

US District Courts: A Busy Year for Design Patents, Including a \$17M Jury Verdict

BY DEIRDRE M. WELLS

2022 was a busy year for district court decisions! There were case-dispositive design patent decisions across a range of venues and at a range of case postures, including on a motion to dismiss, summary judgment motions, and even a jury trial resulting in a damages award of over \$17 million. We summarize below three of the most noteworthy of these decisions: *Wepay Global Payments LLC v. PNC Bank N.A., Think Green Ltd. v. Medela AG and Medela LLC*, and *Panasonic Holdings Corp. v. Getac Tech. Corp. et al.* The decision in *Wepay* followed a 12(b)(6) motion to dismiss in the Western District of Pennsylvania, the decision in *Think Green* followed summary judgment briefing in the Northern District of Illinois, and the decision in *Panasonic* followed a jury trial in the Central District of California.

Wepay Global Payments LLC v. PNC Bank N.A.

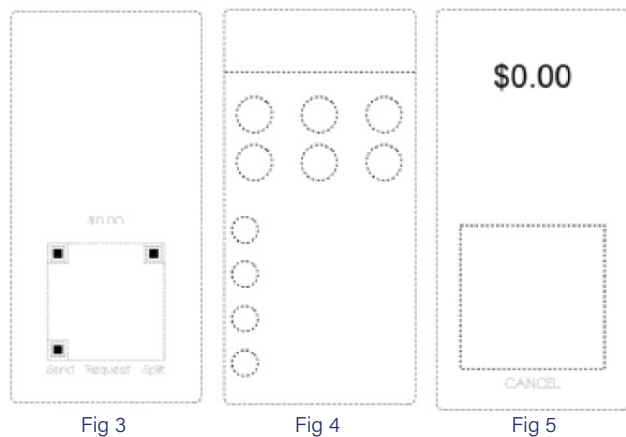
Wepay Global Payments LLC filed a district court action in the Western District of Pennsylvania against PNC Bank N.A. alleging infringement of U.S. Patent No. D930,702 (“D’702 patent”), which is directed to a design of the display screen of a mobile application. Wepay alleged that portions of PNC’s Mobile Banking phone app, particularly the portion of the app that interfaces with the Zelle digital payments network infringes the D’702 patent. In response, PNC filed a motion to dismiss alleging that the accused design of

its banking app does not infringe the patent. Figures 3-5 of the patent are shown at the bottom of this page, next to images of the four-square symbol shown on the accused PNC app and additional images of the accused PNC app.

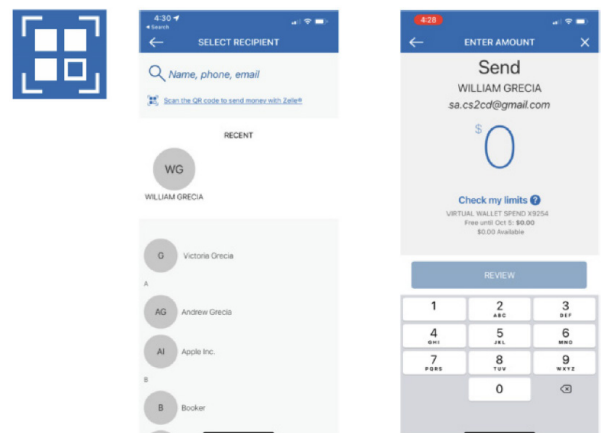
In its motion to dismiss, PNC argued that the complaint’s infringement claim is facially deficient because no ordinary observer could plausibly confuse the design of its app with the patented design. In particular, PNC argued that the claimed spatial relationships and relative proportions of the D’702 patent are “starkly and unmistakably different from” the spatial relationships and relative proportions of the accused design. PNC argued that the accused design and the claimed design are so dissimilar that no analysis of the prior art is needed to observe any distinctions.

The district court held that dismissal is warranted. First, the district court set forth the applicable standards. For a Rule 12(b)(6) motion to dismiss, the court stated that design patent infringement claims can be dismissed where, as a matter of law, no reasonable factfinder could find infringement. For design patent infringement, the court stated that the applicable test is the ordinary observer test, which asks whether “in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially

Figs. 3-5 in Wepay’s D’702 patent



The accused PNC app



US District Courts: A Busy Year for Design Patents, Including a \$17M Jury Verdict

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 court explained that this is a two-step test. First, without review of the prior art, the claimed design is compared to the accused design to determine whether they are substantially similar. If so, the second step compares the claimed and accused designs with prior art to identify differences that are not noticeable in the abstract but would be significant to the hypothetical ordinary observer familiar with the prior art. If at either step it is determined that the designs are “sufficiently distinct” and “plainly dissimilar,” then there is no infringement as a matter of law.

The district court then attempted to apply the particular facts of the case to the ordinary observer test. However, the court seemed unable to do so. It stated that the ordinary observer test “focuses on a hypothetical purchaser induced to buy a product with an accused design over an asserted design.” The court said the consumer here has not voluntarily chosen the design at issue but rather the accused design is “incidental to the PNC customers’ utilization of the mobile application.” Thus, the court held that “the ordinary observer test would seem not to fit squarely with the designs at issue, and [Wepay] would not be able to assert a design patent infringement claim.”

