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Egyptian Goddess v. Swisa: What is the ‘Point’?

A.C. Dike



Egyptian Goddess v. Swisa: What is the ‘Point’?

By A.C. Dike*

I. INTRODUCTION

¶1 The Federal Circuit’s decision in *Egyptian Goddess, Inc. v. Swisa, Inc.*¹ has and will continue to hinder patentees from protecting and enforcing valid design patents against potential infringers. In *Egyptian Goddess*, the Federal Circuit addressed the appropriate legal standard for assessing the claims of a design patent in an infringement action. The en banc appeal focused on several questions, including “whether the ‘point of novelty’ test should continue to be used as a test for infringement of a design patent; whether the court should adopt the ‘non-trivial advance test’ as a means of determining whether a particular design feature qualifies as a point of novelty; how the point of novelty test should be administered . . . and whether district courts should perform formal claim construction in design patent cases.”² In a unanimous decision, the Federal Circuit held that the point of novelty test is “inconsistent with the ordinary observer test and is not needed to protect against unduly broad assertions of design patent rights.”³

¶2 Part II of this Comment will provide a historical perspective of the current design patent infringement analysis. Part III of this Comment will outline the procedural history of *Egyptian Goddess I & II*. Part IV of this Comment analyzes the court’s determination that the best course for design patent jurisprudence is the new ordinary observer approach, which encompasses certain aspects of the point of novelty test. Lastly, Part V of this Comment will analyze and explain the potential implications that may result from the Federal Circuit’s decision in *Egyptian Goddess* and its newly created design patent infringement standard.

¶3 In summary, although the Federal Circuit may argue that it was justified in abrogating the point of novelty test and cautioning against the verbalization of design patent claims during claim construction, the court failed to suggest an alternate test or provide sufficient guidance to the lower courts in cases where a claimed design and an accused design are not plainly dissimilar. Consequently, the Federal Circuit’s decision merely provides additional ambiguity to the already mired precedent for determining design patent infringement.

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¹ *Egyptian Goddess, Inc. v. Swisa, Inc. (Egyptian Goddess II)*, 543 F.3d 665 (Fed. Cir. 2008).

² *Id.* at 670.

³ *Id.* at 672.

II. DESIGN PATENTS

A. *Gorham's Ordinary Observer*

¶4 The United States Patent and Trademark Office (USPTO) grants a design patent for any new, original, and ornamental design for articles of manufacture.⁴ A design patent protects only the appearance of the article and cannot be dictated solely by functional considerations because “function and structure fall under the realm of utility patent[s].”⁵ The seminal case and starting point for any discussion regarding design patent law is the Supreme Court’s decision in *Gorham Co. v. White*.⁶ That case involved the infringement of a design patent for patterns on the handles of knives, forks, and spoons. In its infringement analysis, the Court concluded that because “sameness of effect upon the eye, is the main test of substantial identity of design, the only remaining question . . . is, whether it is essential that the appearance should be the same to the eye of an expert.”⁷ The *Gorham* Court then set forth what has since been recognized as the “ordinary observer” test:

[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.⁸

Thus, the *Gorham* test of design patent infringement essentially determines whether an ordinary observer, who is considered a potential purchaser of the product at issue, is likely to be misled.

B. *The Point of Novelty and Its Progeny*

¶5 Although the *Gorham* court recognized the ordinary observer test as the proper standard for determining design patent infringement, a series of Federal Circuit cases have relied on *Litton Systems, Inc. v. Whirlpool Corp.*⁹ when holding that proof of similarity under the ordinary observer test is insufficient to establish design patent infringement.¹⁰ In *Litton*, Whirlpool challenged the validity of a Litton design patent for a microwave oven on the basis that the claimed design was obvious in view of a combination of prior art references.¹¹ In its infringement analysis, the *Litton* court acknowledged that an accused design must also appropriate the novelty of the claimed design, stating in part:

⁴ 35 U.S.C. § 171 (2006) (“Whoever invents any new, original, and ornamental design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this title.”).

⁵ MANUAL OF PATENT EXAMINING PROCEDURE § 1503.01 (2008) (“The functional and/or structural features stressed by applicant in the papers are of no concern in design cases, and are neither permitted nor required.”).

⁶ *Gorham Co. v. White*, 81 U.S. 511 (1871).

⁷ *Id.* at 527.

⁸ *Id.* at 528.

⁹ 728 F.2d 1423 (Fed. Cir. 1984).

¹⁰ *Egyptian Goddess, Inc. v. Swisa, Inc. (Egyptian Goddess II)*, 543 F.3d 665, 670 (Fed. Cir. 2008).

¹¹ *Litton*, 728 F.2d at 1436.

