

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SKECHERS U.S.A., Inc.,
“Petitioner”

v.

NIKE, INC.,
“Patent Owner”

U.S. Patent No. 8,266,749

Title:
Article of Footwear Having a Textile Upper

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

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TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	13
II. OVERVIEW OF THE CHALLENGED PATENT.....	17
A. Overview of the '749 Patent.....	17
B. Prosecution History of the '749 Patent	19
C. Prior IPRs	20
III. IDENTIFICATION OF CHALLENGE AND GROUNDS.....	22
IV. LEVEL OF ORDINARY SKILL IN THE ART.....	23
V. CLAIM CONSTRUCTION	24
VI. GROUND 1A: CLAIMS 1-6, 8, 10-16, 18, AND 20-21 ARE ANTICIPATED, OR ALTERNATIVELY, OBVIOUS OVER OREI	28
A. Overview of the Prior Art.....	28
B. Claim 1	32
C. Claim 2	47
D. Claims 3-4	48
E. Claim 5	49
F. Claim 6	51
G. Claim 8	55
H. Claim 10	55
I. Claim 11	55

TABLE OF CONTENTS
(Cont'd)

	<u>Page</u>
J. Claim 12	58
K. Claim 13	62
L. Claims 14-18 and 20-21	66
VII. GROUND 1B: CLAIMS 7, 12, 17 AND 18 ARE OBVIOUS OVER OREI IN VIEW OF MCDONALD	67
A. Overview of the Prior Art.....	67
B. McDonald Discloses Claims 7, 12, 17, and 18	68
VIII. GROUND 1C: CLAIMS 9 AND 19 ARE OBVIOUS OVER OREI	70
IX. GROUND 2A: CLAIMS 1-8, 11-18, AND 21 ARE ANTICIPATED BY NISHIDA.....	71
A. Overview of the Prior Art.....	71
B. Claim 1	76
C. Claim 2	88
D. Claims 3-4	89
E. Claim 5	91
F. Claim 6	92
G. Claim 7	94
H. Claim 8	95
I. Claim 11	96
J. Claim 12	98

TABLE OF CONTENTS
(Cont'd)

	<u>Page</u>
K. Claim 13	100
L. Claims 14-18 and 21	105
X. GROUND 2B: CLAIMS 1-8, 11-18, AND 21 ARE OBVIOUS OVER NISHIDA IN VIEW OF GUENTHER	105
XI. GROUND 2C: CLAIMS 9-10 AND 19-20 ARE OBVIOUS UNDER EITHER GROUND 2A OR 2B	108
XII. DISCRETIONARY FACTORS	108
A. § 314(a) Does Not Favor Denial	108
B. § 325(d) Does Not Favor Denial	109
XIII. STATUTORY REQUIREMENTS	110
A. Notice of Real Party-In-Interest (37 C.F.R. § 42.8(b)(1))	110
B. Notice of Related Matters (37 C.F.R. § 42.8(b)(2))	110
C. Designation of Lead And Back-Up Counsel (37 C.F.R. § 42.8(b)(3))	110
D. Service Information (37 C.F.R. § 42.8(b)(4))	111
E. Fees	111
F. Grounds for Standing	111
XIV. CONCLUSION	111

TABLE OF AUTHORITIES

	Page(s)
Cases	
<i>AG v. Nike, Inc.</i> , IPR2016-00922	16, 17
<i>Nike, Inc.</i> , IPR2024-00460	107
<i>Nike, Inc. v. Lululemon USA, Inc.</i> , Case No. 1:23-cv-00771-AS (S.D.N.Y)	107
<i>Nike, Inc. v. New Balance Athletics, Inc.</i> , Case No. 1:23-cv-12666-JEK (D. Mass)	107
<i>Nike, Inc. v. Skechers U.S.A., Inc.</i> , Case No. 2:23-cv-09346-AB-PVC (C.D. Cal.)	107
<i>SAS Inst., Inc. v. Iancu</i> . EX1019, 28-50	17
Statutes	
35 U.S.C. §102(e)	18, 20
Other Authorities	
37 C.F.R. § 42.8(b)(3)	107
37 C.F.R. § 42.8(b)(4)	108

EXHIBIT LIST

Exhibit No.	Document
EX1001	U.S. Patent No. 8,266,749 (the “’749 patent”)
EX1002	Declaration of Sabit Adanur, Ph.D.
EX1003	Declaration of Grant Delgatty
EX1004	Declaration of Ingrid Hsieh-Yee
EX1005	Joint Claim Construction and Prehearing Statement (May 15, 2024)
EX1006	Proposed Construction of Disputed Terms (May 15, 2024)
EX1007	Nike’s Opening Claim Construction Brief (May 24, 2024)
EX1008	Skechers’ Opening Claim Construction Brief (May 24, 2024)
EX1009	Nike’s Responsive Claim Construction Brief (June 7, 2024)
EX1010	Skechers’ Responsive Claim Construction Brief (June 7, 2024)
EX1011	Nike’s Supplemental Infringement Contentions for the ’749 Patent (March 1, 2024)
EX1012	Vidal Guidance Memorandum (June 21, 2022)
EX1013	File history of the ’749 Patent
EX1014	Petition for Inter Partes Review of US 8,266,749 (IPR2016-00922)
EX1015	Decision Institution of Inter Partes Review of IPR2016-00922
EX1016	Patent Owner Response for IPR2016-00922
EX1017	Final Written Decision for IPR2016-00922
EX1018	U.S. Patent No. 9,961,954 (“Dua-954”)
EX1019	Decision on Remand for IPR2016-00922
EX1020	U.S. Patent No. 7,051,460 (“Orei”)
EX1021	WIPO Patent Publication No. WO 98/43506 (“McDonald”)
EX1022	U.S. Patent No. 5,345,638 (“Nishida”)
EX1023	DE000000627878A (“Guenther”)
EX1024	DE000000627878A (“Guenther”) (English Translation)

Exhibit No.	Document
EX1025	William A. Rossi, <i>The Complete Footwear Dictionary</i> , KRIEGLER PUBLISHING COMPANY (2000), 186
EX1026	Ardis Koester, Analyzing the Color, Design and Texture of Fabric,
EX1027	Karl Mayer, Double Needle Bar Raschel Machine For Sports Shoe Fabrics, January 2, 2001
EX1028	LIBA1-Double Needle Bar Raschel Machine, November 2001
EX1029	LIBA2-Double Needle Bar Raschel Machine, February 2000
EX1030	LIBA3-Double Needle Bar Raschel Racop Machine For Sports Shoes, January 2000
EX1031	LIBA5-Double Needle Bar Raschel Machine-Shoe Application, September 2003
EX1032	Textile information, kettenwirk praxis with English translations
EX1033	Textile information, kettenwirk praxis with English translations
EX1034	Bernadette Marshall, Patent Drawings: Shading, when and where to use it
EX1035	The Patent Experts, Design Patent Drawings: Elevate Your Innovation with The Patent Experts, March 13, 2024
EX1036	The Subtle Art of Shading in Design Patent Drawings
EX1037	U.S. Patent No. 3,985,003 (“Reed”)
EX1038	U.S. Patent No. 2,047,724 (“Zuckerman”)
EX1039	D.L. Bailey & J.L. Grow, Textile Progress, Knitting Overview
EX1040	K.H. Leong, <i>The potential of knitting for engineering composites – a review</i> , Elsevier, Composites: Part A 31 (2000), 197-220
EX1041	Yanzhong Zhang, <i>Tensile Behaviour of Multilayer Knitted Fabric Composites with Different Stacking Configuration</i> , Applied Composite Materials 8: 27-295, 2001
EX1042	Japanese Patent Publication No. JP H3-003203 (“Horii”)
EX1043	Japanese Patent Publication No. JP H3-003203 (“Horii”) - Translation

Exhibit No.	Document
EX1044	Chinese Patent Publication No. CN2187379Y (“Li”)
EX1045	Chinese Patent Publication No. CN2187379Y (“Li”) – Translation
EX1046	The American Heritage Dictionary of the English Language, Fourth Edition (defining Texture)
EX1047	Cambridge Advanced Learner’s Dictionary (defining Texture)
EX1048	The New Oxford American Dictionary, Second Edition (defining Texture)
EX1049	Fairchild’s Dictionary of Textiles, 7 th Edition (defining Texture)
EX1050	David J. Spencer, KNITTING TECHNOLOGY: A COMPREHENSIVE HANDBOOK AND PRACTICAL GUIDE (3rd ed.) (Woodhead Publishing Limited, Cambridge, England 2001)
EX1051	U.S. Patent No. 1,803,5554 (“Knilans”)
EX1052	U.S. Patent No. 2,047,724 (“Zuckerman”)
EX1053	U.S. Patent No. 2,675,631 (“Doughty”)
EX1054	Excerpts of Sandy Black, KNITWEAR IN FASHION (Thames & Hudson 2002)
EX1055	Chinese Patent Publication No. CN2187379Y (“Li”)
EX1056	Chinese Patent Publication No. CN2187379Y (“Li”) – Translation
EX1057	Excerpts of Man-Made Fiber and Textile Dictionary (4th ed.) (Celanese Corporation, December 1978)
EX1058	M. Legner, <i>3D-Products for Fashion and Technical Textile Applications from Flat Knitting Machines</i> , MELLIAND INTERNATIONAL (September 2003), 238-241
EX1059	KNITTING INTERNATIONAL (February 2004), 35-39
EX1060	Oswald Rieder, <i>Flat and Circular Knitting Machine Trends</i> , INTERNATIONAL TEXTILE BULLETIN (December 2003), 49-51
EX1061	Derek T. Ward, <i>The Future of Knitting</i> , INTERNATIONAL TEXTILE BULLETIN (May 2023), 46-50

Exhibit No.	Document
EX1062	Sabit Adanur, WELLINGTON SEARS HANDBOOK OF INDUSTRIAL TEXTILES (Johnston Industries Group 1995)
EX1063	Wikipedia, Puma (brand)
EX1064	International Standard, Textile machinery- Knitting machines – Nominal diameters of circular machines

CLAIM LISTING

Claim Element	LIMITATION
1[pre]	1[pre]. A method of manufacturing an article of footwear, the method comprising:
1[a1]	simultaneously knitting a textile element with a surrounding textile structure,
1[a2]	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.
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.
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
4	The method of claim 3, wherein the outline has the shape and proportion of the knitted textile element.
5	The method of claim 1, wherein the knitted textile element has a substantially planar configuration upon removal from the surrounding knitted textile structure.
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.
7	The method of claim 6, wherein the longitudinal edges are joined together to define at least a portion of a void for receiving a foot.

Claim Element	LIMITATION
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.
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.
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.
11[a]	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,
11[b]	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.
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.
13[pre]	A method of manufacturing an article of footwear, the method comprising:
13[a1]	knitting a first textile element and a second textile element simultaneously with knitting a surrounding textile structure,
13[a2]	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;

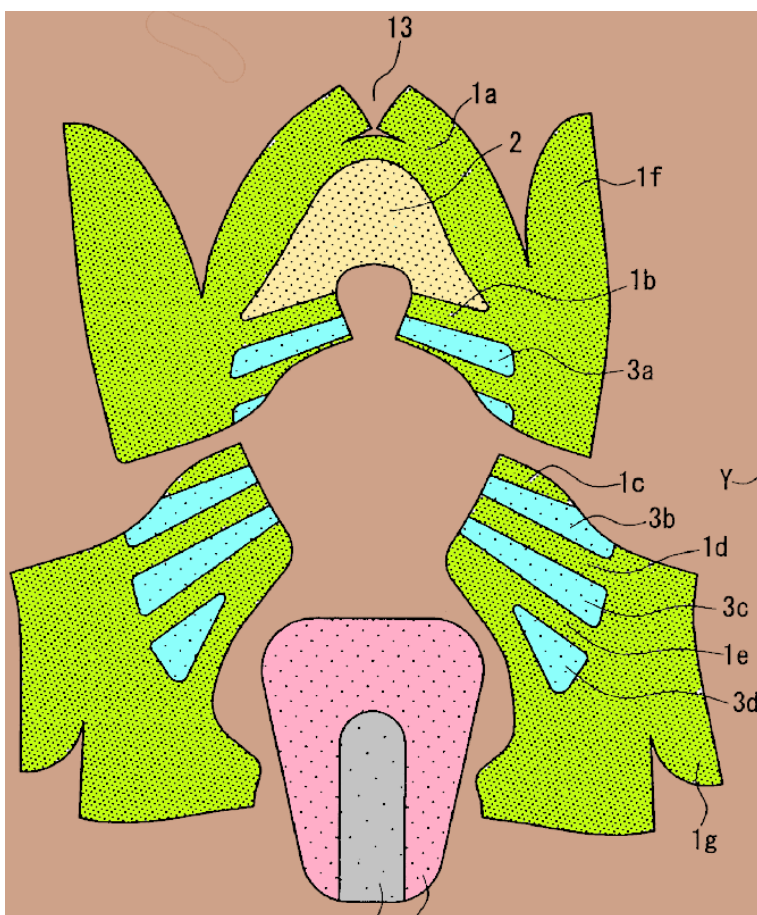
Claim Element	LIMITATION
13[c]	removing the first and second knitted textile elements from the knitted textile structure;
13[d]	incorporating at least one of the first and second knitted textile elements into the article of footwear.
14	The method of claim 13, wherein knitting a first textile knitted element simultaneously with a surrounding knitted textile structure includes knitting an outline of the first knitted textile element.
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.
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.
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.
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.
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.
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.
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

Claim Element	LIMITATION
	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.

I. INTRODUCTION

The '749 patent is directed to methods for manufacturing articles of footwear. The claims broadly recite constructing footwear by knitting a structure that includes a textile element with at least one texture while knitting a surrounding structure with a different texture. The textile element is removed from the surrounding structure, and then incorporated into the footwear.

But knitted structures with simultaneously knitted textile elements and surrounding structure were well known before the '749 patent, both generally and in the context of articles of footwear. For example, Mizuno Corporation, which started making athletic shoes in 1910, filed a patent in 2003 (Orei) describing knitting different parts of a shoe upper on a continuous knitted fabric using the same double raschel warp knitted process described by the '749 patent. As detailed under Ground 1A below, the various parts of the knitted shoe upper in Orei have different textures, as highlighted by the annotations to the shoe pattern 10 of FIG. 1 below, which shoe parts are described as being “disposed in one continuous knitted fabric.” EX1020 (Orei), 1:58-2:3, 4:16-17 (“Shoe patterns 10 matched to paper patterns are placed continuously on one knitted fabric as shown in FIG.1.”).



Id., FIG. 1.¹ The various knitted shoe parts are then removed from the surrounding material (brown above), which has a different texture, and formed into a shoe upper, as shown below in FIG. 2 (with the same coloring added for corresponding knitted shoe parts from FIG. 1 above).

¹ Unless otherwise indicated, all color and text boxes in patent figures are added.

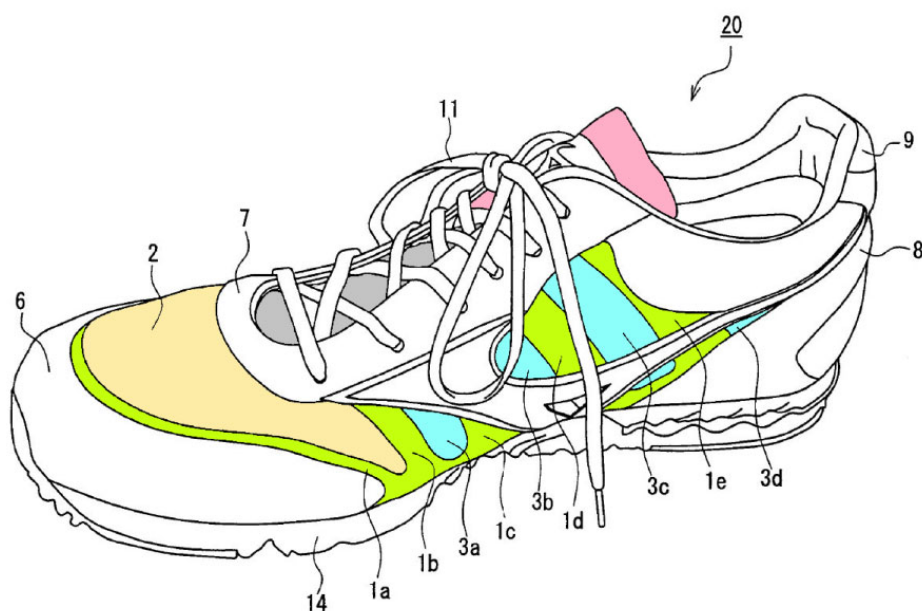


FIG. 2

Id., FIG. 2.

The broad processes claimed in the '749 patent were known even earlier than Orei. For example, as detailed under Ground 2A below, a patent claiming priority to a 1991 application was filed by Puma (Nishida) and discloses all of the features claimed in the '749 patent. Specifically, Nishida discloses a knitted web of material 1 constructed to have multiple shoe parts (layout 2 and tongue 40 shown in white below) having differing textures, which are surrounded by a thin textile material in the form of unfinished surface areas 1.1 (shown in purple below).

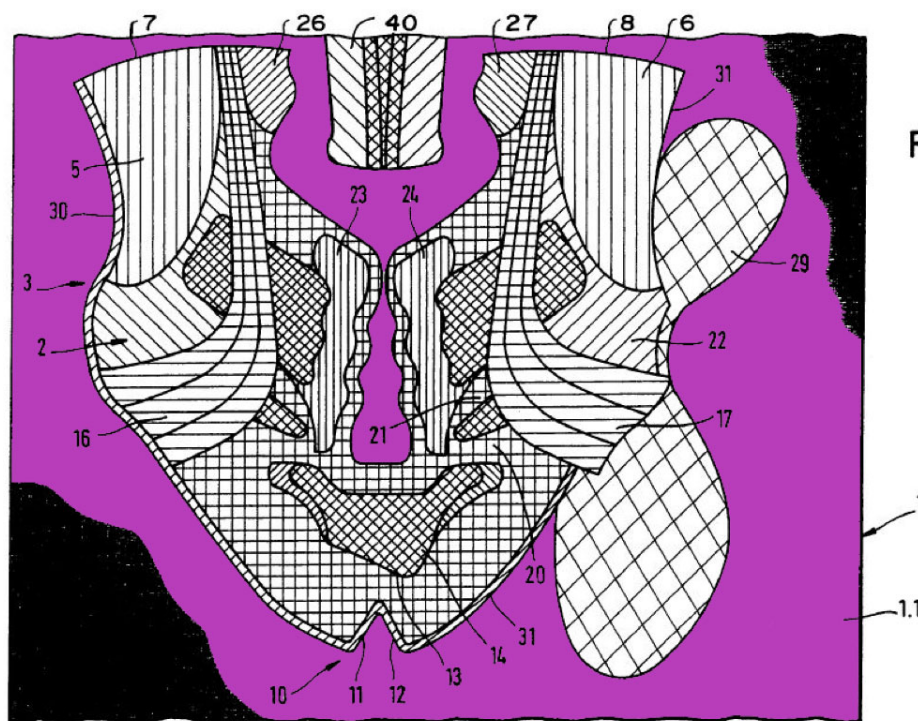


Fig. 1

Id., FIG. 1. The above knitted shoe parts are removed from the surrounding material, and formed into a shoe upper, an example of which is shown below in FIG. 3.

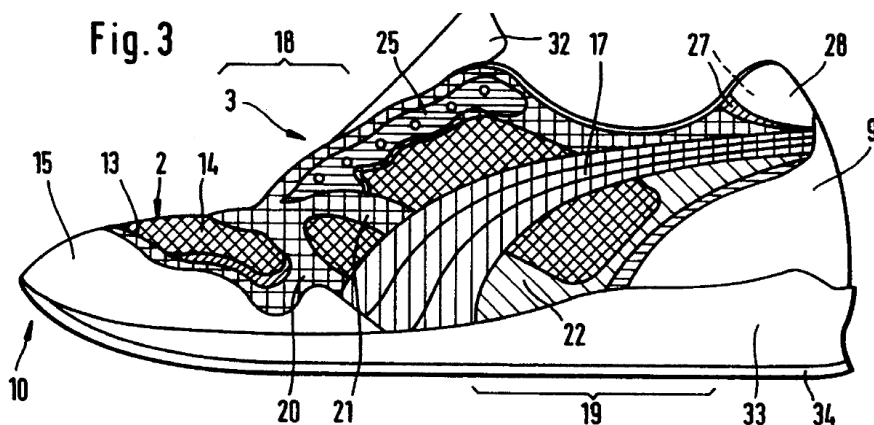


Fig. 3

Id., FIG. 3.

Nishida was relied upon by adidas to challenge the '749 patent in IPR2016-00922. At the institution stage, the Board noted that adidas “appears to identify a disclosure from Nishida in its claim charts (*id.* at 13-21) as teaching each

of the limitations of claims 1 and 13” EX1015, 16. However, the Board declined to institute on anticipation grounds **because adidas had not listed anticipation as a basis for its challenge**, and declined to institute on obviousness grounds because adidas also failed to establish a motivation to combine Nishida with the other references of the grounds. Nonetheless, the Board issued a FWD with findings establishing that Nishida discloses each limitation of independent claims 1 and 13. Thus, Nishida is presented here as an anticipation reference under Ground 2A and in combination with Guenther under Ground 2B; neither argument nor combination was presented by adidas in the previous Nishida challenge.

II. OVERVIEW OF THE CHALLENGED PATENT

A. Overview of the '749 Patent

The '749 patent discloses an article of footwear with an upper that incorporates a knitted textile element 40. EX1001, 3:27-39. The knitted textile element 40 “may be formed as part of a larger textile element [60],” including multiple knitted textile elements 40 (green, and shown in dashed lines) and a surrounding structure (gold):

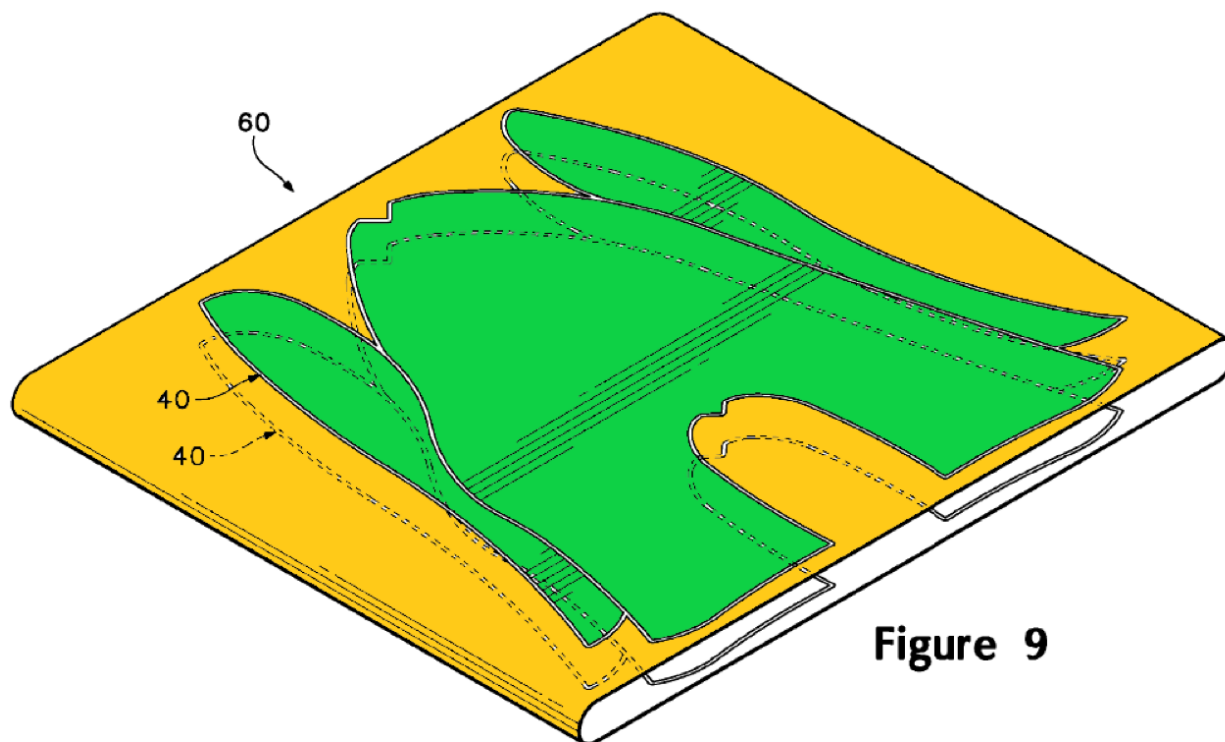


Figure 9

Id., FIG. 8.

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:

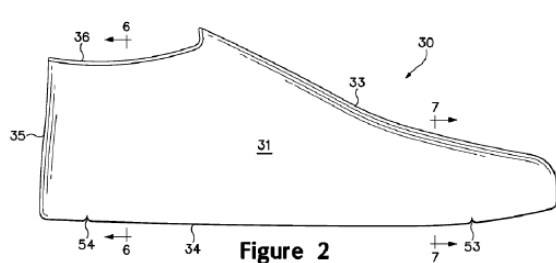


Figure 2

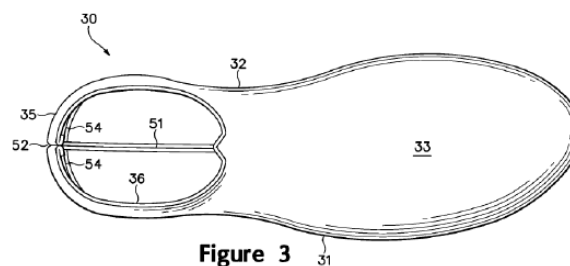
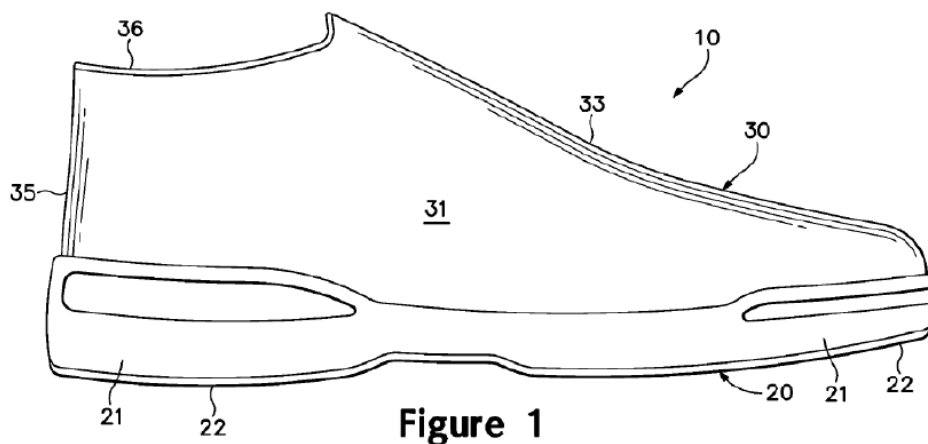


Figure 3

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



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

The '749 patent describes how a “variety of mechanical processes have been developed to manufacture a textile,” including “warp knitting or weft knitting” (*Id.*, 6:65-67), and that **any** of these mechanical processes can be used. *See id.*, 7:9-37, 10:1-7. The '749 patent does not teach or suggest that any modifications need to be made to such conventional knitting processes or machines in order to implement the described methods. EX1002, ¶¶69-74.

