second area having a second set of properties that is different from the first set of properties was a well known endeavor among those in the textile industry. (Redenk, 60 F.3d at 1571).

11 1). The prior art unobviously discloses the combination of the other recited elements of claim 44 in support for an article of footwear.

Person of ordinary skill in the art would have understood and expected the benefits of using (a) plain, flat knitted textile elements having two areas with different constructions, as well as (b) flat knitted textile elements having a first area having a first set of properties and a second area having a second set of properties that is different from the first set of properties with such an "upper" would provide the advantages of different properties in the shoe upper such as breathability and elasticity, while increasing the efficiency of the manufacturing process. Specifically, the prior art references cited in Section 14 above teach the construction of and of process for constructing a knitted shoe upper.

The variety of teachings of these prior art references show that it would have been obvious for a person of ordinary skill in the art to combine their teachings in designing a knitted shoe upper to achieve the claimed features of the '011 patent. Thus, claims 44-46 of the '011 patent are not patentable in view of the above noted references considered individually or in combination.

In respect to claims 44-46, the specific grounds of rejection are set forth in Section 14 above, and the specific citations to the teachings of the cited art are in the chart below.

As stated in the grounds, Ishida anticipates claims 44-46, and claims 44-46 are

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Skechers v Nike

also obvious in view of Nishida alone or Nishida and other prior art. With respect to claim 44, a POSITA at the time of the priority date of the '011 patent would have understood Nishida's teaching of "conventional knitting processes to include flat knitting, which is a sub-type of weft knitting." (See cites in chart, Frederick Dec. at ¶ 721). In addition, it would have been obvious at the time of the priority date of the '011 patent to incorporate flat-knitted textile elements such as those disclosed by Whitley or Carey into Nishida's upper for reasons such as those identified in ¶¶ 561 – 6 at 417-422. (See Frederick Dec. at ¶ 721).

As stated in the grounds, Ozaru alone or in combination with other art renders claims 44-47 obvious. For example, Ozaru describes every element of independent claim 44 except that Ozaru discloses using a woven textile element rather a flat knitted textile element. A POSITA at the time of the priority date of the '011 patent would have understood that woven and knitted textiles are both suitable for use in uppers and the selection of one versus the other is an obvious design choice, as described by Nishida and Carey for example. (See Frederick Dec. at ¶ 721). A POSITA at the time of the priority date of the '011 patent would have understood that the selection of flat knitting as a sub-type of weft knitting is an obvious design choice or a selection from among a finite number of knitting techniques. (See Frederick Dec. at ¶ 721). In addition, it would have been obvious at the time of the priority date of the '011 patent to incorporate a flat-knitted textile as described by Whitley, Nishida, or Carey into Ozaru's upper for reasons such as these

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reminded in KSR, 550 U.S. at 417, 422. (See Frederick Dec., at ¶ 41).

With respect to Osamu and claim 45, a POSITA at the time of the priority date of the 011 patent would have understood that varying stitch configurations and/or yarn types to impart different properties to two different areas is an obvious design choice or a selection from among a finite number of techniques to do so. (See Frederick Dec. at ¶ 41). In addition, it would have been obvious at the time of the priority date of the 011 patent to different stitch configurations and/or yarn types as disclosed by Osamu. Osamu Nishida's teaching for knitting such as those found in KSR, 550 U.S. at 417, 427. (See Frederick Dec. at ¶ 91).

011 Patent Claims	Description of Prior Art
44. An article of footwear comprising:	Grounds 1-2, 7-12. Nishida discloses an article of footwear. Frederick Dec. at ¶ 72; Nishida at Abstract; FIGS. 2. Grounds 18-24, 28-33. Osamu discloses an article of footwear. Frederick Dec. at ¶ 91; Osamu at Title; Abstract; FIGS. 1-2.
an upper incorporating a flat knitted textile element, the flat knitted textile element having a first area with a first unitary construction and a second area with a second unitary construction different from the first unitary construction;	Grounds 1-2. Nishida discloses an upper incorporating a knit textile element, the knit textile element having first and second areas having constructions that are different. Frederick Dec. at ¶ 72; Nishida at Abstract; FIG. 12; 2:15-25; 3:31-42; 4:12-15; FIGS. 2-3. Grounds 7-12. Nishida other art Uppers incorporating textile elements formed by flat knitting were well known in the art at the time of the priority date of the 011 patent. See Whiting at 2:30-56; Dunley at p. 2, line 22-p. 6, line 25. Ground 13. Osamu discloses an upper incorporating a woven textile element having first and second areas having constructions that are different. Frederick Dec. at ¶ 91; Osamu at [0005]; [0007].

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Skechers v Nike

'011 Patent Claims	Description of Prior Art
	[0009] - [0012], claim 1; FIGS. 1-3 Grounds 2A, 2C, 3B **Osamu + other art** Woven and knitted textiles are both suitable for use in uppers and were well-known in the art at the time of the priority date of the '011 patent. *See* Nishida at 1:51-62, 1:67-68, 2:42-45, 3:6-10, 3:45-52, 3:66-68, 5:63-6:2, 6:22-25; Curley at p. 7, lines 22-23; p. 8, lines 2-3; p. 16, lines 5-8. Additionally, Nishida, Whiting, and Curley each disclose an upper incorporating a weft-knitted textile element. *See* Nishida at 3:6-12; Whiting at 2:30-35; Curley at p. 7, line 22-p. 8, line 25 Grounds 1-2, 7, 12
the first area having a first set of properties and the second area having a second set of properties that is different from the first set of properties to impart varying characteristics to the textile element and	**Nishida** discloses that the first and second areas may have different properties that impart varying properties to the textile element. Frederick Dec. at ¶ 72; Nishida at 3:15-4:18, 4:47-60, 5:41-45, 5:63-6:2, 6:4-41 Grounds 1B, 2A, 2B, 3B **Osamu** discloses that the first and second areas may have different properties that impart varying properties to the textile element. Frederick Dec. at ¶ 91; Osamu at [0002], [0007], [0008], claim 1; FIGS. 1-3 Grounds 1-2, 7, 12 **Nishida** discloses that a sole structure may be secured to the upper. Frederick Dec. at ¶ 72; Nishida at Abstract; 4:39-42; FIG. 3 Grounds 1B, 2A, 2B, 3B **Osamu** discloses that a sole structure may be secured to the upper. Frederick Dec. at ¶ 91; Osamu at [0001], [0007], [0013], [0015] Grounds 1-2, 7, 12 **Nishida** discloses that the first and second areas may have different stitch configurations and/or yarn types. Frederick Dec. at ¶ 72; Nishida at 3:15-26, 3:43-52, 5:63-6:2 Ground 1B **Osamu** discloses that the first and second areas may have different stitch configurations and/or yarn types. Frederick Dec. at ¶ 91; Osamu at [0007], [0008] Grounds 2A-2B **Osamu + other art**
45. The article of footwear recited in claim 44 wherein the first set of properties and the second set of properties are at least one of a stitch configuration and a yarn type.	

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Skechers v Nike

011 Patent Claims

Uppers incorporating different stitch configurations and/or yarn types to impart varying properties to a textile element were well known in the art at the time of the priority date of the '011 patent. *See* Shioden at p. 1, 2:33-44; Dua at p. 1, 2:26-43; FIG. 1; Nishida at 2:15-26; 3:43-52; 5:41-45.

46. The article of Grounds 1, 2, 7, 12, footwear recited in claim 44, wherein the textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper, the textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper.

Nishida discloses that the textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper. Frederick Dec. at ¶72; Nishida at 3:6-9; 3:66-4:1; FIGs. 3-4. Grounds 16, 24, 29, 38.

Osamu discloses that the textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper. Frederick Dec. at ¶91; Osamu at [0001], [0003], [0010]; claim 1.

II. CONCLUSION

The prior art references identified in this Petition, and/or pertinent technological teachings either explicitly or inherently disclosed, that were not previously considered in the manner presented herein or applied during original examination of the '011 patent. Upon a critique of the limitations that served as the basis for the allowance of the claims at issue, the references relied upon herein should be considered important in determining patentability. In sum, these references provide new, non-cumulative technological teachings not previously considered and relied upon on the record, and they establish a reasonable likelihood of success as to Petitioner's assertions that claims 1-46 of the '011 patent are not patent eligible pursuant to the grounds presented in this Petition.

Skechers EK1013 p. 4745
Skechers v Nike

Accordingly, Petitioner respectfully requests institution of inter partes review for claims 1-46 of the '914 patent on each of the grounds presented herein.

Respectfully submitted,

Dated: December 10, 2012

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Lead Counsel for Petitioner

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Skechers EX1013-p. 4746
Skechers v Nike

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§ 42.6(e) and 42.105(b), the undersigned certifies that on December 19, 2018, a complete and entire copy of this Revised Petition for *inter partes* Review via PTAB e2e, next day delivery, costs prepaid, to the Patent Owner by serving the correspondence address of record as follows:

Barnes & Thornburg LLP
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By: /David L. Cavanaugh/
Dated: December 19, 2018
Reg. No. 47,645
Lead Counsel for Petitioner

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

adidas AG,
Petitioner

v.

NIKE, Inc.
Patent Owner

Patent No. 7,347,011

Inter Partes Review No. 2013-00067

LIST OF RELATED MATTERS

Patent Owner NIKE, Inc. identifies the following related matters:

Patent No. 7,814,598

Patent No. 8,042,288

Patent No. 8,266,749

Application No. 13/413,233

Skechers EX1013-p. 4748
Skechers v Nike

Respectfully submitted,

Dated: December 14, 2012 By: /H. Wayne Porter/

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Skechers EX1013-p. 4749
Skechers v Nike

CERTIFICATE OF SERVICE

The undersigned certifies that on December 14, 2012, a copy of this LIST OF RELATED MATTERS was served on the Petitioner by mailing a copy, via EXPRESS MAIL, to Petitioner's counsel:

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/H. Wayne Porter/

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Back-Up Counsel for Patent Owner

Skechers EX1013-p. 4750
Skechers v Nike

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

adidas AG,
Petitioner

v.

NIKE, Inc.
Patent Owner

Patent No. 7,347,011

Inter Partes Review No. 2013-00067

MANDATORY NOTICE INFORMATION

Pursuant to 37 CFR §42.8(b), Patent Owner NIKE, Inc. submits the following information.

Real Party-In-Interest

The real party-in-interest is NIKE, Inc., One Bowerman Drive, Beaverton, Oregon 97005.

Skechers EX1013-p. 4751
Skechers v Nike

Related Matters

Patent Owner NIKE, Inc. identifies the following related matters:

Patent No. 7,814,598

Patent No. 8,042,288

Patent No. 8,266,749

Application No. 13/413,233

Lead and Back-Up Counsel

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Skechers EX1013-p. 4752
Skechers v Nike

Respectfully submitted,

Dated: January 25, 2013

By: /H. Wayne Porter/

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Skechers EX1013-p. 4753
Skechers v Nike

CERTIFICATE OF SERVICE

The undersigned certifies that on January 25, 2013, a copy of this MANDATORY NOTICE INFORMATION was served on the Petitioner by emailing a copy to ggavin@kilpatricktownsend.com and to wkadaba@kilpatricktownsend.com.

/H. Wayne Porter/

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Back-Up Counsel for Patent Owner

Skechers EX1013-p. 4754
Skechers v Nike

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

adidas AG,
Petitioner

v.

NIKE, Inc.
Patent Owner

Patent No. 7,347,011

Inter Partes Review No. 2013-00067

SUBMISSION OF POWER OF ATTORNEY

Patent Owner NIKE, Inc. submits herewith a copy of the declaration filed in connection with application 10/791, 289, which application issued as U.S. Patent 7,347,011. The declaration includes a power of attorney appointing practitioners at customer number 22909. Both Joseph M. Skerpon and H. Wayne Porter are associated with customer number 22909.

Skechers EX1013-p. 4755
Skechers v Nike

Patent Owner is submitting a copy of this power of attorney in response to a January 25, 2013, telephone call from a representative of the Board.

Respectfully submitted,

Dated: January 25, 2013

By: /H. Wayne Porter/

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Attorneys for Patent Owner NIKE, Inc.

Skechers EX1013-p. 4756
Skechers v Nike

CERTIFICATE OF SERVICE

The undersigned certifies that on January 25, 2013, a copy of this SUBMISSION OF POWER OF ATTORNEY was served on the Petitioner by emailing a copy (with a copy of the power of attorney referenced above) to ggavin@kilpatricktownsend.com and to wkadaba@kilpatricktownsend.com.

/H. Wayne Porter/

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Skechers EX1013-p. 4757
Skechers v Nike

OIPE JC111 JUL 26 2004 PATENT & TRADEMARK OFFICE

Banner & Witcoff Ref. No. 005127.00260
Client Ref. No.

JOINT DECLARATION FOR PATENT APPLICATION

As the below named inventors, we hereby declare that:

Our residence, post office address and citizenship are as stated below next to our names;

We believe we are the original, first and joint inventors of the subject matter which is claimed and for which a patent is sought on the invention entitled An Article of Footwear Having a Textile Upper, the specification of which

- ☐ is attached hereto.
- ☒ was filed on 3/3/04 as Application Serial Number 10/791,289 and was amended on _____ (if applicable).
- ☐ was filed under the Patent Cooperation Treaty (PCT) and accorded International Application No. _____, filed _____, and amended on _____ (if any).

We hereby state that we have reviewed and understand the contents of the above-identified specification, including the claims, as amended by any amendment referred to above.

We hereby acknowledge the duty to disclose information which is material to patentability in accordance with Title 37, Code of Federal Regulations, §1.56(a).

Prior Foreign Application(s)

We hereby claim foreign priority benefits under Title 35, United States Code, §119 of any foreign application(s) for patent or inventor's certificate listed below and have also identified below any foreign application(s) for patent or inventor's certificate having a filing date before that of the application on which priority is claimed:

Country	Application No.	Date of Filing (day month year)	Date of Issue (day month year)	Priority Claimed Under 35 U.S.C. §119

Prior United States Provisional Application(s)

We hereby claim priority benefits under Title 35, United States Code, §119(e)(1) of any U.S. provisional application listed below:

U.S. Provisional Application No.	Date of Filing (day month year)	Priority Claimed Under 35 U.S.C. §119(e)(1)

Prior United States Application(s)

We hereby claim the benefit under Title 35, United States Code, §120 of any United States application(s) listed below and, insofar as the subject matter of each of the claims of this application is not disclosed in the prior United States application in the manner provided by the first paragraph of Title 35, United States Code, §112, we acknowledge the duty to disclose material information as defined in Title 37, Code of Federal Regulations, §1.56(a) which occurred between the filing date of the prior application and the national or PCT international filing date of this application:

Application Serial No.	Date of Filing (Day, Month, Year)	Status — Patented, Pending, Abandoned

PAGE 6/9 * RCVD AT 7/26/2004 6:10:37 PM [Eastern Daylight Time] * SVR:USPTO-EFXRF-2/0 * DNIS:7464060 * CSID:5034256801 * DURATION (mm-ss):04-24

Skechers EX1013-p. 4758
Skechers v Nike

OIPE JC11 JUL 26 2004 PATENT & TRADEMARK OFFICE

Banner & Witcoff Ref. No. 005127.00260
Client Ref. No.

Power of Attorney

And we hereby appoint, both jointly and severally, as our attorneys with full power of substitution and revocation, to prosecute this application and to transact all business in the Patent and Trademark Office connected herewith the practitioners at:

Customer Number: 22909 (PORT)

Please address all correspondence and telephone communications to the address and telephone number for this Customer Number.

We hereby declare that all statements made herein of our own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issuing thereon.

Signature Bhupesh Dua Date 07/21/04
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PAGE 7/9 * RCVD AT 7/26/2004 6:10:37 PM [Eastern Daylight Time] * SVR:USPTO-EFXRF-2/0 * DNIS:7464060 * CSID:5034256801 * DURATION (mm-ss):04-24

Skechers EX1013-p. 4759
Skechers v Nike

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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adidas AG,
Petitioner

v.

NIKE, Inc.
Patent Owner

Patent No. 7,347,011

Inter Partes Review No. 2013-00067

MANDATORY NOTICE INFORMATION
(CHANGE OF LEAD AND BACK-UP COUNSEL)

Pursuant to 37 CFR §42.8(b), Patent Owner NIKE, Inc. submits the following information.

Real Party-In-Interest

The real party-in-interest is NIKE, Inc., One Bowerman Drive, Beaverton, Oregon 97005.

Skechers EX1013-p. 4760
Skechers v Nike

Related Matters

Patent Owner NIKE, Inc. identifies the following related matters:

Patent No. 7,814,598

Patent No. 8,042,288

Patent No. 8,266,749

Application No. 13/413,233

Lead and Back-Up Counsel

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Back-up: Thomas K. Pratt, Registration No. 37,210

Back-up: H. Wayne Porter, Registration No. 42,084

Back-up: Joseph M. Skerpon, Registration No. 29,864

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Skechers EX1013-p. 4761
Skechers v Nike

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Respectfully submitted,

Dated: February 28, 2013

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Skechers v Nike

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Attorneys for Patent Owner NIKE, Inc.

Skechers EX1013-p. 4763
Skechers v Nike

CERTIFICATE OF SERVICE

The undersigned certifies that on February 28, 2013, a copy of this MANDATORY NOTICE INFORMATION (CHANGE OF LEAD AND BACK-UP COUNSEL) was served on the Petitioner by emailing a copy to ggavin@kilpatricktownsend.com and to wkadaba@kilpatricktownsend.com.

/H. Wayne Porter /

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Registration No. 42,084
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Skechers EX1013-p. 4764
Skechers v Nike

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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adidas AG,
Petitioner

v.

NIKE, Inc.
Patent Owner

Patent No. 7,347,011

Inter Partes Review No. 2013-00067

PATENT OWNER'S PRELIMINARY RESPONSE TO PETITION

Skechers EX1013-p. 4765
Skechers v Nike

Pursuant to 37 CFR §42.107, Patent Owner NIKE, Inc. submits that by filing a Petition that relies on documents either of record during the original prosecution or merely cumulative of documents of record, adidas (hereafter "petitioner") has not sustained its burden of demonstrating a reasonable likelihood of prevailing with respect to at least one claim of U.S Patent 7,347,011. NIKE offers the following remarks for consideration by the Board in connection with the Petition filed on November 28, 2012.

By filing this paper, Nike does not waive any procedural or substantive challenge that it has or may have against the Petition and does not waive any reason for refuting any ground of unpatentability that may be considered in any trial that the Board may declare in response to the Petition. Furthermore, arguments presented below should not be considered as even implicitly acquiescing to any of the arguments advanced in the Petition, including but not limited to claim interpretation.

Under 35 U.S.C. § 314, the new standard for institution of an IPR is "a reasonable likelihood that the petitioner would prevail with respect to at least one of the claims challenged in the petition." The reasonable likelihood standard "is a somewhat flexible standard that allows the Board room to exercise judgment,"[1]

[1] Office Patent Trial Practice Guide, 77 Fed. Reg. 48765 (Aug. 14, 2012).

Skechers EX1013-p. 4766
Skechers v Nike

which may encompass a 50/50 chance of success.[2] And, the legislative history clarifies it is a heightened standard. The threshold for initiating an inter partes review is elevated from "significant new question of patentability" - a standard that currently allows 95% of all requests to be granted - to a standard requiring petitioners to present information showing that their challenge has a reasonable likelihood of success.[3]

Additionally, 35 U.S.C. § 325 provides that the Director may reject the petition or request because the same or substantially the same prior art or arguments previously were presented to the Office. Thus, consistent with the foregoing, petitioner must do something more than present the same arguments regarding the same references that were addressed during the original prosecution. Petitioner seeks Inter Partes Review (IPR) of every claim of U.S. 7,347,011 (the '011 patent). The primary references sought to be applied by the Petition in attacking the patentability of the issued '011 claims are limited to:

(1) Nishida, U.S. 5,345,638 (Exhibit 1005);

(2) Glidden, U.S. 2,147,197 (Exhibit 1007), and

(3) a proffered translation of a published Japanese application, H6-113905 (Exhibit 1006).

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[2] www.uspto.gov/aia_implementation/120910-aia-roadshow-slides.pdf, slide 84.

[3] H.R. Rep. No. 112-98, 112th Cong., 1st Sess. 47 (June 1, 2011).

Skechers EX1013-p. 4767
Skechers v Nike

These references are applied alone, or in combination with four additional secondary references. The secondary references sought to be applied by the Petition in attacking the patentability of the issued '011 claims are:

(1) McDonald, U.S. 2,314,098 (Exhibit 1008);

(2) Whiting et al., U.S. 2,641,004 (Exhibit 1009);

(3) Curley, WO 90/03744 (Exhibit 1010), and

(4) Shiomura, U.S. 4,785,558 (Exhibit 1011)

In addition, in some of the posited rejections either Glidden or Nishida also is used as a secondary reference.

Since the posited rejections are all based either on references previously considered by Examiner Patterson during prosecution of the granted claims, or on references that are, at best, merely cumulative of previously considered references, the Board should decline petitioner's request to declare a trial.

Of the three primary references, both Nishida and Glidden were considered by Examiner Patterson during prosecution of the granted claims of the '011 patent. She not only located and then cited these references directly herself (on form PTO-892, Exhibit 1003, pages 51-52), but she also documented her consideration of both references, which also were cited by applicants, by providing her initials on applicant submitted forms PTO/SB/08a (Exhibit 1003, pages 6, 53 and 54). She then found the claims patentable over the disclosures of these references.

Skechers EX1013-p. 4768
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Petitioner's hindsight evaluation of these references should not now be used to overturn Examiner Patterson's previous determination of patentability over these same references.

The remaining primary reference, published Japanese application H6-113905 (Exhibit 1006), hereafter Osamu, is less relevant than the cited Nishida patent even by petitioner's own characterization (Petition page 16, lines 2-3). Like Nishida, Osamu simply cuts an outline of an upper pre-form from a linear textile web; but Osamu's textile web is a woven web – not one made by knitting (compare Exhibit 1001, page 33, ¶ 65 with Exhibit 1001, page 97, ¶86 and pages 98-99, ¶89). Again, as admitted by petitioner, Osamu's textile web is a woven web – not a knitted article. In contrast, every issued claim of the '011 patent is limited to a knitted textile element. Osamu contains absolutely no suggestion of preparing a knitted web. As a result, the best that can be said for Osamu is that its teachings are cumulative or duplicative of certain aspects of Nishida. Thus, the Board should deny review of any claim where the posited ground of unpatentability is based on Osamu as a primary reference.

Of the remaining secondary references sought to be applied by the petition to challenge the patentability of the issued '011 claims, both Curley, WO 90/03744 (Exhibit 1010), and Shiomura, U.S. 4,785,558 (Exhibit 1011), also were considered previously by Examiner Patterson during prosecution of the granted

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claims of the '011 patent. She documented her consideration of both references, which had been cited to her by applicants, by providing her initials on applicant submitted forms PTO/SB/08a (Exhibit 103, pages 6, 53 and 54). She then found the claims patentable over the disclosures of those references. NIKE submits that Examiner Patterson considered those disclosures for all that they would have suggested to one of ordinary skill in the art. Petitioner's hindsight evaluation of these references should not now be used to overturn Examiner Patterson's previous determination of patentability over these same references.

As for the two remaining secondary references, McDonald and Whiting et al., neither one provides any significant, additional teachings to the disclosures of those references previously considered by Examiner Patterson. Both McDonald and Whiting et al. are directed to knitted, sock-like structures, the same as the previously considered Glidden reference. In addition, petitioner repeatedly cites to McDonald and Whiting et al., simply as alternatives to Nishida, Glidden, Curley and/or Shiomura; see for example Exhibit 1001, pages 37, 52, 56, 64, 65, 103 and 119.

Thus, the Board should not initiate a trial based on the completely duplicative challenges including either McDonald or Whiting *et al.*

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On the basis of the foregoing, patent owner NIKE requests that the Board decline the request for a trial on any of the proffered Grounds of unpatentability presented in the Petition.

Respectfully submitted,

Dated: February 28, 2013 By: /J. Pieter van Es/

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CERTIFICATE OF SERVICE

The undersigned certifies that on February 28, 2013, a copy of the **PATENT OWNER'S PRELIMINARY RESPONSE TO THE PETITION** was served on the Petitioner by emailing a copy to ggavin@kilpatricktownsend.com and to wkadaba@kilpatricktownsend.com.

/H. Wayne Porter/

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Paper 18
Entered: May 17, 2013

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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adidas AG
Petitioner

v.

NIKE, Inc.
Patent Owner

Case IPR2013-00067
Patent 7,347,011 B2

Before MICHAEL P. TIERNEY, MICHAEL J. FITZPATRICK, and JAMES B. ARPIN, *Administrative Patent Judges.*

ARPIN, *Administrative Patent Judge.*

DECISION
Institution of *Inter Partes* Review
37 C.F.R. § 42.108

I. INTRODUCTION

adidas AG ("Petitioner") filed a petition to institute an *inter partes* review of claims 1-46 of Patent No. US 7,347,011 B2 (Ex. 1002; the "'011 Patent") (Paper 3, "Pet."). Nike, Inc. ("Patent Owner") has filed a patent owner preliminary response (Paper 12; "Prel. Resp."). We have jurisdiction under 35 U.S.C. § 314.

The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314(a) which provides as follows:

> THRESHOLD -- The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

Upon consideration of the petition and patent owner preliminary response, we determine that the information presented in the petition establishes that there is a reasonable likelihood that Petitioner would prevail with respect to claims 1-46 of the '011 Patent. Accordingly, pursuant to 35 U.S.C. § 314, we authorize an *inter partes* review to be instituted as to claims 1-46 of the '011 Patent.

A. Related Proceedings

Petitioner does not identify any related proceedings. Pet. 1. Patent Owner identifies three Patents, identified by Nos. US 7,814,598 B2; US 8,042,288 B2, and US 8,266,749 B2 and one U.S. Patent Application, identified by No. 13/413,233. Paper 9, Patent Owner Mand. Notices at 2.

B. The '011 Patent

The '011 Patent relates to articles of footwear having a textile upper. '011

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Patent, col. 1, ll. 7-10. In particular, the patent describes articles of footwear having an upper incorporating a knitted textile element and having a sole structure secured to the upper. *Id.* at col. 3, ll. 20-47.

Conventional articles of athletic footwear may include two primary elements: an upper and a sole structure. *Id.* at col. 1, ll. 12-15. The upper may form a void on the interior of the footwear for receiving a wearer's foot, and the upper may extend over the instep and toe areas, along the medial and lateral sides, and around the heel area of the foot. *Id.* at ll. 30-35. The upper may be formed of multiple layers of materials, which may be selected for properties of wear resistance, flexibility, and air permeability. *Id.* at ll. 43-50. Thus, different areas of the exterior layer of the upper may be formed of different materials with differing properties. *Id.* at ll. 51-60.

> A textile may be defined as any manufacture from fibers, filaments, or yarns characterized by flexibility, fineness, and a high ratio of length to thickness. *Textiles generally fall into two categories.* The first category includes textiles produced directly from webs of filaments or fibers by randomly interlocking to construct non-woven fabrics and felts. The second category includes textiles formed through a mechanical manipulation of yarn, thereby producing a woven fabric, for example.

Id. at col. 2, ll. 6-14 (emphasis added). Techniques for mechanically manipulating yarn into a textile include weaving (e.g., producing a woven material) and knitting (e.g., producing a knitted material). *Id.* at ll. 36-46. Further, textiles for uppers may be formed of weft or warp, woven or knitted materials. *Id.* at ll. 40-41; *see also id.* at col. 3, ll. 30-32 (describing a weft knitted and warp knitted "textile

element").

Figure 8 of the '011 Patent is reproduced below.

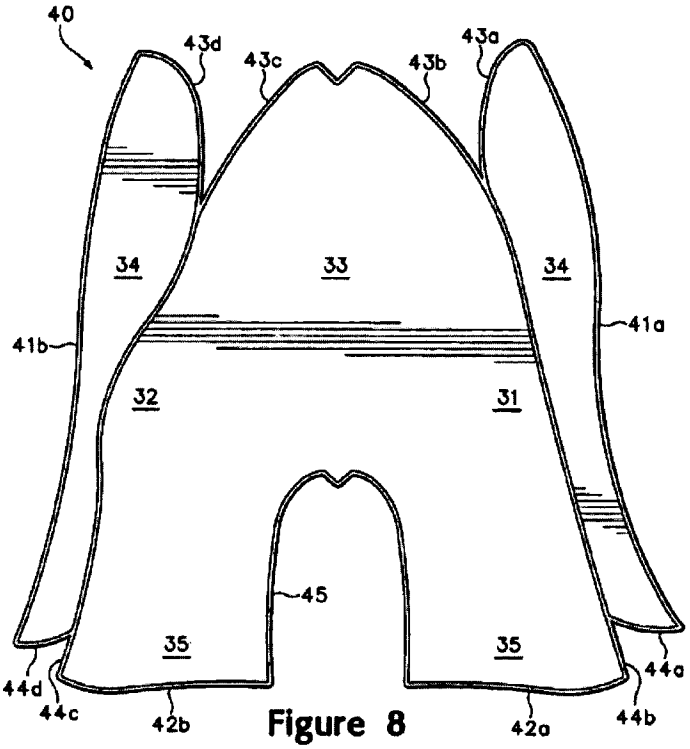


Figure 8

Figure 8 illustrates an embodiment of an upper according to the '011 Patent. *Id.* at col. 5, l. 58-col. 6, l. 65. A textile element 40 is a single material element with a unitary (i.e., one-piece) construction. *Id.* at col. 5, ll. 38-41. Consequently, textile element 40 is configured, such that portions of the textile element are not joined together with seams or other connections. *Id.* at col. 5, ll. 38-41; col. 6, ll. 41-46. Although edges 41a-44d are joined together to as shown in Figures 3-5 to form seams 51-54, thereby forming at least a portion of a void for receiving the

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foot, a lateral region 31, a medial region 32, an instep region 33, lower regions 34, and heel regions 35 together have a unitary (i.e., one-piece) construction without seams (*id.* at col. 5, ll. 44-57; col. 6, ll. 47-50).

Figure 11 of the '011 Patent is reproduced below.

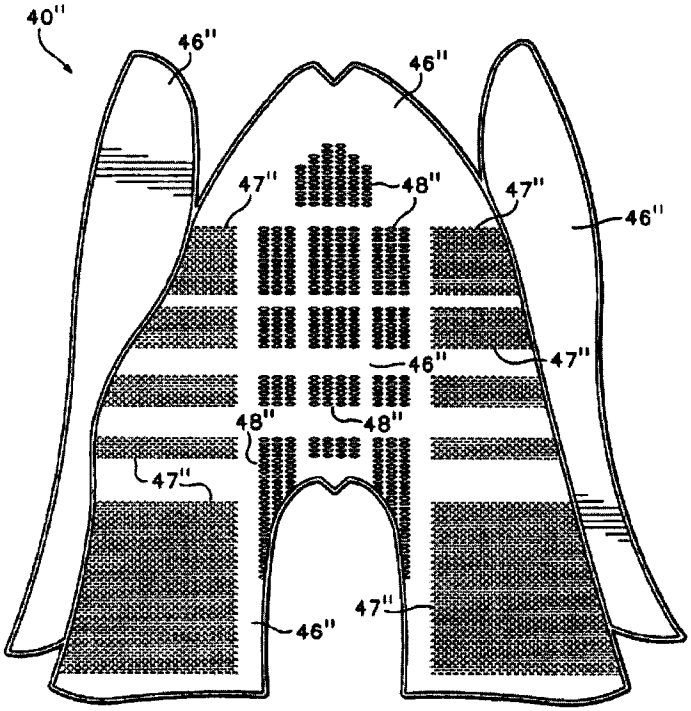


Figure 11

Figure 11 illustrates another embodiment of an upper according to the '011 Patent. *Id.* at col. 9, l. 36-col. 10, ll. 14. A textile element 40″ includes three different areas with three different textures. *Id.* at col. 9, ll. 38-39. A first texture 46″ is generally smooth and extends in strips across lateral region 31, medial region 32, and instep region 33 of the upper. *Id.* at ll. 39-42. In addition, textile element 40″ includes a second texture 47″ and a third texture 48″. *Id.* at ll. 42-46.

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Moreover, the '011 Patent describes that

> [t]he different textures 46"-48" are formed *by merely varying the type of stitch formed* by the wide-tube circular knitting machine at each location of textile element 40". Textures 46"-48" may exhibit aesthetic differences, or the differences may be structural. *For example, the degree of stretch in areas with textures 46"-48" may be different, or the wear resistance of the areas may vary depending upon the stitch utilized.* The air-permeability of textile element 40" may also vary in the different areas.

Id. at ll. 46-54 (emphases added). Similarly, the type of yarn used in different areas may impart different properties to each area. *Id.* at col. 9, l. 65-col. 10, l. 14. Thus, the textures and properties of different areas of the upper may be varied by altering the stitching or yarn used in those areas.

C. Exemplary Claims

Of the challenged claims, claims 1, 16, 24, 36, and 44 are independent. Independent claims 1, 24, and 36 recite similar limitations describing the formation of a void to receive the foot, and independent claims 16 and 44 recite similar limitations describing the unitary construction of the textile element. As to the dependent claims, claims 2-15 depend from claim 1, claims 17-23 depend from claim 16, claims 25-35 depend from claim 24, claims 37-43 depend from claim 36, and claims 45 and 46 depend from claim 44. Claims 1, 16, and 44 are exemplary and are reproduced below to demonstrate the claimed subject matter (emphases added):

> 1. An article of footwear comprising:
> an upper incorporating a weft-knitted textile element *having edges that are joined together to define at least a portion of a void for*

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receiving a foot, wherein the weft-knitted textile element incorporates a single type of textile having a plurality of knit constructions; and

a sole structure secured to the upper.

16. An article of footwear comprising:

an upper incorporating a weft-knitted textile element, *the textile element having a first area and a second area with a unitary construction*, the first area being formed of a first stitch configuration, and the second area being formed of a second stitch configuration that is different from the first stitch configuration to impart varying properties to the textile element; and

a sole structure secured to the upper.

44. An article of footwear comprising:

an upper incorporating a flat-knitted textile element, *the flat-knitted textile element having a first area with a first unitary construction and a second area with a second unitary construction different from the first unitary construction*, the first area having a first set of properties, and the second area having a second set of properties that is different from the first set of properties to impart varying characteristics to the textile element; and

a sole structure secured to the upper.

D. Prior Art Relied Upon

Petitioner relies upon the following prior art references:

Glidden	US 2,147,197	Feb. 14, 1939	(Ex. 1007)
McDonald	US 2,314,098	Mar. 16, 1943	(Ex. 1008)
Whiting	US 2,641,004	June 9, 1953	(Ex. 1009)
Shiomura	US 4,785,558	Nov. 22, 1988	(Ex. 1011)
Curley	WO 90/03744	Apr. 19, 1990	(Ex. 1010)
Osamu	JP H06-113905	Apr. 26, 1994	(Ex. 1006)
Nishida	US 5,345,638	Sep. 13, 1994	(Ex. 1005)

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E. The Asserted Grounds

Petitioner alleges that the challenged claims are unpatentable under 35 U.S.C. § 102 or § 103, or both, based upon the listed prior art references, alone or in various combinations. The specific grounds are detailed below.

Reference(s)	**Basis**	**Claims challenged**
Nishida	§ 102 or § 103	1-16, 19-34, 36, and 39-46
Nishida	§ 103	35, 37, and 38
Nishida and McDonald	§ 103	1-7, 10-12, 14, 16-20, 32, 33, and 37
Nishida, McDonald, and Curley or Shiomura	§ 103	8, 9, 13, and 21-23
Nishida, McDonald, and Glidden	§ 103	9, 13, 22, and 23
Nishida and Whiting	§ 103	1-7, 10-12, 14-16, 19, 20, 32, 33, and 44-46
Nishida, Whiting, and Curley or Shiomura	§ 103	8, 9, 13, and 21-23
Nishida, Whiting, and Glidden	§ 103	9, 13, 17, 18, 22, and 23
Nishida, Whiting, and McDonald	§ 103	17 and 18
Nishida and Curley	§ 103	1-3, 16, 19-23, 30, 31, 34, 35, 38, and 43
Nishida and Shiomura	§ 103	8, 9, 13, 22, 23, 30, 31, 34, 34, 38, and 43
Nishida and Glidden	§ 103	9, 13, 22, 23, 30, 31, and 43
Glidden	§ 102	1, 2, 7-14, and 16-23

Glidden[1]	§ 103	16-23
Glidden and McDonald or Whiting	§ 103	1, 2, 7-14, and 16-23
Osamu	§ 103	1-16 and 19-46
Osamu and McDonald	§ 103	1-7, 9, 10, 13, 14, 16-20, 22-33, 36, 37, and 39-43
Osamu, McDonald, and Curley	§ 103	8, 21, and 34
Osamu, McDonald, and Shiomura	§ 103	8, 21, 34, 35, and 38
Osamu, McDonald, and Glidden	§ 103	11 and 12
Osamu, McDonald, and Nishida	§ 103	11, 12, and 34
Osamu and Whiting	§ 103	1-7, 9, 10, 13-16, 19, 20, 22-33, 26, 39-44, and 46
Osamu, Whiting, and Curley	§ 103	8, 21, and 34
Osamu, Whiting, and Shiomura	§ 103	8, 21, 34, 35, and 38
Osamu, Whiting, and Glidden	§ 103	11, 12, 17, 18, and 45
Osamu, Whiting, and Nishida	§ 103	11, 12, 34, and 45
Osamu and Nishida	§ 103	1-7, 9-13, 16, 19, 20, 22-32, 34, 36, and 39-46
Osamu, Nishida, and Curley	§ 103	8 and 21
Osamu, Nishida, and Shiomura	§ 103	8, 21, 35, and 38

[1] Although this ground is not listed in the table included in the petition (Pet. 3-4), Petitioner does assert it at pages 43-44 of the petition.

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Osamu, Nishida, and Glidden	§ 103	17 and18
Osamu, Nishida, and McDonald	§ 103	14, 17, 18, 33, and 37
Osamu, Nishida, and Whiting	§ 103	14, 15, and 33
Osamu and Glidden	§ 103	1-7, 9-13, 16-20, 22-32, 36, and 39-43
Osamu, Glidden, and Curley	§ 103	8, 21, and 34
Osaamu, Glidden, and Shiomura	§ 103	8, 21, 34, 35, and 38
Osamu and Curley	§ 103	1-10, 13, 16, 19-32, 34, 36, 39-44, and 46
Osamu, Curley, and Shiomura	§ 103	35 and 38

II. ANALYSIS

A. Claim Construction

As a first step in our analysis for determining whether to institute a trial, we construe the claims. In an *inter partes* review, claim terms in an unexpired patent are given their broadest reasonable construction in light of the specification of the patent in which they appear. 37 C.F.R. § 42.100(b); *see* Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48766 (Aug. 14, 2012). Under the broadest reasonable interpretation standard, claim terms are presumed to be given their ordinary and customary meaning as understood by one of ordinary skill in the art at the time of the invention. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005) (en banc). An inventor may rebut that presumption by providing a definition of the

term in the specification with reasonable clarity, deliberateness, and precision. *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994). In this regard, however, we are careful not to read a particular embodiment appearing in the written description into the claim if the claim language is broader than the embodiment. *In re Van Geuns*, 988 F.2d 1181, 1184 (Fed. Cir. 1993).

Petitioner proposes that we adopt the broadest reasonable interpretation of the claim terms in view of the Specification. Pet. 9. Additionally, Petitioner provides express interpretations for certain claim terms. *Id.* at 10-12. Patent Owner does not challenge, in the preliminary response, the specific interpretations of claim terms proposed by Petitioner. We find it necessary to construe expressly the claim terms "a single type of textile," a "weft-knitted textile element," a "flat-knitted textile element," and "unitary construction," in order to determine whether to institute a trial.

1. "A Single Type of Textile"

Independent claims 1, 24, and 36 recite that a textile element incorporates "a single type of textile." Pet. 10. Petitioner points out that "textile element 40 is primarily formed from one or more yarns that are manipulated mechanically through either an interweaving, intertwining and twisting, or interlooping process." *Id.* (quoting '011 Patent, col. 6, ll. 51-54). Petitioner states that "[t]extile element 40 is a single material element that is formed to exhibit a unitary (i.e., one-piece) construction." Pet. 10 (quoting '011 Patent, col. 5, ll. 38-39). Thus, Petitioner contends that "a broadest reasonable interpretation of 'a single type of textile' is *a single material element* that may include one or more yarns." *Id.* (emphasis

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added). This proposed interpretation, however, simply introduces a new term, i.e., a single material element, which does not appear in the claims, for construction. Consequently, we are not persuaded that this is the appropriate construction of this claim term.

"A single type of textile" is not defined expressly in the Specification of the '011 Patent. Nevertheless, a pertinent definition of the term "textile" is "any cloth or goods produced by weaving, knitting, or felting." RANDOM HOUSE WEBSTER'S COLLEGE DICTIONARY at 1351; *cf.* Spec. col. 2, ll. 6-14 (defining "textiles"). In addition, the term "textile" is defined more broadly as "[a] material made of natural or artificial fibers and used for the manufacture of items such as clothing or furniture fittings." MCGRAW-HILL DICTIONARY OF SCIENTIFIC AND TECHNICAL TERMS 1911 (4th ed. 1988). As noted above, the '011 Patent states that textiles generally fall into two categories: fabrics formed of randomly locked filaments or fibers, such as felts, and fabrics formed of mechanically manipulated yarn, such as woven or knitted fabrics. '011 Patent, col. 2, ll. 9-14.

The '011 Patent describes various techniques for mechanically manipulating yarn into woven fabrics or textiles, including interweaving (e.g., weaving), intertwining and twisting (e.g., braiding and knotting), and interlooping (e.g., knitting). *Id.* at ll. 36-46. In the Detailed Description of the Invention portion of the Specification, the '011 Patent further describes that

> [a] variety of mechanical processes have been developed to manufacture a textile. *In general, the mechanical processes may be classified as either warp knitting or weft knitting.* With regard to warp knitting, various specific *sub-types* that may be utilized to manufacture a textile include tricot, raschel, and double needle-bar

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> raschel (which further includes jacquard double needle-bar raschel). With regard to weft knitting, various specific *sub-types* that may be utilized to manufacture a textile include circular knitting and flat knitting. Various *types* of circular knitting include sock knitting (narrow tube), body garment (seamless or wide tube), and jacquard.

Id. at col. 6, l. 66-col. 7, l. 10 (emphases added).

We note that claims 1, 16, and 36 recite that the textile element is "knitted" (including "weft-knitted"), and, consequently, we construe the "single type of textile" in each those claims as a knitted textile. Further, each of claims 1, 24, and 36 recites that the "single type of textile" has "a plurality of knit constructions." We construe such "knit constructions" to mean various kinds of stitching, which exhibit aesthetic or structural differences, such as those in different areas of textile element 40″, depicted in Figure 11. *See id.* at col. 9, l. 36-col. 10, l. 14. Moreover, even though claim 24 does not recite that the textile element is "knitted," we also construe claim 24 to encompass "knitted" textile elements. *See id.* at Claims 32 (depending from claim 24 and additionally requiring a "weft knitted construction") and 34 (depending from claim 24 and additionally requiring a "warp knitted construction"). Because the '011 Patent describes warp and weft knitting as including various "sub-types," including circular and flat knitting, we construe the term "a single *type* of textile" to mean either a warp or weft type of knitted textile.

2. "Weft-Knitted Textile Element" and "Flat-Knitted Textile Element"

Petitioner argues that the terms "weft-knitted" and "flat-knitted" are well-

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known in the art. Pet. 10. We agree.

As noted above, the '011 Patent describes that various textile (e.g. knitted textile) types (e.g., warp and weft knitting) and sub-types (e.g., circular and flat knitted) may be used to manufacture textile elements for incorporation into the uppers of the claimed articles of footwear. '011 Patent, col. 6, l. 66-col. 7, l. 10. Although the '011 Patent does not include a definition of either term, a pertinent definition of "weft knitting" is "[a] knitting process in which *a continuous yarn* is carried *in crosswise rows*." McGRAW-HILL DICTIONARY OF SCIENTIFIC AND TECHNICAL TERMS at 2054 (emphases added); *see also* Declaration of Edward Frederick (Ex. 1001) ¶ 56 ("Decl.")(reproducing H. Eberle et al., CLOTHING TECHNOLOGY, Sec. 3.3.1 (3rd English ed. 2002) (weft knitted fabric "[m]ay be made from a single yarn")). By comparison, a pertinent definition of the term "warp knitting" is "[a] knitting process in which *a group of yarns form rows running lengthwise* by an interlocking process." McGRAW-HILL DICTIONARY OF SCIENTIFIC AND TECHNICAL TERMS at 2045 (emphasis added). For purposes of this decision, we agree that "it is reasonable to interpret these claim limitations as consistent with their ordinary meaning as conventional, known knitting techniques" and consistent with the definitions provided above. Pet. 11.

3. Independent Claim 16: The Textile Element Having First and Second Areas

Petitioner contends that the phrase "the textile element *having a first area and a second area* with a unitary construction" in claim 16 should be construed to require a textile element (1) having a unitary construction *and* (2) having a first

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area and a second area, each area having stitching that imparts different properties to its area. Pet. 11-12. Thus, Petitioner contends that the textile element has a *single* unitary construction containing different areas. Petitioner contends, however, that separate unitary constructions in *different* areas of the textile element would be inconsistent with the invention, as described in the Specification. *Id.* at 12.

The '011 Patent expressly defines the term "unitary construction." '011 Patent col. 6, ll. 41-46. The '011 Patent states that, "[*a*]*s defined for purposes of the present invention*, unitary construction is intended to express a configuration wherein portions of a textile element are not joined together by seams or other connections, *as depicted with textile element 40 in FIG. 8*." *Id.* (emphases added); *see Paulsen*, 30 F.3d at 1480. For purposes of this decision, we agree with Petitioner and construe the phrase "the textile element having a first area and a second area with a unitary construction" to require a textile element having a unitary construction *and* having a first area and a second area.

4. Independent Claim 44: The Textile Element Having a First Area and a Second Area

As noted above, claim 16 recites that "the textile element [has] a first area and a second area *with a unitary construction*" (emphasis added). Claim 44 originally recited the same language as claim 16, but claim 44 was amended to recite that "the textile element [has] a first area *with a first unitary construction* and a second area *with a second unitary construction*." Pet. 11-12. Petitioner contends that, like claim 16, the phrase "the flat-knitted textile element having a first area

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with a first unitary construction and a second area with a second unitary construction different from the first unitary construction" should be construed to mean that the flat-knitted textile element "is a unitary construction with two areas, each [area] having a different construction and set of properties in accordance with the additional language of claim 44." Pet. 12; *see also* Decl. ¶ 35. Thus, Petitioner contends that this language of claim 44 should be construed to have substantially the same meaning as the related, but grammatically different, language of claim 16. *Id.* at 11-12. We disagree.

Unlike claim 16, claim 44 recites a *first* area with a *first* unitary construction and a *second* area with a *second* unitary construction. Further, as noted above, the language of claim 44 was identical to that of current claim 16, but the language of claim 44 was amended during prosecution to overcome a rejection based on cited art. *See* Pet. 11-12. Petitioner's proposed construction discounts both the prosecution history and the differences in the language of claims 16 and 44. As the Federal Circuit advises, "[a] claim construction that gives meaning to all the terms of the claim is preferred over one that does not do so." *Merck & Co. v. Teva Pharms. USA, Inc.*, 395 F.3d 1364, 1372 (Fed. Circ. 2005); *see Mangosoft, Inc. v. Oracle Corp.*, 525 F.3d 1327, 1330-31 (Fed. Cir. 2008) (rejecting claim construction that "ascribes no meaning to the term . . . not already implicit in the rest of the claim.").

For puposes of this decision, we interpret the phrase "the flat-knitted textile element having a first area with a first unitary construction and a second area with a second unitary construction different from the first unitary construction" to have

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its plain and ordinary meaning: two textile element areas, each having a unitary construction, but which areas may possess different structures, e.g., knit constructions or stitch configurations, resulting in different properties.

III. DECISION ON PETITION

For the reasons described below, we institute an *inter partes* review of each of claims 1-46 based on unpatentability either due to anticipation by Nishida or Glidden or due to obviousness over Nishida or Glidden. We deny as redundant institution based on alleged unpatentability due to obviousness over Osamu, alone, or over Nishida, Glidden, or Osamu in combination with each other or with one or more of McDonald, Curley, Whiting, and Shiomura.

Patent Owner asserts that each of the references relied upon by Petitioner in the request for *inter partes* review either was considered by the Examiner during the prosecution of the claims for which review is sought or that, to the extent that the applied references themselves were not considered previously, the references are cumulative with respect to previously considered references. Prel. Resp. 3-7 (citing 35 U.S.C. § 325(d)). Patent Owner concludes that, therefore, the Board should not institute trial on any of the proposed grounds for review.

Petitioner, however, presents different arguments and new supporting evidence that were not before the Examiner. As such, we decline to deny the proposed grounds of review under 35 U.S.C. § 325(d).

IV. GROUNDS FOR REVIEW

A. Nishida

Nishida is directed to the production of a shoe upper by (1) cutting out a layout

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in the form of the shoe upper from a web of material and (2) shaping the shoe upper by connecting material parts of the layout by the formation of seams. *See generally* Nishida, Abstract. By the disclosed process, such shoe uppers allegedly may be produced efficiently and in reduced time despite the many individual parts present or to be made visible. *Id.*

Figure 2 of Nishida is reproduced below.

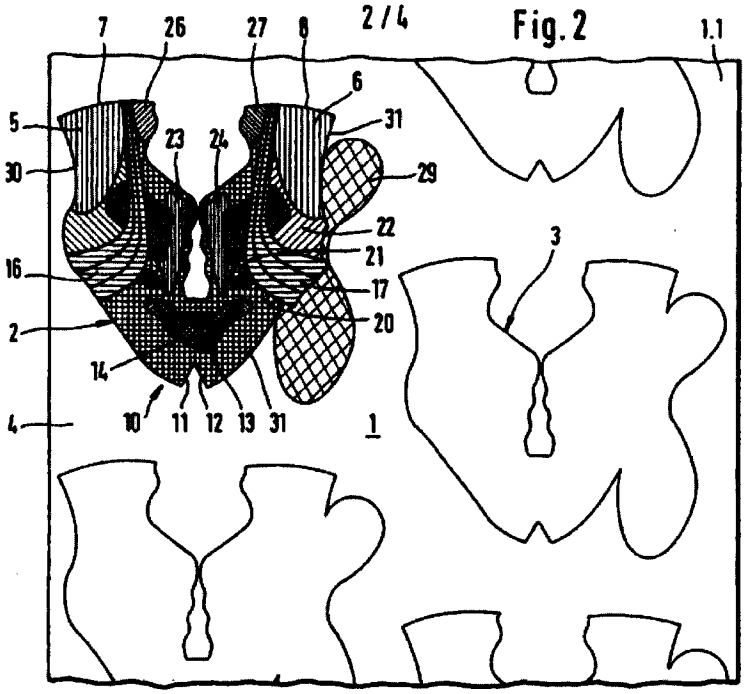


Figure 2 illustrates an embodiment of the upper layout according to Nishida. *Id.* at col. 3, ll. 6-12. A web of material 1 may include one or a plurality of layouts 2. Web of material 1 includes a backing 4 that may be a knitted material, and different areas of layout 2 may be formed by knitting different yarns or fibers on backing 4. *Id.* at col. 3, ll. 15-26; col. 5, l. 63-col. 6, l. 2.

Consequently, web of material 1 may be used to produce layouts 2 by different production measures, such as different styles, yarn material, color, material thickness, number of layers of material, or the like, simultaneously with the production of web of material 1. *Id.*; *see also* Nishida, Figs. 1, 2. Each layout 2, including a sole part, may be cut from web of material 1 as a unit and processed into an upper. *Id.* Nishida describes the manufacture of an article of footwear incorporating such an upper. Nishida, col. 3, ll. 9-12; Fig. 3.

1. Anticipation

Petitioner contends that claims 1-16, 19-34, 36, and 39-46 are anticipated by Nishida.

a. Claims 1-15, 24-34, 36, and 39-43

i. Independent Claim 1

As noted above and as recited in independent claim 1, Nishida discloses an article of footwear. Pet. 18. In particular, Nishida discloses an upper incorporating a textile element manufactured by a "conventional" textile process, such as knitting. *Id.* at 14, 18 (citing Nishida, col. 3, ll. 6-12). Petitioner contends, and Patent Owner does not rebut the contention, that a person skilled in the relevant art would understand such "conventional" knitting processes to include "weft-knitting." *See id.* at 17-19 (citing McDonald, col. 2, ll. 26-39; Whiting, col. 2, ll. 39-56; Curley, 7:32-8:25); *see also* Decl. ¶¶ 52, 54. Nishida discloses that layout 2 has edges that are joined together to form seams and to define at least a portion of a void for receiving a foot. *Id.* at 18 (citing Nishida col. 3, ll. 31-42; Figs. 2, 3).

Petitioner further contends that Nishida discloses that "the weft-knitted

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textile element incorporates *a single type of textile* having a plurality of knit constructions" (emphasis added). Pet. 14, 16, 20. As noted above, we construe "a single type of textile" broadly as a manufacture formed by the mechanical manipulation, including interlooping (e.g., knitting), of one or more yarns. For the reasons set forth above, we are persuaded by Petitioner that Nishida's "conventional" textile process includes knitting, including "weft-knitting." *Id.* at 14, 20. Moreover, Nishida discloses that, in an embodiment, up to seven different textile fibers or yarns and the same number of different colors may be put into, e.g., woven into, web of material 1. *Id.* at 20 (citing Nishida, col. 4, ll. 47-60); *see also* Pet. 14-16. Further, Nishida discloses that the knit pattern, e.g., a "knit construction," in web of material 1 may be selected to achieve a deformably soft or elastic configuration or an air permeable configuration. *Id.* (citing Nishida, col. 3, ll. 43-52).

Finally, Petitioner contends that Nishida discloses a sole structure secured to the upper. Pet. 20 (citing Nishida, Fig. 3).

The explanations provided by Petitioner regarding how each element of claim 1 is met by Nishida are persuasive, and are unrebutted by Patent Owner. Thus, based on this record, we hold that Petitioner has demonstrated a reasonable likelihood that independent claim 1 is anticipated by Nishida.

ii. *Independent Claims 24 and 36*

As with claim 1, claims 24 and 36 are directed to the use of a textile element to form a void for receiving a foot. Claim 36 recites that the edges of a knitted "textile element are joined together to define at least a portion of a void for

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receiving a foot." '011 Patent, col. 14, ll. 1-3; *see* Pet. 18-19, 38. For the reasons discussed above, we are persuaded that Petitioner has demonstrated that Nishida also discloses this limitation. Similarly, claim 24 requires "a textile element having edges that are joined together to form seams and define at least a portion of a void for receiving a foot[.]" '011 Patent, col. 13, ll. 2-4. Nishida discloses that edges 7 and 8 of layout 2 may be stitched together to form a vertical, heel seam and that edges 11 and 12 may be stitched together to form a seam in a shoe toe 10. Nishida, col. 3, ll. 31-42. Further, Nishida discloses that a sole part section 29.1 of a sole part 29 may be stitched together with a sole part section 29.2 of sole part 29 to form a longitudinal seam extending along sole part 29. Nishida, col. 5 ll. 3-13; Fig. 3. Thus, Petitioner also demonstrates that Nishida discloses, not only the joining of edges to form seams, but "the seams including a first seam and a second seam, the first seam extending from a heel area to a forefoot area of the footwear along a lower surface of the upper, and the second seam extending vertically in the heel area," as recited in claim 24. '011 Patent, col. 13, ll. 4-8.

Claim 36 further recites that the knitted textile element is "formed *with a knitting machine*, the textile element *being removed* from a textile structure that includes an outline of the textile element[.]" '011 Patent col. 13, l. 48-col. 14, l. 1 (emphases added). We construe this language to describe a product-by-process limitation. The Federal Circuit explains that

> even though product-by-process claims are limited by and defined by the process, determination of patentability is based on the product itself. *The patentability of a product does not depend on its method of production.* If the product in a product-by-process claim is the same as or obvious from a product of the prior art, the claim is unpatentable

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even though the prior product was made by a different process.

In re Thorpe, 777 F.2d 695, 697 (Fed. Cir. 1985) (emphasis added; internal citations omitted). Although Petitioner contends that Nishida discloses the process recited in claim 36, we conclude that such a disclosure is not necessary in order for claim 36 to be found unpatentable.

The explanations provided by Petitioner regarding how each element of claims 24 and 36 is met by Nishida are persuasive, and are unrebutted by Patent Owner. Thus, based on this record, we hold that Petitioner has demonstrated a reasonable likelihood that independent claims 24 and 36 are anticipated by Nishida.

iii. Dependent Claims 2-15, 25-34, and 39-43

Claims 2-6 depend from independent claim 1 and describe an upper having various sides and regions formed from the textile element (claim 2) and various seams formed by joining the edges of the textile element of claim 1 (claims 3-6). Claim 25 depends from independent claim 24, and claim 41 depends from independent claim 36. Each of these claims recites that the footwear includes a seam "extending through the forefoot area of the upper." *Cf.* Claim 6. Similarly, claims 39 and 40 depend from independent claim 36 and recite that the footwear includes a seam "extending longitudinally along a lower region of the upper" and "extending along a heel region of the upper," respectively. *Cf.* Claims 3, 4. Petitioner notes that Nishida discloses an upper having various sides and regions formed from layout 2 (Nishida, col. 3, l. 15-col. 4, l. 46; Fig. 3) and various seams formed by joining the edges of layout 2 (*id.*; *see also* Nishida, col. 5, ll. 3-13). Pet.

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21-22, 31, 40-41.

Claims 7 and 8 recite that the weft-knitted textile element of claim 1 is one of an interior, exterior, or intermediate layer of the upper. *See* '011 Patent, Fig. 14 (depicting exterior layer 260, intermediate layer 250, and interior layer 240). Claims 29 and 30 depend from independent claim 24, and claim 42 depends from independent claim 36. *See* Pet. 31-32, 41. Claims 29 and 42 recite corresponding limitations to claim 7, and claim 30 recites corresponding limitations to claim 8. Petitioner notes that Nishida discloses that web of material 1 "can be woven or knitted in two or more layers." Pet. 22 (citing Nishida, col. 3, ll. 66-68).

Claims 8 and 13 also recite that the weft-knitted textile element forms at least a portion or all, respectively, of the interior surface of the upper. Claim 43 depends from independent claim 36 and recites limitations corresponding to those of claim 13. *See* Pet. 41. Claim 9 recites that the weft-knitted textile element forms at least a portion of both of the interior and exterior surface of the upper. As noted above, Nishida discloses that web of material 1 may be woven in a single or multiple layers. *See* Nishida, col. 3, ll. 66-68. Thus, as recited in claims 8 and 13, the weft-knitted textile element may form all (and, consequently, "at least a portion") of the interior surface of the upper. Pet. 23, 26. With respect to claim 9, Petitioner similarly notes that, if web of material 1 is a single layer, that layer may form both the interior and exterior surface of the upper. *See* Pet. 24 (citing Nishida, col. 3, l. 6-col. 4, l. 46).

Claim 10 recites that "an additional element is secured to the exterior surface [of the upper] and forms a portion of the exterior surface." Claims 11 and 12

depend from claim 10 and recite that the additional element is secured to the forefoot or the heel area, respectively, of the upper. *See, e.g.,* '011 Patent, Fig. 12 forefoot area element 132 and heel area element 134). Petitioner notes that Nishida discloses such additional forefoot (e.g., toe) and heel area elements secured to upper 3. Pet. 24-26 (citing Nishida, col. 3, ll. 37-42 (toe cap 15); col. 4, ll. 9-11(heel counter 28)); *see also* Nishida, Fig. 3.

Each of claims 14, 15, and 33 depends from claim 1 or 24, for which Petitioner has demonstrated a reasonable likelihood of anticipation by Nishida. Further, each of these claims differs from the claim from which it depends only by the inclusion of a product-by-process limitation. Claims 14 ("the weft-knitted textile element is created by circular knitting"), 15 ("a weft-knitted textile element created by flat knitting"), 33 ("the weft-knitted construction is produced by one of circular knitting and flat knitting"); *see* Pet. 27-28, 34 (citing Decl. ¶ 72 (describing web of materials 1 produced by a "conventional textile process" such as by knitting)). As noted above, however, "[t]he patentability of a product does not depend on its method of production." *Thorpe*, 777 F.2d at 697.

Finally, claims 26-28 recite embodiments of articles of footwear in which knit constructions form "an aperture in the textile element" (claim 26), "varying properties in the textile element including a varying elasticity of the textile element" (claim 27), or "varying properties in the textile element including a varying air permeability of the textile element" (claim 28). Pet. 31. With respect to claims 26 and 28, Petitioner notes that Nishida discloses selecting a suitable knit pattern to make toe area 14 "permeable to air." Nishida, col. 3, ll. 43-45; *see also*

Nishida, col. 6, ll. 25-31; Pet. 31 (citing Decl. ¶ 72 (pgs. 56-57)). In particular, Nishida discloses that good air exchange may be achieved "by a *net-like* woven or knitted structure." Nishida, col. 3, ll. 49-52 (emphasis added). Further, with respect to claim 27, Petitioner notes that Nishida discloses that patterns may be produced directly in the production of the web of material that may vary the elasticity of the web of material. Pet. 31 (citing Nishida, col. 2, ll. 26-37; col. 3, ll. 43-49).

The explanations provided by Petitioner as to how each element of the challenged dependent claims[2] is disclosed by Nishida are persuasive (Pet. 21-29, 31-37, and 38-42) and are unrebutted by Patent Owner. Thus, we hold that the Petitioner has demonstrated a reasonable likelihood that dependent claims 2-15, 25-34, and 39-43, as well as their base claims, independent claims 1, 24, and 36, are anticipated by Nishida.

b. Claims 16 and 19-23

i. Independent Claim 16

Petitioner contends that Nishida anticipates independent claim 16. As recited in claim 16, Nishida discloses an article of footwear having an upper incorporating textile element manufactured by a "conventional" textile process, such as knitting. Pet. 45 (citing Nishida, col. 3, ll. 6-12). As noted above, Petitioner contends, and Patent Owner does not rebut, the contention that such "conventional" knitting processes include "weft-knitting." *See id.* (citing

[2] Claims 32 and 34 are discussed above in our discussion of independent claim 24.

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McDonald, col. 2, ll. 26-39; Whiting, col. 2, ll. 39-56; Curley, 7:32-8:25); *see also* Decl. ¶¶ 52, 54.

Petitioner further contends that Nishida discloses that "the textile element [has] a first area and a second area *with a unitary construction*, the first area being formed of a first stitch configuration, and the second area being formed of a second stitch configuration that is different from the first stitch configuration to impart varying properties to the textile element" (emphasis added). *See* Pet. 42-45. As noted above, we construe the term "textile element" to include textile elements with and without a unitary construction. Consequently, for purposes of this decision, we construe the phrase "the textile element having a first area and a second area with a unitary construction" as: a textile element having a unitary construction *and* having a first area and a second area. *Id.* at 42-43.

Referring to Figures 1 and 2, Nishida discloses that, "layout 2 is divided into different individual parts or areas, which differ from one another, such as by being of another material style and/or by being of different fibers . . .." Nishida, col. 3, ll. 15-18; *see* Pet. 47. As noted above, in an embodiment, up to seven different textile fibers or yarns and the same number of different colors may be put into, e.g., woven into, web of material 1. *Id.* Further, Nishida discloses that the knit pattern, e.g., a "stitch configuration," in web of material 1 may be selected to achieve a deformably soft or elastic configuration or an air permeable configuration. *Id.* (citing Nishida, col. 3, ll. 43-52). Thus, Nishida discloses that "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

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impart varying properties to the textile element" (emphases added), as recited in claim 16. *See* Pet. 47 (citing Nishida, col. 4, ll. 47-60).

Finally, Petitioner contends that Nishida discloses a sole structure secured to the upper. Pet. 48 (citing Nishida, Fig. 3).

The explanations provided by Petitioner regarding how each element of claim 16 is met by Nishida are persuasive, and are unrebutted by Patent Owner. Thus, based on this record, we hold that Petitioner has demonstrated a reasonable likelihood that independent claim 16 is anticipated by Nishida.

ii. Dependent Claims 19-23

Claim 19 recites that at least one of the first and second stitch configurations of claim 16 "forms an aperture in the weft-knitted textile element." Different areas may have varying air permeability, and such apertures may be formed to "facilitate the transfer of air between the void within upper [30] and the area outside of upper [30]." '011 Patent, col. 9, ll. 53-60. As discussed above with respect to claims 26 and 28, Petitioner notes that Nishida discloses selecting a suitable knit pattern to make toe area 14 "permeable to air." Nishida, col. 3, ll. 43-45; *see also* Nishida, col. 6, ll. 25-31; Pet. 49 (citing Decl. ¶ 72 (pgs. 56-57)). In particular, Nishida discloses that good air exchange may be achieved "by a *net-like* woven or knitted structure." Nishida, col. 3, ll. 49-52 (emphasis added).

Claim 20 recites that the weft-knitted textile element of claim 16 is one of an interior, exterior, or intermediate layer of the upper. *See* '011 Patent, Fig. 14; *cf.* Claim 7 (discussed above). Petitioner notes that Nishida discloses that web of

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material 1 "can be woven or knitted in two or more layers." Pet. 49-50 (citing Nishida, col. 3, ll. 66-68).

Finally, claims 21 and 23 recite that the weft-knitted textile element forms at least a portion or all, respectively, of the interior surface of the upper. Claim 22 recites that the weft-knitted textile element forms at least a portion of both of the interior and exterior surface of the upper. As noted above, Nishida discloses that web of material 1 may be woven in a single or multiple layers. *See* Nishida, col. 3, ll. 66-68. Thus, as recited in claims 21 and 23, the weft-knitted textile element may form all (and, consequently, "at least a portion") of the interior surface of the upper. Pet. 50, 52. With respect to claim 22, Petitioner similarly notes that, if web of material 1 is a single layer, that layer may form both the interior and exterior surface of the upper. Pet. 51 (citing Nishida, col. 3, l. 6-col. 4, l. 46).

The explanations provided by Petitioner as to how each element of the challenged dependent claims is disclosed by Nishida also are persuasive (Pet. 43, 48-52) and are unrebutted by Patent Owner. Thus, we hold that Petitioner has demonstrated a reasonable likelihood that dependent claims 19-23, as well as their base claim, independent claim 16, are anticipated by Nishida.

c. Claims 44-46

i. Independent Claim 44

Petitioner contends that Nishida anticipates independent claim 44. As noted above and as recited in claim 44, Nishida discloses an article of footwear having an upper incorporating textile element manufactured by a "conventional" textile

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process, such as knitting. Pet. 55-56 (citing Nishida, col. 3, ll. 6-12). Petitioner contends, and Patent Owner does not rebut the contention, that such "conventional" knitting processes include "flat-knitting." *See id.* at 56 (citing McDonald, col. 2, ll. 26-39; Whiting, col. 2, ll. 39-56; Curley, 7:32-8:25); *see also* Decl. ¶¶ 52, 54.

Petitioner further contends that Nishida discloses that "the flat-knitted textile element having a first area *with a first unitary construction* and a second area *with a second unitary construction* different from the first unitary construction, the first area having a first set of properties, and the second area having a second set of properties that is different from the first set of properties to impart varying characteristics to the textile element" (emphases added). Pet. 54-55, 57 (citing Nishida, col. 4, ll. 47-60). Referring to Figures 1 and 2, Nishida discloses that, "layout 2 is divided into different individual parts or areas, which differ from one another, such as by being of another material style and/or by being of different fibers . . .." Nishida, col. 3, ll. 15-18; *see* Pet. 46. As noted above, in an embodiment, up to seven different textile fibers or yarns and the same number of different colors may be put into, e.g., woven into, web of material 1. *Id.* Further, Nishida discloses that the knit pattern, e.g., "varying characteristics," in web of material 1 may be selected to achieve a deformably soft or elastic configuration or an air permeable configuration. *Id.* (citing Nishida, col. 3, ll. 43-52). Thus, Nishida discloses that "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 properties to the textile

element" (emphases added), as recited in claim 44. *See* Pet. 57 (citing Nishida, col. 4, ll. 47-60).

Finally, Petitioner contends that Nishida discloses a sole structure secured to the upper. Pet. 57 (citing Nishida, Fig. 3).

The explanations provided by Petitioner regarding how each element of claim 44 is met by Nishida are persuasive, and are unrebutted by Patent Owner. Thus, based on this record, we hold that Petitioner has demonstrated a reasonable likelihood that independent claim 44 is anticipated by Nishida.

ii. Dependent Claims 45 and 46

Claim 45 recites that the first and second sets of properties are "at least one of a stitch configuration and a yarn type." Petitioner notes that Nishida discloses that different areas of layout 2 may differ from one another based on the type of yarn used (Nishida, col. 3, ll. 15-26) or based on different knit patterns (*id.* at ll. 43-52). Pet. 57-58; *see also* Decl. ¶ 72. Further, Nishida describes that webs of materials may be produced, which vary according to the type of knit and the type of yarn. Nishida, col. 5, l. 63-col. 6, l. 2.

Claim 46 recites that the weft-knitted textile element of claim 44 is one of an interior, exterior, or intermediate layer of the upper. *See* '011 Patent, Fig. 14. Petitioner notes that Nishida discloses that web of material 1 "can be woven or knitted in two or more layers." Pet. 58 (citing Nishida, col. 3, ll. 66-68); *see also* Decl. ¶ 72.

The explanations provided by Petitioner as to how each element of the challenged dependent claims is disclosed by Nishida also are persuasive (Pet. 57-58) and are unrebutted by Patent Owner. Thus, we hold that Petitioner has demonstrated a reasonable likelihood that dependent claims 45 and 46, as well as their base claim, independent claim 44, are anticipated by Nishida.

2. Obviousness

Petitioner contends that claims 1-16 and 19-46 are rendered obvious by Nishida.

a. Claims 1-16, 19-34, 36 and 39-46

Because anticipation is the epitome of obviousness, a disclosure that anticipates under 35 U.S.C. § 102 also renders the claim unpatentable under 35 U.S.C. § 103. *See In re Pearson*, 494 F.2d 1399, 1402 (CCPA 1974); *In re Meyer*, 599 F.2d 1026, 1031 (CCPA 1979); *In re Fracalossi*, 681 F.2d 792, 794 (CCPA 1982). Therefore, for the reasons set forth above, we hold that Petitioner has demonstrated a reasonable likelihood that independent claims 1, 16, 24, 36, and 44, as well as dependent claims 2-15, 19-23, 25-34, 39-43, 45, and 46, are rendered obvious by Nishida.

b. *Claims 35, 37, and 38*

Each of claims 35, 37, and 38 depends from a claim for which Petitioner has demonstrated a reasonable likelihood that the claim is anticipated or rendered

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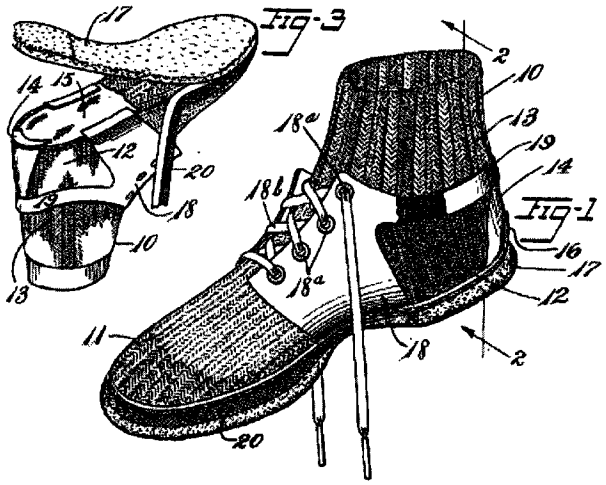
obvious by Nishida. Further, each of these claims differs from the claim from which it depends only by the inclusion of a product-by-process limitation. Claims 35 (a construction "produced by a jacquard double needle-bar raschel"), 37 ("a structure formed by a wide-tube circular knitting machine"), 38 ("a structure formed by a jacquard double needle-bar raschel knitting machine"); *see* Pet. 36-40 (citing Nishida, col. 3, ll. 6-12 (describing web of materials 1 produced by a "conventional textile process" such as by knitting)). As noted above, however, "[t]he patentability of a product does not depend on its method of production." *Thorpe*, 777 F.2d at 697. Thus, for the reasons set forth above with respect to claims 24 and 36, from which claim 35 and claims 37 and 38 depend, respectively; we hold that Petitioner has demonstrated a reasonable likelihood that dependent claims 35, 37, and 38 are rendered obvious by Nishida.

B. Glidden

Glidden discloses an article of footwear produced by forming a sock-like, shoe upper 10, which may include a toe portion 11 and a heel portion 12, having different textures or properties. Glidden, pg. 1, 2:19-44; Figs. 1, 3. Further, upper 10 may have various parts applied to it, such as an outsole 17 and a blucher saddle 18. *Id.* at pg. 1, 2:11-17; pg. 2, 1:8-19.

Figures 1 and 3 of Glidden are reproduced below.

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Figures 1 and 3, above, illustrate an embodiment of upper 10 according to Glidden. *Id.* at pg. 2, 1:5-38. Sock-like upper 10 is fabricated as a *unitary* upper, such as by knitting. *Id.* at pg. 1, 2:33-41. Different types of stitching and different types of yarn may be used to impart different textures, e.g., ribbing, and different properties, e.g., softness or elasticity, respectively, to different areas of upper 10. *Id.* at pg. 1, 2:19-32; pg. 1, 2:41-44.

1. Anticipation

a. Independent Claim 16

Petitioner contends that Glidden anticipates independent claim 16. As noted above and as recited in claim 16, Glidden discloses an article of footwear. Pet. 45 (citing Glidden, pg. 1, 1:1-4). Referring to Figures 1, 6, and 8, Glidden discloses an upper of a textile material, for example, a knitted material, "fabricated as an integral, shaped, *sock-like* article." *Id.* (citing Glidden, pg. 1, 2:3-10; 2:45-48 (emphasis added)). Such sock-like articles may be manufactured by circular

knitting (*see* Decl. ¶ 84), and such circular knitting is a form of weft knitting (Pet. 45-46; *see also* Decl. ¶ 54 ("Common examples of weft knits are circular knits . . ."); RANDOM HOUSE WEBSTER'S COLLEGE DICTIONARY at 1479 ("weft knitting" is "a knitting process in which the yarn is knitted horizontally *and in a circular form*" (emphasis added)). As noted above, Petitioner contends, and Patent Owner does not rebut the contention, that such "circular" knitting processes include "weft-knitting." *See* Pet. 45-46.

Petitioner further contends that Glidden discloses that "the textile element having a first area and a second area *with a unitary construction*, the first area being formed of a first stitch configuration, and the second area being formed of a second stitch configuration that is different from the first stitch configuration to impart varying properties to the textile element" (emphasis added). *See* Pet. 42-43, 45-46. As noted above, we construe the term "textile element" to include textile elements with and without a unitary construction. Consequently, for purposes of this decision, we construe the phrase "the textile element having a first area and a second area with a unitary construction" as: a textile element having a unitary construction *and* having a first area and a second area. *Id.* at 42-43.

Glidden discloses that,

> [i]n fabricating the *unitary* upper, as by knitting, areas thereof which are normally subjected to greater wear and in which a lower degree of elasticity is desired, such as the toe 11 and the heal portion 12, may be more densely fabricated to provide therein heavier weight and less extensibility than in the other parts of the upper, *as by changing the type of stitch* or the amount or thickness of the yarn in

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> the knitting. Other areas, such as the ankle portion 13, are preferably made so as to provide softness and elasticity, as by making them of ribbed construction, as shown [in Figure 8].

Pet. 43 (quoting Glidden, pg. 1, 2:33-44 (emphases added). Thus, Glidden discloses both an upper "with a unitary construction" and at least first and second areas of the upper, which areas may have different properties, based on their respective stitch configurations. Pet. 42-43, 45-47; *see also* Decl. ¶ 84.

Finally, Petitioner contends that Glidden discloses a sole structure secured to the upper. Pet. 48 (citing Glidden, pg. 2, 2:8-15; Fig. 1); *see also* Glidden, Figs. 2, 3, 7.

The explanations provided by Petitioner regarding how each element of claim 16 is met by Glidden are persuasive, and are unrebutted by Patent Owner. Thus, based on this record, we hold that Petitioner has demonstrated a reasonable likelihood that independent claim 16 is anticipated by Glidden.

b. Dependent Claims 17 and 18

Claim 17 depends from independent claim 16 and additionally requires that "the first stitch configuration provides *a substantially smooth texture to the first area*, and the second stitch configuration provides *a texture to the second area that is rougher than the smooth texture*" (emphases added). Claim 18 depends from claim 17 and additionally requires that "the second stitch configuration forms a *rib structure* in the second area" (emphasis added), i.e., in the area with the rougher texture. Glidden describes that "[o]ther areas, such as the ankle portion 13, are preferably made so as to provide softness and elasticity, as by making them of

ribbed construction" (emphasis added). Pet. 43 (quoting Glidden, pg. 1, 2:41-44). Thus, Glidden describes that areas of a unitary upper may be ribbed or unribbed, such that these areas may have a rougher, e.g., ribbed, or smoother, e.g., unribbed, texture, as recited in claims 17 and 18. Glidden, pg. 1, 2:41-44.

The explanations provided by Petitioner as to how each element of the challenged dependent claims is disclosed by Glidden are persuasive (Pet. 43, 48-49) and are unrebutted by Patent Owner. Thus, we hold that Petitioner has demonstrated a reasonable likelihood that dependent claims 17 and 18, as well as their base claim, independent claim 16, are anticipated by Glidden.

