

## U.S. DESIGN PATENTS: AN UNDERDOG THAT BITES

*James Hamilton, Philippe Signore and Christopher Ward explain why design patents are becoming more popular as a means of protection in the US [\\*](#)*

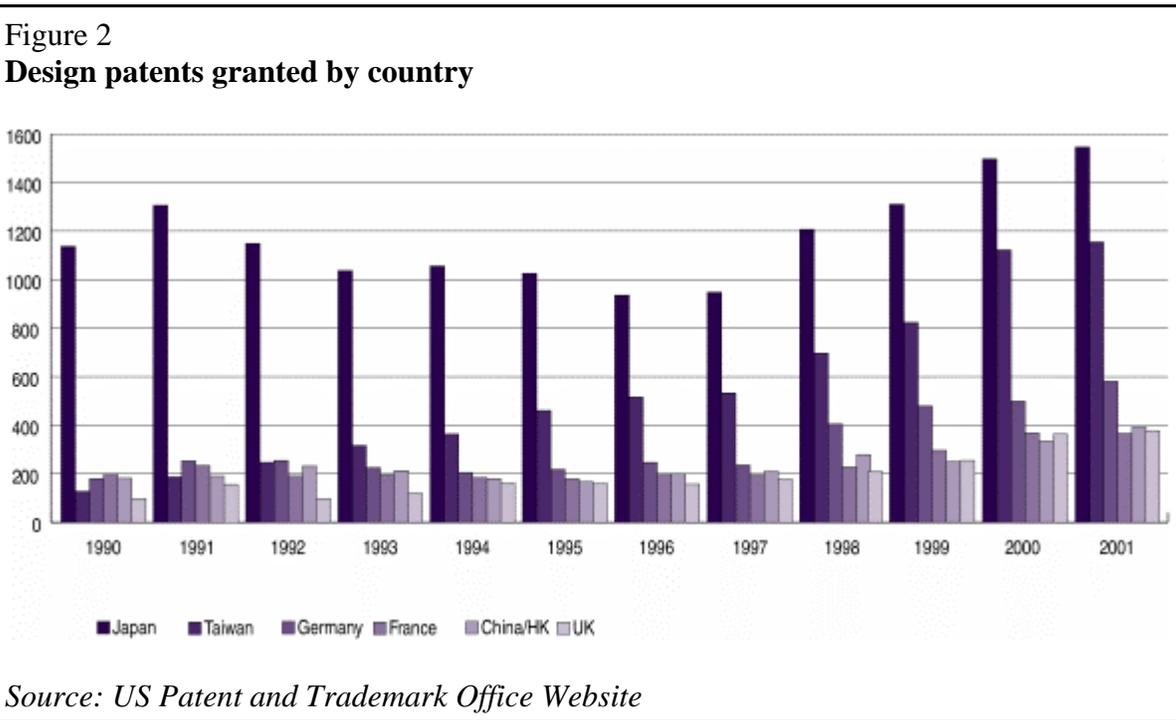
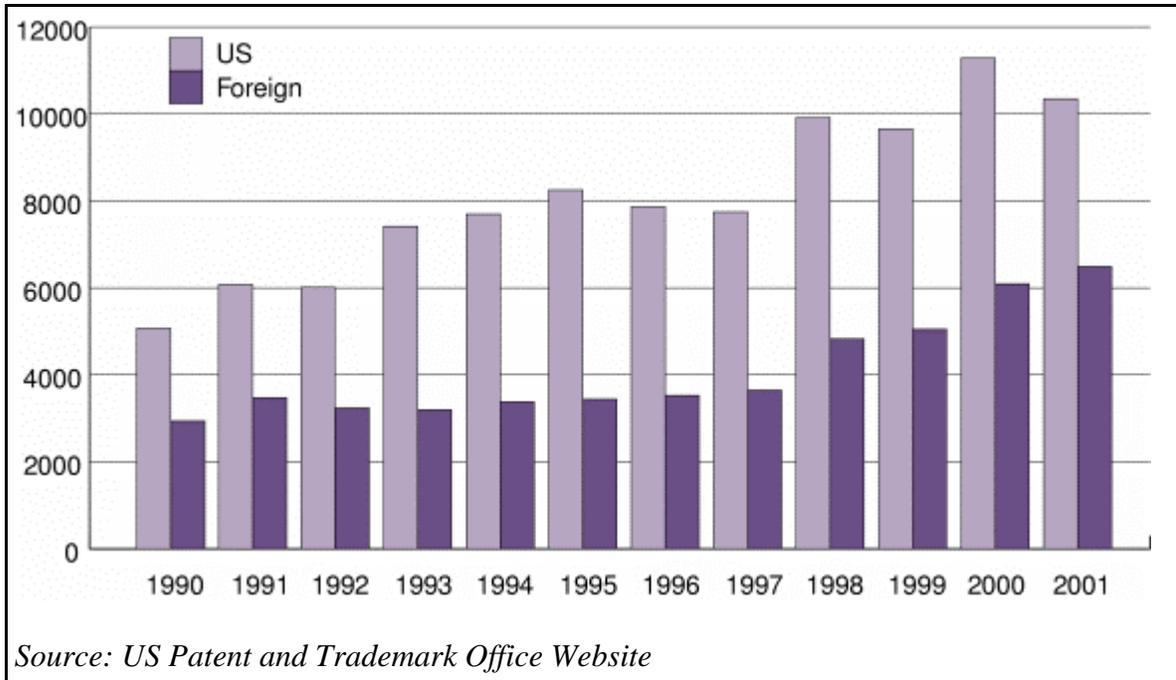
Companies often seek broad protection for their products and technology, along with strong enforcement provisions, preferably available at a relatively low cost and via a relatively fast procedure. In the past, however, companies have often overlooked a tool that can provide such protection: the US design patent. Instead, companies have focused on trade dress protection and utility patents. In many companies, the trade mark department considered design patents to add little to trade dress protection, while the patent department considered them an inadequate tool to protect their functional inventions. As a result, design patents often fell through the cracks.

