

Design Patent Infringement and the “Non-Trivial Advance” Test

By: John J. Cunniff, Esq.

When speaking of patents, most people automatically think of a patent for an invention that “does something” – that is, a utility patent. But other types of patents also exist. Among these are design patents, which are granted for the appearance of an article, not what the article does or the way it is used. In other words, a design patent may be obtained for the configuration or shape of an article, the surface ornamentation applied to the article, or both.

As with utility patent applications, design patent applications are examined by the U.S. Patent and Trademark Office. A design patent will only be issued in those instances where the design is judged to be novel and nonobvious over the prior art. A recent decision by a panel of the U.S. Court of Appeals for the Federal Circuit and a subsequent decision to rehear the case en banc (by the entire court) has refocused attention on design patents and their enforcement.

In *Egyptian Goddess, Inc. v. Swisa Inc.* (No 3:03-CV-0594-N (N.D. Tex. Dec. 14, 2005)), the design patent (Des. 467,389) at issue was for a nail buffer. The patented design was a hollow tubular frame with a generally square cross section and rounded corners. The buffer had rectangular abrasive pads on three sides of the frame but the fourth side of the frame was uncovered. The owner of the design patent (EGI) sued Swisa, Inc. for infringement on its buffer design, but was unsuccessful at the trial court level. The trial court found that the accused buffers lacked the point of novelty of the design patent – a fourth side without an abrasive pad. Therefore, the court granted summary judgment of non-infringement. EGI appealed the decision to the Federal Circuit.

While the Federal Circuit panel affirmed the holding of noninfringement, it did so under a rationale that has been widely criticized. The panel majority found that the design patent was not infringed because the asserted point of novelty was not a “non-trivial advance over the prior art.” Previously, the point of novelty test only involved an identification step (identifying the design patent’s point of novelty), and an appropriation step (determining whether the accused design appropriated this point of novelty). No determination of whether the point of novelty was “non-trivial” had ever been made.

The dissent by Judge Dyk strongly argued against the “non-trivial advance” test. Under U.S. law, a patent is presumed to be valid. This presumption can be overcome, but the burden of doing so is placed on the party challenging a patent’s validity. According to the dissent, the non-trivial advance test reverses this presumption of validity and forces the patentee to demonstrate nonobviousness twice – once for the Patent Office and once for the court.

Judge Dyk also criticized the decision as creating a separate test just for situations where the point of novelty is a combination of design elements, instead of using the test for all points of novelty. Additionally, Judge Dyk stated that the court provides a test that is “almost impossible” to use because design patents have limited scope and points of novelty are often subtle. Finally, Judge Dyk indicated that far from being supported by prior case law, the majority’s decision actually ran counter to it.

Following the decision, the patentee’s petition for rehearing en banc (that is, by the entire Federal Circuit rather than just a panel of the Federal Circuit) was granted. The court has indicated that it will review whether the point of novelty test should be used in design

patent cases and if so, whether the non-trivial advance test should be adopted. It will also review whether a point of novelty test should be part of the patentee's burden in proving infringement or if the test should be used by the defendant as a defense to an infringement charge, and how elements of a design should be considered within a point of novelty test. Finally, the Court will consider whether claim construction should apply to design patents and if so, what role it should play in infringement analysis.

Because of the significance of any decision in this case to the general principles of infringement of design patents, it has attracted attention from outside parties. Both Nike, Inc. (owner of thousands of design patents) and the American Intellectual Property Law Association have been granted leave to file amicus curiae ("friend of the court") briefs in the case. Any use of the "non-trivial advance" test is generally seen as making design patents more difficult to enforce, decreasing the potential value of a design patent.

While design patents are generally considered to provide weaker protection than utility patents (and unscrupulous invention promotion companies have exploited confusion between the two, as discussed in a previous Hahn Loeser and Parks IP Newsletter), design patents can be a valuable part of a company's intellectual property portfolio. A decision by the entire Court of Appeals for the Federal Circuit in the Egyptian Goddess case, expected sometime during 2008, may significantly affect the value of such patents further.

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