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.¹²

Ultimately, the *Litton* court determined that the accused device did not share any of the combination of features it identified as distinguishing the Litton oven from the prior art. Consequently, the court held that the accused device did not infringe.¹³ Since the *Litton* decision, this additional test has been referred to as the “point of novelty” test, and has been recognized as a second distinctive test, in addition to the ordinary observer test, required in proving design patent infringement.¹⁴

¶6 Later, in *Lawman Armor Corp. v. Winner International, LLC*,¹⁵ the Federal Circuit attempted to provide additional clarity to the lower courts in their attempt to apply the point of novelty test. This case involved a design patent covering a steering wheel locking device used to prevent auto theft. The defendant, Winner, contested that the eight points of novelty in the claimed design were also present in the prior art. In contrast, Lawman argued that while the eight points of novelty may not be individually novel, the combination in a single design of eight non-novel elements was itself novel.¹⁶

¶7 The United States District Court for the Eastern District of Pennsylvania entered summary judgment of non-infringement in favor of Winner, and the Federal Circuit affirmed the lower court’s decision, holding that the eight discrete points of novelty identified in the claimed design were not novel. Additionally, the Federal Circuit determined that Lawman could not rely on a combination of non-novel elements in order to constitute a new, “ninth point of novelty.”¹⁷ The Federal Circuit concluded that Lawman’s argument for aggregating non-novel features was “inconsistent with, and would seriously undermine, the rationale of the ‘points of novelty’ test.”¹⁸

¶8 Although the Federal Circuit denied Lawman’s petition for a rehearing en banc, the court provided a clarifying opinion addressing the issue of design element aggregation under the point of novelty test.¹⁹ In that opinion, the Federal Circuit affirmed the panel’s conclusion that the overall appearance of a design cannot itself be a point of novelty, but also determined that “in appropriate circumstances a combination of design elements itself may constitute a ‘point of novelty.’”²⁰ While the court refused to reconsider whether the combination of the eight design elements created a new point of novelty, or what could be considered “appropriate circumstances,” it did note that within

¹² *Id.* at 1444 (internal citation omitted).

¹³ *Id.*

¹⁴ See *Sun Hill Indus., Inc. v. Easter Unlimited, Inc.*, 48 F.3d 1193, 1197 (Fed. Cir. 1995) (“Beyond the substantial similarity requirement of *Gorham* . . . design patent infringement requires that the accused product ‘appropriate the novelty in the patented device which distinguishes it from the prior art.’”).

¹⁵ 437 F.3d 1383 (Fed. Cir. 2006).

¹⁶ *Id.* at 1385.

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Lawman Armor Corp. v. Winner Int’l, LLC*, 449 F.3d 1190 (Fed. Cir. 2006) (supplemental opinion on petition for rehearing).

²⁰ *Id.* at 1192.

those appropriate circumstances, “[s]uch a combination is a different concept than the overall appearance of a design which . . . our cases have recognized cannot be a point of novelty.”²¹

III. PROCEDURAL BACKGROUND

A. *Egyptian Goddess v. Swisa I: Procedural History*

¶9 Egyptian Goddess’s U.S. Design Patent 467,389 (“D’389 patent”) claims a design for a nail buffer consisting of a rectangular, hollow tube with a generally square cross-section and buffer surfaces on three of its four sides.²² Swisa, a competitor of Egyptian Goddess, produced an accused design that consisted of a rectangular, hollow tube with a square cross-section, but which featured buffer surfaces on all four of its sides.²³

¶10 Egyptian Goddess sued Swisa, claiming that Swisa’s fingernail buffers infringed its D’389 design. In response, Swisa filed a motion for summary judgment of non-infringement and invalidity.²⁴ Egyptian Goddess supported its infringement claim by asserting that the point of novelty of the D’389 design was its unique combination of four design elements, which were all individually known in the prior art.

¶11 The district court declined to address the issue of whether a point of novelty could be found in the combination of design elements present in various prior art references. Rather, the court found that a single prior art reference, U.S. Design Patent 416,648 (“the Nailco patent”), contained all but one of the elements of the D’389 design.²⁵ Accordingly, the district court granted Swisa’s summary judgment of non-infringement on the ground that Egyptian Goddess failed to satisfy its burden under the point of novelty test. Additionally, the district court concluded that the accused Swisa nail buffers did not contain the point of novelty that was in the D’389 design, stating in part that “[t]he only point of novelty in the D’389 Patent over the Nailco Patent is the addition of the fourth side without a pad.”²⁶

¶12 In *Egyptian Goddess I*,²⁷ a three-judge panel of the Federal Circuit affirmed the district court’s ruling, concluding that the lower court did not err in rejecting Egyptian Goddess’ asserted point of novelty as a matter of law. The Federal Circuit panel reiterated its precedent requiring two distinct tests for establishing design patent infringement, the ordinary observer test and the point of novelty test. In reaching its decision, the panel stated that the point of novelty in a patented design “can be either a single novel design element or a combination of elements that are individually known in the prior art.”²⁸ However, when analyzing Egyptian Goddess’ asserted combination point of novelty, the Federal Circuit determined that in order “[f]or a combination of

²¹ *Id.*

²² *Egyptian Goddess, Inc. v. Swisa Inc.*, No. 3:30-CV-0594-N, 2005 WL 5873510, at *1 (N.D. Tex. Dec. 14, 2005).

