

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO**

Civil Action No. 1:21-cv-2112-CMA-SKC

SMITH SPORT OPTICS, INC., a Delaware company,
and KOROYD SARL, a Monaco company,

Plaintiffs,

v.

THE BURTON CORPORATION, a Vermont company,

Defendant.

**THE BURTON CORPORATION'S OPPOSITION TO
PLAINTIFFS' MOTION FOR PRELIMINARY INJUNCTION (ECF No. 22)**

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Defendant The Burton Corporation (“Burton”) opposes Plaintiffs Smith Sport Optics, Inc. (“Smith”) and Koroyd SARL’s (“Koroyd”) (together “Plaintiffs”) motion for a preliminary injunction (“PI”) (ECF No. 22).

INTRODUCTION

Plaintiffs fail to demonstrate any of the elements required to obtain the “extraordinary and drastic remedy” of a preliminary injunction.

First, Plaintiffs cannot show a likelihood of success on the merits. Indeed, their entire argument on infringement and validity is remarkably cursory. Instead of focusing on the elements required by the patent claims, Plaintiffs veer off on a misleading tangent about purported torts that are not part of the PI motion (nor are they counts in the Complaint).¹ What little they do say about the asserted claims of U.S. Patent No. 10,736,373 actually cuts against them—for example, the number of cited references and duration of prosecution (ECF No. 22, 16) were because *the alleged invention is quite narrow*. The patent does not purport to claim a new shock-absorbing material, nor to be the first vented helmet, or even the first to use cellular material in a helmet. It only claims a particular arrangement of these known elements—one Burton does not use.

Plaintiffs’ expert ignores several elements of claims 1-3 and 7 (the “Asserted Claims”) necessary to demonstrate infringement. By contrast, Burton’s expert shows how Burton’s accused Anon® helmets with WaveCel® technology (“Anon Helmets”) are structured differently than what the patent requires, and so do not infringe.

Moreover, the ‘373 patent is invalid in view of prior art cited by Burton’s expert—

¹ Nor, for that matter, are they true. See *infra* at III.B.4.

art that Plaintiffs ***failed to disclose to the Patent Office***. Burton’s expert—who, unlike Plaintiffs’ expert, has actual experience in helmet design—shows in his declaration how these prior-art references invalidate the patent. Plaintiffs have yet to say anything on this subject; but regardless of how they respond, there remains at least a ***“substantial question”*** on validity, which defeats a PI as a matter of Federal Circuit law.

Second, Plaintiffs do not show irreparable harm. They point to no lost sales or other injury caused by Burton. Indeed, they repeatedly offered to license the patent to Burton for money, which under Federal Circuit law shows that monetary damages would suffice, precluding a PI. Plaintiffs also delayed 6-7 months before bringing claims against Burton, and admit that they have allowed a different alleged infringer, Trek Bicycle Corporation (“Trek”), to remain on the market for ***over a year*** without taking any action. Such delays are routinely held to be sufficient to show a lack of irreparable harm.

Third, far from preserving the status quo, under which the parties offer the public two competing types of shock-absorbing helmets, Plaintiffs seek to shut down that competition, damaging Burton’s supply chain and vendor relationships, and eliminating numerous jobs. The scales of hardship weigh against such a devastating order.

Finally, as to the public interest factor, the WaveCel material in Burton’s Anon Helmets represents a unique advance over other shock-absorbing materials now on the market—including Plaintiffs’ Koroyd® technology—due to its ability to mitigate *rotational* force, which contributes significantly to traumatic brain injuries (“TBIs”). *See infra* at V. It would contravene the public interest to remove from the market a product that at least one study suggests is superior to other available products in preventing TBIs.

FACTUAL BACKGROUND

Burton was founded in 1977 by Jake Burton Carpenter. Declaration of Mark Wakeling (“Wakeling Decl.”)², ¶2. This family business, headquartered in Burlington, Vermont, was the first successful snowboard company in the U.S. *Id.*, ¶¶2-3. After popularizing the sport, Burton shifted its focus to improving snowboarding gear. *Id.*, ¶3. Burton brought its first helmet to market in the 1990s, *id.*, ¶8, and has continued to pursue helmet safety improvements, *id.*, ¶9, ultimately partnering with Wavecel, LLC to develop the Anon Helmets at issue in this case. Wakeling Decl., ¶10. These helmets incorporate WaveCel material, which can prevent TBIs by crumpling in different ways depending on the angle of impact, so as to mitigate injuries in ways prior helmets could not. Declaration of Michael Bottlang (“Bottlang Decl.”), ¶¶12-16.

WaveCel development began 16 years ago in the Helmet Impact Testing Laboratory in Portland, Oregon. *Id.*, ¶¶6-16. WaveCel makes Burton’s Anon Helmets the only ones on the ski and snowboard helmet market that introduce a new technology to mitigate the dangerous **rotational** force of a head impact. Wakeling Decl., ¶15.

Burton launched its Anon helmets in January 2021. *Id.* Plaintiffs knew of that launch (as evidenced by their letters), yet waited some six months to file suit. Then, they sued Burton in the District of Utah, where Smith is based. *Smith Sport Optics, Inc. v. The Burton Corp.*, Case No. 2:21-cv-00425-DAO, ECF No. 2 (D. Utah July 13, 2021). That venue was improper, so Burton moved to dismiss or transfer the case to Vermont. *Id.*, ECF No. 29. Presumably to avoid that transfer, Plaintiffs dismissed the Utah action

² The declarations in support of this opposition are being filed concurrently herewith.

and refiled in this Court—despite Colorado being *neither* party’s residence.

Plaintiff’s Complaint alleges that the ’373 patent represents “groundbreaking” helmet technology. In fact, however, the Smith/Koroyd technology reflected in the ’373 patent is not innovative – it is an earlier-generation design consisting of well-known elements **all of which were expressly disclosed in the prior art**. Plaintiffs were not the first to include vents in a helmet, nor to use a cell structure shock absorber in such a helmet. The prior art discussed below—all but one of which **Plaintiffs failed to disclose to the Patent Office** during the prosecution of the ’373 patent—demonstrates that what Plaintiffs claim to have invented was not in fact innovative.

