



DESIGN PATENT OBVIOUSNESS

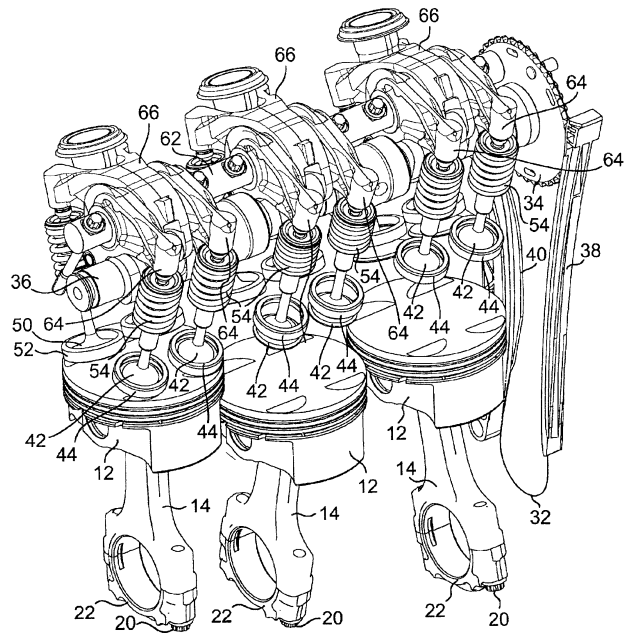
DECONSTRUCTED

IRWIN IP

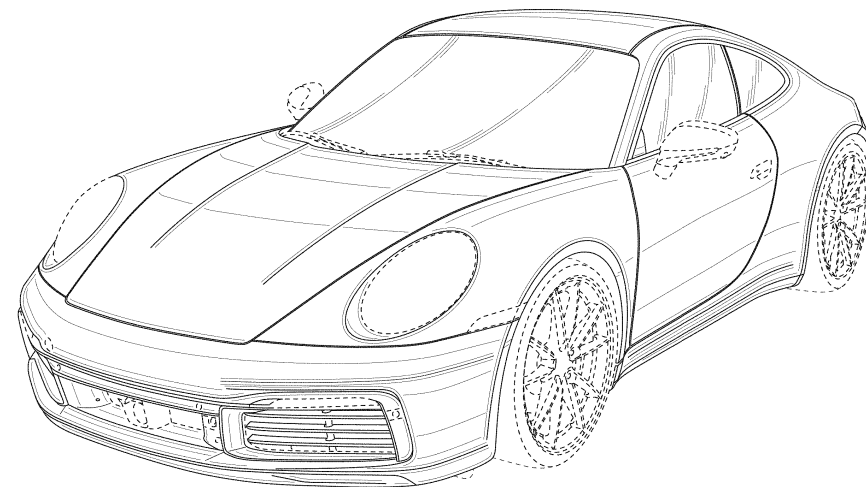
INTELLECTUAL PROPERTY LITIGATION

TWO TYPES OF PATENTS

UTILITY PATENTS
Cover How Things Work



DESIGN PATENTS
Cover How Things Look



MANY JURISDICTIONS EXEMPT REPAIR PARTS FROM DESIGN PATENT INFRINGEMENT



AUTOMAKER U.S. DESIGN PATENT PRACTICES



Automakers acquire **hundreds** of design patents every year



Many cover replacement parts necessary to repair damaged vehicles

LKQ SELLS AFTERMARKET REPAIR PARTS



THE AFTERMARKET IS AS OLD AS THE AUTOMOBILE



Since the early 1900s, aftermarket sales of repair parts was the **norm**, and symbiotic with the automobile industry



In **2006**, the long-established status quo was upended when an OEM asserted design patents on repair parts



