

# Re-Designing Designs

## The recent Egyptian Goddess case has brought a relative backwater of IP protection into the mainstream

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### ABSTRACT

**A**re you adequately protecting your intellectual property assets? Design patents have been increasing in popularity. Prior to 1994 less than 10,000 design patents had ever been granted. Now, there are over 315,000 design patents in existence, with more than 24,000 granted last year alone.<sup>1</sup>

Many companies overlook the benefits that design patents can add to their patent portfolio. Design patent applications are relatively inexpensive to file, and ones granted are also now easier to enforce due to recent changes in the law brought about by *Egyptian Goddess, Inc. v. Swisa, Inc.*<sup>2</sup> This article explains the recent pro patent holder changes to design patent law brought about by *Egyptian Goddess*, and provides a refresher nuts and bolts discussion of how to prepare and file a design patent.

### INTRODUCTION:

Design patents are widely regarded as only good for those “innovations” that are all “flash and sparkle” with no real technological improvements (think golf clubs and tennis shoes). While design patents do not protect the way a product is used and

works, they do protect the way the article looks.<sup>3</sup> As most consumer products both have a certain look and are made, used, and work in a certain way, the product may be protected using both a design patent and a utility patent. For example, the following design patents were issued to Apple Computer™, a company who knows its sleek designs are worth protecting in addition to its innovative technology.

For years design patents have been difficult to enforce because of a confusing set of infringement tests compounded with the innate difficulties in constructing a claim of a picture. In fact, early this spring one legal professor recently called design patent law a “languishing area of intellectual property,” further stating that “design patent law is in the weakest and most confused state since before the Supreme Court’s landmark 1871 decision of *Graham v. White*.”<sup>4</sup>

However, on September 22, 2008, a unanimous *en banc* Federal Circuit decision breathed new life into this “languishing area of intellectual property” making it an intellectual property protection tool not to be overlooked. In *Egyptian Goddess*, the Federal Circuit changed the infringement standard to one clear and understandable test, all but eliminated design patent claim construction hearings, and clarified that the burden of production of prior art falls rightfully on the defendants. With these pro-patent-holder changes, it’s time for smart attorneys to take advantage of this once weak and confused area of patent law.

### PART I: EGYPTIAN GODDESS ARTICULATES SEVERAL PRO-PATENT-HOLDER RULES

The design at issue in *Egyptian Goddess, Inc. v. Swisa, Inc.* was a nail buffer block. The Federal Circuit, in deciding whether the accused nail buffer block infringed the patented nail buffer block, simplified the test for infringement. Prior to *Egyptian*

*Goddess* there were two major infringement tests both of which needed to be satisfied in order to prove infringement. They were the “ordinary observer” test and the “point of novelty” test.

The “ordinary observer” test was articulated in *Gorham v. White* in 1871, which stated that “[i]n the eye of the ordinary observer, given such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such to deceive such an observer, inducing him to purchase one supposing it to be the other.”<sup>5</sup> This test did not require a side-by-side comparison, but instead required that to prove infringement, an ordinary observer be deceived into believing the accused product was the patented product when giving it the normal amount of attention under the circumstances.

The “point of novelty” test was developed in 1893 in *Smith v. Whitman Saddle Co.* in reaction to the fact that sometimes a patented design might be similar enough to the prior art that an ordinary observer would have trouble telling them apart. As such, the “point of novelty” test required that one or more of the novel features that distinguished the patented design from the prior art be present in the accused design.<sup>6</sup> While this seemed reasonable in cases where a single point of novelty existed, the “point of novelty” test proved very burdensome for patent holders where numerous elements could be construed as a point of novelty. For example, an accused infringer could evade a finding of infringement if it convinced the court that several elements of the patented design were each points of novelty, and then proved that at least one particular point of novelty was not embodied in the accused design. Infringement could be evaded in this way even when an ordinary observer was deceived into believing that the accused design was the patented design. Another problem with the “point of novelty” test was that in practice a considerable amount of debate revolved around determining which elements or combination of elements each constituted a point of novelty.

