

Design Law & Footwear:

Landmark Case Fundamentally Alters Design Patent Enforcement

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Recent changes in the law fueled by a landmark design patent case decision, coupled with the breakneck speed at which the footwear counterfeit industry is growing, make it likely that design patents—which are currently underused—will rise to the forefront in the footwear industry as the central means for protecting designs. Given the relatively low cost to acquire a design patent, their appeal will reach both large and small companies.

Under U.S. law, there are two main types of patents available: A utility patent protects the function of an item, while a design patent protects its appearance. With respect to footwear, a design patent can be secured on almost all aspects of a shoe, including its overall appearance, as well as its individual sub-components, such as the tread, the upper sole, and even the eye stays.

Protecting individual subcomponents, which are usually overlooked, is an effective means to secure significant and broad coverage that transcends a particular overall shoe design.

While U.S. intellectual property laws have provided sufficient means to *protect* designs through design patents, the ability to *enforce* such design patents had been, until recently, difficult due to fundamental flaws in the law of design patent infringement. On September 22, 2008, however, the *en banc* U.S. Court of Appeals for the Federal Circuit, in *Egyptian Goddess, Inc. v. Swisa*, took great strides toward significantly reducing the difficulties involved in enforcing design patents. As described below, the court reduced the burden that a design patentee must show in order to prove

design patent infringement by implementing a one-part test, instead of a two-part test which had stood for 25 years.

Making Changes

By any assessment, *Egyptian Goddess* represents the most important U.S. design patent case since 1871, when the U.S. Supreme Court last addressed the topic of design patents. Indeed, this case marks the first time that the *en banc* Federal Circuit (meaning all 13 judges, rather than the typical three-judge panel) has heard a design patent case. The case caused such a stir because the *en banc* Federal Circuit sought to address the critically fundamental issue of what the test is for design patent infringement.

Prior to *Egyptian Goddess*, a finding of design patent infringement required the satisfaction of two distinct tests, namely, the “ordinary observer” test and the “point of novelty” test. The ordinary observer test asks whether the accused design is

With the troublesome point of novelty test eliminated, design patentees undoubtedly received a significant boost. First and foremost, the infringement burden is significantly lessened because a patentee now only needs to satisfy the ordinary observer test to show infringement.

Second, competitors will be less likely to design “close to the line” because the ordinary observer test’s standard of “substantial similarity” is very difficult to assess before the fact. In other words, it is very difficult to assess “how close is too close.” Thus, competitors will shy away from close design-arounds, leaving design patents with a *de facto* increase in scope of protection.

Industry Effects

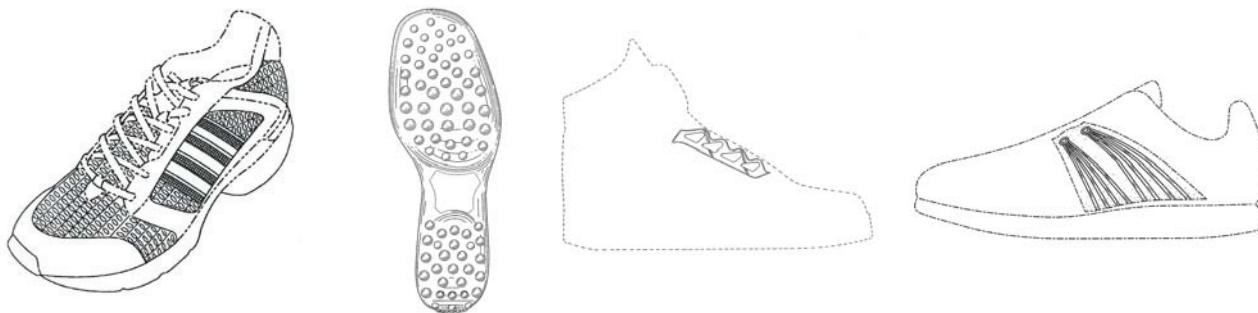
With the test for enforcement significantly remedied, design patents are poised to gain pace with the traditionally high-profile world of design. Over the

