

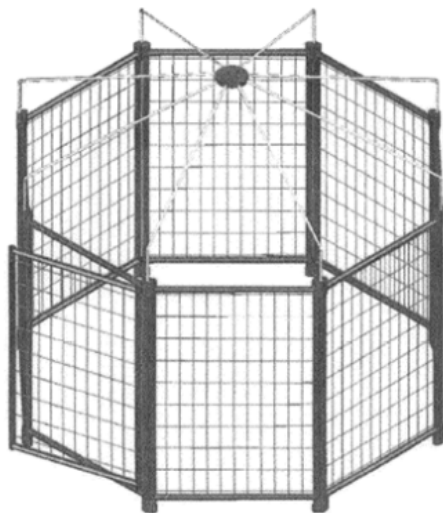


# PROTECTING DESIGNS

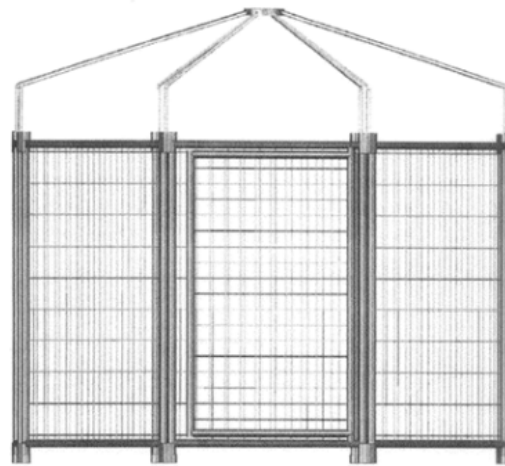
## "Cover Up What You Don't Want to See": Advantek Marketing v. Shanghai Walk-Long Tools (Fed. Cir., Aug. 1, 2018)

BY DAVID M. LONGO, PH.D. & ANDREW M. OLLIS | AUGUST 10, 2018

Advantek obtained U.S. Design Patent No. [D715,006](#) ("D '006") on a "gazebo" *without* a cover, the gazebo essentially being a portable kennel. Figs. 1 and 2 from D '006 are reproduced below.



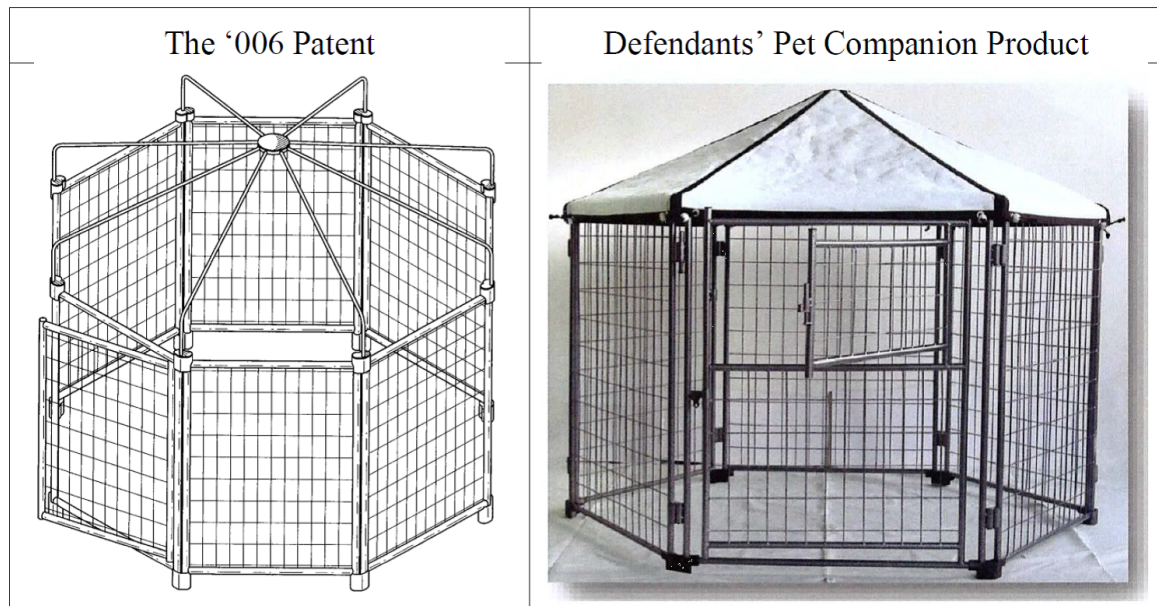
D '006 Fig. 1



D '006 Fig. 2

During prosecution of the application that later became D '006, the Examiner issued a Restriction Requirement. The Requirement split the application into two groups: a gazebo *without* a cover, and a gazebo *with* a cover. According to the Examiner, the "designs as grouped are distinct from each other...." Despite disagreeing with the Requirement, Advantek elected to prosecute the "gazebo without a cover" (as shown above) and cancelled a drawing that showed the gazebo with a cover. After further prosecution to overcome formalities objections and § 112 rejections, the D '006 patent issued.