B. Prosecution History of the '749 Patent

The Examiner rejected the claims as anticipated by U.S. Patent No. 5,345,638 to Nishida (“Nishida”). EX1013, 235-240. 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.” *Id.*, 259. The Examiner rejected the argument, stating that the material was “inherently simultaneously knitted because

it [was] a sing[le] element,” and that the art disclosed techniques such as “embroidery” and “chang[ing] the type of yarn” that would create different textures. *Id.*, 273-274. In response, Nike stated that Nishida “fails to disclose that its backing material has a first texture in an area associated with a textile element and a differing texture in an area surrounding the textile element.” “Thus,” Nike argued, “Nishida fails to disclose differing textures of any simultaneously knitted textile element and its simultaneously knitted surrounding textile structure.” *Id.*, 286. The Examiner subsequently allowed the claims. *Id.*, 291-296.

C. Prior IPRs

Adidas filed an IPR petition in 2016 challenging the '749 patent (*adidas AG v. Nike, Inc.*, IPR2016-00922 (“*adidas IPR*”)). For the primary ground, adidas relied on a combination of Nishida and US3,985,003 (“Reed”). EX1014, 7. In its Institution Decision, the Board noted that “[a]lthough Petitioner appears to identify a disclosure from Nishida in its claim charts (*id.* at 13–21) as teaching each of the limitations of claims 1 and 13, ***Petitioner does not assert expressly that Nishida alone renders claim 1 or 13 unpatentable.***” EX1015, 16.² “Declin[ing] to institute grounds not expressly asserted,” the Board refrained from instituting based on anticipation and instead instituted only on the combined Nishida-Reed ground. *Id.*, 16.

² Unless otherwise noted, all emphasis is added.

During the IPR, Nike asserted and expanded on the same arguments against Nishida that it made before the Examiner. EX1016, 28-31. The Board rejected Nike's arguments, issuing a FWD with findings establishing that Nishida discloses each limitation of claims 1 and 13. *See* EX1017, 22 (1[pre], 13[pre]), 24-27 (1[a1]-1[c], 13[a1]-13[d]). The Board determined, however, that adidas failed to establish a motivation to combine Reed with Nishida and concluded that no claims were obvious over those references. *See id.*, 41. The Board reiterated that determination after adidas appealed and the case was remanded in view of *SAS Inst., Inc. v. Iancu*. EX1019, 28-50.

Given the Board's affirmative findings with respect to Nishida, it is clear that there would have been a different result had Nishida been asserted as an anticipation reference. EX1019, 28 n.11 (adidas' ground "necessarily rests" on the combination of Reed and Nishida).

This Petition seeks to present new and stronger grounds based on the Orei reference for Grounds 1A-1C, as well as to assert the Nishida reference alone (Ground 2A), without the Reed reference and the contested motivations to combine them. This Petition also enables the Board to consider the teachings of Guenther (Ground 2B) for the first time, which describes the process upon which Nishida seeks to improve.

lululemon filed IPR2024-01460 against the '749 patent based in part on a Nishida PCT publication which is similar, but not exactly the same, as Nishida here. Moreover, lululemon did not further rely on Guenther for an alternative combination with Nishida. The IPR was instituted on August 9, 2024.

New Balance also filed an IPR against the '749 patent based on different prior art. Institution was denied on September 26, 2024.

III. IDENTIFICATION OF CHALLENGE AND GROUNDS

The asserted grounds rely on the following references:

- US7,051,460 by Mizuno Corporation issued to Takeshi Orei et al. (“Orei”) was filed on December 31, 2003, published on April 21, 2005, and issued on May 30, 2006. EX1020. Orei is prior art at least under pre-AIA 35 U.S.C. §102(e).
- WO98/43506 by FILA U.S.A., Inc., issued to Steve McDonald (“McDonald”) was published on October 8, 1998. EX1021. McDonald is prior art under §102(b).
- US5,345,638 by Puma,³ issued to Mamoru Nishida (“Nishida”) issued on September 13, 1994. EX1022. Nishida is prior art under §102(b).

³ The assignee identified on the face of the reference is Tretorn AB, which was a wholly-owned subsidiary of Puma from 2001 to 2015. EX1063, 4.

- German Patent No. 627 878 to Dr. Martin Guenther (“Guenther”) issued on July 1, 1936. (EX1023; EX1024). Guenther is prior art to the ’749 patent under §102(b).

The asserted grounds are:

- **Ground 1A**: Claims 1-6, 8, 10-16, 18, and 20-21 are anticipated, or in the alternative obvious, over Orei.
- **Ground 1B**: Claims 7, 12, 17, and 18 are obvious over Orei in view of McDonald.
- **Ground 1C**: Claims 9 and 19 are obvious over Orei.
- **Ground 2A**: Claim 1-8, 11-18, and 21 are anticipated by Nishida.
- **Ground 2B**: Claim 1-8, 11-18, and 21 are obvious over Nishida in view of Guenther.
- **Ground 2C**: Claim 9, 10, 19, and 20 are obvious under either Ground 2A or 2B.

IV. LEVEL OF ORDINARY SKILL IN THE ART

The ’749 patent relates to an article of footwear comprising an upper that includes a knitted textile element. EX1001, 1:20-23. A person of ordinary skill in the art (“POSITA”) in the field of the ’749 patent in March 2004 would have been someone with at least a few years of experience in knit materials and knitting methods and machines that can be used in making footwear, or a bachelor’s degree

in textile-related sciences, engineering, or industrial product design, or equivalent academic or work experience, including in the footwear industry. EX1002, ¶168. Such a person of ordinary skill would have at least a general understanding of general construction processes and materials used in the manufacturing process of fabric-based articles. For individuals with a lower educational level, a person could still be of ordinary skill in the art provided that person's working experience compensates for any such lower educational level, or vice versa. *See id.*

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

V. CLAIM CONSTRUCTION

The Board construed certain claim terms of the '749 patent in the *adidas IPR* under the then-applicable broadest reasonable interpretation standard. EX1019, 15-19. Other than the term "texture," which Petitioner addresses below, Petitioner does not seek to re-construe any term that the Board already construed. For example, for claims 11 and 21, the Board in the *adidas IPR* construed "unitary construction,"⁴ "a

⁴ In the co-pending litigation, the parties agreed that the phrase "unitary construction" means "configuration wherein portions of a textile element are not

first area and a second area with a unitary construction,” and “impart.” EX1019, 15-17. Those constructions have been applied in this Petition.

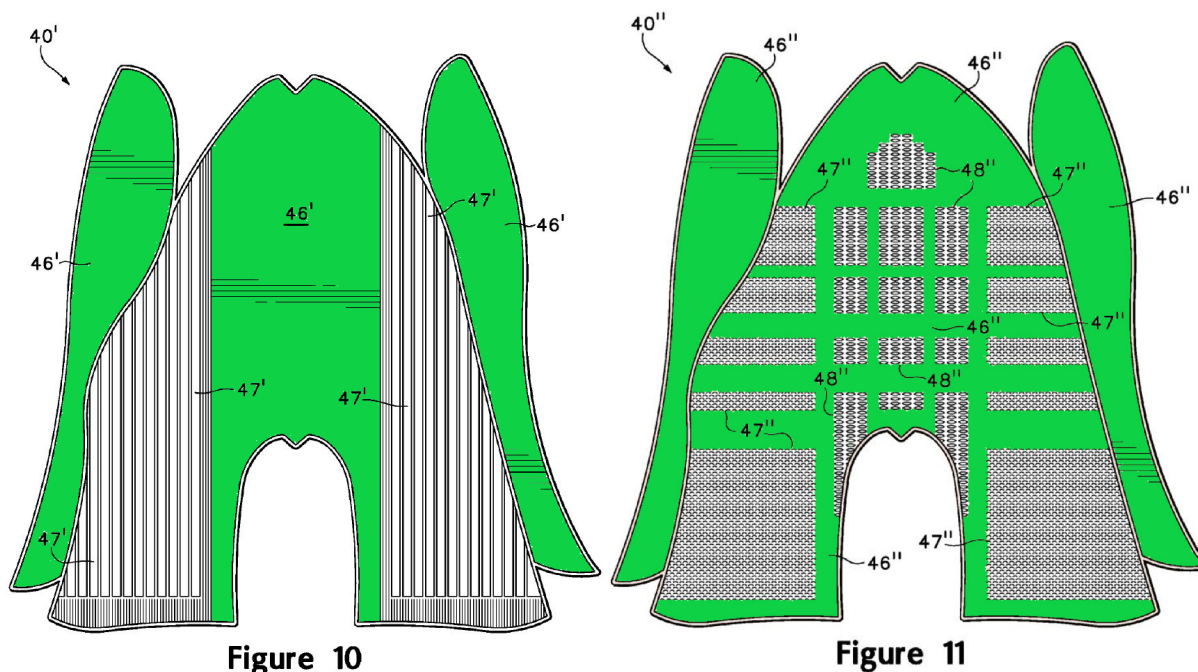
As for “texture,” consistent with the intrinsic and extrinsic evidence, the plain and ordinary meaning of “texture” should be construed to mean “the surface appearance and feel of a material, which could include both ‘smooth’ and ‘non-smooth’ textures.” In the *adidas IPR*, the Board construed the term “texture,” in conjunction with dependent claims 8, 11, and 21, to mean “***a non-smooth*** surface formed while simultaneously knitting a textile element with a surrounding textile structure.” EX1019, 18-19. The Board did not address the term “texture” as used in independent claim 1 (“a knitted texture”) and independent claim 13 (“texture”).

Given Nike’s previous argument that Nishida does not disclose “differing textures,” EX1013, 286, this may become a live claim construction issue (though the Board in the *adidas IPR* still found all of the elements of independent claims 1 and 13 to be present in Nishida under its claim construction for “texture”).

The patent specification would appear to be determinative as to the meaning of the claim term “texture” because it expressly discloses that texture includes

joined together by seams or other connections.” EX1005, 2. This is the same construction applied in the *adidas IPR*. EX1019, 16.

“generally smooth” textures. EX1002, ¶¶87-92. Color-annotated FIGs. 10 and 11 are reproduced below.



Elements 46' and 46'' are in green, and depict what the patent expressly discloses are “generally smooth” textures.

- “With reference to **FIG. 10**, a textile element 40'...is depicted as having various areas with different textures. For example, a central area...has **a first texture 46' that is generally smooth.**” EX1001, 9:4-9.
- With reference to **FIG. 11**, “[t]extile element 40'' includes areas with three different textures. **A first texture 46'' is generally smooth.**...Various portions of textile element 40'' also include a second texture 47'', which is generally rough in comparison with first texture 46''.” *Id.*, 9:29-37.

This intrinsic evidence is clear: the noun “texture” includes at least “generally smooth” textures (and, as discussed in the extrinsic evidence, smooth textures) as well as rougher (*i.e.*, non-smooth) textures. In fact, Nike obtained claims reciting a “smooth texture” and a “rough texture” in a continuation of the ’749 patent that shares the same specification. EX1018 (Claims 6 and 17).

It is important to note that the language in the specification relied upon by the previous panel did not relate to the claim term “texture.” Instead, the language relied upon was actually contrasting “smooth and textured^d areas.” EX1019, 18 (citing to EX1001, 9:20-21). In other words, the relied-upon passage contrasts the *adjective* “textured” with the adjective smooth (both modifying the noun “areas”). In contrast, the claim term at issue and the passages cited by Petitioner all use the *noun* “texture.” A POSITA would understand that the term “texture,” when used as a noun, includes smooth textures, but when used as an adjective (*i.e.*, textured) would typically not include smooth surfaces. EX1002, ¶86. This is not unlike the term “color.” While “white” is a color, if something is “colored,” it typically would not be white.

Moreover, the extrinsic evidence defines “texture” to include smooth surfaces. Specifically, the extrinsic evidence shows the plain and ordinary meaning of “texture” corresponds to the surface appearance and feel of a material. *See e.g.*, EX1025 (Complete Footwear Dictionary), 3; EX1026, 5 (textile expert at Oregon

State University defining texture to include “the visual surface appearance and the feel of fabrics”); EX1046-1049; EX1002, ¶93. This plain and ordinary meaning is consistent with the ’749 patent’s disclosure of forming different textures in a single knitted structure by varying yarn type or stitch configuration. EX1001, 9:61-65, 3:33-37. “[Y]arn may be formed from cotton, wool, elastane, rayon, nylon, and polyester,” and “[e]ach of these yarn types may impart differing properties to the areas corresponding with textures.” *Id.*, 9:61-65. The ’749 patent also provides that different areas may be formed of different stitch configurations “to impart varying textures to a surface of the textile element.” *Id.*, 3:33-37. A POSITA would understand that such differing yarns and stitch configurations would result in differing surface appearances and feel, and therefore result in differing textures. EX1002, ¶93.

VI. GROUND 1A: CLAIMS 1-6, 8, 10-16, 18, AND 20-21 ARE ANTICIPATED, OR ALTERNATIVELY, OBVIOUS OVER OREI

A. Overview of the Prior Art

Orei is directed to a “shoe including an upper material using a double raschel warp knitted fabric,” like some of the embodiments of the ’749 patent. EX1020 (Orei), Abstract; EX1001, 6:65-7:4, 10:1-7, 11:10-15. Double raschel warp knitted fabrics are comprised of a front and a back surface and a connecting yarn between them. EX1020, 2:23-28, 3:61-67; EX1050 (Spencer), 366; EX1002, ¶95.

Orei's upper material includes areas having a "non-mesh structure" and a number of different "mesh-structures." EX1020, Abstract, 2:23-40, 4:13-51. For example, as shown in green in FIG. 1 below, Orei describes a "non-mesh structure part (A) 1a to 1e [that] are disposed in a part surrounding the tiptoe and a part connecting to the shoe sole and stripe-shaped parts on the side surface of the foot (both sides)." *Id.*, 4:16-25.

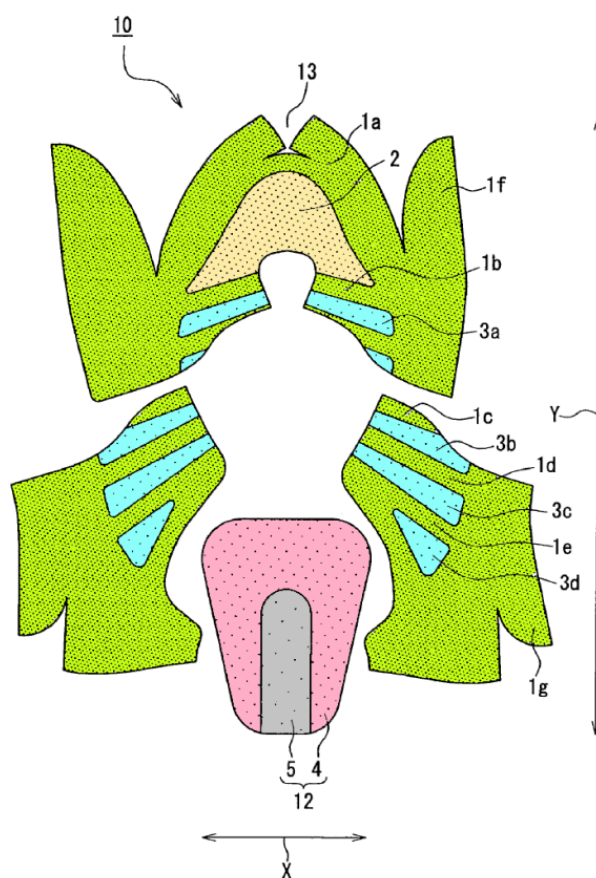
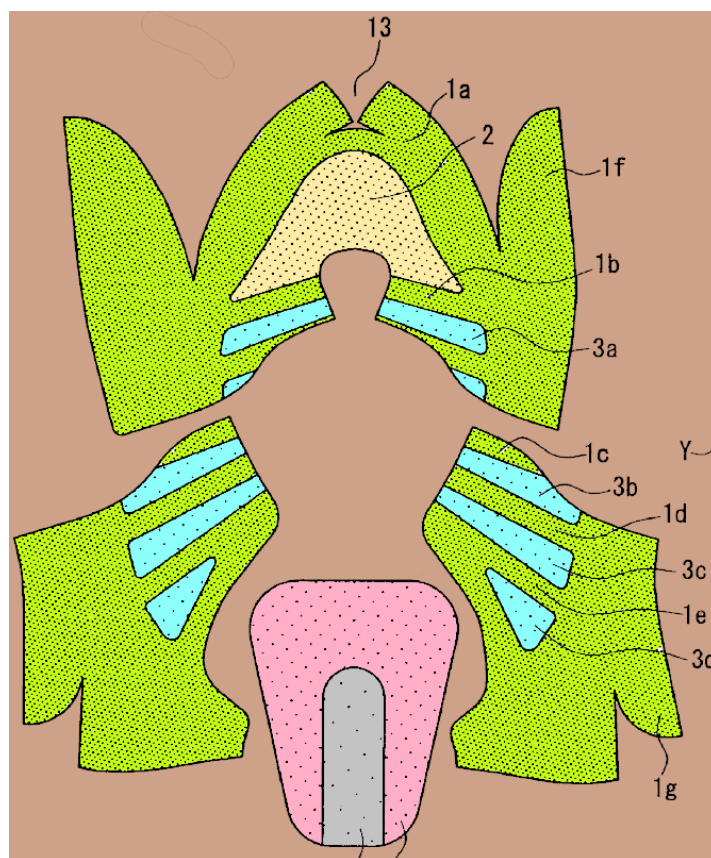


FIG. 1

Id., FIG. 1; EX1002, ¶96.

Orei further describes a “mesh structure part (B) 2” (highlighted above in beige) that is near the toe region and has “moderate strength and air permeability.” EX1020, 4:37-39; EX1002, ¶97. Mesh structure parts (C) 3a to 3d (highlighted above in aqua) were placed in strips along the side surfaces “that need[] air permeability” and “[a] tongue part 12 was formed of a mesh structure part (C) 4” and a mesh structure part (D) 5 with higher air permeability,” highlighted in pink and gray, respectively. EX1020, 4:40-46; EX1002, ¶¶98-99. Orei discloses that each of the knitted shoe parts (A)-(D) are imparted with different burst strengths and air permeabilities. EX1020, 4:52-64. These differing properties are provided by varying the number of meshes, which Orei describes as “the number of holes per inch” in the X and Y direction, respectively. *Id.*, 5:66-6:22; EX1002, ¶100.

Orei also discloses that the above shoe parts are “placed continuously on one knitted fabric as shown in FIG.1.” EX1020, 4:16-17.



Id., FIG. 1 (surrounding knitted material shown in brown); EX1002, ¶101.

Orei discloses that the shoe of FIGs. 2-4, for example, is formed using the pattern 10 of FIG. 1, as shown below with color annotations corresponding to the knitted shoe parts from FIG. 1 above. EX1020, 4:12-17, 5:1-16.

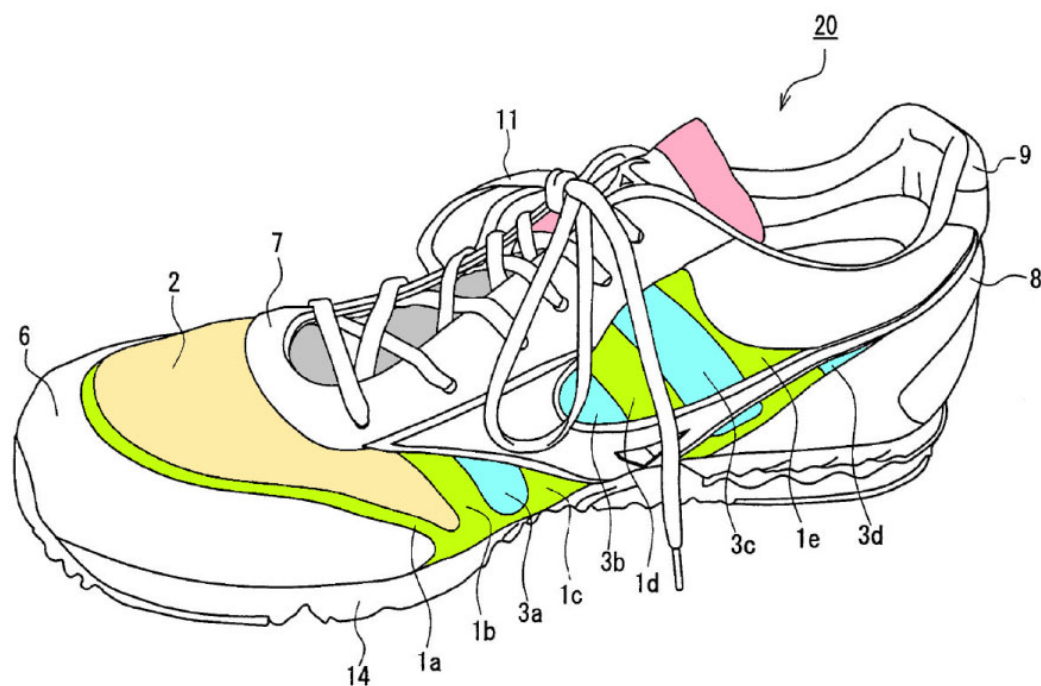


FIG. 2

Id., FIG. 2; EX1002, ¶102.

For the shoe patterns 30 of FIG. 5, Orei further discloses that a “shoe that is the same as that shown in FIGS. 2-4 is formed by using the shoe patterns 30 of a knitted fabric.” EX1020, 6:25-26; EX1002, ¶103.

B. Claim 1

Element 1[pre]: *A method of manufacturing an article of footwear, the method comprising:*

Orei discloses a method of manufacturing an article of footwear. Specifically, Orei discloses “[a] shoe including an upper material using a double raschel warp knitted fabric.” EX1020, Abstract, 1:5-7, 2:23-24. Orei further discloses that an object of its invention is “to provide a shoe having lightweight and air permeability

and also having high durability, and a double raschel warp knitted fabric used for the shoe.” *Id.*, 1:33-37; 2:23-38; 4:1-3; 5:3-4 (“Sport shoes were formed by using the warp knitted fabrics obtained in Embodiment 1.”); 5:37-39; Claims 1-7; 6:25-26 (“A shoe that is the same as that shown in FIGS. 2 to 4 is formed by using the shoe patterns 30 of a knitted fabric.”).

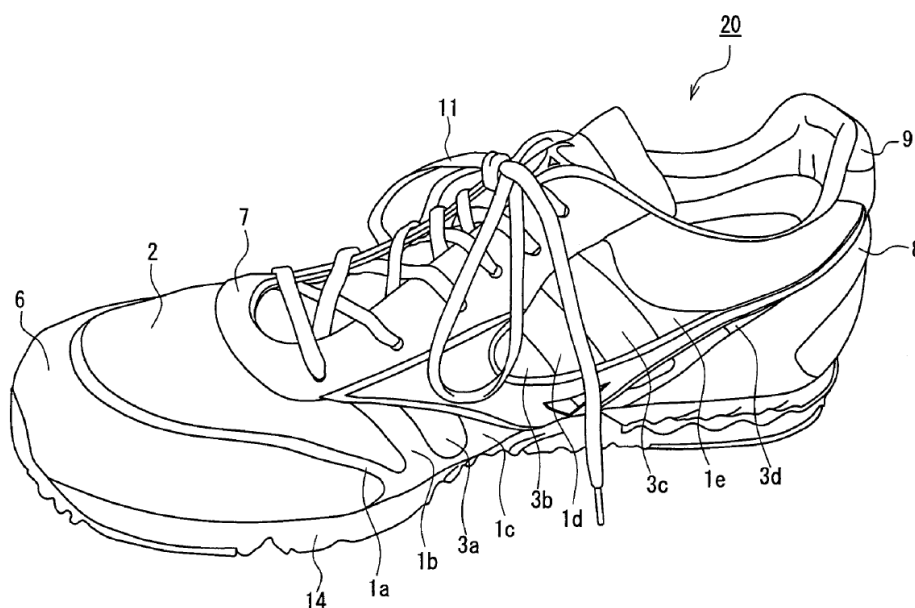


FIG. 2

Id., FIG. 2; EX1002, ¶118.

A POSITA would understand that the techniques and structures disclosed in Orei, including the production of shoe patterns 10 and 30, would be used in the manufacturing process of articles of footwear, including specifically in the method of manufacturing the shoes depicted in FIGS. 2-4. EX1002, ¶119; EX1020, 3:29-32 (describing shoe manufacturing process called “lasting method”), 3:34-38.

Element 1[a1]: *simultaneously knitting a textile element with a surrounding textile structure.*

Orei discloses an upper comprised of textile elements in the form of non-mesh structure part (A) and mesh structure parts (B, C). EX1020, Abstract, 1:58-62; 4:13-15 (FIG. 1), 5:37-39 (same for FIG. 5). Orei describes using the double raschel warp knitting process to form the shoe patterns of FIGs. 1 and 5, which is the same process used by the '749 patent. EX1001, 10:1-7, 11:10-15, 11:26-28; EX1002, ¶120.

FIG. 1 from Orei is annotated below to show non-mesh structure part (A) 1a to 1e in green, mesh structure part (B) 2 in beige, and mesh structure part (C) 3a to 3d in aqua. EX1020, 4:16-25, 4:37-39, 4:40-46.

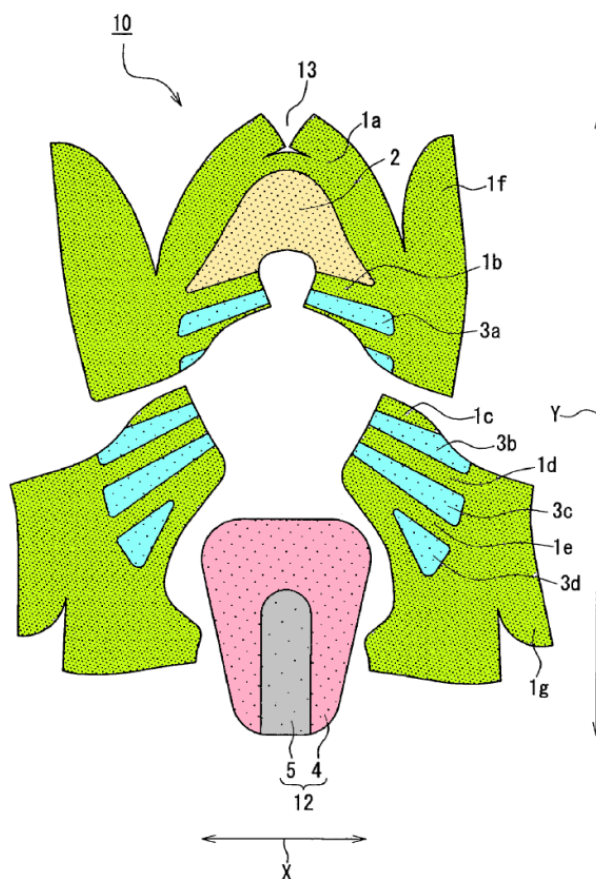


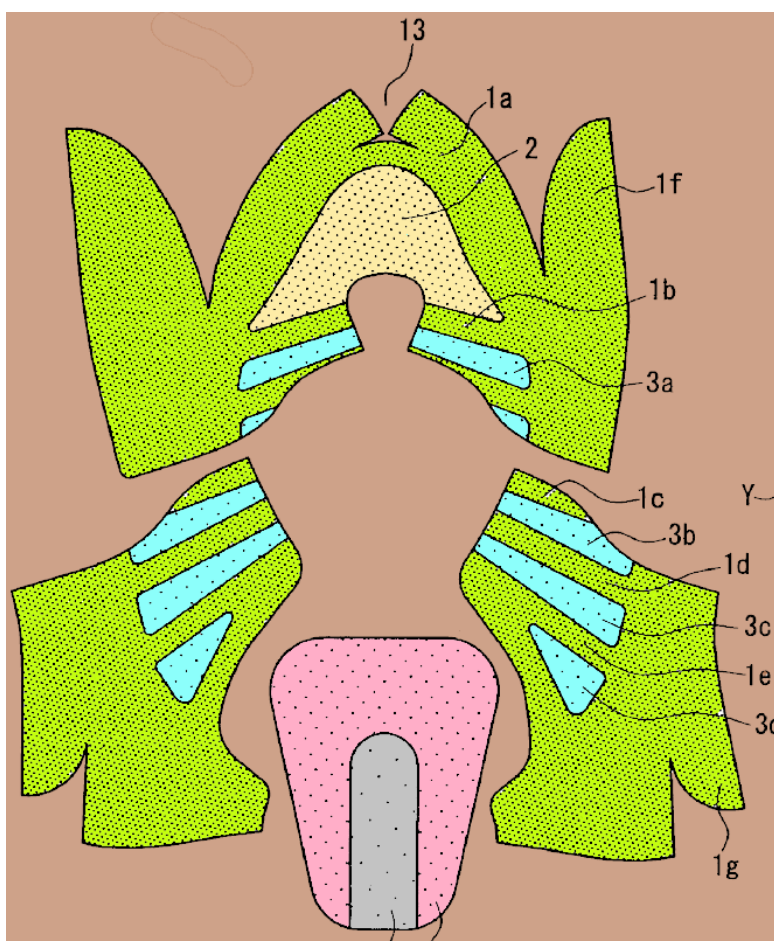
FIG. 1

Id., FIG. 1; EX1002, ¶¶121-122.

