

# Rethinking Design Patent Infringement Law

By: Robert G. Oake, Jr.\*

## 1. Introduction

Now that the “point of novelty” test is gone in design patent infringement cases, what remains? *Egyptian Goddess* provides some clues, but the reasoning and result in the case suggest that the facts may have exceeded the reach of an effective objective design patent infringement analysis.

The now abandoned point of novelty approach was a well-meaning attempt to bring needed objectivity to an inherently subjective area of the law. The approach ultimately proved unworkable, but during its twenty-five year reign (1984-2008) it offered analytical principles that made further refinement of the *Gorham* ordinary observer test unnecessary.

But the elimination of the “point of novelty” approach now leaves the ordinary observer test overly subjective and underdeveloped. What additional principles may have emerged over the past twenty-five years if the Federal Circuit had not created the “point of novelty” test? This article provides some observations that may help answer that question - and that may help move the ordinary observer test toward a more objective analysis.

## 2. *Egyptian Goddess*

In *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665 (Fed. Cir. 2008), a case involving fingernail buffers, the Federal Circuit rejected the “point of novelty” approach and held that the “ordinary observer” test should be the sole test for determining whether a design patent has been infringed. As expressed in *Gorham v. White*, 81 U.S. 511 (U.S. 1872), the

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ordinary observer test is "if, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other." *Id.* at 528.

Under the abandoned "point of novelty" approach, as first expressed in *Litton Systems, Inc. v. Whirlpool Corp.*, 728 F.2d 1423 (Fed. Cir. 1984), to constitute an infringement "the accused device must appropriate the novelty in the patented device which distinguishes it from the prior art." *Id.* at 1444. The purpose of the "point of novelty" test was to prevent designs that merely embodied or were substantially similar to prior art designs from being captured as infringements under the ordinary observer test.

The test was easy to apply when the designs were simple and there was a single potential point of novelty. But as discussed in *Egyptian Goddess*, "the point of novelty test has proved more difficult to apply where the claimed design has numerous features that can be considered points of novelty, or where multiple prior art references are in issue and the claimed design consists of a combination of features, each of which could be found in one or more of the prior art designs." 543 F.3d at 671. The court explained that the problem was "[i]n such cases, the outcome of the case can turn on which of the several candidate points of novelty the court or fact-finder focuses on" and "[t]he attention of the court may therefore be focused on whether the accused design has appropriated a single specified feature of the claimed design, rather than on the proper inquiry, i.e., whether the accused design has appropriated the claimed design as a whole." *Id.* at 677.

Due to these and other problems, the Federal Circuit decided to abandon the "point of novelty" test. The court determined that the purpose of the test, which was "to focus on

those aspects of a design which render the design different from prior art designs" *id.*, could "be equally well served, however, by applying the ordinary observer test through the eyes of an observer familiar with the prior art." *Id.* The court ultimately held that "the 'ordinary observer' test should be the sole test for determining whether a design patent has been infringed." *Id.* at 678.

The *Egyptian Goddess* Court discussed four core principles that are useful when applying the *Gorham* ordinary observer test. First, "[i]n some instances, the claimed design and the accused design will be sufficiently distinct that it will be clear without more that the patentee has not met its burden of proving the two designs would appear 'substantially the same' to the ordinary observer, as required by *Gorham*." 543 F.3d at 678. Second, "[i]n other instances, when the claimed and accused designs are not plainly dissimilar, resolution of the question whether the ordinary observer would consider the two designs to be substantially the same will benefit from a comparison of the claimed and accused designs with the prior art...." *Id.* Third, "[w]here there are many examples of similar prior art designs, as in a case such as *Whitman Saddle*, differences between the claimed and accused designs that might not be noticeable in the abstract can become significant to the hypothetical ordinary observer who is conversant with the prior art." *Id.* Fourth, "if the accused infringer elects to rely on the comparison prior art as part of its defense against the claim of infringement, the burden of production of that prior art is on the accused infringer." *Id.*

The Court in *Egyptian Goddess* also alluded to a fifth principle, arguably the most historically important, when determining whether to uphold a summary judgment of non-infringement. This fifth principle is whether the accused design is closer in appearance to

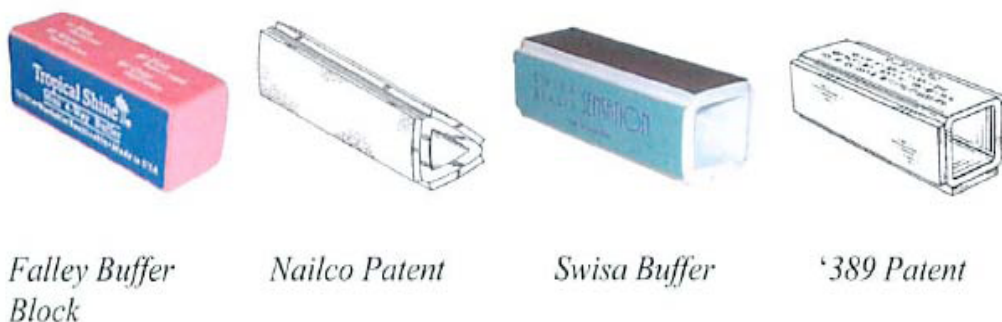
the patented design than the accused design is to the prior art. If it is not, then summary judgment of non-infringement is appropriate.

The *Egyptian Goddess* Court quoted this rationale as an important deciding principle in two of the cases it cited with approval: *Bevin Brothers Manufacturing Co. v. Starr Brothers Bell Co.*, 114 F. 362 (C.C.D. Conn. 1902) (“As for infringement, the court again consulted particular objects in the prior art having a similar shape, including a door knob, and concluded that ‘[t]he shape of the defendant's bell differs from plaintiff's more widely than plaintiff's differs from the [prior art] door knob, and therefore defendants' construction does not infringe the patent.’” *Id.* at 363; and *Applied Arts Corp. v. Grand Rapids Metalcraft Corp.*, 67 F.2d 428 (6th Cir. 1933) (“[W]hile there is some similarity between the patented and alleged infringing designs, which without consideration of the prior art might seem important, yet such similarity as is due to common external configuration is no greater, if as great, between the patented and challenged designs as between the former and the designs of the prior art” and “[the differences between the patented design and the prior art designs “are no greater than those that exist between the patented design and the alleged infringing designs.” *Id.*

The *Egyptian Goddess* Court never applied this fifth principle to the nail buffers in the case. Indeed, the Court never addressed the issue of whether the accused buffer design appeared more similar to the patented design than the accused design appeared to the prior art buffers. Rather, the Court simply stated “[n]othing about Ms. Eaton's declaration explains why an ordinary observer would regard the accused design as being closer to the claimed design than to the Nailco prior art patent.” 543 F.3d at 682. This observation was not particularly helpful to the analysis. The reason the declaration didn't contain such an

explanation was that the three-way comparative test was not the law when the declaration was drafted. Further, the Court did not remand the case to afford the parties opportunities to provide declarations based on the new standard.

Why did the *Egyptian Goddess* Court not apply the three-way comparative test? In light of the buffer designs, would not a reasonable person always conclude that the accused Swisa Buffer is closer in overall appearance to the patented design than the accused buffer is to the prior art Falley Buffer Block and Nailco Patent? If the three-way comparative test was the standard for whether a summary judgment of non-infringement should be granted, then the *Egyptian Goddess* case should have been reversed and remanded for trial.

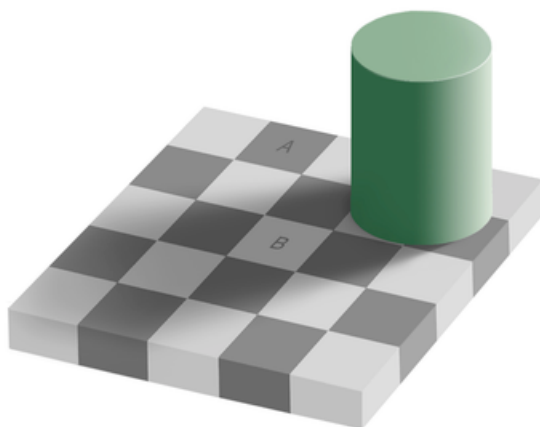


The fingernail buffers in *Egyptian Goddess* (from left to right – two prior art buffers, the accused Swisa Buffer, and U.S. Design Patent No. 467,389 ("the '389 patent").

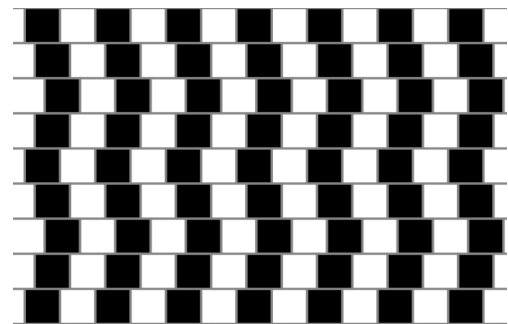
Rather than discuss the three-way test, the Court stated “[i]n light of the similarity of the prior art buffers to the accused buffer, we conclude that no reasonable fact-finder could find that EGI met its burden of showing, by a preponderance of the evidence, that an ordinary observer, taking into account the prior art, would believe the accused design to be the same as the patented design.” *Id.* This statement misstates the standard (“the same as” is not the correct standard), is merely conclusory, and does not analyze whether the accused buffer is closer in appearance to the patented design than it is to the prior art.

So the question remains. Why did the court overlook a historically important and valid legal principle when deciding the case? A possible explanation is that the facts of *Egyptian Goddess* exceeded the reach of a more objective infringement analysis, at least as it was applied to the buffer designs in the case. Faced with the lack of a proper analytical framework to guide the decision, the judges may have been forced to rely too much on their own subjective observations - and then expressed the holding in a conclusory manner.

There are two problems with this approach. First, initial subjective visual judgments made without proper context can be different than judgments made when proper context is provided. In short, the eyes may see things differently depending on the context and surroundings. Optical illusions provide familiar examples of this phenomenon. Two classic examples are (1) Adelson's checker shadow illusion, an optical illusion published in 1995 by Edward H. Adelson, Professor of Vision Science at MIT, and (2) the café wall illusion, first described by Richard Gregory in 1973. In the checker shadow illusion, observers usually see box A as being darker than box B. In the café wall illusion, observers usually see the horizontal lines as bent and non-parallel.

