

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SKECHERS U.S.A., INC.,
Petitioner,

v.

NIKE, INC.,
Patent Owner.

Case IPR2017-00621
Patent D723,781 S

Before KEN B. BARRETT, GRACE KARAFFA OBERMANN, and
SCOTT A. DANIELS, *Administrative Patent Judges*.

OBERMANN, *Administrative Patent Judge*.

FINAL WRITTEN DECISION
35 U.S.C. § 318(a); 37 C.F.R. § 42.73

I. INTRODUCTION

Pursuant to 35 U.S.C. § 318, we determine in this *inter partes* review that Petitioner fails to carry its burden of showing by a preponderance of the evidence that the challenged claim of U.S. Patent No. D723,781 S (Ex. 1001, “the ’781 patent”) is unpatentable.

A. *Procedural History and Asserted Challenges*

On January 6, 2017, Petitioner filed a Petition (Paper 1, “Pet.”) requesting an *inter partes* review of the claim of the ’781 patent. The patented design relates to ornamental features located on the side and bottom surfaces of a shoe sole. Ex. 1001, Figs. 1–3. On April 12, 2017, Patent Owner filed a Preliminary Response. Paper 12 (“Resp.”).

The Petition asserts ten (10) grounds of unpatentability against the claim. Pet. 7–8. On July 6, 2017, pursuant to 35 U.S.C. § 314, we instituted review of the claim (Paper 13, “Dec.”) based on obviousness over:

1. RCD 0007¹ in view of RCD 0012²;
2. RCD 0007 in view of RCD 0012 and CN1388³; and
3. RCD 0007 in view of RCD 0012 and RCD 0005⁴.

Paper 13, 37.

¹ Certified Registration and Extract from the Register for Registered Community Design No. 000827613-0007 (Ex. 1003, “RCD0007”).

² Certified Registration and Extract from the Register for Registered Community Design No. 000725247-0012 (Ex. 1005, “RCD0012”).

³ China Design Registration No. CN 301711388 S (Ex. 1009, “CN1388”).

⁴ Certified Registration and Extract from the Register for Registered Community Design No. 001874165-0005 (Ex. 1004, “RCD0005”).

On October 26, 2017, Patent Owner filed a Response. Paper 41 (filed under seal); Paper 56 (“Resp.”) (public version filed February 15, 2018). On February 1, 2018, Petitioner filed a Reply. Paper 51 (“Reply”). We held a consolidated final oral hearing⁵ on April 12, 2018. Paper 76 (“Tr.”).

On May 3, 2018, we entered an Order that added to the review each additional ground of unpatentability asserted in the Petition. Paper 75, 1 (citing *SAS Inst., Inc. v. Iancu*, 138 S.Ct. 1348, 1359–1360 (U.S. Apr. 24, 2018)). Accordingly, we resolve in this decision seven (7) additional grounds of obviousness (identified as grounds (4) through (10) below):

4. RCD0018⁶ in view of RCD0012;
5. RCD0018 in view of RCD0012 and the ’853 patent⁷;
6. RCD0018 in view of RCD0012 and the ’725 patent⁸;
7. RCD0018 in view of RCD0012 and CN1388;
8. RCD0018 in view of RCD0012 and RCD0005;

⁵ The hearing was consolidated with IPR2017–00620 (“IPR620”), which involves the same parties and a related design patent. Concurrently herewith, we issue a Final Written Decision in IPR620. The parties aver also that the ’781 patent is at issue in *Nike, Inc. v. Skechers U.S.A., Inc.*, Case No. 3:16-cv-00007-PK (D. Or.). Pet. 3; Paper 4, 2. Further, in IPR2016-00874 (“IPR874”), the Board denied institution of the *inter partes* review request by Petitioner. *See Skechers U.S.A., Inc. v. Nike, Inc.*, Case IPR2016-00874, slip. op. 28–29 (PTAB Sept. 29, 2016) (Paper 11).

⁶ Certified Registration and Extract from the Register for Registered Community Design No. 000120449-0018 (Ex. 1002, “RCD0018”).

⁷ U.S. Patent No. D447,853 S (Ex. 1007, “the ’853 patent”).

⁸ U.S. Patent No. D520,725 S (Ex. 1008, “the ’725 patent”).

9. RCD0007 in view of RCD0012 and the '853 patent;
10. RCD0007 in view of RCD0012 and the '725 patent.

Paper 76, 1.⁹

On May 10, 2018, the parties jointly advised the Board that the addition of the above seven (7) grounds to the proceeding necessitated no changes to the schedule or additional briefing. Paper 77, 1. Accordingly, we assess the challenges asserted in the Petition based on the record developed during trial.

B. Declaration Evidence

Petitioner relies on declaration testimony provided by Mr. Robert John Anders (Ex. 1013; Ex. 1029). Patent Owner relies on declaration testimony provided by Mr. Allan Ball (Ex. 2039). Based on their curricula vitae and statements of qualifications, we find that Mr. Anders and Mr. Ball both are qualified to opine about the perspective of an ordinarily skilled designer. *See* Ex. 1013 §§ 5–23 (Mr. Anders' statement of qualifications); Ex. 1014 (Mr. Anders' curriculum vitae); Ex. 2039 §§ 12–20 (Mr. Ball's statement of qualifications); Ex. 2040 (Mr. Ball's curriculum vitae).

C. The Designer of Ordinary Skill

As we did in our institution decision, we find that a designer of ordinary skill in the art would have had either (1) a degree in Industrial Design combined with some work experience as a designer of footwear designs; or (2) two years of direct experience creating footwear designs.

⁹ The Petition asserts U.S. Patent No. 6,115,945 (Ex. 1006, “the '945 patent”) as a background reference. *See, e.g.*, Pet. 5, 34.

Dec. 7. That definition is consistent with Petitioner’s proposed definition. Pet. 36 (Petitioner’s definition); Reply 2 (Petitioner, reasserting that definition). Patent Owner, for its part, raises no persuasive information tending to establish a different definition. Resp. 2 (Patent Owner, essentially acquiescing to Petitioner’s definition). That definition also is consistent with the disclosures reflected in the asserted prior art references. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (prior art itself can reflect the appropriate level of ordinary skill in the art).

