

Nos. 2018-1329, -1331, -1728

**United States Court Of Appeals
for the Federal Circuit**

COLUMBIA SPORTSWEAR NORTH AMERICA, INC.,

Plaintiff- Appellant,

v.

SEIRUS INNOVATIVE ACCESSORIES, INC.,

Defendant- Cross-Appellant.

APPEALS FROM THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF
CALIFORNIA, CASE NO. 3:17-CV-1781, DISTRICT JUDGE MARCO A. HERNANDEZ

**CROSS-APPELLANT'S RESPONSE TO PLAINTIFF-APPELLANT'S
COMBINED PETITION FOR REHEARING AND REHEARING EN
BANC**

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January 30, 2020

CERTIFICATE OF INTEREST

1. The full name of every party represented by me is: Seirus Innovative Accessories, Inc.

2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is: Seirus Innovative Accessories, Inc.

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party represented by me are: None.

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

Fish & Richardson P.C.: Michael A. Amon, Garrett K. Sakimae; Markowitz Herbold PC: Renee Rothauge; Troutman Sanders LLC: Eric M. Jaegers, Matthew D. Murphey, Alison A. Grounds, Paul E. McGowan, Anup M. Shah, Jasmine C. Hites

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:

Columbia Sportswear North America, Inc., et al. v. Ventex Co., Ltd, et al., Case No. 3:17-cv-623 (D. Or.).

Dated: January 30, 2020

/s/ John W. Thornburgh
John W. Thornburgh

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INTRODUCTION

The panel decision here did nothing more than apply standard rules for resolving factual disputes. For the design patent, the district court had improperly resolved numerous factual disputes on summary judgment, including how an ordinary observer would look at the differences between the patented and accused designs, as well as the prior art. Reversing, the panel faithfully followed precedent requiring that a fact-finder consider all ornamental elements of an accused design, including in this case a repeating ornamental logo pattern. Contrary to Columbia and *amicus*'s assertion, nothing about the panel's approach is novel or wide-reaching, nor does the law require courts to erase an ornamental element of a design because it contains a logo. And certainly nothing requires reconsideration or *en banc* rehearing.

For the utility patent, the panel properly found that substantial evidence supported the jury's finding of invalidity—a case-specific determination. Moreover, Columbia had ample opportunity to cross-examine Seirus' expert on his testimony, and the jury was entitled to decide, based on the evidence heard, whether the patent was invalid. A disagreement with how the jury resolved a factual dispute is not a ground for a new trial, nor does it require rehearing.

THE PANEL OPINION

This case involved review of two different judgments—(1) a summary judgment of infringement entered by the district court against Seirus on Columbia's design patent; and (2) a jury determination that Columbia's utility patent was anticipated and rendered

obvious by prior art references Seirus presented at trial. Seirus appealed the summary judgment regarding the design patent, and this Court reversed because the district court had improperly resolved factual disputes. Columbia also appealed the jury determination regarding the utility patent. Finding the jury determination supported by substantial evidence and free from legal error, this Court did not disturb the jury's verdict. In both situations, the panel simply found there to be material disputes on the facts, which a jury should resolve. Columbia's arguments now rest on mischaracterizations of the panel's determination, so we begin with a brief summary of the panel's opinion.

As to the design patent, the panel reversed the district court's summary judgment of infringement for multiple reasons including: "(1) the court improperly declined to consider the effect of Seirus's 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." Op. at 17. Regarding the first ground—the only one that Columbia and *amici* substantively address—the panel found that:

L.A. Gear does not prohibit the fact finder from *considering* an ornamental logo, its placement, and its appearance as 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.

Id. (emphasis in original). Thus, the panel did not compare the patented design to the entire accused product as Columbia argues. And the panel properly applied the Supreme Court’s *Gorham* infringement test, by requiring consideration of the *design* as a whole, including elements of its “ornamental logo,” which is no departure from any cases of this Court or otherwise.

In simple terms, this is a middle-ground case with material fact disputes. It is not, on the one hand, a case where a logo is the entire design, such as one might see on high-end bags, where a company’s logo repeated over-and-over *is* the design. And it is not, on the other hand, a case where a single logo occurs separate from the design, such as the shoe in *L.A. Gear*. Rather, here, the Seirus logo pattern is not the entirety of the design, but is a substantial part of the design—repeated regularly across the fabric and breaking up the rest of the design. The panel did nothing more than hold that such a situation, under the current record, raises issues of fact. According to Columbia and *amici*, an ornamental logo element must be **erased** from the infringement analysis not just in this case, but in **every** case, no matter how important it is to the overall design.

