FEDERAL CIRCUIT DECLINES TO EXTEND TRADEMARK DOCTRINES TO DESIGN PATENTS

Automotive Body Parts Assoc. v. Ford Global Techs., LLC

By: Reid Huefner and Adam Reis | August 2, 2019

At issue here were two design patents owned by Ford related to its F-150 trucks: one for a hood and one for a head lamp. The Automotive Body Parts Association ("ABPA"), whose members distribute automotive body parts, sued Ford in federal district court seeking a declaration judgment of invalidity and unenforceability of the two design patents. The ABPA moved for summary judgment, which was denied, and the district court *sua sponte* granted summary judgment in Ford's favor. ABPA appealed.

As for invalidity, ABPA argued that Ford's design patents were functional. The Federal Circuit noted that 35 U.S.C. § 171(a)'s reference to "ornamental design" means that design patents cannot claim a "primarily functional" design, i.e., design patents cannot claim designs that are "essential to the use of the article." ABPA argued that because consumers seeking to repair their vehicles prefer to restore their vehicles to their original appearance, there is a functional benefit to the designs being aesthetically compatible with the vehicles. The Federal Circuit disagreed, noting that the argument would "gut" design law—customer preference for the "peculiar or distinctive appearance of Ford's designs over that of other designs that perform the same ... functions" is the exact advantage that design patent law contemplates.

In support of its argument, ABPA attempted to co-opt the trademark "aesthetic functionality" doctrine, which prevents trademark owners from using trademarks to prevent competitors from using "important product ingredients" or "from making their products as visually entrancing as its own" if those elements are not related to source identification. In rejecting this argument, the Federal Circuit noted that imposing such a limitation to trademark rights, the purpose of which is to identify the source of goods, made sense; but such limitations to design patents—intended to protect aesthetic designs—does not make sense.

ABPA also argued that Ford's design patents were not enforceable under exhaustion and repair doctrines. Exhaustion provides that once a patentee sells her invention, the patentee may no longer "control the use or disposition" of the product. ABPA argued that the sale of an F-150 truck exhausted all patented designs embodied in that truck. The Court disagreed, noting that exhaustion attaches only to items sold by, or with the authorization of, the patentee, which in this case included only the complete truck.

Further, "[t]he right of use transferred to a purchaser by an authorized sale includes the right to repair the patented article." ABPA argued that Ford's F-150 purchasers are licensed to repair those trucks using replacement parts that embody Ford's hood and headlamp design patents. The Court disagreed, noting "though a sale of the F-150 truck permits the purchaser to repair the designs as applied to the specific hood and headlamps sold on the truck, the purchaser may not create new hoods and headlamps using Ford's designs ... such new hoods and headlamps are subject to Ford's design patents, and manufacturing new copies of those designs constitutes infringement."