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# 2023 Design Patents Year in Review

Analysis & Trends

3RD EDITION

## An Introduction from the Editor

Not surprisingly, 2023 was another notable year for design rights around the globe. However, nowhere more than the U.S. did we see court decisions that will, in the case of one, and could in the case of another, have significant impact on design patent jurisprudence. In particular, the U.S. Court of Appeals for the Federal Circuit (CAFC) decided two cases of note. In one, the court addressed an issue of first impression – whether comparison prior art in an infringement analyses must involve the same article of manufacture as that recited in the design patent claim. In the other, the court agreed to hear a case *en banc* and consider whether the long-standing design patent obviousness analysis requires modification.

Elsewhere, the U.S. International Trade Commission (ITC) and the U.S. Patent and Trademark Office Patent Trial and Appeal Board (PTAB) continued to hear their fair share of design patent cases with trends that show the durability of design patents. And on the international front, intellectual property offices around the world continue to update their law, practices and procedures on the processing of design applications to better adapt to emerging technology like computer generated designs.

In this report, we will again highlight some of the important legal decisions in the past year involving design patents at the CAFC, the ITC, U.S. District Courts, and the PTAB. We also provide an update on some of the recent legislative changes that are taking place globally concerning design protection and enforcement, as well as practice changes. The information provided in this review is the result of a collaborative process. Thank you to co-authors— Ivy Estoesta, Daniel Gajewski, and Deirdre Wells, as well as Patrick Murray who contributed important data and statistics.

We appreciate your interest in this report, and we encourage you to see our firm's other recently released year-in-review publications covering the CAFC, ITC, and PTAB in detail. As with this report, each publication is being discussed in live webinars that are then available on-demand. All of this content is available at [www.sterneckessler.com](http://www.sterneckessler.com) and by request. Please contact us if you have questions, wish to discuss the future of design protection, and/or if you would like a hard copy of this report.



Tracy-Gene G. Durkin  
Chair, Mechanical & Design Practice Group

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## Editor and Author Biographies

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**Tracy-Gene G. Durkin** is the practice leader of Sterne Kessler’s Mechanical & Design Practice Group and a member of the Trademark & Brand Protection Practice. With more than thirty years of experience obtaining and enforcing intellectual property rights, she has a well-earned reputation for excellence in design patent law. Tracy is sought out by leading consumer product companies and by colleagues around the world for her deep understanding of utility and design patents, trademarks, and copyrights. She is known for crafting and delivering unique IP protection strategies, designed to meet clients’ needs. Active in the legal community, Tracy currently serves as the Chair of the International Trademark Association’s Designs Committee.



**Daniel A. Gajewski** is a director in the Mechanical & Design Practice Group, with over twelve years of experience helping clients achieve strategic utility and design patent protection and navigate the IP landscape for their products. He specializes in developing a full product-based patent protection strategy, to protect a new product’s innovative features in the U.S. and abroad, whether they be functional, aesthetic, or both. Dan’s experience protecting mechanical technologies and product designs spans a variety of technologies, including a particular focus on consumer products, packaging, and retail. Dan is currently Vice Chair of the Intellectual Property Owners Association Industrial Design committee.

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**Ivy Clarice Estoesta** is a director in Sterne Kessler’s Mechanical & Design Practice Group and Trademark & Brand Protection Practice. She counsels a wide variety of clients on the strategic procurement and enforcement of IP rights in the U.S. and globally, with a focus on design patents, trademarks, and copyrights. Ivy has niche expertise in U.S. and foreign design rights related to graphical user interface (GUI), augmented reality (AR), and virtual reality (VR) designs, and is the firm’s go-to resource for copyright matters, particularly for visual works, including digital art/NFTs, and works including AI-generated content. Ivy currently serves on the International Trademark Association’s Designs Committee and as the Complementary Forms of Design Protection Subcommittee Chair of the American Intellectual Property Law Association’s Industrial Designs Committee.

# PTAB: Design Patents for GUI Interface Cancelled in AIA Proceedings

BY IVY CLARICE ESTOESTA

## Design Patent Invalidation

All three of the challenges that the Patent Trial and Appeal Board (PTAB) instituted in 2022 resulted in a final written decision canceling the challenged patent. Two of the three final written decisions rendered in 2023 are notable because they are the first ones to cancel a design patent for a graphical user interface design. Specifically, the PTAB cancelled Wepay Global Payment's U.S. Patent No. D930,702 for an animated graphical user interface, finding the patented design anticipated and obvious.

