

Patent Enforcement Update -- Design Patents

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SECURING DESIGN PATENT RIGHTS

In the past, enforcing a design patent was a challenging task because often a small difference between a patented drawing and an accused product would result in a finding of non-infringement. In fact, in 1988 the Federal Circuit noted that design patents "have no scope."¹ However, over the past decade the Federal Circuit has shifted its tone and found infringement in several cases where the patented design and the accused design were not exactly the same, but were substantially the same. Following alongside the recent case law, design patents have started to play a central role in companies' technology disputes, such as the highly-publicized smart phone and tablet patent wars.² With these recent developments, design patents are becoming a more useful, and in some cases a more threatening, tool in companies' patent portfolios.

Companies are recognizing the value of a design patent and filing more applications than in the past. Design patent applications have increased over the past decade with a growth rate of about 16% in 2011.³ This paper outlines the characteristics of a design patent and current considerations for enforcing a design patent to arm one with the knowledge associated with this increasingly popular form of intellectual property protection.

What Is a Design Patent

Generally, a design patent protects a product's overall look. 35 USC §173 provides that a design patent may be awarded to any person who has invented any "new, original and ornamental design for an article of manufacture."⁴

A design patent protects the design embodied in or applied to an article or manufacture and not the article itself.⁵ A design patent may protect an article as a whole (i.e. a watch having a watch band, face and clasp) and a design patent may also be granted for a portion of an article (i.e. a watch face). Lastly, a design patent may be limited to a design or ornamentation on an article (i.e. a design on the watch face).

A design patent application contains drawings and a single claim which claims the subject matter illustrated in the drawings. The subject matter being claimed in the design patent is shown with solid lines, whereas the unclaimed subject matter is reduced to broken lines. For example, in the instance above of a design patent limited to the ornamentation applied to a watch face, the ornamentation on the watch face would be shown in solid lines and the watch face would be reduced to broken lines as it is not part of the claimed design.

As noted above, the statute allows for protection of ornamental design of an article. Thus, regarding the design on a watch face, the design is only protectable if it is applied to a watch face. That is, a stand-alone design is not protectable with a design patent. In the scenario above, the ornamentation must be shown on a watch face where the watch face is reduced to broken lines. Along similar lines, design patents do not protect a photograph, picture, or print because they are not "for an article of manufacture."⁶

Since a design patent only has a single claim, if articles are independent and distinct they must be filed in different applications because they cannot be supported by the single claim in the application.⁷ Articles are considered independent if there is no relationship between the two articles and they are considered distinct if there are different shapes and appearances of the articles, even if the articles are related. While independent and distinct designs must be filed in different applications, modified forms of a single design may be protected by a single application.

Design Patents v. Utility Patents

The PTO awards patents both for how a product looks (i.e. a design patent)⁸ and how a product functions (i.e. a utility patent).⁹ Design and utility patents are based on different statutory provisions, and thus, the scope of protection for the two types of patents is different. If a patented design is both functional and ornamental, an inventor can apply for both a design patent and a utility patent. However, if a patent is primarily functional, rather than ornamental, a design patent is generally not proper.¹⁰

The PTO grants approximately ten times the number of utility patents than design patents. For example, in 2012, the PTO granted approximately 542,815 utility patents and 32,799 design patents.¹¹ Given the large number of utility patents granted and the legislative history of patent protection, design patents share several similarities to utility patents, but they also have many distinctions.

Examination Similarities and Differences

The first Patent Act of the U.S. Congress was passed in 1790 to "promote the progress of useful arts," but it was not until approximately 1842 that Congress passed legislation to protect design patents.¹² Some scholars suggest that with a framework for utility patents already in place, Congress "operat[ed] on the assumption that existing rules for utility patents could be incorporated *en masse* to protect designs."¹³

Thus, similar to a utility patent, design patents are fully examined by the PTO. Examiners review a design application for novelty, obviousness, indefiniteness, and enablement. For example, a design patent must contain enough information for one skilled in the art to make and use the invention to satisfy §112. Further, design patent applications must be novel and non-obvious to satisfy §102 and §103.

Even though design patents are subject to similar pre-grant examination at the PTO, design patents, unlike utility patents, are often granted on the first action. Thus, design patents often issue more quickly than utility patents—usually within a year from filing. Given the

short examination time, design patents can be obtained at a much lower cost than utility patents.

