

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TOMMY JOHN, INC.,
Petitioner,

v.

PACKAGE APPAREL, INC.,
Patent Owner.

IPR2024-01163
Patent 10,834,974 B2

Before BARRY L. GROSSMAN, JAMES A. TARTAL, and
ROBERT J. SILVERMAN, *Administrative Patent Judges*.

SILVERMAN, *Administrative Patent Judge*.

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

Petitioner Tommy John, Inc. (“Petitioner”) filed a Petition requesting *inter partes* review of claims 1–13, 15, and 16 of US 10,834,974 B2 (Ex. 1001, “the ’974 patent”). Paper 1 (“Pet.”), 1. Petitioner states that it is the sole real party in interest. *Id.* at 3.

Pakage Apparel, Inc. (“Patent Owner”) states that it is the owner of the ’974 patent and sole real party in interest. Paper 4, 2. Patent Owner filed a Preliminary Response. Paper 8 (“Prelim. Resp.”).

With our prior authorization (Paper 9), Petitioner filed a Preliminary Reply (Paper 10, “Prelim. Reply”) and Patent Owner filed a Preliminary Sur-reply (Paper 11, “Prelim. Sur-reply”), which were directed to the issues of discretionary denial.

After considering the Petition, the Preliminary Response, the Preliminary Reply, the Preliminary Sur-reply, and the evidence of record, we determine the information presented shows a reasonable likelihood that Petitioner would prevail in establishing the unpatentability of at least one of the challenged claims of the ’974 patent, thus satisfying the standard for institution set forth in 35 U.S.C. § 314(a). Further, having considered Patent Owner’s arguments that we exercise our discretion to deny institution in this matter (*see* Prelim. Resp. 4–50, Prelim Sur-reply 1–5), we decline to do so.

Accordingly, we institute an *inter partes* review of claims 1–13, 15, and 16 of the ’974 patent.

I. BACKGROUND

A. Related Matters

The '974 patent is a subject of a district court action, *Pakage Apparel, Inc. v. Tommy John, Inc.*, 24-cv-06371 (LJL) (S.D.N.Y.) (transferred from S.D. Tex. Aug. 22, 2024).¹

B. The '974 Patent

The '974 patent, which is titled “Garments for Men,” issued on November 17, 2020, from U.S. Application No. 16/030,769 (filed July 9, 2018). Ex. 1001, codes (21), (22), (45), (54). On its face, the application of the '974 patent indicates priority claims to several related earlier-filed applications. *Id.* at code (63), 1:6–14.

The '974 patent Specification states that “[t]he invention relates to next-to-skin garments” and “[e]xample embodiments of the invention include briefs, underpants, swim suits, boarding shorts, cycling shorts, and the like.” Ex. 1001, 1:18–20. According to the Specification, “[n]ext-to-skin clothing for men must comfortably accommodate the wearer's genitalia,” pointing out that “[u]ncomfortable pressure and/or chafing of the genital area are common especially for wearers who are performing sports or other activities.” *Id.* at 1:24–27. Hence, “[t]he garments provide a stretch panel having an opening for receiving a wearer’s genitals” and “[a] pouch is defined between the stretch panel and a front of the garment.” *Id.* at 1:39–41. Other aspects of the subject matter disclosed in the '974 patent, bearing upon the present Decision, are addressed below.

¹ The parties are reminded to update the Board regarding any material events occurring in the related litigation. *See* 37 C.F.R. § 42.8(a)(3).

C. The Challenged Claims

Petitioner alleges that claims 1–13, 15, and 16 of the '974 patent (the “challenged claims”) are unpatentable. Pet. 1.

Claim 1, the sole independent claim of the '974 patent, reproduced below, including Petitioner’s added sub-numbering (*see, e.g.*, Pet. 9–21) in boldface, illustrates the subject matter at issue:

1[pre] A male garment comprising:

1[a] a body including a front portion and having leg openings for a wearer’s legs;

1[b] a waistband attached by a waistband seam at an upper edge of the body;

1[c] a stretch panel attached to the body inside the front portion, **1[d]** the stretch panel comprising a sheet of elastically resilient four-way stretch material **1[e][i]** having a top edge attached to the body at a top location, **[ii]** a bottom edge attached to the body at a bottom location, **[iii]** side edges attached to the body at side seams extending substantially continuously along either side of the front portion and **[iv]** an opening for receiving a wearer’s genitals;

1[f] the stretch panel being resiliently elastic both in a direction between the top edge and the bottom edge and in a direction between the side edges, **1[g]** the stretch panel having a length when unstretched smaller than a length measured along the front portion between the top and bottom locations and a width when unstretched smaller than a width measured along the front portion between the side seams such that the front portion is gathered from side-to-side and top-to-bottom by the stretch panel and defines a three-dimensional pouch between the stretch panel and the front portion for receiving the wearer’s genitals and holding the wearer's genitals while the garment is being worn.

Ex. 1001, 8:23–49.

D. The Asserted Grounds

Petitioner contends that claims 1–13, 15, and 16 of the '974 patent are unpatentable based on the following grounds (Pet. 4):

Ground	Claims Challenged	35 U.S.C. §	Basis
1	1–13, 15, 16	103	Kitsch, ² Brocks ³
2a	1–9, 11, 13, 16	103	Carrillo, ⁴ Brocks
2b	10, 12, 15	103	Carrillo, Brocks, Kitsch

In addition to the foregoing identified prior art references, Petitioner relies upon the Declaration of Robin Wagner (Ex. 1005). *See* Pet. 8 n.3.