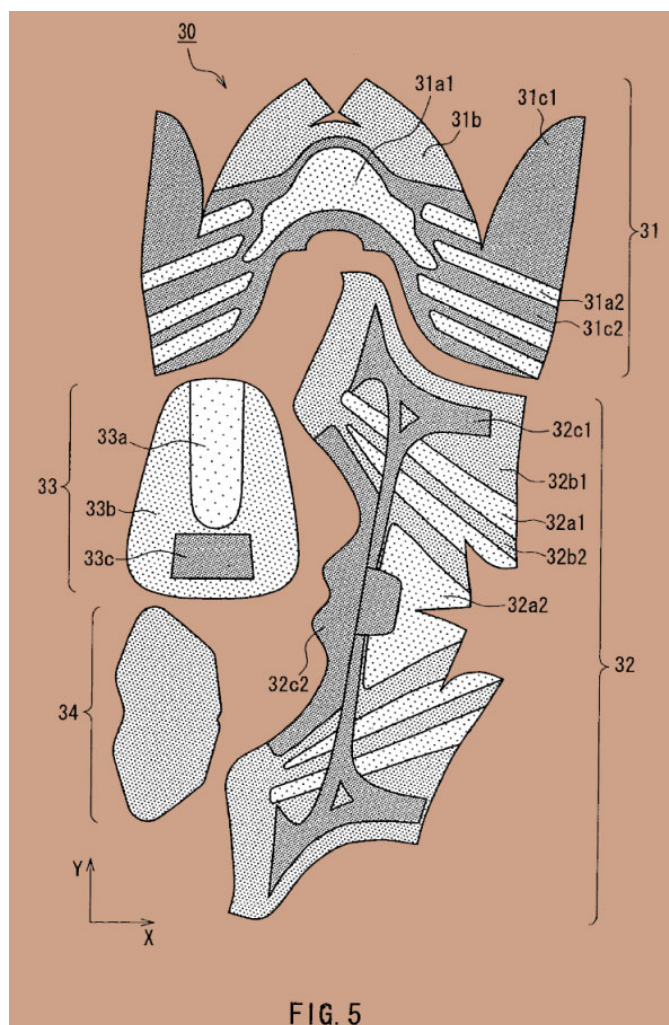
Moreover, Orei discloses that its knitted shoe parts (textile elements), including the elements comprised of knitted shoe parts A-D, are simultaneously knitted with surrounding textile structure, per Element 1[a1]. EX1002, ¶123. Specifically, Orei discloses that “at least the parts A to C are disposed in **one continuous knitted fabric.**” EX1020, 2:1-3; 3:33-37. Orei explains that this is done “to reduce sewing parts.” *Id.*, 5:20-25. This is a well-known approach to efficiently produce knitted garments. EX1002, ¶123. That Orei’s knitted shoe parts are all

knitted simultaneously on the same continuous fabric is also reflected in Orei's description of FIG. 1. EX1020, 4:16-17 ("Shoe patterns 10 matched to paper patterns are **placed continuously on one knitted fabric as shown in FIG.1.**").

Orei's continuous knitted fabric surrounding the knitted shoe parts has been highlighted in brown below for FIGs. 1 and 5. EX1002, ¶124.



Orei, FIG. 1 (annotated to highlight surrounding textile taught by Orei)



Orei, FIG. 5 (annotated to highlight surrounding textile taught by Orei)

The embodiment of FIG. 5 is also described as “a shoe pattern on knitted fabric” where “[o]n one knitted fabric, respective parts are placed **continuously**,” where the arrangement is changed to further reduce “the excess parts so as to increase yield” EX1020, 5:56-60; EX1002, ¶125.

Thus, a POSITA would understand that the knitted shoe parts would be knitted simultaneously with surrounding material in order for the parts to be “placed continuously” or “disposed as one continuous knitted fabric,” *i.e.*, a POSITA would

understand that there would be material between and around the individual knitted shoe parts. EX1002, ¶126. In any event, it was well known to use double needle-bar raschel machines of the same type Orei envisions to knit textile elements simultaneously with surrounding textile structures. *Id.*, ¶127; EX1050, 201 (“Some raschel double needle bed products are in the form of articles, a number of which can be simultaneously knitted side-by-side across the needle bed.”).

Thus, even if Orei did not already disclose knitting textile elements simultaneously with surrounding textile structures (which it does), it would have been obvious to use such a technique to increase yield and reduce manufacturing steps. EX1002, ¶¶127-128.

Element 1[a2]: *the knitted textile element having at least one knitted texture that differs from a knitted texture in the surrounding knitted textile structure;*

Orei discloses that its textile elements have differing knitted textures. *Id.*, ¶¶129-139. For example, Orei discloses that each of the knitted shoe parts (A)-(D) are imparted with different burst strengths and air permeabilities. EX1020, 4:52-64. These differing properties are provided by varying the stitching so as to vary the number of meshes in a given area, which Orei describes as “the number of holes per inch” in the X and Y direction, respectively. *Id.*, 5:66-6:22; EX1002, ¶129. The differing mesh densities of the knitted shoe parts is not only expressly described in the text, but is reflected in the varied stippling patterns in Orei’s figures, which a

POSITA would understand as illustrating the use of different textures (*i.e.*, surface appearances and feel) for the various knitted parts. EX1002, ¶129. *Supra* Section V.

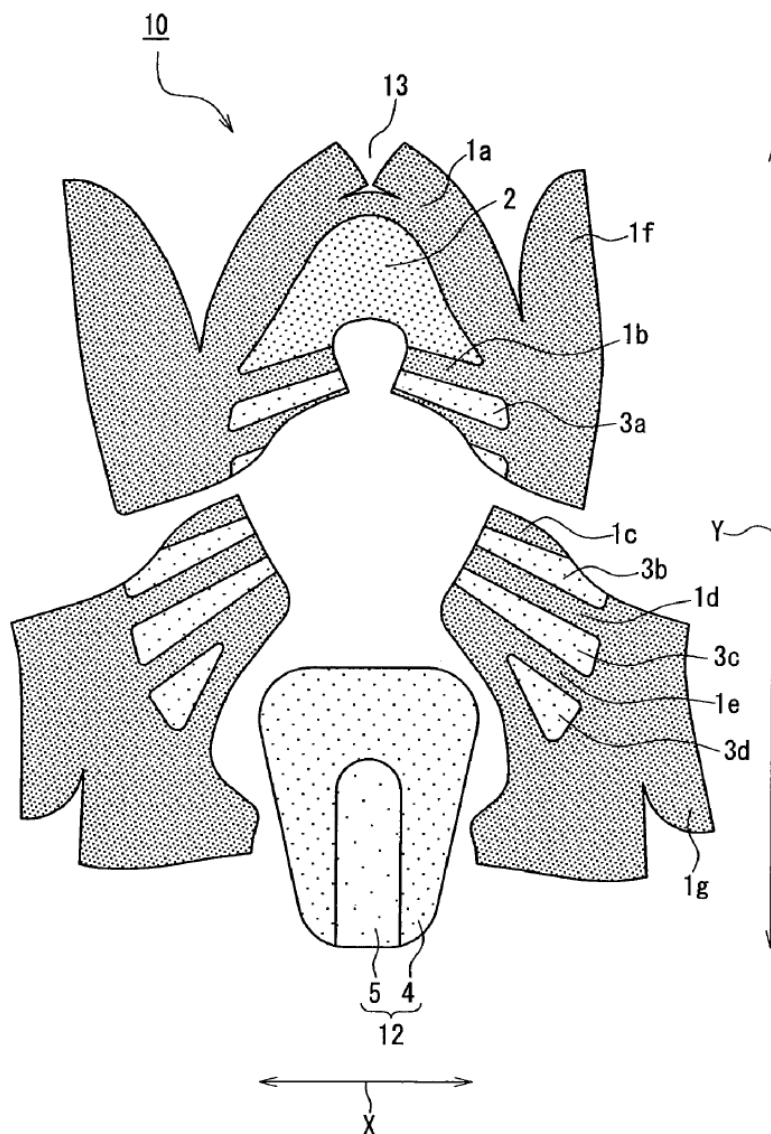


FIG. 1

EX1020, FIG. 1.

For example, the densest stippling pattern above is used for the area which Orei describes as “a non-mesh structure part (A) 1a to 1e, [] disposed in a part

surrounding the tiptoe and a part connecting to the shoe sole and stripe-shaped parts on the side surface of the foot (both sides).” *Id.*, 4:18-21. Correspondingly, this non-mesh structure part (A) has a higher burst strength (1600 kPa) and lower air permeability ($240 \text{ cm}^3/\text{cm}^2/\text{s}$) than the mesh structures (B) and (C). *Id.*, 4:52-67; EX1002, ¶¶130-131. Similarly, mesh structure part (B) 2 is represented in FIG. 1 with the next highest stippling pattern density, which is representative of the fact that it has the next highest burst strength (1500 kPa) and air permeability ($255 \text{ cm}^3/\text{cm}^2/\text{s}$) after non-mesh structure part (A). EX1020, 4:37-39, 4:52-67. The same relationship between stippling pattern density, on the one hand, and burst strength and permeability on the other hand, holds for knitted shoe parts (C) and (D) as well. *Id.*, 4:40-67; EX1002, ¶132.

Similarly, Orei discloses that the burst strengths of each part of FIG. 5 are substantially the same as those in the example of FIG. 1, which are described in terms of varying the number of meshes in the lateral and/or longitudinal directions. EX1020, 5:66-6:22; EX1002, ¶133.

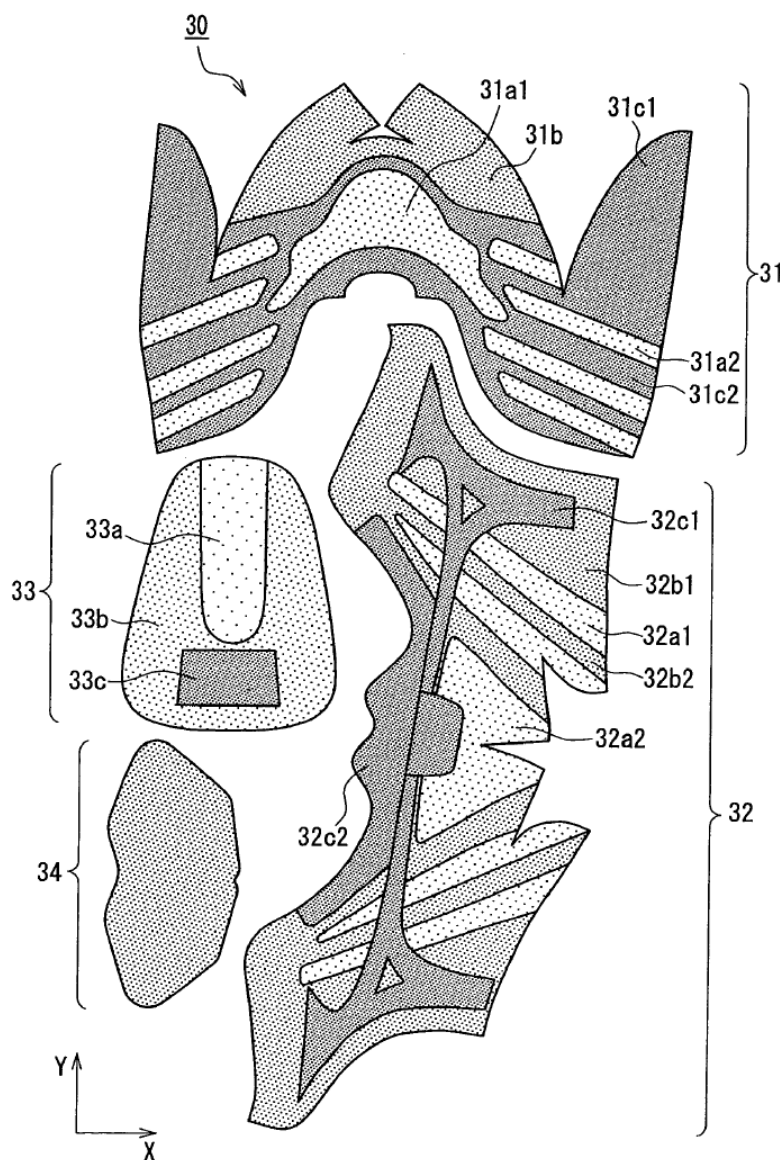


FIG. 5

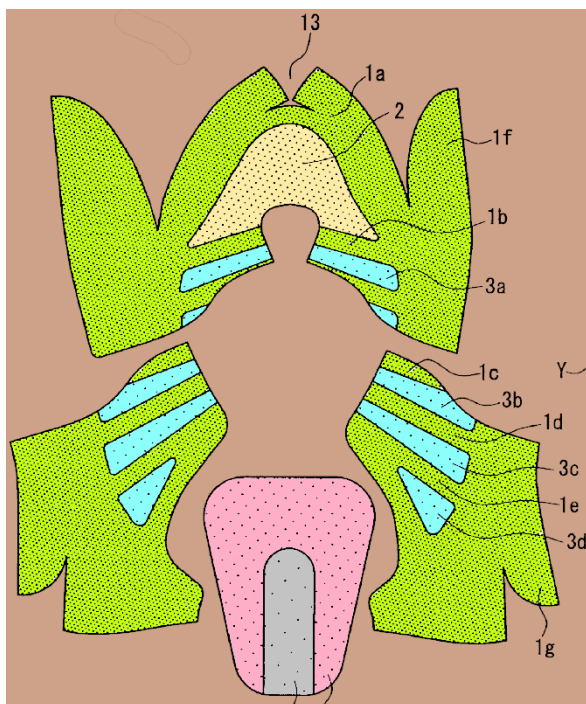
EX1020, FIG. 5.

Specifically, the stippling pattern densities of the knitted shoe parts of FIG. 5 are consistent with the number of meshes described for each part. EX1002, ¶134. Thus, a POSITA would have understood that Orei's figures clearly convey that the knitted shoe parts have differing textures. *Id.*

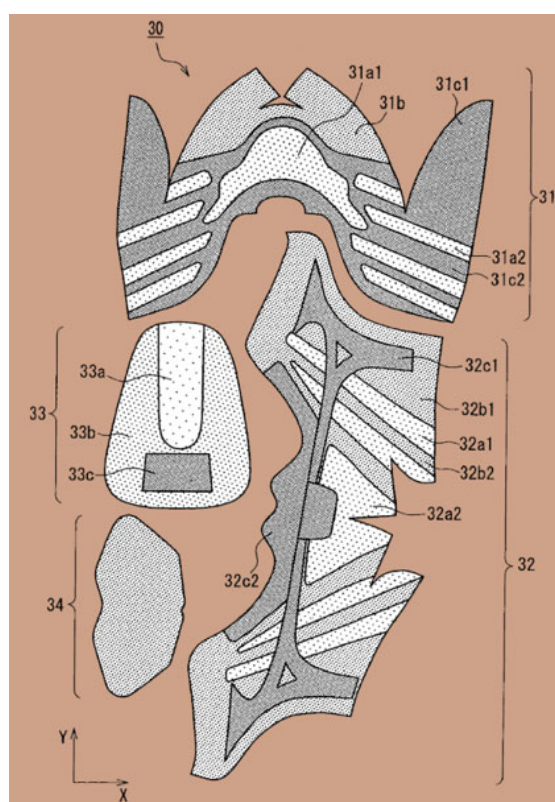
Aside from the figures conveying different textures for the various knitted shoe parts, a POSITA would understand that varying the stitching of the knitted parts (*i.e.*, by varying the number of meshes per unit area) such that the corresponding burst strengths and air permeabilities of the knitted shoe parts differ substantially would similarly result in such knitted parts having differing textures. A POSITA would recognize that these substantially differing physical properties are the product of varying the mesh density, which is accomplished by varying the stitching. *Id.*, ¶135. A POSITA would understand that Orei's knitted shoe parts would have different textures (*i.e.*, surface appearances and feel) as a result of the significantly different stitching used to provide the disclosed range of mesh densities. *Supra* Section V; EX1002, ¶135.

Not only does Orei disclose that the knitted shoe parts have textures which differ from each other, Orei further expressly discloses at least one knitted texture that differs from a knitted texture of the surrounding knitted textile structure. For example, as described above for Element 1[a1], Orei discloses that the knitted shoe parts are disposed on one continuous fabric, which a POSITA would understand means that the shoe parts would be knitted simultaneously with surrounding material, *i.e.*, material between and around the individual knitted shoe parts. EX1002, ¶136; *supra* Element 1[a1]. Regardless, it was well known to use double needle-bar raschel machines of the same type Orei envisions to knit textile elements

simultaneously with surrounding textile structures, and therefore even if Orei did not already disclose doing so (which it does), it would have been obvious to use such a technique to increase yield and reduce manufacturing steps. EX1002, ¶127. Either by its express disclosure or by the obvious use of well-known knitting techniques, the result is a continuous knitted fabric surrounding the shoe parts, which has been annotated and highlighted in brown below for FIG. 1 and FIG. 5. *Id.*, ¶136.



Orei, FIG. 1



Orei, FIG. 5

(both annotated to highlight surrounding textile taught by Orei)

Orei's knitted shoe parts have at least one knitted texture that differs from a knitted texture of the surrounding textile structure (highlighted in brown) because

Orei's knitted shoe parts themselves include multiple different textures, as described above, and at least one of those would necessarily differ from whatever texture is selected for use as Orei's surrounding textile structure. *Id.*, ¶137. For example, even if the surrounding textile structure (brown) were selected to be the same material as one of the knitted shoe parts, such as knitted shoe parts (A) highlighted in green in FIG. 1 above, that surrounding structure would still have a different texture from each of the other knitted shoe parts (B)-(D) for the reasons described above. *Id.*

Moreover, it would have been obvious to select a material for the surrounding structure which is of low cost and low density because the material will be discarded as waste, and therefore there is no reason to use the same quality/density of material that will be used for the knitted shoe parts themselves. Thus, a POSITA would understand that a surrounding material of substantially lower quality/density than the knitted shoe parts will have a texture (*i.e.*, surface appearance and feel) that differs from Orei's knitted shoe parts. *Id.*, ¶138.

Element 1[b]: *removing the knitted textile element from the surrounding knitted textile structure;*

Orei expressly discloses that its fabrics are ***cut*** from the surrounding textile structure using paper patterns. EX1020, 3:33-37 (“At least the parts A to C of the double raschel warp knitted fabrics of the present invention are disposed as one continuous knitted fabric. Thus, ***when the fabrics are cut together with paper pattern, a shoe can be formed***, thus enabling the efficiency in the formation to be

improved.”), 4:16-17 (“Shoe patterns 10 matched to paper patterns are placed continuously on one knitted fabric as shown in FIG. 1.”). It was well known that “paper patterns” are used to aid in cutting textiles or pieces thereof out of a larger continuous fabric. EX1002, ¶140.

Moreover, Orei’s knitted shoe parts are removed from the surrounding textile structure (FIGs. 1 and 5) in order to form the shoes shown in FIGs. 2 and 4, for example, because Orei’s knitted shoe parts are formed on a single continuous knitted fabric. EX1020, 3:33-37, 2:1-3, 4:16-17, 5:20-25, 5:56-60; *supra* Element 1[a1]. In order to form the final shoe (e.g., FIG. 2 and 4), the knitted shoe parts would necessarily have to be removed from the surrounding knitted structure. This was well-known in the art and comports with common sense. EX1002, ¶141.

Element 1[c]: *incorporating the knitted textile element into the article of footwear.*

Orei discloses that its knitted shoe parts (knitted textile elements) are incorporated into an article of footwear. For example, Orei discloses the shoe of FIGs. 2-4 is formed using the pattern 10 of FIG. 1, as shown below with color annotations corresponding to the knitted shoe parts from FIG. 1 below. EX1020, 4:10-17, 5:1-16; EX1002, ¶143.

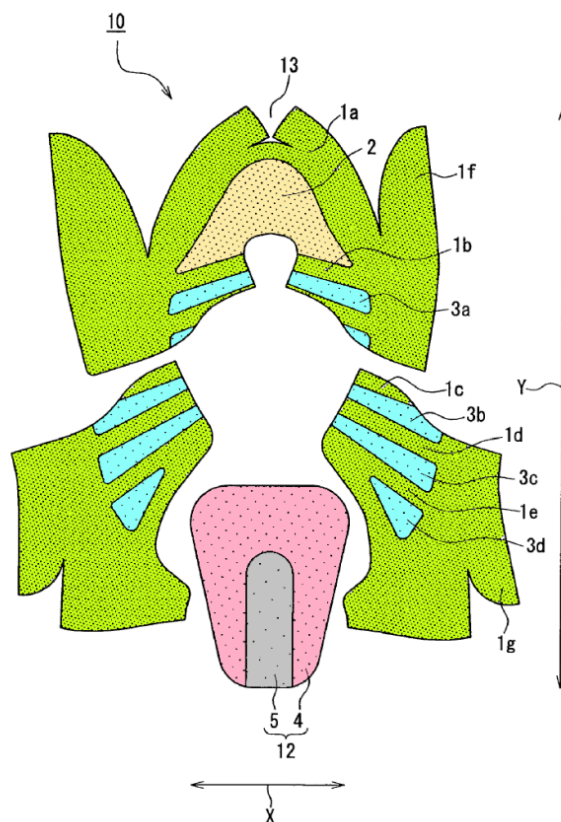


FIG. 1

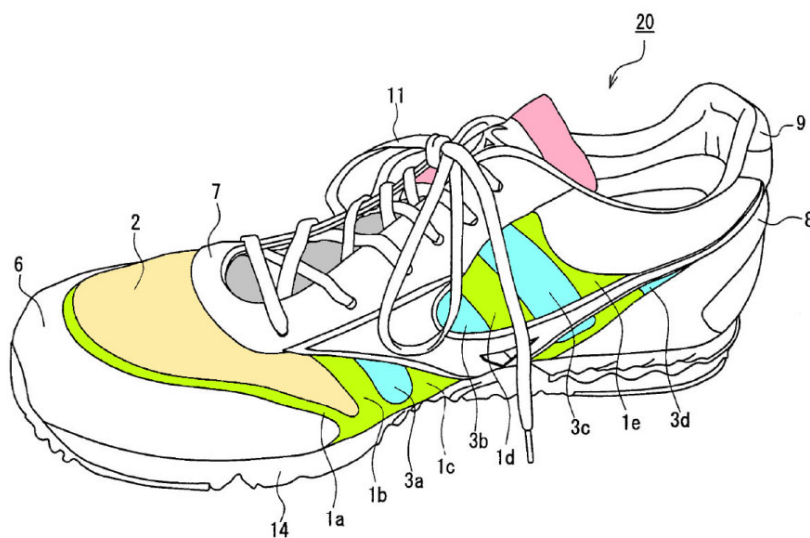


FIG. 2

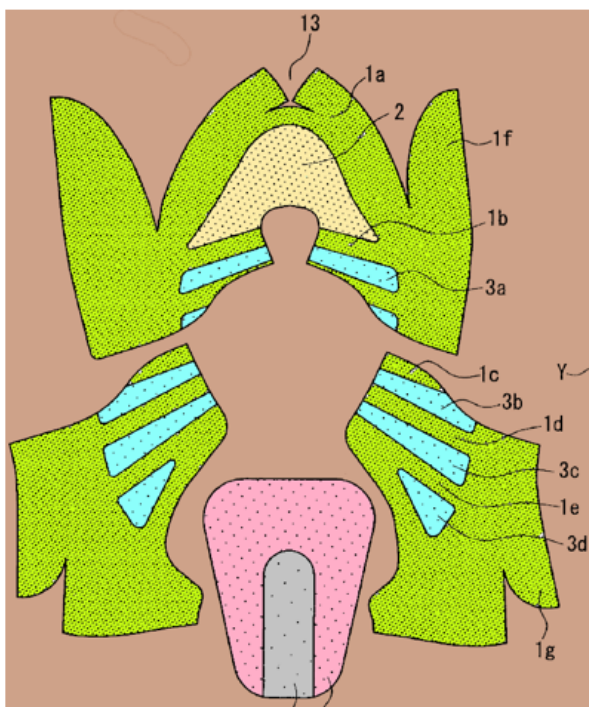
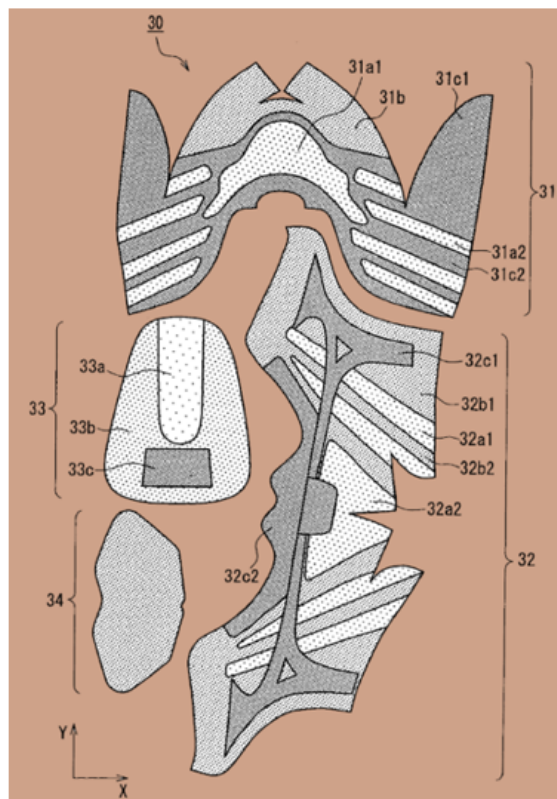
EX1020, FIGs. 1-2.

For the shoe patterns 30 of FIG. 5, Orei further discloses that a “shoe that is the same as that shown in FIGS. 2-4 is formed by using the shoe patterns 30 of a knitted fabric.” *Id.*, 6:25-26; EX1002, ¶144.

