



Design Patents

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Once relatively uncommon, design patents are now used aggressively and—as recent events have shown—can lead to significant liability for those found to infringe them.

In recent years, companies have increasingly come to recognize the value of design patents to protect their intellectual property (IP). For example, the dispute between Apple and Samsung over smartphone and tablet computers involved several patents, some of which were design patents.

The jury in that case awarded Apple more than \$1 billion in damages. The jury's award was notable not only for its size, but also because it was based on the infringement of Apple's design patents that covered the iPhone's shape—a rectangular border with rounded corners—and the appearance of icons on its home screen.

In light of the increasing prominence of design patents, many companies that traditionally relied on utility patents are reevaluating their strategies for protecting IP. They're paying attention to the merits of acquiring design patents as another way to protect their products and buttress their overall IP portfolios.

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podcast that accompanies this article: www.computer.org/portal/web/computingnow/computing-and-the-law.

WHAT IS A DESIGN PATENT?

When most people envision a patent, they probably think of the kind of protection that covers a piece of equipment or a manufacturing method. These are called utility patents because they cover how an item works or is used.

Design patents, on the other hand, cover an item's original and ornamental aspects—that is, its physical appearance, including its visual characteristics such as shape, color, and the like. Design patents don't protect an item's functional features—that's the purview of utility patents.

US patent law makes several other distinctions between design and utility patents, including

- *patent term*: design patents last for 14 years while, in general, utility patents last for 20 years;
- *claim count*: design patents are limited to a single claim that

describes what the patent covers, while utility patents can, and usually do, have many claims;

- *prosecution time*: the US Patent Office typically processes a design patent application more quickly compared to a utility patent application—one year versus three years; and
- *ongoing maintenance fees*: design patents don't require the payment of maintenance fees after issuance, while utility patents have increasing fees due at 3½, 7½, and 11½ years after issuance.

The single claim in a design patent has the following specific format: "The ornamental design for a(n) _____, substantially as shown and described." The features that the design patent covers are "shown and described" by drawings and a description that are included in the patent application and will appear in the issued patent. Consequently, the drawings in a design patent application must be prepared carefully to ensure that they

completely and accurately depict the covered item.

Obtaining design patents is usually less expensive compared to utility patents because they're usually shorter (one claim only) and cover more limited subject matter (ornamental aspects only).

Keep in mind that if you're looking to protect the function of your invention, you can't use a design patent. If you're trying to acquire a patent through a nontraditional route—for example, by using an invention promotion firm instead of a law firm—ensure that the patent you're pursuing isn't the less expensive design patent unless you want to protect only your invention's ornamental aspects. If you want to protect your invention's functional aspects, you'll need to acquire the more expensive utility patent.

Also, note that because of overlapping IP laws in the US, the ornamental aspects of some items can be protected simultaneously by design patents, copyrights, and trademarks.

DESIGN PATENT INFRINGEMENT

A common perception of design patents is that they're easy to design around, meaning that it's easy to avoid infringement. If your competitor has patented a product's physical appearance, logic dictates that by creating a different and distinct product style, you should be able to avoid any possibility of infringement.

Then, aside from hoping to protect that rare and unique product style that unquestionably drives sales, why would anyone care about or want a design patent? Why are many industries, including those in the technology sector, crowding the field with design patents? It's because they've come to understand that having design patents that cover their own products gives them a potent weapon to use against

competitors who try to emulate the look and feel of their products. More significantly, recent court decisions have altered the playing field and demonstrated that design patents might be far more valuable than previously thought.

District court litigation

In 2008, the US Court of Appeals for the Federal Circuit, which handles all patent-related appeals from the US federal district courts, issued a decision in the *Egyptian Goddess, Inc. v. Swisa, Inc.* case that effectively redefined the test for design patent infringement. Moving away from the previous and abstract so-called "points of novelty" test, the Federal Circuit announced that infringement of a design patent must be based on the design as a whole.

To find infringement, a fact-finder such as jury would need to determine whether in the "eye of the ordinary observer, giving such attention as a purchaser usually gives, [the] two designs are substantially the same" That ordinary observer is either a purchaser or other person sufficiently interested in the item displaying the patented design. In other words, almost any juror could be the ordinary observer for mainstream products.

