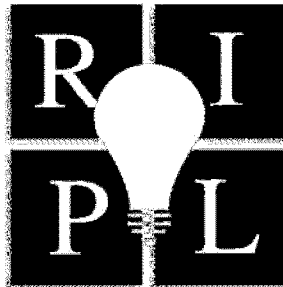


# THE JOHN MARSHALL REVIEW OF INTELLECTUAL PROPERTY LAW



FIFTH AVENUE AND THE PATENT LAWYER:  
STRATEGIES FOR USING DESIGN PATENTS TO INCREASE THE VALUE OF  
FASHION AND LUXURY GOODS COMPANIES

SCOTT D. LOCKE

## ABSTRACT

Design patents occupy a peculiar niche in intellectual property law. For instance, they are different from copyrights in that an accused infringer has no defense of independent creation, different from utility patents in that there is no prerequisite of a useful function, and different from trade dress in that there is no issue of secondary meaning. Design patents also contain only one claim, which makes the applicant's drafting task particularly challenging—she must strike a delicate balance between claiming broad protection and establishing novelty. Furthermore, in litigation, the design patent plaintiff must satisfy *two* tests of infringement: the ordinary observer and point of novelty tests. This article provides an overview of important aspects of design patent prosecution and litigation that will enable an attorney to increase the value of a client's creative designs.

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INTRODUCTION

Design patents represent a curious form of intellectual property protection. Unlike utility patents, there is no prerequisite of a useful function. Unlike copyright rights, in an infringement action there is no defense of independent creation. Finally, unlike trade dress rights, there is no issue of secondary meaning.<sup>1</sup> Nevertheless, as with other types of patents, the owner of a design patent is entitled to prevent others from making, using, offering for sale, selling, or importing products that contain the patented design.<sup>2</sup>

Because design patents occupy such a peculiar niche in intellectual property law, they provide the opportunity for catastrophic mistakes by the unwary. However, they also provide a relatively inexpensive way to increase the value of a company, particularly a fashion or luxury goods company.<sup>3</sup> For the counselor of such a company, which values the intellectual property of its designs, appreciation of both the value of design patents and strategies for optimizing prosecution and litigation

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<sup>1</sup> If a design were to have secondary meaning at the time of filing the application for a patent, there could be an issue as to whether the prerequisite novelty could be met. The relationship between trade dress and design patent rights has been touched upon in a number of cases over the past few years. *See, e.g.*, *Wal-Mart Stores, Inc. v. Samara Bros, Inc.*, 529 U.S. 205, 214 (2000) (“the producer can ordinarily obtain protection for a design that is inherently source identifying (if any such exists), but that does not yet have secondary meaning, by securing a design patent or a copyright for the design”); *Incredible Techs., Inc. v. Virtual Techs., Inc.*, 400 F.3d 1007, 1012 (7th Cir. 2005) (“[A]n article with intertwined artistic and utilitarian ingredients may be eligible for a design patent, or the artistic elements may be trade dress protected by the Lanham Act or state law.” (quoting *Am. Dental Ass’n v. Delta Dental Plans Ass’n*, 126 F.3d 977, 980 (7th Cir. 1997))); *In re Pacer Techs.*, 338 F.3d 1348, 1350 (Fed. Cir. 2003) (similar design patents issued to competitors were evidence that design was not inherently distinctive); *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 48 (1st Cir. 1998) (“The possibility of obtaining a design patent is not dispositive of the availability of trade dress protection: more than one form of intellectual property protection may simultaneously protect particular product features.”); *see also* U.S. PAT. & TRADEMARK OFFICE, U.S. DEPT OF COMMERCE, MANUAL OF PATENT EXAMINING PROCEDURE § 1512 (8th ed., 2nd rev. 2004) [hereinafter MPEP] (describing the relationship between design patents, copyright, and trademark). Commentators have also written about this issue. *See, e.g.*, Perry J. Saidman, *Kan Traffix Kops Katch the Karavan Kopy Kats? or Beyond Functionality: Design Patents Are the Key to Unlocking the Trade Dress/Patent Conundrum*, 82 J. PAT. & TRADEMARK OFF. SOC’Y 839 (December 2000); Jon E. Hokanson et al., *Recent Developments in Design Patent Law*, 21 L.A. LAW. 18 (June 1988).

<sup>2</sup> 35 U.S.C. § 271(a) (2000).

<sup>3</sup> Effective December 8, 2004, utility applications cost \$300 to file for non-small entities while design patent applications cost \$200 to file. 37 C.F.R. §§ 1.16(a)(1), (b)(1) (2005). Furthermore, the search fees, examination fees, and issue fees are larger for utility applications than for design applications. 37 C.F.R. §§ 1.16(k), (l), (o), (p), 1.18(a), (b) (2005).

are critical. This article provides an overview of important aspects of design patent prosecution and litigation that will enable an attorney<sup>4</sup> to increase the value of a client's creative designs.

## I. PROSECUTION OF DESIGN PATENT APPLICATIONS

The Patent Office will issue a design patent for any "new, original and ornamental design for an article of manufacture,"<sup>5</sup> and the range of articles that patented designs cover is almost limitless. A fashion or luxury goods company, whose customers purchase products in large part because of their designs, will realize the greatest value of a design, and will benefit most from design patents.

