PROTECTING DESIGNS

Johanna Foods, Inc. v. Coca-Cola - D.N.J.

In response to efforts by Coca-Cola to enforce its design patents, Johanna Foods, Inc. filed a declaratory judgment complaint on September 21 in the U.S. District Court for the District of New Jersey against Coca-Cola, d/b/a Simply Orange Juice Company. According to the complaint, in December 2009, Coca-Cola sent Johanna a letter asserting their rights under trade dress law and under seven design patents relating to beverage containers. In that letter, Coca-Cola allegedly stated that it had filed suit against third parties to whom Johanna had previously supplied and/or licensed a carafe-shaped container design and that the third parties had "each agreed to cease use of the accused design in settlement of the action." The complaint also stated the Coca-Cola sent an August 2010 letter to Johanna customer ALDI asserting federal and state trademark rights as well as design patent rights against the beverage packaging that Johanna sold to ALDI, again citing "previous successful efforts" against other third parties. In September 2010, Coca-Cola then allegedly sent another letter to Johanna, reviewing the previously stated enforcement efforts and threatening suit over Johanna's supply of beverage containers to ALDI as well as Johanna's use of its own beverage containers in its own Tree Ripe brand.

Johanna's complaint asserts that Coca-Cola's "previous successful efforts" resulted in confidential, out-of-court settlements and not adjudication on the merits of the cases. Johanna also states that Coca-Cola's litigation threats may significantly harm Johanna's business relationship with ALDI and its profits from its Tree Ripe brand. The complaint further notes that Johanna itself has design patents on both its Nature's Nectar Bottle (for which ALDI is a customer) and its Tree Ripe Bottle.

Johanna brings eight causes of declaratory judgment of no infringement: one for no trade dress infringement, and seven for no infringement of design patents, one for each of Coca-Cola's seven above-mentioned design patents. Johanna first argues that Coca-Cola has no valid trade dress rights in its Simply Orange bottles and that Johanna's accused bottles do not infringe any valid trade dress rights of Coca-Cola's because there is no likelihood of confusion. Regarding each of Coca-Cola's seven design patents, Johanna's complaint alleges that an ordinary observer would not believe that its bottles are the same as the patented designs, but that such an observer would notice substantial differences between the two. Johanna seeks declaratory judgment, court costs, and reasonable attorney's fees on each of the eight claims.

Photographs of the accused products together with selected figures from the Johanna and Coca-Cola design patents are shown here.

Tags: Design Patents, Trade Dress

PROTECTING DESIGNS

U.S. Continues to Delay Ratification of the Geneva Act of the Hague Agreement Concerning International Registration of Industrial Designs

Brief History of the Hague Agreement

The Hague Agreement is part of the legal framework of the Hague System -- a system that provides a simplified mechanism for registering industrial designs in contracting states. Under the Hague Agreement, an industrial design can be registered in any number of designated contracting states by filing a single international application, in a single language, with a single set of fees, and in a single currency.

On July 6, 1999, the U.S. became a signatory to the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs (Geneva Act). However, the U.S. Senate has not yet ratified the Geneva Act, and must do so before it can be regarded as a contracting party. It has been speculated that the U.S. Senate will give advice and consent to ratify the Geneva Act once the Patent Reform Act of 2010, which is pending before Congress, is signed into law. There is also uncertainty regarding when the Patent Reform Act will be signed into law.

Legal Framework of the Hague Agreement

The Hague Agreement consists of three international treaties: the Geneva Act; the Hague Act of November 28, 1960 (Hague Act); and the London Act of June 2, 1934 (London Act). The Geneva and Hague Acts operate independently. Thus, an applicant who files an international application can only designate states that are party to a common act (for example, a state that is party to the Geneva Act cannot designate a state that is party to the Hague Act unless that state is also a party to the Geneva Act).[1] A state may decide to become party to only one or to both acts. The London Act has been frozen since January 1, 2010 and no new designation under that act may be recorded.

Who Can File an International Application under the Geneva Act

An applicant must be entitled to file an international application. Entitlement is satisfied if the applicant is a national of, domiciled in, has a habitual residence in, or has a real and effective industrial or commercial establishment in a contracting state.

