

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TOLEDO & CO., INC.

Petitioner

v.

MASTER LOCK COMPANY LLC

Patent Owner

Case: To Be Assigned

Patent 7,516,843 B2

**PETITION FOR *INTER PARTES* REVIEW
OF U.S. PATENT NO. 7,516,843 B2**

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EXHIBIT LIST

Ex. 1001	U.S. Patent No. 7,516,843
Ex. 1002	Prosecution History of U.S. Patent No. 7,516,843
Ex. 1003	U.S. Patent No. 2,949,185 (Foote)
Ex. 1004	U.S. Patent Publication No. 2004/0178096 (Kao)
Ex. 1005	U.S. Patent No. 2,734,624 (Kernicki)
Ex. 1006	Declaration of Paul Singh
Ex. 1007	U.S. Patent No. 4,711,352 (Williams)
Ex. 1008	U.S. Patent No. 4,512,466 (Delang)
Ex. 1009	U.S. Patent No. 791,912 (Jackson)
Ex. 1010	U.S. Patent No. 3,497,059 (Watts Jr.)

I. INTRODUCTION

Pursuant to 35 U.S.C. § 311 and 37 C.F.R. § 42.100, Toledo & Co., Inc. (hereafter “Petitioner”) petitions for *inter partes* review of claims 1, 3-5, 12, and 15-16 of U.S. Pat. No. 7,516,843 B2 (hereafter “the 843 Patent,” Ex. 1001). Master Lock Company, LLC is hereafter referred to as Patent Owner because the 843 Patent is assigned to Master Lock Company, LLC based on USPTO records and Master Lock Company, LLC claims to be the owner by assignment of the entire interest in the 843 Patent in their complaint filed under Case No. 3:13-CV-01658 in the District of Puerto Rico. This Petition shows that there is a reasonable likelihood that Petitioner will prevail with respect to at least one of the claims 1, 3-5, 12, and 15-16. These claims are unpatentable under 35 U.S.C. §102 and §103. The Office is respectfully requested to institute a trial for *inter partes* review and to cancel claims 1, 3-5, 12, and 15-16.

II. MANDATORY NOTICES UNDER 37 C.F.R. § 42.8(B)

A. REAL PARTY IN INTEREST

Toledo & Co., Inc., a corporation existing under the laws of the Commonwealth of Puerto Rico with a principal place of business at Urb. Industrial Espinosa, Lote 3 Carr #2, Vega Alta, Puerto Rico 00646, is the real party in interest.

B. RELATED MATTERS

Patent Owner is asserting the 843 Patent and U.S. Patent No. 7,481,085 (hereafter the “085 Patent”), U.S. Patent No. 7,743,917 (hereafter the “917 Patent”), U.S. Patent No. 7,905,351 (hereafter the “351 Patent”), and U.S. Patent No. 8,166,783 (hereafter the “783 Patent”) against Petitioner in an on-going patent infringement lawsuit in MASTER LOCK COMPANY, LLC v. TOLEDO & CO., INC., 3:13-CV-01658 filed in the District of Puerto Rico on Aug. 28, 2013. In addition, Petitioner is pursuing a separate petition for *inter partes* review of the 085 Patent.

C. NOTICE OF COUNSEL AND SERVICE INFORMATION

Pursuant to 37 C.F.R. §§ 42.8(b)(3) and 42.10(a), Petitioner appoints Eugenio J. Torres-Oyola (Reg. No. 47,141) as lead counsel, and Victor M. Rodriguez-Reyes (Reg. No. 68,866), and Rafael Rodriguez-Muriel (Reg. No. 69,980) as backup counsel, all at the mailing address: Ferraiuoli LLC, PO Box 195168, San Juan, PR 00919-5168; contact numbers: 787-766-7000 (phone), 787-766-7001 (fax); and the following email for service and all communications:

patent@ferraiuoli.com.

Pursuant to 37 C.F.R. § 42.10(b), a Power of Attorney executed by Petitioner for appointing the above designated counsel is concurrently filed.

III. REQUIREMENTS FOR *INTER PARTES* REVIEW

This Petition complies with all requirements under 37 C.F.R. § 42.104.

A. GROUND FOR STANDING

Pursuant to 37 C.F.R. § 42.104(a), Petitioner hereby certifies that the 843 Patent is available for *inter partes* review and that Petitioner is not barred or estopped from requesting *inter partes* review challenging claims of the 843 Patent.

B. IDENTIFICATION OF CHALLENGE

Pursuant to 37 C.F.R. § 42.104(b), the precise relief requested is that the Patent Trial and Appeal Board cancel claims 1, 3-5, 12, and 15-16 of the 843 Patent.

1. Claims Challenged

Claims 1, 3-5, 12, and 15-16 of the 843 Patent are challenged in this Petition.

2. The Prior Art

The prior art references relied upon include U.S. Patent 2,949,185 (hereafter “Foote,” Ex. 1003), U.S. Patent Publication No. 2004/0178096 (hereafter “Kao,” Ex. 1004), and U.S. Patent No. 2,734,624 (hereafter “Kernicki,” Ex. 1005).

3. Statutory Ground(s) Of Challenge and Legal Principles

The review of the 843 Patent is governed by pre-AIA 35 U.S.C. §§ 102 and 103 that were in effect before Mar. 16, 2013. Further, 35 U.S.C. §§ 311 to 319 that took effect on Sep. 16, 2012 govern this *inter partes* review.

4. Claim Construction

The 843 Patent is an unexpired patent. In *inter partes* review, a claim in the 843 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).

5. How Claims Are Unpatentable Under Statutory Grounds Pursuant To 37 C.F.R. § 42.104(b)(2)

Claims 1, 3-5, 12, and 15-16 of the 843 Patent are unpatentable: (a) under 35 U.S.C. § 102 as anticipated by Foote, (b) under 35 U.S.C. § 103 as obvious over Foote in view of Kao, and (c) under 35 U.S.C. § 103 as obvious over Foote in view of Kernicki. Section VI provides a more detailed explanation of how claims 1, 3-5, 12, and 15-16 of the 843 Patent are unpatentable, including the identification of where each element of the claim is found in the prior art patents or printed publications.

IV. OVERVIEW OF THE 843 PATENT

A. PRIORITY DATE OF THE CLAIMS OF THE 843 PATENT

The 843 Patent Application¹ was filed on December 7, 2006 and claims priority from Provisional Application No. 60/749,324 filed December 7, 2005. Therefore, the priority date of the 843 Patent is December 7, 2005. The prior art references

¹ U.S. Patent Application No. 11/635,732.

relied upon by the Petitioner predate the December 7, 2005 priority date of the 843 Patent.

B. SUMMARY OF THE 843 PATENT

The 843 Patent describes a display package configured to securely retain one or more items for display. (Ex. 1001, 1:38-44). Its objective is to increase the areas of the item that may be touched or grasped by a user, and/or reduce the amount of packaging that must be cut, torn, or otherwise separated in order to access the packaged item. *Id.*

According to the specification, an inventive aspect of the 843 Patent is that a display package may be configured to securely attach an item having a loop portion to a hasp extending from a display card. (Ex. 1001, 1:44-52). Another concept disclosed in the 843 Patent is that the display package may also include a display card having a post extending from the front side of the display card. (Ex. 1001, 1:53-55). To attach a padlock to a display package, the shackle of the unlocked padlock is inserted through the hasp and positioned around the post. (Ex. 1001, 2:52-58). After the shackle is locked into engagement with the lock body, the display package limits clockwise and counterclockwise swinging movement of the padlock. *Id.*

The display package may be further configured to secure one or more accessories associated with the attached item, such as batteries, one or more fasteners, or one or more keys. (Ex. 1001, 4:33-44). In one embodiment, this is achieved by including a pocket in the display package capable of at least partially receiving and retaining the accessory. *Id.* The pocket may include a cavity extending from the front face of the card or it can include a slotted or hollow projection extending from the front face of the card. *Id.*

The 843 Patent further teaches that it is desirable to deter access to a padlock key as the padlock may easily be removed from the package by unlocking the padlock and withdrawing the shackle from the hasp. (Ex. 1001, 4:45-60). Different configurations may be used to deter access to the key such as a fastener that requires tools and/or effort to remove the key for use. *Id.*

Finally, the display package described in the 843 Patent may be configured to retain and display multiple items. (Ex. 1001, 4:6-5:2).

C. SUMMARY OF PROSECUTION FILE HISTORY

Before commencement of examination, the Patent Owner filed a preliminary amendment where the limitation regarding a padlock engaging feature configured to limit movement was added. (Ex. 1002, pp. 100-107). This limitation was not present in the original claims and or in the specification as-filed.

The original examination of the 843 Patent included two office actions. In a non-final office action mailed 06/11/2008, all but two of the claims were rejected as anticipated or obvious over the prior art. In particular, claims 1-2, 5-8, 10 and 24-25 were rejected as anticipated by U.S. Patent No. 4,711,352 (hereafter “Williams,” Ex. 1007), claims 1-2, 5-10, and 24-25 were rejected as anticipated by U.S. Patent No. 4,512,466 (hereafter “Delang,” Ex. 1008), and claims 3, 4, 9-18, 20, 21, 23, 26, and 27 were rejected as being unpatentable over one or more of Williams, Delang, U.S. Patent No. 781, 912 (hereafter “Jackson,” Ex. 1009), and U.S. Patent No. 3,497, 059 (hereafter “Watts Jr.,” Ex. 1010). (Ex. 1002, pp. 83-87).

The Patent Owner responded to the non-final office action by adding further limitations not present in the original claims and by cancelling a number of claims. The added limitations require: (1) a pocket for receiving a portion of an accessory, (2) a fastener for affixing the accessory to the pocket, (3) a padlock engaging feature spaced apart from the hasp, and (4) that the padlock engaging feature limits clockwise and counterclockwise swinging movement. (Ex. 1002, pp. 59-67).

After the final office action was issued, the Patent Owner further amended the claims to replace “front facing portion” with “front portion” and “rear facing” with “back.” (Ex. 1002, pp. 29). The Patent Owner then cancelled the remaining rejected claims. *Id.* Based solely on these amendments, the claims were put in condition for allowance and the 843 Patent issued.

