

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SKECHERS U.S.A., INC.,

Petitioner,

v.

NIKE, INC.,

Patent Owner.

Case IPR2025-00141

Patent No. 8,266,749

PATENT OWNER'S RESPONSE

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2010	December 16, 2025 Deposition of Dr. Sabit Adanur
2011	<i>Nike, Inc. v. Lululemon USA Inc.</i> , SDNY-1-23-cv-00771 Jury Verdict
2012	Declaration of Dr. Christopher Pastore

I. INTRODUCTION

Patent Owner Nike, Inc. (“Nike”) submits this Response to the Petition of Skechers U.S.A., Inc. (“Skechers”) challenging the patentability of Claims 1–21 (the “Challenged Claims”) of U.S. Patent No. 8,266,749 (the “’749 patent”; EX1001). The petition is contrary to proposed USPTO rulemaking and Skechers has not carried its burden of proving that any Challenged Claim is unpatentable.

Proposed USPTO regulations require that this IPR be terminated. Skechers has not stipulated that it will not pursue prior art invalidity defenses in a parallel litigation and the ’749 patent survived a prior IPR and a jury trial. The Proposed PTAB regulations require that the PTAB terminate an IPR under any one of those circumstances. If and when these proposed regulations are adopted by the USPTO, the Board should promptly terminate this IPR.

Skechers’ petition also fails to establish that any claim is unpatentable. Skechers asserts three grounds—Grounds 1A, 2A, and 2B—against the independent claims 1 and 13 of the ’749 patent. Ground 1A is based on U.S. Patent No. 7,051,460 (“Orei”; EX1020); Ground 2A is based on U.S. Patent No. 5,345,638 (“Nishida”; EX1022); and Ground 2B is based on Nishida in view of DE627,878 (“Guenther”; EX1023). None of these grounds show “simultaneously knitting” a “textile element” with a “surrounding textile structure,” as recited by independent claims 1 and 13.

Skechers' petition hinges largely on the testimony of its expert, Dr. Adanur—but that testimony is fundamentally unreliable because it is steeped in hindsight and the product of a results-driven analysis. Rather than evaluating the prior art from the perspective of a person of ordinary skill at the time of the invention, Dr. Adanur approached the prior art with the benefit of extensive exposure to prior district court and PTAB proceedings involving different parties, different records, and different prior art—allowing that litigation history to improperly shape his conclusions. As recent deposition testimony reveals, this backward-looking approach led Dr. Adanur to misread the prior art and misapply settled law. Most notably, Dr. Adanur conducted an incomplete review of Nishida; impermissibly used the Guenther reference to support his Nishida-anticipation analysis; and combined Guenther with Nishida despite admitting Gunther's disclosure conflicts with the stated goals of Nishida. Ground 1A fails because Orei does not teach or suggest either (i) a “surrounding textile structure”; or (ii) “simultaneously knitting.” Indeed, Skechers resorts to inserting an alleged “surrounding textile structure” by drawing in a brown rectangle in the background of Figures 1 and 5 of Orei. And Skechers lacks any support for “simultaneously knitting” as there is no discussion in Orei relating to when the knitting occurs.

Ground 2A also fails because Nishida does not disclose “simultaneously knitting” a “textile element” with a “surrounding textile structure.” For the

surrounding textile structure, Skechers points to a backing element in Nishida, but Nishida teaches that the backing preexists and therefore is knitted earlier than any textile element. During prosecution, the Examiner considered this exact issue and found that Nishida did not disclose the “simultaneously knitting” limitation. Skechers now makes the same argument the Examiner already considered and rejected.

For Ground 2B, Skechers argues that it would be obvious to modify the backing in Nishida with Guenther’s multi-layer construction. But Nishida expressly teaches away from Guenther’s multi-layer construction for the backing because it is too expensive and wasteful. And Skechers fails to show that a POSITA would have reasonably expected to succeed in making the proposed combination.

For at least these reasons, Skechers has not established any Challenged Claim of the ’749 patent is unpatentable.

II. THE ’749 PATENT

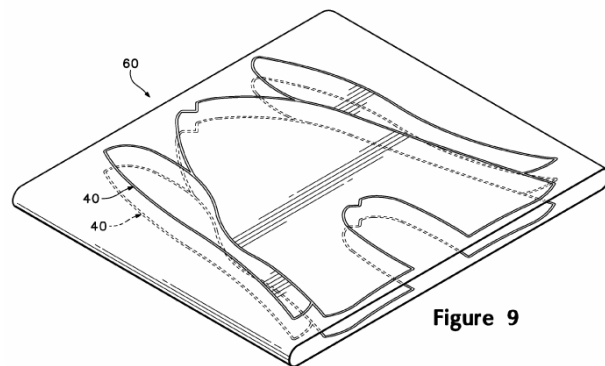
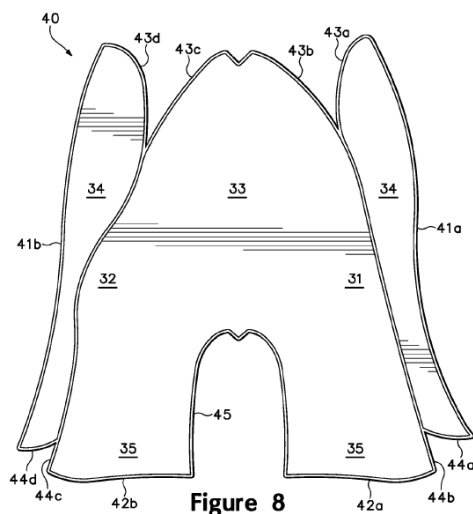
A. Overview of the ’749 patent

The ’749 patent lists Bhupesh Dua and Edward Nathaniel Thomas as inventors. EX1001. The ’749 patent, now expired, claims priority back to U.S. Patent Application No. 10/791,289, filed March 3, 2004. *Id.*

The ’749 patent relates to methods of manufacturing footwear by knitting textile uppers that were new and non-obvious in 2004. *Id.* Specifically, the ’749

patent recites methods of knitting textile elements at the same time as a surrounding textile structure. *Id.* at 11:43–14:5. The knitted textile elements have at least one texture that is different from the texture of the surrounding textile structure. *Id.* The knitted textile elements are then removed from the surrounding textile structure and incorporated into articles of footwear. *Id.* at Figure 9, 7:38–9:4, 11:43–14:5. Independent claims 1 and 13 recite these steps. *Id.* at 11:43–52, 12:27–43.

The claimed methods offer many advantages over traditional methods of manufacturing shoes. For example, the claimed methods increase sourcing and manufacturing efficiency by limiting the required number of suppliers, machinery, or different assembly line techniques used to cut or otherwise prepare the material for incorporation into the footwear. *Id.* at 3:4–23 11:6–9. The claimed methods also reduce the number of steps in the manufacturing process and reduce the number of seams in the final footwear product. *Id.*



Figures 8 and 9 of the '749 patent

Figure 8 (reproduced above) shows an example of a textile element (“40”) with the general shape and form of a footwear upper (or portion of a footwear upper). Figure 9 (reproduced above) shows an example of a tube-shaped cylindrical textile structure (“60”) “formed with a wide-tube circular knitting machine.” *Id.* at 7:38–39. Figure 9 further shows that “the types of stitches vary throughout textile structure 60 so that a pattern is formed with the outline of textile element 40 . . . [and] differences in the stitches within textile structure 60 form an outline with the shape and proportions of textile element 40.” *Id.* at 7:38–45.

B. Relevant File History

During prosecution, the Examiner expressly considered three of the four prior art references now presented in Skechers’ Petition, namely Orei, Nishida, and Guenther. EX1013 at 244, 245, 248 (“REFERENCES CONSIDERED . . . /M.P./,” including “Orei,” “Nishida,” and “Guenther” at Patent No. “627878”). The Nishida reference, in particular, is a frequent flyer before the Office. The Examiner considered Nishida multiple times during prosecution. *Id.* at 237, 273–74. And

Nishida has been asserted in *inter partes* review of the '749 patent by both adidas and lululemon.¹ EX1014; EX2002.

1. Office Actions Based on Nishida

During prosecution of the '749 patent, the Examiner twice rejected claims 1–8, 11–18, and 21 as anticipated by Nishida. EX1013 at 237, 273–74. In response to the first rejection, Nike argued that Nishida fails to disclose “a knitted textile element *simultaneously* formed with a knitted textile structure during a knitting process.” *Id.* at 258–260. Unlike the claims of the '749 patent, Nike explained Nishida “discloses that layouts 2 are printed, embroidered, woven, or knitted onto a *pre-existing* backing material 4.” *Id.* at 259. The Examiner initially rejected this argument and issued a final Office Action. *Id.* at 273–74.