Advantek sued Shanghai Walk-Long Tools ("Walk-Long") in the Central District of California (2:16-cv-03061), accusing a Walk-Long product of infringing the D '006 patent. Advantek included the following comparative image in its complaint. See Complaint, p. 5, ¶ 15 (labels from Complaint – though we note that the image labeled "The '006 Patent" appears to be from the prosecution history and is a more clear version of Fig. 1 than the one that actually appears in the '006 patent).



Walk-Long's response asserted that Advantek had accused the gazebo *with* a cover of infringement—not the patented gazebo *without* a cover. Walk-Long moved to dismiss under FRCP 12(c), arguing that Advantek had intentionally surrendered the design for a gazebo *with* a cover in order to obtain a patent on the design for a gazebo *without* a cover. The district court agreed with Walk-Long and dismissed the Complaint with prejudice. According to the district court, Advantek's infringement accusation was "barred by the doctrine of prosecution history estoppel." Dist. Ct. Order, p. 4.

Advantek appealed the dismissal. At the Federal Circuit, a panel of judges Newman, Clevenger, and Chen cited *Pacific Coast v. Malibu* (Fed. Cir., 2014), which held that a finding of prosecution history estoppel in a design patent case depends on 3 factors: (1) whether there was a surrender; (2) whether the surrender was for reasons of patentability; and (3) whether the accused design is within the scope of the surrender.

In an opinion by Judge Newman, the court focused on the third factor. The court noted Advantek's argument on appeal that "its elected design is the 'skeletal structure design' [of the gazebo], and that this design is present in the accused [design], with or without a cover." *Advantek*, Slip Op., p. 8. The opinion also noted Advantek's argument that the requirements of prosecution history estoppel were "not met because Advantek's election during prosecution broadened its ability to prevent infringement of its skeletal design, whether the skeleton was used alone or in combination with other parts." *Id.* (emphasis added).

The opinion then discussed the Supreme Court's opinion in *Samsung Electronics v. Apple* (U.S. 2016), which "reaffirmed that a design patent may be for a component of a product." *Id.*, p. 9. In view of this, the Federal Circuit explained that:

[r]egardless of whether Advantek surrendered claim scope during prosecution, the accused product falls outside the scope of the purported surrender, contrary to the district court's conclusion. Advantek elected to patent the ornamental design for a kennel with a particular skeletal structure. A competitor who sells a kennel embodying Advantek's patented structural design infringes the ... patent, regardless of extra features, such as a cover, that the competitor might add to its kennel.

Slip Op., p. 10 (emphases added). In a footnote to this explanation, the court further noted in dicta that: "Of course, if the accused skeletal structure is only a component of an accused multicomponent product, Advantek would only be able to seek damages based on the value of the component, not the product as a whole." *Id.*

The Federal Circuit then reversed the district court, concluding that, "[c]onstrued in the light most favorable to Advantek, the complaint can be read to accuse the skeletal structure of Walk-Long's" product, and that "Advantek is not estopped by the prosecution history from asserting the D '006 patent against Walk-Long." *Id.*, pp. 10 and 11.

The *Advantek* decision will likely spawn a host of discussions on prosecution history estoppel in the design patent context. However, we confine ourselves to a few more general observations:

Patent owners should be heartened by the Federal Circuit's general statement that a competitor who sells a product embodying a patented design infringes a design patent, "regardless of extra features ... that the competitor might add." Patent owners should also be pleased that infringement in such cases can be alleged even if the product with extra those features was present in the original drawings of the design application despite later being nonelected during prosecution. That said, even the most optimistic patent owner should recognize that the court's general statement must have some limits. For example, if enough extra features are added to a patented design, at some point an accused infringer will be able to successfully argue that the visual impression created by the accused design and the patented design are distinct and therefore would not confuse an ordinary observer.