2. Obviousness

Petitioner contends that claims 16-18 are rendered obvious by Glidden, alone or in combination with McDonald or Whiting. Pet. 3, 43-44. Because anticipation is the epitome of obviousness, a disclosure that anticipates under § 102 also renders the claim unpatentable under § 103. *See In re Pearson*, 494 F.2d at 1402; *In re Meyer*, 599 F.2d at 1031; *In re Fracalossi*, 681 F.2d at 794. Therefore, for the reasons set forth above, we hold that Petitioner has demonstrated a reasonable likelihood that independent claim 16, as well as dependent claims 17 and 18, are rendered obvious by Glidden.

V. CONCLUSION

Petitioner has demonstrated that there is a reasonable likelihood of prevailing on its challenge to the patentability of claims 1-46 of the '011 Patent.

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The Petition is granted as to the following grounds for review:

claims 1-16, 19-34, 36, and 39-46 as anticipated by Nishida;

claims 16-18 as anticipated by Glidden;

claims 1-16 and 19-46 as obvious over Nishida; and

claims 16-18 as obvious over Glidden.

VI. ORDER

For the reasons given, it is

ORDERED that the Petition is granted as to claims 1-46 of the '011 Patent.

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(a), *inter partes* review of the '011 Patent is hereby instituted commencing on the entry date of this Order, and pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial.

FURTHER ORDERED that the trial is limited to anticipation by Nishida and Glidden and to obviousness over Nishida and Glidden and no other grounds are authorized.

FURTHER ORDERED that an initial conference call with the Board is scheduled for 2 PM ET on June 18, 2013. The parties are directed to the Office Trial Practice Guide, 77 Fed. Reg. 48756, 48765-66 (Aug. 14, 2012) for guidance in preparing for the initial conference call, and should come prepared to discuss any proposed changes to the Scheduling Order entered herewith and any motions the parties anticipate filing during the trial.

Case IPR2013-00067
Patent 7,347,011 B2

PETITIONER:

Geoffrey K. Gavin
Vaibhav P. Kadaba
Kilpatrick Townsend & Stockton LLP
Email: ggavin@kilpatricktownsend.com
Email: wkabada@kilpatricktownsend.com

PATENT OWNER:

Jonathan van Es
Thomas Pratt
Joseph M. Skerpon
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Skechers EX1013-p. 4810
Skechers v Nike

Trials@uspto.gov
571-272-7822

Paper 19
Date: May 17, 2013

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

adidas AG
Petitioner

v.

NIKE, Inc.
Patent Owner

Case IPR2013-00067
Patent 7,347,011 B2

Before MICHAEL P. TIERNEY, MICHAEL J. FITZPATRICK, and JAMES B. ARPIN, *Administrative Patent Judges.*

ARPIN, *Administrative Patent Judge.*

SCHEDULING ORDER

A. DUE DATES

This order sets due dates for the parties to take action after institution of the proceeding. The parties may stipulate to different dates for DUE DATES 1 through 3 (earlier or later, but no later than DUE DATE 4). A notice of the stipulation, specifically identifying the changed due dates, must be promptly filed. The parties may not stipulate to an extension of DUE DATES 4-7.

In stipulating to different times, the parties should consider the effect of the stipulation on times to object to evidence (37 C.F.R. § 42.64(b)(1)), to supplement evidence (37 C.F.R. § 42.64(b)(2)), to conduct cross-examination (37 C.F.R. § 42.53(d)(2)), and to draft papers depending on the evidence and cross-examination testimony (see section B, below).

The parties are reminded that the Testimony Guidelines appended to the Trial Practice Guide, 77 Fed. Reg. 48756, 48772 (Aug. 14, 2012) (Appendix D), apply to this proceeding. The Board may impose an appropriate sanction for failure to adhere to the Testimony Guidelines. 37 C.F.R. § 42.12. For example, reasonable expenses and attorneys' fees incurred by any party may be levied on a person who impedes, delays, or frustrates the fair examination of a witness.

1. DUE DATE 1

The patent owner may file—

a. A response to the petition (37 C.F.R. § 42.120), and

b. A motion to amend the patent (37 C.F.R. § 42.121).

The patent owner must file any such response or motion to amend by DUE DATE 1. If the patent owner elects not to file anything, the patent owner must arrange a conference call with the parties and the Board. The patent owner is

cautioned that any arguments for patentability not raised in the response will be deemed waived.

2. DUE DATE 2

The petitioner must file any reply to the patent owner's response and opposition to the motion to amend by DUE DATE 2.

3. DUE DATE 3

The patent owner must file any reply to the petitioner's opposition to patent owner's motion to amend by DUE DATE 3.

4. DUE DATE 4

a. The petitioner must file any motion for an observation on the cross-examination testimony of a reply witness (see section C, below) by DUE DATE 4.

b. Each party must file any motion to exclude evidence (37 C.F.R § 42.64(c)) and any request for oral argument (37 C.F.R. § 42.70(a)) by DUE DATE 4.

5. DUE DATE 5

a. The patent owner must file any reply to a petitioner observation on cross-examination testimony by DUE DATE 5.

b. Each party must file any opposition to a motion to exclude evidence by DUE DATE 5.

6. DUE DATE 6

Each party must file any reply for a motion to exclude evidence by DUE DATE 6.

7. DUE DATE 7

The oral argument (if requested by either party) is set for DUE DATE 7.

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Skechers v Nike

B. CROSS-EXAMINATION

Except as the parties might otherwise agree, for each due date—

1. Cross-examination begins after any supplemental evidence is due. 37 C.F.R. §§ 42.53(d)(2).

2. Cross-examination ends no later than a week before the filing date for any paper in which the cross-examination testimony is expected to be used. *Id.*

C. MOTION FOR OBSERVATION ON CROSS-EXAMINATION

A motion for observation on cross-examination provides the petitioner with a mechanism to draw the Board's attention to relevant cross-examination testimony of a reply witness, since no further substantive paper is permitted after the reply. *See* Office Trial Practice Guide, 77 Fed. Reg. 48756, 48768 (Aug. 14, 2012). The observation must be a concise statement of the relevance of precisely identified testimony to a precisely identified argument or portion of an exhibit. Each observation should not exceed a single, short paragraph. The patent owner may respond to the observation. Any response must be equally concise and specific.

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Skechers v Nike

DUE DATE APPENDIX

DUE DATE 1.....August 19, 2013

Patent owner's response to the petition

Patent owner's motion to amend the patent

DUE DATE 2.....November 18, 2013

Petitioner's reply to patent owner response to petition

Petitioner's opposition to motion to amend

DUE DATE 3.....December 17, 2013

Patent owner's reply to petitioner opposition to motion to amend

DUE DATE 4.....January 7, 2014

Petitioner's motion for observation regarding cross-examination of reply witness

Motion to exclude evidence

Request for oral argument

DUE DATE 5.....January 21, 2014

Patent owner's response to observation

Opposition to motion to exclude

DUE DATE 6.....January 28, 2014

Reply to opposition to motion to exclude

DUE DATE 7.....February 10, 2014

Oral argument (if requested)

Skechers EX1013-p. 4815
Skechers v Nike

PETITIONER:

Geoffrey K. Gavin
Vaibhav P. Kadaba
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PATENT OWNER:

Jonathan van Es
Thomas Pratt
Joseph M. Skerpon
H.Wayne Porter
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Email:wporter@bannerwitcoff.com

Skechers EX1013-p. 4816
Skechers v Nike

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

adidas AG
Petitioner

v.
Nike, Inc.
Patent Owner

Case IPR2013-00067
Patent No. 7,347,011

Before MICHAEL P. TIERNEY, MICHAEL J. FITZPATRICK, and JAMES B. ARPIN, *Administrative Patent Judges.*

NOTICE OF STIPULATION

Counsel for Petitioner adidas AG and Patent Owner Nike, Inc. have conferred regarding Due Dates 1-3 as set forth in the Scheduling Order (Paper 19). adidas proposed and Nike agreed to modify Due Date 2 and Due Date 3 as follows:

1. The parties agree to move Due Date 2 from November 18, 2013 to November 12, 2013.

2. The parties agree to move Due Date 3 from December 17, 2013 to December 11, 2013.

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Skechers v Nike

The parties can discuss the proposed changes to Due Dates 2 and 3 at the initial conference call with the Board on June 18, 2013, if necessary.

Date: June 14, 2013

KILPATRICK TOWNSEND & STOCKTON LLP

/s/ Geoffrey K. Gavin
Geoffrey K. Gavin
Reg. No. 47,591
Vaibhav P. Kadaba
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wkadaba@kilpatricktownsend.com

Counsel for Petitioner adidas AG

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing instrument was served on Patent Owner Nike, Inc. by emailing a copy to counsel at the email addresses listed below:

Joseph M. Skerpon
Email: jskerpon@bannerwitcoff.com

H.Wayne Porter
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Thomas Pratt
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/s/ Geoffrey K. Gavin
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Reg. No. 47,591
Lead Counsel for Petitioner adidas AG

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

adidas AG,
Petitioner

v.

NIKE, Inc.
Patent Owner

Patent No. 7,347,011

Inter Partes Review No. 2013-00067

PATENT OWNER'S LIST OF PROPOSED MOTIONS

Skechers EX1013-p. 4820
Skechers v Nike

In preparation for the initial conference call scheduled for June 18, 2013, at 2:00 p.m. ET, and pursuant to section II.E. of the Office Patent Trial Practice Guide (77 Fed. Reg. 48756, 48765-66), Patent Owner NIKE, Inc. ("NIKE") submits the following list of proposed motions.

1. Motion to Amend

NIKE expects to file a motion to amend the claims pursuant to 42 CFR § 42.121 by the August 19, 2013 deadline. In particular, NIKE expects to file a motion seeking cancellation of claims and replacement of at least some of the cancelled claims with substitute claims. NIKE also expects to submit approximately seven new claims. The contemplated amendments are not expected to increase the number of independent claims and are expected to reduce the total number of claims at issue. Moreover, many of the contemplated substitute claims are expected to be substantially identical to existing dependent claims. The substitute claims and new claims will not enlarge the scope of the claims or introduce new subject matter.

In connection with its motion to amend, NIKE may also seek Board permission to increase the page limit for the motion. NIKE notes that, among other requirements, 42 CFR § 42.121(c) requires that a motion to amend include a complete claim listing.

2. Motion to Seal

Skechers EX1013-p. 4821
Skechers v Nike

NIKE may submit evidence of objective indicia of non-obviousness in connection with its response to the Petition and/or its motion to amend. To the extent such evidence contains trade secrets or other confidential research, development, or commercial information that cannot effectively be redacted, NIKE may file a motion to seal pursuant to 42 CFR § 42.54. Prior to filing a motion to seal, NIKE will confer with petitioner regarding same and regarding a protective order to be submitted with such a motion.

3. Motion to Expunge

Should the Board grant a motion to seal filed by NIKE, and should NIKE submit evidence that contains confidential information covered by such an Order, NIKE may file a motion to expunge such information at the conclusion of the trial.

4. Motion to Submit Videotaped Testimony

NIKE may file a motion, pursuant to 37 CFR §§ 42.20(a) and 42.53(a), seeking leave to submit videotaped testimony.

Respectfully submitted,

Dated: June 14, 2013 By: /J. Pieter van Es/

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E-mail pvanes@bannerwitcoff.com

Banner & Witcoff, Ltd.
Ten South Wacker Drive

Thomas K. Pratt
Registration No. 37,210

Skechers EX1013-p. 4822
Skechers v Nike

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Joseph M. Skerpon
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E-mail jskerpon@bannerwitcoff.com

Attorneys for Patent Owner NIKE, Inc.

Skechers EX1013-p. 4823
Skechers v Nike

CERTIFICATE OF SERVICE

The undersigned certifies that on June 14, 2013, a copy of the **PATENT OWNER'S LIST OF PROPOSED MOTIONS** was served on the Petitioner by emailing a copy to ggavin@kilpatricktownsend.com and to wkadaba@kilpatricktownsend.com.

/H. Wayne Porter/

H. Wayne Porter
Reg. No. 42,084
Back-Up Counsel for Patent Owner

Skechers EX1013-p. 4824
Skechers v Nike

Trials@uspto.gov
571-272-7822

Paper 22
Date: June 19, 2013

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

adidas AG
Petitioner

v.

NIKE, Inc.
Patent Owner

Case IPR2013-00067
Patent 7,347,011 B2

Before MICHAEL P. TIERNEY, MICHAEL J. FITZPATRICK, and JAMES B. ARPIN, *Administrative Patent Judges.*

ARPIN, *Administrative Patent Judge.*

ORDER
Conduct of the Proceeding
37 C.F.R. § 42.5

On June 18, 2013, an initial conference call was held including the following individuals:

(1) Geoffrey K. Gavin, counsel for adidas AG ("Petitioner");

(2) Jonathan van Es, counsel for Nike, Inc. ("Patent Owner"); and

(3) Michael Tierney, Michael J. Fitzpatrick, and James B. Arpin, Administrative Patent Judges.

The purpose of the call was to discuss the motions that the parties intend to file and any proposed changes to the Scheduling Order (Paper 19). Prior to the call, Nike filed a List of Proposed Motions (Paper 21).

Motions List

Nike's List of Proposed Motions identified four motions that it intends to or may file in this trial: (1) Motion to Amend, (2) Motions to Seal and Expunge, and (3) Motion to Submit Videotaped Testimony. Each of the proposed motions was discussed.

1) Motion to Amend

Nike requested guidance regarding the filing of a motion to amend, including the number of claims and the page limits for such a motion.

As discussed during the call, Nike is not obligated to add substitute claims during the proceeding. Further, if Nike seeks to add claims, Nike is not required to pursue all possible claims in this proceeding as other procedures exist to pursue amended claims, e.g., a reissue application. As to page limits, substitute claims included in an Appendix or Exhibit would be counted towards the page limits.

Additional guidance on motions to amend is provided in the Board's Trial Practice Guide and recent decisions, including Case IPR2012-00005, Paper 27, dated June 3, 2013, and Case IPR2012-00027, Paper 26, dated June 11, 2013 ("Idle

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Skechers v Nike

Free"). For example, *Idle Free* explains that "in the absence of special circumstance, a challenged claim can be replaced by only one claim, and a motion to amend should, for each proposed substitute claim, specifically identify the challenged claim which it is intended to replace." *Idle Free* at 5.

2) Motions to Seal and Expunge

Nike indicated that during the course of the proceeding it may seek to submit evidence containing trade secrets or other confidential research. Nike stated that if they file such information, they would seek to seal the information and later expunge the information. No prior authorization is necessary for a motion to seal nor is prior authorization necessary to file a motion expunging sealed information.

If the parties propose a Protective Order other than the Board's default Protective Order, the parties are authorized to file a joint proposed Protective Order accompanied by a red-lined copy based on the default Protective Order in Appendix B to the Board's Trial Practice Guide. *See Office Patent Trial Practice Guide*, 77 Fed. Reg. 48756, 48769 (Aug. 14, 2012).

3) Motion to Submit Videotaped Testimony

The parties indicated that they may seek to enter videotape testimony into the record pursuant to 37 C.F.R. § 42.53(a). As provided in the rule, while the parties may agree to the taking of videotape testimony, entry of video-recorded testimony must be approved by the Board as the submission of potentially long, unedited video evidence in the proceeding would be contrary to the considerations identified in 35 U.S.C. § 316(b). Accordingly, the parties should seek authorization once the particular need for such submission has been identified and where the parties are in a position to discuss the extent of the submission, e.g, the amount of edited video to be submitted.

The parties have jointly modified Due Dates 2 and 3 (Paper 20). No further modifications to the Scheduling Order were sought by either party.

Skechers EX1013-p. 4827
Skechers v Nike

It is:

Ordered that the parties are authorized to file a joint proposed protective order with a red-lined copy based on the default protective order.

PETITIONER:

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Vaibhav P. Kadaba
Kilpatrick Townsend & Stockton LLP
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Email: wkabada@kilpatricktownsend.com

PATENT OWNER:

Jonathan van Es
Thomas Pratt
Joseph M. Skerpon
H. Wayne Porter
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Skechers EX1013-p. 4828
Skechers v Nike

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

adidas AG
Petitioner

v.
Nike, Inc.
Patent Owner

Case IPR2013-00067
Patent No. 7,347,011

STIPULATION REGARDING DISCOVERY
RELATING TO EXPERT WITNESSES

Petitioner adidas AG and Patent Owner Nike, Inc. hereby agree as follows:

1. Oral and written communication between an expert witness or declarant for any party or parties, and the party or parties, or their attorneys or representatives employing such expert which are made in connection with the expert witness' engagement for this *inter partes* review shall not be discoverable, except to the extent that the expert relies upon them for his opinions.

2. Drafts of a report or declaration of an expert witness or declarant for any party or parties that are prepared in connection with the expert witness' engagement for this *inter partes* review shall not be discoverable.

3. All notes, memoranda, and other writings of an expert witness or declarant that are prepared in connection with the expert witness' engagement for this *inter partes* review shall not be discoverable, except to the extent that the expert consults them while testifying at a deposition or at trial.

AGREED and STIPULATED this 10th day of July 2013.

/s/ Wab P. Kadaba
Geoffrey K. Gavin
Reg. No. 47,591
Wab P. Kadaba
Reg. No. 45,865
Kilpatrick Townsend & Stockton LLP
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ggavin@kilpatricktownsend.com
wkadaba@kilpatricktownsend.com

Counsel for Petitioner adidas AG

/s/ Thomas K. Pratt
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Thomas K. Pratt
Registration No. 37,210
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Fax: 312-463-5001
pvanes@bannerwitcoff.com
tpratt@bannerwitcoff.com

Counsel for Patent Owner Nike, Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing instrument was served on Patent Owner Nike, Inc. by emailing a copy to counsel at the email addresses listed below:

Joseph M. Skerpon
Email: jskerpon@bannerwitcoff.com

H.Wayne Porter
Email:wporter@bannerwitcoff.com

J. Pieter van Es
Email: pvanes@bannerwitcoff.com

Thomas Pratt
Email: tpratt@bannerwitcoff.com

Dated: July 11, 2013

/s/ Wab P. Kadaba
Wab P. Kadaba
Reg. No. 45,865
Back-Up Counsel for Petitioner adidas AG

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

adidas AG
Petitioner

v.
Nike, Inc.
Patent Owner

Case IPR2013-00067
Patent No. 7,347,011

Before MICHAEL P. TIERNEY, MICHAEL J. FITZPATRICK, and JAMES B. ARPIN, *Administrative Patent Judges.*

PETITIONER'S MOTION TO AUTHORIZE WITHDRAWAL OF COUNSEL AND APPOINTMENT OF NEW POWER OF ATTORNEY

Skechers EX1013-p. 4832
Skechers v Nike

I. Statement of Precise Relief Requested

Pursuant to 37 C.F.R. § 42.10, Petitioner adidas AG ("adidas") respectfully requests that the Patent Trial and Appeal Board ("the Board") authorize withdrawal of counsel Geoffrey K. Gavin and appointment of a new power of attorney.

II. Statement of Facts Showing Good Cause for the Board to Authorize Withdrawal of Counsel and Appointment of a New Power of Attorney

On November 22, 2012, adidas appointed Geoffrey K. Gavin and Wab P. Kadaba as its attorneys in the above-captioned inter parties review. As of July 12, 2013, Mr. Gavin will no longer be associated with the firm of Kilpatrick Townsend & Stockton LLP. adidas intends to revoke the prior power of attorney and appoint new lead counsel as follows:

Mitchell G. Stockwell (Reg. No. 39,389)
Kilpatrick Townsend & Stockton LLP
1100 Peachtree Street, NE, Suite 2800
Atlanta, Georgia 30309-4530
Telephone: (404) 815-6500
Facsimile: (404) 815-6555
mstockwell@kilpatricktownsend.com

Mr. Kadaba will remain as back-up attorney for adidas in this matter. The facts here establish good cause for the Board to authorize withdrawal of Mr. Gavin as counsel and appointment of Mr. Stockwell as new lead counsel. adidas's

new counsel meets the requirements of 37 C.F.R. § 42.10(c) as lead counsel and is a registered practitioner. In addition, adidas's new counsel has read and intends to comply with the Office Patent Trial Practice Guide and the Board's Rules of Practice for Trials, as set forth in Part 42 of the C.F. R.

Counsel for Patent Owner, Nike, Inc., has no objections to appointment of Mr. Stockwell as new lead counsel.

adidas respectfully request that the Board grants its motion to authorize withdrawal of counsel and appointment of a new power of attorney.

Date: July 11, 2013

KILPATRICK TOWNSEND & STOCKTON LLP

/s/ Wab P. Kadaba

Geoffrey K. Gavin
Reg. No. 47,591
Wab P. Kadaba
Reg. No. 45,865
Kilpatrick Townsend & Stockton LLP
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ggavin@kilpatricktownsend.com
wkadaba@kilpatricktownsend.com

Counsel for Petitioner adidas AG

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing instrument was served on Patent Owner Nike, Inc. by emailing a copy to counsel at the email addresses listed below:

Joseph M. Skerpon
Email: jskerpon@bannerwitcoff.com

H.Wayne Porter
Email:wporter@bannerwitcoff.com

J. Pieter van Es
Email: pvanes@bannerwitcoff.com

Thomas Pratt
Email: tpratt@bannerwitcoff.com

Dated: July 11, 2013

/s/ Wab P. Kadaba
Wab P. Kadaba
Reg. No. 45,865
Back-Up Counsel for Petitioner adidas AG

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

adidas AG
Petitioner

v.

Nike, Inc.

Patent Owner

Case IPR2013-00067

Patent No. 7,347,011

Before MICHAEL P. TIERNEY, MICHAEL J. FITZPATRICK, and JAMES B. ARPIN, *Administrative Patent Judges.*

Skechers EX1013-p. 4836
Skechers v Nike

PETITIONER POWER OF ATTORNEY

Petitioner, adidas AG, hereby appoints the following as its attorneys to transact all business in the United States Patent & Trademark Office associated with the above-captioned *inter partes* review:

Lead Counsel	Back-Up Counsel
Mitchell G. Stockwell (Reg. No. 39,389) (mstockwell@kilpatricktownsend.com) Postal and Hand-Delivery Address: Kilpatrick Townsend & Stockton LLP 1100 Peachtree Street, Suite 2800 Atlanta, GA 30309-4528 T: 404 815 6214; F: 404 541 3403	Wab P. Kadaba (Reg. No. 45,865) (wkadaba@kilpatricktownsend.com) Postal and Hand-Delivery Address: Kilpatrick Townsend & Stockton LLP 1100 Peachtree Street, Suite 2800 Atlanta, GA 30309-4528 T: 404 532 6959; F: 404 541 3258

The individual signing below has the authority to execute this document on behalf of adidas AG.

Dated: 10 JULY 2013

By: _____
Name: Tim Behean
Title: General Counsel Group IP

Skechers EX1013-p. 4837
Skechers v Nike

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing instrument was served on Patent Owner Nike, Inc. by emailing a copy to counsel at the email addresses listed below:

Joseph M. Skerpon
Email: jskerpon@bannerwitcoff.com

H.Wayne Porter
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J. Pieter van Es
Email: pvanes@bannerwitcoff.com

Thomas Pratt
Email: tpratt@bannerwitcoff.com

Dated: July 11, 2013

/s/ Wab P. Kadaba
Wab P. Kadaba
Reg. No. 45,865
Back-Up Counsel for Petitioner adidas AG

Skechers EX1013-p. 4838
Skechers v Nike

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

adidas AG,
Petitioner

v.

NIKE, Inc.
Patent Owner

Patent No. 7,347,011

Inter Partes Review No. 2013-00067

PATENT OWNER NIKE, INC.'S
NOTICE OF CROSS-EXAMINATION OF EDWARD C. FREDERICK

Skechers EX1013-p. 4839
Skechers v Nike

Pursuant to 37 C.F.R. 42.53, Patent Owner NIKE, Inc. ("NIKE") hereby provides notice that, as previously agreed by the parties, it will cross-examine Edward C. Frederick on July 23, 2013. The cross-examination will begin at 8:00 a.m. or at a time mutually agreed by the parties and will be held at the offices of adidas' counsel, Kilpatrick Townsend and Stockton, 1100 Peachtree Street NE, Suite 2800, Atlanta, Georgia. The cross-examination will take place before a Notary Public or other official authorized by law to administer oaths, to be arranged by counsel for NIKE. The cross-examination will be recorded by using audio, video and/or stenographic means.

Respectfully submitted,

Dated: July 17, 2013

By: /J. Pieter van Es/

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Skechers EX1013-p. 4840
Skechers v Nike

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Attorneys for Patent Owner NIKE, Inc.

Skechers EX1013-p. 4841
Skechers v Nike

CERTIFICATE OF SERVICE

The undersigned certifies that on July 17, 2013, a copy of the **PATENT OWNER NIKE, INC.'S NOTICE OF CROSS-EXAMINATION OF EDWARD C. FREDERICK** was served on the Petitioner by emailing a copy to mstockwell@kilpatricktownsend.com and wkadaba@kilpatricktownsend.com.

/H. Wayne Porter/

H. Wayne Porter
Reg. No. 42,084
Back-Up Counsel for Patent Owner

Skechers EX1013-p. 4842
Skechers v Nike

Electronic Acknowledgement Receipt

EFS ID:	29860790
Application Number:	15610089
International Application Number:	
Confirmation Number:	4757
Title of Invention:	ARTICLE OF FOOTWEAR HAVING A TEXTILE UPPER
First Named Inventor/Applicant Name:	BHUPESH DUA
Customer Number:	78342
Filer:	Elizabeth Ashley Lucas
Filer Authorized By:	
Attorney Docket Number:	NIKE.276100/081313US82CON
Receipt Date:	24-JUL-2017
Filing Date:	31-MAY-2017
Time Stamp:	23:03:57
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Transmittal Letter	276100_IDS_Cover_Letter.pdf	15809 f45462a589f24ec3fa56e1891d610d1b686b0bef	no	1

Warnings:

Information:					
2	Information Disclosure Statement (IDS) Form (SB08)	276100_IDS_9A.PDF	1036100 55e570f2a1f9d926f4f1692bf510b0fb082d21bf	no	6
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A U.S. Patent Number Citation or a U.S. Publication Number Citation is required in the Information Disclosure Statement (IDS) form for autoloading of data into USPTO systems. You may remove the form to add the required data in order to correct the Informational Message if you are citing U.S. References. If you chose not to include U.S. References, the image of the form will be processed and be made available within the Image File Wrapper (IFW) system. However, no data will be extracted from this form. Any additional data such as Foreign Patent Documents or Non Patent Literature will be manually reviewed and keyed into USPTO systems.					
3	Non Patent Literature	276100_9A_NPL_01_FREDERICK_DECLARATION.pdf	10114613 d1f69cd6cac83fd298a8bf5e408cae88e58f7ddf	no	178
Warnings:					
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4	Non Patent Literature	276100_9A_NPL_02_SPENCER_KNITTING_TECHNOLOGY.pdf	7847595 97bd11bbdd3b4f21942472036b102b5f4fefd04d	no	413
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5	Non Patent Literature	276100_9A_NPL_03_HANNELORE_EBERLE_CLOTHING_TECHNOLOGY.pdf	421524 436a208dea8f09b82a1253221cad3c072b03c4b9	no	3
Warnings:					
Information:					
6	Non Patent Literature	276100_9A_NPL_04_FILE_HISTORY.pdf	3831758 1288ec9642c90d78380cca4f3af16e11d293dee8	no	202
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7	Non Patent Literature	276100_9A_NPL_05_IDS_11282012_EXHIBIT_1004.pdf	119366 cfad980c8677dd0f88dedbc8a3f70aaa6873a6f4	no	2
Warnings:					
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8	Non Patent Literature	276100_9A_NPL_06_NOTICE_OF_FILING_12042012.pdf	93529 ad04e416a869bcbb7ba7b8dba2f51a96abb7bad1	no	3
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9	Non Patent Literature	276100_9A_NPL_07_PETITION_FOR_INTER_PARTES_REVIEW.pdf	4001451 0eedc80b5ea7beaabc39dee00d128da3891b20e8	no	65
Warnings:					
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10	Non Patent Literature	276100_9A_NPL_08_PETITIONER_POWER_OF_ATTORNEY.pdf	43004 8ae572a8ffb0e64633dcb6754d037444663287b1	no	2
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11	Non Patent Literature	276100_9A_NPL_09_REVISED_PETITION_FOR_INTER_PARTES_REVIEW.pdf	23924553 46acbe9487741d0913f6c464e9893fb03d61bfdb	no	64
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12	Non Patent Literature	276100_9A_NPL_10_LIST_OF_RELATED_MATTERS_12042012.pdf	38905 b1981f84c53a8fa6c9833ceed36264d6d1d80f3c	no	3
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13	Non Patent Literature	276100_9A_NPL_11_MANDATORY_NOTICE_INFORMATION_01252013.pdf	55132 e6e1d6c7c6fc29be2533ca66ccfd12b74ca5b9c5	no	4
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14	Non Patent Literature	276100_9A_NPL_12_SUBMISSION_OF_POA.pdf	137590 ee4753eb30a78a519368ba802112bfb353821c1a	no	5
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15	Non Patent Literature	276100_9A_NPL_13_MANDATORY_NOTICE_INFORMATION_02282013.pdf	75761 0c322b9358094056764ac10fad3df22c7f13830e	no	5
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16	Non Patent Literature	276100_9A_NPL_14_PATENT_OWNERS_PRELIMINARY_RESPONSE_TO_PETITION.pdf	225337 363f0c2c3e8ad059607e7cd91082021de25b0ebb	no	8
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20	Non Patent Literature	276100_9A_NPL_18_PATENT_OWNERS_LIST_OF_PROPOSED_MOTIONS_06_14_2014.pdf	87133 92774a0693a1da1ebfc4db1d209794e8dd872e8e	no	5
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21	Non Patent Literature	276100_9A_NPL_19_ORDER_CONDUCT_OF_PROCEEDING_06192014.pdf	36698 d2b321c9c30cbc5f3b3416c8ae37d88bed1c4cec	no	4
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22	Non Patent Literature	276100_9A_NPL_20_STIPULATION_REGARDING_DISCOVERY_07112013.pdf	103833 0c4b23141ea0bcfdc40fffea111f1fc0f32d6b8c	no	3
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23	Non Patent Literature	276100_9A_NPL_21_MOTION_TO_AUTHORIZE_WITHDRAWAL_07112013.pdf	107977 f6fd95a6adcd440735a971f79be0b564f063c017	no	4
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24	Non Patent Literature	276100_9A_NPL_22_PETITIONER_POA_07112013.pdf	158226 f19c61b4505fbb80eba2876e63471c8859369b83	no	3
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25	Non Patent Literature	276100_9A_NPL_23_NOTICE_OF_CROSS_EXAMINATION.pdf	84978 3da609702437f0691546e1a15ed3c4e34a966dc0	no	4
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		Total Files Size (in bytes):	54342178		

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New Applications Under 35 U.S.C. 111

If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

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If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Appl. No.	:	15/610,089	Confirmation No. 4757
Inventor	:	Bhupesh Dua	
Applicants	:	NIKE, Inc.	
Filed	:	5/31/2017	
Title	:	ARTICLE OF FOOTWEAR HAVING A TEXTILE UPPER	
Group Art Unit	:	3765	
Examiner	:	Marie D. Bays	
Matter No.	:	NIKE.276100/08-1313US82CON	
Customer No.	:	78342	

VIA EFS – 7/24/2017

Mail Stop Amendment
Commissioner for Patents
P. O. Box 1450
Alexandria, VA 22313-1450

IDS SUBMISSION

This correspondence is being submitted with an Information Disclosure Statement pursuant to 37 C.F.R. § 1.97. Due to the number of references, the IDS is separated into multiple forms. Accordingly, Applicant hereby submits IDS forms 1-11 as this IDS submission. Each IDS form corresponds to an IDS form filed in the Application No. 14/503,514 from which this pending application depends. Pursuant to 37 C.F.R. § 1.97(c)(2), Applicant submits herewith the fee set forth in § 1.17(g) for the IDS submission.

Respectfully submitted,

/ELIZABETH A. LUCAS/

Elizabeth A. Lucas
Reg. No. 74,247

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Skechers EX1013-p. 4848
Skechers v Nike

PTO/SB/08a (03-15)
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INFORMATION DISCLOSURE STATEMENT BY APPLICANT

(Not for submission under 37 CFR 1.99)

Application Number	15610089
Filing Date	2017-05-31
First Named Inventor	BHUPESH DUA
Art Unit	3765
Examiner Name	MARIE D. BAYS
Attorney Docket Number	NIKE.276100/081313US82CON

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Examiner Initial*	Cite No	Patent Number	Kind Code[1]	Issue Date	Name of Patentee or Applicant of cited Document	Pages,Columns,Lines where Relevant Passages or Relevant Figures Appear
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INFORMATION DISCLOSURE STATEMENT BY APPLICANT (Not for submission under 37 CFR 1.99)		
	Application Number	15610089
	Filing Date	2017-05-31
	First Named Inventor	BHUPESH DUA
	Art Unit	3765
	Examiner Name	MARIE D. BAYS
	Attorney Docket Number	NIKE.276100/081313US82CON

	1	Declaration of Edward Frederick, November 28, 2012.	
	2	Patent Owner's Trial Hearing Demonstratives, February 6, 2014.	
	3	United States Court of Appeals for the Federal Circuit, Appeal docketed. Date received: June 30, 2014.	
	4	Corrected Certified List from the United States Patent and Trademark Office, August 25, 2014.	
	5	MOTION of Appellant Nike, Inc. to Extend the Time to December 15, 2014 to File the Appellant/Petitioner's Principal Brief, September 17, 2014.	
	6	ORDER Granting Motion to Extend Time to File Appellant/Petitioner Principal Brief, September 18, 2014.	
	7	Certificate of Compliance With Fed. Cir. R. 17 (Agency) for Appellant Nike, Inc., September 23, 2014.	
	8	Certificate of Compliance With Fed. Cir. R. 17 (Agency) for Appellee Adidas AG, September 25, 2014.	
	9	TENDERED from Appellant Nike, Inc., Title: OPENING BRIEF, December 15, 2014.	
	10	BRIEF FILED for Appellant Nik, Inc., December 15,2014.	
	11	MOTION of Director of the USPTO for Leave to Intervene, December 18, 2014.	

INFORMATION DISCLOSURE STATEMENT BY APPLICANT (Not for submission under 37 CFR 1.99)		
	Application Number	15610089
	Filing Date	2017-05-31
	First Named Inventor	BHUPESH DUA
	Art Unit	3765
	Examiner Name	MARIE D. BAYS
	Attorney Docket Number	NIKE.276100/081313US82CON

	12	MOTION of Appellee Adidas AG to Extend the Time to April 1 0, 2015 to File the Appellee/Respondent/Cross-Appellant's Principal Brief, December 18, 2015.	
	13	ORDER Granting Director's Motion for Leave to Intervene and Granting Motion to Extend Time to File Appellee's Response Brief, September 29, 2014.	
	14	TENDERED from Intervenor Lee. Title: INTERVENOR BRIEF, April 9, 2015.	
	15	BRIEF FILED for Intervenor Lee, April 9, 2015.	
	16	TENDERED from Appellee Adidas AG. Title: OPENING BRIEF, April 10, 2015.	
	17	MOTION of Appellant Nike, Inc. to Extend the Time to May 27, 2015 at 11:59 pm to File the Reply Brief, April 13, 2015	
	18	ORDER Granting Motion to Extend Time to File Reply Brief Filed by Appellant Nike, Inc., April14, 2015.	
	19	TENDERED from Appellant Nike, Inc. Title: REPLY BRIEF, May 27, 2015.	
	20	TENDERED from Appellant Nike, Inc. Title: JOINT APPENDIX, June 8, 2015.	
	21	Statement of Compliance With Fed. Cir. R. 33 for Appellant Nike, Inc., Appellee, Adidas AG and Intervenor Lee, June 8, 2015.	
	22	APPENDIX FILED for Nike, Inc., June 8, 2015.	

INFORMATION DISCLOSURE STATEMENT BY APPLICANT (Not for submission under 37 CFR 1.99)		
	Application Number	15610089
	Filing Date	2017-05-31
	First Named Inventor	BHUPESH DUA
	Art Unit	3765
	Examiner Name	MARIE D. BAYS
	Attorney Docket Number	NIKE.276100/081313US82CON

	23	Citation of Supplemental Authority Pursuant to Fed. R. P. 280) for Appellant Nike, Inc., August 24, 2015.
	24	MOTION of Intervenor Lee for Additional Time at Oral Argument, September 3, 2015.
	25	ORDER Filed Granting Motion to Seek More Time for Argument Filed by Intervenor Lee, September 8, 2015.
	26	OPINION and JUDGMENT filed, February 11, 2016.
	27	CORRECTED OPINION AND JUDGMENT filed; February 11, 2016.
	28	Mandate Issued to the United States Patent and Trademark Office, April 4, 2016.
	29	Order-Conduct of Remand Proceeding, August 10, 2016.

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Examiner Signature		Date Considered	

*EXAMINER: Initial if reference considered, whether or not citation is in conformance with MPEP 609. Draw line through a citation if not in conformance and not considered. Include copy of this form with next communication to applicant.

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INFORMATION DISCLOSURE STATEMENT BY APPLICANT

(Not for submission under 37 CFR 1.99)

Application Number	15610089
Filing Date	2017-05-31
First Named Inventor	BHUPESH DUA
Art Unit	3765
Examiner Name	MARIE D. BAYS
Attorney Docket Number	NIKE.276100/081313US82CON

CERTIFICATION STATEMENT

Please see 37 CFR 1.97 and 1.98 to make the appropriate selection(s):

That each item of information contained in the information disclosure statement was first cited in any communication from a foreign patent office in a counterpart foreign application not more than three months prior to the filing of the information disclosure statement. See 37 CFR 1.97(e)(1).

OR

☐ That no item of information contained in the information disclosure statement was cited in a communication from a foreign patent office in a counterpart foreign application, and, to the knowledge of the person signing the certification after making reasonable inquiry, no item of information contained in the information disclosure statement was known to any individual designated in 37 CFR 1.56(c) more than three months prior to the filing of the information disclosure statement. See 37 CFR 1.97(e)(2).

See attached certification statement.

☒ The fee set forth in 37 CFR 1.17 (p) has been submitted herewith.

☒ A certification statement is not submitted herewith.

SIGNATURE

A signature of the applicant or representative is required in accordance with CFR 1.33, 10.18. Please see CFR 1.4(d) for the form of the signature.

Signature	/ELIZABETH A. LUCAS/	Date (YYYY-MM-DD)	2017-07-24
Name/Print	Elizabeth A. Lucas	Registration Number	74247

This collection of information is required by 37 CFR 1.97 and 1.98. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 1 hour to complete, including gathering, preparing and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. **SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.**

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7. A record from this system of records may be disclosed, as a routine use, to the Administrator, General Services, or his/her designee, during an inspection of records conducted by GSA as part of that agency's responsibility to recommend improvements in records management practices and programs, under authority of 44 U.S.C. 2904 and 2906. Such disclosure shall be made in accordance with the GSA regulations governing inspection of records for this purpose, and any other relevant (i.e., GSA or Commerce) directive. Such disclosure shall not be used to make determinations about individuals.

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Electronic Acknowledgement Receipt

EFS ID:	29871614
Application Number:	15610089
International Application Number:	
Confirmation Number:	4757
Title of Invention:	ARTICLE OF FOOTWEAR HAVING A TEXTILE UPPER
First Named Inventor/Applicant Name:	BHUPESH DUA
Customer Number:	78342
Filer:	Elizabeth Ashley Lucas
Filer Authorized By:	
Attorney Docket Number:	NIKE.276100/081313US82CON
Receipt Date:	24-JUL-2017
Filing Date:	31-MAY-2017
Time Stamp:	23:06:46
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no

File Listing:

Document Number	Document Description	File Name	File Size(Bytes)/ Message Digest	Multi Part /.zip	Pages (if appl.)
1	Transmittal Letter	276100_IDS_Cover_Letter.pdf	15812 b1b889159707e0f36ef66f09e808db56fdc05f99	no	1

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2	Non Patent Literature	276100_8_NPL_01_11282012_Frederick_Declaration_IPR2013 00067.pdf	1385409 67f9fd5b0b5db9debcc92a2761c4983f446a dfcd	no	178
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3	Non Patent Literature	276100_8_NPL_02_Pat_Owner_Trial_Hearing_Demonstratives_2062014_IPR201300067.pdf	110459 33dcd71172b3fc45551befbc35696e993d71aebf	no	3
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Information:					
5	Non Patent Literature	276100_8_NPL_04_Corrected_Certified_List_8252014.pdf	284402 3108935ba0f0d30196206cc6ed5183c8aa9 2027d	no	5
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6	Non Patent Literature	276100_8_NPL_05_MOTION_to_Extend_Time_to_12152014_to_File_Principal_Brief.pdf	1815729 c4e242b725f23772d10b16b6ebe9085d6d 528c41	no	8
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8	Non Patent Literature	276100_8_NPL_07_09232014_Certificate_of_Compliance_Appellant_Nike.pdf	608642 b44e0aa645d250f185d93aac6d79c838fd3a ca0e	no	4
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9	Non Patent Literature	276100_8_NPL_08_09252014_Certificate_of_Compliance_Appellee_Adidas_AG.pdf	723461 9adb6d65c0de07953ecc1bab18655f049a37ceb9	no	4
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10	Non Patent Literature	276100_8_NPL_11_12182014_USPTO_MOTION_for_Leave_to_Intervene.pdf	419185 f25b7ba945a40c6b81dfa010ce97c3ee77555eb3	no	3
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Information:					
14	Non Patent Literature	276100_8_NPL_09B_Part_2_of_2_Nike_Opening_Brief_12_15_2014.pdf	10209800 0d86c7813da0671e9ef0d128e3ff8c16b792c53b	no	23
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15	Non Patent Literature	276100_8_NPL_10A_Part_1_of_2_BRIEF_FILED_12_15_2014.pdf	18900288 66931f3d3cad66818d0a83cb7012caba46fbe0b6	no	53
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Information:					

16	Non Patent Literature	276100_8_NPL_10B_Part_2_of_2_BRIEF_FILED_12_15_2014.pdf	10185424 f593bca5d0d870385c99365526b8d20709cd6ac9	no	23
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17	Non Patent Literature	276100_8_NPL_14_04092015_Intervenor_Lee_INTERVENOR_BRIEF.pdf	9830684 25003e983216b724742dd3e3fc6e541eb9a2cbad	no	27
Warnings:					
Information:					
18	Non Patent Literature	276100_8_NPL_15_Brief_filed_04092015_for_Intervenor_Lee.pdf	9830670 61337531ad759282c4a04571056ab182820630a7	no	27
Warnings:					
Information:					
19	Non Patent Literature	276100_8_NPL_16A_Part_1_of_2_04102015_Adidas_AG_Opening_Brief.pdf	13630253 06090300d735c256059f72426de3df5f949e7ff4	no	38
Warnings:					
Information:					
20	Non Patent Literature	276100_8_NPL_16B_Part_2_of_2_04102015_Adidas_AG_Opening_Brief.pdf	11711679 b939195e02650444325c55704120400274ea4688	no	30
Warnings:					
Information:					
21	Information Disclosure Statement (IDS) Form (SB08)	276100_IDS_8.PDF	1036263 2d190b93e6848e5f6d52683dc841bfff8d98c107	no	6
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		Total Files Size (in bytes):	112582117		

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New Applications Under 35 U.S.C. 111

If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371

If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office

If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Appl. No.	:	15/610,089	Confirmation No. 4757
Inventor	:	Bhupesh Dua	
Applicants	:	NIKE, Inc.	
Filed	:	5/31/2017	
Title	:	ARTICLE OF FOOTWEAR HAVING A TEXTILE UPPER	
Group Art Unit	:	3765	
Examiner	:	Marie D. Bays	
Matter No.	:	NIKE.276100/08-1313US82CON	
Customer No.	:	78342	

VIA EFS – 7/24/2017

Mail Stop Amendment
Commissioner for Patents
P. O. Box 1450
Alexandria, VA 22313-1450

IDS SUBMISSION

This correspondence is being submitted with an Information Disclosure Statement pursuant to 37 C.F.R. § 1.97. Due to the number of references, the IDS is separated into multiple forms. Accordingly, Applicant hereby submits IDS forms 1-11 as this IDS submission. Each IDS form corresponds to an IDS form filed in the Application No. 14/503,514 from which this pending application depends. Pursuant to 37 C.F.R. § 1.97(c)(2), Applicant submits herewith the fee set forth in § 1.17(g) for the IDS submission.

Respectfully submitted,

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8298658 v1

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DECLARATION OF DR. EDWARD C. FREDERICK

I. Background and Qualifications

1. I, Dr. Edward C. Frederick, make this declaration in connection with the petition by adidas AG ("adidas") for *Inter Partes* Review of U.S. Patent No. 7,347,011 ("the '011 Patent") owned by Nike, Inc.

2. I make this declaration based upon personal knowledge. I am over age 21 and otherwise competent to make this declaration.

3. The statements herein include my opinions and the bases therefore, which relate to the '011 Patent and various prior art references that disclose features found in the claims of the '011 Patent. Although I am being compensated for my time at a rate of $250 per hour in preparing this declaration, the opinions herein are my own, and I have no stake in the outcome of the review proceeding, My compensation does not depend in any way on the outcome of adidas's petition.

4. I am President of Exeter Research, Inc. in Brentwood, New Hampshire. I have more than thirty years of experience in the sporting goods industry, including extensive experience in footwear design and biomechanics, as well as footwear development and manufacturing. Further, I am an active researcher in footwear biomechanics and have published more than one hundred articles in international journals, books and conference proceedings. In addition, I

am inventor or a co-inventor on 16 issued patents including 10 U.S. utility patents relating to footwear.

5. I have been intimately involved with the creation of more than two-dozen new products over the years and have supervised the design and development of hundreds of new products. This experience encompasses doing the background research to come up with new concepts, developing the product concepts, writing design briefs, creating designs, writing specifications, developing tech packages, managing the step-by-step development of the product, commercializing the product, managing production trials, and hands-on testing as well as managing the testing of the product and its components and materials. The choice of materials, constructions and processes, has been an important part of that experience.

6. A copy of my *curriculum vitae* is attached hereto, and it includes a listing of prior experience as an expert in litigation and patent reexamination matters.

II. Materials Reviewed

7. In forming my opinions, I have reviewed (i) the '011 Patent and its prosecution history that is available on the U.S. Patent Office website; and (ii) prior art to the '011 Patent, including (a) U.S. Patent No. 2,147,197 to Glidden; (b) U.S. Patent No. 2,314,098 to McDonald; (c) U.S. Patent No. 2,641,004 to Whiting;

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(d) U.S. Patent No. 4,785,558 to Shiomura; (e) U.S. Patent No. 5,345,638 to Nishida; (f) PCT International Publication No. WO 90/03744 to Curley; (g) Japanese Patent Publication No. H6-113905 to Osamu Daimaru (including an English translation thereof); and (h) the reference text "Knitting Technology: A comprehensive handbook and practical guide," 3rd edition, by David J. Spencer, published in 2001. I understand the prior art references identified above will be included with the petition for *inter partes* review filed with the U.S. Patent Office.

III. Person of Ordinary Skill in the Art of the '011 Patent

8. Counsel for adidas has informed me that the content of a patent or other printed publication (*e.g.*, prior art reference) should be interpreted the way a person of ordinary skill in the art would have interpreted the reference at the time the application for the '011 Patent was filed in the United States – March 3, 2004.

9. In my opinion, the person of ordinary skill in the art for the '011 Patent would have at least several years' experience with all aspects of shoemaking from the conceptual stage through design, development, commercialization, and manufacturing. The cycle of design and development of a new footwear product takes roughly 18 months and there are seven or more decision points during this cycle where the choice of upper materials and production processes are addressed. The person of ordinary skill has been through many and varied product cycles with projects representing a typical range constructions. In addition, a person of

ordinary skill in the art would have basic knowledge of the functional requirements of footwear and a comprehensive understanding of the range of material choices, as well as construction techniques and processes used to create the various parts of a shoe and to assemble them in a proper manner.

10. I have been asked by adidas's counsel to assume that the person of ordinary skill is a hypothetical person who is assumed to be aware of all the pertinent information that qualifies as prior art. In addition, the person of ordinary skill in the art makes inferences and creative steps. He or she is not an automaton, but has ordinary creativity.

11. Based on my experience, I have an understanding of the capabilities of the skilled person in this field, and my opinions are provided from the perspective of such a person.

IV. Standards for Claim Construction, Anticipation, and Obviousness

12. I understand from counsel for adidas that, in a review proceeding, the claims are to be given their broadest reasonable construction consistent with the patent specification. I also understand that limitations from the specification are not to be read into the claims.

13. Counsel for adidas has informed me that a patent claim is invalid as anticipated (i.e., invalid under 35 U.S.C. § 102) if every limitation of a claim is found identically (either expressly, implicitly, or inherently) in a reference. A

reference inherently discloses the subject matter that a person of ordinary skill in the art would have recognized as necessarily being present in the subject matter disclosed in the reference.

14. Counsel for adidas has also informed me that, by law, a patent may not be obtained though the invention is not identically disclosed or described as set forth in a prior art reference, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious (i.e., invalid under 35 U.S.C. § 103) at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.

15. I have also been informed that, in order for a patent claim to have been obvious, there should be a reasoned explanation as to why collectively the prior art references would have rendered the claimed invention obvious. Depending on the real-world context of the invention described in a patent, various factors or reasons can suffice as a reason to modify or combine the subject matter disclosed in prior art references.

16. These factors and reasons include the following: (a) obvious to try – choosing from a finite number of identified, predictable solutions, with a reasonable expectation of success, (b) common sense, (c) combining or substituting known elements from the prior art to obtain predictable results, (d)

ordinary creativity, (e) whether the need or problem addressed by the patent was known in the prior art, (f) use of known techniques to improve similar devices in the same way, (g) a teaching, suggestion, or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify a reference or combine reference teachings, and (h) when a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. I understand that these factors are identified in the U.S. Supreme Court's decision in *KSR v. Teleflex*.

17. I understand that the Patent Office follows its published guidelines for determining whether a patent claim would have been obvious at the time the invention was made to a person of ordinary skill in the art. Those guidelines are in the Patent Office's "Examination Guidelines for Determining Obviousness Under 35 U.S.C. 103 in View of the Supreme Court Decision in *KSR International Co. v. Teleflex Inc.*" ("*KSR* Guidelines") (http://www.uspto.gov/web/offices/pac/mpep/documents/2100_2141.htm#sect214), and I have read those guidelines and applied them below when I analyze a claim for obviousness.

18. I understand that prior art under 35 U.S.C. § 102(b) includes patents and printed publications that were available more than one year before the

effective filing date of the '011 Patent, i.e. before March 3, 2003. All of the prior art references I discuss in this declaration are prior art under § 102(b).

V. Overview of the '011 Patent

19. The '011 Patent discloses and claims an article of footwear that combines a knitted upper of unitary construction with a sole unit. The upper incorporates a textile element with edges that are joined together to create an upper with an area for receiving a foot. The textile element may also have first and second areas that are parts of a unitary construction. These first and second areas may be made with different stich configurations or different yarns, for example, so that different areas of the upper have different properties (such as, different texture, different elasticity, different breathability, etc.). Various warp knitting or weft knitting processes may be utilized to form the textile element.

20. In the section entitled "Description of Background Art," the '011 Patent explains that the use of various materials for uppers in athletic shoes is well known. For example at 1:44-2:3:

> Various materials may be utilized in manufacturing the upper. The upper of an article of athletic footwear, for example, may be formed from multiple material layers that include an exterior layer, an intermediate layer, and an interior layer. The materials forming the exterior layer of the upper may be selected based upon the properties of wear-resistance, flexibility, and air-permeability, for example. With regard to the exterior layer, the toe area and the heel area may be formed of leather, synthetic leather, or a rubber material to impart a relatively high degree of wear-resistance. Leather, synthetic leather,

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> and rubber materials may not exhibit the desired degree of flexibility and air-permeability. Accordingly, various other areas of the exterior layer of the upper may be formed from a synthetic or natural textile. The exterior layer of the upper may be formed, therefore, from numerous material elements that each impart different properties to specific portions of the upper.
>
> An intermediate layer of the upper may be formed from a lightweight polymer foam material that provides cushioning and protects the foot from objects that may contact the upper. Similarly, an interior layer of the upper may be formed of a moisture-wicking textile that removes perspiration from the area immediately surrounding the foot. In some articles of athletic footwear, the various layers may be joined with an adhesive, and stitching may be utilized to join elements within a single layer or to reinforce specific areas of the upper.

21. The '011 Patent explains, however, that textile materials often form at least a portion of the exterior and interior layers of athletic shoes (2:4-14):

> Although the materials selected for the upper vary significantly, textile materials often form at least a portion of the exterior layer and interior layer. A textile may be defined as any manufacture from fibers, filaments, or yarns characterized by flexibility, fineness, and a high ratio of length to thickness. Textiles generally fall into two categories. The first category includes textiles produced directly from webs of filaments or fibers by randomly interlocking to construct non-woven fabrics and felts. The second category includes textiles formed through a mechanical manipulation of yarn, thereby producing a woven fabric, for example.

22. The "Description of Background Art" section then briefly describes the various techniques for mechanically manipulating yarn into textiles, including weaving and knitting (2:36-46):

> The various techniques for mechanically manipulating yarn into a textile include interweaving, intertwining and twisting, and interlooping. Interweaving is the intersection of two yarns that cross

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> and interweave at right angles to each other. The yarns utilized in interweaving are conventionally referred to as warp and weft. Intertwining and twisting encompasses procedures such as braiding and knotting where yarns intertwine with each other to form a textile. Interlooping involves the formation of a plurality of columns of intermeshed loops, with knitting being the most common method of interlooping.

23. The '011 Patent explains that using multiple materials to impart different properties to different parts of the upper is an inefficient practice because, for example, materials must often be obtained from multiple suppliers located in different places and different materials may require different machinery or numerous distinct manufacturing steps (2:63-3:8). In addition, the '011 Patent explains that using multiple materials in the upper may detract from breathability of the shoe, and specifically that leather, synthetic leather, and rubber inhibit air flow (3:8-16).

24. Thus, the problems that the '011 Patent identifies are (1) inefficiencies and cost in using multiple materials, and (2) poor breathability of materials like leather (natural or synthetic) and rubber. The proposed solution of the '011 Patent is to make a textile upper as a single material element with a unitary construction.

25. The '011 Patent describes several embodiments of a textile element (40, 40', 40'') in the specification and figures. One embodiment is shown in Fig. 8, and the '011 Patent describes how the parts of the textile element 40 form the upper of the shoe (5:18-34):

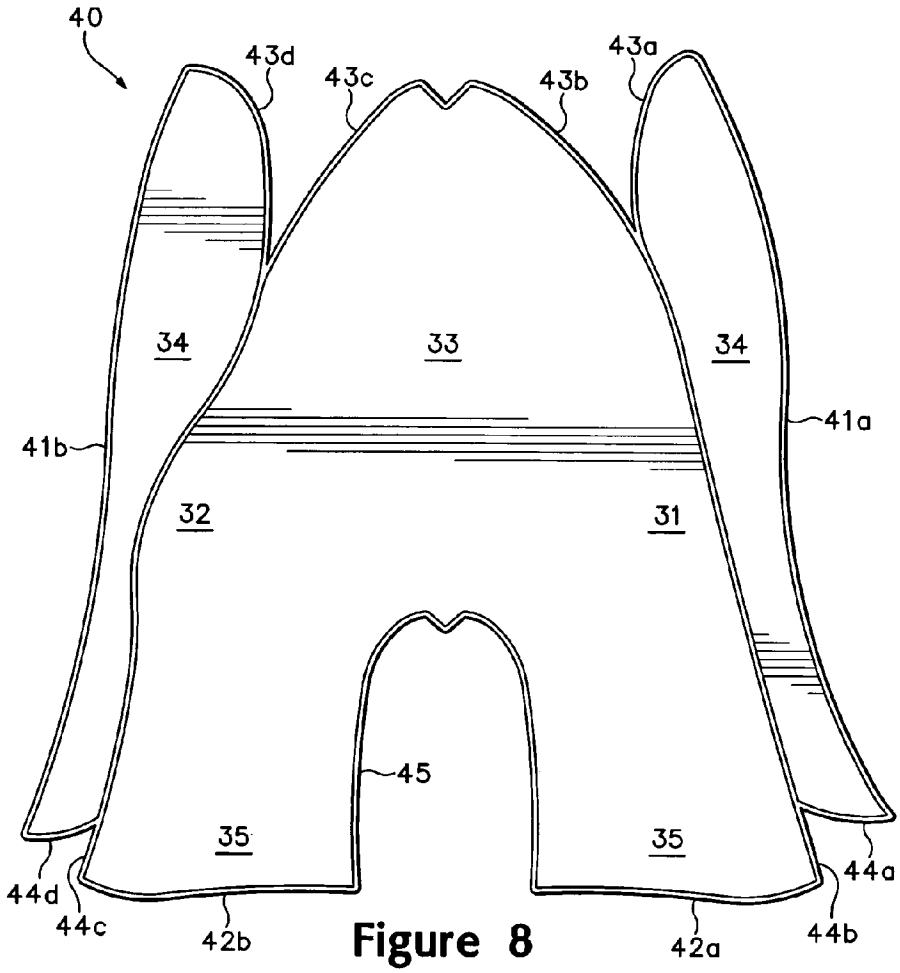


Figure 8

Upper 30 is depicted in FIGS. 2-7 as having a lateral region 31, an opposite medial region 32, an instep region 33, a lower region 34, and a heel region 35. Lateral region 31 extends through a longitudinal length of footwear 10 and is generally configured to contact and cover a lateral side of the foot. Medial region 32 has a similar configuration that generally corresponds with a medial side of the foot. Instep region 33 is positioned between lateral region 31 and medial region 32, and instep region 33 extends over an instep area of the foot. Lower region 34 forms a bottom surface of upper 30 and also extends through the longitudinal length of footwear 10. Heel region 35 forms a rear portion of upper 30 and is generally configured to contact and cover a heel area of the foot. In addition, lateral region 31, medial region 32, instep region 33, and heel region 35 cooperatively define an ankle opening 36 for providing the foot with access to the void within upper 30.

26. The '011 Patent explains how the various edges of the textile element are joined together, forming several seams along the heel, toe, and longitudinal length of the bottom of upper, to make the shape of the upper, and the upper is then secured to the sole. (5:41-6:40)

27. The '011 Patent emphasizes that the textile element is a single material element with unitary construction (6:41-50):

> Textile element 40 is a single material element with a unitary construction, as discussed above. As defined for purposes of the present invention, unitary construction is intended to express a configuration wherein portions of a textile element are not joined together by seams or other connections, as depicted with textile element 40 in FIG. 8. Although the various edges 41a-44d are joined together to form seams 51-54, the various portions of textile element 40 are formed as an unitary element without seams, as discussed below.

28. The '011 Patent describes that the textile element may be formed any number of ways with one or more yarns that are mechanically manipulated using a variety of existing processes (6:51-65):

> Textile element 40 is primarily formed from one or more yarns that are mechanically-manipulated through either an interweaving, intertwining and twisting, or interlooping process, for example. As discussed in the Background of the Invention section above, interweaving is the intersection of two yarns that cross and interweave at right angles to each other. The yarns utilized in interweaving are conventionally referred to as warp and weft. Intertwining and twisting encompasses procedures such as braiding and knotting where yarns intertwine with each other to form a textile. Interlooping involves the formation of a plurality of columns of intermeshed loops, with knitting being the most common method of interlooping. Textile

element 40 may, therefore, be formed from one of these processes for manufacturing a textile.

The '011 Patent continues by identifying several types of knitting and knitting machines that may be used, including a machine from Santoni S.p.A. in Italy that the patent identifies by model number. (6:66-7:27)

29. Fig. 10 from the '011 Patent shows another embodiment of a textile element described therein, where the textile element has different configurations in different areas:

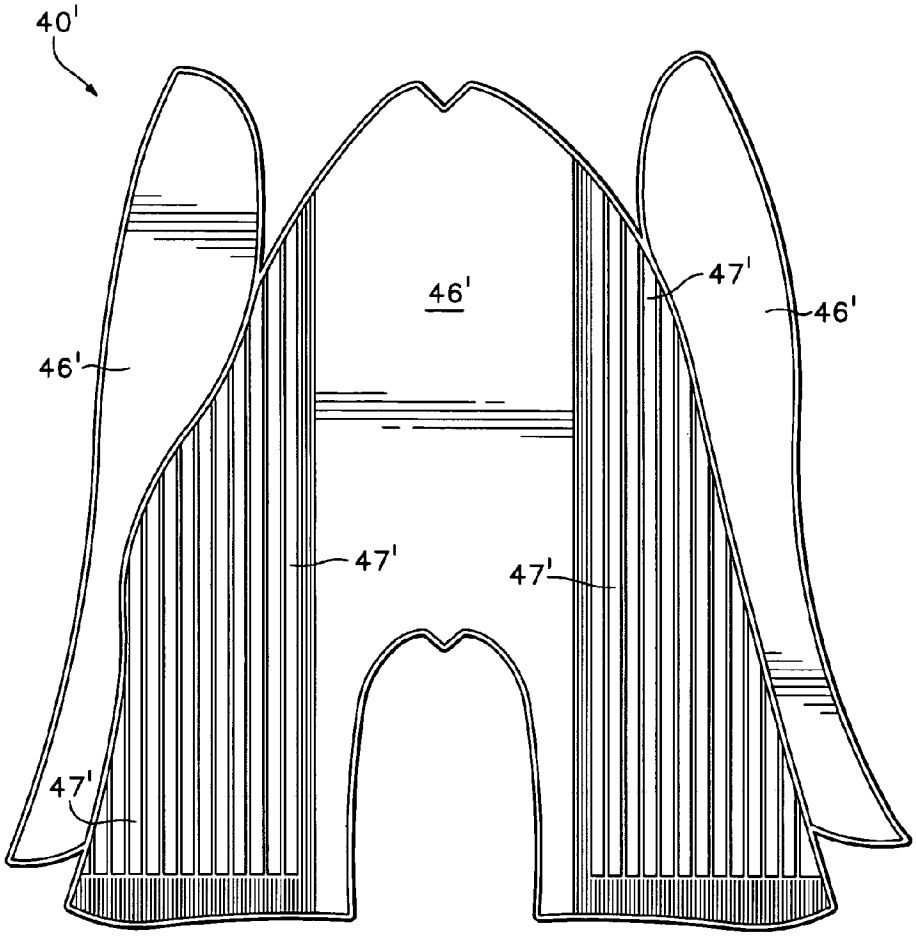


Figure 10

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30. The area that corresponds with the instep region has a first texture 46' that is generally smooth, while the areas that correspond with the lateral and medial regions have a second texture 47' that is a plurality of longitudinal ribs. (9:13-21) The patent states that the ribs may be present for aesthetic purposes or may affect the stretch properties of the upper. (9:21-23) The varying textures may be obtained by varying the stitch types in the different areas or by varying the type of yarn. (9:65-10:1) Changing the yarn type can also be used to impart different properties in different areas, beyond just texture differences. (10:1-14)

31. The '011 Patent explains how the inventors believed this was different from conventional articles of footwear (9:23-35):

> Accordingly, textile element 40' exhibits areas with different textures in a single element of textile material.
>
> Many conventional articles of footwear incorporate uppers with various material elements that each exhibit different properties. For example, a first material element may be smooth, and a second material element may be textured. The first and second material elements are then stitched together to form a portion of the conventional upper. Textile element 40' also exhibits smooth and textured areas. In contrast with the conventional upper, however, first texture 46' and second texture 47' are incorporated into a single, unitary element of textile, rather than two separate elements that are stitched or otherwise joined together.

32. The '011 Patent also discloses an embodiment that has areas with three different textures. (Fig. 11; 9:36-64).

33. The '011 patent includes claims 1-46, of which claims 1, 16, 24, 36 and 44 are the independent claims. All of the independent claims require a sole secured to a knitted upper, with the upper having a plurality of knit constructions (claims 1, 24, 36) or two areas with different constructions or stitch configurations (claims 16, 44). All of the claims are reproduced below:

Nike '011 Patent Claims
1. An article of footwear comprising:
an upper incorporating a weft-knitted textile element having edges that are joined together to define at least a portion of a void for receiving a foot,
wherein the weft-knitted textile element incorporates a single type of textile having a plurality of knit constructions; and
a sole structure secured to the upper.
2. The article of footwear recited in claim 1, wherein the weft-knitted textile element forms at least a portion of a lateral side, a medial side, and an instep region of the upper.
3. The article of footwear recited in claim 1, wherein the edges include a pair of first edges that are joined to form a first seam extending longitudinally along a lower region of the upper.
4. The article of footwear recited in claim 3, wherein the edges include a pair of second edges that are joined to form a second seam extending along a heel region of the upper.
5. The article of footwear recited in claim 4, wherein the second seam extends vertically.
6. The article of footwear recited in claim 4, wherein the edges include at least a pair of third edges that are joined to form a third seam extending through a forefoot area of the upper.

Nike '011 Patent Claims
7. The article of footwear recited in claim 1, wherein the weft-knitted textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper.
8. The article of footwear recited in claim 1, wherein the upper includes an exterior layer, an intermediate layer, and an interior layer, and the weft-knitted textile element forms at least a portion of the interior layer.
9 The article of footwear recited in claim 1, wherein the weft-knitted textile element forms at least a portion of both an interior surface and an exterior surface of the upper.
10. The article of footwear recited in claim 9, wherein at least one additional element is secured to the exterior surface and forms a portion of the exterior surface.
11. The article of footwear recited in claim 10, wherein the additional element is secured to a forefoot area of the upper.
12. The article of footwear recited in claim 10, wherein the additional element is secured to a heel area of the upper.
13. The article of footwear recited in claim 1, wherein the textile element forms an interior surface of the upper.
14. The article of footwear recited in claim 1, wherein the weft-knitted textile element is created by circular knitting.
15. The article of footwear recited in claim 1, wherein the weft-knitted textile element is created by flat knitting.
16. An article of footwear comprising:
an upper incorporating a weft-knitted textile element, the textile element having a first area and a second area with a unitary construction,
the first area being formed of a first stitch configuration, and the second area being formed of a second stitch configuration that is different from the first stitch configuration to impart varying properties to the textile element; and

Nike '011 Patent Claims
a sole structure secured to the upper.
17. The article of footwear recited in claim 16, wherein the first stitch configuration provides a substantially smooth texture to the first area, and the second stitch configuration provides a texture to the second area that is rougher than the smooth texture.
18. The article of footwear recited in claim 17, wherein the second stitch configuration forms a rib structure in the second area.
19. The article of footwear recited in claim 16, wherein at least one of the first stitch configuration and the second stitch configuration forms an aperture in the weft-knitted textile element.
20. The article of footwear recited in claim 16, wherein the weft-knitted textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper.
21. The article of footwear recited in claim 16, wherein the upper includes an exterior layer, an intermediate layer, and an interior layer, and the weft-knitted textile element forms at least a portion of the interior layer.
22. The article of footwear recited in claim 16, wherein the textile layer forms at least a portion of both the interior surface and an exterior surface of the upper.
23. The article of footwear recited in claim 16, wherein the weft-knitted textile element forms an interior surface of the upper.
24. An article of footwear comprising:
an upper incorporating a textile element having edges that are joined together to form seams and define at least a portion of a void for receiving a foot,
the seams including a first seam and a second seam, the first seam extending from a heel area to a forefoot area of the footwear along a lower surface of the upper, and the second seam extending vertically in the heel area,
wherein the textile element incorporates a single type of textile having a plurality of knit constructions; and

Nike '011 Patent Claims
a sole structure secured to the upper.
25. The article of footwear recited in claim 24, wherein the footwear includes a third seam extending through the forefoot area of the upper.
26. The article of footwear recited in claim 24, wherein at least one of the knit constructions forms an aperture in the textile element.
27. The article of footwear recited in claim 24, wherein the knit constructions produce varying properties in the textile element including a varying elasticity of the textile element.
28. The article of footwear recited in claim 24, wherein the knit constructions produce varying properties in the textile element including a varying air permeability of the textile element.
29. The article of footwear recited in claim 24, wherein the textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper.
30. The article of footwear recited in claim 24, wherein the textile element forms at least a portion of both an interior surface and an exterior surface of the upper.
31. The article of footwear recited in claim 24, wherein the textile element forms an interior surface of the footwear, and at least one additional layer forms an exterior surface of the footwear.
32. The article of footwear recited in claim 24, wherein at least a portion of the textile element has a weft knitted construction.
33. The article of footwear recited in claim 32, wherein the weft knitted construction is produced by one of circular knitting and flat knitting.
34. The article of footwear recited in claim 24, wherein the textile element has a warp knitted construction.
35. The article of footwear recited in claim 34, wherein the warp knitted construction is produced by a jacquard double needle-bar raschel.
36. An article of footwear comprising:

Nike '011 Patent Claims
an upper incorporating a knitted textile element formed with a knitting machine, the textile element being removed from a textile structure that includes an outline of the textile element, and
the textile element having edges that are joined together to define at least a portion of a void for receiving a foot,
wherein the textile element incorporates a single type of textile having a plurality of knit constructions; and
a sole structure secured to the upper.
37. The article of footwear recited in claim 36, wherein the knitted textile element has a structure formed by a wide-tube circular knitting machine.
38. The article of footwear recited in claim 36, wherein the knitted textile element has a structure formed by a jacquard double needle-bar raschel knitting machine.
39. The article of footwear recited in claim 36, wherein the edges include a pair of first edges that are joined to form a first seam extending longitudinally along a lower region of the upper.
40. The article of footwear recited in claim 39, wherein the edges include a pair of second edges that are joined to form a second seam extending along a heel region of the upper.
41. The article of footwear recited in claim 40, wherein the edges include at least a pair of third edges that are joined to form a second seam extending through a forefoot area of the upper.
42. The article of footwear recited in claim 36, wherein the knitted textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper.
43. The article of footwear recited in claim 36, wherein the knitted textile element forms an interior surface of the upper.
44. An article of footwear comprising:

Nike '011 Patent Claims
an upper incorporating a flat-knitted textile element, the flat-knitted textile element having a first area with a first unitary construction and a second area with a second unitary construction different from the first unitary construction ,
the first area having a first set of properties, and the second area having a second set of properties that is different from the first set of properties to impart varying characteristics to the textile element; and
a sole structure secured to the upper.
45. The article of footwear recited in claim 44, wherein the first set of properties and the second set of properties are at least one of a stitch configuration and a yarn type.
46. The article of footwear recited in claim 44, wherein the textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper.

34. Although the '011 Patent has 46 claims, many of the claims recite many of the same features repeatedly, just in slightly different combinations. In other words, the actual subject matter claimed across all 46 claims is not very extensive.

35. For example, all five independent claims have some common features – an upper incorporating a knitted textile element and a sole structure secured to the upper. (Claims 1, 16, 24, 36, 44) Claims 1 and 16 further state that the textile element is "weft-knitted," while claim 44 states it is "flat-knitted." Claims 16 and 44 require the textile element to have a unitary construction with two different areas that have varying characteristics or properties. In claim 16, the two areas

have different stitch configurations to impart the varying properties, while claim 44 requires different constructions in the two areas to impart varying characteristics. Claims 1, 24, and 36 state that the textile element has "edges that are joined together to define at least a portion of a void for receiving a foot" and that "textile element incorporates a single type of textile having a plurality of knit constructions."[1] Claim 24 adds that two seams are formed (one from heel to forefoot, the second vertically in the heel), while claim 36 adds that the textile element is removed from a textile structure that has an outline of the textile element.

36. The dependent claims are likewise repetitive and add minor additional features to what is being claimed as the invention, for example:

- specific seams formed in the upper (claims 3-6, 25, 39-41)
- the textile element forms one of an interior, intermediate, or exterior layer (claims 7, 20, 29, 42, 46)

[1] By "single type of textile," I understand the claims to be saying the textile element is a single material element made with one or more yarns. The '011 Patent states that: (a) "textile element 40 is a single material element that is formed to exhibit a unitary (i.e., one piece) construction" (5:38-39); (b) "textile element 40 is primarily formed from one or more yarns that are mechanically-manipulated through either interweaving, intertwining and twisting, or interloping process for example (6:51-54); (c) "accordingly, textile element 40' exhibits areas with different textures in a single element of textile material" (9:23-24); (d) "in contrast with the conventional upper, however, first texture 46' and second texture 47' are incorporated into a single, unitary element of textile, rather than two separate elements that are stitched or otherwise joined together" (9:32-35).

- the upper has interior, intermediate, or exterior layers and the textile element forms at least portion of interior layer (claims 8, 21)
- the textile element forms a portion of both interior and exterior surface of upper (claim 9, 22)
- an additional element secured to and forming portion of exterior surface (claims 10-12)
- the textile element forms interior surface of upper (claim 13, 23, 43)
- circular knitting or circular knitting machine is used (claims 14, 33, 37)
- flat knitting is used (claims 15, 33)
- varying stitch configurations, or smooth, rougher/ribbed stitching (claims 17, 18, 45)
- apertures in the textile element (claims 19, 26)
- warp knitting and specific type of machine (claims 24, 35, 38)

VI. Overview of the Prior Art and the Trivial Nature of the Features Claimed in the '011 Patent.

37. The claims of the '011 Patent recite features that were well known in the prior art in March 3, 2004, when the application for the '011 Patent was filed.

38. Knitted uppers of a unitary construction with modifications of stitches, yarn types, patterns, or constructions in different areas for creating various functional regions have been known for decades. For example, such constructions have been described in detail in several U.S. patents, including U.S. Patent No.

5,345,638 to Nishida ("Nishida"), U.S. Patent No. 2,147,197 to Glidden ("Glidden"), and U.S. Patent No. 2,314,098 to McDonald ("McDonald"). Japanese Patent Publication No. H6-113905 to Osamu Daimaru ("Osamu") describes a similar unitary upper made with a woven fabric, instead of a knit.

39. I have reviewed other prior art, some of which is relevant to some of the dependent claims, including U.S. Patent No. 2,641,004 to Whiting ("Whiting"), U.S. Patent No. 4,785,558 to Shiomura ("Shiomura"); and PCT International Publication No. WO 90/03744 to Curley ("Curley"). These prior art references describe additional features of shoe uppers made with knitted fabrics. I also consulted the reference text "Knitting Technology: A comprehensive handbook and practical guide," 3rd edition, by David J. Spencer, published in 2001 ("Spencer"). All of these references are prior art under 35 U.S.C. § 102(b) (mentioned in above in Section IV), as they were all published more than one year before Nike filed the application for the '011 Patent on March 3, 2004.

40. A central teaching of the '011 Patent is that knitting complete uppers is more efficient than joining together separately made pieces of various materials. This is common sense, and it was also taught by Nishida, Glidden, and McDonald well before the '011 Patent application was filed.

41. For example, Nishida states "For production of a shoe upper by cutting out the shoe upper in the form of a layout from a web of material, shaping

of the shoe upper with connection of material parts of the layout with formation of seams, a process is used by which such shoe uppers can be produced in a time saving and efficient manner despite the many individual parts present or to be made visible." (Nishida, Abstract) Glidden discloses that "The principal objects of the present invention are to provide comfort, stretchability, light weight, breathability, and absorption in an article of footwear and to provide for economy of materials and convenience of procedure in the manufacture of same." (Glidden, p.1, 1:25-30) Finally, McDonald explains that "By my improvements, a comfortable and relatively durable and attractive shoe may be produced at a minimum cost by unskilled workers and without any need for the expensive shoe-making machinery ordinarily deemed necessary for economical shoe manufacturing." (McDonald, p. 2, 2:18-23)

42. Indeed, the idea of a unitary construction itself is an ancient idea, harkening back to moccasin construction techniques. Moccasins are made from an upper cut from a single piece of leather and stitched together by joining a limited number of pre-cut edges to form a shoe. This is a most efficient method of shoemaking that is still practiced today, but it has limitations.

43. Because only a single material is used for the upper, it can be challenging to take advantage of what we know and have known for some time about regional functional requirements. Shoe designers and engineers have long

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considered uppers as having regionally distinct functional zones. For example, certain areas would be intentionally designed to have more or less stretch, more or less breathability, more or less durability, or, more or less friction. Such regions are designed with different physical properties and for the last 30+ years it has been quite common to use different materials in certain areas to provide the desired properties.

44. However, there is no requirement to use different materials, and it has been known that a single material could be used. With companies more concerned in the last decade with the environment and reducing waste, it is only logical that companies may look to return to uppers made with a single material or a greatly reduced number of materials.

45. From the 1980s until the present, it has been a requirement of running shoes and other sports shoes that these regional upper requirements be addressed. Therefore, it is not novel that knit uppers would be made with specific textile elements that address these requirements. Some of these regional requirements go back even further.

46. For example, shoe designers and engineers have specifically addressed the requirement for breathability since the first Converse Chuck Taylor basketball shoes were made almost 100 years ago with two extra holes in the upper for enhancing breathability. The notion that shoe uppers should be breathable is

quite an old idea and shoes with apertures for enhancing breathability and with special mesh panels incorporated into the upper to increase air exchange have been part of the shoe design for decades. Similarly, wear patches, such as the ankle patches in the early Converse Chuck Taylors have also been used to enhance durability or protection in distinct areas of that upper.

47. Everyone who has worked in the athletic shoe industry for at least a few years over the last 30 years knows about the regional functional requirements of uppers.

48. Further to this point, these specially constructed regions for durability, support, or breathability are described in Nishida and Glidden. For example, Nishida (3:43-48) discloses "Since, generally, toe area 14 is designed to be relatively deformably soft or elastic, and optionally, also permeable to air, the web of material 1, in toe area 14, according to the present invention, is correspondingly designed by suitable selection of the weave pattern, knit pattern and/or material used …." Glidden, in another example, states that "In fabricating the unitary upper, as by knitting, areas thereof which are normally subjected to greater wear and in which a lower degree of elasticity is desired, such as the toe 11 and the heel portion 12, may be more densely fabricated to provide therein heavier weight and less extensibility than in the other parts of the upper, as by changing the type of stitch or amount or thickness of the yarn in the knitting." (Glidden, p.1, 2:33-41)

49. One-piece knitted uppers having areas made differently to address the different functional regions of the upper were well known before March 2004.

