

Design Patent Invalidity After *International Seaway*

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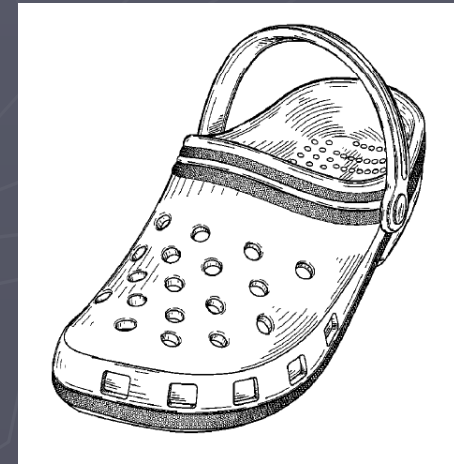
International Seaway: Background

▶ The Parties

- Plaintiff Seaway: footwear importer and designer
- Defendant Walgreens: drug store, seller of footwear
- Defendant Touchsport: footwear importer

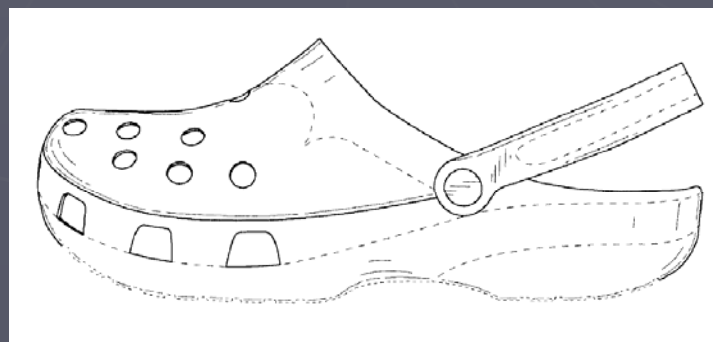
▶ The Patents

- Three patents ('263, '032, '033) claim designs for casual, lightweight footwear: "clogs"
- Continuation '032 and '033 patents are substantially the same as '263 patent



Prosecution & Procedural History

- ▶ Examiner allowed '263 patent over many pages from the Crocs website showing "Beach" clog



- ▶ Allowed '032 and '033 patents over "Beach" clog and Crocs '789 design patent
- ▶ Seaway filed suit for infringement in S.D. Florida
- ▶ Defendants moved for summary judgment that patents are invalid as anticipated by Croc clog and patent

Procedural History

- ▶ District court grants summary judgment, finding all three patents anticipated by Crocs '789 patent
 - Held ordinary observer test to be the sole test for design patent invalidity after *Egyptian Goddess*
 - Considered only exterior portions of clogs, holding “the law requires a court to consider only those portions of the product that are visible during normal use.”
- ▶ Seaway appeals, contending
 - district court should have applied the point of novelty test in addition to the ordinary observer test
 - district court erred in failing to consider insoles of clogs

Test for Design Patent Anticipation

- ▶ Does *Egyptian Goddess* require similar change in the test for design patent invalidity?
- ▶ Precedent establishes that test for anticipation of design patents is identical to test for infringement
 - “That which infringes, if later, would anticipate, if earlier.”
 - In the pre-*EG* test for anticipation, courts “compared the patented design with the alleged anticipatory reference to see if it appropriated the points of novelty of the prior art.”
 - Under *EG*, the ordinary observer views “the differences between the patented design and the accused product *in the context of* the prior art,” but no separate points of novelty analysis.