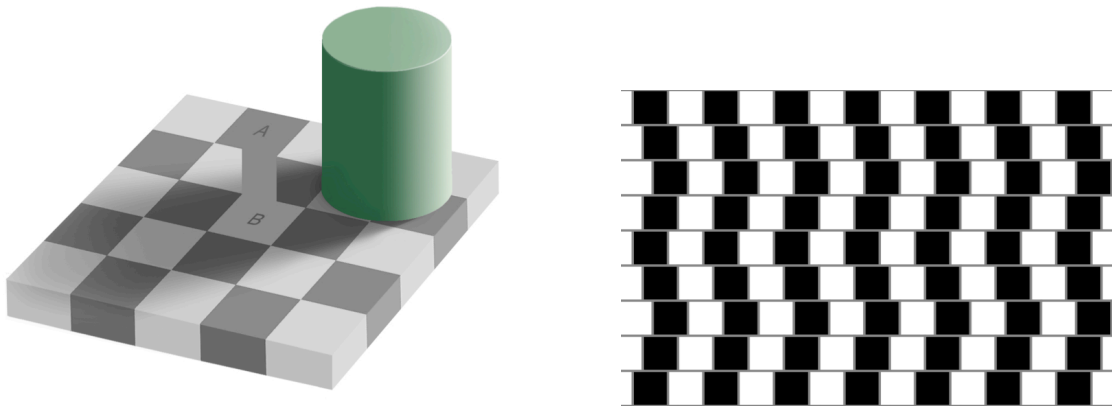


Checker Shadow Illusion



Café Wall Illusion

Both initial subjective judgments are objectively incorrect and both judgments should change when the visual context is changed. When the A and B squares in the checker shadow illusion are connected, it can be seen that they are actually the same color (it helps to block the surrounding background).<sup>1</sup> Further, if the observer looks at the café wall illusion from the side (minimizing the effect of the black boxes in the background), it can be seen that the horizontal lines are all straight and parallel.



Although the comparisons of patented and accused designs will not often have the same dramatic difference of perceived versus objective reality as these optical illusions, these illustrations make the point that there can be more to visual perception than initial subjective observation may suggest, particularly with differing background contexts. In design patent infringement analysis, a visual comparison between two designs may be quite different depending on the context of the prior art designs. This is particularly true given that the visual comparison is to be conducted through the eyes of an ordinary observer and the designs are not to be compared side by side.

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<sup>1</sup> For more on the checker shadow illusion, including proof and an explanation of why the illusion occurs, see [http://en.wikipedia.org/wiki/Same\\_color\\_illusion](http://en.wikipedia.org/wiki/Same_color_illusion).

The second problem with this approach is that if design patent cases are decided subjectively by judges, then it is difficult, if not impossible, to reasonably predict the proper boundaries of design patent protection. Judges, whose careers are dedicated to making decisions based on the rule of law, should feel uncomfortable making such subjective decisions without the benefit of a more objective analytical framework. And lawyers, clients, and business people trying to understand, comply with, and make decisions based on design patent law no doubt find it disconcerting as well.

### 3. Exceeding the Reach of Current Design Patent Infringement Analysis

Why did the facts of *Egyptian Goddess* exceed the reach of current design patent analysis? Let's take a closer look. Under current analysis, there are generally five types of cases when the patented and accused designs are not identical. The first type is when the claimed design and accused design appear sufficiently distinct that it is clear without more that the patentee cannot meet its burden under the *Gorham* test. Summary judgment of non-infringement is proper in the first type of case. The second type is when the patented and accused designs are sufficiently similar that they must be compared in light of the prior art, but after such a comparison the accused design is clearly closer in appearance to a prior art design than it is to the patented design. Summary judgment of non-infringement is appropriate in this second type case as well.

The third type of case is when the claimed design and accused design, although not identical, have such minor differences and are so close in overall appearance that summary judgment of infringement is proper. The fourth type is when the accused design is closer in appearance to the patented design than it is to a prior art design, but not close enough to warrant a summary judgment of infringement, and the dissimilarities are not great enough



to trigger a subjective hunch in a judge that summary judgment of non-infringement is proper. This type of case should be submitted to the fact finder for resolution.

The fifth type of case is the most difficult. The fifth type of case is when the accused design is closer in appearance to the patented design than it is to a prior art design, but dissimilar enough to where a judge's subjective observation may tell him or her that summary judgment of non-infringement is proper. How should these cases be analyzed and handled? Should they be submitted to the fact finder for resolution? Or should the trial judge follow his or her subjective hunch and grant summary judgment? The question is difficult. Some accused designs may be closer to the patented design than to a prior art design, but dissimilar enough to the patented design that summary judgment clearly is proper. If the rule becomes that summary judgment cannot be granted in these cases, it will tend to encourage patentees to file suits they otherwise would not in the hopes of getting lucky with a jury.

In other cases, the similarity in appearance between the patented design and accused design in light of the prior art may present a genuine issue of fact for a jury, but because the particular judges handling the case have a subjective hunch of no infringement, summary judgment is granted. It can be argued that this was the situation in *Egyptian Goddess*. If this situation remains, then until there is a more sophisticated and objective framework for analysis, the ultimate decision in the fifth type of case will be made by the subjective hunches of trial and appellate judges. Since judicial subjective hunches are hard to predict, it is hard to predict the boundaries of patent protection in the fifth type of case. What is needed is a more sophisticated infringement analysis to guide judges, advocates, litigants, designers, and business people in the fifth type of case.

#### 4. Developing an Infringement Analysis

Where should we look to develop such an analysis? Two related and potentially helpful areas are utility patent infringement law and trademark infringement law. Principles from these two areas can be reviewed and applied to design patents to see if a more objective analysis can be developed. Further, prior design patent infringement cases can be reviewed carefully to see if examples and clues to additional analysis exist.

##### A. Utility Patent Law

The ultimate test for whether a utility patent is infringed is whether all the limitations of at least one claim are present, either literally or equivalently, in the accused device. *See Teleflex, Inc. v. Ficoso N. Am. Corp.*, 299 F.3d 1313, 1323 (Fed. Cir. 2002). Under the “doctrine of equivalents,” the test is whether the differences between the claimed invention and the accused product are insubstantial. *See Crown Packaging Tech., Inc. v. Rexam Bev. Can Co.*, 559 F.3d 1308, 1311 (Fed. Cir. 2009) (citing *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 608 (1950)). The doctrine applies to design patent cases. *See Sun Hill Indus. v. Easter Unlimited*, 48 F.3d 1193, 1199 (Fed. Cir. 1995).

Courts have dissected the concept of “insubstantial differences” in the doctrine of equivalents and have developed a useful test known as the “function-way-result” test. *Id.* (citing *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 39-40 (1997)). This test asks whether the accused device has substantially the same function, operates in substantially the same way, and achieves substantially the same result as the claimed device. If so, it can be considered as an equivalent for infringement purposes. Since the function-way-result infringement subtest primarily analyzes functionality and ignores ornamental appearance, it is not suited for direct application in the design patent context.

See *Lee v. Dayton-Hudson Corp.*, 838 F.2d 1186, 1189-1190 (Fed. Cir. 1988) (“While the way/function/result test of *Graver Tank* ... is not directly transferable to design patents, it has long been recognized that the principles of equivalency are applicable under *Gorham*.”).

1. From “Function-Way-Result” to “Common Conspicuous Feature” and “Common Combination”

Are there similar subtests that may be suited to the design patent context? Although a design cannot be directly analyzed in terms of “function, way, and result,” is it possible to dissect and analyze the “way” a design may be deceptively similar to another in light of the prior art? It appears so. When such visual deception is present, one or both of two things typically are occurring. First, the patented design has a feature that departs conspicuously from the prior art, and the accused design also has this conspicuous feature. Second, the accused design and the patented design have the same combination of features that creates or substantially contributes to the overall appearance of the design, and this combination of features is not found in prior art designs.

Based on the factors that make one design deceptively similar to another, two infringement subtests can be fashioned, both of which have support in the *Egyptian Goddess* case. The first subtest would ask what visual features of the patented design depart conspicuously from the prior art, and whether the accused design possesses these same visual features. If the accused design possesses the same conspicuous visual features, then summary judgment of non-infringement is less appropriate. The *Egyptian Goddess* case suggests this first subtest through the statement “if the accused design has copied a particular feature of the claimed design that departs conspicuously from the prior art, the accused design is naturally more likely to be regarded as deceptively similar to the claimed design, and thus infringing.” *Egyptian Goddess, supra*, at 677.

The second subtest asks what combination of features do the accused and patented designs have in common that creates or substantially contributes to the overall appearance of the designs, and whether the prior art contained this combination. If the combination of design features is not found in the prior art, then summary judgment of non-infringement is less appropriate. This second subtest is suggested by the *Egyptian Goddess* statement “[i]f the claimed design consists of a combination of old features that creates an appearance deceptively similar to the accused design, even to an observer familiar with similar prior art designs, a finding of infringement would be justified.” *Id.* at 677-678.

The “common conspicuous feature” and “common combination” subtests are not intended to return the court back to a fragmented point of novelty test. Rather, the subtests are useful because they reflect the reality of why the appearance of an accused design may satisfy the requirements of *Gorham*, deceiving an ordinary observer, inducing him to purchase the accused design supposing it to be the patented design. The subtests contribute to a more objective analysis and are helpful in preventing design patent cases that fall into the fifth category from being decided on summary judgment based solely on the subjective hunch of a judge.

## 2. Known Interchangeability

“Known interchangeability” is another factor considered in a utility patent doctrine of equivalents analysis. When a skilled practitioner would know of the interchangeability between a claimed and accused element, equivalency is more likely. See *Abraxis Bioscience, Inc. v. Mayne Pharma Inc.*, 467 F.3d 1370, 1382 (Fed. Cir. 2006). Interchangeability is a concept uniquely suited to assessing functionality, and a form of this concept is used to determine whether a design or portion thereof is functional and therefore not ornamental.

*See L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1123 (Fed. Cir. 1993) (“When there are several ways to achieve the function of an article of manufacture, the design of the article is more likely to serve a primarily ornamental purpose.”); .

But is “known interchangeability” also a concept suited to assessing whether one design infringes upon another? It appears a number of district courts believe so. *See Rosco, Inc. v. Mirror Lite Co.*, 2003 U.S. Dist. LEXIS 26209 (E.D.N.Y. July 8, 2003), reversed on other grounds, *Rosco, Inc. v. Mirror Lite Co.*, 120 Fed. Appx. 832 (Fed. Cir. 2005). (“Plaintiff failed to prove at trial that any of the ornamental aspects of the accused products are known to be interchangeable with those of the claimed design.”); *Victus, Ltd. v. Collezione Europa U.S.A.*, 1998 U.S. Dist. LEXIS 14230, footnote 3 (M.D.N.C. Aug. 3, 1998) (If prosecution history estoppel did not apply to the design patent, it may have been relevant that glass and wood tabletops were considered interchangeable within the industry). In *Rosco*, the district court did not explain how the “known interchangeability” test applied to the facts of the case. Rather, the court just mentioned the principle and stated in summary fashion that there was a failure of proof. What might the court have been thinking? Is there a “known interchangeability” principle that may be applicable and useful in design patent cases?

Known interchangeability in the utility patent context relates to interchangeable *function* and whether such interchangeability was known to one of reasonable skill in the art. *See Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605, 609 (1950). Since design patent infringement concerns itself with substantial similarity of ornamental appearance, it would appear that a direct application of the known interchangeability principle is not appropriate. However, is there a potential application of the known interchangeability principle in the context of ornamental appearance?