Procedural Similarities and Differences

While design patents are examined under Title 35 of the U.S. Code along with utility patents, the development of design patent law diverged from utility patents from its inception,¹⁴ and thus, design patents have several distinctions from utility patents. All design patents are distinguished on their face over a utility patent by including a "D" before the patent number. Unlike a utility patent which receives protection for twenty years from the earliest effective filing date, a design patent receives protection from fourteen years from the date the patent was granted. A design patent filed on or after December 18, 2013, has a term of protection of fifteen years.

After a utility patent is granted, the patent owner must pay maintenance fees every 3.5, 7.5, and 11.5 years to maintain the validity of the patent. In contrast, an owner of a design patent is not required to pay any maintenance fees.

Also, as noted above, a design patent contains a single claim with drawings.¹⁵ In contrast, a utility patent may include twenty claims without any additional costs and may contain as many claims as necessary.

Similar to utility patents, a patent application can claim priority to a foreign patent to obtain an earlier effective filing date. However, under 35 USC §172, one must file a patent application in this country within six months from the filing date in the foreign country. This is in contrast to 35 USC §102(d) for utility patents, which allows for one year.

For utility patents, an inventor can file a provisional application which is not subject to examination, but which establishes a filing date of the invention. The inventor then has one year from the filing date of the provisional application to file the full patent application (i.e. a non-provisional application). Design patents are not awarded the benefit of claiming priority to a provisional patent application.

Remedies Similarities and Differences

Similar to a finding of infringement for a utility patent, a patent owner is entitled to reasonable royalties or one's own lost profits incurred from the infringement when an accused product is found to infringe a design patent. Also, when equitable a design patent holder or a utility patent holder may be granted an injunction which requires the infringer to stop making or selling the accused product.

Design patent holders are also provided with an additional remedy for a finding of infringement. The U.S. statute provides an additional remedy specifically for patented designs in 35 USC §289 for the total profits made by the infringer. Section 289 states that a party found infringing on a design shall be liable to the owner to the extent of the total profit, but not less than \$250. The applicability of §289 is discussed in more detail below.

Appropriate Subject Matter for Design Patents

As discussed above, a design patent protects the nonfunctional or ornamental aspects of a product; however, a design patent does not have to be aesthetically pleasing.¹⁶ Instead, a design patent must simply relate to a design that is not solely functional.

While this scope of design patent subject matter holds true in theory, it does not necessarily limit a design patent's scope in practicality as most objects have some ornamental aspects which can be protected under a design patent. For example, a tread of a tire, while having a functional purpose, also has an ornamental aspect that is protectable by a design patent. Thus, pretty much anything may be afforded design patent protection if it is applied to an article of manufacture.

While, functionality of a product may not necessarily be an issue for obtaining a design patent because almost any product has some ornamental aspect, one should consider the functional aspects of a design at filing as it might narrow the scope of the design patent. In some instances, the functional aspect of a design may be factored out of the scope of the claims.¹⁷ "A device that copies that utilitarian or functional features of a patented design is not an infringement unless the ornamental aspects are also copied, such that the overall resemblance is such as to deceive."¹⁸

For example, in the 1990s, there was a great deal of discussion about the patentability of graphical user interfaces (or a computer icon). The question at issue was whether a graphical user interface was for an article of manufacture as required by the statute. In 1996, the USPTO issued guidelines regarding the patentability of graphical user interfaces in design patents.¹⁹ In this Notice, the USPTO ruled that computer generated icons embodied in articles of manufacturer are eligible for design patent protection under 35 USC §171. "Thus, if an application claims a computer-generated icon shown on a computer screen, monitor, or other display panel, or portion thereof, the claim complies with the 'article of manufacture' requirement of section 171."²⁰

Obtaining a Design Patent

The elements of a design patent application are similar in scope to those of a utility patent application as discussed above. A design patent application should contain a preamble, stating the name of the applicant, the title of the design, and a brief description of the nature and intended use of the article in which the design is embodied. Further, the design patent application should contain figures with an accompanying description of the figures, and a single claim that relates to the figures. Similar to a utility patent, an oath or declaration is also required.²¹

An inventor of a design is subject to the same statutory bar of §102(b) (pre-AIA) that governs utility patents. Thus, a design patent cannot be filed more than one year from the date in which "the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country."²²

As discussed above, a design patent may be granted for the overall product design, partial designs or ornamentation on a product.

Practical Tip: Consider filing multiple applications to cover different portions of the product design, as well as an application which includes the entire product design.

The drawings filed with the design patent application must clearly and sufficiently outline the claimed subject matter. The shape and contour of every claimed element must be clear from the drawings. As noted above, solid lines indicate the critical and necessary features whereas broken lines or dashed lines are used to indicate external environment or unclaimed features. Dashed lines are not to be used to indicate hidden features. The line type can be changed during prosecution of a design patent without introducing new matter within reason.

