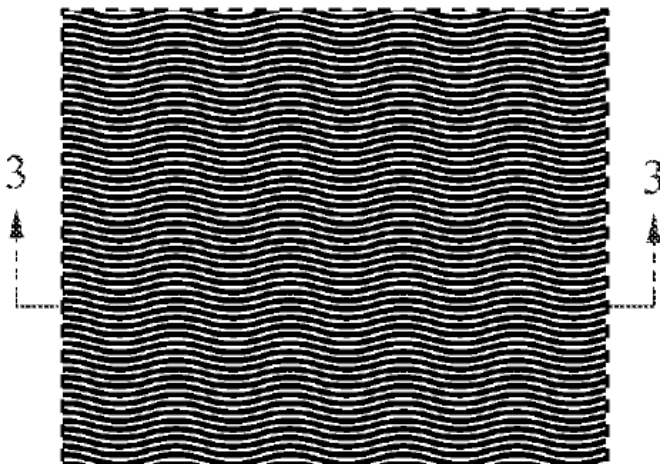




**DESIGN PATENT NEWS**

**THE U.S. COURT OF APPEALS FOR THE FEDERAL CIRCUIT FINDS THAT THE INCLUSION OF A TRADEMARK OR LOGO MAY BE CONSIDERED WHEN DECIDING WHETHER A U.S. DESIGN PATENT IS INFRINGED.**

On November 13, 2019, the U.S. Court of Appeals for the Federal Circuit decided the case of *Columbia Sportswear North America, Inc. v. Seirus Innovative Accessories, Inc.*, Appeal Nos. 2018-1329, 2018-1331 and 2018-1728. In *Columbia Sportswear*, the Federal Circuit was asked to decide whether the U.S. District Court for the Southern District of California had properly entered summary judgment that Columbia’s U.S. design patent for its heat reflective material was infringed by the ornamental design for Seirus’s “HeatWave” material that was incorporated into apparel products such as winter gloves. Columbia had obtained U.S. Patent No. D657,093 (“the ‘093 Patent”), which claimed the ornamental design for its heat reflective material, as shown and described in the design patent. FIG. 1 of the ‘093 Patent depicts the claimed wave-pattern design:



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**Contributors to Front Lines of Design<sup>SM</sup>**

Charles Y. Park  
[Charles@nsiplaw.com](mailto:Charles@nsiplaw.com)

Shabnam Nowrouzi  
[Snowrouzi@nsiplaw.com](mailto:Snowrouzi@nsiplaw.com)

Rusty Briggs  
[Rusty@nsiplaw.com](mailto:Rusty@nsiplaw.com)

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FIGS. 4-10 of the '093 Patent provided examples of the heat reflecting material as it was applied to sleeping bags, boots, pants, gloves and jackets. Seirus's HeatWave products included a similar heat reflective material:



However, the heat reflective material used on Seirus's products included Seirus's trademark and logo prominently displayed on them. No provision for the placement of a trademark or logo was included in the pattern for the heat reflective material that was shown in the drawing figures of the '093 Patent.

After conducting discovery on the design patent infringement issue, Columbia filed a motion for summary judgment that the Seirus HeatWave material infringed the '093 Patent. The District Court agreed, and entered summary judgment for Columbia that the Seirus material infringed. In doing so, the District Court applied the "ordinary observer" test for design patent infringement that had been previously enacted by the Federal Circuit. Under that test, design patent infringement will be found "if, 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." According to the case law of the Federal Circuit, the ordinary observer test applies to the patent design in its entirety, as it

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is claimed. The ordinary observer is also considered to be familiar with prior art designs, so that “[w]hen the differences between the claimed and accused designs are viewed in light of the prior art, the attention of the hypothetical ordinary observer may be drawn to those aspects of the claimed design that differ from the prior art.” The reason for considering the prior art is “[i]f the claimed design is close to the prior art designs, small differences between the accused design and the claimed design assume more importance in the eye of the hypothetical observer.”