One of the curious features of the *Egyptian Goddess* opinion is that the court described and quoted from a defendant expert declaration, but then never explained why it was doing so. The court stated:

Mr. Falley added that "four-way" nail buffers having four different abrasive surfaces have been made since 1985, and that four-sided "buffer blocks" have been on the market since 1987. He pointed to catalogs showing three-sided and four-sided buffer blocks that have been offered for sale since at least 1994, and in light of his knowledge of the industry, he stated that the "number of sides with abrasive surface on them would be important to purchasers because it determines whether a buffer is a "three way buffer" or a "four way buffer." Accordingly, he concluded:

The difference between a buffer with abrasive on three sides--a "three-way buffer"--and a buffer with abrasive on four sides--a "four-way buffer"--is immediately apparent to any consumer used to buying nail buffers. Even if such a consumer did not have a preference for either three-way or four-way buffers (although they almost always do), they would at a glance be able to tell that a buffer with abrasive on only three sides had abrasive on three sides, and was a three-way buffer, while a buffer with abrasive on four sides had abrasive on all four sides, and was a four-way buffer. I cannot imagine consumers would buy buffers with abrasive on four sides thinking that they were buying buffers with abrasive on three sides.

*Egyptian Goddess, supra*, at 681-682.

Both the patented and accused nail buffers in *Egyptian Goddess* had *raised* buffer pads, and the raised pads contributed substantially to the overall appearance of the nail buffers. The closest piece of prior art, the Nailco buffer, also had raised buffer pads. What then motivated the Court to quote extensively from a declaration discussing nail buffers *without* raised pads? Although the court offered no explanation, the Court may have believed it was relevant because the sole distinction between the patented and accused nail buffers (3 versus 4 raised buffer pads), was similar to (and interchangeable with) a distinction often made in the prior art (3 versus 4 non-raised buffer pads)? Such an explanation would make sense because an ordinary observer familiar with distinguishing

between 3 and 4 non-raised buffer pads may have an increased ability to distinguish between 3 and 4 raised buffer pads.

Seen in this light, “known interchangeability” or better put, “known similarity of distinction” is probably a valid principle in design patent infringement analysis. If an ordinary observer is accustomed to making visual distinctions between prior art designs based on a specific design feature and this feature (or form thereof) represents the primary difference between the patented and accused design, then this should be taken into account when determining whether infringement exists.

This principle is really nothing more than a specific refinement of the crowded prior art principle reaffirmed in *Egyptian Goddess*: “[w]here there are many examples of similar prior art designs, as in a case such as *Whitman Saddle*, differences between the claimed and accused designs that might not be noticeable in the abstract can become significant to the hypothetical ordinary observer who is conversant with the prior art.” Stated specifically, when an ordinary observer distinguishes prior art designs based on differences in a design feature (e.g. number of buffers), then similar differences in the claimed and accused designs can also become significant to an ordinary observer.

There should be an important caveat on the “known similarity of distinction” principle. Just as infringement is decided by considering the ornamental features of the claimed and accused designs, the “known similarity of distinction” principle also should be based on ornamental distinctions. In *Egyptian Goddess*, it was not at all clear that ordinary consumers would make the distinction between 3 pad and 4 pad nail buffers with non-raised pads based on ornamental considerations. Indeed, when the defendant expert declaration quoted in *Egyptian Goddess* is read in full, it is clear the expert believed that

ordinary observers distinguished 3 pad and 4 pad nail buffers based primarily on functional, and not ornamental, considerations.

### 3. Hypothetical Claim Construction

Another interesting tool used to determine whether infringement exists in the utility patent context is the “hypothetical claim construction” first described in *Wilson Sporting Goods Co. v. David Geoffrey & Assoc.*, 904 F.2d 677 (Fed. Cir. 1990). The principle underlying the hypothetical claim construction technique is that “a patentee should not be able to obtain, under the doctrine of equivalents, coverage which he could not lawfully have obtained from the PTO by literal claims” and “since prior art always limits what an inventor could have claimed, it limits the range of permissible equivalents of a claim.” *Id.* at 684.

The court in *Wilson Sporting Goods* expressed the test as follows:

Whether prior art restricts the range of equivalents of what is literally claimed can be a difficult question to answer. To simplify analysis and bring the issue onto familiar turf, it may be helpful to conceptualize the limitation on the scope of equivalents by visualizing a hypothetical patent claim, sufficient in scope to literally cover the accused product. The pertinent question then becomes whether that hypothetical claim could have been allowed by the PTO over the prior art. If not, then it would be improper to permit the patentee to obtain that coverage in an infringement suit under the doctrine of equivalents. If the hypothetical claim could have been allowed, then prior art is not a bar to infringement under the doctrine of equivalents.

*Id.* The court stated “[v]iewing the issue in this manner allows use of traditional patentability rules and permits a more precise analysis than determining whether an accused product (which has no claim limitations on which to focus) would have been obvious in view of the prior art.” *Id.*

Is the hypothetical claim construction analysis suitable for use in design patent cases? As an initial matter, the principle that a patentee should not be able to obtain coverage through an infringement analysis that he could not obtain initially through the



patent office should be valid for design patents as well. But beyond this initial comparison, is the test useful? Applying the technique, a hypothetical claim would be constructed that covered the accused design. This step is easy because in design patent law, the claim is the design itself. The second step is to determine whether the hypothetical claim would have been allowed over the prior art. If it would have been allowed, then the prior art is not a bar to the design being captured under an infringement analysis.

The second step involves conducting a validity analysis. In design patent law, a validity analysis currently involves a two-step process. First, a primary reference must be found that is basically the same as the claimed design. *See Durling v. Spectrum Furniture Co.*, 101 F.3d 100, 103 (Fed. Cir. 1996). Finding a primary reference “requires the trial court to: (1) discern the correct visual impression created by the patented design as a whole; and (2) determine whether there is a single reference that creates ‘basically the same’ visual impression.” *Id.* “In comparing the patented design to a prior art reference, the trial court judge may determine almost instinctively whether the two designs create basically the same visual impression.” *Id.*

After a primary reference is found, “other references may be used to modify it to create a design that has the same overall visual appearance as the claimed design.” *Id.* (citing *In re Harvey*, 12 F.3d 1061, 1063 (Fed. Cir. 1993)). “These secondary references may only be used to modify the primary reference if they are ‘so related [to the primary reference] that the appearance of certain ornamental features in one would suggest the application of those features to the other.’” *Id.* (quoting *In re Borden*, 90 F.3d at 1575).

When the two-step process is applied, it becomes apparent that the key issue is whether there is a design in the prior art that is basically the same as the accused design

(now existing as a hypothetical claim). If there is, then the hypothetical claim would not have been allowed and the accused design does not infringe. If there is not a design in the prior art that is basically the same as the hypothetical claim, then the hypothetical claim would have been allowed and the prior art is not a bar to the accused design being captured as an infringement by the patentee.

Is the hypothetical claim analysis helpful to solving the class five dilemma in design patent law? It would seem that if there is a prior art design that is basically the same as the accused design, then the accused design will be closer to the prior art than it is to the patented design. That is because if the accused design is basically the same as a prior art reference and the patented design is closer in appearance to the accused design than the accused design is to the prior art, the patented design is likely invalid as being obvious over the prior art. In that event, an earlier rule will have taken care of the infringement analysis (that if the accused design is closer to the prior art than it is to the patented design, summary judgment of non-infringement may be granted). So while the hypothetical claim construction may be helpful as a double check, it likely does not add much as a separate stand alone test.

An additional problem with using the hypothetical claim construction is that design patent invalidity analysis is currently in a state of uncertainty on two major issues. First, although the two-step primary-secondary references test is well established in Federal Circuit law, it presently is unknown how the Supreme Court's decision in *KSR International Co. v. Teleflex, Inc.*, 550 U.S. 398 (2007) impacts this analysis. See *Titan Tire Corp. v. Case New Holland, Inc.*, 566 F.3d 1372, 1384-1385 (Fed. Cir. 2009) ("Design patents, like utility patents, must meet the nonobviousness requirement of 35 U.S.C. § 103, and it is not

obvious that the Supreme Court necessarily intended to exclude design patents from the reach of KSR.”).

Second, there is uncertainty over whether the test for design patent obviousness is conducted using an “ordinary observer” standard or an “ordinary designer” standard. Although 35 U.S.C. § 103 clearly states “person having ordinary skill in the art,” a recent panel of the Federal Circuit has concluded that the “ordinary observer” is the standard. *See Int’l Seaway Trading Corp. v. Walgreens Corp.*, 589 F.3d 1233 (Fed. Cir. 2009). The court reasoned that since the ordinary observer test is now the sole test for infringement, it should be the test for anticipation and obviousness as well under the principle from *Peters v. Active Mfg. Co.*, 129 U.S. 530, 537 (1889) of “[t]hat which infringes, if later, would anticipate, if earlier.”

The court’s reasoning and conclusion are questionable. The *Peters* quote is not a basic principle of patent law, but rather a general observation on the relationship between infringement and anticipation before the current section on obviousness (35 U.S.C. § 103) was enacted. Indeed, under current obviousness law, the Federal Circuit has changed the *Peters* quote to “that which *literally* infringes, if later, would anticipate, if earlier.” *See Lewmar Marine, Inc. v. Bariant, Inc.*, 827 F.2d 744, 747 (Fed. Cir. 1987) (“While ‘the classic test of anticipation’ was indeed as stated, [footnote omitted] under the current statute ‘anticipation’ does not carry the same meaning as before, and the ‘classic test’ must be modified to: That which would literally infringe if later in time anticipates if earlier than the date of invention.”).

Although the *Peters* observation holds true for obviousness in the utility patent context because the tests for both obviousness and equivalency are conducted from the

viewpoint of a person of ordinary skill in the art, it is not necessarily true for design patents because equivalency is conducted from the viewpoint of an ordinary observer. More importantly, the Peters *observation* is a result of the way equivalency works in utility patent law, and not its *cause*. It therefore should not be used to change the standard for design patent obviousness. In any event, uncertainty currently exists in this area of law.