Effect of Filing an International Application under the Geneva Act

Once an international application is filed under the Geneva Act in the International Bureau, the International Bureau ascertains whether the application complies with formal requirements, records the application in the international register, and publishes the application in the International Designs Bulletin.

Once published, the contracting states designated in the international application perform substantive examination of the application. One key feature of the Hague system is that each designated contracting state may adopt its own laws to govern the substantive examination of the application. If the application fails to comply with conditions of the domestic legislation of the contracting state, the contracting state may refuse industrial design protection.

If a contracting state refuses protection, the applicant has the same remedies as the applicant would have had if the applicant had filed the design directly with the examining office of that contracting state, and any further proceedings, including appeals, are effectuated according to the laws of that contracting state.

If the contracting state does not refuse protection, the international registration has the effect of a grant of protection under the law of the contracting state. Thus, the applicable law that defines the scope of protection of the industrial design is that of the contracting state where protection has been obtained.

Thus, it is re-emphasized that Hague Agreement is procedural in nature and the International Bureau does not assess the novelty of the design sought to be protected and is not entitled to reject an international application on substantive grounds. [2]

Duration of Protection under the Geneva Act

The duration of industrial design protection under the Geneva Act is 15 years (three five-year terms) extending from the date of registration. In comparison, design patents in the U.S. currently have a duration of 14 years from issue. Protection beyond the 15 years afforded by the Geneva Act is determined by the law of each designated contracting state.

Advantages of Filing an International Application under the Geneva Act

The Geneva Act enables applicants from a contracting state to obtain protection of their designs with minimal formality and expense. Unlike the traditional route of filing an application in each state where protection is being sought, the Hague system provides that a single application, in one language, with one set of fees, and in one currency, can be used to register the design in each designated contracting state.

Additionally, under the Geneva Act, the international registration can be centrally maintained. For example, through the International Bureau, applicants can appoint or cancel representatives, change their or their representative's name and address, change ownership, and renew or renounce the registration in the designated contracting states.

Additional Resources

Hague System for the International Registration of Industrial Designs at http://www.wipo.int/hague/en/general/.

Office of the Administrator for External Affairs: Hague System for the International Deposit of Industrial Designs at http://www.uspto.gov/ip/global/patents/100318_USPTO_-_Hague_System_2_corrected.ppt.

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[1] For an updated list of all Hague Agreement members *see* www.wipo.int/hague/en/members.

[2] Efforts to harmonize the law regarding industrial design protection are ongoing and are governed by WIPO's Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications. *See* www.wipo.int/trademarks/en/sct.html.

Tags: Design Patents, Geneva Act, Hague Agreement

PROTECTING DESIGNS

In re Certain Wind and Solar-Powered Light Posts and Street Lamps - ITC

As reported by Oblon Spivak's **ITC Blog**, the ITC has **instituted an investigation** in response to a **complaint** asserting design patent rights for a solar-powered light post and street lamp design. The complainants, a set of New York, New York companies referred to as the Duggal companies, assert **U.S. Patent No. D610,732 S** ("the '732 patent") for a Wind and Solar-Powered Light Post. The respondents are Gus Power Incorporated of Canada; Efston Science Inc. of Canada; King Luminaire, Inc., of Jefferson, OH; and The StressCrete Group of Canada. The complainants allege that the accused products are "substantially similar to," or "virtually identical to," the design protected by the '732 patent, citing specific incidences of alleged infringement. No other patents are asserted in the complaint.

The statute in 19 U.S.C. § 1337(a)(1)(B)(i)-(ii) makes no distinction between utility and design patents, but gives the ITC jurisdiction over any patent infringement meeting the other requirements of Section 337. In this case, the complainants report in their complaint that they have no other current litigation related to the '732 patent, thus resting the enforcement of their design patent rights on their requests to the ITC for an exclusion order and a cease-and-desist order.

Photographs of selected respondents' and complainants' products together with a figure from the '732 patent can be found here.

