Case: 18-1329 Document: 135 Page: 1 Filed: 02/18/2020

18-1329, -1331, -1728

# United States Court of Appeals for the Federal Circuit

### COLUMBIA SPORTSWEAR NORTH AMERICA, INC., an Oregon Corporation,

Plaintiff - Appellant,

v.

#### SEIRUS INNOVATIVE ACCESSORIES, INC., a Utah Corporation, Defendant - Cross-Appellant.

Appeal from the United States District Court for the Southern District of California in No. 3:17-cv-01781-HZ, Judge Macro A. Hernandez

## CORRECTED AMICUS BRIEF IN SUPPORT OF PETITION FOR REHEARING

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### UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

## Columbia Sportswear North America, Inc. v. Seirus Innovative Accessories, Inc. Nos. 18-1329, -1331, -1728 AMENDED CERTIFICATE OF INTEREST

Counsel for the Amici Curiae, Group of Interested Practitioners, certifies the following:

1. The full name of every party or amicus represented by me is:

Group of Interested Practitioners – see the attached list.

2. The name of the real party in interest represented by me is:

None.

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus curiae represented by me are:

n/a

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court (and who have not or will not enter an appearance in this case) are:

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5. The title and number of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal. *See* Fed. Cir. R. 47.4(a)(5) and 47.5(b).

None.

January 27, 2020 Date /s/ *Tracy-Gene G. Durkin* Signature of counsel

Tracy-Gene G. Durkin Printed name of counsel

# **Certificate of Interest Question 1 continued<sup>1</sup>**

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#### **INTEREST OF AMICUS CURIAE**

Group of Interested Practitioners (GIP) is a group of seven design patent attorneys, identified in the Certificate of Interest filed herewith, who represent clients in a wide range of industries, including Fortune 500 companies, solo inventors, and small business owners. No party, party's counsel, or any person other than the members of GIP authored this brief in whole or in part. *See* Fed. R. App. P. 29(b)(4); 29(a)(4)(E). No party, party's counsel, or any person other than the members of GIP contributed money that was intended to fund preparing or submitting this brief. *Id*.

Tracy-Gene G. Durkin has practiced patent law for more than 30 years and is an internationally recognized expert in design law. Tracy is currently a member of the Patent Public Advisory Committee of the USPTO. She is the former chair of the AIPLA Design Committee and the ABA IPL Design Committee. She is also a former vice chair of the IPO design committee and subcommittee chair of the INTA Design Committee. Tracy has taught patent preparation and prosecution as an adjunct professor with the Antonin Scalia Law School at George Mason University.

Daniel A. Gajewski has practiced patent law for 10 years. He is the current secretary of the IPO Industrial Design Committee, and has spoken on design patent topics at USPTO, AIPLA, and AUTM events. Robert Katz is recognized both nationally and international as a leading practitioner in the field of industrial designs. He teaches Design Law at George Washington University Law School and previously taught at Georgetown University Law School. He is a past chair of the Design Committees for AIPLA, INTA and FICPI.

Margaret Polson has been practicing design patent law for 24 years and is a past chair of AIPLA's Industrial Design committee and the founding chair of AIPLA's Design Rights Boot Camp. Margaret has spoken internationally about U.S. design patents at AIPPI and FICPI events.

George Raynal has practiced design patent law for 12 years. He is the current vice-chair of the Industrial Design committees of the AIPLA and the ABA Section of Intellectual Property Law and has taught patent prosecution as an adjunct with the University of Maryland Francis King Carey School of Law's USPTO certified student clinic.

Perry Saidman has over 40 years of experience as a patent attorney specializing in design patent law. He has been recognized worldwide as a leader in U.S. design patent practice, having lectured and published extensively including having penned numerous amicus curiae briefs before the Federal Circuit and Supreme Court. He has also taught Design Law as an adjunct professor at the law school of the George Washington University.

Richard Stockton has practiced patent law for almost 20 years. He presents frequently on design law topics and is a past chair of the AIPLA Industrial Design committee, ABA Patent Litigation committee and INTA Saul Lefkowitz Moot Court project team. Richard also was an Adjunct Professor of Law at the Georgetown University Law Center from 2004-11 and at Northwestern School of Law from 2012-18.

#### ARGUMENT

The broad wording in the panel's opinion in *Columbia Sportswear N. Am., Inc. v. Seirus Innovative Accessories, Inc.*, 942 F.3d 1119 (Fed. Cir. 2019) appears to create a sweeping new rule governing the design patent infringement analysis. Such a new rule would open a Pandora's box of label-based design patent noninfringement arguments that are inconsistent with prior Supreme Court and Federal Circuit precedent, and generally harmful to the rights that design patents are intended to protect.