II. ANALYSIS

A. Evaluating the Petition

We have authority to determine whether to institute an *inter partes* review. *See* 35 U.S.C. § 314; 37 C.F.R. § 42.4(a). Under 35 U.S.C. § 314(a), we may not authorize an *inter partes* review unless the information in the Petition and the Preliminary Response (including any authorized submissions) “shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.”

² U.S. Pub. No. 2008/0178369 A1, published July 31, 2008 (Ex. 1007).

³ U.S. Patent No. 5,461,729, issued Oct. 31, 1995 (Ex. 1008).

⁴ WO 01/37687 A1, published Nov. 16, 2000 (Ex. 1009). A certified English language translation is Exhibit 1010. All citations to the text of Carrillo refer to the English translation.

For the reasons that follow, and solely for the purposes of this Decision, we determine that at least one of Petitioner's asserted grounds satisfies the standard for institution.

1. Legal Standards

"In an IPR, the petitioner has the burden from the onset to show with particularity why the patent it challenges is unpatentable." *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) (citing 35 U.S.C. § 312(a)(3) (requiring *inter partes* review petitions to identify "with particularity . . . the evidence that supports the grounds for the challenge to each claim")); *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015) (discussing the burden of proof in *inter partes* review). Although this Decision might appear to indicate that certain Patent Owner arguments would not be persuasive, we do not shift the ultimate burden away from Petitioner.

The asserted grounds of unpatentability are based upon obviousness under 35 U.S.C. § 103. *See* Pet. 4.

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

obviousness or non-obviousness (i.e., so-called secondary considerations).⁵ *See Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966). We also recognize that prior art references must be “considered together with the knowledge of one of ordinary skill in the pertinent art.” *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994) (citing *In re Samour*, 571 F.2d 559, 562 (CCPA 1978)).

The Supreme Court has explained that an obviousness determination may consider, the teachings of multiple prior art references, the knowledge and capabilities of persons having ordinary skill in the art (at the relevant time), as well as “the effects of demands known to the design community or present in the marketplace,” “in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue.” *KSR*, 550 U.S. at 418 (citing *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006) (“[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” (alteration in original))). As the Federal Circuit has stated, “[w]ithout any explanation as to how or why the references would be combined to arrive at the claimed invention, we are left with only hindsight bias that *KSR* warns against” and “we cannot allow hindsight bias to be the thread that stitches together prior art patches into something that is the claimed invention.” *Metalcraft of Mayville, Inc., v. The Toro Co.*, 848 F.3d 1358, 1367 (Fed. Cir. 2017). “Whether an ordinarily skilled artisan

⁵ The present record does not include any evidence of any proposed objective evidence of non-obviousness.

would have been motivated to modify the teachings of a reference is a question of fact.” *WBIP, LLC v. Kohler Co.*, 829 F.3d 1317, 1327 (Fed. Cir. 2016) (citations omitted).

2. Level of Ordinary Skill in the Art

Petitioner argues that a person of ordinary skill in the art, with respect to the '974 patent, “would have had an undergraduate degree in apparel design, apparel manufacturing, textile science, or similar disciplines, along with one year of experience working in apparel design or manufacturing or textile or fabric engineering.” Pet. 8 (citing Ex. 1005 ¶¶ 31–32).

Patent Owner states: “For the purposes of the petition and Patent Owner’s Preliminary Response, Patent Owner does not object to Petitioner’s definition.” Prelim. Resp. 4.

For purposes of this Decision, we adopt Petitioner’s proposed description of the level of ordinary skill in the art, as it appears to be consistent with the '974 patent and the asserted prior art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001).

3. Claim Construction

In an *inter partes* review, we construe claims using the same standard applied in a district court. *See* 37 C.F.R. § 42.100(b). Under this standard, claim terms are generally given their plain and ordinary meaning, as would have been understood by a person of ordinary skill in the art at the time of the invention and in the context of the entire patent disclosure. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005) (en banc). The sources available for guidance, when undertaking claim construction, “include both intrinsic evidence (e.g., the patent specification and file history) and

extrinsic evidence (*e.g.*, expert testimony).” *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996).

“The Board is required to construe ‘only those terms . . . that are in controversy, and only to the extent necessary to resolve the controversy.’” *Realtime Data, LLC v. Iancu*, 912 F.3d 1368, 1375 (Fed. Cir. 2019) (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)).

Petitioner contends: “Unless indicated otherwise, all claim terms herein are given such ordinary and customary meaning.” Pet. 8.

Patent Owner states:

Denial of Petitioner’s challenge to the validity of Claims 1–13 and 15–16 of the ’974 Patent (the “Challenged Claims”) does not require analysis under anything other than the plain and ordinary meaning of the claim terms, and for this reason, Patent Owner proposes ordinary and customary constructions of all terms of the Challenged Claims.

Prelim. Resp. 3.

In any event, Patent Owner tacitly proposes a particular construction for the term “stretch panel,” which appears in independent claim 1, as being an undivided element. *See* Prelim. Resp. 23–29. At this stage of the proceeding, for the reasons provided, below, we do not adopt Patent Owner’s proposed construction.

We do not need to construe explicitly any other claim terms to reach our decision on whether to institute *inter partes* review. *See Realtime Data LLC v. Iancu*, 912 F.3d 1368, 1375 (Fed. Cir. 2019) (“The Board is required to construe ‘only those terms . . . that are in controversy, and only to the

extent necessary to resolve the controversy.’”) (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)).