In *Columbia Sportswear*, the District Court determined that the “ordinary observer” in the case of Columbia’s heat reflective material design and Seirus’s accused products was the “retail customer who buys and uses Seirus’s products lined with the HeatWave fabric to keep their hands, feet, or head warm during outdoor activities.” Comparing the two designs side-by-side, the District Court found that “even the most discerning customer would be hard pressed to notice the differences between Seirus’s HeatWave design and Columbia’s patented design.”

Seirus had argued that there were significant differences between the designs—including that the waves in Seirus’s design were interrupted by repeated use of Seirus’s logo, that waves varied in terms of orientation, spacing, and size, and especially that some of the designs differed in orientation by 90°. However, the District Court declined to consider Seirus’s logo placement because logo placement was not claimed in Columbia’s patent. The District court also gave little weight to the differences in orientation of the claimed pattern, because the ’093 patent did not require a particular design orientation. In comparing the wave spacing and size, the District Court “found those differences were not claimed in the patent and were irrelevant to its analysis.” The visual differences between the two designs that were present were considered by the District Court to be “so minor as to be nearly imperceptible” and that they did “not change the overall visual impression that the Seirus design is the same as Columbia’s patented one.” Finally, the District Court considered Seirus’s submitted prior art designs, which the Court found to be “far afield from Columbia’s ‘heat management materials,’” and that with respect to the closest prior art design, Columbia’s and Seirus’s designs were “substantially closer” than the pattern disclosed in that earlier design.

Seirus appealed the District Court’s decision to the Federal Circuit. On appeal, Seirus argued that this case should not have been resolved on summary judgment because of several fact disputes that required the case to be tried before a jury. Under the rules governing summary judgment, such a judgment may only be entered if there *is no dispute of material facts, and the moving party is entitled to judgment as a matter of law*. The judge is not permitted to resolve disputed factual issues, which must be tried to a jury. For example, Seirus suggested that the parties disputed the identity of the ordinary observer, and a jury could have determined that the ordinary observer was a sophisticated, commercial buyer, not an end customer buying the products directly, so that such a commercial buyer would have noticed differences between the designs, including the physical orientation of the designs and the thickness of the waves.

Seirus also contested the District Court’s evaluation of the prior art as improper resolution of disputed fact issues, and that a jury should have decided what impact the prior art had on the infringement issue. Seirus also argued that the District Court’s “principal mistake” was to “ignore the repeating Seirus logo boxes, which were asserted to be “an integral part of the accused design.” According to Seirus, excluding such ornamental elements of the accused design simply because they include its logo is at odds with the Federal Circuit’s prior

precedent that the ordinary observer “compare the overall appearance of the two designs.”

Columbia responded that there was no genuine dispute of material fact regarding infringement. According to Columbia, the ordinary observer is not the intervening commercial reseller, but the end consumers who are the principle purchasers of the Seirus products. Columbia also argued that the presence of the Seirus logo did not make Seirus’s design less infringing, and, when the design is compared without the logo, it is virtually identical to that claimed in the ’093 patent. As for the product’s orientation, Columbia argues that fabric can be oriented in any direction depending on how it is held, so the District Court was correct to reject Seirus’s defense that orientation was material to the analysis.

The Federal Circuit largely agreed with Seirus’s arguments, and found that the District Court had committed error in granting summary judgment in this case. The Federal Circuit found specifically that the District Court improperly declined to consider the effect that Seirus’s logo had on the infringement analysis, and that it resolved a series of disputed factual issues that should have been tried to a jury.

With regard to the relevance of the Seirus logos that were printed on the accused HeatWave material, the District Court had relied on the Federal Circuit’s prior decision in *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, in which that Court had appeared to hold that trademarks and logos should be wholly disregarded in the design patent infringement analysis. In *L.A. Gear*, the Federal Circuit stated that design patent infringement cannot be avoided “by labeling,” so that an accused design patent infringer could not escape liability for design patent infringement if a design is copied, but labeled with its name or logo. However, in *Columbia Sportswear*, the Federal Circuit appeared to distance itself from its prior *L.A. Gear* decision, and limited that decision to the particular facts and circumstances that were presented in that case, including the fact that the parties had admitted that the athletic shoes in question had been “copied.” In *Columbia Sportswear*, the Federal Circuit determined instead that *L.A. Gear* does not prohibit a fact finder (whether it be a Court or jury) from **considering** an ornamental logo, its placement, and its appearance as one among other potential differences between a patented design and an accused one. Since the ordinary observer must find that the two designs, when considered as a whole, were substantially the same, the Federal Circuit reasoned, “[i]t would be inconsistent with this mandate to ignore elements of the accused design entirely, simply because those elements included the name of the defendant.”

