

In Giving Crocs its Patent Bite Back, Has the Federal Circuit Increased the Value of all Design Patents?

By Alan Herda¹

On February 24, 2010, a three-judge panel of the U.S. Court of Appeals for the Federal Circuit resurrected Croc's ability to sue its imitators for patent infringement by reversing a 2008 ruling by the International Trade Commission in what is arguably one of the Federal Circuit's most *pro*-design patent decisions. *Crocs, Inc. v. International Trade Comm'n*, No. 2008-1596 (Fed. Cir. Feb. 24, 2010). The ITC had previously ruled that one of Croc's primary utility patents on footwear (Pat. No. 6,993,858) was invalid for being obvious and one of its primary design patents on footwear (Pat. No. D517,789) was not infringed by a host of imported foam footwear competitors. The Federal Circuit reversed both rulings and, in finding the design patent infringed by all of the competitors, provided a guide for determining design patent infringement under the ordinary observer test.

Regarding claim construction of a design patent, the Federal Circuit in *Crocs* continued to caution courts about relying on a detailed verbal description of the claimed design, and specifically scolded the ITC for placing "undue emphasis on particular details of its written description of the patented design," from which "details became a mistaken checklist for infringement." Indeed, when the Federal Circuit set forth its claim construction of the design patent in *Crocs*, it provided no verbal description and merely stated that the design patent claimed an ornamental footwear design as shown in all of the figures, reproducing each and every figure of the design patent in the opinion without any commentary or annotations.

Turning to the comparison between the claimed and accused designs, the Federal Circuit began by stating that the proper inquiry is whether an ordinary observer, who is familiar with the prior art designs, would be deceived into believing that the accused design is the same as the claimed design. The Federal Circuit further stated that a proper comparison between the claimed and accused designs requires a side-by-side view of the drawings of the design patent and the accused products, but also warned against using minor differences to prevent a finding of infringement. A series of side-by-side views of the drawings of the design patent and corresponding views of the accused designs were then reproduced in the opinion. Immediately following these side-by-side views, the Federal Circuit concluded that "[t]hese side-by-side comparisons of the '789 design patent and the accused products suggest that an ordinary observer, familiar with the prior art designs, would be deceived into believing that the accused products are the same as the patented design. In one comparison after another, the shoes appear nearly identical."

Shedding light on its reasoning behind this conclusion, the Federal Circuit contended that if the claimed and accused designs were "arrayed in matching colors and mixed up randomly," an ordinary observer could not properly restore the claimed and accused designs to their original order without very careful and prolonged effort. Moreover, the Federal Circuit noted common "overall effects" between the claimed and accused designs. But instead of being specifically described features of the designs, these common "overall effects" were cast in broad terms such as "a visual theme of rounded curves and ellipses throughout the design." In summary, the Federal Circuit stated that the accused products embodied the "overall effect" (note the use of the singular) of the claimed design in sufficient detail and clarity to cause market confusion and thus the accused products infringed the claimed design.

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Although seemingly faithful to its 2008 watershed *Egyptian Goddess* opinion, the Federal Circuit surprisingly did not appear to follow one of its own guidelines from that opinion, namely that the claimed and accused designs must be compared with the prior art when the claimed and accused designs are not plainly dissimilar. In *Crocs*, although the ordinary observer was considered by the Federal Circuit to be familiar with prior art designs, the Federal Circuit did not explicitly reference any of the prior art designs of record, much less compare the claimed and accused designs with the prior art. There were no side-by-side views including the prior art designs – only the patented design and the accused infringing products were shown.

Notwithstanding this potential prior art fly in the ointment, *Crocs* should be helpful to design patent *holders* because it signals an increase in the value of design patents. Specifically, *Crocs* stands for the proposition that a design patent does not just protect against slavish or carbon copies of the claimed design, but also against other products that embody the overall effect of the claimed design so as to cause market confusion, i.e., other products that, although different from the claimed design, are not different enough.

However, *Crocs* may be a double-edged sword because, while it may be easier to find infringement of a design patent, it may also be easier to invalidate that same design patent. In the recent case of *International Seaway Trading Corp. v. Walgreens Corp.*, No. 2009-1237 (Fed. Cir. December 17, 2009), the Federal Circuit invoked the Supreme Court's proclamation of "[t]hat which infringes, if later, would anticipate, if earlier," and held that the ordinary observer test must be the sole test for anticipation of a design patent. So *Crocs* may also be helpful to design patent *design around-ers* and copycats with respect to invalidating design patents.