

DESIGN PATENT PERSPECTIVE: Understanding Functionality in Design Patent Law

PART 3



BY ROBERT G. OAKE, JR.

Robert G. Oake, Jr. specializes in design patent litigation. He is a registered patent attorney and is board certified as a civil trial advocate by the National Board of Trial Advocacy. Robert earned a master of laws degree in patent and intellectual property law (with highest honors) from The George Washington School of Law, a general master of laws with concentrations in international business and technology transfer law from the SMU School of Law, and a J.D. from South Texas College of Law, where he was school moot court champion his first year and state moot court champion his third year.

Robert served as lead trial and appellate counsel for Egyptian Goddess, Inc. in *Egyptian Goddess v. Swisa* (en banc).

Robert lives and works in Allen, Texas where he is raising three sons with his wife Kim. He enjoys coaching his sons' baseball teams and playing the guitar. Robert maintains legal websites at oake.com and patent-designlaw.com. He may be contacted at rgo@oake.com.

In time the courts likely will sort out much of the uncertainty surrounding functionality in design patent law. But time is something industrial designers do not have much of. Their creative designs for articles of manufacture – the very things the design patent statute was intended to promote – need proper protection now. And those trying to design around and avoid

infringement need to know their rights as well. So let's try to apply our functionality knowledge from parts 1 and 2 and see if we can develop some effective strategies. Many standards and procedures are still evolving, so a cautious approach should serve us well.

Let's begin with functionality in the validity context. The issue can arise during the patent application process and also in litigation when a defendant is attempting to invalidate a design patent. Those applying for design patents should become familiar with Manual of Patent Examining Procedure (MPEP) section 1504.01(c) entitled "Lack of Ornamentality."¹ The ornamental standard is discussed in the initial paragraph of part I (entitled "Functionality vs. Ornamentality"), which ends with the sentence "[t]herefore, for a design to be ornamental within the requirements of 35 U.S.C. 171, it must be 'created for the purpose of ornamenting.'" (emphasis in original) (citing *In re Carletti*).²

Use of the term "ornamenting" to define "ornamental" may not be too enlightening, but a look at the full sentence from *In re Carletti* reveals the meaning in context: "But it has long been settled that when a configuration is the result of functional considerations only, the resulting design is not patentable as an ornamental design for the simple reason that it is not 'ornamental' - was not created for the purpose of ornamenting."³ (emphasis added). This is the "dictated by function" standard that appears to be emerging as the appropriate standard for functionality.⁴ The sentence expresses the principle that when a design results from functional considerations only, the designer has not made any conscious ornamental design choices and the design is not entitled to patent protection.

When an examiner believes a design is not ornamental, the MPEP requires that the examiner make a *prima facie* showing of lack of ornamentality by evaluating the design and providing proper evidentiary

support.⁵ Examples of proper evidentiary support described in the MPEP are common knowledge in the art, the appearance of the design itself, a reply to a letter of inquiry, a brochure emphasizing the functional/mechanical features of the design, the specification of a related utility patent, or information provided in the specification.⁶

Once a *prima facie* case of lack of ornamentality is established, the burden shifts to the applicant to come forward with rebuttal evidence.⁷ Proper rebuttal evidence described in the MPEP is a declaration explaining in detail the motivating factors and ornamental considerations that entered into the design features and esthetic appearance of the article, advertisements that emphasize the ornamental aspects of the design, a showing of distinctiveness from the prior art and an attempt to develop or maintain consumer recognition of the article, and evidence showing alternative designs that could have served the same function.⁸ Attorney argument by itself cannot substitute for evidence and merely displaying an article at a trade show or in a catalog is insufficient without an emphasis on the design's ornamentation.⁹ When the applicant provides proper evidence, the examiner then must consider the evidence in light of the design as a whole.¹⁰

Once a design patent is granted, the challenge of invalidating it for lack of ornamentality becomes formidable. An issued design patent carries with it the presumption of validity that only can be overcome by clear and convincing evidence.¹¹ Further, designs truly dictated by function will have difficulty making it through the prosecution process, so it is rare that a design patent will be invalidated for functionality. But it can happen. There are two areas to watch out for. The first involves articles whose design must match an existing article to function properly. The second involves articles that must be designed according to governmental regulations or industry specifications or standards.

A case example of the "matching" situation is *Best Lock Corp. v. Ilco Unican Corp.*,¹² which involved a design patent for a key blade. The court held that since the key blade had to be designed to fit into a matching key plug, the design of the key blade was dictated solely by its function and the design patent was invalid.