50. As noted above, the '011 Patent describes that the one-piece textile element can be made using any number of processes for mechanically manipulating yarns, including weaving and knitting. The claims though often require some specific type of knitting (e.g., "weft" for claims 1 and 16, "flat" for claim 44; many of the dependent claims also require circular, warp, or specific knitting machines). In fact, many of the dependent claims are nothing more than a recitation of one machine or one technique from a laundry list of knitting machines and techniques and appear intended to encompass the widest possible set of options for choosing a knitted material or materials for construction of the upper.

51. These are common design choices that are made everyday by shoemakers. It would have been obvious in March 2004 to the skilled person to select a particular type of knitted upper material from among the long list of options and machines that were known in the art.

52. There is nothing of special significance about weft-knitting from a functional or design point of view. In fact, materials with overlapping functional requirements can be made by either weft or warp knitting. A skilled person would understand that any selection of circular, flat, or warp, or any particular machine that knits textiles in any of these manners, is nothing more than a simple design

choice from among a number of known, available choices that have been available to the shoe designer and engineer for many years.

53. Indeed the '011 Patent spells this out clearly at the bottom of column 6 and continued in column 7. It describes the use of various processes for forming the necessary textile element of the invention, including interweaving, intertwining or twisting, or interloping processes. ('011 Patent, 6:51-53) In column 7, the '011 Patent goes on to describe the use of warp knitting including the sub-types tricot, racschel, double needle-bar raschel and jacquard double needle-bar raschel, as well as weft knitting and its sub-types described including circular and flat knitting. ('011 Patent, 7:1-10) Significantly, the '011 Patent states that the textile element may be formed through any of the mechanical processes discussed in the specification. ('011 Patent, 6:63-65; 7:11-12)

54. Weft knit describes a type of knitted fabric in which yarns are formed into stitches in widthwise manner. Common examples of weft knits are circular knits and flat knits.

(Fabriclink.com; http://www.fabriclink.com/dictionaries/textile.cfm#W).

Examples of weft knit fabrics used in footwear are: spacer meshes; nylon, polyester, and, cotton meshes; weft-knit polyester suedes; terry; ribbed knits, and jersey. Some jacquard knit are also weft double-knit fabrics.

55. Warp knitting is a type of knitted fabric construction in which the yarns are formed into stitches in a lengthwise manner, i.e., along the length of the fabric. Warp knits are generally less elastic than weft knits. Common examples of warp knits used in footwear uppers are tricot knits and raschel knits.

56. The Spencer reference text mentioned above explains knitting processes and machines in great detail. An excerpt from the reference textbook entitled "Clothing Technology," Third English edition, by Hannelore Eberle (and others) published in 2002 (Beuth-Verlag GmbH) provides a definition and summary graphic showing that knitted fabrics are generally classified as weft or warp, and that weft knits may be made with flat or circular machines. These things were well known to the skilled person decades before March 2004. I understand the "Clothing Technology" excerpt will be included with the petition for *inter partes* review filed with the U.S. Patent Office, but I have also reproduced it below for reference:

3 Textile Fabrics
3.3 Knitted Fabrics

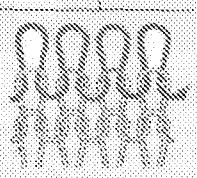
3.3.1 Classification of Knitted Fabrics

Definition (Ref ISO 1806: 1984)

Knitted fabrics are made from interlocking loops, formed from a single yarn or from many.
They are classified into weft knitted and warp knitted fabrics.

KNITTED FABRICS

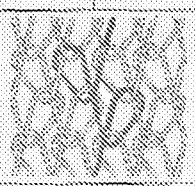
WEFT KNITTED



Characteristics

- May be made from a single yarn.
- The yarn is fed crosswise to the length of the fabric.
- Can be unravelled; may ladder.
- Knitting needles can work sequentially or all together.

WARP KNITTED



Characteristics

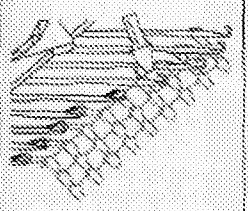
- Requires a full warp sheet.
- The loop-forming yarns are fed in the direction of the length of the fabric.
- Can not be unravelled, usually does not ladder.
- Knitting needles always work together as a unit.

Production

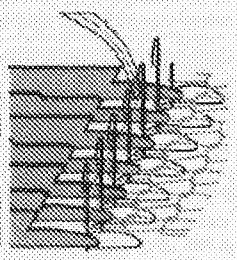
WEFT KNITTED FABRICS

Sequential needles:
Loops are formed in sequence across the width of the fabric. Machines can be flat or circular. Needles are usually of the latch type.

Simultaneous needles:
All of the needles are moved together or the needles are stationary and the fabric is moved. Machines can be flat or circular. Needles are usually of the bearded type.



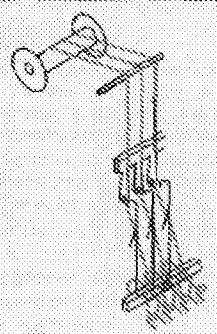
1: Sequential loop formation on a flat machine



2: Simultaneous loop formation

WARP KNITTED FABRICS

Warp knitting:
Warp knitting uses one or more warp sheets. Each yarn is looped around a needle and the needles are all moved together. The needles may be of the bearded, latch, or compound type. Warp knitting machines with latch or compound needles are called raschel machines and the material they make is called raschel fabric.



3: Loop formation on a warp knitting machine

83

57. Although it is possible to make some generalizations about weft versus warp knits, they are just that – generalizations. They do not represent the elucidation of exclusive properties. The more relevant point is that the functional properties of all possible warp-knit and weft-knit fabrics overlap. In other words, it is possible to produce fabrics with a wide range of functional properties such as stretch, breathability, durability, and so on using either technique.

58. The prior art I reviewed shows that both warp knitting and weft knitting, including the various sub-types identified in the '011 Patent, are well known:

- McDonald (p. 1, 2:26-39): "In the embodiment of my invention illustrated in Figs. 1 and 2, a seamless sock is knit on a conventional type of circular knitting machine with a top welt of ribbed fabric having stretchable elastic threads 2 knit circumferentially therein in any usual manner to form a stretchable elastic welt, as for instance in the manner illustrated in Letters Patent Nos. 630,110, 1,883,303, 1,929,006, or any of the other known methods of incorporating in a weft knit fabric stretchable elastic threads composed of wrapped cores of extruded or cut rubber or rubber substitutes of which the stretchable elastic yarns used in my invention are composed."

- Whiting (2:53-56): "It will be realized that the sock may be otherwise produced, whether initially seamless or not, as by knitting the same on flat or circular knitting machines…."

- Curley (pp. 7-8): "In one preferred embodiment, the outer layer is a warp knit fabric classified as 'tricot'….In particular, two bar knits such as full tricot and warp lockknit have shown particularly good characteristics with regard to the molding process as well as end use. In another preferred embodiment, the outer layer is a weft knit fabric of jersey, rib, or purl designation"

- Shiomura (3:4-15): "The above-mentioned shoe upper can be easily knitted using a knitting machine such as a tricot knitting machine or a Raschel knitting machine.... Alternatively, the knitting may be conducted using a double Raschel knitting machine which can knit the shoe upper simply in one step because it can simultaneously conduct the two above mentioned steps." Shiomura 3:4-15.

59. The same statement can be made when comparing knitted fabrics with woven fabrics. It used to be generalized that woven fabrics could be considered less elastic and less breathable than knitted fabrics, but the ability to interweave elastic threads like Spandex and Lycra, and loose weaving techniques with specially treated fibers have changed all that. It is possible to find woven and knit fabrics with identical elasticity and breathability. In fact, shoe designers and engineers are not really required to choose knits if elasticity and breathability are the primary features they are looking for. Instead, they have a wide range of fabrics with different properties from both the knitted and woven families of fabrics.

60. This was well known in the prior art. Curley, for example, states (p. 8):

> In still another embodiment, the outer layer is of the woven classification. In utilizing woven structure fabrics in the fabrication process, success is more dependent on yarn schemes than in knit fabrics. While a characteristic of knitted structures is fabric stretch or elasticity, wovens possess lower stretch values due to the somewhat linear relationship between fabric and yarn width/length. Therefore, in utilizing woven materials in the process, it is necessary to focus on

> yarn elasticity properties. Methods of incorporating elasticity in yarns is well known and may include texturing or using bi-component or bi-constituent yarn or fiber."

61. Nishida, which discloses almost every one of the claimed features in the '011 Patent and is from the early 1990s, explains that "In the production of the web of material, the layouts or the areas in which the layouts are provided are produced in a woven and/or knitted type different from the sole parts or those areas in which these patterns are provided." (Nishida, 1:60-64) Furthermore, Osamu (also from the early 1990s) describes "using both woven fabric and/or knitted fabric as uppers materials for shoes" when describing the related art. (Osamu, paragraph [0002])

62. This broadening of design choice also extends to the essence of the '011 Patent. The core teaching of the '011 Patent is that knitting complete uppers is more efficient than joining together separately made pieces of various materials. But the sophistication of modern computer-controlled Jacquard head looms means that it is also possible to using weaving techniques to produce unitary uppers with a high degree of regionalization of function. Osamu goes into detail on how these weaving techniques can be used to create unitary upper constructions with distinct functional regions.

63. Finally, several of the '011 Patent claims focus on seam location in the upper (e.g., claims 3-6, 24, 25, 39-41). The placement of seams in various

locations is one of the choices made by pattern makers in the shoe industry. Basically, all the seam configurations claimed are simply a few of a limited number of configurations that patternmakers employ to impart various shapes to footwear and to ensure proper fit.

64. Further to this point, the creation of a textile upper for footwear that has edges that are joined together to form seams along the bottom and heel of the upper, as well as in the forefoot area, is a process that has been used to make shoes and slippers for more than 100 years. There is nothing new about the various seam locations described in the '011 Patent.

65. As the prior art Nishida patent clearly shows in Figures 1, 2, 4 and 5, creating a flat layout for a shoe that can be cutout and then folded and stitched to form a three-dimensional shoe upper was well known. In fact, the layout shown in Figure 4 of Nishida is very similar to those shown in the '011 Patent. By constructing the upper from the layout shown in Figure 4 of Nishida, the upper would necessarily have seams in the same places as the upper described and claimed in the '011 patent. Similarly, Osamu shows a very similar layout in its figures which would also create seams in the finished upper.

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VII. Claims 1-46 of the '011 Patent Are Anticipated and/or Obvious in View of U.S. Patent No. 5,345,638 to Nishida

66. As further explained in the claim chart below, it is my opinion that claims 1-46 of the '011 patent are invalid in view of the Nishida patent alone or Nishida combined with other prior art.

67. Nishida was issued by the Patent Office on September 13, 1994 and is entitled "Process for Producing a Shoe-Shaped Part from a Web of Material and Resulting Shoe-Shaped Part." The Abstract of Nishida states:

> For the production of a shoe upper by cutting out of the shoe upper in the form of a layout from a web of material, shaping of the shoe upper with connection of material parts of the layout with formation of seams, a process is used by which such shoe uppers can be produced in a timesaving and efficient manner despite the many individual parts present or to be made visible. For this purpose, 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. The layout is cut from the web as a unit with the sole part and processed into a shoe part having an upper and sole part.

68. Nishida explains at 3:6-26:

> 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. 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, as it is represented from the side, for example, in FIG. 3.
>
> The 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. Layout 2 is divided into different individual parts or areas, which differ from one another, such as by being of another material style

> and/or 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 formed of different colors, such as from fibers or yarns of different colors, including those of metals, or by different color prints, and/or by being differently designed fiber extrudates or fiber extrudate compositions, such as twisted, processed parallel or the like.

69. Nishida also describes the advantages of multiple configurations or designs and the advantages of his invention, including low weight and reduced costs (4:12-18 and 4:52-60):

> As can be seen, 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. For this purpose, above all, the use of program-controlled, particularly computer-controlled, production devices is advantageous, so that style, color, design, size or the like can be varied at will.
>
> * * *
>
> As already indicated, any sizes and different upper designs can be produced by computer-controlled programs, starting from corresponding basic patterns. The completed shoe uppers produced from such webs of material are marked by an extremely low weight, for example, between 70 to 80 g in a shoe size of 8. The costs for the production of such uppers are exceptionally low in comparison with previously known processes.

70. In the chart below, all citations are to Nishida, except where I specifically identify that I am citing to another prior art reference. I have included direct quotations from Nishida in some instances.

71. In my opinion, Nishida describes every feature of claims 1-16, 19-34, 36, and 39-46 and therefore anticipates those claims. Even if all of these claims

were not anticipated, they and claims 35, 37, and 38 are obvious based on Nishida alone and the knowledge of the skilled person in the art.

72. I have also cited to other prior art references – McDonald, Glidden Curley, Whiting, and Shiomura – and set forth alternative obviousness grounds for all of claims 1-46 in the chart below.

Nike '011 Patent Claims	Nishida
1. An article of footwear comprising:	Abstract; Fig. 3
an upper incorporating a weft-knitted textile element having edges that are joined together to define at least a portion of a void for receiving a foot,	Abstract; Figs. 2-3 3:6-12: "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. 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, as it is represented from the side, for example, in FIG. 3." 3:31-42: "After cutting out layout 2 from the web of material 1, the edges 7 and 8 are stitched together and a heel seam thus is formed. Then, heel counter 9, represented in FIG. 3, is applied, for example, glued and/or stitched, to adjacent areas 5 and 6. Correspondingly, the contours of edges 11 and 12 are stitched together in the form of shoe toe 10, and a seam is formed on the shoe toe. To reduce wear, a toe cap 15, represented in FIG. 3, can be applied, especially glued and/or stitched, on the front area, adjacent to

Nike '011 Patent Claims	Nishida
	front edge 13 of toe area 14." Nishida discloses producing the material that forms the upper with a "conventional textile process … by weaving and/or knitting …" At the time Nishida was filed in the U.S. (June 17, 1992) the skilled person would have known and understood that "conventional" knitting processes include both warp knitting and weft knitting (and further including both circular and flat knitting), since these knitting processes existed for many decades before 1992 and had been used in the making of shoe uppers for many decades as well. For example, McDonald dates to 1943 and describes a method of making shoes including use of a "conventional type of circular knitting machine" to form a "weft knit fabric" used to make the upper of a shoe. (McDonald, p. 1 at 2:26-39) As another example, Whiting dates to 1953 and describes a method for producing knitted shoe uppers of shrinkable yarn, including knitting the sock-like structure that forms the upper on "flat or circular knitting machines." (Whiting, 2:39-56) As another example, Curley, published in April 1990, describes shoes made with knitted layers in the upper, including both warp and weft knitting. (Curley, p. 7, line 32 – p. 8, line 25) It is my opinion that Nishida discloses both weft (including circular and flat) and warp knitting by disclosing that "conventional" knitting processes can be used for his invention. Even if Nishida was determined not to describe weft-knitting, it would have been obvious to the skilled person to use weft knitting from Nishida's disclosure of using a knitted material for the upper. Weft knitting

Nike '011 Patent Claims	Nishida
	was a well known knitting process in March 2004, when the '011 patent was filed. Weft knitting had been used for years in shoe uppers, as shown by McDonald, Whiting, and Curley, for many years. It would simply have been a matter of design choice from among a finite number of types of knitting processes one could use.
wherein the weft-knitted textile element incorporates a single type of textile having a plurality of knit constructions; and	3:15-4:18; 4:47-60; 5:41-45; 5:63-6:2; 6:4-41 3:15-26: "Layout 2 is divided into different individual parts or areas, which differ from one another, such as by being of another material style and/or 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 formed of different colors, such as from fibers or yarns of different colors, including those of metals, or by different color prints, and/or by being differently designed fiber extrudates or fiber extrudate compositions, such as twisted, processed parallel or the like." 4:12-18: "As can be seen, 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. For this purpose, above all, the use of program-controlled, particularly computer-controlled, production devices is advantageous, so that style, color, design, size or the like can be varied at will." 5:41-45: "Preferably, each layout 2 has at least five, preferably more than ten, patterns and a tongue 40 has at least

Nike '011 Patent Claims	Nishida
	two, preferably at least three patterns produced or appearing, which are different from one another in each case."
a sole structure secured to the upper.	Abstract; Fig. 3 4:39-46: "Finally, before or after cutting out of layout(s) 2, a tongue 32 (FIG. 3) is applied in the forefoot area. After the production of shoe upper 3, an insole and/or a midsole, optionally, is additionally applied or molded on. Completed 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."
2. The article of footwear recited in claim 1, wherein the weft-knitted textile element forms at least a portion of a lateral side, a medial side, and an instep region of the upper.	Figs. 1-5 3:15-4:46
3. The article of footwear recited in claim 1, wherein the edges include a pair of first edges that are joined to form a first seam extending longitudinally along a lower region of the	Fig. 4 5:3-13: "With the embodiment according to FIG. 4, a sole part section 29.1 that extends over the entire length of the sole is provided on outside contour 31 in the approximate form of a half of sole part 29, and a sole part section 29.2 which forms the remainder of sole part 29 is provided on the outside contour 30. Both sole part sections 29.1 and 29.2 complement each other to

Nike '011 Patent Claims	Nishida
upper.	complete sole part 29. In this case, their 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."
4. The article of footwear recited in claim 3, wherein the edges include a pair of second edges that are joined to form a second seam extending along a heel region of the upper.	Figs. 2, 4 3:31-36: "After cutting out layout 2 from the web of material 1, the edges 7 and 8 are stitched together and a heel seam thus is formed. Then, heel counter 9, represented in FIG. 3, is applied, for example, glued and/or stitched, to adjacent areas 5 and 6." 4:9-11: "A heel counter 28, represented in FIG. 3, is applied on areas 26, 27 after formation of the initially described heel seam."
5. The article of footwear recited in claim 4, wherein the second seam extends vertically.	Figs. 2-4 3:31-36: "After cutting out layout 2 from the web of material 1, the edges 7 and 8 are stitched together and a heel seam thus is formed. Then, heel counter 9, represented in FIG. 3, is applied, for example, glued and/or stitched, to adjacent areas 5 and 6." 4:9-11: "A heel counter 28, represented in FIG. 3, is applied on areas 26, 27 after formation of the initially described heel seam."
6. The article of footwear recited in claim 4, wherein the	Fig. 4 4:19-30:

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edges include at least a pair of third edges that are joined to form a third seam extending through a forefoot area of the upper.	"According to an advantageous further development of the invention, an individual part 29 in the form of an insole can be co-produced on layout 2 of shoe upper 3. After being cut out, this individual part 29 remains connected with layout 2, and after or during the shaping and fixing of shoe upper 3 from layout 2, part 29 is folded into the plane of the shoe sole and is fastened to the lower edge zone of the shoe upper 3. This lower edge zone is defined in layout 2 by outside contours 30 and 31, and the manner of its fastening can be, in a way known in the art, for example, by gluing, stitching, tacking or the like."
7. The article of footwear recited in claim 1, wherein the weft-knitted textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper.	Fig. 3 3:6-9; 3:66-4:1 3:66-4:1: "Optionally, in this case, the material can be woven or knitted in two or more layers or can be especially thick or additionally embroidered."
8. The article of footwear recited in claim 1, wherein the upper includes an exterior layer, an intermediate layer, and an interior layer, and the weft-knitted textile element forms at least a portion of the interior layer.	3:6-9; 3:62-4:1 3:66-4:1: "Optionally, in this case, the material can be woven or knitted in two or more layers or can be especially thick or additionally embroidered." The skilled person would understand that this passage teaches three layers, which means an interior, intermediate (middle), and exterior layer are all present. The skilled person would understand that by cutting out layout 2 and forming it as described in columns 3 and 4 of Nishida, the result is a textile element that forms a

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	portion an the interior layer. To the extent that one may suggest that backing 4 described in Nishida is not part of the "textile element" and forms the interior layer of the upper when layout 2 is cut out and shaped to as described in columns 3 and 4 to form the upper such that backing 4 forms an interior layer, Nishida describes that backing 4 is a "conventionally used material formed, for example, of a warp and filling or a knitted fabric." (3:13-15) Thus, a knitted portion still forms an interior layer of the upper. In addition, if it is determined that Nishida does not describe what is recited in claim 8, it would have been obvious to the skilled person to modify the textile element of Nishida to provide multiple layers with the knitted textile element forming a portion of the inner layer. Three-layer constructions with an inner layer of textile were well known in the prior art in March 2004, and it would have been a simple matter of design choice to make any necessary modifications to Nishida to obtain this construction. As the '011 patent describes in the section "Description of Background Art," three-layer upper constructions were well known in the prior art before March 3, 2004, as was using a textile material for the inner layer. The '011 patent explains as background art (1:44-2:6, underlining added): "Various materials may be utilized in manufacturing the upper. <u>The upper of an article of athletic footwear, for example, may be formed from multiple material layers that include an exterior layer, an intermediate layer, and an interior layer.</u> The materials forming the exterior layer of the upper may be selected based upon the properties of wear-resistance, flexibility, and air-permeability, for example. With regard to the exterior

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	layer, the toe area and the heel area may be formed of leather, synthetic leather, or a rubber material to impart a relatively high degree of wear-resistance. Leather, synthetic leather, and rubber materials may not exhibit the desired degree of flexibility and air-permeability. Accordingly, various other areas of the exterior layer of the upper may be formed from a synthetic or natural textile. The exterior layer of the upper may be formed, therefore, from numerous material elements that each impart different properties to specific portions of the upper. An intermediate layer of the upper may be formed from a lightweight polymer foam material that provides cushioning and protects the foot from objects that may contact the upper. Similarly, an interior layer of the upper may be formed of a moisture-wicking textile that removes perspiration from the area immediately surrounding the foot. In some articles of athletic footwear, the various layers may be joined with an adhesive, and stitching may be utilized to join elements within a single layer or to reinforce specific areas of the upper. Although the materials selected for the upper vary significantly, textile materials often form at least a portion of the exterior layer and interior layer." In other prior art references, Curley describes an upper that includes multiple layers preferably three layers (Curley, p. 6, lines 30-32), where a knit textile element forms a portion of an inner layer (Curley, p. 30, claim 34) and an outer layer (Curley, p. 7, line 32 – p. 8, line 5). In another example, Shiomura describes an upper that includes an outer knit fabric layer and an inner knit fabric layer, with a layer of crossing threads between.

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	(Shiomura, 2:26-45)
9 The article of footwear recited in claim 1, wherein the weft-knitted textile element forms at least a portion of both an interior surface and an exterior surface of the upper.	Fig. 3; 3:6-4:46 3:66-4:1: "Optionally, in this case, the material can be woven or knitted in two or more layers or can be especially thick or additionally embroidered." The skilled person would understand that by cutting out layout 2 and forming it as described in columns 3 and 4 of Nishida, the result is an exterior surface as shown in Fig. 3 and a corresponding interior surface (i.e. portion facing the foot), both of which are formed by the textile element of Nishida. To the extent that backing 4 described in Nishida is not part of the "textile element" and forms the interior surface of the upper when layout 2 is cut out and shaped to as described in columns 3 and 4 to form the upper such that backing 4 forms an interior surface, Nishida describes that backing 4 is a "conventionally used material formed, for example, of a warp and filling or a knitted fabric." (3:13-15) Thus, a knitted portion still forms an interior surface of the upper. In addition, if it is determined that Nishida does not describe what is recited in claim 9, it would have been obvious to the skilled person to modify the textile element of Nishida to provide one or more layers with the knitted textile element forming a portion of the both the interior surface and the exterior surface of the upper. Upper constructions with an interior and exterior surfaces of knitted textile elements (whether a one layer structure or multiple layer structure) were well known in the prior art in March 2004, and it would have been a simple matter of design choice to make

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	any necessary modifications to Nishida. As the '011 patent describes in the section "Description of Background Art," upper constructions with exterior and interior surfaces made of textile elements were well known in the prior art before March 3, 2004. The '011 patent explains as background art (1:44-2:6, underlining added): "Various materials may be utilized in manufacturing the upper. The upper of an article of athletic footwear, for example, may be formed from multiple material layers that include an exterior layer, an intermediate layer, and an interior layer. The materials forming the exterior layer of the upper may be selected based upon the properties of wear-resistance, flexibility, and air-permeability, for example. With regard to the exterior layer, the toe area and the heel area may be formed of leather, synthetic leather, or a rubber material to impart a relatively high degree of wear-resistance. Leather, synthetic leather, and rubber materials may not exhibit the desired degree of flexibility and air-permeability. Accordingly, various other areas of the exterior layer of the upper may be formed from a synthetic or natural textile. The exterior layer of the upper may be formed, therefore, from numerous material elements that each impart different properties to specific portions of the upper. An intermediate layer of the upper may be formed from a lightweight polymer foam material that provides cushioning and protects the foot from objects that may contact the upper. Similarly, an interior layer of the upper may be formed of a moisture-wicking textile that removes perspiration from the area immediately surrounding the foot. In some articles of athletic footwear, the various layers may be joined with an adhesive, and stitching may be utilized to join elements

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	within a single layer or to reinforce specific areas of the upper. Although the materials selected for the upper vary significantly, textile materials often form at least a portion of the exterior layer and interior layer." In other prior art references, Curley describes an upper that includes multiple layers preferably three layers (Curley, p. 6, lines 30-32), where a knit textile element forms a portion of an interior surface (Curley, p. 30, claim 34) and an exterior surface (Curley, p. 7, line 32 – p. 8, line 5). In another example, Shiomura describes an upper that includes an outer knit fabric layer (exterior surface) and an inner knit fabric layer (interior surface), with a layer of crossing threads between. (Shiomura, 2:26-45) In another example, Glidden describes a knitted upper where the knitted material forms a portion of both interior and exterior surfaces of the upper. (Glidden, Figs. 1-2, p. 1, 2:3-32)
10. The article of footwear recited in claim 9, wherein at least one additional element is secured to the exterior surface and forms a portion of the exterior surface.	Fig. 3; 2:37-47; 3:37-42; 3:53-58; 4:9-11 3:37-42: "Correspondingly, the contours of edges 11 and 12 are stitched together in the form of shoe toe 10, and a seam is formed on the shoe toe. To reduce wear, a toe cap 15, represented in FIG. 3, can be applied, especially glued and/or stitched, on the front area, adjacent to front edge 13 of toe area 14."
11. The article of footwear recited in claim 10, wherein the additional element is secured to a forefoot	3:37-42: "Correspondingly, the contours of edges 11 and 12 are stitched together in the form of shoe toe 10, and a seam is formed on the shoe toe. To reduce wear, a toe cap 15,

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area of the upper.	represented in FIG. 3, can be applied, especially glued and/or stitched, on the front area, adjacent to front edge 13 of toe area 14."
12. The article of footwear recited in claim 10, wherein the additional element is secured to a heel area of the upper.	4:9-11: "A heel counter 28, represented in FIG. 3, is applied on areas 26, 27 after formation of the initially described heel seam."
13. The article of footwear recited in claim 1, wherein the textile element forms an interior surface of the upper.	3:6-4:46 The skilled person would understand that by cutting out layout 2 and forming it as described in columns 3 and 4 of Nishida results in the textile element forming an interior surface (i.e. portion facing the foot) of the upper. To the extent that backing 4 described in Nishida is not part of the "textile element" and forms the interior surface of the upper when layout 2 is cut out and shaped to as described in columns 3 and 4 to form the upper such that backing 4 forms an interior surface, Nishida describes that backing 4 is a "conventionally used material formed, for example, of a warp and filling or a knitted fabric." (3:13-15) Thus, a knitted portion still forms an interior surface of the upper. In addition, if it is determined that Nishida does not describe what is recited in claim 13, it would have been obvious to the skilled person to modify the textile element of Nishida to provide one or more layers with the knitted textile element forming a portion of the interior surface of the upper. Upper constructions with an interior surface of a knitted textile element (whether a one layer structure or multiple layer structure) were well known in the prior art in March 2004, and it would have been a simple matter of design choice to make

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	any necessary modifications to Nishida. As the '011 patent describes in the section "Description of Background Art," upper constructions with interior surfaces made of textile elements were well known in the prior art before March 3, 2004. The '011 patent explains as background art (1:44-2:6, underlining added): "Various materials may be utilized in manufacturing the upper. The upper of an article of athletic footwear, for example, may be formed from multiple material layers that include an exterior layer, an intermediate layer, and an interior layer. The materials forming the exterior layer of the upper may be selected based upon the properties of wear-resistance, flexibility, and air-permeability, for example. With regard to the exterior layer, the toe area and the heel area may be formed of leather, synthetic leather, or a rubber material to impart a relatively high degree of wear-resistance. Leather, synthetic leather, and rubber materials may not exhibit the desired degree of flexibility and air-permeability. Accordingly, various other areas of the exterior layer of the upper may be formed from a synthetic or natural textile. The exterior layer of the upper may be formed, therefore, from numerous material elements that each impart different properties to specific portions of the upper. An intermediate layer of the upper may be formed from a lightweight polymer foam material that provides cushioning and protects the foot from objects that may contact the upper. Similarly, an interior layer of the upper may be formed of a moisture-wicking textile that removes perspiration from the area immediately surrounding the foot. In some articles of athletic footwear, the various layers may be joined with an adhesive, and stitching may be utilized to join elements

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	within a single layer or to reinforce specific areas of the upper. Although the materials selected for the upper vary significantly, textile materials often form at least a portion of the exterior layer and interior layer." In other prior art references, Curley describes an upper that includes multiple layers preferably three layers (Curley, p. 6, lines 30-32), where a knit textile element forms a portion of an interior surface (Curley, p. 30, claim 34). In another example, Shiomura describes an upper that includes an outer knit fabric layer (exterior surface) and an inner knit fabric layer (interior surface), with a layer of crossing threads between. (Shiomura, 2:26-45) In another example, Glidden describes a knitted upper where the knitted material forms a portion of the interior surface of the upper. (Glidden, Figs. 1-2, p. 1, 2:3-32)
14. The article of footwear recited in claim 1, wherein the weft-knitted textile element is created by circular knitting.	As discussed above for claim 1, Nishida describes the use of "conventional" knitting processes, as of June 1992, to form the textile element for the upper. Circular knitting was a conventional and well known process for knitting textiles for shoe uppers in 1992. Even if Nishida was determined not to describe circular knitting, it would have been obvious to the skilled person to use circular knitting from Nishida's disclosure of using a knitted material for the upper. Circular knitting was a well known knitting process in March 2004, when the '011 patent was filed. Circular knitting had been used for many years in shoe uppers, as shown, for example, by McDonald and Whiting. It would simply have been a matter of design choice from among a finite number of types of knitting processes

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	one could use to select circular knitting. For example, McDonald dates to 1943 and describes a method of making shoes including use of a "conventional type of circular knitting machine" to form a "weft knit fabric" used to make the upper of a shoe. (McDonald, p. 1 at 2:26-39) As another example, Whiting dates to 1953 and describes a method for producing knitted shoe uppers of shrinkable yarn, including knitting the sock-like structure that forms the upper on "flat or circular knitting machines." (Whiting, 2:39-56)
15. The article of footwear recited in claim 1, wherein the weft-knitted textile element is created by flat knitting.	As discussed above for claim 1, Nishida describes the use of "conventional" knitting processes, as of June 1992, to form the textile element for the upper. Flat knitting was a conventional and well known process for knitting textiles for shoe uppers in 1992. Even if Nishida was determined not to describe flat knitting, it would have been obvious to the skilled person to use flat knitting from Nishida's disclosure of using a knitted material for the upper. Flat knitting was a well known knitting process in March 2004, when the '011 patent was filed. Flat knitting had been used for many years in shoe uppers, as shown, for example, by Whiting. It would simply have been a matter of design choice from among a finite number of types of knitting processes one could use to select flat knitting. As another example, Whiting dates to 1953 and describes a method for producing knitted shoe uppers of shrinkable yarn, including knitting the sock-like structure that forms the upper on "flat or circular knitting machines." (Whiting, 2:39-56)
16. An article of	Fig. 3; Title

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footwear comprising:	
an upper incorporating a weft-knitted textile element, the textile element having a first area and a second area with a unitary construction,	Abstract; Figs. 2-3 3:6-12: "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. 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, as it is represented from the side, for example, in FIG. 3." 3:15-26: "Layout 2 is divided into different individual parts or areas, which differ from one another, such as by being of another material style and/or 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 formed of different colors, such as from fibers or yarns of different colors, including those of metals, or by different color prints, and/or by being differently designed fiber extrudates or fiber extrudate compositions, such as twisted, processed parallel or the like." 4:12-18: "As can be seen, 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. For this purpose, above all, the use of program-controlled, particularly computer-controlled, production devices is advantageous, so that style, color, design, size or the like can be varied at will." Nishida discloses producing the material that forms the

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	upper with a "conventional textile process … by weaving and/or knitting …" At the time Nishida was filed in the U.S. (June 17, 1992) the skilled person would have known and understood that "conventional" knitting processes include both warp knitting and weft knitting (and further including both circular and flat knitting), since these knitting processes existed for many decades before 1992 and had been used in the making of shoe uppers for many decades as well. For example, McDonald dates to 1943 and describes a method of making shoes including use of a "conventional type of circular knitting machine" to form a "weft knit fabric" used to make the upper of a shoe. (McDonald, p. 1 at 2:26-39) As another example, Whiting dates to 1953 and describes a method for producing knitted shoe uppers of shrinkable yarn, including knitting the sock-like structure that forms the upper on "flat or circular knitting machines." (Whiting, 2:39-56) As another example, Curley, published in April 1990, describes shoes made with knitted layers in the upper, including both warp and weft knitting. (Curley, p. 7, line 32 – p. 8, line 25) It is my opinion that Nishida discloses both weft (including circular and flat) and warp knitting by disclosing that "conventional" knitting processes can be used for his invention. Even if Nishida was determined not to describe weft-knitting, it would have been obvious to the skilled person to use weft knitting from Nishida's disclosure of using a knitted material for the upper. Weft knitting was a well known knitting process in March 2004, when the '011 patent was filed. Weft knitting had been used for years in shoe uppers, as shown by McDonald,

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	Whiting, and Curley, for many years. It would simply have been a matter of design choice from among a finite number of types of knitting processes one could use.
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 properties to the textile element; and	3:15-4:18; 4:47-60; 5:41-45; 5:63-6:2; 6:4-41 3:15-26: "Layout 2 is divided into different individual parts or areas, which differ from one another, such as by being of another material style and/or 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 formed of different colors, such as from fibers or yarns of different colors, including those of metals, or by different color prints, and/or by being differently designed fiber extrudates or fiber extrudate compositions, such as twisted, processed parallel or the like." 3:43-52: "Since, generally, toe area 14 is designed to be relatively deformably soft or elastic, and optionally, also permeable to air, the web of material 1, in toe area 14, according to the present invention, is correspondingly designed by suitable selection of the weave pattern, knit pattern and/or the material used, such as, for example, Silk or plastic. The type of production can, additionally, insure that the toe area 14 has a good air exchange capability. For example, this can be achieved by a net-like woven or knitted structure." 4:12-18: "As can be seen, any number of layouts 2 in the most

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	varied configurations and/or designs as well as of different sizes can be produced on a single web of material 1. For this purpose, above all, the use of program-controlled, particularly computer-controlled, production devices is advantageous, so that style, color, design, size or the like can be varied at will." 5:41-45: "Preferably, each layout 2 has at least five, preferably more than ten, patterns and a tongue 40 has at least two, preferably at least three patterns produced or appearing, which are different from one another in each case." 5:63-6:2: "As already indicated, the webs of material being used 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." The '011 Patent describes varying the "stitch type" as a way to vary the type of texture in different areas, and as separate from varying the type of yarn. ('011 Patent, 9:46-49, 9:65-10:3) Nishida specifically describes using different materials, different compositions (such as twisted or parallel processing or the like), and different knit types or knit patterns, therefore describing for the skilled person using different stitch configurations in different areas. Nishida describes this to give the textile element different properties in different areas. Even if Nishida did not describe using different stitch

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	configurations in different areas to vary the properties of the textile element in those areas, it was well known to skilled persons in the art to do so and it was taught in the prior art. It would have been obvious to vary stitch configurations as one of many ways to impart different properties to two different areas, and it would have been a simple matter of design choice to do so. For example, Glidden describes varying the properties in the toe and heel area of a knitted upper, such "as by changing the type of stitch or amount of thickness in the yarn in the knitting." (Glidden, p. 1, 2:33-44) In another example, McDonald describes knitting an ankle/heel portion, instep, and sole of a knitted upper with "a plain or jersey stitch" in contrast to another area of the upper made with a ribbed knit. (McDonald, p. 1, 2:26-49; Fig. 1)
a sole structure secured to the upper.	Abstract; Fig. 3 4:39-46: "Finally, before or after cutting out of layout(s) 2, a tongue 32 (FIG. 3) is applied in the forefoot area. After the production of shoe upper 3, an insole and/or a midsole, optionally, is additionally applied or molded on. Completed 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."
17. The article of footwear recited in claim 16, wherein the first stitch configuration provides a substantially	Glidden describes a first stitch configuration with a substantially smooth texture for the first area (Glidden, p. 1, 2:35-41, where the toe and heel portions may be more densely fabricated to provide heavier weight and less extensibility) and a second stitch configuration in a

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smooth texture to the first area, and the second stitch configuration provides a texture to the second area that is rougher than the smooth texture.	second area that is rougher than the smooth texture (Glidden, p. 1, 2:41-44, where the ankle portion is made so as to provide softness and elasticity, such as a ribbed construction). In addition, McDonald describes a circular-knitted upper with a first stitch configuration for an ankle/heel, instep, and sole areas of the upper with a substantially smooth texture and a second stitch configuration for a different area that has a rougher, ribbed texture. (McDonald, p. 1, 2:26-49; Fig. 1) It would have been obvious to combine Nishida with Glidden or McDonald to vary the stitch configurations to provide one area with a substantially smooth texture and one are with a rougher or ribbed texture as a simple design choice, for aesthetics, because a ribbed texture may allow for more extensibility or stretchability, or because one may want a smoother interior layer adjacent the foot, for example.
18. The article of footwear recited in claim 17, wherein the second stitch configuration forms a rib structure in the second area.	As explained for claim 17, the second stitch configuration for the second area that forms the rougher texture is ribbed in both Glidden and McDonald, and it would have been obvious to modify Nishida for the same reasons as explained for claim 17.
19. The article of footwear recited in claim 16, wherein at least one of the first stitch configuration and the second stitch configuration forms an aperture in the weft-knitted textile element.	3:43-52; 6:25-31 3:43-52: "Since, generally, toe area 14 is designed to be relatively deformably soft or elastic, and optionally, also permeable to air, the web of material 1, in toe area 14, according to the present invention, is correspondingly designed by suitable selection of the weave pattern, knit pattern and/or the material used,

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	such as, for example, Silk or plastic. The type of production can, additionally, insure that the toe area 14 has a good air exchange capability. For example, this can be achieved by a net-like woven or knitted structure." The '011 Patent describes that "apertures" are formed by omitting stitches to provide air permeability in the knitted textile element. ('011 Patent, 9:57-62) The "net-like" knitted structure described by Nishida has apertures for the same reason, air permeability.
20. The article of footwear recited in claim 16, wherein the weft-knitted textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper.	Claim 20 adds the same limitation to independent claim 16 as claim 7 added to independent claim 1. Nishida describes the additional limitations of claim 20 – see discussion for claim 7 in chart.
21. The article of footwear recited in claim 16, wherein the upper includes an exterior layer, an intermediate layer, and an interior layer, and the weft-knitted textile element forms at least a portion of the interior layer.	Claim 21 adds the same limitation to independent claim 16 as claim 8 added to independent claim 1. Nishida describes the additional limitations of claim 21 or they are obvious in view of Curley or Shiomura – see discussion for claim 8 in chart.
22. The article of footwear recited in claim 16, wherein the textile layer forms at least a portion of both	Claim 22 adds the same limitation to independent claim 16 as claim 9 added to independent claim 1, except that claim 22 recites "the textile "layer" instead of "textile element." I have assumed this is a typographical error because claim 16 does not otherwise identify a "textile

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the interior surface and an exterior surface of the upper.	layer" and have treated this limitation as if it recited "textile element" as in claim 9. Nishida describes the additional limitations of claim 22 or they are obvious in view of Curley, Shiomura or Glidden – see discussion for claim 9 in chart.
23. The article of footwear recited in claim 16, wherein the weft-knitted textile element forms an interior surface of the upper.	Claim 23 adds the same limitation to independent claim 16 as claim 13 added to independent claim 1. Nishida describes the additional limitations of claim 23 or they are obvious in view of Curley, Shiomura, or Glidden – see discussion for claim 13 in chart.
24. An article of footwear comprising:	Abstract; Fig. 3
an upper incorporating a textile element having edges that are joined together to form seams and define at least a portion of a void for receiving a foot,	Abstract; Figs. 2-3 3:6-12: "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. 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, as it is represented from the side, for example, in FIG. 3." 3:31-42: "After cutting out layout 2 from the web of material 1, the edges 7 and 8 are stitched together and a heel seam thus is formed. Then, heel counter 9, represented in FIG. 3, is applied, for example, glued and/or stitched, to adjacent areas 5 and 6. Correspondingly, the contours of edges 11 and 12 are stitched together in the form of shoe toe 10, and a seam

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	is formed on the shoe toe. To reduce wear, a toe cap 15, represented in FIG. 3, can be applied, especially glued and/or stitched, on the front area, adjacent to front edge 13 of toe area 14."
the seams including a first seam and a second seam, the first seam extending from a heel area to a forefoot area of the footwear along a lower surface of the upper, and the second seam extending vertically in the heel area,	Figs. 2, 4; 3:31-36; 4:9-11; 5:3-13 5:3-13: "With the embodiment according to FIG. 4, a sole part section 29.1 that extends over the entire length of the sole is provided on outside contour 31 in the approximate form of a half of sole part 29, and a sole part section 29.2 which forms the remainder of sole part 29 is provided on the outside contour 30. Both sole part sections 29.1 and 29.2 complement each other to complete sole part 29. In this case, their 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." 3:31-36: "After cutting out layout 2 from the web of material 1, the edges 7 and 8 are stitched together and a heel seam thus is formed. Then, heel counter 9, represented in FIG. 3, is applied, for example, glued and/or stitched, to adjacent areas 5 and 6." 4:9-11: "A heel counter 28, represented in FIG. 3, is applied on areas 26, 27 after formation of the initially described heel seam."
wherein the textile element incorporates a single type of textile having a plurality of	3:15-4:18; 4:47-60; 5:41-45; 5:63-6:2; 6:4-41 3:15-26: "Layout 2 is divided into different individual parts or

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knit constructions; and	areas, which differ from one another, such as by being of another material style and/or 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 formed of different colors, such as from fibers or yarns of different colors, including those of metals, or by different color prints, and/or by being differently designed fiber extrudates or fiber extrudate compositions, such as twisted, processed parallel or the like." 4:12-18: "As can be seen, 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. For this purpose, above all, the use of program-controlled, particularly computer-controlled, production devices is advantageous, so that style, color, design, size or the like can be varied at will." 5:41-45: "Preferably, each layout 2 has at least five, preferably more than ten, patterns and a tongue 40 has at least two, preferably at least three patterns produced or appearing, which are different from one another in each case."
a sole structure secured to the upper.	Abstract; Fig. 3 4:39-46: "Finally, before or after cutting out of layout(s) 2, a tongue 32 (FIG. 3) is applied in the forefoot area. After the production of shoe upper 3, an insole and/or a midsole, optionally, is additionally applied or molded on.

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	Completed 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."
25. The article of footwear recited in claim 24, wherein the footwear includes a third seam extending through the forefoot area of the upper.	Fig. 4 4:19-30: "According to an advantageous further development of the invention, an individual part 29 in the form of an insole can be co-produced on layout 2 of shoe upper 3. After being cut out, this individual part 29 remains connected with layout 2, and after or during the shaping and fixing of shoe upper 3 from layout 2, part 29 is folded into the plane of the shoe sole and is fastened to the lower edge zone of the shoe upper 3. This lower edge zone is defined in layout 2 by outside contours 30 and 31, and the manner of its fastening can be, in a way known in the art, for example, by gluing, stitching, tacking or the like."
26. The article of footwear recited in claim 24, wherein at least one of the knit constructions forms an aperture in the textile element.	3:43-52: "Since, generally, toe area 14 is designed to be relatively deformably soft or elastic, and optionally, also permeable to air, the web of material 1, in toe area 14, according to the present invention, is correspondingly designed by suitable selection of the weave pattern, knit pattern and/or the material used, such as, for example, Silk or plastic. The type of production can, additionally, insure that the toe area 14 has a good air exchange capability. For example, this can be achieved by a net-like woven or knitted structure." The '011 Patent describes that "apertures" are formed by omitting stitches to provide air permeability in the knitted textile element. ('011 Patent, 9:57-62) The

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	"net-like" knitted structure described by Nishida has apertures for the same reason, air permeability.
27. The article of footwear recited in claim 24, wherein the knit constructions produce varying properties in the textile element including a varying elasticity of the textile element.	2:26-37: "It is of further advantage in the process according to the present invention that the individual patterns or partial patterns already can be produced directly in the production of the web of material in the desired shoe size, by which the cutting waste can be still further limited, since the individual patterns or partial patterns in the provided size can directly adjoin one another. Nevertheless, it is possible to configure the individual patterns or partial patterns soft, stiff, elastic, colored differently or the like, corresponding to the later stressing or desired shaping." 3:43-52: "Since, generally, toe area 14 is designed to be relatively deformably soft or elastic, and optionally, also permeable to air, the web of material 1, in toe area 14, according to the present invention, is correspondingly designed by suitable selection of the weave pattern, knit pattern and/or the material used, such as, for example, Silk or plastic. The type of production can, additionally, insure that the toe area 14 has a good air exchange capability. For example, this can be achieved by a net-like woven or knitted structure." 6:16-31: "wherein 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, using one of a different weaving and knitting type for

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	the layouts of the shoe upper than is used for producing the sole parts, said weaving and knitting types being matched to differing requirements for materials of the shoe upper and sole part of a shoe in relation to properties thereof including at least one of the properties of absorptivity, air permeability, softness, extensibility, wear resistance and appearance"
28. The article of footwear recited in claim 24, wherein the knit constructions produce varying properties in the textile element including a varying air permeability of the textile element.	3:43-52: "Since, generally, toe area 14 is designed to be relatively deformably soft or elastic, and optionally, also permeable to air, the web of material 1, in toe area 14, according to the present invention, is correspondingly designed by suitable selection of the weave pattern, knit pattern and/or the material used, such as, for example, Silk or plastic. The type of production can, additionally, insure that the toe area 14 has a good air exchange capability. For example, this can be achieved by a net-like woven or knitted structure." 6:16-31: "wherein 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, using one of a different weaving and knitting type for the layouts of the shoe upper than is used for producing the sole parts, said weaving and knitting types being matched to differing requirements for materials of the shoe upper and sole part of a shoe in relation to properties thereof including at least one of the properties of absorptivity, air permeability, softness, extensibility, wear resistance and appearance"
29. The article of	Claim 29 adds the same limitation to independent claim

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footwear recited in claim 24, wherein the textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper.	24 as claim 7 added to independent claim 1. Nishida describes the additional limitations of claim 29 – see discussion for claim 7 in chart.
30. The article of footwear recited in claim 24, wherein the textile element forms at least a portion of both an interior surface and an exterior surface of the upper.	Claim 30 adds the same limitation to independent claim 16 as claim 9 added to independent claim 1. Nishida describes the additional limitations of claim 30 or they are obvious in view of Curley, Shiomura or Glidden – see discussion for claim 9 in chart.
31. The article of footwear recited in claim 24, wherein the textile element forms an interior surface of the footwear, and at least one additional layer forms an exterior surface of the footwear.	Claim 31 adds the same limitation to independent claim 24 as claim 13 added to independent claim 1 – the textile element forming an interior surface of the footwear (or upper). Nishida describes this additional limitation of claim 31 or it is obvious in view of Curley, Shiomura, or Glidden – see discussion for claim 13 in chart. Claim 31 also recites an additional limitation – "at least one additional layer forms an exterior surface of the footwear." Nishida discloses this additional limitation. 2:37-39: "Only inside and/or outside stiffening elements, such as inside and/or outside toe caps, heel counters or the like have to be applied later on." 3:29-42:

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	"For example, areas 5 and 6 are provided for applying an inside or outside heel counter 9 (FIG. 3). After cutting out layout 2 from the web of material 1, the edges 7 and 8 are stitched together and a heel seam thus is formed. Then, heel counter 9, represented in FIG. 3, is applied, for example, glued and/or stitched, to adjacent areas 5 and 6. Correspondingly, the contours of edges 11 and 12 are stitched together in the form of shoe toe 10, and a seam is formed on the shoe toe. To reduce wear, a toe cap 15, represented in FIG. 3, can be applied, especially glued and/or stitched, on the front area, adjacent to front edge 13 of toe area 14." 4:9-11: "A heel counter 28, represented in FIG. 3, is applied on areas 26, 27 after formation of the initially described heel seam." In addition, Curley, Shiomura, and Glidden also disclose the limitation of "at least one additional layer forms an exterior surface of the footwear." Curley describes a three layer structure for an upper where there is additional layer other than the inner knit layer that forms an exterior surface of the footwear. (Curley, p. 6, lines 30-32; claim 34) Shiomura describes that wear-resistant leather materials may be added to the toe and heel portions of the shoe. (Shiomura, 2:20-35; Fig. 1) Glidden describes heel reinforcements, counters, and rubber coverings may be added to form an exterior surface of the shoe. (Glidden, p. 2, 1:9-19, 1:68-74; Figs. 1, 6, 8)
32. The article of	As discussed above for claim 1, Nishida describes the

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footwear recited in claim 24, wherein at least a portion of the textile element has a weft knitted construction.	use of "conventional" knitting processes, as of June 1992, to form the textile element for the upper. Weft knitting was a conventional and well known process for knitting textiles for shoe uppers in 1992 – see discussion for claim 1 in chart. Additional prior art, McDonald, Whiting, and Curley, describes weft knitting – see discussion for claim 1 of chart.
33. The article of footwear recited in claim 32, wherein the weft knitted construction is produced by one of circular knitting and flat knitting.	As discussed above for claim 1, Nishida describes the use of "conventional" knitting processes, as of June 1992, to form the textile element for the upper. Both circular and flat knitting were conventional and well known processes for knitting textiles for shoe uppers in 1992 – see discussion for claim 1 in chart. Additional prior art, McDonald and Whiting, describe circular or flat knitting or both – see discussion for claim 1 of chart.
34. The article of footwear recited in claim 24, wherein the textile element has a warp knitted construction.	As discussed above for claim 1, Nishida describes the use of "conventional" knitting processes, as of June 1992, to form the textile element for the upper. Warp knitting was a conventional and well known process for knitting textiles for shoe uppers in 1992 – see discussion for claim 1 in chart. Additional prior art, Curley and Shiomura, describe warp knitting – see discussion for claim 1 of chart. Shiomura describes use tricot knitting machines, Raschel knitting machines, or double Raschel knitting machines, all types of warp knitting, to make the knitted textile elements of its shoe. (Shiomura, 3:4-43)
35. The article of footwear recited in	It would be obvious to the skilled person making a warp knitted textile element to choose from among

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claim 34, wherein the warp knitted construction is produced by a jacquard double needle-bar raschel.	available machines that use warp knitting. It is a simple design choice from among available possible machines. Indeed, Nishida discloses using suitable "program-controlled" or "computer-controlled" machines to make knitted uppers, suggesting any number of machines would be suitable for use. (2:40-47, 4:12-18, 4:47-60, 5:63-6:2) In addition, Shiomura describes using a double needle bar raschel knitting machine to make the knitted textile element of its shoe. (Shiomura, 3:4-43; Fig. 5) The '011 Patent describes that a "double needle-bar raschel ([machine] further includes jacquard double needle-bar raschel)." ('011 Patent, 7:4-5) It would have been obvious to the skilled person to use a jacquard double needle-bar raschel machine as described in Shiomura based on Nishida's disclosure of making the knitted uppers using suitable "program-controlled" or "computer-controlled" machines. (2:40-47, 4:12-18, 4:47-60, 5:63-6:2) The type of machine is a simple design choice and the skilled person would have a finite number of types of knitting machines from which to select a desired knitting machine.
36. An article of footwear comprising:	Abstract; Fig. 3
an upper incorporating a knitted textile element formed with a knitting machine, the textile element being removed from a textile structure that includes an outline of the textile element, and	Abstract; Fig. 2; 1:48-2:47; 3:6-12; 4:12-18; 4:31-42; 4:47-55; 5:63-6:2; 6:32-35 2:1-10: "the layouts and the sole parts assigned to one another are not completely separated from one another when cut out of the web of material, and remain connected with one another, as a cut-out unit, by corresponding material sections;

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	from the cut-out units, each of which has a layout with an associated sole part, first the layout is connected on the provided seams to a shoe upper, and then, the sole part is stitched or basted to the free outside edge of the corresponding layout." 4:31-42: "In the production of web of material 1 or after its production, and optionally after cutting out of layout(s) 2, layout(s) 2 can be provided with an embroidery, especially with an English embroidery (i.e., the type of embroidery by which a hole pattern is welded and which is commonly used for the sewing of button holes), of a trademark or another mark or identification on suitable or preferred places. Finally, before or after cutting out of layout(s) 2, a tongue 32 (FIG. 3) is applied in the forefoot area. After the production of shoe upper 3, an insole and/or a midsole, optionally, is additionally applied or molded on."
the textile element having edges that are joined together to define at least a portion of a void for receiving a foot,	Abstract; Figs. 2-3 3:6-12: "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. 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, as it is represented from the side, for example, in FIG. 3." 3:31-42: "After cutting out layout 2 from the web of material 1, the edges 7 and 8 are stitched together and a heel seam thus is formed. Then, heel counter 9, represented in

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	FIG. 3, is applied, for example, glued and/or stitched, to adjacent areas 5 and 6. Correspondingly, the contours of edges 11 and 12 are stitched together in the form of shoe toe 10, and a seam is formed on the shoe toe. To reduce wear, a toe cap 15, represented in FIG. 3, can be applied, especially glued and/or stitched, on the front area, adjacent to front edge 13 of toe area 14."
wherein the textile element incorporates a single type of textile having a plurality of knit constructions; and	3:15-4:18; 4:47-60; 5:41-45; 5:63-6:2; 6:4-41 3:15-26: "Layout 2 is divided into different individual parts or areas, which differ from one another, such as by being of another material style and/or 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 formed of different colors, such as from fibers or yarns of different colors, including those of metals, or by different color prints, and/or by being differently designed fiber extrudates or fiber extrudate compositions, such as twisted, processed parallel or the like." 4:12-18: "As can be seen, 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. For this purpose, above all, the use of program-controlled, particularly computer-controlled, production devices is advantageous, so that style, color, design, size or the like can be varied at will." 5:41-45: "Preferably, each layout 2 has at least five, preferably

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	more than ten, patterns and a tongue 40 has at least two, preferably at least three patterns produced or appearing, which are different from one another in each case."
a sole structure secured to the upper.	Abstract; Fig. 3 4:39-46: "Finally, before or after cutting out of layout(s) 2, a tongue 32 (FIG. 3) is applied in the forefoot area. After the production of shoe upper 3, an insole and/or a midsole, optionally, is additionally applied or molded on. Completed 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."
37. The article of footwear recited in claim 36, wherein the knitted textile element has a structure formed by a wide-tube circular knitting machine.	It would be obvious to the skilled person making a knitted textile element to choose from among available machines, including wide tube circular knitting machines. It is a simple design choice from among available possible machines. Indeed, Nishida discloses using suitable "program-controlled" or "computer-controlled" machines to make knitted uppers, suggesting any number of machines would be suitable for use. (2:40-47, 4:12-18, 4:47-60, 5:63-6:2) McDonald describes using a "conventional type of circular knitting machine" (p. 1, 2:26-30) to form a knitted textile element. The '011 Patent describes a wide tube circular knitting machine from Santoni S.p.A. of Italy that clearly existed before March 2004. ('011 Patent, 7:8-48) It would have been obvious to the skilled person to use a wide tube circular knitting machine based on

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	Nishida's disclosure of making the knitted uppers using suitable "program-controlled" or "computer-controlled" machines. (2:40-47, 4:12-18, 4:47-60, 5:63-6:2) The type of machine is a simple design choice and the skilled person would have a finite number of types of knitting machines from which to select a desired knitting machine. In particular wide tube knitting machine would allow for more material to be processed and more textile elements to be made than some other machines. The skilled person would be motivated to utilize such a machine for large-scale production to increase productivity and throughput.
38. The article of footwear recited in claim 36, wherein the knitted textile element has a structure formed by a jacquard double needle-bar raschel knitting machine.	Claim 38 adds an almost identical limitation to independent claim 36 as claim 35 added to independent claim 24. The additional limitation of claim 38 is obvious in view Nishida alone or Nishida and Shiomura – see discussion for claim 35 in chart.
39. The article of footwear recited in claim 36, wherein the edges include a pair of first edges that are joined to form a first seam extending longitudinally along a lower region of the upper.	Claim 39 adds the same limitation to independent claim 36 as claim 3 added to independent claim 1. Nishida describes the additional limitations of claim 39 – see discussion for claim 3 in chart.
40. The article of footwear recited in claim 39, wherein the edges include a pair of second edges that are	Claim 40 adds the same limitation to independent claim 36 as claim 4 added to independent claim 1. Nishida describes the additional limitations of claim 40 – see discussion for claim 4 in chart.

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joined to form a second seam extending along a heel region of the upper.	
41. The article of footwear recited in claim 40, wherein the edges include at least a pair of third edges that are joined to form a second seam extending through a forefoot area of the upper.	Claim 41 adds the same limitation to independent claim 36 as claim 6 added to independent claim 1, except that there appears to be a typographical error referring to the third edges forming a "second seam" extending through the forefoot when the "second seam" was already defined in claim 40 as extending along a heel region. I have assumed this claim limitation meant to recite that the third edges form a "third seam." Nishida describes the additional limitations of claim 41 – see discussion for claim 6 in chart.
42. The article of footwear recited in claim 36, wherein the knitted textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper.	Claim 42 adds the same limitation to independent claim 36 as claim 7 added to independent claim 1. Nishida describes the additional limitations of claim 42 – see discussion for claim 7 in chart.
43. The article of footwear recited in claim 36, wherein the knitted textile element forms an interior surface of the upper.	Claim 43 adds the same limitation to independent claim 36 as claim 13 added to independent claim 1. Nishida describes the additional limitations of claim 43 or they are obvious in view of Curley, Shiomura, or Glidden – see discussion for claim 13 in chart.
44. An article of footwear comprising:	Abstract; Fig. 3
an upper incorporating a flat-knitted textile element, the flat-knitted textile element having a	The'011 Patent repeatedly describes a textile element with a unitary construction, not multiple unitary constructions. ('011 Patent, 5:38-40; 6:41-42; 9-32-35; 11:14-18) I understand this claim element to mean that

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first area with a first unitary construction and a second area with a second unitary construction different from the first unitary construction ,	the textile element is a unitary construction that has two different areas within it that have different constructions. Abstract; Figs. 2-3 3:6-12: "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. 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, as it is represented from the side, for example, in FIG. 3." 3:15-26: "Layout 2 is divided into different individual parts or areas, which differ from one another, such as by being of another material style and/or 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 formed of different colors, such as from fibers or yarns of different colors, including those of metals, or by different color prints, and/or by being differently designed fiber extrudates or fiber extrudate compositions, such as twisted, processed parallel or the like." 3:31-42: "After cutting out layout 2 from the web of material 1, the edges 7 and 8 are stitched together and a heel seam thus is formed. Then, heel counter 9, represented in FIG. 3, is applied, for example, glued and/or stitched, to adjacent areas 5 and 6. Correspondingly, the contours of edges 11 and 12 are

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	stitched together in the form of shoe toe 10, and a seam is formed on the shoe toe. To reduce wear, a toe cap 15, represented in FIG. 3, can be applied, especially glued and/or stitched, on the front area, adjacent to front edge 13 of toe area 14." 4:12-18: "As can be seen, 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. For this purpose, above all, the use of program-controlled, particularly computer-controlled, production devices is advantageous, so that style, color, design, size or the like can be varied at will." Nishida discloses producing the material that forms the upper with a "conventional textile process … by weaving and/or knitting …" At the time Nishida was filed in the U.S. (June 17, 1992) the skilled person would have known and understood that "conventional" knitting processes include both warp knitting and weft knitting (and further including both circular and flat knitting), since these knitting processes existed for many decades before 1992 and had been used in the making of shoe uppers for many decades as well. For example, Whiting dates to 1953 and describes a method for producing knitted shoe uppers of shrinkable yarn, including knitting the sock-like structure that forms the upper on "flat or circular knitting machines." (Whiting, 2:39-56) As another example, Curley, published in April 1990, describes shoes made with knitted layers in the upper, including both warp and weft knitting. (Curley, p. 7, line 32 – p. 8, line 25) It is my opinion that Nishida discloses flat knitting by

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	disclosing that "conventional" knitting processes can be used for his invention. Even if Nishida was determined not to describe flat knitting, it would have been obvious to the skilled person to use flat knitting from Nishida's disclosure of using a knitted material for the upper. Flat knitting was a well known knitting process in March 2004, when the '011 Patent was filed. Flat knitting had been used for years in shoe uppers, as shown by Whiting for example. It would simply have been a matter of design choice from among a finite number of types of knitting processes one could use.
the first area having a first set of properties, and the second area having a second set of properties that is different from the first set of properties to impart varying characteristics to the textile element; and	3:15-4:18; 4:47-60; 5:41-45; 5:63-6:2; 6:4-41 3:15-26: "Layout 2 is divided into different individual parts or areas, which differ from one another, such as by being of another material style and/or 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 formed of different colors, such as from fibers or yarns of different colors, including those of metals, or by different color prints, and/or by being differently designed fiber extrudates or fiber extrudate compositions, such as twisted, processed parallel or the like." 3:43-52: "Since, generally, toe area 14 is designed to be relatively deformably soft or elastic, and optionally, also permeable to air, the web of material 1, in toe area 14, according to the present invention, is correspondingly designed by suitable selection of the weave pattern, knit pattern and/or the material used,

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	such as, for example, Silk or plastic. The type of production can, additionally, insure that the toe area 14 has a good air exchange capability. For example, this can be achieved by a net-like woven or knitted structure." 4:12-18: "As can be seen, 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. For this purpose, above all, the use of program-controlled, particularly computer-controlled, production devices is advantageous, so that style, color, design, size or the like can be varied at will." 5:41-45: "Preferably, each layout 2 has at least five, preferably more than ten, patterns and a tongue 40 has at least two, preferably at least three patterns produced or appearing, which are different from one another in each case." 5:63-6:2: "As already indicated, the webs of material being used 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." 6:22-31: "using one of a different weaving and knitting type for the layouts of the shoe upper than is used for producing the sole parts, said weaving and knitting types being

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	matched to differing requirements for materials of the shoe upper and sole part of a shoe in relation to properties thereof including at least one of the properties of absorptivity, air permeability, softness, extensibility, wear resistance and appearance"
a sole structure secured to the upper.	Abstract; Fig. 3 4:39-46: "Finally, before or after cutting out of layout(s) 2, a tongue 32 (FIG. 3) is applied in the forefoot area. After the production of shoe upper 3, an insole and/or a midsole, optionally, is additionally applied or molded on. Completed 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."
45. The article of footwear recited in claim 44, wherein the first set of properties and the second set of properties are at least one of a stitch configuration and a yarn type.	3:15-26: "Layout 2 is divided into different individual parts or areas, which differ from one another, such as by being of another material style and/or 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 formed of different colors, such as from fibers or yarns of different colors, including those of metals, or by different color prints, and/or by being differently designed fiber extrudates or fiber extrudate compositions, such as twisted, processed parallel or the like." 3:43-52: "Since, generally, toe area 14 is designed to be relatively deformably soft or elastic, and optionally,

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	also permeable to air, the web of material 1, in toe area 14, according to the present invention, is correspondingly designed by suitable selection of the weave pattern, knit pattern and/or the material used, such as, for example, Silk or plastic. The type of production can, additionally, insure that the toe area 14 has a good air exchange capability. For example, this can be achieved by a net-like woven or knitted structure." 5:63-6:2: "As already indicated, the webs of material being used 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."
46. The article of footwear recited in claim 44, wherein the textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper.	Claim 46 adds the same limitation to independent claim 44 as claim 7 added to independent claim 1. Nishida describes the additional limitations of claim 46 – see discussion for claim 7 in chart.

73. As explained in the chart, claims 1-15 are anticipated by Nishida or, alternatively, are obvious in view of Nishida alone. Claims 1-15 are also obvious in view of Nishida combined with other prior art as follows:

- Claim 1 is obvious in view of Nishida and any one of the following: McDonald, Whiting, Curley.

- Claims 2-7 and 10-12 are obvious in view of same.

- Claim 8 is obvious in view of Nishida and one or more of the following: Curley, Shiomura, McDonald, Whiting.

- Claims 9 and 13 are obvious in view of Nishida and one or more of the following: Curley, Shiomura, Glidden, McDonald, Whiting.

- Claim 14 is obvious in view of Nishida and any one of the following: McDonald, Whiting.

- Claim 15 is obvious in view of Nishida and Whiting.

74. Claims 16 and 19-23 are anticipated by Nishida or, alternatively, are obvious in view of Nishida alone. Claims 16-23 are also obvious in view of Nishida combined with other prior art as follows:

- Claim 16 is obvious in view of Nishida and any one of the following: McDonald, Whiting, Curley.

- Claims 19-20 are obvious in view of same.

- Claims 17-18 are obvious in view of Nishida and one or more of the following: McDonald, Whiting, Curley, Glidden.

- Claim 21 is obvious in view of Nishida and one or more of the following: Curley, Shiomura, McDonald, Whiting.

- Claims 22-23 are obvious in view of Nishida and one or more of the following: Curley, Shiomura, Glidden, McDonald, Whiting.

75. Claims 24-34 are anticipated by Nishida or, alternatively, are obvious in view of Nishida alone. Claim 35 is obvious in view of Nishida alone. Claims 30-35 are also obvious in view of Nishida combined with other prior art as follows:

- Claims 30-31 are obvious in view of Nishida and any one of the following: Curley, Shiomura, Glidden.
- Claim 32 is obvious in view of Nishida and any one of the following: McDonald, Whiting, Curley.
- Claim 33 is obvious in view of Nishida and any one of the following: McDonald, Whiting.
- Claim 34 is obvious in view of Nishida and any one of the following: Curley, Shiomura.
- Claim 35 is obvious in view of Nishida and Shiomura.

76. Claims 36 and 39-43 are anticipated by Nishida or, alternatively, are obvious in view of Nishida alone. Claims 37 and 38 are obvious in view of Nishida alone. Claims 37, 38, and 43 are also obvious in view of Nishida combined with other prior art as follows:

- Claim 37 is obvious in view of Nishida and McDonald.
- Claim 38 is obvious in view of Nishida and Shiomura.
- Claim 43 is obvious in view of Nishida and any of the following: Curley, Shiomura, Glidden.

77. Claims 44-46 are anticipated by Nishida or, alternatively, are obvious in view of Nishida alone. Claims 44-46 are also obvious in view of Nishida combined with other prior art as follows:

- Claims 44-46 are obvious in view of Nishida and any one of the following: Whiting, Curley.

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VIII. Claims 1, 2, 7-14, and 16-23 Are Anticipated by U.S. Patent No. 2,147,197 to Glidden and/or Obvious

78. As further explained in the chart below, it is my opinion that claims 1, 2, 7-14, and 16-23 of the '011 Patent are invalid in view of the Glidden patent.

79. Glidden was issued by the Patent Office on February 14, 1939 and is entitled "Article of Footwear." Glidden explains (p. 1, 1:4-20, 1:25-32):

> Heretofore shoes for use in playing athletic games and for similar purposes, sometimes called sneakers or tennis shoes, have been manufactured from substantially nonstretchable canvas or similar woven material. It has been the practice to construct the uppers with a fabric lining attached to the upper by an intervening layer of rubber. In the manufacture of such shoes a great amount of waste has been involved in the cutting of the fabric parts, and due to the substantially nonstretchable nature of the textile material comprising the upper difficulty has been experienced in providing the proper shape to such shoes. The resulting shoes are of such a nonabsorbent nature and so impervious to moisture that discomfort has been caused to the wearer by perspiration.
>
> * * *
>
> The principal objects of the present invention are to provide comfort, stretchability, lightweight, breathability and absorption properties in an article of footwear and to provide for economy of materials and convenience of procedure in the manufacture of the same. Other objects will appear from the following description and the accompanying drawings.

80. Glidden further explains at page 1, 2:2-17:

> Referring to the drawings, the invention contemplates the construction of an article of footwear in which an upper of extensible and elastic textile material, such, for example, as knited [sic] material, and of such extent as to form the complete upper including the insole, is

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> fabricated without substantial waste to the desired shape to accommodate the foot without uncomfortable wringles. A reinforcing structure, preferably of rubber is provided on the outer face of the upper in form-fitting contact therewith without wrinkling or buckling of either of the parts, while preferably leaving extensive portions of the textile upper exposed to provide breathability and facility of flexing.

81. Glidden also describes that its unitary knitted upper has different configurations in different areas (p. 1, 2:33-44):

> In fabricating the unitary upper, as by knitting, areas thereof which are normally subjected to greater wear and in which a lower degree of elasticity is desired, such as the toe 11 and the heel portion 12, may be more densely fabricated to provide therein heavier weight and less extensibility than in the other parts of the upper, as by changing the type of stitch or amount or thickness of the yarn in the knitting. Other areas, such as the ankle portion 13, are preferably made so as to provide softness and elasticity, as by making them of ribbed construction, as shown.

82. Glidden summarizes its advantages (p. 2, 2:39-53):

> An article of footwear constructed according to the invention has decided advantages over articles of footwear heretofore produced. Because of the unlined, absorbent nature of the upper perspiration is readily absorbed and evaporated from the foot. The high porosity of the upper provides good ventilation, and the flexibility of the upper and its inherent elasticity provide a degree of comfort comparable to wearing well fitted socks without shoes, while the outsole, which may be of any desired type and may be of crepe soling or may be molded to provide any desired anti-skid surface, provides adequate traction and protects the feet in walking.

83. In the chart below, all citations are to Glidden, except where I specifically identify that I am citing to another prior art reference. I have included direct quotations from Glidden in some instances.

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84. Glidden describes every element of claims 1, 2, 7-14, and 16-23, and therefore anticipates those claims. These claims are likewise obvious in view of Glidden combined with either McDonald or Whiting.

Nike '011 Patent Claims	Glidden
1. An article of footwear comprising:	Title; p.1,1:1-4 "This invention relates to articles of footwear and to methods of making the same, and is especially useful in the manufacture of shoes having textile uppers."
an upper incorporating a weft-knitted textile element having edges that are joined together to define at least a portion of a void for receiving a foot,	Figs. 1, 6, 8 p. 1, 2:3-10: "Referring to the drawings, the invention contemplates the construction of an article of footwear in which an upper of extensible and elastic textile material, such, for example, as knited material, and of such extent as to form the complete upper including the insole, is fabricated without substantial waste to the desired shape to accommodate the foot without uncomfortable wringles." p. 1, 2:45-48: "In the embodiment of Fig. 1 the entire upper, preferably including the insole, is fabricated as an integral, shaped, sock-like article although in some cases the insole portion may be omitted if that is desired." The skilled person would know from Glidden's description of fabricating the upper as a shaped, "sock-like" article, as well as the knit patterns in the drawings, that Glidden is describing and showing a weft-knitted textile element. In addition, the skilled person would know that

Nike '011 Patent Claims	Glidden
	knitting the unitary upper in a "sock-like" fabrication process would have utilized circular knitting, which has been used for making socks for many decades. This would require the edges to be joined, at least in the area of the toe, in order to create a void for receiving the foot (otherwise, it would be an open tube if those edges were not joined) For example, Whiting dates to 1953 and describes a method for producing knitted shoe uppers of shrinkable yarn, including knitting the sock-like structure that forms the upper on "flat or circular knitting machines." (Whiting, 2:39-56) As another example, McDonald dates to 1943 and describes a method of making shoes including use of a "conventional type of circular knitting machine" to form a "weft knit fabric" used to make the upper of a shoe. (McDonald, p. 1 at 2:26-39)
wherein the weft-knitted textile element incorporates a single type of textile having a plurality of knit constructions; and	Fig. 1 p.1, 2:33-44 "In fabricating the unitary upper, as by knitting, areas thereof which are normally subjected to greater wear and in which a lower degree of elasticity is desired, such as the toe 11 and the heel portion 12, may be more densely fabricated to provide therein heavier weight and less extensibility than in the other parts of the upper, as by changing the type of stitch or amount or thickness of the yarn in the knitting. Other areas, such as the ankle portion 13, are preferably made so as to provide softness and elasticity as by making them of ribbed construction, as shown."
a sole structure secured to the upper.	Figs. 1, 6 p. 2, 1:9-19; p. 2, 2:8-15; p. 2, 2:23-30

Nike '011 Patent Claims	Glidden
	p. 2, 1:9-19: "In the embodiment of Fig. 1, after the upper has been applied to the last, the parts, preferably of rubber including a counter 14, heel reinforcement 16, outsole 17 and a blucher saddle 18 having an integral heel strap 19, which encircles the rear of the shoe, are mounted in place upon the upper as illustrated in Fig. 3, and may be cemented thereto in the places where it is desired to attach the parts to the upper, and a foxing 20 is preferably applied around the lower portion of the shoe where it joins the outer sole."
2. The article of footwear recited in claim 1, wherein the weft-knitted textile element forms at least a portion of a lateral side, a medial side, and an instep region of the upper.	Figs. 1-3 p. 1, 2:3-10: "Referring to the drawings, the invention contemplates the construction of an article of footwear in which an upper of extensible and elastic textile material, such, for example, as knited material, and of such extent as to form the complete upper including the insole, is fabricated without substantial waste to the desired shape to accommodate the foot without uncomfortable wringles."
7. The article of footwear recited in claim 1, wherein the weft-knitted textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper.	Figs. 1-3, 6-8 p. 1, 2:3-23; p. 2, 1:68-74 p. 1, 2:3-23: "Referring to the drawings, the invention contemplates the construction of an article of footwear in which an upper of extensible and elastic textile material, such, for example, as knited material, and of such extent as to form the complete upper including the insole, is fabricated without substantial

Nike '011 Patent Claims	Glidden
	waste to the desired shape to accommodate the foot without uncomfortable wringles. A reinforcing structure, preferably of rubber is provided on the outer face of the upper in form-fitting contact therewith without wrinkling or buckling of either of the parts, while preferably leaving extensive portions of the textile upper exposed to provide breathability and facility of flexing. Referring to the drawings: In proceeding according to the method of this invention a complete and integral, extensible and elastic, unlined shoe upper 10 is formed, preferably by knitting, to final form and without waste, of yarn which may be of any suitable material, …"
8. The article of footwear recited in claim 1, wherein the upper includes an exterior layer, an intermediate layer, and an interior layer, and the weft-knitted textile element forms at least a portion of the interior layer.	Figs. 1-2 p. 1, 2:3-23; p. 2, 1:9-19; p. 2, 1:68-74 p. 2, 1:9-19: "In the embodiment of Fig. 1, after the upper has been applied to the last, the parts, preferably of rubber including a counter 14, heel reinforcement 16, outsole 17 and a blucher saddle 18 having an integral heel strap 19, which encircles the rear of the shoe, are mounted in place upon the upper as illustrated in Fig. 3, and may be cemented thereto in the places where it is desired to attach the parts to the upper, and a foxing 20 is preferably applied around the lower portion of the shoe where it joins the outer sole."
9 The article of footwear recited in claim 1, wherein the weft-knitted textile element forms at least a portion of both an	Figs. 1-3, 6-8 p. 1, 2:3-23; p. 2, 1:68-74 p. 1, 2:3-23:

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Nike '011 Patent Claims	Glidden
interior surface and an exterior surface of the upper.	"Referring to the drawings, the invention contemplates the construction of an article of footwear in which an upper of extensible and elastic textile material, such, for example, as knited material, and of such extent as to form the complete upper including the insole, is fabricated without substantial waste to the desired shape to accommodate the foot without uncomfortable wringles. A reinforcing structure, preferably of rubber is provided on the outer face of the upper in form-fitting contact therewith without wrinkling or buckling of either of the parts, while preferably leaving extensive portions of the textile upper exposed to provide breathability and facility of flexing. Referring to the drawings: In proceeding according to the method of this invention a complete and integral, extensible and elastic, unlined shoe upper 10 is formed, preferably by knitting, to final form and without waste, of yarn which may be of any suitable material, …"
10. The article of footwear recited in claim 9, wherein at least one additional element is secured to the exterior surface and forms a portion of the exterior surface.	Figs. 1-8 p. 2, 1:9-19: "In the embodiment of Fig. 1, after the upper has been applied to the last, the parts, preferably of rubber including a counter 14, heel reinforcement 16, outsole 17 and a blucher saddle 18 having an integral heel strap 19, which encircles the rear of the shoe, are mounted in place upon the upper as illustrated in Fig. 3, and may be cemented thereto in the places where it is desired to attach the parts to the upper, and a foxing 20 is preferably applied around the lower portion of the shoe where it joins the outer sole."

