

DESIGN PATENT PERSPECTIVE: Design Patent Case Law Updates



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Over the past eighteen months, we've discussed design patent infringement, use of broken lines, indefiniteness, preliminary injunctions, functionality, and other issues as well. Before addressing any new subject in detail, this month we provide some case related updates and practice tips on these past issues.

DESIGN PATENT INFRINGEMENT

In *Hall v. Bed Bath & Beyond, Inc.*,¹ a case involving a "tote towel" design,² the Federal Circuit reaffirmed that there are no special pleading requirements for design patent infringement. The district court granted the defendant's motion to dismiss for failure to state a claim upon which relief

could be granted because the complaint did not state what was "new, original and ornamental" about the patented design. In effect, the district court believed the complaint should describe points of novelty over the prior art and contain a claim construction of the design patent that identified ornamental and functional features.

The Federal Circuit disagreed and reversed, stating that the Federal Rules and case law do not require a description of points of novelty or a claim construction in the complaint. Rather, Federal Rule of Civil procedure 8(a)(2) requires only "a short and plain statement of the claim showing that the pleader is entitled to relief" in order to "give the defendant fair notice of what the ... claim is and the grounds upon which it rests."³

"Points of novelty" are not required in the complaint because design patent infringement is based on the design as a whole. Indeed, the Federal Circuit expressly abandoned the "point of novelty" test in *Egyptian Goddess v. Swisa*.⁴ Further, the test for design patent infringement (the ordinary observer test) applies even when the patented design incorporates numerous functional elements. It was enough in this case that the complaint identified the patent, showed the patented design, and described the accused towel as being "virtually identical in design" to the patented design (with a description of identical dimensions and design features).

Practice Pointer on Pleadings: As discussed in previous columns on design patent infringement, an open issue is whether the design patent infringement test is to be conducted side-by-side or in the context of actual purchasing logistics where the designs usually are not viewed side-by-side.⁵ Federal Circuit case law mentions a side-by-side comparison,⁶ but the *Gorham v. White*⁷ case from the Supreme Court can be interpreted otherwise. Side-by-side comparisons typically are performed in utility patent cases and frequently are done in design patent cases as well.

If the patented and accused designs are virtually identical, then it may not make a

difference if a side-by-side comparison is used. But when the patented and accused designs have differences, it can.

Since first judicial impressions can be lasting impressions and the Court has a significant role in determining whether the case will survive a motion to dismiss or motion for summary judgment and go to the jury, consider not placing a side-by-side comparison in the complaint or exhibits. Rather, pictorially present the relevant prior art so the complaint reader can get a sense for what the hypothetical ordinary observer is aware of. Then on a different page present the patented design. Several pages later (so there will be a natural time lag) present the accused design. While this presentation method is still artificial and imperfect, it should more closely represent the experience of the ordinary observer when purchasing the relevant article of manufacture.

It is not recommended that the accused design simply be left off the complaint or exhibits. This will give the defendant the first opportunity in the answer to present the patented and accused designs to the Court in a side-by-side comparison where the viewer can carefully study differences in a manner not usually done by the hypothetical ordinary observer.

DESIGN PATENT INFRINGEMENT - CONSIDERATION OF PRIOR ART

In *Revision Military, Inc. v. Balboa Manufacturing Company*,⁸ a case involving a design for ballistic protective eyewear, the district court denied a motion for preliminary injunction. The district court performed an infringement analysis without consideration of the prior art because in its view the case was not particularly close. Although the Federal Circuit approved this type of threshold analysis in *Egyptian Goddess*, this approach appears to be inconsistent with the *Gorham* ordinary observer test because the ordinary observer by definition is always familiar with the relevant prior art.

The Federal Circuit reversed the district court in this case and emphasized the importance of comparing the patented and accused designs in light of the prior art. With regard to the district court's conclusion that the case was not close, the Federal Circuit stated "the record suggests otherwise."⁹ This case may be the beginning of recognition by the Federal Circuit that, contrary to language in *Egyptian Goddess*,

it never is appropriate to make an analysis under the ordinary observer test without reference to the relevant prior art.

DESIGN PATENT INFRINGEMENT - PROSECUTION HISTORY ESTOPPEL

In *Pacific Coast Marine Windshields v. Malibu Boats*,¹⁰ a case involving a boat windshield design, the Court granted summary judgment of non-infringement based on prosecution history estoppel. The doctrine of prosecution history estoppel “acts as one check on application of the doctrine of equivalents . . . by precluding a patentee from regaining, through litigation, coverage of subject matter relinquished during prosecution of the application for the patent.”¹¹ This case demonstrates the danger of failing to prosecute all embodiments cancelled after a restriction requirement.

