

Keywords: design patent infringement; points of novelty test; non-trivial advance test; ordinary observer test

General: With respect to design patent infringement, the Federal Circuit rejects the “point of novelty” and “non-trivial advance” tests, and holds that the “ordinary observer” test should be the sole test for determining infringement.

Egyptian Goddess Inc. v. Swisa Inc.
88 U.S.P.Q.2d 1658 (Fed. Cir. 2008) (en banc)

I. Facts

The Federal Circuit granted rehearing en banc to address the appropriate legal standard to be used in assessing claims of design patent infringement. Appellant, Egyptian Goddess, Inc., (“EGI”) brought action alleging that Swisa, Inc., and Dror Swisa (collectively, “Swisa”) had infringed EGI’s U.S. Design Patent No. 467,389 (“the ’389 patent”). The patent claimed a design for a nail buffer, having a rectangular, hollow tube with a generally square cross-section and featuring buffer surfaces on three of its four sides. Swisa’s accused product includes a rectangular, hollow tube having a square cross-section, but featuring buffer surfaces on all four of its sides.

The district court first issued an order construing the claim of the ’389 patent. In so doing, the district court sought to describe in words the design set forth in Figure 1 of the patent. Further, the district court held that Swisa did not show that the appearance of the ’389 buffer was dictated by its utilitarian purpose and therefore held that the patent was not invalid on the ground that the design was governed solely by function.

Thereafter, the district court granted Swisa’s summary judgment motion for non-infringement. Citing Federal Circuit precedent, the district court stated that the plaintiff in a design patent case must prove both (1) that the accused device is “substantially similar” to the claimed design under what is referred to as the “ordinary observer” test, and (2) that the accused device contains “substantially the same points of novelty that distinguished the patented design from the prior art.” After comparing the claimed design and the accused product, the court held that Swisa’s allegedly infringing product did not incorporate the “point of novelty” of the ’389 patent, which the court identified as “a fourth, bare side to the buffer.”

The district court also noted that EGI identified four elements in its design, and further noted that EGI identified prior art for each element that did not embody that element. EGI, therefore, contended that the point of novelty of the ’389 patent is the combination of those four elements. The district court, however, declined to address the question whether the point of novelty could be found in the combination of elements not present in various prior art references, because the court found that a single prior art reference, United States Design Patent No. 416,648 (“the Nailco patent”), contained all but one of the elements of the ’389 design. The court described the Nailco Patent as disclosing “a nail buffer with an open and hollow body, raised rectangular pads, and open corners.” The only element of the ’389 patent design that was not present in the Nailco patent, according to the district court, was “the addition of the fourth side without a pad, thereby transforming the equilateral triangular cross-section into a square.” Because the Swisa product does not incorporate the point of novelty of the ’389 patent—a fourth side without a pad—the court concluded that there was no infringement.

Subsequently, EGI appealed to the Federal Circuit, and a panel affirmed the district court decision, finding that there was no issue of material fact as to whether the accused Swisa buffer “appropriates the point of novelty of the claimed design.” In reaching that conclusion, the panel stated that the point of novelty in a patented design “can be either a single novel design element or a combination of elements that are individually known in the prior art.” The panel added, however, that in order for a combination of

individually known design elements to constitute a point of novelty, “the combination must be a non-trivial advance over the prior art.”

The panel noted that EGI’s asserted point of novelty was a *combination* of four of the claimed design’s elements: (1) an open and hollow body, (2) a square cross-section, (3) raised rectangular buffer pads, and (4) exposed corners. The panel agreed with the district court’s observation that the Nailco prior art patent contained each of those elements except that the body was triangular, rather than square, in cross-section, and that in light of the prior art, that “no reasonable juror could conclude that EGI’s asserted point of novelty constituted a non-trivial advance over the prior art.” The panel also noted that the various design elements of the claimed design “were each individually disclosed in the prior art.” The panel further noted that the Swisa buffers have raised, abrasive pads on all four sides, not just on three of the four sides, as in the claimed design, in which the fourth side is bare. The panel held that summary judgment was appropriate in concluding that “[w]hen considering the prior art in the nail buffer field, this difference between the accused design and the patented design cannot be considered minor.”