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Nike '011 Patent Claims	Glidden
	p.2, 1:50-55 "A strap 25 may be provided, extending around the back of the foot and secured at its ends to the stays. As shown, the shoe may be of the low type with the strap 25 extending along the top margin of the upper." p.2, 1:64-74: "Other modifications of the invention, in which the rubber portion of the shoe may be detachable from the textile upper to facilitate washing the upper, are illustrated in Figs. 6, 7 and 8. In the embodiment of Figs. 6 and 7, the lower portion of the textile upper 27 is embraced by an integral rubber covering 28 having no lacings or other fastening means, but provided with a sole 29 and formed with ventilating and expansion-facilitating openings 30 which expose the textile upper." p.2, 2:24-26: "The embodiment of Fig. 8 may be constructed in similar manner. Here a sole 32 is provided with a counter 33, toe cap 34, heel straps 35, and sole straps 36, united to each other."
11. The article of footwear recited in claim 10, wherein the additional element is secured to a forefoot area of the upper.	Figs. 6, 8 p.2, 2:24-26: "The embodiment of Fig. 8 may be constructed in similar manner. Here a sole 32 is provided with a counter 33, toe cap 34, heel straps 35, and sole straps 36, united to each other."
12. The article of footwear recited in claim 10, wherein the additional	Figs. 1-6

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Nike '011 Patent Claims	Glidden
element is secured to a heel area of the upper.	p. 2, 1:9-19: "In the embodiment of Fig. 1, after the upper has been applied to the last, the parts, preferably of rubber including a counter 14, heel reinforcement 16, outsole 17 and a blucher saddle 18 having an integral heel strap 19, which encircles the rear of the shoe, are mounted in place upon the upper as illustrated in Fig. 3, and may be cemented thereto in the places where it is desired to attach the parts to the upper, and a foxing 20 is preferably applied around the lower portion of the shoe where it joins the outer sole." p.2, 2:24-26: "The embodiment of Fig. 8 may be constructed in similar manner. Here a sole 32 is provided with a counter 33, toe cap 34, heel straps 35, and sole straps 36, united to each other."
13. The article of footwear recited in claim 1, wherein the textile element forms an interior surface of the upper.	Figs. 1-3 Figs. 1-3, 6-8 p. 1, 2:3-23; p. 2, 1:68-74 p. 1, 2:3-23: "Referring to the drawings, the invention contemplates the construction of an article of footwear in which an upper of extensible and elastic textile material, such, for example, as knited material, and of such extent as to form the complete upper including the insole, is fabricated without substantial waste to the desired shape to accommodate the foot without uncomfortable wringles. A reinforcing structure, preferably of rubber is provided on the outer face of the upper in form-fitting contact therewith without wrinkling or buckling of either of the parts, while preferably leaving extensive portions

Nike '011 Patent Claims	Glidden
	of the textile upper exposed to provide breathability and facility of flexing. Referring to the drawings: In proceeding according to the method of this invention a complete and integral, extensible and elastic, unlined shoe upper 10 is formed, preferably by knitting, to final form and without waste, of yarn which may be of any suitable material, …"
14. The article of footwear recited in claim 1, wherein the weft-knitted textile element is created by circular knitting.	Figs. 1, 6, 8 p. 1, 2:3-10; p. 1, 2:45-48 As discussed above for claim 1, Glidden describes fabricating the unitary knitted upper as a shaped, "sock-like" article, which skilled persons would have known meant circular knitting was used to make the textile element since circular knitting was commonly used in the manufacture of socks. For example, Whiting dates to 1953 and describes a method for producing knitted shoe uppers of shrinkable yarn, including knitting the sock-like structure that forms the upper on "flat or circular knitting machines." (Whiting, 2:39-56) As another example, McDonald dates to 1943 and describes a method of making shoes including use of a "conventional type of circular knitting machine" to form a "weft knit fabric" used to make the upper of a shoe. (McDonald, p. 1 at 2:26-39)
16. An article of footwear comprising:	Title; p.1,1:1-4 "This invention relates to articles of footwear and to methods of making the same, and is especially useful

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Nike '011 Patent Claims	Glidden
	in the manufacture of shoes having textile uppers."
an upper incorporating a weft-knitted textile element, the textile element having a first area and a second area with a unitary construction,	Figs. 1, 6, 8 p. 1, 2:3-10: "Referring to the drawings, the invention contemplates the construction of an article of footwear in which an upper of extensible and elastic textile material, such, for example, as knited material, and of such extent as to form the complete upper including the insole, is fabricated without substantial waste to the desired shape to accommodate the foot without uncomfortable wringles." p.1, 2:33-44: "In fabricating the unitary upper, as by knitting, areas thereof which are normally subjected to greater wear and in which a lower degree of elasticity is desired, such as the toe 11 and the heel portion 12, may be more densely fabricated to provide therein heavier weight and less extensibility than in the other parts of the upper, as by changing the type of stitch or amount or thickness of the yarn in the knitting. Other areas, such as the ankle portion 13, are preferably made so as to provide softness and elasticity as by making them of ribbed construction, as shown." p. 1, 2:45-48: "In the embodiment of Fig. 1 the entire upper, preferably including the insole, is fabricated as an integral, shaped, sock-like article although in some cases the insole portion may be omitted if that is desired." The skilled person would know from Glidden's description of fabricating the upper as a shaped, "sock-like" article, as well as the knit patterns in the

Nike '011 Patent Claims	Glidden
	drawings, that Glidden is describing and showing a weft-knitted textile element. In addition, the skilled person would know that knitting the unitary upper in a "sock-like" fabrication process would have utilized circular knitting, which has been used for making socks for many decades. For example, Whiting dates to 1953 and describes a method for producing knitted shoe uppers of shrinkable yarn, including knitting the sock-like structure that forms the upper on "flat or circular knitting machines." (Whiting, 2:39-56) As another example, McDonald dates to 1943 and describes a method of making shoes including use of a "conventional type of circular knitting machine" to form a "weft knit fabric" used to make the upper of a shoe. (McDonald, p. 1 at 2:26-39)
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 properties to the textile element; and	Figs. 1, 2, 6 p.1, 2:33-44: "In fabricating the unitary upper, as by knitting, areas thereof which are normally subjected to greater wear and in which a lower degree of elasticity is desired, such as the toe 11 and the heel portion 12, may be more densely fabricated to provide therein heavier weight and less extensibility than in the other parts of the upper, as by changing the type of stitch or amount or thickness of the yarn in the knitting. Other areas, such as the ankle portion 13, are preferably made so as to provide softness and elasticity as by making them of ribbed construction, as shown."
a sole structure secured to the upper.	Figs. 1, 6 p. 2, 1:9-19; p. 2, 2:8-15; p. 2, 2:23-30

Nike '011 Patent Claims	Glidden
	p. 2, 1:9-19: "In the embodiment of Fig. 1, after the upper has been applied to the last, the parts, preferably of rubber including a counter 14, heel reinforcement 16, outsole 17 and a blucher saddle 18 having an integral heel strap 19, which encircles the rear of the shoe, are mounted in place upon the upper as illustrated in Fig. 3, and may be cemented thereto in the places where it is desired to attach the parts to the upper, and a foxing 20 is preferably applied around the lower portion of the shoe where it joins the outer sole."
17. The article of footwear recited in claim 16, wherein the first stitch configuration provides a substantially smooth texture to the first area, and the second stitch configuration provides a texture to the second area that is rougher than the smooth texture.	Figs. 1, 2, 6 p.1, 2:33-44: "In fabricating the unitary upper, as by knitting, areas thereof which are normally subjected to greater wear and in which a lower degree of elasticity is desired, such as the toe 11 and the heel portion 12, may be more densely fabricated to provide therein heavier weight and less extensibility than in the other parts of the upper, as by changing the type of stitch or amount or thickness of the yarn in the knitting. Other areas, such as the ankle portion 13, are preferably made so as to provide softness and elasticity as by making them of ribbed construction, as shown."
18. The article of footwear recited in claim 17, wherein the second stitch configuration forms a rib structure in the second area.	p.1, 2:33-44: "In fabricating the unitary upper, as by knitting, areas thereof which are normally subjected to greater wear and in which a lower degree of elasticity is desired, such as the toe 11 and the heel portion 12, may be more densely fabricated to provide therein heavier weight and less extensibility than in the other parts of the upper, as by changing the type of stitch or amount or thickness of the yarn in the knitting. Other areas,

Nike '011 Patent Claims	Glidden
	such as the ankle portion 13, are preferably made so as to provide softness and elasticity as by making them of ribbed construction, as shown."
19. The article of footwear recited in claim 16, wherein at least one of the first stitch configuration and the second stitch configuration forms an aperture in the weft-knitted textile element.	p. 1, 1:25-30; p. 2, 2:40-53; claims 1-5 p. 1, 1:25-30: "The principal objects of the present invention are to provide comfort, stretchability, lightweight, breathability and absorption properties in an article of footwear and to provide for economy of materials and convenience of procedure in the manufacture of the same." p. 2, 2:40-53: "An article of footwear constructed according to the invention has decided advantages over articles of footwear heretofore produced. Because of the unlined, absorbent nature of the upper perspiration is readily absorbed and evaporated from the foot. The high porosity of the upper provides good ventilation, and the flexibility of the upper and its inherent elasticity provide a degree of comfort comparable to wearing well fitted socks without shoes, while the outsole, which may be of any desired type and may be of crepe soling or may be molded to provide any desired anti-skid surface, provides adequate traction and protects the feet in walking." The '011 Patent describes that "apertures" are formed by omitting stitches to provide air permeability in the knitted textile element. ('011 Patent, 9:57-62) The Glidden upper with high porosity has apertures.
20. The article of footwear recited in claim 16, wherein the weft-	Claim 20 adds the same limitation to independent claim 16 as claim 7 added to independent claim 1. Glidden describes the additional limitations of claim

Nike '011 Patent Claims	Glidden
knitted textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper.	20 – see discussion for claim 7 in chart.
21. The article of footwear recited in claim 16, wherein the upper includes an exterior layer, an intermediate layer, and an interior layer, and the weft-knitted textile element forms at least a portion of the interior layer.	Claim 21 adds the same limitation to independent claim 16 as claim 8 added to independent claim 1. Glidden describes the additional limitations of claim 21 – see discussion for claim 8 in chart.
22. The article of footwear recited in claim 16, wherein the textile layer forms at least a portion of both the interior surface and an exterior surface of the upper.	Claim 22 adds the same limitation to independent claim 16 as claim 9 added to independent claim 1, except that claim 22 recites "the textile "layer" instead of "textile element." I have assumed this is a typographical error because claim 16 does not otherwise identify a "textile layer" and have treated this limitation as if it recited "textile element" as in claim 9. Glidden describes the additional limitations of claim 22 – see discussion for claim 9 in chart.
23. The article of footwear recited in claim 16, wherein the weft-knitted textile element forms an interior surface of the upper.	Claim 23 adds the same limitation to independent claim 16 as claim 13 added to independent claim 1. Glidden describes the additional limitations of claim 23 – see discussion for claim 13 in chart.

IX. Claims 1-46 Are Obvious in View of Japanese Patent Publication No. H6-113905 to Osamu Daimaru Alone or Combined with Other Prior Art.

85. It is my opinion that Japanese Patent Publication No. H6-113905 to Osamu Daimaru ("Osamu") anticipates and/or renders obvious claims 1-46 of the '011 Patent. The English translation of Osamu indicates Osamu was published on April 26, 1994, almost ten years before the application for the '011 Patent was filed.

86. Osamu describes uppers for shoes, including athletic shoes, that are made from a single woven textile. (paragraph [0001]) Osamu cites efficiency as one of the objectives of his invention (p. 1, Objective and Configuration):

> To develop uppers material for shoes indispensable to manufacturing methods that increase the economic efficiency of production by reducing the quantity of uppers materials for shoes as much as possible thus simplifying the stitching process. The configuration is one sheet of cloth wherein, as uppers material for shoes, all the outlines of the main uppers for the shoe of one foot are continuous and the interiors thereof are woven using Jacquard weave in a variety of weave structures and/or patterns for each location.

87. Similar to the '011 Patent, Osamu describes the inefficiencies associated with conventional shoe manufacturing (paragraph [0004]):

> As mentioned above, with the conventional shoe manufacturing methods based on parts, a variety of materials come to be assembled into the shoe for one foot. To do this, there is the difficulty of procuring each material and losses of each material are large, with the loss having to be borne by the shoe factory. In addition, because the structure is complicated, effort is required for cutting and stitching together and skill-training is required. The actual labor cost,

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> domestically, for cutting and sewing/stitching work has increased by 10 to 100% or more. The trend toward a "parts approach" results in an increase in the component of specialized fabrication work and a steep rise in personnel cost, coupled with the fact that domestic sewing/stitching factories are unprofitable. Thus shoe manufacturing that involves a large number of individual parts has become difficult in practice. Further, in respect to economies of manufacturing, because a process where each part of a shoe is designed and cut and a process where these parts of complicated shapes are stitched together accurately and with uniform elasticity are involved, for mass production, there were the issues that high-level techniques were required and simplification/reduction of the number of process steps was difficult.

88. Osamu explains that solving the problem utilizes a single textile element to form the upper, and that this textile element can have a variety of configurations within it (paragraph [0005]):

> The present invention, by setting up the conventional parts as a single sheet of main uppers materials as much as possible, reduces the number of parts and the number of sewing/stitching operations, thus improving overall efficiency. To sum up, uppers material is provided which, on a single sheet of Jacquard weave cloth, forms an integration of almost all the uppers material for a shoe. The present invention is uppers material configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures, designs and/or patterns.

89. Osamu further explains that (paragraphs [0009] and [0012]):

> Figure 3 shows the main uppers 2 after cutting. Overall they make one sheet of woven fabric and each pattern element 10 through 18 therein is formed of a different weave structure and/or different pattern. For each shoe location, the appropriate weave structure is used. For example, toe cap tip 10 is formed of a weave structure of high yarn count and density, and upper surface 11 is formed of a weave structure with high breathability. Furthermore, by using a weaving yarn materials such as those with nylon fiber blended in and

> cutting the outline lines by thermal cutting, the cut edges melt and will not fray.
>
> * * *
>
> In this connection, the shape of main uppers 2 enables various types of computer-generated designs and patterns to be used, and by designating patterns or other software to weaving machines, this can be applied both to small lot production and to mass production.

90. In the chart below I cite to the English translation of Osamu that counsel provided to me using the paragraph [XXXX] format, except where I specifically identify that I am citing to another prior art reference. I have included direct quotations from Osamu in some instances.

91. Claims 1-46 are obvious in view of Osamu combined with other prior art references as follows:

Nike '011 Patent Claims	Osamu
1. An article of footwear comprising:	Title; paragraphs [0001], [0007] [0001]: "[Field of the Invention] The present invention relates to uppers material for shoes and more particularly that for sport shoes. In particular, the shoe uppers material of the present invention is uppers material comprising one sheet of woven fabric."
an upper incorporating a weft-knitted textile element having edges that are joined together to define at least a portion of a void for receiving a	Figs. 1, 3; paragraphs [0007], [0010], [0011] part of [0007]: "Figure 1 shows an embodiment of uppers material for shoes according to the present invention. The uppers material for shoes is configured of one sheet of cloth wherein, the main uppers material 2 for the

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Nike '011 Patent Claims	Osamu
foot,	shoe of one foot are woven on elongated foundation cloth 1, all the outlines thereof are connected, and within those outlines at each appropriate location 21 through 26 are many kinds of weave structures, designs and patterns." [0009], [0010]: "Figure 3 shows the main uppers 2 after cutting. Overall they make one sheet of woven fabric and each pattern element 10 through 18 therein is formed of a different weave structure and/or different pattern. For each shoe location, the appropriate weave structure is used. For example, toe cap tip 10 is formed of a weave structure of high yarn count and density, and upper surface 11 is formed of a weave structure with high breathability. Furthermore, by using a weaving yarn materials such as those with nylon fiber blended in and cutting the outline lines by thermal cutting, the cut edges melt and will not fray. The main uppers 2, configured in this way, become 3-dimensional shoe uppers by stitching together the parts for joining by stitching 19 at the rear-most part of those main uppers." Osamu describes a woven textile element, rather than a weft-knitted textile element. However, the use of a weft-knitted textile element would have been obvious to the skilled person. Woven and knitted textiles are both suitable for use in uppers and known by the skilled person to be interchangeable. Selection of one versus the other is an obvious design choice. Nishida, for example, recognizes the interchangeability of woven and knitted textiles for use in uppers, repeatedly referring to "woven and/or knitted" fabrics when describing the textile element and configurations in his patent. (Nishida, 1:61-62;

Nike '011 Patent Claims	Osamu
	1:67-68; 2:42-45; 3:6-10; 3:45-52; 3;66-68; 5:63-6:2; 6:23-25) Osamu itself recognized that the use of a knitted versus a woven textile in the upper was interchangeable and a matter of design choice. Osamu, in describing the prior art in paragraph [0002], states "For example, when using woven fabric and/or knitted fabric as uppers materials for shoes, as shown in Figure 2, the material is made into many parts, such as the tip part A, upper surface part B, edge part C, side surface parts D, E, and F, ankle edge part G, heel parts H and I, and the material and shape of each is selected according to the function of that location. Parts of many types are provided, such as woven fabrics and/or knitted fabrics of various surface structure and design (A, B, I), …" The '011 Patent also describes in the section entitled "Description of Background Art" that textile materials for uppers can be formed by mechanical manipulation of yarns, including weaving and knitting. ('011 Patent, 2:4-46) The '011 Patent makes no suggestion that knitted fabrics are somehow preferable to woven fabrics. In describing its invention, the '011 Patent describes that textile element 40 can be made using any number of processes that mechanically manipulate the yarns ('011 Patent, 6:51-65): "Textile element 40 is primarily formed from one or more yarns that are mechanically-manipulated through either an interweaving, intertwining and twisting, or interlooping process, for example. As discussed in the Background of the Invention section above, interweaving is the intersection of

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Nike '011 Patent Claims	Osamu
	two yarns that cross and interweave at right angles to each other. The yarns utilized in interweaving are conventionally referred to as warp and weft. Intertwining and twisting encompasses procedures such as braiding and knotting where yarns intertwine with each other to form a textile. Interlooping involves the formation of a plurality of columns of intermeshed loops, with knitting being the most common method of interlooping. Textile element 40 may, therefore, be formed from one of these processes for manufacturing a textile." While some in the past may have suggested that woven fabrics are less elastic or less breathable than knitted fabrics, this was not the case in March 2004. The ability to interweave elastic threads, loose weaving techniques, use of specially treated fibers, and selecting yarn with greater elasticity were known by March 2004 to be useful to address any such perceived concern. For example, Curley explains that either knitted fabrics or woven fabrics may be used for the textile layers of the three-layer upper Curley describes, Curley explains that focusing on yarn elasticity properties when utilizing woven fabrics compensates for lower stretch or elasticity that woven fabrics generally possess when compared with knitted fabrics. The selection of a weft-knitted fabric instead of a woven fabric to form the textile element would have been obvious to the skilled person, as the '011 Patent and the prior art references show. Specifically, with respect to weft knitting, several

Nike '011 Patent Claims	Osamu
	prior art references disclose weft knitting for use in making shoe uppers. Nishida discloses forming the upper with a "conventional textile process … by weaving and/or knitting …" (Nishida, 3:6-12) At the time Nishida was filed in the U.S. (June 17, 1992) the skilled person would have known and understood that "conventional" knitting processes include both warp knitting and weft knitting (and further including both circular and flat knitting), since these knitting processes existed for many decades before 1992 and had been used in the making of shoe uppers for many decades as well. Glidden describes an upper that is "fabricated as an integral, shaped, sock-like article although in some cases the insole portion may be omitted if that is desired." (p. 1, 2:45-48) The skilled person would know from Glidden's description of fabricating the upper as a shaped, "sock-like" article, as well as the knit patterns in the drawings (Figs. 1, 6, 8), that Glidden is describing and showing a weft-knitted textile element. As another example, McDonald dates to 1943 and describes a method of making shoes including use of a "conventional type of circular knitting machine" to form a "weft knit fabric" used to make the upper of a shoe. (McDonald, p. 1 at 2:26-39) As another example, Whiting dates to 1953 and describes a method for producing knitted shoe uppers of shrinkable yarn, including knitting the sock-like structure that forms the upper on "flat or circular knitting machines." (Whiting, 2:39-56) As another example, Curley, published in April 1990, describes shoes made with knitted layers in the upper,

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Nike '011 Patent Claims	Osamu
	including both warp and weft knitting. (Curley, p. 7, line 32 – p. 8, line 25)
wherein the weft-knitted textile element incorporates a single type of textile having a plurality of knit constructions; and	claim 1: "Uppers material for shoes configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures and/or patterns." part of [0005]: "The present invention is uppers material configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures, designs and/or patterns." part of [0007]: "The uppers material for shoes is configured of one sheet of cloth wherein, the main uppers material 2 for the shoe of one foot are woven on elongated foundation cloth 1, all the outlines thereof are connected, and within those outlines at each appropriate location 21 through 26 are many kinds of weave structures, designs and patterns. The weave structure is a comparatively heavy Jacquard weave, the weave structure being changed for each part corresponding to each location on the shoe or being woven in a pattern that changes the design/pattern." [0009]: "Figure 3 shows the main uppers 2 after cutting. Overall they make one sheet of woven fabric and each pattern element 10 through 18 therein is formed of a different weave structure and/or different pattern. For each shoe location, the appropriate weave

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Nike '011 Patent Claims	Osamu
	structure is used. For example, toe cap tip 10 is formed of a weave structure of high yarn count and density, and upper surface 11 is formed of a weave structure with high breathability. Furthermore, by using a weaving yarn materials such as those with nylon fiber blended in and cutting the outline lines by thermal cutting, the cut edges melt and will not fray." [0012]: "In this connection, the shape of main uppers 2 enables various types of computer-generated designs and patterns to be used, and by designating patterns or other software to weaving machines, this can be applied both to small lot production and to mass production."
a sole structure secured to the upper.	paragraphs [0001], [0007], [0013], [0015] Osamu describes that the uppers of his invention are for use with athletic or sports shoes. The skilled person knows athletic shoes have a sole secured to the upper.
2. The article of footwear recited in claim 1, wherein the weft-knitted textile element forms at least a portion of a lateral side, a medial side, and an instep region of the upper.	Figs. 1, 3; paragraphs [0007]-[0010] [0010]: "The main uppers 2, configured in this way, become 3-dimensional shoe uppers by stitching together the parts for joining by stitching 19 at the rear-most part of those main uppers."
3. The article of footwear recited in claim 1, wherein the edges include a pair of first edges that are joined to form a first seam extending longitudinally along a	Fig. 1; paragraph [0007] part of [0007]: "On foundation cloth 1, all of the main uppers material 2 for the shoe of one foot are woven, and continuous thereto middle sheet 3 and, and separated

Nike '011 Patent Claims	Osamu
lower region of the upper.	a little therefrom, shoe tongue flap shaped cover 4, are woven in. Middle sheet 3 is a sole-shape divided in half, roughly diagonally, formed continuous with the edge of the outline of main uppers material 2, to the right and left thereof. Middle sheet 3, formed divided, will become the shape of the sole by being 3-dimensionally folded in and stitched together when main uppers material 2 is formed 3-dimensionally on the shoe mold."
4. The article of footwear recited in claim 3, wherein the edges include a pair of second edges that are joined to form a second seam extending along a heel region of the upper.	Figs. 1, 3; paragraph [0010] [0010]: "The main uppers 2, configured in this way, become 3-dimensional shoe uppers by stitching together the parts for joining by stitching 19 at the rear-most part of those main uppers."
5. The article of footwear recited in claim 4, wherein the second seam extends vertically.	Figs. 1, 3; paragraph [0010] [0010]: "The main uppers 2, configured in this way, become 3-dimensional shoe uppers by stitching together the parts for joining by stitching 19 at the rear-most part of those main uppers."
6. The article of footwear recited in claim 4, wherein the edges include at least a pair of third edges that are joined to form a third seam extending through a forefoot area of the upper.	Fig. 1 When cut out and formed into a 3-dimensional upper, edges of middle sheet 3 that forms the insole must be joined to edges of part 21 in the forefoot area of the upper to complete the upper and will form a seam where joined.
7. The article of footwear recited in claim 1,	[0001]:

Nike '011 Patent Claims	Osamu
wherein the weft-knitted textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper.	"[Field of the Invention] The present invention relates to uppers material for shoes and more particularly that for sport shoes. In particular, the shoe uppers material of the present invention is uppers material comprising one sheet of woven fabric." claim 1: "Uppers material for shoes configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures and/or patterns." part of [0005]: "The present invention is uppers material configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures, designs and/or patterns." [0010]: "The main uppers 2, configured in this way, become 3-dimensional shoe uppers by stitching together the parts for joining by stitching 19 at the rear-most part of those main uppers."
8. The article of footwear recited in claim 1, wherein the upper includes an exterior layer, an intermediate layer, and an interior layer, and the weft-knitted textile element forms at least a portion of the interior layer.	[0001]: "[Field of the Invention] The present invention relates to uppers material for shoes and more particularly that for sport shoes. In particular, the shoe uppers material of the present invention is uppers material comprising one sheet of woven fabric." claim 1: "Uppers material for shoes configured of one sheet of

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Nike '011 Patent Claims	Osamu
	cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures and/or patterns." part of [0005]: "The present invention is uppers material configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures, designs and/or patterns." [0010]: "The main uppers 2, configured in this way, become 3-dimensional shoe uppers by stitching together the parts for joining by stitching 19 at the rear-most part of those main uppers." [0006]: "Furthermore, the present invention forms the uppers material on one sheet of Jacquard weave cloth, and on top of them other elements can be sewn on, water-proofing material can be applied, decorative elements can be sewn on, and of course water-proofing can be done as a secondary production step." Osamu describes a woven textile element that forms at least a portion of the interior layer and further that additional elements may be sewn on. It would have been obvious to the skilled person to modify the textile element of Osamu to provide multiple layers with the textile element forming a portion of the inner layer. Three-layer constructions with an inner layer of textile were well known in the prior art in March 2004, and it would have been a simple matter of design choice to make any necessary

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Nike '011 Patent Claims	Osamu
	modifications to Osamu to obtain this construction. As the '011 patent describes in the section "Description of Background Art," three-layer upper constructions were well known in the prior art before March 3, 2004, as was using a textile material for the inner layer. The '011 patent explains as background art (1:44-2:6, underlining added): "Various materials may be utilized in manufacturing the upper. The upper of an article of athletic footwear, for example, may be formed from multiple material layers that include an exterior layer, an intermediate layer, and an interior layer. The materials forming the exterior layer of the upper may be selected based upon the properties of wear-resistance, flexibility, and air-permeability, for example. With regard to the exterior layer, the toe area and the heel area may be formed of leather, synthetic leather, or a rubber material to impart a relatively high degree of wear-resistance. Leather, synthetic leather, and rubber materials may not exhibit the desired degree of flexibility and air-permeability. Accordingly, various other areas of the exterior layer of the upper may be formed from a synthetic or natural textile. The exterior layer of the upper may be formed, therefore, from numerous material elements that each impart different properties to specific portions of the upper. An intermediate layer of the upper may be formed from a lightweight polymer foam material that provides cushioning and protects the foot from objects that may contact the upper. Similarly, an interior layer of the upper may be formed of a moisture-wicking textile that removes perspiration from the area immediately surrounding the foot. In some articles of athletic footwear, the various layers

Nike '011 Patent Claims	Osamu
	may be joined with an adhesive, and stitching may be utilized to join elements within a single layer or to reinforce specific areas of the upper. Although the materials selected for the upper vary significantly, textile materials often form at least a portion of the exterior layer and interior layer." In other prior art references, Curley describes an upper that includes multiple layers preferably three layers (Curley, p. 6, lines 30-32), where a knit textile element forms a portion of an inner layer (Curley, p. 30, claim 34) and an outer layer (Curley, p. 7, line 32 – p. 8, line 5). In another example, Shiomura describes an upper that includes an outer knit fabric layer and an inner knit fabric layer, with a layer of crossing threads between. (Shiomura, 2:26-45)
9 The article of footwear recited in claim 1, wherein the weft-knitted textile element forms at least a portion of both an interior surface and an exterior surface of the upper.	[0001]: "[Field of the Invention] The present invention relates to uppers material for shoes and more particularly that for sport shoes. In particular, the shoe uppers material of the present invention is uppers material comprising one sheet of woven fabric." claim 1: "Uppers material for shoes configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures and/or patterns." part of [0005]: "The present invention is uppers material configured of one sheet of cloth wherein all the outlines of the

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Nike '011 Patent Claims	Osamu
	main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures, designs and/or patterns." [0010]: "The main uppers 2, configured in this way, become 3-dimensional shoe uppers by stitching together the parts for joining by stitching 19 at the rear-most part of those main uppers."
10. The article of footwear recited in claim 9, wherein at least one additional element is secured to the exterior surface and forms a portion of the exterior surface.	[0006]: "Furthermore, the present invention forms the uppers material on one sheet of Jacquard weave cloth, and on top of them other elements can be sewn on, water-proofing material can be applied, decorative elements can be sewn on, and of course water-proofing can be done as a secondary production step."
11. The article of footwear recited in claim 10, wherein the additional element is secured to a forefoot area of the upper.	[0006]: "Furthermore, the present invention forms the uppers material on one sheet of Jacquard weave cloth, and on top of them other elements can be sewn on, water-proofing material can be applied, decorative elements can be sewn on, and of course water-proofing can be done as a secondary production step." To the extent that Osamu is considered not to disclose securing the additional element that forms a portion of the exterior surface to a forefoot area, it would have been obvious to do so as a design choice or to reinforce the exterior of the forefoot area. For example, Nishida describes a toe cap applied to the forefoot area of the upper. (Nishida, 3:37-42) As another example, Glidden describes a toe cap applied to the forefoot area of the upper. (Glidden,

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Nike '011 Patent Claims	Osamu
	Figs. 6, 8; p. 2, 2:24-26) The '011 Patent also explains in the section entitled "Description of Background Art" that leather, synthetic leather, and rubber materials are often used for the exterior layer in the toe and heel areas to impart additional wear-resistance. ('011 Patent, 1:44-54)
12. The article of footwear recited in claim 10, wherein the additional element is secured to a heel area of the upper.	[0006]: "Furthermore, the present invention forms the uppers material on one sheet of Jacquard weave cloth, and on top of them other elements can be sewn on, water-proofing material can be applied, decorative elements can be sewn on, and of course water-proofing can be done as a secondary production step." To the extent that Osamu is considered not to disclose securing the additional element that forms a portion of the exterior surface to a heel area, it would have been obvious to do so as a design choice or to reinforce the exterior of the heel area. For example, Nishida describes a heel counter applied to the heel area. (Nishida, Fig. 3; 4:9-11) As another example, Glidden describes a counter and heel reinforcement structure applied in the heel area of the upper. (Glidden, Figs. 1-6; p. 2, 1:9-19; p. 2, 2:24-26) The '011 Patent also explains in the section entitled "Description of Background Art" that leather, synthetic leather, and rubber materials are often used for the exterior layer in the toe and heel areas to impart additional wear-resistance. ('011 Patent, 1:44-54)

Nike '011 Patent Claims	Osamu
13. The article of footwear recited in claim 1, wherein the textile element forms an interior surface of the upper.	[0001]: "[Field of the Invention] The present invention relates to uppers material for shoes and more particularly that for sport shoes. In particular, the shoe uppers material of the present invention is uppers material comprising one sheet of woven fabric." claim 1: "Uppers material for shoes configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures and/or patterns." part of [0005]: "The present invention is uppers material configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures, designs and/or patterns." [0010]: "The main uppers 2, configured in this way, become 3-dimensional shoe uppers by stitching together the parts for joining by stitching 19 at the rear-most part of those main uppers."
14. The article of footwear recited in claim 1, wherein the weft-knitted textile element is created by circular knitting.	As discussed above for claim 1, the use of a weft-knitted textile element instead of the woven textile element of Osamu would have been obvious. The use of a particular sub-type of weft knitting, such as circular knitting would likewise have been obvious to a skilled person as it is a mere design choice or selection from among a finite number of weft-knitting techniques and one that was known for decades

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Nike '011 Patent Claims	Osamu
	before the March 2004 filing of the '011 Patent. For example, Whiting dates to 1953 and describes a method for producing knitted shoe uppers of shrinkable yarn, including knitting the sock-like structure that forms the upper on "flat or circular knitting machines." (Whiting, 2:39-56) As another example, McDonald dates to 1943 and describes a method of making shoes including use of a "conventional type of circular knitting machine" to form a "weft knit fabric" used to make the upper of a shoe. (McDonald, p. 1 at 2:26-39)
15. The article of footwear recited in claim 1, wherein the weft-knitted textile element is created by flat knitting.	As discussed above for claim 1, the use of a weft-knitted textile element instead of the woven textile element of Osamu would have been obvious. The use of a particular sub-type of weft knitting, such as flat knitting would likewise have been obvious to a skilled person as it is a mere design choice or selection from among a finite number of weft-knitting techniques and one that was known for decades before the March 2004 filing of the '011 Patent. For example, Whiting dates to 1953 and describes a method for producing knitted shoe uppers of shrinkable yarn, including knitting the sock-like structure that forms the upper on "flat or circular knitting machines." (Whiting, 2:39-56)
16. An article of footwear comprising:	Title; paragraphs [0001], [0007] [0001]: "[Field of the Invention] The present invention relates to uppers material for shoes and more particularly that for sport shoes. In particular, the shoe uppers material of the present invention is uppers material comprising one sheet of woven fabric."

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Nike '011 Patent Claims	Osamu
an upper incorporating a weft-knitted textile element, the textile element having a first area and a second area with a unitary construction,	Figs. 1, 3; claim 1; paragraphs [0005], [0007], [0009]-[0012] claim 1: "Uppers material for shoes configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures and/or patterns." part of [0005]: "The present invention is uppers material configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures, designs and/or patterns." part of [0007]: "Figure 1 shows an embodiment of uppers material for shoes according to the present invention. The uppers material for shoes is configured of one sheet of cloth wherein, the main uppers material 2 for the shoe of one foot are woven on elongated foundation cloth 1, all the outlines thereof are connected, and within those outlines at each appropriate location 21 through 26 are many kinds of weave structures, designs and patterns. The weave structure is a comparatively heavy Jacquard weave, the weave structure being changed for each part corresponding to each location on the shoe or being woven in a pattern that changes the design/pattern." [0009], [0010]: "Figure 3 shows the main uppers 2 after cutting. Overall they make one sheet of woven fabric and each pattern element 10 through 18 therein is formed

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Nike '011 Patent Claims	Osamu
	of a different weave structure and/or different pattern. For each shoe location, the appropriate weave structure is used. For example, toe cap tip 10 is formed of a weave structure of high yarn count and density, and upper surface 11 is formed of a weave structure with high breathability. Furthermore, by using a weaving yarn materials such as those with nylon fiber blended in and cutting the outline lines by thermal cutting, the cut edges melt and will not fray. The main uppers 2, configured in this way, become 3-dimensional shoe uppers by stitching together the parts for joining by stitching 19 at the rear-most part of those main uppers." [0012]: "In this connection, the shape of main uppers 2 enables various types of computer-generated designs and patterns to be used, and by designating patterns or other software to weaving machines, this can be applied both to small lot production and to mass production." Osamu describes a woven textile element, rather than a weft-knitted textile element. However, the use of a weft-knitted textile element would have been obvious to the skilled person. Woven and knitted textiles are both suitable for use in uppers and known by the skilled person to be interchangeable. Selection of one versus the other is an obvious design choice. Nishida, for example, recognizes the interchangeability of woven and knitted textiles for use in uppers, repeatedly referring to "woven and/or knitted" fabrics when describing the textile element and configurations in his patent. (Nishida, 1:61-62; 1:67-68; 2:42-45; 3:6-10; 3:45-52; 3;66-68; 5:63-6:2;

Nike '011 Patent Claims	Osamu
	6:23-25) Osamu itself recognized that the use of a knitted versus a woven textile in the upper was interchangeable and a matter of design choice. Osamu, in describing the prior art in paragraph [0002], states "For example, when using woven fabric and/or knitted fabric as uppers materials for shoes, as shown in Figure 2, the material is made into many parts, such as the tip part A, upper surface part B, edge part C, side surface parts D, E, and F, ankle edge part G, heel parts H and I, and the material and shape of each is selected according to the function of that location. Parts of many types are provided, such as woven fabrics and/or knitted fabrics of various surface structure and design (A, B, I), …" The '011 Patent also describes in the section entitled "Description of Background Art" that textile materials for uppers can be formed by mechanical manipulation of yarns, including weaving and knitting. ('011 Patent, 2:4-46) The '011 Patent makes no suggestion that knitted fabrics are somehow preferable to woven fabrics. In describing its invention, the '011 Patent describes that textile element 40 can be made using any number of processes that mechanically manipulate the yarns ('011 Patent, 6:51-65): "Textile element 40 is primarily formed from one or more yarns that are mechanically-manipulated through either an interweaving, intertwining and twisting, or interlooping process, for example. As discussed in the Background of the Invention section above, interweaving is the intersection of two yarns that cross and interweave at

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Nike '011 Patent Claims	Osamu
	right angles to each other. The yarns utilized in interweaving are conventionally referred to as warp and weft. Intertwining and twisting encompasses procedures such as braiding and knotting where yarns intertwine with each other to form a textile. Interlooping involves the formation of a plurality of columns of intermeshed loops, with knitting being the most common method of interlooping. Textile element 40 may, therefore, be formed from one of these processes for manufacturing a textile." While some in the past may have suggested that woven fabrics are less elastic or less breathable than knitted fabrics, this was not the case in March 2004. The ability to interweave elastic threads, loose weaving techniques, use of specially treated fibers, and selecting yarn with greater elasticity were known by March 2004 to be useful to address any such perceived concern. For example, Curley explains that either knitted fabrics or woven fabrics may be used for the textile layers of the three-layer upper Curley describes, Curley explains that focusing on yarn elasticity properties when utilizing woven fabrics compensates for lower stretch or elasticity that woven fabrics generally possess when compared with knitted fabrics. The selection of a weft-knitted fabric instead of a woven fabric to form the textile element would have been obvious to the skilled person, as the '011 Patent and the prior art references show. Specifically, with respect to weft knitting, several prior art references disclose weft knitting for use in

Nike '011 Patent Claims	Osamu
	making shoe uppers. Nishida discloses forming the upper with a "conventional textile process … by weaving and/or knitting …" (Nishida, 3:6-12) At the time Nishida was filed in the U.S. (June 17, 1992) the skilled person would have known and understood that "conventional" knitting processes include both warp knitting and weft knitting (and further including both circular and flat knitting), since these knitting processes existed for many decades before 1992 and had been used in the making of shoe uppers for many decades as well. Glidden describes an upper that is"fabricated as an integral, shaped, sock-like article although in some cases the insole portion may be omitted if that is desired." (p. 1, 2:45-48) The skilled person would know from Glidden's description of fabricating the upper as a shaped, "sock-like" article, as well as the knit patterns in the drawings (Figs. 1, 6, 8), that Glidden is describing and showing a weft-knitted textile element. As another example, McDonald dates to 1943 and describes a method of making shoes including use of a "conventional type of circular knitting machine" to form a "weft knit fabric" used to make the upper of a shoe. (McDonald, p. 1 at 2:26-39) As another example, Whiting dates to 1953 and describes a method for producing knitted shoe uppers of shrinkable yarn, including knitting the sock-like structure that forms the upper on "flat or circular knitting machines." (Whiting, 2:39-56) As another example, Curley, published in April 1990, describes shoes made with knitted layers in the upper, including both warp and weft knitting. (Curley, p. 7,

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	line 32 – p. 8, line 25)
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 properties to the textile element; and	claim 1: "Uppers material for shoes configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures and/or patterns." part of [0005]: "The present invention is uppers material configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures, designs and/or patterns." part of [0007]: "Figure 1 shows an embodiment of uppers material for shoes according to the present invention. The uppers material for shoes is configured of one sheet of cloth wherein, the main uppers material 2 for the shoe of one foot are woven on elongated foundation cloth 1, all the outlines thereof are connected, and within those outlines at each appropriate location 21 through 26 are many kinds of weave structures, designs and patterns. The weave structure is a comparatively heavy Jacquard weave, the weave structure being changed for each part corresponding to each location on the shoe or being woven in a pattern that changes the design/pattern." [0009]: "Figure 3 shows the main uppers 2 after cutting. Overall they make one sheet of woven fabric and each pattern element 10 through 18 therein is formed of a different weave structure and/or different pattern.

Nike '011 Patent Claims	Osamu
	For each shoe location, the appropriate weave structure is used. For example, toe cap tip 10 is formed of a weave structure of high yarn count and density, and upper surface 11 is formed of a weave structure with high breathability. Furthermore, by using a weaving yarn materials such as those with nylon fiber blended in and cutting the outline lines by thermal cutting, the cut edges melt and will not fray." The '011 Patent describes varying the "stitch type" as a way to vary the type of texture in different areas, and as separate from varying the type of yarn. ('011 Patent, 9:46-49, 9:65-10:3) Osamu specifically describes varying the weave structure or pattern, and the skilled person would know and understand that using different stitch configurations is one way to vary the weave structure or pattern. Osamu describes this to give the textile element different properties in different areas. Even if Osamu did not describe using different stitch configurations in different areas to vary the properties of the textile element in those areas, it was well known to skilled persons in the art to do so and it was taught in the prior art. It would have been obvious to vary stitch configurations as one of many ways to impart different properties to two different areas or t vary the structure or pattern, and it would have been a simple matter of design choice to do so. For example, Glidden describes varying the properties in the toe and heel area of a knitted upper, such "as by changing the type of stitch or amount of thickness in the yarn in the knitting." (Glidden, p. 1, 2:33-44) In another example, McDonald describes knitting an ankle/heel portion, instep, and sole of a knitted upper with "a plain or jersey stitch" in contrast to another

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Nike '011 Patent Claims	Osamu
	area of the upper made with a ribbed knit. (McDonald, p. 1, 2:26-49; Fig. 1) Nishida also describes using different materials, different compositions (such as twisted or parallel processing or the like), and different knit types or knit patterns, therefore describing for the skilled person using different stitch configurations in different areas. Nishida describes this to give the textile element different properties in different areas. (Nishida, 3:15-26, 3:43-52, 5:41-45)
a sole structure secured to the upper.	paragraphs [0001], [0007], [0013], [0015] Osamu describes that the uppers of his invention are for use with athletic or sports shoes. The skilled person knows athletic shoes have a sole secured to the upper.
17. The article of footwear recited in claim 16, wherein the first stitch configuration provides a substantially smooth texture to the first area, and the second stitch configuration provides a texture to the second area that is rougher than the smooth texture.	Glidden describes a first stitch configuration with a substantially smooth texture for the first area (Glidden, p. 1, 2:35-41, where the toe and heel portions may be more densely fabricated to provide heavier weight and less extensibility) and a second stitch configuration in a second area that is rougher than the smooth texture (Glidden, p. 1, 2:41-44, where the ankle portion is made so as to provide softness and elasticity, such as a ribbed construction). In addition, McDonald describes a circular-knitted upper with a first stitch configuration for an ankle/heel, instep, and sole areas of the upper with a substantially smooth texture and a second stitch configuration for a different area that has a rougher, ribbed texture. (McDonald, p. 1, 2:26-49; Fig. 1) It would have been obvious to combine Osamu with Glidden or McDonald to vary the stitch configurations to provide one area with a

Nike '011 Patent Claims	Osamu
	substantially smooth texture and one are with a rougher or ribbed texture as a simple design choice, for aesthetics, because a ribbed texture may allow for more extensibility or stretchability, or because one may want a smoother interior layer adjacent the foot, for example.
18. The article of footwear recited in claim 17, wherein the second stitch configuration forms a rib structure in the second area.	As explained for claim 17, the second stitch configuration for the second area that forms the rougher texture is ribbed in both Glidden and McDonald, and it would have been obvious to modify Nishida for the same reasons as explained for claim 17.
19. The article of footwear recited in claim 16, wherein at least one of the first stitch configuration and the second stitch configuration forms an aperture in the weft-knitted textile element.	[0009]: "Figure 3 shows the main uppers 2 after cutting. Overall they make one sheet of woven fabric and each pattern element 10 through 18 therein is formed of a different weave structure and/or different pattern. For each shoe location, the appropriate weave structure is used. For example, toe cap tip 10 is formed of a weave structure of high yarn count and density, and upper surface 11 is formed of a weave structure with high breathability. Furthermore, by using a weaving yarn materials such as those with nylon fiber blended in and cutting the outline lines by thermal cutting, the cut edges melt and will not fray." The '011 Patent describes that "apertures" are formed by omitting stitches to provide air permeability in the knitted textile element. ('011 Patent, 9:57-62) The weave structure with high breathability for upper surface 11 described by Osamu necessarily has apertures.
20. The article of footwear recited in claim 16, wherein the weft-	Claim 20 adds the same limitation to independent claim 16 as claim 7 added to independent claim 1.

Nike '011 Patent Claims	Osamu
knitted textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper.	Osamu describes the additional limitations of claim 20 – see discussion for claim 7 in chart.
21. The article of footwear recited in claim 16, wherein the upper includes an exterior layer, an intermediate layer, and an interior layer, and the weft-knitted textile element forms at least a portion of the interior layer.	Claim 21 adds the same limitation to independent claim 16 as claim 8 added to independent claim 1. Osamu describes the additional limitations of claim 21 or they are obvious in view of Curley or Shiomura – see discussion for claim 8 in chart.
22. The article of footwear recited in claim 16, wherein the textile layer forms at least a portion of both the interior surface and an exterior surface of the upper.	Claim 22 adds the same limitation to independent claim 16 as claim 9 added to independent claim 1, except that claim 22 recites "the textile "layer" instead of "textile element." I have assumed this is a typographical error because claim 16 does not otherwise identify a "textile layer" and have treated this limitation as if it recited "textile element" as in claim 9. Osamu describes the additional limitations of claim 22 – see discussion for claim 9 in chart.
23. The article of footwear recited in claim 16, wherein the weft-knitted textile element forms an interior surface of the upper.	Claim 23 adds the same limitation to independent claim 16 as claim 13 added to independent claim 1. Osamu describes the additional limitations of claim 23 – see discussion for claim 13 in chart.
24. An article of footwear comprising:	Title; paragraphs [0001], [0007]

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Nike '011 Patent Claims	Osamu
	[0001]: "[Field of the Invention] The present invention relates to uppers material for shoes and more particularly that for sport shoes. In particular, the shoe uppers material of the present invention is uppers material comprising one sheet of woven fabric."
an upper incorporating a textile element having edges that are joined together to form seams and define at least a portion of a void for receiving a foot,	Figs. 1, 3; paragraphs [0007], [0009], [0010] part of [0007]: "Figure 1 shows an embodiment of uppers material for shoes according to the present invention. The uppers material for shoes is configured of one sheet of cloth wherein, the main uppers material 2 for the shoe of one foot are woven on elongated foundation cloth 1, all the outlines thereof are connected, and within those outlines at each appropriate location 21 through 26 are many kinds of weave structures, designs and patterns." [0009], [0010]: "Figure 3 shows the main uppers 2 after cutting. Overall they make one sheet of woven fabric and each pattern element 10 through 18 therein is formed of a different weave structure and/or different pattern. For each shoe location, the appropriate weave structure is used. For example, toe cap tip 10 is formed of a weave structure of high yarn count and density, and upper surface 11 is formed of a weave structure with high breathability. Furthermore, by using a weaving yarn materials such as those with nylon fiber blended in and cutting the outline lines by thermal cutting, the cut edges melt and will not fray. The main uppers 2, configured in this way, become 3-dimensional shoe uppers by stitching together the

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Nike '011 Patent Claims	Osamu
	parts for joining by stitching 19 at the rear-most part of those main uppers."
the seams including a first seam and a second seam, the first seam extending from a heel area to a forefoot area of the footwear along a lower surface of the upper, and the second seam extending vertically in the heel area,	0010 Figs. 1, 3; paragraph [0007], [0010] part of [0007]: "On foundation cloth 1, all of the main uppers material 2 for the shoe of one foot are woven, and continuous thereto middle sheet 3 and, and separated a little therefrom, shoe tongue flap shaped cover 4, are woven in. Middle sheet 3 is a sole-shape divided in half, roughly diagonally, formed continuous with the edge of the outline of main uppers material 2, to the right and left thereof. Middle sheet 3, formed divided, will become the shape of the sole by being 3-dimensionally folded in and stitched together when main uppers material 2 is formed 3-dimensionally on the shoe mold." [0010]: "The main uppers 2, configured in this way, become 3-dimensional shoe uppers by stitching together the parts for joining by stitching 19 at the rear-most part of those main uppers."
wherein the textile element incorporates a single type of textile having a plurality of knit constructions; and	claim 1: "Uppers material for shoes configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures and/or patterns." part of [0005]: "The present invention is uppers material configured

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Nike '011 Patent Claims	Osamu
	of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures, designs and/or patterns." part of [0007]: "The uppers material for shoes is configured of one sheet of cloth wherein, the main uppers material 2 for the shoe of one foot are woven on elongated foundation cloth 1, all the outlines thereof are connected, and within those outlines at each appropriate location 21 through 26 are many kinds of weave structures, designs and patterns. The weave structure is a comparatively heavy Jacquard weave, the weave structure being changed for each part corresponding to each location on the shoe or being woven in a pattern that changes the design/pattern." [0009]: "Figure 3 shows the main uppers 2 after cutting. Overall they make one sheet of woven fabric and each pattern element 10 through 18 therein is formed of a different weave structure and/or different pattern. For each shoe location, the appropriate weave structure is used. For example, toe cap tip 10 is formed of a weave structure of high yarn count and density, and upper surface 11 is formed of a weave structure with high breathability. Furthermore, by using a weaving yarn materials such as those with nylon fiber blended in and cutting the outline lines by thermal cutting, the cut edges melt and will not fray." [0012]: "In this connection, the shape of main uppers 2 enables various types of computer-generated designs and patterns to be used, and by designating patterns or

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Nike '011 Patent Claims	Osamu
	other software to weaving machines, this can be applied both to small lot production and to mass production." Osamu describes a woven textile element with a plurality of weave structures, rather than a knitted textile element with a plurality of knit constructions. However, the use of a knitted textile element, including weft-knitted and warp-knitted elements, would have been obvious to the skilled person. Woven and knitted textiles are both suitable for use in uppers and known by the skilled person to be interchangeable. Selection of one versus the other is an obvious design choice. Nishida, for example, recognizes the interchangeability of woven and knitted textiles for use in uppers, repeatedly referring to "woven and/or knitted" fabrics when describing the textile element and configurations in his patent. (Nishida, 1:61-62; 1:67-68; 2:42-45; 3:6-10; 3:45-52; 3;66-68; 5:63-6:2; 6:23-25) Osamu itself recognized that the use of a knitted versus a woven textile in the upper was interchangeable and a matter of design choice. Osamu, in describing the prior art in paragraph [0002], states "For example, when using woven fabric and/or knitted fabric as uppers materials for shoes, as shown in Figure 2, the material is made into many parts, such as the tip part A, upper surface part B, edge part C, side surface parts D, E, and F, ankle edge part G, heel parts H and I, and the material and shape of each is selected according to the function of that location. Parts of many types are provided, such as woven fabrics and/or knitted fabrics of various surface structure and design (A, B, I), …" The '011 Patent also describes in the section entitled

Nike '011 Patent Claims	Osamu
	"Description of Background Art" that textile materials for uppers can be formed by mechanical manipulation of yarns, including weaving and knitting. ('011 Patent, 2:4-46) The '011 Patent makes no suggestion that knitted fabrics are somehow preferable to woven fabrics. In describing its invention, the '011 Patent describes that textile element 40 can be made using any number of processes that mechanically manipulate the yarns ('011 Patent, 6:51-65): "Textile element 40 is primarily formed from one or more yarns that are mechanically-manipulated through either an interweaving, intertwining and twisting, or interlooping process, for example. As discussed in the Background of the Invention section above, interweaving is the intersection of two yarns that cross and interweave at right angles to each other. The yarns utilized in interweaving are conventionally referred to as warp and weft. Intertwining and twisting encompasses procedures such as braiding and knotting where yarns intertwine with each other to form a textile. Interlooping involves the formation of a plurality of columns of intermeshed loops, with knitting being the most common method of interlooping. Textile element 40 may, therefore, be formed from one of these processes for manufacturing a textile." While some in the past may have suggested that woven fabrics are less elastic or less breathable than knitted fabrics, this was not the case in March 2004.

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Nike '011 Patent Claims	Osamu
	The ability to interweave elastic threads, loose weaving techniques, use of specially treated fibers, and selecting yarn with greater elasticity were known by March 2004 to be useful to address any such perceived concern. For example, Curley explains that either knitted fabrics or woven fabrics may be used for the textile layers of the three-layer upper Curley describes, Curley explains that focusing on yarn elasticity properties when utilizing woven fabrics compensates for lower stretch or elasticity that woven fabrics generally possess when compared with knitted fabrics. The selection of a weft-knitted fabric instead of a woven fabric to form the textile element would have been obvious to the skilled person, as the '011 Patent and the prior art references show. Specifically, with respect to weft knitting, several prior art references disclose weft knitting for use in making shoe uppers. Nishida discloses forming the upper with a "conventional textile process … by weaving and/or knitting …" (Nishida, 3:6-12) At the time Nishida was filed in the U.S. (June 17, 1992) the skilled person would have known and understood that "conventional" knitting processes include both warp knitting and weft knitting (and further including both circular and flat knitting), since these knitting processes existed for many decades before 1992 and had been used in the making of shoe uppers for many decades as well. Glidden describes an upper that is"fabricated as an integral, shaped, sock-like article although in some cases the insole portion may be omitted if that is desired." (p. 1, 2:45-48) The skilled person would know from Glidden's description of fabricating the

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Nike '011 Patent Claims	Osamu
	upper as a shaped, "sock-like" article, as well as the knit patterns in the drawings (Figs. 1, 6, 8), that Glidden is describing and showing a weft-knitted textile element. As another example, McDonald dates to 1943 and describes a method of making shoes including use of a "conventional type of circular knitting machine" to form a "weft knit fabric" used to make the upper of a shoe. (McDonald, p. 1 at 2:26-39) As another example, Whiting dates to 1953 and describes a method for producing knitted shoe uppers of shrinkable yarn, including knitting the sock-like structure that forms the upper on "flat or circular knitting machines." (Whiting, 2:39-56) As another example, Curley, published in April 1990, describes shoes made with knitted layers in the upper, including both warp and weft knitting. (Curley, p. 7, line 32 – p. 8, line 25)
a sole structure secured to the upper.	paragraphs [0001], [0007], [0013], [0015] Osamu describes that the uppers of his invention are for use with athletic or sports shoes. The skilled person knows athletic shoes have a sole secured to the upper.
25. The article of footwear recited in claim 24, wherein the footwear includes a third seam extending through the forefoot area of the upper.	Fig. 1 When cut out and formed into a 3-dimensional upper, edges of middle sheet 3 that forms the insole must be joined to edges of part 21 in the forefoot area of the upper to complete the upper and will form a seam where joined.
26. The article of footwear recited in claim 24, wherein at least one	[0009]: "Figure 3 shows the main uppers 2 after cutting.

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Nike '011 Patent Claims	Osamu
of the knit constructions forms an aperture in the textile element.	Overall they make one sheet of woven fabric and each pattern element 10 through 18 therein is formed of a different weave structure and/or different pattern. For each shoe location, the appropriate weave structure is used. For example, toe cap tip 10 is formed of a weave structure of high yarn count and density, and upper surface 11 is formed of a weave structure with high breathability. Furthermore, by using a weaving yarn materials such as those with nylon fiber blended in and cutting the outline lines by thermal cutting, the cut edges melt and will not fray." The '011 Patent describes that "apertures" are formed by omitting stitches to provide air permeability in the knitted textile element. ('011 Patent, 9:57-62) The weave structure with high breathability for upper surface 11 described by Osamu necessarily has apertures.
27. The article of footwear recited in claim 24, wherein the knit constructions produce varying properties in the textile element including a varying elasticity of the textile element.	[0008]: "For weaving yarn, material is selected that is outstanding in terms of wear resistance, weather resistance, elasticity, and flexibility. By 'punch-out' cutting of main uppers 2, middle sheet 3, and tongue flap shaped cover 4, parts are made in the least number possible." [0009]: "Figure 3 shows the main uppers 2 after cutting. Overall they make one sheet of woven fabric and each pattern element 10 through 18 therein is formed of a different weave structure and/or different pattern. For each shoe location, the appropriate weave structure is used. For example, toe cap tip 10 is formed of a weave structure of high yarn count and density, and upper surface 11 is formed of a weave structure with high breathability. Furthermore, by

Nike '011 Patent Claims	Osamu
	using a weaving yarn materials such as those with nylon fiber blended in and cutting the outline lines by thermal cutting, the cut edges melt and will not fray."
28. The article of footwear recited in claim 24, wherein the knit constructions produce varying properties in the textile element including a varying air permeability of the textile element.	[0009]: "Figure 3 shows the main uppers 2 after cutting. Overall they make one sheet of woven fabric and each pattern element 10 through 18 therein is formed of a different weave structure and/or different pattern. For each shoe location, the appropriate weave structure is used. For example, toe cap tip 10 is formed of a weave structure of high yarn count and density, and upper surface 11 is formed of a weave structure with high breathability. Furthermore, by using a weaving yarn materials such as those with nylon fiber blended in and cutting the outline lines by thermal cutting, the cut edges melt and will not fray."
29. The article of footwear recited in claim 24, wherein the textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper.	Claim 29 adds the same limitation to independent claim 24 as claim 7 added to independent claim 1. Osamu describes the additional limitations of claim 29 – see discussion for claim 7 in chart.
30. The article of footwear recited in claim 24, wherein the textile element forms at least a portion of both an interior surface and an exterior surface of the upper.	Claim 30 adds the same limitation to independent claim 16 as claim 9 added to independent claim 1. Osamu describes the additional limitations of claim 30 – see discussion for claim 9 in chart.
31. The article of footwear recited in claim 24, wherein the textile element forms an interior	Claim 31 adds the same limitation to independent claim 24 as claim 13 added to independent claim 1 – the textile element forming an interior surface of the

Nike '011 Patent Claims	Osamu
surface of the footwear, and at least one additional layer forms an exterior surface of the footwear.	footwear (or upper). Osamu describes this additional limitation of claim 31 – see discussion for claim 13 in chart. Claim 31 also recites an additional limitation – "at least one additional layer forms an exterior surface of the footwear." Osamu discloses this additional limitation. [0006]: "Furthermore, the present invention forms the uppers material on one sheet of Jacquard weave cloth, and on top of them other elements can be sewn on, water-proofing material can be applied, decorative elements can be sewn on, and of course water-proofing can be done as a secondary production step."
32. The article of footwear recited in claim 24, wherein at least a portion of the textile element has a weft knitted construction.	As discussed for claim 24, it would have been obvious to use a weft-knitted textile element instead of the woven textile element of Osamu. McDonald, Whiting, Curley, Nishida, and Glidden describe weft knitting – see discussion for claim 24 of chart.
33. The article of footwear recited in claim 32, wherein the weft knitted construction is produced by one of circular knitting and flat knitting.	McDonald and Whiting describe circular or flat knitting or both – see discussion for claim 24 of chart.
34. The article of footwear recited in claim 24, wherein the textile element has a warp	As discussed for claim 24, it would have been obvious to use a warp-knitted textile element instead of the woven textile element of Osamu.

Nike '011 Patent Claims	Osamu
knitted construction.	Curley, Shiomura, and Nishida describe warp knitting – see discussion for claim 24 of chart. Shiomura describes use tricot knitting machines, Raschel knitting machines, or double Raschel knitting machines, all types of warp knitting, to make the knitted textile elements of its shoe. (Shiomura, 3:4-43)
35. The article of footwear recited in claim 34, wherein the warp knitted construction is produced by a jacquard double needle-bar raschel.	It would be obvious to the skilled person making a warp knitted textile element to choose from among available machines that use warp knitting. It is a simple design choice from among available possible machines. Shiomura describes using a double needle bar raschel knitting machine to make the knitted textile element of its shoe. (Shiomura, 3:4-43; Fig. 5) The '011 Patent describes that a "double needle-bar raschel ([machine] further includes jacquard double needle-bar raschel)." ('011 Patent, 7:4-5) Osamu describes using a jacquard weave (paragraph [0005]) rather than a jacquard knit. It would have been obvious to the skilled person to use a jacquard double needle-bar raschel machine as described in Shiomura based on Osamu's disclosure of making the woven uppers in such a way that allows "various types of computer-generated designs and patterns to be used, and by designating patterns or other software to weaving machines … for small lot production and to mass production" and using "a computer connected to a weaving machine." (paragraphs [0012], [0014]) The type of machine is a simple design choice and the skilled person would have a finite number of types of knitting machines from which to select a desired knitting machine.

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Nike '011 Patent Claims	Osamu
36. An article of footwear comprising:	Title; paragraphs [0001], [0007] [0001]: "[Field of the Invention] The present invention relates to uppers material for shoes and more particularly that for sport shoes. In particular, the shoe uppers material of the present invention is uppers material comprising one sheet of woven fabric."
an upper incorporating a knitted textile element formed with a knitting machine, the textile element being removed from a textile structure that includes an outline of the textile element, and	paragraphs [0005], [0007]-[0009], [0012], [0014] part of [0007]: "The uppers material for shoes is configured of one sheet of cloth wherein, the main uppers material 2 for the shoe of one foot are woven on elongated foundation cloth 1, all the outlines thereof are connected, and within those outlines at each appropriate location 21 through 26 are many kinds of weave structures, designs and patterns." [0008]: "For weaving yarn, material is selected that is outstanding in terms of wear resistance, weather resistance, elasticity, and flexibility. By 'punch-out' cutting of main uppers 2, middle sheet 3, and tongue flap shaped cover 4, parts are made in the least number possible." [0012]: "In this connection, the shape of main uppers 2 enables various types of computer-generated designs and patterns to be used, and by designating patterns or other software to weaving machines, this can be applied both to small lot production and to mass production."

Nike '011 Patent Claims	Osamu
	Osamu describes a woven textile element with a plurality of weave structures, rather than a knitted textile element with a plurality of knit constructions. However, the use of a knitted textile element, including weft-knitted and warp-knitted elements, would have been obvious to the skilled person. Woven and knitted textiles are both suitable for use in uppers and known by the skilled person to be interchangeable. Selection of one versus the other is an obvious design choice. Nishida, for example, recognizes the interchangeability of woven and knitted textiles for use in uppers, repeatedly referring to "woven and/or knitted" fabrics when describing the textile element and configurations in his patent. (Nishida, 1:61-62; 1:67-68; 2:42-45; 3:6-10; 3:45-52; 3;66-68; 5:63-6:2; 6:23-25) Osamu itself recognized that the use of a knitted versus a woven textile in the upper was interchangeable and a matter of design choice. Osamu, in describing the prior art in paragraph [0002], states "For example, when using woven fabric and/or knitted fabric as uppers materials for shoes, as shown in Figure 2, the material is made into many parts, such as the tip part A, upper surface part B, edge part C, side surface parts D, E, and F, ankle edge part G, heel parts H and I, and the material and shape of each is selected according to the function of that location. Parts of many types are provided, such as woven fabrics and/or knitted fabrics of various surface structure and design (A, B, I), …" The '011 Patent also describes in the section entitled "Description of Background Art" that textile materials for uppers can be formed by mechanical manipulation of yarns, including weaving and

Nike '011 Patent Claims	Osamu
	knitting. ('011 Patent, 2:4-46) The '011 Patent makes no suggestion that knitted fabrics are somehow preferable to woven fabrics. In describing its invention, the '011 Patent describes that textile element 40 can be made using any number of processes that mechanically manipulate the yarns ('011 Patent, 6:51-65): "Textile element 40 is primarily formed from one or more yarns that are mechanically-manipulated through either an interweaving, intertwining and twisting, or interlooping process, for example. As discussed in the Background of the Invention section above, interweaving is the intersection of two yarns that cross and interweave at right angles to each other. The yarns utilized in interweaving are conventionally referred to as warp and weft. Intertwining and twisting encompasses procedures such as braiding and knotting where yarns intertwine with each other to form a textile. Interlooping involves the formation of a plurality of columns of intermeshed loops, with knitting being the most common method of interlooping. Textile element 40 may, therefore, be formed from one of these processes for manufacturing a textile." While some in the past may have suggested that woven fabrics are less elastic or less breathable than knitted fabrics, this was not the case in March 2004. The ability to interweave elastic threads, loose weaving techniques, use of specially treated fibers, and selecting yarn with greater elasticity were known

Nike '011 Patent Claims	Osamu
	by March 2004 to be useful to address any such perceived concern. For example, Curley explains that either knitted fabrics or woven fabrics may be used for the textile layers of the three-layer upper Curley describes, Curley explains that focusing on yarn elasticity properties when utilizing woven fabrics compensates for lower stretch or elasticity that woven fabrics generally possess when compared with knitted fabrics. The selection of a weft-knitted fabric instead of a woven fabric to form the textile element would have been obvious to the skilled person, as the '011 Patent and the prior art references show. Specifically, with respect to weft knitting, several prior art references disclose weft knitting for use in making shoe uppers. Nishida discloses forming the upper with a "conventional textile process … by weaving and/or knitting …" (Nishida, 3:6-12) At the time Nishida was filed in the U.S. (June 17, 1992) the skilled person would have known and understood that "conventional" knitting processes include both warp knitting and weft knitting (and further including both circular and flat knitting), since these knitting processes existed for many decades before 1992 and had been used in the making of shoe uppers for many decades as well. Glidden describes an upper that is"fabricated as an integral, shaped, sock-like article although in some cases the insole portion may be omitted if that is desired." (p. 1, 2:45-48) The skilled person would know from Glidden's description of fabricating the upper as a shaped, "sock-like" article, as well as the knit patterns in the drawings (Figs. 1, 6, 8), that Glidden is describing and showing a weft-knitted

Nike '011 Patent Claims	Osamu
	textile element. As another example, McDonald dates to 1943 and describes a method of making shoes including use of a "conventional type of circular knitting machine" to form a "weft knit fabric" used to make the upper of a shoe. (McDonald, p. 1 at 2:26-39) As another example, Whiting dates to 1953 and describes a method for producing knitted shoe uppers of shrinkable yarn, including knitting the sock-like structure that forms the upper on "flat or circular knitting machines." (Whiting, 2:39-56) As another example, Curley, published in April 1990, describes shoes made with knitted layers in the upper, including both warp and weft knitting. (Curley, p. 7, line 32 – p. 8, line 25)
the textile element having edges that are joined together to define at least a portion of a void for receiving a foot,	Figs. 1, 3; paragraphs [0009], [0010] [0009], [0010]: "Figure 3 shows the main uppers 2 after cutting. Overall they make one sheet of woven fabric and each pattern element 10 through 18 therein is formed of a different weave structure and/or different pattern. For each shoe location, the appropriate weave structure is used. For example, toe cap tip 10 is formed of a weave structure of high yarn count and density, and upper surface 11 is formed of a weave structure with high breathability. Furthermore, by using a weaving yarn materials such as those with nylon fiber blended in and cutting the outline lines by thermal cutting, the cut edges melt and will not fray. The main uppers 2, configured in this way, become 3-dimensional shoe uppers by stitching together the parts for joining by stitching 19 at the rear-most part

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	of those main uppers."
wherein the textile element incorporates a single type of textile having a plurality of knit constructions; and	claim 1: "Uppers material for shoes configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures and/or patterns." part of [0005]: "The present invention is uppers material configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures, designs and/or patterns." part of [0007]: "The uppers material for shoes is configured of one sheet of cloth wherein, the main uppers material 2 for the shoe of one foot are woven on elongated foundation cloth 1, all the outlines thereof are connected, and within those outlines at each appropriate location 21 through 26 are many kinds of weave structures, designs and patterns. The weave structure is a comparatively heavy Jacquard weave, the weave structure being changed for each part corresponding to each location on the shoe or being woven in a pattern that changes the design/pattern." [0009]: "Figure 3 shows the main uppers 2 after cutting. Overall they make one sheet of woven fabric and each pattern element 10 through 18 therein is formed of a different weave structure and/or different pattern. For each shoe location, the appropriate weave structure is used. For example, toe cap tip 10 is

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	formed of a weave structure of high yarn count and density, and upper surface 11 is formed of a weave structure with high breathability. Furthermore, by using a weaving yarn materials such as those with nylon fiber blended in and cutting the outline lines by thermal cutting, the cut edges melt and will not fray." [0012]: "In this connection, the shape of main uppers 2 enables various types of computer-generated designs and patterns to be used, and by designating patterns or other software to weaving machines, this can be applied both to small lot production and to mass production."
a sole structure secured to the upper.	paragraphs [0001], [0007], [0013], [0015] Osamu describes that the uppers of his invention are for use with athletic or sports shoes. The skilled person knows athletic shoes have a sole secured to the upper.
37. The article of footwear recited in claim 36, wherein the knitted textile element has a structure formed by a wide-tube circular knitting machine.	It would be obvious to the skilled person making a knitted textile element to choose from among available machines, including wide tube circular knitting machines. It is a simple design choice from among available possible machines. McDonald describes using a "conventional type of circular knitting machine" (p. 1, 2:26-30) to form a knitted textile element. The '011 Patent describes a wide tube circular knitting machine from Santoni S.p.A. of Italy that clearly existed before March 2004. ('011 Patent, 7:8-48) It would have been obvious to the skilled person to use a wide tube circular knitting machine based on

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	Osamu's disclosure of making the woven uppers in such a way that allows "various types of computer-generated designs and patterns to be used, and by designating patterns or other software to weaving machines … for small lot production and to mass production" and using "a computer connected to a weaving machine." (paragraphs [0012], [0014]) The type of machine is a simple design choice and the skilled person would have a finite number of types of knitting machines from which to select a desired knitting machine. In particular wide tube knitting machine would allow for more material to be processed and more textile elements to be made than some other machines. The skilled person would be motivated to utilize such a machine for large scale production to increase productivity and throughput.
38. The article of footwear recited in claim 36, wherein the knitted textile element has a structure formed by a jacquard double needle-bar raschel knitting machine.	Claim 38 adds an almost identical limitation to independent claim 36 as claim 35 added to independent claim 24. The additional limitation of claim 38 is obvious in view of the above art in claim 36 or Shiomura – see discussion for claim 35 in chart.
39. The article of footwear recited in claim 36, wherein the edges include a pair of first edges that are joined to form a first seam extending longitudinally along a lower region of the upper.	Claim 39 adds the same limitation to independent claim 36 as claim 3 added to independent claim 1. Osamu describes the additional limitations of claim 39 – see discussion for claim 3 in chart.
40. The article of footwear recited in claim	Claim 40 adds the same limitation to independent claim 36 as claim 4 added to independent claim 1.

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39, wherein the edges include a pair of second edges that are joined to form a second seam extending along a heel region of the upper.	Osamu describes the additional limitations of claim 40 – see discussion for claim 4 in chart.
41. The article of footwear recited in claim 40, wherein the edges include at least a pair of third edges that are joined to form a second [third?] seam extending through a forefoot area of the upper.	Claim 41 adds the same limitation to independent claim 36 as claim 6 added to independent claim 1, except that there appears to be a typographical error referring to the third edges forming a "second seam" extending through the forefoot when the "second seam" was already defined in claim 40 as extending along a heel region. I have assumed this claim limitation meant to recite that the third edges form a "third seam." Osamu describes the additional limitations of claim 41 – see discussion for claim 6 in chart.
42. The article of footwear recited in claim 36, wherein the knitted textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper.	Claim 42 adds the same limitation to independent claim 36 as claim 7 added to independent claim 1. Osamu describes the additional limitations of claim 42 – see discussion for claim 7 in chart.
43. The article of footwear recited in claim 36, wherein the knitted textile element forms an interior surface of the upper.	Claim 43 adds the same limitation to independent claim 36 as claim 13 added to independent claim 1. Osamu describes the additional limitations of claim 43 – see discussion for claim 13 in chart.
44. An article of footwear comprising:	Title; paragraphs [0001], [0007] [0001]:

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	"[Field of the Invention] The present invention relates to uppers material for shoes and more particularly that for sport shoes. In particular, the shoe uppers material of the present invention is uppers material comprising one sheet of woven fabric."
an upper incorporating a flat-knitted textile element, the flat-knitted textile element having a first area with a first unitary construction and a second area with a second unitary construction different from the first unitary construction ,	The'011 Patent repeatedly describes a textile element with a unitary construction, not multiple unitary constructions. ('011 Patent, 5:38-40; 6:41-42; 9-32-35; 11:14-18) I understand this claim element to mean that the textile element is a unitary construction that has two different areas within it that have different constructions. Figs. 1, 3; claim 1; paragraphs [0005], [0007], [0009]-[0012] claim 1: "Uppers material for shoes configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures and/or patterns." part of [0005]: "The present invention is uppers material configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures, designs and/or patterns." part of [0007]: "Figure 1 shows an embodiment of uppers material for shoes according to the present invention. The uppers material for shoes is configured of one sheet of cloth wherein, the main uppers material 2 for the shoe of one foot are woven on elongated foundation

Nike '011 Patent Claims	Osamu
	cloth 1, all the outlines thereof are connected, and within those outlines at each appropriate location 21 through 26 are many kinds of weave structures, designs and patterns. The weave structure is a comparatively heavy Jacquard weave, the weave structure being changed for each part corresponding to each location on the shoe or being woven in a pattern that changes the design/pattern." [0009], [0010]: "Figure 3 shows the main uppers 2 after cutting. Overall they make one sheet of woven fabric and each pattern element 10 through 18 therein is formed of a different weave structure and/or different pattern. For each shoe location, the appropriate weave structure is used. For example, toe cap tip 10 is formed of a weave structure of high yarn count and density, and upper surface 11 is formed of a weave structure with high breathability. Furthermore, by using a weaving yarn materials such as those with nylon fiber blended in and cutting the outline lines by thermal cutting, the cut edges melt and will not fray. The main uppers 2, configured in this way, become 3-dimensional shoe uppers by stitching together the parts for joining by stitching 19 at the rear-most part of those main uppers." [0012]: "In this connection, the shape of main uppers 2 enables various types of computer-generated designs and patterns to be used, and by designating patterns or other software to weaving machines, this can be applied both to small lot production and to mass production." Osamu describes a woven textile element, rather than

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	a flat-knitted textile element. However, the use of a flat-knitted textile element would have been obvious to the skilled person. Woven and knitted textiles are both suitable for use in uppers and known by the skilled person to be interchangeable. Selection of one versus the other, including a fat-knitted textile element, is an obvious design choice. Nishida, for example, recognizes the interchangeability of woven and knitted textiles for use in uppers, repeatedly referring to "woven and/or knitted" fabrics when describing the textile element and configurations in his patent. (Nishida, 1:61-62; 1:67-68; 2:42-45; 3:6-10; 3:45-52; 3;66-68; 5:63-6:2; 6:23-25) Osamu itself recognized that the use of a knitted versus a woven textile in the upper was interchangeable and a matter of design choice. Osamu, in describing the prior art in paragraph [0002], states "For example, when using woven fabric and/or knitted fabric as uppers materials for shoes, as shown in Figure 2, the material is made into many parts, such as the tip part A, upper surface part B, edge part C, side surface parts D, E, and F, ankle edge part G, heel parts H and I, and the material and shape of each is selected according to the function of that location. Parts of many types are provided, such as woven fabrics and/or knitted fabrics of various surface structure and design (A, B, I), …" The '011 Patent also describes in the section entitled "Description of Background Art" that textile materials for uppers can be formed by mechanical manipulation of yarns, including weaving and knitting. ('011 Patent, 2:4-46) The '011 Patent makes no suggestion that knitted fabrics are somehow preferable to woven fabrics. In describing its

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	invention, the '011 Patent describes that textile element 40 can be made using any number of processes that mechanically manipulate the yarns ('011 Patent, 6:51-65): "Textile element 40 is primarily formed from one or more yarns that are mechanically-manipulated through either an interweaving, intertwining and twisting, or interlooping process, for example. As discussed in the Background of the Invention section above, interweaving is the intersection of two yarns that cross and interweave at right angles to each other. The yarns utilized in interweaving are conventionally referred to as warp and weft. Intertwining and twisting encompasses procedures such as braiding and knotting where yarns intertwine with each other to form a textile. Interlooping involves the formation of a plurality of columns of intermeshed loops, with knitting being the most common method of interlooping. Textile element 40 may, therefore, be formed from one of these processes for manufacturing a textile." While some in the past may have suggested that woven fabrics are less elastic or less breathable than knitted fabrics, this was not the case in March 2004. The ability to interweave elastic threads, loose weaving techniques, use of specially treated fibers, and selecting yarn with greater elasticity were known by March 2004 to be useful to address any such perceived concern. For example, Curley explains that either knitted fabrics or woven fabrics may be used

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	for the textile layers of the three-layer upper Curley describes, Curley explains that focusing on yarn elasticity properties when utilizing woven fabrics compensates for lower stretch or elasticity that woven fabrics generally possess when compared with knitted fabrics. The selection of a flat-knitted fabric instead of a woven fabric to form the textile element would have been obvious to the skilled person, as the '011 Patent and the prior art references show. Specifically, with respect to flat knitting, several prior art references disclose flat knitting for use in making shoe uppers. Nishida discloses forming the upper with a "conventional textile process … by weaving and/or knitting …" (Nishida, 3:6-12) At the time Nishida was filed in the U.S. (June 17, 1992) the skilled person would have known and understood that "conventional" knitting processes include both warp knitting and weft knitting (and further including both circular and flat knitting), since these knitting processes existed for many decades before 1992 and had been used in the making of shoe uppers for many decades as well. As another example, Whiting dates to 1953 and describes a method for producing knitted shoe uppers of shrinkable yarn, including knitting the sock-like structure that forms the upper on "flat or circular knitting machines." (Whiting, 2:39-56) As another example, Curley, published in April 1990, describes shoes made with knitted layers in the upper, including both warp and weft (which includes flat) knitting. (Curley, p. 7, line 32 – p. 8, line 25)

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the first area having a first set of properties, and the second area having a second set of properties that is different from the first set of properties to impart varying characteristics to the textile element; and	claim 1: "Uppers material for shoes configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures and/or patterns." part of [0005]: "The present invention is uppers material configured of one sheet of cloth wherein all the outlines of the main uppers materials for the shoe of one foot are continuous and the interiors therein are woven in a variety of weave structures, designs and/or patterns." part of [0007]: "Figure 1 shows an embodiment of uppers material for shoes according to the present invention. The uppers material for shoes is configured of one sheet of cloth wherein, the main uppers material 2 for the shoe of one foot are woven on elongated foundation cloth 1, all the outlines thereof are connected, and within those outlines at each appropriate location 21 through 26 are many kinds of weave structures, designs and patterns. The weave structure is a comparatively heavy Jacquard weave, the weave structure being changed for each part corresponding to each location on the shoe or being woven in a pattern that changes the design/pattern." [0009]: "Figure 3 shows the main uppers 2 after cutting. Overall they make one sheet of woven fabric and each pattern element 10 through 18 therein is formed of a different weave structure and/or different pattern. For each shoe location, the appropriate weave

Nike '011 Patent Claims	Osamu
	structure is used. For example, toe cap tip 10 is formed of a weave structure of high yarn count and density, and upper surface 11 is formed of a weave structure with high breathability. Furthermore, by using a weaving yarn materials such as those with nylon fiber blended in and cutting the outline lines by thermal cutting, the cut edges melt and will not fray."
a sole structure secured to the upper.	paragraphs [0001], [0007], [0013], [0015] Osamu describes that the uppers of his invention are for use with athletic or sports shoes. The skilled person knows athletic shoes have a sole secured to the upper.
45. The article of footwear recited in claim 44, wherein the first set of properties and the second set of properties are at least one of a stitch configuration and a yarn type.	paragraphs [0007], [0009] The '011 Patent describes varying the "stitch type" as a way to vary the type of texture in different areas, and as separate from varying the type of yarn. ('011 Patent, 9:46-49, 9:65-10:3) Osamu specifically describes varying the weave structure or pattern , and the skilled person would know and understand that using different stitch configurations is one way to vary the weave structure or pattern. Osamu describes this to give the textile element different properties in different areas. Even if Osamu did not describe using different stitch configurations or different yarn types in different areas to vary the properties of the textile element in those areas, it was well known to skilled persons in the art to do so and it was taught in the prior art. It would have been obvious to vary stitch configurations or yarn types as one of many ways to impart different properties to two different areas or to vary the structure or pattern, and it would have been a simple matter of design choice to do so.