D. PROPOSED CLAIM CONSTRUCTION

Petitioner proposes construction of claim terms below pursuant to the broadest reasonable interpretation (BRI) standard for *inter partes* review and to comply with 37 C.F.R. §§ 42.100(b) and 42.104(b)(3) and for the sole purpose of this Petition. Thus, the proposed BRI claim constructions do not necessarily reflect appropriate claim constructions to be used in litigation and other proceedings where a different claim construction standard applies.

Under the BRI standard, claims are given their broadest reasonable interpretation consistent with the specification, and reading in light of the specification as it would be interpreted by a person having ordinary skill in the art (“PHOSITA”). *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004).

V. THERE IS A REASONABLE LIKELIHOOD THAT AT LEAST ONE CLAIM OF THE 843 PATENT IS UNPATENTABLE

Claims 1, 3-5, 12, and 15-16 are unpatentable under 35 U.S.C. § 102 and § 103 for reciting elements that were well known prior to the December 7, 2005 priority date of the 843 Patent.

A. IDENTIFICATION OF THE REFERENCES AS PRIOR ART

As detailed below, the cited prior art reference is within the same specific technical field, and relates to the claimed subject matter, of the 843 Patent. The cited references were published more than one year prior to the Dec. 7, 2005 priority date of the 843 Patent and, therefore, are prior art under 35 U.S.C. § 102(b). The cited references cannot be sworn behind by a declaration under 37 C.F.R. §1.131.

Foote issued on August 16, 1960, and describes a padlock display card providing a padlock and a key receiving portion which securely holds and retains the engaged padlock and keys so that they are completely visible to a prospective buyer. (Ex. 1003, 1:28-35). Another object of Foote is to provide a foldable, one-piece display card which when set up is provided with a receiving base portion whereby the display card may be stood or be mounted on a peg, hook or other means for the upright display of the supported articles. (Ex. 1003, 1:56-61). The padlock display card also permits removal of the padlock and keys for inspection and testing by a prospective customer without damage to the card or unauthorized detachment of the padlock and keys. (Ex. 1003, 2:1-6). Foote further teaches that a mounted padlock is customarily supplied with a pair of keys mounted on a key ring. (Ex. 1003, 4:39-51). The key ring keeps the keys secure from undesired detachment while at least a portion of the ring is inserted into a pocket. *Id.*

Kao published on September 16, 2004, and describes a tool suspension device so a person can conveniently check the operation and condition pliers suspended on the tool suspension device. (Ex. 1004, Abstract). Kao teaches that by using hooks on the resilient arms included therein, the pliers are securely held on the front of the card. (Ex. 1004, ¶ 0022). Kao also teaches providing access for prospective buyers to check the pliers without removing them from the card. *Id.*

Kernicki issued on February 14, 1956, and describes a spare key holder adapted to hold a spare house key and a spare automobile key. (Ex. 1005, 16-33). The holder is of the same general dimensions as those of an identification card. *Id.* The card includes means for preventing undesired removal of the keys by including a projection molded or die-stamped in the card. (Ex. 1005, 1:57-2:9). The card is also adapted for engagement with the key ring hole of the keys in such a manner that when the keys are snapped into position on the card, the key ring holes of the keys engage with the projection in the card so as to prevent accidental displacement. *Id.*

B. SUMMARY OF INVALIDITY POSITIONS

Foote was issued on August 16, 1960, which predates the December 7, 2005 priority date of the 843 Patent by more than one year. Although the Foote reference was considered by the Patent Office in the original examination of the 843 Patent, it was not considered with respect to the arguments presented in this Petition.

Foote discloses each and every limitation recited in claims 1, 3-5, 12, and 15-16 as discussed in Section VI. Therefore, there is a reasonable likelihood that Petitioners will prevail in showing that the challenged claims are anticipated by Foote.

Kao was not before the Patent Office in the original examination of the 843 Patent. Kao was published on September 16, 2004, which predates the December 7, 2005 priority date of the 843 Patent by more than one year. Foote in view of Kao renders obvious every limitation recited in claims 1, 3-5, 12, and 15-16 as discussed in Section VI. Therefore, there is a reasonable likelihood that Petitioners will prevail in showing that Foote in view of Kao makes the 843 Patent obvious.

Kernicki was not before the Patent Office in the original examination of the 843 Patent. Kernicki was published on February 14, 1956, which predates the December 7, 2005 priority date of the 843 Patent by more than one year. Foote in view of Kernicki renders obvious every limitation recited in claims 1, 3-5, 12, and 15-16 as discussed in Section VI. Therefore, there is a reasonable likelihood that Petitioners will prevail in showing that Foote in view of Kernicki makes the 843 Patent obvious.

C. DIFFERENT INVALIDITY POSITIONS AGAINST EACH CLAIM ARE INDEPENDENT, DISTINCTIVE AND NOT REDUNDANT

This Petition uses three references to form three independent and distinct invalidity positions against claims 1, 3-5, 12, and 15-16 of the 843 Patent. The first position is that Foote anticipates claims 1, 3-5, 12, and 15-16 of the 843 Patent. The second position is that claims 1, 3-5, 12, and 15-16 of the 843 Patent are obvious over Foote in view of Kao. Finally, the third position is that claims 1, 3-5, 12, and 15-16 of the 843 Patent are obvious over Foote in view of Kernicki. These references are selected because of their distinctive teachings that cover different technical aspects of the 843 Patent.

Rule 35 C.F.R. § 42.1(b) requires just resolution of the unpatentability issues. Claims 1, 3-5, 12, and 15-16 of the 843 Patent fail to meet the statutory requirements based on different aspects of the prior art teachings. Petitioners respectfully submit that the need for just resolution of the unpatentability issues urges the full adoption of all proposed invalidity positions.

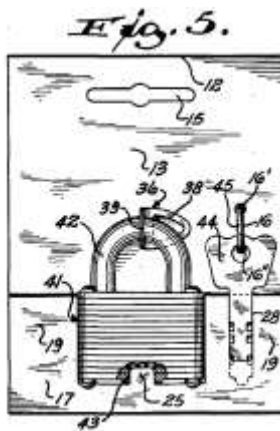
VI. DETAILED EXPLANATION OF GROUNDS FOR UNPATENTABILITY OF CLAIMS 1, 3-5, 12, AND 15-16

A. GROUND 1: FOOTE ANTICIPATES CLAIMS 1, 3-5, 12, AND 15-16 UNDER 35 U.S.C. § 102

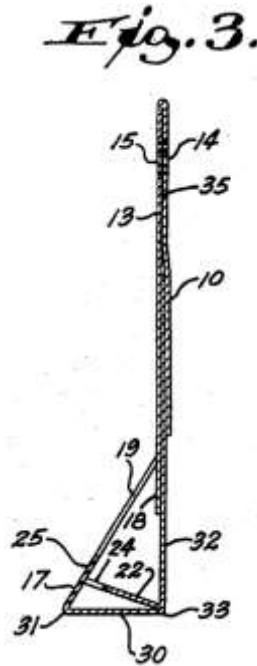
Foote discloses every element recited in claims 1, 3-5, 12, and 15-16 of the 843 Patent. (Ex. 1006, pp. 10-22).

Claim 1, Preamble: “In combination, a padlock and a padlock display package, the padlock having a shackle lockable with a lock body”

Foote describes a padlock and a padlock display package that allows the padlock to be visible to the prospective purchaser. (Ex. 1003, 1:16-35; Figs. 5 and 6). The padlock is mounted in the display package in such a way that it cannot move sideways (clockwise or counterclockwise) in a direction substantially parallel to the card. (Ex. 1003, 1:62-71). The shackle is referenced at 42.

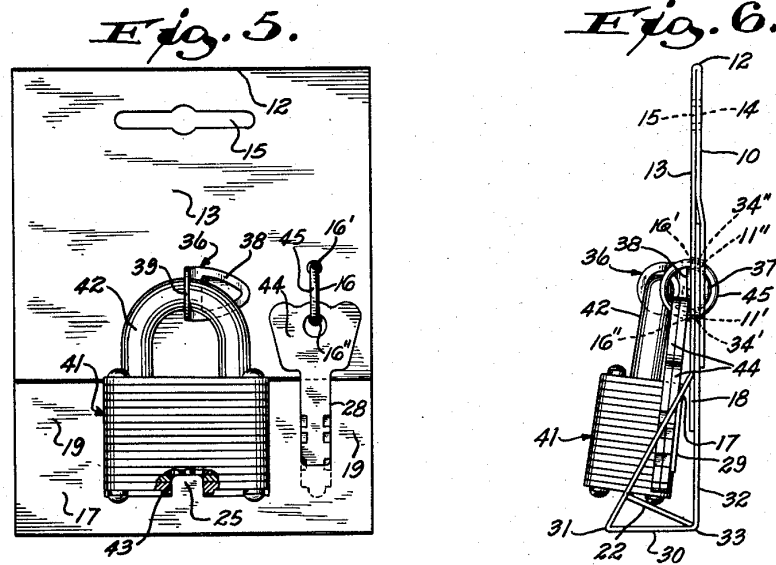


Claim 1, Element 1: “a card having a front side and a back side”



As shown in Figure 3 above, Foote’s patent includes a card having a front side and a back side. In particular, Foote discloses that the “front face of the card the pair of keys depend from the key ring and their shank portions are inserted into the U-shaped opening.” (Ex. 1003, 4:44-48; Fig. 3). Foote also discloses a “rear wall” (Ex. 1003, 3:31-40; Fig. 3) or “reverse side of the card.” (Ex. 1003, 3:75-4:4; Fig. 3).