Practical Tip: Choose wisely what to claim and what not to claim in the design patent and consider what feature(s) the competitor is likely to copy. However, note that it may be very hard to predict what a competitor will copy and filing multiple applications claiming different features may provide for a more varied scope of protection.

While changing the line type may not be considered new matter, adding a dotted line as a boundary line to section off a portion of the design being claimed may be considered new matter. In 2013, the Federal Circuit affirmed a rejection of U.S. Design Patent Application No. 29/253,172 which was a continuation of U.S. Design Patent Application No. 29/219,709.²³ In *In re Owens*, the '709 application claimed a design for a bottle. Owens filed the '172 Application claiming priority to

the '709 application. The '172 patent only claimed a portion of the bottle claimed in the '709 application, including design elements found on the top and side portions of the claimed bottle. To indicate that only the top portion of the bottle was claimed, Owens bisected the bottle with a broken line. The Examiner rejected the '172 application because the broken line defined an entirely new "trapezoidal-shaped" surface.

Owens argued that the broken line did not add new matter because all the portions of the claimed partial design were illustrated in the '709 patent application. However, the court held that nothing in the disclosure of the '709 application distinguished anything "uniquely patentable about the top portion of the bottle's front panel."²⁴ Further, the court added that unclaimed boundary lines typically should satisfy the written description requirement only if they make explicit a boundary that already exists, but was unclaimed in the original disclosure.

Practical Tip: If claiming the entire design of a patented product, consider adding unclaimed boundary lines to the drawings to section portions of the design where appropriate.

Also, when filing design patent drawings, it may be necessary to include surface contour lines and shading to the drawings to indicate whether the surface is flat, raised, or depressed. A lack of surface shading may render the design non-enabled or indefinite during examination under §112.

Practical Tip: Adding more surface shading after filing may be deemed new matter, so consider whether surface shading is necessary when filing the patent application.

Patent Law Treaties Implementation Act of 2012

In 2012, President Obama signed the Patent Law Treaties Implementation Act of 2012 to implement changes to U.S. design patent law to more closely align international protection of industrial designs. Under this law, an U.S. applicant will be able to file Hague applications and foreign Hague applicants will be able to designate the U.S. This will ultimately streamline the ability to obtain a design patent in the U.S. and around the world. That is, starting December 18, 2013, design patent applicants will be able to obtain a design patent in multiple foreign countries by filing a single patent application.

To more closely align design patent protection in the U.S. with the rest of the world, the patent term will be increased from fourteen years to fifteen years after issuance.

The PTO issued a Final Rule titled, Changes to Implement the Patent Law Treaty on Oct. 21, 2013.²⁵

SCOPE OF PROTECTION: TEST FOR INFRINGEMENT AND AVAILABLE REMEDIES

Litigation of utility patents is similar procedurally for litigation of design patents. First, it is important to note that design patents, similar to utility patents, are brought before a federal district court. Patent law is not a state court matter. Thus, appeal from the federal district court goes to the Federal Circuit, and then the Supreme Court. As with utility patent cases, design patent cases also allow the right to a jury trial if requested by either party.

While the procedures may be similar for utility and design patents, the tests applied for infringement and invalidity, and the damages awarded to the parties are different.

Pleading Requirement

To allege a claim of patent infringement, one must state a claim upon which relief can be granted. In *Hall v. Bed Bath & Beyond*, Hall was granted a design patent for a Tote Towel (U.S. Design Patent No. D596,439).²⁶ Hall alleged patent infringement based on accused copies of his Tote Towel manufactured and sold by Bed Bath & Beyond. Bed Bath & Beyond moved to dismiss Hall's complaint for failure to state a claim on which relief can be granted under Federal Rules of Civil Procedure 12(b)(6).

At the lower district court, the court concluded that the complaint should have included answers to questions such as what is it about the design patent that makes it new, original, and ornamental.

On Appeal, the Federal Circuit held that the Federal Rules of Civil Procedure only require a short and plain statement of the claim showing that the pleader is entitled to relief. Further, the Federal Circuit noted that infringement of a design patent is based on the design as a whole, not on any "points of novelty." For discussion on the "points of novelty test see below.

Practical Tip: Pleading requirements for design patent infringement may be met if the patent owner alleges that the resemblance between the design patent and the accused design is such as to deceive an ordinary observer and that the accused product is "virtually identical in design" to the patented design.

