing the stocking blanks from the surrounding knit fabric. *See* Section XI(B)(3). This would inevitably occur for each stocking blank included in the larger tube of knitted fabric, and therefore, Mills discloses removing more than one textile elements from a knitted textile structure. EX1003, ¶220-21.

As a result, Mills discloses all elements of limitation 13.c.

5. Limitation 13.d

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

As discussed above, Mills describes “producing a commercially satisfactory fashioned stocking.” EX1007, 1:19-25; *see* Section XI(B)(4). This process would be performed with each of the stocking blanks cut from the larger knitted tube. EX1003, ¶222-23.

As a result, Mills discloses all elements of limitation 13.d. Taken together, Mills discloses all elements of claim 13, making it unpatentable as expressly or inherently anticipated. *Clearvalue*, 668 F.3d, 1344; *see Milgraum*, 192 F.3d, 1365; *Glaxo Inc*, 52 F.3d, 1047; *In re Baxter*, 952 F.2d, 390.

D. Claim 2

Claim 2 depends from claim 1 and further recites: “wherein simultaneously knitting a textile element with a surrounding textile structure includes simultaneously knitting a plurality of textile elements.” EX1003, ¶¶224-25.

As explained above, Mills discloses all elements of claim 1. *See* Section XI(B). As also discussed above, Mills discloses a method of making two or more uppers in a single textile structure. *See* Section XI(C)(2). Therefore, Mills discloses all elements of claim 2, making it unpatentable as anticipated. *Clearvalue*, 668 F.3d, 1344.

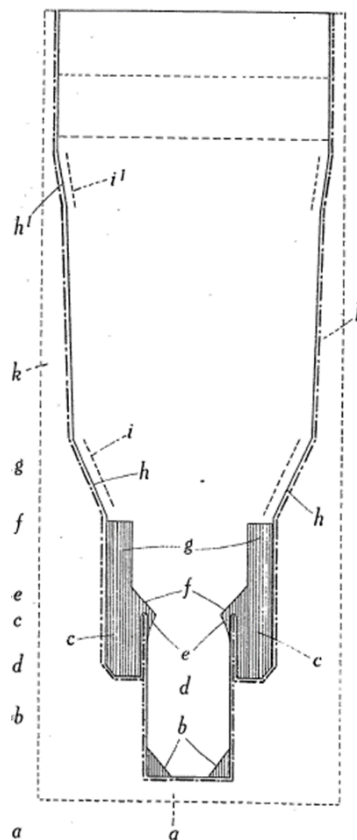
E. Claims 3, 4, and 14

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.” Claim 4 depends from claim 1 and adds the limitation: “wherein the outline has the shape and proportion of the knitted textile element.” Claim 14 depends from claim 13 and recites “wherein knitting a first textile knitted element

simultaneously with a surrounding knitted textile structure includes knitting an outline of the first knitted textile element.” EX1003, ¶¶226-29.

As explained above, Mills discloses all elements of claims 1 and 13. *See* Section XI(B)-(C). Mills additionally describes that the stocking blank is knitted with a surrounding outline that is used to facilitate cutting. EX1007, 6:30-43. The outline is indicated by “tick stitches or other stitch variation.” *Id.*; EX1003, ¶228. As shown in Fig. 2, below, the outline of the stocking blank extends in the shape and proportion of the stocking blank.

Fig. 2.



As a result, Mills discloses all elements of claims 3, 4, and 14, making them unpatentable as anticipated. *Clearvalue*, 668 F.3d, 1344.

F. Claims 5 and 15

Claims 5 and 15 depend from claim 1 and 13, respectively, and recite the limitation “wherein the knitted textile element has a substantially planar configuration upon removal from the surrounding knitted textile structure.” EX1003, ¶¶230-32.

As discussed above, Mills discloses all limitations of claims 1 and 13. *See* Section XI(B)-(C). Mills further discloses a method in which the stocking blank has a planar configuration after being cut to shape. EX1007, 3:58-59. The stocking blank is first knit as a tube on a circular knitting machine, but once cut along the outline, it would lay flat. EX1003, ¶231. For example, Figure 2, shows the complete stocking blank laid flat, as it would appear after being cut from the knitted tube. *Id.*

As a result, Mills discloses all elements of claims 5 and 15, making them unpatentable as anticipated. *Clearvalue*, 668 F.3d, 1344.