Specifically, the Court found that the district court erred by failing to consider whether the presence of Seirus' logo on the accused product supported non-infringement under the ordinary observer test. This holding, as worded in the panel opinion, appears to directly contradict longstanding Supreme Court and Federal Circuit precedent that the analysis must compare only the patented design and the accused design—here a fabric pattern—and not incorporate labeling (e.g.,

logos, brand names, tags, trademarks, etc.). *See Gorham Mfg. Co. v. White*, 81 U.S. 530 (1871); *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1124 (Fed. Cir. 1993). This contradiction in the law will likely have far reaching and unintended consequences for design patent law. It threatens the integrity and reliability of the design patent system, and jeopardizes the value of millions of design patents. The panel or full Court should reconsider this aspect of *Columbia Sportswear*.

## I. The Panel Opinion in *Columbia Sportswear* Appears to Present a Dramatic Departure from Longstanding Precedent

The Federal Circuit clearly explained and applied the Supreme Court's *Gorham v. White* precedent in its 1993 *L.A. Gear* decision. That decision found design patent infringement, concluding that infringement cannot be avoided by labelling. Every court since *L.A. Gear*, without exception, has consistently applied those governing precedents and excluded the presence of labeling from the infringement analysis. *See, e.g., Physio-Control Corp. v. Med. Research Labs.*, No. 85-C-4973, 1988 WL 5023 (N.D. Ill. Jan. 15, 1988); *Hutzler Mfg. Co. v. Bradshaw Int'l, Inc.*, No. 11-cv-7211-PGG, 2012 WL 3031150 (S.D.N.Y. July 25, 2012); *Torspo Hockey Int'l, Inc. v. Kor Hockey Ltd.*, 491 F. Supp. 2d 871, 881 (D. Minn. 2007); *Superior Merchandise Co., Inc. v. M.G.I. Wholesale, Inc.*, No. 98-3174, 1999 WL 977365 (E.D. La. Oct. 26, 1999); *Cornucopia Prods., LLC v. Dyson, Inc.*, Nos. 12-00234-PHX-NVW, 12-00924-PHX-NVW, 2012 WL 3094955, at \*4

(D. Ariz. July 27, 2012); Jack Schwartz Shoes v. Skechers, U.S.A., 233 F. Supp. 2d
512 (S.D.N.Y. 2002); Rockport Co., Inc. v. Deer Stags, Inc., 65 F. Supp. 2d 189,
195 (S.D.N.Y. 1999); Herbko Int'l. Inc. v. Gemmy Indus. Corp., 916 F. Supp. 322,
326 (S.D.N.Y. 1996).

On summary judgment before the district court here, Seirus argued that various differences between the accused and patented designs—including that the waves in Seirus's design were interrupted by repeated use of Seirus's logo—should preclude judgement as a matter of law under the ordinary observer test. The district court considered and rejected most of Seirus' purported differences on the merits. *See* Slip Op. at 16 (quoting the district court's finding that the differences were "so minor as to be nearly imperceptible."). The district court refused to consider the placement of Seirus' logo in its ordinary observer analysis, as logo presence or placement was not part of the patented design. *See* Slip Op. at 15.

This Court found two errors in the district court's analysis: (1) the court improperly declined to consider the effect of Seirus' logo in its infringement analysis, and (2) the court resolved a series of disputed fact issues, in some instances relying on an incorrect standard, that should have been tried to a jury. GIP takes issue only with the first purported error that the panel identifies.

The district court cited controlling precedent from *L.A. Gear* for the proposition that logos should be wholly disregarded in the design-infringement

analysis. Slip Op. at 16. *L.A. Gear* holds that "the ultimate question requires determining whether the effect of the whole *design* is essentially the same." *L.A. Gear*, 988 F.2d at 1125 (Fed. Cir. 1993) (quoting *Gorham v. White*, 81 U.S. at 530) (emphasis added) (internal quotations omitted). *L.A. Gear* found a design patent infringed under the *Gorham* ordinary-observer standard despite also finding, under a parallel Lanham Act analysis, that the prominent labeling of the brand name on the accused shoes would prevent any actual confusion. *Id.* Specifically, the Court held that "design patent infringement relates solely to the patented design, and does not . . . allow of avoidance of infringement by labelling." *Id.* at 1126.

The Court in *Columbia Sportswear* purports to distinguish *L.A. Gear* on the basis that the parties to that case did not dispute copying or that the patented and accused designs were substantially similar. Slip Op. at 17. The fact that copying and similarity were admitted there, however, were not the essential facts that gave rise to the holding. They therefore do not provide reasonable bases for distinction. *L.A. Gear* expressly stands for the broad proposition that labeling is an extraneous feature that does not inform the design patent infringement analysis. This exclusion of extraneous features from the infringement analysis has subsequently been applied consistently under diverse fact patterns, including where copying and similarity were not conceded. *Sun Hill Indus. v. Easter Unlimited, Inc.*, 48 F.3d

1193 (Fed. Cir. 1995); Payless Shoesource, Inc. v. Reebok, Int'l, Ltd., 998 F.2d

985, 990 (Fed. Cir. 1993).

