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Auto Industry Tells Fed. Circ. Not To Mess With Design Patents

By **Dani Kass**

Law360 (October 27, 2023, 10:58 PM EDT) -- The automotive industry is urging the full Federal Circuit to keep the test for obviousness in design patents as is, saying in a series of amicus briefs that the law is predictable and stable.

On Thursday, Ford Motor Co., Hyundai Motor Co., Kia Corp., the Alliance For Automotive Innovation and Rivian Automotive Inc. laid out their support for a General Motors unit trying to stop the Federal Circuit from altering how to tell if design patents should be considered obvious.

The dispute comes in a rare en banc Federal Circuit patent case, where the court has accepted a petition by auto parts company LKQ Corp., arguing a test used for obviousness in utility patents should also be used for design patents.

LKQ wants the circuit court to apply the Supreme Court's 2007 KSR v. Teleflex decision — which takes issue with overly rigid tests for obviousness in utility patents — to design patents as well.

GM Global Technology Operations LLC and its supporters want the court to keep using the so-called Rosen-Durling test. Under that standard, there must first be an earlier design that has the same visual impression as the patented design, and then the challenger would have to show it would have been obvious for a designer to modify that earlier reference in the relevant way.

In a joint brief, AAI and electric vehicle manufacturer Rivian said the purpose of utility and design patents are specifically different: utility patents are about the function of a patent, whereas a design patent could be invalidated for having a functional element. The Federal Circuit has repeatedly held that the two don't work the same way, so the same law can't always be applied, the brief states.

"In each of these substantive areas — claim construction, infringement, anticipation, indefiniteness and enablement — the court has recognized the fundamental differences between utility and design patents and developed separate tests to accommodate the differences," AAI and Rivian said. "The test for obviousness should be no different."

Hyundai and Kia's joint brief claims LKQ is pushing for rule changes so it can get away with copying other companies' designs. LKQ has sued both companies in Illinois federal court, asking in the ongoing suits for declaratory judgments that their products don't infringe the design patents and that the auto companies' patents are invalid.

"This appeal is not an isolated design patent case involving auto parts, but is part of a larger, deliberate campaign by an aftermarket parts industry that is openly hostile to auto manufacturers' design patent rights," the joint brief states.

The current standard is predictable and allows companies to protect their designs, and copiers shouldn't be allowed to undermine that, the duo added.

In another brief, Apple Inc. said Rosen-Durling has "safeguards against hindsight" built into it, which LKQ's position would undermine.

"The Rosen-Durling framework properly addresses the substantial risk of hindsight bias that would arise if a design patent challenger could show obviousness by piecing together multiple disparate designs that are merely similar in concept," the tech giant said.

Additionally, the Rosen-Durling test squares with the Supreme Court's Smith v. Whitman Saddle decision in 1893, the Intellectual Property Owners Association said. That 19th century decision is the only one out of the Supreme Court addressing obviousness in design patents, and it makes clear utility and design patents cannot be reviewed the same way, the organization added in its brief.

The International Trademark Association urged the full Federal Circuit not to mess with settled law; it said doing so could harm patent owners and consumers were it to "upset the carefully crafted, long-established balance between design patent and trade dress protection."

Additional briefs were filed by Ford and Industrial Designers Society of America, making similar arguments.

During the petitioning process, LKQ had received support from groups including the Automotive Body Parts Association, American Property Casualty Insurance Association and the National Association of Mutual Insurance Cos.

Counsel for LKQ and GM didn't immediately respond to requests for comment Friday.

The patents-at-issue are U.S. Patent Nos. D855,508 and D797,625.

AAI and Rivian are represented by James. R. Ferguson, Brian W. Nolan and Ryan T. Babcock of Mayer Brown LLP. Apple is represented by Mark D. Selwyn, S. Dennis Wang, Laura E. Powell, Mark C. Fleming and Benjamin S. Fernandez of WilmerHale and Tracy-Gene G. Durkin of Sterne Kessler Goldstein & Fox PLLC. Ford is represented by Frank A. Angileri and Marc Lorelli of Brooks Kushman PC.

Hyundai and Kia are represented by William B. Adams and D. James Pak of Quinn Emanuel Urquhart & Sullivan LLP. IDSA is represented by Robert S. Katz, Sonia Mary Okolie and Erik S. Maurer of Banner Witcoff. INTA is represented by Bruce R. Ewing of Dorsey & Whitney LLP, Martin Schwimmer of Leason Ellis LLP and Vijay K. Toke of Rimon PC. IPO is represented by Paul H. Berghoff of McDonnell Boehnen Hulbert & Berghoff LLP and in-house by Henry Hadad and Samantha J. Aguayo.

LKQ is represented by Mark Lemley and Mark McKenna of Lex Lumina PLLC and Barry Irwin, Iftekhar Zaim, Andrew Himebaugh and Ariel H. Katz of Irwin IP LLP.

GM is represented by Nitika Gupta Fiorella, Joseph Herriges Jr., John A. Dragseth and Sarah Jack of Fish

& Richardson PC.

The case is LKQ Corporation v. GM Global Technology Operations LLC, case numbers 21-2348 and 22-1253, in the U.S. Court of Appeals for the Federal Circuit.

--Editing by Caitlin Wolper.

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