Therefore, Orei anticipates or alternatively renders obvious claim 1. EX1002, ¶145.

C. Claim 2

Orei discloses simultaneously knitting a plurality of shoe parts (textile elements) with the surrounding textile structure, including parts (A)-(D) described above for Element 1[a1] and shown below. EX1020, 4:16-46, 5:56-6:22; EX1002, ¶¶146-147.

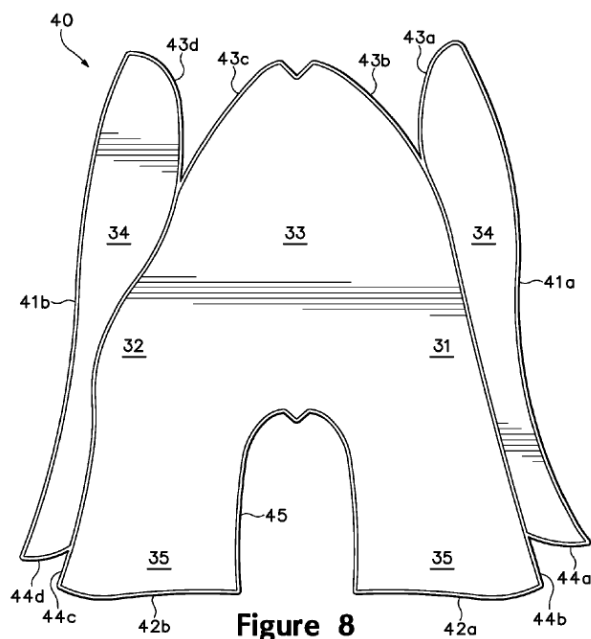
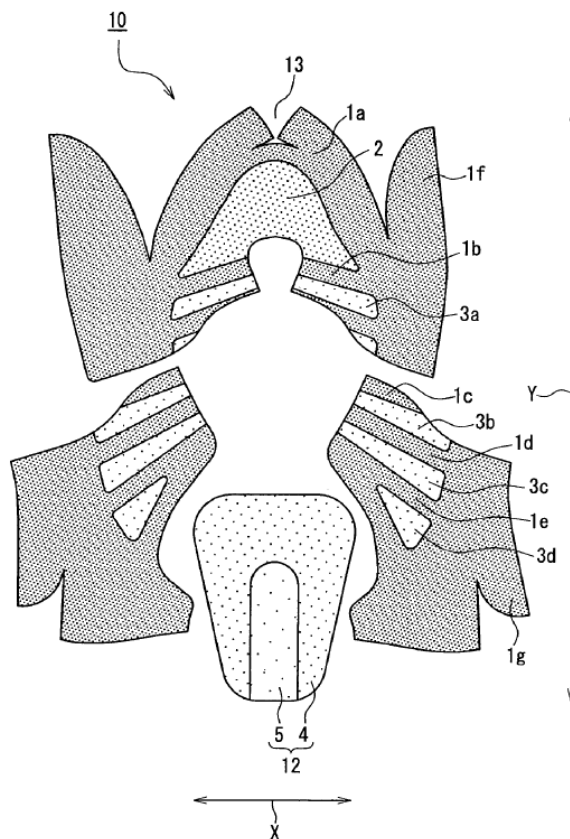
**Orei, FIG. 1****Orei, FIG. 5****(annotated to highlight surrounding textile taught by Orei)****D. Claims 3-4**

Orei discloses “knitting an outline of the knitted textile element” (Claim 3) where “the outline has the shape and proportion of the knitted textile element” (Claim 4) in the form of a shoe pattern comprised of knitted shoe parts, as shown in FIGs. 1 and 5. EX1020, 2:10, 2:16, 4:16-21, 5:56-58. Orei’s disclosure is consistent with the ’749 patent, which describes the textile structure 60 of FIG. 9 as a “pattern [that] is formed with the outline of textile element 40.” EX1001, 7:38-43. According to the ’749 patent, “differences in the stitches within textile structure 60 form an

outline with the shape and proportions of textile element 40.” *Id.*, 7:43-45. Similarly, Orei’s shoe patterns (FIGs. 1 and 5) are formed by varying the stitching from one shoe part to another, as described above with respect to the differing texture limitation of Element 1[a2]. *See supra* Element 1[a2]; EX1002, ¶¶148-149.

E. Claim 5

Orei’s knitted shoe parts (textile elements) have a planar configuration and would continue to do so when removed from the low density surrounding knitted textile structure. *Supra* Element 1[a2]; EX1002, ¶150. As described in Orei, the shoe parts are “disposed in one continuous knitted fabric” and would be understood by a POSITA to have a planar configuration, as shown in FIGs. 1 and 5. EX1002, ¶150. Orei does not describe any knitting techniques, which could impart a three-dimensional shape. *Id.*, ¶153. This understanding is consistent with the ’749 patent, which indicates that the “[t]extile element 40, *as depicted in FIG. 8*, has a generally planar configuration.” EX1001, 6:13-14; EX1002, ¶151. See below comparison of FIG. 1 of Orei to FIG. 8 of the ’749 patent.

**Figure 8****FIG. 1**

This understanding is also confirmed by comparing the arrangement and orientation of Orei's individual shoe parts in the fully constructed shoe of FIG. 2 to the planar configuration of those same shoe parts in FIG. 1. EX1002, ¶152.

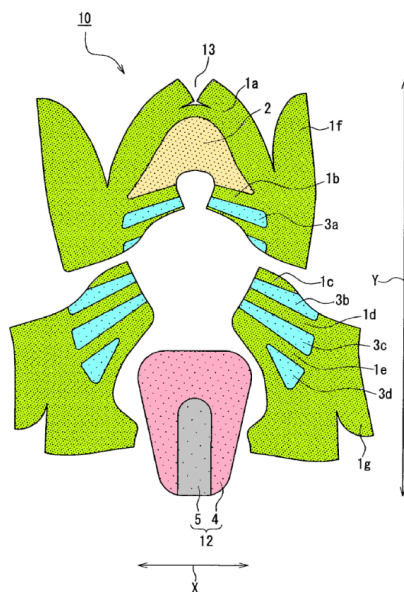


FIG. 1

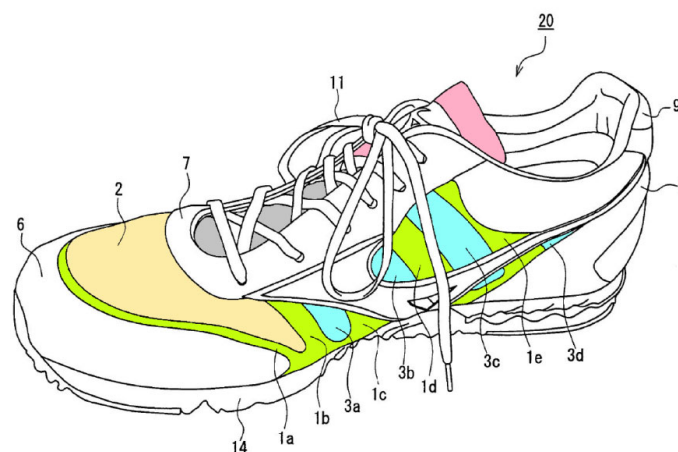


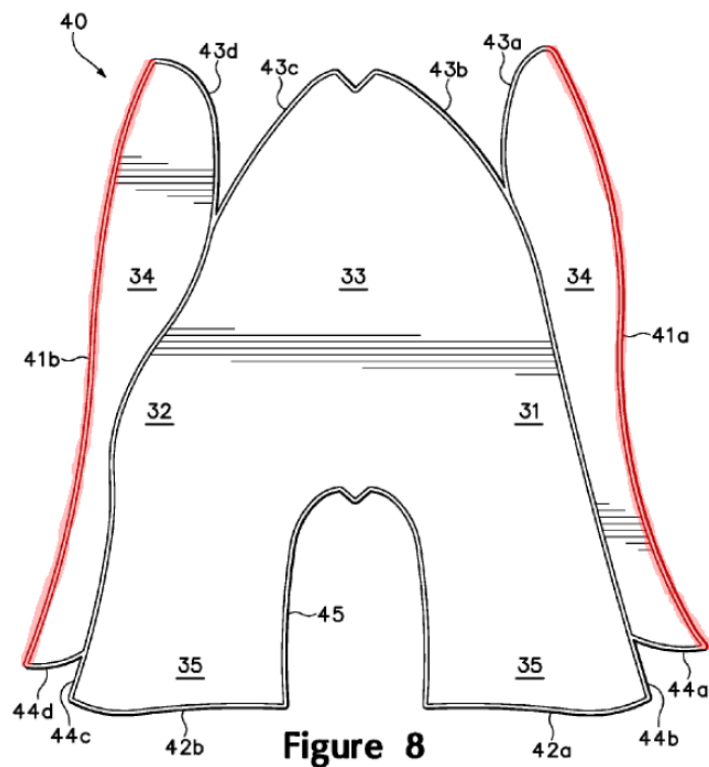
FIG. 2

EX1020, FIGs. 1-2 (individual shoe parts in both figures are shown with common color annotations).

Once removed from the low density surrounding knitted textile structure, the knitted shoe parts would maintain their original shape (*i.e.*, planar) until being formed into the shoe upper of FIGs. 2-4. EX1002, ¶¶153-155.

F. Claim 6

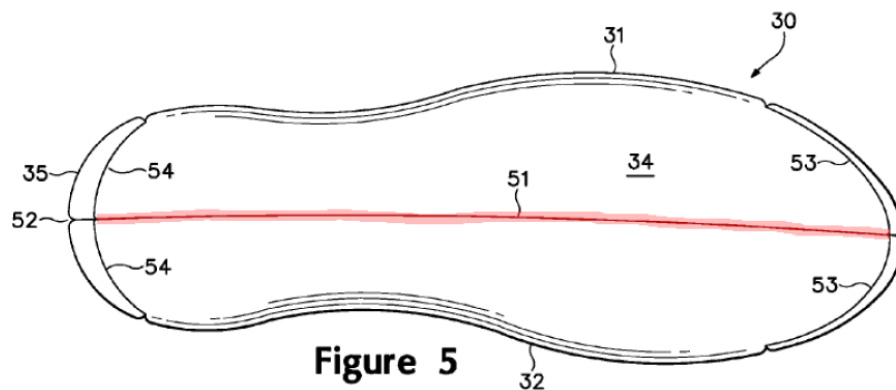
Although the '749 patent does not use the phrase "longitudinal edges" outside of the claims, it does describe that a textile element 40 of the upper includes edge 41a and edge 41b, highlighted in red in FIG. 8 below. EX1001, 5:62-64.



Id., FIG. 8; EX1002, ¶156.

According to the '749 patent, edges 41a and 41b are folded over and placed adjacent to one another to form seam 51 that is illustrated in red in Figure 5 below and described as “extend[ing] along the longitudinal length of lower region 34.”

EX1001, 5:50-52, 5:62-6:5, 6:9-13; EX1002, ¶157.



Consistent with the '749 patent, Orei's knitted shoe parts (knitted textile elements) include longitudinal edges formed when the elements are removed from the surrounding knitted textile structure. EX1002, ¶158. Specifically, as shown below in red, Orei discloses longitudinal sides along parts 1f to 1g. *Id.*

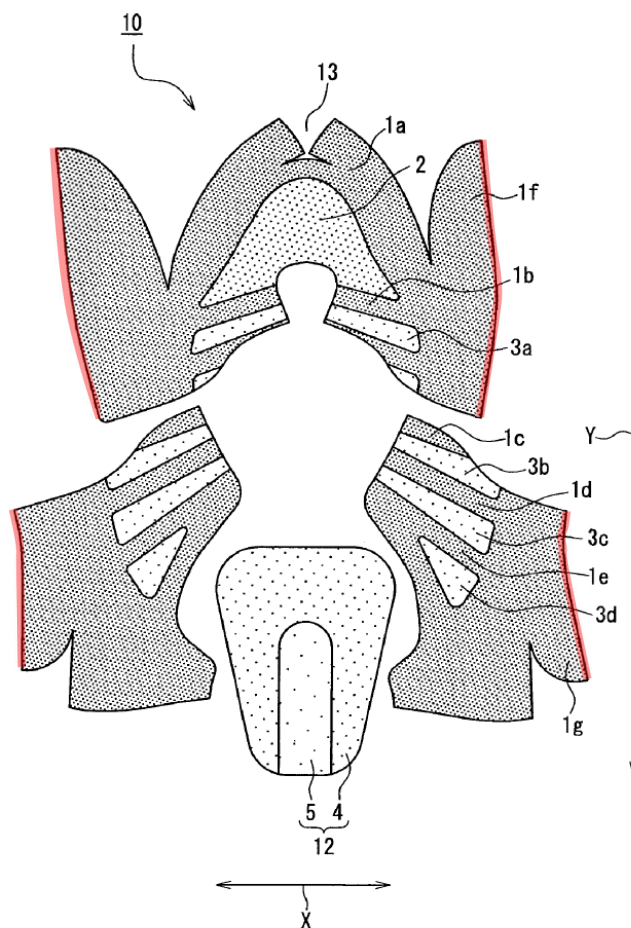


FIG. 1

EX1020, FIG. 1.

A POSITA would understand that these sides are longitudinal sides within the meaning of claim 6 because, like edges 41a and 41b of the '749 patent, Orei's longitudinal sides are folded over and into the shoe sole. *Id.*, 4:24-25 ("1f to 1g

denote parts folded in the shoe sole”); EX1002, ¶159. Similarly, with respect to FIG. 5, Orei discloses longitudinal sides in the form of “an anterior side 31c1 folded into a shoe sole,” as shown below in red. EX1020, 6:14.

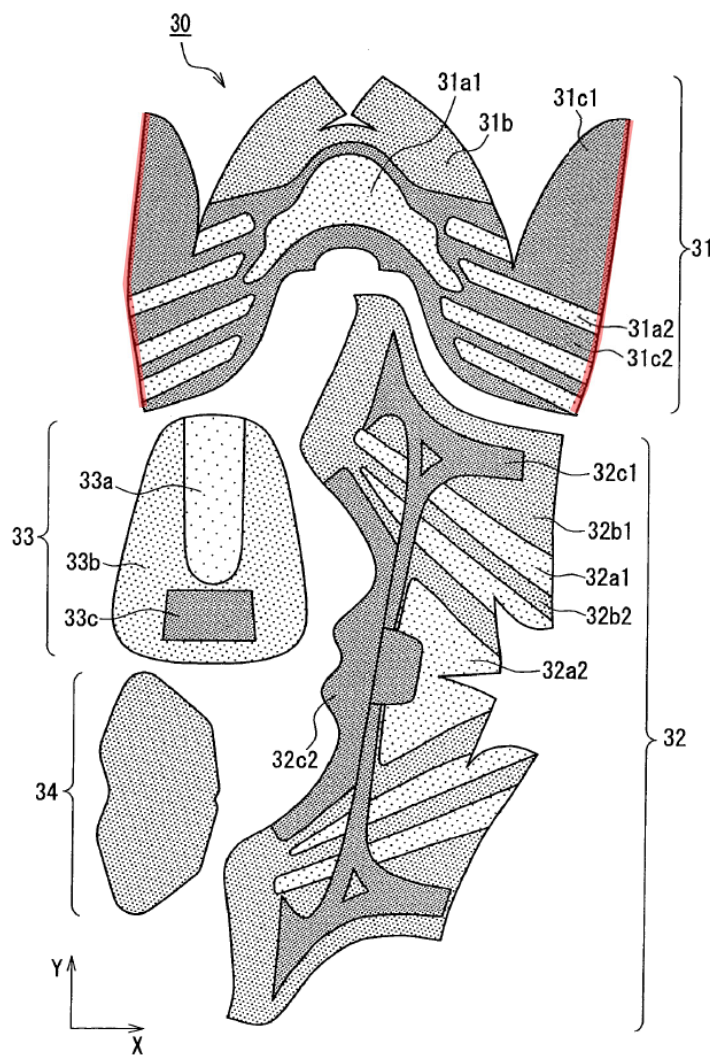


FIG. 5

Id., FIG. 5; EX1002, ¶159.

G. Claim 8

Orei discloses that its knitted shoe parts (knitted textile elements) have differing textures by virtue of being knitted with different types of stitching. For example, as described in Elements 1[a1]-1[a2], Orei's knitted shoe parts are knitted with varying stitching so as to provide different mesh densities for specific shoe parts. EX1020, 4:52-64, 5:66-6:22; EX1002, ¶161.

The '749 patent does not define the term "stitch type," but it does disclose that "the types of stitches that form textile structure 60 may be varied to form an outline of one or more textile elements 40 on textile structure 60." EX1001, 7:40-45. This is the same as Orei which varies stitching to provide differing mesh densities outlining the shape of each knitted shoe part, as described above for Claims 3-4. *Supra* Claims 3-4; EX1002, ¶¶162-163.

H. Claim 10

Orei satisfies claim 10 by disclosing that its upper formed of "a double raschel warp knitted fabric" that is "knitted by using a warp knitting machine with a double needle line" EX1020, 1:33-2:40; EX1002, ¶164.

I. Claim 11

Orei discloses that its knitted shoe parts (textile elements) have multiple areas with a unitary construction, where the multiple areas have different stitch

configurations imparting varying textures to a surface of the knitted shoe parts.

Supra Element 1[a1]-1[a2]; EX1002, ¶165.

Orei discloses that each of the knitted shoe parts (A)-(D) are imparted with different burst strengths and air permeabilities, as described above with respect to Element 1[a2]. *See also* EX1020, 4:52-64, 5:66-6:22. FIG. 1 below is annotated to show non-mesh structure part (A) 1a-1g highlighted in green, mesh structure part (B) 2 highlighted in beige, mesh structure parts (C) 3a-3d highlighted in aqua, mesh structure part (C) 4 and a mesh structure part (D) 5 (forming tongue 12) colored in pink and gray, respectively. EX1002, ¶166.

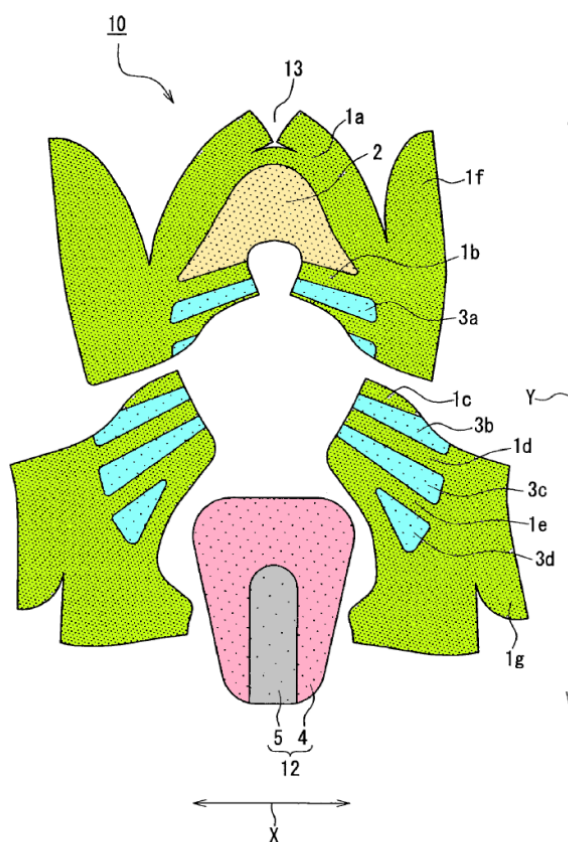


FIG. 1

Orei is clear that these knitted shoe parts are all part of a unitary construction, which means a configuration wherein portions of a textile element are not joined together by seams or other connections. *Supra* Section V; EX1002, ¶167. For example, as described in detail above under Element 1[a1], Orei discloses that “at least the parts A to C are disposed in **one continuous knitted fabric.**” EX1020, 2:1-3; 3:33-37; 4:16-17 (“Shoe patterns 10 matched to paper patterns are **placed continuously on one knitted fabric as shown in FIG.1.**”); 5:56-60; *supra* Element 1[a1]. A POSITA would understand that knitted parts which are disposed in one continuous knitted fabric, as Orei describes, are not joined together by seams or other connections, and therefore are part of a unitary construction. EX1002, ¶168.

Moreover, as described for Element 1[a2], Orei’s knitted shoe parts have different stitch configurations which impart varying textures to a surface of the knitted shoe parts. EX1020, 5:66-6:22; EX1002, ¶169. The differing stitch configurations are reflected in the varying stippling patterns in the figures, which a POSITA would understand as illustrating the use of different textures (*i.e.*, surface appearances and feel) for the various knitted parts, as described above. *Supra* Element 1[a2]; EX1020, FIGs. 1 and 5, 4:13-64, 5:66-6:22. A POSITA would understand that varying the stitch configuration of the knitted parts (*i.e.*, by varying the number of meshes per unit area) such that the corresponding burst strengths and air permeabilities of the knitted shoe parts differ substantially would similarly result

in such knitted parts having varying textures. EX1002, ¶¶169-170; *supra* Element 1[a2].

J. Claim 12

Consistent with the '749 patent, Orei's knitted shoe parts (knitted textile elements) include edges formed when removed from the surrounding knitted textile structure. *Supra* Claim 6. Specifically, as shown below in red, Orei discloses edges along parts 1f to 1g (highlighted below in red). EX1002, ¶171.

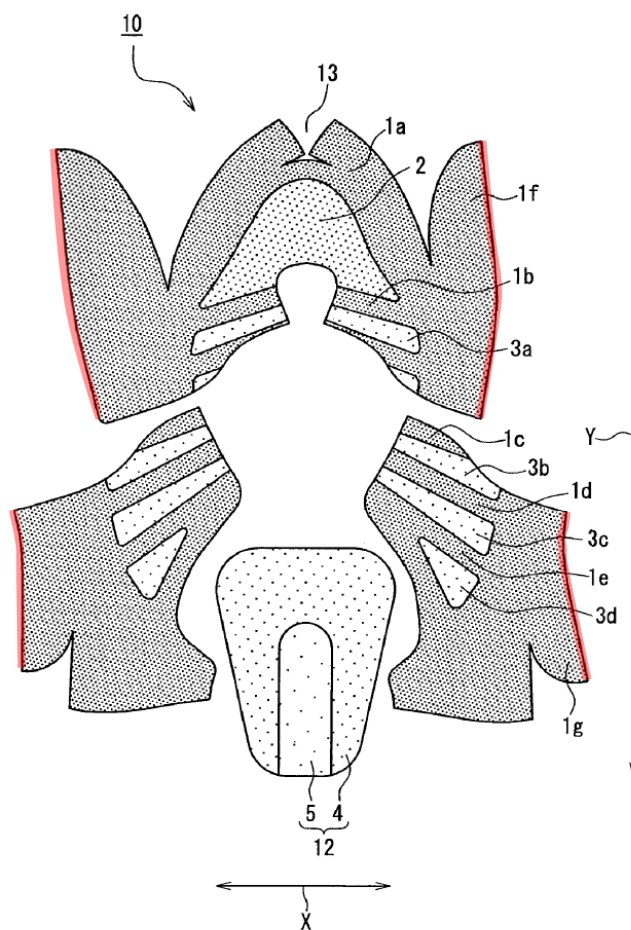


FIG. 1

EX1020, FIG. 1.

Additionally, Orei further discloses that the “non-mesh structure part (A) 1a to 1e are disposed in a part surrounding the tiptoe and **a part connecting to the shoe sole** and stripe-shaped parts on the side surface of the foot (both sides).” *Id.*, 4:18-21. Similarly, with respect to FIG. 5 below, Orei discloses securing edges of the knitted element in the claimed manner by disclosing “an anterior side 31c1 folded into a shoe sole,” as shown below in red. *Id.*, 6:14; EX1002, ¶172.

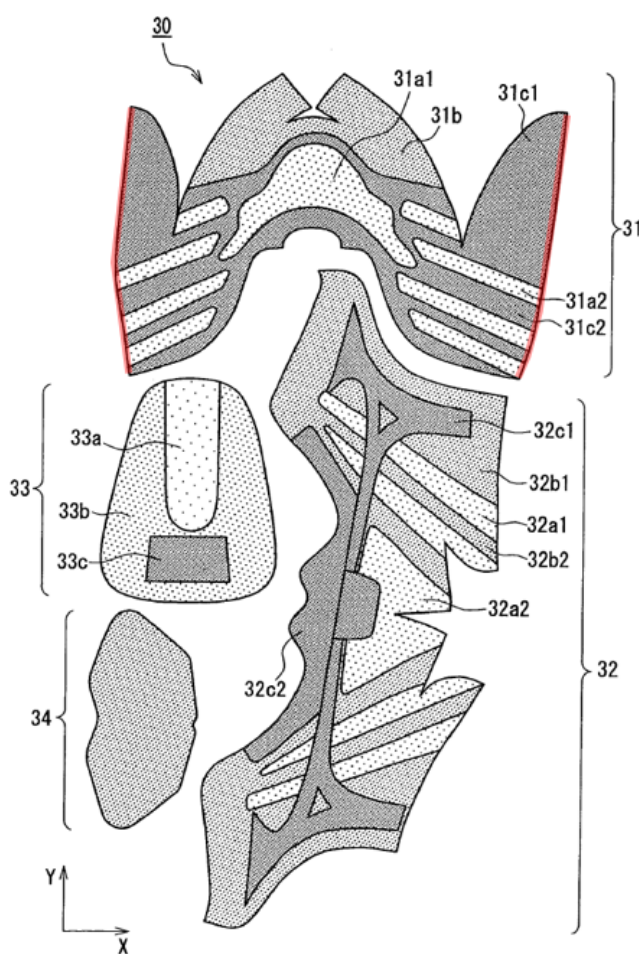


FIG. 5

EX1020, FIG. 5.

Thus, a POSITA would understand that Orei discloses edges of the knitted textile element highlighted above in red forming a seam along the lower region of the upper, and as a part of the upper that is secured to the sole. EX1002, ¶173.

As noted previously, Orei discloses that the shoe of FIG. 2 is formed using the pattern 10 of FIG. 1, where each of FIGs. 1 and 2 have been annotated below with the same coloring applied to common knitted shoe parts. *Id.*, ¶174.