While the panel in *Columbia Sportswear* acknowledges that *L.A. Gear* held that design infringement was not avoided "by labeling," the opinion then goes on

to state:

But *L.A. Gear* does not prohibit the fact finder from considering an ornamental logo, its placement, and its appearance as one among other potential differences between a patented design and an accused one. Indeed, the fact finder is tasked with determining whether an ordinary observer would find the "effect of the whole design substantially the same." *Gorham*, 81 U.S. at 530. It would be inconsistent with this mandate to ignore elements of the accused design entirely, simply because those elements included the name of the defendant.

Slip Op. at 17. The panel opinion thus appears to limit the holding of *L.A. Gear* to the proposition that, while the presence of a logo is not *solely dispositive* in avoiding infringement, the presence of the logo itself *must be considered* as a potential difference between the patented and accused designs. *Id.* 

L.A. Gear is not so limited. The panel there clearly considered and accepted the argument that the large, central, and prominent placement of the infringer's "BALLOONS" label on an accused product would adequately differentiate the product in the eyes of customers in the marketplace under a *trademark* infringement analysis, but *rejected* that same argument in its design patent infringement holding. *Columbia Sportswear*'s attempt to narrow the holding of *L.A. Gear* is a significant change in the law that is not properly undertaken by a later panel. *Newell Cos. v. Kenney Mfg. Co.*, 864 F.2d 757, 765 (Fed. Cir. 1988) ("[t]his court has adopted the rule that prior decisions of a panel of the court are binding precedent on subsequent panels unless and until overturned in banc."). The panel or full Court should clarify this aspect of the *Columbia Sportswear* opinion to resolve the confusion and uncertainty that will result from these two conflicting decisions.

# II. The Tension Between *Columbia Sportswear* and *L.A. Gear* Threatens Significant Harm to Design Patent Law

The panel opinion creates harmful uncertainty surrounding the proper treatment of products that incorporate labels into otherwise similar designs. If, as the panel in *Columbia Sportswear* states, the placement of a label may be considered as one among other potential differences in the infringement analysis, then the presence of the label may become the deciding factor where the differences between the designs are not otherwise substantial. If, on the other hand, as *L.A. Gear* clearly commands, infringement cannot be avoided by labeling, then the presence of the label cannot, itself, be a factor that weighs against infringement. By suggesting the contrary, the panel opinion creates harmful uncertainty surrounding the proper treatment of products that incorporate labels into otherwise similar designs.

This will open the floodgates to accused infringers arguing that labels override any design similarities, injecting unfair competition into the design patent infringement analysis, which is at odds with *L.A. Gear*. Further, contrary to *L.A. Gear*, the panel opinion will reduce the likelihood of a grant of a summary judgment of infringement where the patented and accused designs are otherwise substantially identical but for labelling or branding on the accused design.

Cabining *L.A. Gear* to its facts was not necessary for the panel to have reached the decision that the district court erred and remand was appropriate. GIP therefore suggests that even if rehearing is denied, the panel (if not the full Court) ought to issue a simple clarification of the opinion reconciling the problematic language with the holding in *L.A. Gear*. The burden of clarification is therefore minimal, and its benefits to the legal community and design patent holders comparatively massive.

Specifically, the Court should clarify exactly how and why the integration of imagery associated with a logo might change the overall visual impression of a patented design without running afoul of or constricting the holding in *L.A. Gear*. Regardless of the source or form of the clarification, the Court must restore full force to the longstanding legal proposition that labeling does not avoid infringement when the remainder of the design is otherwise substantially similar. The current force of that proposition is uncertain in the wake of the panel opinion, and that uncertainty stands to cause catastrophic damage to design patent law.

Because logos often include words with informative content, they are highly prejudicial in the design patent analysis. Even allowing a jury to consider the content-neutral aspects of a logo, like shape and repetition, presents a risk that the jury will not be able to divorce the secondary meaning of the labeling from the use of its imagery as a design element. A competitor that chooses to use a logo or label as a design building block should bear the risk of that design choice being discounted from the infringement analysis due to the prejudicial nature of label incorporation. This Court should clarify its opinion in *Columbia Sportswear* and prevent a massive upheaval of design patent law.

## **CONCLUSION AND RELIEF SOUGHT**

The Court should grant the petition for rehearing and clarify the extent to which the incorporation of a logo in a design may distinguish the overall design from a patent. In the alternative, the Court should issue a clarification that reconciles the language of the opinion with *L.A. Gear*.

Dated: January 27, 2019

Respectfully submitted,

/s/ Tracy-Gene G. Durkin

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