LKQ entered into **license agreements**

120 J. C. WHITNEY & CO. • 1917-19 Archer Ave. • Chicago 16, Ill.

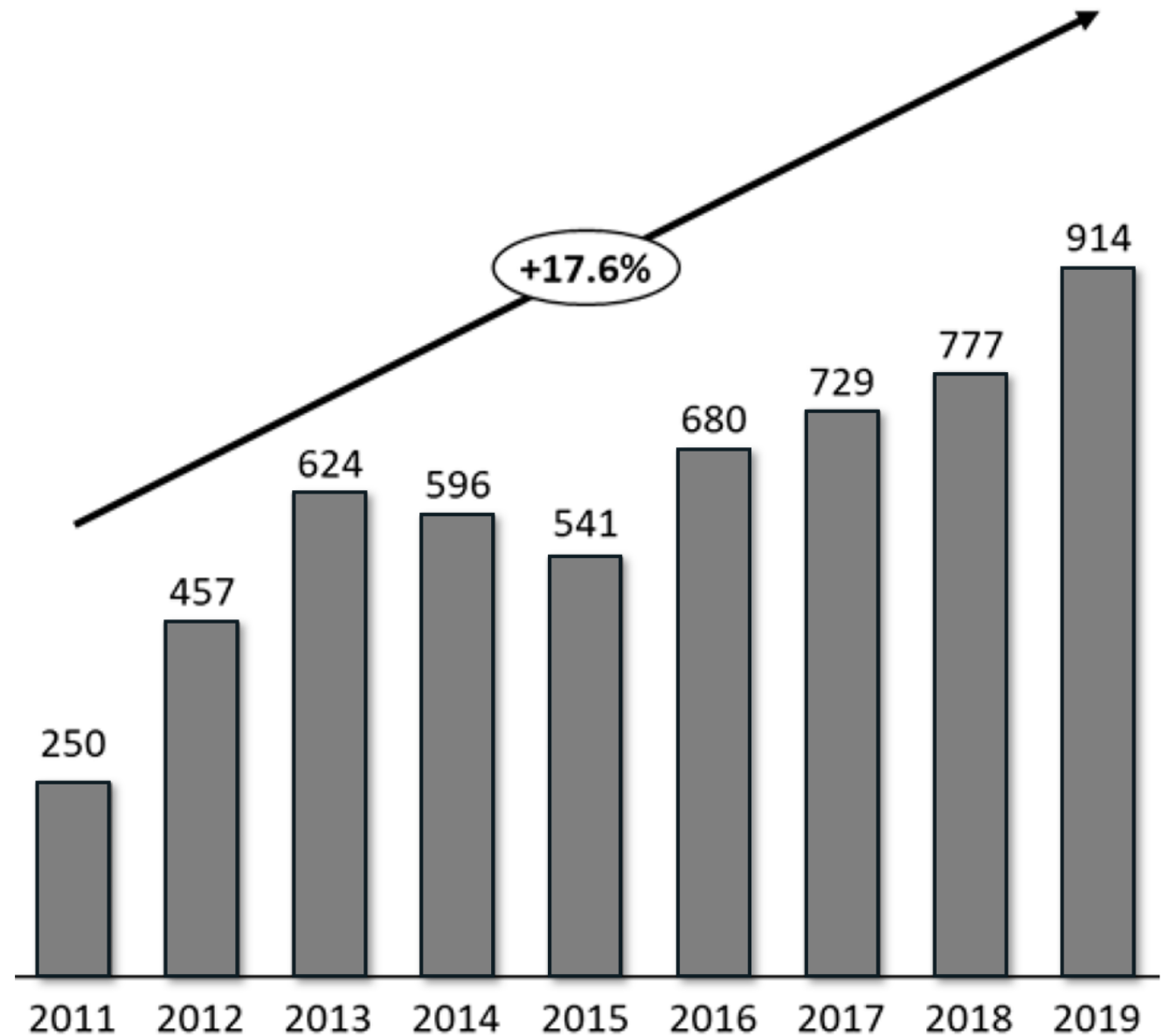
New Replacement GRILLES FOR ALL CARS

ATTRACTIVE NEW REPLACEMENT GRILLES THAT WILL DRESS UP THE CAR. ALL GRILLES WILL FIT PERFECTLY LIKE THE ORIGINAL EQUIPMENT.

Abbreviation Explanation: Ch. = Chrome; Pa. = Painted; Po. = Painted.

