IP Alert: Highlights of Design Day 2018



Highlights of Design Day 2018

By Robert S. Katz and Bradley J. Van Pelt

Several Banner & Witcoff attorneys and staff spoke at and/or attended Design Day 2018 at the U.S. Patent and Trademark Office. Design Day brings together design patent examiners, other USPTO representatives, design patent applicants, in-house and outside counsel, and others. Below are a few highlights and notes of the event.

State of the Design Technology Center

After Andrei Iancu, the director of the USPTO, kicked off the event and expressed the importance of the design patent system, Karen Young, the group director of TC 2900 (the design patent group), provided updates on the USPTO's design patent system:

- There are currently 13 art units and corresponding supervisors.
- There are currently 183 design patent examiners, with 13 more to be hired this fiscal year (FY).

- There have been 22,600 design applications filed so far this FY.
- There are 44,677 design applications currently waiting on a first action.
- The average pendency to receive a first action is currently 12.9 months.
- The average total pendency is currently 19.2 months.
- Since 2015, design patent applications have had an 86 percent allowance rate (14 percent abandonment).
- There were fewer Hague System for the International Registration of Industrial Design filings in 2017 than 2016, and Hague filings had a lower allowance rate when compared to all filings.

Young also discussed upcoming projects and steps to improve the examination process. These projects include training new examiners, continuing technology training, application inventory review, improving the processing of office actions and searching, and special case processing.

International Developments in Design

Courtney Stopp, from the Office of Policy and International Affairs at the USPTO, described recent changes and upcoming projects involving protecting designs internationally. World Intellectual Property Organization Digital Access Service (DAS), currently used for utility applications, will be extended to designs to make priority documents available so that other design offices claiming priority from the first filings will be able to retrieve them electronically. She also discussed projects in the Industrial Design 5 (USPTO, European Union Intellectual Property Office (EUIPO), Japan Patent Office (JPO), Korean Intellectual Property Office (KIPO), and State Intellectual Property Office (SIPO)), including: (a) normalization of grace periods; (b) normalization of partial design protection; (c) ways to permit design protection for designs that use cutting-edge technology (such as augmented reality and virtual reality); and (d) ways to improve consistency in registration and examination policies and procedures.

Stopp also shared recent global design developments. European applicants are the biggest users of the Hague system. New members of the Hague include Russia as well as the United Kingdom (although it is still a member of the European Union as of today). Canada, Mexico, and potentially China are likely to enter the Hague agreement soon. In terms of Brexit, United Kingdom and European Union holders will have rights protected at least until the transition period ends in December 2020. Graphical user interfaces (GUI) and icons are now nearly unanimously protected; however, a recent Chinese design decision held that only selling software without the display does not infringe a design patent comprising a GUI on a device, meaning that it may be more difficult to enforce GUI designs in China. (Qizhi Software Beijing Co. Ltd. v. Jiangmin New Technology Co. Ltd). In addition, a European Union design decision (DOCERAM GmbH v. Ceram Technology GmbH) dealt with determining whether a design is functional and not protectable. The Court of Justice of the European Union determined that the test in assessing whether the design is solely dictated by function is the “no-aesthetic consideration test”: if a designer selected the design to

obtain a specific technical function, and did not consider the visual appearance of the design feature, the feature is not registerable for a design. In other words, if the designer gave any consideration other than functionality in designing the product, then it is protectable.

Designs in Japan

Tomoki Sawai, the director general of the JPO, presented on the state of design patent examination and projects that are underway to improve the JPO's systems. Sawai shared information regarding current projects to improve and promote design rights:

- JPO has a study group of 11 members (made up of designers, executives, practitioners, scholars, etc.) to discuss industrial competitiveness and design,
- Extending protection of designs and services that use new technology (e.g. artificial intelligence),
- Extending protection of designs that contribute to brand management, and
- Simplifying procedures so users can obtain more design rights.

Sawai also noted that since the U.S. and Japan signed the Hague agreement in May 2015, there has been a rapid increase in the number of Hague applications (50 percent increase in five years). Also, the USPTO and JPO are leading the Industrial Design 5 study on partial designs and grace periods.

Patent Prosecution Best Practices Panel: Views from Examiners & Practitioners

A panel including two design patent examiners (Jeffrey Asch and Barbara Fox) and two practitioners (Daniel Drexler and Shabnam Nowrouzi) discussed and debated design patent best practices. Daniel Gajewski moderated the panel, and the topics included: (a) permissible and strategic application/claim title practice; (b) common drawing problems, including lack of views, drawing styles, shading; and (c) how to eliminate prior art rejections when prior art from within the grace period is applied.