Tags: Design Patents, ITC

PROTECTING DESIGNS

USPTO Affirms Ford’s Patented Vehicle Grill Design as Obvious Over Published “Spy” Photograph

It is true what they say, secrets can come back to haunt you. At least they did for Ford in a recent appeal before the USPTO’s Board of Patent Appeals and Interferences (the BPAI) where the BPAI affirmed that an automotive spy photograph published in *Trailer Life Magazine*, in combination with other art, was sufficient to render obvious the claimed design of a front grill for a Ford Expedition.

Please click here for full article with images.

Tags: Design Patents, Obviousness

PROTECTING DESIGNS

On the importance of U.S. Design Patent Applicants to Comply with Duty of Disclosure at USPTO

Plaintiff Yokohama Rubber Company LTD ("Yokohama") sued Defendant Stamford Tyres ("Stamford") in the U.S. District Court for the Central District of California (Case No. SACV 07-00010-CJC). Yokohama asserted that Stamford infringed U.S. Design Patent No. D512,014 (the "asserted patent"), directed to the ornamental design for an automobile tire, by selling the Stamford ST-08 tire. As a defense, Stamford alleged that the asserted patent was unenforceable due to Yokohama's inequitable conduct before the United States Patent and Trademark Office ("USPTO"), for the failure to cite U.S. Patent No. D443,565S (the "prior art reference") during prosecution of the asserted patent.

To prove inequitable conduct, the accused infringer must present evidence that the applicant (1) made an affirmative misrepresentation of material fact, ***failed to disclose material information***, or submitted false material information, and (2) intended to deceive the USPTO. Stamford, the accused infringer, showed the non-disclosed prior art reference was material by alleging that the Japanese Patent Office rejected the Japanese counterpart to the asserted patent solely because of its similarity to the prior art reference. Further, Stamford showed intent to deceive by alleging that one of the inventors of the asserted patent was involved with the prosecution of the Japanese counterpart to the asserted patent and knew that the Japanese Patent Office initially rejected that application because of its similarity to the prior art reference, and yet failed to disclose the prior art reference to the USPTO during prosecution of the asserted patent.

The patent owner, Yokohama, filed a motion for judgment on the pleadings (without a trial) and argued that there is no genuine issue of material fact about whether the omitted prior art reference was material to the patentability of the asserted patent because: (1) Japanese patent laws are different than U.S. patent laws, (2) the Japanese counterpart application eventually issued over the omitted reference, (3) Defendants' own experts did not rely on the omitted reference in asserting the patent invalid, and (4) the USPTO examiner considered the prior art reference but cited other, more relevant prior art.

On May 12, 2010, the Court rejected each of Yokohama's reasons, stating that even if Japanese patent laws are different and the Japanese counterpart application still issued over the omitted prior art reference, a reasonable U.S. examiner would still consider the prior art reference to be material. Additionally, the Court stated that it is irrelevant whether the Defendants' experts relied on the omitted prior art reference, as the standard is whether a "reasonable examiner" would have considered the prior art important. Further, the court asserted that Yokohama presented insufficient evidence that the USPTO examiner considered the prior art reference. Instead, the patent owner merely submitted evidence that the same U.S. examiner *examined* the prior art reference four years earlier. However, there was no evidence that the U.S. examiner even remembered the details of the prior art reference during the prosecution of the asserted patent four years later.

For these reasons, the court denied the patent owner's motion for judgment on the pleadings. Accordingly, this issue will likely proceed to trial, during which the accused infringer will have a chance to prove its defense of inequitable conduct. This case emphasizes the importance for U.S. design patent applicants to comply with their duty of disclosure. In

particular, it is generally considered good practice to submit to the USPTO all references cited as prior art in non-U.S. counterpart applications. The duty of disclosure and the potentially drastic consequences of a failure to comply with this duty are unique features of the U.S. system. Defending against even an unsuccessful charge of inequitable conduct due to failure to disclose material information is expensive at a minimum. At worst, violation of the duty of disclosure can create a fatal trap for U.S. design patent applicants and render a design patent unenforceable.

Tags: Design Patents

PROTECTING DESIGNS

BPAI Emphasizes Obviousness Test in Reversing Inter Partes Design Patent Reexamination

In *inter partes* reexamination 95/000,034, *Vanguard Identification Systems Inc., v Bank of America Corporation*, the BPAI reversed the examiners obviousness rejection, emphasizing the difference between a proper obviousness determination for design and utility patents. An obviousness determination for a utility patent must consider the perspective of one of ordinary skill in the art to which the invention pertains. For design patents, obviousness is based on the perspective of designer of ordinary skill who designs articles of the type involved. As this case demonstrates, failing to appreciate the distinction can lead to dire consequences for third party requesters.