Year	Position	Pct.	Type	Stk. No.	Price	Year	Position	Pct.	Type	Stk. No.	Price	Year	Position	Pct.	Type	Stk. No.	Price									
BUICK																										
1949	R&L sides	2	Steel-Ch.	70200	\$20.95	CHEVROLET—Continued												FORD—Continued								
1949	Top Mdg.	1	Cast-Po.	70240	20.95	1949	Grille	Assembled				1950	Complete	11	Steel-Ch.	70400	48.50	1950	Complete	8	Steel-Ch.	70419	27.95			
1950	Grille, Spec.	1	Steel-Ch.	70242	20.50	1950	Grille	Complete	11	Steel-Ch.	70400	48.50	1950	Grille, Right	1	Steel-Ch.	70454	11.95	1950	Grille, Left	1	Steel-Ch.	70455	11.95		
1951	Grille, Super & Retainr.	1	Steel-Ch.	70243	20.50	1951	Grille	Assembled	8	Cast-Ch.	70401	48.50	1951	Grille, Center Clo.	1	Steel-Ch.	70456	9.8	1950	Complete	3	Steel-Ch.	70457	23.95		
1952	Grille, Spec.	1	Steel-Ch.	70244	20.50	1951	Grille	Assembled	8	Cast-Ch.	70401	48.50	1951	Grille, Right	1	Steel-Ch.	70458	11.95	1951	Grille, Left	1	Steel-Ch.	70459	11.95		
1952	Grille, Super & Retainr.	1	Steel-Ch.	70245	20.50	1951	Grille	Complete	9	Steel-Ch.	70402	43.95	1951	Grille, Center Clo.	1	Steel-Ch.	70460	9.8	1951	Grille, Right	1	Steel-Ch.	70461	11.95		
51-52	Top Mdg. Special	2	Cast-Po.	70406	20.50	1951	Grille	Complete	9	Steel-Ch.	70403	43.95	1951	Grille, Left	1	Steel-Ch.	70462	11.95	1951	Grille, Center Clo.	1	Steel-Ch.	70463	9.8		
1954	R&L sides	2	Cast-Po.	70407	26.50	1951	Grille	Complete	14	Steel-Ch.	70408	48.50	1951	Grille	Complete	14	Steel-Ch.	70438	67.50	1951	Grille	Complete	14	Steel-Ch.	70439	67.50
1955	Grille, Super & Retainr.	1	Cast-Ch.	70412	29.50	1951	Grille	Complete	10	Steel-Ch.	70439	49.95	1951	Grille	Complete	10	Steel-Ch.	70410	19.95	1951	Grille	Complete	10	Steel-Ch.	70411	19.95
1955	Grille, Spec.	1	Cast-Ch.	70408	39.95	1955	Lower Mdg.	1	Steel-Ch.	70412	4.75	1955	Lower Mdg.	1	Steel-Ch.	70412	4.75	1955	Lower Mdg.	1	Steel-Ch.	70412	4.75			
1955	Grille, Spec. & Century	1	Cast-Ch.	70409	37.95	1954	Grille	Complete	7	Steel-Ch.	70447	33.95	1954	Grille	Complete	7	Steel-Ch.	70447	33.95	1954	Grille	Complete	7	Steel-Ch.	70447	33.95
CHEVROLET																										
1938	Sides & Center	3	Steel-Ch.	70025	11.95	CHEVROLET TRUCK												OLDSMOBILE								
1941	Grille	1	Steel-Ch.	70028	13.95	41-47	Lower	1	Steel-Ch.	70042	54.75	PLYMOUTH														
1941	Center	1	Cast-Po.	70046	3.75	FORD																				
47-48	Grille	1	Steel-Ch.	70038	8.95	1938	R&L sides	Standard	2	Steel-Po.	70001	8.95	48-49	Top Bar	VS	Cast-Po.	70284	18.95								
47-48	Grille-Right	1	Steel-Ch.	70039	8.95	1938	R&L sides	Standard	2	Steel-Po.	70001	8.95	48-49	Lower Bar	VS	Cast-Po.	70285	18.95								
47-48	Grille-Left	1	Steel-Ch.	70040	8.95	1939	R&L sides	Standard	2	Steel-Po.	70037	8.95	49-50	Top Bar	VS	Cast-Po.	70284	18.95								
47-48	T-Bar	1	Steel-Ch.	70041	4.75	1941	Center	1	Steel-Ch.	70091	9.50	49-50	Lower Bar	VS	Cast-Po.	70285	18.95									
