

## Design patents: clarified and strengthened



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In late 2008, the Federal Circuit, sitting *en banc*, issued a unanimous opinion in *Egyptian Goddess, Inc. v. Swisa, Inc.*, that addressed the test for whether a design patent has been infringed. Much has been written about *Egyptian Goddess*, generally focusing on the Federal Circuit's holding "that the 'point of novelty' test should no longer be used in the analysis of a claim of design patent infringement."

But those articles, while agreeing that this is a significant change in the law — with most concluding that design patents are strengthened by the Federal Circuit's holding — do not discuss the ruling more broadly in the context of the advantages design patents can provide as tools of business to support product development and differentiation.

Design patents protect the ornamental aspects of manufactured articles. To qualify for protection, the design must be new, original, non-obvious, and not inherently functional. When issued, the patent owner has the right to exclude others from making, using, and selling the design for 14 years. Unlike utility patents, this right is not subject to the payment of periodic maintenance fees.

There are several reasons design patents can be a powerful protection. First, as an alternative to a reasonable royalty, the patent statute provides that an infringer "shall be liable to the [design patent] owner to the extent of its total profit. ..." This alternative relief is not subject to doubling or trebling. Even so, the prospect of accused infringers losing the entirety of their profits can be a substantial inducement to an early settlement of any dispute.

Second, while many will argue that design patents are not entitled to a substantial range of equivalents for determining infringement, the claims of a design patent can, in fact, be carefully crafted to have substantial breadth.

Because the permissible claim in a design patent is directed to "the ornamental design as shown and described," the subject matter of a design patent is defined by what is shown in the drawings. It is important to eliminate all unnecessary details from those drawings.

In practice, this requires the thoughtful use of dotted as opposed to solid lines in a drawing, or the elimination of extraneous lines that might appear in the patent owner's product. The significance of dotted lines in patent drawings arose in the 1980 case of *In re Zahn*, which ruled, for the first time, that an entire product need not be illustrated in design patent drawings. *Zahn* held that you could show claimed parts of the product in solid lines, and parts that were not claimed in broken lines.

The patent in *Zahn* was directed to the design of the shank portion of an otherwise conventional drill bit. Rather than claim the whole product, the patent claimed only that which was regarded as the invention, and thus illustrated only the shank portion in solid lines. In view of *Zahn*, it is clear that drawings can be developed that need not include every detail of a product, and that a skillful patent attorney can create design patents with broad claims that are difficult to avoid.

With this as background, the *Egyptian Goddess* case strengthens design patents because it both simplifies and clarifies the presentation required to demonstrate infringement. *Egyptian Goddess* returned the determination of design patent infringement to the Supreme Court's "ordinary observer" test that has been in use since 1871. That test asks whether two designs are sufficiently similar that an ordinary observer — or purchaser — would be deceived into believing they were the same.

To the ordinary observer test, the Federal Circuit added a second test in 1984 with its

ruling in *Litton Systems v. Whirlpool*. That decision held that no matter how similar two items might be, there is no infringement unless an accused item incorporates the point-of-novelty that distinguished the patented item from the prior art. *Litton Systems* raised questions: If there were several points of novelty, did they all have to be misappropriated? What if the point of novelty was in the combination of known design elements?

Those questions will no longer arise explicitly because the Federal Circuit said that the "ordinary observer" test should be the sole test for determining whether a design patent has been infringed. Under that test, it confirmed that infringement will not be found unless the accused article "embodies a patented design or any colorable imitation thereof."

The court clarified that "the ordinary observer is deemed to view the differences between the patented design and the accused product in the context of the prior art." The court specifically noted that the prior art gives the ordinary observer "a frame of reference from which to view distinctions between the accused product and the patented design."

Another clarification from *Egyptian Goddess* is that claim construction for design patents does not require a detailed verbal description of the claimed design. This eliminates a point of confusion and contention in infringement litigation, and focuses the issue on a comparison between the drawings of the design patent and the appearance of the accused product.

The changes in the law as a result of *Egyptian Goddess* enhance design patent protection. Design patents, in particular, can augment the coverage of utility patents, but care must be given to the drawings, which define the scope of the claimed design. ■

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