

In The
United States Court of Appeals
For The Federal Circuit

EGYPTIAN GODDESS, INC.,

Plaintiff-Appellant,

and

ADI TORKIYA,

Third Party Defendant-Appellant.

v.

SWISA, INC. and DROR SWISA,

Defendants/Third Party Plaintiffs-Appellees.

APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
IN CASE NO. 3:03-CV-0594,
JUDGE DAVID C. GODBEY.

BRIEF OF *AMICUS CURIAE*
AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION IN SUPPORT
OF THE COMBINED PETITION FOR REHEARING WITH
PETITION FOR REHEARING *EN BANC*

Judith M. Saffer, President
AMERICAN INTELLECTUAL PROPERTY
LAW ASSOCIATION
241 18th Street, South, Suite 700
Arlington, Virginia 22202
(703) 415-0780

Christopher V. Carani
Counsel of Record
MCANDREWS, HELD & MALLOY, LTD
500 West Madison Street, Suite 3400
Chicago, Illinois 60661
(312) 775-8000

Attorney for Amicus Curiae
AMERICAN INTELLECTUAL PROPERTY
LAW ASSOCIATION

Dated: October 9, 2007

CERTIFICATE OF INTEREST

In accordance with FED. CIR. R. 47.4 and FED. R. APP. P. 26.1, counsel for the Amicus the American Intellectual Property Law Association (AIPLA) certifies the following:

1. The full name of every party represented by me is: **American Intellectual Property Law Association.**
2. The name of the real party in interest represented by me is: **N/A.**
3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the parties represented by me are:
None.
4. The names of all law firms and the partners or associates that appeared for the party now represented by me and that are expected to appear in this court are:

Judith M. Saffer, President
AMERICAN INTELLECTUAL PROPERTY
LAW ASSOCIATION
241 18th St., South, Suite 700
Arlington, Virginia 22202

Christopher V. Carani
MCANDREWS, HELD & MALLOY, LTD
500 West Madison Street, Suite 3400
Chicago, Illinois 60661

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STATEMENT OF INTEREST OF AMICUS CURIAE

The American Intellectual Property Law Association (AIPLA) is a national association of nearly 17,000 members interested in all areas of intellectual property law. AIPLA's members include attorneys employed in private practice and by corporations, universities, and government. AIPLA's members represent both owners and users of intellectual property.

AIPLA has no stake in any of the parties to this litigation or the result of this case other than its interest in seeking correct and consistent interpretation of the law as it relates to intellectual property issues.¹ AIPLA submits that this case raises an issue of “exceptional importance” meriting rehearing and rehearing *en banc* within the meaning of Fed. R. App. P. 35(a)(2). This brief is filed with the consent of Petitioners Egyptian Goddess, Inc. and Adi Torkiya. Respondents Swisa and Dror Swisa have not provided such consent.

In an Order dated September 21, 2007, the Court granted AIPLA leave to file this *amicus curiae* brief on or before October 9, 2007.

¹ After reasonable investigation, AIPLA believes that (a) no member of its Board or *amicus* Committee who voted to prepare this brief, or any attorney in the law firm or corporation of such a member, represents a party to this litigation in this matter, (b) no representative of any party to this litigation participated in the authorship of this brief, and (c) no one other than AIPLA, or its members who authored this brief and their law firms or employers, made a monetary contribution to the preparation or submission of this brief.

BACKGROUND

Egyptian Goddess, Inc. (“Egyptian”) sued Swisa, Inc. (“Swisa”), claiming that U.S. Patent No. D467, 389 (“D’389 patent”) was infringed by certain Swisa fingernail buffers. Swisa moved the district court for summary judgment of non-infringement. In response, and in support of its infringement claim, Egyptian asserted that the point of novelty of the D’389 patent was the appearance of a unique combination of four design elements, all individually known in the prior art. The district court granted summary judgment of non-infringement, holding that Egyptian failed to show that the accused design appropriated the D’389 patent’s point of novelty. Egyptian appealed the judgment of the district court.