Test for Design Patent Anticipation

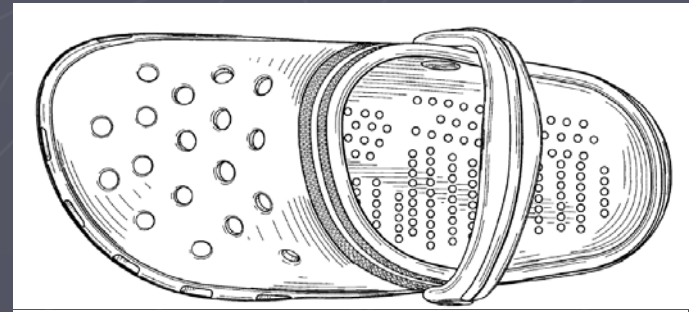
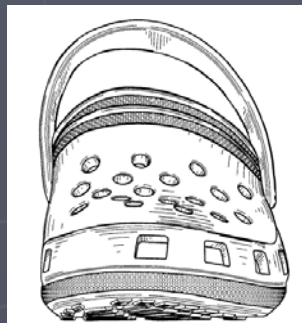
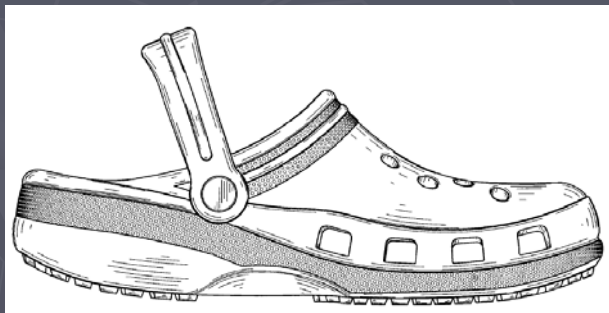
- ▶ “[W]e now conclude that the ordinary observer test must logically be the sole test for anticipation as well.”
 - As in the infringement context, the point of novelty test encourages courts “to focus on minor differences” rather than viewing the designs in their entirety.
 - Applying the point of novelty test “creates the need to canvass the entire prior art to identify points of novelty.”
- ▶ “Just as the problems deriving from the point of novelty test exist in both the infringement and anticipation contexts, the benefits of applying the refined ordinary observer test are identical.”

Dicta re Design Patent Obviousness

- ▶ Seaway argues: ordinary observer test will “blur the distinction” between obviousness and anticipation
 - Test for obviousness is whether a designer of ordinary skill in the art would have found the patented design, as a whole, obvious in light of the prior art.
 - Anticipation is from perspective of ordinary consumer.
- ▶ CAFC says “no potential for confusion.”
 - “For design patents, the role of one skilled in the art in the obviousness context lies only in determining whether to combine earlier references to arrive at a single piece of prior art for comparison with the potential design or to modify a single prior art reference.”
 - Once the art has been constructed, “obviousness, like anticipation, requires application of the ordinary observer test, not the view of one skilled in the art.”

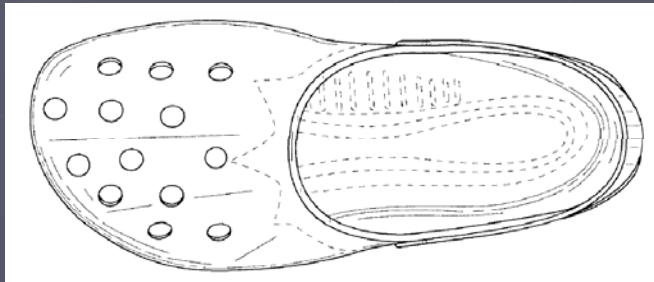
Features for Comparison

- ▶ District court erred in failing to consider the insoles of the shoes because they are “hidden by the user’s foot”
 - The infringement/validity inquiry includes features visible at any time in the normal use lifetime of the accused product.
 - Insoles will be visible at point of sale and when use removes clogs at the beach, etc.

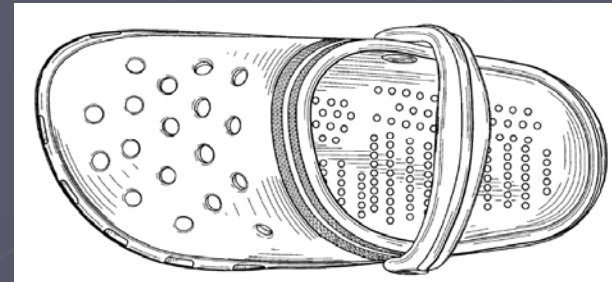


Applying Ordinary Observer Test

- ▶ Issue of fact as to whether insole patterns are sufficiently different to preclude finding of anticipation.



