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Five Years Later, Did *Egyptian Goddess* Live Up to the Hype?

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In 2008, the Federal Circuit radically overhauled the test for design patent infringement in *Egyptian Goddess v. Swisa*, or so many commentators at the time predicted. The decision was heralded as broadening "the protection afforded by design patents" because it eliminated the problematic point-of-novelty test for infringement.[1] In the five years following *Egyptian Goddess*, however, the rulings by the district courts suggest that while the legal test has changed, the final result has not. Indeed, the ordinary observer test, as modified in *Egyptian Goddess*, may actually swing the pendulum in favor of noninfringement, benefiting accused infringers.

As we approach the five-year anniversary of the *Egyptian Goddess* en banc decision, we will explore the evolution of the ordinary observer test and consider if commentators were correct in their predictions.

Century-Old Test for Design Patent Infringement

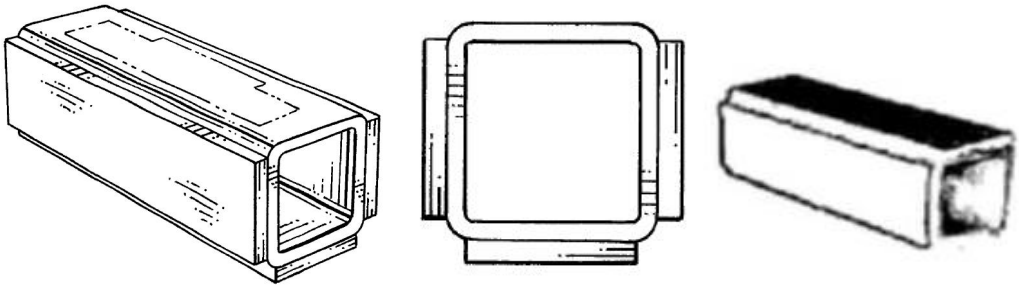
Prior to *Egyptian Goddess*, courts applied a two-pronged test to determine design patent infringement. The first prong—the ordinary observer test—was first articulated by the Supreme Court more than a century ago. This prong was satisfied when "two designs are substantially the same, if the resemblance is such as to deceive an observer, inducing him to purchase one supposing it to be the other."[2] The observer should be "ordinary" and give the patented design and accused design "such attention as a purchaser usually gives." Also, the claimed design and the accused design were to be considered as a whole, not compared element by element.

The second prong—the point of novelty test—was met only if the accused design also "appropriate[d] the novelty in the patented device which distinguishe[d] it from the prior art."[3] Therefore, under this prong, a court must identify the novelty in the patented design, the features which distinguish it from the prior art, and determine if the accused design also includes these features.[4] Only if the accused design includes these novel features, may the court grant a ruling of infringement. However, a court may not find infringement if the accused design merely copied aspects of the patented design that were already in the prior art.

Federal Circuit Modifies the Test

In *Egyptian Goddess*, Swisa sold a nail buffer similar to Egyptian Goddess's patented design (U.S. Design Patent No. D467,389). The patented design was directed to a nail buffer having a square cross-section, raised buffer pads on three of its four sides, and exposed corners. Swisa's accused product consists of a rectangular, hollow tube having a square cross-section, raised buffer

pads on all four of its sides, and exposed corners.



Egyptian Goddess' Claimed Design **Swisa Nail Buffer**

The U.S. District Court for the Northern District of Texas granted Swisa summary judgment of noninfringement based on the point of novelty test. The court held that the point of novelty of the '389 patent was the unique combination of four design elements: open and hollow body, square cross-sections, raised rectangular pads, and exposed corners. However, these design elements were all shown in the prior art, and therefore, Swisa merely copied aspects of the '389 patent that were already in the prior art.

