



DESIGN PATENT NEWS

USPTO HOLDS ITS ALWAYS-POPULAR 2019 DESIGN DAY CONFERENCE.

On April 25, 2019, the U.S. Patent and Trademark Office held its annual Design Day Conference in Alexandria, Virginia, during which participants were provided with a variety of interesting and informative presentations and panel discussions by USPTO officials, design patent practitioners and members of industry who have used and benefited from design patents. As usual, the conference was presented to a sold-out audience that extended from the live session in Alexandria, to remote viewing locations in the USPTO's satellite offices throughout the United States. The conference opened with remarks by Drew Hershfeld, the USPTO's Commissioner for Patents, who discussed the importance of design patents, and praised the dedication and hard work of the Supervisory Patent Examiners who work in Technology Center 2900.

THE CURRENT STATE OF U.S. AND INTERNATIONAL DESIGN PRACTICE

Mr. Hershfeld was followed by Karen Young, the Director of Technology Center 2900, which is responsible for examining all design patent applications within the USPTO, who presented the annual State of the Design Technology Center report. Ms. Young reported on significant management personnel changes within the Technology Center. Supervisory Patent Examiner Ian Simmons has been appointed as the Acting Design Practice Specialist, in place of the long-time Specialist, Joel Sincavage, who retired in January 2019. The Design Practice Specialist is instrumental in formulating examination policy for design patent issues within the Technology Center, and for training Design Patent Examiners in the proper application of those policies during their examination of design patent applications. In addition,

NSIP Law is a full service intellectual property firm that specializes in the procurement of enforceable IP rights to protect innovations and investments pertaining to patents, trademarks, and copyrights.

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Mr. Brandon Rosati, who was also a Supervisory Patent Examiner, has been appointed to the newly-created position of Technology Center Operation Manager. In that role, Mr. Rosati will be responsible for resolving operational issues relating to the workflow and backlog of design patent applications within Technology Center 2900.

Ms. Young also discussed staffing within the Technology Center. There are currently 11 permanent Supervisory Patent Examiners and three (3) acting Supervisory Patent Examiners. There are also currently 175 Patent Examiners reviewing U.S. design patent applications, which is down from 183 Examiners in Fiscal Year (“FY”) 2018. Of those Examiners, 85 are “Primary” Examiners, who are experienced Examiners with “signatory authority” which provides them with substantial autonomy in reviewing design patent applications and issuing office actions. The remaining Examiners have less experience, and therefore have either partial or no signatory authority, so that their work must be reviewed and approved by a Primary Examiner or Supervisor.

In FY 2018, there were 45,708 new U.S. design patent applications filed in the USPTO. However, in FY 2019 through March 31, 2019, there were only 22,362 new design patent applications filed, which is fewer than the comparable period in FY 2018. Ms. Young attributed this decrease in filings to transmission problems experienced by the World Intellectual Property Organization (WIPO) with respect to forwarding Hague Convention applications to the U.S. Such Hague Convention filings were down 6% so far in FY 2019 from their number in FY 2018. Ms. Young was not sure whether this decrease in Hague filings was attributable to the WIPO transmission issues or whether it was an actual decrease in filings. In FY 2018, the USPTO had received 100 to 250 Hague Convention design applications per month, which was on average 66 fewer per month than it did in FY 2017.

In addition, Ms. Young reported that the speed of examination of design patents as well as the backlog of new applications had both decreased. In FY 2019 through March 31, an application was pending on average for 13.7 months before receiving a first action (*i.e.*, Notice of Allowance or Office Action objecting to or rejecting the design claim) and 20.2 months total pendency to final disposition (*i.e.* a Notice of Allowance or Final Office Action). In FY 2019 through March 31, the Examiners within Technology Center 2900 issued 19,000 first actions and 30,500 total actions. With respect to the pending Hague Convention

applications, those were pending on average of 9.6 months before receiving a first action, which was less than the 10-month goal. Of those first actions, 46% received a refusal to grant the design patent and 36% received a first action allowance. According to Ms. Young, the Technology Center was therefore on track to meet its target of a 12-month total pendency of Hague Applications.

Ms. Young also outlined the priorities for Technology Center 2900 for FY 2019. She indicated a desire to increase staffing levels to hire more Examiners and Supervisory Examiners in order to address the design patent application inventory and reduce the pendency of each application. She also indicated that more resources will be allocated to the Examiner Training Center so that Examiners will receive more frequent and timelier training when changes in the law and practice of design patents occur. Ms. Young also indicated that Examiners will more frequently visit the companies who are the largest filers of design patents in order to view their design processes, in order to allow them to obtain a deeper and more practical understanding of the design process and the importance of design patents in those companies' intellectual property portfolios. Ms. Young also intended to devote additional resources to special projects, such as reducing the backlog of design patent petitions, appeals, Hague Convention filings and enhance international cooperation on design, where the laws and rules of design patent practice may be harmonized and strengthened. Finally, Ms. Young indicated a desire to improve the Information Technology capabilities of the Technology Center, and in particular the IT tools and resources provided to Examiners.

