

Proposed Rules Published: Changes to Implement the Hague Agreement concerning International Registration of Industrial Designs

The Patent Law Treaties Implementation Act of 2012 has resulted in new rules being proposed for implementing the Act.

On October 21, 2013, 78 FR 62367 was published as a final rule to implement the Patent Law Treaty, which generally does not affect design patents, but does provide restoring the right of priority after the 6-month period to claim priority, within 2 months from the expiration of the 6-month period and upon grant of a petition that shows the delay was unintentional.

On November 29, 2013, 78 FR 71869 was published as a proposed rule to implement the Hague Agreement. Of note, according to the proposed rule:

- 1. an international design application is a "national application" or a "nonprovisional application" under 37 CFR 1.9;
- 2. an international design application can include two or more designs, but there is a requirement for only one independent and distinct design 37 CFR 1.1021 and 1.1064;
- 3. a CPA *cannot* be filed in an international design application under 37 CFR 1.53;
- 4. an international design application will typically publish at 6 months from filing/registration, but publication can be deferred or immediate publication can be requested; and
- 5. the publication of the international design application will trigger access to an unpublished application (i.e., an unpublished/unexamined US design application related to the international design application) 37 CFR 1.14.

The comment deadline date for providing written comments regarding the proposed rules is January 28, 2014.

Tags: Design Patents, Hague Agreement



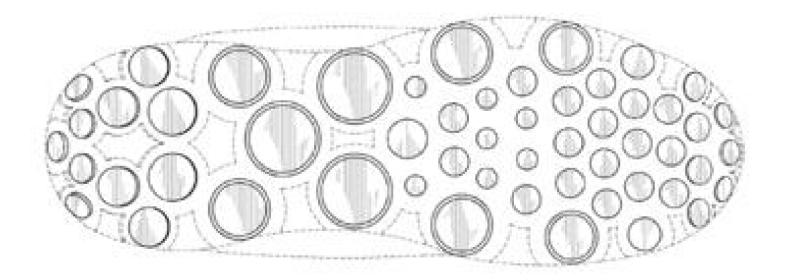
Skechers v. Perry Ellis

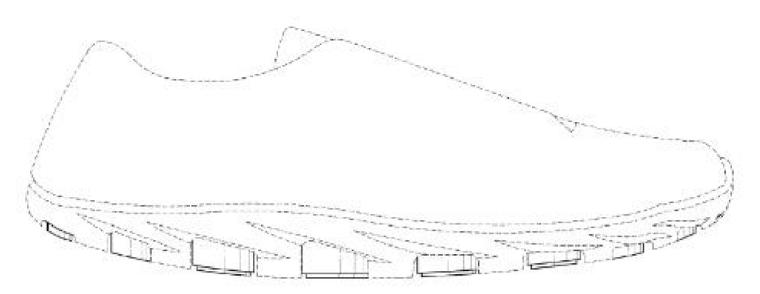
On October 11, 2013, Skechers U.S.A. Inc (Skechers) filed a Complaint against Shoe Confession LLC, Perry Ellis International, Inc. and PEI Licensing, Inc. (Perry) in the U.S. District Court for the Central District of California *(Skechers U.S.A. Inc. et al. v. Shoe Confession LLC et al.* 2:13-cv-07573).

The Complaint alleges willful and intentional infringement of Skechers' D651,788, D652,613, D652,614, and D650,980 design patents, trade dress infringement, and unfair competition, as related to Skechers' GO RUN® shoe and the Defendants' Pro Player Phaze 2M shoe.

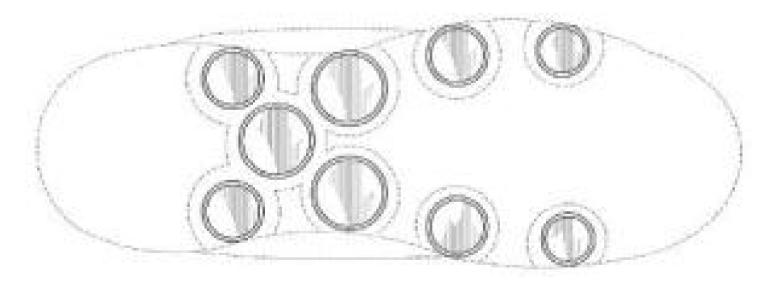
The '788, '613, '614 and '980 patents relate to an ornamental nub pattern on a sole bottom and outsole periphery, as shown in the Figures below from the Complaint.