G. Claims 6, 7, and 16-18

Claims 6 and 16 depend from claim 1 and 13, respectively, and recite the limitation: “wherein the knitted textile element includes longitudinal edges formed when the knitted textile element is removed from the surrounding knitted textile

structure.” Claims 7 and 17 depend from claim 6 and 16, respectively, and add the limitation: “wherein the longitudinal edges are joined together to define at least a portion of a void for receiving a foot.” Claim 18 depends from claim 16 and recites: “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.” EX1003, ¶¶233-36.

As explained above, Mills discloses all limitations of claims 1 and 13. *See* Section XI(B)-(C). Mills additionally describes a process in which after cutting the stocking blank away from the surrounding waste material, the stocking blank is seamed along the back of the leg and bottom of the foot in a way that would create a void for a person’s leg and foot. EX1007, 7:75-78; EX1003, ¶235. This seam would join longitudinal edges. EX1003, ¶234.

As a result, Mills discloses all elements of claims 6, 7, and 16-18, making them unpatentable as anticipated. *Clearvalue*, 668 F.3d, 1344.

H. Claims 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 explained above, Mills discloses all limitations of claim 1. *See* Section XI(B). As also discussed above, Mills discloses creating texture by varying the

thickness of the thread (e.g., using stouter thread, including splicing threads) and also different stitch types through use of tuck stitches in mock-fashioning areas (element “T”). *See* Section XI(B)(2)(ii); EX1003, ¶¶237-40.

As a result, Mills discloses all elements of claim 8, making it unpatentable as anticipated. *Clearvalue*, 668 F.3d, 1344.

I. Claim 11 and 21

Claims 11 and 21 depend from claims 1 and 13, respectively, and recite: “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.” EX1003, ¶¶241-43.

As explained above, Mills discloses all limitations of claims 1 and 13. *See* Section XI(B)-(C). As also discussed above, Mills discloses making a stocking blank that includes at least two different textures using different stitch or yarn configurations. *See* Section XI(B)(2)(ii). A POSA would have further understood Mills’ stocking blank to be a textile element with varied textures formed with a unitary construction because it is made as a single piece of material. EX1003, ¶242.

As a result, Mills discloses all elements of claims 11 and 21, making them unpatentable as anticipated. *Clearvalue*, 668 F.3d, 1344.

XII. GROUND 6: MILLS IN LIGHT OF THE KNOWLEDGE OF A POSA RENDERS OBVIOUS CLAIMS 9, 10, 19, AND 20

Claims 9 and 19 depend from claim 1 and 13, respectively, and recite the limitation: “wherein simultaneously knitting a textile element with a surrounding textile structure includes utilizing a wide-tube circular knitting machine.” Claims 10 and 20 depend from claim and 13, respectively, and recite the limitation “wherein simultaneously knitting a textile element with a surrounding textile structure includes utilizing a jacquard double needle-bar raschel knitting machine.” EX1003, ¶¶244-50.

As explained above, Mills discloses all limitations of claims 1 and 13. *See* Sections XI(B)-(C). Mills teaches that the invention can be produced by “selecting a circular machine of substantial diameter for the production of the ladder-resistant fabric.” EX1007, 5:34-43. A POSA would have understood that the knitting machines referenced in Mills would include both wide-tube circular knitting machines and jacquard double needle bar raschel knitting machines because as of 2004, these machines were well-known and widely-used in the manufacturing of knitted textiles. EX1003, ¶245.