Two case examples of the "specifications and standards" situation are *In re Carletti*¹³ and *Shop*TV, Inc. v. Bed Bath*

& Beyond, Inc.¹⁴ *In re Carletti* involved a design patent covering a gasket. The court held the patent invalid because the only differences between the claimed design and the prior art were functional and the gasket design was standardized in a military specification that dictated “the exact position, dimensions, and tolerances of the grooves and ribs etc., without the slightest suggestion that they serve in any way as ornamentation.”¹⁵ In *Shop*TV*, a travel kit design patent was held invalid as functional because “it maximizes the amount of storage space for liquids and gels that can be carried in a one-quart bag in compliance with federal regulations governing the size and amount of such items that may be carried on board an airplane.”¹⁶

What strategies can help avoid functionality problems during prosecution and litigation? In general, designers should begin developing evidence of ornamentality as they engage in the design process by keeping a log of their thoughts, motivations, and the ornamental considerations that went into all of the design features. Developmental drafts and rejected alternative designs should be retained together with a description of why the design was changed. In particular, ornamental changes that seek to differentiate the claimed design from competing designs should be kept and are well received by the courts.¹⁷

Advertising should include emphasis of the ornamental aspects of the design. In the event a related utility patent is being prosecuted, then if possible the specification should be drafted so it supports the utility claims, but is not inconsistent with a claim of design ornamentality. Be particularly alert for language asserting that a particular design is the only way to perform a function. If a designer is following technical requirements or mandated industry standards, then a description should be kept of ornamental considerations that depart from the mandated specifications.

The designer also should be conscious that the availability of functionally equivalent alternative designs is critically important to overcoming a functionality challenge. If a designer creates a design and alternative designs do not already exist that can perform the same function – or the designer cannot think of such alternative designs – then warning bells should go off if a design patent is desired. Perhaps it is time to consult with an engineer or other specialist. During this process it is wise to define the function with a degree of breadth

that will seem reasonable and acceptable to a court and jury. If no alternatives are available and patent protection is still desired, the designer should consider applying for a utility patent that protects function instead of appearance.

The Federal Circuit appears to be embracing a strict “dictated by function” standard, but factors such as cost and quality still may be considered by some district courts. Designers therefore should carefully document their decision-making process and note when ornamental considerations override cost and quality factors. For example, in *Telebrands Corp. v. Del Labs., Inc.*,¹⁸ a case involving an ovoid shaped foot file design, the patent owner defeated a motion for summary judgment based on alleged functionality by, *inter alia*, introducing evidence that (1) its design was more expensive to produce than alternative designs, (2) the cost of the ovoid mold was the same as the cost of non-ovoid mold prototypes, and (3) the designer elected not to place a notch on top of the file (a functional feature that would have provided a better grip) for aesthetic purposes.

In the specific case of matching designs, it may be significant whether a single design patent is sought on both matching designs. In *Best Lock*, the patent owner argued that many possible shapes existed for the interfaces between keys and locks. The court rejected the argument, stating *inter alia* that the *combination* for a key and lock was not claimed. It also may be significant whether the claimed design is created before, simultaneous with, or after the design it matches. The dissent in *Best Lock* cites *Motorola Inc. v. Alexander Mfg. Co.*,¹⁹ a case involving a battery housing for use in a portable phone. The accused infringer argued the design was dictated by function because the battery housing had to fit into the phone and also into a battery charger. The court disagreed, reasoning that since the phone and battery housing were designed at the same time, “the design of the battery housing cannot fairly be said to have been ‘dictated’ by the design of the phone.”²⁰ These cases teach that when claiming matching or complementary designs one strategy is to consider claiming them together – at least initially. Or if planning to claim separately, create the designs concurrently and leave a strong evidentiary trail.

An additional strategy when dealing with matching or complementary designs is to ensure that patent scope is not narrowed

by the arbitrary dimensions of a commercial embodiment. In *PHG Techs., LLC v. St. John Cos.*,²¹ the defendant argued that a medical label design was dictated by function and invalid because the labels had to be used with particular software and had to fit into a standard laser printer. The court disagreed and stated that the design patent included “no limitations as to the size of the label sheet, no requirement that the label sheet fit in a standard printer or be made from specific materials such as laser stock, and no specification that the label sheet be able to run through a high temperature laser printer.”²² The court’s reasoning was similar to that of the Federal Circuit in *Berry Sterling Corp. v. Prescor Plastics, Inc.*,²³ where the court reversed a summary judgment of invalidity based on complementary functionality. The court noted the design patent for an “ornamental design for a container to fit a vehicle cup receptacle” contained “no height or volume limitations, no requirements that the container fit in the majority of car cup holders, and no stability limitations imposed by the claim.”²⁴ Might the patent owner in *Best Lock* have fared better if such an argument had been made about the size of the key blade?