Today, however, companies are starting to realize that design patents can provide valuable protection, not only for products traditionally protected by trade dress, but also for inventions traditionally protected by utility patents. In many ways, a design patent is a hybrid between a trade dress and a utility patent, which should be considered by both trade mark and patent departments.

As can be seen from Figure 1, the number of issued US design patents has doubled over the past 10 years. As an interesting example, the number of issued design patents for Taiwanese applicants has exploded from less than 200 in 1991 to more than 1100 in 2001 (see Figure 2). Of course, compared to the overall number of issued US utility patents (over 150,000 in 2001), the US design patent is still somewhat of an underdog. The first part of this article reviews the basic requirements for obtaining design patent protection. The second part discusses the advantages of design patents, which have created renewed interest in this form of IP protection.

Figure 1

**Design patents granted (US and foreign origin)**



**Basic requirements for obtaining a design patent**

There are five main requirements for obtaining a design patent: the subject matter must be an article of manufacture, original, novel, non-obvious, and ornamental.

### ***Article of manufacture***

The design to be patented must be "for an article of manufacture." In other words, the patentable design must be embodied into, or applied to, a man-made tangible object. The patentable design cannot be a design or picture standing alone, that is in the abstract.

An interesting example of a patentable article of manufacture is a computer-generated icon shown on a computer screen. The icon itself is not patentable, but when claimed as an icon embodied on a computer screen, monitor, or other display panel, the combination of the icon and the display panel (or portion thereof) is patentable as a design.

Importantly, the US design patent statute does not limit design protection to a whole article of manufacture, but can be for a portion of an article of manufacture, which is useful to obtain a relatively broad protection.

### ***Originality***

The originality requirement bars issuance of a design patent for a design derived from any source or person other than the individuals named as inventors. This excludes from patentability any simulation of known objects, persons, or naturally occurring forms. On the other hand, a design can be original even if it corresponds to a reassembling or grouping of familiar forms and decorations.

### ***Novelty***

The standard for evaluating the novelty of a design is the "average observer test". The overall appearance of the design in the eyes of an average, or ordinary, observer must be different from the appearance of any other single prior design.

There is an important difference between the novelty of a design patent and that of a utility patent. The novelty of a design patent comes from the ornamentation of the claimed design, while the novelty of a utility patent comes from the technical characteristics of the claimed invention. Accordingly, a product can be protectable by a design patent based on its appearance and separately protectable by a utility patent based on its technical components.

### ***Non-obviousness***

The courts have held that the proper standard to evaluate a design's non-obviousness is whether "a designer of ordinary skill of the articles involved" would have found the design as a whole obvious at the time the design was invented. The non-obviousness analysis for design patents therefore closely parallels the non-obviousness analysis for utility patents. A design is presumed non-obvious unless there is some evidence of suggestion or motivation in the prior art for an ordinary designer to combine known elements in order to arrive at the claimed design. As with utility patents, obviousness cannot be established based on hindsight.

