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Design Patents Get Their Day in Court

By Alan Cohen

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For more than a century, design patents have been the oddballs—if often the good-looking oddballs—of intellectual property law. The patents themselves don't make for heavy reading; they're just a series of drawings depicting the ornamental design of a product. Lawmakers and judges focused more on technology-oriented utility patents, even as some companies found design patents to be an increasingly useful tool. But over the past year and a half, the U.S. Court of Appeals for the Federal Circuit has issued a series of rulings that have, design patent experts contend, whittled down the protections the patents traditionally conveyed, and created a confusing, unsettled area of law. The design patent had started to seem like a prisoner on death row.

Then, in late November 2007, the Federal Circuit announced that it both was granting a rehearing en banc—the first time ever for a design patent case—of a controversial decision *and* was ready to reexamine the fundamentals of design patent infringement. The move was seen by practitioners as nothing short of a midnight call from the governor.

"This is a watershed moment in design patent jurisprudence," says **Christopher Carani**, a partner at McAndrews, Held & Malloy and counsel to the American Intellectual Property Law Association, which has filed several amicus briefs on the issues. "Whichever way it comes out, it's going to affect this area for years to come." The rehearing—in *Egyptian Goddess, Inc. v. Swisa, Inc.*—is expected to take place later in 2008.

Why are simple drawings so in dispute? Pictures are the problem. A utility patent can be compared claim by technical claim, but a design patent (which can have only one claim) requires courts to look at products—to interpret what they see. Critics say that design patents have been shoehorned into a system created for utility patents. Courts, for example, will hold Markman claim-construction hearings for design patents, with judges writing what they see in the drawings, like overage art majors.

The U.S. Supreme Court weighed in on the matter back in 1871, in *Gorham Mfg. Co. v. White*, a case about spoons. There the court laid down the test for infringement: In the eye of an ordinary observer, the two designs had to appear substantially the same. But later courts worried that this test would, in many cases, too easily find infringement, ensnaring designs that were substantially similar but didn't incorporate the design element that made the patented object novel. So in 1984, in *Litton Sys., Inc. v. Whirlpool Corp.*, the Federal Circuit added a second peg to the test. Now plaintiffs had to show their "point of novelty" and that the accused design misappropriated it.

And so things stood until a year and a half ago. Then, in the 2006 case *Lawman Armor Corp. v. Winner Int'l LLC*, the Federal Circuit issued a ruling that mystified the design patent bar. The decision was widely read as stating that a combination of design elements could not serve as a point of novelty (a similar devaluing of combined elements was to shake the utility patent world the next year in the Supreme Court's KSR decision).

The Lawman decision was problematic, to say the least, because it could potentially spell doom for the great bulk of design patents. "Most designs are made up of a combination of existing elements, says Robert Katz, a partner at Banner & Witcoff who helped prepare amicus briefs for the rehearing in the Egyptian Goddess and Lawman cases on behalf of Nike, Inc. "An iPod, for example, has a rectangular shape, a round control element, a display screen. Each element is in the prior art; it's the combination that is new." The outcry was such that the Federal Circuit would later try to clarify, in an en banc denial, what it meant: that an entire design cannot be a point of novelty, but under certain circumstances, a combination of elements could be.

In *Egyptian Goddess*, a case involving fingernail buffers, the Federal Circuit threw the design patent bar yet another curve, ruling that the point of novelty had to be a nontrivial advance over the prior art. Critics argue that this heightened standard requires plaintiffs to prove something they had already proved to the PTO's satisfaction. What's more, defendants could potentially knock out design patents using an infringement analysis and its lower preponderance-of-evidence standard, rather than the higher clear-and-convincing standard used in traditional validity challenges.

The Federal Circuit wasn't even finished. In September, in *Arminak & Assoc., Inc. v. Saint-Gobain Calmar, Inc.*, the court changed its view on who the "ordinary observer" was who judges the similarity of the two designs (in this case, trigger-spray heads on bottles). The judges decided that it wasn't the typical consumer, but a savvy corporate buyer. "It completely turned *Gorham* on its head," says Perry Saidman, an attorney and founder of the Saidman DesignLaw Group. "The Supreme Court had said the ordinary observer can't be an expert, because an expert can always tell the difference between two designs, and [that would] gut any protection."

For practitioners, the string of cases has not just been worrisome, but frustrating. "It's hard to inform clients about [the benefits] of a design patent if it's unclear what the breadth of protection is and how to enforce it," says Michelle Mancino Marsh, a partner at Kenyon & Kenyon. Saidman, who represents Apple Inc. and Procter & Gamble,

among others, has launched a coalition, The Design Registration League (protectdesigns.org), to push lawmakers to embrace a copyright-like registration system for designs, a scheme that is used by the European Union. But any change is unlikely at least until Congress figures out what it is doing about utility patent reform.

In the meantime, all eyes are on *Egyptian Goddess*. In granting rehearing en banc, the court asked the parties to address issues that went well beyond the main question in the case, the nontrivial advance. They have asked whether claim construction should apply to design patents; whether the overall appearance of a design can be permitted to be the point of novelty; even whether the point-of-novelty test is appropriate at all. "To even raise that question is startling," says Saidman. "This is 100 years of case law."

It's anyone's guess how the Federal Circuit will redesign design patent law. But practitioners are cautiously optimistic—and euphoric to finally be able to make their case in court. "We've been beating on the drum, filing briefs," says **Carani**, "[and finally] the court has decided, 'Hey, let's air it out.'"

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