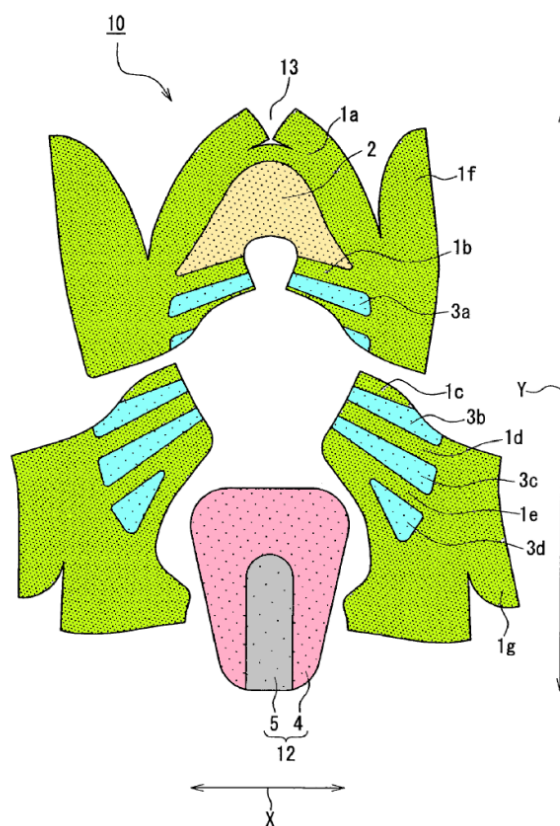
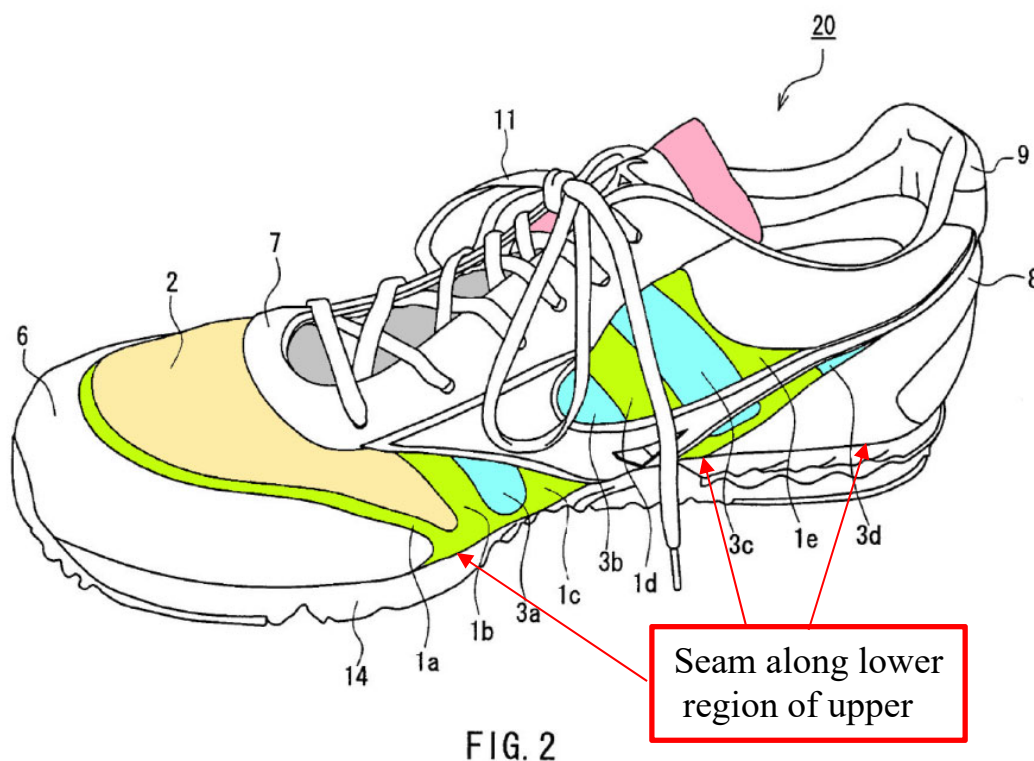


FIG. 1



At least parts 1a-1c of non-mesh structure part (A) above are expressly shown forming a seam that extends along a lower region of an upper where the upper is secured to the “shoe sole part 14.” And although parts 1d and 1e are partially obscured by the added leather part 8, they too would form a seam with and be secured to the shoe sole part 14. EX1002, ¶175; EX1003, ¶¶15-18. This satisfies the “securing edges” limitation of claim 12.

Moreover, a POSITA would further understand that the upper is secured to the sole, as shown in FIG. 2, or that it would have been obvious to do so, as it was very common to use adhesives and/or stitching along the base of the upper in order to secure the upper to the sole. EX1002, ¶¶176-177; EX1003, ¶17.

K. Claim 13

Claim 13 includes limitations similar to those found in other claims, including claims 1, 2, and 11. EX1002, ¶178. Orei discloses claim 13 for similar reasons, as described below.

Element 13[pre]:

Orei discloses the preamble of claim 13 for the same reasons as Element 1[pre]. EX1002, ¶179.

Element 13[a1]:

Element 13[a1] is substantially the same as Element 1[a1], except that it requires knitting more than one textile element, which is substantially the same as Claim 2. Thus, for the reasons described above for Elements 1[a1] and Claim 2, Orei satisfies Element 13[a1]. EX1002, ¶180.

Element 13[a2]:

Element 13[a2] is satisfied by Orei, which discloses multiple textile elements at least in the form of knitted shoe parts (A)-(D), as described above with respect to Element 1[a2] and Claim 2. EX1020, 4:52-64, 5:66-6:22; EX1002, ¶¶181-185. FIGs. 1 and 5 below are annotated to show various different textile elements located in

corresponding portions of the knitted textile structure (highlighted in brown). *Supra* Element 1[a2] and Claim 2; EX1002, ¶¶181-182.⁵

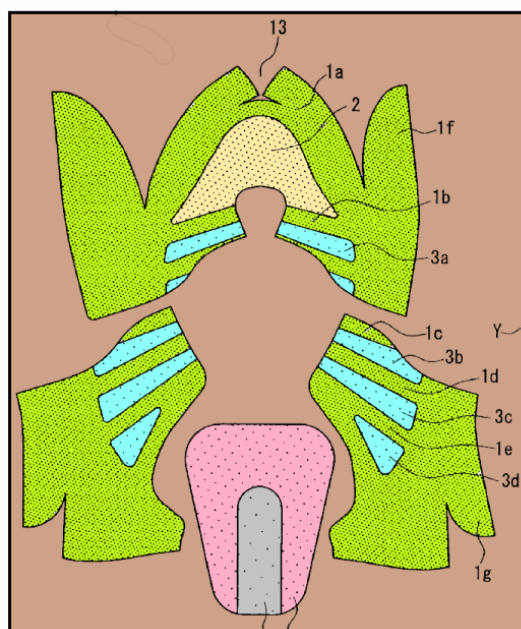


FIG. 1

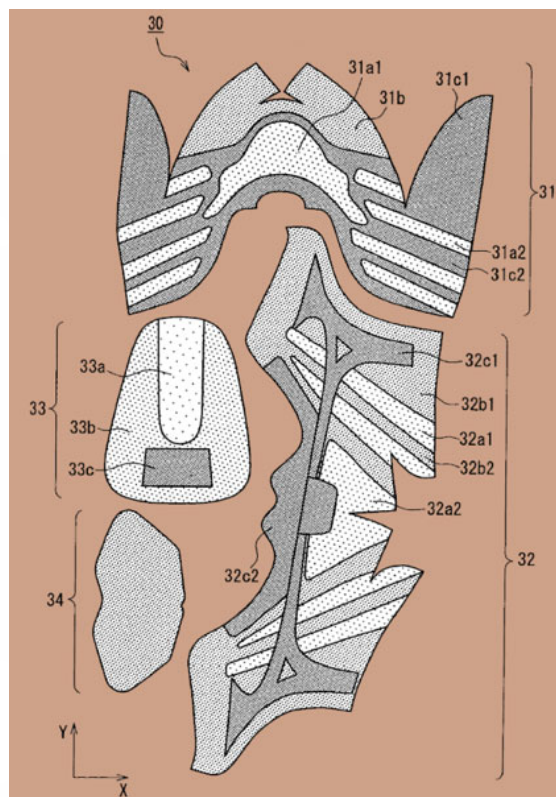


FIG. 5

⁵ It is unclear if the “knitted textile structure” of Element 13[a2] refers to the “surrounding textile structure” or to the overall textile structure. Nonetheless, Orei discloses both because its knitted shoe parts are disposed on one continuous fabric which includes simultaneously knitted shoe parts with surrounding material, *i.e.*, material between and around the individual knitted shoe parts. Elements 1[a1]-[a2]; EX1002, ¶184.

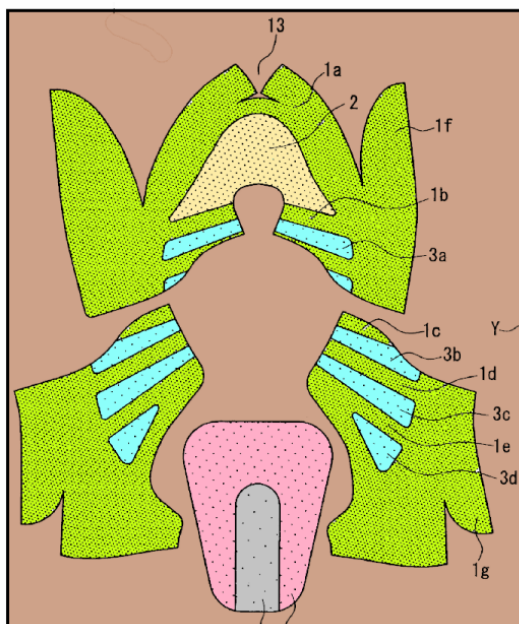
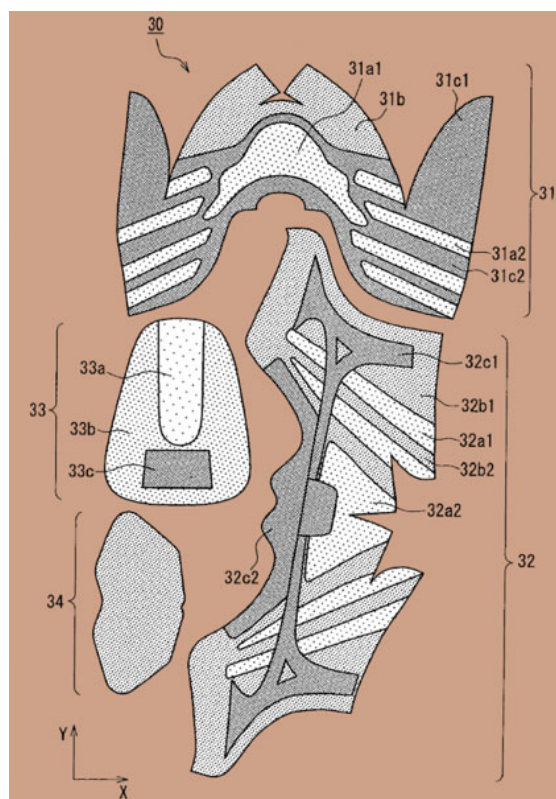
(both annotated to highlight surrounding textile taught by Orei)

Each of FIGs. 1 and 5 depict four distinct textile elements (any two of which are first and second textile elements) arranged in four corresponding portions (areas) of the textile structure (brown) (any two of which are first and second portions of the knitted textile structure). EX1002, ¶183.

Element 13[b]:

Element 13[b] is substantially similar to Element 1[a2] except that Element 13[b] (1) recites “first and second knitted textile elements,” which is substantially the same as Claim 2’s “plurality of textile elements,” and (2) requires the differing texture between the knitted textile element(s) and surrounding structure to be imparted by varying the types of stitches and/or types of yarns, which is substantially similar to Claim 8. EX1002, ¶186. Thus, Orei satisfies Element 13[b] for the reasons described above with respect to Element 1[a2] and Claims 2 and 8.

For example, Orei’s knitted shoe parts are knitted with varying types of stitching so as to provide different mesh densities for specific shoe parts. EX1020, 4:52-64, 5:66-6:22; EX1002, ¶187. The varying types of stitching are applied to the different shoe parts (A)-(D), as described above for Element 1[a1], which are arranged in different portions of the knitted textile structure, as shown below. EX1020, 4:16-46, 5:56-6:22; EX1002, ¶187.

**FIG. 1****FIG. 5**

(both annotated to highlight surrounding textile taught by Orei)

FIGs. 1 and 5 each depict four distinct textile elements (any two of which are first and second textile elements) arranged in four corresponding portions (areas) of the (surrounding) textile structure (brown) (any two of which are first and second portions of the knitted textile structure). The texture of the knitted textile structure extending between the first and second portions (brown) is different than the texture of the knitted textile elements. *Supra* Element 1[a2]; EX1002, ¶¶188-189.

Element 13[c]:

Element 13[c] is substantially the same as Element 1[b] except that it refers to the removal of more than one knitted textile element. However, as described above for Element 1[b], a POSITA would understand that *each* of Orei's knitted shoe parts are removed from the surrounding textile structure, as shown in FIGs. 1 and 5 above, in order to form the shoes shown in FIGs. 2 and 4, for example, because Orei's knitted shoe parts are formed on a single continuous knitted fabric. *Supra* Element 1[b]; EX1002, ¶¶190-191.

Element 13[d]:

Element 13[d] is substantially the same as Element 1[c], and is satisfied for the same reasons. *See supra* Element 1[c]; EX1002, ¶¶192-193.

L. Claims 14-18 and 20-21

Claims 14-18 and 20-21 are substantially similar to claims 3, 5-7, and 10-12, respectively, and are therefore anticipated or obvious for the same reasons. The analysis corresponding to each of claims 14-18 and 20-21 is identified in the table below.

Claim	Corresponding Analysis
14	Claim 3; EX1002, ¶¶148-149, 194.
15	Claim 5; EX1002, ¶¶150-155, 195.
16	Claim 6; EX1002, ¶¶156-160, 196.
18	Claim 12; EX1002, ¶¶171-177, 197.

20	Claim 10; EX1002, ¶¶164, 198.
21	Claim 11; EX1002, ¶¶165-170, 199.

VII. GROUND 1B: CLAIMS 7, 12, 17 AND 18 ARE OBVIOUS OVER OREI IN VIEW OF MCDONALD

A. Overview of the Prior Art

Orei was described above. *Supra* Section VI.A.

McDonald is directed to “[a] lightweight, strong, durable engineered textile for use in a shoe upper ...” EX1021, Abstract. Among other teachings, McDonald discloses a known approach for joining longitudinal sides of a shoe upper along a seam extending the length of the base of the upper so as to define a void for receiving the foot. *See id.*, 9:21-28; EX1002, ¶¶104-105.

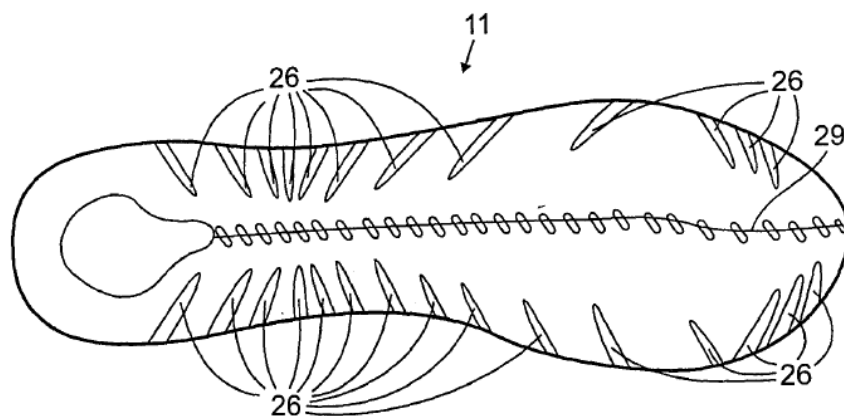
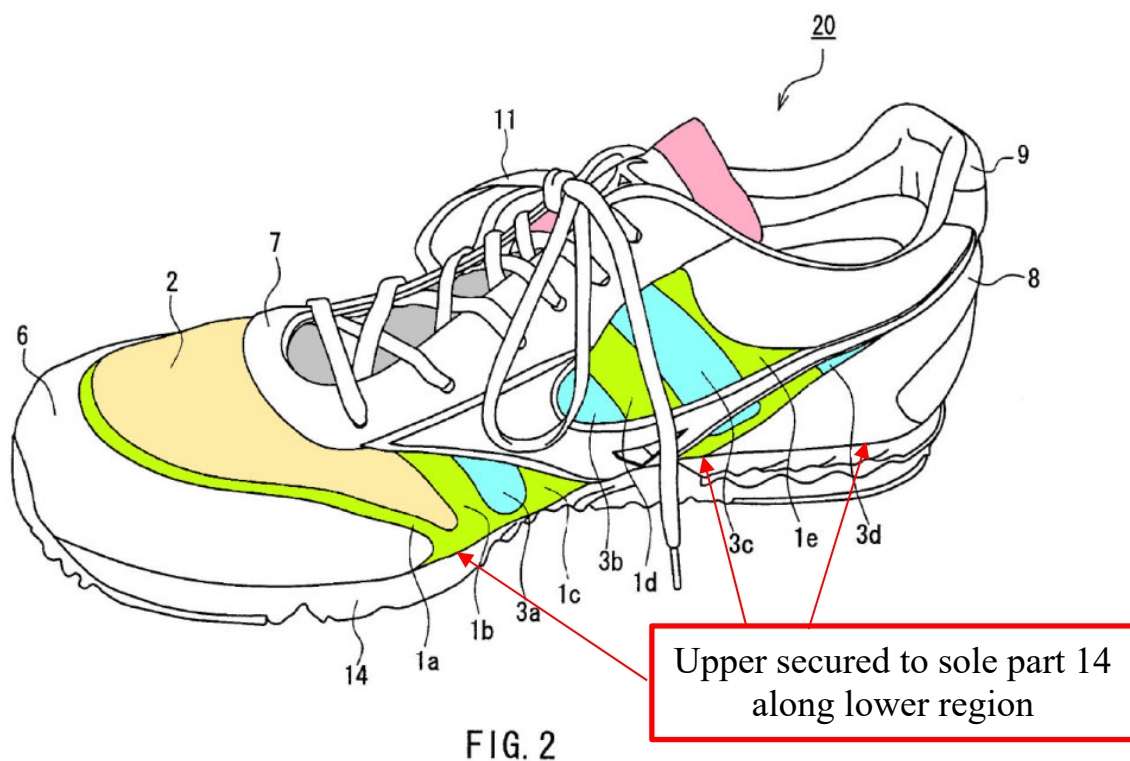


FIG. 3B

B. McDonald Discloses Claims 7, 12, 17, and 18

Claims 7 and 17 recite that the longitudinal edges of claims 6 and 16, respectively, are joined together to define at least a portion of a void for the foot, while claims 12 and 18 relatedly recite securing edges (which can be the same “longitudinal edges”) of the knitted textile element to form a seam that extends along a lower region of an upper. EX1002, ¶¶200-201.

As described above for Claim 12, Orei discloses that the longitudinal edges of the knitted textile element are secured to the “shoe sole part 14.” *Id.*, ¶202.



It was known at the time in the field of footwear manufacturing that the longitudinal sides of a shoe upper could be joined together so as to define a

space/void for receiving a foot. *Id.*, ¶203. For example, McDonald discloses the same longitudinal seam extending the full length of the bottom of the upper that the '749 patent discloses in FIG. 5. EX1021 (McDonald), 9:21-28. Specifically, McDonald discloses a seam 29 shown below:

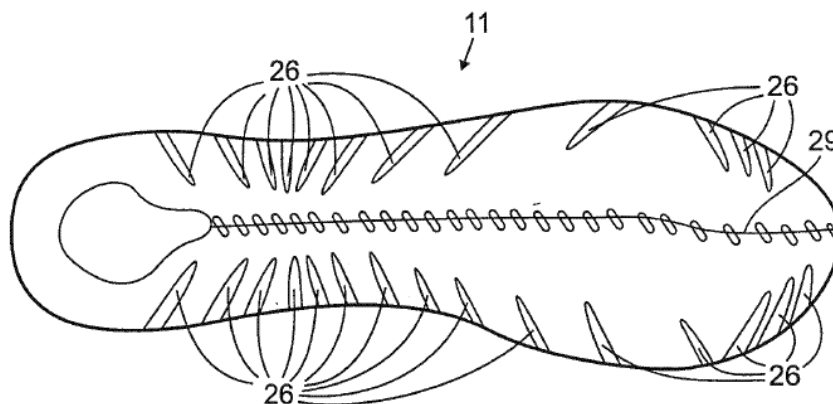


FIG. 3B

Because Orei does not explicitly explain how to secure its upper to the shoe sole, a POSITA in possession of Orei would have been motivated to consult related prior art for known ways of doing so. EX1002, ¶204. McDonald represents such knowledge in the art and is related to Orei at least by virtue of the fact that both references are directed to providing lightweight yet durable uppers for athletic shoes. EX1021, Abstract, 2:9-12, 1:7-2:11, 11:24-25 (FIGs. 4A-4B); EX1020, 1:25-37, 2:10-11 (FIG. 2); EX1002, ¶204. Thus, a POSITA would have been motivated to learn from McDonald and to incorporate its approach of joining the longitudinal sides when assembling Orei's upper, particularly given that Orei already discloses that such sides are to be folded into the shoe sole. EX1020, 4:24-25, 6:14; EX1002,

¶205. Furthermore, a POSITA would have recognized that joining the longitudinal sides so as to form a seam along the bottom of upper was a common way to construct an upper. EX1003, ¶16. A POSITA would have had a reasonable expectation of success. EX1002, ¶¶206-207.

VIII. GROUND 1C: CLAIMS 9 AND 19 ARE OBVIOUS OVER OREI

Claims 9 and 19 recite performing the claimed method on a “wide-tube circular knitting machine.” The ’749 patent inventors did not invent these knitting machines; they were well known in the industry. EX1002, ¶208. The ’749 patent admits that wide-tube circular knitting machines suitable for use with the claimed methods were known and identifies one such usable commercially available machine—the Santoni SM8 TOP1. EX1001, 7:9-37.

Orei renders obvious claims 9 and 19 in view of a POSITA’s general knowledge. While Orei discloses using a jacquard double needle bar raschel knitting machine, it would have been obvious to alternatively use a wide-tube circular knitting machine because both machines were generally known knitting machine types for producing knitted structures like those described in Orei, and a POSITA would have been motivated to select either machine. EX1002, ¶209. Spencer (EX1050), a widely-used reference book about knitting, dedicates sections to these two machines. *See e.g.*, EX1050, 87-89 (describing circular machines), 357-369 (describing double needle bar raschel knitting machines).

A POSITA would have been motivated to look to circular knitting and raschel knitting as two of a finite number of options for producing Orei's upper. EX1002, ¶209. Moreover, a POSITA would have reasonably expected success in implementing Orei's knitting with the well-known wide-tube circular knitting machines. *Id.*

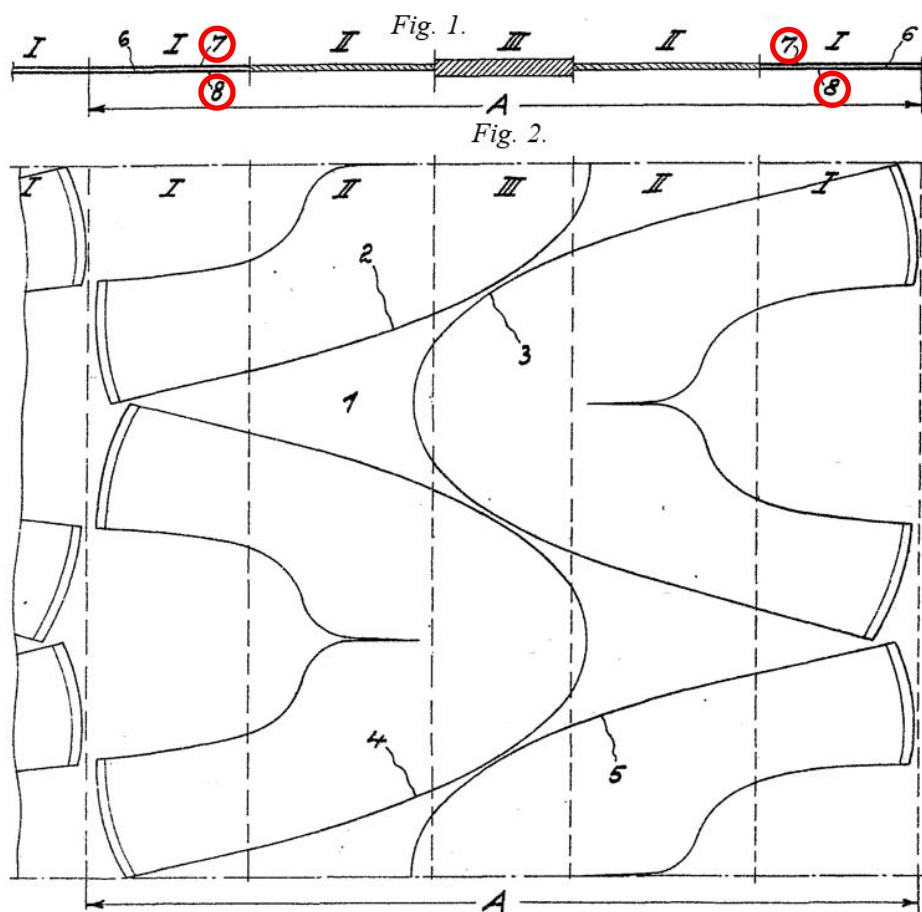
IX. GROUND 2A: CLAIMS 1-8, 11-18, AND 21 ARE ANTICIPATED BY NISHIDA

A. Overview of the Prior Art

Nishida "relates to a process for the production of a shoe shaped part using a web of material with a plurality of patterns in the form of the layout of a shoe upper, cutting out these layouts from the web of material and stitching the parts of the shoe upper" to form a shoe, where "[a] process according to this general type is known from [Guenther (described below)]". EX1022 (Nishida), 1:10-37; EX1002, ¶¶106-107. Guenther describes a fabric web 1 which is formed in contiguous fabric strips by forming the fabric web in several layers at specific points. EX1023 (Guenther), 1:24-34.⁶ "The *fabric web 1 is a continuous fabric*, but consists of differently bonded and equipped strips I, II, and III." *Id.*, 2:33-35. As shown in FIGs. 1-3, "[t]hese strips are conveniently arranged in such a way that a *continuous shoe upper part* can be cut from them, i.e., *consisting of one piece*, in which the strips I, II, and

⁶ The citation format for Guenther is page number followed by line numbers.

III then lie at the points where, according to their various designs, the desired properties can appear on the finished shoe.” *Id.*, 2:35-42.



Id., FIGs. 1-2; EX1002, ¶¶115-116. As shown above, “upper and lower fabric layers 7 and 8” extend across the entire fabric web 1, where “layer 7 represents the perfectly even and smooth surface of the fabric 1 or the finished shoe.” EX1023, 2:49-54, 2:83-85; EX1002, ¶117.

Nishida indicates that its “primary object” is to “further develop this previously known process” in several ways, including (1) having the shoe upper be

configured together with the sole, (2) producing the shoe upper with markings and decorations, and (3) producing the shoe upper in an efficient and economical way. EX1022 (Nishida), 1:40-47; EX1002, ¶108.