In the specific case of standards and regulations, the designer must be able to identify what aspects of the design were not dictated by the standards and regulations. If the entire design is mandated, then a design patent probably is not appropriate. But if only portions of the design are dictated by regulations, then a patent may still be obtained with the mandated portions being factored out during claim construction. For example, in *Cheng v. AIM Sports, Inc.*,²⁵ the design patent covered mounting platforms used on firearms to connect accessories such as scopes. The defendant argued the patent was invalid as functional because a government standard required the recoil grooves to have certain spacing and width to ensure maximum compatibility for accessories used by law enforcement and the military. The court disagreed and did not invalidate the patent, but instead construed the claim to cover ornamental features that did not include each rail’s “recoil groove.”²⁶ As an additional note, if mandated specifications are directed only toward a commercial embodiment and not the patented design, dictated by functionality may not exist.²⁷

Finally, with regard to validity, patent owners must be ever vigilant to prevent a *Power Controls*²⁸ type parsing of design

elements. Recall from part I of this article that in *Power Controls* the Federal Circuit appeared to endorse an element-by-element approach to analyzing functionality (as opposed to analyzing the design as an integrated whole). More recent cases such as *Berry Sterling Corp. v. Prescor Plastics, Inc.*,²⁹ have rejected such an approach, but *Power Controls* still influences some judicial analysis,³⁰ and *Power Controls* unfortunately still is prominently cited in the MPEP for the proposition that “[i]n determining whether a design is primarily functional, the purposes of the particular elements of the design necessarily must be considered.”³¹ If a district court begins to analyze individual design elements for “dictated by” functionality without considering the design as a whole, then the district court will not be conducting a proper validity analysis, but at most will be determining what design features should be “factored out,” or ignored in a claim construction infringement analysis.

With further regard to functionality during claim construction, all the above-mentioned strategies for dealing with functionality in a validity challenge also can be used in the claim construction context. Additionally, it would seem that patent owners would prefer the issue of functionality during claim construction to be treated as a question of fact rather than of law to help avoid the potential of an adverse summary judgment. The reasoning of the district court in *Black & Decker (U.S.) v. Pro-Tech Power*³² explaining why the rationale underlying *Markman*³³ should not apply to design patent claim construction functionality may prove helpful.

Although patent owners usually think of functionality as something that will invalidate or restrict their patents, functionality also may at times be helpful. Consider an attempt to render a design patent invalid as obvious. Under current generally accepted procedure, the first step is to find a primary reference that looks “basically the same” as the patented design.³⁴ It appears this comparison is to be conducted under the “ordinary observer” standard according to Federal Circuit case law.³⁵ But when the ordinary observer standard is used for invalidity, shouldn’t the “functional” features of the putative primary reference first be “factored out” before the comparison is made to retain the symmetry between invalidity and infringement? Such a factoring out process may nullify much of what appeared similar

and can destroy the prior art’s status as a primary reference.

For example, in the very recent case of *Apple v. Samsung*,³⁶ the district court found that Samsung likely infringed Apple’s iPad design patent, but denied a preliminary injunction because Samsung raised a substantial issue related to obviousness and invalidity. Specifically, Samsung introduced a “primary reference” prior art tablet that created “basically the same” visual impression as the iPad. But one of the dominant design features creating “basically the same” impression between the iPad design patent and the “primary reference” was that the screen took up most of the space on the front of the design. The court earlier had considered this iPad feature “functional” and had factored it out of the iPad design patent during claim construction. Should not this feature also have been factored out of the putative primary reference before it was compared to the patented design? And if so, would this not have fundamentally changed the analysis and conclusion?

Functionality in design patent law remains an evolving doctrine whose contours are slowly becoming better defined. Uncertainty still exists about fundamental issues such as the standard to be applied and whether functionality is an issue of fact or law in the claim construction context, but certain trends appear to be emerging. And the good news is that informed and astute designers can significantly influence the ultimate legal outcome on functionality. So it is never too early to begin thinking about functionality - and then to keep it in sharp focus - from the designer’s sketchbook, to the patent application, and finally through pre-trial to the courtroom. 