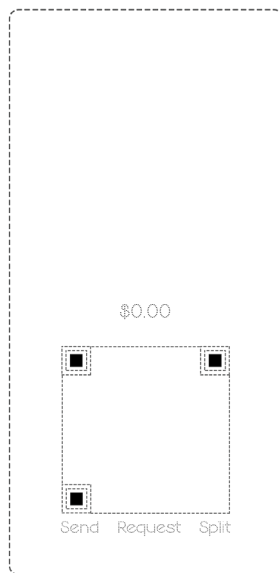


Figure 1

**D930,702**

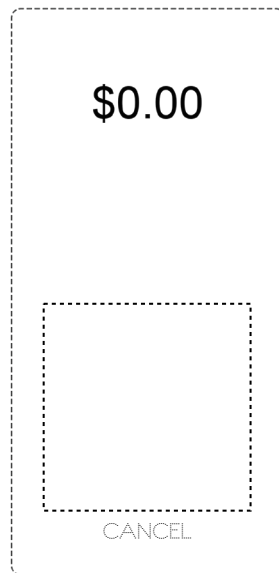


Figure 2

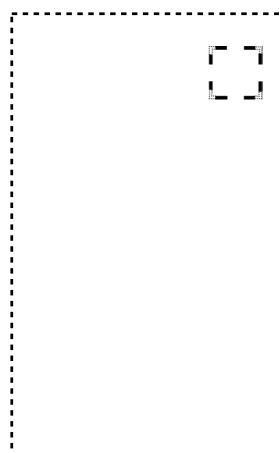


Figure 1

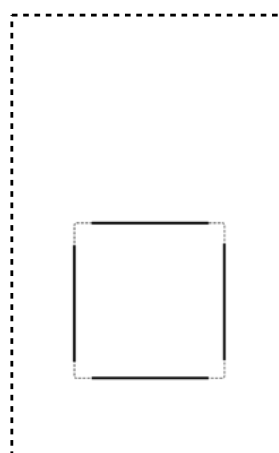


Figure 2

**D945,453**

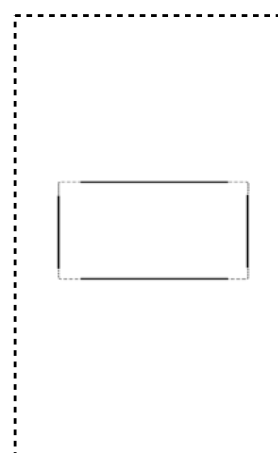


Figure 3

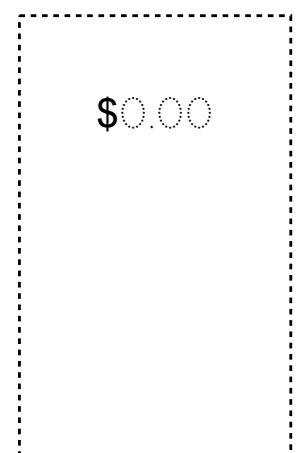


Figure 4

The number of final written decisions issued in 2023 ordering the cancellation of a design patent resulted in a slight uptick in the design patent claim invalidation rate at final written decision, bringing it up to 65% as compared to the previous year's rate of 64%.

## Design Patent Institution Rate 2023

As for the design patent institution rate, in 2023, the PTAB issued six institution decisions involving design patents. One of the instituted challenges in 2023 involved another design patent for an animated graphical user interface: U.S. Patent No. D945,453, owned by Fintech Innovation Associates LLC ("Fintech"). Although Fintech filed a Statutory Disclaimer to donate the D'453 Patent to the public domain on October 10, 2022, which expressly specified that the "disclaimer is not a request for Adverse Judgment as no institution decision has been made at the time of this filing," the PTAB found otherwise. Noting that Fintech's Statutory Disclaimer as filed was deficient because it lacked the required statutory disclaimer fee, the PTAB determined that Fintech's later payment of the statutory disclaimer fee on February 2, 2023, which occurred *after* the PTAB rendered its decision to institute post grant review of the D'453 Patent, to perfect the Statutory Disclaimer "is confirmation that [Fintech] desires to disclaim the sole claim" being challenged. Citing

# PTAB: Design Patents for GUI Interface Cancelled in AIA Proceedings

to 37 C.F.R. § 42.73(b), the PTAB construed Fintech's actions as a request for adverse judgment, and the PTAB accordingly entered adverse judgment against Fintech and canceled the D'453 Patent.

Of the six institution decisions issued in 2023, four denied institution of challenges that included only grounds of obviousness. Those decisions involved challenges filed by Masimo Corporation against Apple Inc.'s various design patents on its Apple Watch. The two challenges that were granted institution involved Fintech's D'453 Patent and a design patent for a table top owned by EP Family Corp., and each instituted challenge included mixed grounds of anticipation and obviousness. While this data in isolation might suggest that challenges based on obviousness alone are unlikely to be instituted, 41% of all instituted decisions based on prior art between 2013 and November 2023 included only grounds of obviousness.<sup>1</sup> Further,

<sup>1</sup> Between 2013 and November 2023, there have been 78 institution decisions involving a design patent, 30 of which granted institution. 29 of the instituted challenges included challenges based on prior art, with only 12 challenges based solely on obviousness grounds.

82% of the instituted challenges resulted in finding the challenged design patent obvious.<sup>2</sup>

## Design Patent Invalidation Rate 2013-2023

A survey of decisions issued between 2013 and November 2023 shows that the design patent institution rate is 38%<sup>3</sup>, and that the overall design patent cancellation rate is 22%.<sup>4</sup> These rates reflect the apparent challenge in presenting a sufficient case that a challenged design patent is unpatentable based on prior art. Whether this trend will change remains to be seen in view of the impending Federal Circuit en banc review of the test for obviousness for design patents.

See a discussion of Federal Circuit cases *Columbia Sportswear North America, Inc. v. Seirus Innovative Accessories, Inc.* and *LKQ Corporation v. GM Global Technology Operations LLC* on page 21 of this report.

<sup>2</sup> 17 of the 29 instituted challenges resulted in finding the challenged design patent unpatentable, with 14 finding the challenged design patent obvious.

<sup>3</sup> 30 of the 78 design patent institution decisions issued between 2013 and November 2023 granted institution.

<sup>4</sup> Excluding pending cases, only 17 of 79 petitions challenging a design patent have ended in a final written decision cancelling the claim.

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# U.S. District Courts: Significant Design Patent Cases on District Court Docket in 2023

BY DEIRDRE M. WELLS

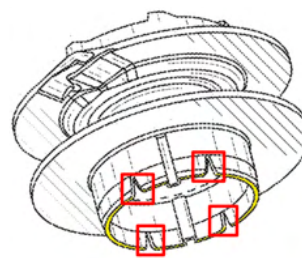
2023 was another busy year for district court decisions! There were patent- and case-dispositive design patent decisions across a range of venues and at a range of case postures, including claim construction rulings, summary judgment decisions, and even multiple jury trials. We summarize below three of the most noteworthy of these decisions: *Torvent LLC v. Techtronic Industries Co., Ltd*, *North Star Technology v. Latham Pool Products, Inc.*, and *Range of Motion Products, LLC. v. The Armaid Company Inc.* The decision in *Torvent* came out of a claim construction ruling in the District of Delaware, the decision in *North Star* followed summary judgment briefing in the Eastern District of Tennessee, and the decision in *Range of Motion* followed summary judgment briefing in the District of Maine.

