



published: **IP** 

EGYPTIAN GODDESS V. SWISA: REVISING THE TEST

New York (September 23, 2008) — On Sep. 22, 2008, the Court of Appeals for the Federal Circuit partially turned back the clock and rejected its own two-part test for design patent infringement which has been routinely applied for almost 25 years.

The unanimous en banc opinion in *Egyptian Goddess v. Swisa*, No. 2006-1562, slip op. (Fed. Cir. Sept. 22, 2008) (en banc) (“*Egyptian Goddess II*”) rejected the “point of novelty” test, and held that the 1872 *Gorham v. White* “ordinary observer” test should be the sole test for determining whether a design patent has been infringed.” *Egyptian Goddess II*, slip op. at 21.

Beginning with a litany of cases starting with *Litton Systems, Inc. v. Whirlpool Corp.*, 728 F.2d 1423 (Fed Cir. 1984), the two-part test for determining infringement of design patents prior to *Egyptian Goddess II* required: (i) the *Gorham* “ordinary observer” test, and (ii) a “point of novelty” test, as discussed below. In *Egyptian Goddess II*, the Federal Circuit eliminated its “point of novelty” component as a separate test and commingled the requirement to consider prior art designs into the “ordinary observer test.”

While the new analysis is more akin to historical Supreme Court law, it may give more leeway to the fact-finder to use its subjective observations, and thus make it more difficult to counsel at an early stage whether a design infringes.

On the other hand, as pointed out by the Court in *Egyptian Goddess II*, the merger of the tests avoids some of the problems created by the separate point of novelty test, namely, how to apply the test in cases where “there are several different features that can be argued to be points of novelty in the claimed design.”

The Federal Circuit held that the new test will focus on the “proper inquiry, i.e., whether the accused design has appropriated the claimed design as a whole.” *Egyptian Goddess II*, slip op. at 19.

Part I sets forth the state of the law according to the Federal Circuit prior to *Egyptian Goddess II*.

Part II discusses the decision of the original panel in *Egyptian Goddess I*, and the dispute that arose out of that decision.

Part III analyzes the en banc decision in *Egyptian Goddess II* and sets forth what is now the new test for design patent infringement.

Part I: Design Patent Law Prior To Egyptian Goddess II

Design patents protect the ornamental or decorative look of a manufactured article for 14 years from the date of issuance. Protection is available for “any new, original and ornamental design for an article of manufacture.” 35 U.S.C. § 171 (2008).

The traditional test for determining infringement was set forth by the Supreme Court more than 135 years ago in *Gorham Co. v. White* as follows:

“[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.”

Gorham Co. v. White, 81 U.S. 511, 528 (1872).

In the mid-1980s, the Federal Circuit began to develop an additional test that required consideration of whether the particular novelty in the claimed design was present in the accused design.

With this test, the “point of novelty test,” the Federal Circuit required that an infringement must also misappropriate the specific points of novelty of the patented design. “[T]he accused design must appropriate the novelty that distinguished the patented design from the prior art,” See, e.g., *L.A. Gear Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1125 (Fed. Cir. 1993); see also *Litton*, 728 F.2d at 1444.

The Court sought to discount from the infringement analysis any similarities the accused appliance had with the prior art, i.e., components which were not novel to the patentee’s design.

Beginning with *Litton*, 728 F.2d 1423 (Fed. Cir. 1984), the Court utilized both the *Gorham* “ordinary observer” test and the “point of novelty” test in determining infringement. The high point for the “point of novelty” test may have been in 1998 with *Unidynamics Corp. v. Automatic Prods., Int’l, Inc.*, 157 F.3d 1311 (Fed. Cir. 1998) where the a panel of the Court (comprising Judges Michel, Rich and Schall) declared that “[t]he merger of the point of novelty test and the ordinary observer test is legal error.” 157 F.3d at 1323-24, cited by, *Egyptian Goddess II*, slip op. at 8.

Under this prior law, a court should first look to determine if the accused device was so similar to the patented design that an ordinary observer would purchase one supposing it to be the other. If so, the court should then articulate the point or points of novelty, and infringement would be found if the accused device included that point (or those points) of novelty.

Part II: Egyptian Goddess I

As the Court acknowledges, application of the point of novelty test is straightforward when the claimed design is based on a single prior art reference and departs from that reference in a single respect. *Egyptian Goddess II*, slip op. at 8. However, where the claimed design has multiple features, each of which is present in the prior art, the test becomes unworkable.

In this situation, there is “disagreement over whether combinations of features, or the overall appearance of a design, can constitute the point of novelty of the claimed design.” *Id.* at 9. This disagreement and difficulty in application and inconsistency with *Gorham* appears to be a primary motivation for the Court’s departure from 24 years of precedent.