David Gerk, the Director of the USPTO's Office of Policy and International Affairs provided a presentation on international developments in design patent law and practice. Mr. Gerk indicated that there were currently 70 contracting parties to the Hague Convention on designs, with Mexico and Israel expected to become members in the next year. Chile, Peru and Thailand were also considering membership. The trend in Hague Convention applications is that the absolute number of individual applications is falling, but the number of separate designs that are included within each application is rising, as multiple designs are allowed to be in each Hague Convention application (unlike U.S. design patent applications, which are limited to a single patentably distinct design).

According to WIPO's 2018 Hague yearly Review, Samsung, LG, Proctor & Gambel, Gillette and Microsoft were the top filers of design applications within the Hague Convention system, and the United States, Europe, China and Canada had the most filers by country of origin of the applicant. Although China and Canada are not currently members of the Hague Convention, their applicants were able to file applications within the Hague system through other member countries. The patent offices of the U.S., Europe, Japan, Korea, Switzerland and Turkey had the most number of Hague design applications filed. Other trends in Hague Convention filings included the fact that on average 1 to 4 designs were included in each Hague design application, 33% of the filed applications had only one (1) design and only 5% of cases includes 10 or more designs per application, so that 80% of the filed Hague design applications have 4 or fewer designs. Finally, Mr. Gerk noted that 47% of Hague Convention applications do not include a priority claim to an earlier-filed application. Therefore, he surmised that many Hague applications are used as a secondary filing, and not as a primary filing to claim priority.

Mr. Gerk also summarized the work of WIPO's Standing Committee on Trademarks and Industrial Design. That Committee is currently working to study the extent to which a design claim must be tied to the article of manufacture that utilizes it. This may have particular relevance to graphical user interface and other electronic designs which exist separately from a tangible article of manufacture. The Committee is also studying rules which will define how animated designs are presented and claimed in design patent applications.

Mr. Gerk also summarized developments in the WIPO DAS (Digital Access System) for priority documents. Currently 8 countries allow for the electronic exchange of priority documents for design patent applications. The Japanese and European Patent Offices are expected to join the DAS system shortly. Finally, Mr. Gerk summarized the continuing work of the so-called "ID5" Group of patent offices: U.S. China, European Union, Japan, Korea and WIPO. The ID5 group continues to work on expanding participation of the WIPO DAS system. They are also discussing ways of harmonizing the rules governing design patent eligibility, the length of the filing grace period (*i.e.*, moving from six (6) months to 12 months, the claiming of partial designs and the protection of new technology and emerging design techniques (*i.e.*, graphical user interfaces, animations, video games, virtual and enhanced reality, type fonts and website/network environments). Mr. Gerk reported that the ID5 group is also working on a design law treaty to harmonize formalities practices across countries. The EU is currently studying the economic factors driving design filings, and Korea is focusing on the effect that 3D printing technology will have on design protection, while Japan and China are studying ways to strengthen rules for how to ensure that information from only legitimate sources on the Internet is used as prior art to reject design claims.

Todd Hunter, the Director of Copyright and Industrial Design Branch of the Canadian Intellectual Property Office provided a summary of developments in design patent protection in Canada. Mr. Hunter indicated that design protection is an integral part of Canada's Innovation and Skills Development Plan. He viewed joining the Hague Convention system was important for Canada. He indicated that the Canadian IP Office was working toward advancing innovation and offering a modern service experience for its customers. Mr. Hunter stated that there were 6,500 new design applications filed in Canada in 2018, and that the rate of filings was flat so far in 2019. The typical Canadian design patent filer was a company that exported its products to Canada. Only 14% of Canadian design patent applications were from Canadian companies. The top filers were General Motors, Dyson and Volvo. There was on average a 10.8 month processing time for applications, which has increased incrementally as a result of changes to the system as a result of the Hague implementation initiatives.

Canada has recently modified the term of protection for industrial designs from 10 years to 15 years. Canada also recently revised its examination manual to allow the claiming of color in combination with other features, the use of blurring or dot-dashed lines to show boundaries, and protecting computer-based designs. Canada has also modified its practice guidelines to allow for the claiming of multiple designs an application, the presentation of multiple environmental views showing various states of use of the design, and applicants are allowed to delay examination for the payment of a fee. Finally, Canada has enhanced the sophistication of the electronic services that it offers to applicants from electronic filing to registration, including enhanced eFiling interfaces and functionality, the ability to use .pdf format for the submission of documents, the use of e-mail for all correspondence, and the use of the DAS system as of April 1, 2019. Canada has now joined the

Madrid Protocol, the Singapore Treaty and Nice Agreement for trademarks, and they plan to implement the Patent Law Treaty.