## ***Torvent LLC v. Techtronic Industries Co., Ltd.***

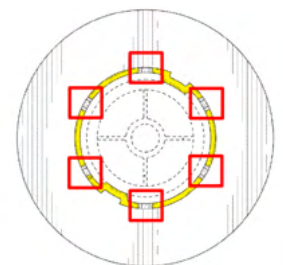
Torvent LLC filed a district court action against several defendants, including multiple Techtronic entities, Home Depot, and Walmart alleging infringement of several design and utility patents, including U.S. Patent No. D970,321 (“D’321 patent), which is directed to the ornamental design for a line trimmer component. The D’321 patent is a continuation of a utility patent. Torvent alleged that Defendants infringe its patents with their strong line trimmer heads used to cut vegetation (line trimmers are also known as weed-whackers). Home Depot and Walmart sell the Techtronic entities’ products.

During claim construction, Torvent argued that the D’321 patent required no construction. Defendants argued that the claim is indefinite because its figures contain four irreconcilable inconsistencies: 1) figure 1 shows four cut-outs along the tapered bottom portion of the spool while figure 6 shows six cut-outs, 2) figure 1 shows these cut-outs as “triangular cut-outs extending uniformly to the lower cylindrical portion’s edge” while figures 4 and 5 show “a ‘mouse-door’

shape having a curved top and that angles outward as it extends to the lower cylindrical portion’s edge,” 3) figure 1 shows recessions that are a different size and width from the recessions shown in figures 4 and 6, and 4) figure 1 shows a different geometry of the trimmer line channel opening than the geometry depicted in figures 2 and 4. Defendants provided side-by-side comparisons with annotations highlighting each of these inconsistencies, which are reproduced below in the same order as Defendants presented them.



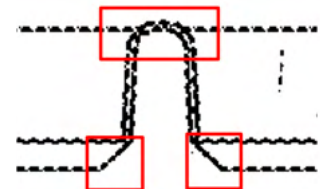
D321 Patent, Fig. 1



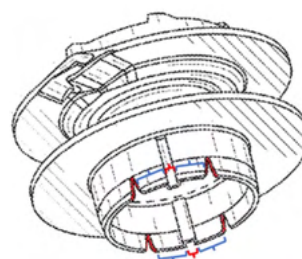
D321 Patent, Fig.6



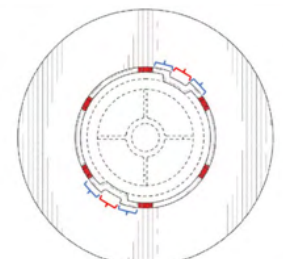
D321 Patent, Fig. 1 (Close-Up)



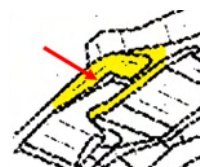
D321 Patent, Fig. 4 (Close-Up)



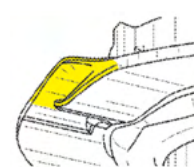
D321 Patent, Fig. 1



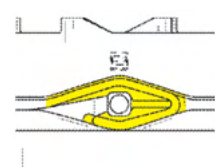
D321 Patent, Fig.6



D321 Patent, Fig. 1



D321 Patent, Fig. 2



D321 Patent, Fig. 4

# U.S. District Courts: Significant Design Patent Cases on District Court Docket in 2023

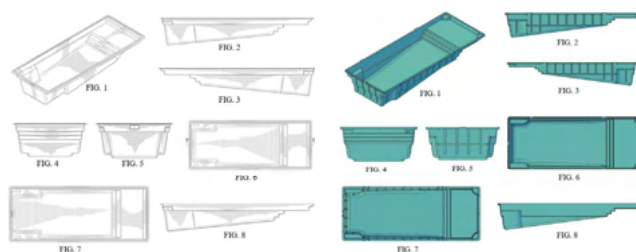
The district court sided with Defendants and ruled that the D'321 patent is invalid as indefinite. The court agreed that one skilled in the art, viewing the design as would an ordinary observer, would not understand the scope of the design with reasonable certainty. The court said the patent presents two different styles for the cut-outs and recessions: Figure 1 shows a style with four v-shaped cut-outs and narrow recessions and Figures 4–6 show a version with six rounded cut-outs and wider recessions. The court said it is impossible to determine which style of cut-outs and recessions is actually claimed. In particular, the court said it is impossible to determine whether the claimed design has four or six cut-outs, whether these cut-outs are triangular or rounded, whether the bottom of the cut-outs is smooth or contains an angle, and whether the recessions should be narrow or wide. The court held that the inconsistencies in the cut-outs and recessions preclude the overall understanding of the scope of the claimed design and therefore render the D'321 patent's claim indefinite.

## Practice Tip:

While it is perfectly proper, and sometimes very advantageous, to file a design patent application as a continuation of a pending utility patent application, such applicants would be wise to carefully consider the accuracy of the figures of the utility patent application before doing so. That is because there is no requirement that utility patent drawings be internally consistent, like there is for design patents and because utility patent drawings can disclose a variety of embodiments in a single application. Before filing a design patent application based on a prior filed utility patent application, applicants should be careful to choose *only* the figures that consistently depict the desired design to be claimed.

## ***North Star Technology v. Latham Pool Products, Inc.***

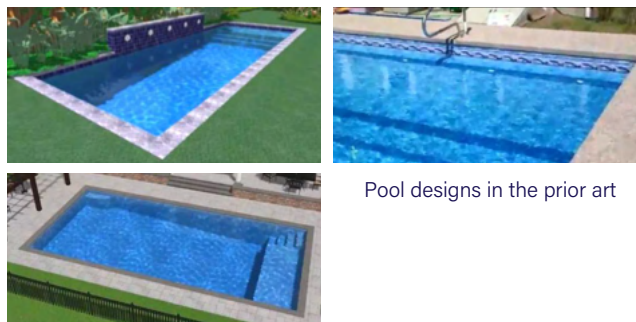
North Star Technology International Limited and North Star Technology Limited filed a district court action in the Eastern District of Tennessee asserting that Latham Pool Products, Inc. infringes North Star's U.S. Design Patent No. D791,966 ("D'966 patent") directed to swimming pools. The two North Star entities are intellectual property holding companies for a family of entities known as Leisure Pools. Latham Pool moved for summary judgment of non-infringement. A side-by-side comparison of the claimed design (on the left) and the accused product (on the right) are reproduced below.



