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Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

Full Fed. Circ. Told Ruling 'Jeopardizes' Design Patents

By **Tiffany Hu**

Law360 (January 29, 2020, 2:34 PM EST) -- A group of design patent attorneys from Sterne Kessler Goldstein & Fox PLLC, among others, are urging the full Federal Circuit to reconsider a decision that wiped out a $3 million patent award Columbia Sportswear won against rival Seirus.

In separate amicus briefs filed Monday, the attorneys, industry group Industrial Designers Society of America and two companies pressed the full appeals court to review a panel's November ruling that a lower court improperly declined to consider whether the presence of Seirus' logo on the accused product meant it did not infringe Columbia's design patent.

Siding with Columbia, who filed a petition for rehearing this month, the attorneys argued that the panel's decision ran afoul of a 1993 circuit precedent known as L.A. Gear v. Thom McAn Shoe Co. that suggests the analysis should look only at the accused design. If the placement of a logo can be a factor in a design patent infringement analysis, this could open the door for future arguments that "labels override any design similarities," they warned.

"This contradiction in the law will likely have far-reaching and unintended consequences for design patent law," the attorneys wrote. "It threatens the integrity and reliability of the design patent system and jeopardizes the value of millions of design patents."

In its brief to the appeals court, the IDSA argued that the panel "emasculate[d]" the L.A. Gear ruling by limiting the decision to instances of admitted copying. But L.A. Gear was "not so limited," as the scope of the holding did not hinge on copying, the group said.

"[R]ather, it stands for a much broader and important general rule that branding on an accused product is irrelevant to the design patent analysis," the IDSA wrote. "Without this general rule in place, meaningful U.S. design patent protection would crumble."

The third amicus brief, filed by belt maker Bison Designs LLC and lighting company Golight Inc. — which purportedly own more than 150 and 15 U.S. design patents, respectively — similarly argued that the panel had improperly narrowed the holding in L.A. Gear.

While the court in L.A. Gear "clearly considered and accepted" that the placement of a trademark on a product would distinguish it under a trademark infringement analysis, it rejected that argument under a design patent infringement analysis, the companies said.

“By suggesting the contrary, the panel opinion creates unnecessary confusion surrounding the proper treatment of products that incorporate labels, ornamental logo or not, into otherwise similar designs,” Bison and Golight wrote.

Columbia holds a design patent featuring wavy lines for heat-reflective material used in its Omni-Heat products like jackets and gloves. It filed suit alleging that Seirus' line of similar products called HeatWave infringed the design patent, as well as a Columbia utility patent.

The district judge granted summary judgment of infringement to Columbia on the design patent, finding that apart from the presence of Seirus' logo on its products, the differences between Seirus' design and Columbia's patent were "so minor as to be nearly imperceptible." After a trial on damages, a jury awarded Columbia $3 million.

The Federal Circuit reversed the grant of summary judgment, saying the judge was wrong to say the L.A. Gear ruling meant that "logos should be wholly disregarded in the design-infringement analysis."

The panel said that holding only applies when copying was admitted and that it does not prohibit a fact finder from "considering an ornamental logo, its placement and its appearance as one among other potential differences between a patented design and an accused one." The court then remanded the case for further proceedings.

In a Jan. 13 rehearing petition, Columbia argued that the panel's reasoning is "legally and logically flawed and warrants rehearing."

The L.A. Gear ruling was not limited to instances of copying, the company said, so the panel broke new ground in holding that placing a logo on an accused design means that it can avoid infringement.

Under a correct interpretation of the law, "the fact finder must disregard aspects of the accused product extraneous to the claimed design, such as brand names," Columbia said. "The proper comparison is between the claimed design and the accused design, not the claimed design and the entire accused product."

The present case is part of a broader dispute between the companies in which Columbia has filed a racketeering suit accusing Seirus of orchestrating a conspiracy to fund Korean supplier Ventex Co. Ltd.'s Patent Trial and Appeal Board challenges to Columbia's patents.

Damon Neagle of Design IP PC, an attorney for the IDSA, told Law360 in a Wednesday email that they hope the Federal Circuit heeds their call for rehearing.

"A primary argument in IDSA’s brief is that branding should not be considered as part of design patent infringement analysis because of the disproportionate effect that branding has on jury perception of a product’s overall appearance," Neagle said, noting that its argument is supported by research. "We felt that this is an important perspective that had not been raised by the parties or other amici."

"I am hopeful that the Federal Circuit will see the potential for serious harm that the opinion in the Columbia case may have created if simply affixing a trademark or logo could be sufficient to avoid liability for an otherwise infringing product," Tracy-Gene G. Durkin of Sterne Kessler said by email Wednesday. "Clearly this could not be what the court intended, so clarification on this point is extremely

important."

Counsel for the other companies did not immediately respond to requests for comment Wednesday.

The patents-in-suit are U.S. Patent Nos. D657,093 and 8,453,270.

The amici attorneys are represented by Tracy-Gene G. Durkin, Deirdre M. Wells and Kristina Caggiano Kelly of Sterne Kessler Goldstein & Fox PLLC.

The IDSA is represented by Damon A. Neagle of Design IP PC.

Bison and Golight are represented by Ian R. Walsworth of Lewis Brisbois Bisgaard & Smith LLP.

Columbia is represented by Christopher Carani of McAndrews Held & Malloy Ltd. and Nika Fremont Aldrich, David W. Axelrod and Sara Kobak of Schwabe Williamson & Wyatt PC.

Seirus is represented by Seth Sproul, Christopher Marchese, Oliver Richards and Tucker N. Terhufen of Fish & Richardson PC.

The case is Columbia Sportswear North America Inc. v. Seirus Innovative Accessories, case numbers 18-1329, 18-1331 and 18-1728, in the U.S. Court of Appeals for the Federal Circuit.

--Additional reporting by Ryan Davis. Editing by Gemma Horowitz.