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	For example, Glidden describes varying the properties in the toe and heel area of a knitted upper, such "as by changing the type of stitch or amount of thickness in the yarn in the knitting." (Glidden, p. 1, 2:33-44) In another example, McDonald describes knitting an ankle/heel portion, instep, and sole of a knitted upper with "a plain or jersey stitch" in contrast to another area of the upper made with a ribbed knit. (McDonald, p. 1, 2:26-49; Fig. 1) Nishida also describes using different materials, different compositions (such as twisted or parallel processing or the like), and different knit types or knit patterns, therefore describing for the skilled person using different stitch configurations in different areas. Nishida describes this to give the textile element different properties in different areas. (Nishida, 3:15-26, 3:43-52, 5:41-45)
46. The article of footwear recited in claim 44, wherein the textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper.	Claim 46 adds the same limitation to independent claim 44 as claim 7 added to independent claim 1. Osamu describes the additional limitations of claim 46 – see discussion for claim 7 in chart.

92. As explained in the chart, claims 1-15 are obvious in view of Osamu alone. Claims 1-15 are also obvious in view of Osamu combined with other prior art as follows:

- Claim 1 is obvious in view of Osamu and any one of the following: McDonald, Whiting, Curley, Nishida, Glidden.

- Claims 2-7, 9-10, and 13 are obvious in view of same.

- Claim 8 is obvious in view of Osamu and one or more of the following: Curley, Shimoura, McDonald, Whiting, Nishida, Glidden.

- Claims 11-12 are obvious in view of Osamu and one or more of the following: Nishida, Glidden, Curley, Shimoura, McDonald, Whiting.

- Claim 14 is obvious in view of Osamu and any one of the following: McDonald, Whiting.

- Claim 15 is obvious in view of Osamu and Whiting.

93. Claims 16 and 19-23 are obvious in view of Osamu alone. Claims 16-23 are also obvious in view of Osamu combined with other prior art as follows:

- Claim 16 is obvious in view of Osamu and any one of the following: McDonald, Whiting, Curley, Nishida, Glidden.

- Claims 19-20, 22, and 23 are obvious in view of same.

- Claims 17-18 are obvious in view of Osamu and any one of the following: McDonald, Glidden.

- Claim 21 is obvious in view of Osamu and one or more of the following: Curley, Shiomura, McDonald, Whiting, Nishida, Glidden.

94. Claims 24-35 are obvious in view of Osamu alone. Claims 24-35 are also obvious in view of Osamu combined with other prior art as follows:

- Claim 24 is obvious in view of Osamu and any of the following: McDonald, Whiting, Curley, Nishida, Glidden.

- Claims 25-32 are obvious in view of same.

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- Claim 33 is obvious in view of Osamu and any one of the following: McDonald, Whiting.

- Claims 34-35 are obvious in view of Osamu and one or more of the following: Shiomura, Curley, Nishida, McDonald, Whiting, Glidden.

95. Claims 36-43 are obvious in view of Osamu alone. Claims 36-43 are also obvious in view of Osamu combined with other prior art as follows:

- Claim 36 is obvious in view of Osamu and any one of the following: McDonald, Whiting, Curley, Nishida, Glidden.

- Claims 39-43 are obvious in view of same.

- Claim 37 is obvious in view of Osamu and McDonald.

- Claim 38 is obvious in view of Osamu and one or more of the following: Shiomura, Curley, Nishida, McDonald, Whiting, Glidden.

96. Claims 44-46 are obvious in view of Osamu alone. Claims 44-46 are also obvious in view of Osamu combined with other prior art as follows:

- Claim 44 is obvious in view of Osamu and any of the following: Whiting, Curley, Nishida.

- Claim 46 is obvious in view of same.

- Claim 45 is obvious in view of Osamu and one or more of the following: Nishida, McDonald, Glidden, Whiting, Curley.

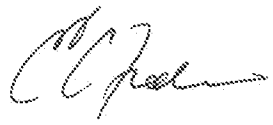
X. Conclusion

97. In signing this declaration, I recognize that the declaration will be filed as evidence in a contested case before the Patent Trial and Appeal Board of the United States Patent and Trademark Office. I also recognize that I may be

subject to cross examination in the case and that cross examination will take place within the United States. If cross examination is required of me, I will appear for cross examination within the United States during the time allotted for cross examination.

98. I reserve the right to supplement my opinions in the future to respond to any arguments raised by the owner of the '011 Patent and to take into account new information as it becomes available to me.

99. I declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code.



Dated: November 28, 2012 Edward C. Frederick, Ph.D.

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Edward C. Frederick

Objective

To contribute to the research, design and development of innovative and functional products. To consult on Product Design & Development and Advanced Product Development and Research.

Career Summary

Over thirty years experience in the sporting goods industry. Extensive experience in footwear design, development and manufacturing, expert in footwear biomechanics research and advanced product development.

Work experience

Dec. 99-present — Exeter Research, Inc. — Brentwood, NH

President

- Research and development services for the sports and fitness industries
- Consultation on new product development, advanced concepts and, biomechanics research and functional testing of new products
- Design, manufacture and sales of special test equipment and software for traction, impact shock attenuation, and shoe flexibility testing

Jun 08 -present — Footwear Science — Abingdon, Oxford, UK

Editor-in-Chief

- Responsible for the scientific quality and content of the Journal
- Official representative of the journal in external matters
- Manages the peer review process and editing of all manuscripts
- Overseas issue planning and the work of the editorial board
- Responsible for implementing and applying the Journal's editorial policies

Feb 96-Dec. 99 — **Converse, Inc.** — N. Reading, MA & Taiwan

Senior Vice-President, Research, Design and Development (97-99)

Chief Product Executive (96-97)

- Responsible for all aspects of new product research, design and development for Converse.
- Research and Development facilities in US, China, and Taiwan
- Responsible for staff of 50 people in US and 26 in Taiwan
- Creation and management of $6.5 Million budget
- Managed introduction of new Helium technology

June 87-April 97 **Exeter Research, Inc** Exeter, NH - USA

President

- Research and development services for the sports and fitness industries. New product development, advanced concepts and, biomechanics research and functional testing to a wide range of companies including: Nike, adidas, Converse, Fila, Sole Technology, Rolllerblades, Asolo, Lotto, Rossignol, Avia, Dr. Scholls, Nordica, Timberland, Inc., Wilson SG, Inc., Spenco Medical Corp., Sorbothane, Inc., Li Ning, & the US Biathlon Team.
- Design, manufacture and sales of special test equipment and software for traction, impact shock attenuation, force measurement, ski glide performance testing, and shoe flexibility testing
- Recruited, trained and managed a staff of biomechanists, industrial designers, testing engineers, and footwear developers.

Sept.86-June 87 **Penn State University** University Park, PA

Associate Professor of Locomotion Studies

- Research & graduate instruction: locomotion studies and biomechanics
- Consultant to Nike, Inc. on new technologies, research and testing.

Aug.80-Sept.86 **Nike, Inc** Exeter, NH & Beaverton, OR

Director of Research; Director of Research and Development

- Responsible for creating an advanced products research and development program at Nike. The Nike Sports Research Laboratory was established in 1980. The NSRL remains a viable part of Nike's extensive R&D efforts.
- Director of Research (1980-82). Established NSRL, responsible for recruiting and managing 12 scientists, engineers, and technicians.
- Director of Research & Development (1982-83): administrative and fiscal responsibility for the 150 plus employees and $8 million budget of all research and new product development programs at Nike. Established processes and scheduling procedures that improved R&D typical timelines from 2 years to an average of less than 9 months. Expanded R&D efforts into outdoor, cleated and court sports.
- Director of Research (1983-86). Responsible for research and development aspects of new corporate ventures, as well as advanced research on new product concepts.

Aug. 79-Aug. 80 **University of Montana** Missoula, MT

Assistant Professor of Zoology

- Major teaching responsibilities: Human Anatomy and Physiology, Comparative Anatomy, and Vertebrate Functional Morphology.
- Research on footwear biomechanics and functional morphology
- Consultant to Nike, Inc. on conceptualization, design, development and testing of new technologies, including Nike Air®.

Aug. 77-Aug 79 **University of Tennessee** Knoxville, TN

Assistant Professor of Zoology

- Major teaching responsibilities: Human Anatomy and Physiology, Comparative Anatomy, and Comparative Physiology.
- Research on footwear biomechanics and functional morphology
- Consultant to Nike, Inc. on conceptualization, design, development and testing of new technologies, including Nike Air®. (1978 on)

Jun. 76-Aug 77 **Museum of Northern Arizona** Flagstaff, AZ

Head, Publications Department; Research Biologist

- Directed production of museum publications
- Managed Staff of five producing 12 books and 2 periodicals per year
- Research on muscle design.

Aug. 73-Aug 76 **Northern Arizona University** Flagstaff, AZ

Instructor of Biology

- Courses taught: General Biology and Cell Physiology
- Research on muscle design

Special Academic Appointments

Sept. 95-present **University of Massachusetts** Amherst, MA

Adjunct Professor, Dept of Kinesiology, School of Public Health & Health Sciences

- Research collaboration, participation in advising graduate students, occasional lectures on sports biomechanics

Sept. 88 –Aug 90 **University of New Hampshire** Durham, NH

Adjunct Associate Professor, Dept of Phys. Ed., College of Health Sciences

- Research collaboration, participation in advising graduate students, occasional lectures on sports biomechanics and physiology

Education

1970 **B.A. in Zoology**, California State University at Humboldt
Areas of emphasis: general zoology and marine biology.

1973 **M.A. in Biology**, California State University at Humboldt
Areas of emphasis: neurophysiology, general physiology.

1977 **Ph.D. in Zoology**, Northern Arizona University
Areas of emphasis: vertebrate functional morphology, neural control of locomotion, locomotion biomechanics and muscle biology.

Editorships & Professional Service

1973-83 Founder, Science Editor and columnist for *Running* magazine.

1976-77 Editor *Plateau*, a natural & cultural history magazine.

1977 Editor, Journal *of the Arizona Academy of Sciences*.

1983-88 Associate Editor, Biomechanics*, Medicine & Science in Sports and Exercise*, Journal of the American College of Sports Medicine

1982-91 Technical Advisor and contributor, *American Health* magazine

1988-91 Editorial Board, *International Journal of Sports Biomechanics*,

1989-92 Editorial Board, *Cycling Science*

1989-93 Board Member, *Cycling Research Association*

1988-94 Board member, *United States Biathlon Association*,

1984-94 Sports Medicine Director, *U. S. Biathlon Association*. Coordination of medical care and all scientific services.

2008- present - Editor-in-Chief, *Footwear Science* a international, peer-reviewed journal published by Taylor & Francis.

Honors

1996 Jury, IOC Olympic Prize. *International Olympic Committee*. Member of six person international jury that chose the winner of this prestigious $250,000 prize for excellence in science applied to sport.

2000 AAKPE, elected to the American Academy of Kinesiology and Physical Education

2005-2007 elected Chairperson of the 500 member International Society of Biomechanics *Footwear Biomechanics Group*

2007 Co-Chaiperson of the *VIIIth Footwear Biomechanics Symposium*, Taipei, Taiwan

2009 – honored by the creation of the biennial, *E. C. "Ned" Frederick Young Investigator Award* of the Footwear Biomechanics Group

Additional Comments on Professional Service

In addition to service to the U.S.B.A. Sports Medicine Council and the International Olympic Committee, I was a consultant to the USOC Ski Project, and I have tested and counseled over 60 Olympic and professional athletes since 1975. This list includes a variety of track and field athletes, rowers, baseball, basketball and football players. Six have since won medals in Olympic competition and one was voted National League MVP.

My services as a reviewer have been used by: *Nature*, *Journal of the American Medical Association*, *Medicine and Science in Sports and Exercise*, *Research Quarterly*, *Journal of Biomechanics*, *International Journal of Sports Medicine, Journal of Applied Biomechanics,* Journal *of Theoretical Biology*, *Journal of Sports Science*, *Clinical Journal Of Sport Medicine, Clinical Biomechanics*, and the *Canadian Journal of Applied Sports Science*. I have reviewed abstracts for numerous scientific meetings. I have chaired sessions at the annual meetings of the American College of Sports Medicine, American Society of Biomechanics, Canadian Society of Biomechanics, International Society of Biomechanics, Commonwealth Games Conference 86 in Glasgow, several sessions for the ISB Footwear Biomechanics Group, and the IOC World Congress on Sports Science. I have been the external examiner for the doctoral dissertations of students at the University of Calgary, Canada, and Chalmers University of Technology, Göteborg, Sweden. I have been a graduate committee member for students pursuing advanced degrees at the University of Tennessee, the University of Montana, Penn State University, and The University of Massachusetts.

Since 2005 I have been invited annually to act as an External Reviewer for the Hong Kong Research Grants Council (RGC). I have reviewed Competitive Earmarked Research Grants and other RGC proposals.

Seminars, Keynote Lectures, and Papers Presented

I have had the pleasant experience of being an invited speaker at over 50 sports clinics and running camps including those associated with the Honolulu Marathon, the Phidippides Marathon in Athens, the Rotterdam Marathon, New York Marathon, Atlanta Marathon, and the Boston Marathon. Those speaking engagements are not listed in this vita because they were not formal research presentations, even though they are certainly a form of professional service. Research seminars, invited keynote lectures and papers read at meetings and special colloquia are included below.

Seminars

1976 Northern Arizona University, Department of Biological Science
"Selected physiological properties of the ankle extensor muscles of Mephitis mephitis "

1977 Museum of Northern Arizona, Department of Biology, "How animals move"

1977 University of Tennessee, Department of Zoology, "Why big animals? Being a discussion of size limits in mammals"

1979 University of Montana, Department of Zoology
"Muscle design in an endurance walker, the Striped Skunk"

1979 New England College of Osteopathic Medicine, Physiology Department "The concept of muscle design"

1979 Colorado State University, Department of Anatomy, "Muscle fiber type compartmentalization in mammals"

1979 Portland State University, Department of Biology
"Muscle design in the Striped Skunk"

1979 University of North Carolina, Charlotte, Department of Biology
"Analysis of muscle design in mammals"

1982 University of Calgary, Faculty of Physical Education
"The resolving power of oxygen uptake measurements"

1982 Johns Hopkins University, Department of Mechanical Engineering
"Running shoe biomechanics: Myth versus fact"

1983 Baldwin-Wallace College, Department of Biology, "Zoolympics"

1983 Simon Fraser University, Department of Kinesiology,
"Studying the economy of movement"

1983 University of Tennessee, Departments of Zoology and Physical Education, "Running shoe biomechanics: Myth versus fact"

1983 Oregon Museum of Science and Industry, "What a difference a shoe makes"

1984 Liverpool Polytechnic, Department of Sport & Rec. Study, "Mythology in sports biomechanics"

Seminars (CONTINUED)

1986 Pennsylvania State University, Center for Locomotion Studies
"Kinematically mediated effects on the economy of movement"

1987 University of Calgary, Biomechanics Laboratory "Biomechanical aspects of ski skating"

1992 University of Massachussetts, Department of Exercise Science, “Biomechanical Aspects of Sport Shoe Biomechanics

2002 University of Massachusetts**,** Department of Exercise Science, “Big Ideas in Biomechanics”

Keynote Lectures

1978 Atlanta, Georgia State University, AMA Symposium, "Controversies in Sports Medicine "

1978 Honolulu, AMJA Sports Medicine Symposium,
"How high, how far, how fast: Human performance potential"

1979 Boston, Symposium on Medical Care in Road Racing
"Role of environmental factors in planning medical care"

1979 Honolulu, AMJA Sports Medicine Symposium, "Heat injury in marathon running"

1979 Provo, Utah, Brigham Young University, Distinguished University Lecturer, "Human anatomical and physiological potential"

1981 New York, American Academy of Podiatric Sports Medicine
"Myth and fact in sport shoe biomechanics"

1981 Minneapolis, ACSM, Symposium on Ergogenic Aids
"Extrinsic biomechanical aids to performance"

1981 Boxborough, MA American College of Sports Medicine- New England Chapter, "Body size and biomechanical consequences"

1982 Seattle, American Society of Biomechanics
"The role of biomechanics in sports equipment design"

1982 Nanjing, Shanghai and Beijing, All-China Sports Federation Lecture Series, "Myth and fact in modern sports science" and "Using sports science to enhance performance"

1982 Boston, St. Elizabeth's Hospital Sportsmedicine Symposium
"Biomechanical aspects of running shoe design"

1982 Nijmegen, Netherlands, Symposium on Sport Shoes and Playing Surfaces,
"The effect of shoe design on shock attenuation"

1983 Boston, American Podiatric Association
"Myth and fact in sport shoe biomechanics"

Keynote Lectures (Continued)

1983 New York, John Marshall Memorial Symposium
"In search of the perfect marathon"

1983 Cleveland, Baldwin-Wallace College Special Event Lecturer
"Human running"

1983 Calgary, Symposium, Biomechanical Aspects of Sports Shoes & Playing Surfaces,
"Measuring the effects of shoes and surfaces on the economy of locomotion"

1984 Orelia, Ontario, Ontario Exercise Physiology Group
"Factors affecting the economy of movement"

1984 Brussels, Belgian Society of Kinestherapy (ABKS)
"Myth and fact in sport shoe biomechanics"

1984 Munich, Symposium- Der Schuh im Sport
"Dilemmas and Dichotomies in sport shoe design"

1984 Hanover, Dartmouth Medical School Sportsmedicine Symposium
"In pursuit of the perfect marathon: Using sport science to improve performance"

1984 Iowa City, Hawkeye Sports Medicine Symposium, "Running shoe biomechanics"

1986 Glasgow, Commonwealth & International Conference on H.P.E.R.D.
"Kinematically mediated consequences of sport shoe design"

1986 Edinburgh, Exercise-Benefits, Limits & Adaptations, symposium
"Biomechanical aspects of endurance"

1986 Burlington, VT. Univ. of Vermont, Biathlon Conference, "Using Biomechanics to Ski Faster"

1987 Calgary, Alberta. Biomechanical Aspects of Sports Surfaces, Intl. Symposium
"Performance aspects of sports surfaces"

1987 Burlington, VT. University of Vermont, Biathlon Training Conference
"Putting Technique Improvements into Perspective"

1987 Manchester, NH. Elliot Hospital, "Truth or Consequences in Sports Medicine"

1988 Anaheim CA. I.D.E.A. Convention, " Fitness Tools for CrossTraining"

1988 Calgary, Alberta, 2nd Annual Symposium on Sports Surfaces
"Citius, Altius, Fortius: Performance Enhancement through Sport Surface Design"

1988 Calgary, Alberta, 2nd Annual Symposium on Sports Surfaces
"Marketing Technical Concepts to the Sports & Fitness Community"

1988 Chicago, IRSA Fall Conference, " Integrating Safe, Effective CrossTraining Programs"

1988 Washington, DC. IDEA Convention, "Fitness Tools for CrossTraining"

Keynote Lectures (Continued)

1988 Tokyo & Osaka, Japan, NIJAC Sports Forum, "CrossTraining: Fitness tools for a better life"

1989 Aspen, Colorado, Aspen Sportsmedicine Conference,
"Fitness tools for CrossTraining" & "Sport Shoe Biomechanics for the Practitioner"

1991 Orlando Florida, American College of Sports Medicine - Annual Meeting
Guest Clinical Lecture " Biomechanical Mechanisms of Sports Injury"

1991 Orlando Florida, American College of Sports Medicine Annual Meeting
Symposium keynote: " Mechanical Constraints on Nordic Ski Performance"

1991 Chicago, IL, Sensors Expo
"Harnessing Local Pressures: A New Tool for Sports Performance Enhancement."

1992 Calgary. Alberta, International Sports Surfaces Symposium
" Biomechanical Underpinnings of Sports Surface Standards"

1992 Colorado Springs, CO USOC Sports Equipment and Technology Conference
"Measuring Nordic Ski Glide Performance" (w/ J. Healy & A. Vangura)

1993 Falun, Sweden, International Nordic Skiing Symposium, " Finding Faster Skis"

1993 Amherst, MA Intl Soc. Biomechanics in Sports Symposium, "Slipping and Sliding in Sports"

1994 Calgary, Alberta Canadian Soc. of Biomechanics Functional Footwear Symposium
" Footwear and Performance- Is there a link?"

1994 Boston, The Boston Foot Course, "Biomechanical Consequences of Sports Shoe Design"

1995 Göteborg, Sweden Chalmers University Biomechanics Seminar
" Biomechanical Demands of Court Sports"

1995 Köln, Germany ISB - Working Group on Functional Footwear Symposium on Footwear Biomechanics, " Biomechanical Requirements of Basketball Shoes"

2001 Washington, DC Prescription Footwear Association Symposium on Footwear Biomechanics, "Pedicentric Footwear Design"

2003 Queenstown, New Zealand, *Foot in Sport* conference of New Zealand Society of Podiatrists " Pedicentric Shoe Design: a Critical Dissection of Footwear R&D"

2003 Queenstown, New Zealand 6th *Symposium on Footwear Biomechanics* of the ISB-Technical Group on Footwear Biomechanics, "A Peak Down Under the Rug".

2004 Hong Kong, Chinese University Hong Kong, Workshop: Application of Science in Footwear Design, Development and Manufacture, 2004, "Application of Science in Footwear Design"

2005 Dongguan City, People's Republic of China. Workshop "Application of Biomechanics in Footwear Design".

Keynote Lectures (Continued)

2008 Stoke on Trent, UK, 6th Staffordshire Conference on Clinical Biomechanics,
" The Pedicentric Cure for What Ails the Footwear Industry"

2008 Stoke on Trent, UK, 6th Staffordshire Conference on Clinical Biomechanics,
" Biomechanics of Skateboarding "

2009 Atlanta, GA, PFOLA 2009 12th Annual International Conference on Foot Biomechanics & Orthotic Therapy, " Kinetics of Skateboarding: Footwear Considerations"

Research Papers Presented

1975 Society for Neurosciences- Arizona Chapter, "Histochemical properties of Hindlimb muscles of the striped skunk"

1976 Arizona Academy of Sciences,"Adaptations for saltation in pocket mice and kangaroo rats"

1976 American Society of Zoologists,"Histochemical properties of the primary ankle extensors of the Striped Skunk, Mephitis mephitis"

1977 American Soc. of Zoologists,"Muscle design in the ankle extensors of M. mephitis"

1980 Am College of Sports Med., "Lower oxygen cost while running in air cushion type shoes"

1980 American Society of Biomechanics, "The prediction of vertical impact force during running"

1981 Am College of Sports Medicine, "Consequences of scaling on impact loading in running"

1982 World Congress Sports Med,"The effect of shoe weight on the aerobic demands of running"

1983 American College of Sports Medicine, "Shoe design and rearfoot control in running"

1983 Symposium on Biomechanical Properties of Sport Shoes and Playing Surfaces, "The effects of shoe cushioning on the oxygen demands of running"

1983 International Society of Biomechanics, "A model of the energy cost of load carriage on the feet during running"

1984 American College of Sports Medicine, "Ventilatory contributions to shock attenuation"

1985 International Society of Biomechanics, "Rearfoot kinematics and ground reaction forces in elite caliber twin runners"

1985 New England Physiologists, "Performance Limits"

1987 International Society of Biomechanics, "Double peaks in impact force during running"

1989 International Society of Biomechanics, "Scaling of Foot Dimensions" w/ J. Robinson

1989 IOC World Congress on Sports Science, “Reliability and validity of tests of ski sliding friction”. w/ P. Hoag. (Poster)

1995 ISB - Working Group on Functional Footwear Symposium on Footwear Biomechanics, “Determining the cushioning characteristics of replacement insoles” w/ Craig Wojcieszak

1997 ISB Technical Group on Footwear Biomechanics, 3rd Symposium on Footwear Biomechanics, “A Comparison of Two Friction Measuring Methods”, w/ C Wojcieszak, P. Jiang

2003 ISB-Technical Group on Footwear Biomechanics 6th Symposium on Footwear Biomechanics, “Biomechanics of Skateboarding: Kinetics of the ‘Ollie’”. w/ J. J. Determan, S. N. Whittlesley, and J. Hamill

Research Papers Presented (Continued)

2004 CSB Symposium w/ J Determan and J. Cox." Impact Forces During Skateboarding Landings".Thirteenth Biennial Conference, Canadian Society for Biomechanics. Halifax, Nova Scotia, Canada. 2004

2006 World Congress of Biomechanics w/ J Determan, J. Cox, and M Nevitt, “Kinetics of the Skateboarding Kick Flip” Fifth World Congress of Biomechanics, Munich

2007 VIIIth Footwear Biomechanics Symposium, Taipei, Taiwan, w/ J. Determan, J. Cox, and M Nevitt, “Reporting Shear Ground Reaction Forces During Skateboard Landings” Footwear Biomechanics Group

2008 North American Congress on Biomechanics *(NACOB, Ann Arbor (USA) w/* Matthew Nevitt, Jeremy Determan, Joseph Cox & Edward Frederick. “Ground Reaction Forces in Skateboarding: The Ollie”

2009 IXth Bienniel Footwear Biomechanics Symposium, South Africa, w/ J. Determan and M Nevitt, “Measuring the Shock Attenuation Properties of Skateboarding Shoes”

2009 IXth Biennial Footwear Biomechanics Symposium, South Africa, w/ J. Determan, J. Cox, and M Nevitt, “Tibial Accelerations During Snowboarding Jump Landings: A Pilot Study”

Publications:

Books, Audio, Internet, and Video Tapes & Dissertaion

1973 Frederick, E.C. *The Running Body*, World Publications, Palo Alto, CA.-the physiology of running for lay readers.

1977 Frederick, E.C. *An Analysis of Muscle Design in the Primary Ankle Extensors of Mephitis mephitis*. Unpublished doctoral dissertation, Northern Arizona University

1984 Frederick, E.C. (Editor), *Sport Shoes and Playing Surfaces: Their Biomechanical Properties*, Human Kinetics Publishers,Champaign, IL- a collection of scholarly reviews on the biomechanics of sport shoes and surfaces.

1986 Kiesling, Stephen & E.C. Frederick, *Walk On: A Toolkit for Building Your Own Walking Fitness Program.* Rodale Press

1988 Kiesling, Stephen & E.C. Frederick, (ghost authors) *HealthWalking*, Nike & SyberVision, Newark, CA - a complete fitness system based on walking - 60 min Video, booklet, 4 audio tapes.

1988 Kiesling, Stephen & E.C. Frederick, *Nike CrossTraining System,* Nike Fitness Information, Beaverton, OR - 4 audio tapes and a 64 page book on CrossTraining

2007 Frederick, E. C. & S. W. Yang (eds) *Proceedings: VIIIth Footwear Biomechanics Symposium, Taipei 2007,* Footwear Biomechanics Group, pp 160.

2008 Ruan Mianfang & E. C. Frederick, *Li Ning Glossary of Footwear and Biomechanics Terminology: English and Chinese*. http://exeter-research.com/indexGlossary.html

Papers, Reviews, Chapters & Abstracts

Out of a fondness for teaching and new ideas, I have given my non-technical writing skills regular exercise. This has led to more than 70 articles in lay publications such as *American Health*, *Runner's World*, *Modern Athlete & Coach*, *Track Technique*, *Running, The Washington Post*, *Walking*, and so on. These articles have covered a range of subjects, but the majority have been about scientific topics related to health and fitness. The above-mentioned articles are intentionally *not* listed in this vita, because they are not strictly the product of my professional labors. I must confess, though, that this writing, along with what little teaching I have had time for, has helped me accept life without students and blackboards, one of the most difficult adjustments to working in research and administration. The publications listed below are technical, research publications. (NB: “A” following the date indicates an abstract. “CH” indicates a chapter in a book)

Research Publications:

Frederick, E.C. and G.E. Goslow, Jr. Lack of fast glycolytic fibers in the ankle extensors of the striped skunk, *Mephitis mephitis J. Histochem. Cytochem.* 24: 959-960, 1976.

Frederick, E.C., and G.E. Goslow, Jr. Histochemical properties of the primary ankle extensors of the striped skunk, *Mephitis mephitis*. *Amer. Zool*. 16: 221, 1976 A

Research Publications: (Continued)

Frederick, E.C. and D.M. Roddy. An histochemical approach to the evolution of adaptations for saltation in pocket mice and kangaroo rats. *J. Ariz. Acad. Sciences*11:163,1976A

Frederick, E.C. and J.W. Hermanson. Categories of muscle design in the ricochetal rodent, Dipodomys merriami. *Abstract Volumes of the XXVII Congres International des Sciences Physiologiques* PP.263, 1977 A

Frederick, E.C. Muscle design in the ankle extensors of *Mephitis mephitis Amer. Zool*. 17(4): 954, 1977 A

Williamson, R.G., Jr. and E. C. Frederick. A functional analysis of ankle extension in the ricochetal rodent, *Dipodomys merriami, Anatomia Histologia Embryologia* 6: 157-166, 1977.

Frederick, E. C. , H.A. Dingemans, L.D. Coss and S.D. Aird. An inquiry into the possible role of 2,3-diphosphoglycerate in the adaptation of a semi-fossorial rodent, *Dipodomys ordii* to moderate hypercapnia. *J. Ariz. Acad. Sciences* 12:9-11, 1977

van De Graaf, K.M., E. C. Frederick, R.G. Williamson and G. E. Goslow, Jr. Motor units and fiber types of the primary ankle extensors of the skunk, *Mephitis mephitis*. *J. Neurophysiology* 40(6): 1424-1431, 1977

Frederick, E. C. A statistical model of endurance in running. *Can.J.Appl.Spt Sci*. 2: 127-132, 1977

Frederick, E. C., G. E. Goslow, Jr, S. A. Rasmussen and M.A. Hamant. Correlation of histochemical and physiological properties of motor units of the striped skunk, *Mephitis mephitis*. *Experientia* 34:372-374, 1978

Frederick, E.C., E.T. Howley, S.K. Powers. Lower Oxygen cost while running in air cushion type shoe. *Med. Sci. Sports and Exercise*, 12(2): 81-82, 1980

Frederick, E.C. and T.E. Clarke. Consequences of scaling on impact loading in running *Med. Sci. Sports and Exercise*, 13(2): 96, 1981 A

Frederick, E.C., J.L. Hagy and R.A. Mann, Predicting vertical impact force in running. *J. Biomechanics* 14 (7): 498, 1981 A

Frederick, E. C. and T.E. Clarke. Body size and biomechanical consequences. In: R.C. Cantu and W.J. Gillespie (Eds.) *Sports medicine, Sports Science: Bridging the Gap.* pp. 47-57, Collamore Press, Lexington, MA 1982

Clarke, T.E., E.C. Frederick. Dynamic load displacement characteristics of various midsole materials. *J. Biomechanics* 15(4): 340, 1982 A

Clarke, T.E., E.C.Frederick and L.B. Cooper. The effects of shoe cushioning upon selected force and temporal patterns in running. *Med. Sci. Sports and Exercise* 14(2): 144, 1982 A

Frederick, E.C., J.T. Daniels, and J.W Hayes. The effect of shoe weight on the aerobic demands of running. *Int. J. Sports Medicine*. 2(2): 28, 1982 A

Frederick, E.C. The influence of biomechanics on the design of sports equipment. *Abstract volume. 6th Annual Conference American Society of Biomechanics,*pp. 37, 1982 A

Research Publications: (Continued)

Burke, E.R., H.L. Falsetti, C. Ratering, E.C.Frederick, R.Feld and H. Hamilton. Hematological variations after endurance running with regular and air soled shoes. *Med. Sci. Sports and Exercise*, 15(2): 146, 1983 A

Clarke, T.E. , E.C. Frederick and H. F. Hlavac. The effects of a soft orthotic upon rearfoot control in running. *Podiatric Sports Medicine* 1(1): 20-23, 1983

Frederick, E.C., T.E.Clarke, C.L.Hamill, Shoe design and rearfoot control in running. *Med. Sci. Sports and Exercise,* 15(2): 176, 1983 A

Ryan, A.J.,R.Brown, E.R. Burke, H. Falsetti and E.C. Frederick. Overtraining of athletes. *Physician and Sportsmedicine* 11(6):93-110, 1983

Frederick, E. C. Measuring the effects of shoes and surfaces on the economy of locomotion. In: Nigg, B.M. and B.A. Kerr (Eds.) *Biomechanical Aspects of Sport Shoes and Playing Surfaces*. The University of Calgary, pp. 93-106, 1983

Falsetti, H.L., E.R. Burke, R. Feld, E. C. Frederick and C. Ratering. Hematological variations after endurance running with hard and soft-soled running shoes. *Physician and Sportsmedicine* 11(8):118-127, 1983

Clarke, T. E. , E.C. Frederick and C.L. Hamill. The effect of shoe design upon rearfoot control in running. *Med. Sci. in Sports Exercise* 15(5): 376-381, 1983

Frederick, E. C., T. E. Clarke, J.L. Larsen and L.B. Cooper. The effects of shoe cushioning on the oxygen demands of running. In: Nigg, B.M. and B.A. Kerr (Eds.) *Biomechanical Aspects of Sport Shoes and Playing Surfaces*. The University of Calgary, Calgary, Alberta, pp. 107-114, 1983

Clarke, T.E. , E. C. Frederick and L.B. Cooper. Biomechanical measurement of running shoe cushioning properties. *ibid.* pp. 25-34, 1983

Clarke, T.E., E. C. Frederick and L.B. Cooper. The effects of shoe cushioning upon ground reaction forces in running. *Int. J. Sports Med*. 4(4):247-251, 1983

Frederick, E.C., Extrinsic biomechanical aids. In: M. Williams (Ed.), *Ergogenic Aids in Sport*, Human Kinetics Publishers, Champaign, IL, pp.323-339,1983 CH

Frederick, E. C., Physiological and ergonomics factors in running shoe design. *Applied Ergonomics* 15(4): 281-287, 1984

Frederick, E. C., J.T. Daniels and J.W. Hayes The effect of shoe weight on the aerobic demands of running. In: Bachl, N. , L. Prokop, and R. Suckert (Eds.) *Current Topics in Sports Medicine*, *Proceedings of the World Congress of Sports Medicine*. Urban and Schwarzenberg, Vienna, pp. 616-625, 1984

Clarke, T.E., E.C. Frederick, C.L. Hamill. The study of rearfoot movement in running. In: E.C. Frederick (Ed.), *Sport Shoes and Playing Surfaces*, Human Kinetics Publishers, Champaign, IL pp. 166-189, 1984 CH

Frederick, E.C., T.E. Clarke, C.L. Hamill. The effect of running shoe design on shock attenuation. In: E.C. Frederick (Ed.), *Sport Shoes and Playing Surfaces*, Human Kinetics Publishers, Champaign, IL pp. 190-198, 1984 CH

Research Publications: (Continued)

Robinson, J.R., E.C. Frederick and L.B. Cooper. Running participation and foot dimensions. *Med. Sci. Sports and Exercise* 16(2): 200, 1984 A

Frederick, E.C. Exercise metabolism. *Journal of the Amer. Medical Assoc.* 252: 556-557, 1984

Howley, E.T., L.J. Goodyear, C.L. Hamill and E.C. Frederick. The oxygen cost of downhill running. *Med. Sci. Sports and Exercise* 16(2): 174, 1984 A

Hamill, C.L., T.E. Clarke, E.C. Frederick, L.J. Goodyear and E.T. Howley. Effects of grade running on kinematics and impact force. *Med. Sci. Sports and Exercise* 16(2): 185, 1984 A

Frederick, E.C. E.T. Howley, C.L.Hamill, and L.B. Cooper. Ventilatory contributions to shock attenuation. *Med. Sci. Sports and Exercise* 16(2): 185, 1984 A

Frederick, E.C. Science at play. *Nature* 311:321-322, 1984

Valiant, G.A., T. McGuirk, T.A. McMahon and E.C. Frederick. Static friction characteristics of cleated outsole samples. *Med. Sci. Sports and Exercise* 17(2): 156, 1985 A

Frederick , E. C. The energy cost of load carriage on the feet during running. In: Winter, D.A., R. W. Norman, R. P. Wells, K. C. Hayes, and A. E. Patla (Editors), *Biomechanics IX-B* Human Kinetics Publ., Champaign, IL, pp.295-300, 1985

Frederick, E.C., Synthesis, experimentation and the biomechanics of economical movement. *Med. Sci. Sports Exercise.* 17(1): 44-47, 1985

Frederick, E. C. The Runner – Energy and Endurance – In Reply *Journal of the Amer. Medical Assoc.* 253(17): 2494, 1985

Frederick, E. C. Biomechanical consequences of sport shoe design. In: Pandolf, K. B. (Ed.),*Exercise and Sports Sciences Reviews*, Volume 14, Chapter 13, pp. 375-400, New York: Macmillan-Collamore, 1986

Frederick, E. C. Kinematically mediated effects of sport shoe design. *J Spts Sci.* 4: 169-184, 1986

Nigg, B.M., E.C. Frederick, M. Hawes & S. Luethi. Factors influencing short-term pain and injury in tennis. *Int. J. Sports Biom.* 2(3): 156-165, 1986

Luethi, S., E.C. Frederick, M. R. Hawes, and B.M. Nigg. Influence of shoe construction on lower extremity kinematics and load during lateral movements in tennis. *Int. J. Sports Biom.* 2 (3):166-174, 1986

Frederick, E.C. In search of the asymptote: projecting the limits of human performance *International Journal of Sports Biomechanics* 2:1-5, 1986.

Frederick, E.C.and J.L. Hagy. Factors influencing peak vertical ground reaction forces in running *Intern. J. Sports Biomech.* 2:41-49, 1986

Frederick, E.C., E.T. Howley, S.K. Powers. Lower oxygen cost while running in soft soled shoes. *Research Quarterly* 57: 174-177 , 1986

Research Publications: (Continued)

Robinson, J.R., E.C. Frederick and L.B. Cooper. Systematic ankle stabilization and its effect on performance. *Med. Sci. Sports Exerc*. 18(6):625-628, 1986

Frederick, E.C. Estimates of the energy cost of rifle carriage in biathlon ski skating *Intern. J. Sports Biomech*. 3 (4): 392-403, 1987

McMahon, T.A., G.A. Valiant, and E.C. Frederick. Groucho running: a dimensionless group controlling the compliance of running. *J. Appl. Physiol.* 62(6): 2326-2337, 1987

Frederick, E. C., J.R. Robinson, and C.L. Hamill. Rearfoot kinematics and ground reaction forces in elite caliber twin runners. *Biomechanics X-B* pp.809-812, 1987

Frederick, E.C. Biomechanical aspects of endurance. In: D. MacLeod, R. Maughan, M. Nimmo,T. Reilly, & C. Williams(Eds.) *Exercise - Benefits, Limits and Adaptations.* London: E. & F.N. Spon, 1987. pp 205-219 CH

Valiant, G. A., T. A. McMahon, and E.C. Frederick. A new test to evaluate the cushioning properties of athletic shoes. *Biomechanics X -B* pp. 937-941, 1987

Frederick, E.C., Anforderungen an die Konstruktion von Laufschuhen In: Segesser, B. and W. Pförringer (Eds.), *Der Schuh im Sport*, Erlangen, WG: Perimed Fachbuch-Verlagsgesellschaft, 1987 pp. 31-39 CH

Frederick, E.C. & Glenn M. Street. Nordic Ski Racing: Biomedical and Technical Improvements in Cross-Country Skiing. *Scientific American* 258(2): T20-T22, February 1988.

Frederick, E. C. Seoul Shoes: Biomechanical and Technical Developments in Running Shoes. *Scientific American* 258(9): T14 - T16, September 1988.

Frederick, E.C., The Running Shoe: Dilemmas and Dichotomies in Design. In: Segesser, B. and W. Pförringer (Eds.), *The Shoe In Sport*, Yearbook Med. Publishers, Chicago 1989 pp. 26-35 CH

Robinson, J.R., & E.C. Frederick. Scaling of foot dimensions. *J. Biomech.* 22(10):1074, 1989

Frederick, E. C. & P. Hoag. Reliability and validity of tests of ski glide performance. *Proceedings of IOC World Congress on Sports Science* 1989

Cavanagh, P.R., J. Robinson, I. McClay, T. Andriacchi, C. Edington, E. C. Frederick, E. Gross, S. Hass, M. Lake, P. Martin, T. Miller, N. Scott, G. Valiant, K. R. Williams. A Biomechanical Perspective on Stress Fractures in Professional Basketball Players. *Med. Sci. Sports and Exercise* 22(2): 1990 A

Robinson, J.R., & E.C. Frederick. Human sexual dimorphism of feet. *Amer. J. Human Biol. (*2(2): 195-196, 1990

Frederick, E.C. Scale effects in running. In: P.R.Cavanagh (Editor) *Biomechanics of Distance Running*, Human Kinetics Publ. Champaign, IL. 1990. pp. 307-320 CH

Edington, C.J., E.C. Frederick, & P.R. Cavanagh. Rearfoot motion in distance running. In: P.R.Cavanagh (Editor) *Biomechanics of Distance Running*, Human Kinetics Publ. Champaign, IL . 1990. pp. 135-164 CH

Research Publications: (Continued)

Frederick, E.C. Mechanical Constraints. In: P.O. Åstrand & R.J. Shephard (Eds.) *Sports and Endurance: The Encyclopedia of Sports Medicine.* Chapter 15. Blackwell Scientific Publications, 1991, pp. 165-170 CH

Frederick, E.C. Economy of Movement. In: P.O. Åstrand & R.J. Shephard (Eds.) *Sports and Endurance: The Encyclopedia of Sports Medicine.* Chapter 17. Blackwell Scientific Publications, 1991, pp. 181-187 CH

Frederick, E. C. and K. P. Hartner. Harnessing Local Pressures: A New Tool for Sports Performance Enhancement. In: *Proceedings: Sensors Expo* October 1-3, 1991, pp. 206A1-206A5, Peterborough, NH: Helmers Publishing, 1991

Dressendorfer, R.H., C.E. Wade, and E. C. Frederick. Effect of shoe cushioning on the development of Reticulocytosis in distance runners. *Amer. J. Sports Med.* 20(2):212-216, 1992

Frederick, E.C., Mechanical Constraints on Nordic Ski Performance. *Med. Sci. Sports Exercise.* 24(9):1010-1014, 1992

Frederick, E. C. & K. P. Hartner. The Evolution of Foot Pressure Measurement Technologies. *Sensors* 10(6):30-35 1993

Frederick, E.C., Optimal Frictional Properties for Sport Shoes and Sport Surfaces. Biomechanics in Sports XI (International Soc. of Biomech. In Sports) 11:15-22, 1993

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McClay, I. S., J. R. Robinson, T. P. Andriacci, E. C. Frederick, T. Gross, P. Martin, G. Valiant, K. R. Williams & P.R. Cavanagh. A profile of ground reaction forces in professional basketball players. *Journal of Applied Biomechanics* 10(3):222-236, 1994

Frederick, E. C. & J. A. Himmelsbach. Biomechanics of Court Sports. *Proceedings of the Ninth Biomechanics Seminar* (Edited by Christian Högfors & Gunnar Andréasson), pp. 1-19, Göteborg, Sweden, 1995

Wojcieszak, C and E. C. Frederick. Determining the Cushioning Characteristics of Replacement Insoles. In: Shorten, M., A. Knicker, G-P. Brüggemann,(Eds.): Proceedings of the Second Symposium of the ISB Working Group on Functional Footwear - Cologne, (pp 36-37) International Society of Biomechanics, 1995

Frederick, E. C. Biomechanical Requirements of Basketball Shoes. In: Shorten, M., A. Knicker, G-P. Brüggemann,(Eds.): Proceedings of the Second Symposium of the ISB Working Group on Functional Footwear - Cologne, (pp 18-19) International Society of Biomechanics, 1995

Street, G & E C Frederick. Measuring Skier Generated Forces During Roller Ski Skating *Journal of Applied Biomechanics* 11(3): 245-256, 1995

Wojcieszak, C, P. Jiang, and E C Frederick, A Comparison of Two Friction Measuring Methods. Proceedings of 3rd Symposium on Footwear Biomechanics (edited by Y Kaneko), Tokyo, 1997

Research Publications: (Continued)

Frederick, E. C., J. J. Determan, S. N. Whittlesley, and J. Hamill . Biomechanics of Skateboarding: Kinetics of the "Ollie". *Proceedings of the 6th Symposium on Footwear Biomechanics*, (edited by P. Milburn), pp. 28-29, Dunedin, New Zealand, 2003

Frederick, E. C.. A Peek Down Under the Rug. *Proceedings of the 6th Symposium on Footwear Biomechanics*, (edited by P. Milburn), pp. 26-27, Dunedin, New Zealand, 2003

Determan, J., E. C. Frederick, E.C., & Cox, J.. Impact Forces During Skateboarding Landings. In *Proceedings of the Thirteenth Biennial Conference*, Canadian Society for Biomechanics. (p. 28). Halifax, Canada. Canadian Society for Biomechanics, 2004 A

Frederick, E. C., and Craig Wojcieszak . Chapter 16, Textile use in sport shoes. In, *Textiles in Sports* (edited by R. Shishoo) (pp. 339-351)Woodhead Publishing LTD, Cambridge, UK, 2005 CH

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J. J. Determan, E. C. Frederick, J. S. Cox, and, M. N. Nevitt, Kinetics of the Skateboarding Kick Flip. *Journal of Biomechanics* 39(S1): S188, 2006A

J. J. Determan, E. C. Frederick, J. S. Cox, and, M. N. Nevitt, Kinetics of the Skateboarding Kick Flip, In, *Fifth World Congress of Biomechanics*, *Munich (Germany)* (edited by D. Liepsch), Medimond S.r.l. Bologna, Italy p. 221-224, 2006

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Matthew Nevitt, Jeremy Determan, Joseph Cox & Edward Frederick. Ground Reaction Forces in Skateboarding: The Ollie. In, *Proceedings: 2008 North American Congress on Biomechanics (NACOB*, *Ann Arbor (USA)* 2008

M. Ruan & E. C. Frederick, Glossary of Footwear and Biomechanics Terminology, English-Chinese-English, *Footwear Science*, 1(1): 47-69, 2009

J. Determan, M. Nevitt, and E. C. Frederick, Measuring the Shock Attenuation Properties of Skateboarding Shoes, in Proceedings: IXth Footwear Biomechanics Symposium, (edited by D. Stefanyshyn, J. Worobets, and G. Luo), *Footwear Science* Vol. 1 Issue S1 p 126-127, 2009

J. Determan, M. Nevitt, J. Cox and E. C. Frederick, Tibial Accelerations During Snowboarding Jump Landings: A Pilot Study, in Proceedings: IXth Footwear Biomechanics Symposium, (edited by D. Stefanyshyn, J. Worobets, and G. Luo), *Footwear Science* Vol. 1 Issue S1 p 95-96, 2009

J. J. Determan, E. C. Frederick, J. S. Cox, and, M. N. Nevitt. High Impact Forces in Skateboarding Landings Affected by Landing Outcome. *Footwear Science,* Vol 2, Issue 3 September 2010, p 159-170, 2010

Research Publications: (Continued)

E. C. Frederick, Editorial, *Footwear Science* Vol 1, Issue 1, p 1, 2009

E. C. Frederick, Editorial, *Footwear Science* Vol 1, Issue 3, p 119, 2009

E. C. Frederick, Special Issue: Enhancing performance and protection of soccer shoes, *Footwear Science* Vol 2, Issue 1, p 1, 2010

E. C. Frederick, Starting Over, *Footwear Science* Vol 3, Issue 2, p 69-70, 2011

Patents:

"Athletic shoe with heel stabilizer" US Patent No. 4354318

"Shock absorbing sole layer", US Patent No. 4535553

"Sole with V-Oriented Flex Groove" US Patent No. 4562651

"Electronic device for determining the speed, distance traversed, elapsed time and calories expended by a person while running", US Patent No. 4578769

“Shoe Insole With Bottom Pattern”, US Patent D-341023

"Finger Watch", US Patent D-498425

“Finger Watch”, US Patent D-501412

“Finger Watch”, US Patent D-501144

"Housing for electronic device wearable on user's finger", European Patent EP1462880A2

"Housing for electronic device wearable on user's finger" US Patent, US2004/190383 (application)

“Footwear with Enhanced Impact Protection” US Patent, 7,020,988

“Footwear with Enhanced Impact Protection” US Patent, 7,278,226

“一种鞋的可调节的减震装置”(“Adjustable Shock Attenuating Means for Footwear”) Chinese Patent, CN 2930368Y

“Dynamically moderated shock attenuation system for footwear” US Patent, 7,788,826

““Footwear with Enhanced Impact Protection” US Patent, 7,832,118

“Adjustable Shock Attenuating Means for Footwear and Footwear Using the Same” US Patent, 8,166,671

“Dynamically moderated shock attenuation system” US Patent, 8,276,296

Litigation Support:

Selected Experience as Expert or Consultant in Litigation or Patent Reexamination Matters

1996 or later

AlpineStars S.P.A. v. United States, No. 09-00271. I have been engaged as an expert by the Commercial Litigation Branch of the US Department of Justice in a customs dispute. I have written two expert reports and have been deposed. This case is ongoing.

Pashamova vs. New Balance Athletic Shoe, Inc. and New Balance, Inc., Case No. 11-cv-10001-NG (D. Mass.). I am currently serving as an expert in support of New Balance. I filed a preliminary expert report in 2011. (2011- ongoing)

Request for Reexamination by K-Swiss Inc. of U.S. Patent No. 7,181,866. I provided a declaration in support of K-Swiss. Concluded in 2010.

Masai Marketing & Trading AG (MBT) v. Ryn Korea Co. LTD. Provided expert support including several reports in support of MBT's infringement case. Concluded in 2009.

Hockerson-Halberstadt, Inc. and Standon, LLC v. New Balance Athletic Shoe, Inc. Serving as an expert in support of New Balance. Last active in 2009.

Cushion Technologies, LLC v. adidas America, Inc., New Balance Athletic Shoe, Inc. , et al. Served as an expert in this case for New Balance and filed two expert reports. Concluded in 2008.

H. J. Dananberg v. Payless Shoe Source, Inc. Two depositions as an expert as well as couple of reports for Payless. Case concluded in 2006.

Akeva L.L.C. v. New Balance Athletic Shoes, Inc. Retained as an expert by New Balance. Case concluded in 2004.

Sole Technology v. Pegasus. Filed Expert Report in Sydney, Australia for Sole Technology. 2002.

adidas v. Minor. Testified in arbitration hearing in Geneva, Switzerland in November 1996 on behalf of adidas. 1995-97.

Prior to 1996 (underlining indicates party I worked with)

Purpora v. Brown Univ./Mondo: Report and Deposition

Sherkin v. Avia/Reebok. Two Expert Reports

Kalotkin v Nike slip and fall (S&F) case in Boston as expert for Nike. Expert Report, Deposition, Testimony at trial

Danielson v. Puma in Albuquerque, NM as expert for Puma. Expert Report, Deposition and Testimony at trial. Personal Injury case (PI)

Mehl v. Monsanto/Converse. I was deposed as an expert for the plaintiff and wrote two reports. (PI)

Cipolloni v. adidas. I was deposed as an expert for adidas and wrote a couple of reports,1993. (PI)

Cicci/Gaudreau v. Hyde. Expert Report (IP)

Helbig v. Nike. Expert Report (PI, S&F)

Pollack v. Pony. Expert Report. (cleat design)

Amato v. Dr Scholl. Expert Report. (PI, S&F)

Silber v. Famolare. Expert Report (PI, S&F)

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

adidas AG,
Petitioner

v.

NIKE, Inc.
Patent Owner

Patent No. 7,347,011

Inter Partes Review No. 2013-00067

SUBMISSION OF PATENT OWNER'S TRIAL HEARING DEMONSTRATIVE EXHIBITS

Pursuant to the January 13, 2014, Order (paper no. 50) granting a trial hearing in this IPR, which hearing is scheduled for February 10, 2014, beginning at 2:00 p.m. EDT, Patent Owner NIKE, Inc. hereby submits its demonstrative exhibits for use at the hearing. These submitted demonstrative exhibits were previously served on Petitioner.

Respectfully submitted,

Dated: February 6, 2014 By: /J. Pieter van Es /

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Attorneys for Patent Owner
NIKE, Inc.

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Skechers v Nike

CERTIFICATE OF SERVICE

The undersigned certifies that on February 6, 2014, a copy of this SUBMISSION OF PATENT OWNER'S TRIAL HEARING DEMONSTRATIVE EXHIBITS and copies of the submitted demonstrative exhibits were served on the Petitioner by emailing a copies to mstockwell@kilpatricktownsend.com, wkadaba@kilpatricktownsend.com and tiwilliams@kilpatricktownsend.com.

/H. Wayne Porter /
H. Wayne Porter
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Back-Up Counsel for
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Skechers EX1013-p. 5041
Skechers v Nike

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

adidas AG,
Petitioner

v.

NIKE, Inc.
Patent Owner

Patent No. 7,347,011

Inter Partes Review No. 2013-00067

NOTICE OF APPEAL TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT BY PATENT OWNER NIKE, INC.

Director of the United States Patent and Trademark Office
c/o Office of the General Counsel
P.O. Box 1450
Alexandria, VA 22313-1450

Notice is hereby given, pursuant to 35 U.S.C. §§ 141-44 and 319, and pursuant and 37 C.F.R. §§ 90.2(a) and 90.3, that Patent Owner NIKE, Inc. ("NIKE") hereby appeals to the United States Court of Appeals for the Federal Circuit from the Final Written Decision entered on April 28, 2014 (Paper 60) ("Final Written Decision"), and from all underlying findings, orders, decisions, rulings and opinions adverse to NIKE, including, without limitation, those within the Decision on Institution of *Inter Partes* Review entered on May 17, 2013 (Paper No. 18).

In accordance with 37 C.F.R. § 90.2(a)(3)(ii), NIKE further indicates that the issues on appeal include all issues decided adversely to NIKE in any orders, decisions, rulings and opinions. This includes, but is not limited to:

1. The Board's denial of NIKE's Motion To Amend U.S. Patent 7,347,011 (Paper 31), in its Final Written Decision, including the legal standard applied by the Board, the burden of proof applied by the Board, the Board's conclusion that NIKE did not meet its burden to show that proposed claims 47-50 would not have been obvious over the Nishida reference and are otherwise

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patentable, and any other finding or determination (factual or legal) supporting or related to this decision, and the constraints imposed by the Board on the briefing.

Simultaneous with this submission, a copy of this Notice of Appeal is being filed with the Patent Trial and Appeal Board and the Clerk's Office for the United States Court of Appeals for the Federal Circuit.

Respectfully submitted,

Dated: June 30, 2014 By: / J. Pieter van Es/

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Attorneys for Patent Owner NIKE, Inc.

Skechers EX1013-p. 5044
Skechers v Nike

CERTIFICATES OF FILING AND SERVICE

I hereby certify that, in addition to being filed electronically through the Patent Trial and Appeal Board's Patent Review Processing System (PRPS), a true and correct original version of the foregoing NOTICE OF APPEAL TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT BY PATENT OWNER NIKE, INC. is being filed by Express Mail (Express Mail Label EI 975626858 US) on this 30th day of June, 2014, with the Director of the United States Patent and Trademark Office, at the following address:

Director of the United States Patent and Trademark Office
c/o Office of the General Counsel
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

I hereby certify that three (3) true and correct copies of the foregoing NOTICE OF APPEAL TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT BY PATENT OWNER NIKE, INC. are being filed by hand, on this 30th day of June, 2014, with the Clerk's Office of the United States Court of Appeals for the Federal Circuit, at the following address:

United States Court of Appeals for the Federal Circuit
717 Madison Place, N.W., Room 401
Washington, D.C. 20005

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I hereby certify that on June 30, 2014, a copy of this NOTICE OF APPEAL TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT BY PATENT OWNER NIKE, INC. was served on the Petitioner by emailing a copy to mstockwell@kilpatricktownsend.com, wkadaba@kilpatricktownsend.com and tiwilliams@kilpatricktownsend.com.

/H. Wayne Porter /
H. Wayne Porter
Reg. No. 42,084
Back-Up Counsel for
Patent Owner

Skechers EX1013-p. 5046
Skechers v Nike

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

NIKE, INC.
Patent Owner/Appellant

v. **Appeal No: 14-1719**

ADIDAS AG
Petitioner/Appellee

Proceeding No: IPR2013-00067

NOTICE FORWARDING CORRECTED CERTIFIED LIST

A certified list was filed in the above referenced proceeding on August 13, 2014, the certified list as filed was incorrect. While converting the data from the PTAB's PRPS portal to PDF format a portion of the prosecution history was inadvertently omitted from the original list forwarded to the Court. A corrected certified list is this day being forwarded to the Federal Circuit.

Respectfully submitted,

Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office

By: Kyra Abraham

Kyra Abraham
Paralegal
Mail Stop 8
P.O. Box 1450
Alexandria, VA 22313-1450
571-272-9035

Date: August 25, 2014

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing has been served on Appellant and Appellee this 25th day of August, 2014, as follows:

Mitchell G. Stockwell
Kilpatrick Townsend & Stockton LLP
mstockwell@kilpatricktownsend.com

Jonathan Peter van Es
Banner & Witcoff Ltd.
pvanes@bannerwitcoff.com

By: Kyra Abraham
Kyra Abraham
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U.S. DEPARTMENT OF COMMERCE
United States Patent and Trademark Office

August 25, 2014
(Date)

THIS IS TO CERTIFY that the attached document is a list of the papers that comprise the record before the Patent Trial and Appeal Board (PTAB) for the *Inter Partes Review* proceeding identified below.

Adidas AG
Petitioner
v.

NIKE, Inc.
Patent Owner

Case: IPR2013-00067
Patent No. 7,347,011 B2

By authority of the

DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

Kyia Graham

Certifying Officer

Prosecution History IPR2013-00067

Date	Document
11/28/2012	Petition for Inter Partes Review
11/28/2012	Power of Attorney
11/30/2012	Notice of Incomplete Petition
12/4/2012	Notice of Filing Date Accorded to Petition
12/10/2012	Revised Petition for Inter Partes Review
12/14/2012	Related Matters
1/25/2013	Mandatory Notice
1/25/2013	Power of Attorney
2/28/2013	Mandatory Notice (Change of Lead and Back-uP Counsel)
2/28/2013	Preliminary Response to Petition
5/17/2013	Decision - Institution of Inter Partes Review
5/17/2013	Scheduling Order
6/14/2013	Notice of Stipulation
6/14/2013	Patent Owner's List of Proposed Motions
6/19/2013	Order - Conduct of the Proceeding
7/11/2013	Stipulation Regarding Discovery Relating to Expert Witness
7/11/2013	Motion to Authorize Withdrawal of Counsel and Appointment of New Counsel
7/11/2013	Power of Attorney
7/17/2013	Notice of Cross Examination
8/2/2013	Order - Conduct of the Proceeding
8/12/2013	Order - Case Transfer to Administrative Patent Judge Josiah C. Cocks
8/19/2013	Motion to Amend
8/19/2013	Patent Owner's Exhibit List
8/19/2013	Corrected Certificate of Service
8/29/2013	Patent Owner's Exhibit List
10/30/2013	Decision - Motion to Withdraw Counsel
11/1/2013	Petitioner's Amended Notice of Cross Examination - Tonkel
11/12/2013	Petitioner's Opposition to Motion to Amend
11/12/2013	Petitioner's Exhibit List
11/26/2013	Patent Owner's Notice of Cross-Examination -Adanur
11/26/2013	Patent Owner's Notice of Second Cross Examination - Frederick
11/26/2013	Submission of Power of Attorney
11/26/2013	Petitioner's Power of Attorney
11/26/2013	Mandatory Notice
12/11/2013	Patent Owner's Reply to Opposition to Motion to Amend
12/11/2013	Patent Owner's Exhibit List
1/7/2014	Patent Owner's Exhibit List
1/7/2014	Patent Owner's Request for Oral Argument
1/7/2014	Petitioner's Request for Oral Argument
1/7/2014	Petitioner's Motion to Exclude Evidence

Prosecution History IPR2013-00067

Date	Document
1/13/2014	Order -Trial Hearing
1/21/2014	Patent Owner's Opposition to Motion to Exclude
1/23/2014	Order -Conduct of the Proceeding
1/28/2014	Mandatory Notice
1/28/2014	Petitioner's Reply to Opposition to Motion to Exclude Evidence
2/6/2014	Petitioner's Exhibit List
2/6/2014	Patent Owner's Trial Hearing Demonstratives
3/5/2014	Oral Hearing Transcript
4/28/2014	Final Written Decision

No. 2014-1719

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

NIKE, INC.,

Appellant,

v.

ADIDAS AG,

Appellee.

Appeal from the United States Patent and Trademark Office, Patent Trial and Appeal Board in No. IPR2013-00067

APPELLANT'S UNOPPOSED MOTION FOR A 60-DAY EXTENSION OF TIME TO FILE ITS OPENING BRIEF

Pursuant to Federal Rule of Appellate Procedure 26(b) and Federal Circuit Rule 26(b), Appellant Nike, Inc. ("Nike") respectfully moves for a 60-day extension of the time within which it may file its opening brief. Counsel for Appellee Adidas AG ("Adidas") has informed counsel for Nike that Adidas does not oppose this motion.

Nike's opening brief is currently due on or before October 14, 2014. Nike respectfully requests that the briefing schedule be revised such that the deadline is

extended by 60 days. If Nike's request is granted, its opening brief would be due December 15, 2014.[1] This is Nike's first request for an extension of time.

As set forth in the accompanying declaration of counsel, there is good cause for a 60-day extension of the time within which Nike may file its opening brief. The existing briefing schedule conflicts with other professional obligations of counsel for Nike. Nike respectfully requests that its motion be granted. A proposed order is included herewith.

Dated: September 17, 2014

Respectfully submitted,

/s/ Kevin A. Goldman

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Attorneys for Appellant Nike, Inc.

[1] The date that falls sixty days after October 14, 2014 is December 13, 2014, which is a Saturday. December 15, 2014 is the next day that is not a Saturday, Sunday, or legal holiday. *See* Federal Rule of Appellate Procedure 26(a)(1)(C).

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PLAINTIFFS-APPELLANTS' CERTIFICATE OF INTEREST

Counsel for Appellant Nike, Inc. certifies the following:

1. The full name of every party or *amicus* represented by us is:

Nike, Inc.

2. The names of the real party in interest represented by us is:

Not Applicable

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are:

None

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court are:

WILMER CUTLER PICKERING HALE AND DORR LLP: Mark C. Fleming, Kevin A. Goldman, Andrea Jeffries, William F. Lee

BANNER & WITCOFF, LTD: Jonathan Pieter van Es, Thomas K. Pratt, H. Wayne Porter, Joseph M. Skerpon

Dated: September 17, 2014

/s/ Kevin A. Goldman

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No. 2014-1719

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

NIKE, INC.,

Appellant,

v.

ADIDAS AG,

Appellee.

DECLARATION OF KEVIN A. GOLDMAN IN SUPPORT OF APPELLANT'S UNOPPOSED MOTION FOR A 60-DAY EXTENSION OF TIME TO FILE ITS OPENING BRIEF

1. I am a counsel at Wilmer Cutler Pickering Hale and Dorr LLP ("WilmerHale"), counsel to Appellant Nike, Inc. ("Nike") in this appeal. I am submitting this declaration of counsel in support of Nike's motion for a 60-day extension of the time within which to file its opening brief.

2. Under the current briefing schedule, Nike must file its opening brief on or before Tuesday, October 14, 2014. Nike respectfully requests an extension of 60 days. If granted, such an extension would permit Nike to file its opening brief on or before Monday, December 15, 2014. Nike has not requested any previous extension of time with respect to this appeal.

3. The lawyers principally responsible for this matter at WilmerHale have professional obligations that will interfere with completing the opening brief by October 14, 2014. William F. Lee, principal counsel for Nike in this appeal,

has a case management conference on September 23 in *Adaptix Inc. v. Cellco Partnership*, No. 5:13-cv-01844-PSG (N.D. Cal.), a pretrial conference on September 29 in *Millennium Pharmaceuticals, Inc. v. Sandoz, Inc.*, No. 1:12-cv-01011-GMS (D. Del.), a summary judgment hearing on October 28 in *California Institute of Technology v. Hughes Communications, Inc.*, a five-day trial beginning November 6 in *Millennium Pharmaceuticals, Inc. v. Sandoz, Inc.*, No. 1:12-cv-01011-GMS (D. Del.), a hearing regarding dispositive motions on November 21 in *Adaptix Inc. v. Cellco Partnership*, No. 5:13-cv-01844-PSG (N.D. Cal.), and a pretrial conference on December 2 in *SynQor, Inc. v. Cisco Systems, Inc.*, No. 2:14-cv-286-MHS (E.D. Tex.). Mark C. Fleming is also scheduled to present oral argument in this Court on October 6 in *Warner Chilcott Co. v. Teva Pharmaceuticals USA, Inc.*, No. 14-1439 (Fed. Cir.), is preparing the opening briefs in *Board of Regents of the University of Michigan v. St. Jude Medical, Cardiology Division, Inc.*, No. 14-1723 (Fed. Cir.) and *Apple Inc. v. Samsung Electronics Co.*, No. 14-1802 (Fed. Cir.), and will present argument in an appeal in the Massachusetts Appeals Court to be calendared in early November 2014. The overlap of counsels' other professional obligations and the briefing schedule in this appeal would be alleviated by a 60-day extension of the deadline to file Nike's opening brief.

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5. Pursuant to Federal Circuit Rule 27(a)(5), counsel for Nike has conferred with counsel for Appellee Adidas AG ("Adidas") regarding this motion. Adidas does not oppose Nike's request for a 60-day extension of the time within which to file its opening brief.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on September 17, 2014

/s/ Kevin A. Goldman

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Skechers EX1013-p. 5057
Skechers v Nike

No. 2014-1719

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

NIKE, INC.,

Appellant,

v.

ADIDAS AG,

Appellee.

Appeal from the United States Patent and Trademark Office, Patent Trial and Appeal Board in No. IPR2013-00067

ORDER

Upon consideration of Appellant Nike's Unopposed Motion For A 60-Day Extension of Time To File Its Opening Brief, IT IS HEREBY ORDERED THAT:

The motion is granted. Nike's Opening Brief is to be filed on or before December 15, 2014.

Dated: _____, 2014 _____

Skechers EX1013-p. 5058
Skechers v Nike

CERTIFICATE OF SERVICE

I hereby certify that I filed the foregoing Appellant's Unopposed Motion For A 60-Day Extension Of Time To File Its Opening Brief with the Clerk of the United States Court of Appeals for the Federal Circuit via the CM/ECF system this 17th day of September, 2014, and served a copy on counsel of record by the CM/ECF system.

/s/ Kevin A. Goldman

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NOTE: This order is nonprecedential.

United States Court of Appeals

for the Federal Circuit

NIKE, INC.,
Appellant,

v.

ADIDAS AG,
Appellee.

2014-1719
(Serial no. 7,347,011)

Appeal from the United States Patent and Trademark Office, Patent Trial and Appeal Board.

ON MOTION

ORDER

Upon consideration of the Appellant's unopposed motion to extend time to file their principal brief until December 15, 2014,

IT IS ORDERED THAT:

The motion is granted.

FOR THE COURT

September 18, 2014

/s/ Daniel E. O'Toole
Daniel E. O'Toole
Clerk of Court

No. 2014-1719

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

NIKE, INC.,

Appellant,

v.

ADIDAS AG,

Appellee.

Appeal from the United States Patent and Trademark Office, Patent Trial and Appeal Board in No. IPR2013-00067

APPELLANT'S CERTIFICATE OF COMPLIANCE WITH FEDERAL CIRCUIT RULE 17(f)

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September 23, 2014

Attorneys for Appellant Nike, Inc.

CERTIFICATE OF INTEREST

Counsel for Appellant Nike, Inc. certifies the following:

1. The full name of every party or *amicus* represented by us is:

Nike, Inc.

2. The names of the real party in interest represented by us is:

Not Applicable

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are:

None

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court are:

WILMER CUTLER PICKERING HALE AND DORR LLP: Mark C. Fleming, Kevin A. Goldman, Andrea Jeffries, William F. Lee

BANNER & WITCOFF, LTD: Jonathan Pieter van Es, Thomas K. Pratt, H. Wayne Porter, Joseph M. Skerpon

Dated: September 23, 2014

/s/ Kevin A. Goldman

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Appellant Nike, Inc. hereby certifies that it has complied with Federal Circuit Rule 17(f).

Respectfully submitted,

/s/ Kevin A. Goldman

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Attorneys for Appellant Nike, Inc.

September 23, 2014

Skechers EX1013-p. 5064
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CERTIFICATE OF SERVICE

I hereby certify that I filed the foregoing Appellant's Certificate of Compliance with Federal Circuit Rule 17(f) with the Clerk of the United States Court of Appeals for the Federal Circuit via the CM/ECF system this 23rd day of September, 2014, and served a copy on counsel of record by the CM/ECF system.

/s/ Kevin A. Goldman

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No. 14-1719

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Nike, Inc.

Appellant,

v.

adidas AG,

Appellee.

Appeal from the Patent Trial and Appeal Board
of the United States Patent and Trademark Office
No. IPR2013-00067

APPELLEE'S STATEMENT OF COMPLIANCE WITH FEDERAL CIRCUIT RULE 17(f)

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September 25, 2014

Counsel for Appellee

CERTIFICATE OF INTEREST

Counsel for adidas AG certifies the following:

1. The full name of every party represented by us is:

   adidas AG

2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by us is:

   adidas AG

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party represented by us are:

   None.

4. The names of all law firms and the partners or associates that appear for the party now represented by me in the trial court or agency or are expected to appear in this court are:

   Mitchell G. Stockwell, Vaibhav P. Kadaba, Tiffany L. Williams

   Kilpatrick Townsend & Stockton LLP, 1100 Peachtree Street, Suite 2800, Atlanta, Georgia 30309

September 25, 2014

/s/Mitchell G. Stockwell
Mitchell G. Stockwell

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Skechers v Nike

adidas AG hereby certifies that it has complied with Federal Circuit Rule 17(f).

September 25, 2014

Respectfully submitted,

/s/Mitchell G. Stockwell
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CERTIFICATE OF SERVICE

I certify that I filed the foregoing document with the Clerk of the United States Court of Appeals for the Federal Circuit via the CM/ECF system and served a copy on counsel of record for Appellant, this 25th day of September by the CM/ECF system.

/s/Mitchell G. Stockwell
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UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

NIKE, INC.	)	
	)	
v.	)	Appeal No. 14-1719
	)	
ADIDAS AG	)	

NOTICE OF INTERVENTION
BY THE UNITED STATES PATENT AND TRADEMARK OFFICE

The Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office ("Director") respectfully informs the Court that she hereby exercises the right under 35 U.S.C. § 143 to intervene in this appeal from the decision of the Patent Trial and Appeal Board in an *inter partes* review. 35 U.S.C. § 143.

The Director respectfully requests that the undersigned counsel be permitted to enter their appearances on behalf of the Director.

Respectfully submitted,

Dated: December 18, 2014

/s/ Michael S. Forman

NATHAN K. KELLEY
Solicitor

MICHAEL S. FORMAN
SCOTT C. WEIDENFELLER
Associate Solicitors
United States Patent & Trademark Office
Mail Stop 8
P.O. Box 1450
Alexandria, Virginia 22313-1450

Attorneys for the Director of the United States Patent and Trademark Office

CERTIFICATE OF SERVICE

I hereby certify that on December 18, 2014, I electronically filed the foregoing NOTICE OF INTERVENTION BY THE UNITED STATES PATENT AND TRADEMARK OFFICE using the Court's CM/ECF filing system. Counsel for the parties were electronically served via e-mail per Fed. R. App. P. 25 and Fed. Cir. R. 25(a) and 25(b).

/s/ Michael S. Forman
MICHAEL S. FORMAN
United States Patent & Trademark Office
Mail Stop 8
P.O. Box 1450
Alexandria, Virginia 22313-1450

No. 14-1719

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Nike, Inc.

Appellant,

v.

adidas AG,

Appellee.

Appeal from the Patent Trial and Appeal Board
of the United States Patent and Trademark Office
No. IPR2013-00067

APPELLEE ADIDAS AG'S UNOPPOSED MOTION FOR A 71-DAY EXTENSION OF TIME TO FILE ITS APPELLEE BRIEF

Pursuant to Federal Rule of Appellate Procedure 26(b) and Federal Circuit Rule 26(b), Appellee adidas AG ("adidas") respectfully moves for a 71-day extension of time within which it may file its appellee brief. Counsel for Nike, Inc. ("Nike") has informed counsel for adidas that Nike does not oppose this motion.

adidas' appellee brief is currently due on or before January 29, 2015. adidas respectfully requests that the briefing schedule be revised such that the deadline is extended by 71 days. If adidas' request is granted, its appellee brief would be due on or before April 10, 2015. This is adidas' first request for an extension of time.

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As set forth in the accompanying declaration of counsel, there is good cause for a 71-day extension of time within which adidas may file its appellee brief. The existing briefing schedule conflicts with a two-month personal/family leave for adidas' in-house counsel, and a shorter extension of time to coincide with adidas' in-house counsel's return conflicts with other professional obligations of outside counsel for adidas. adidas respectfully requests that its motion be granted. A proposed order is included herewith.

December 18, 2014

Respectfully submitted,

/s/Mitchell G. Stockwell
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Skechers EX1013-p. 5074
Skechers v Nike

CERTIFICATE OF INTEREST

Counsel for adidas AG certifies the following:

1. The full name of every party represented by us is:

   adidas AG

2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by us is:

   adidas AG

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party represented by us are:

   None.

4. The names of all law firms and the partners or associates that appear for the party now represented by me in the trial court or agency or are expected to appear in this court are:

   Mitchell G. Stockwell, Vaibhav P. Kadaba, Tiffany L. Williams

   Kilpatrick Townsend & Stockton LLP, 1100 Peachtree Street, Suite 2800, Atlanta, Georgia 30309

December 18, 2014

/s/Mitchell G. Stockwell
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No. 14-1719

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Nike, Inc.

Appellant,

v.

adidas AG,

Appellee.

Appeal from the Patent Trial and Appeal Board
of the United States Patent and Trademark Office
No. IPR2013-00067

DECLARATION OF MITCHELL G. STOCKWELL IN SUPPORT OF APPELLEE ADIDAS AG'S UNOPPOSED MOTION FOR A 71-DAY EXTENSION OF TIME TO FILE ITS APPELLEE BRIEF

1. I am a partner at Kilpatrick Townsend & Stockton, LLP ("Kilpatrick Townsend"), counsel to Appellee adidas AG ("adidas") in this appeal. I am submitting this declaration of counsel in support of adidas' motion for a 71-day extension of time within which to file its appellee brief.

2. Under the original briefing schedule, adidas' appellee brief was due on or before November 28, 2014. Appellant Nike, Inc. ("Nike") then requested an

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extension of 60 days within which to file its opening brief, which, as a courtesy, adidas did not oppose.

3. Due to Nike's extension, under the current briefing schedule, adidas must file its appellee brief on or before Thursday, January 29, 2015. adidas respectfully requests an extension of 71 days. If granted, such an extension would permit adidas to file its appellee brief on or before Friday, April 10, 2015. adidas has not requested any previous extension of time with respect to this appeal.

4. The in-house counsel principally responsible for this matter within adidas will be on personal/family leave beginning sometime at the end of December 2014/beginning of January 2015, and will not return until sometime after the beginning of March 2015, the exact dates still to be determined. Due to German employment laws, any work-related contact with this person will not be permitted during this time.

5. The lawyers principally responsible for this matter at Kilpatrick Townsend have professional obligations that will interfere with completing the appellee brief between the time that adidas' in-house counsel returns to work and April 3, 2014. Specifically, Mitchell G. Stockwell, principal counsel for adidas in this appeal, has a trial that is scheduled for March 16-April 3, 2015, in *Intellectual Ventures I LLC et al. v. Motorola Mobility LLC*, No. 1:11-cv-00908-SLR-MPT (D. Del.). The overlap of in-house counsel's personal/family leave and outside

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counsel's other professional obligations and the briefing schedule in this appeal would be alleviated by a 71-day extension of the deadline to file adidas' appellee brief.