Infringement Analysis

Similar to utility patents, infringement analysis with respect to design patents requires (1) determining the scope of the patent, and (2) determining if the accused product infringed the determined scope of the patent. The burden is placed on the patent owner to show by a preponderance of evidence that an infringement has occurred.

Determining the Scope of a Design Patent

As noted above, design patents are typically claimed as shown in the drawings and the scope of a design patent's claim is "adapted to a pictorial setting."²⁷ The Federal Circuit has often held that the drawings are the best description of the claimed design.²⁸ The Federal Circuit has cautioned on the danger of using a verbal description of the drawings to determine the scope of the claims.²⁹

In *Crocs, Inc. v. ITC*, the Federal Circuit reversed the ITC's ruling in part because the Commission used a verbal claim construction of the design of a shoe instead of considering the design as a whole as depicted in the pictures. In *Crocs*, the written claim construction included (1) a strap of uniform width, and (2) holes evenly spaced around the shoe.³⁰ In contrast, the drawings filed showed a strap that bulged to a greater width in the middle of the strap and holes that were not evenly spaced. Thus, the court ruled that the scope of the claims was "the design as shown in Figures 1-7" and not the written description of the drawings.³¹ The court further held that the Commission placed undue emphasis on the particular details of its written description without considering the design as a whole

In view of *Crocs*, in determining the scope of a patent design, a court will often consider the drawings and not a written description of the drawings.

Practical Tip: Make sure drawings are clear and accurate as a written description of the drawings will not modify what is actually shown in the drawings.

Ordinary Observer Test

After the scope of a patent claim has been established, the court will consider whether an accused product infringes the design patent. In determining infringement, the court will apply the "ordinary observer" test as first postulated by the U.S. Supreme Court in *Gorham Co. v. White*.³² In *Gorham*, the court held that there was infringement of a design patent if "in the eye of an ordinary observer, given such attention as a purchaser usually gives, two designs are substantially the same."³³ To show infringement under the ordinary observer test, the plaintiff must show that "an ordinary observer, familiar with the prior art design, would be deceived into believing that the accused product is the same as the patented design."³⁴

In *Gorham*, the Supreme Court excludes experts as being "ordinary observers." In *Arminak v. Sain-Gobain*, the Federal Circuit clarified that the ordinary observer is a principal purchaser "of the articles to which designs have given novel appearance" who is sufficiently interested in the item that displays the patented designs and who has a capability of making a reasonable decision on whether the accused design and the design patent are substantially the same.³⁵

Practical Tip: It is important to consider the ordinary observer as a person who would typically purchase a product as opposed to an expert in the relevant design field for an infringement analysis. An expert would notice the minor differences. However, the ordinary observer is also more sophisticated than the general consumer without any knowledge of the product.

The Federal Circuit has held that the ordinary observer test applies to the entire patented design as claimed. "Minor differences between a patented design and an accused article's design cannot, and shall not, prevent a finding of infringement."³⁶ The Federal Circuit has often suggested that the design patent infringement test is not a minute analysis of detail but rather a test that asks whether the *overall appearance* of the patent and accused designs are *substantially* the same in the eyes of an ordinary observer.³⁷

As noted, in *Crocs* above, the Federal Circuit ruled that minor differences between the patented design and the accused products do not negate infringement. The Federal Circuit noted that the Commission erred by concentrating on "small differences in isolation" and by being "distracted from the overall impression of the claimed ornamental features."³⁸ The court held that when comparing the patented design and the accused product, an ordinary observer, familiar with prior art designs, would be deceived into believing that the accused products are the same as the patented design.³⁹ Further, the court noted that "in effect the accused products embody the overall effect of the patented design in sufficient detail and clarity to cause market confusion."⁴⁰ In describing market confusion, the court supported another explanation of the ordinary observer test from *Gorham*. That is, "[i]n the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other."⁴¹

The ordinary observer test used in *Crocs*, is now, the sole test for infringement; however, this was not always the case. With a line of cases in the 1980s and 1990s, the Federal Circuit held that the *Gorham's* ordinary observer test should be used in conjunction with the point of novelty test. The point-of-novelty test states that the accused device must appropriate the novelty in the patented device that distinguishes it from the prior art. This test focuses on the part of the design that distinguishes it from the prior art. The Federal Circuit disregards this test in its en banc opinion *Egyptian Goddess, Inc. v. Swisa, Inc.*⁴² In *Egyptian Goddess*, the court held "that the 'point of novelty' test should no longer be used in the analysis of a claim of design patent infringement" and instead, the court held that the 'ordinary observer' test should be the sole test for determining whether a design patent has been infringed. With this ruling, the court affirmed that the ordinary observer was the "sole test" for determining design patent infringement, but clarified that the test should be conducted "in light of the prior art" as used in *Crocs*. The court noted that it is difficult to answer the question of whether one thing is like another without being given a frame of reference, and the frame of reference to be applied is reference to prior art designs.