#### 4. Prosecution History Estoppel

Another limitation to the utility patent doctrine of equivalents is prosecution history estoppel. This doctrine “prevents a patent owner from recapturing with the doctrine of equivalents subject matter surrendered to acquire the patent.” *Honeywell Int’l, Inc. v. Hamilton Sundstrand Corp.*, 523 F.3d 1304, 1312 (Fed. Cir. 2008). A number of district courts and a leading commentator believe the doctrine of prosecution history estoppel is applicable to design patents. *See Australia Vision Servs. Pty., Ltd v. Dioptics Med. Prods., Inc.*, 29 F. Supp. 2d 1152, 1157 (C.D. Cal. 1998) (“While courts typically apply prosecution history estoppel to cases that involve the infringement of utility or process patents under the doctrine of equivalents, prosecution history estoppel is also applicable to design patent infringement cases.”); *Victus, Ltd. v. Collezione Europa U.S.A.*, 1998 U.S. Dist. LEXIS 14230 (M.D.N.C. Aug. 3, 1998) (Plaintiff “barred from arguing infringement under the doctrine of equivalents by prosecution history estoppel.”); *Arner v. Sharper Image Corp.*, 1995 U.S. Dist. LEXIS 21156 (C.D. Cal. Oct. 5, 1995) (holding that prosecution history estoppel could be used to both limit equivalents and to interpret the claim itself); *Stimulant Products, Inc. v. Vibrex Corp.*, 1969 U.S. Dist. LEXIS 9811 (C.D. Cal. 1969) (Defendants were estopped from claiming design patent infringement by the doctrine of file wrapper estoppel); 1-23 Chisum on Patents § 23.05, footnote 190.

There are generally three situations where prosecution history estoppel may arise in the design patent context. The first is when an applicant has submitted multiple embodiments of the design in a single application. This can happen when the applicant submits multiple embodiments on purpose, by mistake, or to overcome an indefiniteness rejection under 35 U.S.C. § 112. Although a design patent can only have one claim, *see* 37 C.F.R. § 1.153(a) (“More than one claim is neither required nor permitted”), multiple embodiments are allowed under appropriate circumstances. *See Antonious v. Spalding & Evenflo Cos.*, 1999 U.S. App. LEXIS 22984 at 22 - 23 (Fed. Cir. Aug. 31, 1999) (“A design patent may disclose more than one embodiment of a design.”). However, multiple embodiments only are allowed if they involve a single inventive concept. *See In re Rubinfeld*, 270 F.2d 391, 395 (CCPA 1959). If the multiple embodiments are patentably distinct from one another according to the standard of obviousness-type double patenting, then restriction will be required under 35 U.S.C. §121. *Id.* If the applicant does not pursue all the designs submitted in the application, the abandoned designs can be copied freely by the public due to prosecution history estoppel. *See Victus, supra*, at 14-20 (prosecution history estoppel applied when patent application for table design contained both wooden and glass tops, and following a restriction requirement, the glass top table design was abandoned).

The second way prosecution history estoppel may apply is when an applicant submits amended drawings to overcome a section 112 indefiniteness rejection, the drawings contain new matter and receive a rejection under 35 U.S.C. § 132, and the applicant withdraws the new matter from the drawings. In that event, prosecution history estoppel will prevent a design containing the new matter from infringing. *See Australia*

*Vision, supra*, at 1159 (prosecution history estoppel applied when amended drawings containing side lenses for sun glasses were changed to comply with new matter rejection).

The third way prosecution history estoppel may apply is when the claim is altered in response to an examiner's prior art objection. *See Australia Vision, supra*, at 1157 (C.D. Cal. 1998) ("As a practical matter, if a patent applicant submits arguments distinguishing a claim over prior art or narrows his claims by amendment or cancellation to meet the objections of the PTO examiner as to the patentability of the original claims he and his assigns may not, at a later date, recapture by construction the full scope of the claims that were previously surrendered."). In every design patent infringement analysis, the potential application of prosecution history estoppel should be considered.

## B. Trademark Law

### 1. Introduction

The second related area that may be helpful in constructing a more sophisticated design patent infringement analysis is trademark law. This area of law has developed a list of non-exclusive factors that assists courts and juries in determining whether the appearance of one trademark is confusing similar to another. To be sure, the Federal Circuit has cautioned against using trademark analysis in a design patent infringement analysis due to the fundamental differences between trademarks and design patents. *See Unette Corp. v. Unit Pack Co.*, 785 F.2d 1026, 1029 (Fed. Cir. 1986) ("Likelihood of confusion as to the source of the goods is not a necessary or appropriate factor for determining infringement of a design patent."); *Braun, Inc. v. Dynamics Corp. of America*, 975 F.2d 815, 828 (Fed. Cir. 1992) (Design patent infringement has a "different quantum of proof" than trademark and trade dress infringement). However, are there certain factors that would be

applicable and helpful in the design patent context? The case law suggests there are.

## 2. Likelihood of Confusion Factors

Courts typically consider a non-exclusive list of factors when determining the likelihood of confusion in a trademark case. These factors are: (1) the type of mark allegedly infringed, (2) the similarity between the two marks, (3) the similarity of the products, (4) the identity of the retail outlets and purchasers, (5) the identity of the advertising media used, (6) the defendant's intent, (7) any evidence of actual confusion, and (8) the degree of care exercised by consumers. See, e.g., *Scott Fetzer Co. v. House of Vacuums, Inc.*, 381 F.3d 477, 484, 485 (5th Cir. Tex. 2004); *Am. Rice, Inc. v. Producers Rice Mill, Inc.*, 518 F.3d 321, 329 (5th Cir. Tex. 2008).

## 3. Similarity

Factors (2) and (3) regarding “similarity” are in effect already used in a design patent infringement analysis because the patented and accused designs are compared for similarity in the *Gorham* “ordinary observer” test. See *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 683 (Fed. Cir. 2008) (Concluding that the proper test for infringement is whether the accused design can “reasonably be viewed as so similar to the claimed design that a purchaser familiar with the prior art would be deceived by the similarity between the claimed and accused designs, “inducing him to purchase one supposing it to be the other.”).

## 4. Degree of Care

Case law also indicates that the degree of care exercised by consumers (factor 8) is used in an infringement analysis. This is appropriate because the *Gorham* test is cast in terms of an “ordinary observer” who gives “such attention as a purchaser usually gives.”

For example, in *Braun, Inc. v. Dynamics Corp. of America*, 975 F.2d 815 (Fed. Cir. 1992), the Court held a verdict of infringement was supported because the patented and accused designs were of an inexpensive product that customers typically purchased on impulse and as a result, customers may not have differentiated the designs despite the differences.

#### 5. Actual Confusion

Case law also indicates that evidence of actual confusion (factor 7) can be used in an infringement analysis. See *OddzOn Prods. v. Just Toys*, 122 F.3d 1396, 1406, 1407 (Fed. Cir. 1997). Evidence of actual confusion can take one of two forms. First, evidence that customers confused one design for the other. *Id.* at 1406. Second, survey evidence. *Id.* The Federal Circuit has stated that “[t]he desirability of or necessity for presentation of such [empirical] evidence might vary depending on the circumstances of a particular case.” *Braun, Inc. v. Dynamics Corp. of America*, 975 F.2d 815, 821 (Fed. Cir. 1992).

In *Gorham*, the Supreme Court relied in part on empirical evidence to support a finding of infringement. 81 U.S. at 530. The Federal Circuit has stated it can be an abuse of discretion to exclude evidence of actual confusion on relevance grounds. See *OddzOn Prods. v. Just Toys*, 122 F.3d 1396, 1406, 1407 (Fed. Cir. 1997). However, evidence of actual confusion will have little probative value unless it can be shown that the confusion was caused by the similar ornamental features of the patented and accused designs. *Id.* at 1407 (the “actual confusion” evidence is of little probative value because it does not establish whether the balls were returned to OddzOn simply because they had a tail and fins or because they have an ornamental design similar to that of the patented design.”). Evidence of actual confusion and survey evidence is not relevant unless it compares the appropriate designs. For example, in *KeyStone Retaining Wall Sys., Inc. v. Westrock, Inc.*, 997 F.2d 1444



(Fed. Cir. 1993), evidence of actual confusion was not considered because it related primarily to similarity between unpatented walls, and not between the individual patented blocks in the walls.

The Federal Circuit has noted that “a jury, comprised of a sampling of ordinary observers, does not necessarily require empirical evidence as to whether ordinary observers would be deceived by an accused device's design.” *Braun, supra*, at 821. Indeed, the Federal Circuit has stated that since “a design patentee may prove infringement simply by showing that an ordinary observer would be deceived by reason of an accused device's ornamental design .... in showing design patent infringement there is ordinarily no compelling need for empirical evidence.” *Id.* at 828. District courts have granted summary judgment of infringement without any empirical evidence that ordinary observers were deceived. *See Hosley Int'l Trading Corp. v. K Mart Corp.*, 237 F. Supp. 2d 907, 911 (N.D. Ill. 2002); *Moen Inc. v. Foremost International Trading*, 38 F. Supp. 2d 680, 683 (N.D.Ill. 1999).

#### 6. Identity of Purchasers

Case law also indicates that the identity of purchasers (second part of factor 4) is used in an infringement analysis. *Gorham* makes clear that the ordinary observer is not an expert in the field. See 81 U.S. 511 at 528 (“Experts, therefore, are not the persons to be deceived.”). And the Federal Circuit has held that an ordinary observer is the purchaser of the patented design and not necessarily the purchaser of the finished product. *See Arminak & Assocs. v. Saint-Gobain Calmar, Inc.*, 501 F.3d 1314, 1324 (Fed. Cir. 2007) (“we hold that the ordinary observer of the trigger sprayer shrouds in this case is, as the district court found, the contract or industrial buyer for companies that purchase the stand-alone trigger sprayer devices, not the retail purchasers of the finished product.”).

## 7. Retail Outlets and Advertising Media

Case law indicates that the identity of retail outlets (first part of factor 4) and the identity of the advertising media used (factor 5) are not appropriate factors for a design patent infringement analysis. This is because, unlike trademark law, design patent infringement law focuses solely on comparing the designs in light of the prior art and ignores other circumstances existing in the marketplace. In *Braun, supra*, the Federal Circuit explained that “to show [trademark] infringement, the holder of a trademark or trade dress therefore must have progressed to the manufacture and distribution of a “purchasable” product” and “[a]s a result, consumer behavior in the marketplace is a highly relevant factor in determining trademark and trade dress infringement.” *Id.* at 828. In contrast, “a different quantum of proof applies to design patent infringement, which does not concern itself with the broad issue of consumer behavior in the marketplace.” *Id.* [A] design patentee may prove infringement simply by showing that an ordinary observer would be deceived by reason of an accused device's ornamental design.” *Id.*

## 8. Defendant's Intent

This leaves the type of mark allegedly infringed (factor 1) and the defendant's intent (factor 6). Can either of these factors be developed into helpful analytical tools? Let's first address the defendant's intent. In trademark law, intent plays a role “not because trademark infringement requires intent, bad faith, or any other mens rea,” but rather because “it demonstrates the junior user's true opinion as to the dispositive issue, namely, whether confusion is likely.” *Kemp v. Bumble Bee Seafoods, Inc.*, 398 F.3d 1049, 1057 (8th Cir. Minn. 2005). When intent is shown, this factor “weighs very strongly in favor of finding that confusion was likely.” *Id.*

In design patent infringement law, the defendant's intent currently plays a role in determining whether the infringement was willful. *See Avia Group International, Inc. v. L.A. Gear California, Inc.*, 853 F.2d 1557, 1566 (Fed. Cir. 1988); *Gustafson, Inc. v. Intersystems Industrial Products, Inc.*, 897 F.2d 508, 510-511 (Fed. Cir. 1990) ("Whether an act is "willful" is by definition a question of the actor's intent, the answer to which must be inferred from all the circumstances."). Indeed, in patent law, the concept of intent is well developed due to its involvement in determining whether inequitable conduct has occurred. *See, e.g., Leviton Mfg. Co. v. Universal Sec. Instruments, Inc.*, 606 F.3d 1353, 1368 (Fed. Cir. 2010) ("If the party asserting inequitable conduct establishes threshold levels of materiality and intent, the court must then weigh the materiality and intent, in light of all of the circumstances, to determine whether the applicant's conduct was egregious enough to warrant a finding of inequitable conduct."). Just as intent in trademark infringement law can reveal the true opinion of the defendant regarding infringement, it would seem that intent could play the same role in design patent infringement analysis.