Claim 1, Element 2: “a hasp extending from the front side of the card to define at least a portion of a slot wherein the padlock is secured to the display package when the locked shackle is positioned through the slot”



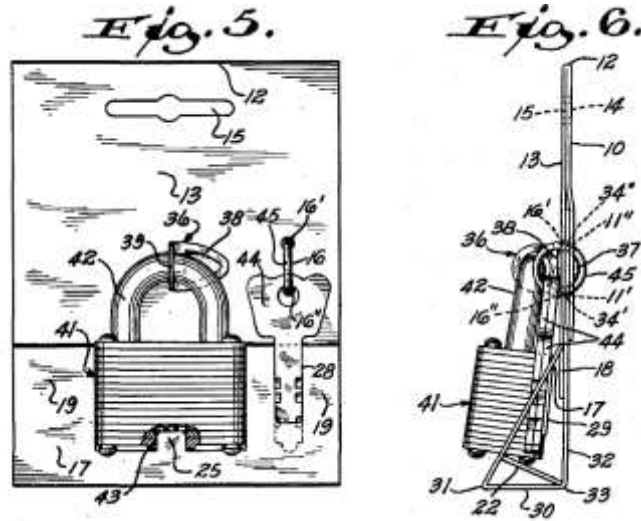
As shown in Figure 5 above, Foote discloses an opening extending from the front side of the card that secures the padlock from unauthorized removal by engaging the shackle. (Ex. 1003, 1:36-46; Figs. 5 and 6). In particular, Foote teaches that “[t]o mount on the display card a padlock 41, the upwardly projecting shackle 42 of the padlock has one leg released and the shackle is inserted through the opening 40 in the clip flange 39 and then the shackle is locked into the body of the padlock.” (Ex. 1003, 4:14-18). Foote claims this element as “an apertured flange projecting forwardly of the front face of the panel.” (Ex. 1003, 5:32-33).

Foote further teaches that “[a] more specific object of the invention is to provide a one-piece padlock display card [...] together with a metal bracket or clip which both engages the mounted padlock shackle and holds portions of the set up blank together.” (Ex. 1003, 1:62-71).

Claim 1, Element 3: “a padlock engaging feature spaced apart from the hasp and configured to limit clockwise and counterclockwise swinging movement of the padlock with respect to the package in a direction substantially parallel to the card”

Foote discloses a padlock engaging feature that limit clockwise and counterclockwise swinging movement of the padlock with respect to the package in a direction substantially parallel to the card. As shown in Figures 3, 4, 5, and 6, the front face of the card is composed of front panel 13 and the mounting section 17 folded angularly from the plane adjacent to front panel 13. (Ex. 1003, 3:6-9). The lower part of the card composed by the mounting section is also described as the triangular base. (Ex. 1003, 1:36-46). Mounting section 17 comprises side strap portions 19 that make up part of the lower portion of the front side of the card.

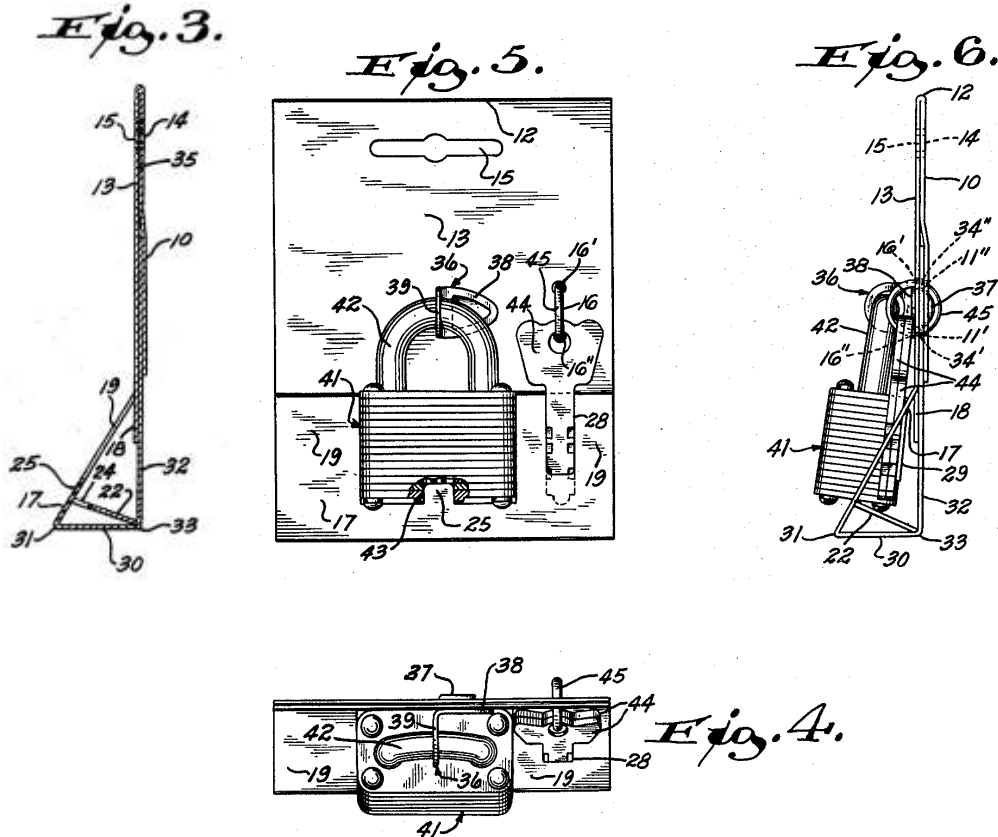
As shown in Figures 5 and 6, once the triangular base is set up and the padlock placed therein, the side straps 19 impede clockwise and counter-clockwise swinging movement of the padlock.



Foote claims this element as an “inclined pocket wall” for the padlock. (Ex. 1003, 6:6-7). Similarly, in claim 1 Foote also claims the same element as “a shackle-equipped padlock having its body portion removably seated in said large opening.” (Ex. 1003, 6:1-3).

This is consistent with a goal identified by Foote, namely providing a card with a triangular base to support and display articles and prevent their undesired movement. (Ex. 1003, 1:62-71).

Claim 3: “The combination of claim 1, wherein the card further comprises a pocket for receiving a key configured to unlock the padlock.”



As shown in Figures 3, 4, 5, and 6, the front face of the card is composed of front panel 13 and the mounting section 17 folded angularly from the plane adjacent to front panel 13. (Ex. 1003, 3:6-9). The lower part of the card composed by the mounting section is also described as the triangular base. (Ex. 1003, 1:36-46). Mounting section 17 comprises side strap portions 19 that make up part of the lower portion of the front side of the card. As shown in Figures 3 and 6, once the triangular base is set up, the side straps 19 form an empty space

within the base. The display card includes a U-shaped opening 28 in one of the side straps 19 that provides access to the empty space inside the base. (Ex. 1003, 3:27-30). As shown in Figures 4, 5, and 6, Foote discloses that the U-shaped opening 28 is a pocket for receiving a key configured to unlock the padlock.

For instance, Foote teaches that: “On the front face of the card the pair of keys depend from the key ring and their shank portions are inserted into the U-shaped opening 28 in the padlock mounting section 17 to one side of the padlock body opening.” (Ex. 1003, 4:39-48). Foote further teaches that: “It will thus appear that when a padlock display card is completely set up, as in Fig. 3, and has mounted thereon a padlock and a pair of companion keys, the key ring and keys are firmly attached to the card against undesired removal, but by pulling the key ring out of the engaging slots therefore, the keys are available for use with the displayed padlock, if it is to be tested.” (Ex. 1003, 4:52-64).

Claim 4: “The combination of claim 3, further comprising a fastener for affixing the key to the pocket.”

As shown in Figures 4, 5, and 6, Foote teaches a fastener for affixing the key to the pocket. For example, Foote teaches that the keys are mounted on a key ring and then inserted on a U-shaped opening in the padlock section. In

particular, Foote teaches “[a] mounted padlock to be sold is customarily supplied with a pair of keys '44 mounted on a key ring 45.” The key ring is positioned in coinciding key ring slots 11, 16 and 34 in the wall sections 10, 13 and 32. Enlarged end portions of the slots accommodate the key ring. The keys hang from the key ring 45, with their shank portions inserted into the U-shaped opening 28. (Ex. 1003, 4:52-64). Thus, the key ring defines a fastener for affixing the key to the pocket since the keys would not be retained in the pocket with the key ring.

Claim 5: “The combination of claim 3, wherein the pocket comprises a cavity extending from the front side of the card.”

As shown in Figures 3, 4, 5, and 6, the front face of the card is composed of front panel 13 and the mounting section 17 folded angularly from the plane adjacent to front panel 13. (Ex. 1003, 3:6-9). The lower part of the card composed by the mounting section is also described as the triangular base. (Ex. 1003, 1:36-46). Mounting section 17 comprises side strap portions 19 that make up part of the lower portion of the front side of the card. As shown in Figures 3 and 6, once the triangular base is set up, the side straps 19 form an empty space within the base.

In one of the strap portions 19 there is a key supporting tongue 29, formed by means of a U-shaped line of severance 28, which may be deflected inwardly from the plane of its strap 19. Because the supporting tongue 29 is in the same plane of side strap 19, it is part of the front side of the card. Foote teaches that supporting tongue 29 is deflected inwardly from the margins of the opening 28 and the shanks of the keys may rest against the tongue 29, as shown in Figure 6. When the supporting tongue 29 is deflected inwardly to receive the keys, it creates a pocket that comprises a cavity extending away from the front side of the card. As shown in Figure 6, the cavity to fit the keys extends from tongue 29; therefore, the cavity extends from the side of the card.

Claim 12, Preamble: “A method for displaying a padlock having a shackle lockable with a lock body”

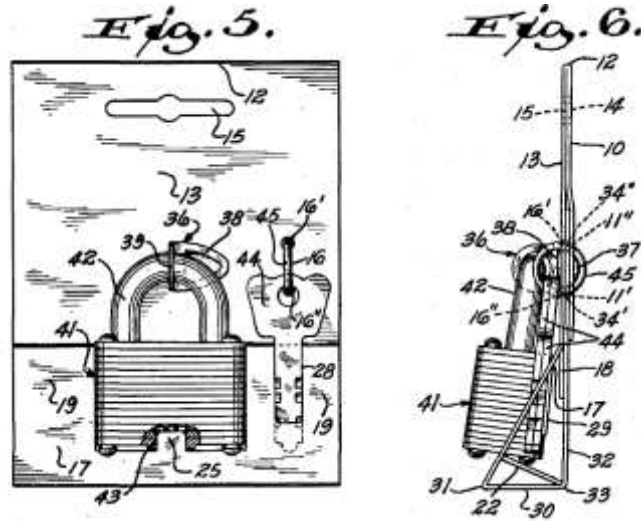
Foote describes a padlock and a padlock display package that allows the padlock to be visible to the prospective purchaser. (Ex. 1003, 1:16-35). The padlock is mounted in the display package in such a way that it cannot move sideways (clockwise or counterclockwise) in a direction substantially parallel to the card. (Ex. 1003, 1:62-71; Figs. 5 and 6). The shackle is referenced at 42.

clip which both engages the mounted padlock shackle and holds portions of the set up blank together.” (Ex. 1003, 1:62-71).