Nishida achieves the above improvements by disclosing a method for making a shoe upper from a knitted material sheet, referred to as “web of material 1,” which can be knitted and can be provided with one or more layouts 2 in the shape of a shoe upper 3. EX1002, ¶109. Specifically, a web of material 1 is constructed to have multiple parts, including parts that are incorporated into a shoe (layouts 2 and tongue 40 (white)), and a surrounding textile material which is not incorporated into the shoe (referred to as “unfinished surface areas 1.1” (purple)):

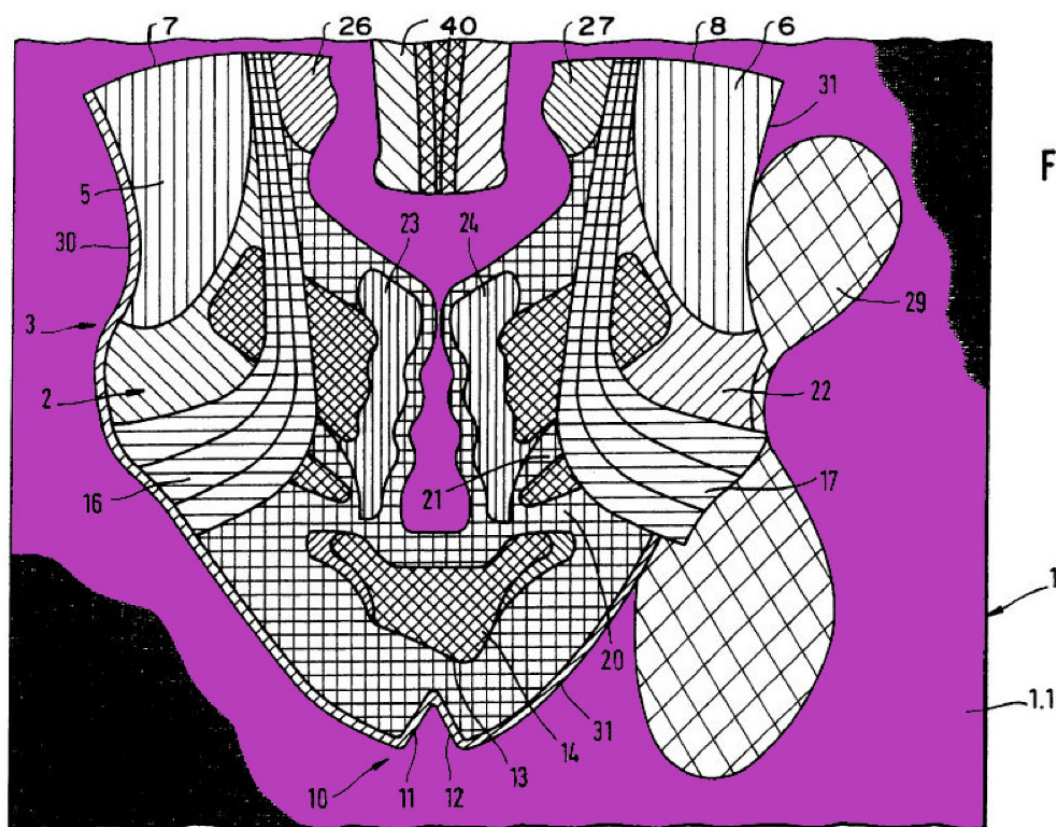


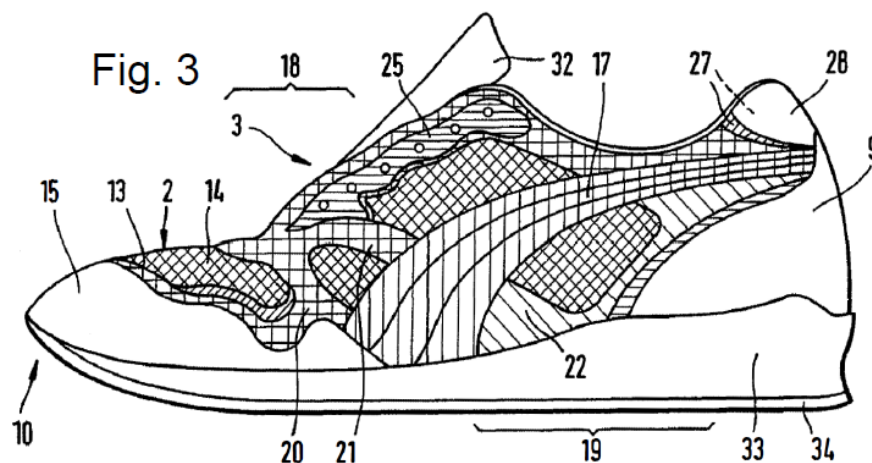
Fig. 1

EX1022, FIG. 1, 3:6-12, 3:15-26, 4:61-63, 5:45-55; EX1002, ¶110.

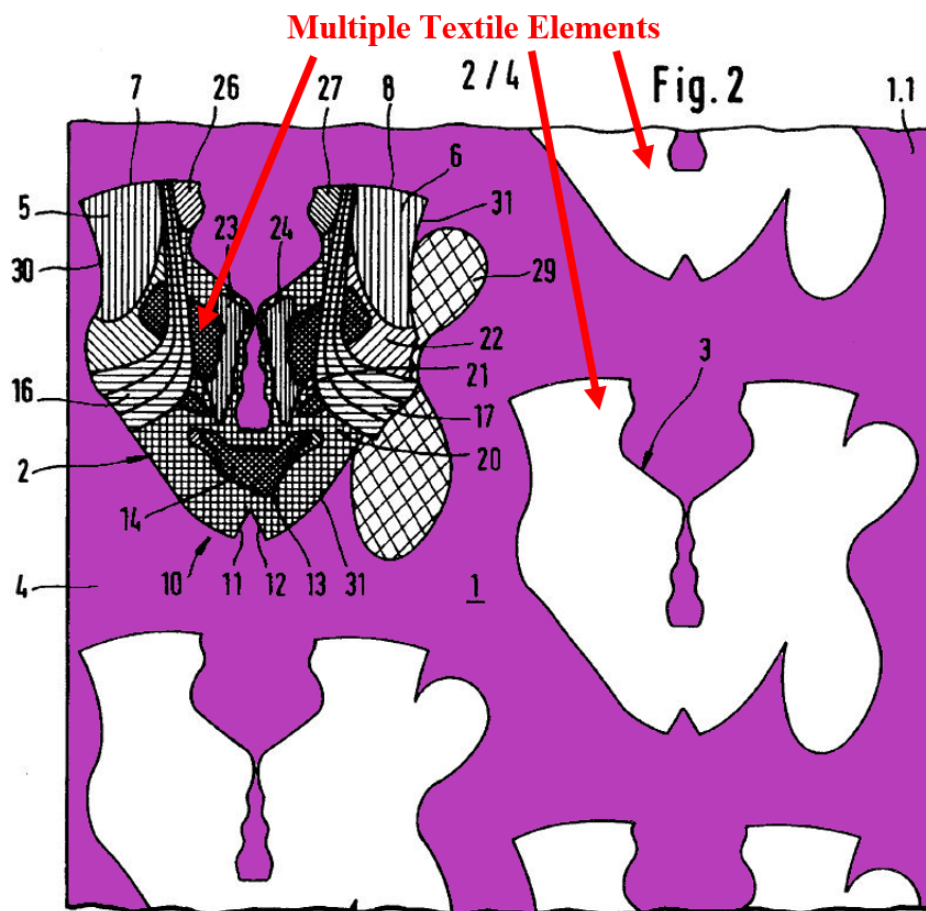
Nishida also discloses that “only just those parts of the web of material are produced in the necessary quality, thickness, multilayers or the like which correspond to the pattern or to an area of a pattern of the shoe upper or the related sole part,” where the “remaining area of the web of material in contrast can consist of a simple, lightweight or inexpensive material quality, which holds together only the patterns or areas of such patterns in the web of material after their completion.” EX1022, 2:11-21; EX1002, ¶111.

Nishida’s “web of material (1) is used to produce layouts (2) by different production measures, such as different styles, yarn material, color, material thickness, single layer or multilayer type of material or the like, at the same time with the production of web of material (1)” EX1022, Abstract; EX1002, ¶112.

Further, “[a]fter cutting out layout 2 from the web of material 1,” the edges are stitched together and other parts, such as a heel counter, are glued and/or stitched to the upper, to form the shoe shown in FIG. 3, for example.



EX1022, FIG. 3.

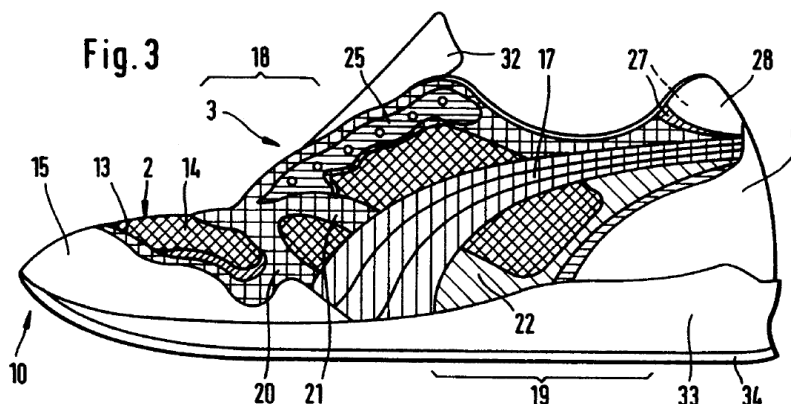


Id., FIG. 2; FIG. 4; EX1002, ¶113.

B. Claim 1**Element 1[pre]:**

Nishida discloses a method of manufacturing an article of footwear. EX1002, ¶¶210-212. The Board in the *adidas IPR* agreed, finding that “Nishida teaches processes for manufacturing footwear and that the webs of material depicted in its Figures 1 and 2 are ‘produced by a *conventional* textile process, [for] example, by weaving *and/or knitting* and/or embroidering.’” EX1019, 28 (citing to Nishida at 3:6-9) (original emphasis included)).

Moreover, Nishida discloses “further develop[ing a] previously known process so that a shoe upper, in many cases, can be configured together with the related sole part, ... and so that, in this case, the production of such a shoe upper is nevertheless possible in an efficient and economical way.” EX1022, 1:40-47; 3:52-55. Nishida discloses “production of web of material 1” and “cutting out of layout(s) 2” in the “production of shoe upper 3,” which “is then brought into a gluing, injection or casting mold, in which a midsole 33 and an outsole 34 are molded by known measures, as is represented in FIG. 3.” *Id.*, 4:6-46; EX1002, ¶210.



Further, the process of claim 1 of Nishida forms an article of footwear.
EX1022, Claim 1; EX1002, ¶211.

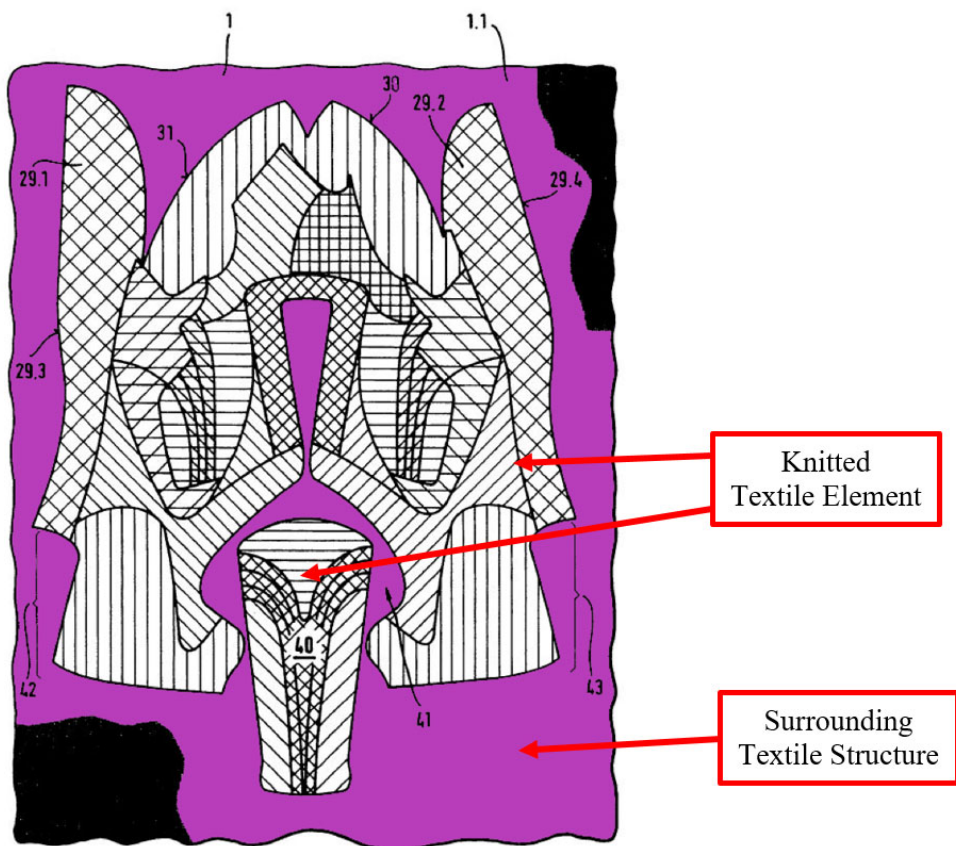
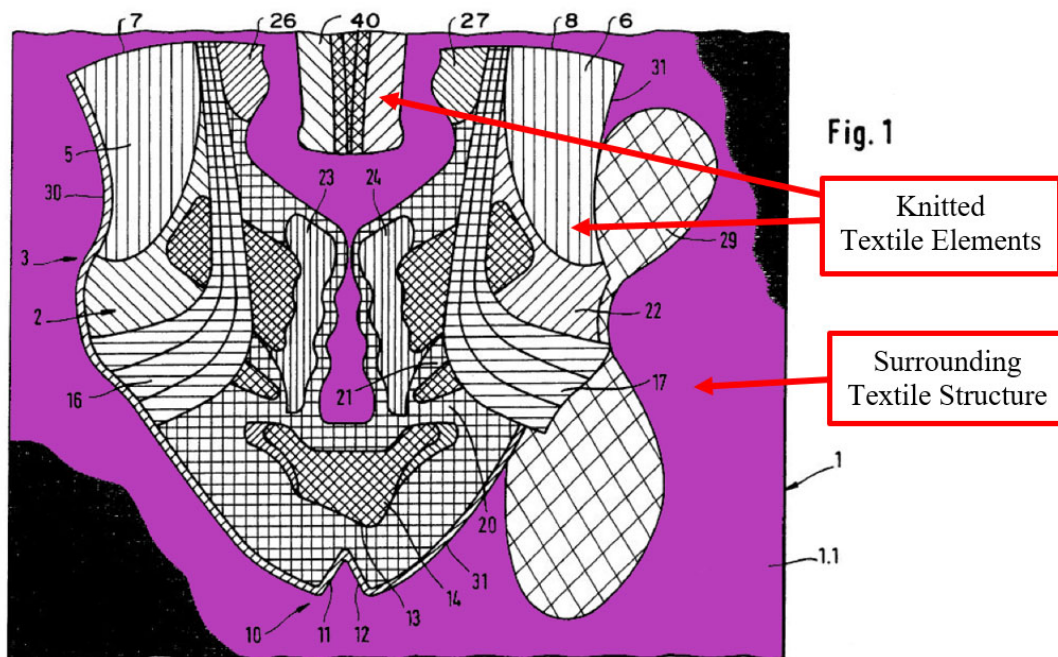
Element 1[a1]:

Nishida discloses simultaneously knitting a textile element (*e.g.*, layout(s) 2, tongue 40) with a surrounding textile structure (*e.g.*, unfinished surface area 1.1), consistent with the Board’s findings in the *adidas IPR*. EX1019, 29-30 (finding Nishida’s FIG. 2 “depicts textile elements, such as layouts 2, with a surrounding textile structure, such as web of material 1.”). In describing FIGs. 1-2, Nishida discloses a web of material 1 which can be produced “by a conventional textile process,” such as by “knitting.” EX1022, 3:6-9; *see also id.* at 1:48-56, 1:60-68, 2:40-47, 3:66-4:1, 5:63-6:2. Nishida specifically discloses the use of warp knitting, just as the ’749 patent describes. *Id.*, 3:13-15, 5:50-52; EX1001, Abstract; EX1002, ¶213.

Nishida describes how “any number of layouts 2 in the most varied configurations and/or designs as well as of different sizes can be *produced on a*

single web of material 1” with the “use of program-controlled, particularly computer-controlled, production devices ... so that style, color, design, size or the like can be varied at will.” EX1022, 4:12-18, 2:40-41, 4:53-54, 5:64-65. Nishida also discloses that the “tongues 40 are produced simultaneously with a layout 2 on same web of material 1.” *Id.*, 5:34-36; EX1002, ¶214.

With reference to FIGs. 1-2, Nishida explains that parts of the web 1 that correspond to the shoe parts are layouts 2 or tongue 40, while the remaining area of material corresponds to unfinished surface area 1.1. A POSITA would understand that the layouts 2 and tongue 40 (white below) are knitted textile elements and the unfinished surface area 1.1 (purple below) is surrounding textile structure, within the meaning of the '749 patent, including because Nishida states that the knitted textile elements can be produced “by a textile production process *inside* the web of material.” EX1022, 1:50-56; EX1002, ¶215.



EX1022, FIGs. 1 & 4; Abstract (“[A] web of material (1) is used to produce layouts (2) by different production measures ... *at the same time* with the production of web of material (1)”).

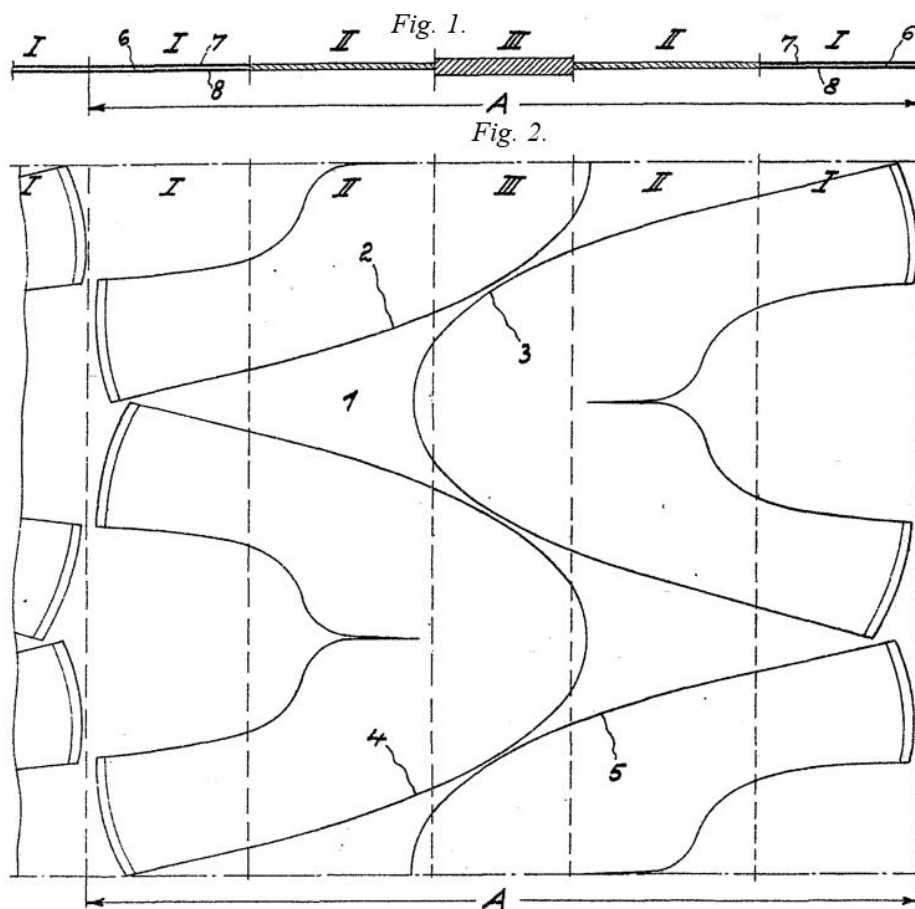
Nishida expressly discloses that the unfinished surface area 1.1 is part of the web 1 itself. *E.g., id.*, 5:45-49 (“[T]he web of material 1 is produced so that *its* surface areas 1.1 ... consist of a lightweight material quality that is as simple and economical as possible.”). Nishida further describes how the computer-controlled process can be advantageously used so that multiple fibers or yarns “*can be put in, especially woven in, the web of material in one operation.*” *Id.*, 4:47-55, 2:12-20. Thus, Nishida discloses simultaneously knitting its layouts 2 and tongue 40 (each a “textile element”) with the unfinished surface area 1.1 (a “surrounding textile structure”). EX1002, ¶216.

Nishida mentions that “[t]he web of material has a backing 4 that can be a conventionally used material formed, for example, of a warp and filling or a knitted fabric.” EX1022, 3:13-15. As Dr. Adanur explains, a POSITA would understand that the backing 4 refers to a base of the web of material 1 formed during the same “conventional textile process” used to produce the web of material 1 with layouts 2, as Nishida explains. EX1002, ¶217; EX1022, Abstract, 3:6-9.

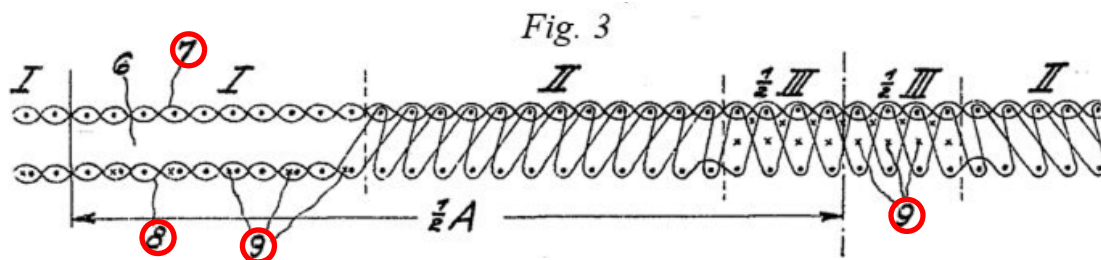
Guenther further informs what a POSITA would understand from Nishida’s disclosure; specifically, what a POSITA would understand about how Nishida’s web

of material 1 and base (backing 4) are constructed because Nishida states that it is based on, and seeks to improve upon, Guenther's general process. EX1022, 1:10-47; EX1002, ¶218.

As described in detail above (*supra* Section IX.A), Guenther discloses a "fabric web 1 is a continuous fabric" comprised of strips which are arranged so that "a *continuous shoe upper part* can be cut from them, *i.e., consisting of one piece*" EX1023 (Guenther), 2:33-42. Moreover, with respect to FIGs. 1-2 below, Guenther describes a structure in which a multi-layer "fabric strip I merges into strip II, which in the embodiment example shown is intended to form the blade and the side parts of the shoe. Accordingly, the fabric of strip II is elastic and multi-layered. The fabric strip II merges into the fabric strip III, which in this case is designed to form the front cap." *Id.*, 2:55-62.



Id., FIGs. 1-2; EX1002, ¶219. As noted above, in Guenther “*fabric web 1 is a continuous fabric*” (*id.*, 2:33-42), in which “upper and lower fabric layers 7 and 8” are base layers extending across the entire continuous fabric web 1. EX1023, 2:49-54, 2:83-85. And with reference to FIG. 3 below, Guenther further explains that “stiffening material can be inserted or woven into the cavity 6 between the upper and lower fabric layers 7 and 8,” where the stiffening material is “stiffening threads 9 [that] are inserted into the fabric” to impart differing properties to the various strips. *Id.*, 1:46-50, 2:49-54, 2:85-96.



Id., FIG. 3 (described as showing “the individual contiguous and interwoven fabric strips.” *Id.*, 2:28-31); EX1002, ¶220. Finally, Guenther discloses that the “individual fabric layers of a multi-layer fabric can be joined in any way: however, as can be seen in Fig. 3 [above], this is usually done during the weaving process itself.” EX1023, 2:78-82; EX1002, ¶221.

As such, not only is Guenther’s description of a continuous “fabric web 1” similar to Nishida’s “web of material 1,” but Guenther’s use of stiffening threads to change properties of different shoe parts is also substantially similar to Nishida’s use of “different fibers or yarns” to impart different properties to the different shoe parts of layout 2, as described below under Element 1[a2]. Given these similarities, and the fact that Nishida seeks to “further develop” Guenther’s process in specifically-identified ways (EX1022, 1:40-47), a POSITA would understand that Nishida’s backing 4 is a base for the web of material 1 similar to Guenther’s base layers, which is joined to other layers/threads during the knitting process, as Guenther discloses doing for its base layers. EX1023 (Guenther), FIG. 3, 2:28-31, 2:78-82; EX1002, ¶222.

This understanding is consistent with the Board's finding in the *adidas IPR* that "Nishida's Figure 2 ... depicts textile elements, such as layouts 2, with a surrounding textile structure, such as web of material 1," and that therefore "Nishida teaches 'simultaneously knitting a textile element with a surrounding textile structure' and 'the first knitted textile element located within a first portion of the knitted textile structure,' as recited in independent claims 1 and 13, respectively." EX1019, 30-31.

Therefore, Nishida satisfies Element 1[a1].

Element 1[a2]:

The Board in the *adidas IPR* also found that Nishida discloses Element 1[a2], citing Nishida's disclosure at column 2, lines 11-20 that "only just those parts of the web of material are produced in the necessary quality, thickness, multilayers or the like which correspond to the pattern or to an area of a pattern of the shoe upper or the related shoe part," where "[t]he remaining area of the web of material in contrast can consist of a simple, lightweight or inexpensive material quality" EX1019, 30-31 (citing to Nishida's quotation in the petition).

Moreover, Nishida discloses that its textile elements (*e.g.*, layout(s) 2, tongue 40) have differing knitted textures, which a POSITA would understand correspond to differing surface appearance and feel. *Supra* Section V. For example, Nishida discloses that its knitted textile elements may be produced "by different production

measures, such as different styles, yarn material, color, material thickness” EX1022, Abstract; *id.*, 2:11-15; EX1002, ¶224. Nishida’s knitted textile elements may be “divided into different individual parts or areas, which differ from one another ... by being of different fibers or yarns, for example, from wool, wool with metal yarns, silk, silk with metal yarns, wool with plastic fibers or the like ..., and/or by being differently designed fiber extrudates or fiber extrudate compositions, such as twisted, processed parallel or the like.” EX1022, 3:15-26. Moreover, Nishida discloses that a tongue 40, another textile element, is produced on the same web of material as the layouts 2 (*id.*, 5:35-36), having “different weave structures and/or weave patterns and/or embroideries.” *Id.*, 5:27-35, 4:47-55. The differing textures are also reflected in the varying patterning in each of FIGs. 1-5, which a POSITA would understand as further disclosing the use of differing textures (*i.e.*, surface appearances and feel) resulting from the different fibers, yarns, stitch structures and patterning used by Nishida. EX1002, ¶225.

On the other hand, Nishida’s surrounding textile structure (surface area 1.1) “consist[s] of a lightweight material quality that is as simple and economical as possible. For example, the surface area 1.1 can be produced like a gauze or with low to very low warp and/or filling gauge and/or, for example, by being thin-spun or the like.” EX1022, 5:45-52; *id.*, 4:61-63. The differing yarns, material thickness, and/or other properties of Nishida’s knitted textile element relative to Nishida’s

surrounding textile structure result in at least one texture in the knitted textile element differing from a texture in the surrounding textile structure. EX1002, ¶226.

Nishida's use of different types of yarns and stitching would impart different textures (i.e., different surface appearances and feel), consistent with the '749 patent which similarly describes that using different types of yarns and stitch configurations imparts differing textures. *Id.*, ¶227. For example, the '749 patent discloses that "yarn may be formed from cotton, wool, elastane, rayon, nylon, and polyester," and that "[e]ach of these yarn types may impart differing properties to the areas corresponding with textures." EX1001, 9:61-65, 3:33-37. The '749 patent also provides that different areas may be formed of different stitch configurations "to impart varying textures to a surface of the textile element." *Id.*, 3:33-37. Thus, when Nishida describes using different yarns and types of stitching for different areas of layout 2, doing so would result in there being a plurality of different textures, consistent with the '749 patent, thereby satisfying claim 8. EX1002, ¶¶227-228.

