

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CREATIVE CONSUMER CONCEPTS, INC. AND
STEAK N SHAKE OPERATIONS, INC.
Petitioners

v.

KID STUFF MARKETING, INC.
Patent Owner

Case No. IPR2015-01516
Patent 8,783,548

PETITIONERS' REPLY TO PATENT OWNER'S RESPONSE

PURSUANT TO 37 C.F.R. § 42.120

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I. INTRODUCTION

The Challenged Claims of the '548 Patent recite a particular construction of a car-shaped carton. The same construction was present in the prior art as demonstrated in the Petition and found in the Institution Decision. PO has taken the appropriate step of seeking to amend its claims (*see*, **Paper 19**), and Petitioners do not oppose that effort. However, the original Challenged Claims must be cancelled. In defense of its original claims, PO impermissibly narrows the claims through implicit claim interpretation and makes irrelevant arguments suggesting two references in a prior art obviousness combination cannot be physically combined with one another. None of PO's arguments as to the Challenged Claims are legally sound and/or relevant to distinguish the prior art.

II. ARGUMENT

A. Claim Construction

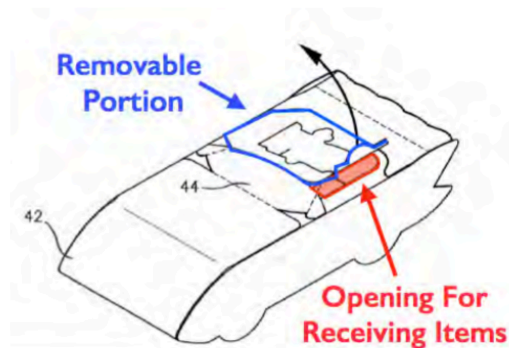
1. "An opening to present a compartment for receiving food or other items"

Claim 1 recites, "said first upper panel having . . . a middle portion behind said front portion having an opening to present a compartment for receiving food or other items." **Ex. 1001**, 4:3-5. Claim 1 also recites a "second upper panel having . . . a center portion . . . covering said opening of said first upper panel." *Id.* at 4:7-9. PO alleges the first upper panel's "opening" limitation means "an opening through which food or other items can be received in the assembled

carton.” **Paper 17**, 13. PO is using its proposed construction of the first upper panel’s “opening” limitation, however, as a means to import limitations into the “second upper panel” limitation.

PO previously proposed an interpretation of the “opening” limitation requiring the compartment to be visible when the carton is assembled in order to receive food or other items. **Paper 8**, 30-31. In the Institution Decision, the Board rejected PO’s prior interpretation because it had the overly restrictive effect of requiring the second upper panel to not “fully conceal or otherwise fully cover the first upper panel’s opening when the carton is assembled.” **Paper 9**, 7-9. The Board then construed the term “to include openings and compartments that are fully covered and not visible when the carton is assembled.” *Id.*, 9.

PO now argues a fully covered or concealed opening can still “present a compartment for receiving items” if the opening’s covering (i.e., the second upper panel) is “removable or replaceable” or if the opening is “covered by a panel that includes a slit, perforation, or flap through which items can be passed.” **Paper 17**, 28. In the figure below, PO identifies the “removable portion” of the second upper panel in blue and an “opening for receiving items” in red:



Id. Claim 1 includes no such restrictions on the second upper panel. By referring to the embodiments of the specification, including the figure above, PO’s proposed construction impermissibly adds limitations that are not recited in the claim. *See In re Prater*, 415 F.2d 1393, 1404-05 (CCPA 1969). The Board should maintain the prior constructions from the Institution Decision and reject PO’s implicit attempts to narrow the scope of the “second upper panel” limitation.

2. “Second upper panel having . . . a center portion behind said hood portion and covering said opening of said first upper panel”

The Board previously construed this term “to include second upper panels that fully cover or conceal the opening of the first upper panel when the carton is assembled.” **Paper 9**, 9. PO is now proposing the term “a center portion behind said hood portion and covering said opening of said first upper panel” should be construed to mean “the portion that covers the opening of the first upper panel.” **Paper 17**, 13. At first blush, PO’s proposed claim construction appears to merely rephrase the claim language. However, in his deposition, PO’s expert clarified that

to “cover[] said opening of said first upper panel” per PO’s construction means that the center portion of the second upper panel must completely cover the opening of the first upper panel. **Ex. 1015**, 48:2-5 (“‘[C]overing’ means complete, not partial, in my interpretation.”). There is no support in the claim for this narrow interpretation, and it is not consistent with the plain meaning of “covering.” For example, when a parent covers a sleeping child, the parent does not cover the child’s head. The ’548 specification also does not suggest that the opening must be completely covered by the center portion of the second upper panel alone. The Board should reject PO’s attempt to impermissibly narrow the scope of the claim. Further, Petitioners do not believe that this limitation needs any further construction beyond what the Board already proposed in the Institution Decision.

3. “A rear portion”

PO alleges that the “rear portion” of the second upper panel limitation should be construed to mean, “a portion located behind the center portion.” **Paper 17**, 13. As discussed above, PO also alleges the “center portion” of the second upper panel must “completely” cover the opening of the first upper panel. This has the inappropriately restrictive result of prohibiting the “rear portion” of the second upper panel from overlapping any part of the opening of the first upper panel. *Id.*, 29-30; *see also*, **Ex. 1015**, 47:10-15 (“Q. Is it your opinion that the rear portion described in Claim 1 cannot cover any portion of the opening in the first upper

panel? A. Yes.”). Petitioners do not dispute the “rear portion” is behind the “center portion.” And, there is nothing in the plain language of the claim that prohibits the “rear portion” from overlapping a portion of the opening of the first upper panel.