On appeal, the Federal Circuit upheld the district court's ruling of noninfringement,[5] and the patent owner petitioned for a rehearing en banc. Several amici urged the Federal Circuit to eliminate the point of novelty test, arguing the test complicated a showing of design patent infringement.[6]

On Sept. 22, 2008, the en banc court struck down the point of novelty test holding that it was inconsistent with the Supreme Court's holding in *Gorham Co. v. White*. The Federal Circuit held that the ordinary observer test should be the sole test for design patent infringement, but in a modified form. Now, infringement must be determined "in light of the prior art" by "applying the ordinary observer test through the eyes of an observer familiar with the prior art."

Prognostication Begins

Immediately following the Federal Circuit's decision in *Egyptian Goddess*, many commentators stated that the standards for design patent infringement have been clarified and simplified, resulting in a net benefit for design patent owners asserting their rights. The modified ordinary observer test was predicted to "resolve the many problems of the point of novelty test."[7] Other commentators wrote that the Federal Circuit "took great strides toward significantly reducing the difficulties involved in enforcing design patents."[8]

Following *Egyptian Goddess*, commentators also heralded "the ability to enforce design patents has been enhanced."[9] Another stated that "design patentees undoubtedly received a significant boost," and will have a "de facto increase in scope of protection."[10] One commentator even boldly stated that the elimination of the point of novelty test "increases the value of design patents."[11] *Egyptian Goddess*, it was predicted, would significantly and favorably impact design patent holders, because the infringement test was now biased toward design patent holders.

Courts Apply the New Ordinary Observer Test

Although the commentators following *Egyptian Goddess* had high hopes for changes in design patent infringement law, the district court cases following *Egyptian Goddess* may not have lived up to those expectations. The following sample of cases shows specifically how courts have applied the modified ordinary observer test in the past five years.

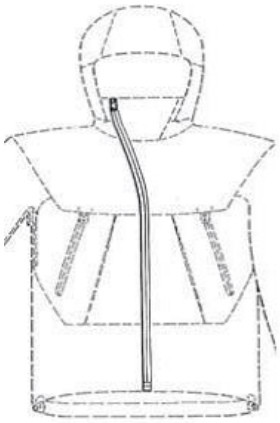
Arc'Teryx v. Westcomb

Decided just months after the en banc decision was issued, *Arc'Teryx Equip, Inc. v. Westcomb Outerwear, Inc*. was the first case to apply the new ordinary observer test. Arc'Teryx argued that Westcomb Outerwear infringed its patent directed to a design for a curvilinear zipper.[12]

The District of Utah held that an ordinary observer would find the claimed zipper design to have two sections, while the defendant's zipper has three sections. The court made only a passing reference to the prior art, likely because this case was

largely briefed before the *Egyptian Goddess* en banc decision was issued.

In the end, the court held that an ordinary observer would not confuse the design of defendant's jacket with Arc'Teryx's patented design, and therefore Westcomb's jacket did not infringe.



Arc'Teryx's Claimed Design

Westcomb Outerwear's Jacket

Wing Shing v. Sunbeam

The following year, in *Wing Shing Prods. (BVI) Co. v. Sunbeam Prods., Inc*., the Southern District of New York granted summary judgment to Sunbeam finding noninfringement of Wing Shing Product's design for a coffee maker.[13] Accessing the prior art, the court found that coffee makers lie in a "field crowded with many references relating to the design of the same type of appliance," and that accordingly, the "scope of protection afforded [the patented design] falls in a narrow range."

In finding no infringement, the court noted that the claimed design and Sunbeam's product differ at the very feature that distinguished the claimed design from the prior art: the base of each coffee maker.