When discussing design patent protection, the attorney must always caution a client to consider that although the design is for an article of manufacture, the subject matter that will be claimed is not the article itself.<sup>6</sup> As the Manual of Patent Examining Procedure ("MPEP") emphasizes, "[i]n general terms, a 'utility patent' protects the way an article is used and works (35 U.S.C. 101), while a 'design patent' protects the way an article looks (35 U.S.C. 171)."<sup>7</sup> Thus, whereas a ring and a watch are functional, and utility patents may cover their functions, many of the features that distinguish them from other rings and watches typically are not functional. These aspects may be covered by design patents.

The MPEP's noting of the distinction between the two types of patents is not gratuitous. It underscores the fact that there are significant differences in the statutory, regulatory, and administrative frameworks under which the Patent Office reviews and analyzes claims for these different types of intellectual property rights. In fact, there are at least twelve differences between prosecution of applications for design patents and prosecution of applications for utility patents of which a practitioner should be aware.<sup>8</sup>

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<sup>4</sup> Only an attorney (or agent) who is registered to practice before the United States Patent and Trademark Office in patent cases may prosecute a patent on behalf of a client. 37 C.F.R. § 1.31 (2005). However, any attorney admitted to the U.S. district court in which a case is pending may represent a client in litigation over a design patent.

<sup>5</sup> 35 U.S.C. § 171 (2000). By contrast, a utility patent is issued for new, non-obvious, and useful inventions. 35 U.S.C. §§ 101–103 (2000). Should, in addition to a novel design being created, an article be created that itself is useful, novel, and non-obvious, then an attorney should counsel the client to consider seeking the additional protection of a utility patent.

<sup>6</sup> *In re Zahn*, 617 F.2d 261 (C.C.P.A. 1980) (noting that § 171 refers "not to *the* design of an article but to *a* design *for* an article," (emphasis added) (quoting 35 U.S.C. § 171 (2000))).

<sup>7</sup> MPEP, *supra* note 1, § 1502.01.

<sup>8</sup> An additional difference between utility and design patents is found in § 289 of Title 35, which provides an "Additional remedy for infringement of a design patent." 35 U.S.C. § 289 (2000). This section provides the remedy of lost profits not less than \$250, which may be collected instead of compensatory damages. *Id.* As one commentator noted, "One advantage of this provision is that the patentee can collect from every infringer in the chain from the manufacturer to the end user, including all distributors along the way." Robert S. Katz, *Infringement of Design Patents in the United States*, 10 U. BALT. INTELL. PROP. L.J. 117, 120 (2002). However, the Court of Appeals for the Federal Circuit ("CAFC") has diminished the value of this section by limiting the scope of recovery that is permissible under it. *See Catalina Lighting v. Lamps Plus, Inc.*, 295 F.3d 1277, 1281 (Fed. Cir. 2002) (limiting recovery under 35 U.S.C. § 289 when there is also recovery under 35 U.S.C. § 284); *Braun Inc. v. Dynamics Corp.*, 975 F.2d 815, 824 (Fed. Cir. 1992) (no trebling of

First, design patents are permitted to contain only one claim, which, by definition, must be an independent claim.<sup>9</sup> In contrast, utility patents may contain one or more claims and often include a plurality of both dependent and independent claims.<sup>10</sup> In the context of utility patent applications, the applicant initially files a number of claims with various different combinations and degrees of limitations. This practice forces the Examiner to identify the scope of what the Patent Office initially deems to be patentable subject matter and thus frame the issues for subsequent prosecution.<sup>11</sup> In the context of design patent applications, the applicant's task is much more difficult because she does not receive the benefit of this tactic, as there is only one claim to be considered.

If the applicant wishes to obtain the broadest coverage possible, then she might: (i) file a number of applications simultaneously; (ii) file an application that claims many details and subsequently file continuation and divisional applications to the broader embodiments; or (iii) file multiple figures with different combinations of features that are claimed and not claimed in the same patent application (identifying them as different embodiments), with the understanding that the Patent Office might issue a restriction requirement.

Second, the words in the claim of a design patent may only refer to the figure. For example, a claim may be worded: "The ornamental design for [the product] as shown."<sup>12</sup> Thus, the figure must speak for itself. In contrast, utility claims contain words that delineate the metes and bounds of the claimed invention.<sup>13</sup>

Although the prosecutor of an application for a design patent is not required to craft claim language, the prosecutor's function is in large part to counsel the client to consider when to include in the claim all features of the product to be commercialized, as opposed to a subset of them. There is a temptation to submit figures that contain all aspects of these products, particularly for persons unfamiliar with design patents, but this is not always the most prudent course. Instead, the prosecutor, in cooperation with the client, should carefully analyze the value of each feature in terms of the novelty, as well as in terms of the limitations on coverage that might accompany including it. Then, only the figures containing the agreed upon features should be submitted. When making this determination, the prosecutor should remember that the patent application need only include a sufficient number of views to constitute a complete disclosure of the appearance of the design.<sup>14</sup> It is not necessary to include views that are duplicative of other views of the design or that are flat and include no surface ornamentation.<sup>15</sup>

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damages when plaintiff elects for recovery under 35 U.S.C. § 289); *see also* Peter D. Haroldson, Catalina Lighting, Inc. v. Lamps Plus, Inc.: *Shedding Some Light on Recovery When a Design Patent and Utility Patent Are Infringed by a Single Act*, 5 TUL. J. TECH. & INTEL. PROP. 153, 162 (2003) ("The court has created a disincentive to use [35 U.S.C. §] 289 in combination with any other recovery.").

<sup>9</sup> MPEP, *supra* note 1, § 1502.01.

<sup>10</sup> 35 U.S.C. § 112 (2000).