#### 9. Type of Mark Infringed

The last factor is the type of mark allegedly infringed. Trademarks are divided into five different types: (a) generic (b) descriptive (c) suggestive (d) arbitrary and (e) fanciful. *See Two Pesos v. Taco Cabana*, 505 U.S. 763, 768 (U.S. 1992). The type of trademark is based on the degree of descriptiveness. *Id.* at 769. The categorizing of trademarks serves primarily three purposes. First, it indicates whether the mark is protectable at all. *Id.* Second, it indicates whether a trademark owner must prove secondary meaning to receive protection (descriptive marks must have secondary meaning). *Id.* Third, it indicates the strength of the mark for the purpose of determining whether a likelihood of confusion

exists. In general, the stronger the mark, the greater the likelihood of confusion. See *Homeowners Group, Inc. v. Home Marketing Specialists, Inc.*, 931 F.2d 1100, 1107 (6th Cir. Mich. 1991).

While trademarks and design patents protect different types of rights, design patents also can be placed into classifications - with degree of functionality (rather than descriptiveness) providing the basis for classification. Using degree of functionality as the guide, designs can be classified as: (a) purely functional, (b) primarily functional, (c) generally equal functional and ornamental, (d) primarily ornamental, and (e) purely ornamental.

While it is clear design patents can be placed into classifications based on degree of functionality, is there any reason to do so? In trademark law, the classification system helps solve some troublesome problems, particularly what to do with descriptive marks that have achieved secondary meaning. Therefore, it is worthwhile to take a close look at how a classification system might help solve problems in design patent law.

The first reason to classify in trademark law is to indicate what trademarks can be protected. This reason also would hold true for design patents, because purely functional designs are not protectable, designs that are primarily functional also may not be protected, and the remaining three categories can receive protection.

The second reason is that the classification scheme identifies what trademarks are descriptive and must achieve secondary meaning to receive protection. An important line in trademark law exists at the border between descriptive and suggestive trademarks. If a trademark is considered descriptive, then secondary meaning must be proven before protection is received. Secondary meaning is often difficult to prove. If a trademark is

considered suggestive, then it is inherently distinctive and secondary meaning need not be proven. The descriptive/suggestive categories are useful because they serve to indicate when secondary meaning must be proven, and perhaps more importantly, they give notice to potential trademark owners of the line they should not try to cross unless they can prove secondary meaning.

The secondary meaning concept solves a challenging problem in trademark law: How should trademarks be treated when they are descriptive (and generally unprotectable), and yet due to market place use they have become distinctive because consumers identify the source of a particular product or service with the trademark. The answer is to suspend the normal rule that prohibits using descriptive language for trademarks as long as the holder of the trademark can prove that the trademark has achieved secondary meaning.

Design patent law does not concern itself with identifying the source of a product or service, so the secondary meaning solution is not applicable. But is there another challenging problem in design patent law that a classification scheme could help solve? Let's take a close look.

#### 10. Functionality Problem

In design patent law, uncertainty currently exists regarding designs that are primarily functional. According to the Federal Circuit, such designs may not be patentable at all. *See Richardson v. Stanley Works, Inc.*, 597 F.3d 1288, 1293-1294 (Fed. Cir. 2010) (“If the patented design is primarily functional rather than ornamental, the patent is invalid.”). If they are patentable, then the Federal Circuit severely curtails their scope because the functional aspects are ignored and only the ornamental aspects are considered for

similarity. *Id.* But there is a problem. Ignoring functional portions of a design directly conflicts with the Supreme Court mandate that the patented and accused designs must be considered as a whole. How can designs be considered for similarity *as a whole* when parts of the designs are being ignored?

The Supreme Court has never held that functional parts of a design should be ignored when determining infringement. Rather, the Supreme Court only has considered functionality relevant when determining validity. *See Bonito Boats v. Thunder Craft Boats*, 489 U.S. 141, 147 (U.S. 1989) (“To qualify for protection, a design must present an aesthetically pleasing appearance that is not dictated by function alone, and must satisfy the other criteria of patentability.”).

The Federal Circuit follows the principal that functionality is relevant when determining validity and that the “dictated by” functionality analysis must include the overall appearance of the design. *See Berry Sterling Corp. v. Prescor Plastics, Inc.*, 122 F.3d 1452, 1455 (Fed. Cir. 1997) (“[T]he determination of whether the patented design is dictated by the function of the article of manufacture must ultimately rest on an analysis of its overall appearance.”). However, the Federal Circuit also considers functionality when analyzing infringement, which is something the Supreme Court never has done. In *Lee v. Dayton-Hudson Corp.*, 838 F.2d 1186, 1188 (Fed. Cir. 1988), the Federal Circuit stated “it is the non-functional, design aspects that are pertinent to determinations of infringement.” The court cited no authority for this new principle other than citing cases concluding that designs dictated by functional considerations only, or that were “primarily functional rather than ornamental,” were not patentable.

Following *Lee*, in *Read Corp. v. Portec, Inc.*, 970 F.2d 816, 825 (Fed. Cir. 1992), the

Federal Circuit stated that “[when] a design is composed of functional as well as ornamental features, to prove infringement a patent owner must establish that an ordinary person would be deceived by reason of the common features in the claimed and accused designs which are ornamental.” The court cited only *Lee* for this principle. Numerous cases following *Lee* and *Read* have repeated the principle (citing *Lee* and *Read* as authority) to the point that ignoring functional considerations in an infringement analysis now is an accepted part of design patent jurisprudence. In short, the Federal Circuit has taken the principle that a design dictated by function was not patentable, and from it has created the principle that “functional” aspects of a design should be ignored when determining infringement.

A leading design patent commentator has criticized the Federal Circuit’s rule that functional elements should be ignored in an infringement analysis. See Perry J. Saidman, *Functionality and Design Patent Validity and Infringement*, 91 J. Pat. & Tradeamrk Off. Soc’y 313. Further, litigants continue to make the argument that the Federal Circuit’s rule conflicts with *Gorham’s* requirement to view the patented and accused designs as a whole. See *Richardson v. Stanley Works, Inc.*, 597 F.3d 1288, 1293 (Fed. Cir. 2010) (“Richardson primarily argues that the district court erred in its claim construction by separating the functional aspects of the design from the ornamental ones, rather than considering the design as a whole.”).

The Federal Circuit continues to take the position that no conflict exists. For example, in *Richardson, supra*, at 1295, the designs in question involved multi-function carpentry tools that combined a conventional hammer with a stud climbing tool and a crowbar. The plaintiff contended that when the patented and accused designs were

compared in light of the prior art, the designs were substantially the same and that an ordinary observer would be deceived. The Court disagreed, and held that when the functional elements were ignored, an ordinary observer would find the overall visual effects of the patented and accused designs to be significantly different.

In *Richardson*, it was primarily the unique arrangement of functional elements that created the overall visual effect of the design. When the functional elements were ignored, most of the patented design was ignored. It was clear the court was not comparing the designs as a whole, but rather was comparing only a small portion of the designs that the court found to be ornamental. The court worked its way around the *Gorham* “as a whole” requirement by employing the fiction that if the ornamental aspects of the designs were being viewed as a whole, then the patented design was being viewed as a whole. But of course this was merely a fiction, because designs that are being compared in part are not being compared as a whole.

Why did the Federal Circuit invent the rule that “functional” aspects of the design must be ignored in an infringement analysis? The explanation usually given is that 35 U.S.C. § 171 limits protection to the “ornamental” design of the article, and a functional element, according to the Federal Circuit, is not an ornamental element. *See Lee, supra*, at 1188. But this explanation ignores that functional elements have configurations, and the configuration of an article is also considered part of its ornamentation. *See Gorham Co. v. White*, 81 U.S. at 525 (“The appearance may be the result of peculiarity of configuration, or of ornament alone, or of both conjointly ....”); *Best Lock Corp. v. Ilco Unican Corp.*, 94 F.3d 1563, 1568 (Fed. Cir. 1996) (“Since a design is manifested in appearance, the subject matter of a design patent application may relate to the configuration or shape of an object,



to the surface ornamentation on an object, or both. [quoting] MPEP §1502 (6th ed. 1995)").

For example, in the *Richardson* case, an argument could have been made that even though the individual elements may have been dictated solely by function, the specific configuration of the functional elements was not dictated solely by function, but rather was a design choice made by the patentee. Although this argument appears not to have been made, it is not certain that even if it had been made the Federal Circuit would have agreed with it. So what might be the underlying concern of the Federal Circuit? Is there a legitimate reason to ignore portions of a design that are deemed to be functional when determining infringement?

One legitimate reason may be the broad underlying policy of the functionality doctrine as it applies to trademarks, copyrights, and design patents – that of the public interest in free competition. As stated in *Shakespeare Co. v. Silstar Corp. of Am.*, 9 F.3d 1091, 1104 (4th Cir. S.C. 1993), “the basic policy of the functionality doctrine [is] that the public interest in free competition prohibits functional or utilitarian product features from achieving protection beyond that offered by the [utility] patent laws. [citing] 1 Jerome Gilson, *Trademark Protection and Practice* § 2.14 (1993).” When a given design is considered to be so functional that its functional aspects should remain part of the public domain for competition purposes unless it qualifies for utility patent protection (e.g., is non-obvious, etc.), then a reason may exist to ignore the functional aspects of the design in an infringement analysis. But even if a legitimate reason exists to consider functionality, is the current Federal Circuit approach the best approach to deal with the problem?

Although the “part is a whole” fiction is an expedient way to address the problem of how to compare designs that are dictated primarily by functional considerations, it has the

potential to develop problems, much like the point of novelty test developed problems that ultimately led to its demise. For example, the rule that functional considerations are to be ignored when determining infringement does not make sense when the patented and accused designs have ornamental aspects that are the same or substantially similar in appearance and functional elements that are significantly different in appearance. The designs when literally viewed as a whole may look completely different, but when the functional elements are ignored, the ornamental aspects may look the same to an ordinary observer. Surely infringement should not exist in this situation, but under the “ornamental part is a whole” fiction, infringement would potentially exist.