4. “Inwardly”

PO seeks to construe the term “inwardly” of claim 2 to mean “towards the middle of the carton.” **Paper 17**, 13. PO admits that the word “inwardly” is never used in the ’548 specification and relies on extrinsic support including dictionary definitions and expert testimony to support their interpretation. *Id.*, 32-33. PO admits that “inwardly” is a commonly understood English word. *Id.* Given the commonly understood plain and ordinary meaning of “inwardly,” Petitioners do not believe any construction is necessary in order to determine patentability.

B. Level of PHOSITA

Petitioners note while PO never challenges Petitioners’ definition for the level of a PHOSITA in their Response, PO’s expert, Mr. Vincent, offers alternative definitions in his declaration, one of which is “a 2-year degree, or additional years of industry experience, that would teach drafting layouts or die cut blanks for packaging.” **Ex. 2010**, ¶25. While Petitioners do not agree with Mr. Vincent’s criticisms of Mr. Hawkins’ proposed definition, Mr. Hawkins, meets Mr. Vincent’s definition. **Ex. 2018**, 64:4-19, 68:8-69:14. Therefore, the results are the same no matter which definition is used.

C. All Challenged Claims Are Unpatentable

1. Claim 1

“Wheel replicas”

The Petition provides articulated reasoning with rational underpinning to support the notion that it would have been obvious to modify the side panels of Tesar’s chassis blank to include wheel replicas, such as the side panel wheel replicas taught by SNS Red Sports Car or Billen ’508. **Paper 3**, 23-26, 50-52. As described in the Petition, Tesar describes two embodiments. In one, a vehicle-shaped carton is formed with two sheets including a chassis blank and an overwrap blank. *Id.* The overwrap blank includes “finishing details” such as front and back wheel covers (i.e., wheel replicas). *Id.*, 23. Tesar alternatively teaches constructing the vehicle carton using only a single sheet. *Id.* (citing **Ex. 1003**, 4:56-61).

PO does not dispute that both secondary references teach vehicle cartons made of a single sheet having wheel cuts on the side panels that pop out when the vehicle is assembled in order to form the claimed wheel replicas. It is also undisputed that Billen ’508 teaches several advantages of a single sheet design including “lower cost, easier printing of the model design or artwork on the cardboard, compact shipping, and ease in quickness and construction.” *Id.*, 51 (quoting **Ex. 1007**, 1:10-22). PO’s expert agreed that a carton design requiring a

single sheet of paperboard would have numerous advantages over designs requiring multiple sheets of paperboard. **Ex. 1015**, 21:12-22:22. Thus, the motivation to utilize the single sheet embodiment already expressly contemplated in Tesar would lead one of skill in the art to make the simple modification to Tesar of putting wheel covers on the side panels of the chassis blank as taught by SNS Red Sports Car and Billen '508.

In order to overcome Petitioners' strong showing of obviousness, PO argues the chassis blank of Tesar would have never been modified to include wheel replicas because "Tesar's overwrap is needed to provide a complete, functional package." **Paper 17**, 20. This is directly contrary to the explicit teachings of Tesar. As previously recognized by the Board, Tesar explicitly discloses "a functioning automobile or other vehicular shaped golf ball retaining package may often be assembled from a single blank such as shown in Fig. 8." **Paper 9**, 21 (citing **Ex. 1003**, 4:7-9) (emphasis added). Thus, Tesar explicitly teaches using the chassis blank alone results in "a functioning . . . vehicular shaped golf ball retaining package." Tesar repeats this suggestion multiple times. *See*, **Ex. 1003**, 4:61-64 (Tesar suggesting the wraparound is optional, i.e., "when a supplemental, wraparound structure . . . is employed."); *id.*, Claims 1-7 (all claims of Tesar, except for one dependent claim, recite the chassis blank only).

With regard to this explicit disclosure, PO argues "Tesar acknowledges the

possibility of making a carton from one blank, but explains that the two-blank configuration is better.” **Paper 17**, 23. Whether or not one disclosed embodiment is “better” than the other is entirely irrelevant to the question of obviousness. A reference may be relied upon for all that it would have reasonably suggested to one having ordinary skill the art, including alternative embodiments. *Merck & Co. v. Biocraft Laboratories*, 874 F.2d 804, 10 USPQ2d 1843 (Fed. Cir.), cert. denied, 493 U.S. 975 (1989). *See also Upsher-Smith Labs. v. Pamlab, LLC*, 412 F.3d 1319, 1323, 75 USPQ2d 1213, 1215 (Fed. Cir. 2005) (a reference disclosing optional inclusion of a particular component teaches compositions that both do and do not contain that component).

PO further argues, “If anything, Tesar discourages Petitioners’ proposed modification by repeatedly describing the benefits of the two-panel configuration.” **Paper 17**, 24 (emphasis in original). Again, this argument is contrary to the law. Disclosed embodiments do not constitute a teaching away from a broader disclosure of other embodiments. *In re Susi*, 440 F.2d 442, 169 USPQ 423 (CCPA 1971). “A known or obvious composition does not become patentable simply because it has been described as somewhat inferior to some other product for the same use.” *In re Gurley*, 27 F.3d 551, 554, 31 USPQ2d 1130, 1132 (Fed. Cir. 1994).

