

Special Feature: *Egyptian Goddess v. Swisa: En Banc* Federal Circuit Court Puts Teeth Back In Design Patents

Wednesday, September 24, 2008

By Christopher V. Carani, Esq.

Washington, D.C.: On September 22, 2008, the *en banc* Federal Circuit handed down a unanimous opinion in *Egyptian Goddess, Inc. v. Swisa, Inc.* The case represents the most important U.S. design patent case since 1871 when the U.S. Supreme Court first addressed design patents in *Gorham v. White*. Indeed, this case marks the first time that the *en banc* Federal Circuit, comprised of all 13 judges, has heard a design patent case.

The *Egyptian Goddess* decision puts teeth back into design patents. As a result of the decision's abrogation of the muddled point of novelty test, the infringement determination is much less clouded and we will likely see more companies (both U.S. and foreign) protecting and enforcing design-related intellectual property in the U.S.

Background and Procedural History:

Egyptian Goddess, Inc. ("Egyptian") sued Swisa, Inc. ("Swisa"), claiming that U.S. Design Patent 467,389 (D'389 patent) was infringed by certain Swisa fingernail buffers.

Swisa moved for summary judgment of non-infringement and invalidity. In support of its infringement claim, Egyptian asserted that the point of novelty of D'389 was the unique combination of four design elements, which were all individually known in the prior art, namely: (1) an open and hollow tube, (2) with square cross section, (3) multiple raised rectangular pads, (4) and exposed corners. The district court granted summary judgment of non-infringement, holding that Egyptian failed to satisfy its burden under the "point of novelty" test, one of the two required tests for design patent infringement. (i.e. the "ordinary observer" test and the "point of novelty" test). Egyptian appealed the decision of the district court.

Federal Circuit's Holding in *Egyptian Goddess I*:

In *Egyptian Goddess I*, the Federal Circuit Panel majority, made up of Judge Moore (writing the opinion for the majority) and Senior Judge Archer, affirmed the district court's summary judgment of non-infringement, agreeing that Egyptian had failed to satisfy its burden under the "point of novelty" test. In reaching its decision, the Panel majority explained that the case law requires two distinct tests for establishing design patent infringement, the ordinary observer test and the point of novelty test. The Panel majority also acknowledged that a design patent's point of novelty can be "either a single novel element or a combination of elements that are individually known in the prior art."

When analyzing Egyptian's combination point of novelty (comprised of four known design elements), however, the Panel majority went on to require that "[f]or a combination of individually known elements to constitute a point of novelty, the combination must be a non-trivial advance over the prior art." Using this newly fashioned requirement (a requirement not found in jurisprudence, not used by the district court nor briefed by the parties), the Panel majority affirmed the summary judgment of non-infringement reasoning that Egyptian's asserted point of novelty was not a "non-trivial advance" over the prior art. ("In light of the prior art, no reasonable juror could conclude that EGI's asserted point of novelty constituted a non-trivial advance over the prior art.") Judge Dyk, the lone dissenter of the 3-judge Panel, wrote a lengthy dissenting opinion criticizing the majority's new Non-Triviality Requirement.

En Banc Federal Circuit's Holding in Egyptian Goddess II:

MAIN HOLDINGS:

(1) **Federal Circuit Abrogates the Point of Novelty Test** -- The Federal Circuit abrogated the "point of novelty" test, which had been the law ever since the Federal Circuit first pronounced the test in *Litton v. Whirlpool (1984)*. Thus, there is now only one test for design patent infringement, namely, the "ordinary observer" test. By way of background, beginning with *Litton* in 1984 and until the decision today, to prove design patent infringement, a design patentee had to satisfy two distinct tests, namely: (a) the ordinary observer test (i.e. SCT's "*Gorham* Test"), and (b) the point of novelty test (i.e. Fed. Cir.'s "*Litton* Test").

- The Federal Circuit rightfully scrapped the point of novelty test. While the purpose of the "point of novelty" test addressed the valid concern of preventing infringement findings where the accused design simply reads on the prior art, the creation of a separate and distinct test is unnecessary because *Gorham's* ordinary observer test already takes prior art into account. Simply put, the "point of novelty test" was not needed; it created more harm than good.
- The need for the point of novelty test was founded upon the false notion that the prior art is not considered when conducting the ordinary observer test. The Federal Circuit in *Egyptian Goddess* recognized that the ordinary observer test is conducted in view of the prior art, not in a vacuum.
- Under the point of novelty test, there was no principled way to determine the 'correct' point of novelty. Fact-finders were forced to choose one making the infringement decision effectively arbitrary.
- By eliminating the point of novelty test, the court has weeded out a significant amount of the uncertainty that has haunted design patent jurisprudence for over twenty years.

(2) **Federal Circuit Cautions Against Verbalization of Design Patent Claims During Claim Construction** -- The Federal Circuit held that verbal descriptions of design patent claims (i.e. translations of design drawings into words) are not required in design patent infringement cases. While it did not prohibit altogether verbalizations of design patent claims, the Court stated that "[g]iven the recognized difficulties entailed in trying to describe a design in words, the *preferable course* will be for a district court not to attempt to construe a design patent claim..." (emphasis added)

- The Federal Circuit issued a strong admonishment to trial courts regarding attempts to verbalize design patent drawings. In short, the *en banc* Court held that as a general rule trial courts should not attempt to verbalize a design patent claim. Instead, design patent drawings should be left to speak for themselves.
- The Federal Circuit rightfully acknowledged that verbal descriptions are generally ill-suited for communicating a design patent claim.

Christopher Carani, Esq. is a shareholder at the intellectual property firm of McAndrews, Held & Malloy, Ltd. based in Chicago. Mr. Carani possesses particular and extensive experience in the area of design law (design patents, trade dress, copyrighted design), having litigated numerous disputes and served as a consultant and expert in this specialized area of IP law. Mr. Carani also has published and lectured extensively on the topic of design law. He currently chairs the Industrial Design Committee of the American Intellectual Property Law Association ("AIPLA"). In *Egyptian Goddess*, he authored amicus briefs for the AIPLA at both the petition and *en banc* stages.