In 2004, there were a select number of options available to produce knitted fabric efficiently in a manufacturing setting. *Id.*, ¶246. A POSA would have

understood that wide-tube circular or a jacquard double needle bar raschel knitting machines were two of those options. *Id.* A wide-tube circular knitting machine would accommodate making a larger piece of textile that would allow for more stockings to be knit simultaneously. *Id.* Where there are “a finite number of identified, predictable solutions, ... it is likely the product is not of innovation, but of ordinary skill and common sense.” *KSR*, 550 U.S., 421. The types of knitting machines identified in claims 9, 10, 19, and 20 are two workable options among a small set of choices, and a POSA would have understood that either of these machines could be successfully used to make the stocking in Mills. EX1003, ¶246. The ’749 patent acknowledges that both wide-tube circular and raschel knitting machines were known and suitable for use with the claimed methods. EX1001, 6:65-7:8; EX1003, ¶246. As a result, all elements of claims 9, 10, 19, and 20 are unpatentable as obvious. *KSR*, 550 U.S., 421.

A POSA would have been specifically motivated to use a wide-tube circular knitting machine identified in claims 9 and 19 to make the textile disclosed in Mills because a POSA would have understood that this type of knitting machine would allow for multiple knitted textile elements be produced in a continuous uninterrupted portion of the same fabric. *Id.*, ¶182. EX1010, 105. The “cut and seam” method taught in Mills would be well suited to making multiple stockings simultaneously. EX1003, ¶247. A wide-tube circular knitting machine would accommodate making

a larger piece of textile that would allow for more stockings to be knit simultaneously. *Id.* Accordingly, a POSA would have been motivated to use a wide-tube circular knitting machine to economically make the fabric for the stockings described in Mills. *Id.* A POSA would have had a reasonable expectation of success in doing so based on the POSA's general knowledge in selecting and using an appropriate, cost-effective knitting machine and applying the cut and seam method described in Mills. *Id.* A POSA would have known that wide-tube circular knitting machines were commercially available and ubiquitous prior to 2004. *Id.*, ¶246.

A POSA would have also been specifically motivated to use a raschel knitting machine because a POSA would have known that these machines are useful in knitting stockings such as those in Mills. *Id.*, ¶¶107-12, 248-49; *see* EX1008, 6:54-56; EX1010, 388 (discussing how raschel double needle bed knitting machines can knit multiple articles side-by-side); EX1003, ¶247. For example, Perrier discloses a method of manufacturing a stocking and explicitly explains that a raschel knitting machine can be used. EX1003, ¶249; EX1008, 5:38-39, 6:54-56. Accordingly, a POSA would have been motivated to use a jacquard double needle bar raschel knitting machine to knit the stocking of Mills and would have reasonably expected success. EX1003, ¶249.

Accordingly, a POSA would have been motivated to use the knitting machines of claims 9, 10, 19, and 20 to make the stockings of Mills because (1) they were

among a small group of options for commercial manufacture of knitted textiles, and (2) because they each have benefits that would motivate a POSA to use them. EX1003, ¶244-50. The POSA would have reasonably expected success when knitting Mills' stocking with either a wide-tube circular knitting machine or a jacquard double needle bar raschel knitting machine because of their extensive commercial use. *Id.*

As a result, claims 9, 10, 19, and 20 would have been unpatentable as obvious in light of Mills in and the knowledge of a POSA.

**XIII. GROUND 7: MILLS IN COMBINATION WITH CADENAS
RENDERS OBVIOUS 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."

As explained above, Mills describes all elements of claim 1. *See* Section XI(B). As also explained above, Mills teaches that the stockings are seamed along the bottom of the foot. *See* EX1007, 3:41-42.

A POSA would have been further motivated to improve on the stocking of Mills by attaching a sole, as taught in Cadenas. EX1009; EX1003, ¶¶113-15, 251-56. Cadenas discloses a method of manufacturing an article of footwear that is a combined shoe and stocking, where the shoe (with a sole) is permanently attached

to the stocking. EX1009, 1:12, 1:28-34, 2:30-32. A POSA would have been motivated to add a sole structure to Mills to provide additional structure and protections to the foot portion of the stocking. EX1003, ¶256. A POSA would have reasonably expected success securing the stocking to a sole in light of the disclosure of Cardenas. *Id.*

As a result, claim 12 would have been unpatentable as obvious to a POSA in light of Mills and Cardenas.