PO provides several arguments as to why Tesar’s chassis blank alone would

not have functioned as a package for golf balls, including: (1) Tesar's chassis blank is unable to hold golf balls without structural support from the overwrap blank; (2) the rear end panel of Tesar's chassis blank is unsecured without the overwrap blank; (3) the hood portion of the chassis blank "includes two large, triangular holes," which make it look like "a half-finished prototype;" and (4) "Tesar's overwrap would still be needed to provide portions of Tesar's hood, front grille, rear deck, and others." **Paper 17**, 19-22. None of these arguments have anything to do with Petitioners' proposed modification of placing wheel replicas on the side panels of Tesar's chassis blank as suggested by the prior art. Rather, PO is alleging that Tesar's chassis blank embodiment, which is expressly disclosed as "functional," would be non-functional. This goes to the operability of Tesar's chassis blank embodiment. Inoperability of a prior art reference has no place in an obviousness analysis. "Even if a reference discloses an inoperative device, it is prior art for all that it teaches." *Beckman Instruments v. LKB Produkter AB*, 892 F.2d 1547, 1551, 13 USPQ2d 1301, 1304 (Fed. Cir. 1989). "[A] non-enabling reference may qualify as prior art for the purpose of determining obviousness under 35 U.S.C. 103." *Symbol Techs. Inc. v. Opticon Inc.*, 935 F.2d 1569, 1578, 19 USPQ2d 1241, 1247 (Fed. Cir. 1991). Therefore, PO's criticisms of Tesar's chassis blank embodiment are immaterial to obviousness.

Even if PO's inoperability arguments were legally relevant, they are without

merit. For instance, PO's primary argument relies on a misleading test performed by PO's expert to demonstrate that Tesar's chassis blank is structurally unable to hold golf balls without the overwrap blank. **Paper 17**, 19 ("As Kid Stuff's expert, Mr. Vincent, showed, when a carton formed solely from the chassis of Tesar is loaded with golf balls, they easily fall out."), *id.*, 20 ("Without the overwrap, when Tesar's carton was loaded with golf balls, the package was unstable and its bottom sagged."). However, Mr. Vincent's test was not credible in the least. First, Mr. Vincent's test was performed using 270 gsm weight paper in order to replicate a model created by Petitioners' expert, Mr. Hawkins. **Ex. 2010**, ¶45. As Mr. Hawkins explained in his deposition, however, he chose 270 gsm weight paper for his model of Tesar's chassis blank solely because of its ability to be used with a standard office printer. **Ex. 2018**, 157:11-14. As is also apparent from Mr. Hawkin's declaration, his model of Tesar's chassis blank was used only to demonstrate how the components of Tesar's chassis blank correspond to the limitations of the Challenged Claims. Neither Petitioners nor Mr. Hawkins ever suggested that Tesar would actually employ printer paper to hold golf balls.

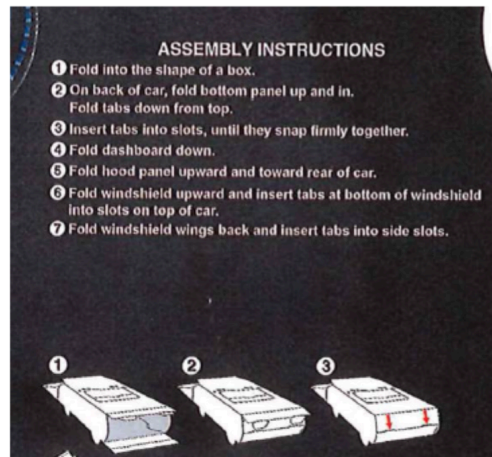
In his declaration, Mr. Vincent opined that his 270 gsm model of Tesar's chassis blank failed to hold golf balls because "[t]he carton visibly deformed under the weight of the balls. All four golf balls also easily fell out of the rear of the carton if it was slanted." **Ex 2010**, ¶46. This is hardly surprising since, in his

deposition, Mr. Vincent admitted that 270 gsm printer paper “would be on the lightest end of the paperboard, and really it qualifies as paperboard, but it would be on the lowest end of the caliper range that one would typically work with in paperboard carton constructions.” **Ex. 1015**, 62:8-16. Tellingly, this important caveat is entirely absent from Mr. Vincent’s analysis. Second, Mr. Vincent never conducted a similar test using his printer paper model with a wraparound. *Id.*, 58:24-60:10. It is distinctly possible that golf balls still would have escaped for the simple reason that Mr. Vincent was using inappropriately thin printer paper to test structural stability.

PO also argues that tab 106 on Tesar’s overwrap blank is necessary to hold the chassis blank’s rear end panel 28 in place in order to prevent golf balls from falling out of the back of the carton. **Paper 17**, 19. PO ignores Petitioners’ proposed rejection on this point. As described in the Petition, Petitioners proposed combining Tesar with other references to meet the limitation of “a rear end panel folded downwardly from said first upper panel rear portion to present a rear end of the sports car body.” **Paper 3**, 29-32. The “rear end panel” limitation of Claim 1 does not require tabs or any other means to secure the free edge of the rear end panel. Nonetheless, the “rear end panel” taught by SNS Red Sports car, for example, includes two tabs used to secure it to a panel extending from the base panel:



Ex. 1005 at p. 2 (illustration of taillights).



Id. at p. 3.

Id., 32. PO does not dispute that it would have been obvious to make this modification to Tesar. Thus, the “rear end panel” of Tesar’s chassis blank modified as suggested by Petitioners would not suffer from the problems identified by PO.