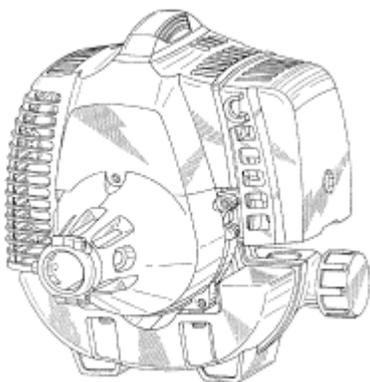
## *Ornamentality*

Finally, a patentable design must be "ornamental". The ornamental design, however, need not be artistic nor aesthetically pleasing. To be ornamental, the design must have an overall distinct appearance that is not dictated by the function of the article of manufacture. In other words, the shape or configuration of a functional object is protectable by a design patent if the shape or configuration is not governed solely by the function of the object. The existence of alternative designs often confirms that the design satisfies the ornamental requirement.

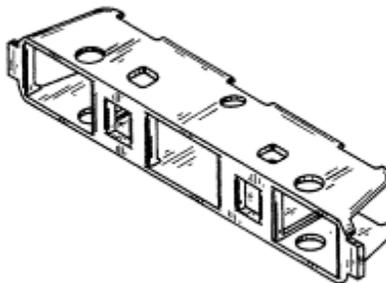
Importantly, the visibility of a design when the article of manufacture is in its normal use is not a requirement for design patentability. What is required is that the article's design be a "matter of concern" because of the nature of its visibility *at some point* between its manufacture or assembly and its ultimate use. For example, photos of the product in trade magazines, catalogues, or on an internet website for sale purposes can help establish that the product's design was a "matter of concern" at some point during the product's commercial life.

A great variety of articles of manufacture, which are typically protected by a utility patent, are also protectable by design patents because their overall appearance is not fully dictated by their utility. In recent years, US patent practitioners have witnessed a sharp increase in the number of design patent applications filed on such functional devices. Examples of functional devices protected by US design patents are shown in Figure 3.

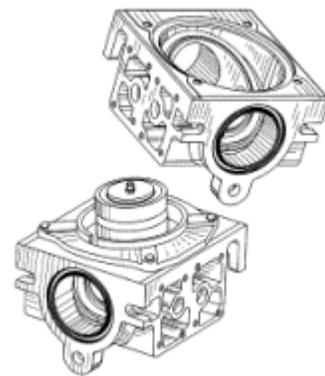
Figure 3  
**Patented designs for articles of manufacture**