In *Pacific Coast*, the patentee filed an application with twelve different patent drawings. The examiner determined that the drawings included five patentably distinct designs and required the patentee to select one group for prosecution. The patentee made the selection and ultimately continued prosecution of only two of the five design groups.

The patented windshield design sued upon contains a hatch with four circular vent holes. One of the design groups the patentee did not prosecute contains a hatch with two rectangular vent holes. The accused design contains a hatch with three trapezoidal vent holes.

The district court concluded that by failing to separately prosecute the cancelled embodiment, the patentee put the public on notice that the subject matter was surrendered and dedicated to the public. Although the abandoned design had two rectangular holes and the accused design had three trapezoidal vent holes, the district court found the accused design “still clearly within ‘the territory between the original claim and the amended claim’”¹² and held the patentee estopped from claiming infringement.

Practice Note: Design patent applicants sometimes include multiple embodiments in a single application in an effort to protect more design territory without paying for additional application fees. This strategy carries two risks. First, although multiple embodiments can be allowed if they involve a single inventive concept,¹³ when one embodiment is found obvious over the prior art, the entire patent is invalid.¹⁴ Second, if

the examiner issues a restriction requirement, then all embodiments eventually must be prosecuted or the ones cancelled and abandoned will be dedicated to the public and can give rise to prosecution history estoppel, as in the case above.

Note that prosecution history estoppel may arise in two other ways as well. First, when an applicant submits amended drawings to overcome a section 112 indefiniteness rejection, the drawings contain new matter and receive either a rejection under 35 U.S.C. § 112, first paragraph, or an objection under 35 U.S.C. § 132, and the applicant withdraws the new matter from the drawings.¹⁵ Second, when the claim is altered in response to an examiner’s prior art rejection.¹⁶ The potential application of prosecution history estoppel should be considered in every design patent infringement analysis.

BROKEN LINES

In *In re Owens*,¹⁷ a case involving a bottle design, the patent office decided that a broken line could not be added in a continuation application to form the boundary of a new portion claim because the broken line constituted new matter. The case is on appeal before the Federal Circuit and was argued on January 9, 2013 by Perry Saidman.¹⁸ The Patent Office is taking the position on appeal that solid lines can be converted to broken lines and vice versa, but that a broken line added after initial filing usually constitutes new matter.

An Amicus brief filed in *In re Owens* makes the point that the Patent Office policy regarding the addition of broken line boundaries is inconsistent.¹⁹ The brief provides examples where the Patent Office has allowed applicants to add new broken line boundaries in a continuation application without objection.²⁰ In general, the added broken line boundaries considered acceptable are straight broken lines drawn from one solid line to another.²¹ Also acceptable was a standard geometric shape, e.g., a circle, where the circle boundary was inferred by other design elements.²²

This broken line issue is important for patentees trying to use continuation and portion claiming practice to block competitors from copying portions of the patented design. When a design is successful in the marketplace, competitors often try to benefit from the successful design by copying enough of the design to create confusion, but not enough to constitute design pat-

ent infringement. This may be done by, for example, copying half or a third of the design and changing the rest.

The patent owner then is left with a potentially difficult design patent infringement case, or if a continuation application is pending, the possibility of prosecuting a portion claim that covers the copied portion of the design. When the drawings in the continuation application contain either solid or broken lines on the intended portion boundaries, the applicant should be able to successfully claim the desired portion (assuming it is not anticipated or rendered obvious by prior art). However, if no solid or broken lines exist on the intended portion boundaries (and if the Patent Office position in *In re Owens* prevails on appeal), then the applicant may not be able to successfully prosecute the desired portion claim.

Practice Tips: If the Federal Circuit allows added broken boundary lines for portion claims, then the task of prosecuting an appropriate portion claim continuation should be relatively easy. However, if added broken lines are generally considered new matter, then the task becomes difficult, if not impossible when the original filing date must be retained due to, e.g., prior art considerations.

Perhaps a way to deal with this issue is to carefully plan ahead when filing the original application. MPEP § 1503.01, II entitled “Description” states in relevant part: “In addition to the figure descriptions, the following types of statements are permissible in the specification: (A) Description of the appearance of *portions* of the claimed design which are not illustrated in the drawing disclosure. Such a description, if provided, must be in the design application as originally filed, and may not be added by way of amendment after the filing of the application as it would be considered new matter.” (emphasis added).