D. Claim Construction

The claim of the ’781 patent does not require express construction for the purposes of this decision. On that point, we observe that Figures 1–3 of the ’781 patent (Ex. 1001) reflect the scope of the patented design. To the extent any explanation of that scope is necessary to our decision, we provide it below in our analysis of the asserted challenge. *Nidec Motor Corp. v. Zhongshan Broad Ocean Motor Co. Ltd.*, 868 F.3d 1013, 1017 (Fed. Cir. 2017) (“we need only construe terms ‘that are in controversy, and only to the extent necessary to resolve the controversy’” (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))).

II. DISCUSSION

“In determining the patentability of a design, it is the overall appearance, the visual effect as a whole of the design, which must be taken into consideration.” *See In re Rosen*, 673 F.2d 388, 390 (CCPA 1982). The proper standard is whether the design would have been obvious to a designer of ordinary skill who designs articles of the type involved, which, in this

case, are shoe soles. *See In re Nalbandian*, 661 F.2d 1214, 1217 (CCPA 1981); Ex. 1001, Title, Fig. 1 (illustrating ornamental features on the bottom surface of a shoe sole); Figs. 2–3 (illustrating ornamental features on the lateral side surface of a shoe sole). For reasons that follow, we determine that Petitioner fails to carry its burden of identifying a *Rosen* reference. *See Rosen*, 673 F.2d at 391. As a consequence, Petitioner fails also to establish that the challenged claim is unpatentable.

As a starting point, to make out a successful obviousness challenge, Petitioner must identify “a reference, a something in existence, the design characteristics of which are basically the same as the claimed design in order to support a holding of obviousness. Such a reference is necessary whether the holding is based on the basic reference alone or on the basic reference in view of modifications suggested by secondary references.” *Rosen*, 673 F.2d at 391. Accordingly, “the first step in an obviousness analysis for a design patent requires a search of the prior art for a primary reference,” which requires the tribunal “to: (1) discern the correct visual impression created by the patented design as a whole; and (2) determine whether there is a single reference that creates ‘basically the same’ visual impression.” *Durling v. Spectrum Furniture Co.*, 101 F.3d 100, 103 (Fed. Cir. 1996).

We address the two prongs of the *Durling* test in turn below.

A. The Visual Impression of the Patented Design as a Whole

The subject matter of the patented design is reflected in Figures 1–3 of the ’781 patent. Taken together, Figures 1–3 define the visual impression of the patented design as a whole.

The Bottom Surface of the Patented Design (Fig. 1)

The patented design includes ornamental features located on the bottom surface of the shoe sole, as illustrated in Figure 1, which is reproduced below.

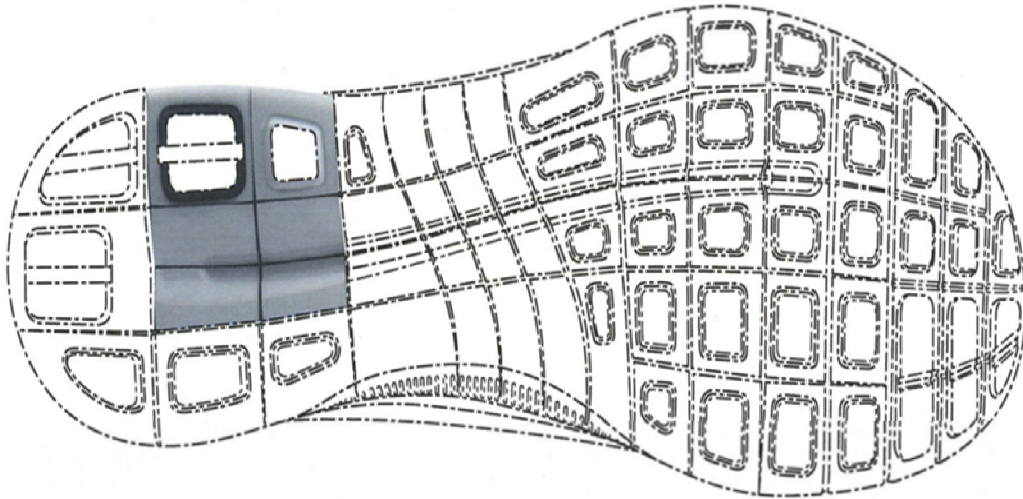


FIG. 1

Ex. 1001, Fig. 1. Figure 1 is a view of the bottom surface of a shoe sole with ornamental features illustrated as solid lines in the heel region and unclaimed features illustrated by broken lines. *See* Ex. 1001, 1, Description (“The broken lines showing the remainder of the shoe are for environmental purposes only and form no part of the claimed design.”).

Figure 1 of the '781 patent includes an ornamental feature depicted as an elongated region, of relatively darker shading, superimposed over about two thirds of a stripe that bisects the claimed heel region. Ex. 1001, Fig. 1.

We, similar to the parties in their briefs, refer to that feature in this decision as “the channel element.”¹⁰ *E.g.*, Resp. 14–15, Reply 7–8; Tr. 12:5–8 (Petitioner’s counsel, admitting that “there’s a sipe” and “there is some shading” in the claimed region of Figure 1 of the ’781 patent), 53:5–6 (Petitioner’s counsel, referring to “a zoomed-in view of the [’]781” patent, stating “there’s something there here, it’s shading; its coloring”), 54:23–24 (Petitioner’s counsel, positing that “these darker colors that we see in the center of the claim, in the [’]781” patent, could be “just shading;” “a channel;” or “a channel or a sipe in this region”).

The Side Surface of the Patented Design (Figs. 2–3)

The patented design also includes ornamental features located on the lateral (outward facing during normal wear) side surface of the shoe sole. Those features are illustrated in Figure 2, reproduced below.

¹⁰ By assigning that label to the feature, we make no conclusions as to its scope. For reasons that follow, we need not and do not provide a textual explanation of the scope of that claimed feature, except to observe that the scope is defined by Figure 1 and illustrated as an elongated region, of relatively darker shading, superimposed over about two thirds of a sipe that bisects the claimed heel region.

