

Graco Children's Products Inc., v. Kolcraft Enterprises, Inc.
IPR2016-00816, IPR2016-00826
PTAB, 10/03/2016
Opinion by APJ Barrett with APJs Cocks and Bisk.

The Patent Trial and Appeal Board ("Board"), in a consolidated decision (Paper No.8), for institution of *inter partes* review, found that there was a reasonable likelihood petitioner would prevail with respect to each claim of the two related, challenged, patents. The Board relied only on the petition and evidence offered by the petitioner, as the patent owner did not file the (optional) preliminary patent owner response.

The challenged patents were related because one was issued from a continuation of another application that led to the issuance of the other patent. The two related design patents described exposed legs for a play yard. The Board remarked that in both patents, the claimed features, depicted in solid lines in the drawings, showed "a play yard with what appears to be curved legs that bow outward" and a slight "outward flaring at the top of the legs." The verbal description of the two patents stated that "[t]here is no fabric covering the exposed legs." Petitioner offered that description encompassed "tightly-fitting fabric [covering]." The Board disagreed with that construction as unreasonably broad and determined that "no fabric" simply means "no fabric."

The Board set out the principles of law for anticipation and obviousness in a design patent. For anticipation, the Board, citing to Federal Circuit case law, described the ordinary observer test: "a design patent claim is unpatentable if, 'in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other.'" For obviousness, the Board, citing to additional Federal Circuit case law, described the obviousness analysis as involving two steps: "first, 'one must find a single reference, a something in existence, the design characteristics of which are basically the same as the claimed design'; second, 'once this primary reference is found, other references may be used to modify it to create a design that has the same overall visual appearance as the claimed design.'"

Next, the Board analyzed the eleven asserted grounds of unpatentability containing a combination of one or more of the six asserted prior art references. Three of the eleven asserted grounds were based on anticipation, the rest were based on obviousness. The Board noted that two of the six prior art references and one of the obviousness grounds were presented before Office during prosecution of the application that led to one of the challenged patents. The Board also noted the shared prosecution history of the two patents included these two prior art references and related grounds. Exercising its discretion under 35 U.S.C. § 325(d), the Board denied institution of review of these two grounds because the prior art and issues underlying these grounds were substantively considered during the prosecution of the two applications and because the petitioner did not provide persuasive reasoning or argument as to why the Board should revisit such prior art and issues. One such issue, whether a prior art reference disclosed a fabric covering the legs, was considered by both the examiner and the Board of Patent Appeals and Interferences, the Board's predecessor. Interestingly, the

Board's predecessor ruled in favor of the patent applicant by reversing the examiner on the issue of whether it would have been obvious to modify one reference in light of a second, by removing the fabric covering of the legs.

Next the Board analyzed two grounds involving a prior art reference describing a bassinet having curved legs that did not, however, describe a top flare, as the curved legs claimed by the challenged patents did. The Board denied institution of review of these two ground because the prior art reference did not teach the top flare and because petitioner did not identify the top flare as a "minor difference" or explain "why one would have found it obvious to perform any 'minor alterations' related to the top flare so as to arrive at the claimed design."

The Board did, however, find that petitioner did show a reasonable likelihood of establishing that the claims of the two challenged patents would have been obvious over a prior art design patent describing a playpen. To support its finding, the Board relied on petitioner's argument and expert declaration on side by side comparisons of the illustrative views of the designs of each of the challenged patents and the prior art patent.

Next, the Board analyzed three additional asserted grounds that relied, *inter alia*, on a reference describing a device that may be used as a play yard or bassinet. The petitioner described the prior art device as having a top flare on each of its four legs. The Board disagreed with petitioner's interpretation and found that the overall design of the prior art device lacked top flares on all of its four legs. The Board deemed moot petitioner's argument that it would have been obvious to remove any fabric from the legs of the prior art device (no fabric covering the exposed legs was a claim limitation in both challenged patents) in light of a secondary reference because even if petitioner made this showing, it did not sufficiently explain why it would have been obvious to add a top flare to the legs of the prior art device. Therefore, the Board found that petitioner failed to demonstrate a reasonable likelihood of success on these three grounds.

Finally, on the last two of the asserted grounds, the Board found that petitioner's grounds were based on "a flawed factual underpinning" of a prior art reference describing "a playard having corner panels to isolate the legs of the playard from the interior space of the playard." The Board disagreed with the petitioner's interpretation of the teaching of this reference and, citing to the verbal description of the reference, found that the reference did not teach leaving legs of a play yard uncovered nor would this reference render obvious the removal of fabric from the legs of another (primary) reference.

The Board concluded by instituting trial on one out of the eleven asserted grounds of unpatentability against the two related design patents.