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Does Adding a Logo to a Copycat Product Qualify as a Successful Design Around?

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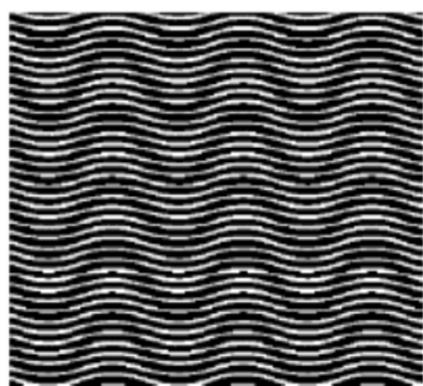
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On November 13, 2019 the Federal Circuit issued an opinion in *Columbia Sportswear North America, Inc. v. Seirus Innovative Accessories, Inc.* (2018-1329, -1331, -1728). The case involved appeals from both Columbia and Seirus from underlying district court litigation related to asserted design and utility patents and venue. With regard to the design patent issues, the Court reinforced that the infringement analysis focuses on the patented and accused designs as a whole, but for the first time noted that analysis may include an accused infringer’s “ornamental” logo.

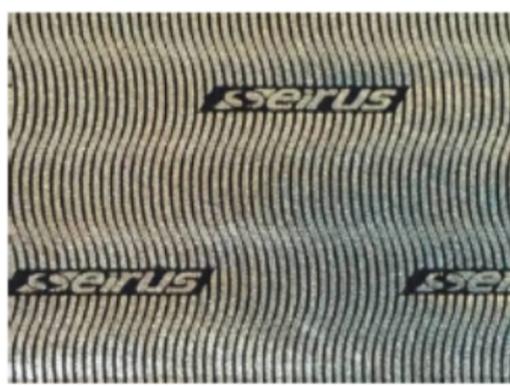
Background

The U.S. District Court for the District of Oregon granted summary judgment that Seirus infringed U.S. Patent D657,093 (“the ’093 patent”) over Seirus’s arguments that (1) the differences in the wave pattern (including uniformity of thickness of the waves), orientation (in some cases differing by 90°), and the presence of Seirus’s logo between Seirus’s product and the patented design were substantial and significant and (2) the ordinary observer was a sophisticated, commercial buyer, who would have noticed these differences.

The design claimed in the ’093 patent and Seirus’s accused HeatWave design are reproduced below.



'093 patented design



Seirus's accused HeatWave design

The district court held that the “ordinary observer” would be the end buyer and user of Seirus’s gloves and products (not a sophisticated, commercial buyer). The district court declined to consider Seirus’s logo placement because it found logo placement was not claimed in the ’093 patent. The court discounted orientation because it found the ’093 patent did not require a particular design orientation and the design could be rotated 90°. Finally, the court found the differences in wave patterns were not claimed in the patent and were irrelevant to its analysis. However, the court said that even considering the differences noted by Seirus, the differences between Seirus’s accused HeatWave design and the patented design were “minor.”

The case was then transferred to the U.S. District Court for the Southern District of California due to lack of personal jurisdiction because Seirus does not “reside” in Oregon under § 1400(b) as interpreted by *TC Heartland*, which the Judge held to be an intervening change in the law. In the Southern District of California, a jury entered damages for design patent infringement of \$3,018,174. Seirus appealed both the infringement summary judgment and the jury’s damages award.

Federal Circuit Opinion

The Federal Circuit reviews a grant of summary judgment under the law of the regional circuit, in this case the Ninth Circuit, which reviews summary judgment *de novo*. The Court set forth the design patent infringement test: “if, 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.”

The Federal Circuit held 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.”

Regarding Seirus’s logo, the Court acknowledged that *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117 (Fed. Cir. 1993) held that a would-be infringer should not escape liability for design patent infringement if a design is copied but labeled with its name. But the Court found that “*L.A. Gear* does not prohibit the 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 held that it is improper “to ignore elements of the accused design entirely, simply because those elements included the name of the defendant.”

Regarding the disputed factual issues, the Federal Circuit found that the district court erred in concluding that the uniform thickness of the wave pattern was not claimed in the ’093 patent. The Court found that the claim of the ’093 patent is drawn to the “ornamental design of a heat reflective material as shown and described,” and the design has uniform thickness. The Federal Circuit found that the district court had applied a “piecemeal approach, considering only if design elements independently affect the overall visual impression that the designs are similar,” which “is at odds with our case law requiring the fact finder to analyze the design as a whole.” The Federal Circuit also found that the district court made improper factual findings surrounding the ordinary observer. It found that the district court improperly “made a finding of fact—whether an element of Seirus’s design would give an ordinary observer a different visual impression than Columbia’s design—over a disputed factual record. Such fact findings are not permitted by Rule 56 and should be resolved by a jury on remand.”

The Federal Circuit thus reversed the infringement finding and remanded the case to the U.S. District Court for the Southern District of California. In light of this finding, the Court did not reach Seirus’s arguments regarding damages.

Key Takeaways

The Court’s opinion reinforced that designs are be considered as a whole and that design infringement may not be avoided simply by “labeling.” However, it leaves open the possibility that an accused infringer’s incorporation of an ornamental logo into an otherwise patented design could, in some cases, make the overall appearance of the accused product not substantially the same as the patented design. The Court did not say precisely what level of ornamentality would be required to cause this result or whether Seirus’s logo reaches that level of ornamentality. We will have to wait for the district court to decide that.

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