XIV. THE BOARD SHOULD NOT EXERCISE DISCRETION TO DENY INSTITUTION

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

The Board may “reject the petition [where] the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. § 325(d). The Board has articulated several nonexclusive factors that guide its application of § 325(d). *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper No. 8,17-18 (P.T.A.B. Dec. 15, 2017) (precedential). These factors have been consolidated into two questions: (1) whether “the same or substantially the same art or arguments previously were presented to the Office”; and if so, (2) whether the “petitioner has demonstrated a material error by the Office.” *Advanced Bionics, LLC v. Med-El Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper No. 6,10 (P.T.A.B. Feb. 13, 2020) (precedential). Here, all factors favor institution.

The art cited in this Petition was not considered or meaningfully addressed by the examiner and was not considered by the Board in the adidas IPR. Additionally, the art cited herein is not substantially the same as the prior art previously considered because the art cited here contains different disclosures than Nishida. Nishida's disclosure is focused on making a shoe upper that is configured with the sole part and includes examples of athletic shoes. Clark discloses a method of making a women's shoe upper and is focused on the process of introducing texture to the knitted element and forming the element into a lasting three dimensional shape. EX1004. Mills discloses an economical method of making stockings, which avoids the need to vary the number of wales. EX1007. While each of these references may disclose all elements of the claims of the '749 patent, they do so via different subject matters and different methods. Therefore, § 325(d) favors institution.

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

1. The General Plastic Factors Do Not Support Denial

Although there have been previous petitions challenging the '749 patent, the Board should not exercise its discretion to deny this Petition. As outlined in *General Plastic* and *Valve*, the Board considers a number of factors when analyzing a petition filed against a patent where there has been a previous challenge. The first, and threshold, question is whether the same petitioner or its real parties in interest, or a petitioner with a significant relationship with a prior petitioner, previously filed a

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petition challenging the same patent. *General Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper No. 19,15 (P.T.A.B. Sept. 6, 2017) (precedential only as to Section II.B.4.i); *Valve Corp. v. Elec. Scripting Prods., Inc.*, IPR2019-00062, Paper No. 11 (P.T.A.B. Apr. 2, 2019) (precedential).

This is New Balance's first Petition related to the '749 patent. The prior petitions challenging this patent were filed by adidas AG and lululemon usa, inc. New Balance does not have any "significant relationship" with either adidas or lululemon—these companies are all business competitors that make their own products. adidas AG and lululemon usa are not real parties in interest with New Balance, nor are they privies. The only commonality between these parties is that their respective products have been accused of infringement of the '749 patent. As the Director recently noted, parties whose only connection is being accused of infringing the same patent do not have a "significant relationship" as contemplated in *Valve. Ford Motor Co. v. Neo Wireless LLC*, IPR2023-00763, Paper No. 28,10-11 (P.T.A.B. March 22, 2024). Therefore, there is no relationship between New Balance and the prior petitioners that "justifies application of a General Plastic analysis." *Id.*, 11; *see also Qualcomm Inc. v. Monterey Research, LLC*, IPR2020-01493, Paper No. 11,16 (P.T.A.B. March 8, 2021) (stating that "two parties being sued for infringement of the same patent and participating in a joint-defense group,

of itself, [does not] establish a significant relationship between the parties that counsels for denying institution”).

Even if the Board considers the remaining General Plastic factors, however, the remaining factors also favor institution. Factors 2 (whether petitioner previously knew about the cited art), 4 (the length of time between petitions), and 5 (the explanation for any delay) all favor institution here because this Petition is being timely filed in light of Nike’s assertion of the ’749 patent against New Balance. Nike filed its infringement complaint on November 6, 2023, less than six months before the filing of this Petition. This Petition is being filed long before New Balance’s one-year deadline to file petitions, and therefore factors 2, 4, and 5 favor institution in light of New Balance’s expedient efforts after Nike’s assertion of the patent.

Factor 3 (whether petitioner received patent owner’s response or the Board’s institution decision) similarly does not favor denial because there is no risk of New Balance using the prior proceedings to “roadmap” its arguments. *See AliveCor, Inc. v. Apple Inc.*, IPR2023-00950, Paper No. 12 (Institution Decision), 48 (P.T.A.B Jan. 9, 2023) (agreeing with petitioner that because the petition was filed before the patent owner’s preliminary response or the Board’s institution decision it could not be used as a roadmap). As discussed above, the art and arguments presented in this Petition are entirely unrelated to the arguments presented in the prior petitions, so New Balance has not unfairly benefitted from the prior proceedings.

