

## **LKQ Corp. v. GM Global Tech. Operations LLC, 2023 WL 328228 (Fed. Cir. Jan. 20, 2023) (Lourie, Clevenger, Stark) (per curiam)**

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LKQ filed an *inter partes* review challenging GM's auto fender design patent. LKQ was once a licensed repair part vendor for GM. But, after renewal negotiations fell through in early 2022, GM informed LKQ that the parts LKQ was selling were no longer licensed and therefore infringed GM's design patent. In response, LKQ sought to invalidate the patent in an IPR. The Board ruled in GM's favor, finding that LKQ had not shown that the patent was obvious.

LKQ appealed. LKQ argued to the Federal Circuit that the U.S. Supreme Court's decision in *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398 (2007)—a case involving the obviousness analysis for utility patents—should apply to design patents. In particular, LKQ argued that the currently applied obviousness standard for design patents (which the Board applied in the LKQ IPR) is inappropriate and should more closely parallel the obviousness standard used for utility patents.

The current test for design patent obviousness is based on *In re: Rosen* (a Court of Customs and Patent Appeals decision from 1982) and *Durling v. Spectrum Furniture* (a Federal Circuit decision from 1996). Under the current test, a challenger seeking to invalidate a design patent claim based on obviousness must satisfy a two-step test. First, the challenger must show there is a single primary reference that has "characteristics [that are] 'basically the same' as the claimed design." Second, the challenger must show that the gap between the primary reference and the claimed design can be bridged by one or more secondary references. These references must be related enough in appearance to the claimed design that "an ordinary designer would have modified the primary reference to create a design with the same overall visual appearance as the claimed design."

This, LKQ argued, stands in sharp contrast to the more flexible standard for obviousness of utility patents—a standard that LKQ argues should apply to *all* patents,

regardless of type. In 2007, the U.S. Supreme Court in *KSR* rejected the strict function-way-result test the Federal Circuit had been applying to determine obviousness of utility patent claims. *KSR* held that an ordinarily skilled inventor could look beyond the field of the problem trying to be solved to create a unique solution. And the Supreme Court stated that obviousness inquiries should use "an expansive and flexible approach" rather than "a rigid rule." LKQ argued that the same should be true for design patents.

A panel of the Federal Circuit rejected LKQ's argument and affirmed the Board's obviousness determination. LKQ petitioned for rehearing, and, on June 30, 2023, the full Federal Circuit agreed to hear the case en banc and consider whether the design patent obviousness analysis requires modification. The court asked the parties to file new briefing addressing five questions:

1. Does *KSR* overrule or abrogate *Rosen* and *Durling*?
2. Assuming that *KSR* neither overrules nor abrogates *Rosen* and *Durling*, does *KSR* nonetheless apply to design patents and suggest the court should eliminate or modify the *Rosen-Durling* test?
3. If the court were to eliminate or modify the *Rosen-Durling* test, what should the test be for evaluating design patent obviousness challenges?
4. Has any precedent from this court already taken steps to clarify the *Rosen-Durling* test?
5. Would eliminating or modifying the design patent obviousness test cause uncertainty in an otherwise settled area of law?
6. What differences, if any, between design patents and utility patents are relevant to the obviousness inquiry, and what role should these differences play in the test for obviousness of design patents?

The en banc hearing is scheduled for February 2024.