RECENT DESIGN PATENT DECISIONS FROM THE FEDERAL CIRCUIT

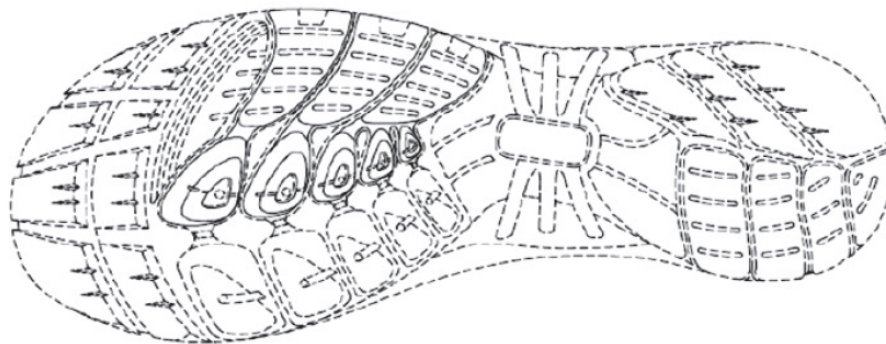
A summary of recent design patent decisions by the Federal Circuit also followed. As we previously reported in this newsletter, in *Advantek Marketing v. Shanghai Walk Long*, the Federal Circuit held that prosecution history estoppel may be used to limit the scope of a design claim, based on arguments to the Examiner and/or amendments to the design claim that are made for purposes of establishing patentability during prosecution of the Application at the USPTO. Shanghai made a pet kennel structure with a cover. Advantek obtained a design patent for a similar pet kennel structure without a cover. During prosecution of its design patent, Advantek responded to a Restriction Requirement by electing to claim the kennel design without a cover, and did not file a divisional application to also claim design for the kennel with a cover that was not elected. As a result, Shanghai argued that failing to then claim the kennel with a cover design meant that *Advantek* had surrendered that Kennel design to the public.

The Federal Circuit agreed with *Advantek* and ruled that that regardless of whether Advantek surrendered claim scope during prosecution, the accused Shanghai Walk-Long product falls *outside* of the scope of that surrender, so that it may be found to infringe if it is determined to have a visual appearance that is substantially similar to the design that is claimed in the Advantek Patent. The Court found that Advantek had patented an ornamental design for a kennel with a particular skeletal structure that was shown in FIGS. 1 through 4. According to the Federal Circuit, a competitor who sells a portable kennel that includes Advantek's patented structural design will infringe the Advantek Patent, ***regardless of whether it includes extra features***, such as a cover, that the competitor might add to the kennel. As a result, the case was sent back to the District Court, where Advantek will be allowed to prove that the Shanghai Walk-Long kennel infringes the Advantek Patent

Also as we previously reported in this newsletter, the Federal Circuit decided on the proper standards for finding non-enablement and indefiniteness for design patent cases under 35 U.S.C. 112(a) and (b) in *In re Maatita*. Those provisions require that the specification of a U.S. patent application (which in the case of a design patent is primarily comprised of the drawing figures) shall contain a written description of the invention, and of the manner of making and using it, in such "full, clear, concise, and exact terms" as to enable any person skilled in the art to which it pertains, to make and use it. The specification of a U.S. design patent is also required to conclude with a single claim which particularly points out and distinctly claims the subject matter which the applicant regards as his invention. These requirements ensure that the disclosure of the claimed design is understandable and that the scope of the design claim is clearly defined.

In *Maatita*, Mr. Maatita filed a U.S. design patent application which claimed the design for his athletic shoe bottom, which included two drawing figures showing two embodiments of a plan view of the claimed and unclaimed features of his design invention:

FIG. 1



As is customary in design patent drawings, the claimed features of Mr. Maatita's design invention were shown in solid lines, while the features of the athletic shoe bottom shown in the drawings that are not part of the claimed design were shown in dashed broken lines.

During the initial prosecution of the design patent application before the U.S. Patent and Trademark Office (USPTO), the Examiner indicated that the two embodiments of the athletic shoe bottom design depicted in the drawing figures were identical, and only the unclaimed surrounding environmental features shown in the two figures were different. The Examiner also rejected Mr. Maatita's design patent application for failing to satisfy the enablement and definiteness requirements of 35 U.S.C. 112(a) and (b), because the two-dimensional presentation of the features of the athletic shoe bottom design that was shown in the drawings was not adequate to disclose a three-dimensional shoe bottom design. The Examiner argued that the athletic shoe bottom design had many protrusions, recesses and changes in contour, so that the design would be left open to multiple interpretations regarding the depths and contours of those features, so that it was not fully understandable and the scope of the design claim was uncertain. Implicit in the Examiner's position was that additional drawing figures showing different viewing perspectives of the athletic shoe bottom design were required in order to fully disclose the depths and contours of the claimed features. A single plan view was not enough. The Examiner therefore concluded that the design claim was not patentable, based on nonenablement and indefiniteness.