The Federal Circuit in *Egyptian Goddess*, realizing the importance of reviewing prior art when determining infringement, but also knowing the unnecessary complexities of the “point of novelty” test, articulated a revised infringement analysis standard. It eliminated the “point of novelty” analysis and stated that the “ordinary observer” test should be “the sole test for determining whether a design patent has been infringed.”<sup>7</sup> However, it added a gloss to



the “ordinary observer” test that was not expressly discussed in *Gorham v. White*. The Federal Circuit stated that, the “ordinary observer test” should involve a three way side-by-side comparison of:

- (1) the claimed design,
- (2) the accused design, and
- (3) the prior art.<sup>8</sup>

Prior to this decision the prior art was only considered in the “point of novelty” test, but not in the “ordinary observer” test. The Federal Circuit noted that this revised “ordinary observer” test does take into account novel features, but does so in the context of the “ordinary observer test” rather than as a separate test necessary to prove infringement. The Federal Circuit explained, “An ordinary observer, comparing the claimed and accused designs in light of the prior art, will attach importance to differences between the claimed design and the prior art depending on the overall effect of those differences on the design.”<sup>9</sup>

The Federal Circuit was also explicit in stating that while this approach will frequently involve a comparison of the patented design and the prior art, “it is not a test for determining validity, but is designed solely as a test of infringement.”<sup>10</sup> In other words, first a determination of infringement will be made using the prior art as a point of reference under the “ordinary observer” test articulated in *Egyptian Goddess*. Then, if invalidity is pled by the accused infringer, a separate determination of the validity of the patent will be performed using the prior art.

In the case of the products at issue in *Egyptian Goddess* the Federal Circuit compared the following nail buffer images:

As shown in the figure, the patented design was a hollow four-sided nail buffer block with buffer pads on three of the four sides. The accused design was a hollow four sided nail buffer block that had buffer pads on all four sides. The prior art that

the Court reviewed consisted of a hollow three sided nail buffer with pads on all three sides and a solid four sided buffer block with pads on all four sides. Using its three-way visual comparison “ordinary observer” test, the Federal Circuit concluded that “the accused design could not be reasonably viewed as so similar to the claimed design that a purchaser familiar with the prior art would be deceived by the similarity between the claimed and accused designs inducing them to purchase one supposing it to be the other.”<sup>11</sup> Therefore, while the Court did not side with the patent holder in *Egyptian Goddess* (as it did not find infringement), the Federal Circuit’s decision was pro-patent holder in that it articulated a clear test for infringement that will, in many cases, be easier for a patent holder to prove infringement.

The Federal Circuit also articulated two other rules that strengthen a design patent holder’s position in litigation. It clarified that, as before, the entire burden of production of prior art under the remaining “ordinary observer” test is on the accused infringer. The Court stated that, “if the accused infringer elects to rely on the comparison of prior art as part of its defense against the claim of infringement, the burden of production is on the infringer.”<sup>12</sup> It should be noted, that under the now abolished “point of novelty” test, the patent holder previously bore the burden of producing the prior art. Thus, with the elimination of this test, the patent holder was also relieved of its related burden of production.

Finally, the Federal Circuit strongly advised courts not to attempt to construe a design patent’s claim, which is essentially one or more pictures, into a detailed textual description.<sup>13</sup> It stated, “[a] detailed verbal elaboration of the claimed design, as is typically done in the case of utility patents, is not necessary or helpful.”<sup>14</sup> It stated, that courts should “recognize the risks entailed

in such a [verbal] description, such as the risk of placing undue emphasis on particular features on the design and the risk that a finder of fact will focus on each individual described feature in the verbal description rather than on the design as a whole.”<sup>15</sup>

In summary, the Federal Circuit articulated three pro design patent holder rules in *Egyptian Goddess*. First, it shifted the burden of producing prior art from the patent holder to the accused infringer. Second, it strongly advised against verbal claim constructions. Third, and most significantly, it eliminated the complex and difficult “points of novelty” infringement test. Instead, the Court articulated a clear and understandable “ordinary observer” test which relies on a three-way visual comparison of (1) the prior art, (2) the accused design, and (3) the patented design. The decision of the *en banc* court in *Egyptian Goddess* ushers in a new era of increased design patent strength because design patents are now easier to enforce, and, therefore, more valuable and the results more predictable.