4. The Prior Art Relied Upon

a. Kitsch

Kitsch is a published U.S. patent application titled “Underwear Garment for a Male.” Ex. 1007, code (54). As described further, in the analysis below, Kitsch discloses an “underwear garment” that “includes an internal double side-panel containment system and an anatomical pouch compartment, and the use of light internal fabric and moisture control athletic performance fabrics.” *Id.* ¶ 6.

b. Brocks

Brocks is a U.S. patent titled “Men’s Underwear Brief.” Ex. 1008, code (54). As described further, in the analysis below, garments disclosed in Brocks may include “concave leg opening arches,” of a “front panel,” that are “provided with elastic strips which in their unstretched condition are approximately two-thirds the length of each leg opening arch of the front panel.” *Id.* at 2:5–9. Brocks further discloses:

In assembling, the elastic strips are each stretched to the length of each of the concave leg opening arches of the front panel, causing the stitched material to be gathered together and thereby define a genital pouch in the form of shirring when the stretching force is released. The arches are then stretched to their usual size and stitched together with the back panel in the standard manner, defining the genital pouch.

Id. at 2:9–16.

c. Carrillo

Carrillo is a published international patent application titled “Hygienic Garment for Men’s Underwear.” Ex. 1010, code (54). The reference states:

The model of the invention consists of a U-shaped elastic garment (1) sewn to the inner front part of standard briefs, in keeping with the models already existing on the market.

This garment (1) has an opening (2) in the shape of a vertical teardrop (2) from the elastic (3) of the waistband of the brief to a distance above the seam of the inseam (6) of the brief.

Id. at 2.

5. Analysis of Petitioner’s Asserted Grounds

Petitioner states that claims 1–13, 15, and 16 of the ’974 patent are unpatentable, under 35 U.S.C. § 103, because: claims 1–13, 15, and 16 are obvious over Kitsch and Brocks (Ground 1); claims 1–9, 11, 13, and 16 are obvious over Carrillo and Brocks (Ground 2a); and claims 10, 12, and 15 are obvious over Carrillo, Brocks, and Kitsch (Ground 2b). *See* Pet. 4.

Petitioner articulates the bases for the asserted Grounds, with support from Ms. Wagner’s Declaration (Ex. 1005), as to all the limitations of claims 1–13, 15, and 16. *See id.* at 8–93.

a. Ground 1

i. Claim 1

According to Ground 1, as to claim 1 of the ’974 patent, using Petitioner’s identification scheme (*see* Pet. 9–21), Petitioner argues (relying on the unchallenged testimony of Ms. Wagner) that Kitsch teaches each of limitations 1[pre], 1[a], 1[b], 1[c], 1[c], 1[d], 1[e][i]–1[e][iv], and 1[f] (*see id.* at 9–21), and that the combination of Kitsch and Brocks satisfies limitation 1[g] (*see id.* at 21–27).

As to Petitioner’s allegations about the references’ teachings, in Ground 1, Patent Owner disputes only the assertion that Kitsch teaches the recited “stretch panel.” *See* Prelim. Resp. 23–29.⁶ Additionally, Patent Owner contends that “Petitioner . . . fails to demonstrate any motivation to combine Kitsch and Brocks, other than they are both underwear.” *See id.* at 23.

Patent Owner’s arguments do not dissuade us from determining that Petitioner has shown a reasonable likelihood of showing the unpatentability of claim 1 as obvious over the combination of Kitsch and Brocks, per Ground 1.

Petitioner argues that Kitsch’s side panels satisfy the recited “stretch panel” limitation of the ’974 patent. *See* Pet. 12–22.

Patent Owner argues, with regard to whether Kitsch teaches the recited “stretch panel,” that “[t]he stretch panel in the ’974 Patent is a single stretch panel that lifts and supports a scrotum, while Kitsch merely has side panels that separate a scrotum from the inner thighs.” Prelim. Resp. 27.

The structure of Kitsch’s side panels may be seen in Petitioner’s annotated version of Kitsch’s Figure 8 (*see* Pet. 13), which is reproduced below.

⁶ Patent Owner presents all of its positions, regarding alleged deficiencies in Grounds 1, 2a, and 2b, in the context of arguments that the Petition should be dismissed under 35 U.S.C. § 325(d). *See* Prelim. Resp. 4–41.