The Federal Circuit also found that the District Court had erroneously resolved disputed factual issues that should have been presented to a jury for resolution, including differences in the uniformity and thickness of the wave patterns shown in both designs. In doing so, the Federal Circuit found that the District Court had erroneously concluded that wave thickness was not claimed in the ’093 Patent, even though the design shown in the drawing figures of that patent always had a uniform line thickness. The Federal Circuit also discounted the District Court’s conclusion that the wave thickness difference was “minor” and did “not change the overall visual impression that the Seirus design is the same as Columbia’s patented one.” The Federal Circuit found instead that the District Court had engaged in a “piecemeal approach” to determining infringement, and that it only considered the design elements independently in terms of the effect that each of them had on the overall visual impression of whether the two designs were substantially similar, rather than considering the cumulative effect that those individual differences may have on the overall designs as a whole, which is what was required. In addition, the District Court also made an improper factual finding as part of its summary judgment analysis that was based on a disputed fact, *i.e.*, the parties had disputed whether a difference in



wave pattern thickness would have given an ordinary observer a different visual impression of the Columbia and Seirus designs. The Federal Circuit found that a jury should have decided that issue, not the District Court.

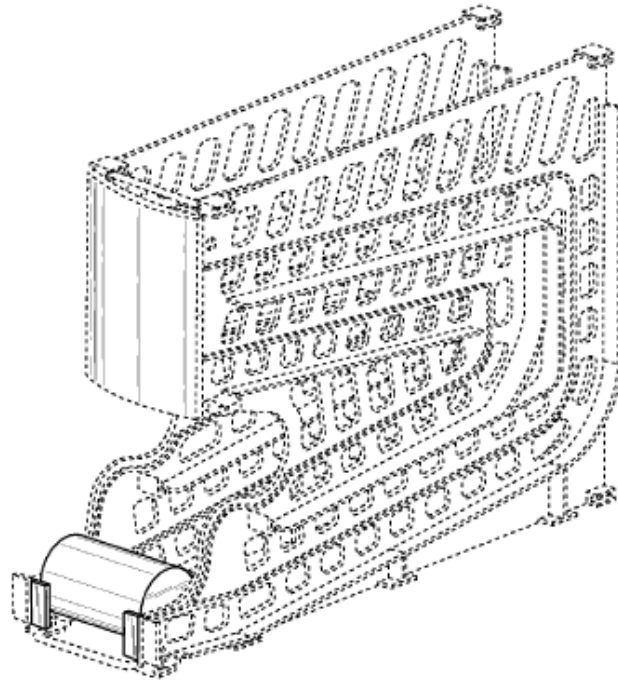
With respect to the prior art, the Federal Circuit observed that the District Court erroneously compared Columbia's design, Seirus's HeatWave design and a prior art patent's design side-by-side before concluding that if the Seirus logo was removed, an ordinary observer would have "great difficulty distinguishing between" the two designs. Again, the Federal Circuit noted that the parties disputed what the prior art design disclosed, and its effect on the ordinary observer's impression of the Columbia and Seirus designs. That issue should have been decided by a jury as well.

The *Columbia Sportswear* decision presents a substantial precedent for U.S. design patent law, which is instructive on many issues relating to design patent interpretation and infringement, and the role of a District Court in a summary judgment proceeding involving design patents. *Columbia Sportswear* may also present troubling issues regarding whether and to what extent a potential infringer may avoid a finding of infringement if it prominently places its trademark and logo on an accused infringing product.