Separately, the panel found fact issues that Columbia ignores, except to cite back to the district court’s reversed opinion. *Amici* do not address these factual disputes at all. First, the panel found that the district court’s failure to consider varying wave thicknesses was “in error” because “Columbia’s design has uniform line thickness in every figure of the patent.” Op. at 18. It was wrong of the district court to take a “piecemeal approach, considering only if design elements independently affect the

overall visual impression that the designs are similar.” *Id.* Instead, “our case law requir[es] the fact finder to consider the design as a whole.” *Id.* Second, the panel found that the district court applied an incorrect standard for comparing the patented design to the prior art. *Id.* Citing both of these fact issues, the panel concluded that the district court improperly made a finding of fact that should be resolved by the jury on remand. *Id.* at 19.

On the utility patent, the panel affirmed on obviousness, holding “the jury’s verdict that the claims of the ’270 patent would have been obvious is certainly supported by substantial evidence, and judgment as a matter of law was properly denied.” *Op.* at 11. The panel next rejected Columbia’s request for a new trial based on its incorrect assertion that Dr. Block intentionally introduced false testimony at trial. The panel never characterized Dr. Block’s testimony as “false,” let alone intentionally so, instead acknowledging that “the facts here—a few lines of mistaken expert testimony—are in stark contrast to the facts in” the cases on which Columbia relied. *Op.* at 13. “Even if Dr. Block purposefully misrepresented the contents of Fottinger, Fottinger itself was in the record for the jury to consider.” *Id.* “Moreover, Columbia had ample opportunity to cross-examine Dr. Block on his incorrect understanding of Fottinger’s disclosure.” *Id.* The panel thus denied Columbia’s request for a new trial.

ARGUMENT

Columbia’s petition for rehearing should be denied. The panel did not create a new standard for design patent infringement. Just the opposite. It found that several disputed facts should have gone to a jury, including the impact that Seirus’s repeated logos would have on the ordinary observer. The petition for panel rehearing on the utility patent should also be denied. Dr. Block did not introduce “false” testimony at trial, Columbia spent significant time cross-examining him on his understanding of Fottinger, and the jury ultimately found the utility patent invalid. This is a case to be decided properly on its facts (which the panel recognized), and it is Columbia that seeks a new, and unsupported, rule.

I. The Petition for Rehearing on the Design Patent Should Be Denied

A. Considering Ornamental Design Elements That Contain a Logo Is Consistent With *Gorham* and *L.A. Gear*

Columbia and *amici*’s prime argument relates to the panel’s consideration of the accused design’s ornamental aspects that contain the Seirus logo. In reversing the district court, the panel found that, among other factual disputes improperly resolved below, the district court erred by “ignor[ing] elements of the accused design entirely”—in essence redrawing the accused design to remove certain elements—“simply because those elements included the name of the defendant.” Op. at 17. Contrary to Columbia and *amici*, nothing about the panel’s consideration of the district court’s erroneous resolution of factual disputes merits reconsideration by the panel or by the *en banc* court.

Rather, the repeated logo pattern that creates a visual impression and interrupts other elements of the Seirus design would certainly be considered by an ordinary observer, and should certainly be considered by a reasonable juror, in determining the overall effect of the Seirus design.

First, the panel did not hold (nor “appear” to hold, as *amici* suggest) that an accused infringer may wholesale copy a design and avoid infringement by simply adding a logo. Indeed, the panel specifically recognized “[a] would be infringer should not escape liability for design patent infringement if a design is copied but labeled with its name.” *See Op.* at 17. What the panel recognized is that where differences between a patented and accused design go beyond simply placing a logo on the accused design in a non-ornamental fashion, and instead involve integrating logos as an ornamental element of the design, a jury (not a judge) should make the infringement determination, and, in so deciding, the jury should compare the overall appearance of the patented and accused designs. Such an approach is entirely consistent with this Court’s precedent. *E.g., OddzOn Prods., Inc. v. Just Toys, Inc.*, 122 F.3d 1396, 1405 (Fed. Cir. 1997) (factfinder must compare “the overall appearance” of the two designs).

Columbia argues that “other ornamentation not claimed in the design patent, such as brand names, logos, color, and so on, must be ignored.” *Pet.* at 11. In essence, Columbia and *amici* argue that, instead of comparing the “overall appearance” of the patented and accused designs, a court should be free to erase certain ornamental aspects of the accused design because they contain a logo; and then compare the altered accused

design to the patented design in making an infringement determination—which is exactly what Columbia has done (as did the district court). Pet. at 11-13. Columbia argues that by allowing consideration of the overall appearance, including design elements containing logos, the panel’s opinion is in conflict with *L.A. Gear*. 988 F.2d 1117 (Fed. Cir. 1993). Columbia is wrong.