But *Advantek* did not provide hope only for patent owners. The court's footnote concerning damages is telling: Advantek will only be able to seek damages based on the value of the patented component (i.e., the gazebo *without* a cover), and not on the value of the gazebo *with* a cover. As in *Samsung Electronics v. Apple* and subsequent cases, this begs the still-unresolved question of how one should determine the value of a patented component when the patented component is only sold in a product that also has non-patented components.

Questions also arise in this case as to *when* in the life of the product could the patented design be infringed, i.e., considering *when* the allegedly infringing features are visible to the ordinary observer. In *Advantek*, for example, is the patented design of the gazebo (the skeletal frame) visible only during assembly (or disassembly) of the Walk-Long product and *before* (or *after*) the cover is added? Or is it visible even when the gazebo is being used with a cover? Does it matter whether the ordinary observer would have to bend down to see inside the gazebo and underneath the cover? Does it matter if the ordinary observer can only see the skeletal frame from underneath the cover rather than from above as shown in D '006 Fig. 1? What if only the ordinary observer's pet could ever see the skeletal frame? Further, does it even matter for how long during the life of a product that the patented design is infringed, so long as there is infringement at some point (given that under 35 U.S.C. § 289 a patent owner is entitled to an infringer's profits as a remedy)? Even if profits under 35 U.S.C. § 289 would be somehow lower than the patent owner hoped, could the patent owner instead pivot to 35 U.S.C. § 284 and argue for higher damages because sales of the unpatented cover flowed directly from, and were proximately caused by, infringing sales of the patented article?

It is not hard to envision what each side would argue in response to these questions, but what a court will decide after peering underneath the cover remains to be seen.

**Tags:** [Design Patents](#), [Federal Circuit](#), [Patent Infringement](#), [Prosecution](#), [Filings and Decisions](#), [Litigation](#)

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# PROTECTING DESIGNS

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## When the Underdog Becomes a Top Dog

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BY PHILIPPE SIGNORE, PH.D. | MAY 25, 2018

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Almost 16 years ago, we wrote an [article](#) in *Managing Intellectual Property* (Nov. 2002, Issue 124) entitled U.S. DESIGN PATENTS: AN UNDERDOG THAT BITES. The article explained that companies had previously overlooked design patents, focusing instead on trade dress protection and utility patents. Yet, design patents provide their owners with the additional option of demanding the infringer's total profits under 35 USC 289. "This option may be advantageous, for example, when the infringer's total profits are substantially greater than any reasonable royalty." "Companies are starting to appreciate the value of design patent protection and systematically consider whether their inventions deserve such protection." Apple was such a company.

In 2002, Apple obtained a mere 20 design patents. In 2012, the company obtained about 150 new design patents. Last year, it received an additional 340. Yesterday, the smart phone maker became a step closer to receiving a valuable return on its investment.

A California jury awarded Apple \$533 million to be paid by Samsung under 35 USC 289 for infringing three design patents. Of note, the [verdict](#) came after the 2016 Supreme Court decision holding that damages for design patent infringement under 35 USC 289 could be based on a component of a product, not necessarily the full product. This holding placed into question the amount of damages that Apple could obtain based on its design patents that only claimed a portion of the smart phones (e.g., a front face). The jury likely did not base its calculation on Samsung's profits for its whole phones, but likely performed some kind of apportionment of the profit based on the claimed parts. While the amount is less than the requested \$1B, the award is significantly greater than the damages calculated for the infringement by Samsung of Apple's utility patents (\$5 million).

Regardless of the ultimate fate of this jury verdict following the likely appeals, the ultimate winner from this protracted litigation is the U.S. design patent. Companies should not only obtain design patents, but should also confidently enforce them when their products are being copied. The U.S. design patent has now become a top dog.



**Tags:** Apple, Design Patents, Samsung, Filings and Decisions, litigation

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# PROTECTING DESIGNS

## Ugg! Deckers Doesn't Want Anyone To "Muk" Around With Their Design Patent

BY DAVID M. LONGO, PH.D. | FEBRUARY 16, 2018

A few years ago, I wrote an article (available [here](#)) about Deckers' mixed success in a 2014 lawsuit against retailers JC Penney, Wal-Mart, Sears, and Dreams Footwear, for design patent infringement, trade dress infringement, and unfair competition, among other asserted causes of action, in the U.S. District Court, Central District of California. Since then, Deckers has tangled its laces with many other defendants over similar issues—the majority of which were before the same court.