Nike and the Examiner then held an interview. *Id.* at 278. “[A]fter further consideration,” the Examiner accepted Nike’s argument. *Id.* “Nishida may disclose a web of material having different textures,” the Examiner explained, “but there is no clear disclosure . . . that the textile element and the surround [sic] structure are simultaneously knitted.” *Id.*

¹ lululemon relies on a virtually identical foreign counterpart of Nishida (WO92/22223). *lululemon usa Inc. v. Nike, Inc.*, No. IPR2024-00460, Paper 7 at 17–20 (P.T.A.B. May 13, 2024).

In subsequent remarks, Nike explained that “Nishida discloses that the backing 4 for the web of material 1 must be formed prior to the production of the layouts.” *Id.* at 286. Thus, “Nishida fails to disclose a knitted textile element *simultaneously* formed with a knitted textile structure, having a differing texture, during a knitting process.” *Id.* The Examiner then allowed the claims without amendment. *Id.* at 295–96.

2. *Inter Partes* Review Based on Nishida

On April 19, 2016, adidas filed a petition for *inter partes* review challenging the ’749 patent. IPR2016-00922; EX1014. adidas challenged claims 1–9, 11–19, and 21 as obvious over the combination of Nishida and U.S. Patent No. 3,985,003 (“Reed”). *Id.* In an effort to avoid discretionary denial under 35 U.S.C. § 325(d), adidas relied on Reed alone as disclosing limitation 1[b]—“simultaneously knitting a textile element with a surrounding textile structure.” *Id.* at 14. adidas relied on Nishida for the other limitations of claims 1 and 13. *Id.* at 16–19. The Board ultimately upheld the patentability of all challenged claims of the ’749 patent. EX1019 at 70.

On January 12, 2023, lululemon filed a petition challenging all claims of the ’749 patent. IPR2024-00460; EX2002. In its petition, lululemon alleges that a virtually identical foreign counterpart to Nishida anticipates claims 1–8 and 11–18. The appeal of lululemon’s IPR is currently pending.

III. The Board Must Terminate The IPR In the Event The Proposed Updated 37 C.F.R. § 42.108 Goes Into Effect

Recent USPTO proposed rulemaking dictates that Skechers' IPR cannot be maintained if the proposal is adopted. The USPTO proposed three new rules of note since this IPR was instituted on September 10, 2025. These rules, if implemented, dictate that the Board cannot maintain an IPR if (1) the Petitioner does not stipulate that it will not raise anticipation or obviousness grounds in any other proceeding; (2) the challenged patent has been previously found not unpatentable in a prior IPR; or (3) the challenged patent has been previously found not invalid by a jury. Each of these three regulations would be fatal to Skechers' IPR.

Skechers' failure to stipulate that it will not raise prior art invalidity grounds is fatal to its IPR. The proposed rules dictate that an IPR "*shall* not be . . . maintained" unless the petitioner files a stipulation with the Board "stating that if a trial is instituted, the petitioner . . . will not raise grounds of invalidity or unpatentability with respect to the challenged patent under 35 U.S.C. 102 or 103 in any other proceeding." Proposed 37 C.F.R. § 42.108(d) (emphasis added). Skechers did not file such a stipulation here. The plain language of the proposed regulation indicates the IPR cannot be "maintained." The Board should deny or terminate the IPR for this reason if the regulation is enacted.

Also fatal to Skechers' IPR, under the proposed rules, are the previous determinations of no invalidity rendered by (1) the PTAB and (2) a jury in the Southern District of New York. The proposed USPTO regulations dictate that an IPR “*shall* not be . . . maintained” if the independent claims at issue were either found not unpatentable in a final written decision” by the PTAB; or “found not invalid under 35 U.S.C. 102 or 103 by a . . . jury following a . . . jury trial in a . . . verdict that has not been vacated or reversed in relevant part.” Proposed 37 C.F.R. § 42.108(e)(1), (4) (emphasis added).

The PTAB determined that claims 1–9, 11–19, and 21 of the '749 patent were not unpatentable in an IPR filed by adidas.² EX1019 at 69–70. This decision is final and has not been vacated or reversed. The only independent claims—claims 1 and 13—were challenged and found not unpatentable. *Id.* Proposed 37 C.F.R. § 42.108(e)(4) precludes maintaining an IPR against any claims that survived an IPR challenge or claims that depend from claims that were challenged. Because both independent claims were found not unpatentable, an IPR cannot be maintained against any claim in the '749 Patent.

A jury found that claims 1 and 14 of the '749 patent were not invalid as obvious. EX2011. This decision has not been vacated or reversed. *Id.* Proposed 37

² The '749 patent was also found unpatentable in an IPR filed by lululemon. Nike is currently appealing that finding.

C.F.R. § 42.108(e)(1) precludes maintaining an IPR against any claims that survived an IPR challenge or claims that depend from claims that were challenged. Because claims 2–12 depend from claim 1, an IPR cannot be maintained against claims 1–12 and 14 of the '749 Patent.

IV. Alleged Prior Art References

A. Orei

Orei is U.S. Patent No. 7,051,460 entitled “Light Weight Shoes.” EX1020. Orei is directed to a shoe with an upper that includes double raschel warp knitted elements. *E.g.*, EX1020 at Figs. 1 & 5, 3:33–38, 1:58–2:3; EX2012 at ¶ 29. Orei discusses and depicts knitted patterns for incorporation into a shoe, but never discusses or depicts any textile structure surrounding those patterns. *Id.*

For example, Orei’s Figure 1 (below left) shows knitted shoe patterns that are incorporated into the shoe shown in Figure 2 (below right). For illustrative purposes, annotated versions of Orei’s Figures 1 and 2 are reproduced below.