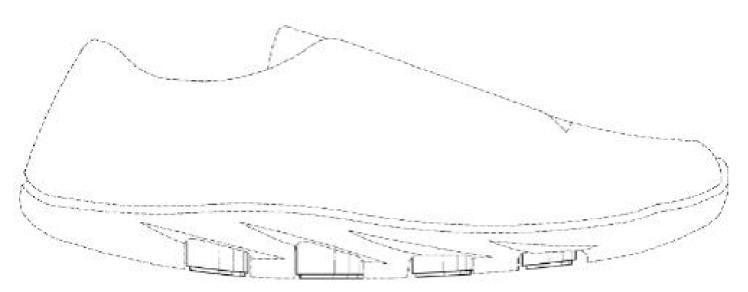
Skechers '788 patent - Shoe Bottom



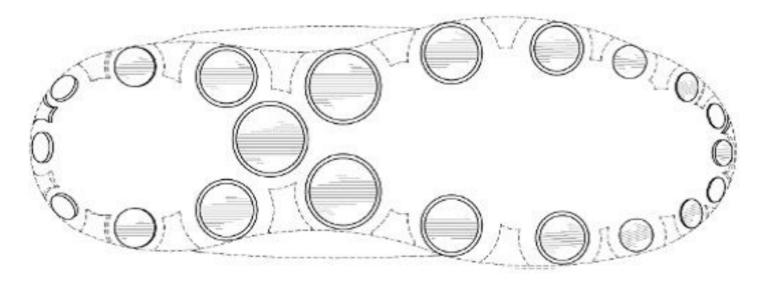


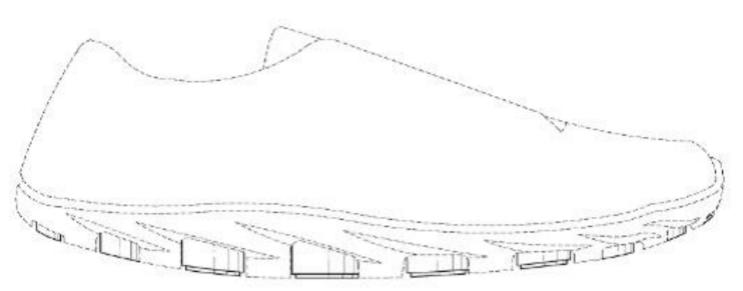
Skechers '613 patent – Shoe Bottom



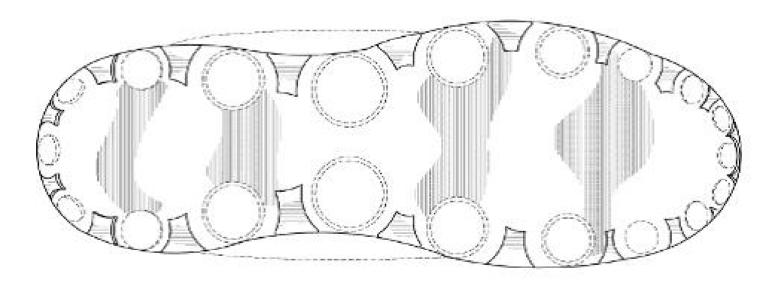


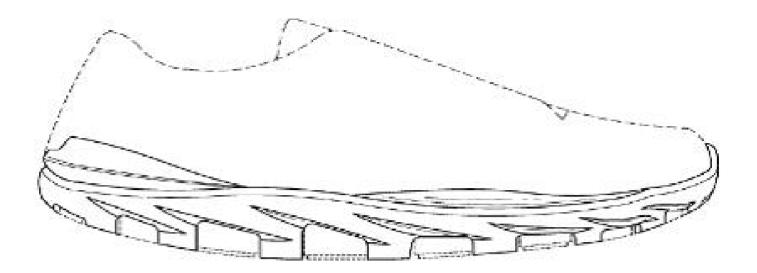
Skechers '614 patent - Shoe Bottom





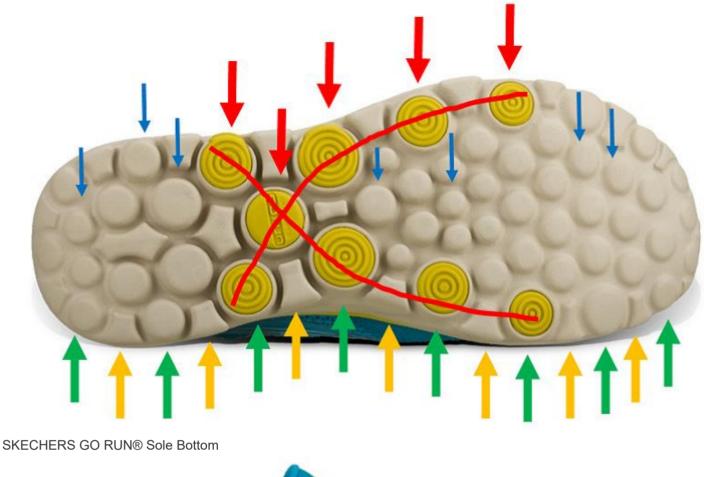
Skechers '980 patent – Shoe outsole and peripehry





In the Complaint, Skechers identified the distinctive ornamental features of the trade dress as 1) a pattern of large nubs forming an X, as shown by red arrows in the figures below, 2) mid-size and smaller sized numbs surrounding the X-pattern, indicated by blue arrows below and 3) a repeating pattern of cleats and nubs on the periphery, indicated by yellow and green arrows below.

Reproduced below are the sole bottom and outsole periphery of the Skechers GO RUN® and of the Pro Player Phaze 2M, as shown in the Complaint.

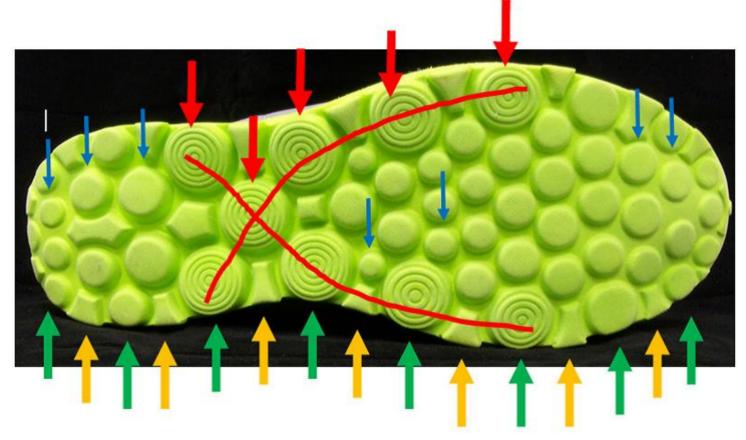




SKECHERS GO RUN® Outsole Periphery



Pro Player Phaze 2M Shoe Outsole Periphery



Pro Player Phaze 2M Shoe Sole Bottom

The Complaint listed four causes of action in view of the alleged design patent infringement. Skechers stated that the Pro Player Phaze 2M so closely resembled the invention claimed by each of the four patents that an ordinary observer would be deceived into purchasing the Pro Player in the mistaken belief that the Pro Player includes the inventions disclosed in these patents.

Skechers argued in the Complaint that it "has suffered, is suffering, and will continue to suffer irreparable injury with no adequate remedy at law," and requested a permanent injunction against further infringing conduct by the Defendants. Skechers further claimed that it was "damaged and losing profit' by the Defendants" alleged willful infringement, and entitled to recover damages and total profit derived from the alleged infringement.

3/6/23, 5:14 PM

Skechers v. Perry Ellis

The Complaint further listed fifth and sixth causes of action in view of Federal unfair competition and trade dress infringement. Skechers claimed that by allegedly using its sole bottom trade dress and outsole periphery trade dress, the Defendants deceived typical consumers in the mistaken belief that the Pro Player Phaze 2M emanated from a single source, with the acquired distinctiveness owned exclusively by Sketchers.

