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**U.S. Supreme Court Rules in *ABC v. Aereo***

**Rajit Kapur**

***Banner & Witcoff Intellectual  
Property Alert***

**June 26, 2014**



## Intellectual Property Alert: U.S. Supreme Court Rules in *ABC v. Aereo*

By Rajit Kapur

June 26, 2014 — Yesterday, the U.S. Supreme Court decided *American Broadcasting Companies, et al. v. Aereo*. The 6-3 ruling holds that Aereo’s business model of streaming live broadcast television content over the Internet to its users, without a license from those who own the copyright in that content, violates the copyright owners’ exclusive rights to publicly perform the copyrighted works.

But the impact of this case — beyond putting an end to Aereo’s unlicensed live streaming of broadcast TV content — may be relatively limited, despite earlier concerns that the Court’s ruling here could have an impact on cloud computing technologies and other emerging technologies.

### **The Story So Far ...**

In Boston, New York, and other select cities where Aereo has launched its service, Aereo enables its customers to receive and view broadcast television content on their computer or mobile device via the Internet. Aereo charges its users a small monthly fee for access to its service (\$8 or \$12 per month depending on the city), but unlike cable and satellite providers, Aereo does not have a license from – or provide any compensation to – the broadcasters whose signals Aereo captures to provide its service.

As we discussed in our initial alert on this case, many of the issues in this case stem from Aereo’s clever system design, which is seemingly tailored to avoid the provisions of the copyright laws. In particular, Aereo’s signal reception systems include arrays of tiny antennas, each of which are about the size of a dime and can be dynamically assigned to an individual user when a user requests to view a particular broadcast channel. The video signal received by each antenna is individually recorded for only the one specific user to which the antenna has been assigned, allowing Aereo to analogize its system to the rabbit ears antenna and personal digital video recorder (DVR) that each of its users could legally use in their own home to view and record broadcast television. Aereo provides a “watch” function that allows its users to watch live broadcast television content, as well as a “record” function that allows its users to record broadcast television content in the cloud for future playback.

In March 2012, several television networks and broadcasters, including ABC, CBS, NBC Universal, and Fox, sued Aereo for copyright infringement, seeking, among other things, a preliminary injunction on the grounds that Aereo’s service constituted an unauthorized public performance of their copyrighted video broadcasts. In its defense, Aereo argued that it is merely renting equipment to its users — in the form of an individual antenna, receiver, and DVR — and simply providing access to this equipment via the cloud.

## **The Majority Opinion**

At issue in the case is a copyright owner's exclusive right to publicly perform his or her copyrighted work. In deciding this case, the Court therefore had to address whether Aereo "performed" the broadcasters' copyrighted works, and if so, whether it did so "publicly."

In addressing the first question of whether Aereo "performed" the copyrighted work, Justice Breyer, writing for the majority of the Court, analogized Aereo to the community access television (CATV) systems that predated modern cable television.<sup>1</sup> The Court noted that, when Congress enacted the 1976 Copyright Act, Congress amended the copyright laws "to bring the activities of cable systems within the scope of the Copyright Act," and that under these amended laws, "both the broadcaster and the viewer of a television program 'perform,' because they both show the program's images and make audible the program's sounds."<sup>2</sup>

Based on this analysis, the Court rejected Aereo's claim that it is merely an "equipment provider." Instead, the Court determined that "Aereo's activities are substantially similar to those of the CATV companies that Congress amended the Act to reach," essentially holding that Aereo has to play by the same rules as other cable companies, such as the compulsory licensing scheme created by Congress to address the retransmission of copyrighted works by such cable companies.<sup>3</sup>

In addressing the second question of whether Aereo performed the copyrighted works "publicly," the majority rejected Aereo's arguments that its transmission of a "personal copy" of a broadcast video recording to an individual user could not be considered a transmission "to the public" within the meaning of the statute.<sup>4</sup> The Court dismissed the "behind-the-scenes" technological differences that Aereo relied on to distinguish itself from other cable systems, in view of the "regulatory objectives" underlying the relevant law.<sup>5</sup> The Court states that "[i]nsofar as there are differences [between Aereo and other solutions], those differences concern not the nature of the service that Aereo provides so much as the technological manner in which it provides the service."

After concluding that Aereo both "performed" the broadcaster's copyrighted work and did so "publicly," the Court held that Aereo's service violates the broadcasters' exclusive rights in the public performance of their copyrighted works.

## **Justice Scalia's Dissent**

Justice Scalia dissented from the majority of the Court, and his dissenting opinion was joined by Justice Thomas and Justice Alito.

In his dissent, Justice Scalia seemed to find the technological differences between Aereo, on the one hand, and cable systems, on the other, to be of more significance than the majority. For example, in applying the relevant law to Aereo, Justice Scalia argued that because an Aereo user — not Aereo itself — selects a program to watch and activates Aereo's system as a result of this selection, there

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<sup>1</sup> Majority Opinion at 5.

<sup>2</sup> See Majority Opinion at 7-8.

<sup>3</sup> See Majority Opinion at 8.

<sup>4</sup> See Majority Opinion at 11-12.