6. Pursuant to Federal Circuit Rule 27(a)(5), counsel for adidas has conferred with counsel for Appellant Nike regarding this motion. Nike does not oppose adidas' request for a 71-day extension of the time within which to file its appellee brief.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 18, 2014.

Respectfully submitted,

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No. 14-1719

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Nike, Inc.

Appellant,

v.

adidas AG,

Appellee.

Appeal from the Patent Trial and Appeal Board
of the United States Patent and Trademark Office
No. IPR2013-00067

ORDER

Upon consideration of Appellee adidas AG's Unopposed Motion For A 71-Day Extension of Time To File Its Appellee Brief, IT IS HEREBY ORDERED THAT:

The motion is granted. adidas AG's Appellee Brief is to be filed on or before April 10, 2015.

Dated: _____, 2014. _____

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CERTIFICATE OF SERVICE

I certify that I filed the foregoing document with the Clerk of the United States Court of Appeals for the Federal Circuit via the CM/ECF system and served a copy on counsel of record for Appellant, this 18th day of December, 2014, by the CM/ECF system.

/s/Mitchell G. Stockwell
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NOTE: This order is nonprecedential.

United States Court of Appeals for the Federal Circuit

NIKE, INC.,
Appellant,

v.

ADIDAS AG,
Appellee.

2014-1719

Appeal from the United States Patent and Trademark Office, Patent Trial and Appeal Board in No. 7,347,011.

ON MOTION

O R D E R

The Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office ("Director") informs the court that the Director exercises the right under 35 U.S.C. § 143 to intervene in the above-captioned appeal.

adidas AG moves without opposition for a 71-day extension of time, until April 10, 2015, to file its response brief.

Upon consideration thereof,

IT IS ORDERED THAT:

(1) The motion for the Director to intervene is granted.

(2) The motion for an extension of time is granted to the extent that the appellee's and the intervenor's briefs are due on or before April 10, 2015.

FOR THE COURT

/s/ Daniel E. O'Toole
Daniel E. O'Toole
Clerk of Court

s27

No. 2014-1719

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

NIKE, INC.,

Appellant,

v.

ADIDAS AG,

Appellee.

Appeal from the United States Patent and Trademark Office, Patent Trial and Appeal Board in No. IPR2013-00067

BRIEF FOR APPELLANT NIKE, INC.

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December 15, 2014

Attorneys for Appellant Nike, Inc.

CERTIFICATE OF INTEREST

Counsel for Appellant Nike, Inc. certifies the following:

1. The full name of every party or *amicus* represented by us is:

Nike, Inc.

2. The names of the real party in interest represented by us is:

Not Applicable

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are:

None

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court are:

WILMER CUTLER PICKERING HALE AND DORR LLP: Mark C. Fleming, Kevin A. Goldman, Andrea Jeffries, William F. Lee

BANNER & WITCOFF, LTD: Jonathan Pieter van Es, Thomas K. Pratt, H. Wayne Porter, Joseph M. Skerpon

Dated: December 15, 2014

/s/ Kevin A. Goldman

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CERTIFICATE OF COMPLIANCE

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OTHER AUTHORITIES

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STATEMENT OF RELATED CASES

No other appeal from this *inter partes* review was previously before this or any other appellate court.

The Court's decision in this case may affect or be affected by several pending appeals from *inter partes* reviews in which the Patent Trial and Appeal Board ("Board") denied a patent owner's motion to amend a patent on the ground that the patent owner failed to establish the patentability of amended claims over prior art not of record, including *Microsoft Corp. v. Proxyconn, Inc.*, Nos. 2014-1542, -1543, and *Helferich Patent Licensing, LLC v. CBS Interactive, Inc.*, No. 2014-1556. Counsel for Appellant Nike, Inc. are unaware of any other case pending in this or any other court that will directly affect or be directly affected by the Court's decision in this appeal.

JURISDICTIONAL STATEMENT

This appeal arises from an *inter partes* review before the Board under 35 U.S.C. §§ 311 *et seq.* The Board entered a Final Written Decision on April 28, 2014. A1-43. Patent owner Nike, Inc. noticed a timely appeal on June 30, 2014. A2484-88; 35 U.S.C. § 142. This Court has jurisdiction under 28 U.S.C. § 1295(a)(4)(A) and 35 U.S.C. §§ 141(c), 319.

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INTRODUCTION

Appellant Nike, Inc. ("Nike") invented a novel, multi-textured "upper" portion of a shoe that is knit directly into the shape of an upper—unlike prior art materials, where the shoe upper was cut from a larger web of material, thus requiring additional cutting processes and resulting in significant wasted material. Nike's new shoe upper, which Nike markets under its FLYKNIT trade name, was recognized as a "quantum leap" in the field, A2141-42(40:22-41:3)(Frederick Dep.), and it satisfied a long-felt need for an athletic shoe that could be more efficiently manufactured because, among other things, it eliminated the need to cut a multi-textured upper from a larger web of material. Nike's novel shoe upper is protected by U.S. Patent No. 7,347,011 ("the '011 patent").

Five months after Nike introduced FLYKNIT, its competitor Adidas AG ("Adidas") announced a similar product that Adidas called Primeknit. A few months after that, Adidas petitioned for *inter partes* review ("IPR") of all claims of the '011 patent. After the Board instituted review, Nike moved to amend the claims in order to add further narrowing limitations distinguishing the prior art of record. The Board denied the motion, ruling that the proposed amended claims were obvious and that Nike had failed to meet a supposed burden to demonstrate the amended claims' patentability over prior art ***not*** of record—a burden not found

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in the statute or applicable regulations, but imposed by the Board itself through its own decisions.

The Board's decision contains several errors, any one of which requires reversal or vacatur. ***First***, the Board improperly concluded that a person of ordinary skill in the art would have modified three prior art references—Nishida, which involved a pattern of shoe uppers to be cut from a larger textile web, and Schuessler I and II, which involved knitting a hat to shape—to achieve the claimed invention, applying hindsight bias to assemble the claim elements from disparate sources in the absence of any identifiable motivation to combine them. The Board compounded its error by failing to address objective indicia of nonobviousness, completely ignoring the evidence of a long-felt need for Nike's invention. And the Board incorrectly found that Nishida disclosed an element of dependent claim 49—lacing apertures formed by omitting stitches—which even Adidas's expert could not identify in the reference. A1517(150:10-17)(Frederick Dep.).

Second, the Board's imposition on Nike of a substantive burden of proving patentability—over prior art of record as well as prior art not of record—was contrary to law. Congress has provided that, in an *inter partes* review, "***the petitioner*** shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence." 35 U.S.C. § 316(e).[1] No statutory or regulatory

[1] Except as otherwise noted, each emphasis in this brief is added.

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provision supports the Board's effort to shift the burden to Nike in the context of a motion to amend. Such a shifting of the burden would have to be done, if at all, through formal rulemaking and notice-and-comment procedures. Moreover, because the Board's burden-shifting scheme is contrary to the governing statute, the agency could not have imposed such a burden on Nike even had it followed proper rulemaking procedure.

The Board's decision should be reversed or vacated.

STATEMENT OF ISSUE ON APPEAL

Whether the Board erred in denying Nike's motion to amend.

STATEMENT OF CASE AND FACTS

A. The Parties

Nike is one of the world's leading designers of athletic footwear, apparel, and sports equipment. It has been awarded over 4,500 patents by the PTO.[2] The '011 patent at issue here is directed to Nike's "FLYKNIT" technology, in which the "upper" (non-sole) portion of a shoe is constructed as a single multi-textured unit, allowing for lighter, more efficient manufacture. A62(3:20-54); A66(11:4-41); A2149(48:8-23). Nike first unveiled its FLYKNIT technology in February 2012, and it was quickly hailed as a "quantum leap" in the field. A2026; A2141-42(40:22-41:3)(Frederick Dep.).

[2] PTO Patent Database, *available at* http://patft.uspto.gov/netahtml/PTO/search-adv.htm (4,694 patents assigned to Nike) (last visited Dec. 15, 2014).

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Adidas also manufactures footwear, clothing, and accessories. In comparison to Nike, it has been awarded fewer than 300 patents by the PTO. [3] In July 2012, five months after Nike announced FLYKNIT, Adidas announced a similar product of its own that it called Primeknit. A1479-80(112:10-113:11)(Frederick Dep.); A2034 ("[A]didas has just released its adizero Primeknit [shoe] which looks very similar to Flyknit."). Four months later, Adidas petitioned the Board to institute an *inter partes* review of Nike's '011 patent.

B. Technology Background

Conventional articles of athletic footwear include two primary elements: an upper and a sole. A61(1:12-13). The upper provides a covering for the foot and positions the foot with respect to the sole. *Id.*(1:13-15). A lacing system is often incorporated into the upper to permit the wearer to adjust its dimensions. *Id.*(1:36-40). Typically, the upper will also provide ventilation to cool the foot and remove perspiration. *Id.*(1:15-18). The upper is secured to the sole, which functions as a cushion between the foot and the ground and serves to attenuate ground reaction forces, absorb energy, and provide traction. *Id.*(1:18-24).

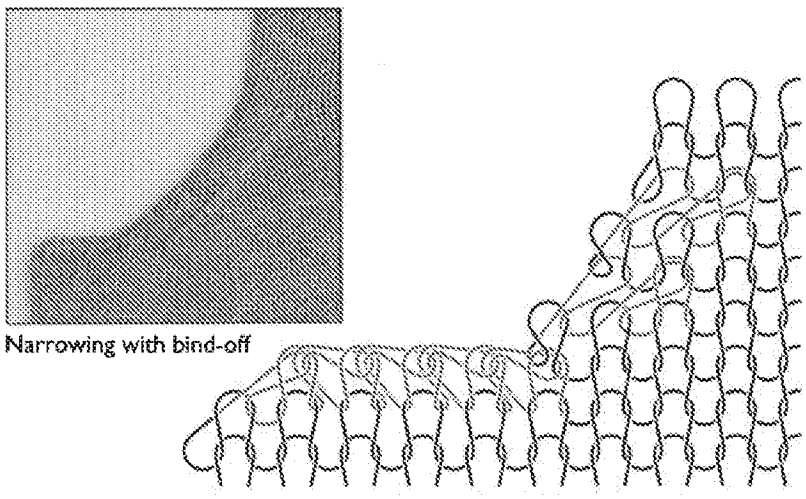
Athletic footwear uppers are manufactured from a variety of materials, and often feature multiple layers made from different materials. *Id.*(1:44-48). For example, an upper may consist of an exterior layer made of leather (to provide

[3] PTO Patent Database, *available at* http://patft.uspto.gov/netahtml/PTO/search-adv.htm (298 patents assigned to Adidas) (last visited Dec. 15, 2014).

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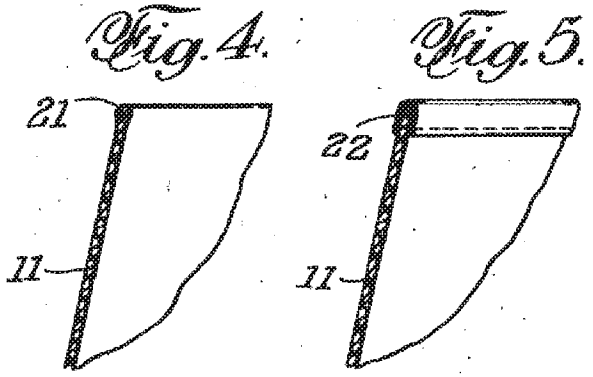
wear-resistance) combined with synthetic or natural textile (to provide flexibility), an intermediate layer of lightweight polymer foam (to provide cushioning and protection), and an interior layer of moisture-wicking textile (to remove perspiration). *Id.*(1:48-66).

Textile elements for uppers are made by a variety of different processes, and are often made by "knitting," *i.e.*, interlocking loops of one or more yarns to create a fabric. A63(6:61-63); A1663. "Flat knitting" refers to a technique for producing a fabric in a generally flat form, with yarn alternating back and forth across the width of the fabric. A1663; A14-16. Flat knitting may be used to "knit to shape," meaning that the textile is knit into its final form in the first instance. A22-23; A1574-75(¶¶40-41). In this manner, the edges of the textile are "flat knit edges" that are unbroken and remain joined between the rows:



A847 (top portion of Figure 16.10); *see also* A22-23; A1575(¶41); A1608(¶105). By contrast, if a textile element is cut from a larger web of material, its edges must

be treated (such as by further stitching or searing) in order to prevent fraying and unraveling:



A570(Fig. 4)(Whiting) (depicting a cut edge that is seared to fuse the fibers at the edge); *id.*(Fig. 5)(Whiting) (depicting a cut edge that is finished by stitching on a separate binding to cover the edge); *see also* A18; A565(2:39-63)(Glidden); A572(3:68-4:16)(Whiting); A1606-07(¶¶102-04).

C. Nike's Invention

The '011 patent is generally directed to an article of footwear having a textile upper that is "a single material element that is formed to exhibit a unitary (*i.e.*, one-piece) construction." A63(5:38-39). The patent further defines "unitary construction" as "a configuration wherein portions of a textile element are not joined together by seams or other connections." *Id.*(6:42-46). This type of unitary construction can be accomplished either by using a technique such as flat knitting to knit the textile directly into the shape of the upper in the first instance (as

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depicted in the patent's Figure 8) or by cutting an upper from a larger textile element (as depicted in the patent's Figure 9):

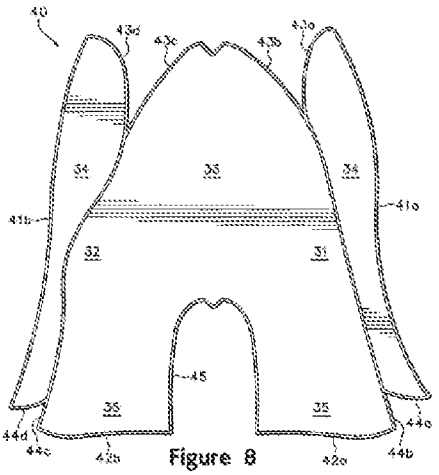


Figure 8

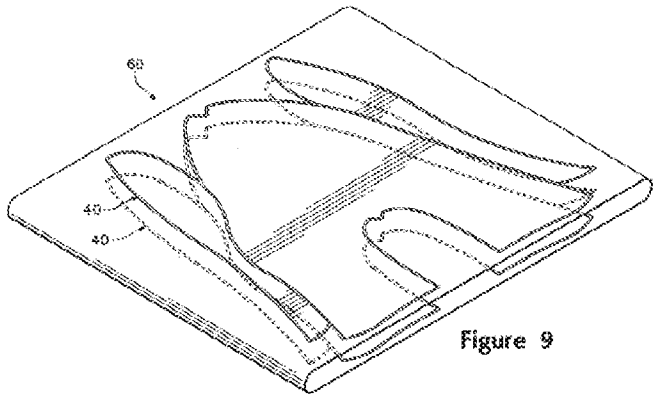


Figure 9

A54(Fig. 8); A55(Fig. 9); *see also* A1483(116:3-20)(Frederick Dep.). When the upper is removed from a larger textile material as in Figure 9, it has cut edges that must be further processed (*e.g.*, by additional stitching or searing) to prevent unraveling and fraying. A64(8:8-10); A1575(¶41). By contrast, when the upper is flat knit directly into the form depicted in Figure 8, the upper has flat knit edges that do not require further processing. A1574(¶40).

Figure 11 further illustrates an embodiment of the unitary (*i.e.*, one-piece) upper:

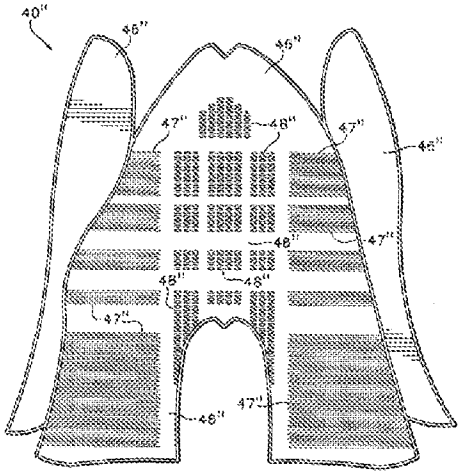


Figure 11

A57(Fig. 11); A65(9:36-10:14). As seen above, the textile element includes three different areas with three different textures, labeled 46", 47", and 48". A65(9:38-46). The '011 patent teaches that this feature of varying the textures within the upper can be achieved by adjusting the type of stitching used to knit the textile:

> The different textures 46"-48" are formed by merely varying the type of stitch formed by the wide-tube circular knitting machine at each location of textile element 40". Textures 46"-48" may exhibit aesthetic differences, or the differences may be structural. For example, the degree of stretch in areas with textures 46"-48" may be different, or the wear resistance of the areas may vary depending upon the stitch utilized. The air-permeability of textile element 40" may also vary in the different areas.

Id.(9:46-54). Different types of yarn also may be used in different areas of the textile to impart different properties to each area. *Id.*(9:65-10:14). Additionally, apertures (such as apertures for receiving laces) may be formed in the upper by omitting stitches at specific locations during the knitting process. *Id.*(9:56-58, 10:20-25).

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After a flat knit textile element such as the one depicted in Figure 8 and Figure 11 is knit to shape, various flat knit edges may be joined together to provide a lateral region [31], an opposite medial region [32], an instep region [33], a lower region [34], a heel region [35], and an ankle opening [36]:

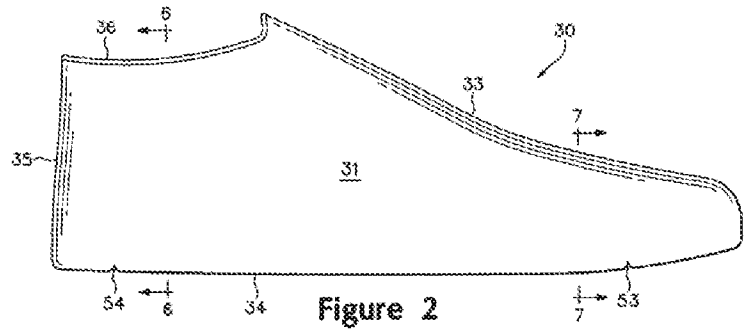


Figure 2

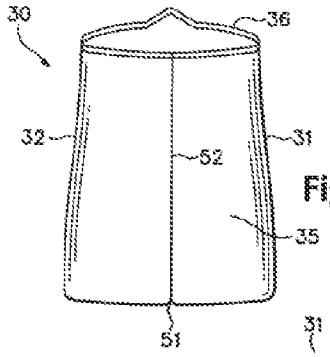


Figure 4

A50(Fig. 2); A52(Fig. 4); A63(5:18-20, 6:22-24).

Nike's unitary upper provides various advantages over the prior art. Conventional uppers typically featured a variety of different materials that needed to be individually stitched together or adhesively joined. A66(11:6-18). Forming a textile upper in a single, unitary element increases efficiency by eliminating the steps required to assemble and join different materials. *Id.*; *see also* A61-62(2:62-3:16); A65(9:23-35). These efficiencies are further increased through Nike's novel use of flat knitting techniques to create the upper. In contrast to uppers that must be removed from a larger textile element (*e.g.*, by "die-cutting, laser-cutting, or other conventional cutting operation") (A64(8:8-10)), flat knit embodiments

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involve an upper formed without a surrounding textile structure from which it must be removed, thus eliminating the additional "cutting operation." A1578-79(¶46).

Knitting an upper to shape in the first instance also eliminates the expense and waste associated with the extraneous material that results when an upper is removed from a larger textile element. *Id.*; *see also* A545(2:11-39) (discussing the long-felt need to reduce such "cutting waste"). In addition, knit-to-shape uppers have flat knit edges; unlike cut edges, flat knit edges do not require the manufacturer to take steps to stabilize the edges to prevent unraveling and fraying. A1574(¶40); A1579(¶46).

In February 2012, Nike announced the launch of its first sneaker utilizing its "FLYKNIT" technology, which features a flat knit, unitary upper with areas of varying textures as described in the '011 patent:



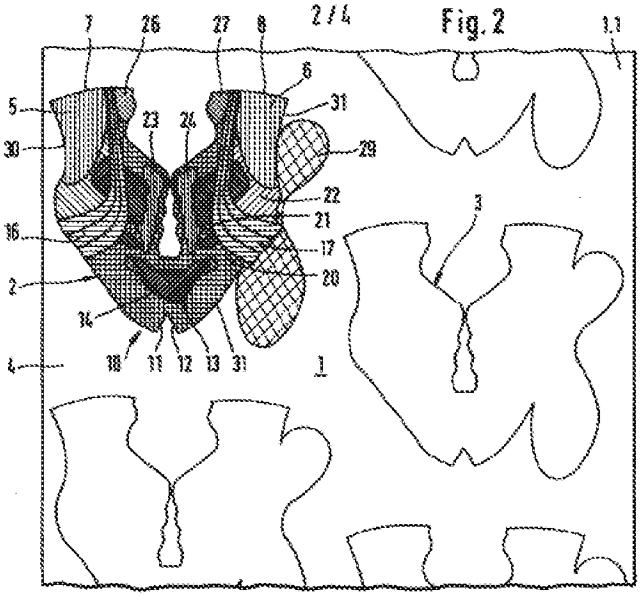
A2149(48:8-23)(Frederick Dep.); A2018-19(¶31)(Frederick); A2026-34.

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D. Proceedings Before The Board

On November 28, 2012, Adidas petitioned the Board for an *inter partes* review of the '011 patent, asserting that its 46 claims were invalid as anticipated or obvious in view of various prior art references. A69. Adidas filed a revised petition on December 10, 2012 to correct technical errors in its original petition. A1051-52; A1059.

Adidas's primary reference was U.S. Patent No. 5,345,638 ("Nishida"), which discloses a process for creating uppers that are cut from a web of textile material and then shaped and connected to a sole. A545(1:48-2:5)(Nishida). Nishida explains that removing uppers from a larger web of material results in excess leftover material, *i.e.*, "cutting waste." *Id.*(2:11-33)(Nishida). Nishida attempts to solve the problem of cutting waste by creating an efficient pattern on the textile web to minimize the amount of unused material:



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A542(Fig. 2)(Nishida); A545(2:21-33)(Nishida). Nishida further teaches that thinner, less expensive material may be used for the portions of the pattern to be discarded, thereby further reducing cutting waste. A545(2:11-22)(Nishida). Because the Nishida upper is removed from a larger web of material—rather than "knit to shape"—the cut edges of the upper must be treated to prevent fraying or unraveling. A18; A565(2:43-63)(Glidden); A572(3:68-4:16)(Whiting); A1606-07(¶¶102-04).

On May 17, 2013, the Board instituted review of the 46 claims of the '011 patent. The Board's Decision on Institution relied on the arguments that the claims were anticipated or obvious in light of Nishida or else a separate prior art reference, U.S. Patent No. 2,147,197 ("Glidden"), directed to a sock-shaped shoe upper. A1164.

The Board's Decision on Institution also stated that the '011 patent used various knitting terms (such as "weft knitted"[4] and "flat knitted") in a manner consistent with their ordinary meanings as conventional, known knitting techniques. A1160-64.

On August 19, 2013, Nike moved to amend the '011 patent. Nike's proposed amendments would have canceled issued claims 1-46 and substituted four new claims, specifically substituting claim 47 for issued claim 16, substituting

[4] "Weft knitting" is a general class of knitting that includes "flat knitting." A1663.

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claims 48 and 49 for issued claim 19, and substituting claim 50 for issued claim 20. Claim 47 amends claim 16 by replacing the requirement for a "weft-knitted" textile element with a requirement for a "flat knit" textile element having "flat knit edges" (*i.e.*, such that the upper is not removed from a larger textile material but is knit to shape in the first instance):

> **Claim 47**. (Substitute for independent claim 16) An article of footwear comprising an upper incorporating a [~~weft-knitted~~] flat knit textile element, the flat knit textile element (1) having flat knit edges free of surrounding textile structure such that the flat knit edges are not surrounded by textile structure from which the textile element must be removed, some of the flat knit edges joined together to form an ankle opening in the upper for receiving a foot, the ankle opening having an edge comprised of one of the flat knit edges; and (2) having a first area and a second area with a unitary construction, the first area being formed of a first stitch configuration, and the second area being formed of a second stitch configuration that is different from the first stitch configuration to impart varying properties to the textile element; and a sole structure secured to the upper.

A1226-27. Dependent claims 48 and 50 add an additional limitation that the edges of the flat knit textile element are joined to form a lateral region, a medial region, an instep region, and a heel region. Dependent claim 49 additionally requires a plurality of apertures formed by omitting stitches in the flat knit textile element and positioned in the upper for receiving laces:

> **Claim 48**. (Substitute for dependent claim 19) The article of footwear recited in claim [~~16~~] 47, wherein at least one of the first stitch configuration and the second stitch configuration forms an aperture in the [~~weft-knitted~~] flat knit textile element and the joined edges shape the flat knit textile element to form a lateral region, a medial region, an instep region and a heel region of the upper.

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> **Claim 49**. (Second substitute for dependent claim 19) The article of footwear recited in claim [~~16~~] 47, wherein at least one of the first stitch configuration and the second stitch configuration forms [~~an aperture~~] a plurality of apertures in the [~~weft-knitted~~] flat knit textile element, the apertures formed by omitting stitches in the flat knit textile element and positioned in the upper for receiving laces.
>
> **Claim 50**. (Substitute for dependent claim 20) The article of footwear recited in claim [~~16~~] 47, wherein the [~~weft-knitted~~] flat knit textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper, and the joined edges shape the flat knit textile element to form a lateral region, a medial region, an instep region and a heel region of the upper.

A1227.

In support of its motion to amend, Nike explained that Nishida does not disclose a knit-to-shape upper, but rather an upper that is cut from a larger web of material, and therefore has broken edges that must be further treated to prevent unraveling and fraying. A1232-34.[5] Nike further explained that, while knitting to shape was a known method of knitting, Nishida was directed to a fundamentally different concept: increasing the efficiency of a pattern of textiles to be cut from a larger textile element. *Id*. Thus, a person of ordinary skill would not have been motivated to modify Nishida to create a knit-to-shape upper, which is the opposite of knitting a pattern of uppers to be removed from a larger textile element. A1233-

[5] Nike supported its motion to amend with a declaration from Raymond Tonkel, an expert in the design and development of footwear with over 40 U.S. utility and design patents and over 30 years of experience designing and developing footwear, including as a managing director and vice president of footwear design at companies such as Adidas, Nike, Reebok, and Rockport. A1558-60(¶¶2-6).

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34. Nike also explained that Nishida failed to disclose the additional limitation of claim 49—a plurality of apertures for receiving laces that are formed by omitting stitches in the flat knit textile element. A1234-35.[6]

On November 12, 2013, Adidas filed its opposition to Nike's motion to amend. Adidas conceded that Nishida does not disclose a knit-to-shape upper, but argued that the amended claims were anticipated or obvious in view of Nishida alone or in combination with two references not addressed in its earlier papers—U.S. Patent No. 2,178,941 ("Schuessler I") and U.S. Patent No. 2,150,730 ("Schuessler II"). The Schuessler references are directed to a method of making a knitted "helmet" (*i.e.*, a hat or cap) in a single piece that does not require cutting, and a knitting machine capable of weaving stitches that have varying degrees of tightness in order to facilitate such knitting to shape. Adidas also submitted a declaration by its expert, Dr. Edward Frederick, who opined that the efficiencies provided by Nike's invention would be offset by losses in production speed as well as machinery and labor costs. A1694-95.

Adidas also argued that the term "flat knit edges" encompassed edges that were created by ***cutting*** a flat knit textile (as opposed to edges of a flat knit textile

[6] Nike's amendments also distinguished the Glidden reference. There is no dispute that Glidden discloses a circular knit upper and not a flat knit upper. *See* A219-20(¶84)(Frederick) ("[T]he skilled person would know that knitting the unitary upper in a 'sock-like' fabrication process would have utilized circular knitting.").

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that are themselves flat knit), A1692-93, that the amended claims were not supported by the written description in the specification, A1688-89, that the amended claims enlarged the scope of the original claims, A1686, and that the amended claims were indefinite. A1691.

Nike filed its reply brief on December 11, 2013. In addition to rebutting Adidas's various arguments with respect to claim construction, written description, enlargement, and definiteness, Nike explained that a person of ordinary skill would not have been motivated to combine Nishida with the Schuessler references because Nishida is directed to creating a more efficient pattern of uppers on a ***web*** of textile material, which is incompatible with knitting an individual upper ***to shape***. A2059-60. Nike also rebutted Dr. Frederick's testimony regarding the benefits of its invention, explaining that Dr. Frederick lacked the requisite knowledge to opine on knitting machine line speed, line maintenance, and amortization calculations. A2060; *see also* A2146-47(45:3-46:10)(Frederick Dep.). Nike further noted that Dr. Frederick was skeptical about the feasibility of "knit to shape" uppers—a factor that counseled against ruling the invention obvious. A2060.

The Board held an oral hearing on March 5, 2014, and issued its final written decision on April 28, 2014. The Board decided most issues in Nike's favor, finding that the disputed terms in the patent (such as "flat knit" and "flat knit

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edges") should be construed to have their ordinary meanings in the art, A11-23, that the amended claims were supported by the written description, A27-31, and that the amended claims were not indefinite. A31-33. Nevertheless, the Board denied Nike's motion to amend the '011 patent with substitute claims 47-50 on two grounds.[7] ***First***, it held that the amended claims were obvious over Nishida in combination with the Schuessler references. A36-39. ***Second***, it held that Nike was required to demonstrate affirmatively that the claims were patentable over prior art known to Nike but ***not*** of record, and that Nike had supposedly failed to carry that burden. A34-36.

This appeal followed. A2484-86.

SUMMARY OF THE ARGUMENT

The Board's denial of Nike's motion to amend the '011 patent contains several errors.

First, the Board improperly concluded that the amended claims were obvious in light of three prior art references—Nishida, Schuessler I, and Schuessler II—even though there was no substantial evidence that a person of ordinary skill would have been motivated to modify those references to achieve the claimed invention. To the contrary, those references are directed to fundamentally different and incompatible purposes, and the Board's finding of a motivation to combine

[7] The Board granted the portion of Nike's motion requesting cancellation of claims 1-46. A4.

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them is based on improper hindsight. The Board further erred with respect to claim 49, which additionally requires "apertures formed by omitting stitches"; the Board wrongly ruled that Nishida discloses that limitation, even though Adidas's own expert could not identify any such disclosure in the reference. A1517(150:10-17)(Frederick Dep.).

The Board also erred by failing to consider evidence that Nike submitted regarding the long-felt need for its invention. Because the Board "must always consider such evidence," its decision must at minimum be vacated and remanded for further proceedings. *In re Sernaker*, 702 F.2d 989, 996 (Fed. Cir. 1983).

Second, the Board failed to apply the governing statute and rules, which impose the burden of proving unpatentability on the ***petitioner***. The Board instead placed the burden on Nike to demonstrate the patentability of its amended claims, and additionally required that Nike demonstrate patentability over prior art ***not of record***, imposing a substantive rule that conflicts with the controlling statutory and regulatory schemes.

The Board's conclusions are unsupported by the record and contrary to law, and should be reversed or vacated and remanded for further proceedings.

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ARGUMENT

I. STANDARD OF REVIEW

"The Patent and Trademark Office ('PTO') is governed by the Administrative Procedure Act ('APA'), and PTO decisions are reviewed under the APA standard." *In re Chapman*, 595 F.3d 1330, 1336-37 (Fed. Cir. 2010). This Court must "hold unlawful and set aside agency action, findings, and conclusions found to be—(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; … (C) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right; (D) without observance of procedure required by law; [or] (E) unsupported by substantial evidence." 5 U.S.C. § 706(2). This Court does not defer to the Board's interpretation of a PTO regulation when it is plainly erroneous or inconsistent with the regulation. *In re Garner*, 508 F.3d 1376, 1378-79 (Fed. Cir. 2007).

Obviousness is a question of law based on underlying facts. *In re Kotzab*, 217 F.3d 1365, 1369 (Fed. Cir. 2000). This Court reviews the Board's compliance with the governing legal standards and ultimate obviousness conclusion *de novo*, while the Board's factual findings are reviewed for substantial evidence. 5 U.S.C. § 706(2)(E); *In re Sullivan*, 498 F.3d 1345, 1350 (Fed. Cir. 2007). "Substantial evidence is something less than the weight of the evidence but more than a mere scintilla of evidence. In reviewing the record for substantial evidence, [the Court]

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must take into account evidence that both justifies and detracts from the factual determinations." *Kotzab*, 217 F.3d at 1369 (citations omitted).

II. THE BOARD INCORRECTLY DETERMINED THAT A COMBINATION OF PRIOR ART REFERENCES RENDERS THE AMENDED CLAIMS OBVIOUS.

The Board concluded that Nishida disclosed all of the elements of the amended claims other than "flat knit edges free of surrounding textile structure," which the Board held was disclosed by the Schuessler references. A36-38. The Board further ruled that a person of ordinary skill in the art would have been motivated to combine Nishida with the Schuessler references. A38-39. As set forth below, the Board's conclusion is based on unsupported factual findings and is incorrect as a matter of law.

A. There Was No Motivation To Combine Nishida With The Schuessler References.

The Board's conclusion that a person of ordinary skill would have been motivated to combine Nishida with the Schuessler references in order to achieve the invention of the amended claims was incorrect for two reasons.

First, the Board erred by placing the burden on Nike to demonstrate the patentability of the amended claims over the combination of Nishida and the Schuessler references. *See* A36 ("[W]e also are not persuaded that [Nike] has demonstrated the patentability of the proposed substitute claims over a ground of unpatentability presented by [Adidas], in particular, the ground involving Nishida

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and Schuessler I and II."). That was legal error: Congress has provided that, in an IPR proceeding, "***the petitioner*** shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence." 35 U.S.C. § 316(e). Thus, because the Board failed to place the burden on Adidas as it was required to do, the Board's decision must, at a minimum, be vacated.

Second, no substantial evidence supports the Board's finding of a motivation to combine Nishida with the Schuessler references. The Board ruled that the three references are all in the general field of textiles that can be shaped into wearable items and collectively feature the disparate elements of Nike's amended claims. A38-39. But "a patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art." *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007). Rather, an obviousness finding must be rooted in some rationale supporting a claimed combination, and the analysis leading to the "apparent reason to combine" "should be made explicit." *Id.*; *see also Innogenetics, N.V. v. Abbott Labs.*, 512 F.3d 1363, 1374 (Fed. Cir. 2008) ("[S]ome kind of motivation ***must be shown*** from some source [to] understand why a [skilled artisan] would have thought of either combining two or more references or modifying one to achieve the patented method."). That rationale is absent here.

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Nishida is directed to creating a textile with a pattern of multiple uppers on it, each of which can be removed from the larger textile web. A545(1:48-56)(Nishida). The patent purports to be an improvement over German Patent No. 627,878 ("the '878 patent"), which similarly discloses creating a pattern of uppers within a larger textile web. *Id.*(1:19-47)(Nishida). Nishida explained that the German prior art process was wasteful because the extraneous areas between the uppers consisted of the same valuable textile material used for the uppers themselves. *Id.* Nishida attempts to avoid this waste by using "simple, lightweight and inexpensive material" to form those portions of the web not constituting the layouts for the uppers, and by arranging the uppers in a layout that minimizes the amount of extraneous material. *Id.*(2:20-33)(Nishida). Thus, Nishida is directed specifically to the problem of creating a more efficient ***pattern*** for use in a "subtractive" process in which textile shapes are to be cut from a larger textile web. A1612(¶111). Nishida bears no relation to the "additive" process of flat knitting a ***single*** textile to shape in the first instance—a fundamentally different process that was well-known long before Nishida and used, for example, in the Schuessler references, which disclose knitting a cap to shape. *See* A1995-97(Schuessler I); A1998-2001(Schuessler II); A1613(¶112).

The record is devoid of evidence establishing that it would have been obvious to modify the subtractive process of Nishida by combining it with the

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additive process disclosed in the Schuessler references. Adidas's expert Dr. Frederick merely opined that "the textile elements of Schuessler I serve the same purpose when combined with Nishida's textile elements, namely to form a three-dimensional wearable item in an efficient and economical way from a knitted two-dimensional textile element." A2012(¶15)(Frederick). That reasoning simply recognizes that the various elements of the amended claims may be found in assorted prior art references; it does not provide a reasoned explanation for combining them. In particular, Dr. Frederick failed to explain why a skilled artisan would be motivated to modify the fundamentally subtractive process of Nishida (creating an improved pattern of removable shapes) with the fundamentally additive process of the Schuessler references (flat knitting a textile directly into the shape of a single hat).

Thus, Dr. Frederick's testimony falls far short of "identify[ing] a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does [to account for the fact that] inventions in most, if not all, instances rely upon building blocks long since uncovered, and claimed discoveries almost of necessity will be combinations of what, in some sense, is already known." *KSR*, 550 U.S. at 418-19; *see also St. Jude Med., Inc. v. Access Closure, Inc.*, 729 F.3d 1369, 1381 (Fed. Cir. 2013) ("Even under our expansive and flexible obviousness analysis, we must guard

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against hindsight bias and ex post reasoning." (citations and internal quotation marks omitted)). Therefore, the Board's finding of a motivation to combine Nishida with the Schuessler references is not supported by substantial evidence.

B. The Board's Ruling Regarding Claim 49 Cannot Stand Because Neither Nishida Nor The Schuessler References Disclose An Aperture Formed By Omitting Stitches.

The Board erred in finding claim 49 obvious for an additional reason. As discussed above, the Board found that Nishida disclosed all of the elements of claim 47 other than flat knit edges. A36-38. The Board further found that Nishida disclosed all of the additional limitations of claims 48-50 (which depend from claim 47), and thus that it was appropriate to group all of the proposed claims together for purposes of assessing patentability. A23-26.

Claim 49, however, requires an additional limitation that Nishida lacks: "a plurality of apertures … ***formed by omitting stitches*** in the flat knit textile element and positioned in the upper for receiving laces." A9-10; *see also* A65(10:20-25) (teaching that apertures (such as apertures for receiving laces) may be formed in an upper "by omitting stitches at specific locations"). Nishida does not disclose apertures in the textile element that are formed by omitting stitches; even Adidas's

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expert could not identify such a disclosure. A1517(150:10-17)(Frederick Dep.). The Board's contrary finding is unsupported by substantial evidence.[8]

Indeed, the Board appears to have misunderstood both the requirements of claim 49 and the disclosures of Nishida. *See* A25. Unlike Nike's amended claims, Nishida discloses apertures that may be formed by ***piercing*** holes into the textile element, with a separate piece of embroidery serving as a stencil to mark the locations on the upper to be pierced:

> In the production of web of material 1 or after its production, and optionally after cutting out of layout(s) 2, layout(s) 2 can be provided with an embroidery, especially with an English embroidery (i.e., ***the type of embroidery by which a hole pattern is welded and which is commonly used for the sewing of button holes***), of a trademark or another mark or identification on suitable or preferred places.

A546(4:31-38)(Nishida). Thus, as Nike's expert Raymond Tonkel testified, without contradiction, "Nishida contains no description or suggestion of forming [apertures for laces] by omitting stitches in the layout. Thus, it appears such openings were created by an additional manufacturing step, e.g., punching out the openings." A1610(¶107).

Nor would it have been obvious to modify Nishida to include this feature. The ***only*** evidence in the record on this point is, again, the testimony of Nike's expert, who explained:

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[8] There is no dispute that the Schuessler references do not disclose this claim element. *See* A1698; A1700.

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> Nishida contains no description or suggestion of forming [openings for laces] by omitting stitches in the upper and positioning them in the upper for receiving laces. Moreover, ***there was no motivation or other reason that would have prompted one of ordinary skill in the art at the time of the invention to modify Nishida to include this additional feature*** that has been added to substitute dependent claim 49.

A1613(¶113).

The Board's conclusion on this point rests on the following sentence: "[w]ith respect to the additional limitations of claim 49, Nishida describes forming lacing areas by knitting." A25. But Nishida's "lacing areas" do not contain apertures, let alone apertures formed by omitting stitches, as claim 49 requires. The Board's misunderstanding of claim 49 as well as the disclosures of Nishida comes through in the balance of its discussion.

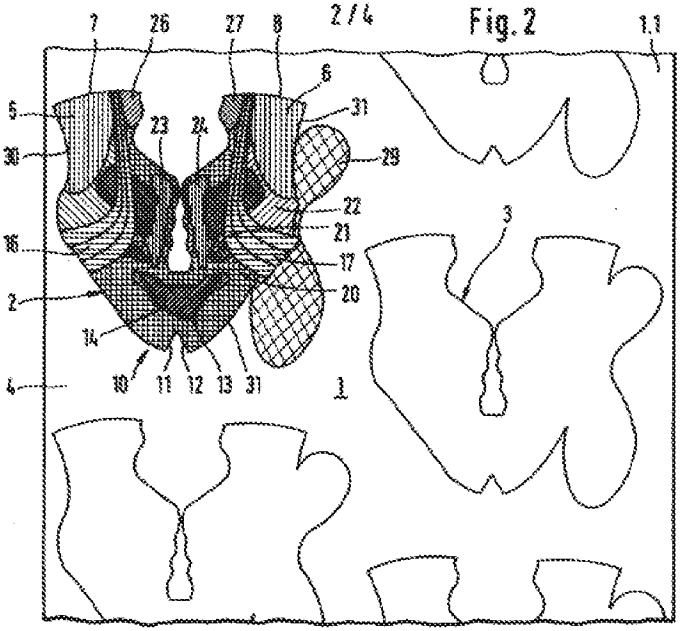
First, the Board cited the following passage in Nishida:

> Optionally, in this case, the material can be woven or knitted in two or more layers or can be especially thick or additionally embroidered. Similarly, the lacing areas 23 and 24 can be made dimensionally stable in corresponding manner, especially if, for example, no additional trimmings, such as the lacing strips 25, shown in FIG. 3, are to be applied.

A546(3:66-4:5)(Nishida); *see* A25. This passage, however, simply teaches that the portions of the textile web that serve as lacing areas can be made thicker than other portions of the web, for example by knitting multiple layers or adding a separate piece of embroidery. That is entirely consistent with Nishida's disclosure that the lacing areas of the textile web would be ***punctured*** with holes for laces—the

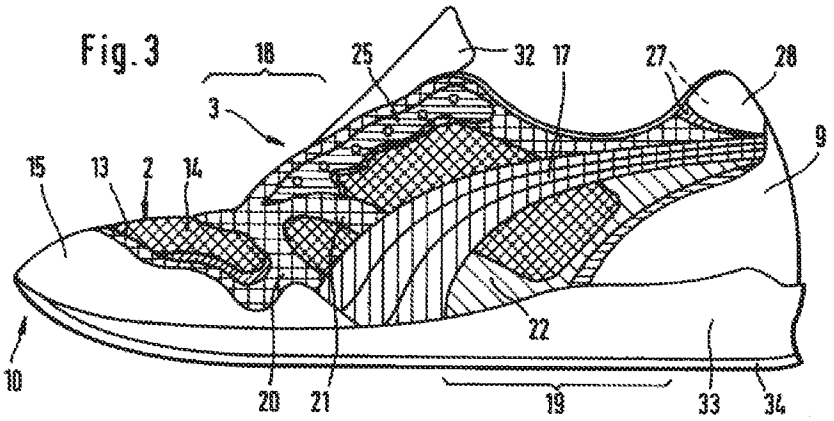
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thickening provides stability so that the textile retains its integrity after being punctured. *See* A546(4:31-38)(Nishida). Further, as seen in Figure 2, lacing areas 23 and 24 do not have any apertures. The pattern of uppers (including the lacing areas) is knit into the unbroken textile web, and each upper must be individually cut out:



(A542)(Fig. 2)(Nishida); *see also* A541(Fig. 1)(Nishida). Meanwhile, lacing strips 25 are independent textiles, *i.e.*, they are not part of the textile web depicted in Figure 2 above, but are "additional trimmings" that may be embroidered onto the upper layout. A546(4:3-5, 4:31-38)(Nishida). These separate textiles contain holes which can be used as a stencil to identify the locations on the upper layout to be punctured, as seen in Figure 3:

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(A542)(Fig.3)(Nishida); *see also* A546(4:31-38)(Nishida). Thus, the passage cited by the Board simply confirms that Nishida fails to disclose the creation of apertures in the upper by omitting stitches, as required by claim 49. A1613(¶113).

Second, the Board cited to a statement in the '011 patent describing the omission of stitches for another reason, namely to provide air permeability in the textile element used to form the upper. A25. The Board then appeared to conclude that, because Nishida also discusses providing air permeability, it must also disclose providing air permeability by omitting stitches—even though Nishida never discusses forming apertures by omitting stitches. *See id.* However, nothing about Nishida's disclosure of obtaining air permeability in any way teaches the formation of apertures in the textile web layout that is used to create the upper. Adidas's expert was clear on this point:

> Q. Mr. Frederick, I want to direct your attention back to Nishida and ask you, ***does Nishida teach anything about forming apertures in the layout***?

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> A. Hmm. ***I don't recall anything specifically teaching apertures***, but there's certainly a lot of mention of breathability and the need to improve breathability.

A1517(150:10-17)(Frederick Dep.).

It is true that the '011 patent explains that apertures may be formed by omitting stitches, and that apertures may provide air permeability in the knitted textile element. A65(9:57-62, 10:22-25). But that does not indicate that ***all*** apertures are formed by omitting stitches, nor that ***all*** air permeability is provided by apertures (let alone apertures formed by omitting stitches). The '011 patent certainly does not suggest that any reference that provides air permeability does so through apertures, much less through apertures formed by omitting stitches.

Nishida does not disclose creating apertures in the textile web by omitting stitches, for purposes of air permeability or otherwise. Rather, it discusses ***different*** methods of facilitating air permeability:

> Since, generally, toe area 14 is designed to be relatively deformably soft or elastic, and optionally, also permeable to air, the web of material 1, in toe area 14, according to the present invention, is correspondingly designed by suitable selection of the weave pattern, knit pattern and/or the material used, such as, for example, Silk or plastic. The type of production can, additionally, insure that the toe area 14 has a good air exchange capability. For example, this can be achieved by a net-like woven or knitted structure.

A546(3:43-52); *see also* A547(6:25-31) (claiming "weaving and knitting types being matched to differing requirements for materials of the shoe upper and sole part of a shoe in relation to properties thereof including at least one of the

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properties of absorptivity, air permeability, softness, extensibility, wear resistance, and appearance"). Nishida's disclosure of air permeability thus does not disclose the creation of apertures, let alone apertures formed by omitting stitches.

Third, the Board cited to its discussion of claim 26 in its Decision on Institution. A25. There, however, the Board simply found that Nishida disclosed the claim 26 element "an aperture in the textile element" by teaching the use of a "net-like" structure to increase air permeability in the toe area. A1171-72; *see also* A546(3:43-52). That discussion is irrelevant to claim 49, because—once again—Nishida's disclosure of a net-like structure to increase air permeability does not disclose the creation of apertures ***by omitting stitches***. A1517(150:10-17)(Frederick Dep.).

Finally, the Board cited to Adidas's claim chart for claim 49. That chart, however, simply quotes the language of claim 49 itself and refers back to the evidence that Adidas relied on to argue that Nishida anticipated claim 19, which contains the same "an aperture in the textile element" limitation found in claim 26. *See* A1700; A191-92. As discussed above, that language does not teach claim 49's limitation of a plurality of apertures created by omitting stitches. Adidas's expert did not address this limitation in his expert report, and he could not identify any passage in Nishida disclosing it. *See* A2008-09; A1517(150:10-17)(Frederick Dep.).

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In sum, the Board's finding that Nishida discloses a plurality of apertures formed by omitting stitches is not supported by substantial evidence. The Board's decision as to claim 49 should therefore be reversed or at the very least vacated and remanded.

C. The Board Failed To Consider Objective Indicia Of Nonobviousness.

The Board further erred by failing to consider Nike's evidence of objective indicia of nonobviousness. As this Court has long held:

> [E]vidence rising out of the so-called "secondary considerations" ***must always when present be considered en route to a determination of obviousness***. Indeed, evidence of secondary considerations may often be the most probative and cogent evidence in the record. It may often establish that an invention appearing to have been obvious in light of the prior art was not.

Stratoflex, Inc. v. Aeroquip Corp., 713 F.2d 1530, 1538 (Fed. Cir. 1983) (citations omitted); *see also In re Huai-Hung Kao*, 639 F.3d 1057, 1067 (Fed. Cir. 2011) ("[W]hen secondary considerations are present, though they are not always dispositive, ***it is error not to consider them***."); *Sullivan*, 498 F.3d at 1351 (vacating and remanding Board decision because it failed to consider evidence of objective indicia); *Sernaker*, 702 F.2d at 996 ("If … a patent applicant properly presents evidence relating to these secondary considerations, the board must ***always*** consider such evidence in connection with the determination of obviousness.").

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Here, Nike presented the Board with substantial evidence of a long-felt need for its invention. *See* A1239-40; *cf. Transocean Offshore Deepwater Drilling, Inc. v. Maersk Drilling USA, Inc.*, 699 F.3d 1340, 1353-54 (Fed. Cir. 2012) (solving a long-felt need is an objective indication of nonobviousness). Nike's expert explained that there was a long-felt need to reduce material waste during the manufacture of footwear uppers. A1647-48(¶178). Nishida, moreover, confirms that there was a long-felt need to minimize this "cutting waste." A545(2:11-33)(Nishida). Unlike Nishida, however, Nike's invention solves this long-felt problem by eliminating the need to cut a textile element from a larger textile structure, thereby eliminating both the "cutting waste" and the additional cutting step. A64(7:5-12); A1647-48(¶178).

Tellingly, Adidas never disputed that there was a long-felt need to reduce material waste and to reduce the number of steps in the manufacturing process. *See* 1694-95. Nor did Adidas or its expert dispute that Nike's FLYKNIT technology was a "quantum leap for flat knitting." A2141-42(40:22-41:3)(Frederick Dep.); *see also* A2026-34.

To the contrary, Adidas's expert initially failed to address objective indicia of nonobviousness, *see* A1411-12(44:4-45:25)(Frederick Dep.), and when he submitted a supplemental declaration to address the issue, he ***conceded*** that there was a long-felt need to reduce waste and improve yields in the manufacture of shoe

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uppers. A2021(¶36)(Frederick); A2023(¶41)(Frederick). Adidas's expert argued that the evidence of long-felt need should nevertheless be ignored, because he believed that the gains provided by Nike's invention would be offset by losses in production speed as well as machinery and labor costs. A2013-24(¶¶17-45)(Frederick). Dr. Frederick, however, lacked the requisite knowledge to conduct such a cost-benefit analysis. A2060; *see also* A2146-47(45:3-46:10)(Frederick Dep.). And in any event, whether there may be incidental costs associated with Nike's invention is irrelevant to whether there was a long-felt need for the benefits it provides, *i.e.*, reducing material waste and increasing the efficiency of the manufacturing process. Indeed, to the extent Dr. Frederick's testimony is relevant at all, it is evidence of skepticism and teaching away from the claimed invention, which are further indicia of nonobviousness. *See, e.g.*, *Monarch Knitting Mach. Corp. v. Sulzer Morat GmbH*, 139 F.3d 877, 885 (Fed. Cir. 1998) (noting that the "presence of either [skepticism or teaching away] gives insight into the question of obviousness").

The Board failed to address these objective indicia of nonobviousness in any way. *See* A36-39. Thus, at a minimum, the Board's decision must be vacated and remanded for the Board to consider the evidence of objective indicia of nonobviousness in the first instance. *See Sullivan*, 498 F.3d at 1351.

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III. THE BOARD'S DENIAL OF NIKE'S MOTION TO AMEND WAS CONTRARY TO LAW.

The Board alternatively denied Nike's motion to amend because Nike supposedly failed to demonstrate the patentability of its amended claims over prior art ***not*** of record. A34-36. Neither the statute nor the PTO's rules imposed such a burden on Nike, and the Board's effort to impose such a burden on patent holders is contrary to law.[9]

Congress has provided that a patent owner in an *inter partes* review may file a motion to amend the patent to "propose a reasonable number of substitute claims" "[f]or each challenged claim." 35 U.S.C. § 316(d)(1)(B). "An amendment under this subsection may not enlarge the scope of the claims of the patent or introduce new matter." 35 U.S.C. § 316(d)(3).

Under the PTO's regulations, a motion to amend must:

> include a claim listing, show the changes clearly, and set forth: (1) The support in the original disclosure of the patent for each claim that is added or amended; and (2) The support in an earlier-filed disclosure for each claim for which benefit of the filing date of the earlier filed disclosure is sought.

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[9] The Board also criticized Nike's motion for failing to discuss "the level of ordinary skill in the art, explaining the basic knowledge and skill set already possessed by one of ordinary skill in the art, with respect to the new claim features." A34-35. But Nike addressed that issue in its motion and its expert's supporting declaration. *See, e.g.*, A1228; A1231-40; A1585-98(¶¶60, 68, 71, 74, 78, 83, 87). Further, there was no dispute concerning the level of skill in the art. *See* A138-39(¶¶8-10)(Frederick); A1850-51(¶¶16-17)(Adanur); A1581(¶¶52-53)(Tonkel).

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37 C.F.R. § 42.121(b). The PTO's rules further state that there are two circumstances under which a motion to amend may be denied:

> (2) Scope. A motion to amend may be denied where: (i) The amendment does not respond to a ground of unpatentability involved in the trial; or (ii) The amendment seeks to enlarge the scope of the claims of the patent or introduce new subject matter.

37 C.F.R. § 42.121(a)(2).

Nike's motion to amend satisfied each of the statutory and regulatory requirements. Nike proposed one substitute claim for original claim 16, two substitute claims for original claim 19,[10] and one substitute claim for original claim 20. A1226-27. Nike's motion annotated its proposed claims to reflect the amendments to the original claims. *Id.* The proposed claims contain additional limitations that narrow the scope of the original claims; they accordingly do not enlarge the scope of any claims. A27. The proposed claims are supported by the written description. A27-31. And the proposed claims respond to the grounds of unpatentability identified by the Board in its Decision on Institution. A1231-40.

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[10] There is a presumption that only one substitute claim should be proposed to replace a challenged claim, but that presumption may be rebutted by a demonstration that multiple proposed substitute claims are patentably distinct from each other. *See* 37 C.F.R. § 42.121(a)(3); A24. Nike demonstrated that claims 48 and 49 are patentably distinct because they each add a substantially different limitation to original claim 19. A1240; A1644-47(¶¶169-76). Although the Board incorrectly found that the two claims were not patentably distinct, it did not deny the motion to amend on that basis. A25-26.

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The Board, however, denied Nike's motion because it found that Nike had failed to carry its supposed burden to show that its proposed claims were patentable over prior art not of record. This was improper for three reasons.

First, neither Congress in the statute nor the PTO in its rules has designated such a basis for denying a motion to amend. *See Align Tech., Inc. v. ITC*, 771 F.3d 1317, 1322 (Fed. Cir. 2014) (vacating decision "[b]ecause the Commission circumvented its own rules"); *United States v. UPS Customhouse Brokerage, Inc.*, 575 F.3d 1376, 1382 (Fed. Cir. 2009) ("An agency must follow its own regulations."). Instead, the Board relied not on a statute or regulation, but on one of its own interim decisions, in which it created a new rule that in a motion to amend, a patent owner must "persuade the Board that the proposed substitute claim is patentable over the prior art of record, ***and over prior art not of record but known to the patent owner***." *Idle Free Sys., Inc. v. Bergstrom, Inc.*, No. IPR2012-00027, 2013 WL 5947697, at *4 (P.T.A.B. June 11, 2013).

The Board's requirement has no basis in, and is inconsistent with, the PTO's rules. As described above, the rules create a framework in which a patent owner can ***narrow*** an issued claim in order to address a finding by the Board that the issued claim was likely invalid over certain prior art. Consistent with that framework, the motion to amend may properly be denied if the amendment does not narrow the claim, or if it does not respond to a ground of patentability involved

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in the IPR. The Board's *Idle Free* decision purported to impose an additional burden, unrelated to the grounds for rejection that prompted the amendment, and unsupported by the PTO rules.

Second, to the extent the PTO wished to impose a substantive burden of proof of the sort decreed in *Idle Free*, it was required to do so via formal rulemaking. Under the APA, agencies such as the PTO must give notice of proposed rulemaking and provide for a comment period before promulgating "substantive" rules. *See* 5 U.S.C. § 553; *Lincoln v. Vigil*, 508 U.S. 182, 195-96 (1993); *Animal Legal Def. Fund v. Quigg*, 932 F.2d 920, 927 (Fed. Cir. 1991). A rule is "substantive" if it "effects a change in existing law or policy which affects individual rights and obligations." *Animal Legal Def. Fund*, 932 F.2d at 927 (citations omitted). The Board's imposition of a burden of proving nonobviousness on the patent owner—over both the prior art of record and additional prior art not of record—plainly affects individual rights and obligations and thus constitutes a "substantive" rule. *See, e.g.*, *Medtronic, Inc. v. Mirowski Family Ventures, LLC*, 134 S. Ct. 843, 849 (2014) ("[W]e have held that the burden of proof is a substantive aspect of a claim." (internal quotation marks omitted)); *Director, Office of Workers' Compensation Programs v. Greenwich Collieries*, 512 U.S. 267, 271 (1994) ("[T]he assignment of the burden of proof is a rule of substantive law."); *Garrett v. Moore-McCormack Co.*, 317 U.S. 239, 249

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(1942) (the burden of proof "cannot be considered a mere incident of a form of procedure"); *cf. Christensen v. Harris County*, 529 U.S. 576, 588 (2000) ("To defer to the agency's position would be to permit the agency, under the guise of interpreting a regulation, to create de facto a new regulation.").

Finally, even if the Board had the power to impose a burden of proof through adjudication rather than rulemaking (though it plainly did not), the Board's *Idle Free* rule conflicts with the controlling statute and therefore cannot stand. Congress mandated that "[i]n an inter partes review instituted under this chapter, ***the petitioner*** shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence." 35 U.S.C. § 316(e). By its plain terms, this statutory requirement applies to ***any*** proposition of unpatentability that arises in an IPR.

The Board, however, took it upon itself to shift that burden with respect to motions to amend, stating that "[t]he burden is not on the petitioner to show unpatentability, but on the patent owner to show patentable distinction over the prior art of record and also prior art known to the patent owner." *Idle Free*, 2013 WL 5947697, at *4. The *Idle Free* rule thus conflicts with Section 316(e) and would therefore be improper even had it been duly promulgated as a regulation. *See, e.g.*, *United States v. Mead Corp.*, 533 U.S. 218, 227 (2001) (agency regulation may not be "manifestly contrary to the statute"); *GHS Health Maint.*

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Org., Inc. v. United States, 536 F.3d 1293, 1297 (Fed. Cir. 2008) ("When a regulation directly contradicts a statute, the regulation must yield.").

CONCLUSION

The Board's decision denying Nike's motion to amend the '011 patent should be reversed or, alternatively, vacated and remanded for further proceedings.

Respectfully submitted,

/s/ Kevin A. Goldman

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December 15, 2014

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ADDENDUM

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TAB 1

Trials@uspto.gov
571-272-7822

Paper 60
Entered: April 28, 2014

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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adidas AG
Petitioner

v.

NIKE, Inc.
Patent Owner

Case IPR2013-00067
Patent 7,347,011 B2

Before JOSIAH C. COCKS, MICHAEL J. FITZPATRICK, and JAMES B. ARPIN, *Administrative Patent Judges.*

ARPIN, *Administrative Patent Judge.*

FINAL WRITTEN DECISION
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73

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I. INTRODUCTION

On December 10, 2012, adidas AG ("Petitioner") filed a revised petition (Paper 7) challenging claims 1-46 of Patent No. US 7,347,011 B2 (Ex. 1002, "the '011 Patent"). Petitioner relied upon the following prior art references:

Glidden	US 2,147,197	Feb. 14, 1939	(Ex. 1007)
McDonald	US 2,314,098	Mar. 16, 1943	(Ex. 1008)
Whiting	US 2,641,004	June 9, 1953	(Ex. 1009)
Shiomura	US 4,785,558	Nov. 22, 1988	(Ex. 1011)
Curley	WO 90/03744	Apr. 19, 1990	(Ex. 1010)
Osamu	JP H06-113905	Apr. 26, 1994	(Ex. 1006)
Nishida	US 5,345,638	Sep. 13, 1994	(Ex. 1005)

On February 28, 2013, Nike, Inc. ("Patent Owner") filed a patent owner preliminary response (Paper 12). In a decision to institute (Paper 18) issued May 17, 2013, we[1] instituted *inter partes* review of all of the challenged claims as to the following grounds for review:

claims 1-16, 19-34, 36, and 39-46 as anticipated by Nishida;

claims 16-18 as anticipated by Glidden;

claims 1-16 and 19-46 as obvious over Nishida; and

claims 16-18 as obvious over Glidden.

On August 18, 2013, Patent Owner filed a motion to amend (Paper 31), accompanied by certain testimony of Patent Owner's expert, Dr. Tonkel

[1] After issuance of the decision to institute, Judge Cocks replaced Judge Tierney as the administrative patent judge managing this proceeding. Paper 30.

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(Ex. 2010), but elected not to file a patent owner response. In the scheduling order (Paper 19, 2-3), Patent Owner had been cautioned that any arguments for patentability not raised in the patent owner response are deemed waived. On November 12, 2013, Petitioner filed an opposition (Paper 37) to the motion to amend, including three additional exhibits: declaration of Sabit Adanur Ph.D. (Ex. 1016) and Patent Nos. US 2,178,941 (Ex. 1020, "Schuessler I") and US 2,150,730 (Ex. 1021, "Schuessler II"). On December 11, 2013, Patent Owner filed a reply (Paper 44) to Petitioner's opposition to the motion to amend.

On January 7, 2014, Petitioner filed a motion to exclude evidence (Paper 49). Specifically, Petitioner moved to exclude (1) certain testimony elicited on cross-examination of Petitioner's expert, Dr. Frederick (Ex. 2009 (deposition testimony of Dr. Frederick)), as allegedly beyond the scope of Dr. Frederick's direct testimony (Ex. 1001 (declaration of Dr. Frederick)); and (2) certain testimony of Patent Owner's expert, Dr. Tonkel, which allegedly relied on the challenged, cross-examination testimony of Dr. Frederick. On January 21, 2014, Patent Owner filed Patent Owner's opposition (Paper 51) to Petitioner's motion to exclude evidence; and, on January 28, 2014, Petitioner filed Petitioner's reply (Paper 54) to Patent Owner's opposition to Petitioner's motion to exclude evidence.

Both parties requested oral argument. Papers 47 and 48. In the trial hearing order (Paper 50), we gave each party thirty (30) minutes to argue its case. Because Patent Owner did not file a patent owner response, we ordered (1) that the parties would not present arguments regarding whether

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original claims 1-46 are unpatentable based on the instituted grounds and (2) that Patent Owner, rather than Petitioner, would argue first. Paper 50, 2. The oral hearing was conducted on February 10, 2014.[2]

We have jurisdiction under 35 U.S.C. § 6(c). This final written decision is entered pursuant to 35 U.S.C. § 318(a).

For the reasons that follow, the portion of Patent Owner's motion to amend requesting cancellation of claims 1-46

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the entry of one independent substitute claim, claim 47, and three dependent substitute claims, claims 48-50. Paper 31, 1-2. In support of its motion, Patent Owner filed a declaration of Dr. Tonkel (Ex. 2010).

An *inter partes* review is more adjudicatory than examinational, in nature. *See Abbott Labs. v. Cordis Corp.*, 710 F.3d 1318, 1326 (Fed. Cir. 2013). A *motion* to amend in an *inter partes* review is not itself an amendment. As the moving party, Patent Owner bears the burden of establishing that it is entitled to the relief requested. 37 C.F.R. § 42.20(c). Thus, Patent Owner's proposed substitute claims are not entered automatically, but may be entered upon Patent Owner's having demonstrated the patentability of the substitute claims.

A. Claim Construction

Claim construction is an important step in a patentability determination. *Medichem, S.A. v. Rolabo, S.L.*, 353 F.3d 928, 933 (Fed. Cir. 2003) ("Both anticipation under § 102 and obviousness under § 103 are two-step inquiries. The first step in both analyses is a proper construction of the claims. . . . The second step in the analyses requires a comparison of the properly construed claim to the prior art." (internal citations omitted)). Thus, a motion to amend must identify how the proposed substitute claims are to be construed, especially when the proposed substitute claims introduce new claim terms or features. *See Research in Motion Corp. v. MobileMedia Ideas LLC*, IPR2013-00016, Paper 32, 6. The motion to amend also must explain how the construed claim is distinguishable over the art.

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Neither Patent Owner nor Petitioner challenges our interpretation of certain terms of claim 16, as set forth in the decision to institute, which terms also appear in substitute claims 47-50. Paper 18, 10-17. The interpretations of those terms are adopted for purposes of this final decision. In particular, in the decision to institute, we construed expressly the claim terms: a "weft-knitted textile element," a "flat-knitted textile element," and "unitary construction." Paper 18, 11-15. Although the original claims are no longer at issue, the interpretation of terms in the decision to institute is relevant to the interpretation of those terms in the substitute claims.

1. A Single Type of Textile

Independent claims 1, 24, and 36 recite that a textile element incorporates "a single type of textile." In its petition, Petitioner pointed out that "[t]extile element 40 is primarily formed from one or more yarns that are mechanically-manipulated through either an interweaving, intertwining and twisting, or interlooping process." Paper 7, 10 (quoting '011 Patent, col. 6, ll. 51-54). "A single type of textile" is not defined expressly in the Specification of the '011 Patent. Nevertheless, we noted that a pertinent definition of the term "textile" is "any cloth or goods produced by weaving, knitting, or felting." RANDOM HOUSE WEBSTER'S COLLEGE DICTIONARY 1351 (2nd Random House ed. 1996) (Ex. 3001); *cf.* Ex. 1002, col. 2, ll. 6-14 (defining "textiles"). In addition, the term "textile" is defined more broadly as "[a] material made of natural or artificial fibers and used for the manufacture of items such as clothing or furniture fittings." MCGRAW-HILL DICTIONARY OF SCIENTIFIC AND TECHNICAL TERMS 1911 (4th ed. 1989)

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(Ex. 3002). As noted above, the '011 Patent states that textiles generally fall into two categories: fabrics formed of randomly locked filaments or fibers, such as felts; and fabrics formed of mechanically manipulated yarn, such as woven or knitted fabrics. Ex. 1002, col. 2, ll. 9-14.

The '011 Patent describes various techniques for mechanically manipulating yarn into woven fabrics or textiles, including interweaving (e.g., weaving), intertwining and twisting (e.g., braiding and knotting), and interlooping (e.g., knitting). *Id.* at ll. 36-46. In the decision to institute, we noted that claim 16 recites that the "textile element" is "knitted" and, in particular, "weft-knitted." Paper 18, 11-13.

2. Weft-Knitted Textile Element and Flat-Knitted Textile Element

According to Patent Owner, substitute claim 47 incorporates the limitations of challenged, independent claim 16. Paper 31, 1. In its petition, Petitioner argued that the terms "weft-knitted" and "flat-knitted" are well-known in the art. Paper 7, 10. We agreed.

As noted above, the Specification of the '011 Patent describes that various textile types (e.g., weft knitting textiles) and sub-types (e.g., circular and flat knitted) may be used to manufacture textile elements for incorporation into the uppers of the claimed articles of footwear. Ex. 1002, col. 6, l. 66-col. 7, l. 10. In the "Detailed Description of the Invention" portion of the Specification, the '011 Patent further describes that:

> A variety of mechanical processes have been developed to manufacture a textile. *In general, the mechanical processes may be classified as either warp knitting or weft knitting.* With regard to warp knitting, various specific *sub-types* that may be

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> utilized to manufacture a textile include tricot, raschel, and double needle-bar raschel (which further includes jacquard double needle-bar raschel). *With regard to weft knitting, various specific sub-types that may be utilized to manufacture a textile include circular knitting and flat knitting.* Various types of circular knitting include sock knitting (narrow tube), body garment (seamless or wide tube), and jacquard.

Id. at col. 6, l. 66-col. 7, l. 10 (emphases added).

Although the '011 Patent does not include a definition of either the term "weft knitting" or "warp knitting," a pertinent definition of "weft knitting" is "[a] knitting process in which *a continuous yarn* is carried *in crosswise rows*." MCGRAW-HILL DICTIONARY OF SCIENTIFIC AND TECHNICAL TERMS at 2054 (Ex. 3002; emphases added); *see also* Ex. 1001 ¶ 56 (reproducing H. Eberle et al., CLOTHING TECHNOLOGY, Sec. 3.3.1 (3rd English ed. 2002) (weft knitted fabric "[m]ay be made from a single yarn")). By comparison, a pertinent definition of the term "warp knitting" is "[a] knitting process in which *a group of yarns form rows running lengthwise* by an interlocking process." MCGRAW-HILL DICTIONARY OF SCIENTIFIC AND TECHNICAL TERMS at 2045 (Ex. 3002; emphasis added). Similarly, flat knitting is described in the '011 Patent as a sub-type of weft knitting, in which the textile is knit as a sheet or flat piece of textile (Ex. 1002, col. 7, ll. 5-8), in contrast to, for example, circular knitting, which is another sub-type of weft knitting (*see* Ex. 1002, fig. 9).

In its opposition to the motion to amend, Petitioner argues that, although flat knitting may be a sub-type of weft knitting, flat knitting is broader than that and describes any "knitted textile that is knit in a flat

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form," and necessarily includes other types of knitted textiles, including warp knit textiles. Paper 37, 1-2. In the context of this Specification, we are not persuaded that flat knitting should be construed so broadly.

In construing the term "flat knitting," we apply the broadest reasonable interpretation of the words in their ordinary usage, as those words would be understood by one of ordinary skill in the art, taking into account any definitions supplied by the Specification. *See In re Morris*, 127 F.3d 1048, 1054 (Fed. Cir. 1997). The Specification of the '011 Patent expressly describes flat knitting as a *sub-type* of weft knitting. Ex. 1002, col. 7, ll. 5-8. Ultimately, "[t]he construction that stays true to the claim language and most naturally aligns with the patent's description of the invention will be . . . the correct construction." *Renishaw PLC v. Marposs Societa' per Azioni*, 158 F.3d 1243, 1250 (Fed. Cir. 1998).

Further, Patent Owner presents evidence that a person of ordinary skill in the art would understand flat knitting to describe a sub-type of weft knitting. Paper 44, 1 (quoting a textile dictionary (Ex. 2011, 6) to state that "the trade uses the term flat knit fabric to refer to weft knit fabrics made on a flat machine, rather than warp-knit fabrics"); *see also* Ex 2017, 5; Ex. 2018, 6. Despite its argument, Petitioner identifies no portion of the Specification of the '011 Patent that describes flat knitting with respect to warp knitting or any other type of knitting, beyond weft-knitting. *See* Paper 37, 2-3. In addition, *before* the filing date of the motion to amend, Dr. Frederick, Petitioner's expert, testified that "[f]lat knitting would be another type of weft knitting that would involve an end result that was . . . on a curved

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surface, but more or less flat." Ex. 2009, 89, ll. 6-11. Therefore, we determine that the term "weft knitting" describes a type of knitting in which a continuous yarn is carried in crosswise rows, and we construe the term "flat knit" to recite a sub-type of weft knitting, in which the weft knit textile is produced as a sheet of more or less flat material.[5]

3. The Textile Element Having First and Second Areas

In its petition, Petitioner argued that the phrase "the textile element *having a first area and a second area* with a unitary construction" in original claim 16 should be construed to require a textile element (1) having a unitary construction *and* (2) having a first area and a second area, each area having stitching that imparts different properties to its area. Paper 7, 11-12 (emphasis added). Thus, Petitioner argued that the textile element has a *single* unitary construction containing different areas. Petitioner also argued, however, that separate unitary constructions in *different* areas of the textile element would be inconsistent with the invention, as described in the Specification. *Id.* at 12.

The '011 Patent expressly defines the term "unitary construction." Ex. 1002, col. 6, ll. 41-46. The '011 Patent states that, "[*a*]*s defined for purposes of the present invention*, unitary construction is intended to express a configuration wherein portions of a textile element are not joined together

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[5] Although not dispositive for purposes of our construction of this term, we are mindful that Patent Owner proposed the replacement of "weft-knitted" with "flat knit" in original claim 16 in order to narrow the scope of substitute claim 47 in a manner consistent with the language of the Specification.

by seams or other connections, *as depicted with textile element 40 in FIG. 8*." *Id.* (emphases added); *see* Paper 18, 10-11 (citing *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994)). Consequently, we construe the phrase "the textile element having a first area and a second area with a unitary construction" to require a textile element having a unitary construction *and* having a first area and a second area.

4. Flat Knit Edges Free Of Surrounding Textile Structure Such That The Flat Knit Edges Are Not Surrounded By Textile Structure From Which The Textile Element Must Be Removed

Patent Owner proposes adding these limitations to original claim 16 in substitute claim 47 in order to distinguish the substitute claims over the references cited by Petitioner in its petition and over other references known to Patent Owner. Paper 31, 3. The Specification of the '011 Patent describes a textile element with "edges" (*e.g.*, Ex. 1002, Abstract; col. 6, ll. 47-50 (describing edges 41a-44d of textile element 40)), and such edges were recited in the challenged claims (*see id.* at Claims 1, 3, 4, 6, 24, 36, and 39-41). In substitute claim 47, however, Patent Owner proposes to limit further those edges as (1) "flat knit" edges and (2) edges "free of surrounding textile structure such that the flat knit edges are not surrounded by textile structure from which the textile element must be removed." We address the construction of each of these limitations in turn.

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a. Flat Knit Edges

Patent Owner argues that "flat knit edges" are edges that are themselves "flat knit," as opposed to edges that are formed by cutting a textile element from a textile structure that has been created by flat knitting. Paper 31, 7-8. In particular, Patent Owner argues that cutting a textile element from a larger textile structure, such as is taught by Nishida (*see* Ex. 1005, col. 2, ll. 1-10), requires that the stitches at the textile element edges are broken, e.g., by a knife, die cutter, or other cutting technique, in order to separate the textile element from the surrounding textile structure. Paper 31, 7-8 (citing Ex. 2010 ¶¶ 101-105). Moreover, Patent Owner argues that, if untreated, such cut edges are subject to fraying or unraveling. *Id.; see also* Ex. 2010 ¶ 46 (citing Ex. 1007, 2, col. 1, ll. 56-63; Ex. 1009, col. 3, l. 68-col. 4, l. 16). Conversely, if the edges, like the textile of the flat knit textile element, are flat knit, Patent Owner argues that such edges inherently have a stable configuration in which the yarn of stitches at the edges of the textile element is unbroken and joined from one row to the next row. *Id.* at 8 (citing Ex. 2010 ¶ 105); *see also* McGraw-Hill Dictionary of Scientific and Technical Terms at 2054 (Ex. 3002); Ex. 1001 ¶ 56. Thus, Patent Owner argues that the yarns forming the flat knit edges of the flat knit textile element, as recited in substitute claim 47, retain their integrity, e.g., are unbroken and remain joined between rows. *See* Ex. 2010 ¶ 105. Therefore, according to Patent Owner, a *flat knit* edge of a flat knit textile element is structurally different from a *cut* edge of a flat knit textile element.

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Petitioner contends that the term "flat knit edges" has two plausible meanings. First, flat knit edges may be edges created when a textile element is cut from a larger flat knit textile structure. Second, flat knit edges may be edges created when a flat knit textile element is knit to shape. In an absolute sense, we agree. Nevertheless, we must determine what the term means in the context of *this* claim (including surrounding claim language) and in the context of the Specification of *this* patent. Here, we construe a flat knit edge to be an edge of a flat knit textile element, which is itself flat knit, e.g., which is not formed by cutting from a flat knit textile element.

b. Edges Free Of Surrounding Textile Structure Such That The Flat Knit Edges Are Not Surrounded By Textile Structure From Which The Textile Element Must Be Removed

Figures 8, 10, and 11 of the Specification of the '011 Patent depict textile elements 40, 40′, and 40″, respectively, without any textile structure surrounding the textile elements. Patent Owner argues that these figures depict a flat knit textile element with flat knit edges and without any textile structure surrounding the textile elements, as recited in substitute claim 47. Paper 31, 3-4; *see, e.g.,* Ex. 1002, col. 6, ll. 41-50 (describing the unitary construction of textile element 40). In contrast, Figure 9 of the Specification depicts an embodiment of the disclosed invention in which a plurality of textile elements 40 is cut from a *circular knit* textile structure 60. Ex. 1002, col. 7, ll. 41-48. Thus, as noted above, Patent Owner argues that, unlike the cut out textile elements depicted in Figure 9, flat knit textile elements having

flat knit edges are depicted in and disclosed by Figures 8, 10, and 11. Paper 31, 4 (citing Ex. 2010 ¶¶ 36, 37, 40-41, and 62-67).

Petitioner argues that this limitation of substitute claim 47 properly is construed as a negative limitation and that the negative limitation lacks sufficient written description. Paper 37, 4. As the U.S. Court of Appeals for the Federal Circuit explained,

> [t]he test for determining compliance with the written description requirement is whether the disclosure of the application as originally filed reasonably conveys to the artisan that the inventor had possession at that time of the later claimed subject matter, *rather than the presence or absence of literal support in the specification for the claim language* . . . The content of the drawings may also be considered in determining compliance with the written description requirement.

