

Design Patents May Be Harder To Get Under New Test

By Ryan Davis

Law360 (June 3, 2024, 2:02 PM EDT) -- The Federal Circuit's decision discarding long-standing tests for proving that a design patent is invalid as obvious means the world has changed for patent examiners and applicants, attorneys said, and the new standard could lead to more design patent applications being turned down.

For decades, the rules the appeals court threw out on May 21 as "improperly rigid" meant that design patent applications were rarely rejected as obvious. Attorneys expect the greater flexibility the court provided will lead examiners to find designs obvious in new ways.

The Federal Circuit's rare en banc decision leaves many unanswered questions for litigation, but design patent infringement cases are relatively rare, since infringement is often clear-cut. So battles over the new test might first play out during patent prosecution at the U.S. Patent and Trademark Office, where much of the new test is essentially a blank slate, experts said.

"It's a unique situation where there's just not a whole lot of guidance right now, and it seems like the examiners and the patent office will play a pretty significant role early on in dictating how this proceeds," said Joseph Anderson of Ballard Spahr LLP.

It may take a while for the office to start issuing decisions applying the ruling, but "in the medium term, I would expect to see the number of rejections shoot up," said Christopher Gloria of Morrison & Foerster LLP.

"That's going to obviously be a lot more costly to clients, just responding to office actions, yes, but also appeals, as the whole practice tries to figure out what this new test means," he said.

The Decision

The Federal Circuit had long held that for a design patent to be found obvious, there must first be an earlier design that has "basically the same" visual impression as the patented design.

The next step was to analyze whether it would have been obvious for a designer to arrive at the claimed design by modifying the earlier design through the use of additional designs that are "so related" to it that the appearance of features in one suggests using them in the other.

In the new *LKQ v. GM* decision reviving an auto parts maker's obviousness challenge to a General

Motors fender design patent, the Federal Circuit said those rules don't comport with later U.S. Supreme Court decisions requiring flexibility in the obviousness analysis. The court said the test for utility patents must be used instead.

The court said that means that rather than identifying a design that is basically the same, the starting point is whether there is "analogous art" to the patented design. That may include designs that are from the same field of endeavor, but they don't have to be, the court said. The test also includes considering the differences between the patent and the earlier designs from the perspective of a skilled designer.

The day after the ruling, the USPTO released guidance for examiners that largely restated the opinion. It said that in determining if something is analogous art, "the design examiner should consider the degree to which an ordinarily skilled designer would be motivated to consider other fields."

Analogous Art

Under the previous test, which designs are analogous to the one in an application was rarely considered, because the inquiry ended when there wasn't a design that was "basically the same," attorneys said.

"A huge part of this whole situation is understanding when references are analogous versus when they're not, and I don't really have a great sense for how that will be determined," Anderson said.

Given the uncertainty about what counts as analogous art, "I suspect that the examiners will take a broad view of that," said Amol Parikh of McDermott Will & Emery LLP.

Applicants may need to push back on creative positions by the examiner that a design is analogous to another, possibly with expert evidence that a designer in one field would not have looked to a design in another, attorneys said.

One thing that could be helpful in making those arguments is using more detailed titles for design patent applications, said Rajiv Patel of Fenwick & West LLP.

Design patents often have simple names like "tail light," but specifying that the design is something like a "tail light for an automobile," could help limit the designs the examiner could say are analogous to things that meet that description, he noted.

"Getting a little bit more description in the title might allow you to set up for the argument that references that are pulled in arguably may not be analogous art for an obviousness analysis," Patel said.

The simple titles common in design patents aim to give them a broad scope when they're asserted against infringers, so applicants will need to strike a balance between doing that and seeking to limit obviousness rejections when crafting more detailed titles, attorneys said.

Motivation To Combine

Another issue for patent applicants to grapple with is whether it would be obvious to combine earlier designs to arrive at the claimed design. That involves considering if a skilled designer would have a motivation to combine them, something that didn't come up under the old test that focused on close similarities among earlier designs.

"I think the rubber is really going to meet the road when it comes to the motivation to combine references," Gloria said. "How are you going to articulate motivation when it comes to designs?"

In utility patents, the motivation often involves the function of the invention, with arguments that combining two inventions would make it operate in a more efficient or cost-effective way. But none of that applies to design patents, which are all about visual appearance.

So if examiners come up with "amorphous" arguments that there was a motivation to combine, applicants may find it challenging to counter them, having to rely on attorney argument "unmoored from anything objective in the record," Gloria said.

"I think it'd be very difficult without other guideposts and case law that you can point to push back on those motivations," he said, adding that "I envisioned that being very unpredictable."

The ruling does set a fairly high bar for finding a design obvious. Echoing the ruling, the USPTO told examiners that there must be a record-supported reason, without hindsight, that a designer would be motivated to combine references. It also noted that the more different the overall appearances of the earlier designs, "the more difficult it will be to establish a motivation."

Tracy-Gene Durkin of Sterne Kessler Goldstein & Fox PLLC said it was "interesting to see that the patent office is really putting the burden on examiners to make the case for obviousness in a much stronger way than, to be honest, there existed before the LKQ case was decided."

Secondary Considerations

Another aspect of the obviousness analysis for utility patents that will now be applied to designs could potentially give applicants ways to argue against an examiner's finding that a design is obvious.

The Federal Circuit said that so-called secondary considerations of non-obviousness should be considered. Some of those factors, like claiming an invention is not obvious because it met a long-felt need or produced unexpected results, often come up with utility patents but aren't relevant to designs, though others could be useful.

It may be possible to argue that a design is not obvious because it's related to a successful commercial product or has been actively copied by competitors, so in those situations, "that may be a very valuable piece of information to have in front of the examiner," Anderson said.

Moving Forward

The Federal Circuit opened the door for examiners to reject design patents as obvious under Section 103 of the Patent Act in ways they couldn't under the old test. But the added flexibility also provides new ways for applicants to fight back, like arguing that the references are not analogous or there wasn't a motivation to combine, attorneys said.

"Until the application of the standard shakes out, I suspect we'll see more 103 rejections," Durkin said. Yet the Federal Circuit's opinion "gave us a lot of other areas now that are maybe more ripe for arguing that the examiner's position is inappropriate," she added.

Once case law develops, the pendulum may swing back and result in fewer rejected applications,

attorneys said, but until then, they expect companies to keep seeking design patents and deal with the uncertainty.

"This is definitely a sea change," Parikh said. But he noted that he'd heard from clients that while the ruling may make it more difficult or costly to obtain design patents, "at this point we'll just continue as we have been, understanding that risk."

The case is LKQ Corp. et al. v. GM Global Technology Operations LLC, case number 21-2348, in the U.S. Court of Appeals for the Federal Circuit.

--Editing by Emily Kokoll.

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