The court held, in part, that making the ordinary observer test the sole test was logical because it can be difficult to determine "the" point of novelty when there are several different features that can be argued as being points of novelty. Further, the more points of novelty there are for a particular design patent, the more arguments that the accused infringer may make that the product does not infringe the patent.⁴³

Literal Infringement and Doctrine of Equivalents

In view of the ordinary observer test, one does not necessarily have to show that all elements of the claims are present in the accused product. In contrast to showing literal infringement for utility patents, a design patent holder may prove infringement if he can show that the overall appearance to an ordinary observer of the accused product is substantially the same as the patented design in view of the prior art.

As noted above, the design patent holder has the burden to prove by a preponderance of evidence that infringement has occurred. Similar to utility patents, to prove such infringement, the patent holder can use expert testimony. In particular, in design patent cases, the testimony of an industry expert may be used to show that a consumer would be deceived by the accused product. In addition to expert testimony, a patent holder may introduce survey results as proof of what an "ordinary observer" determines is substantially the same.

Practical Tip: When establishing infringement, a patent holder is required to compare the claim of the design patent (i.e., the drawings) to the accused product. However, if the patented product is also very similar to the accused product, it may be beneficial to try to put the patented product in front of the fact finder, especially side by side with the accused product.

Validity/Patentability

Often times when a patent holder asserts a claim of infringement against a company with an accused product, the company may counter with a claim of invalidity. In *International Seaway Trading Corp. v. Walgreens Corp.*, the Federal Circuit held that similar to the test of infringement, the ordinary observer test was also the sole test for invalidity. In *Seaway*, the court vacated the district court's grant of summary judgment because the court held that it was an error for the lower court not to consider the differences between the accused clog's insoles and the design patent simply because insoles are hidden by a user's foot and allegedly not a point of novelty.

To make a showing of obviousness, the Federal Circuit applies a two-part test in *Seaway*. First, the jury is to determine if one skilled in the art would modify the primary prior art reference to arrive at the modified prior art design. To do so, "one must find a single reference . . . the design characteristics of which are basically the same as the claimed design."⁴⁴

Second, the jury is to use the ordinary observer test (not the ordinary designer) to compare the modified prior art and the patented design to determine if the design characteristics are basically the same as the claimed design.

In *Seaway*, the court held that for an obviousness determination the role of one skilled in the art is to determine whether to combine earlier references to arrive at a single piece of art for comparison with the patented design or to modify a single prior art reference. Once that piece of prior art has been constructed, obviousness, like anticipation, requires application of the "ordinary observer test," not the view of one skilled in the art.⁴⁵ Thus, in this holding, the Federal Circuit modified the test for invalidity as compared to the test for infringement for an obviousness determination.

In 2013 in *Highpoint v. Buyer's Direct*, the Federal Circuit clarified that that *Seaway* may in fact have had the "designer of ordinary skill" standard in mind when it used the term "ordinary observer" to postulate the test for invalidity due to obviousness.⁴⁶ That is, in *Highpoint*, the Federal Circuit held that the ultimate inquiry in an obviousness analysis is whether the claimed design would have been obvious to a designer of ordinary skill who designs articles of the type involved.

In *Highpoint*, the Federal Circuit vacated a decision for summary judgment of invalidity. Buyers was the owner of U.S. Design Patent No. D598,183 and the manufacturer of Snoozies slippers which were allegedly an embodiment of the '183 patent. Buyer's alleged that High Point infringed the '183 patent by selling Fuzzy Babba slippers.⁴⁷ On May 2012, the lower district court granted summary judgment for High Point holding that the '183 patent was invalid on the ground that the design claimed was both (1) obvious in light of prior art and (2) primarily functional rather than primarily ornamental. For obviousness, the court noted that slippers with an opening for a foot that contains a fuzzy lining and a smooth outer surface was already being sold in the industry. Further, the district court noted that all major characteristics of the slipper claimed in the '183 patent were functional, and thus, the patent was invalid as being purely functional.⁴⁸

The Federal Circuit reversed the lower court's grant of summary judgment. In *Highpoint*, the court noted that the use of an ordinary observer for obviousness runs contrary to the court's previous teachings of assessing a design patent for obviousness based on the ordinary designer. The court held that in addressing a claim of obviousness, the ultimate inquiry is whether the claimed design would have been obvious to a designer of ordinary skill who designs articles of the type involved. Further, the Federal Circuit held that the district court erred in looking at whether the design's primary features can perform functions. Instead, the court should have inquired whether the claimed design was primarily functional or ornamental. In view of the district court's errors, the Federal Circuit reversed the granting of summary judgment.