In re Kaslow, 707 F.2d 1366, 1375 (Fed. Cir. 1983) (emphasis added; citations omitted). To the extent that the language of substitute claim 47 recites a negative limitation, we conclude that this negative limitation is supported by the positive disclosure of the various forms of the textile element, including a flat knit textile element, with "edges free of surrounding textile structure such that the flat knit edges are not surrounded by textile structure from which the textile element must be removed," in Figures 8, 10, and 11 of the '011 Patent. *See Santarus, Inc. v. Par Pharm., Inc.*, 694 F.3d 1344, 1351 (2012) ("it is possible for the patentee to support both the inclusion and exclusion of the same material."). In view of the positive disclosure of this feature, the Specification need not disclose a reason to exclude. *Ex Parte Lazaridis and Brown*, Appeal No. 2010-

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005137, 2013 WL 1331529 (2013) (discussing an alternative basis for excluding a limitation in the absence of a positive recitation). Thus, we are persuaded that the Specification discloses flat knit edges free of surrounding material, as recited in substitute claim 47.

The language added to substitute claim 47 arguably recites the claimed invention in terms of the manner in which it is made, i.e., as a product-by-process limitation. During the oral hearing, the parties disagreed as to whether the added language is a product-by-process limitation. Paper 59, 10-11 and 20. We determined above that the process of creating a flat knit textile element with flat knit edges having no surrounding material creates an edge that is *structurally* different from a cut edge. Therefore, because the described process imparts structural differences to the textile element and, hence, to the claimed article of footwear, this limitation may be used to distinguish substitute claim 47 over the prior art. *See Greenliant Sys., Inc. v. Xicor LLC*, 692 F.3d 1261, 1265 (2012) ("[T]he process limitations in product-by-process claims . . . cannot be used to distinguish prior art *unless the process imparts structural differences to the product*." (emphasis added)).

As noted above, we construe the claims in view of the Specification. The Specification need not present every embodiment or permutation of the invention, and the claims are not limited to a preferred embodiment of the invention. *See Comark Commc'ns, Inc. v. Harris Corp.*, 156 F.3d 1182, 1186 (Fed. Cir. 1998). The claims, however, may not enlarge the scope of what is patented beyond what the inventor has described as the invention.

Claim construction is the judicial statement of what is and is not covered by the technical terms and other words of the claims. *See United States Surgical Corp. v. Ethicon, Inc.,* 103 F.3d 1554, 1568 (Fed. Cir. 1997). Here, the Specification broadly discloses the structure of the textile elements, e.g., textile elements 40, 40′, and 40″, from which a shoe upper may be formed. Moreover, the Specification describes an embodiment of a method for cutting a plurality of textile elements from a *weft* knit, and, in particular, a *circular* knit, textile structure (*see* Ex. 1002, fig. 9), but the disclosed invention is not limited to textile elements manufactured according to this embodiment. The Specification teaches that textile structure 60, from which textile elements 40, 40′, or 40″ may be cut, "may be formed" according to the embodiment depicted in Figure 9, but we conclude that those textile elements also may be made according to other embodiments. Ex. 1002, col. 8, ll. 1-14.

For example, Patent Owner's expert, Mr. Tonkel, testifies that, based on his reading of the Specification, textile elements 40, 40′, and 40″ may be made by the flat knitting of yarn by the known process of "knit[ting] to shape." Ex 2010 ¶¶ 36, 37, 40-42, and 62-67. Petitioner's expert does not disagree. Ex. 1001 ¶ 28 ("The '011 Patent describes that the textile element may be formed *any number of ways* with one or more yarns that are mechanically manipulated *using a variety of existing processes* . . ." (emphases added)); *see also* Ex. 1001 ¶ 53 ("Significantly, the '011 Patent states that the textile element may be formed *through any of the mechanical processes discussed in the specification*." (emphasis added)). Thus, we

conclude that this language of substitute claim 47 is construed properly to describe a knit to shape textile element formed by flat knitting, having flat knit edges. Such flat knit edges are knit, such that the yarns and fibers forming the flat knit edges of the flat knit textile element, as recited in substitute claim 47, are unbroken and remain joined between rows forming the edges.

5. Remaining Claim Terms or Phrases

All remaining claim terms and phrases recited in substitute claims 47-50 are given their ordinary and customary meaning, consistent with the Specification, as would be understood by one with ordinary skill in the art.

B. A Reasonable Number Of Substitute Claims

Under 35 U.S.C. § 316(d)(1), a patent owner may, for each challenged claim, propose a reasonable number of substitute claims in a motion to amend. Each proposed claim should be traceable to an original, challenged claim as a proposed substitute claim for that challenged claim. Absent special circumstances, a challenged claim can be replaced by only one claim. The presumption is that only one substitute claim would be needed to replace each challenged claim, although the presumption may be rebutted by a demonstration of need. 37 C.F.R. § 42.121(a)(3).

In its motion to amend, Patent Owner proposes substitute, independent claim 47 for original, independent claim 16; *two,* substitute, dependent claims, claims 48 and 49, for original, dependent claim 19; and substitute, dependent claim 50 for original, dependent claim 20. Paper 31, 2.

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Thus, Patent Owner has proposed more than one substitute claim for original claim 19.

In the order acknowledging that Patent Owner complied with the requirement of 37 C.F.R. § 42.121(a) to confer with us prior to filing a motion to amend, we noted that, if more than one substitute claim is proposed for a challenged claim, for each proposed substitute claim, the patent owner is expected to make a showing of patentable distinction over all other proposed substitute claims for the same challenged claim. Paper 29, 2-3 (quoting *Idle Free Sys., Inc. v. Bergstrom, Inc.*, IPR2012-00027, Paper 26, 8-9 (emphasis added)).

If more than one substitute claim is proposed for the same challenged claim, the motion to amend must show that these multiple substitute claims are patentably distinct from each other. If shown to be patentably distinct from each other, the multiple claims are likely not unreasonable in number. Paper 29, 2-3. If, however, no such patentable distinction is shown in the motion, then we, in our discretion, may deny entry of the excess claims *or* group the multiple substitute claims together for common treatment over the prior art. *Id.* at 3.

Patent Owner argues that dependent claims 48 and 49, each of which is a substitute for claim 19, are patentably distinct from each other. Paper 31, 15 (citing Ex. 2010 ¶¶ 169-176). According to Patent Owner, "[c]laim 49 does not teach or suggest 'joined edges [that] shape the flat knit textile element to form a lateral region, a medial region, an instep region and a heel region of the upper,'" as recited in claim 48. Paper 31, 15 (citing Ex. 2010

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¶ 174). Similarly, Patent Owner argues that "[c]laim 48 does not teach or suggest 'apertures formed by omitting stitches in the flat knit textile element and positioned in the upper for receiving laces,'" as recited in claim 49. *Id.* (citing Ex. 2010 ¶176).

Initially, we note that each of claims 48 and 49 depends directly from independent claim 47 and incorporates the limitations of claim 47 and original claim 19. With respect to the additional limitations of claim 48, Nishida describes joining the edges of the layout to form various portions of the upper, as recited. Ex. 1002, col. 2, ll. 6-10; col. 3, ll. 27-42; fig. 3; *see also* Paper 18, 20-25 (discussing original claims 3, 4, 6, 24, 39-41); Paper 37, 14-15 (claim chart for claim 48). With respect to the additional limitations of claim 49, Nishida describes forming lacing areas by knitting. Ex. 1002, col. 3, l. 66-col. 4, l. 5; *see also* Paper 18, 24-25 (discussing original claim 26); Paper 37, 15 (claim chart for claim 49). Further, the Specification of the '011 Patent describes the omission of stitches, as recited in claim 49, to provide air permeability to the upper. Ex. 1002, col. 9, ll. 57-62; *cf.* Ex. 1005, col. 3, ll. 43-52 ("This type of production can, additionally, insure that the toe area 14 has a good air exchange capability. For example, this can be achieved by a net-like woven or knitted structure.").

In view of limitations of claim 47 and original claim 19 *shared* by claims 48 and 49 and the teachings of Nishida, Patent Owner has not shown that claims 48 and 49 would not be obvious over each other, and Patent Owner does not persuade us that claims 48 and 49 are patentably distinct

from each other. Thus, Patent Owner has failed to demonstrate that it proposes a reasonable number of substitute claims for original claim 19 in accordance with 37 C.F.R. § 42.121(a)(3). Nevertheless, in our discretion, we do not deny entry of claims 48 and 49 on this basis, but instead group claim 49 with claim 48, for patentability purposes. Further, we determine that Patent Owner does not argue separately that the limitations of claims 48 and 50 render them patentable over the prior art. *See* Paper 31, 6-10. Consequently, we group claims 48-50 with claim 47 for purposes of considering their patentability over prior art.

C. Scope of Motion to Amend

Pursuant to 37 C.F.R. § 42.121(a)(2), a motion to amend may be denied if: (1) the amendments seek to enlarge the scope of the original claims; (2) the amendments introduce new subject matter; or (3) the amendments do not respond to a ground of unpatentability, upon which trial was instituted. For the reasons discussed below, we determine that the substitute claims presented in Patent Owner's motion to amend are definite and narrow the scope of the original claims and do not introduce new subject matter. Further, we conclude that the substitute claims presented in Patent Owner's motion to amend respond to grounds of unpatentability, upon which trial was instituted, especially, anticipation by and obviousness over Nishida. *See* Paper 18, 37. Nevertheless, because, as set forth below, we deny Patent Owner's motion to amend for other reasons, we do not discuss further Patent Owner's arguments regarding the patentability of the

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substitute claims over Nishida alone or Petitioner's opposition to those arguments. *See* Paper 31, 6-10; Paper 37, 8-10.

1. Narrowing Amendments

With respect to substitute claim 47, Patent Owner proposes to replace the term "weft knit" with the term "flat knit" in original claim 16 and to add certain additional limitations to original claim 16. Paper 31, 1. Specifically, Patent Owner argues that "flat knitting" is a sub-type of "weft knitting." *Id.* at 3; Paper 44, 1-2. As noted above, we construe the term "flat knit textile element" in substitute claim 47 to mean a "flat *weft* knit textile element." Hence, it is narrower than the corresponding limitation of claim 16. Further, the additional limitations of substitute claim 47, reciting (1) "flat knit edges" and (2) the manner in which such edges are *not* formed, together provide structural limitations that were not present in original claim 16.

For the foregoing reasons, we determine that Patent Owner's proposed substitute claims 47-50 comply with 37 C.F.R. § 42.121(a)(2).

2. Written Description for Substitute Claims

The purpose of the written description requirement is to convey with reasonable clarity to those skilled in the art that, as of the filing date sought, applicant was in possession of the invention as now claimed. *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64 (Fed. Cir. 1991). We note that "the written description requirement is satisfied by the patentee's disclosure of 'such descriptive means as words, structures, figures, diagrams, formulas, etc., that fully set forth the claimed invention.'" *Enzo Biochem, Inc. v. Gen-*

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Probe Inc., 323 F.3d 956, 969 (Fed. Cir. 2002) (quoting *Lockwood v. American Airlines, Inc.*, 107 F.3d 1565, 1572 (Fed. Cir. 1997)). Patent Owner argues that the additional limitations of substitute claim 47 are supported by the disclosure of the patent application, U.S. Patent Application No. 10/791,289 ("the '289 Application"), from which the '011 Patent issued. Paper 31, 3-4 (citing Ex. 1003, 168-9, 173-5, 179, 181, and 184). We agree.

a. Flat Knit Textile Element

Patent Owner argues that, as with the '011 Patent, the '289 Application discloses that "weft knitting . . . include[s] circular knitting and flat knitting." *Id.* at 3 (citing Ex. 1003, 168); *cf.* Ex. 1002, col. 7, ll. 5-8. Further, claim 65 of the '289 Application recites that "an upper incorporating a textile element [is] formed through a *flat knitting* process" (emphasis added). *Id.* (citing Ex. 1003, 184); s*ee also* Ex. 1003, 179, 181 (claims 19 and 38 of the '289 Application recite "flat knitting"). It is well established that subject matter recited in a claim and embraced in an application, as originally filed, is itself a part of the disclosure, even though it may not be defined in the specification. *Application of Frey*, 166 F.2d 572, 575 (CCPA 1948).

Petitioner contends that "[t]he Board has yet to provide a construction of 'flat knitting,' and [that] the Board's construction of 'weft knitting' and 'warp knitting' does not indicate that 'flat knit' is *exclusively* a sub-type of 'weft knitting.'" Paper 37, 2 (emphasis added). Initially, we note that we provide a construction of the term "flat knitting" above. Specifically, in the

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context of this Specification, flat knitting is a sub-type of weft knitting, in which the textile is weft knit as a sheet or flat piece of textile. Ex. 1002, col. 7, ll. 5-8; *see also* Ex. 2010 ¶ 60 ("[I]n flat knitting a fabric is produced on a machine in generally flat form, with yarn alternating back and forth across the fabric. [*E.g.*, Ex. 2011, 8.] Moreover, a flat knit fabric is a fabric that has been knit on a flat knitting machine. [*E.g.*, *id.* at 6.]"); Ex. 1001 ¶ 56 ("weft knits may be made with flat *or* circular machines" (emphasis added)). Therefore, we conclude that Patent Owner has demonstrated support for the term "flat knit textile element" in the application from which the '011 Patent claims benefit, and that, as both Patent Owner's and Petitioner's experts agree, the meaning of flat knitting, as construed herein, was well-known at the time of the invention. *See* Ex. 2010 ¶¶ 49-50; Ex. 1001 ¶ 54.

b. Edges Free Of Surrounding Textile Structure Such That The Flat Knit Edges Are Not Surrounded By Textile Structure From Which The Textile Element Must Be Removed

Patent Owner argues that, as with the '011 Patent, the '289 Application discloses that "flat knit edges [are] free of surrounding textile structure such that the flat knit edges are not surrounded by textile structure from which the textile element must be removed." Paper 31, 4. In particular, Patent Owner argues that Figures 8, 10, and 11 depict textile elements 40, 40′, and 40″, respectively, "free of surrounding textile structure such that the flat knit edges are not surrounded by textile structure from which the textile element must be removed." *Id.* In contrast, Patent Owner

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argues that Figure 9 depicts a different embodiment of the invention than that recited in the substitute claims. *Id.*

Figure 9 depicts "a perspective view of a textile structure that incorporates two of the textile elements." Ex. 1003, 164 ('289 Application ¶ 24). In particular, the Specification of the '289 Application describes that:

> *An example of a textile structure 60 that may be formed with a wide-tube circular knitting machine is depicted in Figure 9.* Textile structure 60 has a generally cylindrical configuration, and the types of stitches vary throughout textile structure 60 so that a pattern is formed with the outline of textile element 40. That is, differences in the stitches within textile structure 60 form an outline with the shape and proportions of textile element 40.

Id. at 169 ('289 Application ¶ 45 (emphasis added)). Thus, Patent Owner argues that the embodiment depicted in Figure 9 does not limit the textile elements depicted in Figures 8, 10, and 11 to those manufactured according to the process of Figure 9 and that a textile element may or may not be formed by removing it from a larger textile structure, such as textile structure 60. Paper 31, 4. Further, referring to Figures 8, 10, and 11, Dr. Tonkel opines that the '289 Application "illustrates multiple examples in which the textile element is shown in its final shape and is not described as being formed as part of a larger textile structure from which it must be removed." Ex. 2010 ¶ 63; *see also* Ex. 2010 ¶ 37. Moreover, Dr. Tonkel asserts that his opinions are from the perspective of a person of ordinary skill in the art. Ex. 2010 ¶¶ 52-53.

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Petitioner disagrees and argues that Patent Owner's contention that this limitation is described sufficiently in the '289 Application rests on a single phrase, and, perhaps, on a single word in that phrase, that textile element 40 "*may* be formed as a part of a larger textile element." Paper 37, 3-4 (citing Paper 31, 4; Ex. 2010 ¶ 63 (emphasis added)). According to Petitioner, Patent Owner argues that, based on this disclosure, textile element 40 may be formed as part of a larger textile structure *or* may be knit to shape. *Id.* In view of the depiction of the textile element, without surrounding material, in Figures 8, 10, and 11 of the '289 Application and the non-limiting language used with respect to the embodiment, with surrounding material, depicted in Figure 9, we are persuaded that the Specification of the '289 Application adequately supports the language added to original claim 16 in substitute claim 47.

3. Definiteness of Substitute Claims

Petitioner argues that the substitute claims are indefinite. Paper 37, 6-8. The test for definiteness under 35 U.S.C. § 112, ¶ 2, is whether "those skilled in the art would understand what is claimed when the claim is read in light of the specification." *Orthokinetics, Inc. v. Safety Travel Chairs, Inc.*, 806 F.2d 1565, 1576 (Fed. Cir. 1986) (citations omitted). More specifically, "if a claim is amenable to two or more plausible claim constructions, the USPTO is justified in requiring the applicant to more precisely define the metes and bounds of the claimed invention by holding the claim unpatentable under 35 U.S.C. § 112, [¶ 2], as indefinite." *Ex parte Miyazaki*, 89 USPQ2d 1207, 1211 (BPAI 2008) (precedential). Citing

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Miyazaki, Petitioner contends that the substitute claims, in particular, substitute claim 47, are "amenable to two or more plausible claim constructions." Paper 37, 6-8. We disagree.

Petitioner contends that the limitations added to original claim 16 reciting that "flat knit edges free of surrounding textile structure such that the flat knit edges are not surrounded by textile structure from which the textile element must be removed" have two plausible claim constructions.

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No. 2014-1719

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

NIKE, INC.,

Appellant,

v.

ADIDAS AG,

Appellee.

Appeal from the United States Patent and Trademark Office, Patent Trial and Appeal Board in No. IPR2013-00067

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December 15, 2014

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CERTIFICATE OF INTEREST

Counsel for Appellant Nike, Inc. certifies the following:

1. The full name of every party or *amicus* represented by us is:

Nike, Inc.

2. The names of the real party in interest represented by us is:

Not Applicable

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are:

None

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court are:

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STATEMENT OF RELATED CASES

No other appeal from this *inter partes* review was previously before this or any other appellate court.

The Court's decision in this case may affect or be affected by several pending appeals from *inter partes* reviews in which the Patent Trial and Appeal Board ("Board") denied a patent owner's motion to amend a patent on the ground that the patent owner failed to establish the patentability of amended claims over prior art not of record, including *Microsoft Corp. v. Proxyconn, Inc.*, Nos. 2014-1542, -1543, and *Helferich Patent Licensing, LLC v. CBS Interactive, Inc.*, No. 2014-1556. Counsel for Appellant Nike, Inc. are unaware of any other case pending in this or any other court that will directly affect or be directly affected by the Court's decision in this appeal.

JURISDICTIONAL STATEMENT

This appeal arises from an *inter partes* review before the Board under 35 U.S.C. §§ 311 *et seq.* The Board entered a Final Written Decision on April 28, 2014. A1-43. Patent owner Nike, Inc. noticed a timely appeal on June 30, 2014. A2484-88; 35 U.S.C. § 142. This Court has jurisdiction under 28 U.S.C. § 1295(a)(4)(A) and 35 U.S.C. §§ 141(c), 319.

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INTRODUCTION

Appellant Nike, Inc. ("Nike") invented a novel, multi-textured "upper" portion of a shoe that is knit directly into the shape of an upper—unlike prior art materials, where the shoe upper was cut from a larger web of material, thus requiring additional cutting processes and resulting in significant wasted material. Nike's new shoe upper, which Nike markets under its FLYKNIT trade name, was recognized as a "quantum leap" in the field, A2141-42(40:22-41:3)(Frederick Dep.), and it satisfied a long-felt need for an athletic shoe that could be more efficiently manufactured because, among other things, it eliminated the need to cut a multi-textured upper from a larger web of material. Nike's novel shoe upper is protected by U.S. Patent No. 7,347,011 ("the '011 patent").

Five months after Nike introduced FLYKNIT, its competitor Adidas AG ("Adidas") announced a similar product that Adidas called Primeknit. A few months after that, Adidas petitioned for *inter partes* review ("IPR") of all claims of the '011 patent. After the Board instituted review, Nike moved to amend the claims in order to add further narrowing limitations distinguishing the prior art of record. The Board denied the motion, ruling that the proposed amended claims were obvious and that Nike had failed to meet a supposed burden to demonstrate the amended claims' patentability over prior art ***not*** of record—a burden not found

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in the statute or applicable regulations, but imposed by the Board itself through its own decisions.

The Board's decision contains several errors, any one of which requires reversal or vacatur. ***First***, the Board improperly concluded that a person of ordinary skill in the art would have modified three prior art references—Nishida, which involved a pattern of shoe uppers to be cut from a larger textile web, and Schuessler I and II, which involved knitting a hat to shape—to achieve the claimed invention, applying hindsight bias to assemble the claim elements from disparate sources in the absence of any identifiable motivation to combine them. The Board compounded its error by failing to address objective indicia of nonobviousness, completely ignoring the evidence of a long-felt need for Nike's invention. And the Board incorrectly found that Nishida disclosed an element of dependent claim 49—lacing apertures formed by omitting stitches—which even Adidas's expert could not identify in the reference. A1517(150:10-17)(Frederick Dep.).

Second, the Board's imposition on Nike of a substantive burden of proving patentability—over prior art of record as well as prior art not of record—was contrary to law. Congress has provided that, in an *inter partes* review, "***the petitioner*** shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence." 35 U.S.C. § 316(e).[1] No statutory or regulatory

[1] Except as otherwise noted, each emphasis in this brief is added.

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provision supports the Board's effort to shift the burden to Nike in the context of a motion to amend. Such a shifting of the burden would have to be done, if at all, through formal rulemaking and notice-and-comment procedures. Moreover, because the Board's burden-shifting scheme is contrary to the governing statute, the agency could not have imposed such a burden on Nike even had it followed proper rulemaking procedure.

The Board's decision should be reversed or vacated.

STATEMENT OF ISSUE ON APPEAL

Whether the Board erred in denying Nike's motion to amend.

STATEMENT OF CASE AND FACTS

A. The Parties

Nike is one of the world's leading designers of athletic footwear, apparel, and sports equipment. It has been awarded over 4,500 patents by the PTO.[2] The '011 patent at issue here is directed to Nike's "FLYKNIT" technology, in which the "upper" (non-sole) portion of a shoe is constructed as a single multi-textured unit, allowing for lighter, more efficient manufacture. A62(3:20-54); A66(11:4-41); A2149(48:8-23). Nike first unveiled its FLYKNIT technology in February 2012, and it was quickly hailed as a "quantum leap" in the field. A2026; A2141-42(40:22-41:3)(Frederick Dep.).

[2] PTO Patent Database, *available at* http://patft.uspto.gov/netahtml/PTO/search-adv.htm (4,694 patents assigned to Nike) (last visited Dec. 15, 2014).

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Adidas also manufactures footwear, clothing, and accessories. In comparison to Nike, it has been awarded fewer than 300 patents by the PTO. [3] In July 2012, five months after Nike announced FLYKNIT, Adidas announced a similar product of its own that it called Primeknit. A1479-80(112:10-113:11)(Frederick Dep.); A2034 ("[A]didas has just released its adizero Primeknit [shoe] which looks very similar to Flyknit."). Four months later, Adidas petitioned the Board to institute an *inter partes* review of Nike's '011 patent.

B. Technology Background

Conventional articles of athletic footwear include two primary elements: an upper and a sole. A61(1:12-13). The upper provides a covering for the foot and positions the foot with respect to the sole. *Id.*(1:13-15). A lacing system is often incorporated into the upper to permit the wearer to adjust its dimensions. *Id.*(1:36-40). Typically, the upper will also provide ventilation to cool the foot and remove perspiration. *Id.*(1:15-18). The upper is secured to the sole, which functions as a cushion between the foot and the ground and serves to attenuate ground reaction forces, absorb energy, and provide traction. *Id.*(1:18-24).

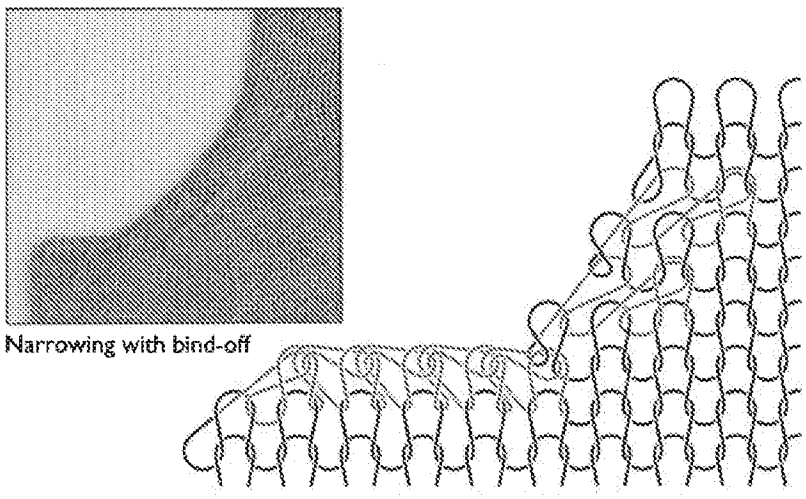
Athletic footwear uppers are manufactured from a variety of materials, and often feature multiple layers made from different materials. *Id.*(1:44-48). For example, an upper may consist of an exterior layer made of leather (to provide

[3] PTO Patent Database, *available at* http://patft.uspto.gov/netahtml/PTO/search-adv.htm (298 patents assigned to Adidas) (last visited Dec. 15, 2014).

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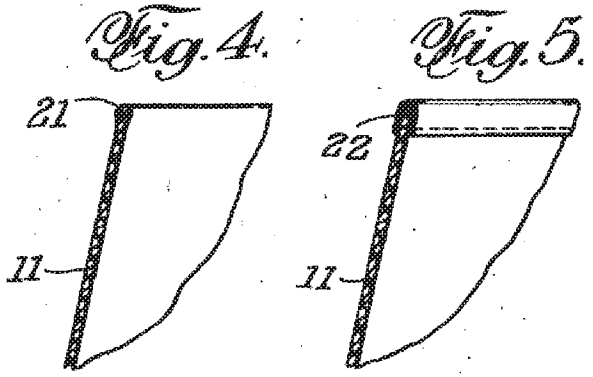
wear-resistance) combined with synthetic or natural textile (to provide flexibility), an intermediate layer of lightweight polymer foam (to provide cushioning and protection), and an interior layer of moisture-wicking textile (to remove perspiration). *Id.*(1:48-66).

Textile elements for uppers are made by a variety of different processes, and are often made by "knitting," *i.e.*, interlocking loops of one or more yarns to create a fabric. A63(6:61-63); A1663. "Flat knitting" refers to a technique for producing a fabric in a generally flat form, with yarn alternating back and forth across the width of the fabric. A1663; A14-16. Flat knitting may be used to "knit to shape," meaning that the textile is knit into its final form in the first instance. A22-23; A1574-75(¶¶40-41). In this manner, the edges of the textile are "flat knit edges" that are unbroken and remain joined between the rows:



A847 (top portion of Figure 16.10); *see also* A22-23; A1575(¶41); A1608(¶105). By contrast, if a textile element is cut from a larger web of material, its edges must

be treated (such as by further stitching or searing) in order to prevent fraying and unraveling:



A570(Fig. 4)(Whiting) (depicting a cut edge that is seared to fuse the fibers at the edge); *id.*(Fig. 5)(Whiting) (depicting a cut edge that is finished by stitching on a separate binding to cover the edge); *see also* A18; A565(2:39-63)(Glidden); A572(3:68-4:16)(Whiting); A1606-07(¶¶102-04).

C. Nike's Invention

The '011 patent is generally directed to an article of footwear having a textile upper that is "a single material element that is formed to exhibit a unitary (*i.e.*, one-piece) construction." A63(5:38-39). The patent further defines "unitary construction" as "a configuration wherein portions of a textile element are not joined together by seams or other connections." *Id.*(6:42-46). This type of unitary construction can be accomplished either by using a technique such as flat knitting to knit the textile directly into the shape of the upper in the first instance (as

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depicted in the patent's Figure 8) or by cutting an upper from a larger textile element (as depicted in the patent's Figure 9):

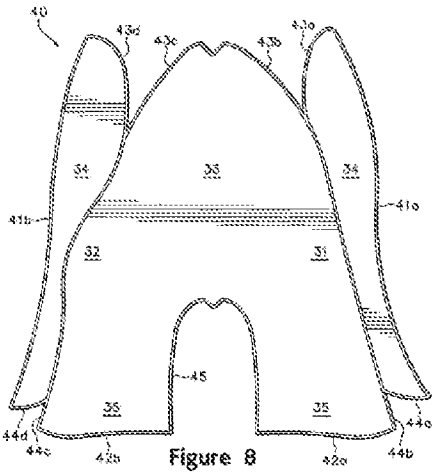


Figure 8

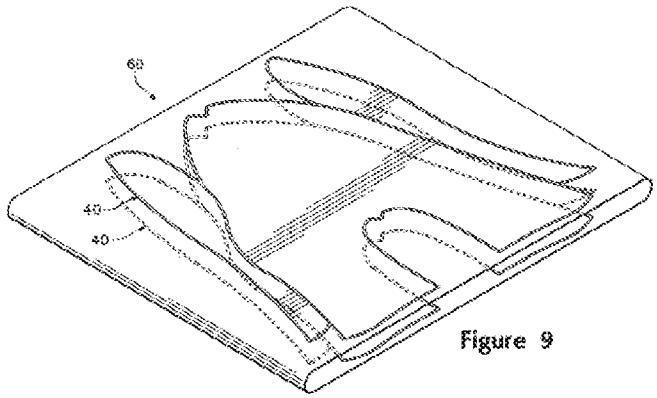


Figure 9

A54(Fig. 8); A55(Fig. 9); *see also* A1483(116:3-20)(Frederick Dep.). When the upper is removed from a larger textile material as in Figure 9, it has cut edges that must be further processed (*e.g.*, by additional stitching or searing) to prevent unraveling and fraying. A64(8:8-10); A1575(¶41). By contrast, when the upper is flat knit directly into the form depicted in Figure 8, the upper has flat knit edges that do not require further processing. A1574(¶40).

Figure 11 further illustrates an embodiment of the unitary (*i.e.*, one-piece) upper:

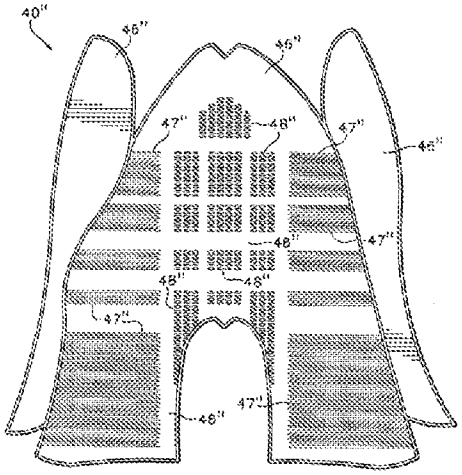


Figure 11

A57(Fig. 11); A65(9:36-10:14). As seen above, the textile element includes three different areas with three different textures, labeled 46", 47", and 48". A65(9:38-46). The '011 patent teaches that this feature of varying the textures within the upper can be achieved by adjusting the type of stitching used to knit the textile:

> The different textures 46"-48" are formed by merely varying the type of stitch formed by the wide-tube circular knitting machine at each location of textile element 40". Textures 46"-48" may exhibit aesthetic differences, or the differences may be structural. For example, the degree of stretch in areas with textures 46"-48" may be different, or the wear resistance of the areas may vary depending upon the stitch utilized. The air-permeability of textile element 40" may also vary in the different areas.

Id.(9:46-54). Different types of yarn also may be used in different areas of the textile to impart different properties to each area. *Id.*(9:65-10:14). Additionally, apertures (such as apertures for receiving laces) may be formed in the upper by omitting stitches at specific locations during the knitting process. *Id.*(9:56-58, 10:20-25).

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After a flat knit textile element such as the one depicted in Figure 8 and Figure 11 is knit to shape, various flat knit edges may be joined together to provide a lateral region [31], an opposite medial region [32], an instep region [33], a lower region [34], a heel region [35], and an ankle opening [36]:

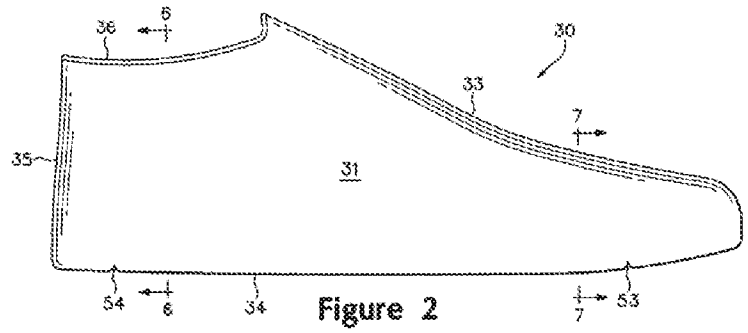


Figure 2

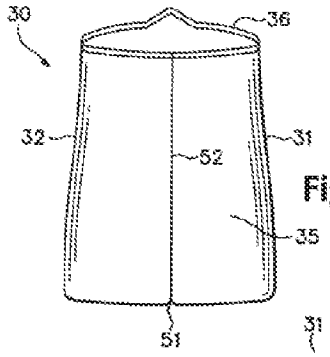


Figure 4

A50(Fig. 2); A52(Fig. 4); A63(5:18-20, 6:22-24).

Nike's unitary upper provides various advantages over the prior art. Conventional uppers typically featured a variety of different materials that needed to be individually stitched together or adhesively joined. A66(11:6-18). Forming a textile upper in a single, unitary element increases efficiency by eliminating the steps required to assemble and join different materials. *Id.*; *see also* A61-62(2:62-3:16); A65(9:23-35). These efficiencies are further increased through Nike's novel use of flat knitting techniques to create the upper. In contrast to uppers that must be removed from a larger textile element (*e.g.*, by "die-cutting, laser-cutting, or other conventional cutting operation") (A64(8:8-10)), flat knit embodiments

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involve an upper formed without a surrounding textile structure from which it must be removed, thus eliminating the additional "cutting operation." A1578-79(¶46).

Knitting an upper to shape in the first instance also eliminates the expense and waste associated with the extraneous material that results when an upper is removed from a larger textile element. *Id.*; *see also* A545(2:11-39) (discussing the long-felt need to reduce such "cutting waste"). In addition, knit-to-shape uppers have flat knit edges; unlike cut edges, flat knit edges do not require the manufacturer to take steps to stabilize the edges to prevent unraveling and fraying. A1574(¶40); A1579(¶46).

In February 2012, Nike announced the launch of its first sneaker utilizing its "FLYKNIT" technology, which features a flat knit, unitary upper with areas of varying textures as described in the '011 patent:



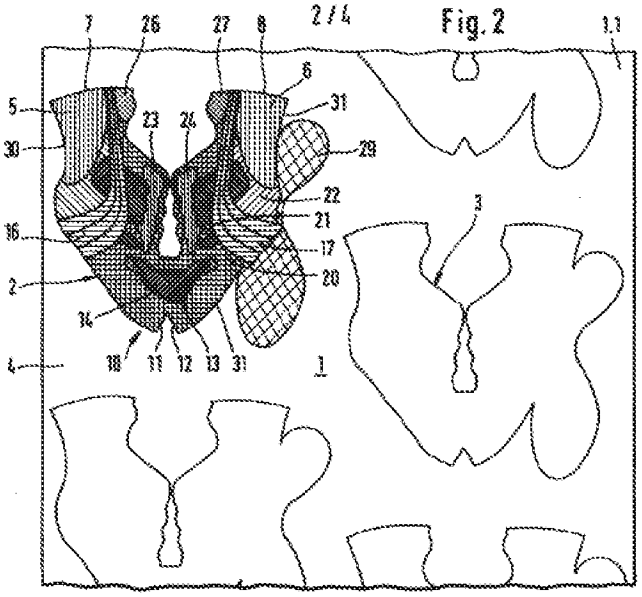
A2149(48:8-23)(Frederick Dep.); A2018-19(¶31)(Frederick); A2026-34.

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D. Proceedings Before The Board

On November 28, 2012, Adidas petitioned the Board for an *inter partes* review of the '011 patent, asserting that its 46 claims were invalid as anticipated or obvious in view of various prior art references. A69. Adidas filed a revised petition on December 10, 2012 to correct technical errors in its original petition. A1051-52; A1059.

Adidas's primary reference was U.S. Patent No. 5,345,638 ("Nishida"), which discloses a process for creating uppers that are cut from a web of textile material and then shaped and connected to a sole. A545(1:48-2:5)(Nishida). Nishida explains that removing uppers from a larger web of material results in excess leftover material, *i.e.*, "cutting waste." *Id.*(2:11-33)(Nishida). Nishida attempts to solve the problem of cutting waste by creating an efficient pattern on the textile web to minimize the amount of unused material:



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A542(Fig. 2)(Nishida); A545(2:21-33)(Nishida). Nishida further teaches that thinner, less expensive material may be used for the portions of the pattern to be discarded, thereby further reducing cutting waste. A545(2:11-22)(Nishida). Because the Nishida upper is removed from a larger web of material—rather than "knit to shape"—the cut edges of the upper must be treated to prevent fraying or unraveling. A18; A565(2:43-63)(Glidden); A572(3:68-4:16)(Whiting); A1606-07(¶¶102-04).

On May 17, 2013, the Board instituted review of the 46 claims of the '011 patent. The Board's Decision on Institution relied on the arguments that the claims were anticipated or obvious in light of Nishida or else a separate prior art reference, U.S. Patent No. 2,147,197 ("Glidden"), directed to a sock-shaped shoe upper. A1164.

The Board's Decision on Institution also stated that the '011 patent used various knitting terms (such as "weft knitted"[4] and "flat knitted") in a manner consistent with their ordinary meanings as conventional, known knitting techniques. A1160-64.

On August 19, 2013, Nike moved to amend the '011 patent. Nike's proposed amendments would have canceled issued claims 1-46 and substituted four new claims, specifically substituting claim 47 for issued claim 16, substituting

[4] "Weft knitting" is a general class of knitting that includes "flat knitting." A1663.

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claims 48 and 49 for issued claim 19, and substituting claim 50 for issued claim 20. Claim 47 amends claim 16 by replacing the requirement for a "weft-knitted" textile element with a requirement for a "flat knit" textile element having "flat knit edges" (*i.e.*, such that the upper is not removed from a larger textile material but is knit to shape in the first instance):

> **Claim 47**. (Substitute for independent claim 16) An article of footwear comprising an upper incorporating a [~~weft-knitted~~] flat knit textile element, the flat knit textile element (1) having flat knit edges free of surrounding textile structure such that the flat knit edges are not surrounded by textile structure from which the textile element must be removed, some of the flat knit edges joined together to form an ankle opening in the upper for receiving a foot, the ankle opening having an edge comprised of one of the flat knit edges; and (2) having a first area and a second area with a unitary construction, the first area being formed of a first stitch configuration, and the second area being formed of a second stitch configuration that is different from the first stitch configuration to impart varying properties to the textile element; and a sole structure secured to the upper.

A1226-27. Dependent claims 48 and 50 add an additional limitation that the edges of the flat knit textile element are joined to form a lateral region, a medial region, an instep region, and a heel region. Dependent claim 49 additionally requires a plurality of apertures formed by omitting stitches in the flat knit textile element and positioned in the upper for receiving laces:

> **Claim 48**. (Substitute for dependent claim 19) The article of footwear recited in claim [~~16~~] 47, wherein at least one of the first stitch configuration and the second stitch configuration forms an aperture in the [~~weft-knitted~~] flat knit textile element and the joined edges shape the flat knit textile element to form a lateral region, a medial region, an instep region and a heel region of the upper.

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> **Claim 49**. (Second substitute for dependent claim 19) The article of footwear recited in claim [~~16~~] 47, wherein at least one of the first stitch configuration and the second stitch configuration forms [~~an aperture~~] a plurality of apertures in the [~~weft-knitted~~] flat knit textile element, the apertures formed by omitting stitches in the flat knit textile element and positioned in the upper for receiving laces.
>
> **Claim 50**. (Substitute for dependent claim 20) The article of footwear recited in claim [~~16~~] 47, wherein the [~~weft-knitted~~] flat knit textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper, and the joined edges shape the flat knit textile element to form a lateral region, a medial region, an instep region and a heel region of the upper.

A1227.

In support of its motion to amend, Nike explained that Nishida does not disclose a knit-to-shape upper, but rather an upper that is cut from a larger web of material, and therefore has broken edges that must be further treated to prevent unraveling and fraying. A1232-34.[5] Nike further explained that, while knitting to shape was a known method of knitting, Nishida was directed to a fundamentally different concept: increasing the efficiency of a pattern of textiles to be cut from a larger textile element. *Id*. Thus, a person of ordinary skill would not have been motivated to modify Nishida to create a knit-to-shape upper, which is the opposite of knitting a pattern of uppers to be removed from a larger textile element. A1233-

[5] Nike supported its motion to amend with a declaration from Raymond Tonkel, an expert in the design and development of footwear with over 40 U.S. utility and design patents and over 30 years of experience designing and developing footwear, including as a managing director and vice president of footwear design at companies such as Adidas, Nike, Reebok, and Rockport. A1558-60(¶¶2-6).

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34. Nike also explained that Nishida failed to disclose the additional limitation of claim 49—a plurality of apertures for receiving laces that are formed by omitting stitches in the flat knit textile element. A1234-35.[6]

On November 12, 2013, Adidas filed its opposition to Nike's motion to amend. Adidas conceded that Nishida does not disclose a knit-to-shape upper, but argued that the amended claims were anticipated or obvious in view of Nishida alone or in combination with two references not addressed in its earlier papers—U.S. Patent No. 2,178,941 ("Schuessler I") and U.S. Patent No. 2,150,730 ("Schuessler II"). The Schuessler references are directed to a method of making a knitted "helmet" (*i.e.*, a hat or cap) in a single piece that does not require cutting, and a knitting machine capable of weaving stitches that have varying degrees of tightness in order to facilitate such knitting to shape. Adidas also submitted a declaration by its expert, Dr. Edward Frederick, who opined that the efficiencies provided by Nike's invention would be offset by losses in production speed as well as machinery and labor costs. A1694-95.

Adidas also argued that the term "flat knit edges" encompassed edges that were created by ***cutting*** a flat knit textile (as opposed to edges of a flat knit textile

[6] Nike's amendments also distinguished the Glidden reference. There is no dispute that Glidden discloses a circular knit upper and not a flat knit upper. *See* A219-20(¶84)(Frederick) ("[T]he skilled person would know that knitting the unitary upper in a 'sock-like' fabrication process would have utilized circular knitting.").

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that are themselves flat knit), A1692-93, that the amended claims were not supported by the written description in the specification, A1688-89, that the amended claims enlarged the scope of the original claims, A1686, and that the amended claims were indefinite. A1691.

Nike filed its reply brief on December 11, 2013. In addition to rebutting Adidas's various arguments with respect to claim construction, written description, enlargement, and definiteness, Nike explained that a person of ordinary skill would not have been motivated to combine Nishida with the Schuessler references because Nishida is directed to creating a more efficient pattern of uppers on a ***web*** of textile material, which is incompatible with knitting an individual upper ***to shape***. A2059-60. Nike also rebutted Dr. Frederick's testimony regarding the benefits of its invention, explaining that Dr. Frederick lacked the requisite knowledge to opine on knitting machine line speed, line maintenance, and amortization calculations. A2060; *see also* A2146-47(45:3-46:10)(Frederick Dep.). Nike further noted that Dr. Frederick was skeptical about the feasibility of "knit to shape" uppers—a factor that counseled against ruling the invention obvious. A2060.

The Board held an oral hearing on March 5, 2014, and issued its final written decision on April 28, 2014. The Board decided most issues in Nike's favor, finding that the disputed terms in the patent (such as "flat knit" and "flat knit

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edges") should be construed to have their ordinary meanings in the art, A11-23, that the amended claims were supported by the written description, A27-31, and that the amended claims were not indefinite. A31-33. Nevertheless, the Board denied Nike's motion to amend the '011 patent with substitute claims 47-50 on two grounds.[7] ***First***, it held that the amended claims were obvious over Nishida in combination with the Schuessler references. A36-39. ***Second***, it held that Nike was required to demonstrate affirmatively that the claims were patentable over prior art known to Nike but ***not*** of record, and that Nike had supposedly failed to carry that burden. A34-36.

This appeal followed. A2484-86.

SUMMARY OF THE ARGUMENT

The Board's denial of Nike's motion to amend the '011 patent contains several errors.

First, the Board improperly concluded that the amended claims were obvious in light of three prior art references—Nishida, Schuessler I, and Schuessler II—even though there was no substantial evidence that a person of ordinary skill would have been motivated to modify those references to achieve the claimed invention. To the contrary, those references are directed to fundamentally different and incompatible purposes, and the Board's finding of a motivation to combine

[7] The Board granted the portion of Nike's motion requesting cancellation of claims 1-46. A4.

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them is based on improper hindsight. The Board further erred with respect to claim 49, which additionally requires "apertures formed by omitting stitches"; the Board wrongly ruled that Nishida discloses that limitation, even though Adidas's own expert could not identify any such disclosure in the reference. A1517(150:10-17)(Frederick Dep.).

The Board also erred by failing to consider evidence that Nike submitted regarding the long-felt need for its invention. Because the Board "must always consider such evidence," its decision must at minimum be vacated and remanded for further proceedings. *In re Sernaker*, 702 F.2d 989, 996 (Fed. Cir. 1983).

Second, the Board failed to apply the governing statute and rules, which impose the burden of proving unpatentability on the ***petitioner***. The Board instead placed the burden on Nike to demonstrate the patentability of its amended claims, and additionally required that Nike demonstrate patentability over prior art ***not of record***, imposing a substantive rule that conflicts with the controlling statutory and regulatory schemes.

The Board's conclusions are unsupported by the record and contrary to law, and should be reversed or vacated and remanded for further proceedings.

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ARGUMENT

I. STANDARD OF REVIEW

"The Patent and Trademark Office ('PTO') is governed by the Administrative Procedure Act ('APA'), and PTO decisions are reviewed under the APA standard." *In re Chapman*, 595 F.3d 1330, 1336-37 (Fed. Cir. 2010). This Court must "hold unlawful and set aside agency action, findings, and conclusions found to be—(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; … (C) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right; (D) without observance of procedure required by law; [or] (E) unsupported by substantial evidence." 5 U.S.C. § 706(2). This Court does not defer to the Board's interpretation of a PTO regulation when it is plainly erroneous or inconsistent with the regulation. *In re Garner*, 508 F.3d 1376, 1378-79 (Fed. Cir. 2007).

Obviousness is a question of law based on underlying facts. *In re Kotzab*, 217 F.3d 1365, 1369 (Fed. Cir. 2000). This Court reviews the Board's compliance with the governing legal standards and ultimate obviousness conclusion *de novo*, while the Board's factual findings are reviewed for substantial evidence. 5 U.S.C. § 706(2)(E); *In re Sullivan*, 498 F.3d 1345, 1350 (Fed. Cir. 2007). "Substantial evidence is something less than the weight of the evidence but more than a mere scintilla of evidence. In reviewing the record for substantial evidence, [the Court]

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must take into account evidence that both justifies and detracts from the factual determinations." *Kotzab*, 217 F.3d at 1369 (citations omitted).

II. THE BOARD INCORRECTLY DETERMINED THAT A COMBINATION OF PRIOR ART REFERENCES RENDERS THE AMENDED CLAIMS OBVIOUS.

The Board concluded that Nishida disclosed all of the elements of the amended claims other than "flat knit edges free of surrounding textile structure," which the Board held was disclosed by the Schuessler references. A36-38. The Board further ruled that a person of ordinary skill in the art would have been motivated to combine Nishida with the Schuessler references. A38-39. As set forth below, the Board's conclusion is based on unsupported factual findings and is incorrect as a matter of law.

A. There Was No Motivation To Combine Nishida With The Schuessler References.

The Board's conclusion that a person of ordinary skill would have been motivated to combine Nishida with the Schuessler references in order to achieve the invention of the amended claims was incorrect for two reasons.

First, the Board erred by placing the burden on Nike to demonstrate the patentability of the amended claims over the combination of Nishida and the Schuessler references. *See* A36 ("[W]e also are not persuaded that [Nike] has demonstrated the patentability of the proposed substitute claims over a ground of unpatentability presented by [Adidas], in particular, the ground involving Nishida

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and Schuessler I and II."). That was legal error: Congress has provided that, in an IPR proceeding, "***the petitioner*** shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence." 35 U.S.C. § 316(e). Thus, because the Board failed to place the burden on Adidas as it was required to do, the Board's decision must, at a minimum, be vacated.

Second, no substantial evidence supports the Board's finding of a motivation to combine Nishida with the Schuessler references. The Board ruled that the three references are all in the general field of textiles that can be shaped into wearable items and collectively feature the disparate elements of Nike's amended claims. A38-39. But "a patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art." *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 418 (2007). Rather, an obviousness finding must be rooted in some rationale supporting a claimed combination, and the analysis leading to the "apparent reason to combine" "should be made explicit." *Id.*; *see also Innogenetics, N.V. v. Abbott Labs.*, 512 F.3d 1363, 1374 (Fed. Cir. 2008) ("[S]ome kind of motivation ***must be shown*** from some source [to] understand why a [skilled artisan] would have thought of either combining two or more references or modifying one to achieve the patented method."). That rationale is absent here.

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Nishida is directed to creating a textile with a pattern of multiple uppers on it, each of which can be removed from the larger textile web. A545(1:48-56)(Nishida). The patent purports to be an improvement over German Patent No. 627,878 ("the '878 patent"), which similarly discloses creating a pattern of uppers within a larger textile web. *Id.*(1:19-47)(Nishida). Nishida explained that the German prior art process was wasteful because the extraneous areas between the uppers consisted of the same valuable textile material used for the uppers themselves. *Id.* Nishida attempts to avoid this waste by using "simple, lightweight and inexpensive material" to form those portions of the web not constituting the layouts for the uppers, and by arranging the uppers in a layout that minimizes the amount of extraneous material. *Id.*(2:20-33)(Nishida). Thus, Nishida is directed specifically to the problem of creating a more efficient ***pattern*** for use in a "subtractive" process in which textile shapes are to be cut from a larger textile web. A1612(¶111). Nishida bears no relation to the "additive" process of flat knitting a ***single*** textile to shape in the first instance—a fundamentally different process that was well-known long before Nishida and used, for example, in the Schuessler references, which disclose knitting a cap to shape. *See* A1995-97(Schuessler I); A1998-2001(Schuessler II); A1613(¶112).

The record is devoid of evidence establishing that it would have been obvious to modify the subtractive process of Nishida by combining it with the

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additive process disclosed in the Schuessler references. Adidas's expert Dr. Frederick merely opined that "the textile elements of Schuessler I serve the same purpose when combined with Nishida's textile elements, namely to form a three-dimensional wearable item in an efficient and economical way from a knitted two-dimensional textile element." A2012(¶15)(Frederick). That reasoning simply recognizes that the various elements of the amended claims may be found in assorted prior art references; it does not provide a reasoned explanation for combining them. In particular, Dr. Frederick failed to explain why a skilled artisan would be motivated to modify the fundamentally subtractive process of Nishida (creating an improved pattern of removable shapes) with the fundamentally additive process of the Schuessler references (flat knitting a textile directly into the shape of a single hat).

Thus, Dr. Frederick's testimony falls far short of "identify[ing] a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does [to account for the fact that] inventions in most, if not all, instances rely upon building blocks long since uncovered, and claimed discoveries almost of necessity will be combinations of what, in some sense, is already known." *KSR*, 550 U.S. at 418-19; *see also St. Jude Med., Inc. v. Access Closure, Inc.*, 729 F.3d 1369, 1381 (Fed. Cir. 2013) ("Even under our expansive and flexible obviousness analysis, we must guard

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against hindsight bias and ex post reasoning." (citations and internal quotation marks omitted)). Therefore, the Board's finding of a motivation to combine Nishida with the Schuessler references is not supported by substantial evidence.

B. The Board's Ruling Regarding Claim 49 Cannot Stand Because Neither Nishida Nor The Schuessler References Disclose An Aperture Formed By Omitting Stitches.

The Board erred in finding claim 49 obvious for an additional reason. As discussed above, the Board found that Nishida disclosed all of the elements of claim 47 other than flat knit edges. A36-38. The Board further found that Nishida disclosed all of the additional limitations of claims 48-50 (which depend from claim 47), and thus that it was appropriate to group all of the proposed claims together for purposes of assessing patentability. A23-26.

Claim 49, however, requires an additional limitation that Nishida lacks: "a plurality of apertures … ***formed by omitting stitches*** in the flat knit textile element and positioned in the upper for receiving laces." A9-10; *see also* A65(10:20-25) (teaching that apertures (such as apertures for receiving laces) may be formed in an upper "by omitting stitches at specific locations"). Nishida does not disclose apertures in the textile element that are formed by omitting stitches; even Adidas's

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expert could not identify such a disclosure. A1517(150:10-17)(Frederick Dep.). The Board's contrary finding is unsupported by substantial evidence.[8]

Indeed, the Board appears to have misunderstood both the requirements of claim 49 and the disclosures of Nishida. *See* A25. Unlike Nike's amended claims, Nishida discloses apertures that may be formed by ***piercing*** holes into the textile element, with a separate piece of embroidery serving as a stencil to mark the locations on the upper to be pierced:

> In the production of web of material 1 or after its production, and optionally after cutting out of layout(s) 2, layout(s) 2 can be provided with an embroidery, especially with an English embroidery (i.e., ***the type of embroidery by which a hole pattern is welded and which is commonly used for the sewing of button holes***), of a trademark or another mark or identification on suitable or preferred places.

A546(4:31-38)(Nishida). Thus, as Nike's expert Raymond Tonkel testified, without contradiction, "Nishida contains no description or suggestion of forming [apertures for laces] by omitting stitches in the layout. Thus, it appears such openings were created by an additional manufacturing step, e.g., punching out the openings." A1610(¶107).

Nor would it have been obvious to modify Nishida to include this feature. The ***only*** evidence in the record on this point is, again, the testimony of Nike's expert, who explained:

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[8] There is no dispute that the Schuessler references do not disclose this claim element. *See* A1698; A1700.

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> Nishida contains no description or suggestion of forming [openings for laces] by omitting stitches in the upper and positioning them in the upper for receiving laces. Moreover, ***there was no motivation or other reason that would have prompted one of ordinary skill in the art at the time of the invention to modify Nishida to include this additional feature*** that has been added to substitute dependent claim 49.

A1613(¶113).

The Board's conclusion on this point rests on the following sentence: "[w]ith respect to the additional limitations of claim 49, Nishida describes forming lacing areas by knitting." A25. But Nishida's "lacing areas" do not contain apertures, let alone apertures formed by omitting stitches, as claim 49 requires. The Board's misunderstanding of claim 49 as well as the disclosures of Nishida comes through in the balance of its discussion.

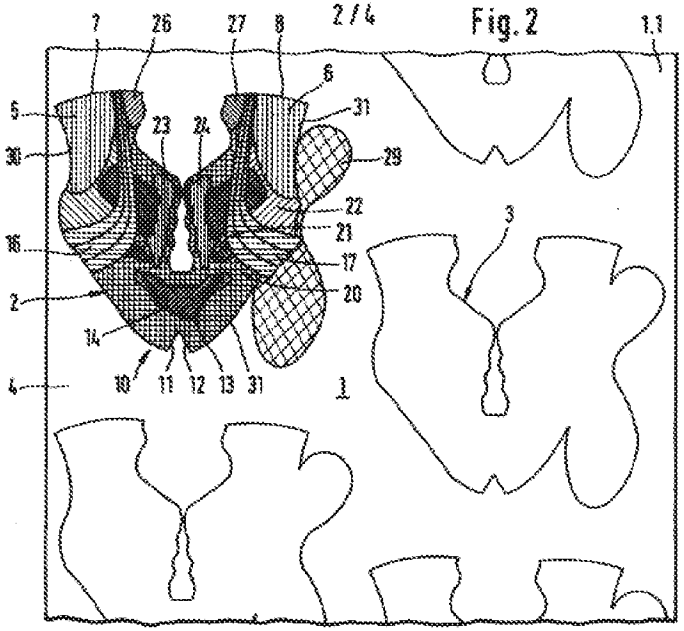
First, the Board cited the following passage in Nishida:

> Optionally, in this case, the material can be woven or knitted in two or more layers or can be especially thick or additionally embroidered. Similarly, the lacing areas 23 and 24 can be made dimensionally stable in corresponding manner, especially if, for example, no additional trimmings, such as the lacing strips 25, shown in FIG. 3, are to be applied.

A546(3:66-4:5)(Nishida); *see* A25. This passage, however, simply teaches that the portions of the textile web that serve as lacing areas can be made thicker than other portions of the web, for example by knitting multiple layers or adding a separate piece of embroidery. That is entirely consistent with Nishida's disclosure that the lacing areas of the textile web would be ***punctured*** with holes for laces—the

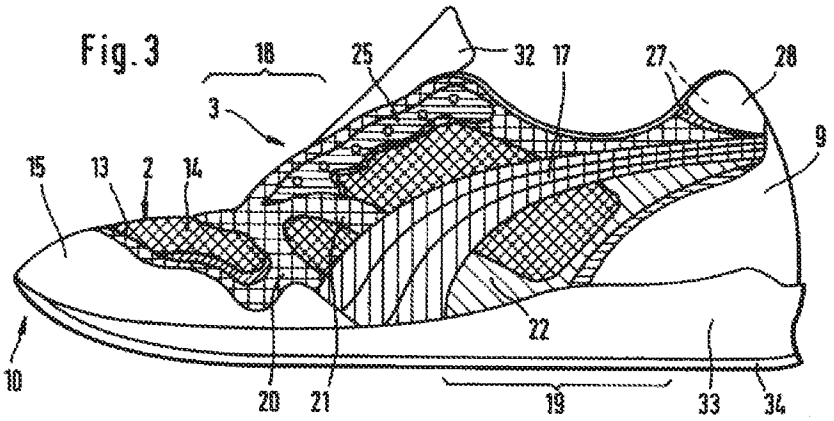
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thickening provides stability so that the textile retains its integrity after being punctured. *See* A546(4:31-38)(Nishida). Further, as seen in Figure 2, lacing areas 23 and 24 do not have any apertures. The pattern of uppers (including the lacing areas) is knit into the unbroken textile web, and each upper must be individually cut out:



(A542)(Fig. 2)(Nishida); *see also* A541(Fig. 1)(Nishida). Meanwhile, lacing strips 25 are independent textiles, *i.e.*, they are not part of the textile web depicted in Figure 2 above, but are "additional trimmings" that may be embroidered onto the upper layout. A546(4:3-5, 4:31-38)(Nishida). These separate textiles contain holes which can be used as a stencil to identify the locations on the upper layout to be punctured, as seen in Figure 3:

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(A542)(Fig.3)(Nishida); *see also* A546(4:31-38)(Nishida). Thus, the passage cited by the Board simply confirms that Nishida fails to disclose the creation of apertures in the upper by omitting stitches, as required by claim 49. A1613(¶113).

Second, the Board cited to a statement in the '011 patent describing the omission of stitches for another reason, namely to provide air permeability in the textile element used to form the upper. A25. The Board then appeared to conclude that, because Nishida also discusses providing air permeability, it must also disclose providing air permeability by omitting stitches—even though Nishida never discusses forming apertures by omitting stitches. *See id.* However, nothing about Nishida's disclosure of obtaining air permeability in any way teaches the formation of apertures in the textile web layout that is used to create the upper. Adidas's expert was clear on this point:

> Q. Mr. Frederick, I want to direct your attention back to Nishida and ask you, ***does Nishida teach anything about forming apertures in the layout***?

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> A. Hmm. ***I don't recall anything specifically teaching apertures***, but there's certainly a lot of mention of breathability and the need to improve breathability.

A1517(150:10-17)(Frederick Dep.).

It is true that the '011 patent explains that apertures may be formed by omitting stitches, and that apertures may provide air permeability in the knitted textile element. A65(9:57-62, 10:22-25). But that does not indicate that ***all*** apertures are formed by omitting stitches, nor that ***all*** air permeability is provided by apertures (let alone apertures formed by omitting stitches). The '011 patent certainly does not suggest that any reference that provides air permeability does so through apertures, much less through apertures formed by omitting stitches.

Nishida does not disclose creating apertures in the textile web by omitting stitches, for purposes of air permeability or otherwise. Rather, it discusses ***different*** methods of facilitating air permeability:

> Since, generally, toe area 14 is designed to be relatively deformably soft or elastic, and optionally, also permeable to air, the web of material 1, in toe area 14, according to the present invention, is correspondingly designed by suitable selection of the weave pattern, knit pattern and/or the material used, such as, for example, Silk or plastic. The type of production can, additionally, insure that the toe area 14 has a good air exchange capability. For example, this can be achieved by a net-like woven or knitted structure.

A546(3:43-52); *see also* A547(6:25-31) (claiming "weaving and knitting types being matched to differing requirements for materials of the shoe upper and sole part of a shoe in relation to properties thereof including at least one of the

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properties of absorptivity, air permeability, softness, extensibility, wear resistance, and appearance"). Nishida's disclosure of air permeability thus does not disclose the creation of apertures, let alone apertures formed by omitting stitches.

Third, the Board cited to its discussion of claim 26 in its Decision on Institution. A25. There, however, the Board simply found that Nishida disclosed the claim 26 element "an aperture in the textile element" by teaching the use of a "net-like" structure to increase air permeability in the toe area. A1171-72; *see also* A546(3:43-52). That discussion is irrelevant to claim 49, because—once again—Nishida's disclosure of a net-like structure to increase air permeability does not disclose the creation of apertures ***by omitting stitches***. A1517(150:10-17)(Frederick Dep.).

Finally, the Board cited to Adidas's claim chart for claim 49. That chart, however, simply quotes the language of claim 49 itself and refers back to the evidence that Adidas relied on to argue that Nishida anticipated claim 19, which contains the same "an aperture in the textile element" limitation found in claim 26. *See* A1700; A191-92. As discussed above, that language does not teach claim 49's limitation of a plurality of apertures created by omitting stitches. Adidas's expert did not address this limitation in his expert report, and he could not identify any passage in Nishida disclosing it. *See* A2008-09; A1517(150:10-17)(Frederick Dep.).

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In sum, the Board's finding that Nishida discloses a plurality of apertures formed by omitting stitches is not supported by substantial evidence. The Board's decision as to claim 49 should therefore be reversed or at the very least vacated and remanded.

C. The Board Failed To Consider Objective Indicia Of Nonobviousness.

The Board further erred by failing to consider Nike's evidence of objective indicia of nonobviousness. As this Court has long held:

> [E]vidence rising out of the so-called "secondary considerations" ***must always when present be considered en route to a determination of obviousness***. Indeed, evidence of secondary considerations may often be the most probative and cogent evidence in the record. It may often establish that an invention appearing to have been obvious in light of the prior art was not.

Stratoflex, Inc. v. Aeroquip Corp., 713 F.2d 1530, 1538 (Fed. Cir. 1983) (citations omitted); *see also In re Huai-Hung Kao*, 639 F.3d 1057, 1067 (Fed. Cir. 2011) ("[W]hen secondary considerations are present, though they are not always dispositive, ***it is error not to consider them***."); *Sullivan*, 498 F.3d at 1351 (vacating and remanding Board decision because it failed to consider evidence of objective indicia); *Sernaker*, 702 F.2d at 996 ("If … a patent applicant properly presents evidence relating to these secondary considerations, the board must ***always*** consider such evidence in connection with the determination of obviousness.").

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Here, Nike presented the Board with substantial evidence of a long-felt need for its invention. *See* A1239-40; *cf. Transocean Offshore Deepwater Drilling, Inc. v. Maersk Drilling USA, Inc.*, 699 F.3d 1340, 1353-54 (Fed. Cir. 2012) (solving a long-felt need is an objective indication of nonobviousness). Nike's expert explained that there was a long-felt need to reduce material waste during the manufacture of footwear uppers. A1647-48(¶178). Nishida, moreover, confirms that there was a long-felt need to minimize this "cutting waste." A545(2:11-33)(Nishida). Unlike Nishida, however, Nike's invention solves this long-felt problem by eliminating the need to cut a textile element from a larger textile structure, thereby eliminating both the "cutting waste" and the additional cutting step. A64(7:5-12); A1647-48(¶178).

Tellingly, Adidas never disputed that there was a long-felt need to reduce material waste and to reduce the number of steps in the manufacturing process. *See* 1694-95. Nor did Adidas or its expert dispute that Nike's FLYKNIT technology was a "quantum leap for flat knitting." A2141-42(40:22-41:3)(Frederick Dep.); *see also* A2026-34.

To the contrary, Adidas's expert initially failed to address objective indicia of nonobviousness, *see* A1411-12(44:4-45:25)(Frederick Dep.), and when he submitted a supplemental declaration to address the issue, he ***conceded*** that there was a long-felt need to reduce waste and improve yields in the manufacture of shoe

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uppers. A2021(¶36)(Frederick); A2023(¶41)(Frederick). Adidas's expert argued that the evidence of long-felt need should nevertheless be ignored, because he believed that the gains provided by Nike's invention would be offset by losses in production speed as well as machinery and labor costs. A2013-24(¶¶17-45)(Frederick). Dr. Frederick, however, lacked the requisite knowledge to conduct such a cost-benefit analysis. A2060; *see also* A2146-47(45:3-46:10)(Frederick Dep.). And in any event, whether there may be incidental costs associated with Nike's invention is irrelevant to whether there was a long-felt need for the benefits it provides, *i.e.*, reducing material waste and increasing the efficiency of the manufacturing process. Indeed, to the extent Dr. Frederick's testimony is relevant at all, it is evidence of skepticism and teaching away from the claimed invention, which are further indicia of nonobviousness. *See, e.g.*, *Monarch Knitting Mach. Corp. v. Sulzer Morat GmbH*, 139 F.3d 877, 885 (Fed. Cir. 1998) (noting that the "presence of either [skepticism or teaching away] gives insight into the question of obviousness").

The Board failed to address these objective indicia of nonobviousness in any way. *See* A36-39. Thus, at a minimum, the Board's decision must be vacated and remanded for the Board to consider the evidence of objective indicia of nonobviousness in the first instance. *See Sullivan*, 498 F.3d at 1351.

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III. THE BOARD'S DENIAL OF NIKE'S MOTION TO AMEND WAS CONTRARY TO LAW.

The Board alternatively denied Nike's motion to amend because Nike supposedly failed to demonstrate the patentability of its amended claims over prior art ***not*** of record. A34-36. Neither the statute nor the PTO's rules imposed such a burden on Nike, and the Board's effort to impose such a burden on patent holders is contrary to law.[9]

Congress has provided that a patent owner in an *inter partes* review may file a motion to amend the patent to "propose a reasonable number of substitute claims" "[f]or each challenged claim." 35 U.S.C. § 316(d)(1)(B). "An amendment under this subsection may not enlarge the scope of the claims of the patent or introduce new matter." 35 U.S.C. § 316(d)(3).

Under the PTO's regulations, a motion to amend must:

> include a claim listing, show the changes clearly, and set forth: (1) The support in the original disclosure of the patent for each claim that is added or amended; and (2) The support in an earlier-filed disclosure for each claim for which benefit of the filing date of the earlier filed disclosure is sought.

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[9] The Board also criticized Nike's motion for failing to discuss "the level of ordinary skill in the art, explaining the basic knowledge and skill set already possessed by one of ordinary skill in the art, with respect to the new claim features." A34-35. But Nike addressed that issue in its motion and its expert's supporting declaration. *See, e.g.*, A1228; A1231-40; A1585-98(¶¶60, 68, 71, 74, 78, 83, 87). Further, there was no dispute concerning the level of skill in the art. *See* A138-39(¶¶8-10)(Frederick); A1850-51(¶¶16-17)(Adanur); A1581(¶¶52-53)(Tonkel).

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37 C.F.R. § 42.121(b). The PTO's rules further state that there are two circumstances under which a motion to amend may be denied:

> (2) Scope. A motion to amend may be denied where: (i) The amendment does not respond to a ground of unpatentability involved in the trial; or (ii) The amendment seeks to enlarge the scope of the claims of the patent or introduce new subject matter.

37 C.F.R. § 42.121(a)(2).

Nike's motion to amend satisfied each of the statutory and regulatory requirements. Nike proposed one substitute claim for original claim 16, two substitute claims for original claim 19,[10] and one substitute claim for original claim 20. A1226-27. Nike's motion annotated its proposed claims to reflect the amendments to the original claims. *Id.* The proposed claims contain additional limitations that narrow the scope of the original claims; they accordingly do not enlarge the scope of any claims. A27. The proposed claims are supported by the written description. A27-31. And the proposed claims respond to the grounds of unpatentability identified by the Board in its Decision on Institution. A1231-40.

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[10] There is a presumption that only one substitute claim should be proposed to replace a challenged claim, but that presumption may be rebutted by a demonstration that multiple proposed substitute claims are patentably distinct from each other. *See* 37 C.F.R. § 42.121(a)(3); A24. Nike demonstrated that claims 48 and 49 are patentably distinct because they each add a substantially different limitation to original claim 19. A1240; A1644-47(¶¶169-76). Although the Board incorrectly found that the two claims were not patentably distinct, it did not deny the motion to amend on that basis. A25-26.

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The Board, however, denied Nike's motion because it found that Nike had failed to carry its supposed burden to show that its proposed claims were patentable over prior art not of record. This was improper for three reasons.

First, neither Congress in the statute nor the PTO in its rules has designated such a basis for denying a motion to amend. *See Align Tech., Inc. v. ITC*, 771 F.3d 1317, 1322 (Fed. Cir. 2014) (vacating decision "[b]ecause the Commission circumvented its own rules"); *United States v. UPS Customhouse Brokerage, Inc.*, 575 F.3d 1376, 1382 (Fed. Cir. 2009) ("An agency must follow its own regulations."). Instead, the Board relied not on a statute or regulation, but on one of its own interim decisions, in which it created a new rule that in a motion to amend, a patent owner must "persuade the Board that the proposed substitute claim is patentable over the prior art of record, ***and over prior art not of record but known to the patent owner***." *Idle Free Sys., Inc. v. Bergstrom, Inc.*, No. IPR2012-00027, 2013 WL 5947697, at *4 (P.T.A.B. June 11, 2013).

The Board's requirement has no basis in, and is inconsistent with, the PTO's rules. As described above, the rules create a framework in which a patent owner can ***narrow*** an issued claim in order to address a finding by the Board that the issued claim was likely invalid over certain prior art. Consistent with that framework, the motion to amend may properly be denied if the amendment does not narrow the claim, or if it does not respond to a ground of patentability involved

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in the IPR. The Board's *Idle Free* decision purported to impose an additional burden, unrelated to the grounds for rejection that prompted the amendment, and unsupported by the PTO rules.

Second, to the extent the PTO wished to impose a substantive burden of proof of the sort decreed in *Idle Free*, it was required to do so via formal rulemaking. Under the APA, agencies such as the PTO must give notice of proposed rulemaking and provide for a comment period before promulgating "substantive" rules. *See* 5 U.S.C. § 553; *Lincoln v. Vigil*, 508 U.S. 182, 195-96 (1993); *Animal Legal Def. Fund v. Quigg*, 932 F.2d 920, 927 (Fed. Cir. 1991). A rule is "substantive" if it "effects a change in existing law or policy which affects individual rights and obligations." *Animal Legal Def. Fund*, 932 F.2d at 927 (citations omitted). The Board's imposition of a burden of proving nonobviousness on the patent owner—over both the prior art of record and additional prior art not of record—plainly affects individual rights and obligations and thus constitutes a "substantive" rule. *See, e.g.*, *Medtronic, Inc. v. Mirowski Family Ventures, LLC*, 134 S. Ct. 843, 849 (2014) ("[W]e have held that the burden of proof is a substantive aspect of a claim." (internal quotation marks omitted)); *Director, Office of Workers' Compensation Programs v. Greenwich Collieries*, 512 U.S. 267, 271 (1994) ("[T]he assignment of the burden of proof is a rule of substantive law."); *Garrett v. Moore-McCormack Co.*, 317 U.S. 239, 249

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(1942) (the burden of proof "cannot be considered a mere incident of a form of procedure"); *cf. Christensen v. Harris County*, 529 U.S. 576, 588 (2000) ("To defer to the agency's position would be to permit the agency, under the guise of interpreting a regulation, to create de facto a new regulation.").

Finally, even if the Board had the power to impose a burden of proof through adjudication rather than rulemaking (though it plainly did not), the Board's *Idle Free* rule conflicts with the controlling statute and therefore cannot stand. Congress mandated that "[i]n an inter partes review instituted under this chapter, ***the petitioner*** shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence." 35 U.S.C. § 316(e). By its plain terms, this statutory requirement applies to ***any*** proposition of unpatentability that arises in an IPR.

The Board, however, took it upon itself to shift that burden with respect to motions to amend, stating that "[t]he burden is not on the petitioner to show unpatentability, but on the patent owner to show patentable distinction over the prior art of record and also prior art known to the patent owner." *Idle Free*, 2013 WL 5947697, at *4. The *Idle Free* rule thus conflicts with Section 316(e) and would therefore be improper even had it been duly promulgated as a regulation. *See, e.g.*, *United States v. Mead Corp.*, 533 U.S. 218, 227 (2001) (agency regulation may not be "manifestly contrary to the statute"); *GHS Health Maint.*

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Org., Inc. v. United States, 536 F.3d 1293, 1297 (Fed. Cir. 2008) ("When a regulation directly contradicts a statute, the regulation must yield.").

CONCLUSION

The Board's decision denying Nike's motion to amend the '011 patent should be reversed or, alternatively, vacated and remanded for further proceedings.

Respectfully submitted,

/s/ Kevin A. Goldman

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December 15, 2014

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TAB 1

Trials@uspto.gov
571-272-7822

Paper 60
Entered: April 28, 2014

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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adidas AG
Petitioner

v.

NIKE, Inc.
Patent Owner

Case IPR2013-00067
Patent 7,347,011 B2

Before JOSIAH C. COCKS, MICHAEL J. FITZPATRICK, and JAMES B. ARPIN, *Administrative Patent Judges.*

ARPIN, *Administrative Patent Judge.*

FINAL WRITTEN DECISION
35 U.S.C. § 318(a) and 37 C.F.R. § 42.73

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I. INTRODUCTION

On December 10, 2012, adidas AG ("Petitioner") filed a revised petition (Paper 7) challenging claims 1-46 of Patent No. US 7,347,011 B2 (Ex. 1002, "the '011 Patent"). Petitioner relied upon the following prior art references:

Glidden	US 2,147,197	Feb. 14, 1939	(Ex. 1007)
McDonald	US 2,314,098	Mar. 16, 1943	(Ex. 1008)
Whiting	US 2,641,004	June 9, 1953	(Ex. 1009)
Shiomura	US 4,785,558	Nov. 22, 1988	(Ex. 1011)
Curley	WO 90/03744	Apr. 19, 1990	(Ex. 1010)
Osamu	JP H06-113905	Apr. 26, 1994	(Ex. 1006)
Nishida	US 5,345,638	Sep. 13, 1994	(Ex. 1005)

On February 28, 2013, Nike, Inc. ("Patent Owner") filed a patent owner preliminary response (Paper 12). In a decision to institute (Paper 18) issued May 17, 2013, we[1] instituted *inter partes* review of all of the challenged claims as to the following grounds for review:

claims 1-16, 19-34, 36, and 39-46 as anticipated by Nishida;

claims 16-18 as anticipated by Glidden;

claims 1-16 and 19-46 as obvious over Nishida; and

claims 16-18 as obvious over Glidden.

On August 18, 2013, Patent Owner filed a motion to amend (Paper 31), accompanied by certain testimony of Patent Owner's expert, Dr. Tonkel

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at 1-2) . The substitute claims are reproduced below:[4]

> Claim 47. (Substitute for independent claim 16) An article of footwear comprising
>
> an upper incorporating a [weft-knitted] flat knit textile element, the flat knit textile element
>
> (1) having flat knit edges free of surrounding textile structure such that the flat knit edges are not surrounded by textile structure from which the textile element must be removed, some of the flat knit edges joined together to form an ankle opening in the upper for receiving a foot, the ankle opening having an edge comprised of one of the flat knit edges; and
>
> (2) having a first area and a second area with a unitary construction, the first area being formed of a first stitch configuration, and the second area being formed of a second stitch configuration that is different from the first stitch configuration to impart varying properties to the textile element; and
>
> a sole structure secured to the upper.
>
> Claim 48. (Substitute for dependent claim 19) The article of footwear recited in claim [16] 47, wherein at least one of the first stitch configuration and the second stitch configuration forms an aperture in the [weft-knitted] flat knit textile element and the joined edges shape the flat knit textile element to form a lateral region, a medial region, an instep region and a heel region of the upper.
>
> Claim 49. (Second substitute for dependent claim 19) The article of footwear recited in claim [16] 47, wherein at least one of the first stitch configuration and the second stitch configuration forms [an aperture] a plurality of apertures in the

[4] Subject matter deleted from original claims 16, 19, and 20 is enclosed by brackets; subject matter added to those claims is underlined.

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> [weft-knitted] flat knit textile element, the apertures formed by omitting stitches in the flat knit textile element and positioned in the upper for receiving laces.
>
> Claim 50. (Substitute for dependent claim 20) The article of footwear recited in claim [16] 47, wherein the [weft-knitted] flat knit textile element is one of an exterior layer, an intermediate layer, and an interior layer of the upper, and the joined edges shape the flat knit textile element to form a lateral region, a medial region, an instep region and a heel region of the upper.

Paper 31, 1-2. Thus, Patent Owner proposes amending original claim 16 to recite one of two sub-types of a *weft-knitted* textile element, namely a *flat knit* textile element. Paper 31, 1. Further, substitute claim 47 recites a negative limitation regarding the flat knit edges in terms of their method of manufacture. *See* Paper 37, 4; Paper 59, 20-21 and 23-25. Specifically, the "flat knit edges" are themselves flat knit and *not* cut from a flat knit textile. Paper 37, 9. Thus, the upper is recited as "having flat knit edges *free of surrounding textile structure* such that the flat knit edges *are not surrounded by textile structure* from which the textile element must be removed" (emphases added). Finally, some of the "flat knit edges" of the upper are joined to form an ankle opening. *Id.* at 10.