The Federal Circuit appeared to leave open the possibility that, unless there is actual evidence of copying of the patented product, a Court or jury may rely on the prominent placement of a trademark or logo on the accused infringing product as a design element that may provide a visual distinction between the patented design and the accused infringing design to support a finding of noninfringement. Therefore, the *Columbia Sportswear* decision will present unique challenges to design patent applicants in terms of how they may claim their design invention so that it is not vulnerable to defeat by an infringer who prints its trademark or logo on the accused products. This decision will also present a challenge to litigation counsel in terms of how they present the design claim to a Court or jury so that the accused infringer will not be able to escape infringement even if it has printed its trademark or logo on the accused product. The *Columbia Sportswear* decision will therefore likely generate considerable litigation over the role that trademarks and logos may play in the design patent infringement analysis.

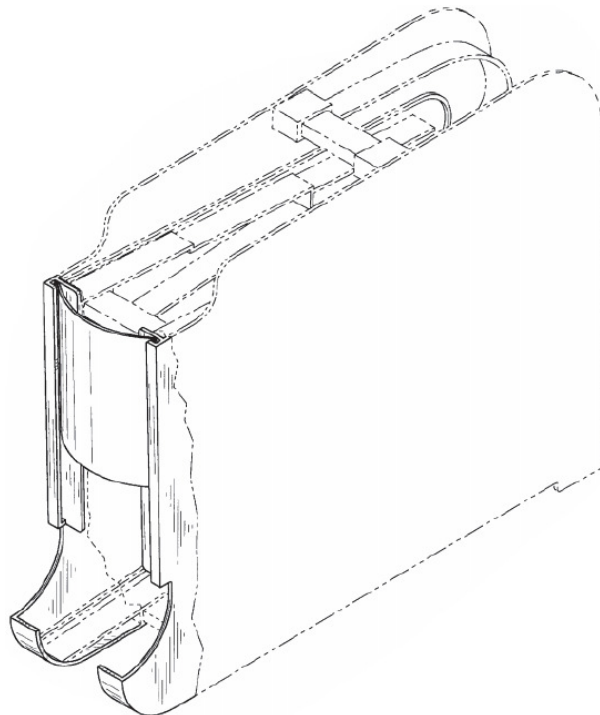
### **FEDERAL CIRCUIT PROVIDES GUIDANCE FOR DETERMINING WHEN A PRIOR ART REFERENCE IS A PROPER PRIMARY REFERENCE FOR PURPOSES OF OBVIOUSNESS UNDER 35 U.S.C. 103**

On September 26, 2019, the U.S. Court of Appeals for the Federal Circuit in *Campbell Soup Co., v. Gamon Plus, Inc.* provided further guidance regarding the standards and considerations that should be applied in determining whether a prior art reference was a proper primary reference for purposes of finding a U.S. design patents invalid for obviousness under 35 U.S.C. 103. In *Campbell Soup*, Gamon Plus had obtained two U.S. design patents, D612,646 and D621,645, which claimed the ornamental design for a gravity feed dispenser display. The gravity feed dispenser display that was claimed was shown in the sole figure of the '646 Patent.