Practical Tip: Interestingly, raising the level of skill from the ordinary observer to the ordinary designer for determining obviousness arguably makes it more difficult to invalidate a design patent, since the ordinary designer is more likely to identify small differences and find them to be significant. In contrast, in the context of a utility patent, someone trying to invalidate the patent would normally want the level of skill to be as high as possible, since everything seems more "obvious" to an expert than to a lay person.

Remedies

Generally in patent cases, if an accused product is found to infringe a patent, the patent holder is entitled to damages. 35 USC § 284 provides that "upon finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the court."

Based on §284, two types of damages are generally awarded to a patent holder: (1) reasonable royalty, and (2) lost profits. Reasonable royalty relates to a rate at which the patent owner and a licensee would have negotiated and agreed on licensing the patent apart from litigation. Lost profits is the amount of money that the patent owner lost due to the infringement. To be awarded lost profits, the patent owner must show that the infringement caused lost profits.

For design patents, in particular, section §289 provides an "additional remedy for infringement of design patent."⁴⁹ Specifically, "whoever during the term of a patent for a design, without license of the owner, (1) applies the patented design, or any colorable imitation thereof, to any article of manufacture for the purpose of sale, or (2) sells or exposes for sale any article of manufacture to which such design or colorable imitation has been applied shall be liable to the owner to the extent of his total profit, but not less than \$250, recoverable in any United States district court having jurisdiction of the parties."⁵⁰ Section 289 lays the foundation that the infringer is liable to pay the patent holder his total profits.

Awarding of infringer's profits is acceptable even if the infringement was not willful. In *Catalina Lighting, Inc. v. Lamps Plus, Inc.*, the Federal Circuit upheld a lower court's award of infringer's profits because Catalina (the accused infringer) received profits from their sale of lamps that infringed the design patent.⁵¹ The court noted that the patent holder is entitled to damages whether or not the infringement was willful. Further, the court noted that § 289 does not require that the accused "know" of the infringement.

Besides monetary damages, injunctions are also possible remedies available for a patent owner. To be entitled to a permanent injunction, a patentee must show (1) it has suffered an irreparable injury, (2) remedies available at law are inadequate to compensate for that injury, (3) considering the balance of hardships between the plaintiff and the defendant, a remedy in equity is warranted, and (4) the public interest would not be disserved by a permanent injunction.⁵² Given the requirements above, receiving a permanent injunction may be unlikely in most cases. However, it should not be disregarded as it may prove a valuable remedy in some cases.

In *Douglas Dynamics v. Buyers Products*, the court reversed the lower court's dismissal of a permanent injunction. The district court concluded that Douglas did not make a threshold showing of irreparable harm because Douglas failed to show it was losing sales or market share based on the infringement. Specifically, "[t]he district court relied on evidence that persons willing to pay for a Douglas snowplow were unlikely to purchase Buyers snowplow as a substitute, and that Douglas's market share increased about 1% a year after Buyers introduced its infringing snowplows."⁵³ The Federal Circuit disagreed with the lower court's analysis and noted that "[s]imply because a patentee manages to maintain a profit in the face of infringing competition does not automatically rebut a case for irreparable injury."⁵⁴ In *Douglas*, the court determined that on balance, when considering the equitable factors, they favored a permanent injunction.

RECENT ENFORCEMENT CASES

Smartphone and Tablet Wars

Probably the most well-known design patent case in recent years is *Apple Inc. v. Samsung Electronics Co., Ltd.*⁵⁵ In *Apple*, Apple sued Samsung in 2011 asserting in part that Samsung's smartphones and tablets infringed several of Apple's patents related to Apple's iPhone and iPad products. At trial, Apple alleged that Samsung infringed three utility patents, four design patents, and four trade dress rights. The case was tried before a jury in the Northern District of California where the jury awarded more than \$1 billion dollars in damages to Apple.

During trial, Apple argued that Samsung copied its design for its smartphone and tablets from Apple's patented designs. Specifically, Apple emphasized the difference between "Samsung smartphones before and after the 2007 release of Apple's iPhone."⁵⁶

Practical Tip: As noted above, the test for infringement is between the patented design and the accused product and it is not between the product related to the patented design and the accused product. However, some have suggested that even though these arguments "had no place" in determining design patent infringement, "they certainly told a nice story, something the jury could easily grasp."