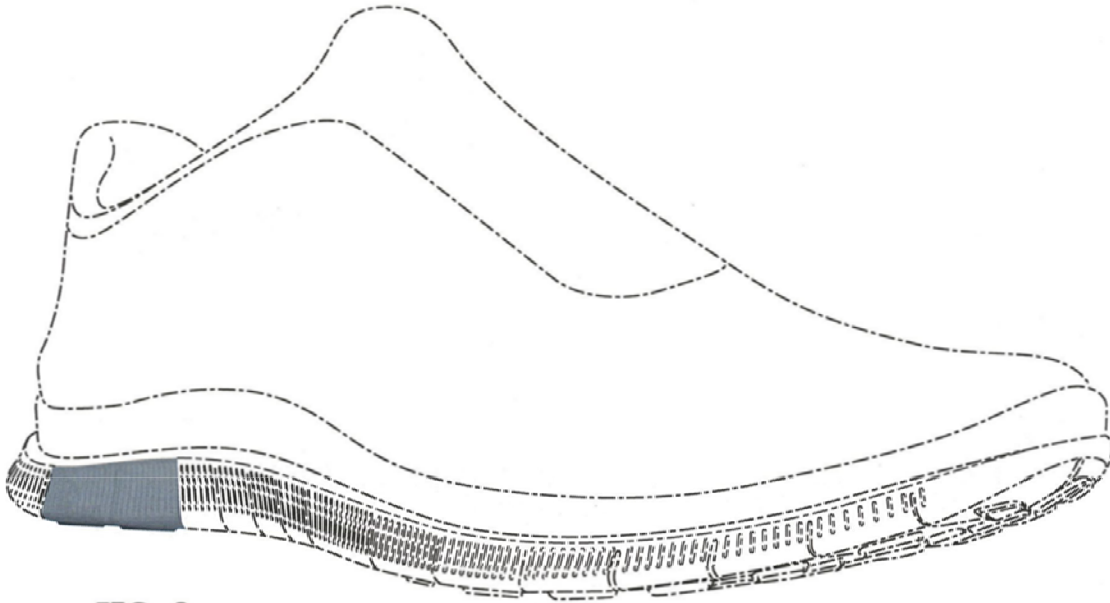


FIG. 2

Id. at Fig. 2. Figure 2 is a front perspective view of the lateral side surface of a shoe sole, with claimed features indicated in solid lines on the heel area and an unclaimed remainder of the shoe indicated in broken lines.

Another aspect of the patented design is shown in Figure 3, reproduced below.

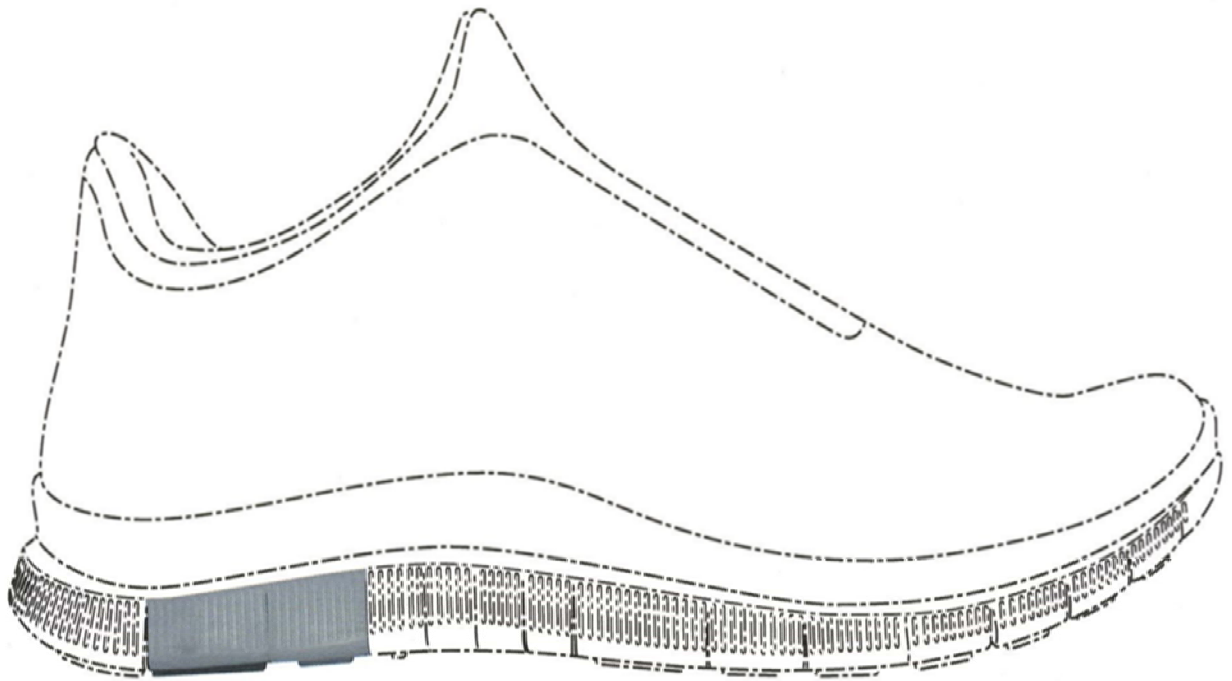


FIG. 3

Id. at Fig. 3. Figure 3 is a lateral side view of the claimed heel portions of the shoe sole in solid lines and unclaimed remainder of the shoe.

The Petition's Lack of Analysis of the Channel Element

The Petition identifies three ornamental features as “key elements of the design claimed in the ’781 patent.” Pet. 44, 65. When discussing the visual impression created by the patented design as a whole, Petitioner focuses on (1) “vertical sipes (or cracks)” located on the lateral “midsole” side surface (Pet. 44, 65; *see* Ex. 1001, Figs. 2–3); (2) “vertical grooves” that are located “between” those sipes (Pet. 44, 65; *see* Ex. 1001, Figs. 2–3); and (3) a portion of the heel on the bottom surface of the shoe sole having “a grid-like pattern of pads” (Pet. 44, 65; *see* Ex. 1001, Fig. 1). Patent Owner asserts that a “visually evident” ornamental feature is overlooked in the Petition—that is, the channel element. Resp. 17; *see id.* at 23 (including Illustration 11, prepared by Patent Owner’s declarant, Mr. Ball, identifying the channel element as a “[w]ide rounded channel”).