²³ *Id.* at *2.

²⁴ *Id.* at *1.

²⁵ *Id.* at *2.

²⁶ *Id.*

²⁷ *Egyptian Goddess, Inc. v. Swisa Inc. (Egyptian Goddess I)*, 498 F.3d 1354, 1355 (Fed. Cir. 2007).

²⁸ *Id.* at 1357.

individually known design elements to constitute a point of novelty, the combination must be a non-trivial advance over the prior art.”²⁹

¶13 Applying this newly fashioned requirement, which had not been addressed in briefs or at oral argument by either party,³⁰ the panel determined that “no reasonable juror could conclude that [Egyptian Goddess’s] asserted point of novelty constituted a non-trivial advance over the prior art.”³¹ In agreeing with the district court’s decision,³² the Federal Circuit stated that since the Swisa buffers have raised, abrasive pads on all four sides while the D’389 design only has such pads on three of its four sides, “[w]hen considering the prior art in the nail buffer field, this difference between the accused design and the patented design cannot be considered minor.”³³

¶14 Accordingly, the Federal Circuit panel concluded that summary judgment was indeed appropriate. Soon after, Egyptian Goddess filed a petition for a rehearing en banc.³⁴ In granting the en banc hearing, the Federal Circuit vacated its earlier decision in *Egyptian Goddess I* and requested briefing from both parties regarding (1) whether the point of novelty test should continue to be used as a test for infringement of a design patent, (2) whether claim construction should apply to design patents, and (3) what role such construction should play in the infringement analysis if deemed necessary.³⁵

B. *Egyptian Goddess v. Swisa II: Federal Circuit Opinion*

¶15 With Judge Bryson delivering the unanimous opinion of the Federal Circuit,³⁶ the court first gave a description of the accused product at issue, the facts of the case, as well as the procedural history. In providing an extensive overview of design patent infringement precedent, the Federal Circuit reiterated the *Gorham* requirements under the ordinary observer test and stressed that this test was to be recognized as “the proper standard for determining design patent infringement.”³⁷

¶16 The Federal Circuit then revisited its opinion in *Litton Systems v. Whirlpool*, which gave birth to the point of novelty test as a second and necessary analysis when evaluating infringement in design patent cases. The Federal Circuit recognized that *Litton* had been widely acknowledged as the genesis of a second design patent infringement test, but noted that “[i]n cases decided shortly after *Litton*, the court described the ordinary observer test and the point of novelty test as ‘conjunctive.’ It has not been until much more recently that this court has described the ordinary observer and point of novelty test as ‘two distinct tests.’”³⁸

¶17 The Federal Circuit went on to describe that although “the point of novelty test has proved reasonably easy to apply in simple cases” where a single novel feature exists in a

²⁹ *Id.*

³⁰ *Id.* at 1359 (Dyk, J., dissenting).

³¹ *Id.* at 1358 (majority opinion).

³² *Id.* (“The district court correctly determined that only if the point of novelty included a fourth side without a raised pad could it even arguably be a non-trivial advance over the prior art.”).

³³ *Id.*

³⁴ *Egyptian Goddess, Inc. v. Swisa Inc.*, 256 F. App’x 357 (Fed. Cir. 2007).

³⁵ *Id.* at 357-58.

³⁶ *Egyptian Goddess II*, 543 F.3d 665, 667-68 (Fed. Cir. 2008).

³⁷ *Id.* at 670.

³⁸ *Id.* at 671 (internal citations omitted).

claimed design, it has been more difficult to apply the test “where the claimed design has numerous features that can be considered points of novelty, or where multiple prior art designs are in issue.”³⁹ In particular, the court noted that “applying the point of novelty test where multiple features and multiple prior art references are in play has led to disagreement over whether combinations of features, or the overall appearance of a design, can constitute the point of novelty of the claimed design.”⁴⁰

¶18 In a striking retreat from its prior opinions, the Federal Circuit determined that neither *Litton* nor any preceding authority indicated the adoption of the point of novelty test “as a second and free-standing requirement for proof of design patent infringement.”⁴¹ The court rejected Swisa’s argument that the Supreme Court in *Smith v. Whitman Saddle Co.*,⁴² and subsequent cases thereafter, adopted the point of novelty test as a second and distinct test for design patent infringement.⁴³ Rather, the court concluded that

Litton and the predecessor cases on which it relied [on in creating the point of novelty test] are more properly read as applying a version of the ordinary observer test in which the ordinary observer is deemed to view the differences between the patented design and the accused product in the context of the prior art.⁴⁴

The court explained that “when the claimed design is close to the prior art designs, small differences between the accused design and the claimed design are likely to be important to the eye of the hypothetical ordinary observer.”⁴⁵ Thus, the court determined that not only was such an approach consistent with prior precedent, but that it also provided a logical solution to “highlight[ing] the distinctions between the claimed design and the accused design as viewed by the ordinary observer” by adding the prior art as a discrete frame of reference.⁴⁶

¶19 The court then went on to identify several advantages of using this new “ordinary observer” test, which applied the existing ordinary observer test with reference to prior art designs, over the previous two-part test in which the point of novelty test was a second, independent test.⁴⁷ First, the court recognized that the new ordinary observer approach avoids the problem that, under the point of novelty test where a design has multiple points of novelty, “the outcome of the case can turn on which of the several candidate points of novelty the court or fact-finder focuses on.”⁴⁸ Therefore, the attention of the court may now be focused on whether the accused design has appropriated the claimed design as a whole.

