

GM Rulings Maintain Fed. Circ. Design Patent Invalidation Bar

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On Jan. 20, the U.S. Court of Appeals for the Federal Circuit, in a pair of much anticipated decisions in *LKQ Corp v. GM Global Technology Operations LLC*, affirmed the U.S. Patent and Trademark Office's Patent Trial and Appeal Board's finding that two design patents were not anticipated or obvious over prior art.[1]

In affirming the board's decisions, the court did not agree with LKQ that the U.S. Supreme Court had overruled long-standing design patent obviousness precedent, thus preserving the invalidity standard for a design patent claim under Title 35 of the U.S. Code, Section 103.

As a result, the high bar to invalidate a design patent as obvious, namely first identifying a primary reference that is basically the same as the claimed design in the eyes of one of ordinary skill in the art, remains intact, at least for now.

Background

LKQ sought to invalidate GM's U.S. Patent No. D855,508, directed to an ornamental design for a "vehicle front skid bar," as anticipated by or obvious in view of prior art submitted in PGR2020-00055.

In a separate proceeding, LKQ further sought to invalidate GM's U.S. Patent No. D797,625 directed to an "ornamental design for a vehicle front fender," also on anticipation and obviousness grounds in IPR2020-00534.

Anticipation

As to both patents, the court agreed with the board that the ordinary observer is a person who purchases automobile parts of the type at issue — not the purchaser of a vehicle as a whole, as LKQ argued; and that such an ordinary observer would conclude that the claimed and prior art designs created different overall visual impressions.

With respect to the design claimed in the '508 patent, the court further agreed with the board that because the asserted prior art fails to show the bottom or the sides of the skid bar, "[i]t would be



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speculation to assume that the unshown features have certain characteristics that match the claimed invention." And thus, the finding of no anticipation was affirmed.

Obviousness

The issue that consumed much of the oral hearing before the court was LKQ's argument that the Supreme Court's 2007 *KSR International Co. v. Teleflex Inc.* decision implicitly overruled the long-standing tests for obviousness set forth in both the 1982 *In re: Rosen* decision in the United States Court of Customs and Patent Appeals and the 1996 *Durling v. Spectrum Furniture Co. Inc.* decision in the U.S. Court of Appeals for the Federal Circuit.

Therefore, the board's decisions applying such tests must be vacated and remanded. Under the two-step analysis of *Durling*, a primary reference, known as a *Rosen* reference, must exist with characteristics that are basically the same as the claimed design.

If — and only if — a satisfactory primary reference exists, "the court must consider whether an ordinary designer would have modified the primary reference to create a design with the same overall visual appearance as the claimed design."

According to the court, this test safeguards against a challenger picking and choosing features from multiple references to create something entirely new, fundamentally changing the overall visual impression of the original designs — as in the CCPA's 1950 *In re: Jennings* decision — explaining that one must start with

something in existence — not with something that might be brought into existence by selecting features from prior art and combining them.

In characterizing LKQ's challenge as an outlier, the court noted "that in the more than fifteen years since *KSR* was decided, this court has decided over fifty design patent appeals" and *KSR* was raised only tangentially in two of those appeals.

Finding that it was bound to apply existing law, the Federal Circuit affirmed the board's decisions that LKQ had not shown that the claims were obvious.

Writing separately in each opinion, U.S. Circuit Judge Alan David Lourie agreed that substantial evidence supports the board's conclusion that the patents are not unpatentable as anticipated or obvious.

Judge Lourie went on to note that while the panel did not reach the issue of whether *KSR* overruled *Rosen*, he without question disagrees that *KSR* overruled *Rosen*.

According to Judge Lourie, *KSR* did not involve design patents, which are distinct from utility patents; design patents relate to considerations of appearance, which are inherently subjective, while functional utility is objective. In addition, while Title 35 of the U.S. Code Section 103 applies equally to design and utility patents, its application and considerations according to Lourie should be different.

Finally, he notes that *KSR* did not discuss any of these considerations or even mention design patents. Lourie also remarks that the *Rosen* "basically the same" standard "hardly reflects the rigidity the Court was condemning in *KSR*" and that any obviousness analysis has to have some starting point.

U.S. Circuit Judge Leonard P. Stark also wrote separately in each opinion to provide his view that the entire KSR argument was forfeited by LKQ because it did not raise it before the board.

Implications

At least for now, the Federal Circuit has declined the invitation to address directly whether KSR overruled the two-part obviousness test outlined in *Durling and Rosen*.

Unless and until it does, design patent holders can have confidence that the current high bar to invalidate a design patent as obvious remains intact. Similarly, design patent examination for obviousness should remain consistent and predictable, characteristics that make for a strong patent system.

However, the challenge to *Rosen* by LKQ is not likely to end here. Given the history of litigation between these parties, it is likely that LKQ will ask the Federal Circuit for en banc review or even petition the Supreme Court for a writ of certiorari.

If the Federal Circuit agrees to en banc review, it is hard to predict the outcome given that this opinion was not unanimous. There may be other judges on the court who, like Judge Stark, consider the issue not properly before the court, or like Judge Lourie who unequivocally believe *Rosen* was not overruled by KSR.

Even if the court were to decide that KSR applies to the design patent obviousness analysis, or if the Supreme Court were to decide so in the future, there are arguments to be made that the KSR rationale is relevant only to the second step of the design patent obviousness analysis.

In KSR, the court decided that the practice of seeking a "teaching, suggestion, or motivation" to combine prior art disclosures in utility patents was too strict. Its decision did not relate to what qualifies as prior art in the obviousness analysis, which — arguably — is the question in the first step of the *Durling* obviousness analysis for designs.

The second part of the *Durling* analysis considers — having identified a satisfactory primary prior art reference — whether a designer of ordinary skill would have found it obvious to modify the primary reference to arrive at the claimed design.

Of note, the second part of the analysis is already flexible: It permits "mere similarity in appearance" to support the obviousness of applying features of a secondary prior art reference to a primary prior art reference.

Given the flexibility of this standard, it seems already consistent with KSR's rationale, so it may not warrant the attention of the Supreme Court. Furthermore, the Supreme Court has already denied certiorari once on a design case that applied this analysis, in its 2014 *MRC Innovations, Inc. v. Hunter Manufacturing LLP* decision.

Finally, one aspect of the opinion that might easily be overlooked given the attention the KSR issue is getting is the court's affirmance with regard to the '508 patent that the asserted prior art failed to show all perspectives corresponding to those of the claimed design and therefore did not anticipate the patent.

It is common for prior art relied on to challenge a design patent's validity or to reject a design patent in prosecution before the USPTO to be images published on the internet, rather than patent publications.

These nonpatent references often do not disclose all aspects of a design, as was the case here. In addition to finding that the prior art disclosure was inadequate for anticipation, the court also found this shortcoming relevant to determining whether the asserted prior art was "basically the same" as the claimed design in step one of the obviousness analysis, calling it "a failure of proof."

This opinion should provide patent applicants with support to push back against rejections that apply incomplete references in prosecution.

In addition, patent challengers should carefully consider whether to use prior art with a missing view or make an incomplete comparison with the prior art as this can doom a reference's viability as an anticipatory or primary reference.

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[1] The cases are stylized as LKQ Corporation, Keystone Automotive Industries Inc. v. GM Global Technology Operations LLC, Nos. 21-2348 and 22-1253.