47-48	Top Mdg.	1	Cast-Po.	70037	9.50	1941	R&L sides	2	Steel-Ch.	70092	3.75	49-50	Lower Bar	VS	Cast-Po.	70286	18.95									
STAMPED STEEL CHROME PLATED GRILLE PARTS & MOULDINGS																										
For Assembled Complete Grilles for 49-55 Ford and 51-52 Plymouth —See Listing Above—						FOR 1950 FORD V8 AND 6 CYL.						FOR 1951 FORD V8 AND 6 CYL.						FOR 1952 FORD V8 AND 6 CYL.								
<p>(A) Emblem 70221 \$2.50</p> <p>(B) Ring 70220 4.50</p> <p>(C) Right Bar 70217 4.75</p> <p>(D) Left Bar 70218 4.75</p> <p>(E) Right Upper 70209 3.95</p> <p>(F) Left Upper 70210 3.95</p> <p>(G) Center Moulding 70219 1.95</p> <p>(H) Right Extension 70222 7.50</p> <p>(I) Left Extension 70223 7.50</p>						<p>(A) Emblem 70221 \$2.50</p> <p>(B) Ring 70220 4.50</p> <p>(C) Right Bar 70217 4.75</p> <p>(D) Left Bar 70218 4.75</p> <p>(E) Right Upper 70209 3.95</p> <p>(F) Left Upper 70210 3.95</p> <p>(G) Center Moulding 70219 1.95</p> <p>(H) Right Extension 70222 7.50</p> <p>(I) Left Extension 70223 7.50</p>						<p>(A) Emblem 70221 \$2.50</p> <p>(B) Ring 70220 4.50</p> <p>(C) Right Bar 70217 4.75</p> <p>(D) Left Bar 70218 4.75</p> <p>(E) Right Upper 70209 3.95</p> <p>(F) Left Upper 70210 3.95</p> <p>(G) Center Moulding 70219 1.95</p> <p>(H) Right Extension 70222 7.50</p> <p>(I) Left Extension 70223 7.50</p>						<p>(A) Emblem 70221 \$2.50</p> <p>(B) Ring 70220 4.50</p> <p>(C) Right Bar 70217 4.75</p> <p>(D) Left Bar 70218 4.75</p> <p>(E) Right Upper 70209 3.95</p> <p>(F) Left Upper 70210 3.95</p> <p>(G) Center Moulding 70219 1.95</p> <p>(H) Right Extension 70222 7.50</p> <p>(I) Left Extension 70223 7.50</p>								
FOR 1949 FORD V8 AND 6 CYL.						FOR 1954 FORD V8 AND 6 CYL.						FOR 1955 FORD V8 AND 6 CYL.						FOR 1951-52 PLYMOUTH								
<p>(A) Emblem 70221 \$2.50</p> <p>(B) Ring 70219 4.50</p> <p>(C) Right Bar 70215 5.50</p> <p>(D) Left Bar 70216 5.50</p> <p>(E) Right Upper 70211 3.95</p> <p>(F) Left Upper 70212 3.95</p> <p>(G) Center Moulding 70210 1.95</p>						<p>(A) Emblem 70425 \$5.05</p> <p>(B) Lower Bar 70426 7.75</p> <p>(C) Right Bar 70427 5.95</p> <p>(D) Left Bar 70428 5.95</p> <p>(E) Right Extension 70429 2.75</p> <p>(F) Left Extension 70430 2.75</p> <p>(G) Upper Moulding 70431 3.75</p> <p>(H) Right Moulding 70432 4.0</p> <p>(I) Left Moulding 70433 4.0</p> <p>(J) Right Parking 70434 4.75</p> <p>(K) Left Parking 70435 4.75</p> <p>(L) Light Housing 70436 4.75</p>						<p>(A) Emblem 70436 \$4.50</p> <p>(B) Right Bar 70437 8.10</p> <p>(C) Center Moulding 70438 1.25</p> <p>(D) Right Moulding 70439 2.45</p> <p>(E) Left Moulding 70440 2.45</p> <p>(F) Right Parking 70441 3.75</p> <p>(G) Right Parking 70442 6.95</p> <p>(H) Left Parking 70443 6.95</p> <p>(I) Light Housing 70444 6.95</p>						<p>(A) Ring and Emblem 70376 \$8.45</p> <p>(B) Right Bar 70379 8.95</p> <p>(C) Left Bar 70380 8.95</p> <p>(D) Right Upper 70381 3.25</p> <p>(E) Left Upper 70382 3.25</p> <p>(F) Center Moulding 70383 1.95</p>								