Well, Deckers hiked back to court on Valentine's Day to profess that there is no love for those who might tread on their design patents. Deckers laced up another five pronged Complaint—this time against Reliable Knitting Works, Wal-Mart Stores, Inc., and 10 other unnamed defendants—and filed suit in the Central District of California. See *Deckers Outdoor Corp. v. Reliable Knitting Works and Wal-Mart Stores, Inc.*, C.D. Cal., Case No. 2:18-cv-01217 (Feb. 14, 2018).

For those not familiar with the high-stepping and seemingly fickle world of the U.S. footwear market, [Deckers](#) is known for its famous UGG® sheepskin and suede boots, among other products, sold throughout the U.S. As [Deckers tells the story](#), its UGG® line of boots launched into low-earth orbit after being featured on Oprah Winfrey's television show 18 years ago, when Oprah supposedly "emphatically declared ... how much she 'LOOOOOVES her UGG boots.'" Complaint, Doc. 1, ¶ 11. Many other well-heeled celebrities embraced the boots and were photographed wearing them. Branded with this mark of fashion approval, Deckers continues to keep a close eye on those who attempt to walk all over their intellectual property.

In this case, Deckers put its foot down on Reliable Knitting Works for allegedly selling a line of MUK LUKS® footwear that it believes is very similar to its Bailey Button boots and infringes U.S. Design Patent No. 599,999. Deckers didn't pussyfoot around with Wal-Mart either, also accusing it of selling footwear that infringes the '999 patent. (Notably, the '999 patent was also asserted in the 2014 lawsuit, in which Wal-Mart was one of the named defendants.)

The heart and sole of the matter, according to Deckers, is that:

[g]iven the widespread popularity and recognition of Deckers' Bailey Button boot and the patent notice provided on the products themselves, Deckers avers and hereon alleges that Defendants had pre-suit knowledge of Deckers' rights to the '999 Patent and intentionally copied said design on their own footwear products in an effort to pass them off as if they originated, are associated with, are affiliated with, are sponsored by, are authorized by, and/or are approved by Deckers. Indeed, Deckers has previously filed suit against Defendant Wal-Mart for infringement of the '999 Patent and Bailey Button Boot Trade Dress. Complaint, Doc. 1, ¶ 52.

The following table illustrates a comparison of some drawings from the '999 patent, representative UGG® boots (reproduced from the Complaint), accused MUK LUKS® footwear (reproduced from the Complaint), and other MUK

LUKS® footwear (reproduced from [www.walmart.com](http://www.walmart.com)). Notably, the accused MUK LUKS® footwear depicted in the complaint does not appear to be available on Wal-Mart's website, but does appear on other websites. Perhaps Deckers is tip-toeing around the possibility of amending the Complaint to identify one or more of the 10 unnamed defendants.



In the allegations arching over all the claims for relief, Deckers welts the Defendants' allegedly "infringing acts [as being] without Deckers' permission or authority and [being] in total disregard of Deckers' right to control its intellectual property." Complaint, Doc. 1, ¶ 48.

Regarding the '999 patent, Deckers seeks injunctive relief and compensatory damages, including Defendants' profits under 35 U.S.C. § 289, as well as "any other damages as appropriate pursuant to 35 U.S.C. § 284." Complaint, Doc. 1, ¶ 54. Not to skip over the possibility of recovering additional damages, Deckers holds Defendants' feet to the fire by asserting that it "marks all footwear products embodying the design of the '999 Patent with "Pat. No. 599,999" on a product label in compliance with 35 U.S.C. § 287" (the patent marking statute). Complaint, Doc. 1, ¶ 51. For further reference, see [Tiny Print, Big Money: Using Patent Marking to Advantage](#) (July 6, 2017).

And, not to be caught flat-footed on its prayer for trade dress relief, Deckers avoided a misstep by pointing out that "Bailey Button Boot Trade Dress ... is non-functional in its entirety, visually distinctive, and is unique in the footwear industry." See Complaint, Doc. 1, ¶ 23.

Given that the outcome of the 2014 lawsuit was mixed for Deckers, perhaps Deckers will seek leave to amend its Complaint to provide additional specificity and possibly name additional defendants. As Deckers continues its stride through the litigation landscape, we will continue to watch the footprints left behind as this case evolves.

**Tags:** [Complaint](#), [Design Patents](#), [District Court](#), [Fashion Designs](#), [Patent Infringement](#), [Filings and Decisions](#), [litigation](#)

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