By basing the test for infringement on the entire drawing shown in the design patent at issue, the *Egyptian Goddess* case made infringement easier to prove. It changed the competitive landscape

ITC litigation

The eye-opening \$1 billion verdict in Apple's litigation against Samsung might have signaled the newfound prominence of design patents, but many other high technology companies are increasingly using this option to protect products, including Sony, Microsoft, Matsushita Electrical, and Motorola. In Samsung's case, the company obtained nearly 3,000 design patents between 2005 and 2011 compared to the fewer than 50 that it obtained between 1998 and 2004.

Overall, the US Patent Office issued 14,766 design patents in 1998, increasing to 21,356 in 2011. In 2008—when the Federal Circuit decided the *Egyptian Goddess* case—the Patent Office issued more than 25,000 design patents. For 2012, some examples of design patents issued include a computer icon (Microsoft), tablet computer (LG), ear-buds (Sony), and mobile connection terminals (Samsung). Companies in other industries have also used design patents to protect products ranging from sneakers to park benches.

Although most patent infringement litigation in the US occurs in a federal district court, in certain instances it can be conducted before the International Trade Commission (ITC) in Washington, D.C. When someone is importing an item accused of infringement into the US, the patent owner can sometimes file

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for design patents by making them a far stronger form of protection. That's significant, because infringers of design patents can be held liable to pay the patent owner an amount equal to the infringer's profits.

an infringement action at the ITC instead of in district court. Litigation at the ITC typically occurs at a much faster pace compared to litigation in a district court.

The Apple-Samsung dispute



included litigation at the ITC. In addition to its \$1 billion verdict at the district court, Apple won an October 2012 ITC decision of infringement against Samsung. The ITC decision was based on four patents, including one design patent. Despite having the power to do so, the ITC hasn't halted the importation of Samsung products at US borders. However, to permit future importation into the US, Samsung might need to redesign those aspects of its smartphones that the ITC determined were infringing.

On the procedural side, design patent plaintiffs recently received another boost from the Federal Circuit. The 2013 decision in the *Hall v. Bed Bath & Beyond, Inc., et al.* case clarified that as with other patent cases, the plaintiff in a design patent infringement suit "need only provide a short statement that puts the defendant on notice of the basis of the claim." In the case of design patents, a plaintiff can meet that burden by identifying the design patent and accused product and alleging a substantial similarity. This decision makes it much easier for plaintiffs to enforce their design patents.

DESIGN PATENTS OUTSIDE THE US

Many countries offer IP protection like that of a US design patent but refer to it as a "registered design." Obtaining a registered design in countries such as those

that are part of the EU can be as easy as filing the necessary paperwork and paying the required fees. Other countries, including Japan and South Korea, conduct a more substantive examination of an application before registering a design. The period of protection for designs under these mechanisms varies widely depending on the country—the terms can range from five years or less to 20 years or more.

At the international level, the Hague Agreement lets design patent applicants file a single international application and pursue an industrial design right in those countries that have signed on to the treaty so long as certain procedural steps are followed. The US signed on to the Hague Agreement in 2012 with the passage of the Patent Law Treaties Implementation Act. Among other things, this Act will increase the term of US patent designs from 14 to 15 years beginning in December 2013.

The US doesn't publish design patent applications while they're pending at the US Patent Office. However, many other countries do publish applications, meaning that in those countries there's no secrecy associated with design patent applications. Also, enforcement of design patents in countries like the EU member states and Japan can occur at the customs level or through the host country's court system.

Future significant infringement verdicts are likely to fuel the renewed interest in design patents. Many companies have reconsidered this form of IP protection and, as a result, have started to build their design patent portfolios. Although design patents can be seen as a low-cost method to protect IP, they must be prepared carefully to ensure that they actually provide the desired protection. For products that have an international reach, pursuing protection outside the US is critical. It's important, therefore, to work with a patent attorney to ensure that your IP protection strategy fully addresses your product's look and feel. 

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