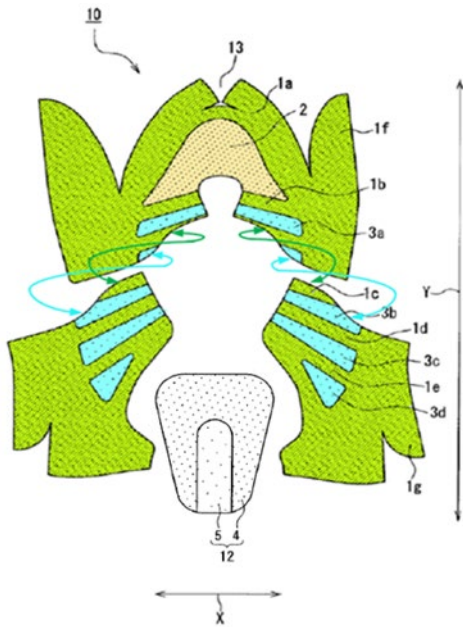


FIG. 1

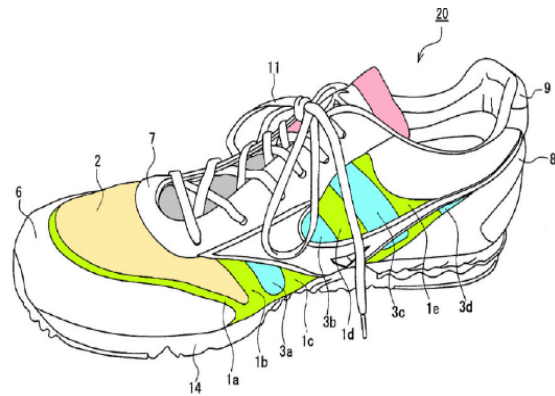


FIG. 2

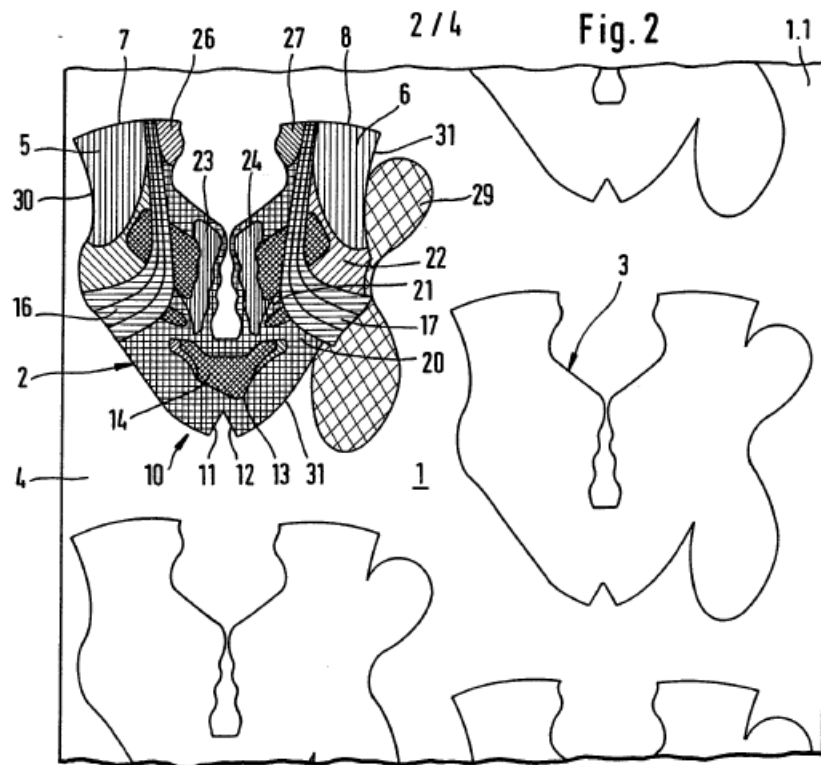
EX1020 at Fig. 1 (annotated with colors and arrows); Fig. 2 (annotated with colors). Orei's shoe patterns include non-mesh structure part (A) in green, mesh structure part (B) in beige, and mesh structure part (C) in aqua. EX1020 at Fig. 1, 4:16–25, 4:37–39, 4:40–46. Orei discloses that parts A, B, and C were originally joined together in one continuous fabric. EX1020 at 2:1–3, 3:34–38; EX2012 at ¶ 29. Specifically, the bottom two shoe patterns in green and aqua were joined with the corresponding green and aqua in the top shoe pattern. *Id.* For example, part (A) 1c and part (C) 3b on the bottom shoe patterns match up with the corresponding colored parts on the top shoe pattern in Figure 1. *Id.* Then, “paper patterns” were placed on top of the continuous fabric to cut shoe patterns shown in Figure 1 before being incorporated into a shoe. *Id.* Thus, the regions in between the shoe patterns shown

in Figure 1 are empty space. *Id.* at Fig. 1, 3:33–38, 4:15–21; EX2012 at ¶ 29. Orei never depicts or discusses any textile surrounding structure between the shoe patterns. *Id.*

B. Nishida

“Nishida” is U.S. Patent No. 5,345,638 entitled “Process for Producing a Shoe-Shaped Part from a Web of Material and Resulting Shoe-Shaped Part.” EX1022. As explained above, Nishida is a reference that the Patent Office already considered multiple times. *See supra* II.B.

Nishida teaches a method of manufacturing shoe parts by using a “web of material” for cutting out shoe patterns for use in footwear. EX1022 at 1:48-2:10. As shown by Figures 1 and 2, Nishida’s web of material includes two primary components, namely a backing and shoe patterns in the forms of layouts or tongues. *Id.* at Fig 1 (showing layout 2 and tongue 40 with backing); Fig. 2 (showing layout 2 with backing 4); EX2012 at ¶ 33. Nishida discloses that “[t]he web of material has a backing 4 that can be a conventionally used material” made of “simple, lightweight or inexpensive material quality.” EX1022 at 2:16–18, 3:13–15, 5:45–55 (material should be as simple as possible). By contrast, Nishida discloses that the shoe patterns (e.g., “layout 2” or “tongue”, according to Skechers) consist of “necessary quality, thickness, multilayers or the like which correspond to the pattern.” *Id.* at 2:13–14. Figure 2 shows the backing 4 along with a layout 2:



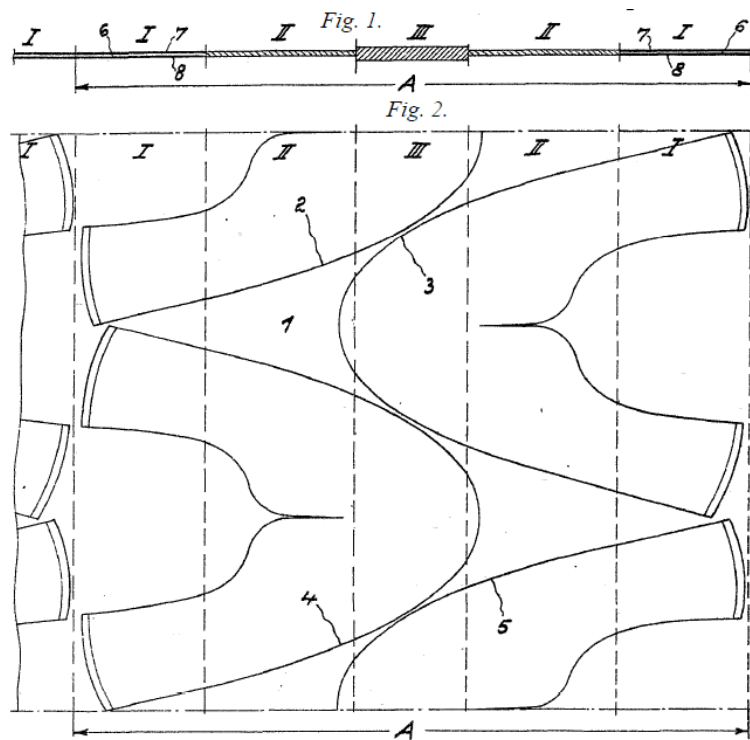
Id. at Fig. 2.

In Nishida, the backing pre-exists the production of layouts and/or tongues for the shoe patterns. EX2012 at ¶ 35. Specifically, Nishida discloses that during production of the shoe patterns, the production process skips the production of certain “unfinished surface areas” (shown at “1.1” in Figure 2 above). EX1022 at 4:61–63, 5:45–55, Figs. 1-2; EX2012 at ¶ 35. These surface areas 1.1 consist only of the simple, inexpensive material of the backing, demonstrating that these areas are formed prior to the shoe patterns. EX1022 at 2:16–20, 3:13–15, 4:61–63, 5:45–55, Figs. 1-2 (surface area 1.1); EX2012 at ¶ 35. After layouts and/or tongues for

the shoe patterns are produced, the shoe patterns are cut from the backing and used in an article of footwear. EX1022 at 1:48–2:10.

C. Guenther

“Guenther” is German Patent No. 627878 referenced in Nishida. EX1022 at 1:19–37.³ Nishida explains that, in Guenther, “a web of material is produced so that it successively has three crosswise strips of different weaves,” where U-shaped shoe patterns on these crosswise strips are cut out from the material in order to form a shoe. *Id.* The figures in Guenther show the U-shaped parts on the three crosswise strips of the web of material.



³ Skechers relies on an English translation of Guenther at EX1023.

EX1023 at Figs. 1-2. Nishida, however, distinguishes Guenther's web of material as wasteful and expensive. EX1022 at 2:11–26. Specifically, the crosswise strips “consist[] of an expensive tubular material, multilayer material or the like” and therefore, cutting the U-shaped parts from this web of material leaves expensive scraps of material that are wasted. *Id.* at 2:22–26 (“the known material that has crosswise strips, the entire cutting waste, for example, consists of an expensive” material).

By contrast, in Nishida, for “the process according to the invention, 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” and “the remaining area of the web of material in contrast can consist of a simple, lightweight or inexpensive material quality.” *Id.* at 2:11–22. Consequently, with Nishida's method, when the shoe patterns are cut from the web of material, the leftover material is the “simple, lightweight and inexpensive material,” thereby minimizing “waste.” *Id.*

V. DEFINITION OF A PERSON OF ORDINARY SKILL IN THE ART

For purposes of this Response, Nike applies Skechers' definition for a person of ordinary skill in the art (“POSITA”), namely a person 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; and that a POSITA would have had at least a general understanding of general construction processes and materials used in the manufacturing process of fabric-based articles. *See* Petition at 23–24; EX2012 at ¶ 20–22.

VI. CLAIM CONSTRUCTION

Claims challenged in *inter partes* review proceedings “shall be construed using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. [§] 282(b).” 37 C.F.R. § 42.100(b). Under this standard, claims “are generally given their ordinary and customary meaning,” as understood by a person of ordinary skill. *Phillips v. AWH Corp.*, 415 F.3d 1303 at 1312–13 (Fed. Cir. 2005) (citation omitted). For purposes of this Response, Nike contends that no terms require construction. *See Realtime Data, LLC v. Iancu*, 912 F.3d 1368, 1375 (Fed. Cir. 2019) (“The Board is required to construe ‘only those terms ... in controversy, and only to the extent necessary to resolve the controversy.’”) (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)).

