

The Fed. Circ. In May: A Major Shift In Design Patent Law

By **Sean Murray and Jeremiah Helm** (June 28, 2024)

This article is part of a monthly column that highlights an important patent appeal from the previous month. In this installment, we examine the decision in LKQ Corporation v. GM Global Technology Operations LLC and what it means for design patents.

Rarely does this monthly column consider a ruling that represents a fundamental shift in intellectual property law. However, the U.S. Court of Appeals for the Federal Circuit's en banc decision in LKQ Corp. v. GM Global Technology Operations LLC on May 21 overruled three decades of precedent and adopted a new standard for assessing the obviousness of design patents.

The case originated in an inter partes review before the Patent Trial and Appeal Board. Petitioner LKQ argued that GM's patent on an ornamental design for the front fender of an automobile was obvious in view of two prior art references: a design patent to Lian and a brochure for the Hyundai Tucson.

The PTAB applied the Rosen-Durling test, the standard that had governed design-patent obviousness since 1996, named after the Federal Circuit's 1996 decision in Durling v. Spectrum Furniture Co. and the Court of Customs and Patent Appeals' 1982 decision in In re: Rosen.

The board concluded that LKQ had failed to prove that it would have been obvious to combine the Lian patent and the Tucson brochure to obtain GM's patented design.

Under the Rosen-Durling test, LKQ had to show that (1) one of the references disclosed a design that was "basically the same as the claimed design," and (2) the other reference was "so related to the primary reference that the appearance of certain ornamental features in one would suggest the application of those features to the other."

The board ruled that neither the Lian patent nor the Tucson brochure disclosed a design that was basically the same as GM's patented fender design. Because LKQ had failed to establish the existence of a primary reference, the board did not reach the second prong of the test.

On appeal, a panel of the Federal Circuit found in 2023 that substantial evidence supported the board's application of the Rosen-Durling test. The court then agreed to hear the appeal en banc to consider LKQ's argument that the Rosen-Durling test had been implicitly overruled by the U.S. Supreme Court's 2007 decision in KSR International Co. v. Teleflex Inc.

The en banc court reversed the Rosen-Durling test, ruling that the test was at odds not only with KSR but also with the Supreme Court's 1893 decision in Smith v. Whitman Saddle Co.

Central to the court's decision was the "reason to combine" requirement. Simply put, a utility patent is not obvious merely because all of the claimed features are present in various prior art references. The patent challenger must prove that a person of ordinary skill



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in the art would have had a reason or motivation to combine those references to obtain the claimed invention.

In *KSR*, the Supreme Court rejected the "teaching, suggestion or motivation test" for determining whether there was a reason or motivation to combine the prior art. The TSM test required that the reason to combine come from the prior art references themselves, the nature of the problem facing the inventor, or the common knowledge of persons of ordinary skill in the field. *KSR* rejected this approach as too rigid and ruled the reason or motivation to combine could come from any source, even common sense.

Though the *KSR* decision related to utility patents, the en banc Federal Circuit noted that, under Title 35 of the U.S. Code, Section 171(b), the patent statute's provisions also generally apply to design patents. The court therefore analyzed the *KSR* decision and concluded that the Rosen-Durling test was inconsistent with *KSR*'s rejection of rigid rules "that deny factfinders recourse to common sense."

The Federal Circuit also ruled that the Rosen-Durling test conflicted with *Whitman Saddle*, the Supreme Court's seminal case on design-patent obviousness.

In *Whitman Saddle*, the court considered whether an ornamental design for a saddle was patentable in view of two prior art saddles. The court found that the patented design was little more than the combination of the front half of one saddle and the back half of the other. The court held that it was not inventive merely "to put the two halves of these saddles together in the exercise of the ordinary skill of workmen of the trade, and in the way and manner ordinarily done."

In *Whitman Saddle*, the Supreme Court did not attempt to determine whether either saddle had "basically the same" design as the patented design, or whether the two saddles were "so related ... that the appearance of certain ornamental features in one would suggest the application of those features to the other."

Indeed, because each saddle represented only half of the patented saddle design, neither one could have "basically the same" design as the patented design. The Federal Circuit therefore concluded that the requirements of the Rosen-Durling test conflicted with the Supreme Court's analysis in *Whitman Saddle*.

After discarding the Rosen-Durling test, the Federal Circuit ruled that design-patent obviousness should be assessed using the factors in the Supreme Court's 1966 decision in *Graham v. John Deere Co.*, a utility patent case. Those factors include the scope and content of the analogous prior art; the differences between the prior art designs and the patented design; the level of skill of an ordinary designer in the field; and secondary considerations that suggest nonobviousness, such as any commercial success enjoyed by the patented design or industry praise of the design.

On the key issue of whether a designer of ordinary skill had a reason to combine the prior art, the Federal Circuit held that, consistent with *KSR*, the reason need not come from the references themselves. "But there must be some record-supported reason (without hindsight) that an ordinary designer in the field of the article of manufacture would have modified the primary reference with the feature(s) from the secondary reference(s) to create the same overall appearance as the claimed design," the court noted.

The *LKQ* decision leaves many questions unanswered. For example, what reasons to combine will a design patent challenger be able to advance in arguing obviousness? Some

reasons to combine that are regularly asserted in utility patent cases will likely be applicable in design patent cases. If an ornamental feature is commonplace in the field, then patent challengers will likely argue that this provides a reason or motivation to modify a reference in the same field to add that feature.

Other reasons to combine probably cannot be asserted in the design patent context. For example, a defendant challenging a utility patent can argue that two references would be combined because one or both address the problem the inventor sought to solve. But unlike most utility patents, design patents do not address a problem in the field and do not include a written description of such a problem. Design patents present a novel ornamental design and are composed almost entirely of images of the new design.

One interesting issue is whether defendants will be successful in arguing that an ordinary designer would combine two references because one solved a known functional problem.

Imagine a design patent on a three-legged stool with an oval seat and flared legs. A first prior art reference shows a stool with an oval seat, but with four straight legs. A second prior art patent shows a stool with three flared legs, but with a round seat. Can the defendant argue that a designer of ordinary skill would have been motivated to replace the oval stool's four straight legs with the round stool's three flared legs because four-legged stools are known to be unstable?

On the one hand, design patents protect only the ornamental design of an article of manufacture, not its functional features. On the other hand, designers of ordinary skill might know that four-legged stools are wobbly and want to select an ornamental design that does not suffer from that flaw. One thing is clear: The LKQ decision has given design patent lawyers and judges much food for thought.

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