Prior Art

Wing Shing Products Co.'s Claimed Design

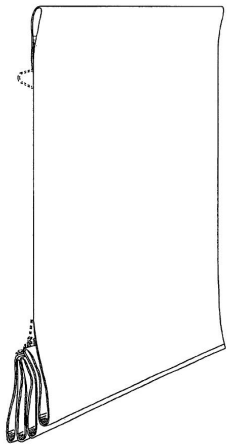
Sunbeam Products' Coffee Maker

Park B. Smith v. CHF

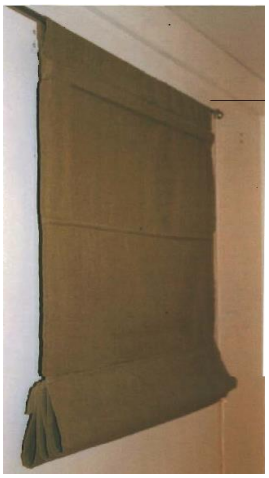
In 2011, the same district court denied a motion for summary judgment of noninfringement in *Park B. Smith, Inc. v. CHF Indus., Inc.*[14] Park B. Smith asserted design patents related to a roman shade.

In denying CHF's motion, the court noted that "a review of [the prior art] reveals that an ordinary observer, familiar with these designs, could still be deceived into believing that the accused product is the same as the patented design," because the patented design and the accused product had a similar feature, folds that cascade upwards, that the ordinary observer would "likely attach more importance to" in a field crowded with many similar roman shade designs.

Prior Art



Park B. Smith's Claimed Design



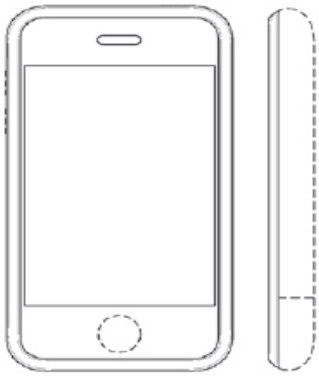
CHF Industries Accused Roman Shade

Apple v. Samsung

In 2012, a jury in the Northern District of California returned a verdict of design patent infringement in the much publicized *Apple v. Samsung*.[15] Apple asserted a number of design patents, including one directed to the face of a smartphone. The jury was instructed to use the modified ordinary observer test and told that "[w]hen the claimed design is visually close to prior art designs, small differences between the accused design and the claimed design may be important in analyzing whether the overall appearances of accused and claimed designs are substantially the same."16

While there is no written reasoning to analyze from the jury's verdict, a comparison of the prior art, claimed design, and one of the accused Samsung products offers some insight:

Prior Art



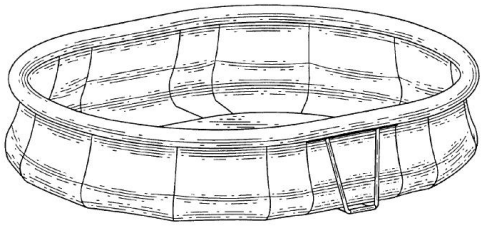
Park B. Smith's Claimed Design

Samsung's Smartphone

Sofpool v. Kmart

In 2013, plaintiff Sofpool alleged that defendant Kmart infringed its design patent for an oval, above ground swimming pool.[17] By applying the ordinary observer test of *Egyptian Goddess*, the Eastern District of California ruled that "no reasonable juror could find that an ordinary observer would conclude that the taller, more elegant accused pool embodies the squat pool plaintiff patented, or any colorable imitation thereof."

Therefore, the court granted defendant's motion for summary judgment on grounds of noninfringement. Notably, the court did not specifically consider the prior art.



Sofpool's Claimed Design

Kmart's Swimming Pool

Reality Does Not Live Up to Expectations

While these are merely five examples, findings related to design patent infringement are not limited to these cases. In fact, more district courts have granted more motions for summary judgment of noninfringement under the ordinary observer test of *Egyptian Goddess* than denied such motions. In just over 70 percent of cases following *Egyptian Goddess*, district courts granted defendants' motion for summary judgment of noninfringement.[18]

In contrast, in the five years preceding the decision, the district courts granted summary judgment of noninfringement in only about 50 percent of cases.[19] Thus, when applied by district courts on summary judgment, it appears the application of *Egyptian Goddess* tends to benefit accused infringers over patent owners.