<sup>5</sup> See Majority Opinion at 12-13.

is no direct infringement of the public performance right by Aereo. Rather, it is the Aereo user, not Aereo, which “performs” the copyrighted work.<sup>6</sup>

Justice Scalia also argued that the Court, in its majority opinion, has created a “looks-like-cable-TV” standard that disregards other accepted rules and will create confusion in the future.<sup>7</sup> In particular, Justice Scalia criticized the majority’s reliance on “a few isolated snippets of legislative history” in deciding the case by essentially determining that Aereo should be treated like a cable company.<sup>8</sup> Justice Scalia also argued that the technological differences between Aereo’s system and cable systems are significant enough that even Aereo should not satisfy the “looks-like-cable-TV” rule seemingly established by the majority in this case.<sup>9</sup>

Finally, Justice Scalia argued that the majority’s opinion disrupts settled law without making clear what the new rule is or should be in cases like this going forward.<sup>10</sup> Justice Scalia suggests that this might even lead to future confusion in this dispute between the broadcasters and Aereo. For example, as Justice Scalia points out, when this case is returned to the lower court on remand, the lower court will have to consider whether Aereo’s “record” function also runs afoul of the new rule established in this case, since only Aereo’s “watch” function is at issue before the Court here.

Despite reaching the opposite conclusion on the public performance issue, however, Justice Scalia makes clear that his conclusions do not necessarily mean that Aereo’s service complies with the copyright laws. As Justice Scalia observes, the broadcasters have alleged that Aereo is directly and secondarily liable for infringing both their public performance rights, as well as their separate reproduction rights, in the copyrighted works. However, because this appeal arises from the broadcasters’ request for a preliminary injunction, the only issue before the Court at this point in time is whether Aereo is directly infringing the public performance right with respect to the “watch” function.<sup>11</sup> The questions of whether there is secondary liability for infringement of the public performance right, whether the reproduction right has also been violated, and whether Aereo’s “record” function violates either of these rights all still remain to be addressed by the lower court.

Justice Scalia concludes by acknowledging that he shares the majority’s “evident feeling that what Aereo is doing (or enabling to be done) to the Networks’ copyrighted programming ought not to be allowed.”<sup>12</sup> But Justice Scalia believes that the Court should “leave to Congress the task of deciding whether the Copyright Act needs an upgrade,” instead of trying to “bend and twist” the law to reach a “just outcome.”<sup>13</sup>

### **What Does This Mean For The Cloud?**

Perhaps to the relief of those who saw this case as a potential setback for cloud computing technology, the majority opinion took great pains to emphasize what it was not deciding in addition to what it was. And it seems clear that at least one of the many things that was not decided was

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<sup>6</sup> See Scalia Dissent at 2-6.

<sup>7</sup> See Scalia Dissent at 1.

<sup>8</sup> See Scalia Dissent at 7.

<sup>9</sup> See Scalia Dissent at 8.

<sup>10</sup> See Scalia Dissent at 9.

<sup>11</sup> See Scalia Dissent at 6-7.

<sup>12</sup> Scalia Dissent at 12.

<sup>13</sup> See Scalia Dissent at 13.

whether a cloud storage platform, such as Dropbox or iCloud, would run afoul of the copyright laws' protection of the "public performance" right in providing access to video recordings and other copyrighted content stored by its users.

Indeed, in noting what was not being decided, the Court seemed to recognize some of the ways in which a cloud storage platform might distinguish itself from Aereo and from the result reached in this case. For example, the Court noted that it has "not considered whether the public performance right is infringed when the user of a service pays primarily for something other than the transmission of copyrighted works, such as the remote storage of content."<sup>14</sup> Additionally, in noting that the term "the public" "does not extend to those who act as owners or possessors of the relevant product,"<sup>15</sup> the Court seems to suggest that an instance in which a user of a cloud-based storage platform purchases copyrighted content — and then stores it in the cloud for personal playback on demand — would not implicate the "public performance" right at issue in this case, at least because the user lawfully owns and possesses that content.

Nevertheless, it will be interesting to see what new issues may arise in this case once it returns to the lower court, particularly in view of the concerns raised by Justice Scalia in his dissent, such as how, if at all, the Court's opinion will affect the legality of Aereo's "record" function. For now, however, the majority's limited ruling with respect to Aereo and its technology should not affect — and hopefully will not have a chilling effect on — future development of cloud computing technologies.

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<sup>14</sup> Majority Opinion at 16-17.

<sup>15</sup> Majority Opinion at 16-17.

# **DESIGN PATENTS**



**Pacific Coast Marine Decision  
Confirms Application of Prosecution  
History Estoppel to Designs**

**John M. Fleming**

***Banner & Witcoff Intellectual  
Property Alert***

**January 10, 2014**



## PACIFIC COAST MARINE DECISION CONFIRMS APPLICATION OF PROSECUTION HISTORY ESTOPPEL TO DESIGNS

By **John M. Fleming**

The Federal Circuit handed down a 3-0 decision on Jan. 8, 2014, in *Pacific Coast Marine Windshields Limited v. Malibu Boats, LLC et al.*, recognizing that the concept of prosecution history estoppel applies to design patents. The decision was authored by Judge Dyk, who was joined by Judges Mayer and Chen.