In that regard, we agree with Patent Owner that the Petition does not identify the channel element, much less explain adequately the impact, if any, of the channel element on the overall visual impression created by the patented design. *See generally* Pet. Petitioner’s declarant, Mr. Anders, readily acknowledges that he did not take account of the channel element when he formed his opinion that the subject matter of the patented design would have been obvious over the asserted prior art references. Resp. 31–32 (quoting Ex. 2048, 203:3–8; 204:13–17); *see* Ex. 1013 ¶ 66 (Mr. Anders, asserting in his first declaration that three features “comprise the overall appearance of the design claimed in the ’781 patent as they relate to the prior art”—none of which corresponds to the channel element); Ex. 1029 ¶¶ 16–18 (Mr. Anders, asserting in his second declaration that the channel element is an “unclaimed” feature of the patented design); *but see* Ex. 1029 ¶¶ 28–29

(admitting that Figure 1 “shows some shading in the center of the claimed region”); *see also* Resp. 26–27 (citing Ex. 2048, 109:19–110:6).

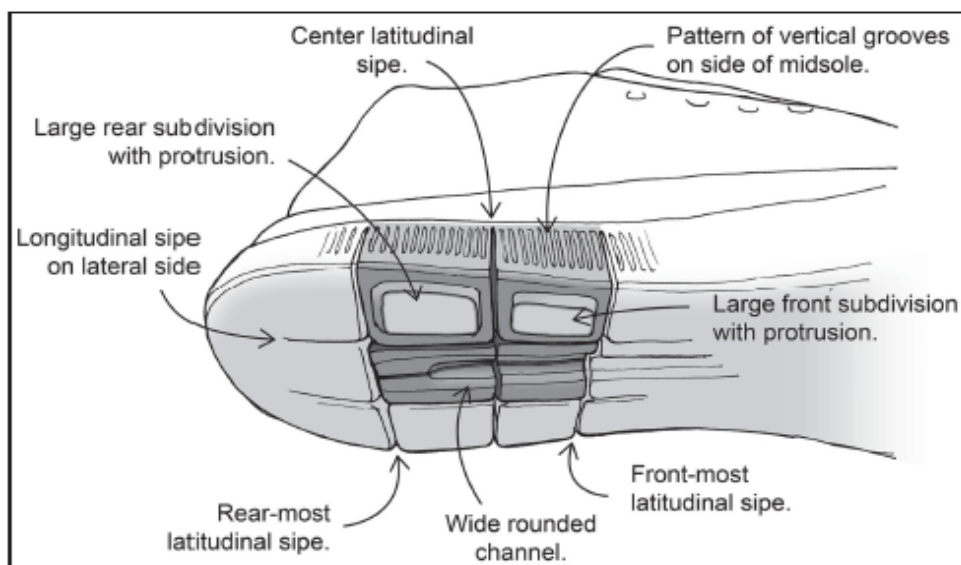
The Analysis of the Channel Element Presented in the Response

The channel element was identified in this proceeding for the first time by Patent Owner in the Response. Resp. 11–23. Patent Owner asserts that “the Petition ignored visually evident features of the claimed design” (*id.* at 11), including the channel element (*id.* at 16–17).¹¹ Patent Owner directs us to Mr. Ball’s testimony that “[t]he bottom view of the claimed design has a wide channel, which runs through the center of the shoe and through the claimed portion of the outsole.” Ex. 2039 ¶ 41; Resp. 16. Patent Owner argues, with support from Mr. Ball, that there exists in the patented design a channel element having “edges that terminate mostly within the claimed area before reaching the rearmost latitudinal sipe of the claimed portion.” Resp. 16–17 (citing Ex. 2039 ¶ 41). We agree with that assertion, which is supported by Figure 1 of the ’781 patent (Ex. 1001).

¹¹ Petitioner was afforded a full and fair opportunity to address those arguments in the Reply, but elected instead to stand behind the preliminary claim construction set forth in our institution decision, which did not in our textual description mention explicitly the channel element. Reply 2–19; Dec. 7–11 (preliminary claim construction); *see Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 679 (Fed. Cir. 2008) (en banc) (With regard to design patents, it is well-settled that a design is represented better by an illustration than a description.). In the interests of reaching a fair result in this case, we granted Petitioner’s counsel leeway, at the final oral hearing, to address the visual impact of the channel element on the overall design, even though that issue was not addressed at all in the Petition, or adequately in the Reply. *See, e.g.*, Tr. 7:11–10:4; 13:18–22:23.

We are persuaded that Figure 1 of the '781 patent depicts the channel element by use of relatively darker shading and, thereby, indicates that the feature impacts the visual impression of the patented design as a whole. Ex. 1001, Fig. 1 (including an elongated region, of relatively darker shading, superimposed over about two thirds of a sipe that bisects the claimed heel region). We further are persuaded that Illustration 11, prepared by Mr. Ball, may be helpful to the reader in visualizing the relative placement and size of the channel element that is illustrated in Figure 1 of the '781 patent. Resp. 23 (reproducing Illustration 11). We reproduce Illustration 11 below.

Illustration 11: Sketch by NIKE's Expert Showing Three-Dimensional Aspects of Claimed Design With Features Identified



Resp. 23 (Illustration 11). Illustration 11 is a three-dimensional illustration of a shoe sole that identifies, among other features, an element near the center bottom surface of the shoe sole that is labelled “[w]ide rounded channel.” We emphasize that the scope of the challenged claim, however, is based on Figures 1–3 of the '783 patent and not Illustration 11. *Compare* Ex. 1001, Figs. 1–3, *with* Resp. 23 (Illustration 11).

The Analysis of the Channel Element Presented in the Reply

We take note of the itemized list of reasons why, in Petitioner’s view, Illustration 11 “differs from the claimed design.” Reply 3–7. For example, Petitioner argues that the channel element illustrated in Figure 1 of the ’781 patent is not necessarily “wide” or “rounded” in the patented design. *Id.* at 4. We agree. Nonetheless, there is no genuine dispute surrounding the question whether the patented design includes a feature that is defined in Figure 1 by an elongated region, of relatively darker shading, superimposed over about two thirds of a sipe that bisects the claimed heel region. Ex. 1001, Fig. 1.