Turning to jury verdicts, after *Egyptian Goddess*, six design patent infringement cases were decided by a jury. Of those, the jury found infringement in four.[20] By comparison, in the five years preceding *Egyptian Goddess*, juries returned verdicts regarding infringement in four design patent infringement cases. The jury found infringement in three of those four cases.[21] Therefore, slightly more jury verdicts found infringement before *Egyptian Goddess* than after. It appears the application of *Egyptian Goddess* has slightly favored accused infringers in jury trials, but overall has not substantially impacted these outcomes.

Practical Implications of *Egyptian Goddess* Today

The statistics from the past five years show that *Egyptian Goddess* may not have enhanced the "ability to enforce design patent rights" as predicted by the commentators. And, design patent holders did not necessarily receive a "de facto increase in scope of protection" following *Egyptian Goddess*. Conversely, it appears that the modified ordinary observer test may benefit accused infringers, especially when infringement is decided from the bench.

That said, design patent infringement cases are rare compared to utility patent cases, and very few design patent infringement cases make it to the summary judgment stage, much less to the jury. As a result, surveys of design patent cases have always suffered from a small sample size. While the sample appears to suggest that courts find noninfringement more often, perhaps cases of more obvious infringement settled.

Even so, five years later, it seems that *Egyptian Goddess* has simplified the question of design patent infringement by eliminating the point of novelty test and providing a clearer standard. Without the point of novelty test, a competitor can no longer copy many elements of a patented design and only leave out a few novel features to circumvent that test. Indeed, under the modified ordinary observer test, the scope of the patented design is considered in light of the prior art.

Motivated by circumstance and benefiting from a more generous budget, parties often discover prior art during litigation that was not known during prosecution. This can appear to change the scope of a claimed design—benefiting either the patent owner, if no similar prior art is uncovered, as in *Apple v. Samsung* smartphone case, or the accused infringer, if very close prior art is found, as in *Wing Shing Products* coffee maker case.

While some have argued that the increased focus on prior art has in the infringement context complicated design patent infringement cases, in reality, most parties were already performing these prior art searches, to evaluate patentability as part of pre-litigation analysis or in support of an invalidity counterclaim. On balance, following *Egyptian Goddess*, a design patent infringement case is likely simpler to set forth, easing both the burden on the parties and on the fact finder, be it a jury or the judge.

Many commentators today still describe *Egyptian Goddess* as "a watershed moment" that "brought more certainty to the test on

design patent law."[22] And the recent holding in *Apple v. Samsung* could be seen as supporting predictions about a new strength for design patents, but the entire landscape of decisions over the past five years tells a different, more nuanced tale. While *Egyptian Goddess* has made the administration of the test for design patent infringement easier, every case must be decided on its merits and the strength of an individual case is best judged by the design patent at issue, not necessarily a broader scope for all design patent holders as predicted by many commentators.

Endnotes

[1] Bruce A. Kugler and Craig W. Mueller, "A Fresh Perspective on Design Patents," 38 *The Colorado Lawyer* 71 (July 2009).

[2] *Gorham Mfg. Co. v. White*, 81 U.S. 511, 528 (1871).

[3] *Sears, Roebuck & Co. v. Talge*, 140 F.2d 395, 396 (8th Cir. 1944).

[4] *Egyptian Goddess Inc. v. Swisa Inc.*, 543 F.3d 665, 671, 88 U.S.P.Q.2d 1658 (Fed. Cir. 2008) (en banc) (76 PTCJ 724, 9/26/08).

[5] *Egyptian Goddess, Inc. v. Swisa, Inc.*, 498 F.3d 1354, 1358, 84 U.S.P.Q.2d 1046 (Fed. Cir. 2007) *reh'g en banc granted*, *opinion vacated*, 256 F. App'x 357 (Fed. Cir. 2007), and *on reh'g en banc*, 543 F.3d 665 (Fed. Cir. 2008).

[6] Darrell G. Mottley, "*Egyptian Goddess v. Swisa*: Retooling Design Patent Infringement," *Landslide*, Vol. 1, No. 2, 8, 13 (November 2008).