Skechers argued in the Complaint that the Defendants' conduct allegedly constituted a "false designation of origin and false and misleading representation of fact likely to cause confusion, and to deceive by wrongly suggesting an affiliation connection or association with Skechers." Skechers claimed that it was "damaged and losing profit" due to the alleged infringement and alleged unfair competition, and as such was entitled to recover damages and profits due to the Defendants' alleged violations of the Lanham Act.

The Complaint listed a seventh cause of action in view of common law unfair competition. Skechers claimed that the Defendants are "willfully, fraudulently, oppressively, maliciously, and unlawfully attempting to pass off and passing off infringing footwear" as those approved by Skechers.

In the Complaint, Skechers requested a judgment directing destruction of all infringing goods and all instrumentalities used in the production, including tools, machines and equipment, within 10 days of the judgment. Skechers further requested that the judgment award damages, lost profits, reasonable royalties and other monetary amounts. In particular, Skechers requested damages as a result of infringement, total profit from the sales of the allegedly infringing footwear, and damages as a result of the alleged unfair competition and of the lost business opportunities, with all damages being trebled. Skechers further requested punitive damages, restitution, attorneys' fees, pre-judgment interest at the maximum rate, and costs of the suit. A jury trial was requested.



High Point Design LLC et al. v. Buyers Direct, Inc.

The Court of Appeals for the Federal Circuit (CAFC) recently issued a precedential unanimous opinion in *High Point Design LLC et al. v. Buyers Direct, Inc.* reversing in part, vacating in part, and remanding the district court's decision in relation to design patent D598,183 ("the '183 patent").

The case primarily addressed the validity of design patents in terms of obviousness and functionality, and also considered the sufficiency of pleadings of trade dress infringement. In its discussion, the CAFC clarified the proper standards for determining the obviousness and functionality of design patents. By way of disclosure, Buyers Direct, Inc. ("BDI") was represented on appeal by Andrew M. Ollis, Frank J. West, and Philippe J.C. Signore of Oblon Spivak.

The '183 patent claims an "ornamental design for a slipper," as shown in the drawing below:

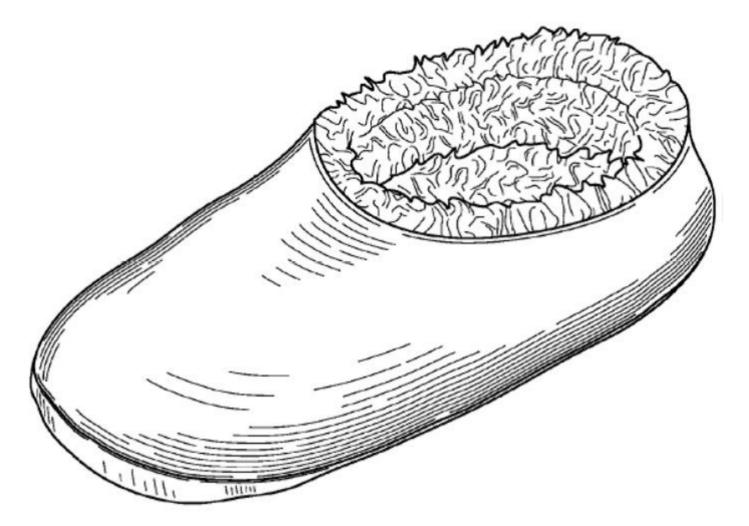


FIG. 1

The '183 patent has been commercialized in the snoozies![®] footcovering, shown here:



After BDI sent a cease and desist letter to High Point Design LLC ("High Point"), High Point filed suit for declaratory judgment that the '183 patent was invalid and/or unenforceable and not infringed. In its answer, BDI filed counterclaims of infringement of the '183 patent and trade dress infringement.

Four days after the deadline to amend pleadings had passed, High Point filed a combined motion seeking summary judgment of invalidity and non-infringement of the '183 patent and judgment on the pleadings in regard to the trade dress infringement counterclaims. In BDI's opposition, it included an expert declaration from a designer opining that the '183 patent was valid, and included proposed amended pleadings supplementing the trade dress infringement counterclaim.

The district court granted the motion for summary judgment, finding that the '183 patent was invalid as (1) obvious in light of the prior art and (2) primarily functional rather than primarily ornamental. The district court also dismissed the trade dress infringement counterclaims with prejudice.

Obviousness

The CAFC reversed the grant of summary judgment of obviousness and remanded the case to the district court. The CAFC explained the test for determining obviousness of design patents, clarifying that potential obviousness must be evaluated from the point of view of an ordinary designer, not an ordinary observer as the district court had done. As such, the expert declaration submitted by BDI should have been considered.

Additional errors made by the district court were also noted by the CAFC for correction on remand. First, the CAFC held that the district court failed to discern the correct visual impression of the patented design and, instead, simply described the general concept by using "too high a level of abstraction" and "failing to focus on the distinctive visual appearances of the reference and the claimed design." Second, the CAFC held that the judge did not communicate her reasoning behind

High Point Design LLC et al. v. Buyers Direct, Inc.

the selection of a primary reference, and the CAFC suggested that a side-by-side comparison is necessary. Last, the CAFC stated that the district court did not consider BDI's evidence of secondary considerations, but this evidence must always be considered when determining obviousness.

Functionality

The CAFC also reversed the grant of summary judgment of functionality and remanded the case to the district court for reconsideration. The panel cautioned that the *function of the article* must not be confused with the *functionality of the design*, and held that the district court used the wrong standard in evaluating functionality. The correct standard is to assess whether "the claimed design is 'primarily functional' or 'primarily ornamental,' i.e., whether the claimed design is 'dictated by' the utilitarian purpose of the article," not to determine whether "the design's primary features can perform functions."

Trade Dress

Since the deadline for amending pleadings was over, the CAFC noted that the standard in evaluating a request to amend pleadings is "good cause" under Rule 16(b). Since the district court did not explain whether this standard was used, and, if so, failed to explain why good cause did not exist, the dismissal was vacated and the case remanded. The CAFC noted factors to be considered, including the moving party's diligence, whether amendment will prejudice the defendants, and notice.