VII. LEGAL STANDARDS

Skechers has “the burden of proving a proposition of unpatentability by a preponderance of the evidence.” 35 U.S.C. § 316(e); *In re Magnum Oil Tools Int’l, Ltd.*, 829 F.3d 1364, 1375 (Fed. Cir. 2016). It is Petitioner’s obligation to “identify

with particularity the evidence that supports the grounds for the challenge to each claim.” *Henny Penny Corp. v. Frymaster LLC*, 938 F.3d 1324, 1330 (Fed. Cir. 2019) (internal quotations omitted); *Microsoft Corp. v. FG SRC, LLC*, 860 Fed. App’x. 708, 713 (Fed. Cir. 2021) (arguments in petition “must be made with particularity, not opacity”).

A. Anticipation

Anticipation requires “that a single prior art reference discloses each and every element of a claimed invention.” *Silicon Graphics, Inc. v. ATI Techs., Inc.*, 607 F.3d 784, 796 (Fed. Cir. 2010). A reference must not only explicitly or inherently disclose every claimed element, but those elements must also be arranged within that reference as they are in the claim. *Net MoneyIN, Inc. v. Verisign, Inc.*, 545 F.3d 1359, 1369–71 (Fed. Cir. 2008). “[D]ifferences between the prior art reference and a claimed invention, however slight, invoke the question of obviousness, not anticipation.” *Id.* at 1371.

B. Obviousness

Obviousness requires that “the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made” to a skilled artisan. *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). An obviousness determination is based on four inquiries: (1) the scope and content of the prior art; (2) the differences

between the claims and the prior art; (3) the level of ordinary skill in the art; and (4) objective indicia of nonobviousness. *Id.*, 406 (citing *Graham v. John Deere Co. Kan. City*, 383 U.S. 1, 17–18 (1996))

Petitioner must show that a POSITA would have been motivated to modify or combine teachings from the reference(s) asserted in the obviousness ground. *KSR*, 550 U.S. at 418; *see also In re Stepan Co.*, 868 F.3d 1342, 1345–46 (Fed. Cir. 2017). Petitioner must articulate specific reasoning to modify or combine references—they cannot rely on conclusory statements or attorney argument. *Arendi S.A.R.L. v. Apple Inc.*, 832 F.3d 1355, 1362–63 (Fed. Cir. 2016); *Facebook, Inc. v. Windy City Innovations, LLC*, 973 F.3d 1321, 1342 (Fed. Cir. 2020) (affirming nonobviousness where petitioner’s challenge was “based on attorney argument rather than evidence in the record”). Petitioner must also show that a skilled artisan would have “reasonably expected success in achieving the goal,” i.e., achieving the claimed invention. *See Institut Pasteur & Universite Pierre Et Marie Curie v. Focarino*, 738 F.3d 1337, 1346 (Fed. Cir. 2013); *see also Arctic Cat Inc. v. Bombardier Recreational Prods. Inc.*, 876 F.3d 1350, 1360–61 (Fed. Cir. 2017).

When Petitioner supplies a claim limitation missing from the references using common sense or general knowledge, the obviousness analysis is particularly searching. *Arendi*, 832 F.3d at 1361–62 (“especially when dealing with a limitation missing from the prior art references specified[,]” “our cases repeatedly warn that

references to common sense ... cannot be used as a wholesale substitute for reasoned analysis and evidentiary support.”) (internal quotations omitted).

VIII. SKECHERS HAS NOT ESTABLISHED THAT ANY CHALLENGED CLAIM IS INVALID

A. Dr. Adanur’s Analysis Is Improper

Skechers’ challenge rests largely on the testimony of Dr. Adanur. But that testimony is fundamentally unreliable because it is tainted by hindsight and a results-driven methodology. Dr. Adanur did not approach the prior art as a person of ordinary skill would have at the relevant time. Instead, by his own admission, his analysis was informed by an extensive review of prior district court and PTAB proceedings involving the same ’749 patent—but different parties, different records, and different prior art. EX2010 at 35:3–39:24. That backward-looking lens improperly colored his interpretation of the Nishida and Gunther references and infected his opinions with precisely the type of hindsight bias the Federal Circuit and this Board routinely reject. *Hytera Commc’ns Co. v. Motorola Sols., Inc.*, 840 F. App’x 555, 561 (Fed. Cir. 2021).

Dr. Adanur’s impermissible hindsight manifests most clearly in how he misreads the prior art to force a predetermined outcome. In his anticipation analysis, Dr. Adanur conducted an incomplete review of Nishida, relying in irrelevant portions of the disclosure. As Dr. Adanur admitted in his deposition, he included as part of his anticipation analysis Nishida’s disclosure about the unrelated topics of

weaving. Skechers relies on this weaving-related disclosure without any explanation. Dr. Adanur also admitted in his deposition that, as part of his anticipation analysis, he used Guenther as a guide to understanding Nishida's disclosure. That approach flips the anticipation analysis on its head. Anticipation requires that each and every claim limitation be disclosed in a single reference, arranged as in the claim—without relying on a separate reference for context or missing details. In fact, Dr. Adanur's methodology—using Guenther to understand Nishida—confirms that Nishida does not disclose the claimed invention. In his obvious analysis, Dr. Adanur's results-driven analysis caused him to combine Guenther with Nishida, even though—as Dr. Adanur admits—Guenther's process runs counter to Nishida's stated goal of efficiency and cost reduction. His analysis treats the prior art as a puzzle to be solved with the benefit of hindsight, rather than evidence of what was actually taught to skilled artisans at the time.

In short, Dr. Adanur's opinions are not the product of an objective, assessment of the prior art through the eyes of a contemporaneous POSITA. They are the result of a litigation-driven exercise that begins with the answer and works backward to rationalize it. If Dr. Adanur's analysis shows anything, it shows that Skechers has failed to meet its burden of proving the claims of the '749 patent unpatentable.

**B. Ground 1A: Orei Does Not Anticipate or Render Obvious
Claims 1–6, 8, 10–16, 18, and 20–21**

Orei does not disclose “simultaneously knitting” a “textile element” with a “surrounding textile structure,” as recited in independent claims 1 and 13.⁴ EX2012 at ¶ 39.

First, Orei does not disclose a “surrounding textile structure.” EX2012 at ¶ 40; EX1020 at Figs. 1 & 5, 3:33–38, 2:1–3. Skechers does not point to any discussion in Orei on an alleged surrounding textile structure, including in terms of its alleged material or production. Petition at 34–38; EX2012 at ¶ 40. Skechers points to Figures 1 and 5, but these Figures only show empty space surrounding the shoe patterns, not a “surrounding textile structure.” EX1020 at Figs. 1, 5; EX2012 at ¶ 40. Skechers resorts to inserting an alleged “surrounding textile structure” by drawing in a brown rectangle in the background of the Figures 1 and 5 in Orei. Petition at 36–37. Skechers then argues the Figures, with Skechers’ inserted brown rectangle, show a “continuous knitted fabric” with parts being disposed on it. *Id.*

⁴ Claim 1 recites “simultaneously knitting a textile element with a surrounding textile structure,” while Claim 13 recites “knitting a first textile element and a second textile element simultaneously with knitting a surrounding textile structure.” EX1001 at 11:45–46, 12:29–30.

But what Orei actually discloses is that parts A, B, and C—similar to Pangea—were *originally* joined together as one “continuous knitted fabric” (see arrows in annotated Figure 1 below). EX1020 at 2:1–3, 3:34–38; EX2012 at ¶ 43.