LEGAL STANDARD

This Court has recognized that “[a] preliminary injunction is among the most extraordinary and drastic remedies a court can award.” *Intelligent Off. Sys., LLC v. Virtualink Can., LTD.*, No. 15-CV-02724-CMA-MEH, 2016 WL 687348, at *7 (D. Colo. Feb. 18, 2016) (citing *O Centro Espirita Beneficiente Uniao Do Vegetal v. Ashcroft*, 389 F.3d 973, 976 (10th Cir. 2004) (“*Ashcroft*”). The Federal Circuit takes the same view. *Nat’l Steel Car, Ltd. v. Canadian Pac. Ry., Ltd.*, 357 F.3d 1319, 1324 (Fed. Cir. 2004) (calling PI “a drastic and extraordinary remedy that is not to be routinely granted”).³

Movant bears a heavy burden to demonstrate: (1) likelihood of success on the merits; (2) irreparable harm if a PI is not granted; (3) a balance of hardships in favor of movant; and (4) that the public interest favors the PI. *Schrier v. Univ. of Colo.*, 427 F.3d

³ Internal quotations and citations are omitted, and emphasis is added, throughout this brief unless otherwise noted.

1253, 1258 (10th Cir. 2005); *Anton/Bauer, Inc. v. PAG, Ltd.*, 329 F.3d 1343, 1348 (Fed. Cir. 2003). A PI should be denied if movant fails to prove *any one* of these factors. *Jack Guttman, Inc. v. Kopykake Enters., Inc.*, 302 F.3d 1352, 1356 (Fed. Cir. 2002).

The “Substantial Question” Test

Because of the gravity of granting a PI in a patent case, the Federal Circuit has established a heightened test applicable solely at the PI stage: A PI should be denied where an accused infringer “raises a **substantial question** concerning **either infringement or validity**, *i.e.*, asserts an infringement or invalidity defense that the patentee cannot prove lacks substantial merit...” *Amazon.com, Inc. v. Barnesandnoble.com, Inc.*, 239 F.3d 1343, 1350–51 (Fed. Cir. 2001). Moreover, “[i]n resisting a [PI]...one need not make out a case of actual invalidity. Vulnerability is the issue at the preliminary injunction stage, while validity is the issue at trial.” *Id.* at 1359.

Smith misleadingly cites the “clear and convincing” test for invalidity applicable at trial (ECF No. 22, 19). That is not the test at the PI stage. On the contrary, merely showing a “substantial question” as to validity or infringement suffices to deny a PI. And ***the burden is on the Plaintiffs*** to prove that this question “lacks substantial merit.”

The Tenth Circuit’s Heightened Standard Test

Where movant seeks a PI that will “disturb[] the status quo,” is “mandatory as opposed to prohibitory,” or “affords the movant substantially all the relief [it] may recover at the conclusion of a full trial on the merits,” it bears a **heightened burden** of persuasion. *Ashcroft*, 389 F.3d at 977. Specifically, “the movant must make a ‘**strong showing**...with regard to the balance of harms,’ and the ordinary injunction factors are

‘more closely scrutinized to assure that the exigencies of the case support the granting of a remedy that is extraordinary even in the normal course.’” *Intelligent Off. Sys.*, 2016 WL 687348, at *4 (quoting *Ashcroft*, 389 F.3d at 975) (emphasis original).

That heightened standard applies here for all three reasons. First, the motion seeks to disturb the status quo. Plaintiffs and Burton are competitors in the snow-sports helmet market. Wakeling Decl., ¶28. Plaintiffs’ motion seeks to “upend this arrangement” by excluding Burton’s Anon Helmets from that market. *Intelligent Off. Sys.*, 2016 WL 687348, at *5. Second, the requested PI is “mandatory because the requested relief affirmatively require[s] the nonmovant to act in a particular way by stopping” sales of its Anon Helmets. *Id.* “Finally, the injunction would provide almost all of the relief Plaintiff[s] could obtain after trial, with the exception of monetary damages.” *Id.* Plaintiffs therefore “must satisfy a heightened burden.” *Id.*

The Tenth Circuit holds that “irreparable” harm is more than “mere[] serious or substantial” harm. *Prairie Band of Potawatomi Indians v. Pierce*, 253 F.3d 1234, 1250 (10th Cir. 2001). Rather, it requires “certain, great, actual and not theoretical” injury. *Heideman v. S. Salt Lake City*, 348 F.3d 1182, 1189 (10th Cir. 2003). “In other words, speculation or unsubstantiated fear of harm that may occur in the future cannot provide the basis for a preliminary injunction.” *Intelligent Off. Sys.*, 2016 WL 687348 at *5. Additionally, the injury must be one that cannot be compensated by monetary damages. *Heideman*, 348 F.3d at 1189. “Lost sales (without more) are presumed to be compensable through damages.” *Automated Merch. Sys., Inc. v. Crane Co.*, 357 F. App’x 297, 301 (Fed. Cir. 2009).

Delay in seeking a PI also undermines an irreparable harm claim. *Kan. Health Care Ass'n, Inc. v. Kan. Dep't of Soc. and Rehab. Servs.*, 31 F.3d 1536, 1543-44 (10th Cir. 1994) (citing *Lydo Enters., Inc. v. Las Vegas*, 745 F.2d 1211, 1213-14 (9th Cir. 1984) (a PI seeks “speedy action” but “[b]y sleeping on its rights a plaintiff demonstrates the lack of need for speedy action.”); *Apple, Inc. v. Samsung Elecs. Co.*, 678 F.3d 1314, 1325 (Fed. Cir. 2012) (same). Such delay can include failure to bring suit against *other* alleged infringers. *Polymer Techs., Inc. v. Bridwell*, 103 F.3d 970, 976 (Fed. Cir. 1996).

As to balance of harms, “[t]he hardship on a preliminarily enjoined manufacturer who must withdraw its product from the market before trial can be devastating.” *Illinois Tool Works, Inc. v. Grip-Pak, Inc.*, 906 F.2d 679, 683 (Fed. Cir. 1990).

As to the public interest factor, “[t]he public has a very strong interest in guaranteeing that innovative products are available in the market.” *Celgard, LLC v. LG Chem, Ltd.*, 624 F. App'x 748, 754 (Fed. Cir. 2015).