ITC: Toyo - Investigation Instituted

Further to our prior post on Toyo's ITC filing, according to a news release of September 16, 2013, the ITC voted to investigate Toyo's claims and will set a target date for completing the investigation within 45 days.



ITC: Toyo files new complaint regarding tire design patents

On August 14, 2013, Toyo Tire & Rubber Co., Ltd. of Japan filed a new complaint requesting that the ITC commence an investigation pursuant to Section 337. In summary, Toyo alleges 22 proposed Respondents infringe Toyo's design patents with one or more tire models, as follows (see pp. 41-42 of the complaint).

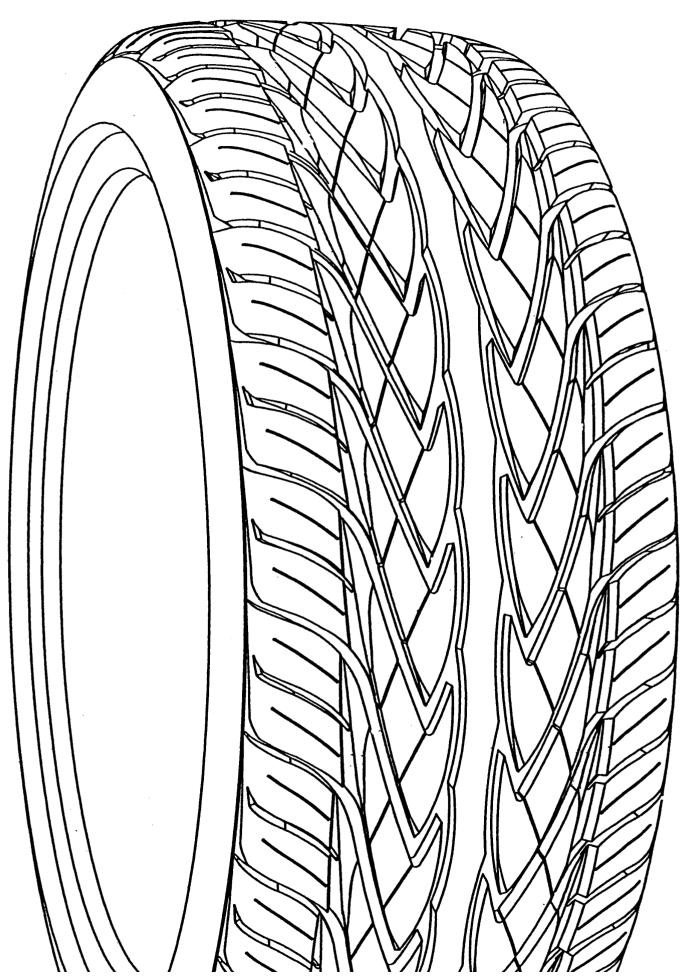
ITC: Toyo files new complaint regarding tire design patents

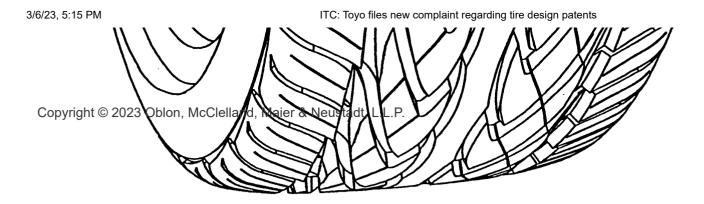
					-						
Patent>	926, / 226,	975 / 031	'424	,424	,424	'424	'424	'424	'913	'214	'200
Tire>	ther M/T	r M/T	ub	KF770	890	H-3	Six	89	r R405	A/T	/T
Respondent 🗸	Durun Terrain Grabber M/T	Mark Ma Dakar M/T	Tri-Ace Dub	Winrun KF	Sunny SN3890	LionHart LH-3	Lexani LX-Six	Wanli S-1089	Thunderer M/T R405	Councours A/T	Pioneer A/T
Tri-Ace		X	X								X
Weifang											X
Doublestar Tyre		X					-				
Shandong Yongtai	X		X								
МНТ	2		X								
Wheel Warehouse			X								
Shandong Linglong										X	
Gateway										X	
Unicorn	X								-		
West KY Customs	X										
Svizz-One									X		
South China Tire				X	X						
Omni								X	X	X	
Tire & Wheel Master								X			
Simple Tire				X	X					X	

TireCrawler	X	X		
Lexani		X		
Vittore			x	
RTM			X	

Toyo alleges Respondents' products are for many different types of vehicles and terrain, and Respondents' tires copy unique and innovative tread and side wall designs that Toyo incorporates into its tires. Toyo's design patents at issue are directed to various sidewall and tread designs.

The design patent alleged to be infringed by the most number of models is US D487,424, Fig. 2 of which is reproduced below.







Apple v. Samsung: ITC - No violation of Apple's Design Patents

According to the Notice of August 9, 2013, the ITC determined that Apple has proven a violation of Section 337 with respect to US 7,479,949 and 7,912,501, but that no violation has been proven with respect to US D618,678 and US D558,757. Specifically, the Notice at p. 3 states:

[T]he Commission has determined that *Apple has not proven a violation based on alleged infringement of the D'678, the D'757*, the '922, and the '697 patents. Specifically, the Commission has determined that the asserted claim of the D'678 patent is valid but not infringed, and that Apple's iPhone, iPhone 4 and iPhone 4s practice the D'678 patent, but not the iPhone 3G and iPhone 3GS. The Commission has also determined that the asserted claim of the D'757 patent is valid but not infringed, and Apple's iPhone 3G and 3GS do not practice the D'757 patent.

...

The Commission has further determined that Apple has proven a domestic industry exists in the United States relating to articles protected by the D'678, the '922 and the '697 patents, but not the D'757 patent.