AUTOMAKER DESIGN PATENT ACQUISITION TRENDS

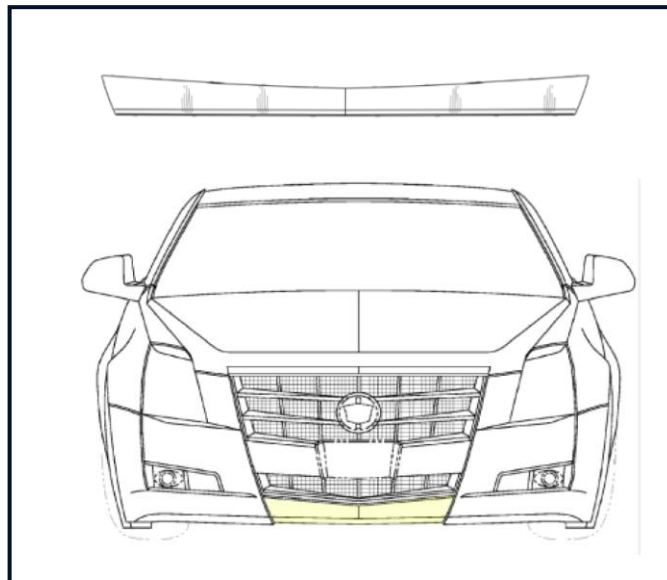




2019 LICENSE RENEWAL NEGOTIATIONS WITH GM BROKE DOWN

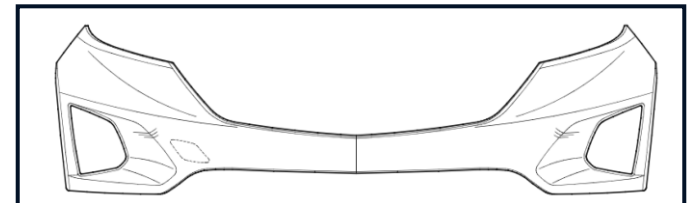
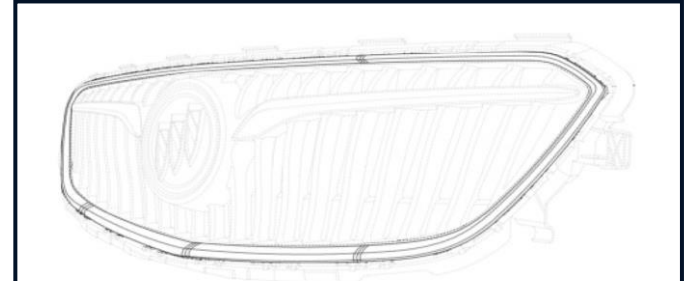
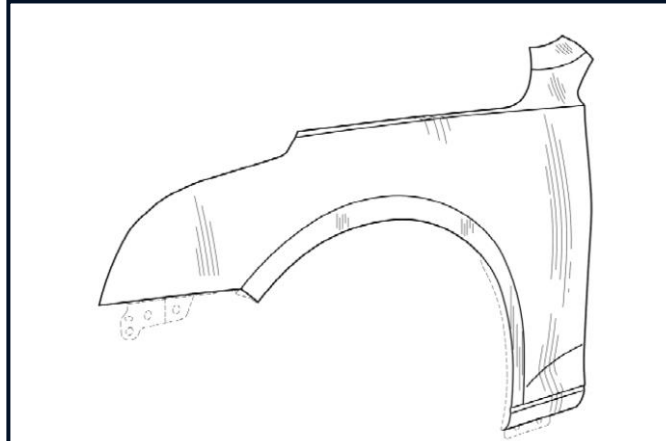
SUSPECT GM PATENTS

Many of GM's design patents claimed designs that seemed to be **strikingly similar** to preexisting designs



