

corpocounsel.com
The Business Magazine For The Chief Legal Officer

CORPORATE counsel

An incisivemedia publication

December 2008



Mission Critical

The U.K. dropped a bribery probe of a British defense contractor because of political pressure. Then the U.S. picked it up.

By Sue Reisinger

PLUS:

Will an ex-Gen Re lawyer spend life in prison for a sham deal?

Online database searches that go beyond Google.

The tale of the patent troll, and other bedtime stories.

BAE's Eurofighter Typhoon, at the center of the bribery probe

Design Patent Litigation: A Fundamental Shift

The Federal Circuit's much anticipated *en banc* decision in *Egyptian Goddess, Inc., and ADI Turkiya v. Swisa, Inc.*, 2006-1562, decided on September 26, 2008, significantly changes the design patent litigation landscape.

The Court drastically simplified the test for design



WILLIAM J. CASS
ELIZABETH ANN MORGAN
MICHAEL J. RYE

patent infringement, unwrapping years of complex jurisprudence. The Court abandoned the point of novelty test and

returned to a more simplified analysis: namely, whether the accused design, in the eye of the ordinary observer, is substantially similar to the patented design.

The decision is one of few in recent years where the Federal Circuit has arguably expanded patent rights by reducing the complexity of the infringement analysis.

The *Egyptian Goddess* patent claimed a design for a nail buffer, consisting of a rectangular, hollow tube having a generally square cross-section and featuring buffer surfaces on three of its four sides. Swisa's accused product consisted of a rectangular, hollow tube having a square cross-section, but featuring buffer surfaces on all four of its sides.

The district court granted Swisa's motion for summary judgment, relying on existing precedent that required a plaintiff to prove both (1) that the accused device is "substantially similar" to the claimed design under what is referred to as the "ordinary observer" test, and (2) that the accused device contains "substantially the same points of novelty that distinguished the patented design from the prior art." After comparing the claimed design and the accused product, the court held that Swisa's allegedly infringing product did not incorporate the

"point of novelty" of the patent, which the court identified as "a fourth, bare side to the buffer."

In granting *en banc* review, the Federal Circuit invited the parties to address whether the point of novelty test should continue as a test to determine design patent infringement. The point of novelty test is a relatively recent addition to design patent analysis.

In the late nineteenth century, the Supreme Court articulated the test for design patent infringement in *Gorham Co. v. White*, 81 U.S. 511, 20 L. Ed. 731 (1871), as follows:

"[I]f, 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." 81 U.S. at 528.

Since this decision, this test has been referred to as the "ordinary observer" test.

However, in a series of cases tracing their origins to *Litton Systems, Inc. v. Whirlpool Corp.*, 728 F.2d 1423 (Fed. Cir. 1984), the Federal Circuit held that proof of similarity under the ordinary observer test is not enough to establish design patent infringement. Rather, the Federal Circuit stated that the accused design also must appropriate the novelty of the claimed design in order to be deemed infringing. The court in *Litton Systems* wrote as follows:

For a design patent to be infringed . . . 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." That is, even though the court compares two items through the eyes of the ordinary observer, it must nevertheless, to find infringement, attribute their similarity to the novelty which distinguishes the patented device from the prior art.

Litton Systems, 728 F.2d at 1444 (citations omitted).

After identifying the combination of features in the design that it considered novel, the court in *Litton*

Systems held that the accused design had none of those features and therefore did not infringe. *Id.*

In a number of cases decided after *Litton Systems*, the Federal Circuit interpreted the language quoted above to require that the test for design patent infringement consider both the perspective of the ordinary observer and the particular novelty in the claimed design.

At times, the court described the ordinary observer test and the point of novelty test as "conjunctive." See *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1125 (Fed. Cir. 1993); *Shelcore, Inc. v. Durham Indus., Inc.*, 745 F.2d 621, 628 n.16 (Fed. Cir. 1984). Then more recently, the Federal Circuit described the ordinary observer and point of novelty tests as "two distinct tests" and stated that "[t]he merger of the point of novelty test and the ordinary observer test is legal error." *Unidynamics Corp.*, 157 F.3d at 1323-24; see also *Lawman Armor Corp. v. Winner Int'l, LLC*, 437 F.3d 1383, 1384 (Fed. Cir. 2006); *Contessa Food Prods., Inc.*, 282 F.3d at 1377; *Sun Hill Indus., Inc. v. Easter Unlimited, Inc.*, 48 F.3d 1193, 1197 (Fed. Cir. 1995).

In *Egyptian Goddess*, the court commented that the point of novelty test has proven difficult to apply. The application of the test is uncomplicated only where the claimed design is based on a single prior art reference and departs from that reference in a single respect. In such cases, the point of novelty can be identified and the accused design examined to see if it appropriates the point of novelty, as opposed to aspects of the claimed design that were in the prior art. However, in cases where the claimed design has numerous features that can be considered points of novelty, the test is complicated. So too, where multiple prior art references are in issue and the claimed design consists of a combination of features, each of which may be found in one or more of the prior art designs. By a return to the "ordinary observer" test, as articulated by the Supreme Court, the analysis of design patent infringement is simplified.

The Federal Circuit then further simplified design patent infringement analysis by discounting the need for a claim construction or *Markman* hearing, as in utility patent cases. The court noted the difficulty of describing designs in words and the artificial pretext of such an approach. The court determined the focus should be on the patent drawings themselves.

Thus, in *Egyptian Goddess*, the Federal Circuit significantly streamlined litigation of design patent infringement.

About the Authors

Bill Cass has tried cases in state and federal courts since 1988. He has been Co-Chair of Cantor Colburn's Litigation Department for the last ten years. Mr. Cass combines his extensive trial experience with his engineering education to present technically complex matters to judges and juries. Mr. Cass has litigated and tried cases involving patents, copyrights, trademarks, trade secrets and products liability throughout the county.

Elizabeth Ann "Betty" Morgan is a partner and Litigation Practice Chair in Cantor Colburn's Atlanta office. Ms. Morgan concentrates her trial practice on the enforcement and defense of trademark rights, trade secrets, copyrights, covenants-not-to-compete and patents. She also advises clients about their respective IP rights in situations involving traditional as well as e-commerce. She counsels clients with branding issues, including trademark selection, as well as protection and licensing of other forms of intellectual property.

Michael J. Rye is a partner and chair of the Cantor Colburn Litigation Practice, based in the Hartford office. Mr. Rye's practice entails all aspects of litigation, from injunctions through appeals. His national IP practice has involved disputes in courts from Massachusetts to New York, Illinois, Texas and California, among many other jurisdictions. His litigation expertise covers the gamut of intellectual property, from complex patent litigation to trademark, trade secrets, copyrights, license disputes, employment issues and complex commercial litigation.

About Cantor Colburn LLP

Cantor Colburn LLP is a full service intellectual property law firm, with offices in Hartford, Atlanta, Washington, D.C., and Detroit, providing clients around the world with the services that allow them to enjoy the full value of their intellectual property assets.

www.cantorcolburn.com



Cantor Colburn LLP

Intellectual Property Attorneys