Element 1[b]:

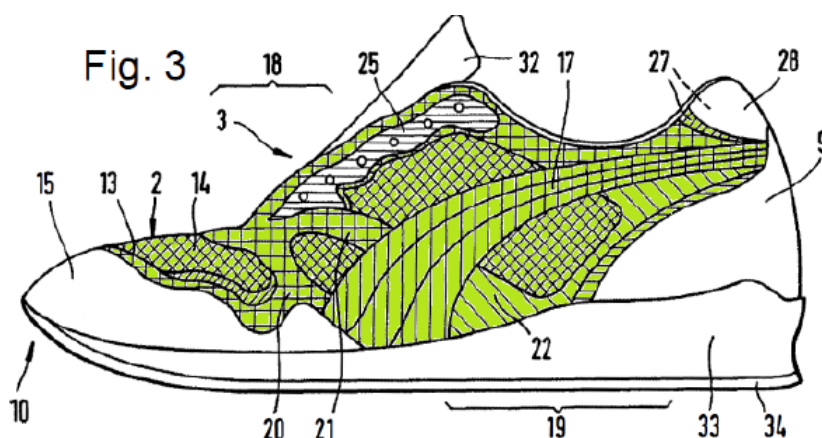
Nishida discloses that the knitted textile elements are cut out of material web 1. EX1022 (Nishida), Abstract, ("... cutting out of the shoe upper in the form of a layout from a web of material ..."), 1:10-18, 3:31-36 ("After cutting out layout 2 from the web of material 1 ..."), 4:31-38, 6:32-35 (Claim 1); *see also* EX1017 (1st FWD), 27 (citing to Nishida at 1:10-18 for this limitation); EX1019, 31 (same). A

POSITA would also understand the tongue 40 would also be removed from the surrounding web. EX1002, ¶229.

Thus, Nishida discloses removing (cutting) the knitted textile elements (layouts 2, tongue 40) from the surrounding textile structure (surface areas 1.1). *Id.*, ¶¶230-231.

Element 1[c]:

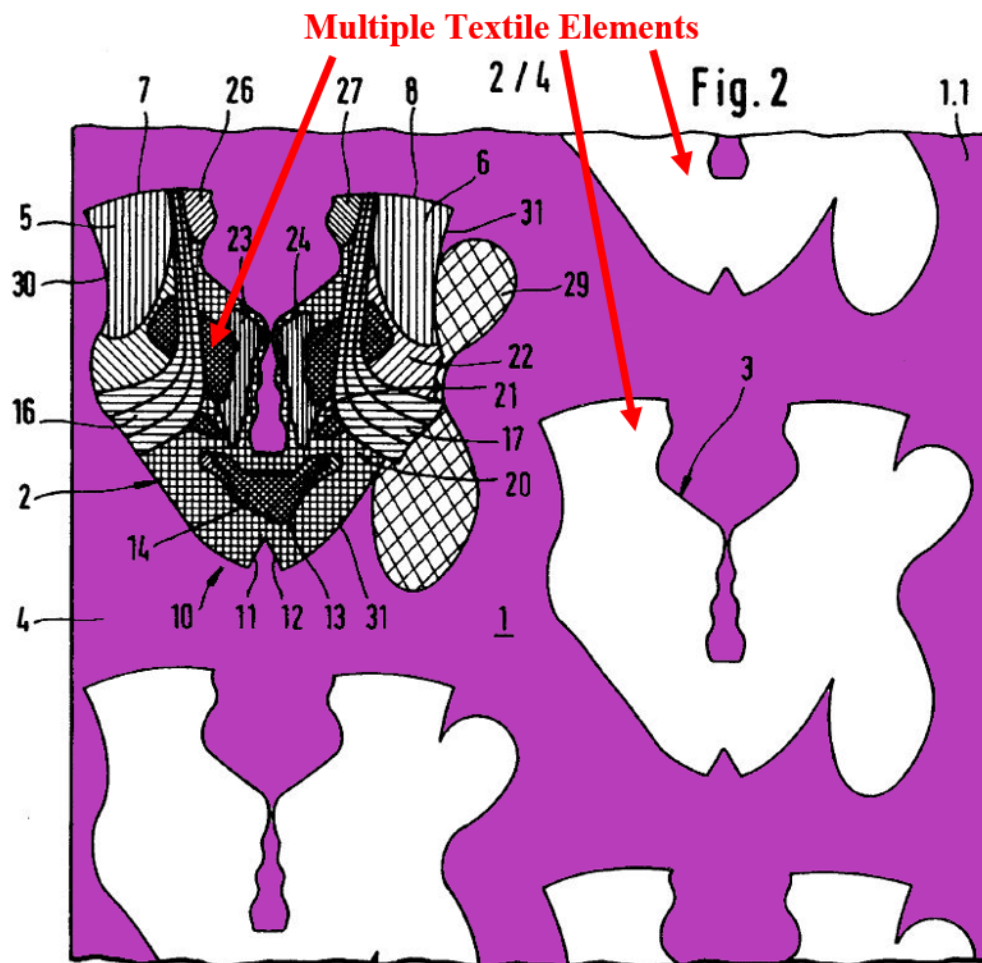
The Board in the *adidas IPR* found that Nishida discloses this limitation. EX1019, 31. For example, Nishida discloses that the web of material 1 (knitted textile element) “can be provided with a single or with a plurality of layouts 2 of the shape of a shoe upper 3, as it is represented from the side, for example, in FIG. 3.” EX1022, 3:9-12.



Id., FIG. 3 (example article of footwear incorporating the knitted textile element (green)); EX1002, ¶232. The embodiment with tongue 40 would likewise be incorporated into footwear. EX1002, ¶¶233-234.

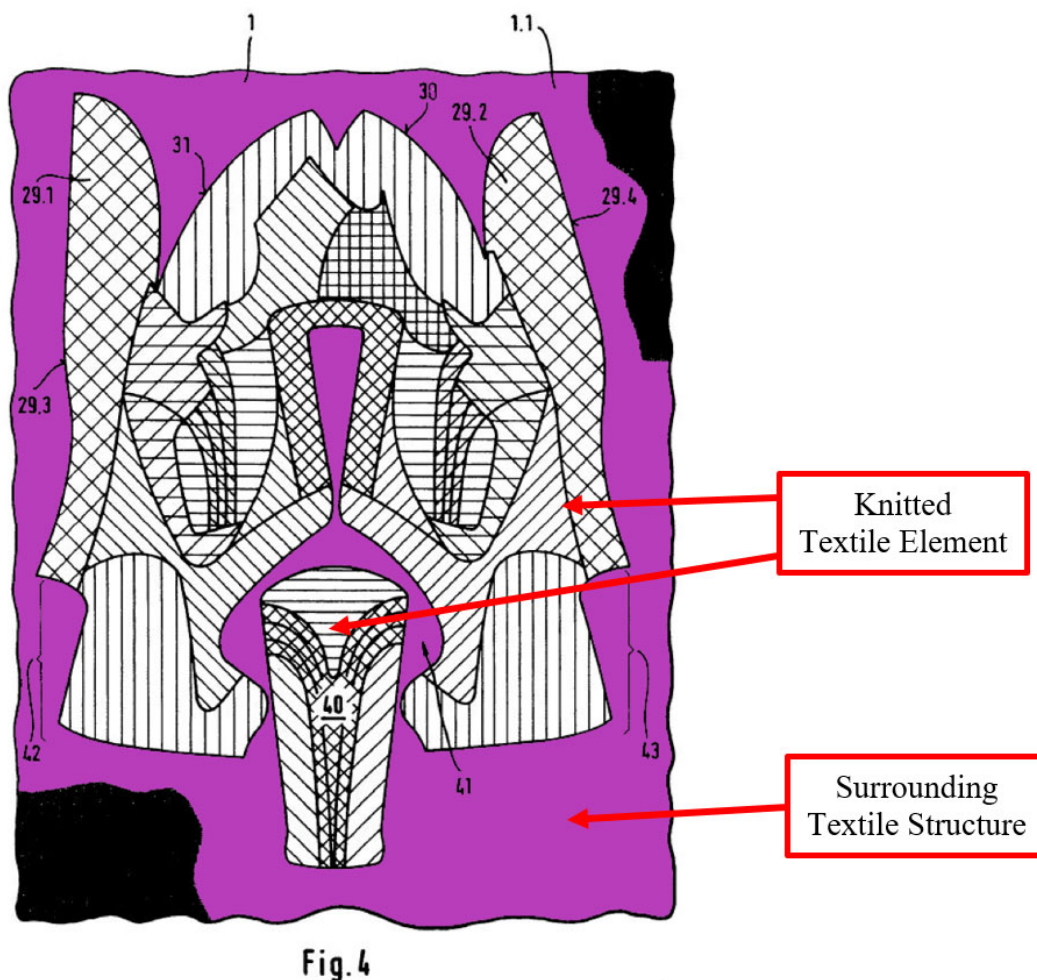
C. Claim 2

Nishida discloses knitting during a single knitting process “a web of material with a *plurality* of layouts for different shoe uppers,” as shown in Figure 2. EX1022, 2:59-60; *supra* Element 1[a1]; EX1002, ¶235.



EX1022, FIG. 2; *id.*, 3:8-11 (“The web of material 1 can be provided with a single or with a *plurality* of layouts 2 of the shape of a shoe upper 3”), 4:12-15 (“any number of layouts 2 in the most varied configurations and/or designs as well as of different sizes can be produced on a single web of material 1.”). Tongue 40, another

knitted textile element, is also formed during the knitting process. EX1002, ¶¶236-237.



EX1022, FIG. 4; *id.*, 5:27-44.

D. Claims 3-4

The '749 patent discloses that “the types of stitches vary throughout textile structure 60 so that a pattern is formed with the outline of textile element 40.” EX1001, 7:40-43. FIG. 9 below shows that “the outline of textile element 40 is

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

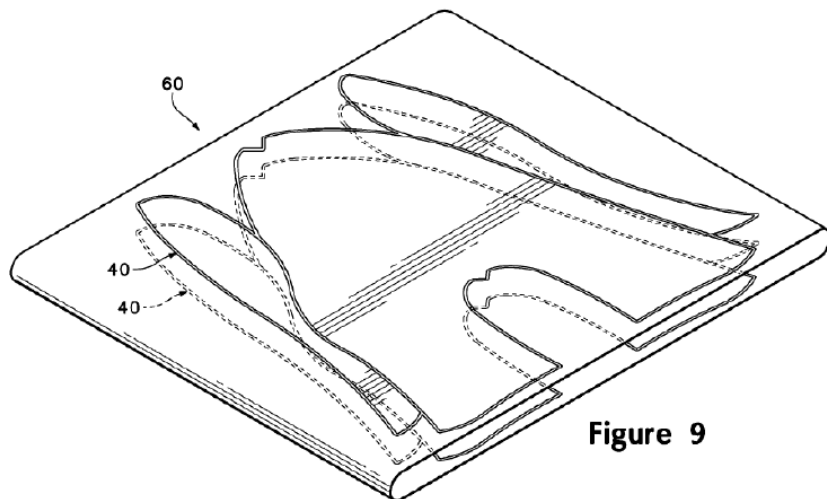


Figure 9

Id., 7:55-58, Fig. 9; EX1002, ¶238.

Nishida provides that the simultaneously knitting process includes knitting an outline (red) of the knitted textile element:

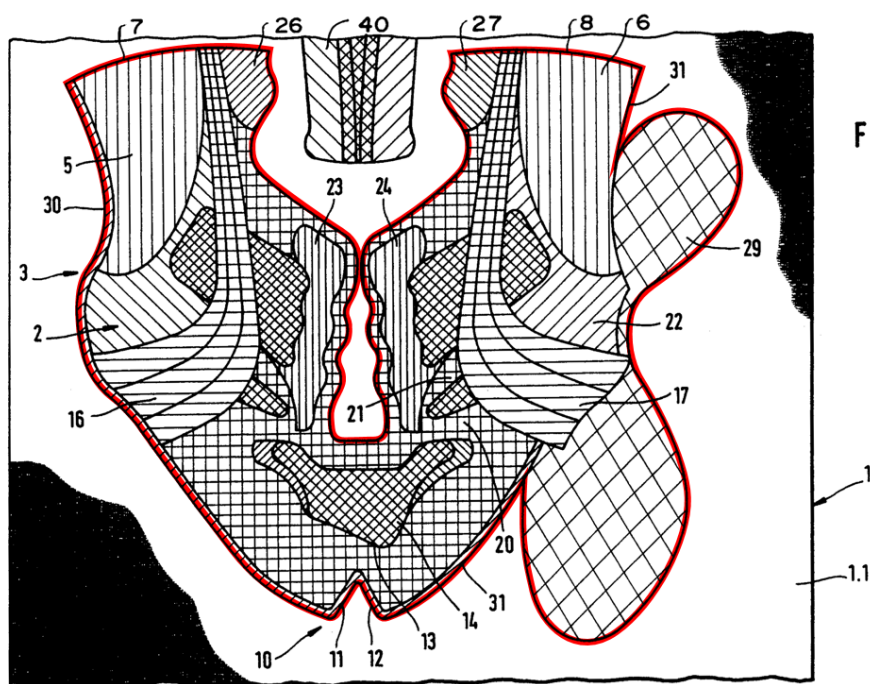


Fig. 1

EX1022, FIG. 1; EX1002, ¶239. As can be seen, the edges of Nishida's knitted textile element form the outline. EX1002, ¶240; EX1022, 3:9-26. Nishida also provides that, as compared to Nishida's knitted textile elements, its surrounding textile structure "consist[s] of a lightweight material quality . . . like a gauze," which would create such an outline. EX1022, 5:45-52; EX1002, ¶¶240-241.

E. Claim 5

Nishida's layouts 2 and tongue 40 (knitted textile elements) have a planar configuration when removed from the surrounding knitted textile structure. EX1002, ¶242. Nishida's knitted textile elements (white) have a substantially planar configuration within the surrounding textile structure (purple):

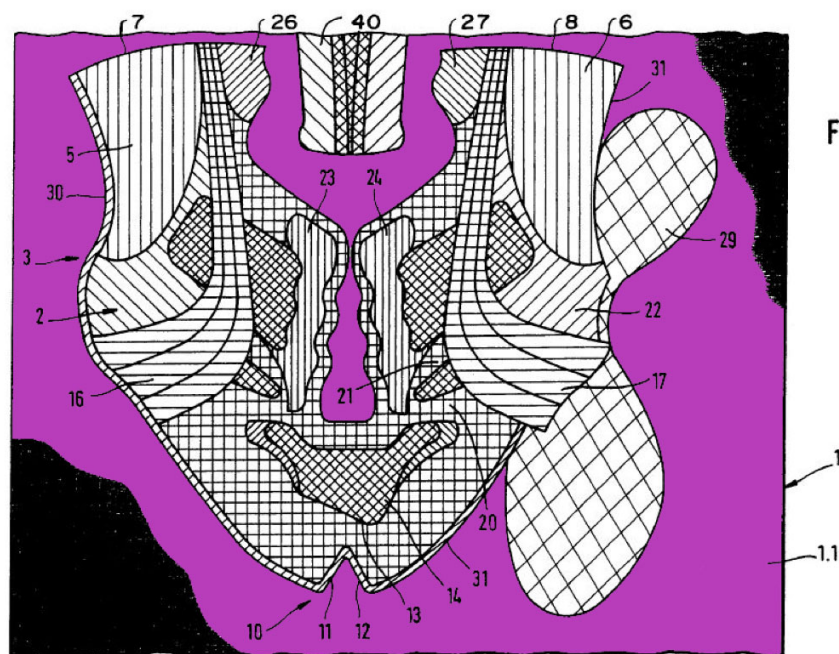
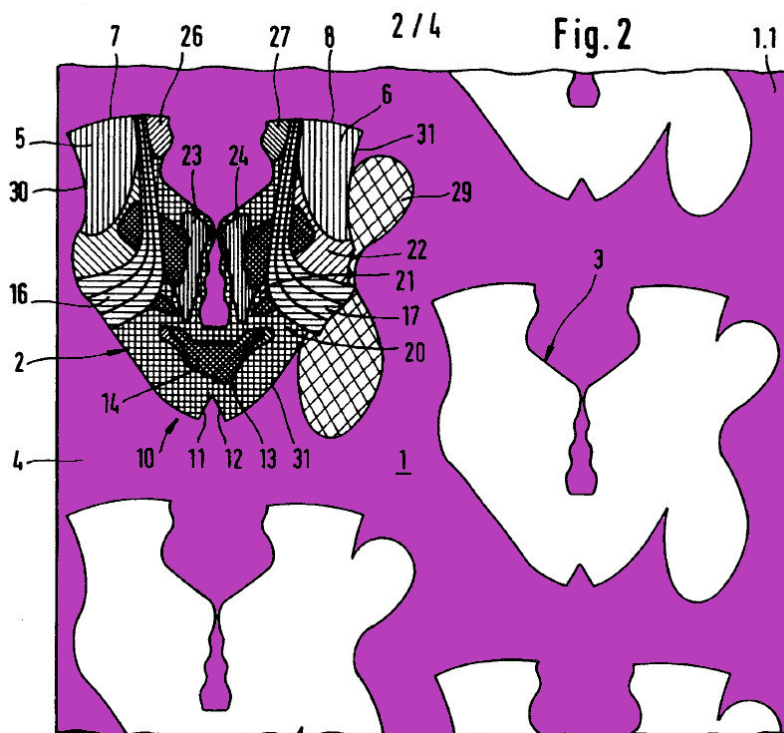


Fig. 1



EX1022, Figs. 1-2; EX1002, ¶242. Nishida does not describe any knitting techniques, which could impart a three-dimensional shape. EX1002, ¶243. Further, Nishida discloses that web of material 1 includes individual part 29, which is “folded into the plane of the shoe sole” (EX1022, 4:22-26) after being cut out, confirming that the knitted textile element (layouts 2) has a substantially planar configuration upon removal from the surrounding textile structure (surface areas 1.1) and prior to folding. EX1022, 5:14-26; EX1002, ¶¶243-245.

F. Claim 6

As shown in FIG. 4 below, Nishida’s knitted textile element in one embodiment includes outer contours (*e.g.*, 29.3 (red) and 29.4 (red)) that are similar

to the longitudinal edges disclosed in the '749 patent's (*i.e.*, edges 41a and 41b of FIG. 8). *Supra* Section VI.F (Claim 6).

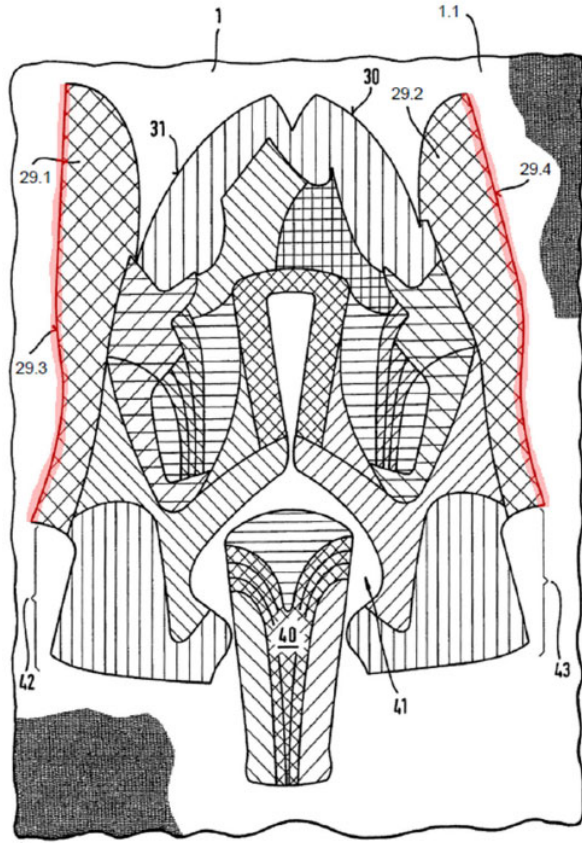


Fig. 4

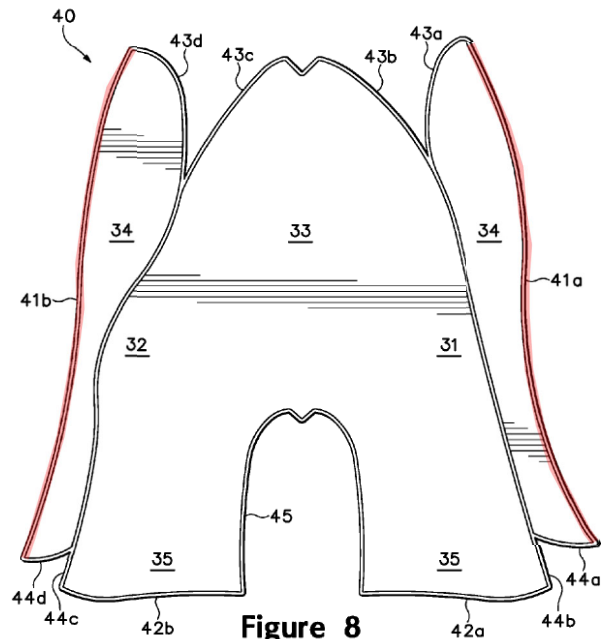


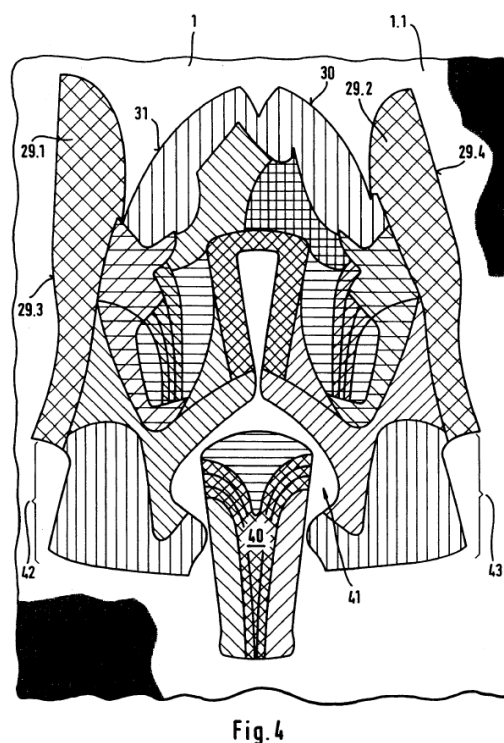
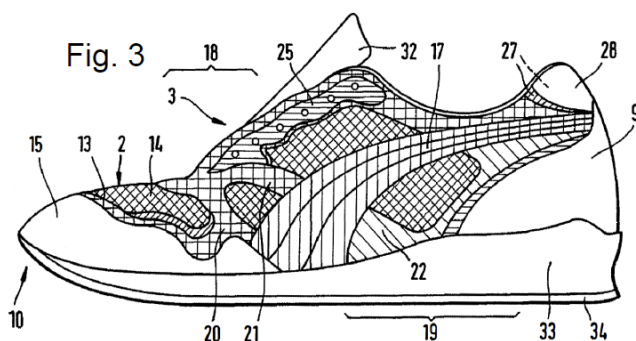
Figure 8

EX1022, Fig. 4; EX1001, FIG. 8; EX1002, ¶246.

Moreover, Nishida provides that “outside contours 29.3 and 29.4 are connected with one another, for example stitched and/or glued and/or fused or the like, preferably by a longitudinal seam,” similar to the '749 patent's seam 51. EX1022, 5:10-13; EX1001, 5:50-53; EX1002, ¶247. Nishida discloses its other embodiments may also be configured with similar longitudinal edges. EX1022 (Nishida), 4:64-5:2, 5:20-24; EX1002, ¶¶247-248.

G. Claim 7

Nishida discloses that its longitudinal edges (e.g., contours 29.3 and 29.4) are connected together, such as by being stitched or glued, to form a longitudinal seam. *Supra* Claim 6. This longitudinal seam brings together sole part sections 29.1 and 29.2 to form the “complete sole part 29” and part of a void for receiving a foot. EX1022, 5:2-10.



Id., FIGs. 3-4, 4:64-5:2, 5:20-26; EX1002, ¶249. Nishida explains that the “individual part 29 [is] in the form of an insole” which “is folded into the plane of the shoe sole and is fastened to the lower edge zone of the shoe upper 3.” *Id.*, 4:19-26. This forms the portion of the void for receiving the foot, specifically the bottom surface (insole). EX1002, ¶250. This is further evident from Nishida’s explanation

in FIG. 5 that the “outside contours 29.7 or 29.8 are later folded under so as to face the middle of shoe upper 2 and are connected with one another to, then, form the entire sole part 29,” and that the path of the resulting seam of contours 29.7 and 29 “is preferably selected so that it cannot exert an unpleasant pressure on the sole of the foot.” *Id.*, 5:14-26. Thus, Nishida discloses its longitudinal edges (*e.g.*, outer contours 29.3 and 29.4) are joined together (via the longitudinal seam) to define at least a portion of a void for receiving a foot. EX1002, ¶¶251-252.

H. Claim 8

Nishida discloses that its knitted textile elements have differing textures by virtue of being knitted with different types of yarn and stitching. EX1002, ¶253. For example, as described in Elements 1[a1]-1[a2], Nishida’s layouts 2 and tongue 40 are knitted using different “yarn material” (EX1022, Abstract), with different parts of the textile elements “being of different fibers or yarns.” EX1022, 3:15-26, 5:27-52, 5:63-6:2; *see supra* Elements 1[a1]-1[a2].

Similarly, Nishida discloses the use of different types of stitching where the web of material “can be produced by program-controlled web material production devices whose programs can be matched almost at will according to the corresponding basic setting with deviations in the size of the layouts of the individual shoe uppers or with *changes of the type of weave or knit of individual areas or*

contours, the type of fiber or yarn and/or the color.” EX1022, 5:63-6:2, 5:27-31 (describing use of “different weave structures”); EX1002, ¶254.

As explained under Element 1[a2], a POSITA would understand that Nishida’s use of different types of yarns and stitching would impart different textures (*i.e.*, different surface appearances and feel), consistent with the ’749 patent which similarly describes that using different types of yarns and stitch configurations imparts differing textures. EX1002, ¶255. For example, the ’749 patent discloses that “yarn may be formed from cotton, wool, elastane, rayon, nylon, and polyester,” and “[e]ach of these yarn types may impart differing properties to the areas corresponding with textures....” EX1002, 9:61-65, 3:33-37. The ’749 patent also provides that different areas may be formed of different stitch configurations “to impart varying textures to a surface of the textile element.” *Id.*, 3:33-37. Thus, when Nishida describes using different yarns and types of stitching for different areas of layout 2, doing so would result in there being a plurality of different textures, just like with the ’749 patent, thereby satisfying claim 8. EX1002, ¶¶255-256.

I. Claim 11

Nishida discloses that its layouts 2 and tongue 40 (knitted textile elements) have multiple areas with a unitary construction, where the multiple areas have different stitch configurations imparting varying textures to the surfaces of the knitted parts. *Supra* Element 1[a1]-1[a2]; EX1002, ¶257.

Specifically, Nishida discloses that its web of material can be produced by computer-controlled programs that implement “*changes of the type of weave or knit of individual areas or contours*, the type of fiber or yarn and/or the color.” EX1022, 5:63-6:2; *id.*, 5:27-31 (describing that tongue 40 “can be provided also in the course of producing the web of material 1 with *different weave structures*”); EX1002, ¶258.