Practitioners expressed the desire to address title objections in a way that does not overly narrow the scope of the design, while examiners expressed the desire to see a reasonable degree of specificity. The panel recommended seeking examiner interviews to overcome title objections.

As to common drawing issues, the panel discussed consistent errors seen in Hague applications that delay registration, such as mislabeling the numbers of figures in the figure description and using different drawings styles than what is preferred in the U.S. (e.g. no shading, singular views, and photos). Black and white line drawings are always preferred for clarity, but it is acceptable to use photos in cases where the scope of the design cannot be captured in line drawings. In these situations, the panel suggested using the highest quality resolution possible.

USPTO Decisions and Statistics

George Raynal provided a summary of recent decisions and statistics stemming from ex parte appeals, inter partes review (IPR), post grant review (PGR), and reexaminations. Ex parte appeals in design cases are difficult to review since file histories do not become public until the design patent grants. Some E-FOIA decisions are publicly available at e-foia.uspto.gov. There are 109 decisions, mostly stemming from § 103 rejections, in the database. So far, 37 IPRs were filed against design patents, two of which are pending. The IPR institution rate for designs is 43 percent and the denial rate is 57 percent. Where institution was granted, the USPTO Patent Trial and Appeal Board found 71 percent of the designs unpatentable and 29 percent patentable.

There have been five PGRs filed against design patents and, so far, three PGRs have been granted and one has been denied. Also, there have been 54 requests for reexamination for designs since 2012, and 31 reexamination certificates for designs have issued since 2012. In 93 percent of cases, reexamination was ordered and, in 87 percent of cases, patentability was confirmed.

District Courts and Federal Circuit Decisions

A number of U.S. Court of Appeals for the Federal Circuit and federal district court design patent decisions were reported on at Design Day. Alexis Sanders discussed two Federal Circuit decisions: (1) Milo Gabby v. Amazon (addressing liability of a company who operates a sales website platform) and (2) Advantek Marketing v. Shanghai Walk-Long Tools (addressing the issue of prosecution history estoppel). Dunstan Barnes presented on district court cases covering the issues of (1) prosecution history estoppel; (2) claim construction; (3) anticipation and obviousness; and (4) infringement and § 289 damages.

Industry Voices

The afternoon included guest speakers from four companies that demonstrated why designs were important to them:

- Rosie O'Neill and Josh Resnick discussed how Sugarfina Inc., evolved and how its unique branding and innovation has helped in its successes. From a design perspective, the focus was on its single unit packaging, specifically how its label and Bento Box-style packaging help to provide an experience and sell multiple units in a single box. Sugarfina's in-house counsel also provided examples of infringing products.
- Qudus Olaniran of Microsoft Corporation presented on the importance of good design, good design patent examination, and acquiring a robust design patent portfolio. On the hardware side, examples of Microsoft's Surface computers, Xbox systems, computer mice, and other products were shown to illustrate how good design creates cool products. Examples of GUI designs for Windows, Office, and Xbox were also presented to show the importance of good screen-related designs.
- Michael Blankstein of Scientific Games Corporation showed selected gaming-related products made by the company, including video slot machines, lottery tickets, shufflers, etc. He explained how Scientific Games uses all

forms of IP to protect its designs and why design patents are becoming more important.

- Bill McKeone of Kohler Co. described the considerations that influence faucet and other bathroom product designs. He showed how Kohler designers track trends over years and how these trends are considered in the development of their products and lend themselves to a design patent portfolio.

Finally, an interactive panel presented, “Enforcing Design Rights for Infringing Internet Sales.” Robert Katz, co-author of this article, moderated the session and discussed common design patent infringers, why they have been successful, and the negative impact these infringements have on businesses and society. The panel, which included Reagan Charney (Newell Brands Inc.), Bart Fisher (Caterpillar Inc.), Craig Loest (Kohler), and Olaniran (Microsoft), provided insightful details about the infringements their companies are experiencing, whether and how they are enforcing their design rights, the online takedown process, the difficulties they are encountering, and a host of other related topics.

Click here to learn more about Design Day 2018, and contact either Brad Van Pelt or Robert Katz should you require further information on any of these topics.

Click here to download a printable version of this article.

Posted: May 4, 2018