Justice Dyk dissented the panel decision based on his belief that the “non-trivial advance” test as a way of ascertaining whether a particular feature of the claimed design constituted a “point of novelty” for infringement purposes was inconsistent with and unsupported by prior precedent.

The Federal Circuit granted rehearing en banc and asked the parties to address a number of issues discussed below.

II. Issues

- A. Should the “point of novelty” test should continue to be used as a test for infringement of a design patent?
- B. Should the court adopt the “non-trivial advance test” as a means of determining whether a particular combination of design features qualifies as a point of novelty?
- C. Should district courts should perform formal claim construction in design patent cases?

III. Discussion

- A. No.

The Federal Circuit spent the majority of the opinion outlining the history and development of the case law governing design patents. Of note, the court cited *Gorham Co. v. White*, decided in 1871 by the Supreme Court, as the seminal design patent infringement case. The *Gorham* Court described what is known as the “ordinary observer test”:

“[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.”

The Federal Circuit then discussed *Litton Systems, Inc. v. Whirlpool Corp.* (Fed. Cir. 1984), in which the court held that:

For a design patent to be infringed . . . no matter how similar two items look, “the accused device must appropriate the novelty in the patented device which distinguishes it from the prior art.” That is, even though the court compares two items through the eyes of the ordinary observer, it must nevertheless, to find infringement, attribute their similarity to the novelty which distinguishes the patented device from the prior art.

The Federal Circuit noted that since the *Litton Systems* decision, a number of courts have interpreted the

Litton Systems holding as requiring two distinct tests (i.e., the ordinary observer test and the point of novelty test) to find infringement of a design patent. Dismissing Swisa's assertion that an early Supreme Court case, *Smith v. Whitman Saddle Co.* (1893), dictates the use of a the second and distinct "point of novelty" test, the Federal Circuit held that a close reading of *Whitman Saddle* indicates that the Supreme Court did not adopt a separate point of novelty test.

The Federal Circuit instead indicated that *Whitman Saddle*, and subsequent cases, merely expanded the ordinary observer test of *Gorham* to require that the perspective of the ordinary observer be informed by a comparison of the patented design and the accused design in light of the prior art, so as to enable the fact-finder to determine whether the accused design had appropriated the inventiveness of the patented design. That is, this line of cases illustrate the application of the ordinary observer test in light of the prior art, wherein the ordinary observer test should be applied in which the ordinary observer compares the patented and accused designs in the contest of similar designs found in the art.

The Court recognized that courts, including the Federal Circuit, have cited *Litton Systems* for the proposition that the point of novelty test is separate from the ordinary observer test and requires the patentee to point out the point of novelty in the claimed design that has been appropriated by the accused design. However, the Court now holds that *Litton Systems* and the predecessor cases on which it relied are more properly read as applying a version of the ordinary observer test in which the ordinary observer is deemed to view the differences between the patented design and the accused product in the context of the prior art. When the differences between the claimed and accused design are viewed in light of the prior art, the attention of the hypothetical ordinary observer will be drawn to those aspects of the claimed design that differ from the prior art. When the claimed design is close to the prior art designs, small differences between the accused design and the claimed design are likely to be important to the eye of the hypothetical ordinary observer.

- B. No. Because the Court rejected the point of novelty test, the Court also rejected the non-trivial advance test.
- C. Yes.

While the Court recognized that trial courts have a duty to conduct claim construction in design patent cases, the Court has not previously prescribed any particular form that the claim construction must take. While the level of detail to be used in describing the claimed design is a matter within the court's discretion, and thus, absent a showing of prejudice, will not be reversible error, the Court cautioned district courts to recognize the risks in describing features in a verbal description, rather than the design as a whole.

IV. Conclusion

Though the Federal Circuit did not find reversible error in the verbal description of the claimed invention, the Court did seem to disapprove of the district court's description, as being unnecessary. Further, the Court found that although the district court applied the wrong test (i.e., the point of novelty test), the Court determined that the result was correct, and thus affirmed the summary judgment of non-infringement.

Of more importance in the big picture, the point of novelty test should no longer be used. While the prior art is to be considered to provide context from which the ordinary observer may view the claimed invention and the accused device, it is to be considered only to provide this context.