## PART II: THE NUTS AND BOLTS OF DESIGN PATENT PROCUREMENT

Traditionally, in the United States, design patent application filings have not been nearly as popular as utility patent filings. Last year, of the 182,901 patents that were granted, only 24,063 of them were design patents, in other words, only about 13% of the patents issued in 2007 were design patents.<sup>16</sup> However, as explained above, *Egyptian Goddess* has made the enforcement of design patents less complicated, and, as such, has increased their worth and likely their consequential popularity.

As compared to utility patent applications, design patents are cheaper and easier to obtain. Design patent applications are generally short and simple, so prosecution can be accomplished at a lower cost than their more costly utility patent cousins. Furthermore, obtaining a granted design patent generally occurs much quicker than that for utility patents.<sup>17</sup> This provides the patent holder the ability to enforce the patent sooner than is the case for utility patents. This is of great value for products that have a short shelf-life, like certain types of electronic consumer devices, where the patented product may be obsolete by the time that the utility patent grants. Also, the likelihood of issuance is high for design patents. Last year 27,752 design applications were filed and 24,063 were issued, whereas 456,154 utility patents were filed and only 157,283 issued.<sup>18</sup> Therefore, especially in light of the decision in *Egyptian Goddess*,



companies currently not utilizing design patents should reconsider rounding-out their patent portfolios with design patents.

For those who are a little rusty, the following section provides a basic primer on design patent procurement.

### Design Patent Scope

As defined in 35 U.S.C. 171, design patents cover “any new, original and ornamental design for an article of manufacture.”<sup>19</sup> In other words, an ornamental design embodied in or applied to any article, including a functional item can be covered by a design patent. This differs from utility patents which protect the way an article is used and works.<sup>20</sup>

For many items, it may be advisable to file for both a utility patent and a design patent as their respective subject matter does not overlap. For example, just on the housing for a consumer camera, there are certain aspects that may be functionally required for ease of handling and operation (covered by one or more utility patent applications), while other features are only aesthetic, such as the housing’s overall shape, color, and finish (covered by one or more design patent applications).

### The Elements of a Design Patent

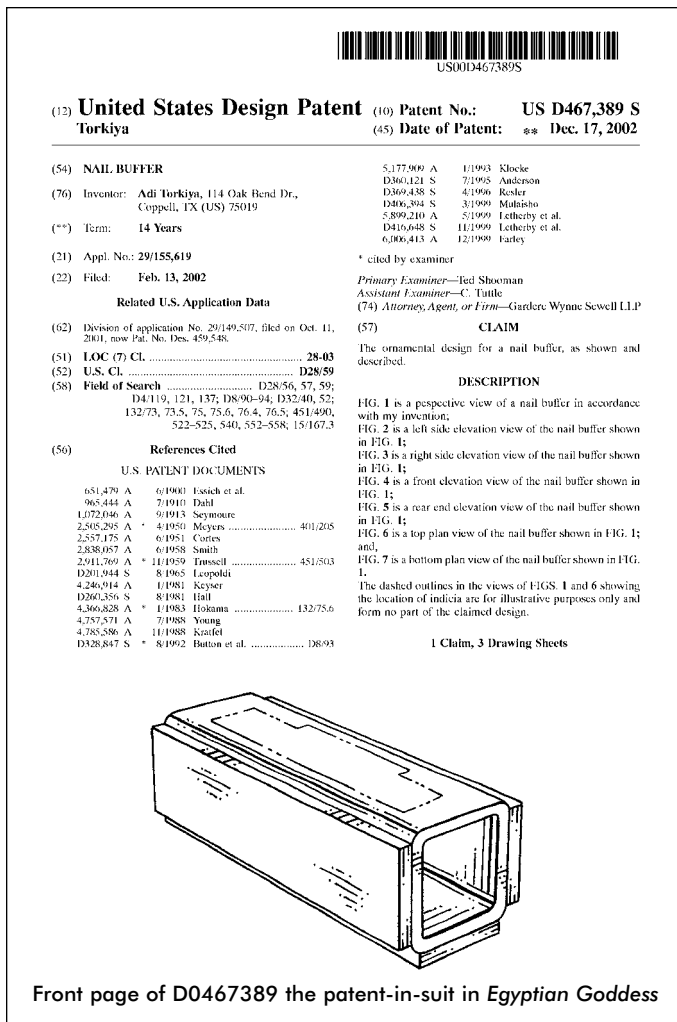
The basic elements of a design patent can be seen on the patent’s front page. The front page of D0467389, the patent-in-suit from *Egyptian Goddess* is shown on the left.

