

Automotive design patent litigation: The road ahead for Rosen-Durling obviousness standard

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Recent litigation within the automotive industry could potentially upend the current standard of obviousness for design patents. In February, the Federal Circuit heard oral argument en banc in *LKQ Corporation v. GM Global Technology Operations LLC*. The last time the Federal Circuit issued an opinion en banc in a design patent case was over sixteen years ago, in the seminal design patent infringement case that established the “ordinary observer test”: *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665 (Fed. Cir. 2008). Now, the Federal Circuit must determine if the existing framework for assessing design patent obviousness, the “*Rosen-Durling*” test, needs to be made more flexible, or overruled entirely.

The *Rosen-Durling* test, set forth in 1982 In Re Rosen and later refined in *Durling v. Spectrum* (1996), outlines a two-prong test for design patent obviousness analysis. The first step involves determining if a primary prior art reference is “basically the same” as a claimed design. If the pri-

mary reference meets this standard, one can undertake an analysis of the primary reference in view of related secondary references. In the second step of the *Rosen-Durling* test, one must determine if an ordinary designer would think to modify the primary reference with the secondary reference, and if that combination would yield “a design that has the same overall visual appearance as the claimed design.” *Durling v. Spectrum Furniture*, 101 F.3d 100 (Fed. Cir. 1996). If the answer is yes, the claimed design would be considered obvious and unpatentable in view of the prior art.

In the dispute underlying *LKQ Corporation v. GM Global Technology Operations LLC*, LKQ Corporation challenged the validity of GM-owned design patents directed to a vehicle front fender. LKQ, a former licensee of GM, petitioned for *inter partes* review before the USPTO Patent Trial and Appeal Board shortly after unsuccessful licensing agreements between the two parties. Notably, LKQ had licensed many of GM’s design patents, and after the license agreement expired, allegedly maintained commercial embodiments of the formerly licensed prod-

ucts, for which GM accused LKQ of design patent infringement. In its petition to the USPTO, LKQ asserted that GM’s vehicle fender design patent was anticipated and obvious. The Board ultimately ruled against LKQ, and applied the *Rosen-Durling* test to determine that LKQ did not identify a proper primary reference to substantiate a case for obviousness or invalidity. LKQ appealed the Board’s decision to the Federal Circuit.

In its appeal, LKQ asserted that *Rosen-Durling* was implicitly overruled by the Supreme Court in *KSR International Co. v. Teleflex, Inc.*, 550 U.S. 398 (2007), in which the Court reshaped the preexisting test that was applied to determine the obviousness of utility patent claims. In *KSR*, the previous standard, the “teaching, suggestion or motivation” test, was rejected as overly rigid. The Court instead offered a more flexible approach, expanding the scope of the prior art cited in an obviousness rejection; it no longer required prior art references to be drawn to the same specific problem as the claimed invention, and the motivation for the claimed invention did not need to originate from the references but could be an applica-

tion of common sense. Although the case did not specifically address design patents in its ruling, LKQ nevertheless argued that *KSR* should apply to both utility and design patents, calling for a less rigid obviousness analysis than what *Rosen-Durling* sets forth. The Federal Circuit rejected LKQ's appeal, declaring they were bound to uphold the *Rosen-Durling* framework "without a clear directive from the Supreme Court" to overrule it. LKQ resultingly filed for a petition en banc, which was granted.

Throughout oral arguments, the central question in contention was whether or not *KSR* overrules or abrogates the *Rosen-Durling* framework, and if it were to be eliminated, what standard would replace it. The attorneys that argued on behalf of LKQ emphasized that the *Rosen-Durling* test only provides a case for obviousness when a primary reference exists that is nearly identical to the claimed design, cutting an obviousness analysis short if a singular reference does not meet this threshold. LKQ asserted that this is the type of rigidity that the Supreme Court sought to eliminate in *KSR*. When questioned by multiple judges about what a suitable substitute of *Rosen-Durling* would look like, LKQ's representation called for a more case-by-case analysis of obviousness. LKQ, while admitting that some concepts underlying utility patent obviousness analysis, such as "reasonable likelihood of success", might not translate in the context of design patent law, suggested that there could be variation in the interpretation of the rationale without compromising the rationale

itself. Articulating its concern for the broader public and commenting on an industry-wide problem, LKQ argued that companies like GM are getting hundreds of "dubious design patents", effectively eliminating people's rights to repair their own cars.

GM, arguing in defense of the *Rosen-Durling* test, asserted that the standard had been honed over decades to address the unique issues of design patent litigation. Representation for GM furthered that the flexibility called for in *KSR* was embedded in the second step of the *Rosen-Durling* analysis. GM's arguments relied heavily on the notion that the *Rosen-Durling* framework was tailored to address the differences between utility and design patent law, which warrant necessarily different considerations when assessing obviousness; functionality and utility carry very little weight when assessing the patentability of an ornamental design. GM conceded, however, that rare exceptions to the *Rosen-Durling* test may exist under the correct set of facts.

Several amicus briefs were filed in the case: three filed in support of LKQ, five in support of GM, and three filed in support of neither party, one of which was filed by the United States government. In its brief, the U.S. government, expressing a neutral position, suggested that the Federal Circuit "replace the 'basically the same' terminology, jettison the so-related requirement, clarify that *Rosen and Durling* should still serve as a framework for protecting against hindsight, and caution that the test should not be

used as a rigid tool that truncates the obviousness analysis." The brief furthered that there still must be an "adequate starting point reference to properly ground the obviousness analysis", but that an examiner should avoid "automatically terminating the inquiry in the absence of a strikingly similar base reference". GM, in response to the brief, suggested that the proposed changes were entirely semantic, and did not substantively alter the *Rosen-Durling* framework.

By the end of oral arguments, both sides failed to thoroughly articulate a practical replacement for the *Rosen-Durling* test, leaving the Federal Circuit to grapple with if and how the standard should be modified in light of *KSR*. Design patent holders, practitioners, and automotive industry stakeholders all anxiously await this decision, that has the potential to weaken the design patent system and make it easier to invalidate the tens of thousands of design patents issued since *Rosen* and *Durling*. To those fearing a complete reversal of the *Rosen-Durling* standard, remarks made at the end of oral arguments might provide some comfort: Judge Reyna, when confronted directly with the suggestion of overturning *Rosen-Durling*, laughed and stated, "That's not going to happen."

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