

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SIMPSON STRONG-TIE COMPANY INC.
Petitioner

v.

COLUMBIA INSURANCE COMPANY
Patent Owner

Case PGR2024-00050
Patent No. 11,920,339

DECLARATION OF MICHAEL NELSON

I, Michael Nelson hereby declare as follows:

1. I am the National Account Director for Distribution at MiTek, a role I have held since January 2023. In this role, I am responsible for MiTek's builder products that are sold through two-step wholesale distributors. I make this declaration in connection with the above-referenced PGR proceedings on behalf of patent owner Columbia Insurance Company.

2. Prior to my role as National Account Director for Distribution, from September 2019 to April 2021, I was a Product Portfolio Manager, and subsequently Global Product Portfolio Manager at MiTek from April 2021 to January 2023, managing structural connector products. These roles involved managing a portfolio of MiTek's structural connector products, including

how they were promoted in the marketplace, the channels of sale, and the prices charged for the products.

3. Based on my experience at MiTek, I have knowledge of the market for structural connector products, including the market need for building products, the competitors, their products, and the customers in the market.

4. I also have knowledge regarding MiTek's FWH Series hangers (the "FWH")¹, including the market reception, demand, and performance of this series of products.

MARKET BACKGROUND

1. The construction industry has long used hangers for connecting structural components (e.g., trusses or joists) to walls.

2. One type of wall, a firewall, is designed to retard a fire within a structure from spreading to other parts of the structure or other structures. For certain structures, such as apartment houses and hotels, the International Building Code requires a two-hour fire rating. One way of constructing a firewall to achieve a two-hour fire rating is to use two layers of 5/8-inch-thick gypsum wallboard (i.e., drywall) on both sides of a wood framed wall.

3. MiTek and Simpson compete in the two-hour fire rating firewall hanger market as the only two manufacturers who offer this specific type of hanger.

4. MiTek launched the FWH in 2014. The FWH quickly became one of MiTek's best-selling hangers because it filled a previously unfilled market need for a hanger that could be installed before the fire-resistant sheathing so that the entire building could be framed and roofed before the drywall was installed. The innovative FWH allowed MiTek a foot in the door when

¹ MiTek sells various versions of the FWH hanger, including the FWHH and FWBH. For purposes of this declaration, all hangers in the FWH Series will be referred to as the "FWH".

dealing with consumers who oftentimes specified, distributed, or used Simpson connector products exclusively.

5. Prior to MiTek's release of its FWH series product, MiTek did not offer a firewall hanger. The first product on the market for use with the two layer of drywall firewall construction was Simpson's DU/DHU/DHUTF series, although, unlike the FWH, that series cannot be installed before drywall.

6. At various times, each of the following Simpson hangers competed with the FWH for use on construction projects that included the two layer of drywall firewall construction: DU/DHU/DHUTF series, DG/DGB/DGH series, and DGF/DGHF/DGBF series hangers. The DG/DGB/DGH series and DGF/DGHF/DGBF series hangers can be installed before drywall like the FWH.

7. During my time as Product Portfolio Manager, and subsequently Global Product Portfolio Manager at MiTek, customers of MiTek communicated to MiTek that they wanted to purchase the FWH because of its ability to be installed prior to drywall. That feature was and continues to be a primary driver for the success of the product.

8. As discussed in more detail below, the success of the FWH is reflected in MiTek's sales figures for this product series.

ANNUAL U.S. REVENUE FOR FWH

9. Attached hereto as Exhibit 1 is a true and correct copy of a Microsoft Excel spreadsheet showing annual FWH sales revenue for the years 2014 through April 2025. This Exhibit was created from sales revenue data maintained in the ordinary course of MiTek's business.

10. The chart below is a graphical depiction of the annual U.S. FWH revenue juxtaposed against annual U.S. housing starts of 5 units or more, as reported by the U.S. Census.

Housing starts of 5 Units or More are the most relevant depiction of the FWH target market reported by the Census. [REDACTED]

[REDACTED]

[REDACTED]

11. [REDACTED]

[REDACTED]

[REDACTED]

