

UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMERICAN NATIONAL MANUFACTURING)	
INC.,)	
)	
Petitioner,)	
)	
vs.)	IPR2019-00497
)	Patent 8,769,747 B2
SLEEP NUMBER CORPORATION,)	IPR2019-00500
f/k/a SELECT COMFORT)	Patent 9,737,154 B2
CORPORATION,)	
)	
Patent Owner.)	
_____)	

DEPOSITION OF CRAIG MILLER

February 20, 2020

Corona, California

Reported by:

Michael G. McMorran

Job no: 27001

TransPerfect Legal Solutions

1 DEPOSITION OF CRAIG MILLER, taken on behalf of
2 Patent Owner at 9:01 a.m., Thursday, February 20th,
3 2020, at 2731 Blue Springs Drive, Corona, California,
4 before Michael G. McMorran, Certified Shorthand
5 Reporter No. 13735 of the State of California, RPR,
6 pursuant to Notice.
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Support of Petitioner's Reply to Patent
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9 American National Invoice No. 0491641-IN 114

1 APPEARANCES OF COUNSEL:
2 FOR PETITIONER:
3 SPENCER FANE, LLP
4 BY: KYLE L. ELLIOTT, ESQ.
5 1000 Walnut Street
6 Suite 1400
7 Kansas City, Missouri 64106-2140
8 (816) 292-8150
9 kelliott@spencerfane.com
10
11 FOR PATENT OWNER:
12
13 FOX ROTHSCHILD LLP
14 BY: ANDREW S. HANSEN, ESQ.
15 222 South Ninth Street
16 Suite 2000
17 Minneapolis, Minnesota 55402-3338
18 (612) 607-7000
19 ahansen@foxrothschild.com
20
21
22
23
24
25

Also present: LARRY ASKEW

1 CORONA, CALIFORNIA; THURSDAY, FEBRUARY 20TH, 2020
2 9:01 A.M.
3 * * *
4 CRAIG MILLER,
5 the Witness herein, having been first duly sworn,
6 testified as follows:
7 -oOo-
8 EXAMINATION
9 BY MR. HANSEN:
10 Q Good morning, Mr. Miller.
11 A Good morning.
12 Q As you know, my name is Andy Hansen. I'm
13 counsel for Sleep Number.
14 We've met before, correct?
15 A We have.
16 Q Let me ask you just some preliminary
17 background questions about preparation today and prior
18 testimony that you've given.
19 You've given depositions before, right?
20 A I have.
21 Q And you've given trial testimony before?
22 A I have.
23 Q Have you given any depositions or trial
24 testimony outside of the matters that you've had with
25 Sleep Number?

1 A Once.
 2 Q What was that?
 3 A It was in a -- on a medical bed application
 4 where it was a customer we were manufacturing products
 5 for, there was an exposure to latex.
 6 Q When did this occur?
 7 A Mid '90s.
 8 Q Okay. And can you describe your current role
 9 with American National Manufacturing?
 10 A I'm the president.
 11 Q How about with a company called Dires, LLC?
 12 A Manager.
 13 Q And what is your role with Sizewise?
 14 A I am the chief manufacturing innovation
 15 officer.
 16 Q How long have you held that position, the one
 17 with Sizewise?
 18 A That one changed maybe two years ago, if I
 19 remember correctly.
 20 Q Have you been involved with any other
 21 litigation besides litigation with Sleep Number?
 22 A Nothing that ever came to anything
 23 otherwise -- other than just resolving something.
 24 Q Like -- and it was kind of a little bit of a
 25 vague question, I think, so let me break it down a

1 little bit.
 2 With ANM in your role -- you've been the
 3 president of ANM for a while now, right?
 4 A I have.
 5 Q How long?
 6 A Since the -- I don't remember exactly when my
 7 mom was the president. I was the vice president
 8 starting in '93. And then sometime thereafter, don't
 9 know exactly when that changed, but I think it changed
 10 about the time that we merged with Sizewise.
 11 So probably 2007 would be my recollection.
 12 Q During your time as president of ANM, are you
 13 aware of ANM being involved in litigation with any
 14 other companies?
 15 A Not since -- no, I haven't.
 16 Q With any consumers?
 17 A With any -- not -- nothing that comes to my
 18 mind.
 19 Q And how about Dires? Same question.
 20 Set aside the Sleep Number litigations, have
 21 you been involved -- Dires -- have they been involved
 22 with any other litigation with any companies?
 23 MR. ELLIOTT: Objection to form.
 24 THE WITNESS: Not that I recall.
 25 /////