As summarized by Eric Schweibenz at the ITC 377 Law Blog:

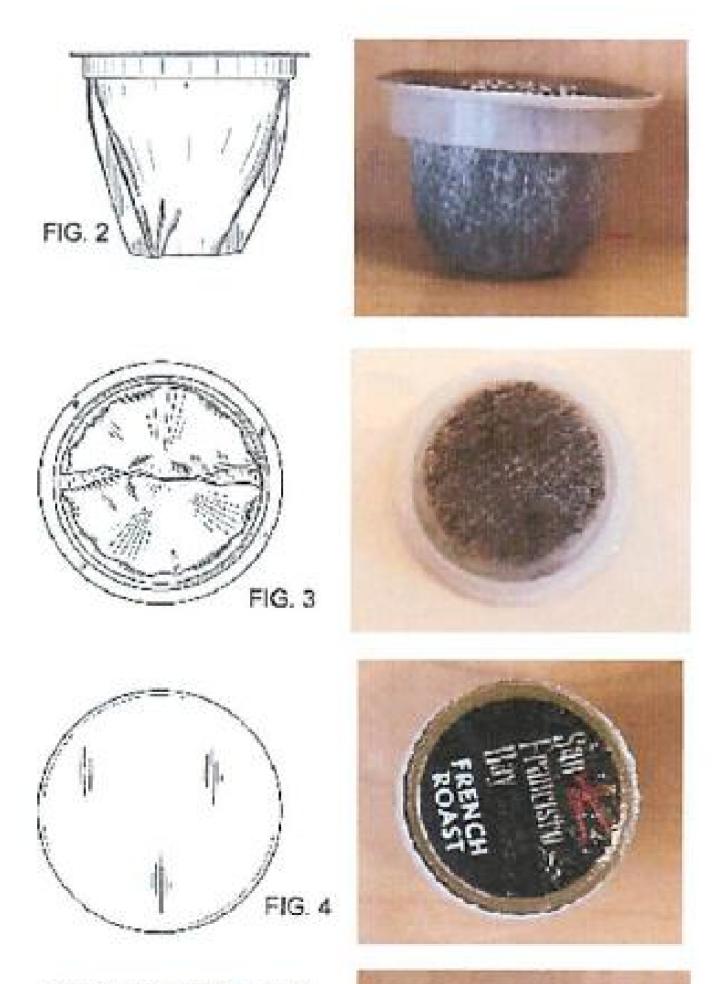
The Commission's decision in favor of Apple in this investigation comes on the heels of President Obama's recent decision to disapprove of the Commission's determination to issue an exclusion order and a cease and desist order against various Apple products in *Certain Electronic Devices, Including Wireless Communication Devices, Portable Music and Data Processing Devices, and Tablet Computers* (Inv. No. 337-TA-794). See our August 5, 2013 post for more details.



Keurig v. Rogers: Dismissed on Summary Judgment

Following up on our earlier post, Keurig's suit against Rogers Family Co. ("Rogers") has been dismissed on summary judgment. The district court granted Rogers' motion for summary judgment of non-infringement of U.S. Patent No. D502,362 and two utility patents.

In a Memorandum and Order on Summary Judgment ("Order"), the court compared the accused product with the claimed design in order to determine if the two are plainly dissimilar. The following is a comparison provided on page 12 of the Order:



Although no written construction of the design patent claim was given in its *Markman* ruling, the court did analyze several features of the claimed design on summary judgment to determine if they were functional. The court reviewed affidavits filed in support of summary judgment briefing and provided comments on the experts' opinions. Regarding the round shape of the lid, the tapered shape of the filter, and depending skirt, Keurig's expert opined that alternative shapes could have been used for the design Regarding the tapered shape, "the Court finds that general tapered shape of the filter does '[a]ffect the quality of the [beverage cartridge],' and therefore is a functional aspect of the patented design that cannot be considered in the comparison." Order at 16. However, the court further noted that "the *specific*shape of the tapered filer remains a relevant point of comparison." (emphasis in original). The remaining aspects were treated as ornamental.

After a detailed comparison that highlighted certain similarities and differences between the claimed design and the accused product, the court found that the overall designs are plainly dissimilar. The court stated that the filter in the accused produce is more or less hemispherical and the claimed filter is shaped like a triangular prism. This difference was important as the filter was found by the court to be the most prominent feature. The court noted that, "[i]n contrast to *Crocs*, the Court is confident that '[i]f the claimed design and the accused designs were [scrubbed of all identifying logos] and mixed up randomly — on ordinary observer could [in fact] properly restore them to their original order without very careful and prolonged effort "Order at 17-16. The court granted Rogers metion for summary judgment of non-**Cartridge (right)**

Tags: Design Patents, District Court



IP Chat Channel - Design Patent Prosecution: Advanced Topics

On May 23, 2013, the IPO held a webinar on its IP Chat Channel called "Design Patent Prosecution: Advanced Topics," hosted by Pamela Sherrid.

Katie Maksym, design patent manager for Nike, Inc. first presented "Best Practice Tips from the Field of Play." Ms. Maksym highlighted the role of infringement awareness as a source of information to draft claims.

Christopher V. Carani, Esq., partner at McAndrew, Held & Malloy, Ltd. presented "Design Patent Prosecution: Advanced Topics," covering prosecution techniques. Mr. Carani discussed including line representations with broken or indeterminate break lines, a well as the advantages and disadvantages of filing multiple applications, continuations, and one application with multiple embodiments.

Joel Sincavage, supervisory design patent examiner at the USPTO, and Teaching Quality Assurance specialist, presented "Written Description Requirement in Designs." In reference to concerns expressed by practitioners at Design Day 2013, Mr. Sincavage indicated that the USPTO was currently making arrangements for a town hall or roundtable type meeting to discuss the written description requirement.

In re Owens, 710 F.3d 1362 (Fed Circ 2013) and *Munchkin, Inc. v. Luv N' Care, Ltd*, Case IPR 2013 -0082 (USPTO 2013) were discussed by both Mr. Carani and Mr. Sincavage.

A Q&A session followed the presentations.

Tags: Design Day, Design Patents, Prosecution



Hague Agreement (Guest Post)

Further to our prior coverage of the implementation of the Hague Agreement, we are pleased to publish the following from Audrey Pastoret, a guest of ours from France.

The Patent Law Treaties Implementation Act of 2012 signed by President Obama on December 18, 2012 implements the Hague Agreement in the United States. It is intended to provide industrial designs with protection in states and governmental organizations parties to this arrangement through a single international application effected at the WIPO. Before the Hague Agreement, an application had to be filed in every country where protection was desired, resulting in several applications being filed for a single design patent. Under the Hague agreement a single application can provide protection in multiple countries.