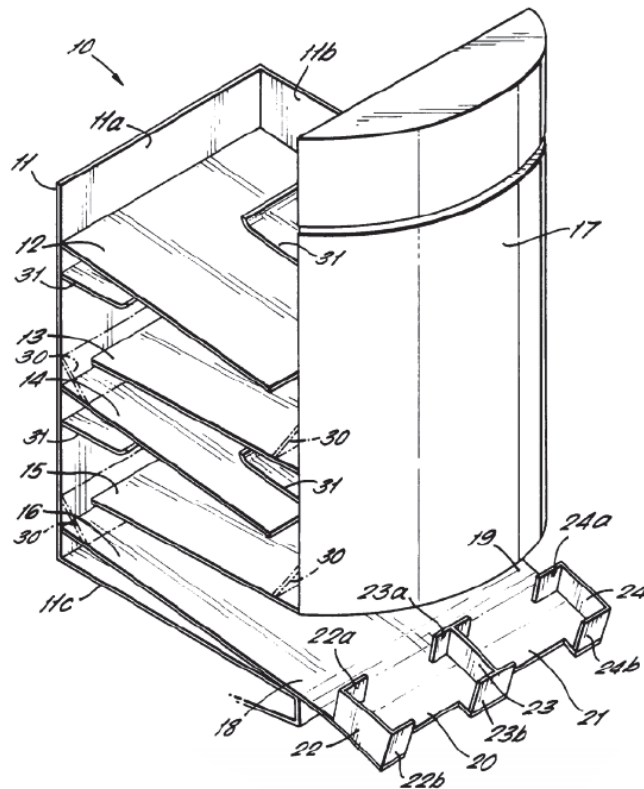


The sole drawing figure of the '645 Patent is identical, except that the edges at the top and bottom of the cylindrical object lying on its side and the stops at the bottom of the dispenser are shown in broken lines. The figure of the '645 Patent also includes a small circle shown in broken lines near the middle of the label area.

Campbell Soup petitioned for *inter partes* review by the USPTO's Patent Trial and Appeal Board ("the Board"). Campbell Soup argued that the sole claim in each of the '646 and '645 Patents would have been obvious over various combinations of the Linz and Samways prior art references. The Board instituted the IPR on the grounds stated by Campbell Soup. The Linz reference disclosed a "display rack.



The Samways reference discloses a dispenser with “a serpentine delivery path . . . along which cylindrical objects to be dispensed can move under the action of gravity.”



The Board ruled that Campbell Soup did not establish unpatentability of the claims of the two Gamon design patent because neither Linz nor Samways was similar enough to the claimed designs to be a proper primary reference that could be relied on to find those design claims obvious. In doing so, the Board found that Linz was not a proper primary reference because does not disclose any object, including the size, shape and placement of the object in the display area, and fails to disclose a cylindrical object below the label area in a similar spatial relationship to the claimed design. The Board noted that it would have been improper to add a hypothetical can feature to the dispenser of Linz before comparing it to Gamon’s claimed designs, because such comparison does not consider the Linz design as it actually existed, and the modification would have a noticeable impact on the overall design.”

The Board also found that the Samways design was not a proper primary reference because “significant modifications would first need to be made to Samways’ design, such as combining two distinct embodiments of the utility patent,” which is “not a design in existence.” To the Board, Samways was not “basically the same as the claimed design because it included: (1) “dual dispensing area with the addition of central tabs, or stops”; and (2) its front label area, which “extends across both of the dual dispensing areas” and is “taller than the label area of the claimed design with a small gap between the cylindrical objects and the label area.”

On appeal, the Federal Circuit applied the test for patent obviousness set forth in the U.S. Supreme Court’s *Graham v. John Deere* decision: “(1) the scope and content of the prior art; (2) the differences between the claims and the prior art; (3) the level of ordinary skill in the art; and (4) objective considerations of nonobviousness.” The Court noted that in the design patent context, the ultimate inquiry for obviousness is

whether the claimed design would have been obvious to a designer of ordinary skill who designs articles of the type involved. To determine whether a designer of ordinary skill would have combined the teachings of the prior art references to create the same overall visual appearance as the claimed design, the Board was required to first “find a single reference, a something in existence, the design characteristics of which are basically the same as the claimed design.” To identify a primary reference, one must: “(1) discern the correct visual impression created by the patented design as a whole; and (2) determine whether there is a single reference that creates ‘basically the same’ visual impression.” If a primary reference exists, related secondary references may be used to modify it.