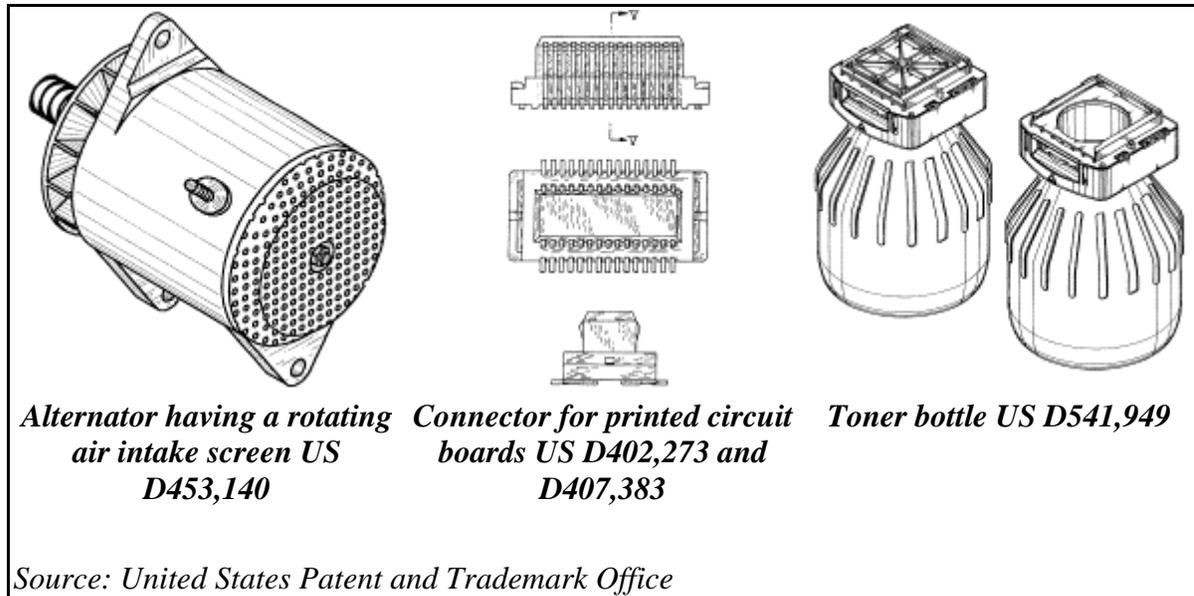
*Engine US D416,265*



*Detachable front element for  
a magnetic cassette tape US  
D356,307*



*Valve body US D433,730*



### **Advantages of obtaining a design patent**

Unlike trade mark rights, design patent rights exist whether or not the design was ever sold or exploited commercially by the person asserting the rights.

#### ***Presumption of validity***

As for utility patents, design patents are presumed to be valid. A patented design, therefore, is presumed to be for an article of manufacture, original, novel, non-obvious, and ornamental. The accused infringer bears the burden of proving by clear and convincing evidence that the design patent is somehow invalid.

#### ***Relatively broad protection is available***

##### *Phantom lines*

The field of a design patent includes a number of unique nuances that the applicant must be aware of in order to take full advantage of design patent protection. Perhaps the most important consideration to keep in mind when preparing a design patent application is that the drawings define the scope of protection, so that great care should be taken in preparing the drawings. Every line and every surface shading used in the initially filed drawings should be deliberate, with all extraneous and non-essential lines being removed or depicted only in broken lines, or "phantom lines," prior to filing of the design patent application. By only depicting in solid lines the feature or combination of features that are essential to the ornamental novelty of the product, a relatively broad protection of the design can be secured.

##### *The doctrine of design equivalents applies*

An accused design need not be identical to the drawings of the design patent in order to infringe the patented design. As with utility patents, a doctrine of equivalents offers design patent owners some flexibility when proving that the accused device infringes their patented designs. The test for design equivalents is: if the resemblance between two designs induces an ordinary observer to purchase one supposing it to be the other, the designs are equivalents. In order to infringe the patented design, however, the equivalent design must include the point of novelty which distinguishes the patented design from the prior art.

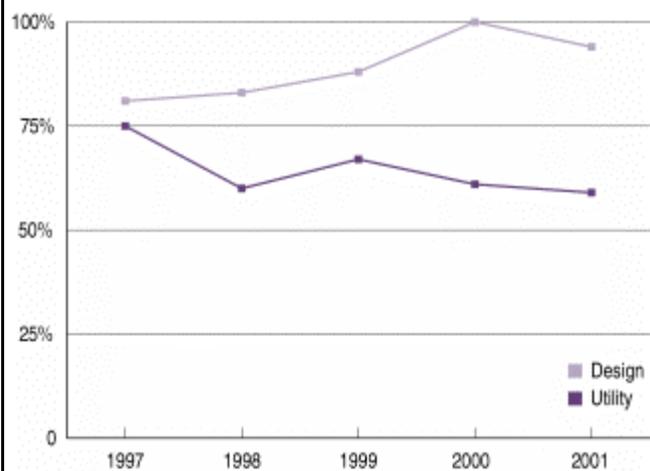
### ***Procedural advantages***

*Relatively short pendency, high allowance rate, and low fees*

One benefit of using design patent protection is the relatively short average pendency of a design patent application. Design patents often issue within nine to 12 months of filing, which is significantly shorter than the average pendency of a utility patent application and somewhat faster than most trade mark applications. Design patents can therefore provide a relatively quick and effective method of preventing a competitor from infiltrating a market by mimicking the appearance of a successful product. Figure 4 compares the estimated allowance rate for design applications and utility applications over the past five years. On average, the USPTO allows almost 90% of all design applications, but only approximately 63% of all utility applications.

Figure 4

### **Design patents granted as compared with utility patents granted by date of patent application**



Source: US Patent and Trademark Office Website

The governmental fees for design patents are relatively low: \$330 filing fee, \$460 issue fee. Furthermore, no maintenance fees are required.

*At least 14 years of protection*

The term of the design patent is 14 years from the issue date, while the term of the utility patent is 20 years from the earliest US filing date of the utility application. In other words, the design patentee is guaranteed a 14-year patent term regardless of the duration of the prosecution.