One way this problem can be addressed is to require, as a threshold matter, that both designs in their entirety must look substantially similar. Then if they do, only the ornamental portions of the designs are compared for a final infringement determination. But this process would include and consider “dictated by” functional elements in the threshold step and then not consider them in the second step. This fractured and inconsistent approach finds no support in patent infringement law.

Second, the fiction runs contrary to the concept in patent law of “that which literally infringes if later, anticipates if earlier.” *Lewmar Marine, supra*, at 747. If an overall design is dictated solely by function, then a patent is not granted. However, when a design patent is granted, it is not granted on only part of the design – it is granted on the entire design. Patent validity determinations are made on entire designs. See *In re Rubinfeld*, 47 C.C.P.A. 701, 270 F.2d 391, 395, 123 U.S.P.Q. (BNA) 210, 214 (CCPA 1959), *cert. denied*, 362 U.S. 903 (1960) (“It is the appearance of a design as a whole which is controlling in determining questions of patentability and infringement.”). The examiner does not require that the

applicant disclaim or place in broken lines portions of the patented design that are considered functional. Since functional design elements are ignored when determining infringement, but not ignored when determining validity, there is the potential that a design that literally infringes would not anticipate.

How then to solve the problem of how to compare designs as a whole for infringement and yet prevent primarily functional designs from being completely protected under patent law? Conceptually, this problem is similar to that faced in trademark law by a descriptive trademark that has achieved secondary meaning. It is against public policy to remove descriptive language from potential competitors and the public, and yet the trademark has achieved source identification status and so is deserving of trademark protection. Trademark law does not engage in the fiction that the language in the mark has become non-descriptive. Rather, trademark law recognizes that the language is still descriptive and comes up with a new concept to solve the problem – that of secondary meaning – which trumps descriptiveness when applicable.

Similarly, design patent law should not engage in the fiction that the entire designs are being compared when they are not. But the problem in design patent law appears to be different than the one solved by the secondary meaning principle in trademark law. In trademark law, a descriptive term becomes protectable when it has achieved secondary meaning in the minds of consumers. Is there some status a functional element can achieve in the mind of an ordinary observer that will make it protectable? It does not appear so. A design element is either dictated by function or it is not, and there appears to be nothing that can change that status.

Further, the descriptive category and secondary meaning approach works because it

is relatively easy to create a category of descriptive marks and then determine whether the mark has achieved secondary meaning by applying certain criteria. It is more difficult, if not impossible, to form a category of “dictated by function” designs because any part and any percentage of a design could be “dictated by function.” Therefore, the problem cannot be solved by classifying whole designs into a category, but rather by dealing with the part of the design that is considered dictated by function.

#### 11. Potential Solution to Functionality Problem

Although the classification system appears not to be a viable solution for the “dictated by function” problem, is there another principle used by trademark law that could help solve the problem? It appears there may be. When a proposed trademark includes a term that is descriptive when standing by itself, the examiner requires the applicant to disclaim use of the term by itself. Similarly, a design patent applicant could be required to disclaim the portion of the design dictated by function. If the applicant agrees with the “dictated by function” determination by the examiner, then the functional aspect of the design could be identified in the drawing by, for example, using light gray lines or dotted lines (as opposed to dashed lines that show environment). This would provide notice to the public that these design aspects would not be considered when determining infringement. The symmetry of “that which literally infringes if later, would anticipate if earlier,” would be preserved because the design elements dictated by function would not be considered part of the ornamental design. If the applicant disagreed with the examiner, then the applicant could try to convince the examiner and, if necessary the board of appeals that the design element was purely functional. The process also would give the applicant an opportunity to modify or withdraw the application in light of what design elements

were considered to be “dictated by function” by the examiner.

If the “dictated by function” determination were made during prosecution, then prosecution of design patents would more closely resemble prosecution of utility patents – where substantive determinations of patent scope are frequently made. Of course, even when an examiner agrees a design element is not dictated by function, an accused infringer would still have the opportunity to allege “dictated by” functionality during litigation. At this point, however, the accused infringer should have to prove dictated by functionality by clear and convincing evidence. If such functionality were proven, then the design patent would have to be changed to reflect the proven functionality.

It may be argued that the identification of “dictated by” functional design elements during the design patent prosecution process is not necessary because it can be done by the district court during claim construction. In fact, the Federal Circuit has approved a process whereby the court identifies and eliminates “dictated by” functional elements when performing claim construction. *See OddzOn Prods. v. Just Toys*, 122 F.3d 1396, 1405 (Fed. Cir. 1997) (“Where a design contains both functional and non-functional elements, the scope of the claim must be construed in order to identify the non-functional aspects of the design as shown in the patent.”)

But there is a problem with this. When “dictated by” functional elements are eliminated during the claim construction process and ignored when determining infringement, the infringement analysis is divorced from reality. Ordinary observers who look at designs during the purchasing process do not separate the “dictated by” functional design elements from the ornamental design elements. Rather, they look at the designs as a whole. This artificial deconstruction of the designs is contrary to the general principle

that the infringement determination should reflect what can be observed, and is a matter of concern, at some point in the product's life. *See KeyStone Retaining Wall Sys., Inc. v. Westrock, Inc.*, 997 F.2d 1444, 1451 (Fed. Cir. 1993).

Further, the deconstruction of the design makes it extremely difficult, if not impossible, to collect relevant evidence of actual confusion because the confused customers are observing entire designs and not just the ornamental aspects of the designs. *See, e.g., OddzOn Prods. v. Just Toys*, 122 F.3d 1396, 1407 (Fed. Cir. 1997) (court found the "actual confusion" evidence to be "of little probative value because it does not establish whether the balls were returned to OddzOn simply because they had a tail and fins or because they have an ornamental design similar to that of the patented design."). Similarly, survey evidence of confusion is extremely difficult to collect because survey participants must be asked to compare abstract designs that do not reflect the overall appearance of the actual products. *Id.* (court considered survey evidence flawed because it "fail[ed] to distinguish between the ornamental features of the balls and their functional aspects such that a reasonable jury could determine that the perceived similarity was due to the protected ornamental features."). In short, meaningful actual evidence of confusion, which in trademark law is traditionally considered the strongest evidence of confusion, is effectively eliminated when the court removes "dictated by" functional elements during claim construction and ignores them during the infringement determination.

The fairness of such a draconian result should be questioned. At a minimum, the design patent applicant should be given fair notice that portions of the design will be considered dictated by function and ignored in an infringement analysis. This would allow the applicant to challenge the functionality determinations, and if unsuccessful, the

applicant can choose between changing the design during prosecution or living with the unfortunate consequences of “dictated by” functionality in a future litigation.

## 12. A Remaining Problem- Preserving Competition

A difficult problem remains. Although a design element may not be “dictated by” function since alternative designs may exist that accomplish the same function, competition may still be adversely affected if a design patent covers certain design elements. For example, consider the situation when there may be more than one design to accomplish a function, but each of the alternative designs is covered by a design patent. Even though the design element is not truly “dictated by” function, competitors are placed at a significant disadvantage when a design patent protects each of the limited number of design alternatives. In this case, it would not be appropriate to eliminate the design element from the design patent because it is not dictated by function, but something must be done to preserve the right to compete.

Is there another principle from trademark law that may help to solve this problem? It appears that a principle from trade dress law may be helpful. In trade dress law, functional features of a product are those which are “essential to the use or purpose of the article or ... affect the cost or quality of the article, that is, if exclusive use of the feature[s] would put competitors at a significant non-reputation related disadvantage.” *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 32, 121 S. Ct. 1255, 149 L. Ed. 2d 164 (2001) (quoting *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165, 115 S. Ct. 1300, 131 L. Ed. 2d 248 (1995)). The principle of competitive disadvantage could be used in design patent law to allow the accused infringer a defense to infringement if the accused infringer can prove that the design was necessary to effectively compete. However, unlike trade

dress law, the competitive disadvantage defense would not focus on the issue of whether a design or design element itself was functional. This is because design patents expire (or may be invalidated), in which case alternative designs may open up for use and render the defense unnecessary.

### 13. Classification Revisited

The third reason trademarks are classified into categories is because the stronger the mark, the greater the likelihood of confusion. Does the same principle hold true for design patents? Under current law, the answer appears to be yes. That is because a design having “dictated by function” features will be granted less scope than a purely ornamental design because the functional features are ignored in the infringement analysis. In the event the “dictated by function” features are eliminated in the prosecution process, then the principle would not hold true because the entire design would be considered and infringement would depend solely on similarities and differences between the patented and accused designs in light of the prior art.

Are the benefits of a classification scheme enough to begin formally classifying design patents into categories? A scheme would help identify what designs are patentable and what designs are to be considered in their entirety without eliminating functional design elements. But beyond these two general benefits, it is questionable whether the value of a classification system would justify the effort.

### 14. Expert Witnesses

Expert witnesses have been used extensively in trademark litigation on a variety of infringement issues. *See Gilson on Trademarks* § 8.13 (“The parties may thus call experts to testify on specific confusion factors in trademark cases, such as the similarity between two



trademarks or overlapping marketing channels, [footnote omitted] but also on the dispositive issue of likelihood of confusion.”). Expert witnesses also have been used with approval regarding the ordinary observer test in design patent litigation. *See, e.g., Catalina Lighting v. Lamps Plus*, 295 F.3d 1277, 1287 (Fed. Cir. 2002) (expert testimony together with accused product provided substantial evidence that ordinary observer test was met).

## 5. Summary of Proposed Infringement Analysis

In light of the above discussion, the following is a proposed analytical framework for determining whether a summary judgment of non-infringement should be granted and upheld in a design patent case. Assuming patent validity and enforceability, step one is to review the prosecution history of the patented design for prosecution history estoppel. If the patentee is estopped from claiming the accused design as an infringement, summary judgment of non-infringement should be granted.

Step two under current law is to construe the design patent to eliminate any design element that is dictated solely by function. Once these design elements are identified and eliminated, the remaining ornamental design elements are considered as a whole.

Step three is to determine who the hypothetical ordinary observer is and to compare the patented and accused designs. If the two designs are sufficiently distinct that it is clear without more that the burden under the *Gorham* ordinary observer test cannot be met, then summary judgment of non-infringement should be granted.

If the outcome of the ordinary observer test is not clear, then the two designs must be compared in light of the prior art. If the prior art comparison indicates that the accused design is clearly closer in appearance to a prior art design than it is to the patented design, then summary judgment of non-infringement should be granted.

