FEDERAL CIRCUIT SET TO REHEAR CASE EN BANC IMPACTING THE LONGSTANDING TEST FOR DESIGN PATENT OBVIOUSNESS

Hodgson Russ Design Protection & Design Patents Alert
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On June 30, 2023, the U.S. Court of Appeals for the Federal Circuit granted a petition for rehearing *en banc* in *LKQ Corp. v. GM Global Tech. Operations*. The full court will consider whether forty years of established precedent regarding the obviousness of design patents should be revised or overturned in light of the Supreme Court's *KSR Int'l Co. v. Teleflex* decision, which involved the standard of obviousness for utility patents.

As background, the United States Court of Customs and Patent Appeals (CCPA) decision of *In re Rosen* in 1982 and subsequent Federal Circuit decision of *Durling v. Spectrum Furniture Co.* in 1996 set forth a two-step analysis for design patent obviousness. First, it must be determined whether a primary reference (i.e., a *Rosen* reference) exists with characteristics that are "basically the same" as the claimed design. Then, 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. If no *Rosen* reference exists, there can be no finding of obviousness.

The Federal Circuit's decision in *Apple v. Samsung Electronics* illustrates the high bar for design patent obviousness. There, the court considered whether a prior art "Fidler tablet" qualified as a *Rosen* reference against Apple's U.S. Pat. No. **D504,889** (the "D'889 patent") for its iPad:

In comparing the above designs, the Federal Circuit determined that the Fidler tablet did not create the same visual impression as the D'889 patent due to various differences in design. As a result, the district court's finding that the Fidler tablet qualified as a *Rosen* reference was overturned.

While *Rosen-Durling* sets forth the current standard for design patent obviousness, the Supreme Court's 2007 decision in *KSR* governs the standard for utility patents. In *KSR*, the Supreme Court considered whether the Federal Circuit's teaching, suggestion, motivation (TSM) test should be the *sole* test for obviousness. The TSM test provided safeguards against hindsight reconstruction of a patent claim by requiring that the prior art, nature of the problem to be solved, or knowledge of those skilled in the art, reveal some motivation or suggestion to combine the prior

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art teachings. However, the Supreme Court found the TSM test to be overly rigid and inconsistent with common sense, ordinary skill, and ordinary creativity that a person having ordinary skill in the art would employ. Consequently, the Court adopted a more expansive and flexible framework to the obviousness inquiry: whether the improvement is more than the predictable use of prior art elements according to their established functions.

The present case stems from LKQ's petition for *inter partes* review of GM's U.S. Design Patent No. **D797,625** (the "D'625 patent") for a vehicle front fender, which asserted that the '625 patent was anticipated by U.S. Design Patent No. **D773,340** ("Lian") and/or obvious over Lian in view of a 2010 Hyundai Tucson design. The USPTO Patent Trial and Appeal Board found that Lian did not qualify as a proper primary reference under *Rosen*, and therefore LKQ had failed to demonstrate that the '625 patent was obvious. On appeal, LKQ argued that the Board's decision should be overturned, in part, because *KSR* implicitly overruled the two-step analysis of *Rosen* and *Durling*. LKQ contended that the "basically the same" requirement was an overly-restrictive view of obviousness, similar to the "rigid" TSM test rejected by the Supreme Court in *KSR*.

In its original *per curiam* decision on January 20, 2023, the Federal Circuit noted that its three-judge panel could not overrule its prior decisions in *Rosen* and *Durling* without a "clear directive from the Supreme Court" since panels "are bound by prior panel decisions until they are overruled by the court *en banc*." Now that the court has agreed to rehear the case *en banc*, it requested briefing on several issues, including whether: (1) *KSR* overrules or abrogates *In re Rosen* and *Durling*; and (2) the *Rosen-Durling* test should be modified or eliminated.

LKQ's opening brief is due August 14, 2023, and GM's response is due within 45 days of service of LKQ's opening brief. Amicus briefs supporting LKQ's position or supporting neither position must be filed within 14 days after service of LKQ's opening brief, and amicus briefs supporting GM's position must be filed within 14 days after service of GM's response. LKQ may file a reply brief within 30 days of GM's response.

The Federal Circuit's *en banc* review seems likely lead to a clarification of *Rosen* or set forth a new test. As LKQ argued, the *Rosen* framework can be rigid, running contrary to the Supreme Court's flexible approach in *KSR*. However, *KSR*'s association of "predictability" with obviousness cannot apply to design patents: when would a combination of design elements not be visually predictable? The obviousness standard cannot give examiners and courts free reign to recreate a design-soufflé with knowledge of its recipe. Perhaps the current application of Rosen is too strict, but a KSR-like standard would eviscerate the U.S. design patent system. Any revised obviousness standard would need to be more like *Rosen* than *KSR* to prohibit shopping for individual visual elements and preserve industrial design rights.

If you have any questions about protecting designs, please contact **Charles S. Rauch** (716.848.1675), **Samuel E. Kielar** (716.848.1534), or any other member of our **Design Protection & Design Patents Practice**.

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