On appeal, the majority (Judges Archer and Moore), in a split decision, with Judge Dyk dissenting, affirmed the district court’s summary judgment of non-infringement. *Egyptian Goddess, Inc. v. Swisa, Inc.*, 2007 U.S. App. LEXIS 20599 (Fed. Cir. 2007) (“Op.”). While the majority agreed with the district court’s ultimate conclusion that Egyptian had failed to satisfy its burden under the point of novelty inquiry during the infringement analysis, the majority arrived at its conclusion on completely different grounds. Specifically, the majority premised its conclusion on Egyptian’s alleged failure to identify an acceptable point of novelty under the majority’s *new* point of novelty requirement, namely:

For a combination of individually known design elements to constitute a point of novelty, the combination must be a non-trivial advance over the prior art.

(“Non-Triviality Requirement”) *Id.* at *6. Concluding that Egyptian’s asserted point of novelty was not acceptable and did not satisfy this new Non-Triviality Requirement, the Court affirmed the judgment of non-infringement. *Id.* at *9.

AIPLA files this *amicus curiae* brief because it is concerned about the adverse impact of the new Non-Triviality Requirement on the value of design patent protection. The Non-Triviality Requirement establishes an incorrect legal standard that will foment unnecessary litigation, and thus should be eliminated.

ARGUMENT

I. THE NEW NON-TRIVIALITY REQUIREMENT CONFLICTS WITH THE STATUTORY PRESUMPTION OF VALIDITY UNDER 35 U.S.C. § 282.

The new² Non-Triviality Requirement improperly places a new *infringement* burden on a design patentee to prove that an issued design patent’s point of novelty, if comprised of a combination of known elements,³ is a “non-trivial advance over the prior art.” *Id.* at *6. A design patent is presumed valid; accordingly, a design patent

² As Judge Dyk points out in his dissent, the issue of whether a combination point of novelty is “trivial” or “non-trivial” was not raised by either party in the briefs or at oral argument. Dissenting Op. at *10. Indeed, the unprecedented “Non-Triviality Requirement” appears to be purely an independent creation of the majority. This is yet another reason why rehearing should be granted.

³ Confining the Non-Triviality Requirement to only those situations where the point of novelty is a combination of known elements is not really a limitation. New designs are almost always the result of combining old forms. After all, there are no new shapes, just new manners of arranging and combining existing shapes.

is necessarily presumed to be novel, non-obvious and ornamental. *See* 35 U.S.C. §§ 171, 282; *see also*, *Pfizer, Inc. v. Apotex, Inc.*, 480 F.3d 1348, 1359 (Fed. Cir. 2007) (“That is, by statute a patent is valid upon issuance, 35 U.S.C. § 282, and included within the presumption of validity is a presumption of non-obviousness.”) Indeed, as part of the examination process, the Patent and Trademark Office assesses the obviousness of a combination of old elements for patentability.⁴ It is because of this examination that issued U.S. patents are afforded the presumption of validity.

The Non-Triviality Requirement improperly grafts a new burden onto the infringement analysis, thereby placing it in conflict with § 282. As the majority properly explained, the Supreme Court long ago set forth the test for design patent infringement: “...in the eye of an ordinary observer, giving such attention as a purchaser usually gives, the two designs are substantially the same....” *Gorham Co. v. White*, 81 U.S. 511, 528 (1871). This Court later constructed a secondary inquiry known as the “point of novelty inquiry”, which requires that no matter how similar

⁴ The Patent and Trademark Office has long granted design patents for novel combinations of old elements that create a non-obvious, ornamental visual appearance. *See, e.g., Smith v. Whitman Saddle Co.*, 148 U.S. 674, 679 (1893) (“If, however, the selection and adaptation of an existing form is more than the exercise of the imitative faculty and the result is in effect a new creation, the design may be patentable.”); *see also General Gaslight Co. v. Matchless Mfg. Co.*, 129 F. 137, 138 (2d Cir. 1904) (“[T]he principle, as applied to design patents, is *unassailable* that whenever ingenuity is displayed in producing something new, which imparts to the eye a pleasing impression, *even though it be the result of uniting old forms and parts*, such production is a meritorious invention and entitled to protections.”) (emphases added); *see also, Litton Sys., Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1443 (Fed. Cir. 1984)

two items look, “the accused device must appropriate the novelty in the patented device which distinguishes it from the prior art.” *Litton*, 728 F.2d at 1444.⁵