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substantially similar to the patented design, while the point of novelty test seeks to determine whether the accused design appropriated the patented design’s novel features. Given the considerable confusion and disorder regarding the point of novelty test, the *Egyptian Goddess* court took the bold step of abrogating the point of novelty test, which the court itself created more than 25 years ago. The court declared that the ordinary observer test is now the only valid test for design patent infringement.

last decade, designs for products, including footwear, have taken a prominent position on the global stage for a variety of reasons, the most unmistakable of which is the fact that they transcend language and cultural barriers. After all, a product’s outward appearance is the first thing consumers see. Whether it is the tread, the upper sole or even the eye stays, consumers judge footwear based on its appearance. A product’s design can be the simplest, most direct manner in which to reach

These four images from the U.S. Patent and Trademark Office are examples of issued U.S. Design Patents covering various aspects of shoe design.



The specific patent numbers are, from left to right, U.S. Pat. D511,608; U.S. Pat. D560,053; U.S. Pat. D328,384; and U.S. Pat. D587,892. These and other design patents can be found at the U.S. Patent and Trademark Office's website, www.USPTO.gov

consumers. Indeed, sometimes appearance is the only way to differentiate a product from its competitors.

The need for design patents is also fueled by more pragmatic reason, namely, the deluge of footwear knock-offs coming into the United States at record rates, forcing companies to actively seek protection. Companies, both large and small, will likely recognize the advantages that the single-standard, one-part test provides, and are already investing significant resources to create new, appealing designs. While the effect of *Egyptian Goddess* may take a few years to fully seep into the legal strategies and the psyche of the footwear industry, the decision likely will stoke the already "white hot" design world.

Design Patent Basics

In view of the anticipated surge of interest in design patents, it may be helpful to revisit some of the basics regarding them, and the protection that they provide. To begin, design patents grant the patentee the right to exclude others from making, using, selling, offering to sell or importing the patented design for 14 years from the date of issuance. (A utility patent has a 20-year term, but it is pegged off the filing date of the application, not the issuance date of the patent.) A nice feature unique to design patents is that there are no maintenance fees due during the 14-year

life of the patent. (A utility patent requires fees that are due at 3.5, 7.5 and 11.5 years, which total approximately \$7,500.)

As for the design patent document itself, it basically includes a series of drawings of the design from varying perspectives. There is no written description, like there is with a utility patent. Significant protection can be attained when thought is given to preparing the drawings, such as through the strategic use of some underused drafting techniques, including phantom lines, multiple embodiments and multiple applications. Unfortunately, all too often, there isn't enough thought given to the preparation of design patent drawings, and what you end up with is a "narrow" patent that offers little protection and is easy for competitors to design around.

Compared to utility patents, design patents can be acquired very quickly and inexpensively. On average, it takes about 12 to 14 months for design patents to issue once filed, and an attorney can typically file a design application for about \$2,000-2,500 depending on the complexity of the design. When filing a design patent, it is important to work with an attorney who has specific experience using the advanced design patent claiming techniques, rather than a general intellectual property attorney.

In sum, in light of the recent "design-patent friendly" decision in *Egyptian Goddess*, U.S. design patents are likely to gain newfound interest among footwear corporations and designers alike. This case has significantly eased the requirements for design patentees to show design patent infringement. Thus, it can be expected that more design patents will be not only enforced, but also secured.

Christopher Carani, Esq. is a shareholder at the intellectual property law firm of McAndrews, Held & Malloy, Ltd. in Chicago. The focus of his practice is design law, which covers the protection and enforcement of the design of products using design patents, trade dress and 3D copyrights. A nationally recognized expert in this field, he has litigated numerous disputes, counseled clients on a wide range of strategic design protection and enforcement issues, and served as a consultant and expert witness in design law cases. He also has lectured and published extensively, both domestically and internationally, on issues relating to design law. Carani currently chairs the Industrial Designs Committee for 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. He can be reached at ccarani@mcandrews-ip.com and www.designpatentattorney.com.