LKQ BROUGHT A SERIES OF PTAB CHALLENGES

- PTAB institutes “trials” if it believes a challenger is likely to succeed
- Even obtaining institution was difficult
- Pictured to the right are three challenges **not** instituted



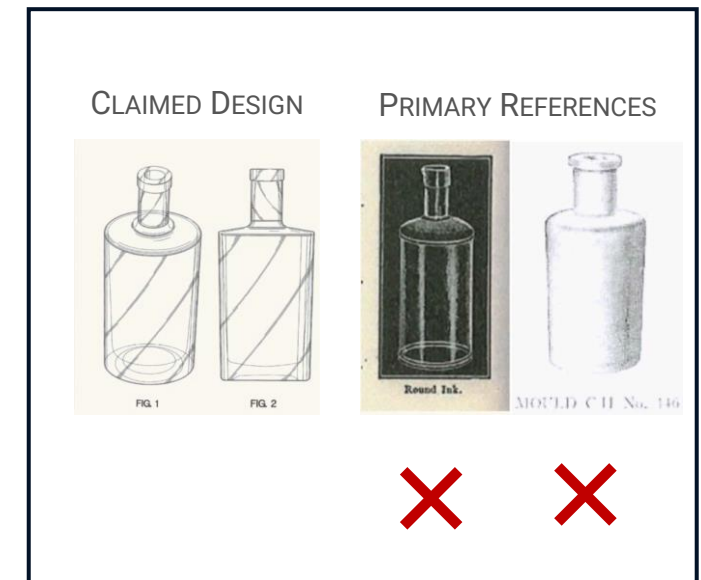
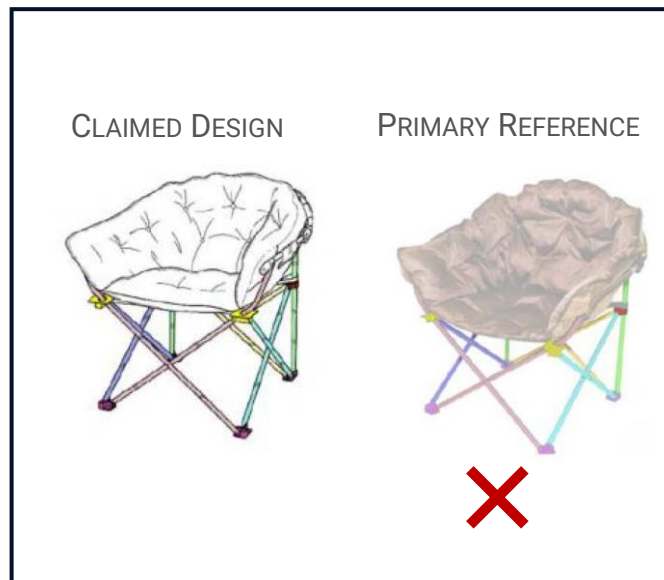
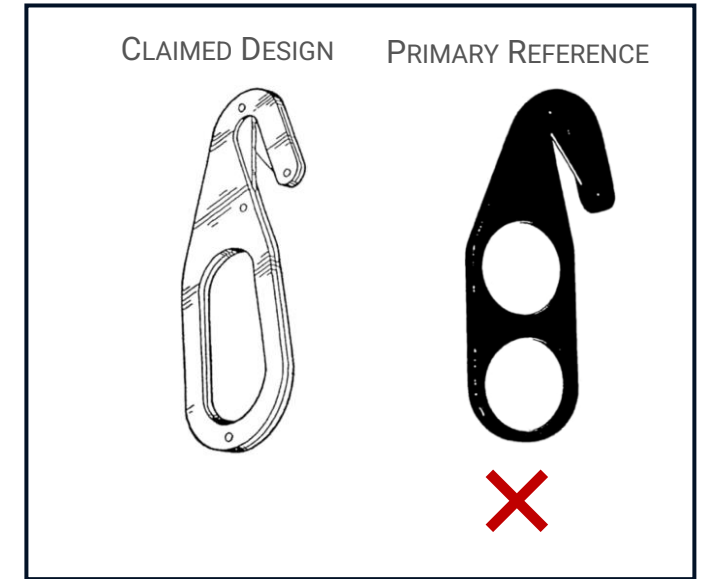
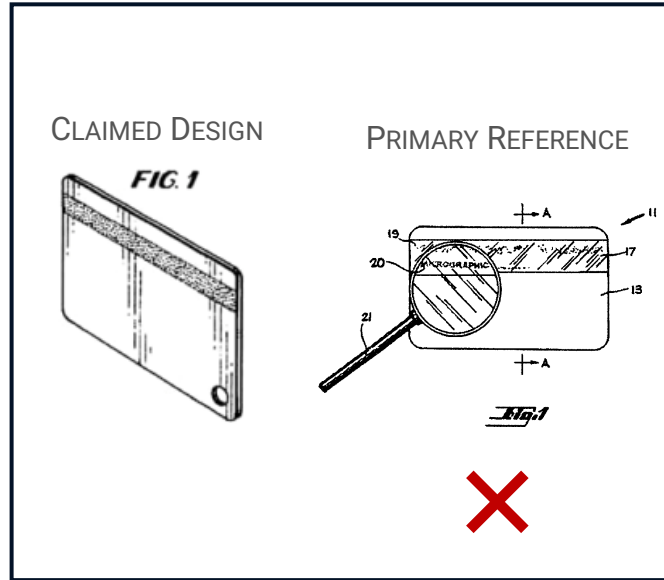
THE PROBLEM WAS THE LAW