The Federal Circuit overturned a Middle District of Florida's grant of Malibu Boats' motion for summary judgment of non-infringement, finding that prosecution history estoppel barred the infringement claim. The Federal Circuit held that the principles of prosecution history estoppel apply to design patents, but reversed the district court's summary judgment of non-infringement because the accused infringing design was not within the scope of the subject matter surrendered during prosecution.

In April 2006, the owner and CEO of Pacific Coast filed a design patent application claiming "an ornamental design of a marine windshield with a frame, a tapered corner post with vent holes and without vent holes, and with a hatch and without said hatch." The originally filed figures included multiple embodiments with variations of including or not including a front hatch and including or not including various numbers and shapes of vent holes, as shown below.

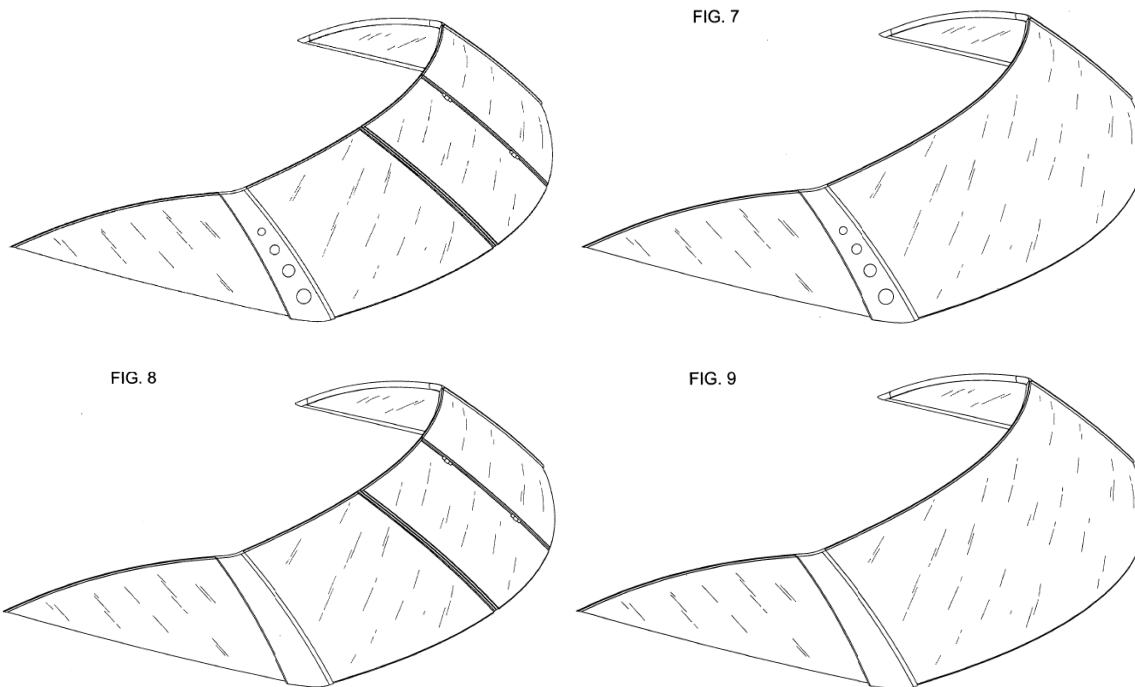
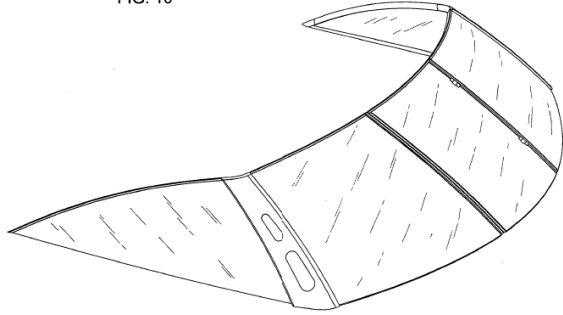
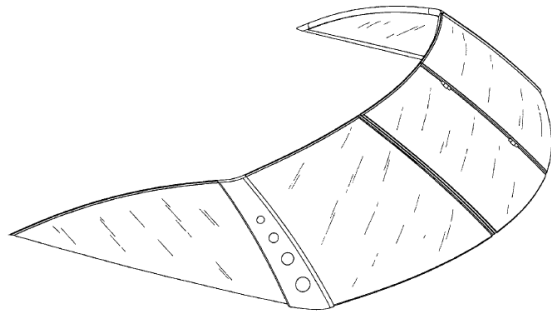


FIG. 10

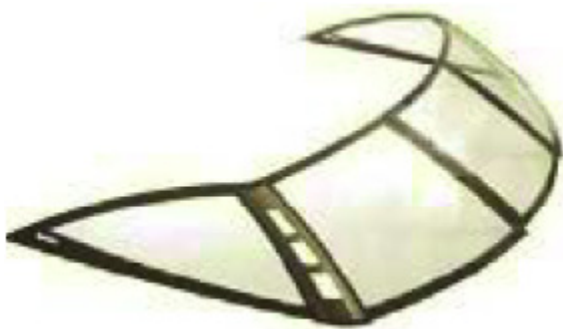


During prosecution, the Examiner issued a restriction requirement identifying five patentably distinct groups of designs. The applicant elected an embodiment having a front hatch and four circular vent holes, as shown below. The design patent issued as US D555,070 on Nov. 13, 2007.