This language might be interpreted as allowing statements or drawings that describe or illustrate potential *portion* claims. For example, the applicant might include supplemental drawings that illustrate portions of the design the applicant may desire to prosecute in the future. Alternatively, potential portion claims might be illustrated with broken lines on a drawing of the original claim. Note that broken lines used for environmental structure should not cross or intrude upon the representation of the claimed design as the broken lines may obscure the claimed

design and render the disclosure indefinite.²³ If this strategy is attempted, the purpose of the broken lines should be clearly described. The description, illustration, and number of such potential portion claims should be a matter of judgment after careful consideration of the prior art, marketplace, article of manufacture, and potential design around strategies of competitors.

The idea of broken lines to illustrate potential portion claims, taken to its logical extreme, might suggest that every design patent drawing should be overlaid with a grid of narrowly spaced broken lines running vertically, horizontally, and diagonally - which then could allow virtually any future portion claim boundary to be drawn. However, even if such an approach were considered to be permissibly definite, such a strategy may carry a risk. As discussed earlier, the general rule is that if a design is disclosed in the application but not eventually prosecuted, the design becomes dedicated to the public. Under this principle, if a design portion is identified in the application through broken lines or separate drawing, it may become dedicated to the public unless the portion claim is eventually prosecuted. And when a design patent issues without a continuation being filed, the risk is that all identified but non-prosecuted portion claims will become available for competitors to freely copy.

If a design patent application already is on file and the Federal Circuit considers additional broken line boundaries to be impermissible new matter after *In re Owens*, then portion claiming presents a very difficult challenge. But there still may be a couple of strategies worth trying. First, instead of adding a broken line boundary, simply stop the solid lines where you wish the boundary to exist. For example, if you wish to claim just half a wrench instead of a full wrench, convert the solid wrench handle lines to broken lines at the point you wish the boundary to exist. Conversion of solid lines to broken lines is generally permissible. This arguably will leave an indefinite boundary between the two new solid lines ends. However, when such an indefinite boundary exists between the ends of two solid lines drawn in an original design patent application, the applicant is allowed to add a broken line boundary because the boundary is inferred.²⁴ This technique has been allowed by the Patent Office in the past on continuation applications.²⁵ Whether the Federal Circuit still will allow such a broken line to be drawn on

an inferred boundary created in a continuation application (without the broken line boundary being considered new matter) is presently unknown.

Second, consider creating portion claim boundaries along lines that arguably existed by inference even though the “lines” were not represented by either solid or broken lines in the original drawings filed. For example, boundary lines that reasonably can be inferred due to corners, bends, or other changes in direction of the article profile or configuration.

INDEFINITENESS

In *Apple, Inc. v. Samsung Electronics Co.*,²⁶ the district court rejected Samsung’s arguments that Apple’s design patents were invalid as indefinite. Two important points in the Court’s order are that (1) inconsistencies in drafting techniques such as broken lines, surface shading, and perspective views can be successfully interpreted and construed by the court to avoid indefiniteness and (2) ambiguity in precise position of a design element does not create indefiniteness “as long as any of those [positions] could produce interchangeable visual effects that would appear ‘substantially the same to the ordinary observer.’”²⁷ In other words, a design patent need not specify how a certain shape is created - “it need only provide the visual standard for comparison.”²⁸

PRELIMINARY INJUNCTIONS

In *Revision Military, Inc. v. Balboa Manufacturing Company*,²⁹ (case discussed above) the district court denied a motion for preliminary injunction. The court used the Second Circuit’s heightened standard of “clear” or “substantial” likelihood of success on the merits because the movant sought to alter rather than maintain the status quo. The Federal Circuit reversed and remanded, stating that because a preliminary injunction involves substantive matters unique to patent law, the applicable standard was the Federal Circuit rule of whether success is more likely than not.

FUNCTIONALITY

In *Apple, Inc. v. Samsung Electronics Co.*,³⁰ the district court held that Apple’s design patents were not invalid because the appearance of the claimed design was not “dictated by” the use or purpose of the article. In previous columns, we’ve discussed the case split regarding whether

design patent functionality is determined by a strict “dictated by” standard, or by a more flexible trade dress-type standard where cost, quality, and “best” design factors are considered as well. The district court in *Apple* appears to have embraced the stricter “dictated by” standard, at least for an invalidity determination.

Over Samsung’s objection the district court in *Apple* failed to instruct the jury to factor out functional design elements. The Court stated that under *Egyptian Goddess* a court may aid a jury by construing the claim and that the claim construction “may, but need not, include listing functional elements that should be factored out of the claimed design.”³¹ The court further stated in dictum “claim construction is a matter of law for the court,” “[t]he cases do not suggest that this type of claim construction is appropriate when instructing a jury,” and “cases engaging in such explicit filtering analysis generally do so in contexts in which a court then rules directly on infringement, such as summary judgment or a bench trial.”³²

Comment: The doctrine of functionality in design patent law is developing. Some open issues are whether claim construction concerning functionality is a question of law or fact, how functionality determinations are to be expressed in claim construction, and how such determinations are to be considered and presented to a jury by instruction or otherwise.