On that point, Petitioner, in the Reply, advances four figures that represent interpretations of the “shading in the center of the claimed region” that defines the channel element in Figure 1, each of which is illustrated in the Reply as a prominent ornamental feature. Reply 8; *see id.* at 12–15 (asserting four possible interpretations of the shading reflected in Figure 1, all of which demonstrate the prominent visual impact of all of those possibilities).

Petitioner does not meaningfully dispute that the “shading in the center of the claimed region” in Figure 1 denotes a channel element that is part of the patented design.¹² Reply 8 (Figure 1 “shows some shading in the

¹² Petitioner’s counsel acknowledged, during the final oral hearing, that the channel element is a feature of the claimed design. Tr. 12:5–8 (Petitioner’s counsel, admitting that “there’s a sipe” and “there is some shading” in the claimed region of Figure 1 of the ’781 patent), 53:5–6 (Petitioner’s counsel, referring to “a zoomed-in view of the [’]781” patent, stating “there’s something there here, it’s shading; its coloring”); 54:23–24 (Petitioner’s

center of the claimed region”). As such, the channel element contributes to the overall visual impression created by the patented design as a whole. Ex. 1001, Figs. 1–3. Even if we accept that the “shading” (Reply 8) in Figure 1 may represent any one of the four configurations proposed by Petitioner, that does not undercut the fact that the feature is prominent (that is, it impacts the visual impression of the patented design as a whole). Reply 12–16 (proposing four possible interpretations of the channel element, all of which appear, even in Petitioner’s illustrations, as prominent features of the patented design).

By way of example, we reproduce below the first of the four figures proposed by Petitioner (Reply 13) as a possible interpretation of the “shading” (*id.* at 8) that defines the channel element in Figure 1 of the ’781 patent.



counsel, positing that “these darker colors that we see in the center of the claim, in the [’]781” patent, could be “just shading;” “a channel;” or “a channel or a sipe in this region”).

Reply 13. The above figure contains two different views of the heel area of a bottom surface of a shoe sole wherein the heel area is bisected in the mid-heel region by a convex channel element.

Findings Regarding the Channel Element

The Petition does not identify the channel element and the Reply does not effectively explain its impact on the overall visual impression of the patented design. Instead, in the Reply, Petitioner advances argument that the Board should not consider the channel element as a feature of the patented design. *See* Pet. 36–40 (limiting claim construction analysis to three features, and ignoring the channel element); Reply 2–3, 7–12 (advancing argument that the channel element should not be interpreted as a feature of the patented design).

Petitioner’s own asserted renderings of the channel element make plain that the feature impacts the visual impression of the patented design as a whole. Reply 12–15 (advancing four visual interpretations of Figure 1 of the ’781 patent). We conclude that the channel element is a feature of the patented design and, moreover, it impacts the visual impression created by the design as a whole. Ex. 1001, Fig. 1 (depicting an elongated region, of relatively darker shading, superimposed over about two thirds of a sipe that bisects the claimed heel region); *see* Resp. 16 (citing Ex. 2039 ¶ 41) (Mr. Ball, providing persuasive opinion testimony regarding the placement and size of the channel element in the patented design). Petitioner’s own illustrations depict the channel element as a prominent feature that impacts the overall visual impression of the patented design. Reply 12–15 (advancing four figures that, in Petitioner’s view, are possible interpretations

of the “shading in the center of the claimed region” (*id.* at 8) in Figure 1 of the ’781 patent, which defines the channel element).

Arguably, the least visually significant interpretation of the channel element proposed by Petitioner is a feature wherein “the shading simply represent[s] a darker shade than the surrounding areas in the claimed region”—but, even in Petitioner’s rendering of that interpretation, the channel element contributes to the overall impression of the patented design. Reply 14. We reproduce that illustration below.



Id. The above figure is a photograph of a bottom surface of a shoe sole wherein the heel area is bisected in the mid-heel region by a shaded channel element.

We are persuaded on this record that a preponderance of the evidence shows that the channel element represents an ornamental feature of the patented design that contributes toward “the correct visual impression created by the patented design as a whole.” *Durling*, 101 F.3d at 103. We are persuaded also that a discussion of the channel element is necessary to any meaningful assessment of the overall visual impression of the patented

design. It is a feature that bisects the claimed heel portion of the shoe sole, even in Petitioner’s view. *Compare* Reply 13–14 (Petitioner’s proposed renderings of the channel element), *with* Ex. 1001, Fig. 1 (depicting an elongated region, of relatively darker shading, superimposed over about two thirds of a sipe that bisects the claimed heel region). Under the circumstances, for reasons explained in the next section, Petitioner should have identified and discussed the channel element in the Petition.

Additional Observations on the Dispute Surrounding the Channel Element

Petitioner bears “the burden of proving a proposition of unpatentability by a preponderance of the evidence.” 35 U.S.C. § 316(e). Our rules require a successful petition to include “a detailed explanation of the significance of the evidence including material facts.” 37 C.F.R. § 42.22(a)(2)). An issue bearing on the challenge is whether and how the claimed channel element impacts the “visual impression created by the patented design as a whole.” *Durling*, 101 F.3d at 103; *see* Ex. 1001, Fig. 1 (depicting an elongated region, of relatively darker shading, superimposed over about two thirds of a sipe that bisects the claimed heel region).

We are mindful of the dispute surrounding whether the elongated region, of relatively darker shading, that defines the channel element in Figure 1 of the ’781 patent represents, for example, a depression, a raised ornamental feature, a flat region surrounded by sipes, or simply a two-dimensional pattern consisting of a shaded design on a flat surface. *See* Ex. 1001, Fig. 1 (showing solid lines that define and claim that feature); Reply 12–16 (exploring four possible interpretations of the shading that represents the channel element in Figure 1 of the ’783 patent). We are

unpersuaded that resolution of that dispute is necessary to our analysis. It is enough for us to observe that the channel element is part of, and impacts the overall impression of, the claimed design. Tr. 8:1–10:3, 50:3–52:18 (discussing the dispute and confirming the parties’ agreement that the channel element is part of the claimed design).