The inventor later obtained a patent for the design with a hatch and no vent holes (FIG. 8 above) as a divisional of the originally-filed application. That issued as US D569,782 on May 27, 2008. No other application to the other non-elected embodiments was filed.

In 2011, Pacific Coast brought suit in the Middle District of Florida against Malibu Boats alleging infringement of the '070 patent based upon the below boat windshield having a hatch and three trapezoidal vent holes.



The district court granted Malibu Boat's motion for summary judgment of non-infringement on the ground of prosecution history estoppel because the applicant surrendered the designs reflected in the canceled figures, the accused design is within the territory surrendered between the original claim and the amended claim, and that the patentee failed to overcome the presumption of prosecution history estoppel.

The Federal Circuit started by recognizing that whether the concept of prosecution history estoppel applies to design patents is one of first impression. The Federal Circuit held that prosecution history estoppel clearly applies to design patents as well as utility patents.

Having determined that the principles of prosecution history estoppel apply to design patents, the Federal Circuit turned to answer three questions: (1) whether there was a surrender; (2) whether it was for reasons of patentability; and (3) whether the accused design is within the scope of the surrender. First, the Federal Circuit held that cancelation of figures showing corner posts with two vent holes and no vent holes was a surrender of those designs and that the applicant conceded that the claim was limited to what the remaining figure showed—a windshield with four vent holes in the corner post—and colorable imitations thereof. Then the Federal Circuit held that although the surrender was not made for reasons of patentability (e.g., anticipation, obviousness or patentable subject matter), the surrender was still made to secure the patent. Since the U.S. Patent & Trademark Office limits design patents to a single claim, a surrender resulting from a restriction requirement invokes prosecution history estoppel if the surrender is necessary to secure the patent. Within the design patent context, the Federal Circuit held that a surrender is necessary to secure the patent when a restriction requirement is invoked and not traversed by the applicant. Finally, the Federal Circuit found that prosecution history estoppel does not bar Pacific Coast’s infringement claim. Although the applicant obtained designs on a four circular vent hole configuration and another on a no vent hole configuration, and surrendered a design on a two vent hole configuration, the applicant neither submitted nor surrendered any three-hole design. “Claiming different designs does not necessarily suggest that the territory between those designs is also claimed.”

Having found that Pacific Coast’s infringement claim is not barred against Malibu Boat’s three vent hole configuration, the Federal Circuit reversed the motion of summary judgment of non-infringement and remanded back to the Middle District of Florida.



**Trademarks by Design: Combining  
Design Patents and Trademarks to  
Protect Your Intellectual Property**

**Robert S. Katz, Helen Hill Minsker  
and Erik S. Maurer**

***American Intellectual Property Law  
Association Spring Meeting***

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## Trademarks by Design: Combining Design Patents and Trademarks to Protect Your Intellectual Property

March 2014

### Authors:

- **Robert S. Katz**, Principal Shareholder, Washington, DC – [rkatz@bannerwitcoff.com](mailto:rkatz@bannerwitcoff.com)
- **Helen Hill Minsker**, Principal Shareholder, Chicago – [hminsker@bannerwitcoff.com](mailto:hminsker@bannerwitcoff.com)
- **Erik S. Maurer**, Principal Shareholder, Chicago – [emaurer@bannerwitcoff.com](mailto:emaurer@bannerwitcoff.com)

**Chicago, IL**  
Ten South Wacker Drive  
Suite 3000  
Chicago, IL 60606

**Washington, DC**  
1100 13<sup>th</sup> Street NW  
Suite 1200  
Washington, DC 2005

**Boston, MA**  
28 State Street  
Suite 1800  
Boston, MA 02109

**Portland, OR**  
121 SW Salmon Street  
11<sup>th</sup> Floor  
Portland, OR 97204

[www.bannerwitcoff.com](http://www.bannerwitcoff.com)

## INTRODUCTION

Design patents and trademarks are separate species of intellectual property (IP), but each can provide significant commercial advantages to their owners. Design patents grant the inventor exclusive rights to the invention for a period of fourteen years which will soon be changed to fifteen years. However, at the end of that time, the design invention is dedicated to the public unless it is protected by another intellectual property right. Trademarks, if properly maintained, can exist forever. With the growing importance of IP rights, old ideas, such as combining trademarks and design patents, deserve another look as a means to accomplish this. Moreover, with the Supreme Court's declaration in *Wal-Mart Stores, Inc., v. Samara Brothers, Inc.*, 529 U.S. 205 (2000), that secondary meaning is required before certain types of product designs are entitled to trade dress protection, design patents may be the most effective way to ward off infringers while secondary meaning for trademarks and/or trade dress is established. This article addresses the relationship between design patent protection and trademark protection and described the strategy of using the combination of these rights.

