EXALLOGY Getting the Deal Through **EWTR** DESIGNS 2023



Patent infringement <u>Christopher V Carani</u> and <u>Dunstan H Barnes</u>

McAndrews, Held & Malloy Ltd

The information contained in this report is indicative only. Law Business Research is not responsible for any actions (or lack thereof) taken as a result of relying on or in any way using information contained in this report and in no event shall be liable for any damages resulting from reliance on or use of this information.



© Law Business Research Ltd 2022

Patent infringement

<u>Christopher V Carani</u> and <u>Dunstan H Barnes</u> McAndrews, Held & Malloy Ltd

Un-blurring the lines – branding on accused product should be irrelevant to design patent infringement when asserted design patent does not claim such aspects

Trademarks and design rights are two separate intellectual property rights with two different underlying regimes and philosophies. Trademarks protect source identifiers, which can include word marks, logos, and even the overall look and feel of a product, including its branding. Design rights (which fall under the patent system in the United States) protect the overall visual appearance of all or part of a new, original, and ornamental product. The subject matter of a design patent may relate to:

- the shape of an article;
- the surface ornamentation applied to an article; or
- the combination of shape and surface ornamentation.

Even though products may (in some instances) be protected by both trade dress and design rights, the two rights – with separate underlying philosophies – should not be conflated. As discussed in more detail below, a recent case from the United States District Court for the Federal Circuit blurs the line between these separate intellectual property rights. See *Columbia v Seirus Columbia Sportswear N Am, Inc v Seirus Innovative Accessories, Inc*, 942 F3d 1119 (Fed Cir 2019).

For design patent infringement, as a general rule, branding on an accused product does not, and should not, matter. This principle was enshrined in *LA Gear v Thom McAn Shoe*, where the Federal Circuit held that a pair of 'knockoff' shoes infringed a design patent despite prominent 'ballons' branding on the accused shoes. *LA Gear, Inc v Thom McAn Shoe Co*, 988 F2d 1117 (Fed Cir 1993).

In *LA Gear*, the defendant argued that the visual appearance of the branding on the accused product should be considered when assessing both trade dress and design patent infringement. The *LA Gear* court agreed that branding was relevant to assessing trade dress infringement, but roundly rejected the argument that branding was relevant for assessing design patent infringement, stating, 'Design patent infringement relates solely to the patented design, and does not ... allow for avoidance of infringement by labelling'.

In *Columbia v Seirus*, however, the visual branding on the accused product was considered in the design patent infringement analysis. The case started after Columbia sued Seirus in the United States District Court for the District of Oregon. The district court granted summary judgment of infringement of Columbia's US Design Patent No. D657,093. *See Columbia Sportswear N Am, Inc v Seirus Innovative*

Read this article on Lexology.com

Accessories, 202 F Supp 3d 1186, 1197 (D Or 2016) ('An ordinary observer familiar with the prior art would be likely to confuse Seirus's design with Columbia's patented design'.). At this stage, the district court stated that it is 'well-settled that a defendant cannot avoid infringement by merely affixing its logo to an otherwise infringing design'. The district court properly noted that logo placement may be considered where logo placement is claimed in the design patent, but that this did not apply in the present case.

On appeal, the Federal Circuit reversed the district court's grant of summary judgment of infringement, stating:

Given the record in this case, we are persuaded that the district court erred in granting summary judgment of infringement for two reasons:

- the court improperly declined to consider the effect of Seirus's logo in its infringement analysis; and
- the court resolved a series of disputed fact issues, in some instances relying on an incorrect standard, that should have been tried by a jury.

The broad wording and reasoning of the *Columbia* decision is troubling as it seemingly contradicts *LA Gear*'s key holding that branding is not a means for avoiding design patent infringement. The fact that the *Columbia* court used permissive language ('may consider') rather than mandatory language ('must consider') in its opinion provides no comfort to the potential mal-effect of the decision.

Indeed, this concern was validated by what transpired on remand, where the jury was instructed that they may consider the branding on Seirus's accused product when deciding whether the accused product infringed Columbia's design. After a four-day trial, and contrary to the judge's earlier holding on summary judgment (when the branding was not considered as part of the infringement analysis), the jury found that Seirus's accused design did not infringe Columbia's design patent.

So, where do we go from here? There is a genuine risk that – if the course is not corrected – requiring fact finders to consider logos when analysing design patent infringement will reduce the value of design patents. See, for example, *Cornucopia Prods, LLC v Dyson, Inc*, 2012 WL 3094955 at *4 (D Ariz 27 July 2012) ('design patent protection would essentially collapse if putting one's own logo on an otherwise identical product could defeat the ordinary observer test').

The principle laid down by *LA Gear* should persist (and the *Columbia* decision should be rejected, reversed or at least clarified) as it properly recognised the distinction between design patents and trademarks. Design patents, unlike trademarks, require a claim, which is applied for by the applicant, and examined by the USPTO. The aspects included in the claim (eg, shape, colour, surface ornamentation and branding) determine the scope of protection and thus what aspects are relevant when determining infringement. For example, if the design patent claim does not include colour, the colour of the accused product is irrelevant when determining infringement, no matter how noticeable. Similarly, if the design patent claim does not include branding, branding on the accused product is irrelevant when

Read this article on Lexology.com

determining infringement, no matter how distinctive. Whether for utility patents or design patents, features of the accused product that are peripheral to the claim are irrelevant to the infringement analysis. See, for example, *Advantek Marketing, Inc v Shanghai Walk-Long Tools Co, Ltd*, 898 F3d 1210, 1216-17 (Fed Cir 2018) (physical features of the accused product, such as a lid, that are extraneous to claimed design, directed at only the base, are irrelevant to design patent infringement analysis). In *Columbia*, branding was not claimed in the D'093 and thus should not, as a matter of law, have been considered when determining infringement.

On 7 September 2021, Columbia filed its notice of appeal with the Federal Circuit. Between 10 January and 17 June 2022, each party filed two briefs (opening, response and a reply brief per party). With briefing now complete, the parties now await oral argument before the Federal Circuit. As of 27 September 2022, the oral argument has not yet been scheduled. For the sake of design patent law, let us hope the Federal Circuit realigns with its earlier *LA Gear* approach, which acknowledges certain important differences between design patent and trademark law.

Read this article on Lexology.com