In the case of Mr. Maatita's athletic shoe design, the Federal Circuit ultimately rejected the USPTO's argument that the shoe bottom is a three-dimensional article whose surface depths and contours cannot be adequately understood from a two-dimensional drawing of them. The Court found instead that the fact that shoe bottoms can have a three-dimensional aspect does not change the fact that their ornamental design is capable of being disclosed and judged from a two-dimensional, plan- or planar-view perspective, and that Mr. Maatita's two-dimensional drawing clearly demonstrates the perspective from which the shoe bottom should be viewed. Contrary to the USPTO's arguments, a potential infringer would not be left in doubt as to how to determine infringement. The Court found that a designer of ordinary skill in the art, viewing the designs from the perspective of an "ordinary observer," could view and understand enough of the claimed design from the single view provided to compare it for infringement purposes. Mr. Maatita was not required to disclose all possible depths and contours for its athletic shoe bottom design, and an ordinary observer would be capable of understanding the claimed features from the existing drawings in which they are shown.

There are also three design patent cases that are on appeal to the Federal Circuit for which the Federal Circuit has not yet rendered an opinion. *Kolcraft Enterprises, Inc. v. Graco Children's Products Inc.*, involves an appeal of the decision of the USPTO's Patent Trial and Appeal Board in two *Inter-Partes* Review cases. The issue in *Kolcraft* was whether the patent owner was able to establish a priority date for its design patent claim that was earlier than the date of a prior art reference that was used to invalidate the design claim. *Kolcraft* attempted to "swear behind" the reference under 37 C.F.R. 1.131 by filing an Affidavit in which it attempted to establish an earlier date of conception and reduction to practice of its patented design claim. However, there was a question as to whether that Affidavit and other evidence was sufficient to establish an earlier date of conception and reduction to practice, because it only included undated sketches of the design, and no expert testimony was offered by the patent owner to explain why that evidence was sufficient to establish an earlier priority date. Under Rule 1.131, an Affidavit must be corroborated with documentary evidence which establishes the actual dates of conception and reduction to practice of the design. The Federal Circuit will have to decide whether the evidence presented provided the required corroboration.

In [*Automotive Body Parts Association \("ABPA"\) v. Ford Global Technologies, LLC*](#), the ABPA has asked the Federal Circuit to decide whether repair parts are solely functional for determining whether a design patent claiming the design for those parts is invalid for functionality. The ABPA has also asked the Federal Circuit to interpret and apply the patent exhaustion doctrine and the implied license/right to repair doctrine to design patents. Under those doctrines, the ABPA argued that Ford's design patent rights were exhausted once it sold the Ford F-150 automobile in question, and that the ABPA therefore had an implied license to make comparable parts which repaired components of that vehicle without being found liable for infringement. Ford, of course, argued that making new replacement parts were not covered by any implied license, and were therefore infringements of its design patent.

Finally, in *Hafco Foundry and Machine Company, Incorporated v. GMS Mine Repair and Maintenance, Inc.*, the Federal Circuit will be asked to decide whether the interpretation of a design patent for a mining dust blower failed to exclude features that are primarily functional, and whether the instructions given to the jury failed to consider prior art in the interpretation of the design claim, where no prior art references were admitted. Decisions in these cases are expected within the next few months.

Mr William LaMarca, a Senior Counsel for Intellectual Property Litigation from the USPTO's Office of the Solicitor, then provided the USPTO's perspective on the *Maatita* case discussed above. Within the USPTO, the Office of the Solicitor represents the Office in direct appeals of the Patent Trial and Appeal Board and Trademark Trial and Appeal Board to the Federal Circuit where it defends those Boards' decisions. It also represents the USPTO in appeals of the decisions of the PTAB in *Inter-Partes* Review proceedings to the Federal Circuit and in direct actions by patent applicants to U.S. Federal District Courts. The Solicitor's Office also prepares *Amicus Curiae* briefs for the U.S. Department of Justice when intellectual property cases are appealed to the U.S. Supreme Court. According to Mr. LaMarca, there are between 30 and 50 appeals of design patent cases to the PTAB each year. Only a small number of those cases are appealed further to the Federal Circuit. Therefore, there is a much less well-developed body of case law on the important issues affecting design patents than there is regarding utility patents. Many of the court decisions on design patent

issues are old and do not reflect the current state of design patent practices in the United States.

Regarding the *Maatita* case, Mr. LaMarca explained that in the design patent context, the concepts of enablement and indefiniteness under 35 U.S.C. 112 are one and the same, in that they are treated as one single concept. For Mr. LaMarca, the major implication of the *Maatita* decision is that an applicant for a design patent may choose not to claim the three-dimensional appearance, contours and elevation changes of the design by presenting multiple drawings of the design that are taken from multiple perspective views. The applicant may instead disclose and claim the design from a single two-dimensional perspective by presenting only a single plan or elevational view drawing which defines the scope of the design claim for purposes of infringement and validity. The Federal Circuit found that a designer of ordinary skill, viewing the design from the perspective of an “ordinary observer,” is perfectly capable of comparing that single two-dimensional view with the same perspective view of either an infringing design or a prior art design, in order to determine whether the design claim is infringed or invalid. In spite of this, Mr. LaMarca asserted that the design patent examining corps. has an obligation to ensure that the design patent claims that are issued clearly define the scope of the property rights that are conveyed, and that in spite of the Federal Circuit’s decision in *Maatita*, there may be instances where Examiners should require a full three-dimensional disclosure of a particular design from multiple views.