The entire D0467389 patent can be viewed at: <http://tiny.cc/EgyptianGoddess>. As shown in the *Egyptian Goddess* design patent, apart from general background information such as the inventor’s name and address, a design patent is made up of a short specification, a description of the drawings, a claim, and then numerous pages of drawings. The entire specification (apart from the drawings) often fits on a single page.

### The Claim

Only one claim is permitted in a design patent, and it follows the following format:

The ornamental design for a \_\_\_\_\_ as shown and described.<sup>21</sup> The blank is typically filled in with a name of the article which embodies the design or to which it is applied. For example, in the *Egyptian*



Front page of D0467389 the patent-in-suit in *Egyptian Goddess*

*Goddess* patent the blank was filled in with the words “nail buffer.”

### THE DESCRIPTION

The specification of a design patent, apart from the drawings, is generally very short, as it is understood that the drawings constitute the entire visual disclosure of the claim, i.e. the design patent relies almost exclusively on its drawings to describe what is covered. For example, the patent at issue in *Egyptian Goddess* had the description of the figures shown below.

### THE DRAWINGS

The drawings are the single most important aspect of a design patent and should be carefully

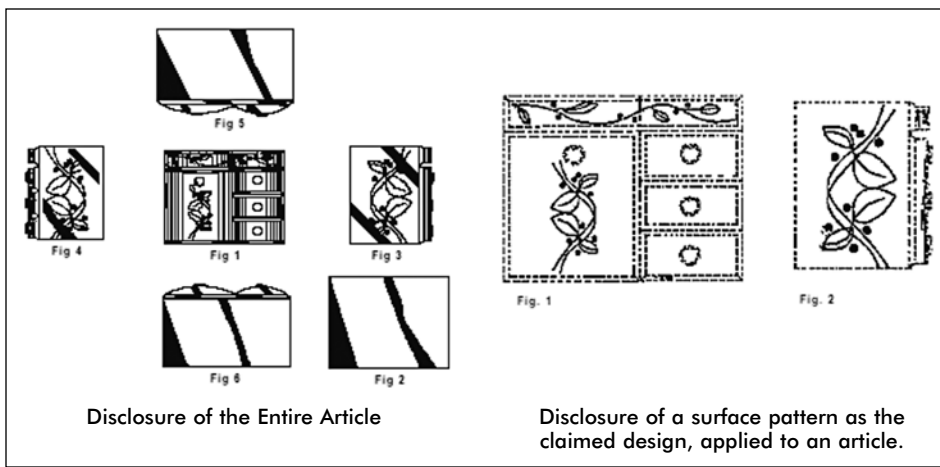
prepared by a professional draftsman. The cost involved with preparing such drawings is typically a significant portion of the preparation cost. The drawings are normally required to be in black and white, and must include a sufficient number of views to constitute a complete disclosure of the appearance of the claimed design.<sup>22</sup>

As stated above, design patents can generally be categorized as either applying to a product’s shape, applying to its surface decoration, or both. Thus, it is necessary to clearly denote how much of the drawing you are claiming, and how much is merely there for context. Dashed (broken) lines are used to denote elements not claimed. The figure below shows examples provided by the United States Patent and Trademark Office. The first figure shows a disclosure of both the shape and also the ornamental design on a jewelry box. The second figure shows a disclosure of only the ornamental design on the surface of that same jewelry box. Note that the second figure disclaims the jewelry box shape itself by drawing it in dashed lines.

