

Intellectual Property Advisory: Federal Circuit Eliminates Point of Novelty Test in Design Patent Cases

Egyptian Goddess v. Swisa

By Robert S. Katz

Today, the U.S. Court of Appeals for the Federal Circuit issued the long-awaited decision clarifying and overruling some 20 years of its design patent infringement jurisprudence in *Egyptian Goddess v. Swisa*.

Prior Test for Design Patent Infringement

Since 1984, a design patentee had to prove that two distinct tests were satisfied in order to establish infringement. The first test, commonly referred to as the "ordinary observer" test or the "*Gorham*" test, weighs whether the two designs at issue are substantially the same to the extent that an ordinary observer is induced to purchase the accused one supposing it to be the other one. Second, the accused device must appropriate the novelty in the patented device which distinguishes it from the prior art. This test is commonly referred to a the "point of novelty" test, but is sometimes also referred to as the "Litton test" named after the 1984 Federal Circuit case of *Litton Sys., Inc. v. Whirlpool Corp.* Under this point of novelty test, the patented design is compared to the prior art and a point of novelty is determined. The accused product is then observed to ascertain whether it contains the determined point of novelty.

The "Point of Novelty" Test Should No Longer Be Used

The Court of Appeals for the Federal Circuit, *en banc*, held in *Egyptian Goddess v*. *Swisa*, that the point of novelty test should no longer be used in the analysis for determining design patent infringement. In support of its decision, the Federal Circuit noted that the point of novelty test as a separate requirement is inconsistent with the ordinary observer test laid down in *Gorham*, is not mandated precedent, and is not needed to protect against unduly broad assertions of design patent rights.

The Federal Circuit indicated that it is permissible under the *Gorham* test to compare the patented design and the accused design in the context of similar designs found in the prior art. Specifically, it noted that in some cases, when the claimed design and the accused design are not plainly dissimilar, resolution of the question whether the ordinary observer would consider the two designs to be substantially the same will benefit from a comparison of the claimed and accused designs with the prior art.

If an accused infringer elects to rely on comparison prior art as part of its defense against the claim of infringement, the burden of production of that prior art is on the accused infringer. Regardless of whether the accused infringer elects to present prior art it considers pertinent to this comparison, the ultimate burden of proof to demonstrate infringement by a preponderance remains with the patentee. The Federal Circuit indicated it will leave it to future cases to further develop the application of this standard.

Design Patent Claim Construction Reviewed

The Federal Circuit also wrestled with the issue of design patent claim construction. It noted the difficulties in trying to describe a design patent claim in words, and indicated that the preferable course ordinarily should be for a district court not to attempt to "construe" a design patent by providing a detailed verbal description of the claimed design. However, the ultimate decision on whether to do so was left to the discretion of the trial judges.

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