

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

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

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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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