The point of novelty is divided into two sub-inquiries for the fact-finder:

(1) What is the design patent’s point of novelty? (i.e. the differences between the prior art and the claimed design.) (“Identification Step”)

(2) Is the point of novelty appropriated by the accused design? (“Appropriation Step”)

The Non-Triviality Requirement improperly augments the Identification Step.⁶ Specifically, the Non-Triviality Requirement asks the fact-finder to not only *identify* the point of novelty, but also *assess the sufficiency of the novelty* in the point of novelty. A design patentee should not have to establish non-obviousness (i.e., non-triviality) for purposes of patentability and then again establish non-obviousness/non-triviality for purposes of infringement. The Non-Triviality Requirement effectively eliminates the presumption of non-obviousness, by forcing a

⁵ The point of novelty inquiry was intended as a means to ensure that, for infringement to be found, the substantial similarity between an accused and claimed design must also include novelty found in the claimed design. The point of novelty is not intended to define the claim or govern design patent infringement; *Gorham* governs design patent infringement and the patent drawings define the claim.

⁶ This Court has previously set forth what is required of a design patentee to satisfy the Identification Step: “To establish the points of novelty in a design patent infringement action, we hold that the patentee must introduce into evidence, at a minimum, the design patent at issue, its prosecution history, and the relevant prior art references cited in the prosecution history; and must present, in some form, its contentions as to the points of novelty.” *Bernhardt, L.L.C. v. Collezione Europa USA, Inc.*, 386 F.3d 1371, 1384 (Fed. Cir. 2004). Notably, *Bernhardt* did not place a burden on the patentee to establish that the point of novelty be non-obvious.

design patentee to affirmatively prove that the issued design patent's novelty is non-trivial for infringement, even though the Patent Office has already examined and concluded that the design's novelty is non-obvious for patentability.

A great number of designs covered by design patents have a relatively small number of components. Requiring the point of novelty to be independently non-obvious creates a whole class of design patents which are valid because the overall design is non-obvious, but cannot be infringed because the point of novelty is not itself also independently non-obvious. This clearly upsets the scheme provided by § 282. Accordingly, the Non-Triviality Requirement conflicts with 35 U.S.C. § 282 and should be eliminated.

II. THE NON-TRIVIALITY REQUIREMENT IS UNNECESSARY AND PERMITS “BACK DOOR” INVALIDITY CHALLENGES DEVOID OF THE WELL-SETTLED SAFEGUARDS THAT GOVERN SUCH CHALLENGES.

The majority, apparently concerned with the legitimacy of design patents founded upon “trivial” advances over the prior art, posed the following question and provided the following answer:

When the patentee claims a combination of old prior art elements as its asserted point of novelty should the test be one of anticipation or obviousness? We conclude that non-triviality ought to apply – if the standard is akin to anticipation then a combination with even the most trivial difference would meet the standard.

Op. at *8 (emphasis added). AIPLA respectfully disagrees with majority's conclusion. This Court has held from the inquiry's inception that the point of novelty inquiry focuses on, just that, the novelty of the design:

For a design patent to be infringed, however, no matter how similar two items look, the accused device must appropriate the novelty in the patented device which distinguished it from the prior art.

Litton, 728 F.2d at 1444. (emphasis added).⁷ The point of novelty inquiry does not seek to assess *non-obviousness*; rather, as the inquiry is aptly named, the point of novelty inquiry involves only the *novelty* of the patented design.

If a design patent's novelty is indeed too trivial, then it is a challenger's prerogative to make that showing through an obviousness challenge.⁸ See 35 U.S.C. § 103(a). An obviousness challenge is the process for assessing and weeding out designs having only "trivial" advances over the prior art. Of course, obviousness challenges are confronted with the demanding safeguards that cloak a presumptively valid design patent: the "clear and convincing" evidence standard,

⁷ The inquiry seeks to identify the "point of *novelty*" and not the "point of *non-obviousness*." See, e.g., *Winner Int'l Corp. v. Wolo Mfg.*, 905 F.2d 375, 376 (Fed. Cir. 1990) ("the purpose of the 'point of novelty' approach is to focus on those *aspects of a design which render the design different* from prior art designs.") (emphasis added).

