

DESIGN PATENT PERSPECTIVE: The Ordinary Observer Test

PART 2



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Early in design patent jurisprudence, the Supreme Court established that infringement was determined through the eyes of an ordinary observer and that prior art played a role in the comparative analysis. But what exactly did that mean, and how was the infringement analysis to be conducted? Two automotive accessory cases decided in the circuit courts of appeal began to supply the answers.

In the late 1800's, before the bulb horn became popular, most motorists chose a

bell as their preferred warning device. One novel bell was patented by Frederick A. Scranton, who sued a competitor for infringement in *Bevin Bros. Mfg. Co. v. Starr Bros. Bell Co.*¹ The defendant claimed lack of novelty and non-infringement, and offered doorknobs, non-automotive bells, and other devices as prior art. The court found lack of novelty and non-infringement, and followed a practical method for determining whether infringement existed: “[t]he shape of defendant’s bell differs from plaintiff’s more widely than plaintiff’s differs from the [prior art] door knob, and therefore defendant’s construction does not infringe the patent.”² Stated generally, if the overall visual differences between the accused design and the patented design were greater than the differences between the patented design and the prior art, then infringement did not exist.

Further development of the infringement test occurred in a case involving a combination ash receiver and electric lighter design. In *Applied Arts Corp. v. Grand Rapids Metalcraft Corp.*,³ the court explained “on the issue of infringement a design patent is not infringed by anything which does not present the appearance which distinguishes the design claimed in the patent from the prior art.”⁴ The court reasoned that the ordinary observer possessed reasonable familiarity with the prior art and necessarily made a comparison in relation to it. The court followed the *Bevin Bros.* “practical” method for determining infringement and also stated “[w]e are quite aware that similarity is not to be determined by making too close an analysis of detail, yet where in a crowded art the composite of differences presents a different impression to the eye of the average observer (as above defined), infringement will not be found.”⁵

In sum, infringement was found when the appearance of the patented and accused designs had such similar effect upon the eye that an ordinary observer would purchase the accused design thinking that it was the patented design. The comparison was made in relation to the prior art, which effectively

meant three things. First, to infringe, the accused design had to present to the eye of an ordinary observer the appearance that distinguished the patented design from the prior art. Second, if the accused design differed more widely from the patented design than the patented design differed from the prior art, then there was no infringement. Third, when the prior art was crowded, the ordinary observer made a more careful and discriminative comparison of the patented and accused designs.

Although circuit court cases held that the ordinary observer made the comparison in light of the prior art, the two early Supreme Court cases, *Gorham v. White*⁶ and *Smith v. Whitman Saddle*,⁷ were unclear on this point. The ambiguity was unfortunate, because the prior art component began to be interpreted not as an integral part of the ordinary observer test, but rather as a separate and additional test. The separation began in *Sears, Roebuck & Co. v. Talge*,⁸ where the court stated the infringement test involved “two considerations.”⁹ First, the ordinary observer test portion (with the court citing, *inter alia*, *Gorham* as support), and second, “the accused device must appropriate the novelty in the patented device which distinguishes it from the prior art.”¹⁰ (with the Court citing, *inter alia*, *Whitman Saddle* as support).

In 1981, Congress created the Court of Appeals for the Federal Circuit and gave it exclusive jurisdiction over patent appeals.¹¹ The Federal Circuit’s first design patent case involving issues of infringement was *Litton Systems v. Whirlpool*.¹² In *Litton*, the court continued to suggest the ordinary observer — prior art separation, stating “even though the court compares two items through the eyes of the ordinary observer, it must nevertheless, to find infringement, attribute their similarity to the novelty which distinguishes the patented device from the prior art.”¹³ Ultimately, the prior art component evolved into a separate inquiry that became known as the “point of novelty” test. For example, in *Arminak & Associates v. Saint-Gobain Calmar*,¹⁴ the Federal Circuit stated “[i]n a separate and distinct inquiry, the ‘point of novelty’ test requires proof that the accused design appropriated the novelty which distinguishes the patented design from the prior art.”¹⁵

The “point of novelty” test was an attempt to bring needed objectivity to an inherently subjective infringement deter-

mination. But it created two significant problems. First, separation of the prior art inquiry from the ordinary observer test meant that the ordinary observer was no longer comparing overall appearances in light of the prior art. This departed from the infringement principles discussed in *Gorham* and *Visual Arts*. Second, it was often extremely difficult, if not impossible, to identify a point of novelty when the prior art consisted of multiple references, each of which often had multiple and varied design elements. Only rarely would a case involve a clear and single point of novelty as in *Whitman Saddle*.