1 BY MR. HANSEN:
 2 Q With any consumers?
 3 A That was the question you asked.
 4 Not that I recall.
 5 Q Oh, I thought I said "companies," but --
 6 A Well, same answer.
 7 Q -- it covers both. Okay.
 8 And can you tell me a little bit about the
 9 relationship between ANM and Sizewise? What is the
 10 current relationship between the two companies?
 11 MR. ELLIOTT: I'll enter an objection as to
 12 scope. I realize we're doing a bit of background, but
 13 we don't want to turn into a -- something that's way
 14 beyond Mr. Miller's declaration in this IPR.
 15 THE WITNESS: So what was the question?
 16 BY MR. HANSEN:
 17 Q What is the relationship between ANM and
 18 Sizewise?
 19 A Well, Sizewise owns ANM.
 20 Q And the relationship between Sizewise and
 21 Dires?
 22 A Sizewise is the majority owner of Dires.
 23 Q And is ANM an owner of Dires?
 24 A ANM is not a direct owner of Dires.
 25 Q Is it -- is the ownership of Dires from ANM,

1 basically, through you?
 2 MR. ELLIOTT: Objection to form.
 3 THE WITNESS: I think it's -- I think we need
 4 to back up to help -- you know, put things -- to make
 5 things more clear.
 6 BY MR. HANSEN:
 7 Q Sure.
 8 A So American National is a wholly owned
 9 subsidiary of Dires -- I'm sorry. American National is
 10 a wholly owned subsidiary of Sizewise.
 11 Okay. And then Dires is majority owned, over
 12 80 percent owned -- was owned by Sizewise.
 13 Q And so who currently are the Dires owners?
 14 MR. ELLIOTT: Objection. Scope. That's way
 15 beyond anything we've got here.
 16 If we're going to continue to explore the
 17 corporate structure, you're going to have to give me
 18 some basis for why you think that's within the scope.
 19 MR. HANSEN: Well -- and I can tell you where
 20 it's going to come in later is questions about sales of
 21 products to Dires.
 22 So I'm trying to understand what the
 23 relationship is between ANM and Dires at this point, if
 24 they're separate entities or the same entity.
 25 MR. ELLIOTT: And how does that relate to the

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1 sales that we're going to get into later that I think
2 are relevant to the scope?
3 MR. HANSEN: Well, there's multiple ways we'll
4 get into it. We'll get into it with certain statements
5 that have been made about the relationship when you get
6 into false statements, which is within the scope of the
7 declarations that were given when we talk about false
8 statements from a previous litigation.
9 In addition, when we're talking about sales
10 from ANM to Dires, it's relevant as to whether or not
11 that is a direct to consumer or through a retailer,
12 which gets in, again, to statements that have been
13 made, which I'll ask questions about later.
14 MR. ELLIOTT: Well, we know Dires isn't a
15 consumer. So to me, you can -- I'm okay with that
16 question.
17 But why do you need to know the percentage
18 ownership and who else is owners of Dires, you know,
19 people that have never been mentioned in these IPRs?
20 MR. HANSEN: I don't think it really matters
21 if somebody has been mentioned in the IPR yet when I'm
22 asking questions about statements that have been made
23 in a declaration.
24 I'm just getting some background right now
25 about who is an owner of Dires, and I'm going to ask

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1 questions about statements that have been made where
2 Dires is making sales to consumers where they're
3 attributing it to ANM as the manufacturer, Dires as the
4 manufacturer.
5 And I'm trying to understand if these
6 companies are separate or not.
7 MR. ELLIOTT: Let's move forward. But, you
8 know, to the extent we're trying to figure out what the
9 overall corporate structure of all this is in this
10 deposition now, I'm going to cut off, and we'll give a
11 call to the paralegal and see if we can get the Board
12 on the phone.
13 MR. HANSEN: So you don't want me to ask any
14 other questions about the ownership of Dires?
15 Are you saying he's not going to answer that,
16 or are you going to cut it off?
17 MR. ELLIOTT: I'm saying let's go forward with
18 your line of questioning. But what I'm saying is if
19 it's continuing to turn into just an exploration of the
20 whole ownership structure of individuals that aren't
21 even real parties of interest in this IPR, then I'm
22 going to cut it off.
23 MR. HANSEN: Okay. I don't think I'm going to
24 go where you're concerned I'm going. I just want to
25 get the framework for what the ownership is.

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1 MR. ELLIOTT: Okay.
2 MR. HANSEN: That's all I'm looking for right
3 now.
4 MR. ELLIOTT: Okay.
5 BY MR. HANSEN:
6 Q I don't remember what the question was, but I
7 believe it was who are the owners of Dires?
8 A Okay. The owners of Dires -- the owners of
9 Dires are the seven owners of Sizewise.
10 Q Okay.
11 A Okay? Because there are seven owners of
12 Sizewise, and then there are three minority owners of
13 Dires.
14 But the owners of Sizewise own in excess of
15 80 percent of Dires.
16 Q And you're one of the owners of Sizewise?
17 A Correct.
18 Q And the other three minority owners are not
19 related to Sizewise?
20 A Correct.
21 Q Mr. Miller, in these IPRs, you've submitted
22 different declarations at different points in time.
23 Initially, you submitted a declaration relating to some
24 discovery requests that Sleep Number was pursuing.
25 Is that accurate?