The court also found that, even assuming that the ordinary observer test could be applied, a side-by-side comparison of the claimed design and PNC’s accused design demonstrates that they are “sufficiently distinct” and “plainly dissimilar” such that no reasonable fact-finder could find infringement. In particular, the court noted differences in shape size and spacing between the designs and held that these differences meant no ordinary observer would mistake the accused design with the claimed design.

Appeal Update:

Unfortunately, we will not have the benefit of the Federal Circuit’s review of the district court’s analysis and holding. On December 23, 2022 the Federal Circuit dismissed Wepay’s appeal because Wepay failed to file the required Entry of Appearance by an attorney admitted to the Federal Circuit bar and failed to file its brief within the time permitted by the rules. Also worth noting is that Wepay asserted this same patent in 12 complaints filed in 2021 and 2022. The patent was also challenged in a PTAB proceeding reported in the PTAB section of this report.

Think Green Ltd. v. Medela AG and Medela LLC

Think Green Ltd. filed a district court action in the Northern District of Illinois against Medela AG and Medela LLC asserting that Medela’s Silicone Breast Milk Collector infringes Think Green’s design patent and trade dress rights. For the design patent, Think Green asserted U.S. Patent No. D808,006 (“D’006 patent”). Medela moved for summary judgment of noninfringement. A side-by-side comparison of the claimed design (on the left) and the accused product (on the right) are reproduced below.



Fig 9

Medela Silicone Breast Milk Collector

US District Courts: A Busy Year for Design Patents, Including a \$17M Jury Verdict

continued

The court first discussed claim construction. For design patents, the figures define the claimed design. The court noted that if the figures are line drawings, they can include line shading symbols to indicate various materials, colors, and translucency. For example, the court noted that oblique line shading can be used to show transparent, translucent, and highly polished or reflective surfaces. If no specific translucency is shown, the claim is interpreted broadly to cover both opaque and translucent materials. Alternatively, if the figures are photographs, the court stated that the claim is limited in scope to the level of translucency photographed.

Turning then to the D'006 patent, the court stated that rather than include a line drawing or a photograph, the patent instead included a computer-generated image, which the court found falls between the broad claim scope encompassed by line drawings and the narrow claim scope of photographs. The court stated that the use of a computer-generated image constitutes a choice of surface material and interpreted the D'006 patent as claiming an opaque object and not a translucent or transparent object. The court found

that the computer-generated image included a dark shadow on the interior of the container, which “clearly depicts an opaque object” because “[a] translucent or transparent object would not cast such a dark shadow on its interior.” The court did not agree with Think Green’s argument that the patent is agnostic as to surface material and characteristics. Instead, the court stated that “Think Green deliberately chose a computer-generated image that *appears* opaque,” (emphasis in original) and found that “[s]uch a deliberate choice of image with an unmistakable appearance of opacity must be understood to manifest an intention to claim an opaque object.”

Having construed the claim to require an opaque object, the court then turned to the infringement analysis. It held that opaque and translucent objects are categorically different such that they are “plainly dissimilar” and could not be confused by an ordinary observer. Thus, because the accused product is translucent and the claim was construed as requiring an opaque object, the court granted Medela summary judgment of non-infringement. This case highlights the possible unintended consequences of filing a design

Other noteworthy district court cases with summary judgment decisions:

- *Skull Shaver, LLC v. Ideavillage Products Corp.* – The District Court of New Jersey granted summary judgment of non-infringement of U.S. Patent No. D693,060, which is directed to a design for a contoured head shaver, by Ideavillage’s accused Flawless Legs shaver.
- *Sharidan Stiles, et al. v. Walmart, Inc., et al.* – The Eastern District of California granted summary judgment of non-infringement of U.S. Patent No. D542,468, which is directed to a design for a personal styling razor, by Walmart’s accused Micro Razor.
- *Sunlighten, Inc. v. Finnmark Designs, LLC* – The District of Nevada granted summary judgment of invalidity of U.S. Patent Nos. D676,972 and D698,033, finding that the claims were not entitled to the priority filing dates and, therefore, were invalid under the on-sale bar.

US District Courts: A Busy Year for Design Patents, Including a \$17M Jury Verdict

patent application with computer generated images rather than traditional patent drawings. While images tend to be more accurate and can be filed quickly and inexpensively, they may unnecessarily narrow the scope of protection. The summary judgment ruling will not be ripe for appeal until the court issues a final judgment (which will only happen after the trade dress allegations are resolved). Until then, appellate review of the non-infringement finding will have to wait.

Panasonic Holdings Corp. v. Getac Tech. Corp. et al

Panasonic Holdings Corporation filed a district court action in the Central District of California against Getac Technology Corporation and Getac, Inc. alleging infringement of U.S. Patent Nos. D766,232 (“D’232 patent”), D756,998, and D785,634. Panasonic accused the design of two of Getac’s rugged portable computers: the K120 and the UX10. The images below show the design claimed in the D’232 patent (far left), the accused Getac K120 (middle), and the accused Getac UX10 (far right).

Following a 7-day jury trial, the jury found that Getac infringed all three asserted patents and that none of the patents were invalid. The jury also found that Getac’s infringement was willful. Finally, the jury awarded Panasonic \$17,515,616 in damages.

Appeal Update:

Although Getac filed a Notice of Appeal with the Federal Circuit, the parties have since reached a settlement agreement.

Panasonic Holdings Corp. v. Getac Tech. Corp. Illustrations



The design claimed in the D’232 patent



Getac K120 rugged portable computer



Getac UX10 rugged portable computer