

# 2013 Was Another Big Year In US Design Rights Decisions

December 13, 2013

2012 was one of the most monumental years for design rights (collectively design patents and trade dress/trademark and to a lesser extent in the U.S., copyright rights) as result of the record-setting jury verdict in the [Apple Inc. v. Samsung Electronics Co. Ltd.](#) litigation. A jury award of over \$1 billion — with a “B” — for infringement of design rights (along with utility patents) brought new focus to the world of these “design rights.” While 2013 was not a repeat of the blockbuster decisions of 2012, there were still several important court decisions, which will be the focus of this article.



Richard  
McKenna

## 2013 Trade Dress Case Law Developments

Groeneveld manufactures and sells a grease pump used as part of an automated lubrication system for use on a commercial truck. Apparently Groeneveld had been selling pumps with a particular configuration for over 20 years and, until now, no competitor had attempted to copy the configuration of the Groeneveld pump. Groeneveld did not have a design patent nor a registered trademark directed to its pump, however, it brought suit for infringement of its common law trade dress rights in the pump configuration (*Groeneveld Transport Efficiency Inc. v. Lubecore International Inc.*, 730 F.3d 494 (6th Cir. 2013)). At trial, the jury ruled in favor of Groeneveld and awarded over \$1 million in damages; so, Lubecore appealed the trial court’s rejection of its motion for a judgment as a matter of law under Federal Rules of Civil Procedure, Rule 50.

It was pretty clear where the Sixth Circuit majority decision was heading based upon the first sentence of the opinion — “The key issue in this case is whether a company can use trade-dress law to protect its functional product design from competition with a ‘copycat’ design made by another company where there is no reasonable likelihood that consumers would confuse the two companies’ products as emanating from a single source.” Despite the clarity of this opening sentence, the majority provided a lengthy, but frankly confusing discussion of functionality. On one hand, the majority made conclusory statements when describing the two discrete, visible components of the pump — “Both components clearly serve a function essential to the product’s operation.”

Then, the court goes on to cite with favor the magistrate judge's statement: "Groeneveld has not presented its pump as in any way the equivalent of an automotive tail fin — a purely ornamental feature that contributes no demonstrable benefit to the operation or efficiency of the designed product."

However, I question the court's reliance on this example. The tail fin forms the upper portion of the rear quarter panel of the automobile. Doesn't the rear quarter panel of the car "serve a function essential to the (car's) operation," namely enclosing the rear wheel well, defining physical space for the trunk, and providing protection for the gas tank positioned beneath the trunk? I have not reviewed Groeneveld's evidence, but the majority opinion appears to be yet another example of the difficulties courts are having with effectively articulating the nonfunctionality requirement for trade dress and applying the muddled precedent on this issue.

Functionality was a clear focus for the majority and perhaps if Groeneveld secured a design patent in the 1980s when it first introduced the product, it would have had better evidence to support its nonfunctionality argument (remember, design patents cannot be granted to functional designs).

Another interesting aspect of this decision was the court's treatment of the unique branding which each party included on their respective pumps in relation to the likelihood of confusion test. The court took note of the different branding on the products and proclaims "In light of such a stark visual difference in branding, no reasonable consumer would think that the two grease pumps belong to the same company." Keep in mind, the jury reached the opposite conclusion.

One additional interesting point of the opinion is found in the court's discussion discounting Groeneveld's evidence of Lubecore's intent. The court launches into a thorough discussion of the constitutional and public policy distinctions between copyrights and patents on one hand and trademarks on the other. The court follows this theme to declare that the defendant's intent to copy is yet another key distinction between these parallel forms of protection. The intent to copy is relevant inquiry for copyright and patent infringement, but it is the intent to copy in order to create consumer confusion which is the relevant inquiry under trade dress law.

This is interesting because commentators periodically question whether or not the simultaneous protection of the same subject matter by a design patent and trademark is constitutional. Arguably, the majority's thorough discussion of the constitutional distinctions and public policy rationale for patents, trademarks and copyrights provides further support for the position that these intellectual property protections stand parallel to and independent of one another.

Judge Helene White offers a thorough dissent which challenges the majority in failing to view the evidence in the light most favorable to Groeneveld along with failing to give the required "substantial deference to the jury verdict." Judge White's dissent also criticizes the majority's functionality analysis for focusing on the functionality of the individual components rather than "whether the trade dress as a whole is functional."

Judge White harkens back to the Sixth Circuit's well-known Humvee trade dress case ([General Motors v. Lanard Toys](#)) in which the court identified numerous elements of the overall truck (e.g., the grille, slanted hood, split windshield, etc.) which formed the overall trade dress. She notes that each of these elements served a particular function as individual components for the vehicle, but their individualized designs did not serve a function.