- To establish obviousness under *Rosen-Durling*, the challenger must:
 - Establish that “there is a **single reference** that creates ‘**basically the same**’ visual impression.” (i.e. a “*Rosen* reference”)
 - *Rosen* reference can only be modified with a secondary reference that is “**so related** [to the primary reference] **that the appearance of certain ornamental features in one would suggest [their] application ... to the other.**”

Durling v. Spectrum Furniture Corp., 101 F.3d 100, 103 (Fed. Cir. 1996) (cleaned up).

RIGID RULES LED TO SUSPECT DECISIONS

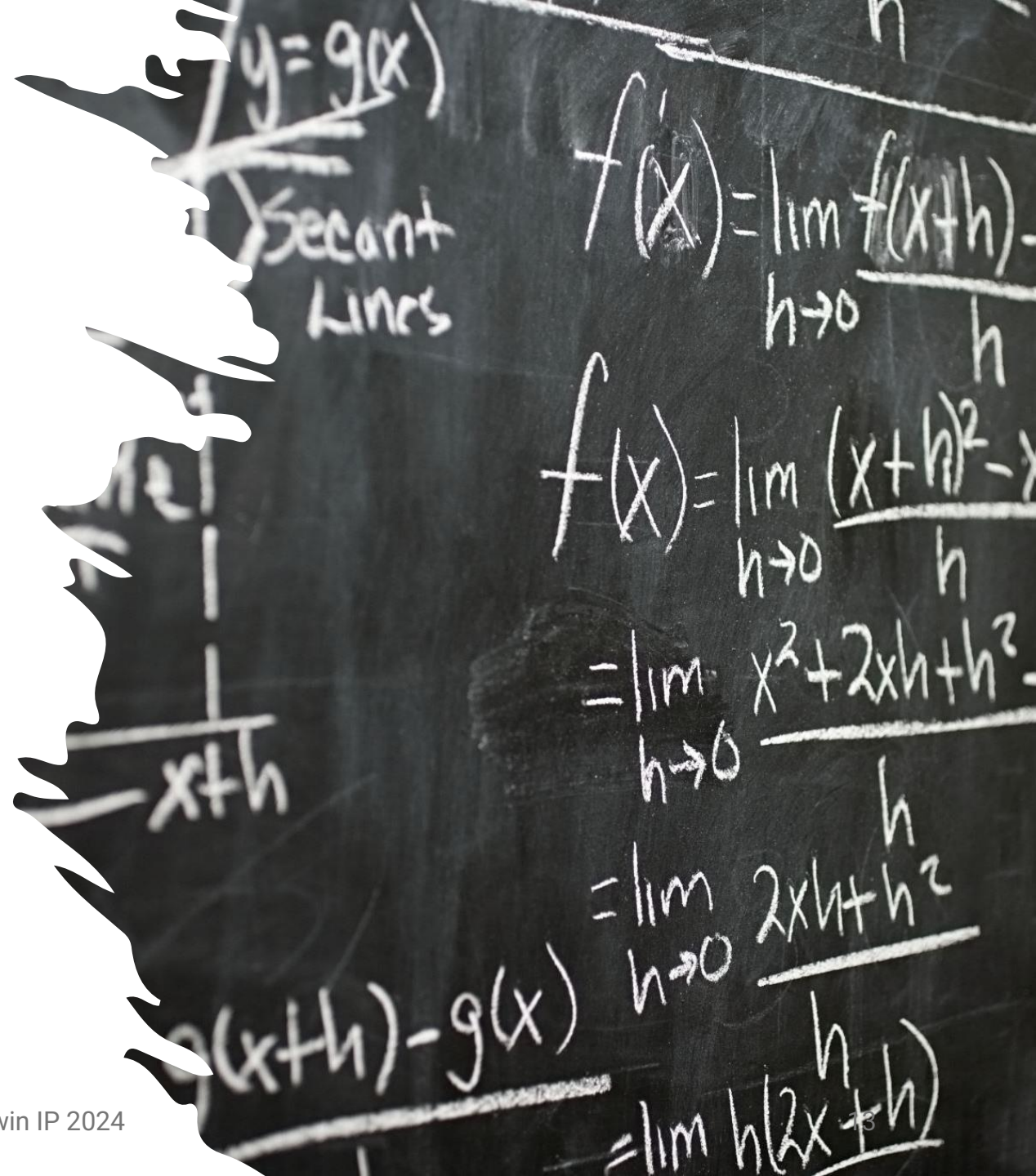
In other cases, courts and the PTAB upheld claimed designs that seemed **strikingly similar** to the asserted prior art



KSR PROHIBITED RIGID RULES IN EVALUATING OBVIOUSNESS

Rules may be “helpful insights”, but “need not become rigid and mandatory formulas; and when [they are] so applied, [they are] incompatible with our precedents.”

...



THE *ROSEN-
DURLING* TEST
IS UNLAWFUL

Vague

Rigid

**Results deviate from
what an **ordinary
designer** would have
found **obvious****

UNDER ROSEN-DURLING FEW APPLICATIONS RECEIVE REJECTIONS

DENNIS CROUCH (2010)