## THE LEGAL FRAMEWORK

The Patent Law provides for the granting of design patents to any person who has invented any new, original and ornamental design for an article of manufacture. Design patents cover the way an article looks, and may be drawn to the shape/configuration of an article, surface ornamentation applied to the article, or a combination of both. A design patent does not need to be directed to the entire article, and claiming a portion of the article is permitted, *In re Zahn*, 617 F.2d 261 (CCPA 1980). During the soon to be fifteen year term, the owner of the patent has the right to exclude others from making an infringing design.

A trademark is any word, name, symbol, or device that serves as an indicator of source. Thus, the shape of article can serve as a trademark provided that all other requirements are met. Although an application to register a trademark can be filed before a mark is actually in use, ultimately trademark rights arise, and can only be maintained, through use of a mark. Federal trademark registrations carry a presumption that the registration is valid and the registrant has the exclusive right to use the mark. The term of a federal registration is ten years, with renewals available in ten-year increments, so long as the mark remains in use.

Both design patents and trademarks are entitled to a variety of statutory remedies, which may include damages, infringer's profits, injunctions, and under certain circumstances, attorneys' fees. Differences relating to injunctive relief are addressed later in this article. However, not all remedies are available under all circumstances, so the facts of a particular case must be reviewed to determine which remedies are possible.

## INTERPLAY BETWEEN DESIGN PATENTS AND TRADEMARKS

In many instances, the same design can be protected by trademark and design patent laws. Examples of well-known design trademarks which also have been the subject of design patents include the DUSTBUSTER® vacuum cleaner, the APPLE iPod® electronic music player, and the NIKE Air Max 1995® shoe upper.

At first blush, combining design patents and trademarks might seem contrary to public policy -- design patents grant a limited period of protection for a design, while trademark law may provide perpetual protection for the same design. However, the CCPA (predecessor to the Court of Appeals for the Federal Circuit) made it clear in *In re Mogen David Wine Corporation*, 328 F.2d 925 (CCPA 1964) and *In re Honeywell, Inc.*, 328 F.2d 925 (CCPA 1974), that trademark rights exist independently of design patent rights. Trademark protection is granted to prevent the public from being confused, while the purpose of design patents is to encourage inventors to develop novel, ornamental designs. However, trademark protection is not extended to designs that are merely ornamental and are not indicators of source. For example, in *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116 (Fed. Cir. 1985), a key issue was whether the color pink for fiberglass insulation was merely ornamentation, or whether it was an indicator of source.

The e-commerce revolution has underscored the need to protect IP assets in cyberspace, such as the appearance of computer screen displays and web pages. Designs, such as computer icons, are now commonly protected in various forms through both design patents and trademarks. For example, Sun Microsystems has the coffee cup symbol for its JAVA® product registered as a trademark, and also has a design patent (where the coffee cup is combined with the words “JAVA WORKSHOP”). Thus, a combination of design patent and trademark protection may be the most effective way to protect your trademarks, trade dress and designs in cyberspace.

## FUNCTIONAL V. ORNAMENTAL

A design patent protects the ornamental appearance of the article of manufacture and not its structural or utilitarian features. Articles protected under the design patent laws must be “primarily ornamental” and not “primarily functional,” *L.A. Gear Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117 (Fed. Cir. 1993). However, in a design patent context, “primarily functional” is not construed as broadly as the phrase might suggest. In determining whether a design is “primarily functional” or “primarily ornamental,” the claimed design is viewed in its entirety, not on a feature-by-feature basis, *L.A. Gear, supra*. If the functional aspects of the design could be accomplished in other ways, it is likely to be primarily ornamental. *Rosco, Inc. v. Mirror Lite Co.*, 304 F.3d 1373 (CAFC 2002). However, if a design is dictated solely by the functionality of its article of manufacture, it is not patentable, *Best Lock Corp. v. Ilco Unican Corp.*, 94 F.3d 1563 (Fed. Cir. 1996). For most designs, the issue of functionality is not likely to create a problem during the prosecution of the design patent application, but it may arise during litigation.

Trademark protection is not available for designs that are merely ornamental, nor is it available for designs that are de jure functional. In contrast to the design patent process, functionality likely will be raised as an issue during the prosecution of a trademark application, and also may arise during litigation.

If a design is “de jure functional” (functional as a matter of law), it will never be registrable as a trademark. A design is functional as a matter of law if it is “essential to the use or purpose of the article or if it affects the cost or quality of the article.” *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 33, (2001); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 165, (1995); *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850, n.10, (1982).

However, a design that is “de facto functional” (functional as a matter of fact), still may be either inherently distinctive or capable of acquiring distinctiveness, and therefore be registrable. For example, in *In re Morton-Norwich Products Inc.*, 671 F.2d 1332 (CCPA 1982), a bottle with a pump for spraying liquid was found de facto functional -- the elements of the mark were used to store and spray liquid -- but potentially registrable as a trademark, provided the owner could prove that the trademark had acquired distinctiveness. (The design in *Morton-Norwich* also was the subject of a design patent.)