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ *Id.* at 672.

⁴² 148 U.S. 674 (1893).

⁴³ *Egyptian Goddess II*, 543 F.3d at 673 (“Nothing in the Court’s opinion suggested that it was fashioning a separate point of novelty test for infringement.”).

⁴⁴ *Id.* at 676.

⁴⁵ *Id.*

⁴⁶ *Id.* at 677.

⁴⁷ *Id.*

⁴⁸ *Id.*

¶20 Second, the court determined that this new test will likely “produce results more in line with the purposes of design patent protection”⁴⁹ in cases where there are multiple points of novelty because it inquires how an ordinary observer with knowledge of the prior art design would view the differences between the claimed and accused designs. Furthermore, a defendant will have additional opportunities to argue that its design does not infringe because it does not copy all of the points of novelty, even though it may copy most of them.⁵⁰ Third, unlike the point of novelty test, the new ordinary observer test does not present the risk of assigning exaggerated importance to small differences between the claimed and accused designs relating to an insignificant feature simply because that feature can be characterized as a point of novelty. Lastly, the court noted that this new approach also has the advantage of “avoiding the debate over the extent to which a combination of old design features can serve as a point of novelty under the point of novelty test.”⁵¹

¶21 Although the Federal Circuit abrogated the point of novelty test, it did not completely dismiss its importance in determining design patent infringement. The court noted that examining the novel features of the claimed design can be an important component of the comparison of the claimed design with the accused design and the prior art. However, such a comparison “must be conducted as part of the ordinary observer test, not as part of a separate test.”⁵²

¶22 Ultimately, the court held that in instances “when the claimed and accused designs are not plainly dissimilar, resolution of the question whether the ordinary observer would consider two designs to be substantially the same will benefit from a comparison of the claimed and accused designs with the prior art.”⁵³ Additionally, the court noted that the new ordinary observer test imposed a slight change to the parties’ respective burden of production in design patent infringement cases. Under the previous two-part rule, a patentee bore the burden of production with respect to the prior art, but under this new approach, the accused infringer now bears this burden, but only if a comparison to the prior art is raised as part of its defense.⁵⁴

¶23 Lastly, the Federal Circuit addressed the issue of whether trial courts should conduct claim construction in design patent cases. Although the court had previously ruled that lower courts have a duty to conduct claim construction in design patent cases, as in utility cases,⁵⁵ the court had never prescribed specific guidelines or any particular form the claim construction should take.⁵⁶ The Federal Circuit determined that since there has been a growing recognition by lower courts that design patents are typically claimed as shown in drawings and that claim construction is adapted accordingly, there is no need for a trial court to attempt to provide a detailed verbal description of the claimed

⁴⁹ *Id.* at 678.

⁵⁰ *Id.*

⁵¹ *Id.*

⁵² *Id.* at 678.

⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ *Id.* at 679; *see Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571, 1577 (Fed. Cir. 1995) (“Determining whether a design patent claim has been infringed requires, first, as with utility patents, that the claim be properly construed to determine its meaning and scope.” (internal citation omitted)).

⁵⁶ *Egyptian Goddess II*, 543 F.3d, at 679.

design.⁵⁷ However, the court emphasized that a district court’s decision regarding the level of detail to be used in describing the claimed design is a matter within the court’s discretion.⁵⁸

C. *Application of Law to the Facts of the Case*

¶24 The Federal Circuit acknowledged that the general shape of the accused nail buffer was the same as that of the patented buffer. The main difference between the two was that the accused design had raised buffing pads on all four sides, while the patented design had buffers on three sides. Under its new ordinary observer approach, the court distilled the issue in *Egyptian Goddess II* to whether an ordinary observer, familiar with the Nailco design, prior art, would be deceived into believing that the Swisa buffer is the same as the patented buffer, D’389.⁵⁹

¶25 Egyptian Goddess argued that such an ordinary observer, after viewing the patented and accused design, would be substantially confused when purchasing the accused buffer, thinking it to be the patented buffer design. Furthermore, Egyptian Goddess claimed that to an ordinary purchaser of nail buffers, the presence of one or more buffer pads did not “greatly alter the ornamental effect and appearance of the whole design as compared to the whole patented design.”⁶⁰

