

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

Case IPR2013-00067  
Patent 7,347,011 B2

**Article of Footwear having a Textile Upper**

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**PETITIONER'S RESPONSE BRIEF ON REMAND**

The foundation of Nike's argument is that adidas bears the burden and thus should have introduced additional evidence regarding Spencer. Nike's burden argument is incorrect, but, in any event, no additional expert testimony is required. Spencer is explicit that apertures can be formed by omitting stitches. This well-known technique can be used to form the apertures shown in Nishida's Figure 3. Substitute claim 49 is obvious regardless of who bears the burden of persuasion.

### **I. The Burden of Persuasion.**

Nike ignores that the issue in dispute is not whether adidas ordinarily bears the burden of establishing amended claims are unpatentable, but whether a petitioner bears that burden when the Board *sua sponte* raises a patentability issue. In this instance, the petitioner does not bear the burden.

*Bosch* did not address this question. In *Bosch*, the Petitioner opposed a motion to amend, arguing, *inter alia*, that the proposed substitute claims were indefinite and obvious. *Autel U.S. Inc. v. Bosch Auto. Serv. Sols. LLC*, IPR2014-00183, Paper 38 at \*1 (P.T.A.B. Sep. 12, 2014) (“the added limitations render the substitute apparatus claims indefinite.”); *id.* at \*9 (the “substitute claims ... add features that were already known ... such that the claims would have been obvious.”). The Board rejected the amendment for the same reasons. *Autel*, IPR2014-00183, Paper 59 at \*50, \*53 (P.T.A.B. May 5, 2015). Thus, the Board did not *sua sponte* identify a ground of rejection, but rather applied the Petitioner's

analysis. The Federal Circuit identified one error, placing the burden on the Patent Owner while the Petitioner was still participating in the IPR. *Bosch Auto. Serv. Sols., LLC v. Matal*, 878 F.3d 1027, 1040 (Fed. Cir. 2017).

*Bosch* is thus irrelevant to the *sua sponte* grounds here. Indeed, the Federal Circuit unequivocally confirmed that the Board may raise a ground of rejection *sua sponte*. *Nike, Inc. v. adidas AG*, 955 F.3d 45, 54 (Fed. Cir. 2020). It expressly “h[e]ld that it is appropriate for the Board to *sua sponte* raise unpatentability grounds based on the IPR record and not be limited to the unpatentability grounds asserted by the petitioner in its petition or opposition to the motion to amend.” *Id.* at 53. In view of that holding, it makes no sense to place the burden of persuasion on the Petitioner for grounds it never raised. To hold otherwise inappropriately constrains the Board – petitioners may not care if narrower substitute claims issue and, in such a situation, only the Board can act to prevent issuance of unpatentable claims. The appropriate course, then, is for the Board to identify the ground and consider all evidence of record bearing on such an issue.

In any event, the Board previously found that “the entirety of the record, including the arguments and evidence advanced by Petitioner in opposition to the Motion to Amend, conveys that Petitioner has met the burden.” Paper 69 at 11 n.6. As explained below, that finding remains correct. Substitute claim 49 is obvious.

## II. Spencer Teaches the Disputed Limitation of Substitute Claim 49.

Spencer explains that forming apertures by omitting stitches was a well-known technique. In particular, Spencer describes forming a net-like “open-work structure,” that “contains areas where certain adjacent wales are not as directly joined to each other by underlaps or sinker loops as they are to the wales on their other side. The unbalanced tension causes them to move apart, *producing apertures at these points.*” Ex. 1012 at 84. (emphasis added). Spencer describes, that “apertures” “may be produced by the *introduction of empty needles* and/or by using special elements to produce loop displacement.” *Id.* at 85 (emphasis added).

Nike urges that “Spencer does not teach that ‘empty needles’ are the same as omitting stitches.” Paper 74 at 4. But empty needles necessarily do not carry yarn required for a stitch. Indeed, Spencer explains that an empty needle omits a stitch. Ex. 1012 at 122. Spencer’s Figure 9.6 is entitled “Commencing knitting on an empty rib needle,” and the description states that “[a]s the needle was previously empty, there will be no loop in the wale ....” *Id.* Spencer also explains that a float stitch “is produced when a needle (M) holding its old loop fails to receive the new yarn ....” *Id.* at 119. A missed yarn results in an omitted stitch. These “missed yarn” locations form apertures.

Spencer is a textbook with a Copyright in 2001 (three years before the earliest priority date) and a first publication date nearly twenty years earlier in

1983. Such a textbook demonstrates what was well-known. Further, Knitting is fully contemplated by adidas's identification of a skilled artisan, which included "a comprehensive understanding of ... construction techniques and processes used to create the various parts of a shoe and to assemble them in a proper manner." Ex. 1001 at ¶ 9. Here the challenged patent "discloses and claims an article of footwear that combines a knitted upper..." (*Id.* at ¶ 19), and adidas's expert was *already familiar* with Spencer, demonstrating that a skilled artisan would have been aware of this well-known technique. Ex. 2001 at 42:24-43:4.

Nike criticizes adidas for not introducing additional expert testimony. This is irrelevant because Spencer's disclosure is clear, and the Board raised this issue *sua sponte*. Further, "unless the Federal Circuit's opinion directs the Board to reopen the evidentiary record" the Board is unlikely to authorize the entry of new evidence. Consolidated Trial Practice Guide (Nov. 2019) at 68.

### **III. The Combination of Nishida, Schuessler I and II, and Spencer.**

Nike again ignores that this ground of rejection was raised *sua sponte*. No testimony is needed to understand the motivation to use a well-known technique of forming apertures with Nishida's express disclosure of apertures. While Nishida may not explicitly state how its apertures were produced, it "does not ... *exclude* any manner by which those apertures may be formed." Paper 69 at 18 (emphasis added). adidas presented evidence that a person of skill in the art would have,

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