Further, Samsung argued that the Apple's design patents were invalid because each of the elements claimed were functional rather than ornamental, and thus, the entire design was functional. The judge disagreed with this argument because when determining "whether a design is primarily functional or primarily ornamental the claimed design is viewed in its entirety."⁵⁸

Fashion Wars

Design patent litigation has risen in popularity in the fashion industry as well. In 2012, Lululemon filed a complaint in Delaware alleging that Calvin Klein was selling pants that infringed several of its design patents related to running pants with a waistband design.⁵⁹

Further, in 2013, Yummie Tummie sued Spanx over a design patent related to body wear.⁶⁰ Yummie Tummie alleged that it owned six design patents which Spanx had infringed. This litigation is still pending, but it has sparked a debate about whether design patents may be a valuable method for protecting fashion design.⁶¹

These fashion lawsuits highlight the increase in popularity and the potential for design patents to be used to protect intellectual property in the fashion industry. Since a design patent is often granted on the first action, a design patent may be granted while the fashioned design is still "in fashion".⁶² Thus, design patents may prove to be a valuable tool for the fashion industry.

Trends and Predictions

Since high profile cases such as *Apple v. Samsung*, companies are filing more design patents than ever before. As noted above, there has been at least a 16% increase in filing of design patents since 2011. For example, building off of the success that Apple had in asserting its design patents for its smartphones and tablets, Apple has increased its number of design patent filings by over 400% since 2006.⁶³

Design patents are playing a more important role in a company's patent portfolio, and they will continue to in the future. Companies are not only filing design patent applications for more products, but companies are also filing multiple design patent applications for a single product. This allows for a more varied scope of protection for protecting the claimed design. For example, Apple often files multiple⁶⁴ design patents for a single product.

Practical Tip: File multiple design patent applications of varying scope for a given product.

While the enforcement scope of a design patent may be a little less certain than for a utility patent, a design patent offers benefits over utility patents. As noted above, design patents are often issued within one year after filing. Thus, unlike utility patents which may take three to five years of prosecution, a design patent may be granted while the design is still relevant. With the rapid pace of changing technology and other relevant industries, it will be very beneficial for companies to have a design patent issued while the design is still relevant.

With the increase of design patent filings and enforcement actions for patented designs, all companies should consider whether design patents are a necessary component in their intellectual property portfolio.

Endnotes

1 *In re Mann*, 861 F.2d 1581 (Fed. Cir. 1998).

2 See Section III.

3 *IP Firm Holds The Lead In The Flourishing Field Of Design Patent Litigation*, ABA J. (Aug. 1, 2013), http://www.abajournal.com/magazine/article/firm_puts_its_mark_on_design_patents.

4 37 U.S.C. §171 ("Whoever invents any new, original and *ornamental design for an article of manufacture* may obtain a patent thereof, subject to the conditions and requirements of this title.") (emphasis added).

5 MPEP §1502 ("In a design patent application, the subject matter which is claimed is the design embodied in or applied to an article of manufacture (or portion thereof) and not the article itself. *Ex parte Cady*, 1916 C.D. 62, 232 O.G. 621 (Comm'r Pat. 1916). "[35 U.S.C.] 171 refers, not to the design of an article, but to the design for an article, and is inclusive of ornamental designs of all kinds including surface ornamentation as well as configuration of goods." *In re Zahn*, 617 F.2d 261, 204 USPQ 988 (CCPA 1980)").

6 Copyrights may be a more appropriate form of protection.

7 MPEP §1502.

8 35 U.S.C. §171.

9 35 U.S.C. §101.

10 *USPTO A Guide to Filing a Design Patent*, USPTO, www.uspto.gov/web/offices/com/iip/pdf/brochure_05.pdf.

11 *U.S. Patent Statistics Chart, Calendar Years 1963 - 2012*, U.S. PTO, www.uspto.gov/web/offices/ac/ido/oeip/taf/us_stat.htm (last modified June 7, 2013). PTO also granted 1,149 plant patents. *Id.*

12 Jason J. Du Mont & Mark D. Janis, *The Origins Of American Design Patent Protection*, 88 IN. L.J. 837 (2013).

13 *Id.*

14 *Id.*

15 37 CFR 1.153

16 *Seiko Epson Corp. v. Nu-kote Int'l Inc.*, 190 F.3d 1360 (Fed. Cir. 1999).