The Petition does not address the impact of the channel element on the overall visual impression of the claimed design. *See generally* Pet. And the Reply adheres to the preliminary claim construction that we provided in our institution decision, which was based on a preliminary record that did not identify explicitly the channel element. Reply 2–19; Dec. 7–11.

In the Reply, however, Petitioner for the first time acknowledges the elongated region, of relatively darker shading, that represents the channel element in Figure 1 of the ’781 patent. Reply 8 (referring to “some shading in the center of the claimed region”). But, in the Reply, Petitioner does not explain adequately whether or how that feature impacts “the correct visual impression created by the patented design as a whole.” *Durling*, 101 F.3d at 103. Instead, as explained above, Petitioner asserts that the shading apparent in Figure 1 “can represent many features,” then proceeds to advance no less than four possible interpretations, without explaining how any of them would fail to impact the overall visual impression of the patented design. Reply 12–15. Given these particular facts and circumstances, we determine that Petitioner fails to provide “a detailed explanation of the significance of the evidence” bearing on the extent to which the channel element contributes to the overall impression of the patented design. 37 C.F.R. § 42.22(a)(2)); *see supra* n.10 (explaining that we afforded Petitioner’s counsel leeway at the final oral hearing to address

that issue); *cf.* Tr. 23:1–26:16 (Petitioner’s counsel discussing *de minimus* changes in the context of a *Rosen* reference).

Petitioner also does not identify adequately “[h]ow the challenged claim is to be construed.” 37 C.F.R. § 42.104(b)(3). The Petition nowhere mentions the channel element, and the Reply advances at least four possible interpretations of the channel element, without advancing any particular interpretation. Reply 12–15. On this record, we find that Petitioner fails to carry its “burden from the onset to show with particularity why the patent it challenges is unpatentable.” *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) (citing 35 U.S.C. § 312(a)(3) (requiring *inter partes* review petitions to identify “with particularity” by reference to the record “the evidence that supports the grounds for the challenge to each claim”)). That burden of persuasion, moreover, never shifts to Patent Owner. *See Dynamic Drinkware, LLC v. Nat’l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015) (discussing the burdens in our administrative review process).

Conclusions Regarding the First Prong of the *Durling* Test

A preponderance of the evidence supports a conclusion that Petitioner fails to take account adequately of the channel element of the patented design and, therefore, fails also to identify “the correct visual impression created by the patented design as a whole”—a required first step in identifying a *Rosen* reference. *Durling*, 101 F.3d at 103. That failure, standing alone, justifies our conclusion that Petitioner fails also to prove by a preponderance of the evidence that the challenged claim of the ’781 patent is unpatentable.

We next turn to the second prong of the *Durling* test, which presents an independent basis for concluding that Petitioner fails to carry its burden of proving that the challenged claim is unpatentable.

B. Petitioner Fails to Identify a Single Reference that Creates Basically the Same Visual Impression as the Patented Design

In order to prevail, Petitioner must identify “a reference, a something in existence, the design characteristics of which are basically the same as the claimed design in order to support a holding of obviousness.” *Rosen*, 673 F.2d at 391. The *Durling* test emphasizes that a *Rosen* reference is “a single reference that creates ‘basically the same’ visual impression” as the patented design. *Durling*, 101 F.3d at 103.

The Petition asserts that RCD0007 and RCD0018 qualify as *Rosen* references. Pet. 44–47, 65–69; Reply 18–21 (additional arguments pertaining to RCD0007). We address each in turn below.

RCD0007 (Ex. 1003)

Petitioner asserts that RCD0007 qualifies as a *Rosen* reference because it discloses three “key elements” that are present in the patented design: (1) vertical sipes along the midsole side surface of the shoe; (2) in the medial view, vertical grooves along the center of the midsole between the sipes; and (3) a portion of the heel area on the bottom surface having a grid-like pattern of pads. Pet. 65–66. Petitioner does not account for the channel element of the patented design. *Id.* at 65–69.

We reproduce below a side-by-side comparison of RCD0007 and the patented design that is advanced in the Petition. Pet. 67.



Id. The above figure is an annotated composite illustration that compares ornamental features identified as grooves located on a side surface of the patented design (Ex. 1001, Fig. 3 (annotated)) to ornamental features described as grooves located on a side surface design of RCD0007 (Ex. 1003, Fig. 3 (annotated)).

We reproduce below Petitioner's figure that compares the heel regions of the respective designs.

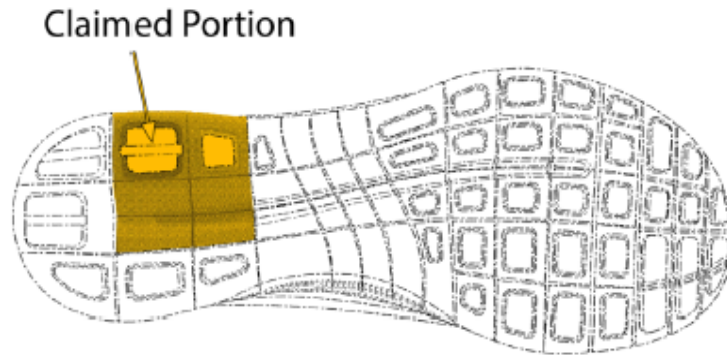


FIG. 1

(d) Heel with grid-like pattern



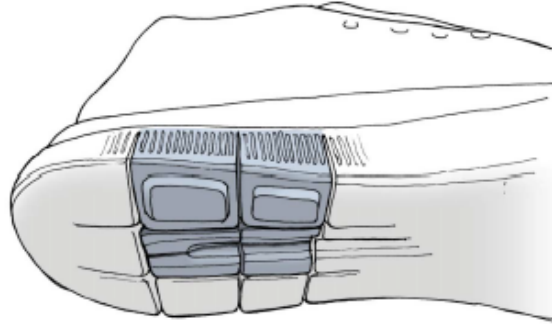
Pet. 68. The above figure is a composite illustration that compares the ornamental features located on the bottom surface of the patented design (Ex. 1001, Fig. 1 (annotated)) to the ornamental features located on the bottom surface of RCD0007 (Ex. 1002, Fig. 7 (annotated)).