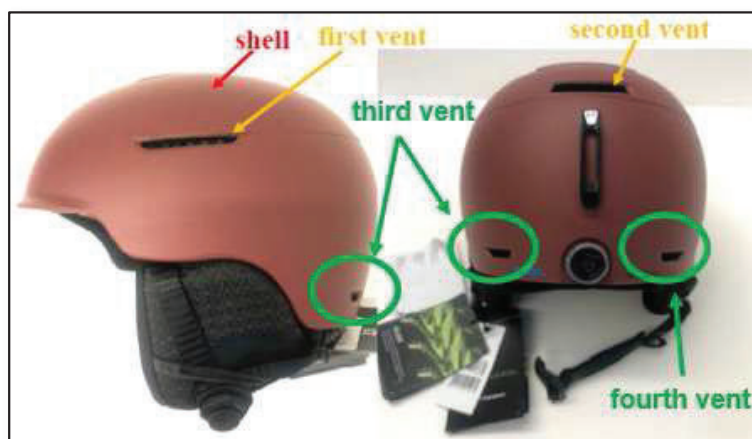
ARGUMENT

I. Plaintiffs Are Unlikely to Succeed in Proving Infringement

“It is ... well settled that each element of a claim is material and essential, and that in order for a court to find infringement, the plaintiff must show the presence of every element ... in the accused device.” *Lemelson v. United States*, 752 F.2d 1538, 1551 (Fed. Cir. 1985). Plaintiffs have failed to do so.

A. The Accused Helmets Do Not Meet the Limitations of Claim 1

Claim 1 of the '373 patent requires a shell that “compris[es] a plurality of vents,” where the “shock absorbing insert is visible through and spans across at least a portion



of **each of the plurality of vents.**” Declaration of Steve Copeland (“Copeland Decl.”), ¶¶54. Plaintiffs and their expert⁴ point to two vents near the top of the accused helmets (ECF

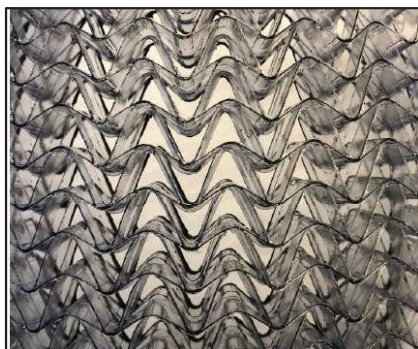
No. 6 at 35, 44); but **they ignore two other vents** located at the base of the helmets, *id.*, ¶¶55 (circled in green above), and (on the Merak) two additional vents located higher on the helmet (depicted in *id.* ¶¶55). Ignoring these vents is fatal to Plaintiffs’ infringement claim, which requires that the insert span and be visible through “each” of the vents in the Accused Helmets; whereas in fact the insert is neither visible through nor does it span across several of these vents (nor any portion thereof). *Id.*, ¶¶56. The helmets thus do not meet the “**each** of the plurality of vents” requirement.⁵ Other courts have similarly rejected attempts by patentees to read “each of the plurality” as

⁴ Plaintiffs’ expert did not sign his declaration under oath pursuant to 28 U.S.C. § 1746. It is therefore inadmissible. ECF No. 6.

⁵ When Claim 1 seeks to refer only to **certain** vents or **certain** openings, it says so by using language like “first opening” or “first and second vents,” etc. The requirement for the insert to be visible through and span across vents, by contrast, applies to **all of the vents**, as Claim 1 makes clear by saying “**each** of the plurality of vents.” Had Plaintiffs intended to require that this limitation apply to only **some** of the vents (e.g., just the first and second), they could have said so. They are bound by the language they chose.

encompassing less than all the items in question. *E.g., Mangosoft, Inc. v. Oracle Corp.*, 2004 WL 2193614 at *4–6 (D.N.H. 2004), *aff'd*, 525 F.3d 1327 (Fed. Cir. 2008).⁶

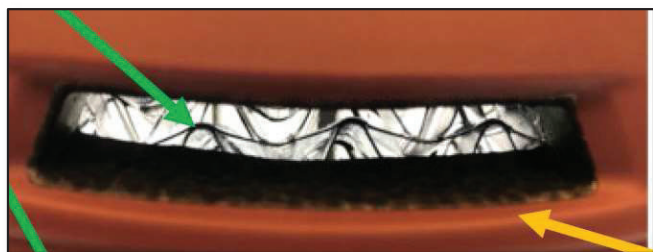
Claim 1 of the '373 patent also requires that the array of energy absorbing cells



be positioned such that “the first longitudinal ends of a first plurality of adjacent cells of the array of energy absorbing cells are positioned within a perimeter of” the first and second vent openings. Copeland Decl., ¶¶57. As shown at left, WaveCel is constructed of a number of

sheets that are bonded together, leaving ends that are roughly triangular in shape. *Id.*, ¶¶58. Even assuming *arguendo* that these triangles were “cells” as defined in the patent (which Plaintiffs do not show), these limitations are still not met. In fact, Plaintiff’s expert **failed even to address** these limitations at all. *Id.*, ¶¶59; see ECF No. 6, Ex. D.

From the images submitted by **Plaintiffs’** expert (enlarged example shown at



left), one can see that there are **no** entire cell ends (*i.e.*, entire triangles) of WaveCel material “positioned within a perimeter” of the vents—only **portions**

⁶ The claim in that case recited “a plurality of computers, **each of said plurality** of computers sharing the shared addressable memory space.” *Id.* at *3. Plaintiff argued that only **two or more** computers needed to share the addressable space. *Id.* at *5. The court rejected this argument, finding that **all five** of the computers in the system had to share the addressable space. *Id.* See also *Constructive Designs, LLC v. Pepsi-Cola Co.*, 2013 WL 12139423, at *15–16 (C.D. Cal. Mar. 13, 2013) (rejecting plaintiff’s argument that “each of the plurality of users” could mean “two or more”; holding instead that it means “every one of”).

of the cells appear through those vent openings. Indeed, since the “cells” are larger than the width of the vents, it **would not even be possible** for this claim limitation to be met by the Anon Helmets. Copeland Decl., ¶¶60; Wakeling Decl., ¶16.

Plaintiffs have thus failed to demonstrate that the accused helmets infringe claim 1 of the '373 patent; and indeed, they do not. Copeland Decl., ¶¶60-61.

B. The Remaining Asserted Claims Are Dependent from Claim 1 and thus Cannot Be Infringed as a Matter of Law

Asserted claims 2, 3, and 7 are dependent from claim 1. Since Plaintiffs fail to show the Anon Helmets infringe claim 1, they have thus also failed to show the Anon Helmets infringe dependent claims 2, 3, or 7. *Jeneric/Pentron, Inc. v. Dillon Co., Inc.*, 205 F.3d 1377, 1382 (Fed. Cir. 2000) (“[A] fundamental principle of patent law [is] that dependent claims cannot be found infringed unless the claims from which they depend have been found to have been infringed.”).

Plaintiffs’ failure to prove these limitations dooms their likelihood of success on infringement.⁷ *Laitram Corp. v. Rexnord, Inc.*, 939 F.2d 1533, 1535 (Fed.Cir.1991) (“[T]he failure to meet a single limitation is sufficient to negate infringement....”).