Please click here for full article with images.

Tags: Design Patents, Obviousness, Post-grant Review

PROTECTING DESIGNS

Expedited Examination of a Design Patent Application

The average time to obtain a US Design Patent under **regular** examination is about **15 months** from filing to issue. This pendency is short relative to Utility Patent Applications, which require on average over 35 months of examination before issuing. However, some companies need Design Patent protection even faster. For example, when an competitor is about to launch a similar product on the market, or when investors are demanding patent protection before further funding, or when the product is typically in vogue with consumers for only a short period of time, companies need a Design Patent as soon as possible. In such situations, they can request the USPTO to examine their design patent applications under an expedited procedure provided under 37 CFR 1.155. Under the **expedited** procedure, also known as the "Rocket Docket," a design application issues on average within **5 months**!

This expedited procedure is available upon request to any design applicant who complies with certain requirements, as discussed next.

Fees: A fee of $900 must be paid for expedited examination, in addition to the basic design application filing fee of $220.

Search: The applicant must file a statement indicating that a preexamination search was conducted. Importantly, a search made by a foreign patent office satisfies this requirement. The statement must also include a list of the field of search such as by U.S. Class and Subclass. The application must also include an information disclosure statement listing the results of the preliminary examination search.

Drawings: The design application must include drawings in compliance with USPTO regulations. If the drawings fail to comply with USPTO requirements, the USPTO will send a notice requiring compliance within a shortened time period. Unless all requirements are timely met, the application will await action in its regular turn. It is thus recommended to ask a US draftsman to review the drawings prior to filing so as to avoid unnecessary delays.

Election without Traverse: If the application includes two or more embodiments that are patentably distinct, the Examiner will require an election of one of the embodiments. The applicant must make the election without traverse. Otherwise, the application will await action in its regular turn. Divisional applications directed to nonelected embodiments will be examined under regular examination unless the divisional applications meet the above requirements for expedited examination.

No withdrawal: Once the USPTO grants a request for expedited examination, there is no provision for withdrawing from the expedited examination procedure.

Tags: Design Patents, Prosecution, USPTO

PROTECTING DESIGNS

Factoring Out of Functional Elements Proper in Design Patent Infringement Analysis

The U.S. Court of Appeals for the Federal Circuit issued their second significant design patent opinion in the past two weeks. In the most recent decision, the Court affirmed a finding of no-infringement of a design patent after a district court had first construed the claim by factoring out the functional elements of the design. *Richardson v. Stanley Works, Inc.*, No. 2009-1354 (Fed. Cir., Mar. 9, 2010).

The patent at issue (U.S. Design Patent No. D507,167) claimed the design for a carpentry tool known as a stepclaw. The stepclaw includes a handle, hammer-head, jaw, and crow-bar. The district court found that "the overall configuration of these four elements is dictated by the functional purpose of the tool and therefore is not protected by [Richardson's] design patent." *Richardson v. Stanley Works, Inc.*, 91 USPQ2d 1604 (D. Az. 2009). The district court construed the claim to exclude any "primarily functional" elements. Id. at 1606. Regarding the jaw on the stepclaw, the district court noted that "none of the prior art designs are as similar to Richardson's patented design as is Stanley's." Id. at 1607. Often, the presence of alternative forms for a feature (e.g. a jaw) that performs a certain function suggests that the claimed form of the feature is ornamental. However, the district court also noted that "Richardson had to design the jaw the way he did...to function as 'a step to elevate the worker without a ladder.'" Id. Thus, the district court concluded that the "basic jaw design used by Richardson and Stanley...is primarily functional." Id. Regarding the features determined to be ornamental, the district court found "little similarity" and noted that the differences between the two tools are substantial to find infringement.

