

NEWSSTAND

Federal Circuit Jettisons "Point of Novelty" Test for Infringement of Design Patents

Winter 2009

Peter C. Schechter, David Greenbaum

Federal Circuit Jettisons "Point of Novelty" Test for Infringement of Design Patents

Design patent holders scored a recent victory at the United States Court of Appeals for the Federal Circuit (the "CAFC") in *Egyptian Goddess, Inc. v. Swisa, Inc.* In a rare decision by the full membership, the Federal Circuit ended several years of confusion about the test for determining infringement of a design patent. In a unanimous holding, the CAFC jettisoned the awkward "point of novelty" test, which in recent decades had been used in tandem with the older, and once again primary "ordinary observer" test. At the same time, the CAFC was careful to point out that the "ordinary observer" test must be analyzed and applied with due consideration of prior art designs. It remains to be seen exactly how the "ordinary observer" test will be applied in that context, but it will likely be easier to prove infringement of a design patent from now on.

The original test for design patent infringement, known as the "ordinary observer" test, was established in 1871 by the U.S. Supreme Court in *Gorham Co. v. White*. The Supreme Court stated that "if, in the eye of the 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 ordinary observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other." Over 100 years later, the CAFC in the 1980s modified this test to include a second prong, known as the "point of novelty" test, which added the additional requirement that "the accused device must appropriate the novelty in the patented device which distinguishes it from the prior art." In order to find infringement, the accused design also was required to have similar features to the novel features that distinguished the patented design from the prior art.

With the two-prong test in place, in order for an accused design to be considered infringing, a design patent holder first needed to demonstrate that the accused design fulfilled the "ordinary observer" test, and then that it also fulfilled the "point of novelty" test.

A problem with the "point of novelty" test had been determining the point of novelty. In a simple case, a comparison of the patented design to a single prior art design may yield this elusive feature. In more complicated cases, with a complex design, and many prior art designs — each including some of the features of the patented design — a question arose as to whether a single distinguishing feature or a combination of features was the point of novelty. As the CAFC explained in *Egyptian Goddess*, "[u]nlike the point of novelty test, the ordinary observer test does not present the risk of assigning exaggerated importance to small differences between the claimed and accused designs relating to an insignificant feature simply because that feature can be characterized as the point of novelty." In light of this "risk," and the difficulties in avoiding or minimizing it, the CAFC chose to do away with the "point of novelty" requirement entirely.

Having done away with the "point of novelty" test, the CAFC was careful to make clear that the "ordinary observer" test does not exist in a vacuum. The test for infringement does not entail comparing only the accused design to the patented design. Instead, an "ordinary observer" is now defined as "the hypothetical ordinary observer who is conversant with the prior art." In this sense, aspects of the "point of novelty" test still come into play, but in a much less rigid way. This is more reasonable in the context of design patents, which must be considered visually and as a whole.

The CAFC also decided whether claim construction, i.e., interpretation of the meaning and scope of the claimed design, should be performed in design patent cases. In a design patent, the single claim is always directed solely to the ornamental design as shown and described in the accompanying drawings. Detailed claim construction in this context might mean that a

trial court would be required to describe the drawings in words. This has occurred in some design patent cases, but has been awkward. Instead, as the saying goes, "a picture is worth a thousand words." The CAFC agreed with this notion, and cautioned that, while claim construction should be performed in design patent cases, verbal descriptions as part of claim construction are not required.

The *Egyptian Goddess* case also clarified that the burden to produce relevant prior art rests on the accused infringer, not the patentee. Previously, in connection with the "point of novelty" test, that burden of production rested on the patentee. This represents another victory for design patent holders.

The *Egyptian Goddess* case gives some guidance as to how the ordinary observer test will be applied. The CAFC ultimately affirmed the ruling in favor of the accused infringer. The same feature that was considered to be the point of novelty in the trial court was still important when viewed by the CAFC within the context of the prior art. The CAFC arrived at the same holding of non-infringement, but took pains to point out that the trial court focused on the differences in the particular point of novelty feature, rather than having considered the design as a whole.

Overall, *Egyptian Goddess* is an important case for design patent holders. The CAFC has simplified the test for infringement, has cautioned against claim construction that uses verbal descriptions of the drawings, and has placed the burden to produce prior art on the accused infringer. This is a positive outcome for design patent holders and should pave the way for greater enforcement of valuable design patent assets.