¶26 In contrast, Swisa argued that the D’389 patent closely tracked the prior art. Swisa claimed that in light of the prior art buffers, an ordinary observer would notice the difference between the claimed and accused design because the “number of sides with abrasive surfaces on them would be important to purchasers.”⁶¹ Ultimately, the court rejected Egyptian Goddess’ argument concluding that Egyptian Goddess failed to show that an ordinary observer would regard the accused design as being closer to the claimed design than to the Nailco prior art design. As a result, the Federal Circuit unanimously held that “no reasonable fact-finder could find that [Egyptian Goddess] met its burden of showing . . . that an ordinary observer, taking into account the prior art, would believe the accused design to be the same as the patented design.”⁶²

IV. ANALYSIS

A. *The Federal Circuit’s New Ordinary Observer Test is Untenable*

¶27 The Federal Circuit erred when it ineffectively combined the rudiments of the point of novelty approach with the *Gorham* ordinary observer test, thus creating an ambiguous standard for determining design patent infringement. When Judge Bryson began the court’s analysis of the proper standard for determining design patent infringement by “reconsidering the place of the point of novelty test in design patent law generally,” he seemingly signaled the total abrogation of the test.⁶³

⁵⁷ *Id.*

⁵⁸ *Id.* at 680.

⁵⁹ *Id.* at 681.

⁶⁰ *Id.*

⁶¹ *Id.* at 682.

⁶² *Id.*

⁶³ *Id.* at 671.

¶28 Nonetheless, in articulating the new ordinary observer test, the Federal Circuit idly retained the imprecise prior art comparisons of the point of novelty test without giving sufficient guidance to the lower courts on its appropriate application in the new ordinary observer test. The Federal Circuit emphasized its past jurisprudence requiring the perspective ordinary observer to be informed by a comparison of the accused and patented design with the prior art.⁶⁴ However, design patent precedent is far from clear as to the appropriate standard for enabling the fact-finder to determine whether an accused design has appropriated the inventiveness of a patented design.

¶29 The court reiterated that the point of novelty test has been difficult to apply where “multiple features and multiple prior art references are in play,”⁶⁵ but the three-way comparison approach articulated by the court is unworkable for the same reasons it deemed the point of novelty test impractical. The Federal Circuit justified its departure from the point of novelty test by stating that in cases where several different features could be argued as points of novelty, the outcome of the case can turn on which of the several points of novelty the fact-finder focuses on.⁶⁶

¶30 The Federal Circuit stated that the court’s attention “may therefore be focused on whether the accused design has appropriated a single specified feature of the claimed design, rather than on the proper inquiry, i.e., whether the accused design has appropriated the claimed design as a whole.”⁶⁷ However, the three-way comparison test accepted by the Federal Circuit fails to address the complexities created when the claimed and accused designs are not plainly dissimilar. Although the Federal Circuit advocates that the ordinary observer will “benefit from a comparison of the claimed and accused design with the prior art” when determining substantial similarity,⁶⁸ under this new approach, the fact-finder is still forced to take into consideration either comparing multiple prior art references at one time, or mentally combining the prior art designs before such a comparison could be made. This deluge of information on the fact finder, without proper guidance from the courts on how to assess, interpret, and apply the information attained from prior art comparisons, will still result in improper findings when the accused and claimed designs are substantially similar.

B. *No Ado About Substantial Similarity*

¶31 The court’s swift reliance on the newly fashioned three-way comparison approach is puzzling and fails to address the issue of design patent protection in instances where the accused design does not contain the novel features that rendered the design patentable. Even though the Federal Circuit contradicted years of design patent jurisprudence by broadly stating that nothing in *Whitman Saddle* or subsequent authorities indicated the adoption of a point of novelty test to protect against unduly broad assertion of patent rights,⁶⁹ the court still failed to adequately integrate the purpose of the point of novelty test into its new ordinary observer approach. The court

⁶⁴ *Id.* at 674.

⁶⁵ *Id.* at 671.

⁶⁶ *Id.* at 677.

⁶⁷ *Id.*

⁶⁸ *Id.* at 678.

⁶⁹ *Id.* at 672.

characterized the purpose of the point of novelty test as being a “focus on those aspects of a design which render the design different from prior art designs.”⁷⁰ However, this reinterpretation of the ordinary observer test could lead to infringement findings even where the accused design does not contain any of the novel features of the patented design.

¶32 This new approach is untenable in instances where the patented design is a combination of widely known design elements from two or more prior art references, as in *Smith v. Whitman Saddle* and *Egyptian Goddess*. *Whitman Saddle* involved a patent design for saddles, in which the inventor combined the front and back end of two different saddles that were already well known at the time. The Supreme Court in that case determined that the new design involved invention. However, if we apply the court’s new ordinary observer approach to *Whitman Saddle*, an ordinary observer in that case would have been required to compare the saddle prior art designs to the accused saddle design, and then compare the accused design to the patented design.

