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Redesigning Design Patents

On November 26, 2007, the Federal Circuit granted a petition for rehearing en banc in *Egyptian Goddess, Inc.* v. *Swisa, Inc.*, a case involving alleged infringement of a design patent. In vacating the panel's split decision affirming summary judgment of noninfringement, the full Court requested briefing on a number of fundamental questions relating to assessing infringement of design patents. Based on its broad briefing requests, it appears that the Court plans to issue a landmark decision clarifying the proper infringement analysis to be conducted in design patent cases.

In the panel decision, the majority (Judge Moore and Senior Judge Archer) affirmed the district court's grant of summary judgment of noninfringement on the ground that the accused designs did not infringe under the traditional "point of novelty" test. In so holding, the majority noted that the point of novelty test is one of two distinct requirements for establishing design patent infringement.[*] The majority added that the point of novelty test requires that no matter how similar two items look, the accused device "must appropriate the novelty in the patented device which distinguishes it from the prior art." (citations omitted). And, because the point of novelty determination is part of the infringement analysis, the majority ruled that "the initial burden is on the patentee to present, in some form, its contentions as to points of novelty." (citations omitted).

The majority held that the point of novelty must include one or more features of the claimed design that distinguish it from the prior art. And, for a combination of individually known design elements to constitute a point of novelty, the combination must be a non-trivial advance over the prior art. As support for this last proposition, the majority cited numerous cases stating that the inquiry for obviousness and point of novelty determinations can overlap. Using this standard, the majority found that the district court properly determined that no reasonable jury could conclude that the point of novelty proffered by the patentee was a non-trivial advance over the prior art.

In his panel dissent, Judge Dyk criticized the majority opinion for departing from precedent and fashioning a new rule – that a combination of elements cannot constitute a point of

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[*] The other requirement is the "ordinary observer" test, which requires that "in the eye of an ordinary observer, giving such attention as a purchaser usually gives, [the] two designs are substantially the same . . . [and] the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other." *Egyptian Goddess, Inc.* v. *Swisa, Inc.*, 498 F. 3d. 1354, 1356 (Fed. Cir. 2007) (citing *Gorham Co.* v. *White*, 81 U.S. 511, 528 (1871)).

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novelty in design patent cases unless the combination constitutes a non-trivial advance over the prior art. The dissent alleged several flaws in the majority's approach.

First, Judge Dyk found that the majority's "non-trivial advance" test eviscerates the statutory presumption of validity by shifting the burden to the patentee to affirmatively prove nonobviousness in order to establish infringement. The dissent noted that the majority's approach is, in fact, more restrictive than a traditional nonobviousness test since it takes no account of secondary considerations.

Second, Judge Dyk criticized the majority's approach as being both too narrow and too broad. Too narrow because it set up a special test for those designs that involve a combination of design elements. Too broad because "it extends an obviousness-like test to each point of novelty, not merely the overall design" (presently the sole focus of an obviousness analysis).

Third, given that points of novelty in design patents are often not dramatically different from the prior art, the dissent argued the majority's approach also made the infringement inquiry too difficult and restrictive to carry out. The dissent reasoned that determining whether each point of novelty represents a non-trivial advance over the prior art would be even more burdensome than the already difficult factual inquiry of assessing whether an overall design would have been obvious.

Fourth, Judge Dyk faulted the point of novelty test set forth by the majority as "devoid of support in the case law."

And finally, Judge Dyk stated that the majority's "non-trivial advance" test is "in fact contrary to several of our cases."

In an apparent attempt to address the criticisms raised by Judge Dyk's dissent and to resolve ambiguities in the case law, the Court requested briefing on the following questions, in its grant of a rehearing en banc:

> 1) Should "point of novelty" be a test for infringement of design patent[s]?
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> 2) If so, (a) should the court adopt the non-trivial advance test adopted by the panel majority in this case; (b) should the point of novelty test be part of the patentee's burden on infringement or should it be an available defense; (c) should a design patentee, in defining a point of novelty, be permitted to divide closely related or ornamentally integrated features of the patented design to match features contained in an accused design; (d) should it be permissible to find more than one "point of novelty" in a patented design; and (e) should the overall appearance of a design be permitted to be a point of novelty? *See Lawman Armor Corp.* v. *Winner Int'l, LLC*, 449 F.3d 1190 (Fed. Cir. 2006).
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> 3) Should claim construction apply to design patents, and, if so, what role should that construction play in the infringement analysis? *See Elmer* v. *ICC Fabricating, Inc.*, 67 F.3d 1571, 1577 (Fed. Cir. 1995).

Egyptian Goddess, Inc. v. *Swisa, Inc.*, 2007 WL 4179111, (Fed. Cir. November 26, 2007).

Thus, based on the breadth of questions it raised, the Court's potential resolution of these fundamental issues will likely clarify the law of infringement of design patents.

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This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning the issues addressed in this memorandum may be directed to any of the following:

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