Finally, PO criticizes how Tesar’s chassis blank looks and alleges that all of the features from the overwrap blank must be incorporated into the chassis blank. **Paper 17**, 20-22. Petitioners do not need to show that all of these features, particularly those that are irrelevant to Claim 1, could be bodily incorporated into the chassis blank. Rather, the test for obviousness “is what the combined teachings

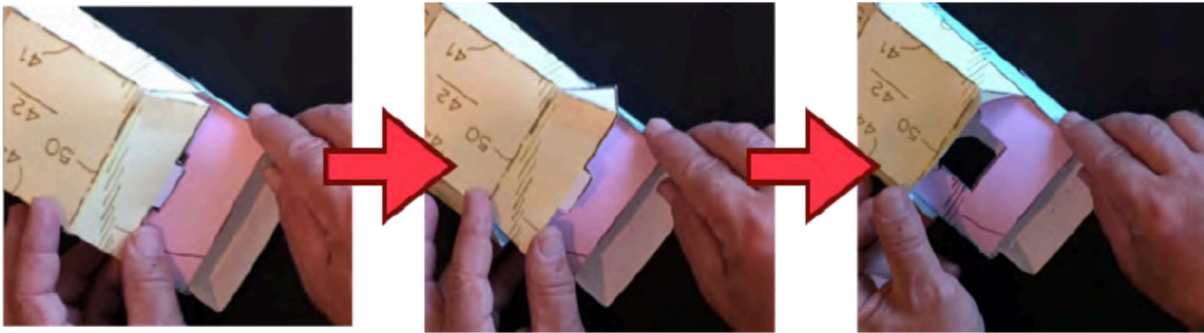
of the references would have suggested to those of ordinary skill in the art.” *MCM Portfolio LLC v. Hewlett-Packard Co.*, --- F.3d ----, No. 2015-1091, 2015 WL 7755665, at *9-10 (Fed. Cir. Dec. 2, 2015) (quoting *In re Keller*, 642 F.2d 413, 425 (CCPA 1981)) (citing *In re Mouttet*, 686 F.3d 1322, 1333 (Fed. Cir. 2012)). It is undisputed that Tesar explicitly suggests using the chassis blank alone. Petitioners have further shown that it would have been obvious to modify the side panels of Tesar’s chassis blank to include wheel replicas as taught by SNS Red Sports Car and Billen ’508. Nothing more is required to satisfy the Challenged Claims.

“Opening to present a compartment for receiving food or other items”

PO alleges “Tesar does not disclose an ‘opening’ for ‘receiving food or other items’” based on an improperly narrow interpretation of the claim. **Paper 17**, 17. As found by the Board, Tesar teaches this limitation under the BRI. **Paper 9**, 22. PO’s argument should once again be rejected.

Furthermore, Tesar teaches this limitation even under PO’s narrow interpretation. PO does not dispute Tesar teaches a first upper panel having an opening 36 to a compartment. Rather, PO alleges that Tesar’s opening 36 is inaccessible when the carton is assembled because of a “locking tab” 72 holding the hood portion of the second upper panel in place. **Paper 17**, 27. Per PO’s logic, “Tesar’s ‘opening 36’ is thus not designed to present a compartment to ‘receive’ anything.” *Id.*

PO's argument is in direct conflict with their own characterization of Tesar. PO admits that Tesar teaches a second upper panel having a panel 49 that is a flap that can be used to reveal the opening 36 of the first upper panel:



Paper 17, 31; *see also, id.* (“[W]hen Tesar’s panel 49 is peeled upwards, opening 36 is exposed.”). Panel 49 is a “removable or replaceable” flap that reveals opening 36. As such, Tesar teaches an “opening . . . to present a compartment for receiving” even under PO’s unduly narrow interpretation.

“rear portion”

PO alleges that “Tesar’s [second] upper panel lacks the ‘rear portion’ required by claim 1.” **Paper 17**, 17. As set forth in the Petition, Tesar’s panel 49 qualifies as the “rear portion” of the second upper panel and roof panel 42, which covers the “opening” 36, qualifies as the “center portion.” **Paper 3**, 28-29. PO argues Tesar’s panel 49 is not a “rear portion” because it partially “cover[s the] opening’ of Tesar’s first panel.” **Paper 17**, 32. As discussed above, PO creates the requirement out of whole cloth that the center portion must “completely” by

itself cover the entire opening of the first upper panel and further imports the requirement that the rear portion must not cover any part of the opening. PO's overly restrictive interpretation should be rejected for the reasons described above.

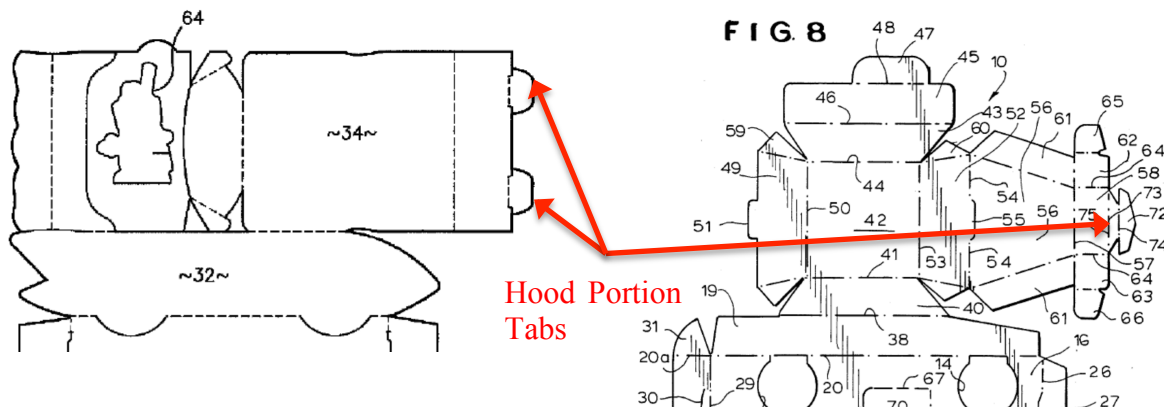
There is no dispute that Tesar's panel 49 is to the rear of the roof panel 42. **Paper 3**, 28-29. There is also no dispute that the roof panel 42 covers the opening 36 of the first upper panel. *Id.* Therefore, Tesar teaches a second upper panel having "center" and "rear" portions as required by the claim.

