



INTELLECTUAL PROPERTY PRACTICE

**FEDERAL CIRCUIT CLARIFIES DESIGN PATENT
INFRINGEMENT LAW**

On September 22, 2008, the Federal Circuit announced its en banc decision in *Egyptian Goddess, Inc. v. Swisa, Inc.*, No. 06-1562, establishing the legal standard to be used in assessing claims of design patent infringement. The Federal Circuit held that the “point of novelty” test should no longer be used. Instead, the court explained that the “ordinary observer” test should be the sole test used in the analysis of a claim for design patent infringement. The differences in the tests are described below.

BACKGROUND

The “ordinary observer test” was first developed and applied by the Supreme Court in a landmark 1871 decision, *Gorham Co. v. White*. In *Gorham*, the Supreme Court stated that “[I]f, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other.”

After the Federal Circuit was established in the 1980’s, the “ordinary observer” test evolved, in a series of Federal Circuit decisions, to include the “point of novelty” test. Finding that proof of similarity under the “ordinary observer” test was not enough to establish design patent infringement, the Federal Circuit explained that the accused design must also appropriate the points of novelty of the claimed design in order to be deemed infringing. Eventually, the court characterized the ordinary observer and point of novelty tests as two distinct tests and held that the merger of the point of novelty test and the ordinary observer test is legal error. The en banc decision in the

Egyptian Goddess case provided the Federal Circuit with an opportunity to reevaluate the usefulness of the “point of novelty” test.

DECISION

Egyptian Goddess Inc. (“EGI”) filed a complaint alleging that Swisa, Inc., and Dror Swisa (collectively, “Swisa”) had infringed its design patent for a nail buffer. EGI’s nail buffer design consists of a rectangular, hollow tube having a generally square cross-section and featuring buffer surfaces on three of its four sides. Swisa’s allegedly infringing nail buffer consists of a rectangular, hollow tube having a square cross-section, but featuring buffer surfaces on all four of its sides.

The district court applied both the “ordinary observer” and “point of novelty” tests and granted Swisa’s motion for summary judgment, holding that Swisa’s nail buffer did not incorporate the “point of novelty” of EGI’s patent, which the court identified as “a fourth, bare side to the buffer.” EGI appealed, and a panel of Federal Circuit judges affirmed the district court’s decision. Subsequently, on application of EGI, the Federal Circuit granted rehearing en banc.

The en banc Federal Circuit recognized that the point of novelty test has proved difficult to apply in cases in which there are several different features that can be argued to be points of novelty in the claimed design. In such cases, the outcome could vary depending upon which points of novelty received the court’s focus. Furthermore, an accused party could escape infringement by copying most, but not all, of the identified points of novelty, even if the overall



appearance was identical to the claimed design. To avoid such problems, the court held that the “ordinary observer” test should be the sole test for determining whether a design patent has been infringed. Under that test, infringement will not be found unless the accused article “embodies the patented design or any colorable imitation thereof.” The court emphasized that an examination of the novel features of the claimed design still can be an important part of the infringement analysis, but only as a part of the ordinary observer test, not as part of a separate test focusing on particular points of novelty that are designated only in the course of litigation.

Applying the new standard, the en banc court then affirmed the district court’s grant of summary judgment. The court concluded that in the context of nail buffers, a fourth side without a pad is not substantially the same as a fourth side with a pad to an ordinary observer. In establishing the proper test for use in future cases, the Federal Circuit did not change the outcome for EGI.

CONCLUSION

The Federal Circuit has clarified design patent infringement law by holding that the “point of novelty” test is no longer an appropriate test to use in an analysis of design patent infringement. Instead, the “ordinary observer” test is the proper standard. Under this test, infringement will not be found unless the accused article could reasonably be viewed as so similar to the claimed design that a purchaser familiar with the prior art would be deceived into purchasing the accused article, believing it to be the claimed design. Manufacturers and designers should keep this standard in mind when adopting product designs that may appear similar in outward appearance to a competitor’s product. The Intellectual Property Services Group at Armstrong Teasdale LLP invites you to contact us with any questions or concerns that your company may have about design patent infringement.

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