Claim 12, Element 2: “positioning the shackle of the padlock through the slot such that the padlock engaging feature further limits clockwise and counterclockwise swinging movement of the padlock with respect to the package beyond an amount limited by the hasp in a direction substantially parallel to the card.”

Foote discloses a padlock engaging feature that limit clockwise and counterclockwise swinging movement of the padlock with respect to the package in a direction substantially parallel to the card. As shown in Figures 3, 4, 5, and 6, the front face of the card is composed of front panel 13 and the mounting section 17 folded angularly from the plane adjacent to front panel 13. (Ex. 1003, 3:6-9). The lower part of the card composed by the mounting section is also described as the triangular base. (Ex. 1003, 1:36-46). Mounting section 17 comprises side strap portions 19 that make up part of the lower portion of the front side of the card.

As shown in Figures 5 and 6, once the triangular base is set up and the padlock placed therein, the side straps 19 impede clockwise and counter-clockwise swinging movement of the padlock.



Foote claims this element as an “inclined pocket wall” for the padlock. (Ex. 1003, 6:6-7). Similarly, in claim 1 Foote also claims the same element as “a shackle-equipped padlock having its body portion removably seated in said large opening.” (Ex. 1003, 6:1-3).

This is consistent with a goal identified by Foote, namely providing a card with a triangular base to support and display articles and prevent their undesired movement. (Ex. 1003, 1:62-71).

Claim 15: “The method of claim 12, further comprising securing a key to the card such that the key is at least partially received in a pocket in the card.”

As shown in Figures 3, 5 and 6, once the triangular base is set up, the side straps 19 form an empty space within the base. The display card includes a U-shaped opening 28 in one of the side straps 19 that provides access to the empty space inside the base. (Ex. 1003, 3:27-30). As shown in Figures 4, 5, and 6, Foote discloses that the U-shaped opening 28 is a cavity extending from the front side of the card. As discussed with respect to Claim 3, the U-shaped opening is a pocket for receiving a key configured to unlock the padlock.

For instance, Foote teaches that: “On the front face of the card the pair of keys depend from the key ring and their shank portions are inserted into the U-shaped opening 28 in the padlock mounting section 17 to one side of the padlock body opening.” (Ex. 1003, 4:39-48). Foote further teaches that: “It will thus appear that when a padlock display card is completely set up, as in Fig. 3, and has mounted thereon a padlock and a pair of companion keys, the key ring and keys are firmly attached to the card against undesired removal, but by pulling the key ring out of the engaging slots therefore, the keys are available for use with the displayed padlock, if it is to be tested.” (Ex. 1003, 4:52-64).

Claim 16: “The method of claim 12, wherein positioning the shackle of the padlock through the slot comprises inserting an end of the shackle of the padlock through the slot and locking the shackle into engagement with the lock body.”

Foote discloses an opening extending from the front side of the card that secures the padlock from unauthorized removal by engaging the shackle. (Ex. 1003, 1:36-46). In particular, Foote teaches that “[t]o mount on the display card a padlock 41, the upwardly projecting shackle 42 of the padlock has one leg released and the shackle is inserted through the opening 40 in the clip flange 39 and then the shackle is locked into the body of the padlock.” (Ex. 1003, 4:14-18).

Foote further teaches that “[a] more specific object of the invention is to provide a one-piece padlock display card [...] together with a metal bracket or clip which both engages the mounted padlock shackle and holds portions of the set up blank together.” (Ex. 1003, 1:62-71).

B. GROUND 2: CLAIMS 1, 3-5, 12, AND 15-16 ARE OBVIOUS UNDER 35 U.S.C. § 103 OVER FOOTE IN VIEW OF KAO

The combination of Foote and Kao teaches or suggests all the limitations of claims 1, 3-5, 12, and 15-16 and renders the claims obvious and unpatentable. (Ex. 1006, pp. 22-27). A person having ordinary skill in the art (hereafter the “PHOSITA”) would have been motivated, or would have found it obvious, to combine Foote and Kao since both are in the same technical field and include similar components related to retail display of tools. *Id.* Further, the claims

recite combinations of known elements, performing in known ways, and producing predictable results.

Specifically, to the extent that the Patent Owner contends that Foote does not disclose the “a padlock engaging feature spaced apart from the hasp and configured to limit clockwise and counterclockwise swinging movement of the padlock with respect to the package in a direction substantially parallel to the card,” as recited in claim 1, and “positioning the shackle of the padlock through the slot such that the padlock engaging feature further limits clockwise and counterclockwise swinging movement of the padlock with respect to the package beyond an amount limited by the hasp in a direction substantially parallel to the card,” as recited in claim 12, it would have obvious to the PHOSITA to add the handle stop (i.e., padlock engaging feature) taught by Kao to the Foote display card since such an addition would protect the padlock from undesired movement as taught by Foote. *Id.* Here, the combination of familiar elements according to known methods is obvious since it does no more than yield predictable results. *Id.*

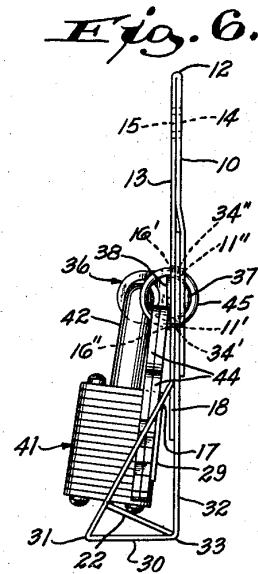
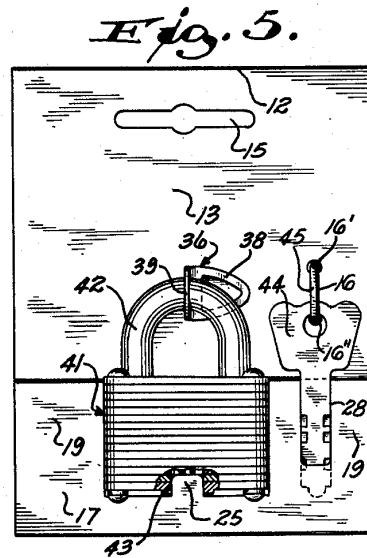
Claim 1, Preamble: “In combination, a padlock and a padlock display package, the padlock having a shackle lockable with a lock body.”

Foote describes a padlock and a padlock display package that allows the padlock to be visible to the prospective purchaser. (Ex. 1003, 1:16-35; Figs. 5 and 6). The padlock is mounted in the display package in such a way that it cannot move sideways (clockwise or counterclockwise) in a direction substantially parallel to the card. (Ex. 1003, 1:62-71). The shackle is referenced at 42.

Claim 1, Element 1: “a card having a front side and a back side

As shown in all of the drawing figures, Foote discloses a card having a front side and a back side. In particular, Foote discloses that the “front face of the card the pair of keys depend from the key ring and their shank portions are inserted into the U-shaped opening.” (Ex. 1003, 4:44-48; Fig. 3). Foote also discloses a “rear wall” (Ex. 1003, 3:31-40; Fig. 3) or “reverse side of the card.” (Ex. 1003, 3:75-4:4; Fig. 3).

Claim 1, Element 2: “a hasp extending from the front side of the card to define at least a portion of a slot wherein the padlock is secured to the display package when the locked shackle is positioned through the slot”



As shown in Figure 5 above, Foote discloses an opening extending from the front side of the card that secures the padlock from unauthorized removal by engaging the shackle. (Ex. 1003, 1:36-46; Figs. 5 and 6). In particular, Foote teaches that “[t]o mount on the display card a padlock 41, the upwardly projecting shackle 42 of the padlock has one leg released and the shackle is inserted through the opening 40 in the clip flange 39 and then the shackle is locked into the body of the padlock.” (Ex. 1003, 4:14-18). Foote claims this element as “an apertured flange projecting forwardly of the front face of the panel.” (Ex. 1003, 5:32-33).

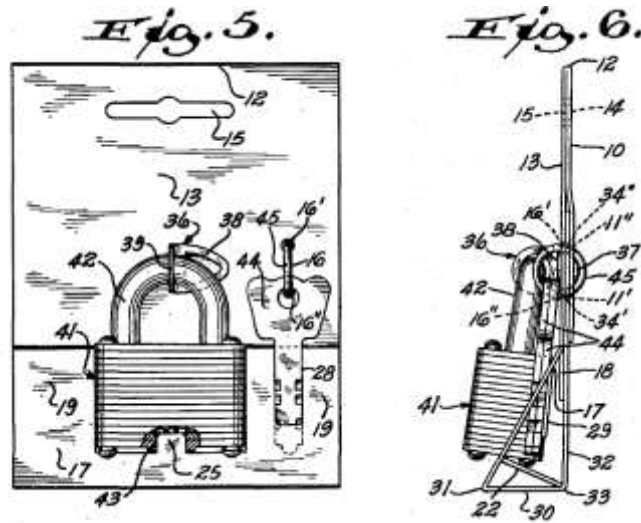
Footnote further teaches that “[a] more specific object of the invention is to provide a one-piece padlock display card [...] together with a metal bracket or

clip which both engages the mounted padlock shackle and holds portions of the set up blank together.” (Ex. 1003, 1:62-71).

Claim 1, Element 3: “a padlock engaging feature spaced apart from the hasp and configured to limit clockwise and counterclockwise swinging movement of the padlock with respect to the package in a direction substantially parallel to the card”

Foote discloses a padlock engaging feature that limit clockwise and counterclockwise swinging movement of the padlock with respect to the package in a direction substantially parallel to the card. As shown in Figures 3, 4, 5, and 6, the front face of the card is composed of front panel 13 and the mounting section 17 folded angularly from the plane adjacent to front panel 13. (Ex. 1003, 3:6-9). The lower part of the card composed by the mounting section is also described as the triangular base. (Ex. 1003, 1:36-46). Mounting section 17 comprises side strap portions 19 that make up part of the lower portion of the front side of the card.

As shown in Figures 5 and 6, once the triangular base is set up and the padlock placed therein, the side straps 19 impede clockwise and counter-clockwise swinging movement of the padlock.

