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PATENTS

The author assesses the growing use of design patents and the potential impact of the pending Patent Law Treaties Implementation Act on the ease of acquiring such patents.

Design Patents, a Tool Being Redesigned for the 21st Century



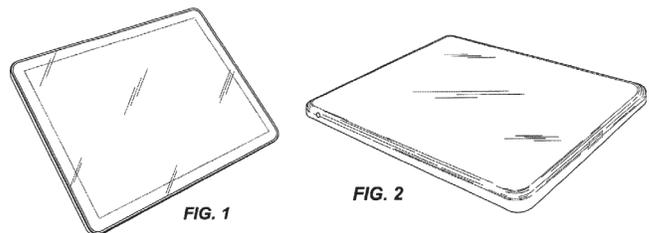
BY GEORGE C. LEWIS

Unlike the more commonly known utility patents, which protect inventions and ideas, design patents are directed to the appearance of a manufactured good and protect only the ornamental features of the good. In essence, a design patent is a patent on what a thing looks like, not what that thing does.

In 2011 Apple sued Samsung on three utility patents (7,469,381, 7,844,915, and 7,864,163) and four design patents (D504,889, D593,087, D618,677, and D604,305). In August, the jury awarded Apple just more than \$1 billion in damages. *Apple v. Samsung*, No. 5:11-cv-01846 (N.D. Cal. Aug. 24, 2012) (84 PTCJ 739, 8/31/12).

One patent, D504,889, titled simply “Electronic Device,” included nine black and white line drawings of the iPad tablet, two of which are reproduced below.

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Jokingly referred to in the media as a “patent on a rectangle,” Apple’s “rectangle” was found by the jury as both patentable and infringed. Likewise, the other design patents covered similarly mundane items: the D593,087 patent covered just the faceplate of the iPhone; the D618,677 patent covered the glass insert that would go onto the faceplate; and the D604,305 patent covered the appearance and layout of the icons on the graphical user interface of the iPhone. Considering that each of these design patents probably cost Apple less than \$10,000 to obtain, one can only conclude that Apple had a good return on its intellectual property investment.

Apple has always been at the forefront of using intellectual property to protect its products and has a vast number of utility patents. However, it is no accident or afterthought that Apple has a very large design patent portfolio. It is also not an accident that out of all the util-

ity and design patents Apple has on its iPhone and iPad, more than half of the patents asserted against Samsung were simple design patents. In other words, more than half the lawsuit was about Samsung's products looking too much like Apple's products, not about what Samsung's products did. What Apple understands is that in the world of global competition your product's look may be at least as valuable as your product's features, and design patents are how you protect that look.

Apple's case is an extreme example, but one applicable to any company that creates products for a global market. The purpose of this article is to describe how recent changes in the law have greatly increased the usefulness of design patents as an intellectual property tool and how new changes about to be adopted may make it easier and cheaper than ever to get this protection. Because of these recent and upcoming changes, design patents may become the most valuable asset in any manufacturer's 21st century intellectual property portfolio.

Recent and Upcoming Changes

From an Egyptian Goddess, the Gift of Less Expensive Design Patent Enforcement

A design patent often contains little more than several drawings of a product and a page of text with basic information such as title, the name of the inventor, and the date of the patent. The drawings of the product act as the patent's claim, that is, what the patent protects and, by extension, what others cannot make without infringing the patent.

Although the design patent itself is a simple document, prior to 2008 proving a case of design patent infringement was anything but simple. Proving infringement often included a mental exercise in which the judge described in words what the "novel elements" of the drawings in the patent were based on a review of prior products and patents. Known as the "point of novelty test," if the novel elements were then found in the accused product, there was infringement. Because of the expense involved in arguing design patent infringement cases and the inherent difficulty in predicting the outcome of how a judge might articulate the point of novelty embodied in a series of drawings, design patent infringement cases were rarely brought.

In 2008, though, the U.S. Court of Appeals for the Federal Circuit established what is now the current test of design patent infringement, the "ordinary observer" test, in the case *Egyptian Goddess Inc. v. Swisa Inc.*, 543 F.3d 665, 670, 88 USPQ2d 1658 (Fed. Cir. 2008) (76 USPQ2d 724, 9/26/08). Under the ordinary observer test, an accused product infringes upon a design patent if "in the eye of an ordinary observer, giving such attention as a purchaser usually gives," the design of the accused product and the patented design are "substantially the same."

Designs are substantially the same if the resemblance between the two is such as to deceive an ordinary observer into purchasing one supposing it to be the other. This "ordinary observer" test applies to the infringement, anticipation, and obviousness inquiries in the design patent context. In the infringement analysis, the focus should be on "the overall design" of the patent. For the anticipation and obviousness analysis, the focus should likewise be on "the overall design" of the patent as compared to the prior art.