L.A. Gear does not require the fact-finder to erase surface ornamentation that includes logos. In that case, such a logo was not at issue. The question was whether the lower court had erred in applying its findings on trade dress to design patent infringement. This Court found no error but noted a difference between the two: “[d]esign patent infringement relates solely to the patented design, and does not require proof of unfair competition in the marketplace or allow for avoidance of infringement by labelling.” *L.A. Gear*, 988 F.2d at 1126. Columbia takes this single sentence out of context and attempts to say this Court set forth a bright-line rule that logos may be considered as part of a trade dress case but *never* in a design patent case. Pet. at 12-13. Columbia’s rule would make logos irrelevant in all cases, even where a logo pattern overtakes the patented design. This is not the holding in *L.A. Gear*, nor could it be, as such a holding would be contrary to the long standing precedent requiring comparison of the overall appearance of the accused and patented designs.

Simply examining the facts in *L.A. Gear* (as the panel properly did) shows why *L.A. Gear* does not and cannot stand for the proposition Columbia says it does. As the panel recognized, in *L.A. Gear*, “the parties did not dispute that the patented and

accused designs were substantially similar.” Op. at 17. Indeed, “copying [was] admitted,” and simply examining the two sneakers showed that the patented design is present in the accused design:



Claimed Design



Accused Design

988 F.2d at 1121, 1125. The main difference was the addition of a logo in the accused design, which did nothing to alter the overall appearance of the accused design. Thus, far from setting out a new rule where aspects of an accused design should be erased in order to perform an analysis, the panel in *L.A. Gear*, following *Gorbam*, recognized that the overall designs should be compared. See 988 F.2d at 1125.

The panel opinion here is entirely consistent with *L.A. Gear*. As the panel recognized, “*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.” Op. at 17. The panel concluded this was required by *Gorbam*, and it “would be inconsistent with this mandate to ignore elements of the accused design entirely, simply because those elements include the name of the defendant.” *Id.*

Columbia and *amici* complain that by distinguishing *L.A. Gear* in this manner, the panel created sweeping new law, where logos can only be disregarded when there is admitted copying (Pet. at 9-10), but that is a misreading of the panel’s opinion. The panel was simply recognizing that infringement is highly fact-dependent, and requires analysis of the accused design as a “whole.” *Gorham Co. v. White*, 81 U.S. 511, 530 (1872). The mention of “copying” in *L.A. Gear* was only to reinforce the conclusion that in that case the *designs* were undisputedly substantially similar, unlike here. The panel also did not say that including the Seirus logo conclusively means Seirus avoids infringement as a matter of law. While “labelling” itself does not avoid infringement, in some cases, such as this case, the presence of repeating logo boxes can *alter* a two-dimensional design. Accordingly, the panel simply concluded that the fact-finder should *consider* them. Op. at 17. As seen in *L.A. Gear*, and all infringement contexts, the question of infringement is highly fact-dependent, and Columbia’s bright-line rule that logos must be wholly ignored in all contexts as a matter of law is simply too restrictive. Instead, the fact-finder is permitted to consider all aspects of the accused design.

Columbia also wrongly argues that the panel “failed to discuss or distinguish any other precedential decisions of this Court.” Pet. at 10. Columbia relies upon arguments not presented in its previous briefs. Moreover, Columbia’s other cases do not support its position, and if stretched as far as Columbia attempts, would completely undermine *Gorham*.

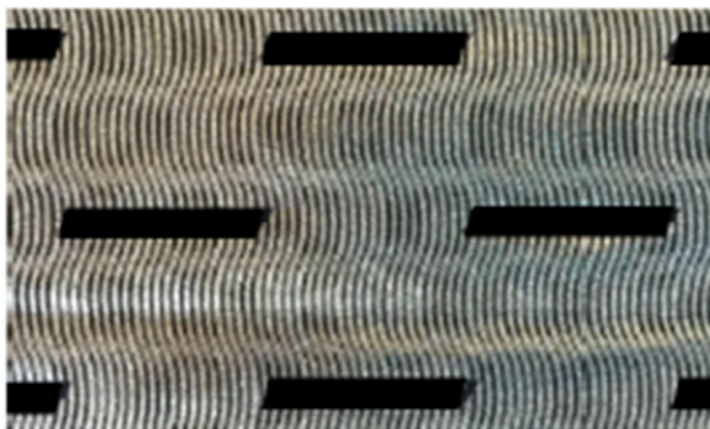
First, Columbia relies on a case cited only in passing in its previous briefs, *Payless Shoesource, Inc v. Reebok, Int'l, Ltd.*, 998 F.2d 985 (Fed. Cir. 1993). Columbia now argues that this case stands for a bright line rule that logos must always be disregarded. Not so. In that case, this Court found the district court “misapplied the *Gorham* test for design patent infringement because it compared the accused footwear with commercial embodiments of the patents, rather than with the claimed designs.” *Payless*, 998 F.2d at 990. When this Court stated that the “district court was improperly influenced by features extraneous to the claimed design,” it meant that the fact-finder should not be influenced by differences between commercial embodiments and the accused design; it was not saying the fact-finder could ignore portions of the accused design.