II. There are Substantial Questions Regarding the Validity of the '373 Patent

Plaintiffs present a misleading view of their evidentiary burden in seeking a PI. Plaintiffs cite *TitanTire Corp. v. Case New Holland, Inc.* for the proposition that “the very

⁷ Nor would it be appropriate for Plaintiffs to attempt to address these missing limitations in a reply brief. It was Plaintiffs’ burden to demonstrate infringement; failure to do so in its opening brief waives its arguments. *Gutierrez v. Cobos*, 841 F.3d 895, 902 (10th Cir. 2016) (“[A] party waives issues and arguments raised for the first time in a reply brief.”).

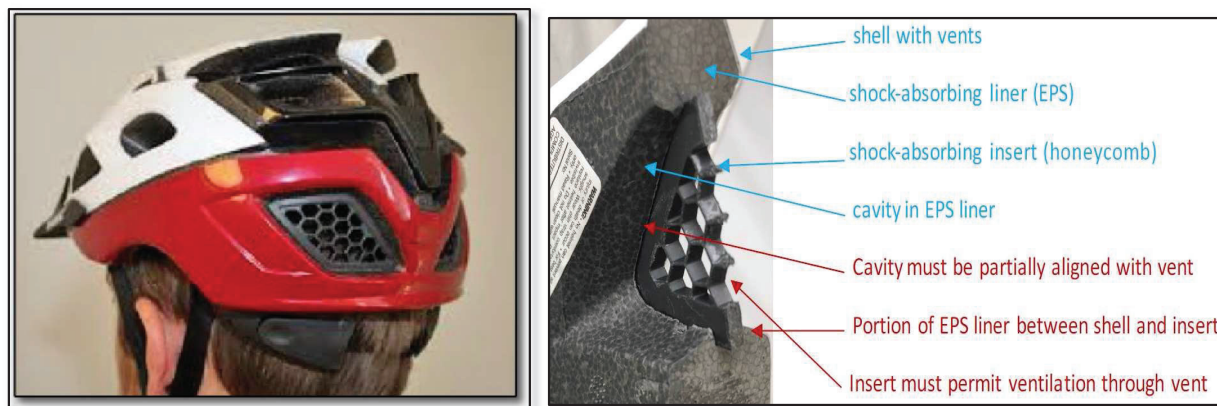
existence of the patent with its concomitant presumption of validity satisfies the patentee's burden of showing a likelihood of success on the validity issue." 566 F.3d 1372, 1377 (Fed. Cir. 2009). But as the Federal Circuit makes clear, this statement is not true for a PI motion unless "the alleged infringer does not challenge validity." *Id.* Where, as here, Burton challenges the validity of the patent, "it is the patentee, the movant, who must persuade the court that, despite the challenge presented to validity, the patentee nevertheless is likely to succeed at trial on the validity issue." *Id.*

Plaintiffs cannot do that, because the '373 patent does not represent an innovation. Rather, it claims a helmet consisting of elements **all of which were expressly disclosed in the prior art and are arranged in a predictable, obvious manner**. And although Plaintiffs allude to "over one hundred prior art references" and "seven years of scrutiny" before the Patent Office, several prior art references Burton cites here **were not before the Patent Office**. As the Supreme Court has noted, "the Federal Circuit has recognized throughout its existence" that "new evidence supporting an invalidity defense may carry more weight in an infringement action than evidence previously considered by the PTO." *Microsoft Corp. v. i4i Ltd. P'ship*, 564 U.S. 91, 110 (2011). Based on this art, there are (at least) "substantial questions" as to validity.

A. The Asserted Claims of the '373 Patent are Anticipated by the Fox Striker Helmet

The Fox Striker Helmet ("Striker Helmet") is a mountain biking helmet that was available for sale in 2011, predating the August 2013 priority date of the '373 patent. Copeland Decl., ¶75, Exh. B. **This prior art was not disclosed to the Patent Office** during prosecution of the '373 patent. *Id.* As detailed in Mr. Copeland's report and

depicted below, the Striker Helmet discloses all the limitations of the Asserted Claims (*Id.*, ¶¶97; *id.*, Exh. J):



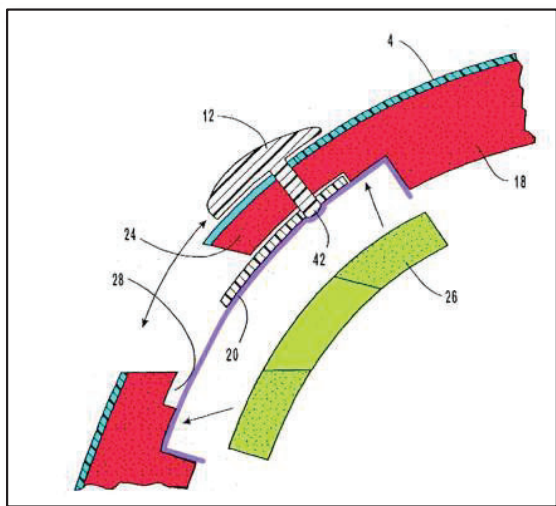
Fox expressly defined the Striker Helmet’s honeycomb venting inserts as “structural,” making clear to a person of skill in the art (“POSA”) that the inserts have a shock-absorbing function. *Id.*, ¶¶76, 98. Engineering tests confirm that they provide significant shock-absorption. *Id.*, ¶99.

Since the Striker Helmet discloses each limitation of claim 1, as well as those of claims 2, 3, and 7 (*id.*, ¶¶97-99; Exh. J), the Asserted Claims are invalid under 35 U.S.C. § 102 as anticipated by the Striker Helmet. *Id.*, ¶97. *White v. H.J. Heinz Co.*, 640 F. App’x 930, 933 (Fed. Cir. 2016) (“A reference is anticipatory ... if [it] ... ‘disclose[s] each and every feature of the claimed invention’”).

B. The Asserted Claims of the ’373 Patent are Obvious in Light of US Patent Application Publication No. 2004/0064873 (“Muskovitz”)

Muskovitz is a U.S. patent application that was filed on May 29, 2003, and published on April 8, 2004, predating the priority date of the ’373 patent. Copeland Decl., ¶80; Exh. C. It too was not disclosed to the Patent Office during the ’373 patent’s prosecution. *Id.* As detailed in Mr. Copeland’s report and depicted below, Muskovitz

alone renders obvious claim 1 of the '373 patent. *Id.*, ¶100; Exh. K. Specifically, Muskovitz discloses “[a] protective helmet 10 having a plurality of ventilation ports ...