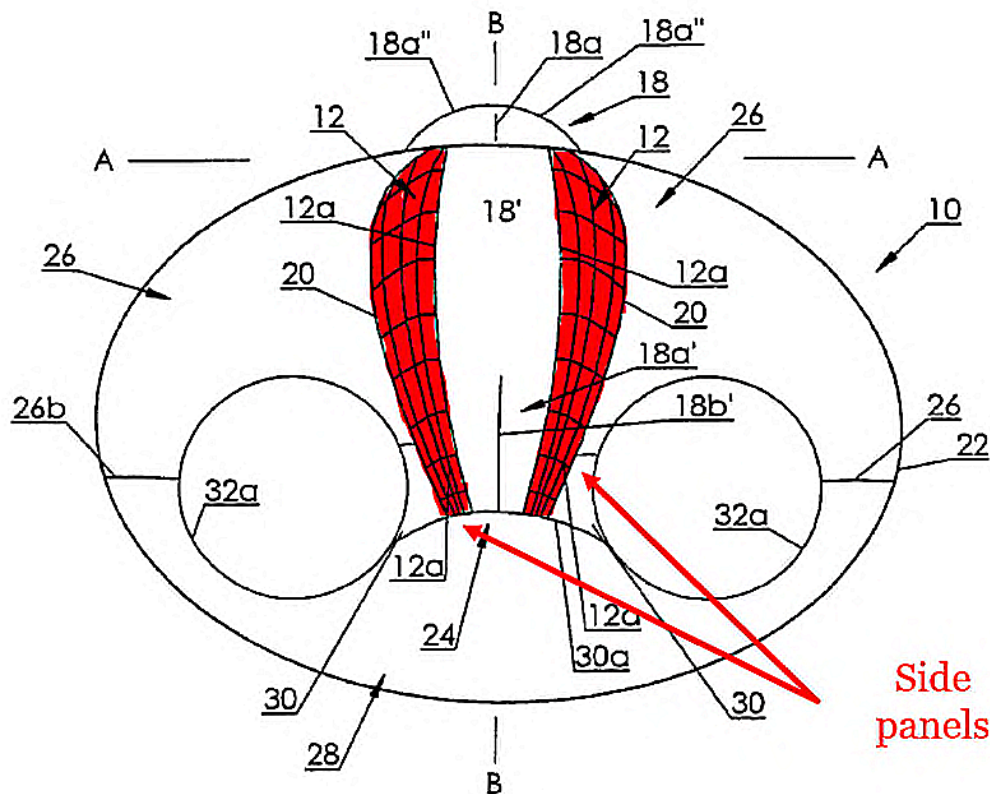


FIG 8

Petitioner's annotated version of Kitsch's Figure 8 is a top plan view of undershorts 10 having front walls 26, rear panel 28, and side panels 12 (shaded red). *See* Pet. 13; Ex. 1007 ¶¶ 19, 26, 29, 41.

Petitioner argues, with the support of Ms. Wagner’s testimony, that Kitsch’s side panels 12 disclose the recited “stretch panel” of the ’974 patent’s claim 1. Pet. 12 (citing Ex. 1005 ¶¶ 50–51). Petitioner argues: “Kitsch discloses a stretch panel, in the form of ‘side *panels* 12,’ which are ‘constructed of an *elasticized* breathable *mesh* fabric, for the purpose of isolating the genitalia . . . into the pouch compartment.’” *Id.* (quoting Ex. 1007 ¶¶ 26–27 and further citing ¶ 7 and claims 1–4, 8).

Disputing Petitioner's position concerning the "stretch panel" limitation, Patent Owner argues:

With respect to Petitioner's element "**1[c]: a stretch panel attached to the body inside the front portion,**" Petitioner completely ignores the design and purpose of the '974 Patent's stretch panel 22 when making up its contrived "stretch panel," and alleges that a pair of separate side panels in Kitsch should be interpreted as a single "stretch panel" within the meaning of that term in the '974 Patent.

Prelim. Resp. 25. Patent Owner's argument relies, in part, on a portion of the '974 patent Specification that refers to, e.g., Figure 3 thereof, which is reproduced below.

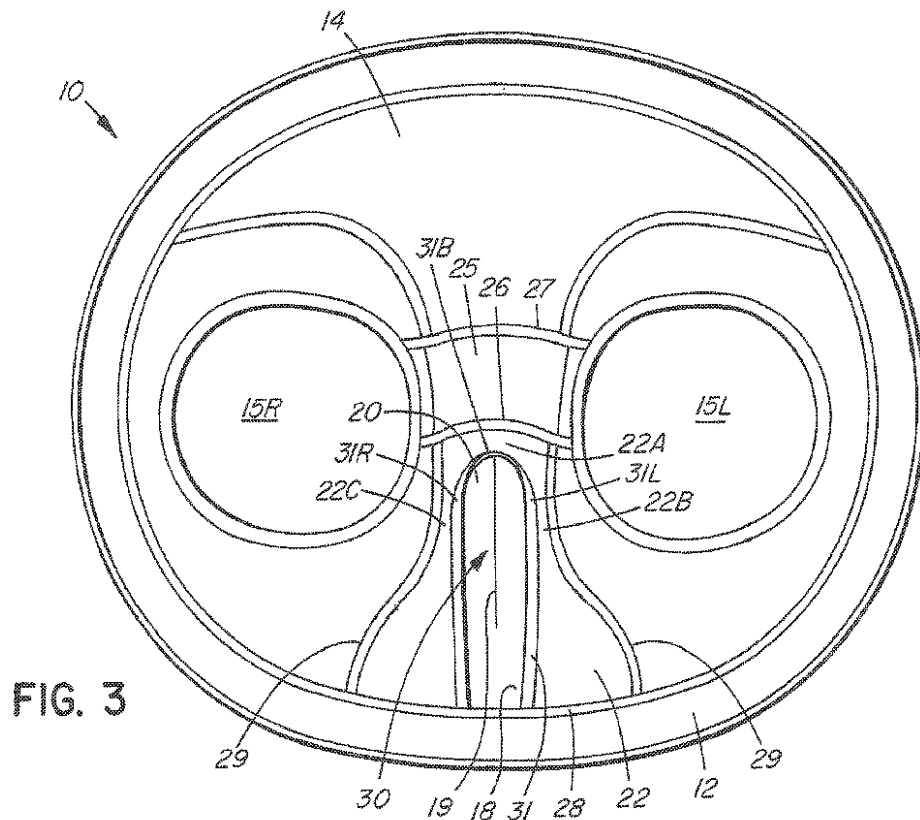


Figure 3 is a top plan view of undershorts 10 having, e.g., body 14 with front portion 18 and leg openings 15R and 15L, and stretch panel 22 defining

opening 30. *See* Ex. 1001, 2:4, 2:33–41. In support of its argument, Patent Owner quotes from (and adds italics to) a portion of the '974 patent's Specification:

Stretch panel 22 includes an opening 30 to receive a wearer's genitalia. In the illustrated embodiment, opening 30 is U-shaped and has a softly-bound edge 31. Alternatively, stretch panel 22 may be shaped such that the free inner edges 31A and 31B along the sides of opening 30 become closer together in their parts near waistband 11 [sic, "12"] such that opening 30 is more tear-drop shaped. In yet other embodiments, the upper parts of edges 31A and 31B may be adjacent each other, or joined together such that opening 30 has an oval or elliptical shape (not shown). Regardless of the particular shape of opening 30 stretch panel 22 is configured to define opening 30 and to provide support around and underneath the scrotum of the wearer in order to comfortably position the wearer's genitals forward into pouch 20.

Prelim. Resp. 25 (quoting Ex. 1001, 3:5–19). Patent Owner argues:

Kitsch has no such stretch panel. In contrast, Kitsch provides separate "side panels." The "side panels 12 are formed of two separate and substantially parallel pieces of mesh fabric attached to the laterally spaced apart pouch seams 20."

Id. at 26 (quoting Ex. 1007 ¶ 27). According to Patent Owner:

The stretch panel in the '974 Patent is a single stretch panel that lifts and supports a scrotum, while Kitsch merely has side panels that separate a scrotum from the inner thighs. There is nothing in the '974 Patent to disclose or suggest that the "stretch panel" defined therein includes embodiments where the "stretch panel" is actually multiple panels. Nor is there anything in Kitsch to disclose or suggest that the side panels defined therein could be a single stretch panel. The invention claimed in the '974 Patent, having a single stretch panel instead of multiple side panels, is inventive and offers clear advantages over the embodiments described in Kitsch.

Id. at 27.

Patent Owner also discusses remarks made by the respective applicant, during the prosecution of the U.S. patent application of the Kitsch reference — an application that ultimately yielded U.S. Patent 7,958,571. *See* Prelim. Resp. 28–29 (citing, *inter alia*, Ex. 2010 at 24–27). These remarks, which were created in the course of prosecuting an application based upon the Kitsch reference (Ex. 1007), do not appear to affect the substance of the Kitsch reference’s disclosure.

Patent Owner argues that Petitioner’s position is further weakened, in regard to the alleged mapping of Kitsch to limitations 1[d]–1[g] of the ’974 patent. *See* Prelim. Resp. 27. For example, Patent Owner contends that Kitsch’s side panels 22 fail to disclose the aspect of claim 1’s “stretch panel” recited in limitation 1[e][iv]: “the stretch panel having . . . an opening for receiving a wearer’s genitals.” *See id.* at 27–28. Patent Owner contends that Kitsch’s side panels 22 — being “a pair of laterally spaced apart, separate, and substantially parallel fabrics” — do not disclose the recited “opening.” *Id.* at 28. Patent Owner states: “Nowhere in Kitsch is such a statement made about its side panels.” *Id.*

Patent Owner’s arguments rely upon a construction of the recited “stretch panel” that would exclude mapping this limitation to multiple coordinating elements, such as Kitsch’s side panels. At the current stage of this proceeding, we have not been directed to any persuasive evidence or reasoning as to why the “stretch panel” must be restricted to the form shown in certain embodiments of the ’974 patent, having an undivided form, as Patent Owner appears to suggest. Indeed, we are mindful that the Specification states the following, regarding the disclosed “stretch panel”:

Stretch panel 22 may optionally be formed from a plurality of pieces of fabric seamed together. For example, stretch panel 22 may be formed from three pieces of fabric, two of which extend vertically along sides of opening 30 and one of which extends transversely across the bottom of opening 30.

Ex. 1001, 8:5–10.

Notably, our reviewing court has issued warnings about the “danger of reading limitations from the specification into the claim.” *Phillips*, 415 F.3d at 1323; *see also SciMed Life Sys., Inc. v. Advanced Cardiovascular Sys., Inc.*, 242 F.3d 1337, (Fed. Cir. 2001) (characterizing “reading a limitation from the written description into the claims” as “one of the cardinal sins of patent law”). Further, Petitioner’s mapping of the recited “stretch panel” to Kitsch is supported by the unchallenged testimony of Ms. Wagner. *See* Pet. 12–21 (citing, *inter alia*, Ex. 1005, ¶¶ 50–62).

With regard to Patent Owner’s statement that “Petitioner . . . fails to demonstrate any motivation to combine Kitsch and Brocks, other than they are both underwear” (Prelim. Resp. 23), we note that Petitioner articulates various reasons for combining the teachings of Kitsch with Brocks’ technique for shirring and gathering fabric with an elastic material, supported by Ms. Wagner’s testimony. *See* Pet. 25–27 (citing, *inter alia*, Ex. 1005, ¶¶ 68–72). Patent Owner does not address any of Petitioner’s stated reasons for combining Kitsch and Brocks. Moreover, whether a person of ordinary skill in the art would have had a reason to combine/modify the identified references’ teachings is “a question of fact.” *WBIP*, 829 F.3d at 1327. Petitioner’s argument is supported by the un rebutted testimony of Ms. Wagner, whereas Patent Owner’s contrary position amounts to attorney argument, which does not persuade us, in this

instance, that there is not at least a reasonable likelihood that Petitioner would prevail at trial, based on the record before us.