<sup>11</sup> MPEP, *supra* note 1, § 706 ("The goal of examination is to clearly articulate any rejection early in the prosecution process so that the applicant has the opportunity to provide evidence of patentability and otherwise reply completely at the earliest opportunity.").

<sup>12</sup> 37 C.F.R. § 1.153 (2005).

<sup>13</sup> *See* 35 U.S.C. § 112 (2000); 37 C.F.R. § 1.75 (2005); MPEP, *supra* note 1, § 608.01(i)-(o).

<sup>14</sup> 37 C.F.R. § 1.152 (2005).

<sup>15</sup> *Id.*

Third, while utility patents are in force for twenty years from their earliest effective filing date,<sup>16</sup> design patents expire fourteen years after issuance.<sup>17</sup>

Fourth, no maintenance fees are required to be paid during the life of a design patent.<sup>18</sup> In contrast, maintenance fees must be paid three times during the life of a utility patent.<sup>19</sup>

Fifth, design patents are less expensive to file than utility patents.<sup>20</sup>

Sixth, design patent applicants may not make use of the Patent Cooperation Treaty (“PCT”).<sup>21</sup>

Seventh, design patents may claim priority to a foreign application in a country that subscribes to the Paris convention only if the U.S. design patent application is filed within six months of the foreign application.<sup>22</sup> In contrast, this period is one year for utility patents.<sup>23</sup>

Eighth, design patent applications cannot make use of the Request for Continued Examination (“RCE”) procedure, while utility patent applicants can.<sup>24</sup>

Ninth, design patent applicants can make use of the Continued Prosecution Application (“CPA”) procedure, while utility patent applicants cannot.<sup>25</sup>

Tenth, examiners of design patent applications have no discretion as whether to issue a restriction requirement, while examiners of utility patent applications do have discretion.<sup>26</sup>

Eleventh, design patent applicants cannot claim priority to provisional applications,<sup>27</sup> while utility patent applicants can.<sup>28</sup>

Twelfth, there is no pre-issuance publication of design patent applications, while there is pre-issue publication of utility patent applications.<sup>29</sup>

<sup>16</sup> 35 U.S.C. § 154(a)(2) (2000) (“grant shall be for a term beginning on the date on which the patent issues and ending 20 years from the date on which the application for the patent was filed”).

<sup>17</sup> 35 U.S.C. § 173 (2000). Even for applications filed prior to June 8, 1995, when utility patents were in force for a length of time calculated from a date of issuance, that duration was not longer than the period for design patents; it was seventeen years for utility patents and opposed to fourteen years for design patents. *See* 35 U.S.C. § 154(c)(1) (2000).

<sup>18</sup> 37 C.F.R. § 1.362(b) (2005).

<sup>19</sup> 37 C.F.R. § 1.362(a) (2005). As a cost saving measure, many clients review their patent portfolios periodically, and over the life of an issued patent will consider whether to pay a maintenance fees or to allow rights to lapse. With respect to design patents, no such evaluation needs to be done; instead, after the issue fee is paid, no other fees are due.

<sup>20</sup> Effective December 8, 2004, utility applications cost \$300 to file for non-small entities while design patent applications cost \$200 to file. 37 C.F.R. §§ 1.16(a)(1), (b)(1) (2005). Furthermore, the search fees, examination fees and issue fees are larger for utility applications than for design applications. 37 C.F.R. §§ 1.16(k), (l), (o), (p), 1.18(a), (b) (2005).

<sup>21</sup> MPEP, *supra* note 1, § 1502.01(E).

<sup>22</sup> 35 U.S.C. § 172 (2000).

<sup>23</sup> 35 U.S.C. § 119 (2000).

<sup>24</sup> 37 C.F.R. § 1.114 (2005). There is no good policy reason not to allow design patents to make use of this process; RCE practice is an efficient way to keep prosecution alive, and as a matter of practice discourages the filing of appeals, which from the Patent Office’s perspective is a good thing.

<sup>25</sup> 37 C.F.R. § 1.53(d)(1)(i) (2005). As with the previous difference, there is no good policy reason for having done away with CPA practice for utility patents but not design patents.

<sup>26</sup> MPEP, *supra* note 1, § 803.01 (restriction practice is discretionary for examiners of utility applications); *Id.* § 1504.05 (restriction practice is mandatory for design applications).

<sup>27</sup> 35 U.S.C. § 172 (2000).

<sup>28</sup> 35 U.S.C. § 119(e) (2000).

Some of these differences have a minimal impact on the patent practitioner, for example, fees.<sup>30</sup> Others are procedural, and although not involving great decisions of strategy, do require adherence to rules and regulations, e.g., filing an application within six months of foreign filing or filing a CPA rather than an RCE. However, the differences involving the limitation on the number of claims, the requirements for figures, and the limits on the specification are important distinctions with which the practitioner should be concerned.

The patent practitioner must always caution the client of the fact that unlike a utility application, where broad claims as well as the narrow claims specifically tailored to the commercial embodiment are simultaneously prosecuted, this is not usually possible in a design patent application. Instead, different applications, including continuation or divisional applications, may be necessary. Therefore, when a design contains a combination of a number of elements, the patent practitioner must also consider which permutations of elements will provide the necessary coverage, while remaining patentable over the prior art. The latter point may prove particularly difficult given that most prior art searching techniques involve using words and phrases. With this knowledge, the practitioner must decide how to work within the Patent Office procedures to maximize the scope of coverage.