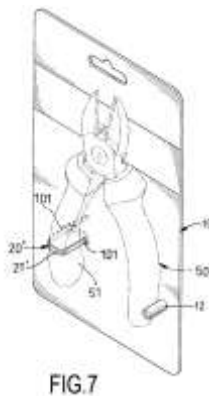


Foote claims this element as an “inclined pocket wall” for the padlock. (Ex. 1003, 6:6-7). Similarly, in claim 1 Foote also claims the same element as “a shackle-equipped padlock having its body portion removably seated in said large opening.” (Ex. 1003, 6:1-3).

This is consistent with a goal identified by Foote, namely providing a card with a triangular base to support and display articles and prevent their undesired movement. (Ex. 1003, 1:62-71).

To the extent that Foote does not disclose this limitation, Foote in view of Kao makes this limitation obvious. For instance, Kao teaches that “[t]he main

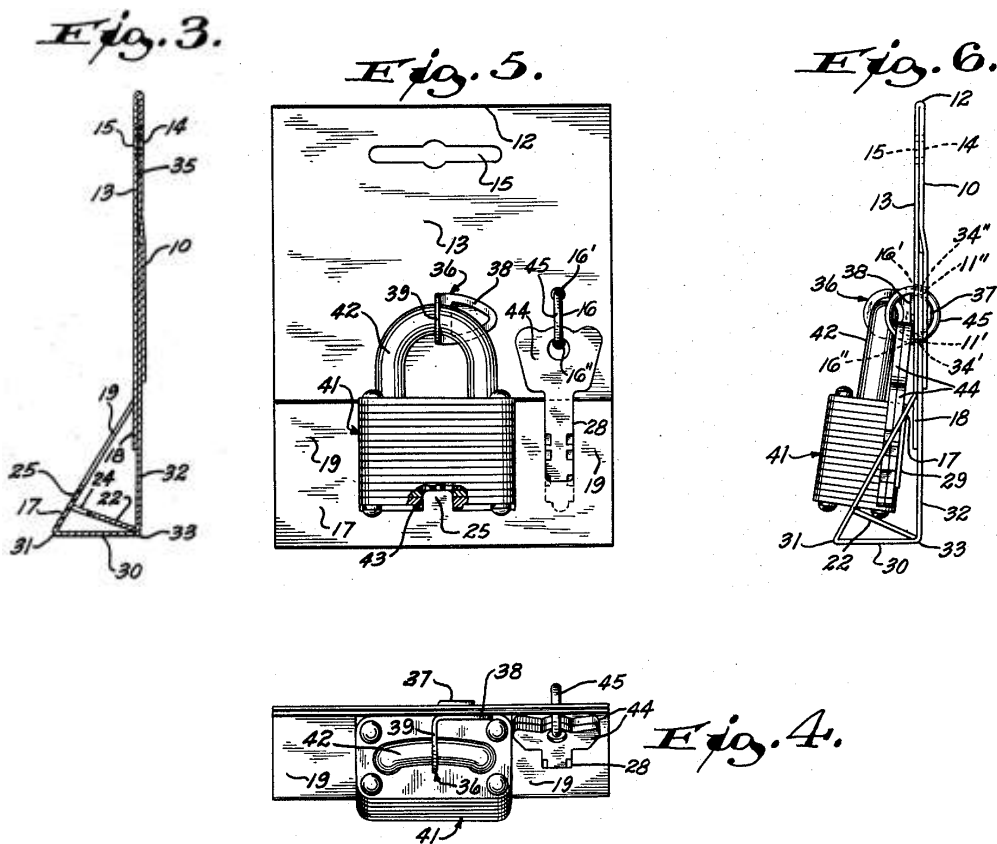
objective of the invention is to provide a tool suspension device for pliers so a person can conveniently check the operation and condition of pliers suspended on the tool suspension device.” (Ex. 1004, ¶ 0008). Kao also teaches that “[t]he holding assembly (20) is mounted in the front near the left side of the suspension board (10) corresponding to the handle stop (12) and cooperates with the handle stop (12) to hold a pair of the pliers (50) on the front of the suspension board (10).” (Ex. 1004, ¶ 0021). Kao further teaches that “[o]ne of the handles (51) of the pliers (50) is mounted through and tightly held in the receiving hole (212) of the bracket (21), and the other handle (51) of the pliers (50) abuts the handle stop (12). Pliers (50) are held securely on the suspension board.” (Ex. 1004, ¶ 0022).



It would have been obvious for a person having an ordinary skill in the art to combine the teachings of Foote and Kao to provide a feature apart from the hasp, such as the handle stop disclosed by Kao, to secure the padlock on the

display card to limit clockwise and counterclockwise movement in a direction substantially parallel to the card. (Ex. 1006, pp. 22-25). The combination of Foote and Kao yields no more than predictable results. *Id.*

Claim 3: “The combination of claim 1, wherein the card further comprises a pocket for receiving a key configured to unlock the padlock.”



As shown in Figures 3, 4, 5, and 6, the front face of the card is composed of front panel 13 and the mounting section 17 folded angularly from the plane adjacent to front panel 13. (Ex. 1003, 3:6-9). The lower part of the card composed by the mounting section is also described as the triangular base. (Ex.

1003, 1:36-46). Mounting section 17 comprises side strap portions 19 that make up part of the lower portion of the front side of the card. As shown in Figures 3 and 6, once the triangular base is set up, the side straps 19 form an empty space within the base. The display card includes a U-shaped opening 28 in one of the side straps 19 that provides access to the empty space inside the base. (Ex. 1003, 3:27-30). As shown in Figures 4, 5, and 6, Foote discloses that the U-shaped opening 28 is a pocket for receiving a key configured to unlock the padlock.

For instance, Foote teaches that: “On the front face of the card the pair of keys depend from the key ring and their shank portions are inserted into the U-shaped opening 28 in the padlock mounting section 17 to one side of the padlock body opening.” (Ex. 1003, 4:39-48). Foote further teaches that: “It will thus appear that when a padlock display card is completely set up, as in Fig. 3, and has mounted thereon a padlock and a pair of companion keys, the key ring and keys are firmly attached to the card against undesired removal, but by pulling the key ring out of the engaging slots therefore, the keys are available for use with the displayed padlock, if it is to be tested.” (Ex. 1003, 4:52-64).

Claim 4: “The combination of claim 3, further comprising a fastener for affixing the key to the pocket.”

As shown in Figures 4, 5, and 6, Foote teaches a fastener for affixing the key to the pocket. For example, Foote teaches that the keys are mounted on a key ring and then inserted on a U-shaped opening in the padlock section. In particular, Foote teaches “[a] mounted padlock to be sold is customarily supplied with a pair of keys '44 mounted on a key ring 45.” The key ring is positioned in coinciding key ring slots 11, 16 and 34 in the wall sections 10, 13 and 32. Enlarged end portions of the slots accommodate the key ring. The keys hang from the key ring 45, with their shank portions inserted into the U-shaped opening 28. (Ex. 1003, 4:52-64). Thus, the key ring defines a fastener for affixing the key to the pocket since the keys would not be retained in the pocket with the key ring.

Claim 5: “The combination of claim 3, wherein the pocket comprises a cavity extending from the front side of the card.”

As shown in Figures 3, 4, 5, and 6, the front face of the card is composed of front panel 13 and the mounting section 17 folded angularly from the plane adjacent to front panel 13. (Ex. 1003, 3:6-9). The lower part of the card composed by the mounting section is also described as the triangular base. (Ex.

1003, 1:36-46). Mounting section 17 comprises side strap portions 19 that make up part of the lower portion of the front side of the card. As shown in Figures 3 and 6, once the triangular base is set up, the side straps 19 form an empty space within the base.

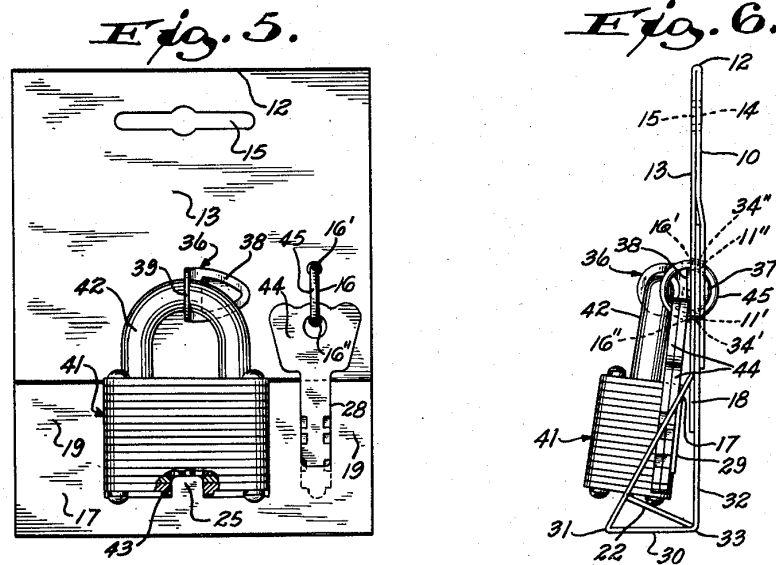
In one of the strap portions 19 there is a key supporting tongue 29, formed by means of a U-shaped line of severance 28, which may be deflected inwardly from the plane of its strap 19. Because the supporting tongue 29 is in the same plane of side strap 19, it is part of the front side of the card. Foote teaches that supporting tongue 29 is deflected inwardly from the margins of the opening 28 and the shanks of the keys may rest against the tongue 29, as shown in Figure 6. When the supporting tongue 29 is deflected inwardly to receive the keys, it creates a pocket that comprises a cavity extending away from the front side of the card. As shown in Figure 6, the cavity to fit the keys extends from tongue 29; therefore, the cavity extends from the side of the card.

Claim 12, Preamble: “A method for displaying a padlock having a shackle lockable with a lock body”

Foote describes a padlock and a padlock display package that allows the padlock to be visible to the prospective purchaser. (Ex. 1003, 1:16-35). The padlock is mounted in the display package in such a way that it cannot move

sideways (clockwise or counterclockwise) in a direction substantially parallel to the card. (Ex. 1003, 1:62-71; Figs. 5 and 6).

