

## Protecting Your Apparel: Design Patents Offering an Appealing Option

*The author offers legal insights into a recent ruling that favors design patent holders, and she explains why companies including Nike are relying on the distinct patents to protect their innovations.*

By [Kelly Burris](#), [Brinks Hofer Gilson & Lione](#)

Suppose you have a fabulous new piece of apparel, whether it be a fabric, a design or an accoutrement. How do you go about protecting your new masterpiece against those annoying copycats?

After a recent legal ruling in the federal courts, design patents just might be your ticket.

Design patents differ from the more commonly known "utility patents" in that they protect the appearance of an article of manufacture, as opposed to the article's structural or utilitarian features. Companies such as [Nike](#) routinely turn to design patents to protect the look and feel of their products, such as their myriad footwear designs. Until recently, the value of design patents has been questioned in light of developing case law, but the Federal Circuit has breathed new life into design patents with its decision in [Egyptian Goddess, Inc. v. Swisa, Inc., - F.3d \(Fed. Cir. 2008\), Case No. 2006-1562](#).

In a nutshell, the Egyptian Goddess decision favors design patent holders and strengthens their ability to prove infringement. The ruling comes at a time when the economic downturn has companies seeking more affordable protection. Design patents offer this protection and are gaining popularity as consumer goods companies seek to incorporate design into their comprehensive branding strategy.

### Design patents: a primer

In protecting the appearance of an article, design patents may include color, shape and surface ornamentation. There is no requirement that design be artistic or pleasing to the eye. Design patents do, however, require that the appearance be primarily ornamental in character. If the overall appearance of the design is dictated by performance and not appearance, then the design is functional and not entitled to protection.

For example, if the shape of a jacket zipper is dictated by function and is not ornamental, it does not qualify for a design patent.

Design patents generally issue more quickly than utility patents, are less expensive, and have a term of 14 years from the date of issue. Further, design patents offer unique financial protection for the patentee. For example, Nike is currently engaged in a design patent battle with [Wal-Mart](#) over a shoe design. When Nike sued Wal-Mart in 1996 in a similar design patent case, Nike won more than \$5 million in damages. That's because with design patents, the patent owner is entitled to the infringer's profits, lost profits and a reasonable royalty. Only the latter two are available for utility patents.

On September 22, 2008, the Federal Circuit rebuffed the "Point of Novelty" test for design patent infringement in favor of exclusive application of the long-held "Ordinary Observer" test. Previously, both tests were applied in making a determination of design patent infringement.

For more than 125 years, the Ordinary Observer test has been employed by Courts in making a determination of design patent infringement ([Gorham Mfg. Co. v. White, 81 U.S. 51](#), a case that goes all the way back to 1871).

This test looks at an accused product through the eyes of an ordinary observer or purchaser of that product. If the ordinary observer is deceived into purchasing the accused product or is induced to buy the product supposing it to be the company's patented design, then the product infringes upon the patented design.

In the words of the Supreme Court: "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 accused product does not need to be identical to the patented design, only close enough to deceive an ordinary observer.

### Decision tilts toward design patent holders

Beginning in the mid-1980s, the Federal Circuit began applying a second test for design patent infringement. This test, the Point of Novelty test, compared the patented design with the prior art (or the previous designs that had come

before the patented design) to determine which feature(s) were novel. Once the novel features or "points of novelty" were identified, these novel features were compared against the accused product, and if the accused product contained, or appropriated, these novel features, then the accused product infringed the patented design. In order to succeed in proving infringement, the patent owner had to satisfy both the Ordinary Observer test and the Point of Novelty test.

Although the Federal Circuit eliminated this Point of Novelty Test, it was made clear that the Ordinary Observer test was to be applied while taking into account the prior art. Therefore, differences between the patented design and the accused product are viewed in light of the prior art, with the expectation that the attention of a hypothetical ordinary observer will be drawn to the aspects of the patented design that differ from the prior art. As a result, the prior art still plays a significant role in the determination of design patent infringement.

The decision in *Egyptian Goddess* swings in the favor of design patent holders.

Considering the *Egyptian Goddess* decision, the economic turndown, and the relative ease and affordability in obtaining design patents and the benefits they offer, design patents should be woven into the fabric of your company's comprehensive intellectual property plan.

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