¶33 The ordinary observer in such a situation would have likely found that the accused design was “closer” to the tangible, already combined, patented design because the only difference would be the small drop of the pommel. However, such an analysis would undermine the Supreme Court’s actual *Whitman Saddle* decision⁷¹ and reduce the threshold level for finding a design unpatentable. Furthermore, this new approach is flawed because an accused design, in the eye of the ordinary observer, will invariably look “closer” to one patented design, than several prior art designs. Likewise, few fact finders will be able to accurately imagine the combination of the known features of multiple prior art designs in order to perform a comparison of that combination to the accused design.

¶34 The Federal Circuit seemed to recognize the significance of the point of novelty test, conceding that the examination of “novel features of the claimed design can be an important component of the comparison of the claimed design with the accused design and the prior art.”⁷² However, this concept was slowly vitiated by the court’s faulty reasoning that the purpose of the point of novelty test could “be equally well served by applying the ordinary observer test through the eyes of an observer familiar with the prior art.”⁷³ By mandating that “the comparison of the designs, including the examination of any novel features, must be conducted as part of the ordinary observer test,”⁷⁴ the Federal Circuit has severely loosened the enforceable scope of design patents. Ultimately, eliminating the point of novelty test without appropriately incorporating its underlying principles into the court’s new ordinary observer approach will deter the public from designing around patents to make new inventions. This directly contradicts a practice

⁷⁰ *Id.* at 677 (quoting *Sun Hill Indus., Inc. v. Easter Unlimited, Inc.*, 48 F.3d 1193, 1197 (Fed. Cir. 1995)).

⁷¹ *See Smith v. Whitman Saddle Co.*, 148 U.S. 674, 681 (1893) (“If, therefore this drop were material to the design, and rendered it patentable as a complete and integral Whole, there was no infringement. As before said, the design of the patent had two features of difference as compared with the Granger saddle, one the cantle, the other the drop, and unless there was infringement as to the latter there was none at all, since the saddle design of the patent does not otherwise differ from the old saddle with the old cantle added . . .”).

⁷² *Egyptian Goddess II*, 543 F.3d at 678.

⁷³ *Id.* at 677.

⁷⁴ *Id.* at 678.

which has consistently been encouraged by the Federal Circuit and the patent system in general.⁷⁵

C. *The En Banc Panel Undermined The Federal Circuit's Previous Decision in Egyptian Goddess II*

¶35 The Federal Circuit attempted to add clarity to the already mired issue of claim construction for design patents, but it only managed to inject more confusion into the claim construction process. By not taking the definitive position of prohibiting detailed verbal characterizations of design patents, the Federal Circuit put the onus on future design patent cases at the district court level to develop the application of the proper infringement standard. Rather than completely prohibiting such verbal characterizations, or only limiting the scope of verbal descriptions to notifying the fact-finder of functional elements within a design patent,⁷⁶ the court merely delegated its burden of deciding this issue onto the lower courts. By not prohibiting or strictly limiting verbal characterizations of design patents, the en banc Federal Circuit panel contradicted its previous decision in *Egyptian Goddess II*.

¶36 The Federal Circuit abrogated the point of novelty test and developed its new approach based on the underlying principles of the ordinary observer; however, *Gorham* explicates that drawings, not verbal characterizations, should control claim construction. In *Gorham*, the Supreme Court determined that the “controlling consideration is the resultant effect” of the overall design on the eye of the ordinary observer,⁷⁷ and the Federal Circuit acknowledged this by focusing the new ordinary observer approach on the proper inquiry of whether an accused design has appropriated the claimed design as a whole.⁷⁸

¶37 Nevertheless, the Federal Circuit failed to realize that allowing district courts to control the level of detailed description for design patent claim construction only encourages breaking a design patent down into its discrete elements. One must assume that the Federal Circuit, which attacked the point of novelty test for increasing the risk of a fact finder assigning exaggerated importance to small differences between the claimed and accused design, must believe that such practices cannot occur under the vigilant eye of a district court judge.

¶38 Although the Federal Circuit may believe that unduly invading a jury’s fact-finding process is a “task that trial courts are very much accustomed to,”⁷⁹ allowing a district court to verbally characterize design patents effectively shifts the fact-finding burden from the jurors to the courts. The Federal Circuit has recognized that it would be “unwise to attempt a full description of the claimed design,” yet it still urged lower courts

⁷⁵ See *Westvaco Corp. v. Int’l Paper Co.*, 991 F.2d 735, 745 (Fed. Cir. 1993) (quoting *State Indus., Inc. v. A.O. Smith Corp.*, 751 F.2d 1226, 1235-36 (Fed. Cir. 1985)) (“[K]eeping track of a competitor’s products and designing new and possibly better or cheaper functional equivalents is the stuff of which competition is made and is supposed to benefit the consumer.”).

⁷⁶ *Egyptian Goddess II*, 543 F.3d at 680 (“[A] trial court can usefully guide the finder of fact by . . . distinguishing between those features of the claimed design that are ornamental and those that are purely functional.”) (citation omitted).