On appeal, the patent owner argued that the district court erred in separating out functional aspects of the design from the ornamental ones, rather than considering the design as a whole. The U.S. Court of Appeals for the Federal Circuit disagreed. The Court identified elements in the patented design that were "driven purely by utility." Slip Op. at 6. In support of its identification of "purely functional elements," the Court noted that the elements had been known in the prior art for over a century. Slip Op. at 7.

The Court instead compared only the ornamental aspects of the design to the accused tool. In affirming the district court finding of no-infringement, the Court explained "ignoring the functional elements of the tools, the two designs are indeed different. Each of the Fubar tools made by Stanley has a streamlined visual theme that runs throughout the design including elements such as a tapered hammer-head, a streamlined crow-bar, a triangular neck with rounded surfaces, and a smoothly contoured handled. In a side-by-side comparison with the ’167 patent design, the overall effect of this streamlined theme makes the Fubar tools significantly different from Richardson’s design." Slip Op. at 10.

The full text of the *Richardson* decision may be found here.

Tags: Design Patents, Federal Circuit

PROTECTING DESIGNS

Federal Circuit Urges Caution in Construing Design Patents

In a decision issued February 24, 2010 (Case No. 2008-1596), a panel of the Federal Circuit reversed a finding by the International Trade Commission that a design patent owned by Crocs, Inc. was not infringed by various respondents. In explaining its reasoning, the Court warned against reliance on detailed verbal descriptions of the claimed design, stating:

"This court has cautioned, and continues to caution, trial courts about excessive reliance on a detailed verbal description in a design infringement case. *See, e.g., Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 679 (Fed. Cir. 2008) (en banc). In *Egyptian Goddess*, this court warned that misplaced reliance on a detailed verbal description of the claimed design risks undue emphasis on particular features of the design rather than examination of the design as a whole. *Id.* at 679–80. In many cases, the considerable effort in fashioning a detailed verbal description does not contribute enough to the infringement analysis to justify the endeavor. *See id.* at 680. Depictions of the claimed design in words can easily distract from the proper infringement analysis of the ornamental patterns and drawings." Slip Op. at 9-10.

The text of the full decision may be found here.

Tags: Design Patents, Egyptian Goddess, Federal Circuit

PROTECTING DESIGNS

Design Patents & Reexamination - A Discussion With Design Patent Expert Philippe Signore

Philippe Signore was recently interviewed on Oblon, Spivak's Patents Post Grant Law Blog. The text of that interview is below.

Design Patents & Reexamination -- A Discussion with Design Patent Expert Philippe Signore

Design patents are significantly different from utility patents in that design patents do not protect function, but instead, protect ornamental features. Design patent are defined in scope by the content of the drawings as opposed to the words of a set of claims. Further, design patents are accorded a patent term of 14 years from issue, as opposed to 20 years from filing.

The USPTO issues about 25,000 design patents each year. Design patents cover a broad range of products, as evidenced by the diversity in the companies investing in this form of IP. For example, consumer electronic companies, such as Sony, Motorola, Toshiba, and Apple rely on design patents to protect the stylish appearance of their latest gadgets Likewise, athletic product companies such as Nike and Under Armour cover the aesthetic appeal of their footwear and garments, which can be a primary selling point, using design patents. Auto-makers, such as Ford, Honda and Toyota, obtain design patents to protect their components from being replaced with low quality imitations; even software companies, such as Microsoft and Google, seek design patent protection to cover their latest computer icons, and GUIs'.

With fewer than 10 design patent reexaminations conducted by the USPTO, on average, in any given year, PatentsPostGrant.com explored the underlying issues with Oblon Spivaks's design patent guru **Philippe Signore**.

PPG.com : Philippe, why do you think the frequency of design patent reexamination is so low?

Philippe: Historically, design patent litigation has been much less common than litigation involving utility patents. With so much of the recent surge in reexamination of utility patents being linked to concurrent litigation, it does not surprise me that design patent reexaminations are relatively infrequent. That is not to say that design patents are less valuable than utility patents, just that design patents have not been effective barriers on their own for preventing entry to an entire market of products, but instead, have created effective barriers to copying a particular product aesthetic.

PPG.com: Can you expand a bit on that last point, what do you mean by "not effective barriers?"