In certain luxury goods markets, the timeframe in which the design is most valuable is less than the time that a design patent would be in force. Thus, it is critical that the prosecuting practitioner appreciate the way that the Patent Office will treat applications for design patents, work within these parameters to obtain the broadest coverage possible as quickly as possible, and discuss these issues with the client before filing any patent applications.<sup>31</sup>

## II. LITIGATION OF DESIGN PATENTS

Similar to the litigation of utility patents, litigation of design patents requires claim construction and the comparison of the claim to the allegedly infringing product. When construing a design patent claim, the scope of the claimed design encompasses the design's visual appearance as a whole, and in particular the visual impression that it creates.<sup>32</sup> When conducting infringement analyses, one must follow the set of rules that are unique to design patent jurisprudence and are

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<sup>29</sup> 35 U.S.C. § 122(b)(1)(A), (b)(2)(A)(iv) (2000). The difference in pre-issuance publication rules is likely due to the fact that for utility patents publication occurs eighteen months after filing and many design patents are issued within approximately eighteen months of filing. Thus, publication of the application would be a waste of resources.

<sup>30</sup> Lower filing fees, search fees, examination fees and maintenance fees might suggest a policy decision that inventors/designers would be less likely to file patent applications if the governmental fees for them were the same as for utility patents. However, as a matter of practice, the true cost differential for the client lies in the time an attorney or agent takes to prepare and to prosecute a design patent application, with one claim, as opposed to a utility application, which often has multiple claims and a lengthy specification.

<sup>31</sup> As with utility patents, there are procedures for expediting prosecution of design patent applications. See 37 C.F.R. § 1.155 (2005); MPEP, *supra* note 1, § 1504.30.

<sup>32</sup> *Contessa Food Products v. Conagra, Inc.*, 282 F.3d 1370, 1376 (Fed. Cir. 2002).

embodied in two tests, each of which must be satisfied: (i) the ordinary observer test; and (ii) the point(s) of novelty test.<sup>33</sup>

### A. Claim Construction

Construction of a design patent is a peculiar task, particularly if one attempts to follow the framework of *Markman*.<sup>34</sup> *Markman* teaches first to examine the intrinsic evidence (the claim, specification, and prosecution history), then if necessary, to examine the extrinsic evidence.<sup>35</sup> Several examples of the problems in implementing a *Markman* examination of design patents include: (i) there are no actual claim terms to construe, only one or more figures; (ii) there is no specification of substance; and (iii) often there exists little or no prosecution history. In view of this limited intrinsic evidence, courts are left to follow certain canons, the most common of which is: “Design patents are narrow in scope,”<sup>36</sup> and then to determine what the figure means.

An additional problem that arises during litigation of a design patent is the proper construction of a claim that incorporates functional features. In patent applications, designs are depicted with reference to an underlying product, which itself will have some function. A finding of functionality is significant because if an element is considered functional, then a patentee may be able to assert the patent against designs that have been applied to products that do not contain the functional feature. Had the claim been properly prosecuted, the functional elements would, if possible, have been disclaimed. Unfortunately, proper prosecution is rare. Under these circumstances, courts must determine how to distinguish functional from ornamental features.

As the Court of Appeals for the Federal Circuit (“CAFC”) has advised: “Where a design contains both functional and non-functional elements, the scope of the claim must be construed to identify the non-functional aspects of the design as shown in the patent.”<sup>37</sup> Unfortunately, the distinction between what is functional and what is not functional is not always easy. The guidance from the appellate court provides:

If a particular design is essential to the use of the article of manufacture, then it is primarily functional and cannot be the subject

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<sup>33</sup> *Bernhardt, L.L.C. v. Collezione Europa*, 386 F.3d 1371, 1378 (Fed. Cir. 2004).

<sup>34</sup> *Markman v. Westview Inst. Inc.*, 537 U.S. 370 (1996).

<sup>35</sup> *ADC Telecoms., Inc. v. Panduit Corp.*, 200 F. Supp. 2d 1022, 1032 (D. Minn. 2002).

There is an inherent problem in applying *Markman* [*v. Westview Inst. Inc.*, 537 U.S. 370 (1996)] claim construction analysis to design patents. Absent from a design patent is any disputed language to construe. A patented design is defined by the drawings and figures in the patent. . . . There generally are not words describing the design. . . . Undaunted, the [CAFC] instructs that a “proper interpretation of . . . [a] claimed design focuses on the visual impression it creates.”

*Id.* (quoting *Durling v. Spectru Furniture Co.*, 101 F.3d 100, 104 (Fed. Cir. 1996)).

<sup>36</sup> *The Rockport Co., Inc. v. Deer Stags, Inc.*, 65 F. Supp. 2d 189, 192 (S.D.N.Y. 1999). For a patent purist, this is a curious rule; if claims define the scope, shouldn’t there be a prohibition against saying all design patents are narrow?

<sup>37</sup> *Oddzon Products, Inc. v. Just Toys, Inc.*, 122 F.3d 1396, 1405 (Fed. Cir. 1996).



of a design patent. Conversely, if there are several ways to achieve the function of an article, the design of that article is more likely to serve a primarily ornamental purpose.<sup>38</sup>

In *Puritan-Bennett v. Penox Technologies*, the United States District Court for the Southern District of Indiana was called upon to construe the claim of a design patent directed to the “ornamental design for a portable gas dispenser.”<sup>39</sup> In construing the claim, the court first attempted to determine which features were functional, and which were ornamental.<sup>40</sup> For many of the elements, the court emphasized the difference between the presence of an element and its location, the former being functional, but the latter being non-functional. One of the elements, the handle of the gas dispenser, gave the court particular pause; the handle was solid (as opposed to a strap) and arched from the back of the design to the front of the design.<sup>41</sup> The plaintiffs conceded during the *Markman* hearing that the arch of the handle was functional, but the court remained concerned because the arch was such a prominent feature in the figures.<sup>42</sup> Ultimately, the court found the arch to be functional, though it found the handle, where the handle was attached, and the handle’s shape non-functional.<sup>43</sup>