Crocs insole

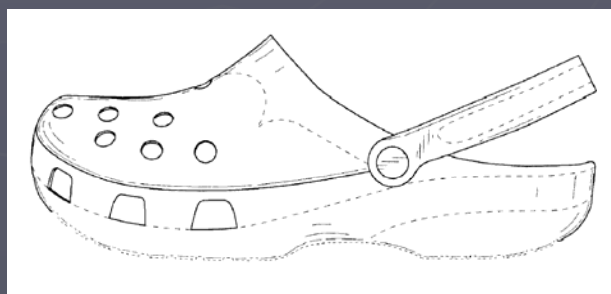


Seaway insole

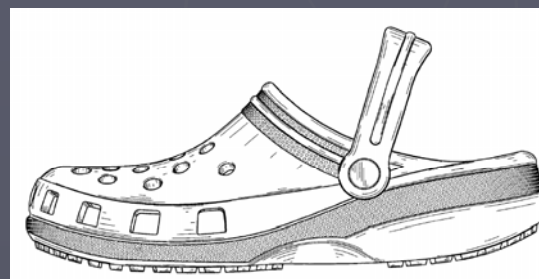
- Defendants have the burden to establish invalidity by clear and convincing evidence — bald assertion that consumers care only for the exterior appearance of shoes is insufficient.
- CAFC: insole patterns are “distinctly different.”

Applying Ordinary Observer Test

- ▶ As a matter of law, exterior differences in number and shape of openings in clogs must not be considered in comparison.



Crocs exterior

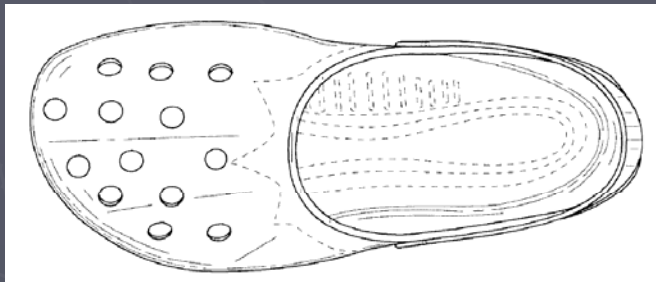


Seaway exterior

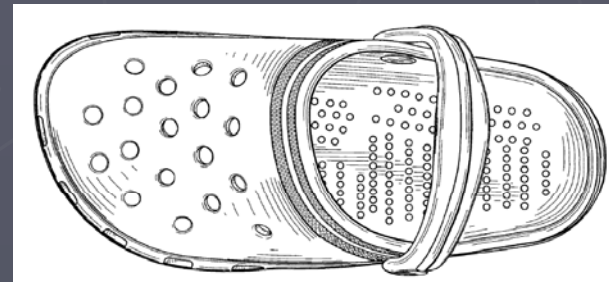
- ▶ The mandated comparison relates to “significant differences” and not “minor or trivial differences that necessarily exist between any two designs that are not exact copies...”
- ▶ Thus, summary judgment that certain “individual features are insignificant from the point of view of the ordinary observer and should not be considered as part of the overall comparison” is appropriate.

Dissent: No partial anticipation SJs

- ▶ J. Clevenger: in excluding, as a matter of law, consideration of the differences of the clogs' exteriors, majority "permits dissection of a design as a whole into its component pieces."
- ▶ Insole design differences should be "appreciated in conjunction with all of the design differences."



Crocs insole



Seaway insole

- ▶ "The effect of the summation of all the design differences is what counts, not the comparison of differences one by one, isolated from each other. Such an approach invites the problems we sought to eliminate by rejecting the 'point of novelty' test."

Criticism of *International Seaway*

- ▶ The refined test inappropriately broadens the scope of anticipation
 - Phrase “[t]hat which infringes, if later, would anticipate, if earlier,” has been interpreted to apply to *literal* infringement only.
 - Anticipation requires complete identity of claim elements.
 - The ordinary observer test, which looks at whether designs are “substantially the same,” is more akin to the doctrine of equivalents.

Criticism of *International Seaway*

- ▶ The test for obviousness removes PHOSITA from the most critical analytical step
 - § 103 mandates that a “person having ordinary skill in the art” determines whether subject matter as a whole would be obvious
 - *International Seaway* allows PHOSITA to determine whether to combine references, but then *ordinary observer* decides whether the reference is substantially the same as the claimed design.
 - PHOSITA may be attune to differences that an untrained ordinary observer may overlook
- ▶ In recent C.D. Cal. ruling, court observed that “there is a history of looking to a designer of ordinary skill in determining obviousness,” but proceeded to apply ordinary observer test per *International Seaway*.

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