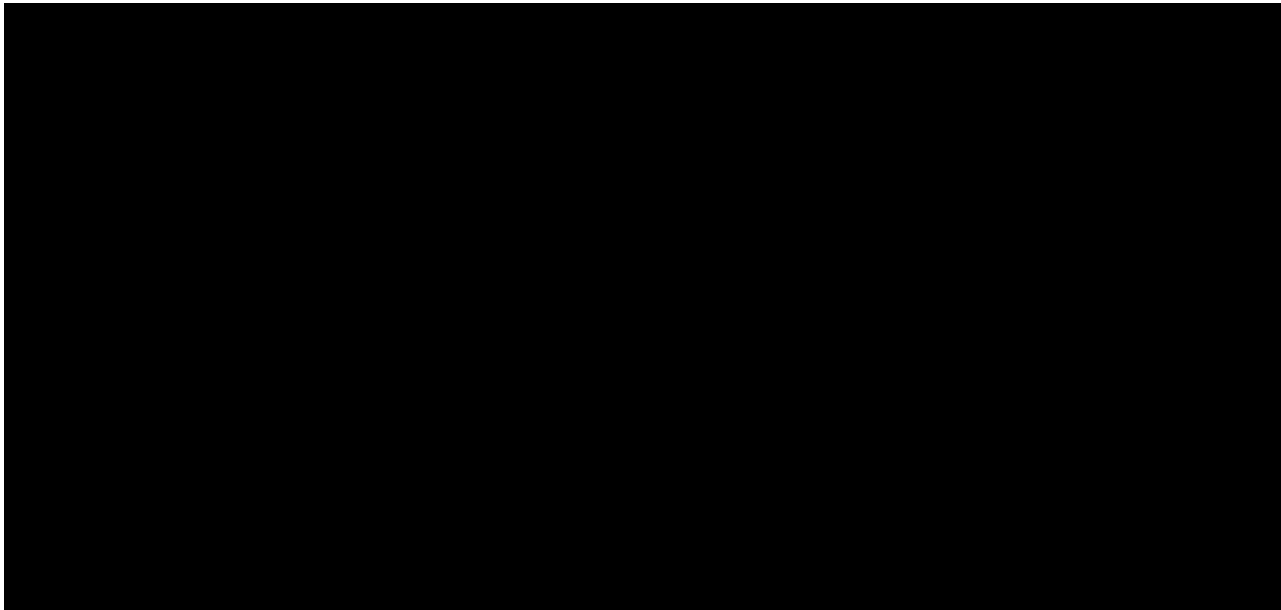
[REDACTED]

ANNUAL U.S. UNIT SALES OF FWH

12. Attached hereto as Exhibit 2 is a true and correct copy of a Microsoft Excel spreadsheet showing annual FWH unit sales data for the years 2014 through April 2025. This Exhibit was created from unit sales data maintained in the ordinary course of MiTek's business.

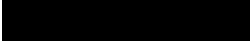
13. The chart below is a graphical depiction of the annual U.S. FWH unit sales juxtaposed against annual housing starts in the U.S. of 5 units or more, as reported by the U.S. Census. Housing starts of 5 Units or More are the most relevant depiction of the FWH target market reported by the Census. [REDACTED]

[REDACTED]



ANNUAL U.S. PROFIT FOR FWH

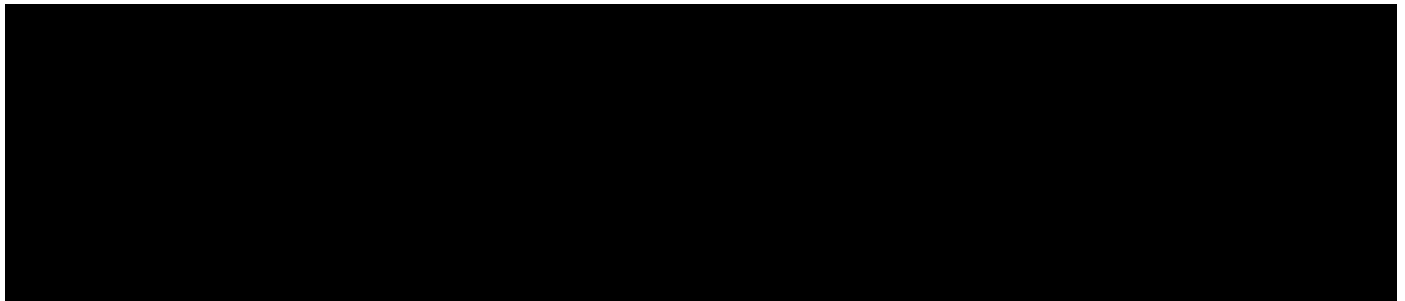
14. Attached hereto as Exhibit 3 is a true and correct copy of a Microsoft Excel spreadsheet showing FWH profit data for the years 2014 through April 2025. This Exhibit was created from profit data maintained in the ordinary course of MiTek's business.

15. MiTek sells several thousand structural connector products. 

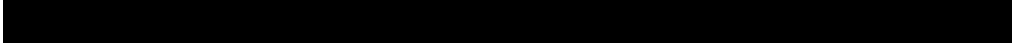








U.S. PRICING FOR FWH

16. 



[REDACTED]

[REDACTED]

[REDACTED]

17. I declare under penalty of perjury that the foregoing is true and correct. Executed
this 23rd day of May 2025.



Michael H. Nelson

EXHIBIT 1

EXHIBIT 2

EXHIBIT 3