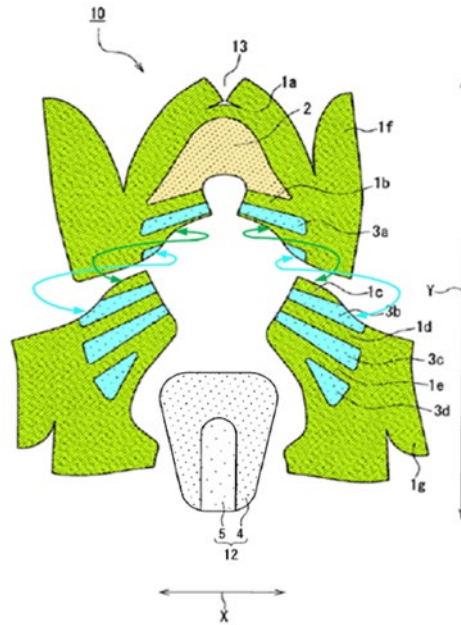


FIG. 1

EX1020 at Fig. 1 (annotated with colors and arrows); EX2012 at ¶ 43. Figure 1 shows non-mesh structure part (A) 1a to 1e in green, mesh structure part (B) 2 in beige, and mesh structure part (C) 3a and 3d in aqua. EX1020 at Fig. 1, 4:16–25, 4:37–39, 4:40–46. Orei discloses that shoe patterns having parts A to C were originally joined together in a fabric. *Id.* at Fig. 1, 3:33–38, 2:1–3; EX2012 at ¶ 43. For example, part (A) 1c and part (C) 3b in the bottom shoe patterns match up to the corresponding colored parts in the top shoe pattern in Figure 1 (annotated by green and aqua arrows). EX2012 at ¶ 43.; EX1020 at Fig 1. Skechers’ expert agreed that

Parts A, B, and C line up. EX2010 at 66:9–17. Because the shoe patterns were originally joined, they formed one continuous fabric. EX2012 at ¶ 43.; EX1020 at Fig 1, 3:33–38; 2:1–3.

Orei then discloses that the continuous fabric was overlaid with a “paper pattern” and cut. EX1020 at 3:33–38 (“At least the parts A to C . . . disposed as one continuous knitted fabric. Thus, when the fabrics are cut together with paper pattern, a shoe can be formed.”); EX2012 at ¶ 44. A POSITA would understand that the “paper pattern” placed on top of the continuous fabric would guide a person to cut the shoe patterns shown in Figure 1. EX2012 at ¶ 44. As such, Figure 1 discloses shoe patterns after cutting and before assembly into a shoe. EX1020 at Fig 1, 3:33–38; 4:16–17; EX2012 at ¶ 44. Thus, Figure 1 depicts shoe patterns with empty space in between, not with a surrounding textile structure. EX2012 at ¶ 44.

Skechers further argues that Figure 5 meets this limitation by disclosing that “respective parts are placed continuously” “[o]n one knitted fabric. Petition at 37–38. But Figure 5—like Figure 1—shows parts 31 and 32 that were previously adjoined and cut apart (see arrows in annotated Figure 5 below).

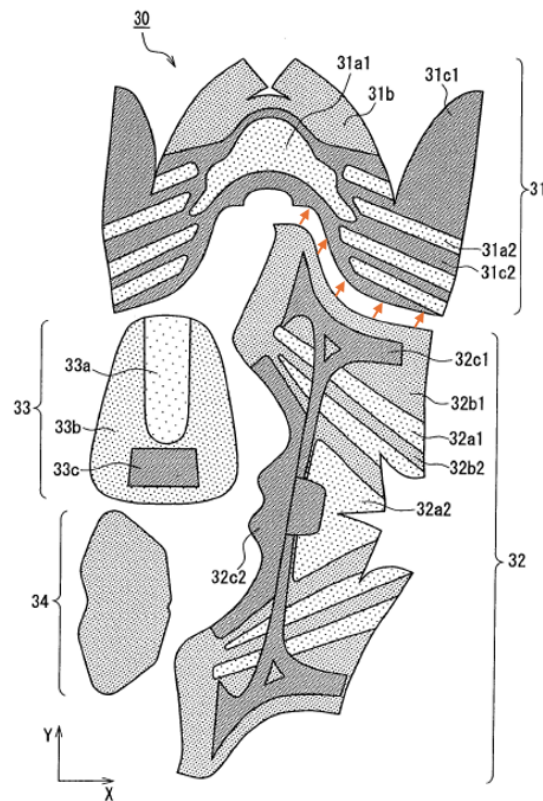


FIG. 5

EX1020 at Fig. 5 (annotated). Figure 5 shows, and Dr. Adanur agrees, the curves of part 31 match up with the curves of the bottom part 32, showing the two patterns would be “continuously” adjacent to one another prior to cutting with the paper patterns in order to form the shoe. *Id.* at 3:33–37 (“Thus, when the fabrics are cut together with paper pattern, a shoe can be formed.”); EX2010 at 72:19–22. Like for Figure 1, this means that Figure 5 depicts shoe patterns after cutting with empty space surrounding the patterns.

Skechers also lacks any support for the claimed “simultaneously knitting.” Skechers relies on Orei’s disclosure of disposing parts “continuously” or as a

“continuous” fabric to argue Orei teaches the claimed “simultaneously knitting.” Petition at 35–37. But, as Dr. Adanur explains, Orei uses “continuous” or “continuously” not in relation to the timing of when knitting occurs, but instead to describe the physical placement of shoe parts. EX2010 at 71:3–6 (Q: So the continuous relates to the physical placement of components of the resulting knit; is that right? A: Exactly.); EX1020 at 3:33–38 (parts “disposed as one continuous knitted fabric”); 4:16–18 (parts “placed continuously”); 5:57–58 (parts “placed continuously”); EX2012 at ¶ 45. Specifically, “continuous” or “continuously” refers to having no gaps between the parts located on the fabric. *Id.* In particular, Orei discloses that “at least the parts A to C” are continuously adjacent to one another with no gaps. EX1020 at 3:34–36 (“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.”), 2:1–3 (“at least the parts A to C are disposed in one continuous knitted fabric”); EX2012 at ¶ 45. Accordingly, Skechers lacks any support in Orei on when the knitting occurs, let alone support for “simultaneously knitting.” EX2012 at ¶ 45.

Finally, Skechers argues that even if Orei does not disclose simultaneously knitting a textile element with a surrounding textile structure, it would have been obvious to do so. Petition at 37–38. But Skechers relies on documentary evidence that does not disclose a surrounding textile structure, let alone the simultaneous knitting of a surrounding textile structure with a textile element. Petition at 38

(quoting EX1050 (“Spencer”) at 363, which states that articles are “simultaneously knitted side-by-side across the needle bed”). This disclosure in Spencer refers only to knitting multiple individual scarves at the same time by having each scarf, i.e., textile element, directly side-by-side on the needle bed. *Id.*; EX2012 at ¶ 46. There is no disclosure of a surrounding textile structure, and in fact, the production process in Spencer does not produce any waste scraps that would evidence a surrounding textile structure. *Id.* Accordingly, Skechers fails to show that Orei anticipates or renders obvious any challenged claim in Ground 1A. *Id.*

C. Ground 1B: Orei in View of McDonald Does Not Render Obvious Claims 7, 12, 17, and 18

For at least the reasons discussed above with respect to Ground 1A, Orei does not disclose independent claims 1 and 13. For at least the same reasons, Orei in view of McDonald does not render obvious dependent claims 7, 12, 17, and 18.

D. Ground 1C: Orei Does Not Render Obvious Claims 9 and 19

For at least the reasons discussed above with respect to Ground 1A, Orei does not disclose independent claims 1 and 13. For at least the same reasons, Orei does not render obvious dependent claims 9 and 19.

E. Ground 2A: Nishida Does Not Anticipate Claims 1–8, 11–18, and 21

Skechers fails to establish that Nishida discloses “simultaneously” knitting a “textile element” with a “surrounding textile structure,” as recited in independent

claims 1 and 13. EX2012 at ¶ 50. At best, Nishida is silent on the timing of various procedures. *Id.* But Dr. Pastore and the Examiner both read Nishida to disclose the surrounding textile structure is a backing that pre-exists and therefore is knitted earlier than any textile element. EX2012 at ¶ 50; § II(B)(I), *supra*. Skechers has failed to establish that “one skilled in the art would reasonably understand or infer from the prior art reference’s teaching that every claim element was disclosed in that single reference.” *Microsoft Corp. v. Parallel Networks Licensing, LLC*, 715 F. App’x 1013, 1020 (Fed. Cir. 2017).

1. Skechers Improperly Relies on Multiple References To Support Its Anticipation Arguments

Skechers’ expert Dr. Adanur relied on the disclosure of Guenther to understand Nishida. In his declaration, he explains “I further note that [Guenther] informs what a POSITA would understand from Nishida’s disclosure, including about how Nishida’s web of material 1 and base.” EX1002 at ¶ 218; EX2010 at 141:5–8 (explaining that his declaration has a typo leaving the word “Guenther” out). Dr. Adanur further testified that his “understanding of Nishida is at least partly based on [his] understanding of Guenther.” EX2010 at 142:6–11. “For a prior art reference to anticipate a claim, the reference must disclose each claim limitation in a single document.” *Apple Inc. v. Int’l Trade Comm’n*, 725 F.3d 1356, 1362 (Fed.