An international application under the Hague Agreement does not require a prior national deposit, and can be filed either at the WIPO or at the national office. The application may be in English, French or Spanish.

When filing an application under the Hague Agreement, one must either be a citizen of a Contracting Party or a Member State of an international organization that is a Contracting Party. Alternatively, one must have either a residence or an habitual residence on the territory of a Contracting Party, and one must have an effective industrial or commercial establishment on the territory of a Contracting Party.

The Hague Agreement consists of three International Treaties, but since 2010 only two of them are still enforced: The Geneva Act (1999) and The Hague Act (1960). (The London Act of 1934 was frozen in 2012).

The Geneva Act and the Hague Act are independent from each other, such that one country can join one or both. Accordingly, when asking for protection under the Hague Agreement in several countries, it is crucial to confirm that those countries are parties to the same Act. The United States are party to the Geneva Act but not the Hague Act. Consequently, the United States can ask protection in countries party to the same act (the Geneva Act) but cannot ask for protection in a country which is party only to the Hague act.

The Hague Agreement increases the protection duration for design patents in the US from 14 years to 15 years. This increase in protection duration is based on an initial 5 year protection which may be renewed for an additional 5 years, every 5 years until the total protection is reached, in countries where protection is desired. The total duration of design patent protection may vary according to each country's rules.

Under the Hague agreement, an international application may contain a maximum of 100 Designs. All designs must belong to the same Locarno classification, which is an International Classification for Industrial Designs. Application costs are expected to increase with the number of designs claimed.

Under the Hague Agreement, publication takes place six months after the date of the international registration. However, an applicant may request immediate publication or request a deferment of publication.

Tags: Design Patents, Geneva Act, Hague Agreement



Oakley Inc. v. Hire Order, Ltd.

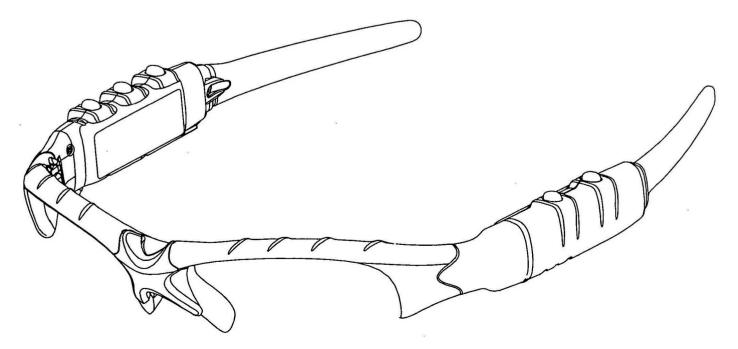
In *Oakley Inc. v. Hire Order, Ltd.* (3:12-cv-02346-DMS-WMC), the U.S. District Court of the Southern District of California issued an Order on March 28, 2013, denying Hire's motion for partial summary judgment of non-infringement.

As shown in Exhibit B of the Complaint filed on September 26, 2012, Oakley, Inc. (Oakley) issued a letter to Hire Order, Ltd (Hire) on June 22, 2012, demanding that Hire cease sales of its Sportsman Eyewear video recording system.

The Complaint alleged willful and intentional infringement of Oakley's D523,461 (D461) Eyeglass Component design patent, requested a preliminary and permanent injunction, and requested that Hire pay damages for infringing acts and treble damages, profits from the alleged infringement, attorney fees and costs associated with this action.

Hire moved for partial summary judgment of non-infringement, while Oakley asserted that a genuine issue of material fact made the summary judgment inappropriate.

Reproduced below are Figure 1 of the D461 patent (top) and an image of an alleged Sportsman Eyewear infringing product (bottom). The Court stated in the Factual Background section of the Order that the design of the D461 patent consisted of "an eyeglass frame with bulbous areas on each arm and buttons on each bulbous area. The frames are curved and have ridges across the front bridge. There is a dip in the nose bridge, which consists of an x-shaped piece that sits on the nose."



imed design, and plain instead of ornate on the claimed design. Hire also argued with respect to the position of the USB input port, and the presence of an additional Micro-SD input. Finally, Hire stated that its Sportsman Eyewear lacked a scoop on the top of the nose bridge and an x-shaped protrusion on the nose bridge front.

As stated in the Order, Oakley asserted an "overwhelming similarity" between the accused product and claimed design, "or at a minimum, a question of fact sufficient to defeat summary judgment."

The Court agreed with Oakley that Hire had not met its burden of proof to show non-infringement, since "'mere differences of lines in the drawing or sketch ... or slight variances in configuration ... will not destroy the substantial identity," citing *Egyptian Goddess*, 543 F.3d at 670 (quoting *Gorham*, 81 U.S. at 625-27).

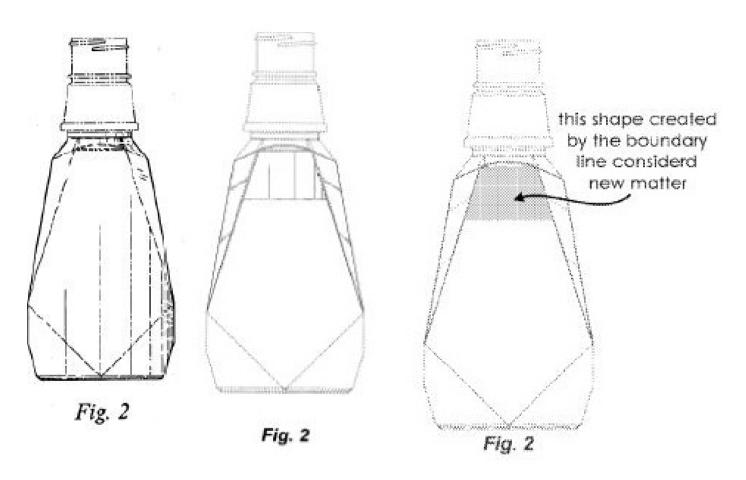
The Court stated that when viewed as a whole there was at least a genuine issue of material fact whether the accused product infringes the claimed design.