Campbell Soup argued to the Federal Circuit that a designer of ordinary skill would have understood the Linz dispenser was designed to hold cylindrical objects and that six of the seven references cited on the first page of Linz are directed to dispensers for cylindrical objects. Therefore, Campbell Soup argued, the Board should not have rejected Linz as a primary reference because it needed modifications, because it “otherwise conveys basically the same visual impression as the claimed designs.” Gamon defended the Board’s decision by arguing that the Linz reference would not have basically the same design characteristics without substantial modifications (*i.e.*, to add a cylindrical container (that is not disclosed) which has the same visual appearance that is shown in the patent) that could only have been made through impermissible hindsight reference to the patented designs. Gamon also argued that such modifications were improperly based on utility patent principles which considered the functionality of the dispenser (*i.e.*, that it was designed to hold cylindrical containers), where there was no consideration for the ornamental appearance of the item that would be placed in the dispenser.

The Federal Circuit agreed with Campbell Soup and reversed the Board’s decision. The Court found in particular that the Board’s factual finding that Linz is not a proper primary reference lacked substantial evidence to support it. The Federal Circuit noted that the designs claimed in the ‘645 and ‘646 Patents are for dispensing cans, and that a can would be used in the system. The Court discounted the parties’ dispute regarding the dimensions and visual appearance of the can that would be used in Linz in comparison with the can that would be used in the claimed design. After allowing the Linz reference to be modified in order to include an assumed can, the Federal Circuit then held that “the ever-so-slight differences in design, in light of the overall similarities, do not properly lead to the result that Linz is not ‘a single reference that creates ‘basically the same’ visual impression’ as the claimed designs.”

With respect to the Samways reference, the Federal Circuit agreed that it was not a proper primary reference. In particular, the Court noted that Samways has a dual dispensing area, compared to the single dispensing area of the claimed designs, and has a front label area with different dimensions that extends across both dispensing areas. Given these differences, the Federal Circuit found that substantial evidence supports the Board’s finding that Samways does not create basically the same visual impression as the claimed designs.

Judge Pauline Newman issued a well-reasoned dissent in which she concluded that the Board correctly applied the law of design patents and held that neither the Linz design nor that of Samways creates a visual impression substantially similar to the claimed design. Judge Newman’s dissent focused on the Court’s assessment of the Linz reference. Judge Newman noted that the Board found that the only claimed features of Gamon’s patented designs were the label area and the horizontal cylinder placed in the dispenser tray. By finding, as the majority opinion did, that the Linz reference should be remade to hold a cylindrical object in



its display area, when one is not disclosed, Judge Newman believed that the Court was disregarding design patent law. According to Judge Newman, only after a primary reference is found for the design as a hole – in this case a dispenser with both the claimed label area and horizontal cylinder – may that reference be modified with other features that have been selected to match the patented design more closely.

Judge Newman further asserted that because the only claimed design elements are the label area and the cylindrical object, the cylindrical object must be considered a major design component. For Judge Newman, the absence from the primary Linz reference of a major design component cannot be considered insubstantial. Judge Newman believed that it was improper to consider it obvious that a designer of ordinary skill would use the display rack of Linz to dispense cylindrical cans. She believed that the Board was correct in ruling that Campbell Soup's "analysis considers not a design currently in existence, but a potential design based on [the witness'] assumption of how utilitarian features like curved rails indicate that a can could be displayed." Judge Newman therefore concluded that unless the reference discloses all of the major components of the claimed design in some similar form, it cannot serve as a primary reference.

The Federal Circuit's *Campbell Soup* decision serves as another step away by the Court from the strict legal standards for finding obviousness that Judge Newman summarized and discussed in her dissent. Now, potential infringers of U.S. design patents may be successful in invalidating a design claim by arguing that even though the primary reference does not disclose a particular substantial feature of the patented design, that feature may be assumed to be present, because the functional, utilitarian operation of the design suggests that the missing feature must be present in the reference anyway. In this way, the Federal Circuit appears to be lowering the formerly strict standards for selecting a reference as a primary reference, and departing from its previous reliance on the disclosure of the design in the drawing figures of the patent when determining whether the design claim is obvious.

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NSIP Law, LLP, 1120 Connecticut Avenue Northwest, Suite 304, Washington, DC 20036

United States of America

Tel: (202) 429-0020 Fax: (202) 315-3758 [info@nsiplaw.com](mailto:info@nsiplaw.com)

[www.nsiplaw.com](http://www.nsiplaw.com)