### *Double protection*

In many circumstances it is advantageous to file for utility patent protection on the functional aspects of an invention, and design patent protection on the ornamental aspects of the invention. A patentee who holds a design patent and a utility patent can sue an infringer on the basis of both patents. Because the basic requirements for obtaining design patents are slightly different from those for obtaining utility patents, one patent may be invalidated during litigation, while the other may be held valid. Similarly, one patent may be infringed, while the other may not. Therefore, obtaining a design patent and a utility patent increases the odds that the patentee prevails in litigation on at least one patent.

One strategy for filing for design and utility patent protection is first to file a utility patent application and, once the utility patent application is in condition for allowance, file a divisional design patent application based on, and claiming priority to, the original utility patent application. In order to follow this strategy effectively, the original utility patent application must be prepared and filed with drawings that are of design application quality, and a brief description of the ornamental aspects of the invention should be included in the specification.

In certain circumstances, the applicant may wish to file a divisional design patent application earlier than mentioned above, or may wish to file the design patent application simultaneously with the filing of the utility patent application. Such a situation may arise if the applicant is aware of a competitor producing a product that falls within the scope of the patent protection being sought by the design patent. In this situation, it may be advantageous to file the design patent application as soon as possible in the hope that a design patent will issue quickly, and can then be used to prevent the competitor from continuing to produce the product. One should keep in mind, however, that under this strategy the design patent may issue first so that the claims of the utility application might be susceptible to a double patenting rejection. If a terminal disclaimer is filed to overcome this rejection, the term of the utility patent will be limited to the term of the design patent, which is 14 years from issue of the design patent.

### ***Infringer's total profits are available***

The design (and utility) patent owner is entitled to "damages adequate to compensate for the infringement" under 35 USC 284. Typically, these compensatory damages correspond to a reasonable royalty, or under certain circumstances, to the patentee's lost profits. The court can increase the damages owed to the patentee up to three times the amount of the compensatory damages if the defendant infringed the patented design wilfully.

The design patent owner, however, has the additional option of demanding the infringer's "total profits" under 35 USC 289, instead of the damages provided by 35 USC 284. This option may be advantageous, for example, when the infringer's total profits are substantially greater than any reasonable royalty. In proving the infringer's total profits,

the patentee need only prove pre-tax, gross revenues. The infringer bears the burden of proving any costs or set-offs from gross profits.

### ***Preliminary injunctions are available***

Design patent owners can obtain preliminary injunctions against accused infringers. A preliminary injunction is a court order commanding the accused infringer to stop its infringing activities before or during trial. In general, preliminary injunctions are issued if the court believes that there is a likelihood of success that the patent owner will prove that the patent is valid and infringed, and that the patent owner will suffer irreparable damages if the preliminary injunction is not issued.

By way of example, in 1988 American Antenna successfully stopped its competitor Wilson Antenna from further manufacturing, using, distributing and selling its KW-1000 antenna pending final judgment because the design of that antenna probably infringed American's design patent US D255,449. In 1990, Oscar Mayer Foods successfully enjoined competitor Sara Lee from selling its product, "Lunch 'N Munch" in a red package because the red package probably infringed Oscar Mayer's design patent US D305,204. In 1990, National Presto Industries, a manufacturer of household appliances, successfully stopped giant retailer Wal-Mart from selling, just prior to the peak in the selling season, the "Quick Fry" electric deep fryer manufactured by Dazey Corporation that allegedly infringed Presto's design patent US D246,686.

A survey of all reported decisions involving design patents in motions for preliminary injunctions showed that between 1986 and 1990 design patent owners were successful 70% of the time in having the court grant a preliminary injunction against the accused infringer (Saidman, 'Design Patents - the Whipping Boy Bites Back', JPTOS, Volume 73, no 11, 859, 866 November 1991). With this kind of record, a design patent owner comes to the bargaining table with a powerful weapon in hand when negotiating with a potential infringer.

### **Potent weapons**

Companies are starting to appreciate the value of design patent protection and systematically to consider whether their inventions deserve such protection. Companies now realize their products can be better protected with a combination of utility patent, design patent and trade mark protection. Armed with a design patent, companies may be entitled to their competitors' total profits and can stop their competitors' activities, via a preliminary injunction, before the completion of a lengthy litigation. Design patents can thus provide significant negotiating leverage and can be potent weapons in an effective patent portfolio.

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