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Paper 13
Entered: July 6, 2017

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 IPR2017-00607
Patent D696,853 S

Before KEN B. BARRETT, SCOTT A. DANIELS, and TRENTON A. WARD, *Administrative Patent Judges.*

WARD, *Administrative Patent Judge.*

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

I. INTRODUCTION

A. Background

Skechers U.S.A., Inc. ("Skechers") filed a Petition requesting *inter partes* review of the claim for a "Shoe Upper" in U.S. Patent No. D696,853 S (Ex. 1001, "the '853 patent"). Paper 1 ("Pet."). Patent Owner, Nike, Inc. ("Nike"), filed a Preliminary Response. Paper 12 ("Prelim. Resp.").

We have authority to determine whether to institute an *inter partes* review under 35 U.S.C. § 314 and 37 C.F.R. § 42.4(a). Upon consideration of the Petition and the Preliminary Response, we determine that Skechers has failed to establish a reasonable likelihood of prevailing on the claim challenged in the Petition. For the reasons expressed below, we deny institution of an *inter partes* review of the claim in the '853 patent.

B. Additional Proceedings

The parties identify that the '853 patent is at issue in *Nike, Inc. v. Skechers U.S.A., Inc.*, Case No. 3:16-cv-00007 (D. Or.) and that it was the subject of an earlier *inter partes* review proceeding, IPR2016-01043. Pet. 5; Paper 5, 2. In IPR2016-01043, Skechers challenged the '853 patent, the same patent at issue here, and the Board denied institution of *inter partes* review. *See Skechers U.S.A., Inc. v. Nike, Inc.*, Case IPR2016-01043, slip. op. 26 (PTAB Nov. 16, 2016) (Paper 8) ("'1043 Inst. Dec."). Nike additionally identifies that the '853 patent is at issue in *Nike, Inc. v. Fujian Bestwinn (China) Industry Co., Ltd.*, Case No. 2:16-cv-00311 (D. Nev.) and identifies a number of related patents involved in other requests for *inter partes* review. Paper 5, 2.

C. The '853 Patent and Claim

The '853 patent, titled "Shoe Upper," issued on January 7, 2014, naming Angela N. Martin as the inventor, and is assigned to Nike. The drawings of the '853 patent depict a shoe as mostly unclaimed, as illustrated by uneven-length broken lines, and a portion of the shoe "upper" being claimed with particular elements of the upper illustrated by solid lines.[1] The '853 patent contains four figures illustrating the claimed shoe upper. Figures 2 and 4 are set forth below.

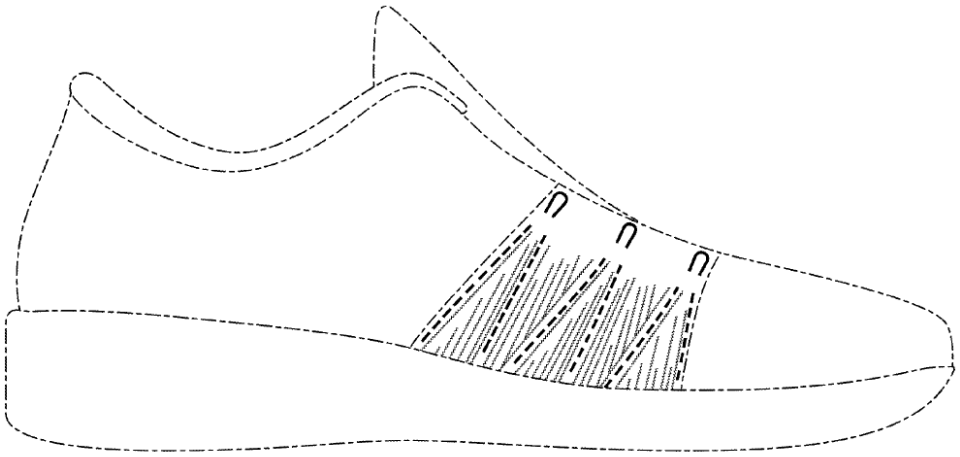

FIG. 2

Figure 2 of the '853 patent, above, is a "side view" illustrating the claimed portion of the shoe upper. *See* Ex. 1001, 1, Description.