It should also be noted that if the product features sought to be protected as a mark were the subject of an expired utility patent, this “adds great weight to the statutory presumption that features are deemed functional until proven otherwise” and that one who seeks such protection “must carry the heavy burden of showing that the feature is not functional.” *TrafFix Devices v. Marketing Displays, Inc.*, 532 U.S. 23 (2001).

Another type of functionality that may also be cited to preclude trademark protection in certain circumstances is “aesthetic functionality.” In contrast to utilitarian functionality, “aesthetic functionality” refers to situations where the feature may not provide a truly utilitarian advantage in terms of product performance, but provides other competitive advantages. (Aesthetic functionality inquiries may look at whether the design would put competitors at a significant non-reputation related disadvantage). Cases in which aesthetic functionality has been addressed cover such diverse products as black outboard motors (*Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527 (Fed. Cir. 1994), *cert. denied*, 514 U.S. 1050 (1995)), red soles on shoes (*Christian Louboutin S.A. v. Yves Saint Laurent America, Inc.*, 696 F.3d 206 (2d Cir. 2012)), red wax seals on whiskey bottles (*Maker’s Mark Distillery, Inc. v. Diageo North America Inc.*, 679 F.3d 410, 418-19 (6th Cir. 2012) and a basketweave pattern on leather goods (*In re Bottega Veneta International S.a.r.l.*, Appl. No. 77219184 (TTAB Sept. 30, 2013)).

Although some types of designs are inherently distinctive, and automatically entitled to trademark protection, for many designs (particularly product configurations), acquired distinctiveness (secondary meaning) must be shown. In *Wal-Mart*, the Supreme Court made a distinction between product designs and packaging designs. While the Court agreed that a packaging design could be inherently distinctive, it held that a product design may only be protectable trade dress if secondary meaning has been demonstrated.

## **OBTAINING TRADEMARK REGISTRATIONS FOR DESIGNS**

The registrability of design trademarks often hinges on demonstrating that the design is not de jure functional. Thus, the PTO and courts look at factors, such as whether the design is the subject of a utility patent or a design patent. If it is the subject of a utility patent, there at least is a presumption that the design is de jure functional and not registrable as a trademark. In contrast, because design patents cover primarily ornamental designs, the existence of a design patent can provide strong evidence that a design is not de jure functional. Advertising for a product is also a factor in determining whether a design is de jure functional. Does the IP owner advertise the utilitarian functions of the design, or does it use advertising to demonstrate that the design is an indicator of source? Additional factors in determining whether a design is de jure functional include whether there are alternative designs available to competitors, and whether the design results from a comparatively cheap, simple method of manufacturing the product.



While the latter two factors may bar even a distinctive design from registration, the first two factors, the presence or absence of a design patent and advertising for a product, can be most useful in establishing a trademark for the product. It often takes many years, and substantial advertising expenditures, before the public will recognize a design as a trademark. Thus, Owens-Corning hired the Pink Panther to urge us to “THINK PINK,” as it sought to register pink as a trademark for fiberglass insulation and United Parcel Service asked us to consider “What Can Brown Do For You?” in its effort to protect the color brown for its delivery services. Such advertising campaigns are rarely successful overnight, so the design patent’s term to exclude can be used to develop public awareness that a particular design is also an indicator of source. Now that the Supreme Court has raised the bar for protecting product designs, the period of exclusivity granted by a design patent becomes even more important in protecting IP rights.

## **DIFFERENT RIGHTS, POTENTIALLY DIFFERENT REMEDIES**

In general, design patent lawsuits are subject to the same precedents that control utility patent lawsuits. To that end, for example, design patent plaintiffs must satisfy the *eBay* requirements to obtain permanent injunctive relief, and courts will not presume the existence of irreparable harm when infringement is found. *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006).

Notably, irreparable harm requires showing a causal nexus between the infringing design and the plaintiff’s injury. *Apple, Inc. v. Samsung Electronics Co., Ltd.*, 735 F.3d 1352, 1362-63 (Fed. Cir. 2013). For example, in *Apple v. Samsung*, the district court denied permanent injunctive relief because Apple could not show that the infringing design features drove consumer demand for the accused Samsung products. *Id.*

On appeal, the Federal Circuit cautioned against overly rigid standards for demonstrating causal nexus because *eBay* is premised in flexible principles of equity. *Id.* at 1364. Nevertheless, the Federal Circuit affirmed denial of a permanent injunction against Samsung’s design patent infringements, agreeing that “Apple must show some connection between the patented feature and demand for Samsung products,” and the district court’s findings would not be disturbed under the controlling standard of review. *Id.*

Trademarks, in contrast, may yet afford an automatic entitlement to a permanent injunction against on-going violations – provided the asserted mark is famous and liability flows from dilution. Here, the Federal Trademark Dilution Revision Act of 2006 (“FTDA”) provides that the owner of a famous mark is entitled to an injunction against marks that are “likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.” 15 U.S.C. § 1125(c)(1).