Tags: Design Patents



In re Owens (CAFC March 26, 2013)

The Court of Appeals for the Federal Circuit (CAFC) recently issued a precedential opinion in *In re Owens*, affirming the BPAI's rejection of Owens et al.'s design patent application 29/253,172. The opinion at p. 2 states that the "'172 application, which is the subject of this appeal, is a continuation of U.S. Design Patent Application No. 29/219,709 (filed Dec. 21, 2004) ("'709 application"). The '709 application claimed a design for a bottle," with boundaries as shown, e.g., in Figure 2 (left):



Owens filed the '172 application in 2006, seeking the benefit of the '709 application's 2004 priority date under 35 U.S.C. § 120. The '172 application claimed certain design elements found on the top and side portions of the original bottle, as depicted in Figure 2 (above, center).

The Examiner rejected the '172 application under 35 USC 112, ¶ 1, for including new matter, as well as being obvious in view of Owens' earlier-sold bottles (obviousness hinged on whether the '172 application was entitled to the benefit of the '709 application's filing date). The BPAI affirmed the Examiner's rejection, finding that "Owens had claimed previously undisclosed 'trapezoidal sections occupying part, but not all, of the surface area of the front and back panels." See Figure

2, above, right.

Owens argued that the BPAI applied an incorrect written description test to his case because the '172 application did not claim a trapezoidal-shaped area at all, "insist[ing] that in order to claim a new design element, one must first claim a new boundary." The trapezoidal-shaped area identified by the Examiner was bounded by a broken-line boundary, an "unclaimed boundary," and it is "understood that the claimed design extends to the boundary but does not include the boundary." MPEP § 1503.02.

The CAFC characterized Owens' arguments as being "premised on the notion that an applicant who has possession of an entire area in a parent application must likewise possess all parts of the area." The CAFC found that these arguments misconstrue its holding in *In re Daniels*, stating that "[i]t does not follow from *Daniels* that an applicant, having been granted a claim to a particular design element, may proceed to subdivide that element in subsequent continuations however he pleases."

On the contrary, the CAFC stated that "the question for written description purposes is whether a skilled artisan would recognize upon reading the parent's disclosure that the trapezoidal top portion of the front panel might be claimed separately from the remainder of that area. [*Ariad Pharm., Inc. v. Eli Lilly & Co.,* 598 F.3d 1336, 1351 (Fed. Cir. 2010) (en banc)]." According to the court, "Owens's parent application discloses a design for a bottle with an undivided pentagonal center-front panel, whereas the continuation claims only the trapezoidal top portion of that center-front panel." Because the parent application did not suggest anything uniquely patentable about the top portion of the bottle, the CAFC affirmed the Board's decision.

When asked "whether, and under what circumstances, Owens could introduce an unclaimed boundary line on his centerfront panel and still receive the benefit of § 120," the CAFC stated:

"In our view, the best advice for future applicants was presented in the PTO's brief, which argued that unclaimed boundary lines typically should satisfy the written description requirement only if they make explicit a boundary that already exists, but was unclaimed, in the original disclosure. Although counsel for the PTO conceded at oral argument that he could not reconcile all past allowances under this standard, he maintained that all future applications will be evaluated according to it."

Note that MPEP § 1503.02 indicates "[w]here no boundary line is shown in a design application as originally filed, but it is clear from the design specification that the boundary of the claimed design is a straight broken line connecting the ends of existing full lines defining the claimed design, applicant may amend the drawing(s) to add a straight broken line connecting the ends of existing full lines defining the claimed subject matter." However, this would not have aided Owens, as a straight broken line would only have defined a larger trapezoidal area, resulting in the same written description problems.

Tags: CAFC, Design Patents, Federal Circuit, Obviousness



Hague Agreement: A New Chapter for Protection of Industrial Design for the United States

On March 1, 2013, Teresa Stanek Rea (Acting Under Secretary of Commerce for Intellectual Property and Acting Director of the USPTO) addressed the implementation of U.S. participation in the Hague Agreement on the Director's Forum blog in "A New Chapter for Protection of Industrial Design for the United States."

The Patent Law Treaties Implementation Act of 2012, signed by President Obama, serves as the implementing legislation for both the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs ("the Hague Agreement") and the Patent Law Treaty.

Under the Hague Agreement, industrial design patent filings will no longer be required for each jurisdiction. Instead, a single English-language application can be filed directly with the World Intellectual Property Organization or indirectly with the USPTO, and can lead to protection in multiple designated member countries, including the European Union.

The new process is expected to result in cost savings and to facilitate design protection in multiple markets by small and medium sized businesses.

Tags: Design Patents, Hague Agreement, USPTO



Beats sues Yamaha for trade dress and design patent infringement

Beats Electronics, LLC (Beats) filed a complaint against Yamaha Corporation of America (Yamaha) on February 6, 2013, in the Central District of California, alleging infringement of Beats' design patents and trade dress. The complaint includes a request that the court enter a judgment that requires Yamaha to deliver to Beats, for destruction, all of the alleged infringing headphones and any materials which depict the alleged infringing headphones. The complaint demands a jury trial on all issues.

According to the complaint, counsel for Beats notified Yamaha on November 30, 2012, of its belief that the Yamaha Pro 300, Yamaha Pro 400 and Yamaha Pro 500 headphones infringe Beats patents and Beats' trade dress rights, and the complaint alleges that the Pro 300, Pro 400 and Pro 500 headphones are "knock-offs of Beats' world-famous 'Studio,' 'Solo,' and 'Wireless' model headphones."

The complaint alleges that Yamaha has "infringed Beats' famous and distinctive trade dress and committed unfair competition," and that Yamaha has infringed Beats' design patents D632,668 and D552,077, which respectively claim an audio listening system and a headphone.

Fig. 8 of D552,077, Fig. 1 of D632,668 and an image of one of the alleged infringing Yamaha headphones from Exhibit E of the complaint are reproduced below, respectively, left to right.



FIG. 1

Exhibit F of the complaint, which is titled "BEATS SOLO vs. YAMAHA 300," is reproduced below.





