

## Why Electronics Cos. Shouldn't Shy Away From Design Patents

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U.S. applicants are now able to file U.S. and foreign design patent applications under the Hague Agreement. This change to U.S. patent law arises during an interesting time for the consumer electronics industry. Consumer electronics and their counterparts (e.g., cases, user interfaces and accessories) are becoming smaller, more sophisticated, and more useful, though often viewed as simply more fashionable. The look of a consumer electronic device, such as a smartphone, MP3 player, tablet or watch is often just as commercially critical as the usefulness of the device. Consumers don't just want a functional device, they also want a fashion accessory.

On May 13, 2015, the provisions of the Patent Law Treaties Implementation Act of 2012 implementing the 1999 Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs took effect. Previously, U.S. applicants of design patent applications were forced to file separate applications for every country in which protection was desired. Filing under the Hague Agreement streamlines the design patent application process by allowing U.S. applicants to simply file a single design patent application with the U.S. Patent and Trademark Office designating all the countries for which they seek protection.

Yet, conventional wisdom suggests that electronic devices are likely best protected by utility patents since a well-drafted utility patent can often have very broad claims that likely prevent competitors from producing any competing device regardless of its ornamental look. Thus, design patents often become a forgotten avenue to protect electronic devices since a well-crafted broadly claimed utility patent can arguably be harder to design around.

Indeed, the main reason that most companies shy away from design patents is because their protective value is seemingly low. A design patent's scope is restricted by its ornamental look in the figures. Thus, a competing device can perform the same functions provided it just doesn't look the same. Yet, as can be seen from the rise in design patent applications, design protection has formed a meaningful place in the current consumer electronics industry.[1]

There are many factors contributing to the increase in design patents. First, design patents, for infringement purposes, do not have the strict claim constructions that are used in utility patent infringement cases. Design patent infringement occurs when an "ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same - if the resemblance is



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such as to deceive such an observer and sufficient to induce him to purchase one supposing it to be the other — the one first patented is infringed by the other.”[2] Accordingly, though a design patent may seem narrow in scope due to the location of lines (or lack thereof) and the shape of the design, the test for infringement is often broader, balancing the perceived narrowness of the design patent. Second, utility patents are unable to protect the ornamental look or fashion appeal of a device provided that it isn’t associated with its function. Finally, with the rise of electronic devices based on touch-screen technologies, the look of the device becomes less and less important with regards to functionality. Thus, design takes a larger stake.

Moreover, as is exemplified in the Apple iPhone (D618,677; D593,087; D600,241); Apple Watch (D738,401), and the Otter Box (D709,868; D709,867; D709,064; D707,670) design patent portfolios, a design patent applicant need not embody the entire design in a single set of figures. A skilled patent attorney will be able to use a combination of phantom and solid lines to selectively protect certain aspects of the design in a particular design patent, and then use the combination of multiple design patents to protect the entire ornamental look of the device. For instance, the look of the Apple iPhone is covered under multiple design patents that claim different aspects of the ornamental look of the phone. One design patent covers the screen (D618,677), another design patent covers the front and back of the device (D600,241), and another design patent covers the front facing edge and the circular home button (D593,087).

Filing under the Hague Agreement can be specifically advantageous for startup companies that have limited funds and a need to raise new capital. First, design patents in general are far more cost effective than their utility patent counterparts. They simply don’t require the time and expertise that go into drafting a utility patent application. The text of a design application is usually a single claim and a listing of the figures. The bulk of an application is devoted to the figures, which unless the application concerns a graphical user interface (e.g., D604,305) contains only black and white drawings. Second, under the Hague Agreement, an applicant is able to file for protection in multiple foreign jurisdictions without having to pay individual filing fees for each country. Thus, the costs for applicants are overall reduced under the new system.

Furthermore, for a startup company with limited funds for investment in intellectual property, the Hague Agreement also allows an applicant to include many different sets of figures claiming different aspects of the same design in one application. In fact, an applicant filing under the Hague Agreement is allowed to include up to 100 different designs, provided they belong to the same class of International Classification of Industrial Designs. The drafting fees for so many designs may be somewhat higher, but under the old system, drafting fees would typically be dwarfed by the filing fees for numerous separate applications, which are avoided under the Hague Agreement.

Additionally, obtaining allowed patents can often accelerate a company’s ability to obtain funding. The Hague Agreement again streamlines the application process by requiring each country to issue a refusal of registration, if needed, within six-months of publication of the application. If registration is granted, the fees for a patent holder are again diminished under the Hague Agreement since the term of a design patent is five years, which may be renewed for an additional five years, in respect of each designated contracting party. As such, there is no need to constantly monitor the expiration periods in each country. The same expiration date will occur for each country on the same date.

Though the Hague Agreement has numerous benefits, a few pitfalls should be considered before filing, especially during the drafting phase of a design patent application. First, examination of each foreign application is still governed under the patent rules of each respective country. Accordingly, a country’s

interpretation of shading, solid lines, and phantom lines in figures must be considered.

Also, for U.S. applicants, the ability to file multiple designs in a single application is very attractive. It can save costs at a minimum in the filing fees. However, if multiple similar designs are submitted as part of a single application, failing to pursue allowance of each design can later cause issues with prosecution history estoppel when trying to enforce the issued design patents.[3] Accordingly, U.S. applicants should take into consideration whether they intend to pursue protection for all of the designs included in an application if they receive a restriction requirement.

Lastly, graphical user interface design patents are becoming ever more popular in the U.S. The look of a graphical user interface such as a GPS, smartphone, wearable or MP3 player can be a valuable asset because end users may prefer one ornamental look over another despite the functionality. However, in many foreign countries, design patent protection for graphical user interfaces are not available.

The Hague Agreement provides numerous benefits advantageous to startups as well as large companies seeking protection for the ornamental look of electronic devices. However, not every situation dictates use of the Hague Agreement. Filing under the Hague Agreement should be thus be considered on a case-by-case basis.

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[1] [http://www.uspto.gov/web/offices/ac/ido/oeip/taf/us\\_stat.htm](http://www.uspto.gov/web/offices/ac/ido/oeip/taf/us_stat.htm)

[2] *Gorham Mfg. Co. v. White*, 81 U.S. 511, 528 (1871)

[3] *Pacific Coast Marine Windshields, Ltd. V. Malibu Boats LLC*, 6:12-cv-33, 2012 WL 6721060 (M.D. Fla. December 27, 2012)