Cir. 2013). Relying on Guenther is looking outside the single document of Nishida and so is not permitted to establish anticipation.

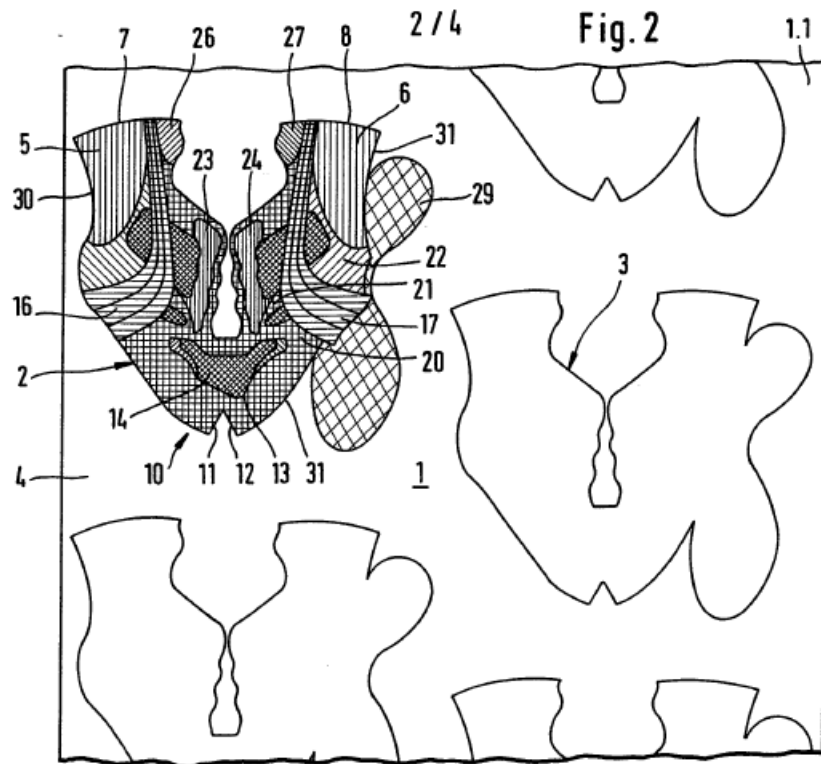
Nishida does not incorporate Guenther by reference. To incorporate another document by reference, “the host document must identify with detailed particularity what specific material it incorporates and clearly indicate where that material is found in the various documents.” *Id.* A “mere *reference* to another application, or patent, or publication is not an *incorporation* of anything therein.” *Callaway Golf Co. v. Acushnet Co.*, 576 F.3d 1331, 1346 (Fed. Cir. 2009) (emphasis in original). Nishida does not incorporate Guenther by reference. EX2012 at ¶ 49. Nishida instead states that there is a process “known” from Guenther. *Id.*; EX1022, 1:19–24. This is comparable to the facts in *Apple*, where the host reference “makes a passing reference to [the unincorporated reference]” but “does not affirmatively incorporate any information.” *Id.* Nishida, like the host patent in *Apple*, does not “clearly indicate where that material is found in the various documents.” *Id.*

2. Skechers’ Petition Misconstrues The Disclosure of Nishida

Skechers analysis relies on a misunderstanding of the disclosure of Nishida. Nishida (1) discloses a backing and (2) does not establish that the backing is produced simultaneously to the layouts of the shoe patterns.

a) Nishida Discloses a Backing

Nishida discloses that it uses a backing. EX2012 at ¶ 52; EX1022 at 3:13–15 (“The web of material has a backing 4 that can be a conventionally used material formed”). That backing is made of “simple, lightweight or inexpensive material quality.” *Id.* at 2:16–18, 5:45–55 (“as simple and as economical as possible”); EX2012 at ¶ 52. By contrast, the “textile elements” (i.e., the “layout” or “tongue” of the upper shoe patterns, according to Skechers) consist of “necessary quality, thickness, multilayers or the like which correspond to the pattern.” *Id.* at 2:13–14; EX2012 at ¶ 52. Figure 2 shows the backing 4, along with a layout 2 of the shoe pattern.



Id. at Fig. 2; EX2012 at ¶ 52.

**b) Nishida's Backing Is Not Made Simultaneously With
The Layouts Of The Shoe Patterns**

Nishida discloses that the backing pre-exists the production of layouts for the shoe patterns. EX2012 at ¶¶ 53–55. As Dr. Pastore explains, Nishida discloses producing a full sheet of backing in one operation, but not that knitting the shoe patterns would be part of that same operation. EX2012 at ¶ 55. Specifically, Nishida discloses that during the production of the shoe patterns, the process avoids knitting certain “unfinished surface areas” (shown at “1.1” in Figure 2 above). EX1022 at 4:61–63, 5:45–55, Figs. 1–2; EX2012 at ¶ 55. Those surface areas have the conventional, inexpensive material of the backing, showing they were made in the same process as the backing. EX1022 at 2:16–20, 3:13–15, 4:61–63, 5:45–55, Figs. 1–2 (surface area 1.1); EX2012 at ¶ 55. There is no need to further knit these “unfinished surface areas,” which merely “holds together only the [shoe] patterns” “after their completion.” EX1022 at 2:16–20; EX2012 at ¶ 55. In short, the knitting process of the shoe patterns does not include the “unfinished surface areas,” but the inexpensive material is still present because of the pre-existing backing. EX1022 at 2:16–20, 3:13–15, 4:61–63, 5:45–55; EX2012 at ¶ 55. As such, Nishida discloses that the backing pre-exists, where there is no “simultaneously knitting” of a textile element (the alleged layout or tongue) with a surrounding textile structure (the backing). EX2012 at ¶ 55.

The claims of Nishida provide further support. Claim 1 recites “. . . modifying the overall construction of the web of material in the locations of the layouts relative to that in portions thereof where the layouts of the shoe upper and sole parts are produced by modifying the overall construction of the web of material in the locations of the layouts relative to that in portions thereof where the layouts of the shoe upper and the sole parts are not provided. . .” EX1022 at 6:17–23. A POSITA would understand that an overall construction must already exist before it can be modified in particular locations. EX2012 ¶ 55. A POSITA would further recognize that, if the backing and patterns were formed simultaneously, the process would involve creating the construction rather than modifying it in specific locations. *Id.* Therefore, the backing must pre-exist the web of material. *Id.* Skechers cites to various statements in Nishida that fail to disclose “simultaneously knitting” a “textile element” with a “surrounding textile structure.” For example, Skechers argues that Nishida discloses “a textile production process **inside** the web of material.” Petition at 78. This, however, is silent on the timing of the knitting, let alone whether the timing is “simultaneous.” EX2012 at ¶ 56 (citing EX1022 at 1:50–56). Instead, this refers to producing parts in multiple layers or tiers, where the layers in the middle are “inside” the web of material. EX1022 at 3:66–68 (“the material can be woven or knitted in **two or more layers**”); 3:6–8 (“In FIGS. 1 and 2, **a web of material** is identified by 1, and is produced by a conventional textile process, **tier example**, by

weaving and/or knitting and/or embroidering.”)⁵ (emphasis added), EX2012 at ¶ 56. For example, in Figure 2, part 22 is “inside” the web of material because part 17 and/or part 8 are on top of part 22, while part 29 and/or the backing are underneath part 22. EX1022 at Fig. 2; EX2012 at ¶ 56. Because the “web of material” includes all components, including the backing and all layers of the layouts (EX1022 at 3:5–15), parts in the middle layers are embedded “inside” the “web of material” (EX1022 at Fig. 2, 3:6–8; EX2012 at ¶ 56.). When asked at deposition where in Nishida the simultaneous knitting is disclosed, Dr. Adanur stated that a POSITA would know how knitting machines work, but did not identify any supporting disclosure in Nishida. EX2010 at 91:3–23.