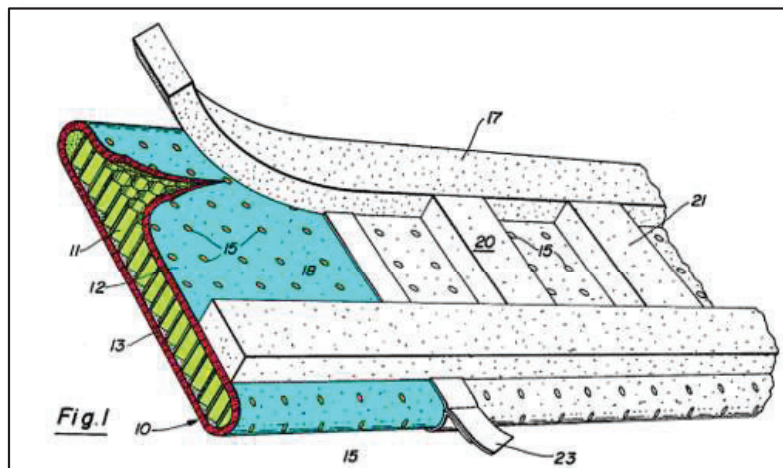
designed to facilitate ambient air flow into and out of the interior of protective helmet 10.”

Muskovitz further discloses a shock absorbing liner (depicted in red, left) adjacent to and attached to the shell (light blue) and comprising a cavity (purple) at least partially aligned with the plurality of vents (e.g., 28).

Id., Exh. K. The shock absorbing insert, depicted in green, is “designed to fit within the recess in liner 18.” *Id.*, Fig. 10; para. [0087]. Muskovitz also expressly suggests various types of substitutions for the shock absorbing insert, including anything with a “similar impact absorbing material” as the shock absorbing liner. *Id.*, ¶¶100-101. A POSA would have known and been motivated to use a honeycomb-like structure for the insert, such as the “array of energy absorbing cells” claimed in the '373 patent, since that structure was a “similar impact absorbing material.” *Id.*, ¶¶101-103. Muskovitz likewise discloses the concepts in dependent claims 2, 3 and 7. *Id.*, ¶¶104-106. In sum, the Asserted Claims are invalid as obvious under 35 U.S.C. § 103 in light of Muskovitz. *Arendi S.A.R.L. v. Apple Inc.*, 832 F.3d 1355, 1361 (Fed. Cir. 2016) (“[A] patent can be obvious in light of a single prior art reference if it would have been obvious to modify that reference to arrive at the patented invention.”).

C. Obviousness is Further Heightened by Patent No. 4,422,183 (“Landi”)

Landi is a U.S. patent filed in October 1980 and issued in 1983 that, again, was not disclosed to the Patent Office during prosecution of the '373 patent. Copeland Decl.,



¶89; Exh. D. Landi is one example of inventions pre-dating the priority date of the '373 patent which disclose honeycomb-like structures (depicted in green, left), used to absorb shock or impact,

that were also beneficial due to their ventilation properties (*Id.*, ¶¶88-92).

A POSA would have had reason to use Landi's honeycomb structure as the insert in Muskovitz given that Landi's patent touted the honeycomb's shock-absorbing qualities, lightness, and capacity to permit airflow through a helmet.⁸ *Id.*, ¶¶110-114. Landi thus further heightens the obviousness of the '373 patent. *Id.*, ¶¶110-114, Exh. L. See *Sciele Pharma v. Lupin Ltd.*, 684 F.3d 1253, 1261-63 (Fed. Cir. 2012) (vacating PI where obviousness combination “raised a substantial question of validity”).

⁸ A 2011 article also demonstrated that a honeycomb-like structure is a good substitute for other energy-absorbing materials. See G. Caserta, *Shock Absorption Performance of a Motorbike Helmet with Honeycomb Reinforced Liner*, *Composite Structures* 93, 2748-59 (2011) (Copeland Decl., ¶¶93-95, Exh. G). Dr. Caserta's article explained: “In our investigation, we tested different configurations of honeycomb-foam sandwich panels and EPS foams commonly used for the manufacturing of modern motorbike helmets. ... [I]t was observed that sandwich configurations showed better shock absorption properties than the one provided by the EPS foams of equal weight.” *Id.* at 2749. See also Copeland Decl., Exh. H.

D. Obviousness is Further Heightened by US Patent Application Publication No. 2008/0307568 (“Sajic”)

Sajic is a U.S. patent application that was filed in October 2006 and published in December 2008. Copeland Decl., ¶¶84; Exh. E. Sajic discloses a helmet with “an impact surface; and an array of energy absorbing cells, wherein each of said cells comprises a tube.” *Id.*, ¶¶85-87; Exh. M. It would have been obvious to a POSA to include vents (as in Muskovitz) in a motorcycle helmet as described in Sajic when designing a sports helmet. *Id.*, ¶¶118. Vents were generally accepted in sports helmets when the ’373 patent was filed. *Id.*, ¶¶119. Moreover, a POSA would be motivated to include vents at the back of a sports helmet aligned with Sajic’s honeycomb inserts to permit airflow. *Id.*, ¶¶120 (citing U.S. Patent No. 7,673, 351 at 4:9-24 (discussing use of open shock absorbing structure to allow for air flow through holes in a helmet)). In short, each of the Asserted Claims is invalid as obvious given Sajic and Muskovitz. *Id.*, ¶¶121-125.

III. Plaintiffs Fail to Show They Face Irreparable Harm

A. Koroyd’s Offer to License the ’373 Patent Evidences the Adequacy of Money Damages

Offering an accused infringer a license demonstrates the adequacy of monetary damages, and thus undermines any claim of irreparable harm, as a matter of law. *High Tech Med. Instr., Inc. v. New Image Indus., Inc.*, 49 F.3d 1551, 1557 (Fed Cir. 1995) (“[T]he evidence shows that [patentee] offered a license to [defendant], so it is clear that ... any injury suffered by [patentee] would be compensable in damages.”) (citing *T.J. Smith & Nephew Ltd. v. Consol. Med. Equip., Inc.*, 821 F.2d 646, 648 (Fed. Cir. 1987) (licensing is “incompatible with the emphasis on the right to exclude”)).