At this stage of the proceeding, Patent Owner provides no sufficient evidence to rebut Ms. Wagner’s testimony as to what a POSITA would have understood, based upon Kitsch and Brocks, and as to the alleged motivations to combine Kitsch and Brocks, as provided in Ground 1.

Based on Petitioner’s evidence and analysis, and taking into account the Preliminary Response and the Preliminary Sur-reply, at this stage of the proceeding, we determine that Petitioner shows a reasonable likelihood that claim 1 is unpatentable over Kitsch and Brocks, per Ground 1.

ii. Remaining Claims in Ground 1

“When instituting *inter partes* review, the Board will authorize the review to proceed on all of the challenged claims and on all grounds of unpatentability asserted for each claim.” 37 C.F.R. § 42.108(a). We must “either (1) institute as to all claims challenged in the petition and on all grounds in the petition, or (2) institute on no claims and deny institution.” Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019),⁷ 5–6, 64; *see also PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1359–60 (Fed. Cir. 2018) (stating a decision to institute is “a simple yes-or-no institution choice respecting a petition, embracing all challenges included in the petition”).

⁷ Available at <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf?MURL=TrialPracticeGuideConsolidated>.

Because we have decided to institute trial with respect to claim 1 of Ground 1, we must do the same for the remaining claims in Ground 1 (indeed, for the remaining claims and grounds in the Petition).

We note that for the remaining claims of Ground 1 (claims 2–13, 15, and 16), Petitioner has mapped the limitations of the challenged claims to the teachings of the prior art combinations and articulated reasons why one of ordinary skill in the art would have combined the references, supporting its contentions with citations to the testimony of Ms. Wagner. *See* Pet. 27–47 (citing, *inter alia*, Ex. 1005 ¶¶ 72–108).

Patent Owner, at this stage, does not raise any other arguments specifically directed to the remaining claims of Ground 1.

b. Ground 2a

i. Claim 1

According to Ground 2a, as to claim 1 of the '974 patent, using Petitioner's identification scheme (*see* Pet. 47–60), Petitioner argues (relying on the unchallenged testimony of Ms. Wagner) that Carrillo teaches and/or renders obvious each of limitations 1[pre], 1[a], 1[b], 1[c], 1[c], 1[d], 1[e][i]–1[e][iv], and 1[f] (*see id.* at 47–60), and that the combination of Carrillo and Brocks satisfies limitation 1[g] (*see id.* at 60–66).

Patent Owner does not dispute any of Petitioner's allegations about the references' teachings in Ground 2a. As to the sufficiency of Ground 2a, Patent Owner argues only that Petitioner relies upon “hindsight” and does not “articulate a reason to combine Carrillo with Brocks, other than the references are in the men's underwear space.” Prelim. Resp. 40.

Patent Owner's arguments do not dissuade us from determining that Petitioner has shown a reasonable likelihood of showing the unpatentability of claim 1 as obvious over the combination of Carrillo and Brocks, per Ground 2a.

Indeed, Petitioner articulates various reasons for combining the teachings of Carrillo with Brocks' technique for shirring and gathering fabric with an elastic material, supported by Ms. Wagner's testimony. *See* Pet. 63–66 (citing, *inter alia*, Ex. 1005, ¶¶ 137–41). Patent Owner does not specifically address any of Petitioner's stated reasons for combining/modifying Carrillo and Brocks. Moreover, whether a person of ordinary skill in the art would have had a reason to combine/modify the identified references' teachings is "a question of fact." *WBIP*, 829 F.3d at 1327. Petitioner's argument is supported by the unrebutted testimony of Ms. Wagner, whereas Patent Owner's contrary position amounts to attorney argument, which does not persuade us, in this instance, that there is not at least a reasonable likelihood that Petitioner would prevail at trial.

At this stage of the proceeding, Patent Owner provides no sufficient evidence to rebut Ms. Wagner's testimony as to what a POSITA would have understood, based upon Carrillo and Brocks, and as to the alleged motivations to combine/modify Carrillo and Brocks.

Based on Petitioner's evidence and analysis, and taking into account the Preliminary Response, at this stage of the proceeding, we determine that Petitioner shows a reasonable likelihood that claim 1 is unpatentable over Carrillo and Brocks, per Ground 2a.

ii. Remaining Claims in Ground 2a

As noted above, “[w]hen instituting *inter partes* review, the Board will authorize the review to proceed on all of the challenged claims and on all grounds of unpatentability asserted for each claim.” 37 C.F.R.

§ 42.108(a). We must “either (1) institute as to all claims challenged in the petition and on all grounds in the petition, or (2) institute on no claims and deny institution.” Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019), 5–6, 64; *see also PGS Geophysical*, 891 F.3d at 1359–60 (stating a decision to institute is “a simple yes-or-no institution choice respecting a petition, embracing all challenges included in the petition”).

Because we have decided to institute trial with respect to claim 1 of Ground 2a, we must do the same for the remaining claims in Ground 2a (indeed, for the remaining claims and grounds in the Petition).