[1] *See In re Zahn*, 617 F.2d 261, 267–69 (CCPA 1980) (discussing use of solid lines to show claimed designs and dotted or broken lines to show environmental structure or unclaimed portions).

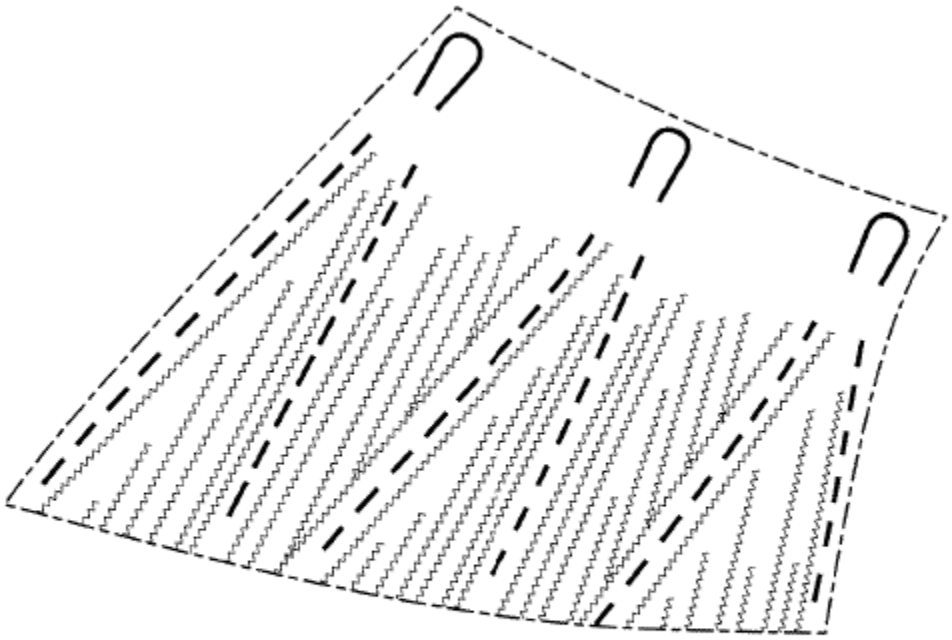

FIG. 4

Figure 4 of the '853 patent, above, is an "enlarged view" of the claimed portion of the shoe upper. *Id.*

The Description of the '853 patent states:

> The three bold lines, including the curved upper loop segments and the interrupted lower segments, represent elements forming part of the claimed design. The uneven-length broken lines immediately adjacent to and fully surrounding the shaded area represent unclaimed boundaries of the design. The uneven-length broken lines showing the remainder of the shoe are for environmental purposes only and form no part of the claimed design.

Id.

D. Claim Construction

In an *inter partes* review, "[a] claim in an unexpired patent shall be given its broadest reasonable construction in light of the specification of the patent in which it appears." 37 C.F.R. § 42.100(b); *see Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2144 (2016) (holding that 37 C.F.R. § 42.100(b) "represents a reasonable exercise of the rulemaking authority that Congress delegated to the . . . Office"). With regard to design patents, it is well-settled that a design is represented better by an illustration than a description. *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 679 (Fed. Cir. 2008) (en banc) (citing *Dobson v. Dornan*, 118 U.S. 10, 14 (1886)). Although a design patent claim is preferably not construed by providing a detailed verbal description, it may be "helpful to point out . . . various features of the claimed design as they relate to the . . . prior art." *Egyptian Goddess*, 543 F.3d at 679–80; *cf. High Point Design LLC v. Buyers Direct, Inc.*, 730 F.3d 1301, 1314–15 (Fed. Cir. 2013) (remanding to district court, in part, for a "verbal description of the claimed design to evoke a visual image consonant with that design"). For this proceeding, we determine that a verbal description is appropriate and helpful to convey a cogent representation of the overall visual appearance of the claimed design and assist in comparison to the prior art. *Cf. Crocs, Inc. v. Int'l Trade Comm'n*, 598 F.3d 1294, 1302 (Fed. Cir. 2010) (noting "the dangers of reliance on a detailed verbal claim construction").

Skechers asserts that the '853 patent claims the design of a "portion of the upper residing generally between a first shoelace loop and a third shoelace loop (closest to the toe)." Pet. 1. Skechers submits the following verbal description of the claimed design:

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