After determining which elements were functional, those elements not needing to be considered for purposes of infringement, the court turned to construing the claims.<sup>44</sup> As in many patent cases, the patent holder attempted to convince the court to construe the claims broadly, and the defendant proffered a much more narrow construction.<sup>45</sup> The court rejected both parties’ constructions, and focused on the design features that gave the patented design its overall ornamental visual impression.<sup>46</sup> The court then focused on the overall image, and finally refined that image with the details that made the design unique.<sup>47</sup>

*Puritan-Bennett* is significant for at least two reasons. First, the case underscores the difficulty in separating functional and ornamental features. Second, the case sets a precedent for disregarding prominent features that are functional. Additionally, *Puritan-Bennett* demonstrates the potential complexity of a design

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<sup>38</sup> *Hosley Int’l Trading Corp. v. K Mart Corp.*, 237 F. Supp. 2d 907, 909 (N.D. Ill. 2002) (citation omitted); see also *Colida v. NEC USA, Inc.*, 2005 U.S. Dist LEXIS 1544 at \*5 (S.D.N.Y. Feb. 3, 2005) (“A design patent encompasses those features that are ornamental, thus excluding any features that are ‘functional’ in use or purpose. The scope of the claim must therefore be limited in order to separate and identify the non-functional aspects of the design as shown in the patent.” (citations omitted)).

<sup>39</sup> *Puritan-Bennet Corp. v. Penox Tech., Inc.*, 297 F. Supp. 2d 1110 (S.D. Ind. 2003).

<sup>40</sup> The defendants argued that a number of the features were functional, including the handle (its presence, its being solid, and its arch), the knob (its presence and location), the slots or vents on the dispenser, the location of the cannula ports or tubular receivers, the concave back of the dispenser and the cylindrical nature of the center and two side portions. *Id.* at 1114–17.

<sup>41</sup> *Id.* at 1115.

<sup>42</sup> *Id.*

<sup>43</sup> *Id.*

<sup>44</sup> *Id.* at 1114–17.

<sup>45</sup> *Id.* at 1117. As most practitioners realize, there is a danger in doing this because when a claim is construed broadly, the net of potentially invalidating prior art becomes increasingly wide.

<sup>46</sup> *Id.* at 1118.

<sup>47</sup> *Id.* at 1121.

patent case; there were two parties, yet three different constructions of a single claim.

### *B. Infringement*

Over the past few years, the CAFC has taken a keen interest in the rubric under which issues of infringement of design patents are examined.<sup>48</sup> The CAFC stated:

In assessing infringement, the patented and accused designs do not have to be identical in order for design patent infringement to be found. What is controlling is the appearance of the design as a whole in comparison to the accused product. Comparison to the accused product included two distinct tests, both of which must be satisfied in order to find infringement: (a) the ‘ordinary observer’ test and (b) the ‘point of novelty’ test.<sup>49</sup>

Thus, while design patents are to be construed narrowly, they are not to be construed so narrowly that an accused infringement must use an identical design before there is a finding of infringement. It is within this gray area that much litigation resides.

#### *1. Ordinary Observer Test*

The first test applied to design patent infringement is the ordinary observer test that was articulated in *Gorham v. White* more than one hundred and twenty-five years ago:

if, in 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.<sup>50</sup>

As noted above, under this test, the patent and accused designs do not need to be identical for a court to find design patent infringement. Instead, “the appearance of the design as a whole . . . is controlling.”<sup>51</sup>

Thus, the ordinary observer test requires comparing the claimed design to the allegedly infringing product to determine whether the two designs are substantially similar.<sup>52</sup> Specifically, this comparison is of all the ornamental features illustrated in

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<sup>48</sup> David A. Kalow & Milton Springut, *Design Patents Take Center Stage in the Federal Circuit*, N.Y. L.J., Dec. 23, 2004, at 4 (discussing *Bernhardt, L.L.C. v. Collezione Europa*, 386 F.3d 1371 (Fed Cir. 2004)).

<sup>49</sup> *Contessa Food Products v. Conagra, Inc.*, 282 F.3d 1370, 1376–77 (Fed. Cir. 2002) (citations omitted).

<sup>50</sup> *Gorham Mfg. Co. v. White*, 81 U.S. 511, 528 (1871).

<sup>51</sup> *Oddzon Products, Inc. v. Just Toys, Inc.*, 122 F.3d 1396, 1405 (Fed. Cir. 1996).

<sup>52</sup> *Hosley Int’l Trading Corp. v. K. Mart Corp.*, 237 F. Supp. 2d 907, 910 (N.D. Ill. 2002).

the design with the allegedly infringing features of the product.<sup>53</sup> The ordinary observer test can be satisfied by a visual comparison or by using empirical data such as surveys or focus groups.<sup>54</sup>

Although typically in patent law one compares a claim to an allegedly infringing product, the CAFC has authorized comparisons of the actual commercial products, noting specifically:

When the patented design and the design of the article sold by the patentee are substantially the same, it is not error to compare the patentee's and the accused article directly, indeed, such comparison may facilitate application of the *Gorham* criterion of whether an ordinary purchaser would be deceived into thinking that one were the other.<sup>55</sup>

Typically, a design has many ornamental features, and a trier of fact is required to consider all of these features. Yet, simply because one must consider all ornamental features, does not mean that all ornamental features need to be present in the accused product for a finding of infringement.<sup>56</sup> Therefore, one of the critical issues for a court to resolve is when to require a feature in an allegedly infringing product as a prerequisite for infringement.