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1 A Yes.
2 MR. ELLIOTT: And to the extent that you're
3 going to ask questions about that generally, but if
4 you're going to go into specifics of it, that's a
5 discovery motion that's already been decided. It's not
6 part of his testimony of substance in the IPR and would
7 also be beyond the scope of the testimony that's being
8 taken today.
9 MR. HANSEN: So you're saying that you
10 don't -- you wouldn't -- you would object to any
11 testimony relating to that prior declaration?
12 MR. ELLIOTT: Mmm-hmm, supporting the
13 discovery motion, yes. Some of that, I think, overlaps
14 with the declaration that's at issue substantively that
15 the testimony today pertains to -- that his direct
16 testimony pertains to.
17 MR. HANSEN: Well, I disagree with you that
18 it's not relevant because I think we still have some
19 carryover issues from discovery that are now at issue
20 with the latest declarations that were put in when we
21 sought discovery.
22 Obviously, you objected to a lot of the
23 discovery we sought.
24 MR. ELLIOTT: Right.
25 MR. HANSEN: It played out. There was an

1 order. And now we have a declaration in there that is
 2 taking issue.
 3 That's my characterization. You don't have to
 4 agree with it.
 5 MR. ELLIOTT: Sure.
 6 MR. HANSEN: But it's taking issue with some
 7 of the discovery that was produced, and there is
 8 additional documents that have been now put forward in
 9 the declaration that were not produced earlier when we
 10 were seeking that discovery.
 11 MR. ELLIOTT: Sure. And as to the discovery
 12 that was ordered and then anything that's been produced
 13 since then, I have no scope objections to that at all
 14 because that is supporting Mr. Miller's testimony that
 15 is in the declaration that's of substance here.
 16 So those what you state there regarding the
 17 discovery, I don't have issues with.
 18 MR. HANSEN: All right. Well, Counsel, why
 19 don't we put that aside for now? Just bear with me a
 20 moment.
 21 MR. ELLIOTT: Sure.
 22 MR. HANSEN: And I'll see if that's something
 23 that we're going to have to see if we can get on a call
 24 about.
 25 MR. ELLIOTT: Sure. Let me start tracking

1 A Products other than conventional bedding.
 2 They started from waterbeds, and then they evolved into
 3 things that were not mainstream.
 4 Q So when you say -- when you say that, is it
 5 like, basically, beds other than inner spring?
 6 Is that a fair way to describe it?
 7 MR. ELLIOTT: Objection to form.
 8 THE WITNESS: They make futon. The shows we
 9 attended was the specialty sleep shows.
 10 BY MR. HANSEN:
 11 Q Okay.
 12 A And then it became the specialty sleep and
 13 futon shows. That's why I'm saying it that way.
 14 Q Okay. Did ANM -- you mentioned waterbeds.
 15 Did ANM manufacture any other types of beds? This is
 16 pre-entering that agreement with Sleep Number.
 17 A Yes.
 18 Q What types of beds were those?
 19 A Prior to entering the agreement with
 20 Sleep Number, we manufactured all types of, you know,
 21 obviously, waterbeds, but also adjustable firmness
 22 mattresses as well.
 23 Q Adjustable firmness -- is that using air
 24 technology?
 25 A Yes.

1 down the paralegal's phone number.
 2 BY MR. HANSEN:
 3 Q Well, let me ask you some questions about
 4 different companies that you have sold beds to in the
 5 past.
 6 A Okay.
 7 Q By "you," I'm talking about ANM. Okay? Is
 8 that fair?
 9 A Fair.
 10 Q At one point in time, you entered into a
 11 consulting agreement with Sleep Number, right?
 12 A Correct.
 13 Q And what year was that?
 14 A That was 2007, if I recall correctly.
 15 Q So prior to that time, ANM was selling beds to
 16 other retailers, right?
 17 A Correct.
 18 Q And what were those retailers?
 19 A There was a number of retailers. There were
 20 different retailers in the specialty sleep, you know,
 21 market. Mostly companies that had transitioned from
 22 selling waterbeds, which was our roots, our history,
 23 that then transformed our companies into selling
 24 specialty sleep products.
 25 Q What do you mean by "specialty sleep"?

1 Q Any other types of beds?
 2 A Yeah. We would make other types of products
 3 that were specialty in nature.
 4 Q Can you give me some examples?
 5 A Products that would go in motorhomes. Just we
 6 were a specialty, you know, manufacturer; so we
 7 manufactured a lot of custom, you know, mattresses to
 8 go into truck drivers, you know, rigs. Just various
 9 specialty, you know, products, including the medical
 10 products.
 11 Q And setting aside the medical products, these
 12 specialty mattresses -- would they be all adjustable
 13 air, or would some of them be different types of
 14 mattresses?
 15 A They would be different types. Some would be
 16 air.
 17 Q When you say "different types," would some of
 18 them be inner spring?
 19 A We've done some inner spring, but not very
 20 much.
 21 Q In your declaration that you submitted in --
 22 it's Exhibit 1057 in the IPR, and it's titled
 23 "Declaration of Craig Miller, Jr. in Support of
 24 Petitioner's Reply to Patent Owner Response," you talk
 25 about different programmers that you've worked with

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