

Lawyer Insights

The Federal Circuit Considers: What Makes a Design Patent Obvious?

By Lawrence DeMeo

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What makes a design patent obvious? On February 8, 2024, oral argument at the Federal Circuit in the closely watched case of *LKQ Corporation v. GM Global Technology Operations LLC* explored this critical question.

The answer has ramifications in any industry where ornamental design is an important and valuable property, such as fashion, jewelry design, or, in this case, automotive (to name just a few). The balance between fostering innovation and protecting intellectual property rights is crucial in all those industries. The decision in LKQ could set a precedent that affects this balance, influencing how design patents are examined, issued, and interpreted across various sectors that rely on unique designs to differentiate their products in the marketplace. In the case currently under consideration by the Federal Circuit, for example, an after-market auto parts supplier wants a flexible approach to be applied by the patent office so that GM's design is rendered obvious, allowing LKQ to sell after-market bumpers.

Origin of the Dispute

The dispute between LKQ Corporation and GM Global Technology Operations LLC arose over a design patent held by GM for a vehicle fender. The conflict began when LKQ, an auto parts maker, sought to challenge the validity of GM's design patent after its licensing agreement expired, and GM threatened to sue LKQ partners for infringement. LKQ contended that GM's patent was invalid as obvious, citing two earlier designs that allegedly created the same visual impression as GM's patented design. This argument was presented initially to the Patent Trial and Appeal Board (PTAB), a US Patent Office tribunal, which ruled in favor of GM. A three-judge panel of judges at the Federal Circuit, which hears all patent appeals, affirmed this decision. However, the case gained further attention when the full Federal Circuit agreed to rehear the case en banc, marking its first full-court rehearing in a patent case since 2018. This led to the February 8 argument.

The most interesting question presented is whether a 2007 Supreme Court case, *KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 398 (2007), that altered the standard for determining utility patent obviousness, also overruled the longstanding standard for determining design patent obviousness.

The Fundamental Difference Between Design and Utility Patents

The key difference between design and utility patents lies in what they protect: design patents cover the visual aesthetics of a product, while utility patents cover the functional aspects of inventions.

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More specifically, utility patents typically last 20 years from the application date and cover new and useful processes, machines, manufactures, or compositions of matter, or any new and useful improvements. In other words, they protect how an article is used and works.

In contrast, design patents last for 15 years from the grant date and protect an object's ornamental design, appearance, or aesthetic features. To obtain a design patent, the design must be non-functional and be new, original, and visible on the product. For example, in the case before the Federal Circuit, GM sought to patent the design—the overall look and feel—of a car's front bumper panel.

The Obviousness Standard in Place for Design Patents (*Rosen/Durling*)

The longstanding standard for determining the obviousness of design patents arises from the application of two cases: *In re Rosen*, 673 F.2d 388 (C.C.P.A. 1982) and *Durling v. Spectrum Furniture Co., Inc.*, 101 F.3d 100 (Fed. Cir. 1996). Judge Stark nicely summarized that standard in the per curium opinion of the three judge panel of the Federal Circuit over a year ago:

For design patent obviousness, *Durling* outlines a two-step analysis. First, it must be determined whether a primary reference, also known as a *Rosen* reference, exists with characteristics “basically the same” as the claimed design by discerning the visual impression of the design as a whole. *Durling*, 101 F.3d at 103; *Rosen*, 673 F.2d at 390–91. Second, if a satisfactory primary reference exists, the court must consider whether an ordinary designer would have modified the primary reference to create a design with the same overall visual appearance as the claimed design. *Id.* This test safeguards against a challenger picking and choosing features from multiple references to create something entirely new, fundamentally changing the overall visual impression of the original designs. See *In re Jennings*, 182 F.2d 207, 208 (C.C.P.A. 1950) (explaining that one must start with “something in existence—not with something that might be brought into existence by selecting individual features from prior art and combining them”).

LKQ Corp. v. GM Glob. Tech. Operations LLC, No. 2021-2348, 2023 WL 328228, at *4 (Fed. Cir. Jan. 20, 2023), reh'g en banc granted, opinion vacated, 71 F.4th 1383 (Fed. Cir. 2023) 2023 WL 328228.

In sum, when determining whether a design patent is obvious, one starts with a primary *Rosen* reference that is “basically the same” as the patent design. If there is such a primary *Rosen* reference, one then determines “whether an ordinary designer would have modified the primary reference to create a design with the same overall visual appearance as the claimed design.” *Id.*

When making the determination in step two of this *Durling* test, it is essential to define the scope of prior art that an ordinary designer would be expected to consider. Until now, consideration has only been given to secondary prior art references “so related” to the primary *Rosen* reference that “the appearance of certain ornamental features in one would suggest the application of those features to the other.” *Durling*, 101 F.3d at 103 (internal citations omitted). The central point of dispute now before the Federal Circuit is whether this standard is too narrow.

Why Does LKQ Argue the *Rosen/Durling* Standard Should Change?

When addressing the obviousness standard for utility patents in *KSR* in 2007, the Supreme Court rejected the “rigid, mandatory formula” in the Federal Circuit's then-applicable “teaching suggestion motivation” (TSM) requirement, determining that the TSM standard improperly limited the obviousness

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inquiry. Therefore, the Supreme Court in *KSR* set a more flexible approach to obviousness and the required motivation to combine prior art teachings. *KSR*, 550 U.S. at 420–22.

LKQ argues that the *Rosen/Durling* “so related” test for determining design patent obviousness is analogously inflexible and rigid and was, therefore, implicitly overruled by the Supreme Court in *KSR*.

Impressions From the Oral Argument

This case, which has captured the attention of legal experts, industry leaders, and innovators alike, delves into complex issues surrounding patent law and its implications for competition and innovation in the many industries where ornamental design is a valuable asset.

The en banc Court took the arguments presented, which affect these critical issues, very seriously. The panel, clearly wrestling with the competing needs for certainty in the law and flexibility in arriving at apparently just outcomes, actively asked pointed questions throughout. That spirit of examination began almost immediately when Chief Federal Circuit Judge Kimberly Moore quickly posed a question to LKQ’s counsel: “If we were to conclude that the *Rosen/Durling* test should be overturned for the reasons that you gave, do you agree that there should nonetheless be an analogous arts test to assessing what is the scope and content of the prior art as exists in the utility patent context?” After counsel agreed “absolutely,” Judge Moore expressed concern that no brief in the case educated the Court on what that standard should be.

That exchange summarized the tone of the hearing: The Court is open to the idea that *KSR* requires more flexibility in determining obviousness in the context of design patents, but is concerned about how to do so without opening the door to absolute uncertainty.

We will have to wait to see how the Court resolves this tension.

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