Petitioner does not establish that RCD0007 “creates ‘basically the same’ visual impression” as the patented design, which includes the channel element. *Durling*, 101 F.3d at 103. Neither the Petition nor the Reply adequately accounts for the channel element, which is undeniably a feature of the patented design. Tr. 12:5–8 (Petitioner’s counsel, admitting that “there’s a sipe” and “there is some shading” in the claimed region of

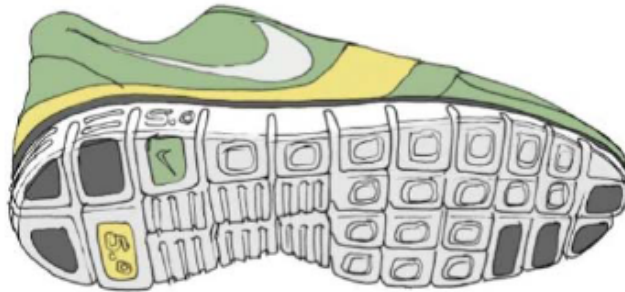
Figure 1 of the '781 patent), 53:5–6 (Petitioner's counsel, referring to "a zoomed-in view of the [']781" patent, stating "there's something there here, it's shading; its coloring"), 54:23–24 (Petitioner's counsel, positing that "these darker colors that we see in the center of the claim, in the [']781" patent, could be "just shading;" "a channel;" or "a channel or a sipe in this region"). As a result, the record contains no information from which we reasonably can conclude that RCD0007 qualifies as a *Rosen* reference by creating "basically the same" impression as the patented design as a whole, including the channel element. *Durling*, 101 F.3d at 103. The Petition should have raised and discussed the channel element as part of Petitioner's case-in-chief. *See* Ex. 1001, Fig. 1 (depicting an elongated region, of relatively darker shading, superimposed over about two thirds of a sipe that bisects the claimed heel region).

Further, in the patented design, claimed ornamental features are located on the lateral (outward facing during normal wear) side surface of the shoe sole. Ex. 1001, Figs. 2–3. By contrast, in order to make out that RCD0007 qualifies as a *Rosen* reference, Petitioner relies on ornamental features (including a pattern of vertical grooves) that are located on the medial (inward facing during normal wear) side surface of the sole in RCD0007. Ex. 1003, Fig. 3. We appreciate the candor of Petitioner's counsel in acknowledging that, when compared to RCD0007, those ornamental features are located "on the complete opposite side of the shoe" in the claimed design. Tr. 14:16–23. Patent Owner, for its part, directs us to a sketch prepared by Mr. Ball that illustrates that difference. Resp. 30 (Illustration 13). We reproduce that sketch below.

Illustration 13: Sketch by NIKE's Expert Showing Three-Dimensional Aspect of Claimed Design Compared to Three-Dimensional Aspect of RCD0007



'781 Patent



RCD0007

Id. The above figure is a composite illustration that shows Mr. Ball's interpretation of differences between the ornamental features of the patented design as compared to the ornamental features of RCD0007. It is unclear on this record how or why RCD0007 creates basically the same visual impression as the patented design.

Patent Owner argues, persuasively, that to apply RCD0007 as a *Rosen* reference, a designer of ordinary skill would be required to "move the vertical grooves from the medial side of RCD0007 to a lateral side surface." Resp. 40. The designer would also need to ignore the existing "horizontal grooves taught by the lateral side view of RCD0007" and, further, "modify

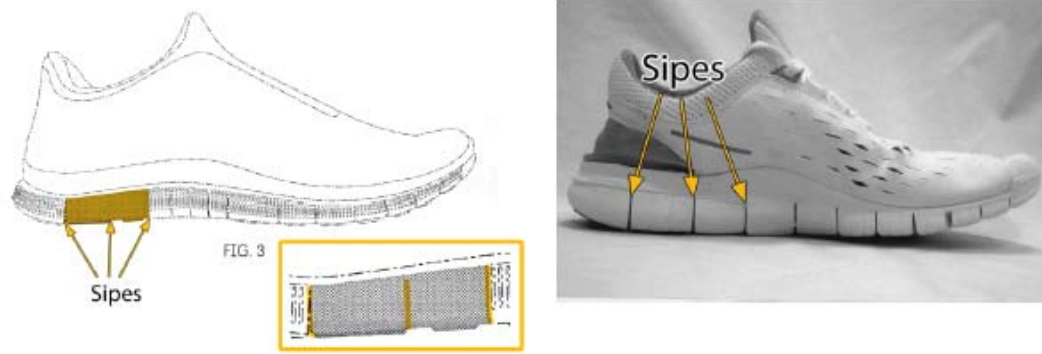
the now-relocated vertical grooves to extend only within the side view, thereby disregarding RCD0007's teaching to continue vertical side grooves around to bottom surfaces of the shoe as outsole grooves." *Id.* We agree with Patent Owner that "nothing in the Petition explains how or why" an ordinarily skilled designer "would accomplish this relocation and modification of prior design elements at the time of the invention." *Id.* (and evidence of record cited therein). Petitioner responds that making those modifications would have been "obvious to try" (Reply 25), but that observation, even if true, does not speak to the question whether RCD0007, without modification, creates "'basically the same' visual impression" as the patented design. *Durling*, 101 F.3d at 103.

On this record, we determine that Petitioner fails to establish by a preponderance of the evidence that RCD0007 qualifies as a *Rosen* reference. Accordingly, Petitioner fails also to establish by a preponderance of the evidence that the challenged claim is unpatentable based on the grounds that assert RCD0007 as a *Rosen* reference. *See* Pet. 8 (asserting RCD0007 as the primary reference in the challenges identified as Grounds 6–10).

RCD0018 (Ex. 1002)

Petitioner asserts that RCD0018 qualifies as a *Rosen* reference because it discloses three "key elements" that are present in the patented design: (1) vertical sipes along the midsole side surface of the shoe; (2) in the medial view, vertical grooves along the center of the midsole between the sipes; and (3) a portion of the heel area on the bottom surface having a grid-like pattern of pads. Pet. 44. Here again, Petitioner does not account for the channel element of the patented design. *Id.* at 44–47.