Skechers also points to the Abstract in Nishida, but the Abstract does not mention the backing, let alone the timing for producing the backing. EX1022 at Abstract. The Abstract states that “a 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) , and with a sole part attached to the layout.” *Id.* Each of the features listed: the different styles, material, color, and

⁵ The Institution Decision contemplates that Nishida includes the word “tier” as a typographical error. ID at 22 n. 7. Nike sees no evidence that it is an error. Even if it is, Nishida still teaches multiple layers. E.g., EX1022 at 2:3:66–68;

thicknesses, are part of the layout 2, not the backing 4. EX2012 at ¶ 57. This is disclosing that different parts of the layout 2, which is the shoe upper, are made at the same time. *Id.* The sentence sets “the production of the web of material” apart from the other elements to indicate that those *other elements* are produced at the same time as each other. *Id.* It does not indicate that the full web 1 or the backing 4 are made at the same time as the layout 2. *Id.* As such, the Abstract does not disclose *when* the web of material is completed in relation to the layouts.

Skechers also cites to Nishida’s reference to “one operation” (Petition at 80), but this only refers to the production of Nishida’s “upper designs” of layouts and the tongue, not the production of the backing (EX1022 at 4:49–55; EX2012 at ¶ 58). Specifically, Nishida discusses the production of a “fully developed” material having “7 different fibers” in “one operation,” not the production of the “inexpensive” and “simple” material of the backing. EX1022 at 4:49–55 (“a *fully developed* loom, up to *7 different textile fibers or yarns*, and the same number of colors, can be put in, especially woven in, the web of material *in one operation*. As already indicated, any sizes and different *upper designs* can be produced by computer-controlled programs, starting from corresponding basic patterns.”); EX2012 at ¶ 58. Indeed, in this disclosure, Nishida only refers to “upper designs,” not some other component of the web. *Id.* Contrary to his declaration, Dr. Adanur testified that this portion of the specification was discussing weaving, not knitting.

EX2010 114:22–115:15; EX1002 at ¶ 216. He confirmed his view of this excerpt on redirect examination. EX2010 155:22–156:19.⁶ Embodiments of Nishida that only address weaving are not relevant to how footwear would be knit. EX2012 at ¶ 58. As Dr. Adanur explained “The machines are different. The process is different. The fabric properties are different.” EX2010 at 115:11–15.

Skechers also argues that the Board in the *adidas IPR* made statements consistent with its position. Petition at 77 (citing EX1019 at 29–30). But, in its decision, the Board merely points to Nishida disclosing the simultaneous knitting of only the “tongues 40” and “layout 2” designs, not the simultaneously knitting of those designs with a surrounding textile structure. EX1019, 29–30 (citing EX1022 (Nishida) at 5:27–36, 41–44, which discloses “... Preferably, in each case, related ***tongues 40 are produced simultaneously with a layout 2*** on same web of material 1.”) (emphasis added). Skechers tacitly admits this disclosure in Nishida does not support its position; it even avoids showing that this is the disclosure in Nishida the Board cites. Importantly, Skechers never points to this disclosure to argue it shows “simultaneously knitting” of shoe designs with a “surrounding textile structure.” This is because this disclosure only says the shoe designs of the “tongues” and “layout 2” are knitted simultaneously; it ***does not*** say these designs are knitted

⁶ Dr. Adanur’s contradicting his own declaration is further evidence of his results-driven analysis.

simultaneously with the backing (i.e., the surrounding textile structure).⁷ EX1022 at 5:34–36; EX2012 at ¶ 59.

Skechers also asserts “Nishida’s backing 4 is a base for the web of material 1 similar to Guenther’s base layers.” Petition at 83 (suggesting Guenther discloses simultaneous knitting). Nishida, however, expressly teaches its base is different than

⁷ Further, Skechers cites to Board statements in the *adidas IPR* that are dicta. The Board confirmed that “[i]n this case, we will be making our own findings based on the record before us after a full trial, and we will not merely adopt findings made in an earlier inter partes review.” Paper 24 at 24. As explained above, the petitioner in the *adidas IPR* never argued that Nishida anticipated the claims of the ’749 patent. *See supra* II.B.2. *adidas* only argued that the ’749 patent claims were rendered obvious in view of the combination of Nishida and Reed. *Id.* Accordingly, the Board’s statements about anticipation issues not raised by *adidas* are dicta and not binding. *See Curver Lux., SARL v. Home Expressions Inc.*, 938 F.3d 1334 at 1342 (Fed. Cir. 2019) (“[W]e note that the statement about anticipation in *Glavas* is dictum and thus not binding. Because the *Glavas* court was asked only to review a determination of obviousness, the statement about anticipation was unnecessary to reach its holding about obviousness.”).

Guenther's multi-layer base. EX2012 at ¶ 60. First, Nishida identifies Guenther's base as using crosswise strips of different weaves consisting of multilayer material:

A process according to this general type is known from German Patent No. 627 878. There, **a web of material** is produced so that it successively **has three crosswise strips of different weaves**. . . . second crosswise strip is elastic and multilayered . . . crosswise strip for the counter-stiffener can be produced as a tubular material.

EX1022 at 1:19–33 (emphasis added); EX2012 at ¶ 61. Nishida then expressly distinguishes its “invention” from Guenther's base of crosswise strips because that base is “waste[ful]” when cutting out shoe patterns, leaving “expensive” scraps of material.

By the process according to the invention . . . cutting waste accumulating with cutting out therefore represents a simple, lightweight and inexpensive material. In contrast, with the known material that has crosswise strips, the entire cutting waste, for example, consists of an expensive tubular material, multilayer material or the like.

EX1022 at 2:11–26 (emphasis added); EX2012 at ¶ 62. According to its invention, Nishida uses a “simple, lightweight or inexpensive material” for the base of the web of material that merely “holds together” the shoe patterns. *Id.* This helps with “cutting waste” and differs from the “expensive” material in Guenther. *Id.* Accordingly, a POSITA would understand Nishida's base for the web of material is different than the multi-layered base in Guenther. *Id.* In fact, Dr. Adanur testified

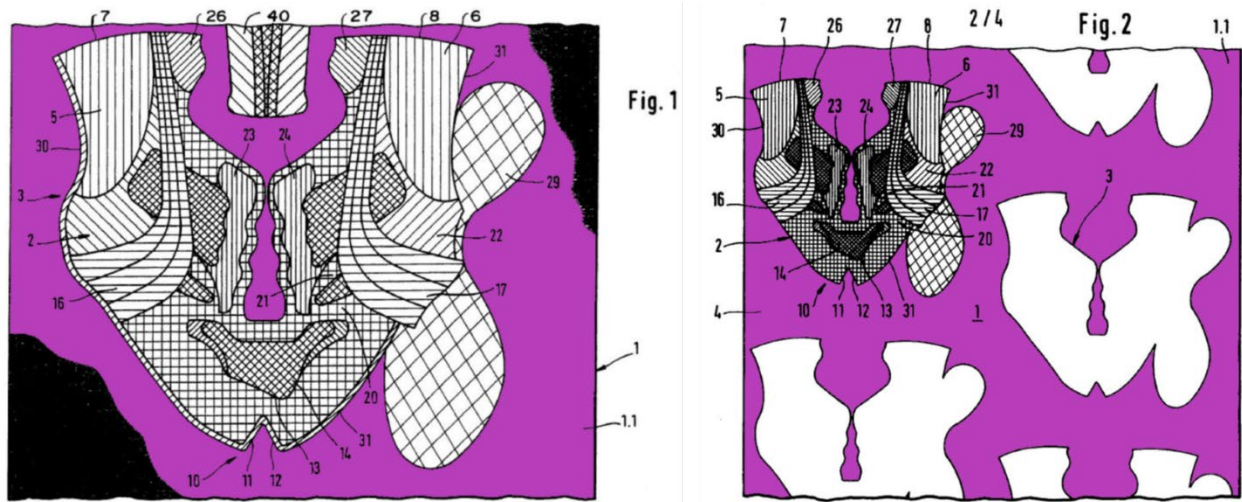
that in knitting, Nishida's "backing (4) "does not go under the layouts." EX2010 at 103:21–104:1. He explained that while embroidery requires a pre-made backing that elements are placed on top of, knitting "doesn't work that way." 126:14–24. By stating the backing does not extend under the layout in a knitted embodiment, Dr. Adanur's testimony appears to contradict his position that Nishida's backing is structurally equivalent to Guenther's "base layers" which extend across the entire web. EX2012 at ¶ 60–62.

In sum, Skechers fails to show that Nishida anticipates any of the challenged claim in Ground 2A. EX2012 at ¶ 63.