Claim 12, Element 1: “providing a display package having a card with a hasp extending from a front side of the card to define at least a portion of a slot and a padlock engaging feature spaced apart from the hasp”



As shown in Figure 5 above, Foote discloses an opening extending from the front side of the card that secures the padlock from unauthorized removal by engaging the shackle. (Ex. 1003, 1:36-46; Figs. 5 and 6). In particular, Foote teaches that “[t]o mount on the display card a padlock 41, the upwardly projecting shackle 42 of the padlock has one leg released and the shackle is inserted through the opening 40 in the clip flange 39 and then the shackle is locked into the body of the padlock.” (Ex. 1003, 4:14-18).

Foote further teaches that “[a] more specific object of the invention is to provide a one-piece padlock display card [...] together with a metal bracket or clip which both engages the mounted padlock shackle and holds portions of the set up blank together.” (Ex. 1003, 1:62-71).

To the extent that Foote does not disclose “a padlock engaging feature spaced apart from the hasp,” Foote in view of Kao makes this limitation obvious. For instance, Kao teaches that “[t]he main objective of the invention is to provide a tool suspension device for pliers so a person can conveniently check the operation and condition of pliers suspended on the tool suspension device.” (Ex. 1004, ¶ 0008). Kao also teaches that “[t]he holding assembly (20) is mounted in the front near the left side of the suspension board (10) corresponding to the handle stop (12) and cooperates with the handle stop (12) to hold a pair of the pliers (50) on the front of the suspension board (10).” (Ex. 1004, ¶ 0021). Kao further teaches that “[o]ne of the handles (51) of the pliers (50) is mounted through and tightly held in the receiving hole (212) of the bracket (21), and the other handle (51) of the pliers (50) abuts the handle stop (12). Pliers (50) are held securely on the suspension board.” (Ex. 1004, ¶ 0022).

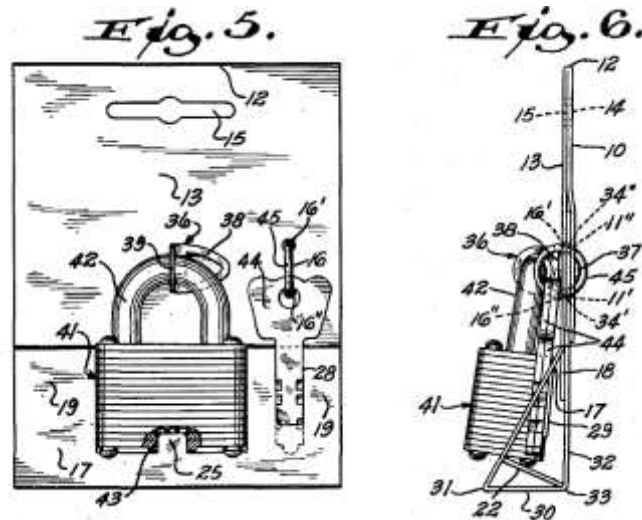
It would have been obvious for a person having an ordinary skill in the art to combine the teachings of Foote and Kao to provide a feature apart from the hasp, such as the handle stop disclosed by Kao, to secure the padlock on the

display card to limit clockwise and counterclockwise movement in a direction substantially parallel to the card. (Ex. 1006, pp. 22-25). The combination of Foote and Kao yields no more than predictable results. *Id.*

Claim 12, Element 2: “positioning the shackle of the padlock through the slot such that the padlock engaging feature further limits clockwise and counterclockwise swinging movement of the padlock with respect to the package beyond an amount limited by the hasp in a direction substantially parallel to the card.”

Foote discloses a padlock engaging feature that limit clockwise and counterclockwise swinging movement of the padlock with respect to the package in a direction substantially parallel to the card. As shown in Figures 3, 4, 5, and 6, the front face of the card is composed of front panel 13 and the mounting section 17 folded angularly from the plane adjacent to front panel 13. (Ex. 1003, 3:6-9). The lower part of the card composed by the mounting section is also described as the triangular base. (Ex. 1003, 1:36-46). Mounting section 17 comprises side strap portions 19 that make up part of the lower portion of the front side of the card.

As shown in Figures 5 and 6, once the triangular base is set up and the padlock placed therein, the side straps 19 impede clockwise and counter-clockwise swinging movement of the padlock.



Foote claims this element as an “inclined pocket wall” for the padlock. (Ex. 1003, 6:6-7). Similarly, in claim 1 Foote also claims the same element as “a shackle-equipped padlock having its body portion removably seated in said large opening.” (Ex. 1003, 6:1-3).

This is consistent with a goal identified by Foote, namely providing a card with a triangular base to support and display articles and prevent their undesired movement. (Ex. 1003, 1:62-71).

To the extent that Foote does not disclose this limitation, Foote in view of Kao makes this limitation obvious. For instance, Kao teaches that “[t]he main

objective of the invention is to provide a tool suspension device for pliers so a person can conveniently check the operation and condition of pliers suspended on the tool suspension device.” (Ex. 1004, ¶ 0008). Kao also teaches that “[t]he holding assembly (20) is mounted in the front near the left side of the suspension board (10) corresponding to the handle stop (12) and cooperates with the handle stop (12) to hold a pair of the pliers (50) on the front of the suspension board (10).” (Ex. 1004, ¶ 0021). Kao further teaches that “[o]ne of the handles (51) of the pliers (50) is mounted through and tightly held in the receiving hole (212) of the bracket (21), and the other handle (51) of the pliers (50) abuts the handle stop (12). Pliers (50) are held securely on the suspension board.” (Ex. 1004, ¶ 0022).

It would have been obvious for a person having an ordinary skill in the art to combine the teachings of Foote and Kao to provide a feature apart from the hasp, such as the handle stop disclosed by Kao, to secure the padlock on the display card to limit clockwise and counterclockwise movement in a direction substantially parallel to the card. (Ex. 1006, pp. 22-25). The combination of Foote and Kao yields no more than predictable results. *Id.*

Claim 15: “The method of claim 12, further comprising securing a key to the card such that the key is at least partially received in a pocket in the card.”

As shown in Figures 3, 5 and 6, once the triangular base is set up, the side straps 19 form an empty space within the base. The display card includes a U-shaped opening 28 in one of the side straps 19 that provides access to the empty space inside the base. (Ex. 1003, 3:27-30). As shown in Figures 4, 5, and 6, Foote discloses that the U-shaped opening 28 is a cavity extending from the front side of the card. As discussed with respect to Claim 3, the U-shaped opening is a pocket for receiving a key configured to unlock the padlock.

For instance, Foote teaches that: “On the front face of the card the pair of keys depend from the key ring and their shank portions are inserted into the U-shaped opening 28 in the padlock mounting section 17 to one side of the padlock body opening.” (Ex. 1003, 4:39-48). Foote further teaches that: “It will thus appear that when a padlock display card is completely set up, as in Fig. 3, and has mounted thereon a padlock and a pair of companion keys, the key ring and keys are firmly attached to the card against undesired removal, but by pulling the key ring out of the engaging slots therefore, the keys are available for use with the displayed padlock, if it is to be tested.” (Ex. 1003, 4:52-64).

Claim 16: “The method of claim 12, wherein positioning the shackle of the padlock through the slot comprises inserting an end of the shackle of the padlock through the slot and locking the shackle into engagement with the lock body.”

Foote discloses an opening extending from the front side of the card that secures the padlock from unauthorized removal by engaging the shackle. (Ex. 1003, 1:36-46). In particular, Foote teaches that “[t]o mount on the display card a padlock 41, the upwardly projecting shackle 42 of the padlock has one leg released and the shackle is inserted through the opening 40 in the clip flange 39 and then the shackle is locked into the body of the padlock.” (Ex. 1003, 4:14-18).

Foote further teaches that “[a] more specific object of the invention is to provide a one-piece padlock display card [...] together with a metal bracket or clip which both engages the mounted padlock shackle and holds portions of the set up blank together.” (Ex. 1003, 1:62-71).

C. GROUND 3: CLAIMS 1, 3-5, 12, AND 15-16 ARE OBVIOUS UNDER 35 U.S.C. § 103 OVER FOOTE IN VIEW OF KERNICKI

The combination of Foote and Kernicki teaches or suggests all the limitations of claims 1, 3-5, 12, and 15-16 and renders the claims obvious and unpatentable. (Ex. 1006, pp. 27-32). The PHOSITA would have been motivated, or would have found it obvious, to combine Foote and Kernicki since both are in the same technical field and include similar components related to securely holding a set of keys to prevent undesired movement. *Id.*

Further, the claims recite combinations of known elements, performing in known ways, and producing predictable results.

Specifically, to the extent it is shown that Foote does not disclose the “a pocket for receiving a key configured to unlock the padlock,” as recited in claim 3, “a cavity extending from the front side of the card,” as recited in claim 5, and “securing a key to the card such that the key is at least partially received in a pocket in the card,” as recited in claim 15, it would have obvious to the PHOSITA to add the slits (i.e., pocket for receiving a key) taught by Kernicki to the Foote display card since such an addition would allow including an accessory, such as the keys to the padlock, and would deter access to the keys while also preventing undesired movement thereof as taught by Foote. *Id.* The addition of the slits taught by Kernicki would create an opening capable of receiving an accessory, such as a padlock key, to the display card and would further create a cavity extending from the front side of the card. Here, the combination of familiar elements according to known methods is obvious since it does no more than yield predictable results. *Id.*

Likewise, to the extent that it is shown that Foote does not disclose the “a fastener for affixing the key to the pocket,” as recited in claim 4, and that “a cavity extending from the front side of the card,” as recited in claim 12, it would have obvious to the PHOSITA to add the slits (i.e., pocket for receiving a

key) taught by Kernicki to the Foote display card since such an addition would allow including an accessory, such as the keys to the padlock, and would deter access to the keys while also preventing undesired movement thereof as taught by Foote. *Id.* Again, the combination of familiar elements according to known methods is obvious since it does no more than yield predictable results. *Id.*

Claim 1, Preamble: “In combination, a padlock and a padlock display package, the padlock having a shackle lockable with a lock body.”