⁷⁷ *Gorham Co. v. White*, 81 U.S. 511, 526 (1871).

⁷⁸ *Egyptian Goddess II*, 543 F.3d at 677.

⁷⁹ *Id.* at 680.

to “guide” the jury by describing the court’s own analysis to point out differences between the claimed and accused design.⁸⁰ Although the Federal Circuit rejected the point of novelty test for being inconsistent with the *Gorham* test, it then contradicted itself by allowing district courts to verbally characterize design patents, which requires a similar element-by-element analysis, rather than focusing on the appearance of the design as a whole.

¶39 The Federal Circuit agreed that design patents typically are claimed as shown in drawings, and as such, claim construction is adapted accordingly.⁸¹ Indeed, the court was correct in recognizing the difficulties entailed in trying to describe a design in words. However, the Federal Circuit discarded this helpful insight of uniformity and specificity, when it merely articulated a “preferable course” for lower courts to not construe design patents with detailed verbal descriptions.⁸²

¶40 Attempts to verbalize the claims of a design patent will have a probable consequence of confusing jurors since words are usually ineffective in accurately describing the appearance of a design.⁸³ Verbal descriptions are often either too broad or too narrow to fully capture the overall appearance of a patent design and could have the harrowing effect of either expanding or restricting the actual scope of a design. It would be utterly perplexing for jurors to be charged with conducting a visual test mandated by the court’s new ordinary observer approach, while also being given a written claim construction of the design patent to “guide” their fact-finding. A juror’s perception of the overall appearance may differ from the court’s expressed verbalization, or even worse, that perception could be influenced by the court’s construction. Leaving the level of verbal description to the discretion of the lower courts will simply prolong the issue of claim construction for design patents, forcing the Federal Circuit to deal with a split in authority that they themselves fabricated.

V. IMPLICATIONS

¶41 The rejection of the point of novelty test by the Federal Circuit and its vague decision regarding design patent claim construction is certain to cause a change in the way that district courts handle the question of design patent infringement. Its effect on patent holders and investors is far from predictable. What is more, the Federal Circuit has arguably opened the door for findings of design patent infringement in at least some instances where infringement would otherwise have been more difficult to prove.

A. *An Increase in the Number of Design Patent Applications Will Cause a Decrease in Innovation*

¶42 Since 1977, when the United States Patent & Trademark Office (USPTO) first began tracking this statistic, the number of design patent applications filed in the USPTO

⁸⁰ *Id.*

⁸¹ *Id.* at 679.

⁸² *Id.*

⁸³ MANUAL OF PATENT EXAMINING PROCEDURE § 1503.01 pt. II (2008) (“No description of the design in the specification beyond a brief description of the drawing is generally necessary, since as a rule the illustration in the drawing views is its own best description.”).

has increased yearly.⁸⁴ For example, the USPTO received over 27,752 design patent applications in 2007, compared with 25,553 in 2005 and 22,603 in 2003.⁸⁵ This data indicates that there has been an increasing trend towards filing design patent applications. Consequently, the Federal Circuit's decision to combine the more pliant ordinary observer test with the rigid point of novelty test effectively increases the potency of design patent protection, and will undoubtedly increase the number of design patent applications filed with the USPTO in the upcoming year. Given that the process of attaining a design patent is not as rigorous as that of a utility patent and is considerably less expensive, with costs for filing and attorneys fees ranging from \$1500 to \$2500,⁸⁶ inventors and businesses will quickly inundate the USPTO with design applications in order to capitalize on the increased protection under the new ordinary observer approach.

¶43 However, design patent filing history statistics also indicate that it is far from certain whether the USPTO will issue a patent when an inventor applies for design patent protection. In 2007, over 24,060 design patents were granted, compared with 12,950 design patents in 2005 and 16,574 design patents in 2003.⁸⁷ Accordingly, the number of applications received does not necessarily correlate with the number of patents granted. This will only be more evident under the Federal Circuit's decision in *Egyptian Goddess II*.

¶44 Compared to the old two-prong design infringement standard, the new ordinary observer approach increases the probability for a patent holder to find that an accused design infringes a patented design in light of the prior art. Because patentees now have the increased capability of proving infringement, specifically in cases where a patented design contains multiple novel features, USPTO examiners may also have an increased opportunity to reject the validity of design patent applications that may have been granted under the old standard.

¶45 Additionally, the court's failure to clearly minimize the role of verbal characterizations of design patents during claim construction may ultimately decrease the number of design patents granted to inventors. Under the departed point of novelty test, design patent claims focused on the novel features of the accused and claimed products, thus disclaiming the rest of the design. However, the court's pronouncement to return to the fundamentals of the ordinary observer test could create a shift towards design patent claims that include verbose descriptions of the product due to the increased possibility that an "ordinary observer" may find additional similarities between the claimed and accused designs.