On January 8, 2021, Koroyd, through counsel, expressly indicated it would be willing to license the '373 patent to Burton. Wakeling Decl., ¶¶32 (stating that Koroyd “cannot allow the launch of the Infringing Helmets to take place ***without a license to use its patented technology*** in place.”). Koroyd reiterated its willingness to license the '373 patent in a letter dated January 11, 2021, telling Burton that it “may only carry out acts restricted by [the '373] patent in relation to the Infringing Helmets ***after receiving appropriate licen[s]e*** from” Koroyd. *Id.*, ¶¶33. Over the next couple of months, Koroyd continued to offer to license Burton. In a February phone call, Koroyd’s counsel invited Burton to take a license to the '373 patent. *Id.*, ¶¶34. In a February 15, 2021 letter, Koroyd proposed holding another call “to explore a viable commercial settlement option.” *Id.*, ¶¶35. And on March 1, 2021, Koroyd again expressly indicated willingness to offer Burton a “global license” to sell its accused helmets. *Id.*, ¶¶36.

Koroyd’s repeated offers to license the patent establish that any alleged harm to Plaintiffs is compensable in damages and is thus not “irreparable” as a matter of law.

B. Plaintiffs’ Delay in Seeking a PI Weighs Against Irreparable Harm

1. Plaintiffs Delayed Six Months Before Seeking A PI

Plaintiffs’ delay in bringing suit and seeking a PI undermines any finding of irreparable harm. *Apple, Inc. v. Samsung Elecs. Co.*, 678 F.3d 1314, 1325 (Fed. Cir. 2012) (“delay in ... seeking a preliminary injunction...suggest[s] that the patentee is not irreparably harmed”); *Kan. Health Care Ass’n*, 31 F.3d at 1543-44 (10th Cir. 1994). Plaintiffs were aware that Burton was selling the accused helmets at least as early as January 8, 2021, when Koroyd’s counsel first wrote to Burton. Wakeling Decl., ¶¶32. Yet

Plaintiffs waited until July 13, 2021, over six months later, to file suit and seek a PI.

Even then, Plaintiffs chose an improper forum in an attempt to force Burton to litigate in Smith’s home state of Utah; and thus did not file suit in an ostensibly proper forum⁹ until August – a delay of seven months. *Id.*, ¶¶37-39.

Plaintiffs clearly could have filed sooner – indeed, their expert executed his declaration back in February. ECF No. 6, at 23.¹⁰ If an injunction was imperative, Plaintiffs would not have waited so long to seek one. *See T.J. Smith & Nephew*, 821 F.2d at 648 (affirming denial of PI due to patentee’s “delay in seeking an injunction” and its offer of licenses); *Intelligent Off. Sys., LLC*, 2016 WL 687348, at *7 (four-month delay in seeking PI showed that movant “would not suffer irreparable harm absent injunctive relief”); *Nutrition 21 v. U.S.*, 930 F.2d 867, 872 (Fed. Cir. 1991) (delay of six to seven months negated irreparable harm). Numerous other cases similarly hold that delays of a few months, or even a few weeks, undermine a claim of irreparable harm.¹¹

⁹ While patent venue is technically proper in this District, as Burton does have a store in Colorado, Plaintiffs’ conduct in dismissing the Utah case and immediately re-filing in this District – presumably to avoid a transfer to Vermont – smacks of forum shopping.

¹⁰ Plaintiffs had their expert execute his declaration again in June 2021. However, the content was virtually identical to the February version.

¹¹ *Kyphon, Inc. v. Disc-o-tech Medical Technologies Ltd.*, 2004 WL 2898064 at *5 (D. Del. Dec.10, 2004) (no irreparable harm where patentee waited six months to move for PI); *New Dana Perfumes v. The Disney Store, Inc.*, 131 F. Supp. 2d 616, 630 (M.D. Pa. 2001) (five-month delay in seeking PI precluded finding of irreparable harm); *ImOn, Inc. v. ImaginOn, Inc.*, 90 F. Supp. 2d 345, 350 (S.D.N.Y. 2000) (four-month delay precluded finding irreparable harm); *Gidatex, S.r.L. v. Campaniello Imports, Ltd.*, 13 F. Supp. 2d 417, 419–20 (S.D.N.Y. 1998) (four-and-a-half-month delay in seeking a PI belied claim of irreparable injury); *Read Corp. v. Powerscreen of Am., Inc.*, 26 F. Supp. 2d 204, 208 (D. Mass. 1998) (no PI given six month delay); *Am. Ass’n of People With Disabilities v. Herrera*, 580 F. Supp. 2d 1195, 1246 (D.N.M. 2008) (plaintiffs’ two-week delay in

While Plaintiffs may argue that they were engaging in settlement negotiations during this time, that consisted of little more than Plaintiffs sending several letters and making a couple of phone calls offering a license. Wakeling Decl., ¶¶32-36. There was no extensive or time-consuming negotiation that warranted their six- or seven-month delay. *A.K. by & through Moyer v. Cherry Creek Sch. Dist. No. 5*, No. 20-CV-00392-PAB-NRN, 2020 WL 2197920, at *3 n.1 (D. Colo. May 6, 2020) (finding a delay of one to two months in seeking a TRO cut against plaintiff's claim of irreparable harm even where delay was in some respect attributable to negotiations between the parties); *Goannies, Inc. v. Goupair.Com, Inc.*, 464 F. Supp. 2d 603, 609 (N.D. Tex. Dec. 2006) (finding efforts to avert litigation insufficient to excuse 5-6 month delay in moving for PI).

2. Plaintiffs Have Known Since 2016 that Trek Uses WaveCel in Its Bicycle Helmets and Have Failed to Take Action

Failure or delay in taking action against *other* alleged infringers can also undermine a claim of irreparable harm. *Polymer Techs., Inc. v. Bridwell*, 103 F.3d 970, 976 (Fed. Cir. 1996). As Plaintiffs acknowledge, Burton is not the first company to commercialize a helmet using WaveCel technology. ECF No. 22 at 10. Trek has been selling helmets with WaveCel technology since 2019. Wakeling Decl., ¶17. Plaintiffs knew about this partnership dating back to 2016, even before Plaintiffs commercialized their Koroyd helmets. Bottlang Decl., ¶¶24-25. Moreover, Plaintiffs also explicitly acknowledge that they believe these Trek helmets infringe the '373 patent. *See, e.g.*,

seeking PI “considerably undercut[] their allegation of irreparable harm”); *Wreal, LLC v. Amazon.com, Inc.*, 840 F.3d 1244, 1248 (11th Cir. 2016) (affirming holding that a five-month delay in a seeking PI “fatally undermined any showing of irreparable injury”).

Dkt No. 22 at 21 (“Trek continues to infringe the ’373 patent in the bike helmet market”).