Finally, factors 6 (finite resources of the Board) and 7 (the Board’s 1-year deadline to issue a decision) do not favor denial. This Petition presents strong arguments that the challenged claims are invalid. The Board’s consideration of this Petition would further the mission of the PTAB to strengthen the patent system and provide an avenue for parties to challenge patents outside of district court. *Commscope Technologies LLC, v Dali Wireless, Inc.*, IPR2022-01242 (“Commscope IPR”), Paper No. 23, 4 (P.T.A.B Feb. 27, 2023).

Therefore, if *General Plastic* is applied here, the factors taken together support institution.

2. Fintiv Does Not Support Denial

The ’749 patent is currently being asserted in pending district court actions, but these parallel litigations should not prevent institution here. To determine if parallel litigation warrants discretionary denial, the Board considers the *Fintiv* factors. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper No. 11,6 (P.T.A.B. Mar. 20, 2020) (precedential). Here, factors 2, 3, 5 and 6 all strongly favor institution.⁵

⁵ Factors 1 (likelihood of a stay of the litigation) and 4 (overlap of invalidity issues) are neutral and do not favor denial.

Factors 2 (timing of district court trial) and 3 (investment in the district court litigation) favor institution because the litigation against New Balance is in its very early stages. New Balance has not answered the complaint, no schedule has been entered for the litigation, a trial date has not been set, and the court has not considered any substantive issues related to the '749 patent. The average median time to trial in the District of Massachusetts, where the litigation is pending against New Balance, is 31.4 months. EX1018. Assuming that timeline holds for the case against New Balance, a trial may be scheduled in mid-2026, which is after a Final Written Decision would be due in this proceeding.

There are two other litigations pending regarding the '749 patent—one against lululemon and one against Skechers. New Balance is not a party to those actions, and therefore those proceedings should not be considered in the *Fintiv* analysis here. *Box, Inc. et al. v. Topia Tech., Inc.*, IPR2023-00427, Paper No. 19,20-21 (P.T.A.B. Aug. 18, 2023). Even considering these proceedings, however, they do not support denial of this Petition. *Id.*; *Nearmap US, Inc. v. Eagle View Tech, Inc.*, IPR 2022-01009 (“Eagle View IPR”), Paper No. 7, 8-9 (P.T.A.B. Dec. 14, 2022). No trial date has been set in the lululemon action, and the median time to trial in the Southern District of NY is 47.7 months, making trial likely in December, 2026. EX1018. Trial has been scheduled in the Skecher’s action for May, 2025, but that district’s average time to trial is 27 months, suggesting that the trial date is likely to move as

discovery progresses. *Id.*; *see Box*, IPR2023-00427, Paper No. 17,20 (referencing Guidance Memorandum’s discussion of median time-to-trial statistics). In light of the fact that New Balance is not involved in these other litigations, and the trial dates remain uncertain at this stage of the litigations, these proceedings should not favor denial of this Petition. *See Eagle View IPR*, Paper No. 7, 8-9 (weighing factors 4 and 5, the overlap of parties and issues in separate litigations, and determining that discretionary denial is not appropriate).

Importantly, factor 6 (other considerations) strongly favors institution because this Petition raises a compelling case of unpatentability for all challenged 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”), even if other *Fintiv* factors favor denial, the compelling merits of this case “demonstrate[] that the [Board] should not discretionarily deny institution under *Fintiv*.” Guidance Memorandum, 5; *see CommScope IPR*, Paper No. 23, 4 (“The patent system and the public benefit from instituting challenged where there is a showing of unpatentability by compelling merits.”).

Therefore the Board should institute this Petition.

XV. CONCLUSION

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

XVI. MANDATORY NOTICES**A. Real Parties-in-Interest (37 C.F.R. § 42.8(b)(1))**

The only real party-in-interest is New Balance Athletics Inc.