2. Claim 2

PO does not dispute that Tesar's "grille panel 58" extends downwardly. **Paper 17**, 34. PO also does not dispute that assembly tab 72 extends inwardly. *Id.* Rather, PO argues tab 72 should not count as part of the hood portion because it is "located underneath the car" and "it is not even visible when Tesar's carton is constructed." *Id.* There are no requirements in the claims for every part of the hood portion to be "visible" and not located underneath the car. Indeed, the front-end assembly of the '548, which includes inwardly extending assembly tabs along the bottom of the vehicle, is nearly identical in relevant part to Tesar:

'548 Figure 1

Tesar Figure 8

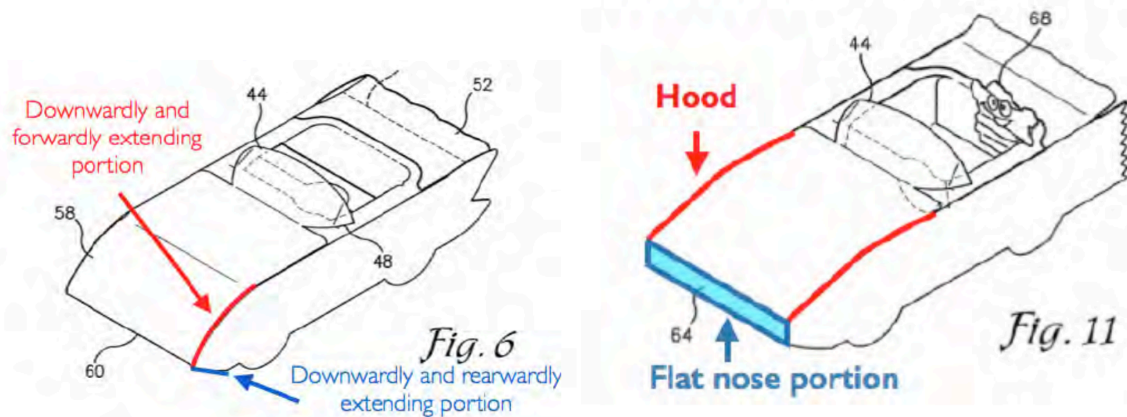


3. Claim 3

PO relies on an improperly narrow interpretation of the claim to allege Tesar “does not disclose a carton whose front hood includes the claimed downwardly and rearwardly extending nose portion.” **Paper 17**, 36. In particular, PO argues embodiments of the '548 – specifically, Figure 11- should be excluded from the BRI of Claim 3 and Claim 3 should be limited to the “tapered V-shaped front end” shown in Figures 6, 7, and 8. *Id.*, 36-38.

“There is a strong presumption against a claim construction that excludes a disclosed embodiment.” *In re Katz Interactive Call Processing Patent Litig.*, 639 F.3d 1303, 1324 (Fed. Cir. 2011). Exceptions to this presumption exist “where those embodiments are clearly disclaimed in the Specification ... or prosecution history.” *Oatey Co. v. IPS Corp.*, 514 F.3d 1271, 1277 (Fed. Cir. 2008). Otherwise, “where claims can reasonably [be] interpreted to include a specific embodiment, it is incorrect to construe the claims to exclude that embodiment,

absent probative evidence [to] the contrary.” *Id.* Here, there is no question that both the “hood” and “flat nose portion” (in annotated Figure 11 below) extends downwardly and forwardly.” Also, Fig. 11 includes the same component that PO identifies as the portion extending “downwardly and rearwardly” in Fig. 6:

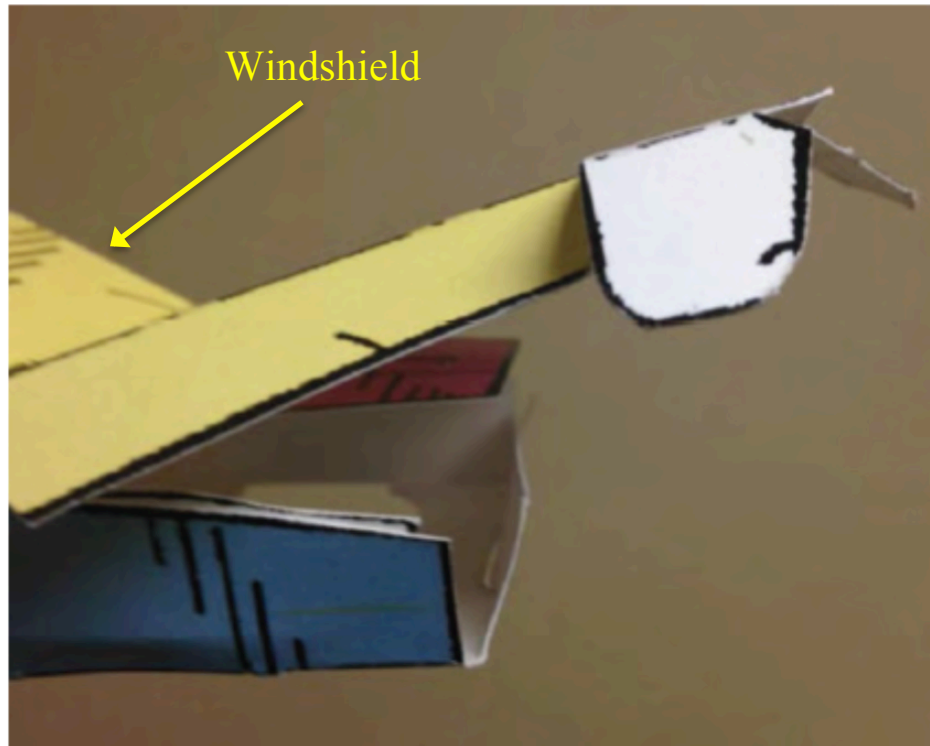


Paper 17, 36, 38. Thus, under the BRI, Claim 3 must include the embodiment shown in Fig. 11. PO admits that Tesar’s nose discloses Figure 11 of the ’548. *Id.*, 38. Therefore, Tesar teaches Claim 3 under the BRI of that claim.