¶46 When making comparisons of design patents that also include verbal characterizations of the patents, two features can be verbally construed to seem more different than they truly are, thus shifting emphasis from the visual aspect to the verbal descriptions of a patent design. Given that the Federal Circuit failed to place adequate limitations on design patent construction claims, instead deferring to the lower courts to

⁸⁴ U.S. PATENT & TRADEMARK OFFICE, U.S. PATENT STATISTICS CHART CALENDAR YEARS 1963-2008, http://www.uspto.gov/web/offices/ac/ido/oeip/taf/us_stat.htm.

⁸⁵ *Id.*

⁸⁶ Revision of Patent Fees for Fiscal Year 2009, 73 Fed. Reg. 107 (Jun. 3, 2008) (to be codified at 37 C.F.R. pt. 1-41), available at <http://www.uspto.gov/web/offices/com/sol/notices/73fr31655.pdf> (last visited Aug. 15, 2008).

⁸⁷ *Id.*

solve this issue, the court’s own fears could come to fruition,⁸⁸ with the pen soon becoming mightier than the design.

¶47 The uncertainty of the Federal Circuit’s ruling regarding the limits of design patent claim construction, as well as its decision to refurbish the ordinary observer standard of design patent infringement, appears likely to cause inventors to be hesitant when choosing to invest in an increasingly unsteady process. The Constitution states that the purpose of the patent system is “[t]o promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.”⁸⁹

¶48 Nonetheless, when the probability of getting a patent is uncertain, an inventor has little, if any, incentive to innovate. It may be difficult to predict with some precision the extent to which decreased incentives inhibit creativity since there has seemingly been a constant increase in design patent applications to the USPTO. However, like most investments, the higher the risk, the less valuable it comes to the risk-taker, and getting a valid design patent will be no different.

B. *The Heightened and Unfortunate Role of the Fact Finder Under the New Ordinary Observer Approach*

¶49 An obvious consequence of the Federal Circuit’s reliance on the ordinary observer standard for determining design patent infringement will be an increased reliance for the fact-finder to deliberate whether infringement has occurred. The ability for trial judges to easily dispose of design patent infringement cases by means of summary judgment has been severely diminished now that the determination of design patent infringement has been solely consolidated into the eye of the ordinary observer. Rather than deciding the issue before the onset of expensive, time-consuming, and exhaustive discovery, a trial judge must now defer to the fact finder to unearth substantial similarity between the accused and claimed designs during the course of avoidable litigation.

VI. CONCLUSION

¶50 The Court of Appeals for the Federal Circuit erred when it candidly abrogated the point of novelty test without providing the appropriate framework to effectively combine that test with the fundamentals of the ordinary observer test. Instead of having a workable, predictable, and uniform test for determining the question of design patent infringement, we are left with an indistinct mandate from the Federal Circuit to employ a “parallel” approach to an abrogated test.⁹⁰ The Federal Circuit failed to adequately examine the problems underlying the issue determining design patent infringement to find an appropriate solution. Instead, the court settled on devising a temporary solution by combining the prospective problem, the point of novelty test, with the purported solution, the ordinary observer test.

⁸⁸ *Egyptian Goddess II*, 543 F.3d at 679 (“[A] design is better represented by an illustration ‘than it could be by any description’” (quoting *Dobson v. Dornan*, 118 U.S. 10, 14 (1886))).

⁸⁹ U.S. CONST. art. I, § 8, cl. 8.

⁹⁰ *Egyptian Goddess II*, 543 F.3d at 683 (“[A]lthough we do not adopt the ‘non-trivial advance’ test employed by the panel in this case, we note that our analysis under the ordinary observer test is parallel to the panel’s approach in an essential respect.”).

¶51 In *Egyptian Goddess II*, the Federal Circuit exhibited a delinquency in the specificity of its opinion. While clear writing is a product of clear thinking, the Federal Circuit's quasi-cogent analysis of the weaknesses of the point of novelty test and its apparent determination to rehabilitate the ordinary observer test did not translate into a clear exposition of a future design patent infringement standard. The underlying results of the Federal Circuit's decision in *Egyptian Goddess II* are also self-indicative. After the Federal Circuit invested time and effort in *Egyptian Goddess I* to develop a viable solution to the problems embedded in determining an effective design patent infringement standard that will cater to judicial notions of fair play and substantial justice, the original panel decision, affirming the finding of non-infringement based primarily on the closeness of the prior art design to the patented design, was upheld.

¶52 The result of the Federal Circuit's decision is a likely return to ambiguity with regard to the question of an apt standard for design patent infringement, as well as the appropriate role of claim construction in design patent case law. While this decision marks a possible improvement for patent holders, it still fails in creating a more effective and simple approach to proving design patent infringement. Consequently, the district courts will likely develop new tests to resolve that ambiguity, and when that happens, the Federal Circuit will likely be pushed into once again reviewing the state of design patent infringement jurisprudence. Perhaps then, it will take the opportunity to investigate further and develop a workable approach, much like the one it just recently rejected.