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THE “NEW” OLD STANDARD: THE ORDINARY OBSERVER TEST FOR DESIGN PATENT INFRINGEMENT

Design patents are granted by the U.S. Patent and Trademark Office to protect unique shapes and configurations that may not be mechanically novel but which are attractive to a consumer. Design patents have not been held in high esteem by some in recent years, because the test to determine infringement has been difficult to meet. This is now changing!

THE OLD TEST AND THE NEW TEST FOR DESIGN PATENT INFRINGEMENT

The initial test was adopted by the U.S. Supreme Court in 1871 when it held that a design patent is infringed when an ordinary observer buys the infringing product thinking that it is the patented design product.¹ In 1984, the Federal Circuit concluded that to show infringement, the holder of the design patent not only had to meet the long standing “ordinary observer” test but also had to show that the accused product adopted the novel point of the patent design.² On September 22, 2008, the Federal Circuit reversed its 1984 ruling in a unanimous *en banc* decision, *Egyptian Goddess Inc. v. Swisa Inc.*, No. 2006-1562, 256 Fed. Appx. 357, 2007, U.S. App. LEXIS 27456 (Fed. Cir. Sept. 22, 2008). In *Egyptian*, the Federal Circuit held that “the ‘ordinary observer’ test should be the sole test for determining whether a design patent has been infringed. Under that test . . . infringement will not be found unless the accused article ‘embod[ies] the patented design or any colorable imitation thereof.’” *Egyptian* at 21. In this decision, the court rejected its own additional “point of novelty” test as defined in *Litton Sys., Inc.* and declined to adopt its previous “non-trivial advance” test.

COMBINATIONS OF OLD DESIGN ELEMENTS NO LONGER EXCLUDED

For the last 30 years, the Federal Circuit test did not allow one to combine unobvious or known features to create a new and novel design. Thus, design patents were not as available as they could be inasmuch as a wide class of novel combinations was deemed not patentable. In *Egyptian*, the Federal Circuit Court of Appeals abandoned its absolute rule rejecting novel combinations and held that **an accused design must be viewed as a whole. Thus, it appears that one may now protect a combination of old design elements**, but an accused product can only infringe a claimed design if the combination of old elements creates an overall similar appearance under the ordinary observer test.

SHIFT OF THE BURDEN OF PRODUCTION OF PRIOR ART TO THE ALLEGED INFRINGER

In *Egyptian*, the Court affirmed that “as is always the case [in infringement actions], the burden of proof as to infringement remains on the patentee . . . to demonstrate infringement on by a preponderance of the evidence.” The Court, however, further held that “if the accused infringer elects to rely on the comparison prior art as part of its defense against the claim of infringement, the burden of production of that prior art is on the accused infringer.” This marks a shift of the burden of comparing the prior art to the patented design from the patent holder to the alleged infringer. The Court stated that this shift “makes sense” as “[t]he accused infringer is the party with the motivation to point out close prior art, and in particular to call to the court’s attention the prior art that an ordinary observer is most likely to regard as highlighting the differences between the claimed and accused design.”

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¹ See *Gorham Co. v. White*, 81 U.S. 511, 526-27 (1871).

² See *Litton Sys., Inc. v. Whirlpool Corp.*, 728 F2d 1423, 1444 (Fed. Cir. 1984).

CLAIM CONSTRUCTION LOOSENEED

The court in *Egyptian* also grappled with how to apply the claim construction rules because a design patent claims only images. Rather than requiring a trial court to present a detailed verbal description of its claim construction for a design patent, the Federal Circuit ruled that trial courts now have discretion to find balance in how to present the construction to fact finders.

PRACTICAL IMPLICATIONS

- Owners of design patents may now show that the design has been infringed **as a whole**. The reach of design patents has been enlarged, because infringement is no longer limited to proof of points of novelty plus proof of the behavior of an “ordinary observer.”
- Old design elements may be combined into a novel design. Thus, invalidity will be harder to show, while the scope of patentable design matter has been notably enlarged.
- The burden is now on the defense to prove invalidity rather than on the owner to prove novelty.

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