Figs. 1–8 of the 'D966 Patent

Accused Products

Latham Pool argued that the appearance of the accused products is plainly dissimilar from the D'966 patent, especially considering the prior art and that any similarities that exist between the design of the accused products and the patent stem from the use of design elements that were commonly used in pool designs before the patent. Latham Pool pointed to a number of prior art pools as pertinent prior art. Some examples are shown below.



Pool designs in the prior art

# U.S. District Courts: Significant Design Patent Cases on District Court Docket in 2023

*continued*

North Star, in response, argued that Latham Pool's non-infringement arguments impermissibly focused on viewing the design features in isolation rather than considering whether the designs, when viewed in their entirety, are deceptively similar pursuant to the ordinary observer test. Here, the parties agreed that the "ordinary observer" is a "homeowner that is considering purchasing and installing a swimming pool at their home."

The court ruled that Latham Pool is entitled to summary judgment of non-infringement because to the ordinary observer the accused products' overall ornamental appearance is sufficiently distinct from, and plainly dissimilar to, the D'966 patent. In particular, the court noted that the patented design is angular and based on rectangles, whereas the accused design is curved and based on curved, rounded shapes. The court noted the following specific differences:

1. the patent has one rectangular full-width entry step but the accused products have two separate curved entry steps in the corners of the pool;
2. in the patent the steps leading from the tanning ledge into the main body of the pool are two different lengths but the steps in the accused products are equal in length;
3. in the patent the benches in the deep end are rectangular with smaller rectangular steps on top but the benches in the accused products are curved with no steps;
4. in the patent the safety ledge extends around the perimeter of the pool from the top of the main pool entry steps but the safety ledge in the accused products is positioned deeper in the pool, starting at the bottom of the main pool entry steps.

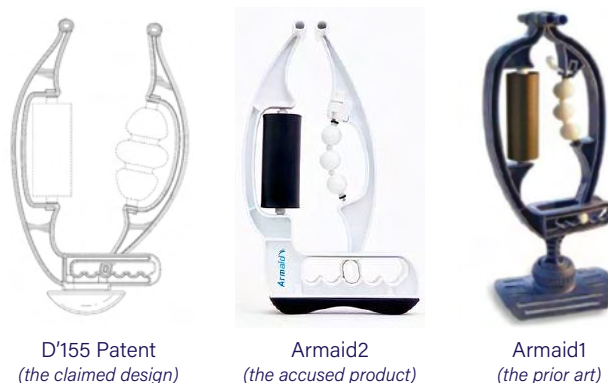
Additionally, the court found that the similarities between the designs (the fact that both designs consist of a roughly rectangular pool with a tanning

ledge, full-width stairs, and deep end benches) are high-level similarities that are not sufficient to demonstrate infringement.

Thus, the court held that the patented design and accused designs are "plainly dissimilar" such that no ordinary observer would mistake the angular design of the D'966 patent with the curved design of the accused products. The court granted Latham Pool summary judgment of non-infringement.

## ***Range of Motion Products, LLC. v. The Armaid Company Inc.***

Range of Motion Products, LLC filed a district court action in the District of Maine against The Armaid Company Inc. alleging infringement of U.S. Patent No. D802,155 ("D'155 patent"), which claims the ornamental design for a body massaging apparatus. Range of Motion accused the design of Armaid's body massaging product (known as the Armaid2). Armaid moved for summary judgment of non-infringement. The below images show the design claimed in the D'155 patent (on the left), the accused Armaid2 (in the middle), and the Armaid1 (prior art) (on the right).



The court noted that the D'155 patent is broadly similar to the Armaid1 prior art, stating that both have opposable, curved arms, roller cutouts, handles, and arms attached to a hinge apparatus with multiple slots



## U.S. District Courts: Significant Design Patent Cases on District Court Docket in 2023

for size adjustment. The court also noted distinctions between the three designs, including: (1) differences in the connection between the hinge apparatus and the arm; (2) differences in the number of adjustment slots in the hinge apparatus; and (3) differences in the shape of the roller cutouts. The court noted that for the Armaid2, the separation of the hinge apparatus contributes to the overall segmented appearance of the Armaid2, which is different and distinct from the design in the D'155 patent. The court also noted

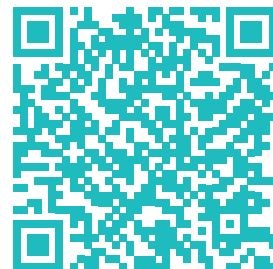
that the size-selection slots in the Armaid2 are larger than those in the D'155 patent. Finally, while the court agreed that there are aspects of the D'155 patent and the Armaid2 that are similar, the court found that these similarities are likenesses to the D'155 patent's functional features, which are not protected by the design patent. Thus, the court concluded that the Armaid2 is plainly dissimilar from, and not substantially similar to, the design claimed in the D'155 patent.

### **"A market-leading design patent practice"**

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For more than three decades, the design patents team at Sterne Kessler has developed comprehensive programs for clients to protect some of the most iconic designs in the world and to eliminate knock-offs in the marketplace.

The firm has a well-earned reputation for excellence in the design patents space. To learn more about the practice, visit us online by scanning the QR Code and/or email [tdurkin@sternekessler.com](mailto:tdurkin@sternekessler.com).