Yet Plaintiffs have failed to take any action against Trek since the ’373 patent issued in August 2020. This one-year¹² delay undercuts Plaintiffs’ assertion of irreparable harm. *Precision Med., Inc. v. Genstar Techs. Co.*, 2011 WL 1674354, at *18 (E.D. Pa. May 3, 2011) (suing defendant while leaving “larger competitor ... free to violate its patent” undermined claim of irreparable harm); *c.f. Warner Lambert Co. v. McCrory’s Corp.*, 718 F. Supp. 389, 394 (D.N.J. 1989) (“prior inaction against other possible infringements ... strongly militates against [a PI]”).

3. Plaintiffs Cannot Rely on Purported Harm Caused by An Unrelated Third Party to Make Up For Their Failure to Establish Any Harm Caused by Burton

Plaintiffs assert that irreparable harm can be found if movant demonstrates “[p]rice erosion, loss of good will, damage to reputation, and loss of business opportunities.” *Celsis in Vitro, Inc. v. CellzDirect, Inc.*, 664 F.3d 922, 930 (Fed. Cir. 2012). But Plaintiffs fail to demonstrate **any** of these losses in connection with Burton’s Anon Helmets. **They do not claim to have lost even a single sale to Burton** as a result of its Anon Helmets. Rather, Plaintiffs impermissibly seek to rely on actions related to **Trek’s** partnership with Wavecel – as to which Plaintiffs have chosen not to bring suit – to purportedly show harm. Any such harm was not caused by Burton.

¹² One-year delays in bringing suit against accused intellectual property infringers have routinely been found to preclude a finding of irreparable harm. *See, e.g., GTE Corp. v. Williams*, 731 F.2d 676 (10th Cir.1984) (“Delay of [nearly a year] undercuts the sense of urgency that ordinarily accompanies a motion for preliminary relief and suggests that there is, in fact, no irreparable injury”); *Pharmacia Corp. v. Alcon Lab’ys, Inc.*, 201 F. Supp. 2d 335, 383–84 (D.N.J. 2002) (“Such a delay—one full year—knocks the bottom out of any claim of immediate and irreparable harm.”).

First, Plaintiffs claim they lost an opportunity for a “high-profile in-store marketing for the Smith-Koroyd® technology” in 2019. ECF No. 22 at 11; *id.* at 24 (“One major retailer has already told Smith there is no opportunity to highlight Koroyd in either snow or bike helmets as long as the infringing [Trek] helmets are available”). But this is not a lost opportunity due to Burton (whose Anon Helmets did not hit the market until 2021). This allegedly lost opportunity relates to actions by Trek – an unrelated company.

Similarly, Plaintiffs claim that they are at “serious risk of irreparable tarnishment” due to a lawsuit pending against Trek (“and by proxy WaveCel®”). *Id.* 12, 23-25. Again, Plaintiffs cannot rely upon a lawsuit to which Burton is not a party to show harm by Burton. Indeed, Plaintiffs’ theory makes no sense – if the pending Trek® lawsuit causes “bad PR to WaveCel® helmets,” that would presumably hurt Burton more than Plaintiffs, since Burton uses WaveCel in its helmets and Plaintiffs do not.

Plaintiffs also say they **anticipate** suffering additional reputational harm by missing out on the exclusive opportunity to “enhance their reputations” as “innovators.” *Id.* 22 at 22-23. But speculation cannot substitute for actual evidence of irreparable harm. *Intelligent Off. Sys.*, 2016 WL 687348, at *5 (citing *Schrier*, 427 F.3d at 1266) (“[S]peculation or unsubstantiated fear of harm that may occur in the future cannot provide the basis for a preliminary injunction.”); *Takeda Pharms. U.S.A., Inc. v. Mylan Pharms. Inc.*, 967 F.3d 1339, 1349–50 (Fed. Cir. 2020) (rejecting theory that each sale made by defendant would reduce units sold by plaintiff or otherwise “justify the extraordinary remedy of a preliminary injunction”). And even if Plaintiffs had evidence to substantiate future lost sales, “[e]vidence of potential lost sales does not demonstrate

irreparable harm.” *LEGO A/S v. ZURU Inc.*, 799 F. App'x 823, 833 (Fed. Cir. 2020).

4. Plaintiffs Cannot Rely on Unclaimed Allegations

Absent evidence of patent infringement, Plaintiffs turn to tangential, irrelevant, and in any event false, accusations of copying or other ill-defined business torts.¹³ Koroyd’s founder’s declaration boldly makes the incorrect assertion that “the colors and phrases that we have used... in our marketing ... are now protected with our ’373 patent.” ECF No. 7, ¶¶56. The ’373 patent confers no such protection. These marketing choices are not embodied in any claim limitation. Plaintiffs further assert that Burton has copied their use of green and black on helmets, and the phrase “crumple zone.” ECF No. 22 at 8, 10. These contentions are baseless. The color scheme used in Plaintiffs’ helmets is not unique to Plaintiffs, but is commonly used by various sports helmet brands. Bottlang Decl., ¶¶29-31; Wakeling Decl., ¶¶30. Nor does the phrase “crumple zone” originate from Plaintiffs – it has been in use for some seventy years. Bottlang Decl., ¶¶32-36; Wakeling Decl., ¶¶31. Nor is it true that Burton selected the same factory in China as Smith to manufacture its Anon Helmets (ECF No. 22 at 7), or the same animation firm to market them (ECF No. 7, ¶¶56). Indeed, the opposite is true: Burton had been using that factory since 2012 – years before either party’s helmets at issue here existed; and likewise, it was Burton, not Smith, who had a years-long preexisting relationship with the animation consultant (who until recently was a Burton employee). Wakeling Decl., ¶20. Thus, *Burton* had actually retained these service

¹³ Although Plaintiffs include these smears in their Complaint, they notably fail to even allege a *count* for them, seemingly acknowledging they would lack a Rule 11 basis.

providers *before* Smith did.

5. Plaintiffs Cannot Rely on Unpatented Features to Establish Irreparable Harm or the Required Causal Nexus

Beyond showing irreparable harm, Plaintiffs need to prove that “a sufficiently strong causal nexus relates the alleged harm to the alleged infringement.” *Apple Inc. v. Samsung Elecs. Co.*, 695 F.3d 1370, 1374 (Fed. Cir. 2012). Plaintiffs fail to show such nexus. That is, they never explain how the specific elements of the Asserted Claims drive demand for Burton’s helmets. They allude to the use of crumple-zone material; but the Federal Circuit holds “that evidence showing the importance of a general feature of the type covered by a patent is typically insufficient to establish a causal nexus.” *Apple Inc. v. Samsung Elecs., Co.*, 735 F.3d 1352, 1366 (Fed. Cir. 2013).