Second, Columbia cites the *Sun Hill Industries* case for the first time now, but it is similar to *Payless*. That case simply states that the “trial court committed legal error by relying on unclaimed features of *Sun Hill’s commercial embodiment*” and the fact finder has “the obligation to carefully confine its comparison only to the claimed features, and not to unclaimed features.” *Sun Hill Indus. v. Easter Unlimited, Inc.*, 48 F.3d 1193, 1196-97 (Fed. Cir. 1995) (emphasis added). Thus, neither of these cases apply.

B. The Panel’s Decision Will Have No Negative Impact on U.S. Design Patents

Columbia next hypothesizes (at 15-16) as to what *Gorham* would have held under non-existent facts (inserting a logo on the accused spoon), asserting that “the fact finder *must* disregard aspects of the accused product extraneous to the claimed design, such

as brand names.” Pet. at 15 (emphasis in original). As shown above, this Court’s cases do not support erasing *design* elements from an accused design; instead, they suggest ignoring portions of commercial embodiments that are *extraneous* to the patented design. In addition, *Gorham* clearly holds that the “whole design” must be considered. *Gorham*, 81 U.S. at 530. Accordingly, even if logos are not considered, which should not be a hard-and-fast rule, the fact-finder is required to consider the following in this case:



A fact finder could find the Seirus design without the logos to be non-infringing because the boxes interrupt the wave pattern, and the district court improperly ignored the boxes as a matter of law. The panel’s opinion is true to *Gorham* and this Court’s precedent when it states: “it would be inconsistent with [Gorham] to ignore elements of the accused design entirely, simply because those elements included the name of the defendant.” Op. at 17.

Columbia also cites district court cases (at 13 and 16) that are not binding on this Court, and as Seirus has already pointed out, each of those cases is distinguishable.

(ECF 40 at 7.) Again, those cases involved three-dimensional products that were essentially copies, and where there was no suggestion the logo was ornamental or changed the overall impression of the design. District courts cannot override this Court's precedent.¹ The same is true of the psychological arguments advanced by *amicus* IDSA. Moreover, juries can be instructed that *brands* are irrelevant except insofar as they are part of the *design*.

C. The Panel Did Not Create a “New” Standard for Design Patent Infringement

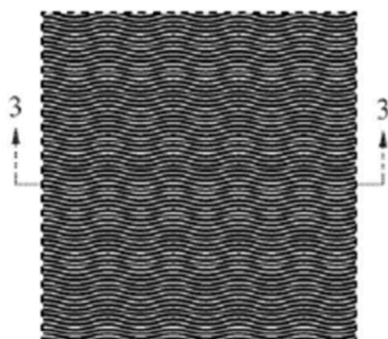
Lastly, Columbia complains that the panel “enunciate[ed] a sweeping new rule for design-patent infringement whereby the fact-finder must consider the overall appearance of the *entire accused product*, rather than just the overall appearance of the *accused design*.” Pet. at 3 (emphasis in original). But Columbia mischaracterizes the panel's opinion. The panel never said anything about analyzing the “entire accused product,” but instead referred to differences between the accused *design* and the patented design. Op. at 17-18. Once again, this is true to *Gorham* and this Court's precedent.

The fallacy of Columbia's attempt to re-characterize the panel's opinion is apparent when considering one of the “entire accused products,” in which the accused design is not readily visible:

¹ Columbia's reliance on third-party blog posts is unpersuasive for the same reasons.



(Appx5283-5287.) The panel did not rely on aspects of the entire glove to reverse the district court's order. Instead, the panel properly compared the accused design and the patented design:



Patented Design

Accused Design

And in doing so, the panel found that the district court had improperly resolved many facts, precluding summary judgment. This approach is neither novel nor contrary to precedent.