# U.S. Court of Appeals for the Federal Circuit: New Chapters in Two Ongoing Sagas

BY DEIRDRE M. WELLS

In 2023, the Court of Appeals for the Federal Circuit issued three opinions regarding U.S. design patents. The three 2023 opinions are *Columbia Sportswear North America, Inc. v. Seirus Innovative Accessories, Inc.*, *LKQ Corporation v. GM Global Technology Operations LLC*, and *Blue Gentian, LLC v. Tristar Products, Inc.* The first two opinions are summarized below. They both are part of ongoing sagas—one that has been pending for a decade and one that will be heard en banc in February 2024.

Looking ahead to 2024, our watch list for Federal Circuit appeals involving U.S. design patents includes the next step in *LKQ Corporation v. GM Global Technology Operations LLC*. The Federal Circuit is scheduled to hear oral argument en banc on February 5, 2024.

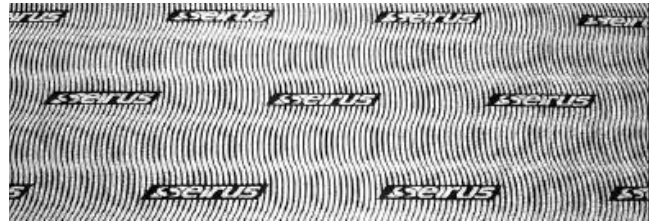
## ***Columbia Sportswear North America, Inc. v. Seirus Innovative Accessories, Inc.***

On Friday, September 15, 2023, the Federal Circuit issued its latest opinion in the design patent dispute between Columbia Sportswear North America, Inc. and Seirus Innovative Accessories, Inc. This is the second time the Federal Circuit reviewed a finding regarding infringement in the case—and the second time the Federal Circuit reversed and remanded.

Columbia sued Seirus ten years ago claiming that Seirus's HeatWave products infringe Columbia's U.S. Patent No. D657,093 for "Heat Reflective Material." The patent claims "[t]he ornamental design of a heat reflective material, as shown and described." The design claimed in the '093 patent and Seirus's accused HeatWave design are reproduced below.



'093 patented design



Seirus's accused HeatWave design

In 2016 the district court granted summary judgment of infringement, and in 2017 a jury awarded Columbia more than \$3 million in damages. Seirus appealed. On that prior appeal, the Federal Circuit vacated the district court's grant of summary judgment of infringement and remanded for further proceedings. The Federal Circuit concluded that the district court "erred in granting summary judgment of infringement for two reasons: (1) the court improperly declined to consider the effect of Seirus's logo in its infringement analysis and (2) the court resolved a series of disputed fact issues, in some instances relying on an incorrect standard, that should have been tried to a jury." Among these fact issues was the impact of Seirus's comparison prior art—prior art used to determine the scope of the patent—on the infringement analysis.

On remand, the district court limited admissible comparison prior art to "wave patterns on fabric." The district court precluded Columbia from trying to distinguish the alleged comparison prior art references as not disclosing *heat reflective material*, which Columbia argued was a requirement given the claim language. The jury returned a verdict of non-infringement. Columbia appealed. Columbia challenged (among other things) the jury instructions with regard to (1) whether comparison prior art is limited to designs that are applied to the same article of manufacture recited in the claim (here, heat reflective materials) and (2) the role that likelihood of consumer confusion should play in the design patent infringement analysis (including the role a party's logo should play). The Federal Circuit addressed each issue in turn.

## U.S. Court of Appeals for the Federal Circuit: New Chapters in Two Ongoing Sagas

First—regarding comparison prior art—the Federal Circuit reaffirmed the use of comparison prior art in a design patent infringement analysis, stating that the “ordinary observer is deemed to view the differences between the patented design and the accused product in the context of the prior art,” and “when the claimed design is close to the prior art designs, small differences between the accused design and the claimed design are likely to be important to the eye of the hypothetical ordinary observer.” However, the court said the question before it—whether a prior design must involve the same article of manufacture that is recited in the claim in order to qualify as comparison prior art—is an issue of first impression.

In resolving that issue of first impression, the Federal Circuit held that Columbia was correct that the scope of comparison prior art should be limited to the article of manufacture recited in the design patent claim and that the district court erred by not instructing the jury accordingly. Thus, on this basis, the Federal Circuit vacated the non-infringement judgment and remanded the case to the district court for further proceedings.

The holding regarding the scope of comparison prior art is consistent with prior Federal Circuit opinions limiting both anticipating prior art (*In re Surgisil*) and infringing articles (*Curver Luxembourg, SARL v. Home Expressions Inc.*) to the article of manufacture recited in the claim. In response to Seirus’s argument that such a holding improperly reads functionality into a design patent claim, the Federal Circuit stated that an *article’s* function must not be confused with whether the *design* of the article provides functionality. The question before the court was not whether the design claimed in Columbia’s patent is dictated by function, but rather whether the article of manufacture recited in the claim must be the same type of article of manufacture in the asserted comparison prior art and to do this, knowing the function of the article is helpful.

Second—regarding likelihood of confusion—the Federal Circuit began by confirming that (unlike in trademark infringement) likelihood of confusion as to the source of the goods is not an appropriate factor to consider in design patent infringement. Regarding the role a party’s logo plays in the infringement analysis, the Federal Circuit noted that while design patent infringement is not automatically avoided by applying a label or logo, labels and logos are “hardly irrelevant” to the infringement analysis. The court stated that “just because a logo’s potential to eliminate confusion as to *source* is irrelevant to design-patent infringement, its potential to render an accused *design* dissimilar to the patented one—maybe even enough to establish non-infringement as a matter of law—should not be discounted.”

Turning to the specific instructions given to the jury, the Federal Circuit found no legal error in the district court’s instruction, which stated that the jury did not need to find that any purchasers were actually deceived or confused by the appearance of the accused products. The Federal Circuit disagreed with Columbia that the district court erred by not adding that consumer confusion as to source is irrelevant for design patent infringement or that likelihood of confusion (in addition to actual confusion) need not be found.

The case is now heading back to the district court. Time will tell if the third time will be the charm for Columbia.