17 *Richardson v. Stanley Works, Inc.*, 597 F.3d 1288 (Fed. Cir. 2010).

18 *Lee v. Dayton-Hudson Corp.*, 838 F.2d 1186 (Fed. Cir. 1988).

19 *Guidelines for Examination of Design Patent Applications For Computer-Generated Icons*, 61 Fed. Reg. 11380, www.gpo.gov/ fdsys/pkg/ FR-1996-03-20/pdf/96-6655.pdf.

20 *Id.*

21 *USPTO A Guide to Filing a Design Patent*, USPTO, www.uspto.gov/web/offices/com/iip/pdf/brochure_05.pdf.

22 35 U.S.C. §102(b).

23 *In re Owens*, 2012-1261 (Fed. Cir. March 26, 2013).

24 *Id.*

25 78 Fed. Reg. 62368 (Oct. 21 2013).

26 *Hall v. Bed Bath & Beyond*, 705 F.3d 1357 (Fed. Cir. 2013).

27 *Crocs Inc. v. ITC*, 598 F.3d. 1294,1782 (2010).

28 *Id.* at 1782 (citing MPEP §1503.01; *Dobson v. Dornan* 118 U.S. 10, 14 (1886)).

29 *Id.*

- 30 *Id.*
- 31 *Id.*
- 32 *Gorham v. White*, 81 U.S. 511 (1871).
- 33 *Id.*
- 34 *Crocs* at 1783.
- 35 *Arminak v. Saint-Gobain Calmar*, 501 F.3d 1314 (2007).
- 36 *Crocs* at 1783 (quoting *Payless Shoesource*, 998 F.2d at 991 (quoting *Litton Sys. Inc. v. Whirlpool*, 728 F.2d 1423, 1444 (Fed. Cir. 1984)).
- 37 *Id.*
- 38 *Id.*
- 39 *Id.* at 1785 ("If the claimed design and the accused designs were arrayed in matching colors and mixed up randomly, this court is not confident that an ordinary observer could properly restore them to their original order without very careful and prolonged effort.").
- 40 *Id.*
- 41 *Gorham*, 81 U.S. 511.
- 42 *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665 (Fed. Cir. 2008).
- 43 *Id.* at 678.
- 44 *High Point Design v. Buyer's Direct*, No. 2012-1455 (Fed. Cir. 2013).
- 45 *Seaway Trading Corp. v. Walgreens Corp.*, No. 09-1237 (Fed. Cir. 2009).
- 46 *High Point Design, LLC. v. Buyers Direct, Inc.* 2012-1455, (Fed. Cir. Sept. 11, 2013).
- 47 *Id.*
- 48 *Id.*
- 49 35 U.S.C. §289.
- 50 *Id.*
- 51 *Id.*
- 52 *Douglas Dynamics v. Buyers Products*, 717 F.3d 1336, 1344, (Fed. Cir. 2013).
- 53 *Id.*
- 54 *Id.*
- 55 *Apple v. Samsung*, 881 F. Supp. 2d 1132 (N.D. Cal. 2012); *Apple v. Samsung*, No. 12-1338 (Fed. Cir. Aug. 7, 2013).
- 56 *Apple v. Samsung: Design Patents Take Center Stage*, *Landslide*, ABA (2012), www.americanbar.org/publications/landslide/2012_13/january_february/apple_v_samsung_design_patents_take_center_stage.html; Kevin Bostic, *Apple v. Samsung Proceedings Muddled, But Experts Say Apple Had Strong Day*, *Apple Insider*, <http://appleinsider.com/articles/13/08/09/apple-v-samsung-proceedings-muddled-but-experts-say-apple-had-strong-day> (Aug. 09, 2013, 03:00 PM PT)
- 57 *Apple v. Samsung*, *supra* note 56.
- 58 *Apple*, 881 F. Supp 2d 1132.
- 59 In 2013, Lululemon and Calvin Klein settled the case.
- 60 *Times Three Clothier, LLC. v. Spanx, Inc.*, 13 CV 2157 (S.D.N.Y. April 2, 2013).
- 61 *Fashion's 'Apple v.. Samsung': Spanx Patent War Could Change How Brands Fight Copycats*, *Forbes*, www.forbes.com/sites/clareoconnor/2013/04/10/fashions-apple-vs-samsung-spanx-patent-war-could-change-how-brands-fight-copycats (April 10, 2013, 1:57 PM).
- 62 *Id.*
- 63 *Apple v. Samsung*, *supra* note 56.
- 64 *See id.* (contrasting Samsung as filing one patent for a product).

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