Philippe: For example, if you want to manufacture running shoes, an issued design patent may not stop you from selling a number of running shoes in the marketplace; instead the issued design patent may stop you from copying the particular design shown in the issued design patent. Thus, while a utility patent could prevent a competitor from entering a market altogether (assuming someone owned the patent on making shoes) a design patent may only prevent a competitor from copying a particular design for an article of manufacture.

Getting back to the popularity of reexamination proceedings, design patents have not been conducive to patent troll use due to the low likelihood that a single design would apply to an entire industry. Thus, there are very fewer "David vs. Goliath" style situations in which the risk/reward ratio favors such a design patent assertion. Historically, design patent disputes have been between true competitors, and litigation between competitors is not an effective business model, but a tool of last resort.

PPG.com: You keep saying "historically," d*o you see design patent reexamination becoming more common in the future?*

Philippe: Yes, I definitely expect a modest increase in design patent reexamination proceedings, for a few reasons.

Companies all over the World are increasingly realizing that product sales are not only driven by what products do, but also by how products look. In that sense, utility patents and design patents provide a potent combination. Companies invest in utility patents to protect the functionality of their products, and at the same time they seek design patent protection to cover the shape and configuration of their products. Looking at the number of issued design patents each year, we see an upward trend reflecting this increase in popularity – although 2009 was an exception to this trend for the US. With the number of issued design patents increasing, I expect an increase in the number of disputes involving design patents in the future.

Another recent trend that may affect the number of design patent reexamination is globalization, which brings a greater number of imported goods into the US made in countries with lower manufacturing costs. These imported goods are often copies of existing products that were developed by more established companies with large R&D programs. As the established companies increasingly want to prevent price erosion and protect their share of the US market, they will increasingly turn to their design patents, which is a great weapon to fight against the importation of copied products. In that respect, Ford has been successful at the ITC in enforcing its design patents against importers of replacement parts for its vehicles. In district court, design patent owners have the additional option of seeking an infringer's **total profits** under 35 U.S.C.§ 289, an option not available to the owner of a utility patent. As can be appreciated, this option can strike fear into a manufacturer who pockets greater profits because of its lower costs. I predict that these importing companies will increasingly turn to reexaminations, which is an attractive, low cost, risk management tool.

PPG.com: What *are some features of design patents that render their reexamination different from that of a utility patent*

Philippe: *Ex parte* design patent reexaminations are found invalid (i.e., all claims cancelled) in roughly 50% of cases, which is significantly higher success rate than for utility patents. While this statistic is based on a relatively smaller sample, I believe it still suggests a relatively high chance of success for the third party requester. Unlike a utility patent reexamination, "what you see is what you get" in a design patent, the claim covers the design shown in the drawing figure(s); assuming the prior art shows the ornamental features, it may be difficult to amend around it.

Another potential advantage for the design patent reexamination requester is that although patent reexamination generally excludes offers for sale and public use evidence, in design cases this distinction is often times irrelevant. This is because an offer for sale often includes an image (especially in arts where design protection is valued), thereby qualifying the disclosure as a printed publication showing the claimed design.[1] For example, see the recently granted Reexamination Control No. 90/010/699 (Third party used their own catalog images as basis for SNQ). In this design patent reexamination, the Patent Holder will be forced to discuss the differences between the patented design and those of the third part requester (i.e., competitor). Thus, even if not found to be unpatentable by the USPTO, the Patent Holder will almost certainly be creating non-infringement defenses for the requester in the design patent reexamination.

Of course, to prepare a proper request for design patent reexamination or to successfully navigate a patent through design patent reexamination, ornamental obviousness must be analyzed and understood. Design patent obviousness analysis based on the design taken as a whole as viewed through the eyes of the ordinary observer is markedly different than the *KSR* style analysis that goes on in the utility world based on structural and functional analysis. Thus, obtaining skilled counsel is absolutely crucial for successfully implementing a design patent reexamination strategy.

PPG.com: Thanks Philippe, if our readers desire more information on design patents do you have any helpful links?

Philippe: Sure, in addition to **USPTO resources on design patents**, our **Industrial Design Practice Group Page** provides an overview of the scope of available protections, and **my bio** includes links to some further articles of mine.

Tags: Design Patents, Post-grant Review