In *Contessa Food Products v. Conagra*, one of the recent and seminal design patent cases, the district court did not consider one of the figures because the figure depicted the underside of the object embodying the design.<sup>57</sup> The court emphasized the features that were observable in the allegedly infringing product at the point of sale.<sup>58</sup> On appeal, however, the CAFC held: "limitation of the infringement inquiry to the time of sale rather than to the time of normal and intended use, was clear error."<sup>59</sup> The CAFC emphasized that, while articles concealed or obscured in normal use are not proper subjects for design patents, the phrase "normal use" should be construed over the life of the patent.<sup>60</sup>

The CAFC was explicit: "Our precedent makes clear that all of the ornamental features illustrated in the figures must be considered in evaluating design patent infringement. This is because [a] patented design is defined by the drawing in the

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<sup>53</sup> *Id.*

<sup>54</sup> *Id.* at 911.

<sup>55</sup> *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1125–26 (Fed. Cir. 1993) (citation omitted).

<sup>56</sup> *See, e.g., Rockport Co., Inc. v. Deer Stags, Inc.*, 65 F. Supp. 2d 189, 195 (S.D.N.Y. 1999) (alleged infringing product that differed from design in two ways was substantially similar in overall appearance to the second product).

<sup>57</sup> *Contessa Food Products v. Conagra, Inc.*, 282 F.3d 1370 (Fed. Cir. 2002).

<sup>58</sup> *Id.*

<sup>59</sup> *Id.* at 1379.

<sup>60</sup> *Id.* at 1379; *see also Door-Master Corp. v. Yorktowne, Inc.*, 256 F.3d 1308, 1312–13 (Fed. Cir. 2001) (although generally concealed features are not the proper basis for design patent protection, when an applicant puts the feature in a figure without disclaiming it, the feature is proper to consider); *Tecumseh v. Briggs & Stratton*, 295 F. Supp. 2d 902, 909 (E.D. Wis. 2003) (all ornamental features must be considered).

patent, not just by one feature of the claimed design.”<sup>61</sup> The failure to consider a feature is reversible error.<sup>62</sup> Thus, if a patentee does not desire an aspect of its design to be considered for purposes of infringement, the correct procedure is to depict the feature in broken lines during prosecution; the failure to do so signals inclusion of the feature in the claimed design because of the CAFC’s emphasis on the drawing.<sup>63</sup>

Should an applicant find itself with an undesirably narrow claim, it could request the Patent Office to reissue the patent.<sup>64</sup> However, reissue practice has its own limitations. For example, any request to enlarge the scope of a claim must be filed within two years of issuance, and certain declarations are needed.<sup>65</sup>

The *Contessa* decision was subsequently applied by the Eastern District of Wisconsin in *Tecumseh v. Briggs & Stratton*.<sup>66</sup> *Tecumseh* focused on the alleged infringement of a design of an engine.<sup>67</sup> The plaintiff, through its expert, asserted that the appropriate inquiry is made from the viewpoint of the ordinary observer in the context of a purchasing decision.<sup>68</sup> The expert asserted that the

ordinary purchaser would focus primarily if not exclusively on the overall visual impression created by the engine, and would not focus upon particular features of the engine which are common to all internal combustion engines, such as the muffler, spark plug, recoil handle pull, gas and oil caps and air cleaner, for example.<sup>69</sup>

However, the court held that although the expert “may feel free to disregard the importance of certain ornamental features of the patented design in rendering his opinions, this court cannot disregard any of the ornamental features found in the figures accompanying the patent, so long as they were not drawn in broken lines.”<sup>70</sup>

Thus, recent case law is clear; include extraneous design details in unbroken lines at your own risk. In items that have particularly complex designs or designs that include many features, e.g., jewelry, a client should consider filing applications for broader coverage or file multiple applications.

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<sup>61</sup> *Contessa*, 282 F.3d at 1378 (Fed. Cir. 2002) (quoting *Keystone Retaining Wall Sys., Inc. v. Westrock, Inc.*, 997 F.2d 1444, 1450 (Fed. Cir. 1993)).

<sup>62</sup> *Id.* at 1379 (failure to consider or to compare the feature of figure 4 was erroneous).

<sup>63</sup> *Id.* at 1378.

<sup>64</sup> MPEP, *supra* note 1, §§ 1457, 1509.

<sup>65</sup> 35 U.S.C. § 251 (2000); MPEP, *supra* note 1, §§ 1457, 1509.

<sup>66</sup> *Tecumseh v. Briggs & Stratton*, 295 F. Supp. 2d 902, 909 (E.D. Wis. 2003).

<sup>67</sup> *Id.* at 903.

<sup>68</sup> *Id.* at 912.

<sup>69</sup> *Id.* at 915 (quoting the expert’s declaration).