### ***LKQ Corporation v. GM Global Technology Operations LLC***

LKQ filed an *inter partes* review challenging GM’s design patent. LKQ was once a licensed repair part vendor for GM. But after renewal negotiations fell through in early 2022, GM informed LKQ that the parts LKQ was selling were no longer licensed and therefore infringed GM’s design patent. In response, LKQ sought to invalidate GM’s auto fender design patent in an *inter partes* review. The U.S. Patent Trial

## U.S. Court of Appeals for the Federal Circuit: New Chapters in Two Ongoing Sagas

*continued*

and Appeal Board (PTAB) ruled in GM's favor—finding that LKQ had not shown that the patent was obvious.

LKQ appealed. LKQ argued to the Federal Circuit that the U.S. Supreme Court's decision in *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398 (2007)—a case involving the obviousness analysis for utility patents—should apply to design patents. In particular, LKQ argued that the currently applied obviousness standard for design patents (which the PTAB applied in the LKQ IPR) is inappropriate and should more closely parallel the obviousness standard used for utility patents.

The current test for design patent obviousness is based on *In re: Rosen* (a CCPA decision from 1982) and *Durling v. Spectrum Furniture* (a Federal Circuit decision from 1996). Under the current test, for a challenger to invalidate a design patent claim based on obviousness, the challenger must satisfy a two-step test. First, the challenger must show there is a single primary reference which has “characteristics [that are] ‘basically the same’ as the claimed design.” Second, the challenger must show that the gap between the primary reference and the claimed design can be bridged by one or more secondary references. These references must be related enough in appearance to

the claimed design that “an ordinary designer would have modified the primary reference to create a design with the same overall visual appearance as the claimed design.”

This, LKQ argued, stands in sharp contrast to the more flexible standard for obviousness of utility patents—a standard that LKQ argues should apply to *all* patents, regardless of type. In 2007, the U.S. Supreme Court in *KSR* rejected the strict function-way-result test the Federal Circuit had been applying in determining obviousness of utility patent claims. *KSR* held that an ordinarily skilled inventor could look beyond the field of the problem trying to be solved to create a unique solution. The Supreme Court stated that obviousness inquiries should use “an expansive and flexible approach” rather than “a rigid rule.” LKQ argued that the same should be true for design patents.

The Federal Circuit rejected LKQ's argument and affirmed the PTAB's finding. But, on June 30, 2023, the full Federal Circuit agreed to hear the case en banc and consider whether the design patent obviousness analysis requires modification. The parties—along with several amici—have submitted briefs. The en banc hearing is scheduled for February 5, 2024.

# ITC: A Pair of Section 337 Investigations Involving Automotive Lamps Illuminated the Potential of Design Patents

BY IVY CLARICE ESTOESTA

## Design Patent Trends at the ITC

The trend of the US International Trade Commission issuing remedial orders for design patents at higher percentages than for utility patents continued in 2023.<sup>1</sup> From 2015-2023, 356 such investigations were concluded. And of those 356 investigations, 187 cases proceeded to Final Determination. The Commission found a violation and issued Remedial orders in 112 of the 187 cases. From 2015 through 2023, the Commission issued General Exclusion Orders (GEO) in 65% of the design patent cases that went to Final Determination, compared to 13% for Section 337 investigations asserting utility patents. Additionally, the Commission issued Limited Exclusion Orders (LEO) in 40% of the Final Determinations involving design patents, compared to 44% for Section 337 investigations asserting just utility patents or other unfair acts. Finally, the Commission issued Cease-and-Desist Orders (CDO) in 65% of Section 337 investigations involving design patents, compared to 41% for Section 337 investigations asserting just utility patents or other unfair acts.

## Certain Replacement Automotive Lamps I and II

The Commission issued one GEO in a design patent case in 2023. The low number was likely due to the fact that Complainants did not seek a GEO in two major 337 investigations involving design patents that were initially expected to terminate this year: *Certain Replacement Automotive Lamps* (Inv. No. 337-TA-1291) and *Certain Replacement Automotive Lamps II* (Inv. No. 337-TA-1292).<sup>2</sup> In those investigations, Complainants Kia and Hyundai each sought only a LEO and CDO against the named respondents, TYC Brother Industrial Co., Genera Corporation, LKQ Corporation of Chicago, and Keystone Automotive Industries (collectively, "Respondents"). Though Inv. Nos. 337-TA-1291 and 337-TA-1292 have not yet concluded, the Initial Determinations ("ID") issued in those investigations found none of the asserted patents to be invalid as anticipated or obvious, and found a violation of section 337 by Respondents with respect to 17 of Kia's 20 asserted design patents for various automobile lamps and with respect to all 21 of Hyundai's patents for various automobile lamps. Both IDs recommended issuing a LEO should the ITC find a violation, but not a CDO because the evidentiary record did not demon-

GEO in Section 337 investigations, 2015 - 2023

	Did Not Assert Design Patents	Asserted Design Patents	Grand Total
No GEO	145	7	152
Issued GEO	22	13	35
<b>Grand Total</b>	<b>167</b>	<b>20</b>	<b>187</b>

CDO Section 337 investigations, 2015 - 2023

	Did Not Assert Design Patents	Asserted Design Patents	Grand Total
No CDO	99	7	106
Issued CDO	68	13	81
<b>Grand Total</b>	<b>167</b>	<b>20</b>	<b>187</b>

LEO in Section 337 investigations, 2015 - 2023

	Did Not Assert Design Patents	Asserted Design Patents	Grand Total
No LEO	94	12	106
Issued LEO	73	8	81
<b>Grand Total</b>	<b>167</b>	<b>20</b>	<b>187</b>

Final Determinations for Section 337 investigations, 2015 - 2023

	Did Not Assert Design Patents	Asserted Design Patents	Grand Total
No Violation	73	2	75
Violation	94	18	112
<b>Grand Total</b>	<b>167</b>	<b>20</b>	<b>187</b>

<sup>1</sup> For more information on past data on Design Patents at the ITC, please review last year's report here: <https://www.sterneckessler.com/news-insights/publications/2022-design-patents-year-review-analysis-and-trends>

<sup>2</sup> In December 2023, the Commission extended the target date for these investigations to February 2024.