4. Claim 4

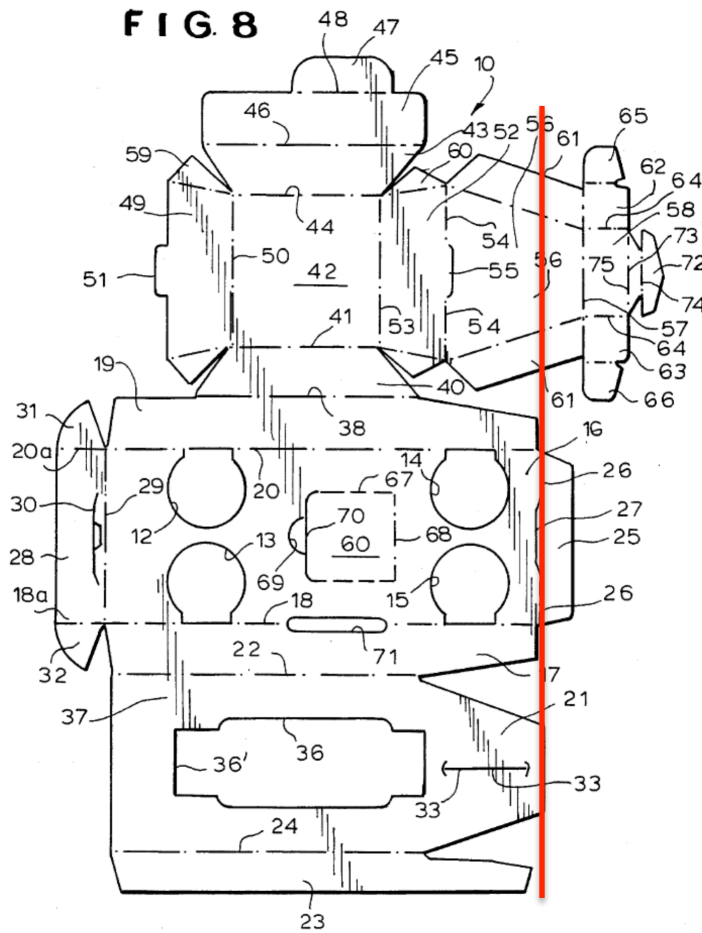
PO offers three reasons why Tesar allegedly does not teach Claim 4. First, PO alleges that Petitioners have not shown that Tesar’s second upper panel hood portion extends further forward than the first upper panel. **Paper 17, 39-40.** PO argues that Petitioners’ evidence regarding this limitation “should be disregarded” based on criticisms of Mr. Hawkins analysis. For example, PO alleges that when Mr. Hawkins lifted up Tesar’s hood panel to demonstrate its forward extension

beyond the first upper panel, “Mr. Hawkins also caused Tesar’s windshield (element 52) to flatten out.” *Id.* at 42. However, it is plain from the photograph taken by Mr. Hawkins that the windshield did not “flatten out” as alleged by PO:



Ex. 1009, ¶59.

Furthermore, Figure 8 of Tesar readily shows the hood portion of the second upper panel (56) extending significantly forward of the first upper panel (37):



Ex. 1003, Fig. 8.

Second, without offering any formal construction, PO attempts to read limitations into the claim in order to distinguish over Tesar. Specifically, PO alleges that Tesar’s hood portion does not extend “over said side panels” because, per PO’s expert, this claim limitation requires the hood portion “enclose” the side panels. **Ex. 1015**, 52:4-10. The plain language of the claim requires “wherein said second upper panel hood portion extends forwardly and downwardly from said first upper panel over said side panels and is secured to said base panel to present a

tapered hood presenting the front end of the sports car carton.” **Ex. 1001**, 4:23-27. There is no requirement that the hood portion must “enclose” the side panels in order to be “over” them. The Petition shows that Tesar’s hood portion does exactly what the claim requires. **Paper 3**, 36-37. The Board should reject PO’s blatant attempt to read limitations into the claims. Furthermore, even if this limitation is read into the claims, as opined by Mr. Hawkins, “it would have been an obvious design variation to modify the geometry of the Tesar’s hood from the trapezoidal shape shown in Figure 8 to a rectangular shape, for example, to meet this requirement.” **Ex. 1016**, ¶¶3-5.

Finally, PO alleges, “Tesar does not disclose an opening for holding food or other items” because “Tesar specifically explains that the golf balls are not retained in opening 36.” **Paper 17**, 43-44. This is completely immaterial to the patentability of the claim. As shown in the Petition, the opening 36 of Tesar’s first upper panel is structurally identical to the opening in the first upper panel of the embodiments claimed in the ’548. **Paper 3**, 27. When the structure recited in a prior art reference is substantially identical to that of the claims, claimed properties or functions are presumed to be inherent. *In re Best*, 562 F.2d 1252, 1255, 195 USPQ 430, 433 (CCPA 1977). Therefore, if the opening in the first upper panel in the claimed embodiments of the ’548 are sufficient for “holding food or other items,” the opening 36 in Tesar’s first upper panel is sufficient for the same

reasons.