The original panel to consider the *Egyptian Goddess* appeal issued its decision on August 29, 2007 (“*Egyptian Goddess I*”). In that decision, a split court (comprising Judges Archer, Dyk and Moore) addressed the contours of how the “point of novelty” test should be applied.

In particular, the Court addressed whether the point of novelty test should be limited to include merely non-trivial

advances of the prior art. In other words, in determining whether an accused design incorporates the point of novelty, should the concept of “obviousness” also be considered?

The majority (Judges Archer and Moore) determined that the point of novelty analysis should only include non-trivial advances over the prior art, while the dissent (Judge Dyk) argued that the majority’s test deviated from the existing law.

Part III: Egyptian Goddess II

The full court took the Egyptian Goddess case en banc to consider 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, particularly when numerous features of the design differ from certain prior art designs; and

whether district courts should perform formal claim construction in design patent cases.

In response to these questions, the Court rejected the concept that the “point of novelty” test should be applied as a separate test to determine patent infringement. Instead, the Court held “that the ‘point of novelty’ test should no longer be used in the analysis of a claim of design patent infringement.” *Egyptian Goddess II*, slip op. at 21. The “non-trivial advance” was likewise rejected as a refinement of the point of novelty test. *Ibid*.

The Federal Circuit held that the Gorham “‘ordinary observer’ test should be the sole test for determining whether a design patent has been infringed. Under that test, as this court has sometimes described it, infringement will not be found unless the accused article ‘embod[ies] the patented design or any colorable imitation thereof.’” Slip op. at 21-22 (citations omitted).

In determining infringement in cases where the patent and the accused design are not “plainly dissimilar”, courts are now directed under *Egyptian Goddess II* to apply the ordinary observer test in light of the prior art:

“[w]hen the claimed and accused designs are not plainly dissimilar, resolution of the question whether the ordinary observer would consider the two designs to be substantially the same will benefit from a comparison of the claimed and accused designs with the prior art, as in many of the cases discussed above and in the case at bar.

“Where there are many examples of similar prior art designs, as in a case such as *Whitman Saddle*, differences between the claimed and accused designs that might not be noticeable in the abstract can become significant to the hypothetical ordinary observer who is conversant with the prior art.” *Egyptian Goddess II*, slip op. at 22.

It is important to note that in eradicating the “point of novelty” test as a separate and independent hurdle for a patentee to overcome in establishing infringement of a design patent, the *Egyptian Goddess II* Court continued to address the conceptual concerns that gave rise to the point of novelty test in the first place:

“... a test that asks how an ordinary observer with knowledge of the prior art designs would view the differences between the claimed and accused designs is likely to produce results more in line with the purposes of design patent protection.” *Egyptian Goddess II*, slip. op. at 19-20.

The Court also noted that since this new test raises a question on infringement and not validity: “as is always the case, the burden of proof as to infringement remains on the patentee. However, 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.” Slip op. at 22.

Nonetheless, the Court confirmed, “[r]egardless of whether the accused infringer elects to present prior art that it considers pertinent to the comparison between the claimed and accused design, however, the patentee bears the ultimate burden of proof to demonstrate infringement by a preponderance of the evidence.

“As in our recent decision in *In re Seagate Technology LLC*, we ‘leave it to future cases to further develop the application of this standard.’ 497 F.3d 1360, 1371 (Fed. Cir. 2007) (en banc).” Slip op. at 23.

The Court also raised for consideration the question of “whether trial courts should issue claim construction findings in design patent cases.” The Court held that a trial court need not provide a verbal claim construction, but left that decision to the discretion of the trial judge:

“We therefore leave the question of verbal characterization of the claimed designs to the discretion of trial judges, with the proviso that as a general matter, those courts should not treat the process of claim construction as requiring a detailed verbal description of the claimed design, as would typically be true in the case of utility patents.” Slip op. at 26.

However, the Federal Circuit encouraged the trial court to provide the jury with instructions on various aspects of design patent law including:

“describing the role of particular conventions in design patent drafting, such as the role of broken lines”;

“assessing and describing the effect of any representations that may have been made in the course of the prosecution history”; and

“distinguishing between those features of the claimed design that are ornamental and those that are purely functional”.

(Slip op. at 25-26). In other words, the Federal Circuit is reminding the trial court to include instructions that relate to basic principles of design patent law, rather than craft particular instructions to help the jury understand the particular design patent at issue in the trial before it.

Conclusion

Observers of patent case law may note that the U.S. Supreme Court has recently criticized the Federal Circuit for deviating from its prior holdings and drawing sharp lines which do not otherwise exist in prior Supreme Court precedent.

In the present decision, the full Court of the Federal Circuit appears to have taken those guiding principles to heart, and has resurrected the Supreme Court’s own historical precedent.

However, they have not ministerially turned back the clock to 1872 (or even 1984) law, but instead have instructed the bar and the trial courts to consider the concept of the patented design’s novelty (but not necessarily the “points of novelty”) as part of the ordinary observer test.

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