THE IMPORTANCE OF DESIGNS AND PROTECTING THEM

Ms. Kate Eary, the Corporate Counsel of Gentex Corporation, then provided her perspective on how her company uses design patents strategically in order to protect its intellectual property rights. Gentex is a noted manufacturer of helmets and headgear for air crews, ballistic helmets for ground troops, communications equipment and respirators for various operations. According to Ms. Eary, Gentex relies on design patents to enforce its rights against infringers. She enforces a company-wide policy against disclosing new designs before filing a design patent application in order to avoid the loss of rights in the U.S. and in foreign countries. She also works to harmonize intellectual property filing strategies when Gentex acquires a company or business. Further, Gentex generally uses outside counsel to maintain continuation applications on file so that variations on designs or different features or subsets of designs may be claimed, as market conditions require.

A priority for Gentex is to avoid infringing the intellectual property rights of others. This is particularly challenging with designs, as several designs used on their helmet and headgear products, such as camouflage patterns, may be owned by the government or third parties. She must also constantly consider the unique application filing requirements for protecting designs in unconventional jurisdictions, such as the wording of the title, what features may be claimed, whether a partial design or partial features may be claimed. When preparing design patent applications, she uses three-dimensional CAD files as the model for preparing black line drawings. Unnecessary features are then converted to unclaimed broken lines to arrive at an appropriately broad claim scope, and shading and contour lines are then added to confirm claimed solid surfaces and to show the true shape and contour of the design’s features. An emphasis is also placed on whether a design patent application may be filed based on the drawing figures of a pending utility patent application. In general, Gentex attempts to file design patent applications with as many embodiments as possible, in order to claim multiple variations of a design concept. They also work to protect the designs for products (*i.e.*, military

helmets) as they are used in both the physical and virtual (*i.e.*, video game) worlds.

Sarah Brooks, a Distinguished Designer at IBM Corporation then presented a discussion on how to create a design culture in a large, institutional corporation. According to the Design Management Institute's Design Value Index, on average, investing in design generates a 211% return on investment that is far superior to not investing in design. According to Forester Research's Total Economic Impact Report, focusing on design gets products to the market twice as fast and increases team cohesion. Ms. Brooks estimates that IBM has earned a 301% return on investment from its investment in design.

Her advice to large institutional corporations is that they need a strong design culture to support the design craft. Large companies also have to adapt to short or instantaneous product cycles. There is also a need to recruit a large number of creative designers from diverse educational and cultural backgrounds in order to get a variety of viewpoints. Among the "best practices" for design that Ms. Brooks identified, it is important to create small studios for easy collaboration and sharing of visual materials. It is also important to put designers in regular contact with the sales, marketing, engineering and legal functions of the company in order to have maximum impact and to create a complete product.

It is also important for the designers to have a passion for their medium and domain, and to decentralize design leadership of the design craft, so that designers are involved in all aspects of each part of the business. IBM relies primarily on an "open source" system for design thinking and design activities that all participants can add to, change and evolve. Fostering "design thinking" allows the design craft to thrive in this environment. Such "design thinking" involves a constant loop that cycles through observation, reflection and making. Observation means immersing yourself in your user's world and understanding what people want. Reflection allows you to give meaning to your observations and making gives concrete form to abstract ideas, even if it is only drawing it on paper or translating it into code. Therefore, designers should not be limited to aesthetic activities, because they often contribute to utility patents as well. Finally, Ms. Brooks concluded that these "best practices" evolve, but the design craft is consistent.

EXAMINATION OF U.S. DESIGN PATENT APPLICATIONS

A presentation was then made by Ms. Dana Weiland, a Primary Examiner in Art Unit 2919 at the USPTO, regarding her experience with searching and examining design patent applications. In Technology Center 2900, Design Patent Examiners generally focus on production (*i.e.*, the number of cases examined in a bi-week (which is the two-week period that the USPTO uses to measure productivity) and docket management (*i.e.*, how long it takes to put cases through in a bi-week.)

Ms. Weiland explained that during the pre-examination process, each application is initially classified into the particular art group for the particular design that is claimed. A group of Examiners then make a final determination regarding how the application should be permanently classified. Examiners also routinely contact the Applicant's attorney to obtain information about the design and how it is to be used solely for purpose of classification. Any continuation or divisional application will always be assigned automatically to the same Examiner as the parent. If the application is not a continuing application, the Supervisory Patent

Examiner for the art grouping to which it is assigned. An Examiner will typically search for prior art and write an action for an application in the same bi-week period. Examiners also regularly use multiple software applications and display screens to organize the information that they review when examining an application. Examiners will examine the oldest new applications on their docket first. They will group similar old applications together for purposes of conducting a prior art search for efficiency purposes. Based on the features shown in the grouping of designs, the Examiner will select sub-classifications to search. They will use the USPTO's EAST (Examiner's Automated Search Tool) system to review and select references to apply to the applications in the group. The references that are selected as relevant will be saved for visual display in OneNote by the Examiner for each application to which they pertain.

