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## Federal Circuit Changes Design Patent Infringement Standard

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On September 22, 2008, the Court of Appeals for the Federal Circuit changed the standard for determining when a design patent is infringed. In a unanimous en banc decision in *Egyptian Goddess, Inc. v. Swisa, Inc.* (Fed. Cir. Dkt. No. 2006-1562), the Federal Circuit abandoned its "point of novelty" prong, and returned, albeit with some new twists, to the "ordinary observer" test first established by the Supreme Court in 1871. The Federal Circuit provided other guidance that will also likely benefit design patent plaintiffs.

### Design Patents

A design patent covers the ornamental, rather than the useful, aspects of a product. A design patent typically consists of a set of drawings and a one-page description of the drawings. To be patentable, a design must be new, non-obvious and ornamental.

Under Patent and Trademark Office Rules, a design patent claim "shall be in formal terms to the ornamental design for the article (specifying name) as shown, or as shown and described. More than one claim is neither required or permitted." 37 C.F.R. 1.153.

### Infringement

The "ordinary observer" test dates from the Supreme Court case *Gorham Co. v. White*, 81 U.S. 511 (1871). According to *Gorham*, there is infringement "if, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other." The "ordinary observer" test thus sounds similar to the trademark infringement standard, namely whether there is a "likelihood of confusion."

Over time, the Federal Circuit added a "point of novelty" proxy to *Gorham*, resulting in a two-part test. A design patent plaintiff needed 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.'" *Goodyear Tire & Rubber Co. v. Hercules Tire & Rubber Co.*, 162 F.3d 113 (Fed. Cir. 1998). The goal of the added "point of novelty" test was to prevent a defendant from being considered an infringer simply because two products generally looked similar; in some contexts,

there will be many similarities, but they may not be the basis for patentability.

In *Egyptian Goddess*, the Federal Circuit identified difficulties with the point of novelty test in practice; for example, it is difficult to apply where the claimed design has numerous points of novelty, or where there are multiple prior art references.

It accordingly returned to *Gorham*, unanimously ruling that the "ordinary observer" is the sole test to determine design patent infringement, with the caveat that the ordinary observer is one with knowledge of the prior art. The ordinary observer test requires one to look for substantial similarity between the patented design and the accused design; but familiarity with the prior art is necessary if the observer is to meaningfully compare the accused devices to the patented claim to appreciate the differences from previous designs.

Under this standard, designs with many points of novelty may not be shielded from infringement simply because an infringer omits a single "novel" design feature. This revised approach may also simplify debate over the extent to which a combination of old design features can serve as a point of novelty. Most importantly, the purpose of the point of novelty test, a focus on design aspects that create differences from the prior art, should be met by requiring that the "ordinary observer" be familiar with the prior art.

### **Burden of Production of Prior Art for Noninfringement Defense**

The plaintiff has the burden of proving infringement. But the Court shifted at least part of the burden of production, saying that the alleged infringer must produce prior art designs if it wishes to rely on a comparison to prior art as part of its non-infringement defense. According to the Court, this shift is justified because the accused infringer has the greater motivation to point out any prior art that highlights differences between the patent and accused design.

The accused infringer would still have the burden of proving invalidity, and could use much of the same prior art as part of an invalidity defense.

### **Claim Construction**

The Court addressed the process of claim construction in design patent suits. Given the formal nature of the claim, and the difficulties of describing a design in words, the Court said that attempting to construe a design patent claim through a verbal description of the patent drawings is not a preferable course of action. The Court also warned that listing features can cause a fact finder to focus on individual features as opposed to the overall approach that the ordinary observer test requires. However, district courts retain discretion to select the level of detail used to describe a claim. Despite the declared preference for not using verbal descriptions, providing a rather verbal or detailed claim construction will not, by itself, constitute reversible error, absent a showing of prejudice.

### **Conclusion**

*Egyptian Goddess* will likely make it easier for design patent plaintiffs to prove infringement, especially in cases in which the patented design has multiple novel features. The recommendation

against detailed verbal claims should also benefit plaintiffs because a detailed verbal description can lead to a requirement, in effect, that the accused device must have every feature, as opposed to being substantially the same to an ordinary observer.