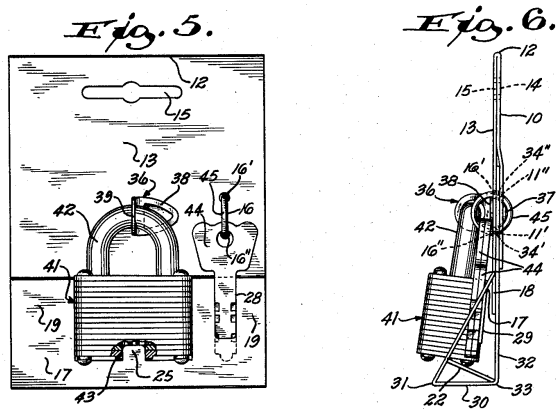
Foote describes a padlock and a padlock display package that allows the padlock to be visible to the prospective purchaser. (Ex. 1003, 1:16-35; Figs. 5 and 6). The padlock is mounted in the display package in such a way that it cannot move sideways (clockwise or counterclockwise) in a direction substantially parallel to the card. (Ex. 1003, 1:62-71). The shackle is referenced at 42.

Claim 1, Element 1: “a card having a front side and a back side”

As shown in all of the drawing figures, Foote discloses a card having a front side and a back side. In particular, Foote discloses that the “front face of the card the pair of keys depend from the key ring and their shank portions are inserted into the U-shaped opening.” (Ex. 1003, 4:44-48; Fig. 3). Foote also

discloses a “rear wall” (Ex. 1003, 3:31-40; Fig. 3) or “reverse side of the card.” (Ex. 1003, 3:75-4:4; Fig. 3).

Claim 1, Element 2: “a hasp extending from the front side of the card to define at least a portion of a slot wherein the padlock is secured to the display package when the locked shackle is positioned through the slot”



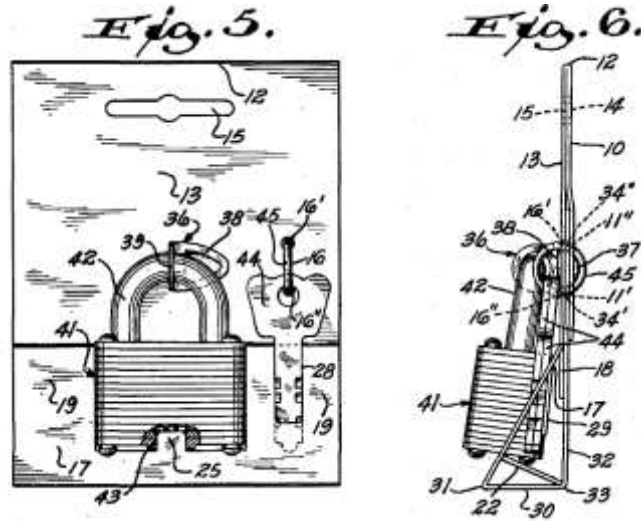
As shown in Figure 5 above, Foote discloses an opening extending from the front side of the card that secures the padlock from unauthorized removal by engaging the shackle. (Ex. 1003, 1:36-46; Figs. 5 and 6). In particular, Foote teaches that “[t]o mount on the display card a padlock 41, the upwardly projecting shackle 42 of the padlock has one leg released and the shackle is inserted through the opening 40 in the clip flange 39 and then the shackle is locked into the body of the padlock.” (Ex. 1003, 4:14-18). Foote claims this element as “an apertured flange projecting forwardly of the front face of the panel.” (Ex. 1003, 5:32-33).

Foote further teaches that “[a] more specific object of the invention is to provide a one-piece padlock display card [...] together with a metal bracket or clip which both engages the mounted padlock shackle and holds portions of the set up blank together.” (Ex. 1003, 1:62-71).

Claim 1, Element 3: “a padlock engaging feature spaced apart from the hasp and configured to limit clockwise and counterclockwise swinging movement of the padlock with respect to the package in a direction substantially parallel to the card”

Foote discloses a padlock engaging feature that limit clockwise and counterclockwise swinging movement of the padlock with respect to the package in a direction substantially parallel to the card. As shown in Figures 3, 4, 5, and 6, the front face of the card is composed of front panel 13 and the mounting section 17 folded angularly from the plane adjacent to front panel 13. (Ex. 1003, 3:6-9). The lower part of the card composed by the mounting section is also described as the triangular base. (Ex. 1003, 1:36-46). Mounting section 17 comprises side strap portions 19 that make up part of the lower portion of the front side of the card.

As shown in Figures 5 and 6, once the triangular base is set up and the padlock placed therein, the side straps 19 impede clockwise and counter-clockwise swinging movement of the padlock:



Foote claims this element as an “inclined pocket wall” for the padlock. (Ex. 1003, 6:6-7). Similarly, in claim 1 Foote also claims the same element as “a shackle-equipped padlock having its body portion removably seated in said large opening.” (Ex. 1003, 6:1-3).

This is consistent with a goal identified by Foote, namely providing a card with a triangular base to support and display articles and prevent their undesired movement. (Ex. 1003, 1:62-71).

Claim 3: “The combination of claim 1, wherein the card further comprises a pocket for receiving a key configured to unlock the padlock.”

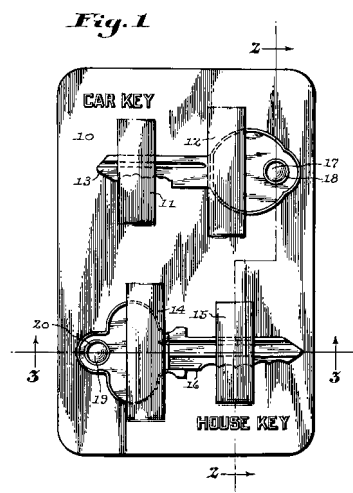
As shown in Figures 3, 4, 5, and 6, Foote discloses that the front face of the card is composed of front panel 13 and the mounting section 17 folded angularly from the plane adjacent to front panel 13. (Ex. 1003, 3:6-9). The lower part of the card composed by the mounting section is also described as the triangular base. (Ex. 1003, 1:36-46). Mounting section 17 comprises side strap portions 19 that make up part of the lower portion of the front side of the card. As shown in Figures 3 and 6, once the triangular base is set up, the side straps 19 form an empty space within the base. The display card includes a U-shaped opening 28 in one of the side straps 19 that provides access to the empty space inside the base. (Ex. 1003, 3:27-30). As shown in Figures 4, 5, and 6, Foote discloses that the U-shaped opening 28 is a pocket for receiving a key configured to unlock the padlock.

For instance, Foote teaches that: “On the front face of the card the pair of keys depend from the key ring and their shank portions are inserted into the U-shaped opening 28 in the padlock mounting section 17 to one side of the padlock body opening.” (Ex. 1003, 4:39-48). Foote further teaches that: “It will thus appear that when a padlock display card is completely set up, as in Fig. 3, and has mounted thereon a padlock and a pair of companion keys, the key ring and keys are firmly attached to the card against undesired removal, but by

pulling the key ring out of the engaging slots therefore, the keys are available for use with the displayed padlock, if it is to be tested.” (Ex. 1003, 4:52-64).

To the extent that Foote does not disclose this limitation, Foote in view of Kernicki makes this limitation this obvious. (Ex. 1006, pp. 27-29). In particular, Kernicki teaches that “[t]he card is provided with a plurality of slits there through arranged in pairs to provide straps, there being a pair of parallel straps 11, 12 for the reception of a car key 13 and another pair of straps 14, 15 for the reception of a house key 16.” (Ex. 1005, 1:50-57). Kernicki further teaches that “[t]he keys 13 and 16 are inserted through their respective slits with the card on one side of the keys and with the straps on the other side of the keys for thus holding the keys in position on the card.” *Id.*

The slits described in Kernicki comprise the pocket for receiving a key.



Thus, it would have been obvious to a person having an ordinary skill in the art to combine the teachings of Foote and Kernicki to provide a pocket for receiving a key. Further, it would have been obvious to include a key configured to unlock the padlock to provide consumers a complete padlock and corresponding keys within one display package. (Ex. 1006, pp. 27-29).

Claim 4: “The combination of claim 3, further comprising a fastener for affixing the key to the pocket.”

As shown in Figures 4, 5, and 6, Foote teaches a fastener for affixing the key to the pocket. For example, Foote teaches that the keys are mounted on a key ring and then inserted on a U-shaped opening in the padlock section. In particular, Foote teaches “[a] mounted padlock to be sold is customarily supplied with a pair of keys '44 mounted on a key ring 45.” The key ring is positioned in coinciding key ring slots 11, 16 and 34 in the wall sections 10, 13 and 32. Enlarged end portions of the slots accommodate the key ring. The keys hang from the key ring 45, with their shank portions inserted into the U-shaped opening 28. (Ex. 1003, 4:52-64). Thus, the key ring defines a fastener for affixing the key to the pocket since the keys would not be retained in the pocket with the key ring.

To the extent that Foote does not disclose this limitation, Foote in view of Kernicki makes this limitation this obvious. In particular, Kernicki teaches that “[t]he card is provided with a plurality of slits there through arranged in pairs to provide straps, there being a pair of parallel straps 11, 12 for the reception of a car key 13 and another pair of straps 14, 15 for the reception of a house key 16.” (Ex. 1005, 1:50-57). Kernicki further teaches that “[t]he keys 13 and 16 are inserted through their respective slits with the card on one side of the keys and with the straps on the other side of the keys for thus holding the keys in position on the card.” *Id.* These slits described in Kernicki comprise the fastener for affixing the key to the pocket. (Ex. 1006, p. 29).

Thus, it would have been obvious to a person having an ordinary skill in the art to combine the teachings of Foote and Kernicki to provide a fastener for affixing the key to the pocket. (Ex. 1006, pp. 30-31).

Claim 5: “The combination of claim 3, wherein the pocket comprises a cavity extending from the front side of the card.”

As shown in Figures 3, 4, 5, and 6, the front face of the card is composed of front panel 13 and the mounting section 17 folded angularly from the plane adjacent to front panel 13. (Ex. 1003, 3:6-9). The lower part of the card composed by the mounting section is also described as the triangular base. (Ex.

1003, 1:36-46). Mounting section 17 comprises side strap portions 19 that make up part of the lower portion of the front side of the card. As shown in Figures 3 and 6, once the triangular base is set up, the side straps 19 form an empty space within the base.