Because a design patent relies almost exclusively on its figures, it is important to prepare the figures carefully. It is important to precisely show the novel features of the design without too much extra detail. Unnecessary detail will limit the enforceability of the design patent by making it

### DESCRIPTION

FIG. 1 is a perspective view of a nail buffer in accordance with my invention;  
 FIG. 2 is a left side elevation view of the nail buffer shown in FIG. 1;  
 FIG. 3 is a right side elevation view of the nail buffer shown in FIG. 1;  
 FIG. 4 is a front elevation view of the nail buffer shown in FIG. 1;  
 FIG. 5 is a rear end elevation view of the nail buffer shown in FIG. 1;  
 FIG. 6 is a top plan view of the nail buffer shown in FIG. 1; and,  
 FIG. 7 is a bottom plan view of the nail buffer shown in FIG. 1.  
 The dashed outlines in the views of FIGS. 1 and 6 showing the location of indicia are for illustrative purposes only and form no part of the claimed design.



## CONCLUSION:

Design patents have always been cheap to prepare and prosecute. Previously, they were of dubious value due to the confusing state of proving design patent infringement. However, now that *Egyptian Goddess* has clarified the infringement standard, strongly advised against claim construction, and eliminated the patent holder's burden of production, design patents are more valuable than ever before. The now higher value of design patents for the relatively low price makes design patent procurement worth pursuing.

easier for potential infringers to design-around. However, not including enough detail is very risky, as described below.

Because only one claim is allowed in a design patent, it is not possible to claim a range of items and then narrow the claim pursuant to the prior art found by the examiner, as is common practice in a utility patent application prosecution. Also, as is true for all patent applications, one generally cannot amend the figures after filing if the change introduces new matter. If the figures do not show enough detail to overcome prior art rejections, the application may not be allowed and may therefore be useless. One could appeal the patent Examiner's rejection, but this is costly and time consuming, with no guarantee of a reversal of the Examiner's final rejections. On the other hand, because design patents claim what is shown in the figures, any unnecessary detail makes for narrower protection, where competitors will have an easier time designing-around the patent. Thus, it is necessary to provide just the right amount of detail to overcome the prior art but not produce an unnecessarily narrow patent. Remember, under the new *Egyptian Goddess* infringement standard, a side-by-side comparison of the patented design, the accused design, and the prior art design will be performed.

To obtain just the necessary detail it may be useful to file several design patents with varying ranges of detail. An even more cost effective option is to file one larger application with various embodiments and ranges of detail shown in numerous figures. It is likely that the Examiner will then restrict the application to a single embodiment. The applicant can then choose which figures to proceed with and put aside the rest of the figures for potential use in later filed divisional applications.

## Period of Protection

A design patent lasts fourteen years from the date of issuance.<sup>23</sup> It usually takes one to two years for a design patent to issue.<sup>24</sup> Issuance typically takes this long because a design patent often issues after only one office action, and a first office action is usually returned in between one to two years from the application date.<sup>25</sup> However, one can accelerate the application to obtain issuance in as little as six months.<sup>26</sup>