D. Even if the Logos Were Not Considered, the Panel Opinion Reversing the District Court Should Remain Intact

Columbia concludes by asking the Court to put itself in the jury's shoes and conclude that the two designs, with the Seirus logos removed, are substantially the same. Pet. at 17-19. Rather than address the two additional grounds on which the panel reversed the trial court, Columbia doubles down on the trial court's analysis and invites error by pasting Figure 2 from the '093 patent into the wavy portion of Seirus's design. Pet. at 18. Figure 1 is the "claimed design," whereas Figure 2 is just a *portion* of that design. Appx10. And as discussed above, the panel found "several" disputed facts, including the line thickness and the district court's legally erroneous consideration of the prior art. Thus, the panel reversed summary judgment based on additional disputed facts, which Columbia does not substantively address in the petition. Thus, the reversal should be upheld regardless of the logo design.

Finally, Columbia entirely ignores other aspects of this case which must be taken up if the district court's infringement determination is upheld. As the panel will know, a significant portion of the briefing in the original appeal dealt with issues relating to design patent damages, including a constitutional determination as to whether a judge or jury should make certain damages determinations. In resolving the appeal by

reversing the summary judgment of infringement, the panel found it need not reach these issues. *See* Op. at 19. Should the panel’s decision be reconsidered, these issues must additionally be considered.

II. The Petition for Panel Rehearing on the Utility Patent Should Be Denied

Columbia’s motion for panel rehearing raises no new issue of fact or law that the panel has not already addressed and rejected, and should be denied. Despite being censured by the panel about overstating what Seirus contended—“By the way that is not what he said. Don’t mischaracterize what opposing counsel says. He did not stand up and say our demonstrative was completely wrong and didn’t show the unit cell. He said that is what you disputed. Don’t overstate it.” (Oral Argument at minute 22:27-22:45), and having to apologize (*id.* at 22:45-22:48)—Columbia again asserts that Seirus and the panel “acknowledged” that Dr. Block’s testimony was “false.” Pet. at 22. Neither Seirus nor the panel have acknowledged any such thing. It should now be clear that the parties simply disputed what an example in Fottinger taught. Dr. Block’s opinion was that Fottinger taught a unit cell that could be repeated to show a coverage of 36%. Columbia was of the view that the repeatable unit cell would only yield 18% coverage, and Columbia cross examined Dr. Block at length on this issue. Columbia puts much stock into the fact that Dr. Block resisted during cross-examination, but that only further highlights that he was not attempting to give false testimony; he just saw it differently. The panel concluded that it was, at worst, “a few lines of mistaken expert testimony.” Op. at 13.

Columbia's assertion that these few lines of testimony necessarily infected the whole proceeding is belied by the fact that the jury was not even instructed that an embodiment squarely within the claimed range was anticipatory. Additionally, this embodiment law only applies to anticipation, and the panel upheld the obviousness ground. Columbia does not even assert that a 36% coverage would have any legal significance in the context of obviousness. Accordingly, this is no ground for a new trial.

Columbia also asserts that admission of Dr. Block's testimony was in violation of civil procedure and evidence rules. Pet. at 21-22. But as was clear at oral argument, while Columbia objected to the slide a few hours earlier, Columbia did not object to the testimony in real-time. Instead, Columbia took the opportunity to cross-examine Dr. Block at length seeking to undermine his opinions. The jury heard Columbia's view that the slide was factually incorrect, and the jury was permitted to come to its own conclusion on who to believe. Columbia complains (at 23) that the jury may not have had the technical knowledge necessary to verify whether Fottinger taught 36% coverage, or whether it taught 18% coverage. But as stated above, that minor distinction had no legal significance to the jury, and there was more than substantial evidence to support the jury's obviousness finding on other grounds.

The panel has already distinguished Columbia's cited cases both procedurally, and factually, and those distinctions were sound. Accordingly, there is no basis to grant

Columbia a new trial on the validity of the utility patent, and the petition for panel rehearing should be denied.

CONCLUSION

For the foregoing reasons, the Court should deny Columbia's petition for rehearing and rehearing *en banc*.

Dated: January 30, 2020

Respectfully submitted,

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CERTIFICATE OF SERVICE AND FILING

I certify that I electronically filed the foregoing document using the Court's CM/ECF filing system on January 30, 2020. Counsel was served via CM/ECF on January 30, 2020.

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CERTIFICATE OF COMPLIANCE

I certify that Cross-Appellant's Reply Brief complies with the type-volume limitation set forth in Fed. R. App. P. 27(d)(2)(A). The relevant portions of the brief, including all footnotes, contain 3,818 words, as determined by Microsoft Word. This brief complies with the typeface requirements of Fed. R. App. P. 32(a)(5) and the type style requirements of Fed. R. App. P. 32(a)(6).

Dated: January 30, 2020

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