5. Claims 5 and 8-10

With regard to Claim 5, PO alleges a PHOSITA would have not had any reason to modify Tesar to include the claimed dashboard because “[a] designer would not have thought to modify Tesar to add a feature that would have been visible only in . . . unusual circumstances.” **Paper 17**, 47. However, PO ignores the other stated purpose of Tesar’s package, which is to serve “as a toy . . . both before and after the golf balls have been removed from the package.” **Ex. 1003**, 1:47-51 (emphasis added). Adding a dashboard would have predictably enhanced the package’s value as a toy and its realism.

PO also disputes that it would have been obvious to “modify the generic vehicle structure taught by Tesar to resemble a convertible sports car” because “[t]he purpose of Tesar is to serve as a container to ‘hold a plurality of golf balls’ for ‘display’ by a merchandiser.” *Id.*, 46. However, PO ignores Tesar’s explicit teaching that “the golf ball package of the present invention may be modified by changing the chassis and/or the overwrap in such a manner as to depict any wheeled vehicle.” **Ex. 1003**, 1:43-47 (emphasis added). There can be no dispute that a convertible sports car qualifies as “any wheeled vehicle.”

With regard to Claim 5, PO also disputes that it would have been obvious to “modify the generic vehicle structure taught by Tesar to resemble a convertible

sports car” because “[t]he purpose of Tesar is to serve as a container to ‘hold a plurality of golf balls’ for ‘display’ by a merchandiser.” **Paper 17**, 46. Similarly, with regard to claims 8-10, PO argues that it would not have been obvious to modify Tesar’s roof to have a “removable portion” because “providing an opening in Tesar’s top would frustrate its intended use as a golf-ball package in a retail store.” *Id.* at 48. For both of these arguments, PO ignores the other stated purpose of Tesar’s package, which is to serve as a toy after the golf balls have been removed from the package. **Ex. 1003**, 1:47-51.

At their core, PO’s arguments with regard to these claims criticize how the teachings of a secondary reference would allegedly be incorporated into the physical structure Tesar. The Federal Circuit has rejected this type of reasoning. *MCM Portfolio LLC*, 2015 WL 7755665, at *9-10. “[T]he test is what the combined teachings of the references would have suggested to those of ordinary skill in the art.” *Id.* Even where physical incorporation of one technology into another would have conflicted, there was no error in the finding the claimed subject matter obvious. *Id.* For exactly the same reason, PO’s arguments are fatally flawed, because PO focuses on combining one physical structure into another, and overlooks what the combinations would have suggested to a PHOSITA. PO does not dispute that vehicle-shaped cartons having dashboards and removable portions were known in the art. Rather, PO focuses on alleged

problems associated with physical incorporation.

D. Secondary Considerations

1. Copying

PO's alleged evidence of copying does not in any way suggest non-obviousness of the claimed designs. In other words, PO's "evidence" of "copying" is completely lacking in any cognizable nexus to the claimed features of the '548. To begin, copying is an extremely weak consideration in general because there can be a lot of reasons for similarity that bear no nexus whatsoever to the patented technology. As the Federal Circuit has oft noted, "a showing of copying is only equivocal evidence of non-obviousness in the absence of more compelling objective indicia of other secondary considerations." *See In re GPAC*, 57 F.3d 1573, 1580, 35 USPQ2d 1116, 1122 (Fed.Cir.1995) ("[M]ore than the mere fact of copying by an accused infringer is needed to make that action significant to a determination of the obviousness issue.") (quoting *Cable Elec. Prods. v. Genmark, Inc.*, 770 F.2d 1015, 1028, 226 USPQ 881, 889 (Fed.Cir.1985)). The reason is that the alleged copying "could have occurred out of a general lack of concern for patent property." *Ecolchem, Inc. v. Southern California Edison Co.*, 227 F.3d 1361, 1380 (Fed. Cir. 2000).

PO's evidence here is much like that in *Wm. Wrigley Jr. Co. v. Cadbury Adams USA LLC*, 683 F.3d 1356 (2012). There, the fact that the products in

question were similar was driven by the fact that the industry overtly tried to mimic other competitor products across the board. The similarities had nothing to do with any effort, need, or desire to copy patented technology, and thus there was no nexus. Here, both PO and Petitioner Creative Consumer Concepts (“C3”) were supplying paper-board cars to Steak N' Shake (“SNS”) in conformity with SNS’s kids marketing program. The similarities PO points out are driven by the fact that both PO and C3 were supplying marketing items to the same company for the same marketing program. *See e.g.*, **Ex. 2012**, ¶18; **Ex. 2014**; **Ex. 2015**. Furthermore, as co-pending copyright litigation demonstrates, SNS believed it had a license to have its marketing materials, including the cars, made on its behalf by providers other than PO. *See*, **Ex. 1017** (Public filings addressing the scope of an admitted implied license.). In short, PO cannot demonstrate a nexus or otherwise show that the similarities in this case have anything to do with a need to copy a patented technology. As such, PO’s suggestion of copying should be given no weight.

2. Commercial Success

PO alleges commercial success because [REDACTED]

[REDACTED] **Paper 17**, 58. PO further elaborates [REDACTED] include “replicas of classic cars.” *Id.* Again, PO has made no showing of a nexus between the purported

commercial success of the “Mini Cars” to the claimed features as opposed to any number of other obvious factors which PO does not explain whatsoever, such as price. PO’s ‘Mini Cars’ sold for \$41.76 per case as opposed to the “Classic Cruisers” that ranged from \$60.48 to \$84.24 per case. **Ex. 2016**, 44-45, 51. PO takes no steps to demonstrate that the “success” of the “Mini Cars” is attributable to anything other than a substantially lower price. Evidence of commercial success “is only significant if there is a nexus between the claimed invention and the commercial success.” *Ormco Corp. v. Align Tech., Inc.*, 463 F.3d 1299, 1311–12 (Fed. Cir. 2006). PO has failed to offer “proof that the sales [of the allegedly successful product] were a direct result of the unique characteristics of the claimed invention—as opposed to other economic and commercial factors unrelated to the quality of the patented subject matter.” *In re Huang*, 100 F.3d 140 (Fed. Cir. 1996).