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

The '749 patent was the subject of *adidas AG v. Nike, Inc.*, IPR2016-00922, which is now concluded, and *lululemon usa inc. v. Nike, Inc.*, IPR2024-00460, which is currently pending.

Nike is asserting the '749 patent against New Balance in *Nike, Inc. v. New Balance Athletics, Inc.*, C.A. No. 1-23-cv-12666 (D. Mass.). Nike has also asserted the '749 patent against lululemon usa, inc in C.A. No. 1:23-cv-00771-AS (S.D.N.Y) and Skechers USA, Inc. in 2-23-cv-09346 (C.D. Cal.). Neither Skechers nor lululemon have had any involvement in the present Petition.

C. Identification of Counsel (37 C.F.R. § 42.8(b)(3)) and Service Information (37 C.F.R. § 42.8(b)(4))

New Balance designates the following lead and backup counsel:

Lead Counsel	Backup Counsel
Linnea Cipriano (Registration No. 67,729) Goodwin Procter LLP 620 Eighth Avenue	Douglas J. Kline (Registration No. 35574) Adrian J. Santiago Ortiz (<i>pro hac vice</i> forthcoming)

New York, NY 10018 Phone: (212) 813-8800 Fax: (212) 355-3333 lqipriano@goodwinlaw.com	Goodwin Procter LLP 100 Northern Ave. Boston, MA 02210 Phone: (617) 570-1209 Fax: (617) 649-1466 dkline@goodwinlaw.com asantiagoortiz@goodwinlaw.com Christine Potkay (<i>pro hac vice</i> forthcoming) Jenevieve N. Nutovits (<i>pro hac vice</i> forthcoming) Goodwin Procter LLP 620 Eighth Avenue New York, NY 10018 Phone: (212) 813-8800 Fax: (212) 355-3333 cpotkay@goodwinlaw.com jnutovits@goodwinlaw.com Amadou K. Diaw (<i>pro hac vice</i> forthcoming) Jacqueline Genovese Bova (<i>pro hac</i> <i>vice</i> forthcoming) Goodwin Procter LLP 1900 N St. NW Washington, DC 20036 Phone: (202) 346-4191 Fax: (202) 204-7272 adiaw@goodwinlaw.com jbova@goodwinlaw.com
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New Balance Athletics, Inc. v. Nike, Inc.

Service on New Balance may be made by First-Class mail or hand delivery to Goodwin Procter LLP, 620 Eighth Avenue, New York, NY 10018. New Balance also consents to and prefers electronic service by emailing counsel of record at the above email addresses and DG-NB-NIKE@goodwinlaw.com.

Dated: April 29, 2024

By: /Linnea Cipriano/
Linnea Cipriano (Reg. No. 67,729)
Goodwin Procter LLP
620 Eighth Avenue
New York, NY 10018
Phone: (212) 813-8800
Fax: (212) 355-3333
lcipriano@goodwinlaw.com

Lead Counsel for Petitioner

APPENDIX 1

Listing of Claims from U.S. 8,266,749	
Claim 1⁶	
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.

⁶ Bracketed labels have been added for convenient referencing to the claim limitations.

Listing of Claims from U.S. 8,266,749	
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.
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.

Listing of Claims from U.S. 8,266,749	
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.
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.

Listing of Claims from U.S. 8,266,749	
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.

Listing of Claims from U.S. 8,266,749	
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.
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 13,088 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: April 29, 2024

By: /Linnea Cipriano/
Linnea Cipriano (Reg. No. 67,729)

Lead Counsel for Petitioner

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 1-18, were served by Federal Express next business day on the Patent Owner at the correspondence address of record for the subject patent as follows:

78342 - SHOOK, HARDY & BACON LLP/NIKE, INC.
2555 Grand Boulevard
Kansas City, MO 64108

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

Christopher J. Renk
ARNOLD & PORTER KAYE SCHOLER LLP
70 West Madison Street, Suite 4200
Chicago, Illinois 60602-4231
chris.renk@arnoldporter.com

Dated: April 29, 2024

By: /Linnea Cipriano/
Linnea Cipriano (Reg. No. 67,729)

Lead Counsel for Petitioner