We note that for the remaining claims of Ground 2a (claims 2–9, 11, 13, and 16), Petitioner has mapped the limitations of the challenged claims to the teachings of the prior art combinations and articulated reasons why one of ordinary skill in the art would have combined the references, supporting its contentions with citations to the testimony of Ms. Wagner. *See* Pet. 66–83 (citing, *inter alia*, Ex. 1005 ¶¶ 142–169).

Patent Owner, at this stage, does not raise any other arguments specifically directed to the remaining claims of Ground 2a.

c. Ground 2b

In Ground 2b, Petitioner alleges that dependent claims 10, 12, and 15 are unpatentable, under 35 U.S.C. § 103, as being obvious over Carrillo,

Brocks, and Kitsch. *See* Pet. 4, 83–93. Petitioner articulates the manner in which the Carrillo, Brocks, and Kitsch references variously teach and/or suggest the limitations of claims 10, 12, and 15, relying upon the support of Ms. Wagner’s unchallenged testimony. *See id.* (citing, *inter alia*, Ex. 1005 ¶¶ 170–183).

In regard to Ground 2b, Patent Owner relies upon the arguments presented with respect to claim 1, concerning Grounds 1 and 2a, stating that “[c]laims 10, 12 and 15 all depend from . . . Claim 1,” whereby “Carrillo fails to teach or make obvious, either alone or in combination with Brocks and Kitsch, Claims 10, 12 and 15 of the ’974 Patent.” Prelim. Resp. 41.

For the reasons addressed above, concerning Patent Owner’s arguments for Grounds 1 and 2a, Patent Owner does not dissuade us from instituting trial on claims 10, 12, and 15, under Ground 2b. Moreover, because we have determined, above, that Petitioner has demonstrated a sufficient basis for instituting trial as to at least one of the challenged claims, we must do the same for claims 10, 12, and 15, under Ground 2b. *See* 37 C.F.R. § 42.108(a); *see also PGS Geophysical*, 891 F.3d at 1359–60.

B. Discretionary Denial

“The decision whether to institute inter partes review is committed to the Director’s discretion.” *Oil States Energy Servs. LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1371 (2018); *see also Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he [U.S. Patent and Trademark Office] is permitted, but never compelled, to institute an IPR proceeding.”)

Patent Owner argues that the Board should exercise its delegated discretion to deny the Petition, under both 35 U.S.C. §§ 314(a) and 325(d). *See* Prelim. Resp. 4–50; Prelim. Sur-reply 1–5.

We address each of the proposed bases for discretionary denial, below, and, for the stated reasons, we do not exercise such discretion.

1. Patent Owner Contends that the Petition Should be Denied, in View of the District Court Action

Patent Owner argues that the Board should deny institution under 35 U.S.C. § 314(a), in view of the parties’ pending district court action involving the ’974 patent, based upon the factors set forth in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5–6 (Mar. 20, 2020) (“*Fintiv*”). *See* Prelim. Resp. 41–50; Prelim. Sur-reply 5. According to Patent Owner, “this proceeding would be highly duplicative of the related district court case involving the same parties and the same patent.” Prelim. Resp. 42.

Petitioner urges us not to exercise such discretion. *See* Pet. 93; Prelim. Reply 5.

On June 21, 2022, the Director of the USPTO issued an Interim Procedure for Discretionary Denials in AIA Post Grant Proceedings with Parallel District Court Litigation, *available at* https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf (“Interim Procedure”). The Interim Procedure explains that “[c]onsistent with *Sotera Wireless, Inc.*, the PTAB will not discretionarily deny institution in view of parallel district court litigation where a petitioner presents a stipulation not to pursue in a parallel proceeding the same grounds or any grounds that could have reasonably been raised before the PTAB.” Interim Procedure 3 (internal

footnote omitted) (citing *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential as to § II.A) (“*Sotera*”). The Interim Procedure explains that such a *Sotera* stipulation “mitigates concerns of potentially conflicting decisions and duplicative efforts between the district court and the PTAB . . . [and] allows the PTAB to review grounds that the parallel district court litigation will not resolve.” *Id.* at 7–8.

In this proceeding, Petitioner “stipulates that if the Board institutes, it will not pursue in the related district court case ‘any ground that [Petitioner] raised or reasonably could have raised’ during this proceeding.” Prelim. Reply. 5 (quoting *Sotera* 18–19).

In view of Petitioner’s stipulation, which quotes *Sotera* and accords with the Interim Procedure, we decline to deny institution under *Fintiv*.

Separately, we note that the district court action has been stayed, in view of the Petition. *See* Prelim. Resp. 42; Prelim. Reply 5. The likelihood of a stay in the parallel court proceeding is one of *Fintiv*’s enumerated factors, regarding the appropriateness of discretionary denial. *See Fintiv* 6. The district court’s stay order, which further limits the possibility of duplicative activities between the Board and the district court, reinforces our determination to decline the exercise of our discretion to deny institution in this proceeding.

2. Patent Owner Contends that the Petition Allegedly Relies on Positions Presented Previously to the Office

Patent Owner argues that the Board should deny institution under 35 U.S.C. § 325(d), because the Petition is based on patents or publications

that were presented to the Office, during prosecution of the '974 patent. *See* Prelim. Resp. 4–41.

In determining whether to deny institution under § 325(d) we undertake the following two inquiries:

- (1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and (2) if either condition of [the] first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.

Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH, IPR2019-01469, Paper 6 at 8 (PTAB Feb. 13, 2020) (precedential) (footnote omitted). The *Becton, Dickinson* factors provide useful insight into how to apply the framework under 35 U.S.C. § 325(d). *Id.* at 9 (referencing *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 at 17–18 (PTAB Dec. 15, 2017) (precedential as to § III.C.5, first paragraph)).

In evaluating § 325(d), in regard to Patent Owner’s assertions, we consider, at the outset, “whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office,” based upon *Becton, Dickinson* factors (a), (b), and (d). *Advanced Bionics*, Paper 6 at 8, 10. Those factors are:

- (a) the similarities and material differences between the asserted art and the prior art involved during examination;
- (b) the cumulative nature of the asserted art and the prior art evaluated during examination; [and]
- (d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art.

Becton, Dickinson, Paper 8 at 17–18. The above-referenced previously presented art includes art made of record by the Examiner, as well as art provided to the Office by an applicant, such as on an Information Disclosure Statement (“IDS”), in the prosecution history of the challenged patent.

Advanced Bionics, Paper 6 at 7–8.

There is no dispute that the Kitsch, Brocks, and Carrillo references were cited during prosecution of the application of the ’974 patent or its priority applications. *See* Pet. 94, *see also* Prelim. Resp. 7–21. This circumstance satisfies the first *Advanced Bionics* inquiry, i.e., “whether the same or substantially the same art previously was presented to the Office.” *Advanced Bionics*, Paper 6 at 8; *see also* *Atrium Medic. Corp. v. Bard Peripheral Vascular, Inc.*, IPR2021-01199, Paper 11 at 22–23, (PTAB Jan. 20, 2022) (“[I]f the prior art asserted by Petitioner here was presented to the Office during any proceeding concerning the [challenged] patent (or its application) . . . , *Advanced Bionics* requires us to consider *Becton, Dickinson*’s factors (a) and (b) as satisfied.”)

As to the second *Advanced Bionics* inquiry (i.e., “whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims”), *Becton, Dickinson* factors (c), (e), and (f) are helpful to the determination. *Advanced Bionics*, Paper 6, at 8, 10. Factors (c), (e), and (f) state:

- (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection;
- (e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and

(f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.

Becton, Dickinson, Paper 8 at 17–18.

Although it is undisputed that the Petitioner’s prior art references were presented to the Office, during the course of prosecution that led to the ’974 patent, it appears that the specific combinations of the references (per the asserted grounds) were not considered by the Examiner. Indeed, Patent Owner contends that the possibility of demonstrating material error would be foreclosed, because some of the prior art references cited in Petitioner’s grounds (Kitsch and Carrillo) are similar to different references (Shlush, Gravette, and Miller), not involved in Petitioner’s grounds, that the Examiner discussed in various rejections during prosecution:

Petitioner . . . admit[s] that Kitsch is simply side panels (Reply at 4, “i.e., Kitsch’s side panels”), and Examiner clearly knew of Kitsch’s side panels due to Kitsch’s citation in the ’974 Patent specification and on numerous IDSs. Petitioner similarly fails to identify how Examiner erred when Carrillo did not bring anything new to the table over Shlush, Gravette and Miller, all of which were considered in detail by Examiner.

Prelim. Sur-reply 4 (citing Prelim. Resp. 30–41).

Moreover, Petitioner hits upon the critical point that the prior art combinations, analyzed by the Examiner during prosecution, lacked the “gather[ing]” feature (recited in claim 1 of the ’974 patent), which is allegedly provided by the Brocks reference, in Petitioner’s grounds:

[T]he Examiner did not consider the combination of using elasticized material inside the front portion of the garment as part of a pouch supporting the genitals (*i.e.*, Kitsch’s side panels and Carrillo’s U-shaped elastic garment) with Brocks’s

teaching of attaching elastic material in a stretched state to gather material to form a genital pouch.

Prelim. Reply 4 (citing Pet. 20–27, 58–66).

Therefore, Petitioner has sufficiently shown a material error by the Office, per the *Advanced Bionics* framework.

For the reasons discussed above, we decline to exercise our discretion under § 325(d) to deny the Petition.

III. CONCLUSION

After considering the evidence and arguments presented in the current record, we determine that Petitioner has demonstrated a reasonable likelihood that it would prevail with respect to at least one claim. Therefore, we institute *inter partes* review as to all the asserted grounds and all claims challenged in the Petition. *See SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1352–53, 1359–60 (2018), 37 C.F.R. § 42.108(a) (“When instituting . . . review, the Board will authorize the review to proceed on all of the challenged claims and on all grounds of unpatentability asserted for each claim.”)

Further, we decline to exercise our delegated discretion to deny institution under 35 U.S.C. §§ 314(a) and 325(d).

Thus, we institute *inter partes* review.

We clarify, however, that the analysis, herein, is based only on the record as it stands now and should not be understood as a final determination regarding claim construction or patentability. Further, no party should rely on any preliminary finding or determination in this Decision or assume that the evidence cited in this Decision for any preliminary finding or determination will result in a similar finding or determination in the Final

Written Decision after a complete record is developed. We emphasize that no arguments from the Preliminary Response or the Preliminary Sur-reply carry over to trial and any arguments not presented by Patent Owner in its Response, after institution, may be deemed to have been waived and/or forfeited.

IV. ORDER

Accordingly, it is:

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review of claims 1–13, 15, and 16 of the '974 patent is hereby instituted on all the asserted grounds set forth in the Petition; and

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

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