



PROTECTING DESIGNS

Ugg! Deckers' Design Patent Infringement Claim Is Not Kicked to the Curb

BY DAVID. M. LONGO, PH.D. | SEPTEMBER 15, 2014

On September 8, 2014, Judge Otis D. Wright, II, U.S. Dist. Ct., C.D. Calif., issued an Order keeping alive a claim for design patent infringement while booting other asserted claims in a Motion to Dismiss under F.R.C.P. 12(b)(6). See *Deckers Outdoor Corp. v. J.C. Penney Co., Inc.*, C.D. Cal., Case No. 2:14-cv-02565-ODW(MANx) (“Order Granting in Part Motion to Dismiss with Partial Leave to Amend,” Doc. 30, Sept. 8, 2014).

Deckers Outdoor Corporation (“Deckers”) is known for its famous UGG® sheepskin and suede boots, among other products, sold online and at retail stores throughout the U.S. According to Deckers, its UGG® line of boots began a metaphorical ascent into the stratosphere after being featured on Oprah Winfrey’s television show in 2000, when Oprah supposedly “emphatically declared ... how much she ‘LOOOOOVES her UGG boots.’” See [First Amended Complaint, Doc. 18, ¶ 12](#). This ascent continued, as many well-heeled celebrities embraced the boots and were photographed wearing them. With such a stamp of fashion approval, one can easily understand that Deckers would do whatever it could to protect its valuable image, brand, and products from harm by imitators seeking to capitalize on Deckers’ success.

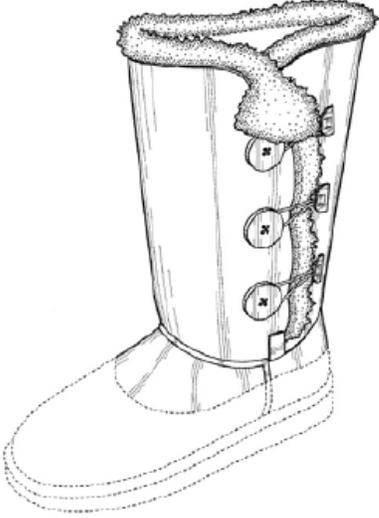
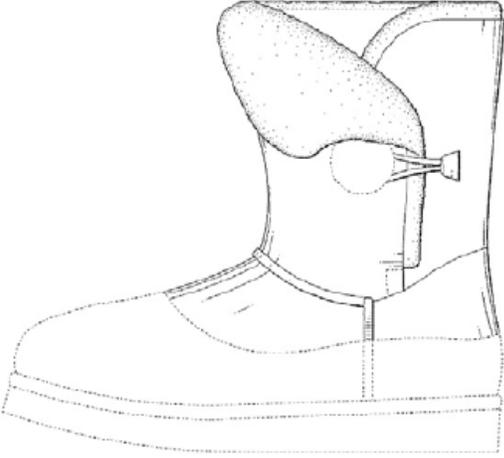
So, when Deckers noticed that large retailer J.C. Penney Company, Inc. (“JC Penney”) was selling a line of boots—some of which it believed were very similar to its patented Bailey Button boots—it did not want to be caught flat-footed. Deckers therefore laced up a five pronged [Complaint against JC Penney](#)—complete with a jury trial demand—and filed suit in the Central District of California on April 4, 2014. Specifically, Deckers’ Complaint (and First Amended Complaint of July 2, 2014) asserted claims for relief based on: (1) trade dress infringement; (2) false designations of origin and false description; (3) federal unfair competition; (4) patent infringement (including willful infringement); and (5) unfair competition under California common law. (Deckers similarly sued Wal-Mart Stores, Inc., Sears Holdings Corp., and Dreams Footwear, Inc.—cases which have been consolidated by Judge Wright.)

Presumably due to the presence of a claim for patent infringement, the lawsuit was [transferred](#) to the [Central District of California Patent Pilot Program](#) on April 9, 2014, and was assigned to Judge Wright in the Western Division. Notably, four of the six judges in the Patent Pilot Program are in the Western Division.

In its allegations common to all claims for relief, Deckers asserted that JC Penney “has manufactured,

designed, advertised, marketed, distributed, offered for sale, and/or sold various styles of knock-off UGG boots, including those that infringe upon Plaintiff's Bailey Button Boot Trade Dress and Bailey Button Design Patents," namely U.S. Des. Pat. Nos. 599,999 and 616,189. First Amended Complaint, Doc. 18, ¶ 19, see also ¶ 16. For reference, a comparison of Deckers' design patents and the accused JC Penney products appears below, reproduced from Judge Wright's Order. See Order, Doc. 30, p. 8.