⁸ The fact that the novelty may be but a small step beyond the prior art, should not be a cause for concern. "'New' designs frequently involve only relatively small changes in the shape, size, placement, or color of elements of old designs. It is those changes in and departures from the old designs that constitute the 'points of novelty' in the patented new design." *Lawman Armor Corp. v. Winner Int'l, LLC*, 437 F.3d 1383, 1386 (Fed. Cir. 2006).

the reason or motivation to combine requirement, the *Rosen* reference requirement, and the analogous art requirement.⁹ A full obviousness analysis also permits a design patentee to introduce secondary indicia of non-obviousness. The Non-Triviality Requirement lacks these safeguards. As a result, the Non-Triviality Requirement would permit watered-down “back-door” invalidity attacks on design patents under the guise of the point of novelty inquiry.

In sum, an obviousness challenge pursuant to 35 U.S.C. § 103 is the proper forum for lodging concerns about design patents with only trivial advances over the prior art, not the point of novelty inquiry. Accordingly, the Non-Triviality Requirement is unnecessary, fatally flawed, and should be eliminated.

III. THE NON-TRIVIALITY REQUIREMENT CONFLICTS WITH THIS COURT’S PRIOR DECISIONS AND LACKS PRECEDENTIAL SUPPORT.

The Non-Triviality Requirement conflicts with prior decisions of this Court and lacks precedential support. This Court has previously stated that an obviousness-type analysis, which assesses the *sufficiency* of novelty, has no place in the point of novelty analysis. *See Lawman*, 437 F.3d at 1385 (“[An obviousness-like analysis] has no place in the infringement issue in this case.”).

⁹ *See e.g., Catalina Lighting, Inc. v. Lamps Plus, Inc.*, 295 F.3d 1277, 1288 (Fed. Cir. 2002) (clear and convincing evidentiary standard; reason or motivation to combine standard); *see e.g., In re Rosen*, 673 F.2d 388 (C.C.P.A. 1982) (to show obviousness of design patent must provide “primary reference” that is almost the same as patent design); *see e.g., In re Bigio*, 381 F.3d 1320, 1325 (Fed. Cir. 2004) (analogous art requirement).

AIPLA is not aware of any precedent where a court has analyzed either the “obviousness/non-obviousness” or “triviality/non-triviality” of a design patentee’s asserted “point of novelty” as part of the infringement analysis.

Citing the Court’s prior opinions in *Goodyear* and *Litton*, the majority states that the Non-Triviality Requirement’s obviousness-type analysis should not be of concern because the Court already has “utilized the results of an obviousness inquiry” and “appl[ied] the results of the obviousness analysis” for the point of novelty determination. Op. at *6-7. However, the cases on which the majority relies only utilized the results of the second Graham factor of the obvious analysis, which seeks the “differences between prior art and the patent” (i.e. raw novelty), as the basis for the point of novelty. Significantly, the precedent did not utilize the results from a full obviousness analysis, which takes into consideration many factors, and ultimately makes *a judgment as to the sufficiency of the novelty*. The majority’s inference from these cases improperly equates the two analyses (obviousness and point of novelty).

While it is true that the Identification Step of the point of novelty (i.e. differences between the prior art and the patent) is the same as one of the underlying factual inquiries in the obviousness analysis, it does not follow that the

point of novelty is then vetted for obviousness.¹⁰ As the dissent correctly stated:

It is one thing to suggest that a feature that renders a design nonobvious is also a point of novelty. It is quite another to hold that point of novelty cannot exist unless it would also render the design nonobvious.

Dissenting Op. at *14.

The majority also relies on *Smith v. Whitman Saddle Co.*, 148 U.S. 674 (1893), to support the Non-Triviality Requirement. *Smith*, however, does not stand for the proposition that the sufficiency of the patent's novelty is to be assessed during the *infringement* phase. Rather, *Smith's* assessment of the sufficiency of the design patent's novelty was discussed in the context of *validity*.