Plaintiffs also point to Burton’s description on its website of the Anon Merak helmet. ECF No. 22 at 24. But that very language shows that Burton relies on properties unique to WaveCel and **absent** from Plaintiffs’ Koroyd material. Specifically, Burton touts WaveCel’s “collapsible cellular structure that ... can reduce impact **and rotational force** by flexing to reduce initial force, crumpling to lower impact velocity, and **gliding to help redirect energy** away from the head.” *Id.* at 24. These features are unique to WaveCel and set it apart from Koroyd. Bottlang Decl., ¶¶9-16. This does not show that consumers buy Burton’s Anon Helmets due to any features patented by Plaintiffs. Indeed, it shows the opposite. *Apple*, 678 F.3d at 1324 (no nexus where “consumers buy that product for reasons other than the patented feature.”).

6. Plaintiffs and Burton are Not in a Two-Player Market

Nowhere do Plaintiffs attempt to argue that the ski and snowboard helmet market

is a two-player market. ECF No. 22. Nor could they. Plaintiffs and Burton compete among many other companies in the winter sports helmet market, including POC, Pret, Oakley, K2, Giro, Bern, Bolle, SCOTT, Sweet Protection, and Wildhorn Outfitters. Wakeling Decl., ¶28. Plaintiffs thus cannot show that sales of Anon Helmets take business away from Plaintiffs. *Rosemount, Inc. v. U.S. Int'l Trade Comm'n*, 910 F.2d 819, 821 (Fed. Cir. 1990) (plaintiff's claim undermined by presence of "twelve major noninfringing competitors in the U.S. market"); *Precision Med., Inc. v. Genstar Techs. Co.*, 2011 WL 1674354, at *18 (E.D. Pa. May 3, 2011) (presence of "several non-infringers" on the market "lessens the possibility of irreparable harm"); *MMJK, Inc. v. Ultimate Blackjack Tour LLC*, 513 F. Supp. 2d 1150, 1156–57 (N.D. Cal. 2007) (finding loss of customers speculative given that there were other players in the market).

C. Plaintiffs' Inequitable Conduct During the Prosecution of the '373 Patent Constitutes "Unclean Hands."

Injunctive relief is equitable in nature and should be denied if the movant comes to the court with "unclean hands." Plaintiffs' withholding of known prior art from the Patent Office during prosecution of the '373 patent is an example of such unclean hands. *Therasense, Inc. v. Becton Dickson & Co.*, 649 F.3d 1276, 1287 (Fed. Cir. 2011) ("[T]he inequitable conduct doctrine evolved from ... unclean hands cases.").

As discussed in Part II *supra*, key prior art was not disclosed to the PTO during prosecution. But even if Plaintiffs deny knowledge of that art, they cannot deny this: As detailed in ECF No. 33, ¶¶62-95, in April 2013 – prior to Smith filing the application that led to the '373 patent – Koroyd uploaded a video depicting a helmet featuring Koroyd by Protos. The video shows that the Protos helmet disclosed the combination of Koroyd's

shock-absorbing insert and a vented helmet. Specifically, Koroyd was installed in the crown of the helmet, vents were present in the rear of the helmet, and the video noted that air flows freely through the helmet. That video is prior art to the '373 patent under 35 U.S.C. § 102(a)(1); yet Plaintiffs failed to disclose it to the USPTO, as was required of them. 37 C.F.R. § 1.56. Indeed, Smith's counsel expressly argued during prosecution that the alignment of the shock-absorbing insert and the vents was **absent** from the prior art, and the examiner relied on this alleged point of novelty in allowing the '373 patent. ECF. 33, ¶¶64-84. The Asserted Claims of the '373 patent would not have been allowed to issue if the Examiner had been aware of the 2013 Protos Video, which disclosed this purported point of novelty. Plaintiffs thus committed inequitable conduct.

IV. An Injunction Would Cause Burton Incalculable Harm, Far Outweighing Any Injury to Plaintiffs from Denial of a Preliminary Injunction

Courts “must balance the competing claims of injury and must consider the effect on each party of the granting or withholding of the requested relief.” *Winter v. Nat. Res. Def. Council*, 555 U.S. 7, 24 (2008). While Plaintiffs fail to show they would suffer any harm in the absence of a PI, an injunction would cause Burton incalculable harm.

Burton's Anon Helmets are vital to Burton's strategic plan and growth in its helmet sector. Wakeling Decl., ¶21. A PI would also damage Burton's relationships with its upstream vendors and hundreds of downstream distributors, brokers, and retailers who have also built business plans around those helmets. *Id.*, ¶¶23-24. The business impact on these partners would make repairing such relationships at the conclusion of this litigation very difficult. *Id.*, ¶25. Moreover, an injunction would jeopardize jobs at Burton and at non-Burton entities with ties to the manufacture, distribution, marketing,

and sales of Anon Helmets. *Id.*, ¶¶26-27. As the Federal Circuit recognizes, “[t]he hardship on a preliminarily enjoined manufacturer who must withdraw its product from the market before trial can be devastating.” *Illinois Tool Works*, 906 F.2d at 683. This is true even where, as plaintiff alleges, the parties are in “head-to-head competition.” *Id.* at 684 (finding defendant had continuing right to compete).

The balance of harms thus weighs against a PI.

V. The Public Interest Weighs Against the Requested Injunction

The public interest favors robust competition. See *id.* at 684 (public interest favors defendant’s “continuing right to compete”). It also favors public access to a range of choices for safety technology – particularly as Burton’s Anon Helmets are the only snow-sports helmets on the market with WaveCel, whose unique properties help prevent TBI’s. See Sec. III.B.5. Since the “public has a very strong interest in guaranteeing that innovative products are available in the market,” the public interest weighs against an injunction. *Celgard, LLC v. LG Chem, Ltd.*, 624 F. App’x 748, 754 (Fed. Cir. 2015).¹⁴

CONCLUSION

Burton asks the Court to deny Plaintiffs’ Motion for a Preliminary Injunction.

¹⁴ Smith argues that the public interest favors enforcement of patents. But where, as here, substantial questions about validity exist, courts hold otherwise. *E.g.*, *DNA Genotek Inc. v. Spectrum Sols. L.L.C.*, 2016 WL 8738225, at *5 (S.D. Cal. Oct. 6, 2016) (“While Plaintiff is correct that a strong patent system—and its enforcement—is in the public interest, that argument has less force here because there are serious questions regarding the validity of the asserted claims of the [asserted] patent.”).

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