<sup>70</sup> *Id.*

## 2. Point(s) of Novelty Test

The point(s) of novelty test is applied to ensure that patentees do not enforce their patents against similar designs that are already in the public domain or do not contain all of the novel elements of a patented design.<sup>71</sup> In theory, “[t]he points of novelty relate to differences from prior designs, and are usually determinable based on the prosecution history.”<sup>72</sup> Novelty may arise from new elements or from a combination of old elements.<sup>73</sup>

The point(s) of novelty are identified by comparing the design patent with the cited prior art references, aided by any written statements of the applicant and examiner in the prosecution history.<sup>74</sup> However, given that prosecution histories of design patent applications are sparse, this is not an easy task. Because this test is more difficult to apply than the ordinary observer test, courts typically refrain from application of the former when the latter has not been satisfied.<sup>75</sup> Thus, if the overall appearances of the designs are dissimilar, the inquiry ends.<sup>76</sup>

One common problem that applicants face with respect to this test is too many points of novelty. Unfortunately, during litigation is not the time to disclaim the extra points.<sup>77</sup> *Hosley v. K Mart* presented this situation, and the court focused on the issue of whether “the absence of . . . two points of novelty defeats plaintiff’s ability to meet the requirements of the ‘point of novelty’ test.”<sup>78</sup>

In *Hosley*, the plaintiff attempted to characterize the novelty at issue as the overall appearance of the combination of features.<sup>79</sup> The court acknowledged that the point of novelty could be a specific combination of elements. However, the court refused to permit the patent holder to disregard two novel features that were absent from the defendant’s design.<sup>80</sup> The court noted that to hold otherwise would “turn the ‘point of novelty’ test on its head,” and emphasized that “[t]he ‘point of novelty’ test does not ask how noticeable the points of novelty are; rather, the inquiry focuses on those features of a design that distinguish it from the prior art and make it patentable.”<sup>81</sup>

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<sup>71</sup> *Hosley Int’l Trading Corp. v. K Mart Corp.*, 237 F. Supp. 2d 907, 913 (N.D. Ill. 2002) (pointing out that point of novelty test “focuses on those features of a design that distinguish it from the prior art, and thus make it patentable”).

<sup>72</sup> *Goodyear Tire & Rubber Co. v. Hercules Tire & Rubber Co.*, 162 F.3d 1113, 1118 (Fed. Cir. 1998).

<sup>73</sup> *Rockport Co., Inc. v. Deer Stags, Inc.*, 65 F. Supp. 2d 189, 192 (S.D.N.Y. 1999) (“A unique combination of known elements can satisfy the point of novelty.”).

<sup>74</sup> *Bernhardt, L.L.C. v. Collezione Europa*, 386 F.3d 1371, 1384 (Fed. Cir. 2004).

<sup>75</sup> *Tony also Colida v. NEC USA, Inc.*, 2005 U.S. Dist LEXIS 1544 at \*13 n.5 (S.D.N.Y. Feb. 3, 2005).

<sup>76</sup> *Id.* at \*8.

<sup>77</sup> *Hosley Int’l Trading Corp.*, 237 F. Supp. 2d at 912 (“If plaintiff intended to disclaim the raised ornamentation and ring, it should have depicted those features using dotted lines in its application for the ‘369 patent, rather than seeking to deemphasize them after the fact in the context of litigation.”).

<sup>78</sup> *Id.* at 913.

<sup>79</sup> *Id.*

<sup>80</sup> *Id.*

<sup>81</sup> *Id.*

The issue of the mechanics of proving a point of novelty was recently before the CAFC, which noted:

To establish the points of novelty in a design patent infringement action . . . 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 points of novelty . . . . A patentee may seek to present additional evidence, such as expert testimony, to assist the fact finder in understanding its contentions pertaining to the points of novelty, and in some cases presenting that evidence may be advisable.<sup>82</sup>

Thus, a patent holder must be prepared to identify what its point(s) of novelty are and provide the file history to the court for review. Further, although no additional evidence is required, because file histories are often sparse, the patent holder should consider additional evidence such as expert testimony.

Because the point(s) of novelty test requires an examination of and comparison to the prior art, a patent holder is in an interesting position with respect to the introduction of art during trial that was not introduced during patent prosecution. If during a trial a patent holder introduces art to show that a feature is not novel, for example when a design of a piece of jewelry has a plurality of features and the patent holder wishes to show one feature is old, yet the art was not introduced during prosecution, the accused infringer may raise the issue of inequitable conduct. There are of course responses to charges of inequitable conduct, but any patent holder would rather not face the charge at all than prevail in response to it. Thus, again, careful prosecution is critical.

### III. DEFENSES

As with all other patents, a design patent is entitled to a presumption of validity.<sup>83</sup> Furthermore, the tests for validity of a design patent, based on novelty and non-obviousness, are the same for determining the validity of a utility patent.<sup>84</sup> However, there is an additional defense of functionality because design patents only protect non-functional ornamentation. This section discusses recent case law concerning novelty and functionality.<sup>85</sup>

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<sup>82</sup> *Bernhardt, L.L.C. v. Collezione Europa*, 386 F.3d 1371, 1384 (Fed Cir. 2004).

<sup>83</sup> 35 U.S.C. § 282 (2000) (“A patent shall be presumed valid.”).

<sup>84</sup> *Bernhardt*, 386 F.3d at 1377.

<sup>85</sup> As one commentator has noted: “The application of obviousness, however, is much more stringent in a design patent setting.” Robert S. Katz, *Examination of Design Patents in the United States*, 10 U. BALT. INTELL. PROP. L.J. 109, 116 (2002). Thus, a defendant may find the task of proving invalidity due to obviousness to be particularly daunting.

