



NAIL BUFFER CASE SMOOTHS AWAY CONFUSION

'Ordinary observer' test now standard for design patent infringement

By **MICHAEL A. CANTOR**

For decades, court opinions have required satisfaction of two different tests when assessing claims of design patent infringement, leading to understandable confusion. The Federal Circuit Court of Appeals has put an end to that confusion with its opinion in *Egyptian Goddess Inc. v. Swisa*, which pitted the "ordinary observer" test against the "point of novelty" test.

The Background File

Egyptian Goddess Inc. (EGI) sued Swisa for design patent infringement. The case involved EGI's design patent for a four-sided nail buffer that features buffer surfaces on three sides. Swisa sold a four-sided buffer with buffer surfaces on all sides.

The District Court held that the plaintiff in a design patent infringement case must prove that the accused device (Swisa's buffer):

Is "substantially similar" to the patented design (EGI's buffer) under the ordinary observer test, and

Contains "substantially the same points of novelty" that distinguished the patented design from previous designs (or the "prior art").

It found that Swisa's buffer didn't incorporate the point of novelty in EGI's patent, and a three-judge panel of the Federal Circuit affirmed the decision.

A Nail-Biter

The entire Federal Circuit took up the case to address the appropriate legal stan-

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dard to be used in assessing claims of design patent infringement. It began its discussion with the U.S. Supreme Court decision in *Gorham v. White*. In *Gorham*, the Supreme Court set forth the ordinary observer test:

"... 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."

The Federal Circuit also cited *Litton Systems Inc. v. Whirlpool Corp.* In *Litton Systems*, the Federal Circuit held that proof of similarity under the ordinary observer test is insufficient on its own to support a finding of design patent infringement. Rather, the accused design must also appropriate the patented design's novelty. The similarity between the two designs must be attributable to the novelty that distinguishes the patented device from the prior art.

The court in *Egyptian Goddess* conceded that the extent to which the point of novelty test has been a separate test hasn't always been clear. Therefore, the case would serve as a vehicle for reconsidering the place of the point of novelty test in design patent law.

Nailing It Down

EGI argued that the point of novelty test shouldn't be recognized as the second part of the test for design patent infringement. The Federal Circuit agreed, holding that the point of novelty test as a separate test or second requirement for proof of infringement is inconsistent with the test outlined in *Gorham* as well as another case, *Smith v.*

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Whitman Saddle Co.

In *Whitman*, the Supreme Court interpreted the ordinary observer test as requiring that the hypothetical ordinary observer's perspective "be informed by a comparison of the patented design and the accused design in light of the prior art." The Supreme Court in *Whitman* theorized that this would enable the fact-finder to determine whether the accused design had appropriated the patented design's inventiveness.

The Federal Circuit observed that the Supreme Court's *Whitman* opinion didn't suggest that it was fashioning a separate point of novelty test for infringement. The point was that infringement couldn't be

found where the accused design includes no features that would make it distinctively similar to the patented design, as opposed to numerous prior art designs.

The Federal Circuit determined that its previous readings of *Litton Systems* as supporting a separate point of novelty test were incorrect. Instead, *Litton* should be read as applying a different version of the ordinary observer test in which the ordinary observer views the differences between the patented design and the accused product in the context of the prior art.

In cases with many examples of similar prior art designs, the ordinary observer with knowledge of the prior art will give more significance to differences between the patented and accused designs that others might not notice. Thus, the Federal Circuit

THE COURT CONCEDED THAT THE EXTENT TO WHICH THE POINT OF NOVELTY TEST HAS BEEN A SEPARATE TEST HASN'T ALWAYS BEEN CLEAR. THEREFORE, THE CASE WOULD SERVE AS A VEHICLE FOR RECONSIDERING THE PLACE OF THE POINT OF NOVELTY TEST IN DESIGN PATENT LAW.

held that the ordinary observer test should be the sole test for determining whether a design patent has been infringed.

Plaintiff Rebuffed

Although EGI prevailed on its argument regarding the appropriate test, it lost

in the end. The court held that the similarity of the prior art to the Swisa buffer would preclude a finding that an ordinary observer would believe the design to be the same as EGI's. Satisfying the ordinary observer test, it seems, will not necessarily be easy. ■