If the accused design is not clearly closer in appearance to a prior art design than it is to the patented design, and yet the court's observations indicate that summary judgment of non-infringement may still be appropriate, then the court should do the following:

(1) Analyze the prior art. The court already will be aware of the prior art as a result of comparing the patented and accused designs in light of the prior art as described above. The court should determine if the prior art is crowded with many examples of similar prior art designs. If so, then "differences between the claimed and accused designs that might not be noticeable in the abstract can become significant to the hypothetical ordinary observer who is conversant with the prior art." [cite]

(2) Apply the "common conspicuous feature" subtest. The common conspicuous feature subtest asks what visual features of the patented design depart conspicuously from the prior art, and whether the accused design possesses these same visual features. If the accused design possesses the same conspicuous visual features, then summary judgment of non-infringement is less appropriate.

(3) Apply the "common combination" subtest. The common combination subtest asks what combination of features do the accused and patented designs have in common that creates or substantially contributes to the overall appearance of the designs, and whether the prior art contained this combination. If the shared combination of design features is not found in the prior art, then summary judgment of non-infringement is less appropriate.

(4) Apply the "known similarity of distinction" principle. If an ordinary observer is accustomed to making visual distinctions between prior art designs based on a specific design feature and this feature (or form thereof) represents the primary ornamental

difference between the patented and accused design, then this should be taken into account when determining whether infringement exists.

(5) Reconsider the identity of the purchaser. The ordinary observer is the purchaser of the patented design and not necessarily the finished product. The ordinary observer may have more or less sophistication and awareness depending on the circumstances.

(6) In addition to comparing the designs through the eyes of the appropriate ordinary observer, consider the degree of attention likely exercised by ordinary observer purchasers in light of the cost of the product and whether it is usually purchased on impulse. The degree of attention will be less for inexpensive products usually purchased on impulse.

(7) Consider evidence of actual confusion and survey evidence shown to be relevant and material.

(8) Consider expert witness testimony shown to be reliable, relevant, and material.

(9) Consider any evidence of the defendant's intent. Evidence of intent can indicate the accused infringer's true opinion of whether deception is likely.

(10) Consider whether any of the design elements, although not dictated by function, are necessary for the accused infringer to compete on a non-reputation related basis.

While performing these ten steps, all reasonable inferences should be made in favor of the non-movant, as in traditional summary judgment practice. After these steps are completed, the district court should have a better sense of whether a genuine issue of

material fact on infringement remains for a jury to decide. Similar to the trademark approach, no one factor should be outcome determinative. Unless the district court has a firm conviction after the analysis is completed that no reasonable jury would find the ordinary observer test burden satisfied, then summary judgment should not be granted.

6. Application to facts of *Egyptian Goddess*

The Egyptian Goddess '389 Patent was not found to be invalid or unenforceable, so step one is to review the prosecution history of the patented design for prosecution history estoppel. Two buffer designs were submitted on a single application. The examiner asserted that the two designs constituted two separate inventions and filed a restriction requirement. The patentee complied, prosecuted both designs separately, and both matured into patents. Therefore, no prosecution history estoppel exists.

Step two under current law is to construe the design patent to eliminate any design element that is dictated solely by function. The district court construed the patent in words and did not find any of the design elements to be dictated solely by function. *See Egyptian Goddess, Inc. v. Swisa, Inc.*, 2005 U.S. Dist. LEXIS 46873 \*7 (N.D. Tex. 2005). Therefore, the entire patented design is used in the infringement analysis.

Step three is to determine who the hypothetical ordinary observer is and to compare the patented and accused designs. If the two designs are sufficiently distinct that it is clear without more that the burden under the *Gorham* ordinary observer test cannot be met, then summary judgment of non-infringement should be granted. The Egyptian Goddess nail buffer patent is of a complete nail buffer that is sold at the retail level. Therefore, the *Gorham* ordinary observer is the typical purchaser of fingernail buffers at the retail level. When the patented and accused designs are compared, they are not so

plainly dissimilar that the ordinary observer test clearly cannot be met. *See Egyptian Goddess, supra*, at 680 (court stated “it is agreed that the general shape of the accused nail buffer at issue in this case is the same as that of the patented buffer design” and proceeded to compare the two designs in light of the prior art).

Since the outcome of the ordinary observer test is not clear, the two buffer designs must be compared in light of the prior art. If the prior art comparison indicates that the accused design is clearly closer in appearance to a prior art design than it is to the patented design, then summary judgment of non-infringement should be granted. When the two buffer designs are compared to the closest prior art, it is clear that the accused design is closer in overall appearance to the patented design than it is to the closest prior art designs.

Although the accused design is not clearly closer in appearance to the prior art design than it is to the patented design, the accused design has one more buffer pad than the patented design. Consequently, a court’s observations may indicate that summary judgment of non-infringement may still be appropriate (as the court did in the *Egyptian Goddess* case). The court therefore should compare the accused and patented designs in light of the ten-factor analysis.

(1) Analyze the prior art. The prior art consists of solid buffer pads that are both square and rectangular in cross section and that have three or four non-raised pads. The prior art also includes the Nailco buffer, which is open, hollow, and triangular in cross section and that has three raised buffer pads. Since only one prior art nail buffer is open and hollow with raised pads (the Nailco Buffer), the prior art is not crowded with many examples of similar prior art designs. Therefore, the principle does not apply that

“differences between the claimed and accused designs that might not be noticeable in the abstract can become significant to the hypothetical ordinary observer who is conversant with the prior art” 543 F.3d at 678, and this factor tends not to favor summary judgment of non-infringement.

(2) Apply the “common conspicuous feature” subtest. The common conspicuous feature subtest asks what visual features of the patented design depart conspicuously from the prior art, and whether the accused design possesses these same visual features. If the accused design possesses the same conspicuous visual features, then summary judgment of non-infringement is less appropriate. The closest prior art buffers to the patented design are the Falley solid buffer block, square in cross-section with non-raised pads and the hollow and open triangular Nailco buffer with raised pads. The visual features of the patented design that depart most conspicuously from the Falley buffer block are the open and hollow body, the multiple raised buffer pads, and the open corners between the buffer pads. The accused design shares these conspicuous visual features with the patented design except that the accused design has one more buffer pad than the patented design.

The visual feature of the patented design that departs most conspicuously from the Nailco buffer is that the patented design has a square cross section whereas the Nailco Buffer has a triangular cross section. The accused design shares this conspicuous visual feature. Another conspicuous difference, although not quite as conspicuous as the difference between the square and triangular cross sections, is that the Nailco Buffer has pads on all three sides whereas the patented design does not have pads on all four sides. The accused design does not share this conspicuous difference because the accused design has pads on all four sides.

The “common conspicuous feature” subtest yields mixed results in this case. The patented and accused designs share in common the design features that depart most conspicuously from both of the two closest pieces of prior art: They both differ from the Falley solid buffer block because they are open and hollow and have significantly raised buffer pads with open corners. But the patented design has three of the significantly raised buffer pads while the accused design has four. They both differ from the Nailco buffer because they are square in cross section while the Nailco is triangular in cross section. But again, the patented design has three raised pads while the accused design has four.

The “common conspicuous feature” subtest favors the patentee in the sense that the two most dominant visual features that depart most conspicuously from the prior art (the open, hollow, square cross sections and multiple raised buffer pads with open corners) are shared by both the patented and accused designs. However, the subtest also favors the accused in that the patented design has three raised buffer pads while the accused design has four raised buffer pads and this can be considered a conspicuous difference.

(3) Apply the “common combination” subtest. The common combination subtest asks what combination of features do the accused and patented designs have in common that creates or substantially contributes to the overall appearance of the designs, and whether the prior art contains this combination. If the shared combination of design features is not found in the prior art, then summary judgment of non-infringement is less appropriate.

The common combination of features that creates or substantially contributes to the overall appearance of the patented and accused designs is the common combination of an open, hollow tube that is square in cross-section with multiple raised buffer pads and open

corners. This particular combination is not found in the prior art. Therefore, the results of the common combination subtest indicate that summary judgment of non-infringement is less appropriate.

(4) Apply the “known similarity of distinction” principle. If an ordinary observer is accustomed to making visual distinctions between prior art designs based on a specific design feature and this feature (or form thereof) represents the primary ornamental difference between the patented and accused design, then this should be taken into account when determining whether infringement exists.

The only ornamental difference between the patented and accused buffer designs is that the patented buffer design has three significantly raised pads whereas the accused buffer has four significantly raised pads. The only prior art design that has significantly raised buffer pads is the Nailco buffer, which has three raised pads. There is no prior art design that has a different number of raised pads. Therefore, ordinary observers familiar with the prior art are not accustomed to making visual distinctions between buffers based on their different number of significantly raised buffer pads.

The prior art does contain solid block buffers that different numbers of pads. However, these pads are not raised and there is no evidence that ordinary observers make visual distinctions based on the different numbers of non-raised pads. An expert for the accused declared that customers make distinctions between “three-way” (three pad) buffers and “four-way” (four pad) buffers based on functional considerations, but the expert did not declare that customers made such distinctions based on ornamental considerations. Therefore, this factor favors that summary judgment of non-infringement is less appropriate.



(5) Reconsider the identity of the purchaser. The ordinary observer is the purchaser of the patented design and not necessarily the finished product. The ordinary observer may have more or less sophistication and awareness depending on the circumstances. The ordinary observer in this case is a person who buys fingernail buffers at the retail level. As compared to a wholesale purchaser or professional buyer, this factor favors that summary judgment of non-infringement is less appropriate.

(6) Degree of attention likely exercised by ordinary observer purchasers in light of the cost of the product and whether it is usually purchased on impulse. The degree of attention will be less for inexpensive products usually purchased on impulse. Fingernail buffers are relatively inexpensive items that are frequently purchased on impulse at busy malls and kiosks. The degree of attention likely exercised by an ordinary observer who is purchasing a nail buffer is relatively low. This factor would tend to indicate that summary judgment of non-infringement is less appropriate.

(7) Evidence of actual confusion and survey evidence shown to be relevant and material. There were no design elements dictated by function in the patented design. Consequently, a survey could have been conducted by comparing the patented and accused buffers in light of the prior art. At the trial court level, summary judgment was granted on the point of novelty test and not on the ordinary observer test. Since the ordinary observer test was changed on appeal, the case could have been remanded the case for additional discovery, development of evidence under the new standard, and trial on the merits, but it was not. Consequently, the patentee never had an opportunity to conduct a survey regarding confusion under the new standard. This factor therefore is not applicable.

(8) Expert Witness Testimony. Both the patentee and the accused infringer

presented declarations from expert witnesses. The *Egyptian Goddess* opinion did not include the background qualifications and full opinions of the experts, but included relevant portions of the expert declarations. With regard to the opinion of the patentee's expert, the opinion states as follows:

After viewing the patented, accused, and Nailco buffers, Ms. Eaton concluded that the patented and accused designs would "confuse an ordinary observer into purchasing the accused buffer thinking it to be the patented buffer design." She reached that conclusion, she explained, because "the substantially similar appearance [between the accused and patented designs] results from both designs having a hollow tube, square in cross section and rectangular in length, with multiple raised rectangular pads mounted on the sides, and that do not cover the corners of the tube." While recognizing that the accused buffer has pads on all four sides and that the claimed design has buffer pads on only three sides, she stated that "I do not believe that, to an ordinary observer and purchaser of nail buffers, the presence of one more buffer pad[s] greatly alters the ornamental effect and appearance of the whole design as compared to the whole patented design."