Examiners will use a detailed and comprehensive first-action checklist for the initial examination, in order to ensure that all required factors are considered, especially if there are issues that require Examiner comment in the Action. Examiners use OneNote to summarize all of the issues seen with regard to the IDS, formalities, specification and drawings for each application. They will then do a Non-Patent Literature search using the earliest effective filing date for the application. They will look in credible databases, such as www.archive.org which have reliable dates of publication. Overall, Ms. Weiland acknowledged that Examiners typically look at the image of each prior art reference for less than one (1) second because of the huge volume of references that they must review in each search. The USPTO also has internal databases which contain prior art references for simple shapes, which are consulted if the design claimed in the application includes such shapes.

The Examiners then return to their notes for an application as the basis for writing an Office Action.

DESIGN PATENT DECISIONS OF THE PATENT TRIAL AND APPEAL BOARD

Janae Gureff, Esq. then presented a summary of notable decisions of the USPTO's Patent Trial and Appeal Board which involved design patents. In *Mac Sports, Inc. v. Idea Nuevo, Inc.*, IPR2018-01006 (PTAB November 13, 2018), the Board considered a design patent for a portable club chair. The Board decided not to institute an *Inter-Partes* Review proceeding that the design patent was unpatentable for anticipation under 35 U.S.C. 103 or obviousness under 35 U.S.C. 103. The Board found that there were too many visual differences between the claimed club chair design and the cited prior art reference to support a finding of anticipation. The Board noted that a design patent challenger cannot disregard differences in the designs without discussing how those differences effect the application of the ordinary observer test, in terms of whether the ordinary observer would or would not believe that the two designs were deceptively similar. With respect to obviousness, the Board found that no portion of the rear of the chair design was shown in the cited prior art reference. This was found to be a fatal flaw, because a designer of ordinary skill in the art could not see how the visual appearance of the chair from the rear view affected the overall visual appearance of the prior art reference. Therefore, the Petitioner could not prove obviousness.

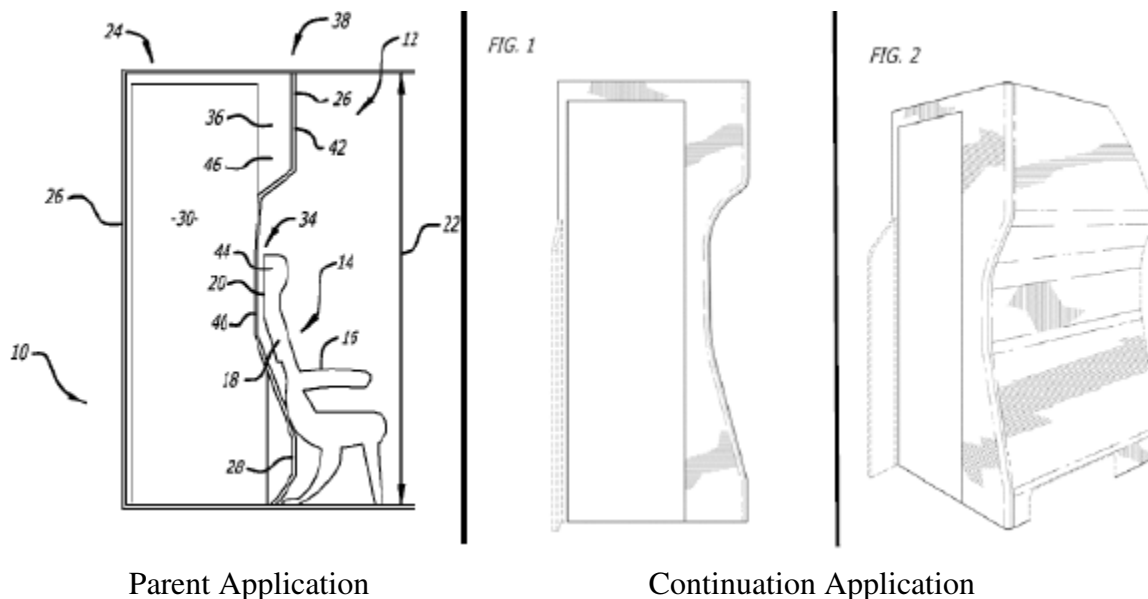
In *Campbell Soup Company v. Gamon Plus, Inc.*, IPR 2017-00094 (PTAB April 11, 2018), the PTAB found that a design patent which claims a gravity-feed soup can display rack was not obvious, because neither of the cited prior art patents was a proper primary reference under *In re Rosen*. In making its findings, the Board discussed the proper methodology for selecting a primary reference under *Rosen*. The Board noted that a single primary reference must already be in existence which has design characteristics that are basically the same as the claimed design. It is only when the primary references is properly established as

a primary reference that it may be combined with other references and be modified to arrive at the claimed design. If the primary reference must first be modified in a substantial way before it may be considered to have design characteristics that are basically the same as the claimed design, then it is not “in existence” for purposes of meeting the *Rosen* test, and therefore cannot be a primary reference.