# ITC: A Pair of Section 337 Investigations Involving Automotive Lamps Illuminated the Potential of Design Patents

*continued*

strate that Respondents maintain a commercially significant inventory of infringing products in the United States.

Respondents challenged Complainants Hyundai's and Kia's contentions that they satisfy the technical prong of the domestic industry requirement. The technical prong requires that the complainant "show that there is a domestic industry product that actually practices at least one claim of the asserted patent." *Broadcom Corp. v. ITC*, 28 F.4th 240, 250 (Fed. Cir. 2022). Respondents argued that the asserted patents at issue depict—and therefore claim—either a passenger- or a driver-side lamp, and thus, Complainants' purported representative domestic industry products depicting the mirror image of the patented designs do not practice the designs claimed in the asserted patents.

The administrative law judge (ALJ) presiding over Inv. No. 337-TA-1292 determined that under the proper inquiry—whether an ordinary observer would find the overall visual impression of the patented design and the mirror image domestic industry product design to be substantially similar—the overall visual impressions of the claimed designs of the asserted patents and the corresponding mirror image domestic industry products at issue are substantially the same, and therefore, Hyundai satisfies the technical prong of the domestic industry requirement. Compare representative images of some of Hyundai's patented designs and their purported domestic industry products, below.



The ALJ presiding over Inv. No. 337-TA-1291 reached the same conclusion. Declining to limit scope of the Asserted Kia patents to the specific passenger-/driver-side of the lamp shown and relying on expert testimony that an ordinary observer would find the overall visual impression of patented design and the corresponding mirror image domestic industry product design to be substantially similar, the ALJ found that Kia satisfied the technical prong of the domestic industry requirement. Compare representative images of some of Kia's patented designs and their purported domestic industry products, below.



However, the ALJ found that Kia failed to satisfy the technical prong of the domestic industry requirement for three of its asserted patents: D781,471; D749,757; and D705,963. According to the ALJ, D'471 and D'757 include a prominent flange that is not practiced by their corresponding purported domestic industry products, and D'963 lacks surface patterns that are present in the purported domestic industry product. Compare representative images of the D'471, D'757, and D'963 Patents and their purported domestic industry products, below. The images of the D'471, D'757, and D'963 Patents are marked up to indicate their substantial visual differences with their purported domestic industry products.

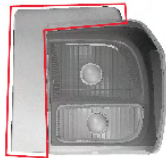
Kia might have improved its ability to satisfy the technical prong for these three patents had the prominent flange (in the D'757 and D'963 Patents) and the lower area (in the D'963 Patent) been drawn in broken lines to

# ITC: A Pair of Section 337 Investigations Involving Automotive Lamps Illuminated the Potential of Design Patents

Kia's Asserted Design Patent



D781,471



D749,757



D705,963

Kia's Purported Domestic Industry Product



Part No. 92402A9020



Part No. 92402D9020



Part No. 924011U500

indicate that they are disclaimed subject matter. Armed with the knowledge that succeeding in a Section 337 investigation requires satisfying the technical prong of the domestic industry, a design patent applicant should consider prospectively drafting its design patent applications to satisfy the technical prong. This includes ensuring that the design application drawings depict the to-be commercialized embodiment before filing, or using broken lines (or other drawing conventions) in the design patent application drawings to disclaim elements that might not yet be finalized in the to-be commercialized design when filing the design application drawings.

## Applicability of ITC Severance Rules

The significant number of design patents at issue in

each Inv. Nos. 337-TA-1291 and 337-TA-1292 (at least 20 in each investigation) is remarkable in that it did not trigger subjecting either investigation to the ITC's severance rules. Those severance rules permit the Commission or an ALJ to sever an investigation into multiple investigations voluntarily, or upon a motion from any party in the investigation, when a "complaint alleges a significant number of unrelated technologies, diverse products, unrelated patents, and/or unfair methods of competition or unfair acts such that the resulting investigation, if implemented as one case, may be unduly unwieldy or lengthy." Rules of General Application, Adjudication and Enforcement (issued April 26, 2018) at 11. See also 9 C.F.R. §210.10(a)(6), §210.14(h). Although there are no pre-set cut-offs to sever an investigation, for Complainants considering filing an investigation, asserting no more than five patents per investigation serves as a useful rule-of-thumb.

Since being adopted in 2018, the rules of severance have been raised in three investigations<sup>3</sup>, though only one investigation appears to have been severed. *Light-Emitting Diode Products, Systems, and Components Thereof (I)*, Inv. No. 337-TA-1163, which involved seven patents and one false advertising claim, was severed into three co-pending ITC investigations. Though the ITC's severance rules did not come into play in Kia's and Hyundai's Inv. Nos. 337-TA-1291 and 337-TA-1292, a design patent holder should be mindful that investigations involving solely design patents are not exempt from the severance rules and weigh the risks of severance before asserting a significant number of design patents directed to diverse products in a single ITC complaint.

<sup>3</sup> Severance rules were raised but ultimately not applied in *Certain Earpiece Devices & Components Thereof*, Inv. No. 337-TA-1121 (which involved six patents and 32 claims across them) and in *Certain Data Transmission Devices, Components Thereof, Associated Software, & Prods. Containing the Same*, Inv. No. 337-TA-1150 (which involved three patents and 90 claims across them). In each investigation, the complainant and respondent opposed severance. The Commission Investigative Staff's reasons for recommending against severing Inv. No. 337-TA-1121 were two-fold: (1) there were only 12 independent claims asserted, and (2) five of the six asserted patents were in the same family and highly similar to one another. Rather than severing Inv. No. 337-TA-1150, the Commission reduced the asserted claims from 90 to 20 (total for all three asserted patents) and imposed other limitations to ensure that the investigation would progress efficiently.

