

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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adidas AG,  
Petitioner,

v.

NIKE, Inc.,  
Patent Owner.

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Case IPR2013-00067  
Patent 7,347,011 B2

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Before JOSIAH C. COCKS, JAMES B. ARPIN, and SCOTT A. DANIELS,  
Administrative Patent Judges.

ARPIN, *Administrative Patent Judge.*

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

On April 9, 2020, the U.S. Court of Appeals for the Federal Circuit (“Federal Circuit”) affirmed the Board’s determination that proposed substitute claims 47, 48, and 50 are unpatentable as obvious over the combined teachings of U.S. Patent No. 5,345,638 (Nishida); U.S. Patent No. 2,178,941 (Schuessler I); and U.S. Patent No. 2,150,730 (Schuessler II). *Nike, Inc. v. adidas AG*, 955 F.3d 45, 55 (Fed. Cir. 2020). With respect to claim 49, which depends directly from proposed substitute independent claim 47, the Board determined that, in view of the teachings of David J. Spencer, *Knitting Technology: A Comprehensive Handbook and Practical Guide* (3d ed. 2001) (Spencer), which Petitioner made of record, the omission of stitches was a well-known technique in the field of knitting for forming apertures, and a person of ordinary skill in the art would have had reason to use such a known technique to form the plurality of apertures taught by Nishida, as recited by substitute claim 49. *Id.* at 50. The Federal Circuit held that, although the Board may rely on prior art of record in considering the patentability of amended claims, the Board must give the parties notice and an opportunity to respond to such reliance. *Id.* at 54.

In the present *inter partes* review, the Board could have provided such notice and opportunity by informing the parties that it intended to rely on Spencer for disclosing the disputed limitation of substitute claim 49 and requesting supplemental briefing from the parties regarding its proposed ground for unpatentability or by requesting that the parties be prepared to discuss Spencer in connection with substitute claim 49 at an oral hearing. *See id.* at 54. Because the Board did not provide the parties with notice and an opportunity to be heard regarding the application of the teachings of

Spenser to claim 49, the Federal Circuit “vacate[d] the Board’s decision as to substitute claim 49 and remand[ed] for the Board to determine whether substitute claim 49 is unpatentable as obvious after providing the parties with an opportunity to respond. *Id.* at 55. The mandate issued May 18, 2020.

Pursuant to Patent Trial and Appeal Board (PTAB), Standard Operating Procedure (SOP) 9, which describes procedures for decisions remanded from the Federal Circuit for further proceedings, the parties conferred to discuss procedures for this case upon remand. Subsequently, a conference call was held on July 23, 2020, between Administrative Patent Judges Cocks, Arpin, and Daniels, and counsel for the parties, including Mitchell G. Stockwell, Vaibhav P. Kadaba, and Michael T. Morlock of Kilpatrick Townsend & Stockton LLP, Atlanta, GA, for Petitioner, and Michael J. Harris of Banner & Witcoff, Ltd., Chicago, IL, for Patent Owner, to discuss the procedure for this case upon remand.

In accordance with the parties’ pre-conference agreement, no submission of additional evidence is necessary or permitted, and none is authorized. After hearing arguments from both parties during the conference call, the Board determined that each party is authorized to file an initial brief of not more than ten (10) pages, which may address three issues: (1) does Spenser teach or suggest the disputed limitation of substitute claim 49?,<sup>1</sup> (2) would a person of ordinary skill in the art have had reason to combine

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<sup>1</sup> *See Nike*, 955 F.3d at 53 (“Throughout the IPR proceeding, Adidas never argued that skipping stitches to form apertures was a well-known technique, let alone that Spencer taught this claim limitation.”).

the teachings of Nishida, Schuessler I and II, and Spenser to achieve the article of footwear recited in claim 49?, and (3) given that the Board *sua sponte* identified a patentability issue for proposed substitute claim 49 based on the prior art of record, which, if either, party bears the burden of persuasion? The initial briefing is strictly limited to these three issues. The Board further determined that each party is authorized to file a reply brief of not more than five (5) pages, which is strictly limited to responding to arguments raised by the opposing party in its initial briefing. No new arguments may be presented in the reply brief. The initial briefs shall be filed on **Thursday, August 20, 2020**, and the reply briefs shall be filed on **Thursday, September 3, 2020**. No other briefing is authorized at this time. In addition, the parties agreed that no oral hearing is necessary at this time.

We discussed the briefing requirements and schedule during the conference call, and the parties acknowledged that they understood the scope and timing of the briefing. If either party later determines that additional briefing or an oral hearing is necessary, after first conferring, the parties jointly may contact the Board to schedule a conference call to discuss the necessity for such additional briefing or oral hearing.

In consideration of the foregoing, it is hereby:

ORDERED that neither further submission of evidence nor an oral hearing is authorized;

FURTHER ORDERED that each of the parties is authorized to file an initial brief of not more than ten (10) pages, which is limited to addressing three issues:

(1) does Spenser teach or suggest the disputed limitation of substitute claim 49?,  
(2) would a person of ordinary skill in the art have had reason to combine the teachings of Nishida, Schuessler I and II, and Spenser to achieve the article of footwear recited in claim 49?, and  
(3) given that the panel *sua sponte* identified a patentability issue for proposed substitute claim 49 based on the prior art of record, which, if either, party bears the burden of persuasion?,  
on **Thursday, August 20, 2020**; and

FURTHER ORDERED each of the parties is authorized to file a reply brief of not more than five (5) pages, limited to responding to arguments raised by the opposing party in its initial brief and containing no arguments for patentability or unpatentability not presented in that party's initial brief, on **Thursday, September 3, 2020**.

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