PO also does not provide information regarding sales volume or market share information as compared to providers of competing products. Rather, PO relies on conclusory statements of their CEO to support the notion that [REDACTED]

[REDACTED]

Paper 17, 59. Consideration of units sold, without confirmable market share information, is weak evidence, if any, of commercial success. *See In re Applied Materials, Inc.*, 692 F.3d 1289, 1299. (Fed. Cir. 2012).

E. PO's Attack on Petitioners' Expert is Without Merit

PO alleges that the Board should disregard Petitioners' expert testimony because Mr. Hawkins is an employee of Petitioner C3. **Paper 17**, 13-14. PO only identifies the first of three factors to consider regarding the probative value of an expert. "In assessing the probative value of an expert opinion, we must consider three factors: 1) the interest of the expert in the outcome of the case, 2) the presence or absence of factual support for the expert's opinion, and 3) the strength of any opposing evidence." *EC Data Systems, Inc. v. J2 Global, Inc.*, Appeal No. 2014-008203, 2014 WL 7171966 at *5 (PTAB Dec. 15, 2014) (citing *Ashland Oil, Inc. v. Delta Resins & Refractories, Inc.*, 776 F.2d 281 (Fed. Cir. 1985)).

Ashland Oil also held that: "While the opinion testimony of a party having a direct interest in the pending litigation is less persuasive than opinion testimony by a disinterested party, it cannot be disregarded for that reason alone and may be relied upon when sufficiently convincing." 776 F.2d at 294. Here, Mr. Hawkins has no direct interest in the outcome of the pending dispute. Mr. Hawkins is a part-time employee of C3 and does not stand to financially benefit from the litigation. **Ex. 2018**, 79:10-81:15; 87:15-23.

Furthermore, PO does not address the final two considerations from *EC Data Systems*, and Mr. Hawkins' opinions are indisputably explained and fully supported at every turn. In *Ciena Corp. v. Citrix Systems, LLC*, Appeal No. 2011-

013123, 2012 WL 946543, at *6 (PTAB Mar. 16, 2012) the Board rejected the same argument PO now makes based solely on employee status because, while the expert was an employee, his opinions were factually supported. Mr. Hawkins' opinions rely on ample factual support and should be entitled to full weight.

Respectfully submitted,

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ATTORNEYS FOR PETITIONERS

UPDATED EXHIBIT LIST

Previously Filed by Petitioners

Exhibit 1001	U.S. Patent No. 8,783,548 to Billen
Exhibit 1002	File History of U.S. Patent No. 8,783,548
Exhibit 1003	U.S. Patent No. 5,622,256 to Tesar
Exhibit 1004	Declaration of Ms. Karen Cunningham
Exhibit 1005	“Steak ‘n Shake Red Sports Car” published by Kid Stuff Marketing, Inc. in 2010
Exhibit 1006	Kid Stuff Marketing Sales Confirmation dated December 20, 2010
Exhibit 1007	U.S. Patent No. 5,454,508 to Billen
Exhibit 1008	Memorandum of Law in Opposition to Partial Motion to Dismiss in <i>Kid Stuff Marketing, Inc. v. Creative Consumer Concepts, Inc. and Steak N Shake Operations, Inc.</i> , Case No. 2:15-cv-02620.
Exhibit 1009	Declaration of Mr. Matthew Hawkins
Exhibit 1010	Resume of Mr. Matthew Hawkins
Exhibit 1011	Complaint in <i>Kid Stuff Marketing, Inc. v. Creative Consumer Concepts, Inc. and Steak N Shake Operations, Inc.</i> , Case No. 2:15-cv-02620.
Exhibit 1012	U.S. Patent No. 953,593 to Brown
Exhibit 1013	U.S. Patent No. 4,804,133 to Kiyokane
Exhibit 1014	Adrian C. Sinnott, <i>Cut & Assemble Classic Sports Cars</i> , Dover Publications, Inc., 1988

Currently Filed

Exhibit 1015	Transcript of the deposition of Mr. Michael Vincent, June 16, 2016
Exhibit 1016	Supplemental Declaration of Mr. Matthew Hawkins
Exhibit 1017	Defendants’ Reply in Support of Its Motion to Strike Errata Change and Exhibit in <i>Kid Stuff Marketing, Inc. v. Creative Consumer Concepts, Inc. and Steak N Shake Operations, Inc.</i> , Case No. 2:15-cv-02620.

CERTIFICATION OF WORD COUNT

The undersigned certifies pursuant to 37 C.F.R. §42.24 that the foregoing *Petitioners' Reply to Patent Owner's Response*, excluding any table of contents, certificates of service or word count, or appendix of exhibits, contains 5,590 words according to the word-processing program used to prepare this document (Microsoft Word).

Dated: July 1, 2016

Respectfully submitted,

ERISE IP, P.A.

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ATTORNEYS FOR PETITIONERS

CERTIFICATE OF SERVICE ON PATENT OWNER
UNDER 37 C.F.R. § 42.6

Pursuant to 37 C.F.R. § 42.6(e), the undersigned certifies that on July 1, 2016 the foregoing *Petitioners' Reply to Patent Owner's Response* was served via electronic filing with the Board on the following counsel of record for Patent Owner:

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