



**ENFORCEMENT OF DESIGN PATENTS AFTER EGYPTIAN GODDESS,
THE DEATH OF THE POINTS OF NOVELTY TEST**

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The Federal Circuit recently issued a decision regarding the standard required to establish design patent infringement in Egyptian Goddess v. Swisa, Inc., (Fed. Cir. 2008). The Court abolished the so-called “points of novelty test.” Although the Court in this case found for the accused infringer, the decision should encourage more design patent holders to enforce their rights because the patentees’ burden of proof has been significantly reduced.

In Egyptian Goddess, Inc. (“EGI”), the owner of U.S. Design Patent No. 467,389, which claimed a design for a nail buffer, consisting of a rectangular, hollow tube having a generally square cross-section and featuring buffer surfaces on three of its four sides, filed a patent infringement action against Swisa, Inc. (“Swisa”) for Swisa’s use of a nail buffer featuring a rectangular, hollow tube having a square cross-section, but featuring buffering surfaces on all four of its sides.

This case was originally brought in the Northern District of Texas. In the district court, following the prior precedence of the Federal Circuit, the district court granted Swisa’s Motion for Summary Judgment by evaluating whether the Swisa product was (1) “substantially similar” to the claimed design under the “ordinary observer” test, and (2) if the accused devices contained “substantially the same points of novelty that distinguished the patented design from the prior art”. In a finding of non-infringement, the district court held that Swisa’s product was not infringing because it did not include the “point of novelty” of the ‘389 patent, namely, the fourth, bare side to the buffer.

EGI appealed the case to the Federal Circuit in, and in affirming the district court’s motion, in 2007, the Federal Circuit found that there was no issue of material fact as to whether the accused Swisa buffer “appropriates the point of novelty of the claimed design.” In addition, the Federal Circuit in this initial ruling held that “in order for a combination of individually known design elements to constitute a point of novelty, ‘the combination must be a non-trivial advance over the prior art.’” In this initial ruling, the Federal Circuit held that the “the various design elements of the claimed design ‘were each individually disclosed in the prior art.’” Accordingly, because EGI could not meet the “points of novelty” test required to show infringement, the Federal Circuit granted Swisa’s summary judgment motion.

The Federal Circuit granted an appeal to its earlier 2007 ruling *en banc* in order to allow the parties to address the several issues including the following:

1) whether the “point of novelty” test should continue to be used as a test for infringement of a design patent;

- 2) whether the court should adopt the “non-trivial advance test” as a means of determining whether a particular design feature qualifies as a point of novelty;
- 3) how the point of novelty test should be administered, particularly when numerous features of the design differ from certain prior art designs;

In an effort to evaluate all of the above points, the Federal Circuit conducted a survey of prior jurisprudence regarding design patent infringement. The Federal Circuit indicated that “the starting point for any discussion of the law of design patents is the Supreme Court’s decision in Gorham Co. v. White, 81 U.S. 511 (1871). In Gorham the test for establishing design patent infringement was set out as “[I]f, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other.” 81 U.S. at 528. This test has commonly been known as the “ordinary observer” test, and was adopted by lower courts as the standard for design patent infringement.

The Federal Circuit further noted that in a series of cases originating from its ruling in Litton Systems, Inc. v. Whirlpool Corp., 728 F.2d 1423 (Fed. Cir. 1984), that “proof of similarity under the ordinary observer test is not enough to establish design patent infringement. Rather, the court has stated that the accused design must also appropriate the novelty of the claimed design in order to be deemed infringing.” This test has subsequently been known as the “points of novelty” test.

EGI argued that the Federal Circuit should no longer recognize the point of novelty test for design patent infringement, distinct from the ordinary observer test established in Gorham. Rather, EGI asserted that the Federal Circuit should simply utilize the “ordinary observer” test from the perspective of an ordinary observer who is familiar with the prior art, meaning that in order for there to be infringement the “ordinary observer” familiar with the prior art would be deceived into thinking that the accused design was the same as the patent design. EGI further argued that there would be no need for a separate “non-trivial advance” test because the attention of an ordinary observer familiar with prior art designs will naturally be drawn to the features of the claimed and accused designs that render them distinct from the prior art.

By comparison, relying upon the Supreme Court’s precedent in Smith v. Whitman Saddle Co., 148 U.S. 674 (1893), Swisa asserted that the “point of novelty” test was a second and distinct test for establishing patent infringement. However, the Court disagreed with Swisa’s interpretation of the decision in the Whitman Saddle case, and determined that a separate “points of novelty” test is inconsistent with the Supreme Court’s holding in Gorham.

The Federal Circuit agreed with EGI and determined that the “point of novelty” test should no longer be used in the analysis of a claim of design patent infringement. Similarly, the Federal Circuit held that because it rejected the “point of novelty” test, it also decided not to adopt the “non-trivial advance” test, which it determined was a mere refinement of the “point of novelty” test. Rather, the Federal Circuit agreed with EGI, and held that the “ordinary observer” test should be the **sole test** for determining whether a design patent has been infringed, and that a design patent would only be infringed if it “embod[ies] the patented design or any colorable imitation thereof.” Goodyear Tire & Rubber Co., 162 F.3d at 1116-17.

However, while the Federal Circuit definitively rejected the “point of novelty” test, it held that there would still be emphasis placed on an evaluation of the prior art in performing the

“ordinary observer” test. Under the former test utilized by the Federal Circuit there was a burden on the patentee to establish that an “ordinary observer” would find the patented design and the allegedly infringing design were “substantially similar” and that the accused product appropriates “substantially the same points of novelty that distinguished the patented design from the prior art”. However, under the new test established in the subject case, rejecting the “points of novelty” test, the Federal Circuit shifted the burden from the patentee to the accused infringer holding that “[T]he accused infringer is the party with the motivation to point out close prior art, and in particular to call to the court’s attention the prior art that an ordinary observer is most likely to regard as highlighting the differences between the claimed and accused design.”

Ultimately, upon the rehearing of the case and assessing the similarity between the EGI patented design and the accused Swisa design, the Federal Circuit affirmed its earlier decision and granted Swisa’s motion for summary judgment on the grounds that when analyzed in light of the prior art that the “ordinary observer” familiar with the prior art would not find the accused design to be the same or “substantially similar” to the patented design.

Significance of the Holding

While the full significance of the Federal Circuit’s holding in this case has yet to be fully determined, it would appear that the Court’s decision could be a tremendous boon to design patent holders. Previously when bringing patent infringement claims, design patent holders had to take elaborate steps to establish that each and every “point of novelty” distinguishing the patented design from the prior art was appropriated in the accused design. In an effort to overcome the “point of novelty” test, accused infringers could be successful if they could simply establish that a single trivial difference between the patented design’s “points of novelty” and the accused design are in some fashion distinguishable. This very high burden was often very difficult to meet.

By comparison, under the new test, the burden of assessing the prior art falls to the accused infringer. This change in the law will allow courts to review the relevant designs as a whole, without focusing on the individual points of novelty. As such, fewer patentees will be constrained by this additional burden to demonstrate infringement, and it will likely make the enforcement of a design patent that much easier.

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