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Paper 78
Entered: June 28, 2018

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 0007[1] in view of RCD 0012[2];
2. RCD 0007 in view of RCD 0012 and CN1388[3]; and
3. RCD 0007 in view of RCD 0012 and RCD 0005[4].

Paper 13, 37.

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[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 hearing[5] 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. RCD0018[6] in view of RCD0012;
5. RCD0018 in view of RCD0012 and the '853 patent[7];
6. RCD0018 in view of RCD0012 and the '725 patent[8];
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

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