# Design Patent Case Digest

## High Point Design LLC and Meijer, Inc., Sears Holding Corp. and Wal-Mart Stores, Inc. v. Buyers Direct, Inc.

**Decision Date:** September 11, 2013

**Court:** Fed. Cir.

**Patents:** D598,183

**Holding:** Grant of summary judgment of invalidity REVERSED and REMANDED.

**Opinion:**

Buyer's Direct, Inc. ("BDI") appealed from a final judgment of the United States District Court for the Southern District of New York holding BDI's asserted design patent No. D598,183 (the "'183 patent") invalid on summary judgment. BDI is the manufacturer of slippers known as SNOOZIES®. The '183 patent claims "the ornamental design for a slipper, as shown and described", which discloses two different soles: a smooth bottom (shown in Figure 8 of the patent) and a sole with two groups of raised dots (shown in Figure 7).

High Point Design LLC ("High Point") manufactures and distributes the accused FUZZY BABBA® slippers, which are sold through various retailers, including appellees Meijer, Inc., Sears Holdings Corporation, and Wal-Mart Stores, Inc. BDI sent High Point a cease and desist letter on June 22, 2011, asserting infringement of the '183 patent. High Point responded by filing a complaint for declaratory judgment alleging (1) that the manufacture and sale of FUZZY BABBA® slippers did not infringe the '183 patent and (2) that the '183 patent is invalid and/or unenforceable.

On May 15, 2012, the district court granted a motion for summary judgment made by High Point, holding the '183 patent invalid on the ground that the design claimed was both (1) obvious in light of the prior art and (2) primarily functional rather than primarily ornamental.

As to the obviousness ruling, the court characterized the '183 patent as disclosing "slippers with an opening for a foot that contain a fuzzy (fleece) lining and have a smooth outer surface." As to the prior art, the court found that prior to the effective filing date of the '183 patent, Woolrich had sold two different models of footwear (Penta and Laurel Hill) that were either "indistinguishable from the drawing shown in the '183 Patent," or had "certain differences … that are insubstantial" and that "an ordinary observer would think of [them] as a physical embodiment of the drawings shown on the '183 Patent." The district court also identified two secondary references—U.S. Design Patent Nos. D566,934 and D540,517 that disclose "slippers with a pattern of small dots on the bottom surface." Based on these findings, the court concluded that the design in the '183 patent was invalid as obvious.

As to functionality, the district court concluded that "all major characteristics of th[e] slipper [in the '183 patent] are functional." With that, the court held the claims invalid as primarily functional.

On appeal, BDI asserted that the district court erred by using the Woolrich Prior Art as primary references because their design characteristics are not "basically the same as the claimed design," as required under the first step of an infringement analysis under Federal Circuit precedence set forth in *Durling*. Further, BDI asserted that the district court identified no motivation to modify the Woolrich Prior Art to achieve the "same overall visual appearance as the claimed design," as required under the second step of *Durling*. BDI also argued that the district court failed to perform a proper obviousness analysis.

The Fed. Cir. first addressed the standard applied by the district court and concluded that the use of an "ordinary observer" standard to assess the potential obviousness of a design patent runs contrary to the precedent of the court and its predecessor court, under which the obviousness of a design patent must, instead, be assessed from the viewpoint of an ordinary designer. Given this precedent, the district court erred in applying the ordinary observer standard to assess the obviousness of the design patent at issue. According to the Federal Circuit, their decision in *International Seaway Trading Corp. v. Walgreens Corp.*, 589 F.3d 1233, 1240 (Fed. Cir. 2009), cited by the district court, compels a contrary conclusion.

As to the first part of the first step—"discern[ing] the correct visual impression created by the patented design as a whole"—the district court erred by failing to translate the design of the '183 patent into a verbal description. The closest to the necessary description was the court's comment characterizing the design in the '183 patent as "slippers with an opening for a foot that can contain a fuzzy (fleece) lining and have a smooth outer surface." This, however, represents "too high a level of abstraction" by failing to focus "on the distinctive visual appearances of the reference and the claimed design." On remand, the district court was directed to add sufficient detail to its verbal description of the claimed design to evoke a visual image consonant with that design.

As to the second part of the first step—"determin[ing] whether there is a single reference that creates 'basically the same' visual impression"—the district court erred by failing to provide its reasoning, as required under the Federal Circuit's precedent. This explanation affords the parties a basis upon which to challenge, and also aids the appellate court in reviewing, the judge's ultimate decision.". On remand, the district court was instructed to do a side-by-side comparison of the two designs to determine if they create the same visual impression.

Based on the record, there appeared to be genuine issues of material fact as to whether the Woolrich Prior Art are proper primary references. For this additional reason, summary judgment was reversed.

As to functionality, a design patent can be declared invalid if the claimed design is "primarily functional" rather than "primarily ornamental," i.e., if "the claimed design is 'dictated by' the utilitarian purpose of the article." Factors which may help determine whether a claimed design, as a whole, is "dictated by" functional considerations are:

[1] whether the protected design represents the best design;
[2] whether alternative designs would adversely affect the utility of the specified article;
[3] whether there are any concomitant utility patents;
[4] whether the advertising touts particular features of the design as having specific utility;

[5] and whether there are any elements in the design or an overall appearance clearly not dictated by function.

On appeal, BDI argued that the district court erred by finding the claimed design invalid merely because the design contains elements that perform functions. BDI asserted that various catalogs show numerous alternative slipper and shoe designs that adequately perform the goal of warming a foot. BDI contended that the overall appearance of any footwear has ornamental aspects that, although necessary to perform a function, can vary widely in both placement and design. According to the Appellees, various aspects of the design are clearly "functional elements:"

[1] the seam
[2] the curved front
[3] the foot opening
[4] the forward lean of the heel

Instead of assessing whether the claimed design was "primarily functional" or "primarily ornamental," the district court interpreted Federal Circuit case law to require it to determine whether the design's "primary features" can perform functions. This analysis contravenes this Federal Circuit precedent:

> [A] distinction exists between the functionality of an article or features thereof and the functionality of the particular design of such article or features thereof that perform a function. Were that not true, it would not be possible to obtain a design patent on a utilitarian article of manufacture . . .

Because the district court applied the incorrect standard and because a reasonable jury could, under the correct standard, find the '183 patent not invalid based on functionality, the district court's ruling that the '183 patent is invalid by reason of functionality was reversed.

If you have any questions or would like additional information on this topic, please contact:

Tracy-Gene G. Durkin, Director
tdurkin@skgf.com

David K.S. Cornwell, Director
davidc@skgf.com