The practical result of this ordinary observer test is, in the words of the judge in the *Apple v. Samsung* case, "that the infringement analysis must be made based upon the overall visual impression of the claimed designs." In other words, you basically look at the drawings of the design patent and the accused device and ask yourself, "How close do these two look to me"? Gone, now, is the need to look at the prior art, the patented design, and the accused device close enough and thoroughly enough to really determine what the overlap between the designs is, what the differences are, what is new and patentable and what, exactly, is infringed. To put it another way, infringement will be found when the accused device looks more like the patented design than the prior art.

This change in the law has done several things to strengthen design patents as tools for protecting manufactured goods. First, it effectively lowers the costs of bringing a design patent case to trial. Gone is the need for experts and hours upon hours of detailed analysis in order to make a coherent and specific claim of what, exactly, is covered by the drawings of the design patent that is also found in the accused device but that is found in the prior art.

Second, the ordinary observer test is perfectly crafted to find infringement in cases of true knockoffs and counterfeits. In this world of instant global competition, the effective ability to remove knockoffs and counterfeits may be as much or more valuable than a monopoly on an inventive feature or function. This recognizes the new global competition playing field in which modern manufacturers really compete on two fronts at once for revenues: on the traditional front against known competitors in which the competition revolves around bringing out a better product, with more desirable features; and on a hidden front in which the competition is against unknown or nameless players from eroding the market for your product after you have created it.

By making design patent infringement cases less expensive, especially in comparison to utility patent enforcement, design patents have become an effective and efficient tool for dealing with knockoffs, counterfeits and, as Apple found, even traditional competitors that do not do enough to create a distinctive product of their own. Previously the relatively high cost of bringing a patent infringement case forced manufacturers to tolerate a certain number of knockoffs and counterfeits. Now that threshold level of tolerance can be much lower if you have design patent protection for your products.

From a Hague Agreement, a promise of less expensive design patents

Currently, design patents are not much easier than utility patents to file (although they are typically much easier to prepare because design patents basically only include black and white drawings). The formal requirements under current U.S. law, particularly those related to filing documents (application data sheets and declarations, for example) and the requirement that drawings be in a very particular style of black and white line drawings, essentially require that one get the assistance of a patent attorney or patent agent to prepare the necessary application.

However, on July 6, 1999, the United States signed the Hague Agreement Concerning the International Registration of Industrial Designs. For various reasons,

some 13 years later the legislation implementing this treaty, known as the “Patent Law Treaties Implementation Act of 2012,” is before Congress (84 PTCJ 604, 8/10/12). At the time of writing, the Senate bill (S. 3486) has been passed and the House bill (H.R. 6432) is awaiting its vote.

One purpose of the act is to change various aspects of the U.S. design patent law to conform to the agreement’s requirements and thereby complete our adoption of the Hague Agreement. If passed and signed into law, the filing of design patent applications may become as easy as filing a trademark application.

The Hague Agreement has been implemented by the World Intellectual Property Organization and is already in use by most European and African countries. Through WIPO, an applicant can file a single application, identify each member country to which the application should be submitted for examination, and pay all necessary fees for all designated countries at the time of filing. WIPO acts as simply as the drop box for receiving design patent applications and performs an initial review to make sure the application meets the formal requirements (page size, formatting, etc.). If an application passes the initial review, WIPO passes the received applications on to the patent offices of the designated country or countries for full examination under the laws of that country. Under the rules of the Hague Agreement, member countries have one year to reject or allow the design application.

The ease of filing is further increased by two additional aspects of WIPO’s implementation of the Hague Agreement: the electronic filing system, and what constitutes an acceptable “reproduction” of the article to be protected.

The electronic filing system is very similar to the current U.S. trademark application filing system in that all the necessary filing information, such as applicant, title, priority claims, description, etc., is entered into an electronic form. The only document that must be prepared

by the applicant and uploaded to WIPO is that containing the reproduction of the article to be protected.

Acceptable reproductions include not only the black and white line drawings currently required by the PTO, but also include color drawings or photographs of the article the application is to protect. Any matter shown in the reproduction for which protection is not sought may be indicated by dotted or broken lines as in current U.S. practice and/or by a disclaimer in the text of the description. The importance of the acceptance of photographs means that, whereas the formalities of the line drawings require the services of a skilled draftsman to prepare, now any applicant with an adequate camera and a word processor can prepare the reproductions.

Given the above, if the PTO implements the Hague Agreement in the same way as WIPO (e.g., allowing completion of an electronic form instead of preparation and filing of formal filing documents, allowing submission of photographs instead of professionally created drawings, and allowing simultaneous submission to all designated patent offices through a single act of filing), the ability to quickly and easily obtain design patents on a manufacturer’s products will be greatly enhanced. In fact, it may make the act of filing a design patent application so simple and inexpensive, especially when compared with the potential value of a having a design patent in the event that a knockoff is encountered in the future, that filing design patents on new products becomes a de facto standard.

A More Effective Tool

So, there it is. On the one hand, design patents are now a more effective tool for protecting the distinctive look of new products. On the other hand, if the Patent Law Treaties Implementation Act of 2012 is signed into law and the United States adopts the current WIPO implementation, filing design patent applications may become so easy that there is essentially no reason for a manufacturer not to attempt to protect any new product of any value with a design patent.