F. Ground 2A (Dependent Claims): Nishida does not disclose that the knitted textile element has a "substantially planar configuration upon removal from the surrounding knitted textile structure" as recited in claims 5 and 15

Skechers fails to show that Nishida discloses a knitted textile element with a "substantially planar configuration" when removed from the surrounding knitted textile structure, as recited in dependent claims 5 and 15. EX2012 at ¶ 64. Skechers incorrectly argues that Nishida discloses this limitation based on two things: (i) Figures 1 and 2 of Nishida (Skechers' annotated versions reproduced below); and (ii) Nishida's disclosure that part 29 is "folded out of the unwound web part 2 into the plane of the shoe sole." Petition at 91–92. Neither of those disclosures establish

that Nishida's unwound web parts 2 are substantially planar upon removal from material web 1. EX2012 at ¶ 65.



Figures 1 and 2 of Nishida (annotated)

First, Nishida's Figures 1 and 2 don't show that unwound web parts 2 are substantially planar *upon removal* from material web 1. Nishida's Figures 1 and 2 show unwound web parts 2 integrated with material web 1. Neither Figures 1 and 2, nor any other figure in Nishida, shows unwound web parts after removal from material web 1. *See* Adanur Dep; EX2012 at ¶ 66. In addition, Nishida describes production processes for forming unwound web parts 2 that impart curl or three-dimensionality to those parts upon removal. EX2012 at ¶ 66. Second, Nishida's disclosure of folding sole portion 29 "into the plane of the shoe sole" does not establish that unwound web part 2 is substantially planar upon removal from material web 1. *Id.* Later post-processing steps that alter the shape of the unwound web part

(2) do not indicate the initial shape of the unwound web part when initially removed from material web 1. *Id.* Skechers also cites to Dr. Adanur declaration as support, but Dr. Adanur merely relies on these same disclosures in Nishida. In fact, in his deposition, Dr. Adanur acknowledged that part of the disclosure Skechers relies on does not support its position. EX2010 at 134:3–9 (“Dr. Adanur: It doesn’t specifically say that but I mean, a POSITA would know that it is planar. Q. Is there something in column -- in that excerpt in column five, lines 14 to 26 that provides support for that? A. Not that I see.”). Once again, Dr. Adanur’s testimony contradicts his declaration. EX1002 at ¶243; EX2012 at ¶ 66.

For at least these reasons, Skechers fails to show that Nishida anticipates claims 5 and 15. EX2012 at ¶ 67.

G. Ground 2B: Skechers Fails to Establish That Nishida in View of Guenther Renders Obvious Claims 1–8, 11–18, and 21

Skechers argues that it would be obvious to modify the backing of the web of material in Nishida with Guenther’s multi-layer construction. But, Dr. Adanur testified that Skechers’ proposed motivation to combine the references is contrary to Nishida. Nishida expressly teaches a POSITA away from Guenther’s multi-layer construction for the backing because it is too expensive and wasteful. EX2012 at ¶ 68. If a proposed modification would render the prior art invention being modified unsatisfactory for its intended purpose, then “the benefits, both lost and gained,

should be weighed against one another.” *Henny Penny*, 938 F.3d at 1332. Skechers and Dr. Adanur have not weighed the benefits lost by using the Guenther’s method.

First, and as discussed in response to Ground 2A, Nishida identifies Guenther’s multi-layer approach. EX1022 at 1:19–34 (“A process according to this general type is known from German Patent No. 627878. There, a web of material is produced so that it successively has three crosswise strips of different weaves . . . crosswise strip is elastic and multilayered . . . produced as a tubular material”); EX2012 at ¶ 69. Then, Nishida expressly teaches away from that approach as wasteful when cutting out shoe patterns, leaving expensive scraps of material. *Id.* at 2:11–26 (“ . . . In contrast, with the known material that has crosswise strips, the entire cutting waste, for example, consists of an expensive tubular material, multilayer material or the like.”); EX2012 at ¶ 69–70. Dr. Adanur agreed that a skilled artisan in 2004 looking at Nishida and Günther would not use the multiple layers in Guenther in the method of Nishida. EX2010 at 128:4–8; *see also id.*, at 159:5–16. This is yet another instance of Dr. Adanur’s testimony contradicting his declaration. EX1002 ¶¶290–291. EX2012 at ¶ 69–70.

A POSITA would understand that this multilayer waste material is expensive both in terms of the amount of material used, but more importantly in the processing effort and time. EX2012 at ¶ 71. That is, the extra material used adds some cost, but more importantly, creating multilayered material that is disposed is an expensive

process. *Id.* Unlike Guenther, Nishida teaches to use a backing that merely “holds together” the shoe patterns and that uses “inexpensive material quality” for “cutting waste.” EX1022 at 2:11–26; EX2012 at ¶ 71.

Skechers and Dr. Adanur further argue that “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.” Petition at 107; EX1002, ¶ 290. But as discussed above, the different fibers or yarns are used for the layouts of the shoe uppers, not the full web of material which includes the lightweight material. EX2012 at ¶ 71. Therefore a POSITA would not be motivated to use Guenther’s multilayer approach. *Id.* Additionally, as noted above, Dr. Adanur’s testimony that Nishida’s “backing (4) “does not go under the layouts,” and that that while embroidery requires a pre-made backing that elements are placed on top of, knitting “doesn't work that way” (EX2010 at 103:21–104:1; 126:14–24) contradict his previous statements that Nishida’s backing is structurally equivalent to Guenther’s “base layers” which extend across the entire web. EX2012 at ¶ 71.

Skechers and Dr. Adanur also argue that “Guenther’s multi-layer approach is known to improve strength while avoiding the drawbacks of single layer designs.” Petition at 107; EX1002, ¶ 290. But a POSITA looking at Nishida would seek to make designs that “consist of a lightweight material quality that is as simple and economical as possible.” EX1022 at 2:14–21; EX2012 at ¶ 72.

When, as here, a combination results in benefits lost and allegedly gained, those benefits must be “weighed against one another,” *Henny Penny*, 938 F.3d at 1332. Despite bearing the burden to establish obviousness, Skechers and Dr. Adanur did not endeavor to weigh these benefits lost and gained. EX2012 at ¶ 73. Doing so would show that there is no motivation to combine Nishida and Guenther. *Id.* Once a POSITA is combining Nishida with Guenther’s method, there would be no reason to use Nishida. *Id.* As explained above, the advantage of Nishida is that it is efficient and saves money and time. *Id.*; EX2010 at 121:18–21. Accordingly, there is no motivation for a POSITA to combine Nishida with Guenther to modify the backing in Nishida. *Id.*

In addition, Skechers has not provided any evidence or argument whatsoever that a POSITA would have had a reasonable expectation of success to modify the backing in Nishida with Guenther’s multi-layer construction. EX2012 at ¶ 74. The backing in Nishida is a “conventionally used material” that is “as simple and as economical as possible.” EX1022 at 2:16–18, 3:13–15, 5:45–55. Skechers has not provided any evidence or argument on how a POSITA would modify that simple base material with Guenther’s more complex material that is “produced so that it successively has three crosswise strips of different weaves.” *Id.* at 1:19–34; EX2012 at ¶ 74. Accordingly, Skechers fails to show that Nishida in view of Guenther renders obvious any challenged claim in Ground 2B. EX2012 at ¶ 74.

H. Ground 2C: Skechers Fails to Show That Claims 9, 10, 19, and 20 Are Obvious Under Either Ground 2A or Ground 2B

For at least the reasons discussed above in each of Ground 2A and Ground 2B, the prior art does not disclose independent claims 1 and 13. For at least the same reasons, neither Ground 2A nor Ground 2B render obvious dependent claims 9, 10, 19, and 20.

IX. CONCLUSION

For the reasons set forth above, Skechers has failed to prove by a preponderance of the evidence that any of claims 1–21 of the '749 patent are unpatentable. Nike requests that the Board enter a final written decision affirming the patentability of those claims.

Dated: December 23, 2025

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CERTIFICATE OF WORD COUNT

Under the provisions of 37 C.F.R. § 42.24(d), the undersigned hereby certifies that the Microsoft Office word count including all footnotes for the foregoing Patent Owner's Response, excluding the table of contents, table of authorities, certificate of word count, appendix and certificate of service, totals 9262 words, which is less than the 14,000 words allowed under 37 C.F.R. § 42.24(b)(2).

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CERTIFICATE OF SERVICE

The undersigned hereby certifies service on the Petitioner, pursuant to 37 C.F.R. § 42.6(e) and by agreement of counsel, by electronic (e-mail) delivery of a true copy of the foregoing **PATENT OWNER'S RESPONSE**, which was served on December 23, 2025 to the following Counsel for Petitioner via e-mail:

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