Applying this precedent, Judge White identifies the individual components of the Groeneveld pump and points out that numerous design elements integrated into these components which perform no inherently functional purpose. She writes "That (Groeneveld's) individual components have functional qualities does not compel a finding that the trade dress is functional."

Overall, a review of the majority opinion and the dissent shows that this case does little to settle the muddled precedent for establishing nonfunctionality for trade dress.

## **2013 Design Patent Case Law Developments**

In *High Point Design LLC v. Buyer's Direct Inc.* (Fed Cir. 2013) the Federal Circuit issued a decision that provides clarity to the obviousness analysis of a design patent in one regard, but, potentially further confuses the analysis in another regard. The court provided clarity in the obviousness determination by reiterating the specific viewpoint to be used in evaluating the relative obviousness of the design.

The district court applied the “ordinary observer” test, apparently relying upon the “designer of ordinary skill” standard articulated in *International Seaway Trading Corp. v. Walgreens Corp.*, 589 F. 3d 1233, 1240 (Fed.Cir. 2009). However, in *High Point*, the Federal Circuit follows established precedent and unequivocally states that “obviousness is assessed from the vantage point of the ordinary designer in the art.” The Federal Circuit acknowledges in a footnote its own poor choice of language used in *Seaway* describing the “designer of ordinary skill.” Hopefully this clarification will put to rest any future confusion resulting from *Seaway* language.

Turning now to the additional confusion created by *High Point*, the Federal Circuit criticized the district court analysis in granting a motion for summary judgment that the design patent at issue was obvious in light of the prior art. Recall that such an obviousness analysis requires two steps (1) identify a primary reference which has essentially the same appearance as the claimed design; and (2) use other references to modify the primary reference to create a design that has the same overall appearance as the claimed design.

For the first step, the district court identified two slippers as primary references which “look indistinguishable” from the claimed design and further described them as “slippers with an opening for a foot that can contain a fuzzy lining and have a smooth outer surface.” According to the Federal Circuit, the trial court did not provide a detailed, written articulation of the design elements seen in the claimed design and the primary references. Such a detailed articulation of the design is necessary so that “the parties and appellate courts can discern the internal reasoning employed by the trial court to reach its decision.”

The detailed articulation of the design requirement is consistent with the court’s 1996 decision in *Durling v. Spectrum Furniture Co.*, 101 F. 3d 100 (Fed. Cir. 1996) which is expressly cited in *High Point*. However, this detailed articulation requirement appears somewhat at odds with the more recent en banc decision of *Egyptian Goddess Inc. v. Swisa Inc.* The court in *Egyptian Goddess* appeared to discourage the lower courts from “providing a detailed description of the claimed design.”

Overall, *High Point* provides clarity on the “ordinary designer” test for evaluating obviousness, but appears to muddy the waters with respect to the obligation to articulate the elements of the design as part of the first step of the obviousness analysis.

The Apple v. Samsung saga continues in *Apple Inc. v. Samsung Electronics Co. Ltd et. al.*, 2013-1129 (Fed Cir. 2013), known as *Apple Samsung III*. In 2012 the jury ruled in favor of Apple regarding infringement of utility patents and design patents and dilution of its registered and unregistered trade dress. However, Judge Lucy Koh refused to grant a permanent injunction with respect to Samsung's infringement of Apple's design patents on the grounds that Apple had not established a sufficient strong causal nexus between Samsung's infringement and the alleged harm. Apple appealed to the Federal Circuit which affirmed Judge Koh's refusal to grant a permanent injunction with respect to the design patents.

In *Apple Samsung I* and *II*, the Federal Circuit indicated that the "causal nexus" requirement was necessary in order to be entitled to a preliminary injunction. However, in *Apple Samsung III*, the court expressly imposes the "causal nexus" requirement for establishing irreparable harm for a permanent injunction. The Federal Circuit held that Apple had not established the causal nexus. Importantly, the court confirmed that Apple was not required "to show that a patented feature is the sole reason for consumers' purchases," however, the court indicated that Apple must "show that the infringing feature drives consumer demand for the accused product."

The causal nexus requirement raises an interesting hurdle for design patents which often protect only a portion of a product. How does one show a strong causal connection between a design patent which claims only the front half of a smartphone (the back being depicted in dotted lines)? How do you show that the patented design of the front half a smartphone "drives consumer demand for the accused product"? Perhaps this permanent injunction requirement provides further incentive to ensure that the patentee secures a design patent to the entire product configuration in addition to design patents directed to the individual design elements of the product.

The decisions reviewed above represent only a small portion of the numerous 2013 design patent and trade dress/trademark decisions, but these decisions include some of the more interesting developments.

—By Richard McKenna, [Foley & Lardner LLP](#)

*Richard McKenna is a partner in Foley & Lardner's Milwaukee office.*