This situation might have played out in *Apple v. Samsung*, but for the fact Samsung stopped selling phones that were found to dilute Apple’s famous iPhone trade dress before the district court addressed the issue of post-judgment permanent injunctive relief. There, the district court exercised its discretion to deny a permanent injunction because it was undisputed that Samsung voluntarily stopped its diluting conduct. *Apple, Inc. v. Samsung Electronics Co., Ltd.*, 909 F.Supp.2d 1147, 1158 (N.D.Cal. 2012). On appeal, the Federal Circuit affirmed denial of a

permanent injunction against the diluting phone designs, but avoided the direct question of whether the FTDA would otherwise automatically authorize issuance of permanent injunction. *Apple*, 735 F.3d 1373-74, n.9. Instead, the Federal Circuit interpreted Ninth Circuit precedents, concluding that the district court could have issued an injunction notwithstanding Samsung's voluntary cessation, but that the court acted within its discretion. *Id.* at 1375.

## **DESIGN PATENT, TRADEMARK OF BOTH?**

Not all designs warrant obtaining both design patent and trademark protection. The following factors are just some of the relevant considerations in deciding what protection is appropriate:

1. The importance and life expectancy of the design. If the design is of great importance, then both design patent and trademark protection may be warranted. If it will have a relatively short commercial life, then design patent protection alone may be sufficient.
2. The nature of competitors: is this an industry where copying is rampant? If copying is the norm, then obtaining the maximum protection through both design patents and trademark registrations may be critical.
3. Cost of asserting rights: Developing a winning evidentiary record in a trademark case may require extensive surveys and be more costly than preparing the evidence for a design patent case. On the other hand, if the design patent is more narrow than the scope of trademark protection, it may be worth the risk of additional cost to prove trademark infringement.
4. The relative ease/difficulty of registering the design under the trademark and the design patent law. If the design lacks inherent distinctiveness or secondary meaning, then a design patent may provide a quick means of securing protection. Design patents typically issue in 1-1/2 years, while a trademark registration for a mark that faces a functionality objection may face many years of prosecution (or persecution, depending on your viewpoint) before a registration issues.
5. Budget: will the design fit in a single design patent or trademark application, or are multiple applications required? If budget is a factor, look to see whether elements of the design require individual or collective protection, and then determine which type of protection is most economical.
6. Time: Has more than one year passed since the design was on sale or in public use? If so, then design patent protection is precluded by statute, but trademark protection may still be available.
7. If a design is not inherently distinctive, can it be turned into a trademark through a targeted advertising campaign, such as the "THINK PINK" campaign of Owens-Corning? If so, use the design patent's term of exclusivity to develop consumer goodwill. At the very least, use it to obtain the five years of substantially exclusive use needed to register the trademark on the basis of acquired distinctiveness.

8. Audit your IP portfolios regularly. Many changes will occur in the marketplace during the life of a design patent. Look at your design patent portfolio periodically to see whether any of the designs deserve trademark protection.

## **NOW & THEN – THINK AHEAD**

Savvy counsel will explain to their clients how the relative ease of acquiring 14 (or 15) years of design patent protection for a new design contrasts with the rigorous requirements for later proving acquired distinctiveness and perpetual trademark rights in that design. For aspiring soothsayers aiming to predict the next iconic design, keep the following issues in mind.

**Consistently define the design from the outset** – claiming parts of a design in a patent should be consistent, or at least compatible, with future trade dress definitions. Here, issuance of a design patent covering some or all of the future claimed trade dress can bolster non-functionality and distinctiveness arguments.

**Beware functionality** – counsel clients to distinguish functional and ornamental properties of industrial design. Ensure that in-house and outside teams are coordinating on utility and design patent prosecution, and that trademark counsel is engaged where significant new designs are being launched. Regional circuit law controls trade dress functionality analyses and aesthetic functionality should be a consideration. Work with clients to highlight the ornamental, non-functional, and recognizable aspects of industrial designs.

**Be smart with agreements** – trademarks are vessels of goodwill that must be mindfully protected. Design patents, on the other hand, are property rights that can be enforced – or not – as clients and their budgets direct. Beware that failure to police design infringements and licensing of design rights without thought to associated goodwill could defeat future claims to owning protectable trade dress.

These are but some of the considerations counsel should discuss with design-focused clients. In sum, patents and trademarks are different rights that provide different protections at different points in time. Savvy counsel will survey the field of play from thirty-thousand feet well before advising clients about on-the-ground tactics.

In short, analyze whether design patent protection is available, whether trademarks already exist in the designs you have, or whether they can be trademarks by design, and select your protection accordingly.