## Cost

Obtaining a design patent requires only a fraction of the official USPTO filing cost of a utility patent. Per the January 12, 2009 fee schedule, a design patent's filing fee is \$220, the search fee is \$100, the examination fee is \$140, the issue fee is \$860,<sup>27</sup> and no maintenance fees are required.<sup>28</sup> Utility patent's filing fee is \$330, search fee is \$540, examination fee is \$220, issue fee is \$1,510, and they also require maintenance fees at 3.5, 7.5, and 11.5 years post issuance—totaling approximately an additional \$7,500 for large entities.<sup>29</sup> Furthermore, because a design patent has only one claim of the specified format shown above and has a minimal specification, the attorney preparation time is significantly less than that of a utility patent, attorney time will likely be under \$5,000 for design patents but will likely range from \$8,000 to \$20,000 or more for utility patents depending on their complexity. Finally, many design applications are allowed on the initial office action, further reducing the likely prosecution costs.<sup>30</sup> Thus, the total cost of obtaining a design patent may range from approximately \$5,000 - \$10,000 whereas obtaining a utility patent may range from \$25,000 - \$60,000 (although complicated or contested patents may cost significantly more). Therefore, the prosecution, issuance, and maintenance costs involved in design patents are significantly less than those for utility patents.

## ENDNOTES

1. Design Patents January 1977 – December 2007, U.S. Patent and Trademark Office, Electronic Information Products Division/ PMT (Mar. 2008).
2. *Egyptian Goddess v. Swisa, Inc.* 2006-1562 (Fed. Cir. Sept. 22, 2008.).
3. See 35 U.S.C. 101 for utility patents and 35 U.S.C. 171 for design patents.
4. Patently-O, Feb 11, 2008 post, "Egyptian Goddess v. Swisa (en banc 2008)."
5. *Gorham v. White* 81 U.S. 511, 528 (1871), emphasis added.
6. *Smith v. Whitman Saddle Co.* 148 U.S. 647, 679 (1893), emphasis added.
7. *Egyptian Goddess* at 21
8. *Egyptian Goddess* at 22.
9. *Egyptian Goddess* at 20, emphasis added.
10. *Egyptian Goddess* at 22.
11. *Egyptian Goddess* at 31.
12. *Egyptian Goddess* at 22.
13. *Egyptian Goddess* at 23-25.
14. *Egyptian Goddess* at 23-24.
15. *Egyptian Goddess* at 25, emphasis added.
16. U.S. Patent Statistics Chart 1963 – 2007, U.S. Patent and Trademark Office, Electronic Information Products Division/ PMT (Mar. 2008).
17. [http://www.uspto.gov/web/offices/com/annual/2007/30202\\_sg1perfm.html](http://www.uspto.gov/web/offices/com/annual/2007/30202_sg1perfm.html)
18. *Id.*
19. Whoever invents any new, original, and ornamental design for an article of manufacture may obtain a patent therefore, subject to the conditions and requirements of this title. The provisions of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided. 35 U.S.C 171.
20. 35 U.S.C. 101.
21. *A Guide to Filing a Design Patent Application* <http://www.uspto.gov/web/offices/pac/design/definition.html#title>
22. *Id.*
23. Patents for designs shall be granted for the term of fourteen years from the date of grant. 35 U.S.C. 173.
24. [http://www.designlawgroup.com/tools\\_design\\_patent.cfm](http://www.designlawgroup.com/tools_design_patent.cfm).
25. [http://www.uspto.gov/web/offices/com/annual/2007/30202\\_sg1perfm.html](http://www.uspto.gov/web/offices/com/annual/2007/30202_sg1perfm.html)
26. <http://www.uspto.gov/web/patents/accelerated/index.htm>
27. [http://www.uspto.gov/web/offices/ac/qs/ope/fee2009january01\\_2009jan12.htm](http://www.uspto.gov/web/offices/ac/qs/ope/fee2009january01_2009jan12.htm)
28. [http://www.designlawgroup.com/tools\\_design\\_patent.cfm](http://www.designlawgroup.com/tools_design_patent.cfm).
29. [http://www.uspto.gov/web/offices/ac/qs/ope/fee2009january01\\_2009jan12.htm](http://www.uspto.gov/web/offices/ac/qs/ope/fee2009january01_2009jan12.htm)
30. [http://www.uspto.gov/web/offices/com/annual/2007/30202\\_sg1perfm.html](http://www.uspto.gov/web/offices/com/annual/2007/30202_sg1perfm.html)