[7] Mottley at 62.

[8] Christopher V. Carani, "Landmark Case Fundamentally Alters Design Patent Enforcement," *Shoe Retailing Today*, p.26 (Jul-Aug 2009).

[9] Kugler at 76.

[10] Carani at 26.

[11] Kugler at 73.

[12] *Arc'Teryx Equip., Inc. v. Westcomb Outerwear, Inc.*, 2:07-cv-59 (D. Utah Nov. 4, 2008).

[13] 665 F. Supp. 2d 357, 358 (S.D.N.Y. 2009) *aff'd*, 374 F. App'x 956 (Fed. Cir. 2010).

[14] 811 F. Supp. 2d 766, 778 (S.D.N.Y. 2011).

[15] *Apple Inc. v. Samsung Electronics Co.*, No. 5:11-cv-01846 (N.D. Cal. Aug. 24, 2012)

[16] *Id.*, Dkt. No. 1903 at 63.

[17] *Sofpool, LLC v. Kmart Corp.*, No. 10-cv-3333 (E.D. Cal. May 30, 2013).

[18] Courts have ruled in favor of the accused infringer in 17 of the 24 rulings on a defendant's motion for summary judgment of noninfringement since the *Egyptian Goddess* decision. *See, e.g., Arc'Teryx*, No. 2:07-cv-59; *Minka Lighting, Inc. v. Maxim Lighting Int'l, Inc.*, No. 3:06-cv-995 (N.D. Tex. Mar. 16, 2009); *HR U.S. LLC v. Mizco Int'l, Inc.*, No. cv-07-2394 (DGT)(JO) (E.D.N.Y. Mar. 31, 2009); *Rainworks Ltd. v. Mill-Rose Co.*, 622 F. Supp. 2d 650, 653 (N.D. Ohio 2009); *Chef'n Corp. v. Trudeau Corp.*, No. C08-01135 MJP (W.D. Wash. June 4, 2009); *Wing Shing Prods.*, 665 F. Supp. 2d at 369; *Shop*TV, Inc. v. Bed Bath & Beyond, Inc.*, No. 09-cv-00057 (D. Colo. Jan. 19, 2010) *report and recommendation adopted in part*, rejected in part, (D. Colo. Feb. 3, 2010) *order*

withdrawn, No. 09- cv-00057 (D. Colo. Feb. 17, 2010); *Seat Sack, Inc. v. Childcraft Educ. Corp*., No. 07 Civ. 3344 (DFE) (S.D.N.Y. Jan. 22, 2010) *aff'd*, 417 F. App'x 931 (Fed. Cir. 2011); *Competitive Edge, Inc. v. Staples, Inc*., 763 F. Supp. 2d 997, 1018 (N.D. Ill. 2010) *aff'd*, 412 F. App'x 304 (Fed. Cir. 2011); *Great Neck Saw Mfrs., Inc. v. Star Asia U.S.A., LLC*, 727 F. Supp. 2d 1038, 1054 (W.D. Wash. 2010) *aff'd*, 432 F. App'x 963 (Fed. Cir. 2011); *Fanimation, Inc. v. Dan's Fan City, Inc*., 1:08-cv-1071 (S.D. Ind. Dec. 16, 2010) *aff'd*, 444 F. App'x 449 (Fed. Cir. 2011); *Degelman Indus. Ltd. v. Pro-Tech Welding & Fabrication, Inc*., No. 06-cv- 6346 (W.D.N.Y. Dec. 23, 2011) (summary judgment motion denied in part and granted in part); *Seirus Innovative Accessories, Inc. v. Cabela's Inc*., 827 F. Supp. 2d 1150, 1152 (S.D. Cal. 2011); *Pac. Coast Marine Windshields Ltd. v. Malibu Boats, LLC*, No. 6:12-cv-33 (M.D. Fla. Dec. 27, 2012); *McIntire v. Sunrise Specialty Co*., CIV. S-11-2495 (E.D. Cal. May 7, 2013); *Keurig, Inc. v. JBR, Inc*., No. Civ. 11-11941-FDS (D. Mass. May 24, 2013); *Sofpool*, No. 10-cv-3333. Courts have denied motions for summary of judgment of noninfringement in eight cases. *See Mondo Polymers Techs., Inc. v. Monroeville Indus. Moldings, Inc*., No. 2:07-cv-1054 (S.D. Ohio Nov. 3, 2009); *Cobra Fixations CIE LTEE-Cobra Anchors Co. v. Newell Operating Co*., No. 1:09-cv-436 (M.D.N.C. Apr. 13, 2011); *Degelman Indus. Ltd*., 06-cv-6346 (summary judgment motion denied in part and granted in part); *Park B. Smith, Inc. v. CHF Indus. Inc*., 811 F. Supp. 2d 766, 781 (S.D.N.Y. 2011); *Nordock Inc. v. Systems Inc*., No. 11-c-118 (E.D. Wis. Feb. 26, 2013).