Nishida is clear that its knitted textile elements are all part of a unitary construction, which the parties have agreed in the co-pending litigation means a configuration wherein portions of a textile element are not joined together by seams or other connections. *Supra* Section V; EX1002, ¶259. For example, as described in detail above under Element 1[a1], Nishida describes how “any number of layouts 2 in the most varied configurations and/or designs as well as of different sizes can be *produced on a single web of material 1*.” EX1022, 4:12-18, 2:40-41; 4:53-54; 5:64-65. Nishida also discloses that the “tongues 40 are produced simultaneously with a layout 2 on same web of material 1.” *Id.*, 5:34-36, Abstract (“[A] web of material (1) is used to produce layouts (2) by different production measures ... *at the same time* with the production of web of material (1)”). Nishida further describes how multiple fibers or yarns “can be put in, especially woven in, the web of material *in one operation*.” *Id.*, 4:47-55, 2:12-20. Thus, Nishida’s layouts 2 and tongue 40 are disposed on one continuous knitted structure, as Nishida describes,

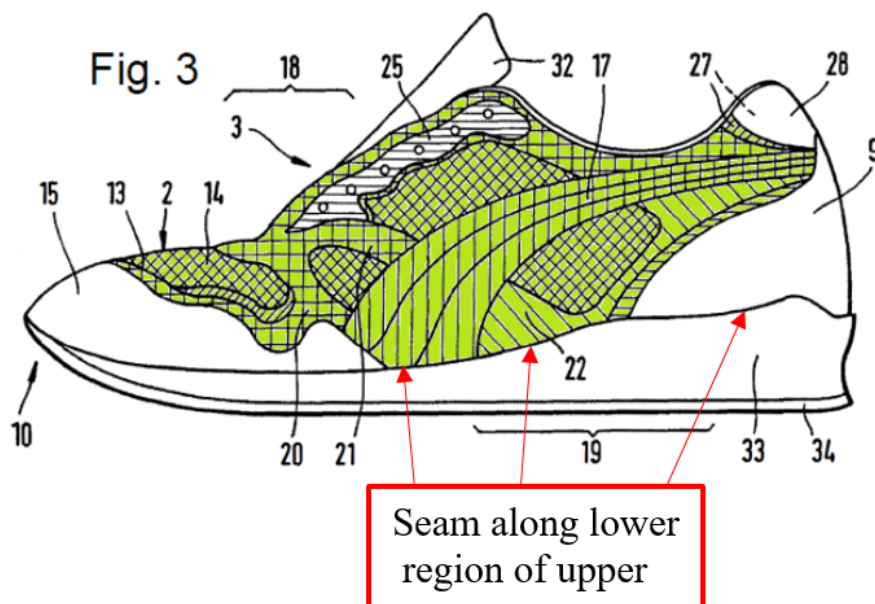
and are not joined together by seams or other connections, and therefore are part of a unitary construction. EX1002, ¶260.

Moreover, as described above, Nishida's knitted shoe parts have different types of knit/weave structures which would impart varying textures to a surface of the knitted shoe parts. *Supra*, Element 1[a2], Claim 8; EX1022, 5:63-6:2, 5:27-31; EX1002, ¶¶261-262.

J. Claim 12

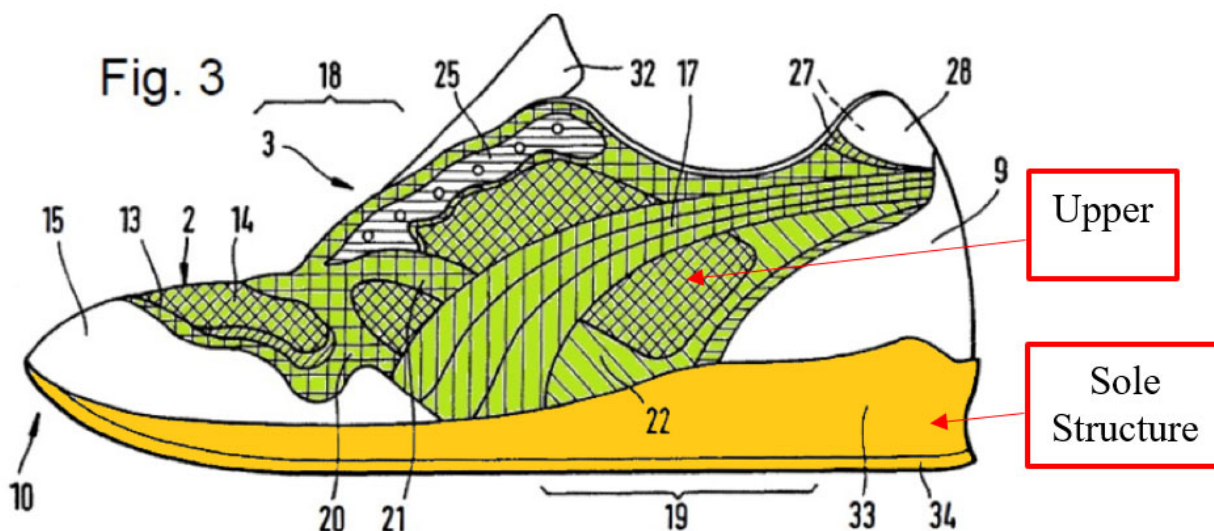
Nishida discloses an embodiment in which outside contours 29.3 and 29.4 are joined by a longitudinal seam, similar to the '749 patent's edge 41a and edge 41b that are joined by seam 51. *Supra* Claim 7; EX1002, ¶263. Nishida provides that "outer contours 29.3 and 29.4 are ***connected with one another***, for example stitched and/or glued and/or fused or the like, preferably by a longitudinal seam," similar to the '749 patent's seam 51. EX1022, 5:10-13; EX1001, 5:50-53; EX1002, ¶263. Nishida discloses its other embodiments may also be configured with similar longitudinal edges. EX1022, 4:64-5:2, 5:20-24. This forms a seam that extends along the lower region of the upper, as described above for Claims 6-7. EX1002, ¶263.

In addition, Nishida discloses that layout 2 of the web of material 1 (green below) can be represented as shoe upper 3, for example, in FIG. 3. EX1022, 3:9-12; EX1002, ¶264.



As shown above, at least areas 17 and 22 of layout 2 from FIGs. 1-2 are expressly shown forming a seam that extends along a lower region of an upper 2, where the upper 3 is secured to a sole structure in the form of midsole 33 and/or outsole 34. EX1022, 4:43-46; EX1002, ¶265. Other parts (e.g., area 20) would also form a seam along the lower region of the sole structure. EX1002, ¶266. This also satisfies the “securing edges” limitation.

Moreover, Nishida discloses that “[a]fter the production of shoe upper 3, an insole and/or a midsole, optionally, is additionally applied or molded on.” EX1022, 4:39-42. Specifically, the “[c]ompleted shoe upper 3 is then brought into a gluing, injection or casting mold, in which a midsole 33 and an outsole 34 are molded by known measures, as is represented in FIG. 3.” *Id.*, 4:43-46. The sole structure to which the upper is secured is annotated in orange below. EX1002, ¶267.



This process forms a shoe, as discussed for Element 1[c], and includes securing the upper to a sole structure. EX1002, ¶¶268-269.

K. Claim 13

Claim 13 includes limitations similar to those found in other claims, including claims 1, 2, and 11. EX1002, ¶178. Nishida discloses claim 13 for similar reasons, in addition to the reasons below.

Element 13[pre]:

Nishida discloses the preamble of claim 13 for the same reasons as Element 1[pre]. EX1002, ¶270.

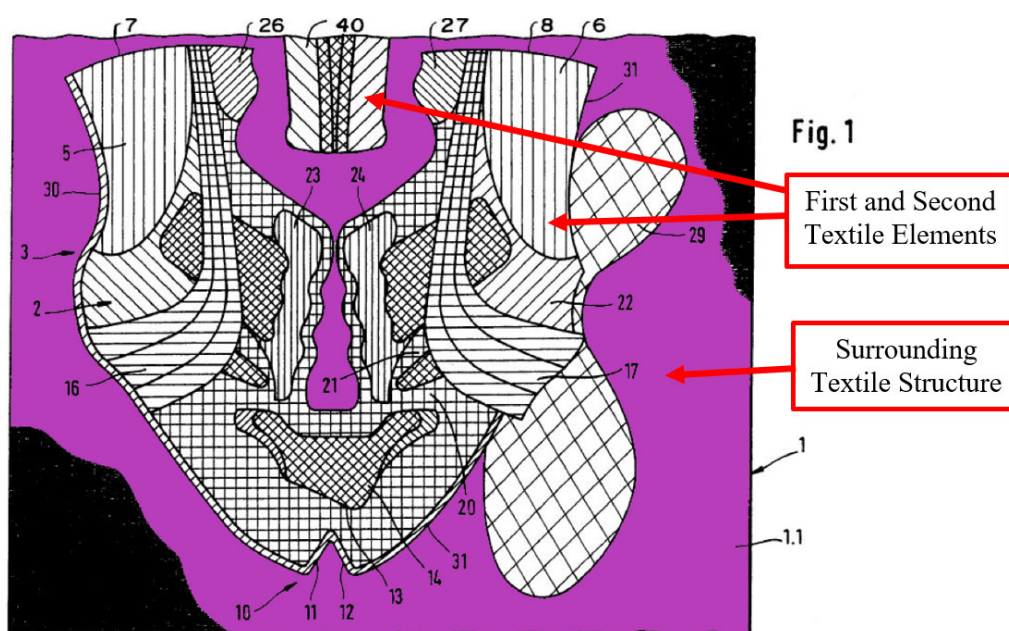
Element 13[a1]:

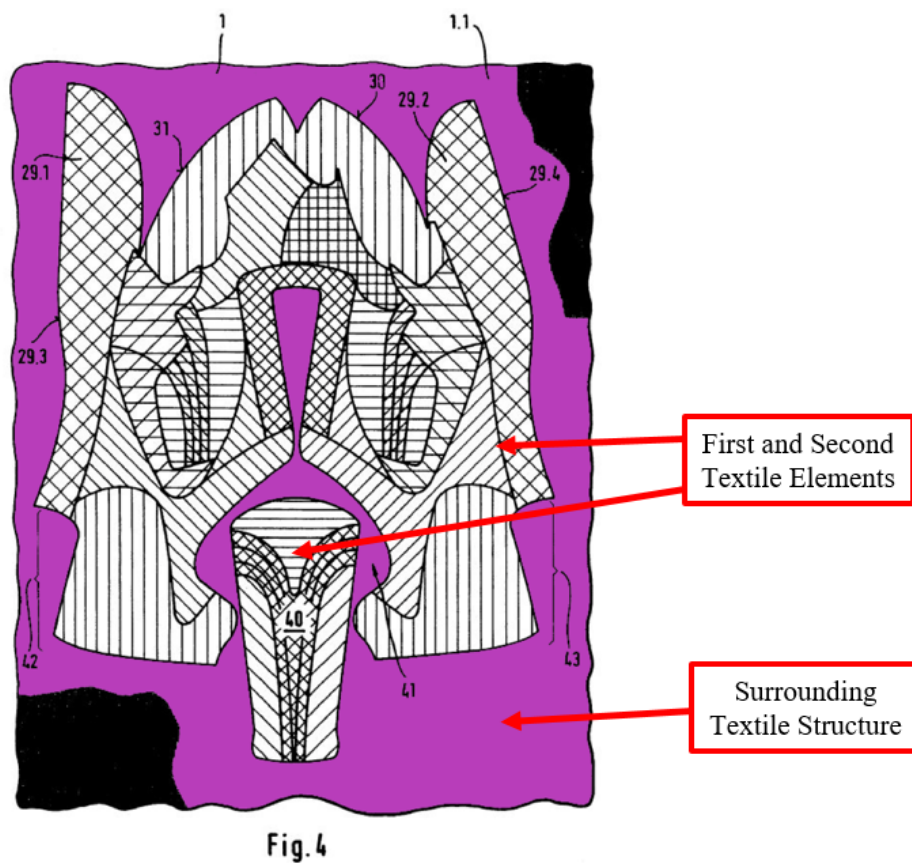
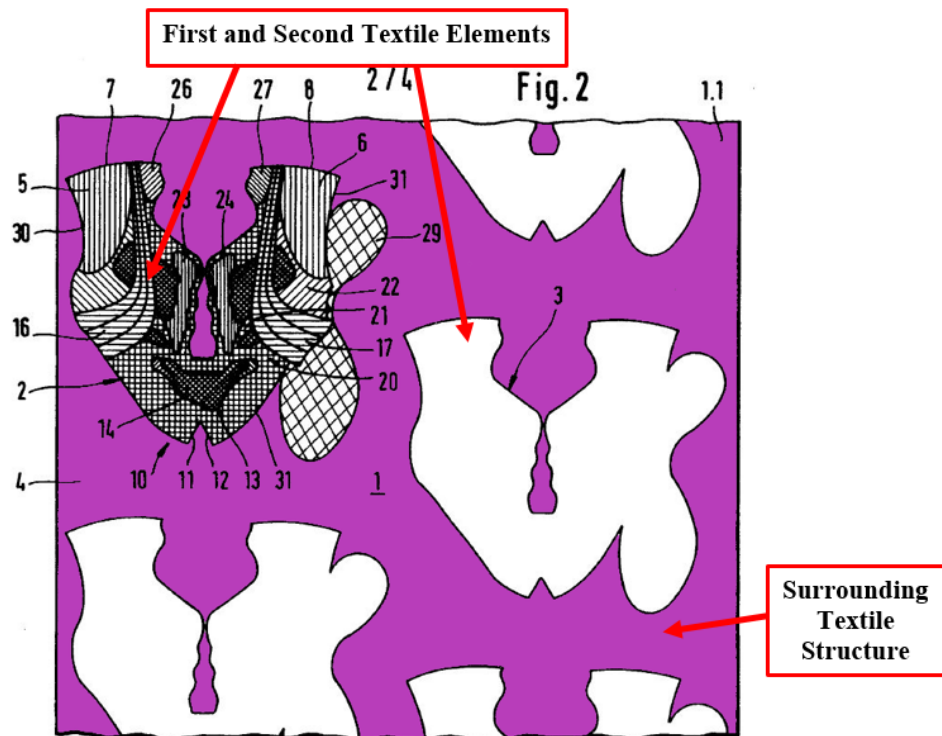
Element 13[a1] is substantially the same as Element 1[a1], except that it requires knitting more than one textile element, which is substantially the same as

Claim 2. Thus, for the reasons described above for Elements 1[a1] and Claim 2, Nishida satisfies Element 13[a1]. EX1002, ¶271.

Element 13[a2]:

Element 13[a2] is satisfied by Nishida, which discloses multiple textile elements at least in the form of layouts 2 and tongue 40, as described above with respect to Element 1[a2] and Claim 2. FIGs. 1, 2 and 4 below are annotated to show various different textile elements located in corresponding portions of the knitted textile structure. *Supra* Element 1[a2], Claim 2; EX1002, ¶272.





EX1022, FIGs. 1-2, 4.

Each of FIGs. 1, 2 and 4 depict at least two distinct textile elements (first and second textile elements) arranged in corresponding portions (areas) of the textile structure (either overall web of material 1 or unfinished areas 1.1 per *supra* note 5).

EX1002, ¶273.

Element 13[b]:

Element 13[b] is substantially similar to Element 1[a2], except that Element 13[b] (1) recites “first and second knitted textile elements,” which is substantially the same as Claim 2’s “plurality of textile elements,” and (2) requires the differing texture between the knitted textile element(s) and surrounding structure to be imparted by varying the types of stitches and/or types of yarns, which is substantially similar to Claim 8. EX1002, ¶274.

The varying types of yarn and stitching are applied to the different areas of layout 2 and tongue 40 in Nishida, as described above for Elements 1[a1]-1a[2], which are arranged in different portions of the knitted textile structure, as shown in the annotated figures under Element 13[a2] above. EX1022, 5:63-6:2 (describing computer-controlled “*changes of the type of weave or knit of individual areas* or contours, the *type of fiber or yarn* and/or the color.”); EX1002, ¶275.

Moreover, each of FIGs. 1, 2 and 4 depict at least two distinct textile elements arranged in corresponding portions (areas) of the textile structure. The texture of the

knitted textile structure extending between the first and second portions is different than the texture of the knitted textile elements. *Supra* Element 13[a2]; EX1002, ¶276.

Thus, Nishida satisfies Element 13[b] for the reasons described above with respect to Element 1[a2], Element 13[a2], claim 2, claim and 8, respectively. EX1002, ¶277.

Element 13[c]:

Element 13[c] is substantially the same as Element 1[b] except that it refers to the removal of more than one knitted textile element. A POSITA would understand that *each* of Nishida's knitted shoe parts (layouts 2, tongue 40) are removed from the surrounding textile structure, as described above for Element 1[b], in order to form the shoe of FIG. 3, for example, because Nishida's layouts 2 and tongue 40 are formed on a single continuous knitted fabric. *Supra* Elements 1[b]-1[c]; EX1002, ¶278.

Element 13[d]:

Element 13[d] is substantially the same as Element 1[c], and is satisfied for the same reasons. EX1002, ¶¶279-280.

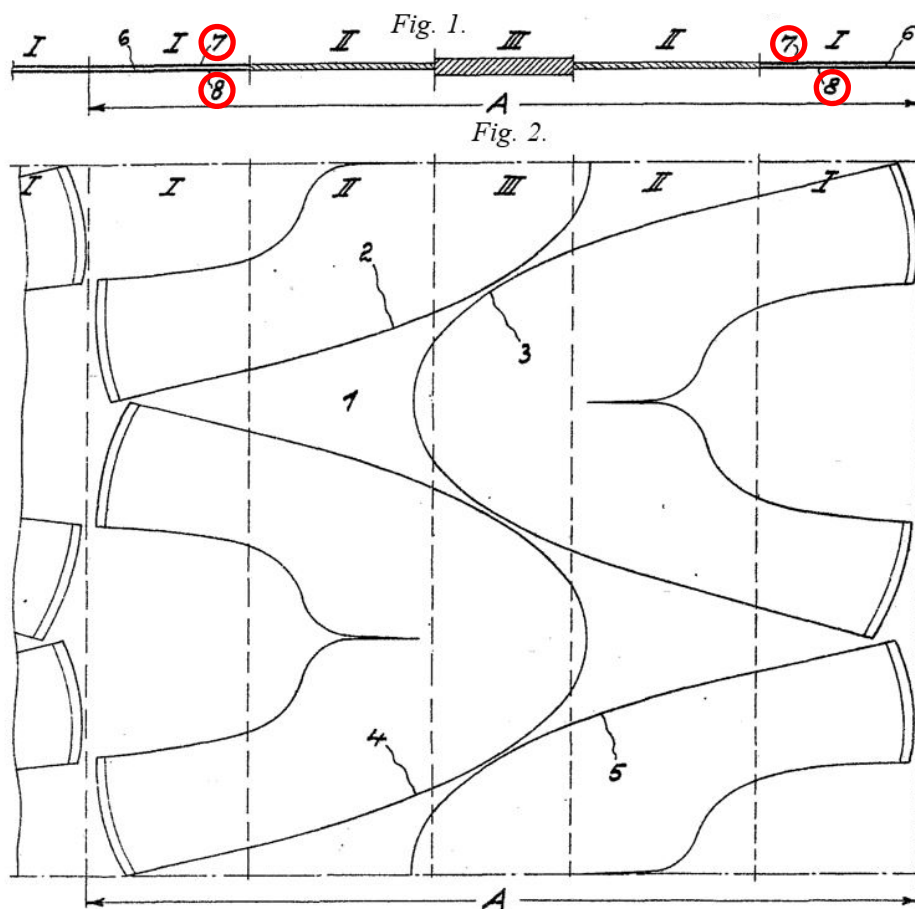
L. Claims 14-18 and 21

Claims 14-18 and 21 are substantially similar to claims 3, 5-7, and 11-12, respectively, and are therefore obvious for the same reasons. The analysis corresponding to each of claims 14-18 and 21 is identified in the table below.

Claim	Corresponding Analysis
14	Claim 3; EX1002, ¶¶238-241, 281.
15	Claim 5; EX1002, ¶¶242-245, 282.
16	Claim 6; EX1002, ¶¶246-248, 283.
17	Claim 7; EX1002, ¶¶249-252, 284.
18	Claim 12; EX1002, ¶¶263-269, 285.
21	Claim 11; EX1002, ¶¶257-262, 286.

X. GROUND 2B: CLAIMS 1-8, 11-18, AND 21 ARE OBVIOUS OVER NISHIDA IN VIEW OF GUENTHER

As described under Ground 2A, Guenther describes a fabric web 1 that is formed in contiguous fabric strips by forming the fabric web in several layers at specific points. EX1023, 1:24-34, 2:35-42.



Id., FIGs. 1-2; EX1002, ¶287. As shown above, “upper and lower fabric layers 7 and 8” extend across the entire fabric web 1, where “layer 7 represents the perfectly even and smooth surface of the fabric 1 or the finished shoe.” EX1023, 2:49-54, 2:83-85; EX1002, ¶288.

To the extent that Nishida’s web of material 1 is not understood to be a base for the web of material 1 similar to Guenther’s base layers, as described under Element 1[a1], it would have been obvious to adopt Guenther’s multi-layer construction to form Nishida’s web of material 1 and layouts 2 as well as tongue 40 by employing one or more base layers which are joined during the knitting process,

as Guenther expressly discloses, and to further incorporate the use of Guenther's stiffening threads to impart differing textures and properties to the various shoe parts of Nishida's layouts 2. EX1023, FIG. 3, 2:28-31, 2:78-82; EX1002, ¶289. When constructing Nishida's web of material 1 in accordance with Guenther's multi-layer approach, Nishida's textile elements (*e.g.*, layout(s) 2, tongue 40) would be simultaneously knitted with the surrounding textile structure (*e.g.*, unfinished surface area 1.1), thereby satisfying Element 1[a]1. EX1002, ¶291.

A POSITA would be motivated to look to Guenther because Nishida expressly discloses that it is based on the general process of Guenther, with identified improvements thereto. EX1022, 1:10-47. Furthermore, Nishida expressly discloses that its web of material 1 can be multilayered and that the use of "different fibers or yarns" can be used for different parts of layouts 2. *Id.*, Abstract, 2:11-21, 3:15-26, 3:66-7:1. Moreover, Guenther's multi-layer approach is known to improve strength while avoiding the drawbacks of single layer designs. EX1002, ¶290.

The remaining elements of Claim 1 and Claims 2-8, 11-18, and 21 are satisfied for the same reasons set forth above under Ground 2A. *See supra* Section IX; EX1002, ¶292.

XI. GROUND 2C: CLAIMS 9-10 AND 19-20 ARE OBVIOUS UNDER EITHER GROUND 2A OR 2B

Claims 9-10 and 19-20 recite the type of knitting machine used to perform the method of Claim 1 or 13, but the '749 patent inventors did not invent these knitting machines; they were well-known in the industry. EX1002, ¶293.

Nishida does not specify what knitting process and machine is used to knit its material web 1, but instead leaves the selection of the knitting process to a POSITA. *Id.*, ¶294. It would have been obvious to use either a wide-tube circular knitting machine or a jacquard double needle bar raschel knitting machine in view of Nishida's disclosure. *Id.* Both machines were generally known knitting machine types for producing knitted structures like those described in Nishida, and a POSITA would have been motivated to select the two machines. *Id.*

A POSITA would have been motivated to look to circular knitting and raschel knitting as two of a finite number of options for producing Nishida's material web 1. *Id.* Moreover, a POSITA would have reasonably expected success in implementing Nishida's knitting with a wide-tube circular knitting machine or a jacquard double needle bar raschel knitting machine. *Id.*

XII. DISCRETIONARY FACTORS

A. § 314(a) Does Not Favor Denial

This Petition raises a compelling case of unpatentability for all claims of the '749 patent. Per the Director's June 21, 2022, Memorandum on the "Interim

Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (“Guidance Memorandum”), this fact “alone demonstrates that the [Board] should not discretionarily deny institution under *Fintiv*.” EX1012 (Guidance Memorandum) at 4-5.

B. § 325(d) Does Not Favor Denial

Orei, McDonald, and Guenther were not before the Examiner. And while Nishida was cited during prosecution, the Examiner did not have before him a translation of Guenther or the testimony of Dr. Adanur to explain why a POSITA would understand Nishida’s backing to be a base layer of its web of material and not a separate structure, which was the argument that led to allowance during prosecution (and which was rejected by the Board in the *adidas IPR*).⁷ *Supra* Section II.B. In addition, Nishida is also presented here in combination with Guenther in the alternative, and therefore the Petition presents new combinations and arguments not previously considered by the Office.

Finally, the Petition makes a strong showing that all claims are unpatentable, and therefore the Board should not discretionarily decline institution.

⁷ EX1019, 40 (finding Nishida discloses layouts “produced by a textile production process *inside* the backing.”) (original emphasis included).

XIII. STATUTORY REQUIREMENTS

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

Real party-in-interest is Skechers U.S.A., Inc.

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

The '749 patent is involved in the following litigations:

- *Nike, Inc. v. Skechers U.S.A., Inc.*, Case No. 2:23-cv-09346-AB-PVC (C.D. Cal.)
- *Nike, Inc. v. Lululemon USA, Inc.*, Case No. 1:23-cv-00771-AS (S.D.N.Y)
- *Nike, Inc. v. New Balance Athletics, Inc.*, Case No. 1:23-cv-12666-JEK (D. Mass)
- *Lululemon USA, Inc. v. Nike, Inc.*, IPR2024-00460

To Petitioner's knowledge, there are no other judicial or administrative matters regarding the '749 patent that would affect or be affected by a decision in this proceeding.

C. Designation of Lead And Back-Up Counsel (37 C.F.R. § 42.8(b)(3))

Lead Counsel: Samuel K. Lu (Reg. No. 40,707)

Backup Counsel: Keith Orso (Reg. No. 52,084)

Backup Counsel: Jonathan M. Lindsay (Reg. No. 45,810)

Backup Counsel: Michael Rosen (*pro hac vice* to be requested)

Backup Counsel: Jie Gao (Reg. No. 73,835)

Backup Counsel: Connor He-Schaefer (*pro hac vice* to be requested)

Contact information for Lead and Backup Counsel is as follows:

Irell & Manella LLP
1800 Avenue of the Stars, Suite 900
Los Angeles, CA 90067-4276
Telephone: (310) 277-1010
Fax: (310) 203-7199

D. Service Information (37 C.F.R. § 42.8(b)(4))

Please address all correspondence to lead counsel at the address above.

Petitioner consents to email service at: SkechersNikeIPRs@irell.com.

E. Fees

The Office is authorized to charge Deposit Account No. 09-0946 for any fees required.

F. Grounds for Standing

Petitioner certifies that the '749 patent is eligible for IPR and that Petitioner is not barred or estopped from requesting this IPR.

XIV. CONCLUSION

For the reasons above, the claims of the '749 patent are unpatentable.

Dated: November 4, 2024

Respectfully submitted,

/Samuel K. Lu/
Samuel K. Lu (Reg. No. 40,707)
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Los Angeles, CA 90067-4276

CERTIFICATE OF WORD COUNT

I hereby certify, pursuant to 37 C.F.R. § 42.24, that the petition contains 13,762 words, excluding the words in the table of contents, exhibit list, claim listing, mandatory notices under § 42.8, this certificate of word count, and the certificate of service. The word count is based on the word count of the Microsoft Word program used to prepare the petition.

Dated: November 4, 2024

/Jonathan M. Lindsay/
Jonathan M. Lindsay

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the date below a copy of this PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT NO. 8,266,749, PETITIONER'S POWER OF ATTORNEY, AND EXHIBITS 1001-1064, were served by Federal Express 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 email on this day to Patent Owner's counsel of record in the matter as follows:

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/Pia S. Kamath/
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