# Global Design Law and Policy: Gains and Setbacks in Protecting Digital and Virtual Designs

BY DANIEL GAJEWSKI

The outlines of global design protection change regularly, with every year bringing significant updates in at least some major jurisdictions. In general the changes bend toward greater alignment and the emergence of international norms. 2023 saw the near-completion of global adoption of partial design practice (China and Brazil are now there, Australia nearly so). It also strengthened the now-clear global trend toward protecting the next frontier in design: digital and virtual designs, independent of a display screen, which is taking hold nearly everywhere but the United States.

This summary will highlight some of the more significant developments of 2023, and what to watch for in 2024.

## Australia

Australia has been a model in recent years for methodically evaluating and modernizing its design system. In 2023 IP Australia has focused on meeting the needs of modern designers, who create not only physical designs, but digital and virtual designs as well. Recognizing that its system failed to protect designers who work in non-physical or virtual mediums, IP Australia proposed to “protect virtual designs, including user interfaces, and product elements only visible when the product is used.” This would include icons, virtual reality, and augmented reality designs.

Simultaneously, IP Australia advanced proposals to protect partial designs—the practice of claiming only a portion of an entire article. It will be the last major jurisdiction to do so, completing a long global alignment that was advanced by similar changes recently in China and this year in Brazil. At the same time, IP Australia has proposed to improve its protection for incremental designs by making it possible to link an incremental design to a previously-filed main design, like can currently be done in other jurisdictions like Japan.

## United States

IP Australia’s proposals for protecting virtual designs were made in recognition that protection for virtual designs is available in many other countries. In recent years, other big countries like China and Japan have joined countries like South Korea, Singapore, and others in protecting virtual designs independent of their tie to a physical device. Not the United States. In 2023, after a years-long sporadic effort to clarify its protection for virtual designs, the USPTO issued guidance suggesting that only the most basic and limited forms of digital designs are protectable. The USPTO’s effort began in 2020 under Director Andre Iancu to explore whether its practice should be revised to better protect digital designs including “certain new

### Current

Designers can protect the overall look of products with physical and tangible form:



Wheelchair



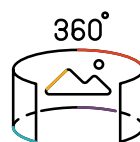
Shirt



Couch

### Proposed

Designers can also protect the overall look of products with no physical form:



Icons



Virtual Reality



Augmented Reality

IP Australia’s Proposal for Protecting Virtual Designs



# Global Design Law and Policy: Gains and Setbacks in Protecting Digital and Virtual Designs

and emerging technologies, such as projections, holographic imagery, or virtual/augmented reality.” But in its new guidance the USPTO makes no mention of projections or holographic imagery, and instead appears to revive its antiquated practice of requiring that a digital design be tied to a display screen. This practice is concerning and lags well behind growing international norms.

The USPTO also moved forward in expanding qualifications to sit for the patent bar exam to design-centric degrees, and allowing for practitioners with such degrees to have limited recognition in design patent applications. Previously the USPTO made no distinction between practitioners that can represent applicants in utility patent matters or in design patent matters. All needed a qualifying technical background and to pass an examination. Starting January 2, 2024 a new category of “design-only” practitioners will be created. These practitioners will be permitted to practice *solely* in design patent matters, and can qualify to sit for the patent bar exam with different, more design-focused backgrounds.

Finally, in the US there will soon be some major organizational changes in the design function within the USPTO. Designs is being elevated to its own division and will be getting a dedicated new Deputy Commissioner for Designs. Little detail is available at the moment, but this promising development warrants attention in 2024.

## Brazil

2023 saw substantial modernization in Brazil’s design law. In August, Brazil became the 79th member of the Hague international design system, expanding the Hague system’s reach into this important market. In addition to its value proposition—often providing a



Patentable in the US as a design for a display screen

cheaper and less onerous path to design protection in an ever-growing portion of the world—the Hague system has had a great impact in harmonizing local design practices, which benefits the design community even outside of the Hague system. Brazil was no different: to meet the Hague system’s requirements, Brazil took big steps to modernize its design law and practice. Most significantly, Brazil now allows partial-design claiming.

Joining the Hague system had the same effect on China two years ago—its law was also changed to allow partial design claiming. But where China took well over two years to issue official guidelines on examining partial designs (only just issuing them in the final days of 2023), Brazil has already updated its Manual for Examination of Industrial Design Registration, giving applicants and examiners alike clear examples of how the new practices will be implemented. An early review suggests clearer and more flexible examination standards than had previously been the norm in Brazil, hopefully leading to faster and less costly examination.

## Myanmar

Myanmar makes our list this year not for a big *change* in its design law, but for adopting a framework for protecting industrial designs for the *first time* in its history. Expected since 2019 when related legislation was first passed, Myanmar began accepting design applications for registration on October 31. Its implementing regulations suggest that Myanmar’s framework will be generally in line with international norms.

## Design Law Treaty

The idea of a design law treaty to harmonize at least formal standards for industrial design protection has been raised from time to time over the years, but 2023 saw it gain some real momentum. In October the World Intellectual Property Organization held a

# Global Design Law and Policy: Gains and Setbacks in Protecting Digital and Virtual Designs

*continued*

preparatory committee meeting, and agreed to hold a diplomatic conference to conclude the Design Law Treaty, November 11–22, 2024 in Saudi Arabia. Topics expected to be considered include providing a uniform grace period, protecting partial designs, and reducing onerous formalities like document certification and legalization requirements.

\* \* \*

As has been the case in recent years, 2023 was a time of significant advancement and greater global harmonization for design law. Australia is close to expanding protection to modern virtual designs. Brazil now

allows partial designs. There is a new Design Law Treaty in the offing. And the waning days of 2023 finally brought about the adoption of formal rules for examining partial design claims in China. Looking ahead to 2024, the European Union may advance its ongoing efforts to limit design protection for spare parts and to better protect virtual designs, among other things. And India may take action on comments that it sought and received from the public this year on revising its manual of designs practice and procedure. Look for updates on these and more in our 2024 Design Law Year in Review.

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