To address these problems, the Federal Circuit sitting *en banc* decided *Egyptian Goddess v. Swisa*¹⁶ (a case involving fingernail buffers) and eliminated the “point of novelty” test as a separate component of the infringement analysis. The court held the “sole test” for determining infringement was the ordinary observer test, and the comparison between the claimed and accused designs was made “through the eyes of an ordinary observer familiar with the prior art.”¹⁷ The court discussed with approval two key principles from earlier cases: First, the “practical” test from *Bevin Brothers* where infringement is not found if the differences between the accused design and the patented design are greater than the differences between the patented design and the prior art. Second, the “crowded art” principle where an ordinary observer can more readily distinguish between designs when there are many closely similar prior art designs.

The Federal Circuit did not apply these two principles when deciding the *Egyptian Goddess* case. The court mentioned and illustrated two prior art designs (the Nailco and Falley buffers), but the Court did not discuss whether the “crowded art” principle came into play. The court also did not apply the “practical” test to determine whether the differences between the patented and accused designs were greater or less than the differences between the patented design and the prior art. Rather, the court observed “[n]othing about [plaintiff’s expert’s] declaration explains why an ordinary observer would regard the accused design as being closer to the claimed design than to the Nailco prior art patent.”¹⁸ This observation was correct, but did not reach the substance of the issue. The explanation omission was understandable because the declaration was drafted before the “practi-

cal” test was again recognized as correct law.

It might have been more helpful if the court had conducted the practical test. In light of the buffer appearances, it was beyond reasonable dispute that the patented and accused buffers were indeed closer in overall appearance to each other than either was to the prior art. With the practical test counseling against a finding of non-infringement, if the court still believed summary judgment of non-infringement was appropriate, then the court would have been squarely presented with one of the most challenging problems confronting the ordinary observer test. How should a court compare and analyze the designs when the accused and patented designs are closer in appearance to each other than either is to the prior art, and yet the differences between the patented and accused designs are such that a court may believe there is no infringement?

The rationale for non-infringement provided by the court was “[i]n light of the similarity of the prior art buffers to the accused buffer, we conclude that no reasonable fact-finder could find that EGI met its burden of showing, by a preponderance of the evidence, that an ordinary observer, taking into account the prior art, would believe the accused design to be the same as the patented design.”¹⁹ Beyond this statement, it does not appear the court conducted any other comparative analysis, such as what buffer features were most impressive to the eye, what visual features of the patented design departed most conspicuously from the prior art, and whether the accused design possessed these same conspicuous visual features.

Two potential problems arise when design patent infringement is determined without a comprehensive analytical framework to guide the decision.²⁰ First, initial subjective visual impressions unchecked by a rigorous analysis can be incorrect. Those familiar with Edward H. Adelson’s checkershadow illusion know this to be true.²¹ Second, judicial decisions made without benefit of a comprehensive analytical framework can be unpredictable and make it difficult for businessmen, inventors, and lawyers to plan their activities with a reasonable degree of confidence. This is particularly true in the inherently subjective field of design patents.

The Federal Circuit in *Egyptian Goddess* correctly returned the ordinary observer test back to its *Gorham* roots by eliminat-

ing the point of novelty test. But the case also exposed an area of design patent jurisprudence in need of further development. How should a court determine infringement (or determine whether a genuine issue of fact exists for a jury) when the historically important “practical” test does not support summary judgment of non-infringement, but the court’s initial visual impression may suggest that no infringement exists? Is there a principled and more objective analytical framework that can be developed and used as a check on initial visual impressions and that offers a reasonable degree of predictability? Fortunately, a set of analytical principles does appear to be developing in the case law, some of which can be gleaned from the *Egyptian Goddess* opinion itself. This developing analysis will be the subject of next month’s column in the third and final part on the ordinary observer test.

ENDNOTES

1. 114 F. 362 (U.S. Court of Appeals 1902).
2. *Id.* at 363.
3. 67 F.2d 428 (6th Cir. 1933).
4. *Id.* at 429.
5. *Id.* at 430.
6. 81 U.S. 511 (1871).
7. 148 U.S. 674 (1893).
8. 140 F.2d 395 (8th Cir. 1944).
9. *Id.* at 395.
10. *Id.* at 396.
11. H. R. Rep. No. 97-312, p. 20 (1981). *Bonito Boats v. Thunder Craft Boats*, 489 U.S. 141, 162 (U.S. 1989).
12. 728 F.2d 1423 (Fed. Cir. 1984).
13. *Id.* at 1444.
14. 501 F.3d 1314 (Fed. Cir. 2007).
15. *Id.* at 1320.
16. 543 F.3d 665 (Fed. Cir. 2008).
17. *Id.* at 677.
18. *Id.* at 682.
19. *Id.*
20. It should be noted that neither party in *Egyptian Goddess* offered an objective and principled analysis to use when the “practical test” did not dictate non-infringement and yet the designs were different enough that a court might arrive at an initial impression of non-infringement. *Egyptian Goddess* (represented by the author) argued that since non-infringement was not dictated by the “practical test,” the case should be reversed and remanded for further evidentiary development under the new standard. Swisa argued against abandonment of the point of novelty test and for affirmation of the trial court’s judgment.
21. See <http://persci.mit.edu/gallery/checkershadow>.