FUNCTIONALITY - INVALIDITY

In *Static Control Components, Inc. v. Lexmark International, Inc.*,³³ the 6th Circuit Court of Appeals³⁴ held a printer cartridge design invalid as functional. The Court found that the cartridge design was dictated by the printer design with which it was compatible, and that the appearance of the printer cartridge was not a matter of concern during the cartridge’s entire existence.

Practice Tip: A design patent may be found invalid as functional when the design configuration must mate with another article of manufacture. Examples are keys and cartridges. When trying to avoid the functionality problem, consider including both mating surfaces in a single design patent and then doing the key or cartridge as a portion claim in a continuation application if a separate patent is desired. If the patent already is in existence, consider making an argument that design patents typically do

not claim specific dimensions of an article. Since the printer is one size and only one size cartridge will fit into it, the design patent should not be held invalid as functional because the patented design does not claim a cartridge of only one specific size.

ENDNOTES

1. ___ .3d ___, (Fed. Cir. 2013) (Nos. 2011-1165, 2011-1235).
2. The Tote Towel “is a large towel with binding around all the edges, zippered pockets at both ends, and an angled cloth loop in the middle, pictured in U.S. Design Patent No. D596,439 S (“the ‘439 patent”).”
3. See *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 555 (2007) (quoting *Conley v. Gibson*, 355 U.S. 41, 47 (1957)).
4. 543 F.3d 665 (Fed. Cir. 2008) (en banc).
5. See *Hutzler Mfg. Co. v. Bradshaw Int’l, Inc.*, 2012 U.S. Dist. LEXIS 103864 (S.D.N.Y. July 24, 2012).
6. See *Richardson v. Stanley Works, Inc.*, 597 F.3d 1288, 1296 (Fed. Cir. 2010).
7. 81 U.S. 511 (1871).
8. 700 F.3d 524 (Fed. Cir. 2012).
9. *Id.* at 527.
10. Case 6:12-cv-00033; USDC Middle District Florida, Doc. 325 Filed Dec. 27, 2012.
11. *Wang Labs., Inc. v. Mitsubishi Elecs. Am., Inc.*, 103 F.3d 1571, 1577-78 (Fed. Cir. 1997).
12. *Id.* at page 9 (quoting and citing *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 740 (2002)).
13. See *In re Rubinfeld*, 270 F.2d 391, 395 (CCPA 1959).
14. See *Ex parte Appeal No. 315-40*, 152 USPQ 71 (Bd. App. 1965).
15. See *Australia Vision Servs. Pty., Ltd. v. Dioptrics Med. Prods., Inc.*, 29 F.Supp.2d 1152, 1159 (C.D.Cal.1998).
16. *Id.* at 1157 (“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.”).
17. Federal Circuit Case No. 2012-1261.
18. See <http://www.designlawgroup.com/about-perry>. The oral argument can be accessed at <http://www.cafc.uscourts.gov/oral-argument-recordings/all/in-re-owens.html>.
19. The Amicus brief was authored by Tracy-Gene G. Durkin, David K. S. Cornwell, Jon E. Wright, and Jonathan M. Strang of Sterne, Kessler, Goldstein & Fox P.L.L.C.
20. See Exhibit “C” to the Amicus brief.
21. *Id.* at pages 2, 4, 5, 9, 10, 11, 12.
22. *Id.* at page 7.
23. See MPEP § 1503.02, page 1500-9.
24. See MPEP § 1503.02, page 1500-9 (“Where no boundary line is shown in a design application as originally filed, but it is clear from the design specification that the boundary of the claimed design is a straight broken line connecting the ends of existing full lines defining the claimed design, applicant may amend the drawing(s) to add a straight broken line connecting the ends of existing full lines defining the claimed subject matter.”)
25. See examples in Exhibit “C” of the Amicus brief filed in *In re Owens*.
26. See Order Re: Indefiniteness in Case No. 11-cv-01846, USDC N.D. Cal, January 29, 2013.
27. *Id.*
28. *Id.*
29. 700 F.3d 524 (Fed. Cir. 2012).
30. See Order Granting In Part and Denying In Part Motion for Judgment as a Matter Of Law in Case No. 11-Cv-01846, USDC N.D. Cal, January 29, 2013.
31. *Id.*
32. *Id.*
33. 697 F.3d 387 (6th Cir. 2012).
34. The Sixth Circuit held it had appellate jurisdiction because the patent issues were raised in a counterclaim and the jurisdictional provisions in the America Invents Act were not applicable due to the case filing date.