The *Smith* Court reversed the appellate court's findings that (1) the patented saddle design in issue was patentable, and (2) the accused design infringed. With respect to *validity*, the Court addressed the level of inventiveness required to sustain a patent comprised of known design elements:

The experienced judge by whom this case was decided conceded that the design of the patent in question did show prominent features of the Granger and Jenifer saddles, and united two halves of old trees, but he said: "A mechanic may take the legs of one stove, and the cap of another, and the door of another, and make a new design which has no element of invention; but it does not follow that the result of the thought of a mechanic who has fused together two diverse shapes,

¹⁰ See *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966) (factual inquiries underlie obviousness analysis, namely, (1) the scope and content of the prior art, (2) *differences between the prior art and the claim*, (3) the level of ordinary skill in the art); see also, *Winner*, 905 F.2d at 376 (point of novelty is *differences between prior art and the claim*).

which were made upon different principles, so that new lines and curves and a harmonious and novel whole are produced, which possesses a new grace and which has a utility resultant from the new shape, exhibits no invention.” And he held that this was effected by the patentee and that the shape that he produced was, therefore, patentable. But we cannot concur in this view. ... [W]e do not think that the addition of a known cantle to a known saddle, in view of the fact that such use of the cantle was common, in itself involved genius or invention, or produced a patentable design.

Id. at 680-81. The *Smith* Court’s guidance as to what level of inventiveness is required for combining old forms was in the context of *patentability/validity*, not in the context of *infringement*.

With respect to infringement, the *Smith* Court simply concluded that the accused design was not substantially similar to the patented design because it lacked a “prominent feature” of the patented design. *Id.* at 682 (the “difference was so marked that in our judgment the defendants’ saddle could not be mistaken for the saddle of the complainant.”) Significantly, nowhere in its *infringement analysis* does the *Smith* Court pass judgment on the sufficiency of the patent’s point of novelty.

CONCLUSION

For the reasons cited herein, this Court should grant the combined petition for rehearing and rehearing *en banc* or provide a supplemental opinion eliminating the Non-Triviality Requirement.

October 9, 2007

Respectfully submitted,

Christopher V. Carani
Attorney for *Amicus Curiae*

CERTIFICATE OF OF SERVICE

I hereby certify that on this 9th day of October 2007, one original and 18 copies of the foregoing **BRIEF OF AMICUS CURIAE the AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION IN SUPPORT OF THE COMBINED PETITION FOR REHEARING WITH PETITION FOR REHEARING EN BANC** was hand filed with the Clerk of Court, U.S. Court of Appeals for the Federal Circuit, 717 Madison Place, NW – Room 401, Washington, DC 20439, and 2 copies of the foregoing brief were served by UPS Overnight Delivery on each of the following counsel of record for the parties:

Robert G. Oake, Jr.
OAKE LAW OFFICE
1333 W. McDermott, Suite 200
Allen, Texas 75013
Telephone: 469.519.2755
Facsimile: 469.519.2756
Counsel for Plaintiff-Appellant Egyptian Goddess, Inc. and Third Party Defendant Adi Turkiya

Frederick L. Medlin
KIRKPATRICK & LOCKHART PRESTON GATES ELLIS LLP
2828 North Harwood Street
Suite 1800
Dallas, Texas 75201
Telephone: 214.939.4900
Facsimile: 214.939.4949
Counsel for Defendants/Third Party Plaintiffs-Appellees Swisa, Inc. and Dror Swisa

Christopher J. Renk
Erik S. Maurer
Banner & Witcoff, Ltd.
10 S. Wacker Drive
30th Floor
Chicago, IL 60606
Telephone: (312) 463-5000
Counsel for Amicus Curiae NIKE, Inc.

Robert S. Katz
Banner & Witcoff, Ltd.
1001 G. Street, N.W.
11th Floor
Washington, D.C. 20001
Telephone: (202) 824-3000
Counsel for Amicus Curiae NIKE, Inc.

Christopher V. Carani