ENDNOTES

1. The MPEP does not have the force of law, but it is made available to the public and describes “procedures on which the public can rely.” *In re Skvorecz*, 580 F.3d 1262, 1268 (Fed. Cir. 2009) (quoting *Patlex v. Mossinghoff*, 758 F.2d 594, 606 (Fed. Cir. 1985)). It should be noted that MPEP Chapter 1500 (covering Design Patents) was last revised in August 2006, so it does not include case law published after that date.
2. 328 F.2d 1020, 1022, 140 USPQ 653, 654 (CCPA 1964).
3. *Id.* at 1022.
4. See Part II, page 3 of this article, citing *Arminak & Assocs. v. Saint-Gobain Calmar, Inc.*, 501 F.3d 1314, 1319 (Fed. Cir. 2007) and *Richardson v. Stanley Works, Inc.*, 597 F.3d 1288 (Fed. Cir. 2010).
5. MPEP, 1500-16.
6. *Id.* at 17.
7. *Id.* at 17-18.

8. *Id.* at 18-19.
9. *Id.* at 19 (citing *Ex parte Webb*, 30 USPQ2d 1064, 1068 (Bd. Pat. App. & Inter. 1993)).
10. *Id.*
11. See *L.A. Gear v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1123 (Fed. Cir. 1993).
12. 94 F.3d 1563 (Fed. Cir. 1996).
13. 328 F.2d 1020 (CCPA 1964).
14. 2010 U.S. Dist. LEXIS 10154 (D. Colo. Jan. 19, 2010).
15. 328 F.2d at 1021, 1022.
16. 2010 U.S. Dist. LEXIS 10170, 4-5.
17. See, e.g., *M&R Marking Sys. v. Top Stamp*, 926 F. Supp. 466, 472 (D.N.J. 1996)
18. 2011 U.S. Dist. LEXIS 101423 (S.D.N.Y. Sept. 8, 2011).
19. 786 F. Supp. 808 (N.D. Iowa 1991).
20. *Id.* at 812.
21. 529 F. Supp. 2d 852, 862 (M.D. Tenn. 2007).
22. *Id.* at 863.
23. 122 F.3d 1452 (Fed. Cir. 1997).
24. *Id.* at 1455.
25. 2011 U.S. Dist. LEXIS 42462 (C.D. Cal. Apr. 14, 2011).
26. *Id.* at *20.
27. See *cf.*, *Berry Sterling Corp. v. Prescor Plastics, Inc.*, 122 F.3d 1452, 1455 (Fed. Cir. 1997).
28. *Power Controls Corp. v. Hybrinetics, Inc.*, 806 F.2d 234 (Fed. Cir. 1986).
29. 122 F.3d 1452, 1455 (Fed. Cir. 1997) (“While analyzing elements of the design may be appropriate in some circumstances, the 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.”).
30. See, e.g., *Shop*TV, Inc. v. Bed Bath & Beyond, Inc.*, 2010 U.S. Dist. LEXIS 10154 (D. Colo. Jan. 19, 2010) (citing and quoting *Power Controls*, 806 F.2d at 240 that “[i]n determining whether a design is primarily functional, the purposes of the particular elements of the design necessarily must be considered.”). The magistrate’s conclusion regarding functionality was approved by the district court in *Shop*TV, Inc. v. Bed Bath & Beyond, Inc.*, 2010 U.S. Dist. LEXIS 10170 (D. Colo. Feb. 3, 2010).
31. MPEP, 1500-16.
32. 1998 U.S. Dist. LEXIS 9162 (E.D. Va. 1998).
33. *Markman v. Westview Instruments*, 517 U.S. 370, 391 (1996).
34. See *Durling v. Spectrum Furniture Co.*, 101 F.3d 100, 103 (Fed. Cir. 1996). Once a primary reference is found then secondary can be combined that 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.*
35. See *Int’l Seaway Trading Corp. v. Walgreens Corp.*, 589 F.3d 1233, 1244 (Fed. Cir. 2009) (“[o]bviousness, like anticipation, requires courts to consider the perspective of the ordinary observer.”).
36. 2011 U.S. Dist. LEXIS 120416 (N.D. Cal., Oct. 18, 2011).