**The Written Description  
Requirement in U.S. Design Patent  
Prosecution: Background and  
Recent Developments**

**Richard S. Stockton**

***American Intellectual Property Law  
Association Roundtable***

**March 12, 2014**

# The Written Description Requirement in US Design Patent Prosecution: Background and Recent Developments

March 12, 2014

By Richard Stockton, Principal Shareholder, Banner & Witcoff, Ltd. (Chicago)  
[rstockton@bannerwitcoff.com](mailto:rstockton@bannerwitcoff.com), 312-463-5414

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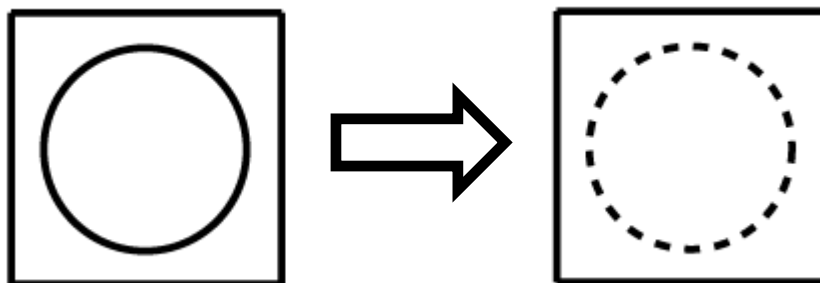
## Introduction

On February 6, 2014, the United States Patent and Trademark Office (“USPTO”) announced a roundtable to solicit public opinions regarding the written description requirement (“WDR”) as applied to US design patent applications (“DPAs”) in “rare” situations (“Roundtable”).<sup>1</sup> The USPTO scheduled the Roundtable for the afternoon of March 5, and also requested written comments (due March 14).

The Roundtable responds what many design patent practitioners perceive as an unannounced shift to a heightened WDR standard for DPAs. This white paper introduces the WDR for DPAs, summarizes recent developments (including the Roundtable) and then assesses next steps.

## The WDR for DPAs

The legal basis for a WDR rejection is 35 U.S.C. § 112(a). Most DPA WDR rejections arise from (1) amending DPA claim scope (*e.g.*, converting solid “claimed” lines to broken “unclaimed” lines) and/or (2) claiming priority to an earlier application (*e.g.*, under 35 U.S.C. §§ 119 or 120). Here is an example of (1), amending claim scope in a DPA:



**Figure 1: Amending Claim Scope in a DPA**

In the context of (2), claiming priority, a recent Federal Circuit case summarized DPA WDR law as follows:

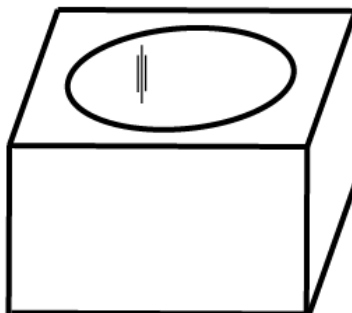
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<sup>1</sup> See 79 Fed. Reg. 7171-73.

The test for sufficiency of the written description, which is the same for either a design or a utility patent, has been expressed as ‘whether the disclosure of the application relied upon reasonably conveys to those skilled in the art that the inventor had possession of the claimed subject matter as of the filing date.’ *Ariad Pharm., Inc. v. Eli Lilly & Co.*, 94 USPQ2d 1161, 1172 (Fed. Cir. 2010) (*en banc*). In the context of design patents, the drawings provide the written description of the invention. *In re Daniels*, 46 USPQ2d 1788 (Fed. Cir. 1998); *In re Klein*, 26 USPQ2d 1133 (Fed. Cir. 1993) (“[U]sual[ly] in design applications, there is no description other than the drawings.”). Thus, when an issue of priority arises under § 120 in the context of design patent prosecution, one looks to the drawings of the earlier application for disclosure of the subject matter claimed in the later application. *Daniels*, 46 USPQ2d at 1789; *see also Vas-Cath Inc. v. Mahurkar*, 19 USPQ2d 1111 (Fed. Cir. 1991).<sup>2</sup>

A key DPA WDR issue is what “reasonably conveys” means, and therefore the extent of options to modify design patent claim scope from an initial disclosure.

WDR rejections are one of two significant species of DPA rejections under 35 U.S.C. § 112.<sup>3</sup> The other species, non-enablement/indefiniteness under 35 U.S.C. § 112(a) and (b), typically arises from (1) unclear figures, such as when detail is too muddy or pixelated, or (2) figures in which the parameters of the detail cannot be discerned. Here is an example of (2):



**Figure 2: Simplified Example of Non-Enablement/Indefiniteness**

Assuming *arguendo* that the figure above is the full disclosure in the DPA, and that the three lines within the circle on the top surface correspond to shading (a common convention) to depict a hole in the cube, the DPA may be rejected as non-enabled/indefinite because the depth of the hole is not discernible. The WDR comes into play by limiting the responses available to overcome the non-enablement/indefiniteness rejection by amending the figures. Here, for example, if the applicant tried to overcome the rejection by, *e.g.*, adding a second figure showing different perspective and the depth of the hole, a WDR rejection would likely result:

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<sup>2</sup> *In re Owens*, 106 USPQ2d 1248, 1250 (Fed. Cir. 2013) (emphasis added) (reh’g *en banc* denied). As discussed in the Post-Script *infra*, *Owens* is arguably limited to a narrow set of facts. But it remains the most recent Federal Circuit case relating to the WDR for DPAs.

<sup>3</sup> The enablement requirement under 35 U.S.C. § 112(a) applies to DPAs but is generally an issue so long as all of the claimed subject matter is visible in the DPA.