In *Campbell Soup*, the PTAB found that before the Linz design could serve as a primary reference, it must first be modified in order to add a horizontally-oriented soup can feature to the dispenser tray, so that the Linz reference would be basically the same as the Applicant’s claimed design, which claimed such a soup can. Without the disclosure of the cylindrical can feature, the Linz reference was not substantially similar to the Applicant’s claimed design, so that it could not function as a proper primary reference under *Rosen*. As a result, Gamon’s design patent was found valid.

In *C & D Zodiac, Inc. v. B E Aerospace, Inc.*, PGR2017-00019 (PTAB October 23, 2018), the PTAB found that the design patent for an aircraft lavatory wall was invalid, because it was on sale or in public use under 35 U.S.C. 102(a)(1) prior to the effective filing date of the patent. The design patent in question was a continuation of an earlier-filed parent application. Therefore, in order to determine whether the patent owner’s own product was prior art to the design patent, the PTAB had to first determine whether the design claim was entitled to claim domestic priority to the earlier effective filing date of the patent under 35 U.S.C. 120, based on whether there was a written description in the parent application that was sufficient to support the continuation design claim under 35 U.S.C. 112(a). If the patent owner was entitled claim domestic priority for its design claim, then its own previously-disclosed commercial product would not be prior art.

The PTAB found that there was not a written description in the parent application that would support the design claim in the continuation application, because there were substantial visual differences between the two designs, so that the patent owner was not entitled to claim domestic priority back to the earlier effective filing date of the parent application.



In particular, the PTAB determined the claimed design in the patent includes a wall that is different in several respects from that disclosed in the parent application. (1) the claimed wall of the patented design has a smooth profile defining the upper recess, whereas the parent application illustrates sharply angled intersections between various planar wall portions forming the upper recess; (2) below the upper recess, the profile of the design patent includes a lower-most vertical wall portion perpendicularly intersecting the floor as opposed to an angled lower-most wall portion as seen in the parent application; (3) the angled lower-most wall portion, apparently accommodating a foot of passenger chair 14 in Figure 2 of the parent application, is entirely missing in both Figures 1 and 2 of the design patent claim, but the claim does show the front wall having a vertical panel, albeit with an unclaimed recess, intersecting the floor, which is not shown in the parent application; and (4) both parties agreed that Figure 2 of the parent application is a cross-section and thus, the entire inboard wall and rounded corner detail between the inboard and the forward wall shown in the design patent is absent in Figure 2 of the parent application. On that basis, the PTAB found that the design patent was not entitled to claim domestic priority, so that the patent owner's lavatory wall product was prior art that fully anticipated the design claim, thus invalidating it.

Finally, in *Ex Parte Sonos*, Appeal No. 2018-003793, Reexamination Control Number 90/013,497, the Board reversed the Examiner's final rejection of the design claim for anticipation, because the design claim in question, which was directed to a controller device for electrical appliances, was entitled to claim domestic priority to an earlier-filed parent application under 35 U.S.C. 120 and 112(a). The PTAB found that the Examiner had improperly used one claim interpretation for determining domestic priority and a different claim interpretation for determining anticipation. Since the design patent in question included multiple embodiments of the claimed design, the design claim must be construed as encompassing the design that is common across the multiple embodiments, and cannot be limited to a specific description of any one of the embodiments. In *Sonos*, the Examiner used a claim interpretation for purposes of the domestic priority analysis that did not include all of the common elements across the various embodiments, but instead improperly focused on "minor differences" between the design claim and one of the embodiments shown in the parent application. The PTAB found that the differences in spacing between the button features were minor, while the overall visual impression created by the embodiments was identical. Therefore, those differences did not defeat a claim for domestic priority, even though several drawing figures of the design patent disclosed features not shown in the parent application. Because the patent owner's claim of domestic priority was proper, the PTAB found that the cited prior art reference was disqualified.

A PATENT JUDGE'S PERSPECTIVE

Judge Jill Hill of the USPTO's Patent Trial and Appeal Board then provided an overview of the PTAB and its various roles in reviewing design patent and design patent application. Judge Hill noted that at the time the America Invents Act (AIA) was enacted, the PTAB had about 100 Administrative Law Judges. Now, the PTAB has 265 Judges. The PTAB has judges that are based in all of the USPTO's satellite offices, although the vast majority of judges are based on the USPTO's Alexandria, Virginia Office. The PTAB is managed by a Chief Judge, 3 Vice Chief Judges and 35 Lead Judges. There must be a minimum of three (3) judges for a Panel. The pendency of direct appeals from final rejections of design claims from Examiners has been reduced from about 19 months on average, to only 14 months.

Once an appeal is docketed at the Board, it is assigned to a panel of judges and a working file is created. When the case comes up for review, the Judges have a conference to discuss their initial decision, and one Judge will be assigned to write the opinion, which then is circulated to the other judges, who must all agree with it, either with or without a dissent. The working file is comprised of the specification, the design claim, any amendments, Office Actions, cited prior art references and the parties' Appeal Briefs. Therefore, the working file does not include all matters from the prosecution file history for the application. Therefore, if the Applicant wishes to refer to other documents in the prosecution file, it must include them as exhibits to its brief and describe them in the brief itself, otherwise the Board will not consider them.