Petitioner advances the following illustrations that compare the ornamental features of RCD0018 to those of the patented design. Pet. 45–46.



Id. at 45. The above figure is an annotated composite illustration that compares ornamental features described as sipes located on a side surface of the patented design (Ex. 1001, Fig. 3 (annotated)) to ornamental features described as sipes located on a side surface design of RCD0018 (Ex. 1002, Fig. 3 (annotated)).



Pet. 45. The above figure is an annotated composite illustration that compares ornamental features described as grooves located on a side surface of the patented design (Ex. 1001, Fig. 3 (annotated)) to ornamental features

described as grooves located on a side surface design of RCD0018
(Ex. 1002, Fig. 3 (annotated)).

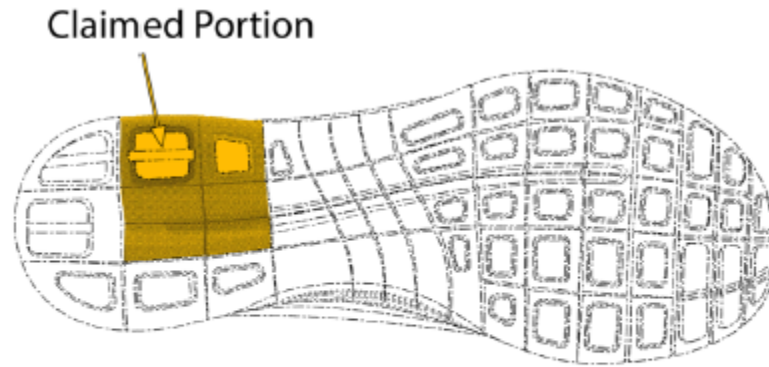
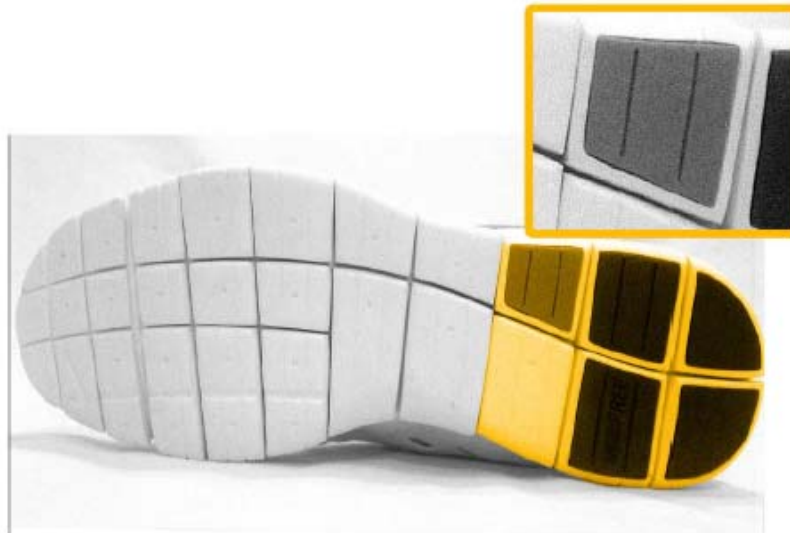


FIG. 1

Pet. 46. The above figure is an annotated reproduction of Figure 1 of the '781 patent (Ex. 1001) in which Petitioner asserts that a highlighted grid-like pattern of pads located on the heel area on the bottom surface of a shoe sole is the “claimed portion” of the patented design.



Pet. 47. The above figure is an annotated reproduction of Figure 7 of RCD0018 (Ex. 1002), which illustrates the bottom surface of the shoe sole disclosed in RCD0018.

In our institution decision, based on the preliminary record, we found that Petitioner did not show that RCD0018 qualifies as a *Rosen* reference. Dec. 16–17. Nothing adduced during trial changes our view on that point. Specifically, RCD0018 “fails to disclose outsole pistons that protrude from the surface of the outsole” as required by the patented design. *Id.* at 16; *see* Ex. 1001, Fig. 1 (illustrating pistons that protrude in the claimed heel area on the bottom surface of the shoe sole); *see also id.* at Fig. 3 (showing the protruding pistons from a side perspective); Dec. 8–9 (explaining that Petitioner’s own annotated figures from the ’781 patent, submitted in IPR875 (*see supra* n.5), indicate that “the outsole pistons protrude from the outsole” in the patented design) (and evidence cited therein).

In addition, our reasoning above in connection with RCD0007 applies with equal force to RCD0018. Specifically, Petitioner does not establish how or why RCD0018 creates basically the same visual impression as the patented design as a whole, which includes the channel element. Pet. 44–47.

On this record, we determine that Petitioner fails to establish by a preponderance of the evidence that RCD0018 qualifies as a *Rosen* reference. Accordingly, Petitioner fails also to establish by a preponderance of the evidence that the challenged claim is unpatentable on the grounds that assert RCD0018 as a *Rosen* reference. *See* Pet. 7–8 (asserting RCD0018 as the primary reference in the challenges identified as Grounds 1–5).

Conclusions Regarding the Second Prong of the *Durling* Test

A preponderance of the evidence supports a conclusion that Petitioner fails to identify “a single reference that creates ‘basically the same’ visual impression” as the patented design. *Durling*, 101 F.3d at 103. That failure provides an independent basis for concluding that Petitioner fails to carry its burden of proving that the subject matter of the challenged claim of the ’781 patent would have been obvious at the time of the invention.

III. CONCLUSION

Petitioner does not show by a preponderance of the evidence that the challenged claim of the ’781 patent is unpatentable.

IV. ORDER

It is

ORDERED that Petitioner does not show by a preponderance of the evidence that the challenged claim of U.S. Patent No. D723,781 S is unpatentable; and

FURTHER ORDERED that, because this is a Final Written Decision, parties to the proceeding seeking judicial review of the decision must comply with the notice and service requirements of 37 C.F.R. § 90.2.

IPR2017-00621
Patent D723,781 S

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