### A. Novelty, On-sale

Recently, the CAFC addressed the issue of how patentability is affected by pre-market activities that are particularly important to owners of design patents who shop their designs to various entities in order to determine marketability. In *Bernhardt v. Collezione*, the court emphasized that the presence or absence of confidentiality agreements was not controlling when determining whether certain pre-marketing activity impacts patentability; it is only a factor.<sup>86</sup> Instead, the court held that the issue is based on the totality of the circumstances, and that other evidence that bears on the situation includes: (i) an understanding in the marketplace as to the confidential nature of elements disclosed at pre-market shows; (ii) whether the pre-market shows are open to the public; (iii) whether identification of attendees is carefully checked; and (iv) whether there are prohibitions against taking written notes or photographs inside the showroom.<sup>87</sup> As a result of the holding of *Bernhardt*, and because of the fact-specific nature of prior on-sale and public use inquiries with respect to pre-marketing activities, one would expect few of these issues to be decided without a trial. Furthermore, because the burden to prove the defense is on the accused infringer, the patent holder has the upper hand. Nevertheless, if an industry permits it, the use of a confidentiality agreement is always desirable.

### B. Functionality

“Functionality” is an affirmative defense to a charge of infringement of a design patent.<sup>88</sup> “The test for functionality to invalidate a design patent is a ‘stringent’ one that requires a showing that ‘the appearance of the claimed design is dictated by the use of purpose of the article.’”<sup>89</sup>

A design is considered functional when the appearance of the design is dictated by the use or purpose of the article:<sup>90</sup>

In determining whether a design is primarily functional or primarily ornamental the claimed design is viewed in its entirety, for the ultimate question is not the functional or decorative aspect of each separate feature, but the overall appearance of the article, in

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<sup>86</sup> *Bernhardt*, 386 F.3d at 1379.

<sup>87</sup> *Id.* at 1381. On-sale issues refer not only to the patentee’s prior sale or offer for sales, but anyone else’s prior sales or offers for sale as well, including the infringer. 35 U.S.C. § 102 (2000).

<sup>88</sup> *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1123 (Fed. Cir. 1993) (“Invalidity due to functionality is an affirmative defense to a claim of infringement of a design patent and must be proved by the party asserting the defense.”).

<sup>89</sup> *Spotless Enters., Inc. v. A & E Prods. Group, LP*, 294 F. Supp. 2d 322, 344 (E.D.N.Y. 2003) (citation omitted). But there are cases in which courts have held design patents to be invalid for failing to satisfy the ornamentality requirement. *See, e.g.*, *Best Lock Corp. v. Ilco Unican Corp.*, 94 F.3d 1563, 1567 (Fed. Cir. 1996); *see also Tyco Indus., Inc. v. Tiny Love*, 914 F. Supp. 1068, 1078 (D.N.J. 1996) (“Tyco is likely to demonstrate by clear and convincing evidence that the design claimed by Tiny Love in its patent, *i.e.*, two soft-looking, overlapping arches attached at the ends of the arches to the corners of a blanket, is primarily functional”).

<sup>90</sup> *L.A. Gear*, 988 F.2d at 1123.

determining whether the claimed design is dictated by the utilitarian purpose of the article.<sup>91</sup>

Establishing functionality is difficult, and rarely will a design patent be invalidated because it is functional.

In *Rosco v. Mirror Lite*, the CAFC addressed whether a mirror's oval shape, the asserted point of novelty, was dictated by its function.<sup>92</sup> The design patent at issue showed a highly convex, curved-surface, three-dimensional oval mirror with a black, flat metal backing.<sup>93</sup> The district court found that because the asserted functionality was the unique field of view, the mirror's oval shape dictated the function, and the patent was invalid as functional.<sup>94</sup>

During prosecution, the patent applicant had represented to the Patent Office that the mirror provided a superb field of view, and during marketing, the patent holder asserted that the mirror was more aerodynamic than other cross-view mirrors.<sup>95</sup> However, the CAFC reversed the district court.<sup>96</sup> The CAFC explained that exhibiting a superior field of view does not establish that the design was dictated by functional considerations, and emphasized that other mirrors that have non-oval shapes also offer that field of view.<sup>97</sup> The appellate court also noted that nothing in the record connected the oval shape of the patented design with aerodynamics and other non-oval shaped mirrors having the same aerodynamic effect.<sup>98</sup>

From a practical view, *Rosco* suggests two things. First, patent applicants should be careful as to how they characterize the prior art. Although the trial court was reversed, there is always a temptation to use an applicant's words against him. Second, although defendants should consider the defense of functionality, they should be reminded that it is not an easy defense to establish.

#### IV. CONCLUSION

Patent law is a specialty of the law, and design patents are a specialty within patent law. Although there is temptation to treat design patents as soft or minor patents, in many industries design patents can be used to protect a client's most valuable intellectual property. However, this protection can be maximized only if the patent prosecutor actively becomes involved in the unique strategies for prosecution. The patent prosecutor must be wary of the procedural idiosyncrasies of design patent prosecution procedure, while remembering to work with the client to strike the proper balance of breadth without sacrificing novelty. The patent litigator must take the work of the prosecutor and determine how best to satisfy the "ordinary observer" and the "points of novelty" tests within the guidelines proscribed by the CAFC. Each

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<sup>91</sup> *Id.*

<sup>92</sup> 304 F.3d 1373 (Fed. Cir. 2002).

<sup>93</sup> *Id.* at 1378.

<sup>94</sup> *Id.*

<sup>95</sup> *Id.*

<sup>96</sup> *Id.* at 1379.

<sup>97</sup> *Id.*

<sup>98</sup> *Id.*



of these tests requires a different emphasis of the similarities and differences between the patent and the allegedly infringing product, and a careful plan of how to emphasize the issues to the court. Cognizance of these rules will enable the attorney to counsel a company with valuable designs on obtaining and enforcing design patents in a way that enables the company to grow.