In the complaint, Beats alleges that "[c]onsumers appreciated the design, as well as the sound quality, of the Beats Headphones and began wearing the Beats Headphones around their necks as a fashion accessory even when not listening to music." Beats further alleges that "Beats' Trade Dress rights in these products consists [sic] of the overall appearance of the shape and design of the headphones, including the size, proportion and curvature of the headband, yoke and earcups," citing to Exhibits A-C of the complaint.

The complaint further alleges that the following images are advertisements that have been displayed by Yamaha or its affiliate on the Internet, and argues that these images "further show Defendant's intention to copy the distinctive design of Beats' headphones and/or its intention to trade off of the goodwill associated with Beats' product appearance."







Beats sues Yamaha for trade dress and design patent infringement

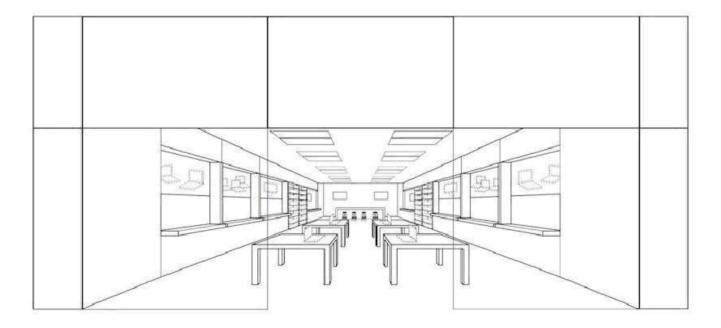




Apple Trademarks in the U.S. Design and Layout of Retail Stores

Apple obtained a registration (U.S. Registration No. 4,277,914) which covers retail store services in the United States for the design and layout of its retail stores. The description of the mark is as follows:

--The store features a clear glass storefront surrounded by a paneled facade consisting of large, rectangular horizontal panels over the top of the glass front, and two narrower panels stacked on either side of the storefront. Within the store, rectangular recessed lighting units traverse the length of the store's ceiling. There are cantilevered shelves below recessed display spaces along the side walls, and rectangular tables arranged in a line in the middle of the store parallel to the walls and extending from the storefront to the back of the store. There is multi-tiered shelving along the side walls, and a oblong table with stools located at the back of the store, set below video screens flush mounted on the back wall. The walls, floors, lighting, and other fixtures appear in dotted lines and are not claimed as individual features of the mark; however, the placement of the various items are considered to be part of the overall mark.--



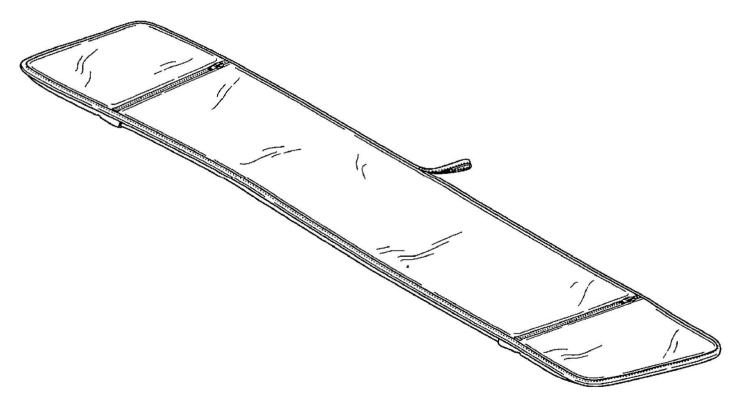
Registration was initially refused for lack of inherent distinctiveness by the U.S. Patent and Trademark Office because the applied-for mark consists of a nondistinctive three-dimensional configuration that would not be perceived as a service mark, but only as decoration or ornamentation. Apple was able to obtain registration by claiming that the mark had acquired distinctiveness. In order to prove acquired distinctiveness, Apple submitted declarations describing the success of Apple's retail stores, consumer awareness of the store configuration trade dress, and Apple's marketing efforts to increase consumer awareness of its store design. Further, Apple submitted promotional materials, images, articles, web pages, and consumer surveys in order to demonstrate the United States awareness of the Apple retail stores.



Federal Circuit Reverses Dismissal in Hall v. Bed Bath & Beyond, Inc.

The Federal Circuit reversed the district court's *sua sponte* dismissal of a complaint filed by Mr. Robert J. Hall for patent infringement and other claims. The Federal Circuit opinion can be found here.

Mr. Hall accused Bed Bath & Beyond of infringing U.S. Design Patent No. D596,439 entitled "Towel Tote." Fig. 1 from D596,439 is reproduced below.





Mr. Hall's complaint identified the patent, showed the patented design, and described the accused towel. However, the district court took the position that the complaint should have included answers to question such as: "what is it about Plaintiff's towel that he claims is 'new, original and ornamental,' meriting the protection of a design patent?" Opinion at 5. The district court dismissed the complaint for failure to state a claim on which relief can be granted.

In vacating the district court's dismissal, the Federal Circuit noted that there are five necessary elements of a patent infringement pleading. These required elements include: (i) alleging ownership of the patent, (ii) naming each defendant, (iii) citing the patent that is allegedly infringed, (iv) stating the means by which the defendant allegedly infringes, and (v)

3/6/23, 5:20 PM

Federal Circuit Reverses Dismissal in Hall v. Bed Bath & Beyond, Inc.

pointing to the sections of the patent law invoked. Opinion at 4. The Federal Circuit pointed out that Mr. Hall presented a lengthy complaint and plausibly satisfied each of these requirements. Opinion at 6-8.

The Federal Circuit found that the district court erred in requiring that the complaint identify the "new, original, and ornamental" aspects of the claimed design, and pointed out that in *Egyptian Goddess* the Federal Circuit eliminated the "point of novelty" step when determining infringement of a design patent. Opinion at 7. Further, the Federal Circuit stated that "claim construction is not an essential element of a patent infringement complaint." Opinion at 5.

Judge Lourie wrote a dissenting opinion. Despite pointing out flaws in the district court's analysis, Judge Lourie's dissent took the position that the district court's analysis was not sufficiently faulty to justify vacation of its dismissal and that the plaintiff should have accepted the court's invitation to replead its patent count. Dissent at 3.

Tags: Complaint, Design Patents, Federal Circuit