In making its decision, the PTAB may affirm the Examiner's rejection, affirm it in part, reverse the rejection, remand the case for further action, vacate the rejection, dismiss the appeal, or issue a new ground for rejection. In administrative trials under the AIA (*i.e.*, *Inter-Partes* Review or Post-Grant Review) the action is commenced when a third-party files a Petition requesting that the PTAB find the design patent claim invalid. In *Inter-Partes* Review, the Petitioner may only seek to invalidate the design patent based on issued patents or printed publications as prior art references. In Post-Grant Review proceedings, the PTAB is authorized to consider invalidity based on all available grounds, including lack of written description, nonenablement and/or indefiniteness under 35 U.S.C. 112. The patent owner then has three months in which to respond to the Petition. The panel of the Board must decide whether or not to institute a trial based on the Petition within the next three (3) months. If the panel chooses to institute a proceeding, then it has 12 months in which to issue a final decision in the case, with the option to extend that deadline for an additional 6 months. To date, on average less than 1% of the PTAB's AIA cases involve design patents.

Judge Hill also had several suggestions for applicants and patent owners for how to improve the written briefs that they submit to the PTAB:

- 1) Make sure that all of the evidence that is being relied upon to support your position or refute your opponent's position is cited and described in the brief, and if necessary attached to the brief as an exhibit;
- 2) Focus on the strongest argument. Tell the panel clearly, directly and in as much detail as possible why the Examiner was wrong in finally rejecting the design claim, or why the Petitioner is wrong that the design claim is invalid. Also, identify with specificity whether the error was a matter of law, of fact or both.
- 3) Provide a clear, thorough explanation of why the Examiner or Petitioner was wrong, by identifying the issue(s) to be decided, the rule of law to be applied, an analysis of why the application of the rule of law to the facts will resolve the issue(s) in your favor, and a conclusion.
- 4) Avoid citations or discussion of generic case law on issues not involved in the case, as it distracts attention away from the critical issues or confuses the panel.
- 5) When explaining why prior art references are wrongly cited, focus on why the Examiner's or

Petitioner's combination of references was wrong, not why each individual reference has flaws (although that can be mentioned as well).

6) The parties should clearly understand the differences between the "ordinary observer" and "designer of ordinary skill" standards that apply to the various issues in a design patent case.

7) In the Reply Brief, focus on the new arguments raised by the Examiner or Petitioner in their answering briefs, and avoid using the Reply Brief as an opportunity to restate arguments that you have previously presented.

8) For Examiners, Judge Hill suggested that they clearly correlate the claim element with the features of the prior art references visually using arrows, diagrams or overlays of drawing figures, with the claimed design placed on top of the prior art design. For obviousness, Judge Hill indicated that the Examiners must explain why the design claim was obvious based on the combination of cited references.

Judge Hill also indicated that requesting an oral argument during an appeal will not speed up the appeal process. There should be a good and specific reason for requesting an oral argument, such as to explain a difficult design, or to explain nuances for the design and the prior art. However, if an applicant or patent owner does present oral argument, they must be able to address all of the weaknesses with their argument in response to questions from the panel. It is also not proper to raise new arguments for the first time during oral argument either.

Finally, if an applicant or patent owner requests rehearing of a final decision of the PTAB, they should not simply argue why the panel was wrong. They must instead focus on exactly what facts or legal principles were misunderstood or overlooked. If additional legal authorities have become available since briefing was closed, those new authorities should be addressed. Rehearing is not an opportunity to reargue your case!

Finally, a panel discussion was presented where in-house patent counsel discussed their strategies for protecting and enforcing their design patent rights. In general, the panelists emphasized the following points:

1) It is important to have internal procedures in place to capture design inventions and present them to patent counsel;

2) A cost-benefit analysis should be undertaken to determine whether a product is sufficiently important to the economic performance of the business to justify the investment in design patent protection, and the extent of the design patent protection that is pursued (*i.e.*, multiple applications to claim different embodiments of the design; filing applications in foreign countries, etc.)

3) Design patents and design registrations are important for preventing business partners (*i.e.*, manufactures, suppliers, distributors, major customers, etc.) from stealing the design and copying it for manufacture and sale abroad as well as in the U.S.

4) Identify the countries in which you should file design applications based on the location of

your major markets, your manufacturer and where your competitors manufacture their products.

5) Consider business factors when deciding whether to abandon applications or to pay maintenance or renewal fees. and

6) Make consistent efforts to improve the design patenting system with outside counsel, Examiners and USPTO personnel.

With that, the conference was adjourned.

The contents of this newsletter are for general informational purposes only, and do not serve as legal advice related to individual situations or as legal opinions concerning any situations. Counsel should be consulted for legal planning and advice before taking any action.

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