Figure 1

Deckers's Design Patents	Accused Products
 <p data-bbox="375 1003 537 1045">D616,189</p>	 <p data-bbox="946 1003 1393 1045">Arizona Carmen Girls Boot</p>
 <p data-bbox="375 1549 537 1591">D599,999</p>	 <p data-bbox="870 1591 1471 1633">Arizona Crescent Casual Suede Boot</p>

As to its trade dress, Deckers was careful to note that "key elements thereof are non-functional." First Amended Complaint, Doc. 18, ¶ 10. As to its design patents, Deckers also carefully noted that its "UGG® footwear products, including products embodying the Bailey Button Design Patents, bear a label on the products themselves that gives notice to the public of its patent registration." *Id.*, ¶ 64. And, Deckers asserted that JC Penney "copied Deckers' Bailey Button Boot Style in an effort to exploit Decker's reputation in the market." *Id.*, ¶ 66.

With its feet to the fire, JC Penney countered with a Memorandum in support of its Motion to Dismiss under

F.R.C.P. 12(b)(6). JC Penney asserted that Deckers' Complaint had no traction, because it simply wished "to prohibit the sale of footwear that Deckers claims looks similar to its self-described Bailey Button boot. In other words, Deckers seeks to **chill competition** and **monopolize the marketplace** for any boot that shares the **same basic, functional design** as Deckers' product." *Memorandum, Doc. 25-1, p. 1* (emphases added).

JC Penney, however, omitted any argument regarding Deckers' U.S. Des. Pat. No. 599,999, other than to allege that "Deckers simply lumps the D599,999 and '189 patents together and summarily alleges that" JC Penney infringes. *Memorandum, Doc. 25-1, p. 9*; *see also Reply Memorandum, Doc. 29*, in which there is no mention of U.S. Des. Pat. No. 599,999. In doing so, JC Penney essentially limited its arguments to attempting to distinguish its accused boot designs only over the tall, three-button, design of U.S. Des. Pat. No. 616,189.

Judge Wright's Order trampled on JC Penney's Motion to Dismiss as to the design patent infringement claim for relief. Specifically, Judge Wright stated:

The Court finds that Deckers properly pleaded JC Penney's alleged infringement of the '189 Patent. The Federal Circuit has held that "[i]nfringement of a design patent is a question of fact." *Catalina Lighting, Inc. v. Lamps Plus, Inc.*, 295 F.3d 1277, 1287 (Fed. Cir. 2002). It is therefore improper in a situation like this one to contend that a plaintiff has failed to allege design-patent infringement based on a comparison of the subject designs, since the Court must accept all factual allegations as true in deciding a Rule 12(b)(6) motion. **Moreover, as depicted in Figure 1 [reproduced above], a comparison of the protected designs with the accused products demonstrates a sufficient visual similarity to at least render infringement of the '189 Patent plausible. Deckers had to do no more.**

Order, Doc. 30, p. 7 (emphasis added). Judge Wright's Order, however, noted that "JC Penney does not attack Deckers'[] pleading with respect to the '999 Patent, so that portion of the patent-infringement claim is not subject to the Motion to Dismiss." *Id.*, p. 6, FN4.

Regarding the willful infringement component of the (4) patent infringement claim, Judge Wright granted JC Penney's motion, with leave for Deckers to further amend its Complaint. In particular, Judge Wright took issue with Deckers' citations to case law, noting that "all but one of these citations actually establish the opposite of what Deckers asserts." *Id.*, p. 9. Judge Wright also disagreed with Deckers' "contention that the Bailey Button Boots' popularity and patent notice on the products themselves suffices to establish presuit knowledge." *Id.* On this point, Judge Wright stated:

Deckers has not alleged that JC Penney was actually aware of either of the patents-in-suit prior to producing and selling the accused products. **Even if the Bailey Button Boots have garnered widespread popularity and are stamped with patent notice, those allegations, standing alone, do not establish that JC Penney actually knew about the '189 and '999 Patents. Actual knowledge—not constructive knowledge—is the criterion.** *i4i Ltd. P'ship v. Microsoft Corp.*, 598 F.3d 831, 860 (Fed. Cir. 2010)

(“Infringement is willful when the infringer was aware of the asserted patent”); Seoul Laser Dieboard Sys., 957 F. Supp. 2d at 1196–97 (same).

Id. (emphasis added). (Curiously, JC Penney asserted in a footnote that “Deckers does not plead that it complied with the marking requirements of 35 U.S.C. § 287.” Reply Memorandum, Doc. 29, p. 7. However, as mentioned above, Deckers had stated that its products “bear a label on the products themselves that gives notice to the public of its patent registration.” First Amended Complaint, Doc. 18, ¶ 64. For further reference, see [Patent Marking and Design Patents](#), by Andrew M. Ollis, July 9, 2014.)

On the remaining claims for relief, Judge Wright denied JC Penney’s motion on the (1) trade dress infringement and the (3) federal unfair competition claims because “JC Penney fails to address” these claims. *Id.*, p. 4, FN2. Judge Wright granted JC Penney’s motion—without leave for Deckers to further amend its Complaint—on the (2) false designations of origin and false description and the (5) unfair competition under California common law claims.

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