Answering the New Test for Invalidating Design Patents

By Alan N. Herda[1]

The U.S. Court of Appeals for the Federal Circuit has changed the test for invalidating design patents.

As those interested in design patents may recall, the court changed the test for design patent infringement in 2008 by rejecting the point of novelty test and holding that the ordinary observer test is the sole test for determining whether a design patent has been infringed. *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665 (Fed. Cir. 2008). To establish design patent infringement under the ordinary observer test, the Supreme Court held in 1871 that the claimed and accused designs must be substantially the same, and the Federal Circuit confirmed this is the exclusive design patent infringement test. That is to say, in the eye of an ordinary observer who gives such attention as a purchaser usually gives, the resemblance between the claimed and accused designs must be such as to deceive the ordinary observer and induce the ordinary observer to purchase the accused design supposing it to be the claimed design.

However, the question as to how this change to the design patent *infringement* test affected the design patent *invalidity* test—if at all—remained open until last week, when a Federal Circuit panel ruled that the ordinary observer test is the *sole test* for invalidity as well. *International Seaway Trading Corp. v. Walgreens Corp.*, No. 2009-1237 (Fed. Cir. December 17, 2009). Invoking the Supreme Court's 120-year-old proclamation of "[t]hat which infringes, if later, would anticipate, if earlier," the panel stated that the invalidity test must track the infringement test[2]. Thus, the panel held that refinement to the ordinary observer test set forth in the infringement context in *Egyptian Goddess* must necessarily apply to the ordinary observer test in the invalidity context. One such refinement highlighted by the panel is that the ordinary observer is deemed to view the differences between the claimed and accused designs in view of the prior art. With this refinement seemingly in mind, the panel wrote that the mandated overall comparison between the claimed and prior art designs in an anticipation inquiry must take into account significant differences between the two designs, but should not consider minor or trivial differences that necessarily exist between any two designs that are not exact copies of one another in order to prevent a finding of anticipation.

With respect to invalidity based on obviousness rather than anticipation, the panel wrote that the test is the same with the exception that establishing obviousness requires the additional step of establishing that one of ordinary skill in the art (not an ordinary observer) would have either combined prior art references or modified a single prior art reference to arrive at a single piece of art. Once that single piece of prior art is so constructed, the ordinary observer test is then applied in the context of invalidity, *i.e.*, it is determined whether the constructed single piece of prior art anticipates the claimed design.

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[2] *This decision to maintain parallel tests is interesting in itself, because other panels have not felt so constrained. See Uy and Wolfson, "Double Standards at the Federal Circuit," Lexology, October 1, 2009. A link to a republication of this article about product-by-process claims in the IP Beacon™ newsletter may be found here: http://www.haynesboone.com/double_standards_at_the_federal_circuit/.*

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The panel's application of the ordinary observer test for design patent invalidity is interesting in this particular case for several reasons. The claimed and prior art designs were directed to footwear known as "clogs." The district court found that the claimed design was anticipated by the prior art design, but in so doing only compared the exterior portions of the footwear designs, and did not compare the insole patterns. The Federal Circuit panel remanded the case for further proceedings on the limited issue of whether the differences in the insole patterns between the prior art and claimed footwear designs bar a finding of anticipation or obviousness. Although this remand was motivated by the district court's failure to compare the insole patterns, it also appears to have been motivated by the above-noted refinement to the ordinary observer test that was highlighted by the panel in expressly differentiating between (i) "significant differences" between the claimed and prior art designs and (ii) "minor or trivial differences" between the designs. Regardless of the motivation, the remand appears to be inconsistent with the ordinary observer test that requires consideration of a design as a whole. This requirement was recognized by the majority and Judge Clevenger's dissent-in-part, which asserted that the district court should have been directed on remand to evaluate the differences in the footwear designs as a whole and not just the differences in the insole patterns.

Given the previous change to the design patent infringement test in *Egyptian Goddess*, the invalidity test set forth in *International Seaway* is not surprising. However, the panel's application of the invalidity test was unexpected, because it supports the notion of dissecting a claimed design and focusing a court's attention on particular features of the design, rather than directing the court's attention to the design as a whole.

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