In one of the strap portions 19 there is a key supporting tongue 29, formed by means of a U-shaped line of severance 28, which may be deflected inwardly from the plane of its strap 19. Because the supporting tongue 29 is in the same plane of side strap 19, it is part of the front side of the card. Foote teaches that supporting tongue 29 is deflected inwardly from the margins of the opening 28 and the shanks of the keys may rest against the tongue 29, as shown in Figure 6. When the supporting tongue 29 is deflected inwardly to receive the keys, it creates a pocket that comprises a cavity extending away from the front side of the card. As shown in Figure 6, the cavity to fit the keys extends from tongue 29; therefore, the cavity extends from the side of the card.

To the extent that Foote does not disclose this limitation, Foote in view of Kernicki makes this limitation this obvious. In particular, Kernicki teaches that “[t]he card is provided with a plurality of slits therethrough arranged in pairs to provide straps, there being a pair of parallel straps 11, 12 for the reception of a car key 13 and another pair of straps 14, 15 for the reception of a house key 16.” (Ex. 1005, 1:50-57). Kernicki further teaches that “[t]he keys 13 and 16 are

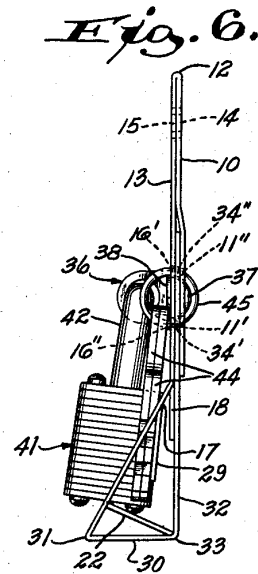
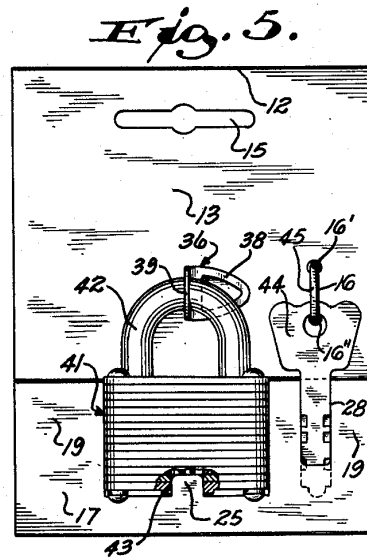
inserted through their respective slits with the card on one side of the keys and with the straps on the other side of the keys for thus holding the keys in position on the card.” *Id.* The cavity created between the slits and the straps described in Kernicki comprise the cavity extending from the front side of the card.

Thus, it would have been obvious to a person having an ordinary skill in the art to combine the teachings of Foote and Kernicki to provide a cavity extending from the front side of the card. (Ex. 1006, pp. 31-32).

Claim 12, Preamble: “A method for displaying a padlock having a shackle lockable with a lock body”

Foote describes a padlock and a padlock display package that allows the padlock to be visible to the prospective purchaser. (Ex. 1003, 1:16-35). The padlock is mounted in the display package in such a way that it cannot move sideways (clockwise or counterclockwise) in a direction substantially parallel to the card. (Ex. 1003, 1:62-71; Figs. 5 and 6).

Claim 12, Element 1: “providing a display package having a card with a hasp extending from a front side of the card to define at least a portion of a slot and a padlock engaging feature spaced apart from the hasp”



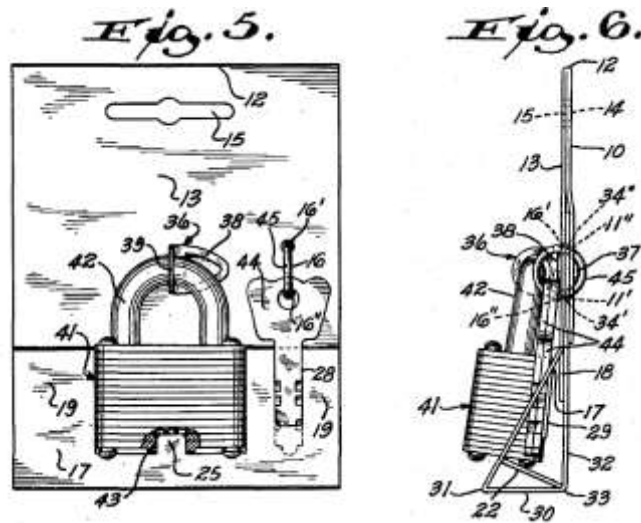
As shown in Figure 5 above, Foote discloses an opening extending from the front side of the card that secures the padlock from unauthorized removal by engaging the shackle. (Ex. 1003, 1:36-46; Figs. 5 and 6). In particular, Foote teaches that “[t]o mount on the display card a padlock 41, the upwardly projecting shackle 42 of the padlock has one leg released and the shackle is inserted through the opening 40 in the clip flange 39 and then the shackle is locked into the body of the padlock.” (Ex. 1003, 4:14-18).

Footnote further teaches that “[a] more specific object of the invention is to provide a one-piece padlock display card [...] together with a metal bracket or clip which both engages the mounted padlock shackle and holds portions of the set up blank together.” (Ex. 1003, 1:62-71).

Claim 12, Element 2: “positioning the shackle of the padlock through the slot such that the padlock engaging feature further limits clockwise and counterclockwise swinging movement of the padlock with respect to the package beyond an amount limited by the hasp in a direction substantially parallel to the card.”

Foote discloses a padlock engaging feature that limit clockwise and counterclockwise swinging movement of the padlock with respect to the package in a direction substantially parallel to the card. As shown in Figures 3, 4, 5, and 6, the front face of the card is composed of front panel 13 and the mounting section 17 folded angularly from the plane adjacent to front panel 13. (Ex. 1003, 3:6-9). The lower part of the card composed by the mounting section is also described as the triangular base. (Ex. 1003, 1:36-46). Mounting section 17 comprises side strap portions 19 that make up part of the lower portion of the front side of the card.

As shown in Figures 5 and 6, once the triangular base is set up and the padlock placed therein, the side straps 19 impede clockwise and counter-clockwise swinging movement of the padlock.



Foote claims this element as an “inclined pocket wall” for the padlock. (Ex. 1003, 6:6-7). Similarly, in claim 1 Foote also claims the same element as “a shackle-equipped padlock having its body portion removably seated in said large opening.” (Ex. 1003, 6:1-3).

This is consistent with a goal identified by Foote, namely providing a card with a triangular base to support and display articles and prevent their undesired movement. (Ex. 1003, 1:62-71).

Claim 15: “The method of claim 12, further comprising securing a key to the card such that the key is at least partially received in a pocket in the card.”

As shown in Figures 3, 5 and 6, once the triangular base is set up, the side straps 19 form an empty space within the base. The display card includes a U-shaped opening 28 in one of the side straps 19 that provides access to the empty

space inside the base. (Ex. 1003, 3:27-30). As shown in Figures 4, 5, and 6, Foote discloses that the U-shaped opening 28 is a cavity extending from the front side of the card. As discussed with respect to Claim 3, the U-shaped opening is a pocket for receiving a key configured to unlock the padlock.

For instance, Foote teaches that: “On the front face of the card the pair of keys depend from the key ring and their shank portions are inserted into the U-shaped opening 28 in the padlock mounting section 17 to one side of the padlock body opening.” (Ex. 1003, 4:39-48). Foote further teaches that: “It will thus appear that when a padlock display card is completely set up, as in Fig. 3, and has mounted thereon a padlock and a pair of companion keys, the key ring and keys are firmly attached to the card against undesired removal, but by pulling the key ring out of the engaging slots therefore, the keys are available for use with the displayed padlock, if it is to be tested.” (Ex. 1003, 4:52-64).

To the extent that Foote does not disclose this limitation, Foote in view of Kernicki makes this limitation this obvious. (Ex. 1006, p. 32). In particular, Kernicki teaches that “[t]he card is provided with a plurality of slits therethrough arranged in pairs to provide straps, there being a pair of parallel straps 11, 12 for the reception of a car key 13 and another pair of straps 14, 15 for the reception of a house key 16.” (Ex. 1005, 1:50-57). Kernicki further teaches that “[t]he keys 13 and 16 are inserted through their respective slits with

the card on one side of the keys and with the straps on the other side of the keys for thus holding the keys in position on the card.” *Id.* The cavity created between the slits and the straps described in Kernicki comprise the cavity extending from the front side of the card.

Thus, it would have been obvious to a person having an ordinary skill in the art to combine the teachings of Foote and Kernicki to provide a cavity extending from the front side of the card. (Ex. 1006, pp. 32-34).

Claim 16: “The method of claim 12, wherein positioning the shackle of the padlock through the slot comprises inserting an end of the shackle of the padlock through the slot and locking the shackle into engagement with the lock body.”

Foote discloses an opening extending from the front side of the card that secures the padlock from unauthorized removal by engaging the shackle. (Ex. 1003, 1:36-46). In particular, Foote teaches that “[t]o mount on the display card a padlock 41, the upwardly projecting shackle 42 of the padlock has one leg released and the shackle is inserted through the opening 40 in the clip flange 39 and then the shackle is locked into the body of the padlock.” (Ex. 1003, 4:14-18).

Foote further teaches that “[a] more specific object of the invention is to provide a one-piece padlock display card [...] together with a metal bracket or clip which both engages the mounted padlock shackle and holds portions of the set up blank together.” (Ex. 1003, 1:62-71).

VII. CONCLUSION

The Petition demonstrates a reasonable likelihood that Petitioner will prevail in its challenge of patentability for claims 1, 3-5, 12, and 15-16. It is respectfully requested that the Petition be instituted and claims 1, 3-5, 12, and 15-16 be canceled.

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§ 42.6(e) and 42.105, the undersigned certifies that on September 25, 2014, a complete and entire copy of this Petition for Inter Partes Review and all supporting exhibits were provided via Fedex Express, costs prepaid, to Master Lock Company LLC by serving the correspondence address of record as follows:

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The undersigned further certifies that, on September 25, 2014, a complete and entire copy of this Petition for Inter Partes Review and all supporting exhibits were provided electronically to the attorneys of record in the concurrent litigation matter:

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The undersigned further certifies that, on September 25, 2014, a complete and entire copy of this Petition for Inter Partes Review and all supporting exhibits

were provided personally and electronically to the local attorneys of record in the concurrent litigation matter:

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