....

[A]n ordinary observer and purchaser of nail buffers would consider the patented design and the accused buffer to be substantially similar, "particularly in light of other nail buffers, such as a solid block buffer and the hollow triangular Nailco buffer."

543 F.3d at 681.

In the quoted portions of her declaration, Eaton generally follows the comparative analysis set out in *Egyptian Goddess*. First, she expresses her opinion in terms of what would confuse the ordinary observer and then identifies the common ornamental design features that create the substantially similar overall appearance between the patented and accused designs. She specifically identifies the one ornamental difference between the buffer designs and then states that in her opinion the difference does not greatly alter "the ornamental effect and appearance of the whole design as compared to the whole patented design." In short, Eaton properly compares the whole accused design to the whole

patented design. Finally, Eaton makes the visual comparison in light of the relevant prior art (“in light of other nail buffers, such as a solid block buffer and the hollow triangular Nailco buffer.”). This comparison is remarkably prescient, given that the Federal Circuit did not recognize a comparison in light of the prior art until the *Egyptian Goddess* en banc opinion became law – well after the Eaton declaration was made.

The Federal Circuit is critical of the Eaton declaration, but inappropriately so in light of the rest of the opinion. The court first states “[t]he problem with Ms. Eaton's declaration is that she characterized the accused and patented designs as similar because they both have square cross sections and "multiple" raised buffer pads, without directly acknowledging that the patented design has three pads while the accused design has four, one on each side.” 543 F.3d at 682. But the court contradicts its own statement. Indeed, the court earlier states that “[w]hile recognizing that the accused buffer has pads on all four sides and that the claimed design has buffer pads on only three sides, [Eaton] stated that "I do not believe that, to an ordinary observer and purchaser of nail buffers, the presence of one more buffer pad[s] greatly alters the ornamental effect and appearance of the whole design as compared to the whole patented design." *Id.* (emphasis added).

The court continues to criticize the Eaton declaration:

[Eaton] also failed to address the fact that the design of the Nailco patent is identical to the accused device except that the Nailco design has three sides rather than four. Thus, she could as easily have said that the Nailco buffer design “is like the accused design because both designs have a hollow tube, have multiple rectangular sides with raised rectangular pads mounted on each side that do not cover the corners of the tube,” in which case the Nailco prior art buffer would be seen to closely resemble the accused design.

*Id.* at 682. But in this statement the court is equating the visual difference of a three-pad buffer and four-pad buffer to the visual difference of a square and a triangle. The court

makes no effort to analyze whether the visual difference between a three pad buffer and a four pad buffer is as conspicuous as the visual difference between a square buffer and a triangular buffer (is it even close?). Analyzing the conspicuousness of differences would seem to be a basic part of any design patent infringement analysis. Indeed, *Egyptian Goddess* itself states “if the accused design has copied a particular feature of the claimed design that departs conspicuously from the prior art, the accused design is naturally more likely to be regarded as deceptively similar to the claimed design, and thus infringing.” *Id.* at 677. This principal, although mentioned in the opinion, was not applied to the facts of the case. In sum, although the court attempts to discredit the Eaton declaration, the criticism is at odds with the court’s own statements regarding a proper design patent infringement analysis.

With regard to the expert declaration of the accused infringer, the court states as follows:

Mr. Falley addressed the differences among the prior art designs, the accused design, and patented design, and he concluded that

you could simply add to the Nailco Buffer a fourth side without an abrasive on it. This merely takes the Nailco Buffer to the block shape of the original Falley Buffer Block, while keeping the hollow aspect of the Nailco Buffer. As there had already been on the market for a long time 3-way buffer blocks that had no abrasive on one side, it was also obvious after the Nailco Buffer that you could have a three way hollow buffer that had four sides but with no abrasive on one side.

Mr. Falley added that “four-way” nail buffers having four different abrasive surfaces have been made since 1985, and that four-sided “buffer blocks” have been on the market since 1987. He pointed to catalogs showing three-sided and four-sided buffer blocks that have been offered for sale since at least 1994, and in light of his knowledge of the industry, he stated that the “number of sides with abrasive surface on them would be important to purchasers because it determines whether a buffer is a “three way buffer” or a “four way buffer.” Accordingly, he concluded:

The difference between a buffer with abrasive on three sides--a "three-way buffer"--and a buffer with abrasive on four sides--a "four-way buffer"--is immediately apparent to any consumer used to buying nail buffers. Even if such a consumer did not have a preference for either three-way or four-way buffers (although they almost always do), they would at a glance be able to tell that a buffer with abrasive on only three sides had abrasive on three sides, and was a three-way buffer, while a buffer with abrasive on four sides had abrasive on all four sides, and was a four-way buffer. I cannot imagine consumers would buy buffers with abrasive on four sides thinking that they were buying buffers with abrasive on three sides.

*Id.* at 681-682.

The Federal Circuit does not criticize the Falley declaration, although criticism appears warranted in light of the rest of the opinion. The first paragraph quoted above from the Falley declaration does not address the issue of infringement. Rather, it attempts to address the issue of patent validity in terms of obviousness, but does so incorrectly. Nowhere does the Falley declaration address the required issue in an obviousness determination of whether the prior art contained a design that was "basically the same" as the patented buffer.

The court then engages in a discussion of "3-way" buffers having abrasive on three and "4-way" buffers having abrasive on 4 sides and quotes from more of the Falley declaration. There is much to criticize here. First, the discussion focuses on prior art buffers with non-raised abrasive. Neither the patented nor accused buffer designs have non-raised abrasive. Indeed, "abrasive" is not claimed as part of the design. Rather, abrasive is a non-ornamental and functional aspect of the nail buffers, and the quoted portions of the Falley declaration focuses improperly on the functional aspects of the prior art nail buffers.

Second, the quoted portions of the Falley declaration fail to address the fundamental question involved in the case: whether the accused and patented designs when viewed as a whole are substantially similar to the point that an ordinary observer would be deceived into buying one supposing it to be the other. The quoted Falley declaration makes no such overall comparison in light of the prior art, but rather focuses on a single difference in prior art buffers that is not found in either the patented or the accused buffer. At most the quoted Falley declaration might be useful in the “known interchangeability” principle discussed supra. However, as noted earlier, a caveat on this principle is that when the difference relates more to function than ornamentation, the principle is less useful. That appears to be the case here. Further, it appears from the Falley Buffer Block that a primary way an observer can distinguish between the number of non-raised buffer pads on prior art buffers is on the basis of color, and color was not claimed in the ‘389 Patent.

Finally, the quoted Falley declaration fails to discuss what design elements the patented and accused designs have in common that depart conspicuously from the prior art and what common ornamental combinations the patented and accused design possess that are not found in the prior art. As discussed above, these are principles of design patent infringement mentioned in *Egyptian Goddess* and that were generally addressed by the Eaton declaration. When the Falley declaration and Eaton declaration are carefully considered and compared, it would tend to indicate that summary judgment of non-infringement is less appropriate.

(9) Consider any evidence of the defendant’s intent. Evidence of intent can indicate the accused infringer’s true opinion of whether deception is likely. The record does not reveal evidence of intent so this factor is not applicable.

(10) Consider whether any of the design elements, although not dictated by function, are necessary for the accused infringer to compete on a non-reputation related basis. The record contains many examples of different designs for nail buffers that can accomplish the functions of a three-way and four-way nail buffer. Therefore, this factor is not applicable.

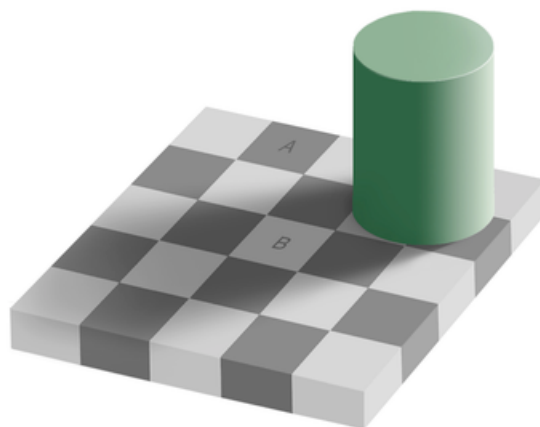
To review, the factor (1) analysis of the prior art indicates that summary judgment is less appropriate. The factor (2) “common conspicuous feature” subtest yields mixed results – in part favoring summary judgment, and in part indicating that summary judgment is not appropriate. The factor (3) “common combination” subtest results indicate that summary judgment of non-infringement is less appropriate. The factor (4) “known similarity of distinction” principle favors that summary judgment of non-infringement is less appropriate. The factor (5) identity of the purchaser favors that summary judgment of non-infringement is less appropriate. The factor (6) degree of attention likely exercised by ordinary observer purchaser indicates that summary judgment of non-infringement is less appropriate. The factor (7) evidence of actual confusion and survey evidence is not applicable. The factor (8) expert witness testimony indicates that summary judgment of non-infringement is less appropriate. The factor (9) evidence of the defendant’s intent is not applicable. The factor (10) consideration of whether any of the design elements, although not dictated by function, are necessary for the accused infringer to compete on a non-reputation related basis is not applicable. In sum, six (6) factors indicate that summary judgment may not be appropriate, one (1) factor is mixed, and three (3) factors are not applicable. When granting summary judgment, the Federal Circuit appears to have focused exclusively on the one half of one factor that indicated summary judgment was

appropriate. Had the Federal Circuit conducted a more thorough and principled analysis, the Court may well have had their initial subjective hunches tempered by the many factors suggesting an opposite result.<sup>2</sup>

## 7. Conclusion

The Federal Circuit improved design patent infringement analysis by eliminating the point of novelty test. A fitting epitaph for the test is that although it ultimately proved to be unworkable, at least it was a well-intended attempt to provide needed objectivity in an inherently subjective area of the law. But now that it is gone, the infringement determination has returned to a test largely dependent on the subjective observations and conclusions of judges. Can the test be made more objective and analytical? A careful review of past design patent cases and related areas of utility patent and trademark law indicates there is reason to believe it can be.

Was the Federal Circuit correct to uphold a summary judgment of non-infringement in the *Egyptian Goddess* case? As the checker shadow illusion teaches us, context can make two objects appear to be quite different - when actually they are the same.



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<sup>2</sup> When a court denies a motion for summary judgment of non-infringement, the factors and analysis discussed in this paper can be used as the basis for jury instructions.



Similarly, two buffer designs that may appear to be different when viewed in one context, may appear to be substantially similar when viewed in the proper context of the ordinary observer test. The key to making the right infringement decision is likely a thorough application of an appropriate analysis – using principles that have proven successful in design patent cases and other areas of inherently subjective intellectual property law.