[19] *See, e.g., Minka Lighting, Inc. v. Reliance Lighting, Inc*., No. 5:05-cv-01015 (C.D. Cal. April 7, 2008) (granting defendant's motion for summary judgment); *Park B. Smith, Inc. v. CHF Indus., Inc*., No. 06 CIV 869 LMM JCF (S.D.N.Y. Mar. 6, 2008) *vacated and remanded*, 309 F. App'x 411 (Fed. Cir. 2009) (initially granting defendant's motion for summary judgment); *Kellogg v. Nike, Inc*., 592 F. Supp. 2d 1166, 1173 (D. Neb. 2008) (denying defendant's motion for summary judgment); *Ashley Furniture Indus. Inc. v. Lifestyle Enter. Inc*., 574 F. Supp. 2d 920, 934 (W.D. Wis. 2008) (denying defendant's motion for summary judgment).

[20] *See, e.g., Nordock Inc. v. Systems Inc*., No. 11-C-118 (E.D. Wis. March 26, 2013) (finding infringement of plaintiff's design patent); *Degelman Indus., Ltd. v. Pro-Tech Welding & Fabrication, Inc*., No. 06-cv-6346 (W.D.N.Y. March 8, 2013) (finding infringement of plaintiff's design patent); *Frito-Lay North America, Inc. v. Medallion Foods, Inc*., No. 4:12-cv-0074 (E.D.TX. March 1, 2013) (finding defendant did not infringe plaintiff's design patent); *W.Y. Indus., Inc. v. Kari-Out Club*, No. 2:08-5349 (D.N.J. Dec. 6, 2012) (finding infringement of plaintiff's design patent); *Apple Inc. v. Samsung Electronics Co*., No. 5:11-cv-01846 (N.D. Cal. Aug. 24, 2012) (finding infringement of plaintiff's design patent); *Kellogg v. Nike, Inc*., No. 8:07-cv-70 (D. Neb. Sept. 29, 2008) (finding defendant did not infringe plaintiff's design patent).

[21] *See, e.g., Mobile Hi-Tech Wheels v. Platinum Motorsports, Inc*., 27 Trials Digest 7th 5 (C.D. Cal. 2004) (jury verdict of infringement); *Brine Inc. v. STX LLC*, 19 N. Eng. J.V.R.A. 8:C4 (D. Mass. 2003) (jury verdict of no infringement); *Baden Sports v. Kabushiki Kaisha Molten*, No. C06-0210 (W.D. Wash. 2007) (jury verdict of no infringement); *Sofpool, LLC v. Intex Recreation Corp*., No. 2:07-cv-097 (E.D. Tex. April 17, 2008) (jury verdict of no infringement).

[22] Richard Acell, "IP Firm Hold The Lead In The Flourishing Field Of Design Patent Litigation," *ABA Journal* (August 2013) (quoting Christopher V. Carani).

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