II. DISCUSSION

Because Patent Owner did not file a response to the petition, we focus our discussion on Patent Owner's motion to amend. As noted above, in the motion to amend, Patent Owner requests the cancellation of claims 1-46 and

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the entry of one independent substitute claim, claim 47, and three dependent substitute claims, claims 48-50. Paper 31, 1-2. In support of its motion, Patent Owner filed a declaration of Dr. Tonkel (Ex. 2010).

An *inter partes* review is more adjudicatory than examinational, in nature. *See Abbott Labs. v. Cordis Corp.*, 710 F.3d 1318, 1326 (Fed. Cir. 2013). A *motion* to amend in an *inter partes* review is not itself an amendment. As the moving party, Patent Owner bears the burden of establishing that it is entitled to the relief requested. 37 C.F.R. § 42.20(c). Thus, Patent Owner's proposed substitute claims are not entered automatically, but may be entered upon Patent Owner's having demonstrated the patentability of the substitute claims.

A. Claim Construction

Claim construction is an important step in a patentability determination. *Medichem, S.A. v. Rolabo, S.L.*, 353 F.3d 928, 933 (Fed. Cir. 2003) ("Both anticipation under § 102 and obviousness under § 103 are two-step inquiries. The first step in both analyses is a proper construction of the claims. . . . The second step in the analyses requires a comparison of the properly construed claim to the prior art." (internal citations omitted)). Thus, a motion to amend must identify how the proposed substitute claims are to be construed, especially when the proposed substitute claims introduce new claim terms or features. *See Research in Motion Corp. v. MobileMedia Ideas LLC*, IPR2013-00016, Paper 32, 6. The motion to amend also must explain how the construed claim is distinguishable over the art.

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Neither Patent Owner nor Petitioner challenges our interpretation of certain terms of claim 16, as set forth in the decision to institute, which terms also appear in substitute claims 47-50. Paper 18, 10-17. The interpretations of those terms are adopted for purposes of this final decision. In particular, in the decision to institute, we construed expressly the claim terms: a "weft-knitted textile element," a "flat-knitted textile element," and "unitary construction." Paper 18, 11-15. Although the original claims are no longer at issue, the interpretation of terms in the decision to institute is relevant to the interpretation of those terms in the substitute claims.

1. A Single Type of Textile

Independent claims 1, 24, and 36 recite that a textile element incorporates "a single type of textile." In its petition, Petitioner pointed out that "[t]extile element 40 is primarily formed from one or more yarns that are mechanically-manipulated through either an interweaving, intertwining and twisting, or interlooping process." Paper 7, 10 (quoting '011 Patent, col. 6, ll. 51-54). "A single type of textile" is not defined expressly in the Specification of the '011 Patent. Nevertheless, we noted that a pertinent definition of the term "textile" is "any cloth or goods produced by weaving, knitting, or felting." RANDOM HOUSE WEBSTER'S COLLEGE DICTIONARY 1351 (2nd Random House ed. 1996) (Ex. 3001); *cf.* Ex. 1002, col. 2, ll. 6-14 (defining "textiles"). In addition, the term "textile" is defined more broadly as "[a] material made of natural or artificial fibers and used for the manufacture of items such as clothing or furniture fittings." MCGRAW-HILL DICTIONARY OF SCIENTIFIC AND TECHNICAL TERMS 1911 (4th ed. 1989)

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(Ex. 3002). As noted above, the '011 Patent states that textiles generally fall into two categories: fabrics formed of randomly locked filaments or fibers, such as felts; and fabrics formed of mechanically manipulated yarn, such as woven or knitted fabrics. Ex. 1002, col. 2, ll. 9-14.

The '011 Patent describes various techniques for mechanically manipulating yarn into woven fabrics or textiles, including interweaving (e.g., weaving), intertwining and twisting (e.g., braiding and knotting), and interlooping (e.g., knitting). *Id.* at ll. 36-46. In the decision to institute, we noted that claim 16 recites that the "textile element" is "knitted" and, in particular, "weft-knitted." Paper 18, 11-13.

2. Weft-Knitted Textile Element and Flat-Knitted Textile Element

According to Patent Owner, substitute claim 47 incorporates the limitations of challenged, independent claim 16. Paper 31, 1. In its petition, Petitioner argued that the terms "weft-knitted" and "flat-knitted" are well-known in the art. Paper 7, 10. We agreed.

As noted above, the Specification of the '011 Patent describes that various textile types (e.g., weft knitting textiles) and sub-types (e.g., circular and flat knitted) may be used to manufacture textile elements for incorporation into the uppers of the claimed articles of footwear. Ex. 1002, col. 6, l. 66-col. 7, l. 10. In the "Detailed Description of the Invention" portion of the Specification, the '011 Patent further describes that:

> A variety of mechanical processes have been developed to manufacture a textile. *In general, the mechanical processes may be classified as either warp knitting or weft knitting.* With regard to warp knitting, various specific *sub-types* that may be

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> utilized to manufacture a textile include tricot, raschel, and double needle-bar raschel (which further includes jacquard double needle-bar raschel). *With regard to weft knitting, various specific sub-types that may be utilized to manufacture a textile include circular knitting and flat knitting.* Various types of circular knitting include sock knitting (narrow tube), body garment (seamless or wide tube), and jacquard.

Id. at col. 6, l. 66-col. 7, l. 10 (emphases added).

Although the '011 Patent does not include a definition of either the term "weft knitting" or "warp knitting," a pertinent definition of "weft knitting" is "[a] knitting process in which *a continuous yarn* is carried *in crosswise rows*." MCGRAW-HILL DICTIONARY OF SCIENTIFIC AND TECHNICAL TERMS at 2054 (Ex. 3002; emphases added); *see also* Ex. 1001 ¶ 56 (reproducing H. Eberle et al., CLOTHING TECHNOLOGY, Sec. 3.3.1 (3rd English ed. 2002) (weft knitted fabric "[m]ay be made from a single yarn")). By comparison, a pertinent definition of the term "warp knitting" is "[a] knitting process in which *a group of yarns form rows running lengthwise* by an interlocking process." MCGRAW-HILL DICTIONARY OF SCIENTIFIC AND TECHNICAL TERMS at 2045 (Ex. 3002; emphasis added). Similarly, flat knitting is described in the '011 Patent as a sub-type of weft knitting, in which the textile is knit as a sheet or flat piece of textile (Ex. 1002, col. 7, ll. 5-8), in contrast to, for example, circular knitting, which is another sub-type of weft knitting (*see* Ex. 1002, fig. 9).

In its opposition to the motion to amend, Petitioner argues that, although flat knitting may be a sub-type of weft knitting, flat knitting is broader than that and describes any "knitted textile that is knit in a flat

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form," and necessarily includes other types of knitted textiles, including warp knit textiles. Paper 37, 1-2. In the context of this Specification, we are not persuaded that flat knitting should be construed so broadly.

In construing the term "flat knitting," we apply the broadest reasonable interpretation of the words in their ordinary usage, as those words would be understood by one of ordinary skill in the art, taking into account any definitions supplied by the Specification. *See In re Morris*, 127 F.3d 1048, 1054 (Fed. Cir. 1997). The Specification of the '011 Patent expressly describes flat knitting as a *sub-type* of weft knitting. Ex. 1002, col. 7, ll. 5-8. Ultimately, "[t]he construction that stays true to the claim language and most naturally aligns with the patent's description of the invention will be . . . the correct construction." *Renishaw PLC v. Marposs Societa' per Azioni*, 158 F.3d 1243, 1250 (Fed. Cir. 1998).

Further, Patent Owner presents evidence that a person of ordinary skill in the art would understand flat knitting to describe a sub-type of weft knitting. Paper 44, 1 (quoting a textile dictionary (Ex. 2011, 6) to state that "the trade uses the term flat knit fabric to refer to weft knit fabrics made on a flat machine, rather than warp-knit fabrics"); *see also* Ex 2017, 5; Ex. 2018, 6. Despite its argument, Petitioner identifies no portion of the Specification of the '011 Patent that describes flat knitting with respect to warp knitting or any other type of knitting, beyond weft-knitting. *See* Paper 37, 2-3. In addition, *before* the filing date of the motion to amend, Dr. Frederick, Petitioner's expert, testified that "[f]lat knitting would be another type of weft knitting that would involve an end result that was . . . on a curved

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surface, but more or less flat." Ex. 2009, 89, ll. 6-11. Therefore, we determine that the term "weft knitting" describes a type of knitting in which a continuous yarn is carried in crosswise rows, and we construe the term "flat knit" to recite a sub-type of weft knitting, in which the weft knit textile is produced as a sheet of more or less flat material.[5]

3. The Textile Element Having First and Second Areas

In its petition, Petitioner argued that the phrase "the textile element *having a first area and a second area* with a unitary construction" in original claim 16 should be construed to require a textile element (1) having a unitary construction *and* (2) having a first area and a second area, each area having stitching that imparts different properties to its area. Paper 7, 11-12 (emphasis added). Thus, Petitioner argued that the textile element has a *single* unitary construction containing different areas. Petitioner also argued, however, that separate unitary constructions in *different* areas of the textile element would be inconsistent with the invention, as described in the Specification. *Id.* at 12.

The '011 Patent expressly defines the term "unitary construction." Ex. 1002, col. 6, ll. 41-46. The '011 Patent states that, "[*a*]*s defined for purposes of the present invention*, unitary construction is intended to express a configuration wherein portions of a textile element are not joined together

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[5] Although not dispositive for purposes of our construction of this term, we are mindful that Patent Owner proposed the replacement of "weft-knitted" with "flat knit" in original claim 16 in order to narrow the scope of substitute claim 47 in a manner consistent with the language of the Specification.

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by seams or other connections, *as depicted with textile element 40 in FIG. 8*." *Id.* (emphases added); *see* Paper 18, 10-11 (citing *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994)). Consequently, we construe the phrase "the textile element having a first area and a second area with a unitary construction" to require a textile element having a unitary construction *and* having a first area and a second area.

4. Flat Knit Edges Free Of Surrounding Textile Structure Such That The Flat Knit Edges Are Not Surrounded By Textile Structure From Which The Textile Element Must Be Removed

Patent Owner proposes adding these limitations to original claim 16 in substitute claim 47 in order to distinguish the substitute claims over the references cited by Petitioner in its petition and over other references known to Patent Owner. Paper 31, 3. The Specification of the '011 Patent describes a textile element with "edges" (*e.g.*, Ex. 1002, Abstract; col. 6, ll. 47-50 (describing edges 41a-44d of textile element 40)), and such edges were recited in the challenged claims (*see id.* at Claims 1, 3, 4, 6, 24, 36, and 39-41). In substitute claim 47, however, Patent Owner proposes to limit further those edges as (1) "flat knit" edges and (2) edges "free of surrounding textile structure such that the flat knit edges are not surrounded by textile structure from which the textile element must be removed." We address the construction of each of these limitations in turn.

a. Flat Knit Edges

Patent Owner argues that "flat knit edges" are edges that are themselves "flat knit," as opposed to edges that are formed by cutting a textile element from a textile structure that has been created by flat knitting. Paper 31, 7-8. In particular, Patent Owner argues that cutting a textile element from a larger textile structure, such as is taught by Nishida (*see* Ex. 1005, col. 2, ll. 1-10), requires that the stitches at the textile element edges are broken, e.g., by a knife, die cutter, or other cutting technique, in order to separate the textile element from the surrounding textile structure. Paper 31, 7-8 (citing Ex. 2010 ¶¶ 101-105). Moreover, Patent Owner argues that, if untreated, such cut edges are subject to fraying or unraveling. *Id.; see also* Ex. 2010 ¶ 46 (citing Ex. 1007, 2, col. 1, ll. 56-63; Ex. 1009, col. 3, l. 68-col. 4, l. 16). Conversely, if the edges, like the textile of the flat knit textile element, are flat knit, Patent Owner argues that such edges inherently have a stable configuration in which the yarn of stitches at the edges of the textile element is unbroken and joined from one row to the next row. *Id.* at 8 (citing Ex. 2010 ¶ 105); *see also* MCGRAW-HILL DICTIONARY OF SCIENTIFIC AND TECHNICAL TERMS at 2054 (Ex. 3002); Ex. 1001 ¶ 56. Thus, Patent Owner argues that the yarns forming the flat knit edges of the flat knit textile element, as recited in substitute claim 47, retain their integrity, e.g., are unbroken and remain joined between rows. *See* Ex. 2010 ¶ 105. Therefore, according to Patent Owner, a *flat knit* edge of a flat knit textile element is structurally different from a *cut* edge of a flat knit textile element.

Petitioner contends that the term "flat knit edges" has two plausible meanings. First, flat knit edges may be edges created when a textile element is cut from a larger flat knit textile structure. Second, flat knit edges may be edges created when a flat knit textile element is knit to shape. In an absolute sense, we agree. Nevertheless, we must determine what the term means in the context of *this* claim (including surrounding claim language) and in the context of the Specification of *this* patent. Here, we construe a flat knit edge to be an edge of a flat knit textile element, which is itself flat knit, e.g., which is not formed by cutting from a flat knit textile element.

b. Edges Free Of Surrounding Textile Structure Such That The Flat Knit Edges Are Not Surrounded By Textile Structure From Which The Textile Element Must Be Removed

Figures 8, 10, and 11 of the Specification of the '011 Patent depict textile elements 40, 40′, and 40″, respectively, without any textile structure surrounding the textile elements. Patent Owner argues that these figures depict a flat knit textile element with flat knit edges and without any textile structure surrounding the textile elements, as recited in substitute claim 47. Paper 31, 3-4; *see, e.g.,* Ex. 1002, col. 6, ll. 41-50 (describing the unitary construction of textile element 40). In contrast, Figure 9 of the Specification depicts an embodiment of the disclosed invention in which a plurality of textile elements 40 is cut from a *circular knit* textile structure 60. Ex. 1002, col. 7, ll. 41-48. Thus, as noted above, Patent Owner argues that, unlike the cut out textile elements depicted in Figure 9, flat knit textile elements having

flat knit edges are depicted in and disclosed by Figures 8, 10, and 11. Paper 31, 4 (citing Ex. 2010 ¶¶ 36, 37, 40-41, and 62-67).

Petitioner argues that this limitation of substitute claim 47 properly is construed as a negative limitation and that the negative limitation lacks sufficient written description. Paper 37, 4. As the U.S. Court of Appeals for the Federal Circuit explained,

> [t]he test for determining compliance with the written description requirement is whether the disclosure of the application as originally filed reasonably conveys to the artisan that the inventor had possession at that time of the later claimed subject matter, *rather than the presence or absence of literal support in the specification for the claim language* . . . The content of the drawings may also be considered in determining compliance with the written description requirement.

In re Kaslow, 707 F.2d 1366, 1375 (Fed. Cir. 1983) (emphasis added; citations omitted). To the extent that the language of substitute claim 47 recites a negative limitation, we conclude that this negative limitation is supported by the positive disclosure of the various forms of the textile element, including a flat knit textile element, with "edges free of surrounding textile structure such that the flat knit edges are not surrounded by textile structure from which the textile element must be removed," in Figures 8, 10, and 11 of the '011 Patent. *See Santarus, Inc. v. Par Pharm., Inc.*, 694 F.3d 1344, 1351 (2012) ("it is possible for the patentee to support both the inclusion and exclusion of the same material."). In view of the positive disclosure of this feature, the Specification need not disclose a reason to exclude. *Ex Parte Lazaridis and Brown*, Appeal No. 2010-

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005137, 2013 WL 1331529 (2013) (discussing an alternative basis for excluding a limitation in the absence of a positive recitation). Thus, we are persuaded that the Specification discloses flat knit edges free of surrounding material, as recited in substitute claim 47.

The language added to substitute claim 47 arguably recites the claimed invention in terms of the manner in which it is made, i.e., as a product-by-process limitation. During the oral hearing, the parties disagreed as to whether the added language is a product-by-process limitation. Paper 59, 10-11 and 20. We determined above that the process of creating a flat knit textile element with flat knit edges having no surrounding material creates an edge that is *structurally* different from a cut edge. Therefore, because the described process imparts structural differences to the textile element and, hence, to the claimed article of footwear, this limitation may be used to distinguish substitute claim 47 over the prior art. *See Greenliant Sys., Inc. v. Xicor LLC*, 692 F.3d 1261, 1265 (2012) ("[T]he process limitations in product-by-process claims . . . cannot be used to distinguish prior art *unless the process imparts structural differences to the product*." (emphasis added)).

As noted above, we construe the claims in view of the Specification. The Specification need not present every embodiment or permutation of the invention, and the claims are not limited to a preferred embodiment of the invention. *See Comark Commc'ns, Inc. v. Harris Corp.*, 156 F.3d 1182, 1186 (Fed. Cir. 1998). The claims, however, may not enlarge the scope of what is patented beyond what the inventor has described as the invention.

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Claim construction is the judicial statement of what is and is not covered by the technical terms and other words of the claims. *See United States Surgical Corp. v. Ethicon, Inc.,* 103 F.3d 1554, 1568 (Fed. Cir. 1997). Here, the Specification broadly discloses the structure of the textile elements, e.g., textile elements 40, 40′, and 40″, from which a shoe upper may be formed. Moreover, the Specification describes an embodiment of a method for cutting a plurality of textile elements from a *weft* knit, and, in particular, a *circular* knit, textile structure (*see* Ex. 1002, fig. 9), but the disclosed invention is not limited to textile elements manufactured according to this embodiment. The Specification teaches that textile structure 60, from which textile elements 40, 40′, or 40″ may be cut, "may be formed" according to the embodiment depicted in Figure 9, but we conclude that those textile elements also may be made according to other embodiments. Ex. 1002, col. 8, ll. 1-14.

For example, Patent Owner's expert, Mr. Tonkel, testifies that, based on his reading of the Specification, textile elements 40, 40′, and 40″ may be made by the flat knitting of yarn by the known process of "knit[ting] to shape." Ex 2010 ¶¶ 36, 37, 40-42, and 62-67. Petitioner's expert does not disagree. Ex. 1001 ¶ 28 ("The '011 Patent describes that the textile element may be formed *any number of ways* with one or more yarns that are mechanically manipulated *using a variety of existing processes* . . ." (emphases added)); *see also* Ex. 1001 ¶ 53 ("Significantly, the '011 Patent states that the textile element may be formed *through any of the mechanical processes discussed in the specification*." (emphasis added)). Thus, we

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conclude that this language of substitute claim 47 is construed properly to describe a knit to shape textile element formed by flat knitting, having flat knit edges. Such flat knit edges are knit, such that the yarns and fibers forming the flat knit edges of the flat knit textile element, as recited in substitute claim 47, are unbroken and remain joined between rows forming the edges.

5. Remaining Claim Terms or Phrases

All remaining claim terms and phrases recited in substitute claims 47-50 are given their ordinary and customary meaning, consistent with the Specification, as would be understood by one with ordinary skill in the art.

B. A Reasonable Number Of Substitute Claims

Under 35 U.S.C. § 316(d)(1), a patent owner may, for each challenged claim, propose a reasonable number of substitute claims in a motion to amend. Each proposed claim should be traceable to an original, challenged claim as a proposed substitute claim for that challenged claim. Absent special circumstances, a challenged claim can be replaced by only one claim. The presumption is that only one substitute claim would be needed to replace each challenged claim, although the presumption may be rebutted by a demonstration of need. 37 C.F.R. § 42.121(a)(3).

In its motion to amend, Patent Owner proposes substitute, independent claim 47 for original, independent claim 16; *two,* substitute, dependent claims, claims 48 and 49, for original, dependent claim 19; and substitute, dependent claim 50 for original, dependent claim 20. Paper 31, 2.

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Thus, Patent Owner has proposed more than one substitute claim for original claim 19.

In the order acknowledging that Patent Owner complied with the requirement of 37 C.F.R. § 42.121(a) to confer with us prior to filing a motion to amend, we noted that, if more than one substitute claim is proposed for a challenged claim, for each proposed substitute claim, the patent owner is expected to make a showing of patentable distinction over all other proposed substitute claims for the same challenged claim. Paper 29, 2-3 (quoting *Idle Free Sys., Inc. v. Bergstrom, Inc.*, IPR2012-00027, Paper 26, 8-9 (emphasis added)).

If more than one substitute claim is proposed for the same challenged claim, the motion to amend must show that these multiple substitute claims are patentably distinct from each other. If shown to be patentably distinct from each other, the multiple claims are likely not unreasonable in number. Paper 29, 2-3. If, however, no such patentable distinction is shown in the motion, then we, in our discretion, may deny entry of the excess claims *or* group the multiple substitute claims together for common treatment over the prior art. *Id.* at 3.

Patent Owner argues that dependent claims 48 and 49, each of which is a substitute for claim 19, are patentably distinct from each other. Paper 31, 15 (citing Ex. 2010 ¶¶ 169-176). According to Patent Owner, "[c]laim 49 does not teach or suggest 'joined edges [that] shape the flat knit textile element to form a lateral region, a medial region, an instep region and a heel region of the upper,'" as recited in claim 48. Paper 31, 15 (citing Ex. 2010

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¶ 174). Similarly, Patent Owner argues that "[c]laim 48 does not teach or suggest 'apertures formed by omitting stitches in the flat knit textile element and positioned in the upper for receiving laces,'" as recited in claim 49. *Id.* (citing Ex. 2010 ¶176).

Initially, we note that each of claims 48 and 49 depends directly from independent claim 47 and incorporates the limitations of claim 47 and original claim 19. With respect to the additional limitations of claim 48, Nishida describes joining the edges of the layout to form various portions of the upper, as recited. Ex. 1002, col. 2, ll. 6-10; col. 3, ll. 27-42; fig. 3; *see also* Paper 18, 20-25 (discussing original claims 3, 4, 6, 24, 39-41); Paper 37, 14-15 (claim chart for claim 48). With respect to the additional limitations of claim 49, Nishida describes forming lacing areas by knitting. Ex. 1002, col. 3, l. 66-col. 4, l. 5; *see also* Paper 18, 24-25 (discussing original claim 26); Paper 37, 15 (claim chart for claim 49). Further, the Specification of the '011 Patent describes the omission of stitches, as recited in claim 49, to provide air permeability to the upper. Ex. 1002, col. 9, ll. 57-62; *cf.* Ex. 1005, col. 3, ll. 43-52 ("This type of production can, additionally, insure that the toe area 14 has a good air exchange capability. For example, this can be achieved by a net-like woven or knitted structure.").

In view of limitations of claim 47 and original claim 19 *shared* by claims 48 and 49 and the teachings of Nishida, Patent Owner has not shown that claims 48 and 49 would not be obvious over each other, and Patent Owner does not persuade us that claims 48 and 49 are patentably distinct

from each other. Thus, Patent Owner has failed to demonstrate that it proposes a reasonable number of substitute claims for original claim 19 in accordance with 37 C.F.R. § 42.121(a)(3). Nevertheless, in our discretion, we do not deny entry of claims 48 and 49 on this basis, but instead group claim 49 with claim 48, for patentability purposes. Further, we determine that Patent Owner does not argue separately that the limitations of claims 48 and 50 render them patentable over the prior art. *See* Paper 31, 6-10. Consequently, we group claims 48-50 with claim 47 for purposes of considering their patentability over prior art.

C. Scope of Motion to Amend

Pursuant to 37 C.F.R. § 42.121(a)(2), a motion to amend may be denied if: (1) the amendments seek to enlarge the scope of the original claims; (2) the amendments introduce new subject matter; or (3) the amendments do not respond to a ground of unpatentability, upon which trial was instituted. For the reasons discussed below, we determine that the substitute claims presented in Patent Owner's motion to amend are definite and narrow the scope of the original claims and do not introduce new subject matter. Further, we conclude that the substitute claims presented in Patent Owner's motion to amend respond to grounds of unpatentability, upon which trial was instituted, especially, anticipation by and obviousness over Nishida. *See* Paper 18, 37. Nevertheless, because, as set forth below, we deny Patent Owner's motion to amend for other reasons, we do not discuss further Patent Owner's arguments regarding the patentability of the

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substitute claims over Nishida alone or Petitioner's opposition to those arguments. *See* Paper 31, 6-10; Paper 37, 8-10.

1. Narrowing Amendments

With respect to substitute claim 47, Patent Owner proposes to replace the term "weft knit" with the term "flat knit" in original claim 16 and to add certain additional limitations to original claim 16. Paper 31, 1. Specifically, Patent Owner argues that "flat knitting" is a sub-type of "weft knitting." *Id.* at 3; Paper 44, 1-2. As noted above, we construe the term "flat knit textile element" in substitute claim 47 to mean a "flat *weft* knit textile element." Hence, it is narrower than the corresponding limitation of claim 16. Further, the additional limitations of substitute claim 47, reciting (1) "flat knit edges" and (2) the manner in which such edges are *not* formed, together provide structural limitations that were not present in original claim 16.

For the foregoing reasons, we determine that Patent Owner's proposed substitute claims 47-50 comply with 37 C.F.R. § 42.121(a)(2).

2. Written Description for Substitute Claims

The purpose of the written description requirement is to convey with reasonable clarity to those skilled in the art that, as of the filing date sought, applicant was in possession of the invention as now claimed. *Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64 (Fed. Cir. 1991). We note that "the written description requirement is satisfied by the patentee's disclosure of 'such descriptive means as words, structures, figures, diagrams, formulas, etc., that fully set forth the claimed invention.'" *Enzo Biochem, Inc. v. Gen-*

Probe Inc., 323 F.3d 956, 969 (Fed. Cir. 2002) (quoting *Lockwood v. American Airlines, Inc.*, 107 F.3d 1565, 1572 (Fed. Cir. 1997)). Patent Owner argues that the additional limitations of substitute claim 47 are supported by the disclosure of the patent application, U.S. Patent Application No. 10/791,289 ("the '289 Application"), from which the '011 Patent issued. Paper 31, 3-4 (citing Ex. 1003, 168-9, 173-5, 179, 181, and 184). We agree.

a. Flat Knit Textile Element

Patent Owner argues that, as with the '011 Patent, the '289 Application discloses that "weft knitting . . . include[s] circular knitting and flat knitting." *Id.* at 3 (citing Ex. 1003, 168); *cf.* Ex. 1002, col. 7, ll. 5-8. Further, claim 65 of the '289 Application recites that "an upper incorporating a textile element [is] formed through a *flat knitting* process" (emphasis added). *Id.* (citing Ex. 1003, 184); s*ee also* Ex. 1003, 179, 181 (claims 19 and 38 of the '289 Application recite "flat knitting"). It is well established that subject matter recited in a claim and embraced in an application, as originally filed, is itself a part of the disclosure, even though it may not be defined in the specification. *Application of Frey*, 166 F.2d 572, 575 (CCPA 1948).

Petitioner contends that "[t]he Board has yet to provide a construction of 'flat knitting,' and [that] the Board's construction of 'weft knitting' and 'warp knitting' does not indicate that 'flat knit' is *exclusively* a sub-type of 'weft knitting.'" Paper 37, 2 (emphasis added). Initially, we note that we provide a construction of the term "flat knitting" above. Specifically, in the

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context of this Specification, flat knitting is a sub-type of weft knitting, in which the textile is weft knit as a sheet or flat piece of textile. Ex. 1002, col. 7, ll. 5-8; *see also* Ex. 2010 ¶ 60 ("[I]n flat knitting a fabric is produced on a machine in generally flat form, with yarn alternating back and forth across the fabric. [*E.g.*, Ex. 2011, 8.] Moreover, a flat knit fabric is a fabric that has been knit on a flat knitting machine. [*E.g.*, *id.* at 6.]"); Ex. 1001 ¶ 56 ("weft knits may be made with flat *or* circular machines" (emphasis added)). Therefore, we conclude that Patent Owner has demonstrated support for the term "flat knit textile element" in the application from which the '011 Patent claims benefit, and that, as both Patent Owner's and Petitioner's experts agree, the meaning of flat knitting, as construed herein, was well-known at the time of the invention. *See* Ex. 2010 ¶¶ 49-50; Ex. 1001 ¶ 54.

b. Edges Free Of Surrounding Textile Structure Such That The Flat Knit Edges Are Not Surrounded By Textile Structure From Which The Textile Element Must Be Removed

Patent Owner argues that, as with the '011 Patent, the '289 Application discloses that "flat knit edges [are] free of surrounding textile structure such that the flat knit edges are not surrounded by textile structure from which the textile element must be removed." Paper 31, 4. In particular, Patent Owner argues that Figures 8, 10, and 11 depict textile elements 40, 40′, and 40″, respectively, "free of surrounding textile structure such that the flat knit edges are not surrounded by textile structure from which the textile element must be removed." *Id.* In contrast, Patent Owner

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argues that Figure 9 depicts a different embodiment of the invention than that recited in the substitute claims. *Id.*

Figure 9 depicts "a perspective view of a textile structure that incorporates two of the textile elements." Ex. 1003, 164 ('289 Application ¶ 24). In particular, the Specification of the '289 Application describes that:

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Appeal No. 2014-1719

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

NIKE, INC.
Appellant,
v.

ADIDAS AG
Appellee.

Appeal from the United States Patent and Trademark Office,
Patent Trial and Appeal Board in No. IPR2013-00067

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April 9, 2015

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STATEMENT OF RELATED CASES

The Director is not aware of any appeal in connection with this case that has previously been before this Court, or that is currently pending in any other court. *Microsoft Corp. v. Proxyconn Inc.*, Nos. 2014-1542, -1543, *Helferich Patent Licensing, LLC v. CBS Interactive, Inc.*, No. 2014-1556, *ConvaTec Technologies, Inc. v. Smith & Nephew, Inc.*, Nos. 2014-1822, -1823, *Synopsys, Inc. v. Mentor Graphics Corp.*, Nos. 2014-1516, -1530, and *Prolitec, Inc. v. ScentAir Technologies, Inc.*, No. 2015-1020, like this appeal, involve challenges to the USPTO's regulations governing motions to amend in inter partes review proceedings. This Court's decisions in those appeals may directly affect, or be directly affected by, this Court's decision in this appeal.

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I. STATEMENT OF THE ISSUE

The Director has intervened in this case to address whether the Board properly denied Nike's motion to amend in accordance with 35 U.S.C. §§ 316(a)(9), 316(d) and 37 C.F.R. §§ 42.20(c), 42.121(a).

II. STATEMENT OF THE CASE

A. Introduction

Nike, Inc. owns U.S. Patent No. 7,347,011 ("the '011 patent"). A47-68.[1] On December 10, 2012, adidas AG filed a petition with the U.S. Patent and Trademark Office to institute an inter partes review of claims 1-46 of the '011 patent. A1059-1122. On May 17, 2013, the USPTO instituted inter partes review of claims 1-46. A1148-1185. On August 19, 2013, Nike filed a motion to amend. A1225-1241. In the motion to amend, Nike stated that "[i]ssued claims 1-46 are cancelled." A1226. Nike sought to amend the '011 patent to add substitute claims 47-50. A1226-1227.

On April 28, 2014, the Board issued a final written decision granting Nike's request to cancel claims 1-46 and denying Nike's request to amend its patent to add substitute claims 47-50. A1-43. Nike appealed, challenging the Board's

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[1] Citations to "A___" refer to the Joint Appendix. Citations to "Nike Br. at __" refer to Nike's opening brief.

denial of Nike's motion to amend. A2484-2486. The Director of the USPTO intervened to defend the Board's final written decision. *See* 35 U.S.C. § 143.

B. Statutory and Regulatory Background

1. Administrative Review of Issued Patents

Congress has long provided administrative mechanisms for third parties to ask the USPTO to reconsider the patentability of claims in an issued patent. In 1980, Congress enacted the first statute authorizing ex parte reexamination. *See* Pub. L. No. 96-517, 94 Stat. 3015 (1980) (codified at 35 U.S.C. ch. 30 (1980)). In 1999, Congress added an option for "inter partes" reexamination, which allowed the third-party requester to participate in the reexamination and, after 2002, any subsequent appeal. *See Cooper Techs. Co. v. Dudas*, 536 F.3d 1330, 1332 (Fed. Cir. 2008); American Inventors Protection Act, Pub. L. No. 106-113, 113 Stat. 1501, Sec. 4601-04 (1999) (codified as amended at 35 U.S.C. §§ 311-318 (2000)).

Both ex parte and inter partes reexamination proceedings are conducted by an examiner. *See* 37 C.F.R. §§ 1.931, 1.937(b), 1.525, 1.550(a). Further, both types of reexamination proceeding are "conducted according to the procedures established for initial examination under the provisions of 132 and 133 [of the Patent Act]." *See* 35 U.S.C. §§ 305 and 314 (as in effect prior to September 16,

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2012).[2] Because reexamination proceedings are conducted under the same rules that govern the application examination process "[t]he focus of the limited proceedings . . . returns essentially to that present in an initial examination." *In re Etter*, 756 F.2d 852, 857 (Fed. Cir. 1985) (en banc). Therefore, as with examination of applications, "the initial burden falls on the PTO [examiner] to set forth the basis for any rejection." *Hyatt v. Dudas*, 492 F.3d 1365, 1369 (Fed. Cir. 2007). The USPTO must satisfy its initial burden by providing the patent owner with such information "as may be useful in judging of the propriety of continuing the prosecution of [the reexamination]." 35 U.S.C. § 132(a); *see also In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011) ("[T]he PTO carries its procedural burden of establishing a prima facie case when its rejection satisfies 35 U.S.C. § 132 . . . .")

2. Inter Partes Review Procedures Under the AIA

While ex parte reexamination was retained, in 2011 Congress replaced inter partes reexamination with a new post-issuance proceeding called inter partes review (IPR). *See* Pub. L. No. 112-29, 125 Stat. 284 (2011) (Leahy-Smith American Invents Act) (AIA). In contrast to reexamination, which is conducted by

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[2] *See* 35 U.S.C. §§ 301-307 (ex parte reexamination); 35 U.S.C. §§ 311-318 (as in effect prior to September 16, 2012) (inter partes reexamination); Pub. L. No. 112-29, § 6(c)(3)(C) (2011) (preserving inter partes reexamination for requests filed before September 16, 2012). *See also* 37 C.F.R. §§ 1.501-1.570 (ex parte reexamination); 37 C.F.R. §§ 1.902-1.997 (inter partes reexamination); 37 C.F.R. §§ 41.30-41.54 (ex parte appeals to the Board) and 37 C.F.R. §§ 41.60-41.81 (inter partes appeals to the Board).

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examiners, IPR is an adversarial proceeding conducted by the Board. *See* 35 U.S.C. §§ 311, 316(c). Importantly, the AIA "converted inter partes reexamination from an examinational to an adjudicative proceeding" conducted before the Board rather than before an examiner. *See Abbott Labs. v. Cordis Corp.*, 710 F.3d 1318, 1326 (Fed. Cir. 2013) (quoting H.R. Rep. No. 112-98, at 46-47 (2011)).

The AIA also: (1) changed the threshold showing necessary for the USPTO to institute an inter partes proceeding; (2) made all patents subject to such review regardless of the date on which they were issued; (3) broadened the estoppel provisions to which petitioning parties would be subject; (4) imposed strict timelines for completion of the review; and (5) permitted an appeal to this Court only from the Board's final written decision as to patentability. *See* H.R. Rep. No. 112-98, at 46-47 (2011); Joseph Matal, *A Guide to the Legislative History of the America Invents Act: Part II of II*, 21 Fed. Cir. B.J. 539, 598 (2012). Any person other than the patent owner may petition to institute an inter partes review, and the petitioner may participate in the proceedings and any ensuing appeal. *See* 35 U.S.C. §§ 311, 316, 319.

The AIA also created "post-grant review," *see generally* 35 U.S.C. §§ 321-329, and a special "transitional post-grant review proceeding for review of the validity of covered business method patents," AIA § 18, which is known as "CBM

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review." These proceedings both permit broader patentability challenges than inter partes review, *see* 35 U.S.C. § 321(b), but they involve similar procedures.

3. The USPTO's Rulemaking Authority

To implement the AIA's new administrative review schemes, Congress provided the USPTO with expanded rulemaking authority. *See generally* 35 U.S.C. § 316(a); *In re Cuozzo Speed Techs., LLC*, 778 F.3d 1271, 1278-79 (Fed. Cir. 2015). The AIA authorizes the USPTO to "prescribe regulations . . . establishing and governing" inter partes review proceedings and to specify "the relationship of such review to other proceedings under this title," among other matters. 35 U.S.C. § 316(a)(4). Congress also required that "the Director shall consider the effect of any such regulation on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings." 35 U.S.C. § 316(b). Notably, the AIA expressly requires that "the final determination in an inter partes review be issued not later than 1 year after the date on which the Director notices the institution of a review." 35 U.S.C. § 316(a)(11). The Director has promulgated regulations confirming the Board's authority to manage the new IPR proceedings. *See generally* 37 C.F.R., part 42.

Beyond its broad grant of authority to govern proceedings generally, the AIA also requires the USPTO to implement specific procedures. For example, the

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AIA requires the USPTO to prescribe regulations "setting forth standards and procedures for allowing the patent owner to move to amend" its patent by either "cancel[ing] a challenged claim or propos[ing] a reasonable number of substitute claims." 35 U.S.C. § 316(a)(9). The AIA also explains that "[d]uring an inter partes review instituted under this chapter, the patent owner may file 1 motion to amend" its patent and that any such amendment "may not enlarge the scope of the claims of the patent or introduce new matter." 35 U.S.C. § 316(d). Consistent with those AIA provisions, the agency implemented regulations providing that a patent owner involved in an IPR proceeding "may file one motion to amend a patent." 37 C.F.R. § 42.121(a). The agency made clear that a motion to amend may be denied where "[t]he amendment does not respond to a ground of patentability involved in the trial" or "[t]he amendment seeks to enlarge the scope of the claims of the patent or introduce new subject matter." 37 C.F.R. § 42.121(a)(2). Further, the agency's rules require that upon filing any motion before the Board, the "moving party has the burden of proof to establish it is entitled to the requested relief." 37 C.F.R. § 42.20(c).[3]

[3] The rule history explains that section 42.20(c) "places the burden of proof on the moving party" and that "[a] motion that fails to justify the relief on its face could be dismissed or denied without regard to subsequent briefing." 77 Fed. Reg. 48619-20 (Aug. 14, 2012) (Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions).

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C. The Board's Final Written Decision

After its decision to institute the IPR, the Board conducted full trial proceedings in accordance with its rules. *See generally* 37 C.F.R. §§ 42.120-42.123. The Board held an oral hearing on February 10, 2014. A2328-2331. At the close of those proceedings, the Board issued a final written decision granting Nike's request to cancel claims 1-46 and denying Nike's motion to amend that sought entry of substitute claims 47-50. A1-43.

The Board explained that Nike, as the moving party, bore the burden of establishing that it was entitled to the requested relief. A11 (citing 37 C.F.R. § 42.20(c)). Thus, the Board would only allow entry of the substitute claims upon a showing by Nike that the claims are patentable. *Id.*

In analyzing Nike's motion, the Board found that Nike's proposed amendments responded to grounds of unpatentability involved in the trial and did not seek to enlarge the scope of the claims or introduce new matter, thus satisfying 37 C.F.R. § 42.121(a)(2). A26-27. The Board further found that the application from which the '011 patent issued provided written description support for substitute claim 47. A27-31. The Board rejected adidas's argument that the substitute claims were indefinite. A31-33.

The Board ultimately denied Nike's motion for two independent reasons. First, the Board found that Nike failed to meet its burden to demonstrate

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patentability over the prior art because Nike's motion only analyzed the prior art references identified by adidas. A34-36. When addressing prior art not identified by adidas, Nike only offered the following conclusory statement:

> The proposed claims are patentable over the prior art, including prior art identified by the Board in its Decision on whether to institute a trial and other prior art known to NIKE.

A1228 (emphasis added). The Board explained that a patent owner must do more than simply distinguish the substitute claims from the prior art references that form the basis of the IPR. A34-36. According to the Board, the patent owner must demonstrate general patentability over the prior art, which entails "[s]ome representation . . . about the specific technical disclosure of the closest prior art known to the patent owner, and not just a conclusory remark that no prior art known to the patent owner renders obvious the . . . claims." A35 (quoting *Idle Free Sys., Inc. v. Bergstrom, Inc.*, No. IPR2012-00027, 2013 WL 5947697, at *4 (PTAB June 11, 2013)).[4] Because Nike's discussion of other known prior art was limited to a conclusory statement that the substitute claims are patentable over the known art, the Board concluded that Nike did not satisfy its burden. A35-36.

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[4] On June 22, 2013, prior to the filing of Nike's motion to amend, the Board issued an Order outlining the conduct of the proceeding. A1200-1203. That Order identified the *Idle Free* decision as providing "[a]dditional guidance on motions to amend." A1201-1202. Thus, before Nike filed its motion to amend, it was on notice of both the need to demonstrate patentability of substitute claims over known prior art and the level of detail required to do so.

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Second, the Board concluded that adidas had demonstrated unpatentability of the substitute claims over a prior art combination offered by adidas in response to Nike's motion to amend – Nishida in view of Schuessler I and II. A36-39. Because Nike did not file a patent owner response to adidas's petition, the Board accepted as unchallenged that Nishida teaches or suggests all of the limitations of original claims 16, 19, and 20.[5] A36-37. The Board found that Schuessler I and II teach the limitations added in substitute claims 47-50, and that one of ordinary skill in the art would have had a reason to combine the references to achieve the claimed invention. A37-39.

III. SUMMARY OF THE ARGUMENT

In passing the AIA, Congress established IPR as an adjudicatory-type proceeding and expressly authorized the USPTO to make regulations "setting forth standards and procedures" governing a motion to amend a patent during an IPR. The USPTO did exactly that; it promulgated regulations governing motions to amend, including a regulation requiring a patent owner to bear the burden of proof when filing a motion to amend.

When applying this regulation, the Board explained that for a patent owner to satisfy his burden of proof, he must sufficiently demonstrate that the proposed

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[5] Claim 47 was a substitute for claim 16, claims 48 and 49 were substitutes for claim 19, and claim 50 was a substitute for claim 20. A9-10; A1226-1227.

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claims are patentable over known prior art. The Board's application of the rule requiring the patent owner to bear the burden of proof is fully consistent with both the regulations governing IPR and the AIA itself.

Not only is the Board's patentability requirement fully consistent with the AIA and its implementing regulations, it makes sense as a matter of policy. Because a proposed amendment to a patent will not be examined during an IPR, it is good policy to require a patent owner to make a sufficient showing of patentability to the Board to grant a motion to amend. Once the Board grants a motion to amend, the new claims will be added to the patent without any examination or further review. Given the relief awarded if a motion to amend is granted, it only makes sense to require the motion to include a thorough demonstration by the patent owner that the proposed claims are patentable.

Moreover, the Board properly concluded that adidas had established that the substitute claims Nike submitted were unpatentable over Nishida in view of Schuessler I and II. Even if the Board's allocation of the burden of proof was improper, the Board's decision should be upheld.

IV. ARGUMENT

A. Standard of Review

Regulations issued by the USPTO under a statutory grant of rulemaking authority are entitled to deference unless based on an unreasonable construction of

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the statute. *See Chevron, U.S.A., Inc. v. Natural Res. Def. Council, Inc.*, 467 U.S. 837 (1984); *Cuozzo*, 778 F.3d at 1282 ("Because Congress authorized the PTO to prescribe regulations, the validity of the regulation is analyzed according to the familiar *Chevron* framework."). The USPTO's interpretation of its own regulations is "controlling unless plainly erroneous or inconsistent with the regulation." *Auer v. Robbins*, 519 U.S. 452, 461 (1997) (internal quotation marks omitted). Further, "considerable weight should be accorded to an executive department's construction of a statutory scheme it is entrusted to administer." *See United States v. Mead Corp.*, 533 U.S. 218, 227-28 (2001) (quoting *Chevron*, 467 U.S. at 844). The Board's actions may not be set aside unless "arbitrary, capricious, an abuse of discretion, unsupported by substantial evidence, or otherwise not in accordance with law." *In re Sullivan*, 362 F.3d 1324, 1326 (Fed. Cir. 2004); 5 U.S.C. § 706(2)(A).

B. Placing The Burden on Nike to Demonstrate Patentability Does Not Conflict With The IPR Statute

Nike contends that the Board acted contrary to 35 U.S.C. § 316(e) when it held that Nike bore the burden to prove that the substitute claims are patentable over the prior art. Nike Br. at 39-40. According to Nike, the statute establishing IPR mandates that the petitioner shall have the burden of proving unpatentability, and the Board cannot shift that burden to the patent owner. *Id.* Contrary to Nike's argument, the statute providing for motions to amend in IPR proceedings places

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the burden of showing patentability on the patent owner when it states, "the patent owner may file 1 motion to amend the patent," as the movant bears the burden on a motion. 35 U.S.C. § 316(d).

Moreover, the Board followed the agency's procedural rules governing IPR proceedings. As authorized by the AIA, the USPTO promulgated rules governing IPR proceedings, including rules governing a motion to amend a patent. Importantly, the AIA states the "Director shall prescribe regulations" for "establishing and governing inter partes review" proceedings (35 U.S.C. § 316(a)(4)) and shall prescribe regulations "setting forth standards and procedures for allowing the patent owner to move to amend the patent." 35 U.S.C. § 316(a)(9) (emphasis added). In accordance with that express authority, the USPTO promulgated rules setting forth standards and procedures that govern a patent owner's motion to amend.

Rule 42.20 governs motion practice before the Board and requires that any "[r]elief, other than a petition requesting the institution of a trial, must be requested in the form of a motion" and that "the moving party has the burden of proof to establish that it is entitled to the requested relief." 37 C.F.R. §§ 42.20(a), (c). Consistent with this regulation, the Board required Nike to make a showing that the proposed substitute claims were patentable over the prior art, i.e., that Nike was entitled to the relief it had requested. A34-36.

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Contrary to Nike's argument, the Board's application of the agency's regulations does not conflict with 35 U.S.C. § 316(e). That statute provides that "[i]n an inter partes review instituted under this chapter, the petitioner shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence." 35 U.S.C. § 316(e). Section 316(e) speaks to claims that are part of an issued patent that have been challenged in an IPR proceeding. In contrast, Nike's motion to amend included proposed claims that are not part of its patent, nor part of petitioner's validity challenge submitted in its petition. In other words, section 316(e) speaks only to the petitioner's burden in proving unpatentability of existing claims; it does not specify who has the burden of proving patentability of new, never-before-examined claims.

In any event, Nike's motion to amend its patent is governed by more specific statutory subsections provided by Congress. *See National Cable and Telecomm. Ass'n v. Gulf Power Co.*, 534 U.S. 327, 335 (2002) ("[S]pecific statutory language should control more general language when there is a conflict between the two."); *Fourco Glass Co. v. Transmirra Prods. Corp.*, 353 U.S. 222, 228-29 (1957) ("Specific terms prevail over the general in the same or another statute which otherwise might be controlling.") (citation omitted). As already explained, those specific statutory provisions allow for a patent owner to file a motion to amend during an IPR and give the USPTO the authority to set the "standards and

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procedures for allowing the patent owner to move to amend the patent." 35 U.S.C. §§ 316(d), 316(a)(9). And, those standards and procedures, applied by the Board, are set forth in rules 42.20 and 42.121.

Fundamentally, the flaw in Nike's argument is that it presumes a "motion to amend" a patent during an IPR proceeding should be treated the same as an amendment submitted during an examination proceeding. However, as already explained, IPR proceedings are not examinational in nature – they are adjudicatory-type proceedings. That is, when a patent owner files a "motion to amend" its patent in an IPR, it is not a motion to have an amendment entered for examination; rather, it is a motion to amend a patent in an adjudicatory proceeding where no examination takes place. Thus, if such a motion is granted, the involved patent will be amended. Beyond the fact that rules 42.20 and 42.121 are expressly authorized by the AIA, it makes sense that the agency requires a patent owner to make a showing of patentability over the prior art it knows of for proposed claims it has submitted via a motion to amend. If a patent owner were not required to make such a showing, an amended patent could be put in place with untested claims. Following such a practice would defeat Congress's purpose behind creating IPR proceedings, which was to help eliminate claims that should never have issued.

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Placing the burden on the movant to make a showing that its proposed claims are patentable makes sense for the additional reason that a petitioner might not be motivated to prove unpatentability of the new claims. A petitioner may only be motivated to disprove patentability of claims that are broad enough to cover the infringement for which the petitioner is accused. For example, a new claim could be narrowed such that the petitioner does not infringe it and is not concerned with it, and yet the claim could still be unpatentable over prior art. Indeed, a petitioner might drop out of the proceeding entirely after the amendment, or even before it, as a result of settlement. *See* 35 U.S.C. § 317(a) (stating that the Board may issue a final written decision even after the parties have settled). Thus, the system Nike envisions will not work.

Finally, as this Court explained, "[a]n agency's interpretation of its own regulations is normally entitled to considerable deference and that interpretation ordinarily will be accepted unless it is plainly erroneous or inconsistent with the regulation." *In re McDaniel*, 293 F.3d 1379, 1382 (Fed. Cir. 2002). The USPTO promulgated rules setting forth standards and procedures for allowing the patent owner to move to amend its patent as expressly authorized by the AIA. The Board's interpretation of those rules to require Nike to demonstrate the patentability of the substitute claims is neither plainly erroneous nor inconsistent with the regulations.

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C. The Board's Requirement That Nike Prove Patentability of The Substitute Claims Over The Prior Art is Derived From 37 C.F.R. § 42.20(c)

Nike argues that there is no basis in the statute or regulations for the Board's ruling, and that if the USPTO wished to require patent holders to prove patentability of substitute claims, it needed to do so via formal rulemaking. Nike Br. at 37-39. Nike's argument ignores the fact that the Board's requirement that the patent owner demonstrate patentability over both the prior art of record and additional prior art not of record derives from 37 C.F.R. § 42.20(c), which states that during an IPR, "[t]he moving party has the burden of proof to establish that it is entitled to the requested relief." The Board expressly cited to section 42.20(c) as the basis for its requirement that a patent owner prove patentability when filing a motion to amend. A11.

Thus, pursuant to 37 C.F.R. § 42.20(c), when a patent owner such as Nike files a motion to amend, the patent owner has the burden of proof to establish that it is entitled to the requested relief. Here, the requested relief was amending the '011 patent to add substitute claims 47-50. Following *Idle Free*'s interpretation of § 42.20(c), the Board quite reasonably held that in order for Nike to establish that it was entitled to the entry of substitute claims, it had to prove that the new claims were patentable over the prior art known to Nike, which includes prior art not identified by adidas. A34-36. Otherwise, the Board runs the risk of allowing the

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substitute claims without a sufficiently thorough analysis of whether such claims are patentable. The Board further determined that a conclusory statement that the substitute claims are patentable over all known prior art is insufficient to demonstrate patentability. *Id.* Such an interpretation of 37 C.F.R. § 42.20(c) was not plainly erroneous or contrary to the regulation. *McDaniel*, 293 F.3d at 1382.

D. Even if Adidas Bore The Burden to Prove That Nike's Substitute Claims Are Unpatentable, This Court Should Still Affirm The Board's Decision

In addition to denying Nike's motion to amend because of Nike's failure to meet its burden, the Board found that adidas demonstrated that the combination of Nishida, Schuessler I, and Schuessler II renders the substitute claims obvious. A36-39. Thus, even if this Court determines that adidas bore the burden to prove that the substitute claims are unpatentable, this Court should still affirm the Board's decision.

Nishida discloses producing a shoe upper "in an efficient and economical way." A545 at col. 1, ll. 45-47. Specifically, Nishida teaches the reduction of waste by using an efficient pattern that minimizes the amount of unused material. *Id.* at col. 2, ll. 26-32; A542. Nishida further teaches using "a simple, lightweight and inexpensive material" for the portions that are to be discarded. A545 at col. 2, ll. 11-25. Schuessler I and II teach a method of producing a knitted helmet "while rendering it unnecessary to cut any portion of the knitted swatch." A1996 at col. 1,

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ll. 15-18. The Board correctly found that the Schuessler references teach "flat knit edges free of surrounding textile structure such that the flat knit edges are not surrounded by textile structure from which the textile element must be removed," as required by claim 47. A37.

After finding that the combination of references taught all of the claim limitations, the Board found that a skilled artisan would have been motivated to use Schuessler's no-cut method when making the shoe uppers taught by Nishida to eliminate wasted material. A38-39. The Board correctly reasoned that a skilled artisan would have combined the references because all of the references serve the same purpose of forming "two-dimensional textile elements having edges that are joined to form three-dimensional, wearable items." A38; *see also* A1696.

Nike argues that the Board failed to address Nike's alleged secondary considerations evidence regarding the long-felt but unresolved need to minimize "cutting waste." Nike Br. at 32-34. Before the Board, Nike merely asserted in a single paragraph that Nishida shows that reducing waste was a long-felt need in the industry. A1239-40. According to Nike, the need to reduce waste still existed after Nishida because while Nishida addressed the problem, its manufacturing process didn't fully eliminate cutting waste. *Id.* Nike is incorrect for at least two reasons. First, the Board found that Nishida addressed the problem of reducing waste, meaning that reduction of waste could not be a long-felt but unresolved

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need. A38. Second, in finding that the Schuessler references taught the manufacture of a knitted helmet without requiring cutting, the Board implicitly found that reducing waste was not a long-felt but unresolved need, as the Schuessler references solved the problem by eliminating any cutting waste during the manufacturing process. A37.

V. CONCLUSION

For the foregoing reasons, the Board's decision should be affirmed.

Respectfully submitted,

April 9, 2015

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CERTIFICATE OF SERVICE

I hereby certify that on April 9, 2015, I electronically filed the foregoing BRIEF FOR INTERVENOR—DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE with the Court's CM/ECF filing system, which constitutes service, pursuant to Fed. R. App. P. 25(c)(2), Fed. Cir. R. 25(a), and the Court's Administrative Order Regarding Electronic Case Filing 6(A) (May 17, 2012).

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Appeal No. 2014-1719

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

NIKE, INC.
Appellant,
v.

ADIDAS AG
Appellee.

Appeal from the United States Patent and Trademark Office,
Patent Trial and Appeal Board in No. IPR2013-00067

BRIEF FOR INTERVENOR—DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

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STATEMENT OF RELATED CASES

The Director is not aware of any appeal in connection with this case that has previously been before this Court, or that is currently pending in any other court. *Microsoft Corp. v. Proxyconn Inc.*, Nos. 2014-1542, -1543, *Helferich Patent Licensing, LLC v. CBS Interactive, Inc.*, No. 2014-1556, *ConvaTec Technologies, Inc. v. Smith & Nephew, Inc.*, Nos. 2014-1822, -1823, *Synopsys, Inc. v. Mentor Graphics Corp.*, Nos. 2014-1516, -1530, and *Prolitec, Inc. v. ScentAir Technologies, Inc.*, No. 2015-1020, like this appeal, involve challenges to the USPTO's regulations governing motions to amend in inter partes review proceedings. This Court's decisions in those appeals may directly affect, or be directly affected by, this Court's decision in this appeal.

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I. STATEMENT OF THE ISSUE

The Director has intervened in this case to address whether the Board properly denied Nike's motion to amend in accordance with 35 U.S.C. §§ 316(a)(9), 316(d) and 37 C.F.R. §§ 42.20(c), 42.121(a).

II. STATEMENT OF THE CASE

A. Introduction

Nike, Inc. owns U.S. Patent No. 7,347,011 ("the '011 patent"). A47-68.[1] On December 10, 2012, adidas AG filed a petition with the U.S. Patent and Trademark Office to institute an inter partes review of claims 1-46 of the '011 patent. A1059-1122. On May 17, 2013, the USPTO instituted inter partes review of claims 1-46. A1148-1185. On August 19, 2013, Nike filed a motion to amend. A1225-1241. In the motion to amend, Nike stated that "[i]ssued claims 1-46 are cancelled." A1226. Nike sought to amend the '011 patent to add substitute claims 47-50. A1226-1227.

On April 28, 2014, the Board issued a final written decision granting Nike's request to cancel claims 1-46 and denying Nike's request to amend its patent to add substitute claims 47-50. A1-43. Nike appealed, challenging the Board's

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[1] Citations to "A___" refer to the Joint Appendix. Citations to "Nike Br. at __" refer to Nike's opening brief.

denial of Nike's motion to amend. A2484-2486. The Director of the USPTO intervened to defend the Board's final written decision. *See* 35 U.S.C. § 143.

B. Statutory and Regulatory Background

1. Administrative Review of Issued Patents

Congress has long provided administrative mechanisms for third parties to ask the USPTO to reconsider the patentability of claims in an issued patent. In 1980, Congress enacted the first statute authorizing ex parte reexamination. *See* Pub. L. No. 96-517, 94 Stat. 3015 (1980) (codified at 35 U.S.C. ch. 30 (1980)). In 1999, Congress added an option for "inter partes" reexamination, which allowed the third-party requester to participate in the reexamination and, after 2002, any subsequent appeal. *See Cooper Techs. Co. v. Dudas*, 536 F.3d 1330, 1332 (Fed. Cir. 2008); American Inventors Protection Act, Pub. L. No. 106-113, 113 Stat. 1501, Sec. 4601-04 (1999) (codified as amended at 35 U.S.C. §§ 311-318 (2000)).

Both ex parte and inter partes reexamination proceedings are conducted by an examiner. *See* 37 C.F.R. §§ 1.931, 1.937(b), 1.525, 1.550(a). Further, both types of reexamination proceeding are "conducted according to the procedures established for initial examination under the provisions of 132 and 133 [of the Patent Act]." *See* 35 U.S.C. §§ 305 and 314 (as in effect prior to September 16,

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2012).[2] Because reexamination proceedings are conducted under the same rules that govern the application examination process "[t]he focus of the limited proceedings . . . returns essentially to that present in an initial examination." *In re Etter*, 756 F.2d 852, 857 (Fed. Cir. 1985) (en banc). Therefore, as with examination of applications, "the initial burden falls on the PTO [examiner] to set forth the basis for any rejection." *Hyatt v. Dudas*, 492 F.3d 1365, 1369 (Fed. Cir. 2007). The USPTO must satisfy its initial burden by providing the patent owner with such information "as may be useful in judging of the propriety of continuing the prosecution of [the reexamination]." 35 U.S.C. § 132(a); *see also In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011) ("[T]he PTO carries its procedural burden of establishing a prima facie case when its rejection satisfies 35 U.S.C. § 132 . . . .")

2. Inter Partes Review Procedures Under the AIA

While ex parte reexamination was retained, in 2011 Congress replaced inter partes reexamination with a new post-issuance proceeding called inter partes review (IPR). *See* Pub. L. No. 112-29, 125 Stat. 284 (2011) (Leahy-Smith American Invents Act) (AIA). In contrast to reexamination, which is conducted by

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[2] *See* 35 U.S.C. §§ 301-307 (ex parte reexamination); 35 U.S.C. §§ 311-318 (as in effect prior to September 16, 2012) (inter partes reexamination); Pub. L. No. 112-29, § 6(c)(3)(C) (2011) (preserving inter partes reexamination for requests filed before September 16, 2012). *See also* 37 C.F.R. §§ 1.501-1.570 (ex parte reexamination); 37 C.F.R. §§ 1.902-1.997 (inter partes reexamination); 37 C.F.R. §§ 41.30-41.54 (ex parte appeals to the Board) and 37 C.F.R. §§ 41.60-41.81 (inter partes appeals to the Board).

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examiners, IPR is an adversarial proceeding conducted by the Board. *See* 35 U.S.C. §§ 311, 316(c). Importantly, the AIA "converted inter partes reexamination from an examinational to an adjudicative proceeding" conducted before the Board rather than before an examiner. *See Abbott Labs. v. Cordis Corp.*, 710 F.3d 1318, 1326 (Fed. Cir. 2013) (quoting H.R. Rep. No. 112-98, at 46-47 (2011)).

The AIA also: (1) changed the threshold showing necessary for the USPTO to institute an inter partes proceeding; (2) made all patents subject to such review regardless of the date on which they were issued; (3) broadened the estoppel provisions to which petitioning parties would be subject; (4) imposed strict timelines for completion of the review; and (5) permitted an appeal to this Court only from the Board's final written decision as to patentability. *See* H.R. Rep. No. 112-98, at 46-47 (2011); Joseph Matal, *A Guide to the Legislative History of the America Invents Act: Part II of II*, 21 Fed. Cir. B.J. 539, 598 (2012). Any person other than the patent owner may petition to institute an inter partes review, and the petitioner may participate in the proceedings and any ensuing appeal. *See* 35 U.S.C. §§ 311, 316, 319.

The AIA also created "post-grant review," *see generally* 35 U.S.C. §§ 321-329, and a special "transitional post-grant review proceeding for review of the validity of covered business method patents," AIA § 18, which is known as "CBM

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review." These proceedings both permit broader patentability challenges than inter partes review, *see* 35 U.S.C. § 321(b), but they involve similar procedures.

3. The USPTO's Rulemaking Authority

To implement the AIA's new administrative review schemes, Congress provided the USPTO with expanded rulemaking authority. *See generally* 35 U.S.C. § 316(a); *In re Cuozzo Speed Techs., LLC*, 778 F.3d 1271, 1278-79 (Fed. Cir. 2015). The AIA authorizes the USPTO to "prescribe regulations . . . establishing and governing" inter partes review proceedings and to specify "the relationship of such review to other proceedings under this title," among other matters. 35 U.S.C. § 316(a)(4). Congress also required that "the Director shall consider the effect of any such regulation on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings." 35 U.S.C. § 316(b). Notably, the AIA expressly requires that "the final determination in an inter partes review be issued not later than 1 year after the date on which the Director notices the institution of a review." 35 U.S.C. § 316(a)(11). The Director has promulgated regulations confirming the Board's authority to manage the new IPR proceedings. *See generally* 37 C.F.R., part 42.

Beyond its broad grant of authority to govern proceedings generally, the AIA also requires the USPTO to implement specific procedures. For example, the

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AIA requires the USPTO to prescribe regulations "setting forth standards and procedures for allowing the patent owner to move to amend" its patent by either "cancel[ing] a challenged claim or propos[ing] a reasonable number of substitute claims." 35 U.S.C. § 316(a)(9). The AIA also explains that "[d]uring an inter partes review instituted under this chapter, the patent owner may file 1 motion to amend" its patent and that any such amendment "may not enlarge the scope of the claims of the patent or introduce new matter." 35 U.S.C. § 316(d). Consistent with those AIA provisions, the agency implemented regulations providing that a patent owner involved in an IPR proceeding "may file one motion to amend a patent." 37 C.F.R. § 42.121(a). The agency made clear that a motion to amend may be denied where "[t]he amendment does not respond to a ground of patentability involved in the trial" or "[t]he amendment seeks to enlarge the scope of the claims of the patent or introduce new subject matter." 37 C.F.R. § 42.121(a)(2). Further, the agency's rules require that upon filing any motion before the Board, the "moving party has the burden of proof to establish it is entitled to the requested relief." 37 C.F.R. § 42.20(c).[3]

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[3] The rule history explains that section 42.20(c) "places the burden of proof on the moving party" and that "[a] motion that fails to justify the relief on its face could be dismissed or denied without regard to subsequent briefing." 77 Fed. Reg. 48619-20 (Aug. 14, 2012) (Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions).

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C. The Board's Final Written Decision

After its decision to institute the IPR, the Board conducted full trial proceedings in accordance with its rules. *See generally* 37 C.F.R. §§ 42.120-42.123. The Board held an oral hearing on February 10, 2014. A2328-2331. At the close of those proceedings, the Board issued a final written decision granting Nike's request to cancel claims 1-46 and denying Nike's motion to amend that sought entry of substitute claims 47-50. A1-43.

The Board explained that Nike, as the moving party, bore the burden of establishing that it was entitled to the requested relief. A11 (citing 37 C.F.R. § 42.20(c)). Thus, the Board would only allow entry of the substitute claims upon a showing by Nike that the claims are patentable. *Id.*

In analyzing Nike's motion, the Board found that Nike's proposed amendments responded to grounds of unpatentability involved in the trial and did not seek to enlarge the scope of the claims or introduce new matter, thus satisfying 37 C.F.R. § 42.121(a)(2). A26-27. The Board further found that the application from which the '011 patent issued provided written description support for substitute claim 47. A27-31. The Board rejected adidas's argument that the substitute claims were indefinite. A31-33.

The Board ultimately denied Nike's motion for two independent reasons. First, the Board found that Nike failed to meet its burden to demonstrate

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patentability over the prior art because Nike's motion only analyzed the prior art references identified by adidas. A34-36. When addressing prior art not identified by adidas, Nike only offered the following conclusory statement:

> The proposed claims are patentable over the prior art, including prior art identified by the Board in its Decision on whether to institute a trial and other prior art known to NIKE.

A1228 (emphasis added). The Board explained that a patent owner must do more than simply distinguish the substitute claims from the prior art references that form the basis of the IPR. A34-36. According to the Board, the patent owner must demonstrate general patentability over the prior art, which entails "[s]ome representation . . . about the specific technical disclosure of the closest prior art known to the patent owner, and not just a conclusory remark that no prior art known to the patent owner renders obvious the . . . claims." A35 (quoting *Idle Free Sys., Inc. v. Bergstrom, Inc.*, No. IPR2012-00027, 2013 WL 5947697, at *4 (PTAB June 11, 2013)).[4] Because Nike's discussion of other known prior art was limited to a conclusory statement that the substitute claims are patentable over the known art, the Board concluded that Nike did not satisfy its burden. A35-36.

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[4] On June 22, 2013, prior to the filing of Nike's motion to amend, the Board issued an Order outlining the conduct of the proceeding. A1200-1203. That Order identified the *Idle Free* decision as providing "[a]dditional guidance on motions to amend." A1201-1202. Thus, before Nike filed its motion to amend, it was on notice of both the need to demonstrate patentability of substitute claims over known prior art and the level of detail required to do so.

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Second, the Board concluded that adidas had demonstrated unpatentability of the substitute claims over a prior art combination offered by adidas in response to Nike's motion to amend – Nishida in view of Schuessler I and II. A36-39. Because Nike did not file a patent owner response to adidas's petition, the Board accepted as unchallenged that Nishida teaches or suggests all of the limitations of original claims 16, 19, and 20.[5] A36-37. The Board found that Schuessler I and II teach the limitations added in substitute claims 47-50, and that one of ordinary skill in the art would have had a reason to combine the references to achieve the claimed invention. A37-39.

III. SUMMARY OF THE ARGUMENT

In passing the AIA, Congress established IPR as an adjudicatory-type proceeding and expressly authorized the USPTO to make regulations "setting forth standards and procedures" governing a motion to amend a patent during an IPR. The USPTO did exactly that; it promulgated regulations governing motions to amend, including a regulation requiring a patent owner to bear the burden of proof when filing a motion to amend.

When applying this regulation, the Board explained that for a patent owner to satisfy his burden of proof, he must sufficiently demonstrate that the proposed

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[5] Claim 47 was a substitute for claim 16, claims 48 and 49 were substitutes for claim 19, and claim 50 was a substitute for claim 20. A9-10; A1226-1227.

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claims are patentable over known prior art. The Board's application of the rule requiring the patent owner to bear the burden of proof is fully consistent with both the regulations governing IPR and the AIA itself.

Not only is the Board's patentability requirement fully consistent with the AIA and its implementing regulations, it makes sense as a matter of policy. Because a proposed amendment to a patent will not be examined during an IPR, it is good policy to require a patent owner to make a sufficient showing of patentability to the Board to grant a motion to amend. Once the Board grants a motion to amend, the new claims will be added to the patent without any examination or further review. Given the relief awarded if a motion to amend is granted, it only makes sense to require the motion to include a thorough demonstration by the patent owner that the proposed claims are patentable.

Moreover, the Board properly concluded that adidas had established that the substitute claims Nike submitted were unpatentable over Nishida in view of Schuessler I and II. Even if the Board's allocation of the burden of proof was improper, the Board's decision should be upheld.

IV. ARGUMENT

A. Standard of Review

Regulations issued by the USPTO under a statutory grant of rulemaking authority are entitled to deference unless based on an unreasonable construction of

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the statute. *See Chevron, U.S.A., Inc. v. Natural Res. Def. Council, Inc.*, 467 U.S. 837 (1984); *Cuozzo*, 778 F.3d at 1282 ("Because Congress authorized the PTO to prescribe regulations, the validity of the regulation is analyzed according to the familiar *Chevron* framework."). The USPTO's interpretation of its own regulations is "controlling unless plainly erroneous or inconsistent with the regulation." *Auer v. Robbins*, 519 U.S. 452, 461 (1997) (internal quotation marks omitted). Further, "considerable weight should be accorded to an executive department's construction of a statutory scheme it is entrusted to administer." *See United States v. Mead Corp.*, 533 U.S. 218, 227-28 (2001) (quoting *Chevron*, 467 U.S. at 844). The Board's actions may not be set aside unless "arbitrary, capricious, an abuse of discretion, unsupported by substantial evidence, or otherwise not in accordance with law." *In re Sullivan*, 362 F.3d 1324, 1326 (Fed. Cir. 2004); 5 U.S.C. § 706(2)(A).

B. Placing The Burden on Nike to Demonstrate Patentability Does Not Conflict With The IPR Statute

Nike contends that the Board acted contrary to 35 U.S.C. § 316(e) when it held that Nike bore the burden to prove that the substitute claims are patentable over the prior art. Nike Br. at 39-40. According to Nike, the statute establishing IPR mandates that the petitioner shall have the burden of proving unpatentability, and the Board cannot shift that burden to the patent owner. *Id.* Contrary to Nike's argument, the statute providing for motions to amend in IPR proceedings places

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the burden of showing patentability on the patent owner when it states, "the patent owner may file 1 motion to amend the patent," as the movant bears the burden on a motion. 35 U.S.C. § 316(d).

Moreover, the Board followed the agency's procedural rules governing IPR proceedings. As authorized by the AIA, the USPTO promulgated rules governing IPR proceedings, including rules governing a motion to amend a patent. Importantly, the AIA states the "Director shall prescribe regulations" for "establishing and governing inter partes review" proceedings (35 U.S.C. § 316(a)(4)) and shall prescribe regulations "setting forth standards and procedures for allowing the patent owner to move to amend the patent." 35 U.S.C. § 316(a)(9) (emphasis added). In accordance with that express authority, the USPTO promulgated rules setting forth standards and procedures that govern a patent owner's motion to amend.

Rule 42.20 governs motion practice before the Board and requires that any "[r]elief, other than a petition requesting the institution of a trial, must be requested in the form of a motion" and that "the moving party has the burden of proof to establish that it is entitled to the requested relief." 37 C.F.R. §§ 42.20(a), (c). Consistent with this regulation, the Board required Nike to make a showing that the proposed substitute claims were patentable over the prior art, i.e., that Nike was entitled to the relief it had requested. A34-36.

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Contrary to Nike's argument, the Board's application of the agency's regulations does not conflict with 35 U.S.C. § 316(e). That statute provides that "[i]n an inter partes review instituted under this chapter, the petitioner shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence." 35 U.S.C. § 316(e). Section 316(e) speaks to claims that are part of an issued patent that have been challenged in an IPR proceeding. In contrast, Nike's motion to amend included proposed claims that are not part of its patent, nor part of petitioner's validity challenge submitted in its petition. In other words, section 316(e) speaks only to the petitioner's burden in proving unpatentability of existing claims; it does not specify who has the burden of proving patentability of new, never-before-examined claims.

In any event, Nike's motion to amend its patent is governed by more specific statutory subsections provided by Congress. *See National Cable and Telecomm. Ass'n v. Gulf Power Co.*, 534 U.S. 327, 335 (2002) ("[S]pecific statutory language should control more general language when there is a conflict between the two."); *Fourco Glass Co. v. Transmirra Prods. Corp.*, 353 U.S. 222, 228-29 (1957) ("Specific terms prevail over the general in the same or another statute which otherwise might be controlling.") (citation omitted). As already explained, those specific statutory provisions allow for a patent owner to file a motion to amend during an IPR and give the USPTO the authority to set the "standards and

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procedures for allowing the patent owner to move to amend the patent." 35 U.S.C. §§ 316(d), 316(a)(9). And, those standards and procedures, applied by the Board, are set forth in rules 42.20 and 42.121.

Fundamentally, the flaw in Nike's argument is that it presumes a "motion to amend" a patent during an IPR proceeding should be treated the same as an amendment submitted during an examination proceeding. However, as already explained, IPR proceedings are not examinational in nature – they are adjudicatory-type proceedings. That is, when a patent owner files a "motion to amend" its patent in an IPR, it is not a motion to have an amendment entered for examination; rather, it is a motion to amend a patent in an adjudicatory proceeding where no examination takes place. Thus, if such a motion is granted, the involved patent will be amended. Beyond the fact that rules 42.20 and 42.121 are expressly authorized by the AIA, it makes sense that the agency requires a patent owner to make a showing of patentability over the prior art it knows of for proposed claims it has submitted via a motion to amend. If a patent owner were not required to make such a showing, an amended patent could be put in place with untested claims. Following such a practice would defeat Congress's purpose behind creating IPR proceedings, which was to help eliminate claims that should never have issued.

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Placing the burden on the movant to make a showing that its proposed claims are patentable makes sense for the additional reason that a petitioner might not be motivated to prove unpatentability of the new claims. A petitioner may only be motivated to disprove patentability of claims that are broad enough to cover the infringement for which the petitioner is accused. For example, a new claim could be narrowed such that the petitioner does not infringe it and is not concerned with it, and yet the claim could still be unpatentable over prior art. Indeed, a petitioner might drop out of the proceeding entirely after the amendment, or even before it, as a result of settlement. *See* 35 U.S.C. § 317(a) (stating that the Board may issue a final written decision even after the parties have settled). Thus, the system Nike envisions will not work.

Finally, as this Court explained, "[a]n agency's interpretation of its own regulations is normally entitled to considerable deference and that interpretation ordinarily will be accepted unless it is plainly erroneous or inconsistent with the regulation." *In re McDaniel*, 293 F.3d 1379, 1382 (Fed. Cir. 2002). The USPTO promulgated rules setting forth standards and procedures for allowing the patent owner to move to amend its patent as expressly authorized by the AIA. The Board's interpretation of those rules to require Nike to demonstrate the patentability of the substitute claims is neither plainly erroneous nor inconsistent with the regulations.

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C. The Board's Requirement That Nike Prove Patentability of The Substitute Claims Over The Prior Art is Derived From 37 C.F.R. § 42.20(c)

Nike argues that there is no basis in the statute or regulations for the Board's ruling, and that if the USPTO wished to require patent holders to prove patentability of substitute claims, it needed to do so via formal rulemaking. Nike Br. at 37-39. Nike's argument ignores the fact that the Board's requirement that the patent owner demonstrate patentability over both the prior art of record and additional prior art not of record derives from 37 C.F.R. § 42.20(c), which states that during an IPR, "[t]he moving party has the burden of proof to establish that it is entitled to the requested relief." The Board expressly cited to section 42.20(c) as the basis for its requirement that a patent owner prove patentability when filing a motion to amend. A11.

Thus, pursuant to 37 C.F.R. § 42.20(c), when a patent owner such as Nike files a motion to amend, the patent owner has the burden of proof to establish that it is entitled to the requested relief. Here, the requested relief was amending the '011 patent to add substitute claims 47-50. Following *Idle Free*'s interpretation of § 42.20(c), the Board quite reasonably held that in order for Nike to establish that it was entitled to the entry of substitute claims, it had to prove that the new claims were patentable over the prior art known to Nike, which includes prior art not identified by adidas. A34-36. Otherwise, the Board runs the risk of allowing the

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substitute claims without a sufficiently thorough analysis of whether such claims are patentable. The Board further determined that a conclusory statement that the substitute claims are patentable over all known prior art is insufficient to demonstrate patentability. *Id.* Such an interpretation of 37 C.F.R. § 42.20(c) was not plainly erroneous or contrary to the regulation. *McDaniel*, 293 F.3d at 1382.

D. Even if Adidas Bore The Burden to Prove That Nike's Substitute Claims Are Unpatentable, This Court Should Still Affirm The Board's Decision

In addition to denying Nike's motion to amend because of Nike's failure to meet its burden, the Board found that adidas demonstrated that the combination of Nishida, Schuessler I, and Schuessler II renders the substitute claims obvious. A36-39. Thus, even if this Court determines that adidas bore the burden to prove that the substitute claims are unpatentable, this Court should still affirm the Board's decision.

Nishida discloses producing a shoe upper "in an efficient and economical way." A545 at col. 1, ll. 45-47. Specifically, Nishida teaches the reduction of waste by using an efficient pattern that minimizes the amount of unused material. *Id.* at col. 2, ll. 26-32; A542. Nishida further teaches using "a simple, lightweight and inexpensive material" for the portions that are to be discarded. A545 at col. 2, ll. 11-25. Schuessler I and II teach a method of producing a knitted helmet "while rendering it unnecessary to cut any portion of the knitted swatch." A1996 at col. 1,

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ll. 15-18. The Board correctly found that the Schuessler references teach "flat knit edges free of surrounding textile structure such that the flat knit edges are not surrounded by textile structure from which the textile element must be removed," as required by claim 47. A37.

After finding that the combination of references taught all of the claim limitations, the Board found that a skilled artisan would have been motivated to use Schuessler's no-cut method when making the shoe uppers taught by Nishida to eliminate wasted material. A38-39. The Board correctly reasoned that a skilled artisan would have combined the references because all of the references serve the same purpose of forming "two-dimensional textile elements having edges that are joined to form three-dimensional, wearable items." A38; *see also* A1696.

Nike argues that the Board failed to address Nike's alleged secondary considerations evidence regarding the long-felt but unresolved need to minimize "cutting waste." Nike Br. at 32-34. Before the Board, Nike merely asserted in a single paragraph that Nishida shows that reducing waste was a long-felt need in the industry. A1239-40. According to Nike, the need to reduce waste still existed after Nishida because while Nishida addressed the problem, its manufacturing process didn't fully eliminate cutting waste. *Id.* Nike is incorrect for at least two reasons. First, the Board found that Nishida addressed the problem of reducing waste, meaning that reduction of waste could not be a long-felt but unresolved

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