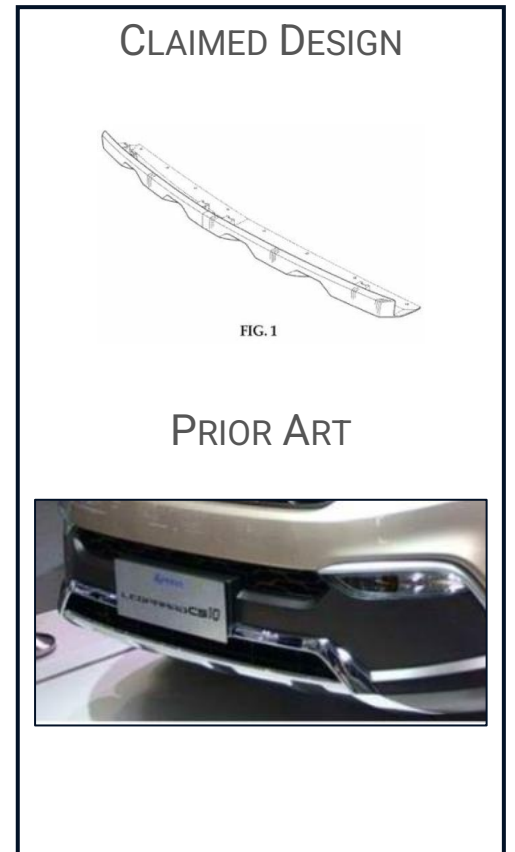
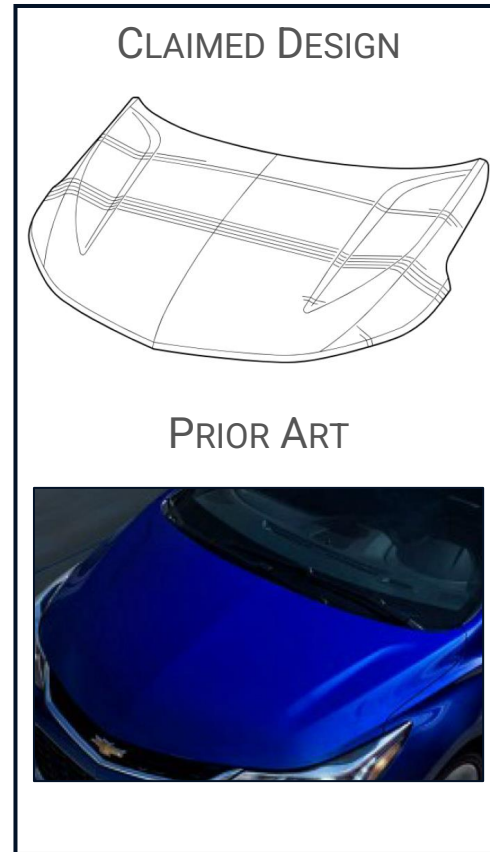
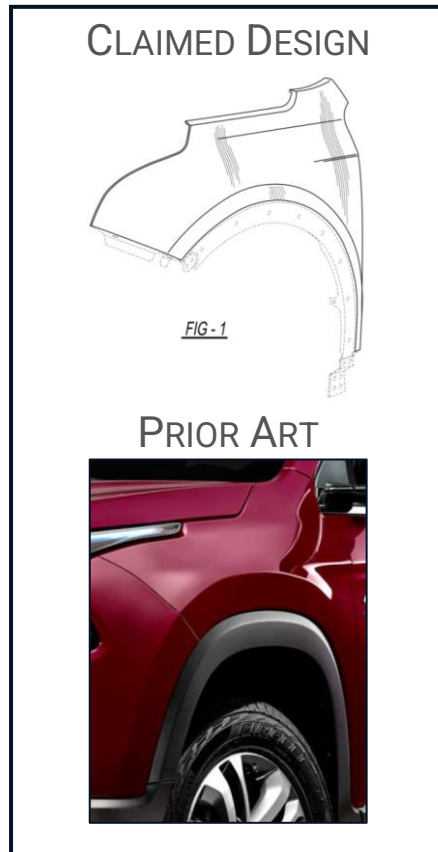
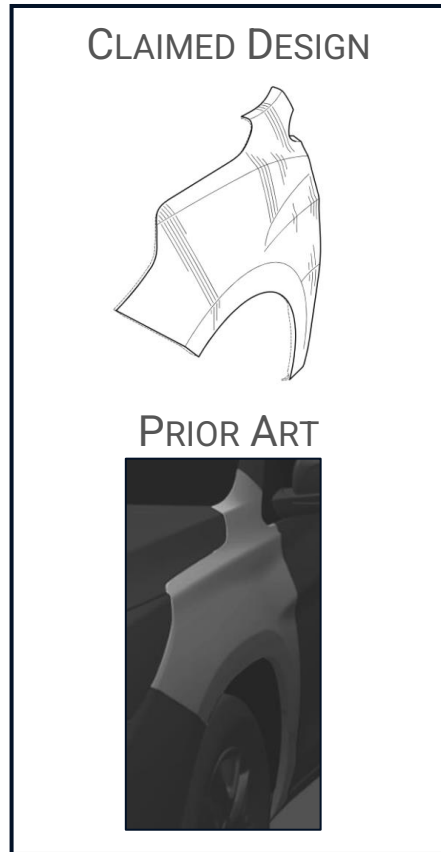
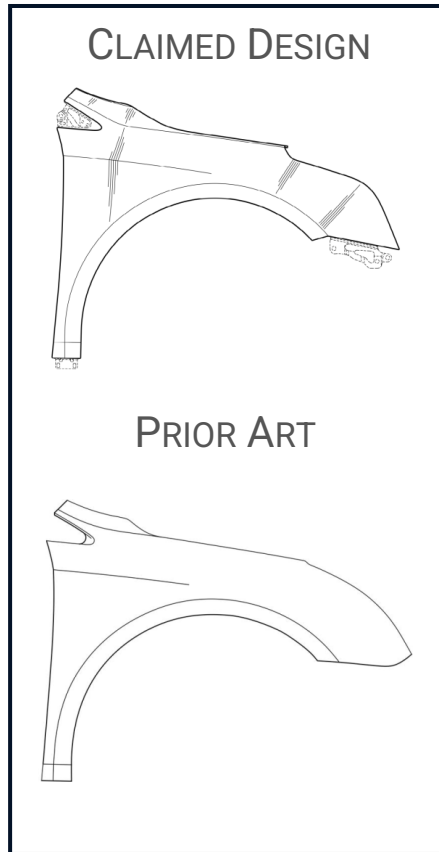
90+% allowance rate for design patents can be contrasted with the reported 44% allowance rate for utility patent applications.⁹³

The high-allowance rate appears to be primarily triggered by the USPTO's *sub silento* abdication of its gatekeeper function in the realm of design patents.

SARAH BURSTEIN (2018)

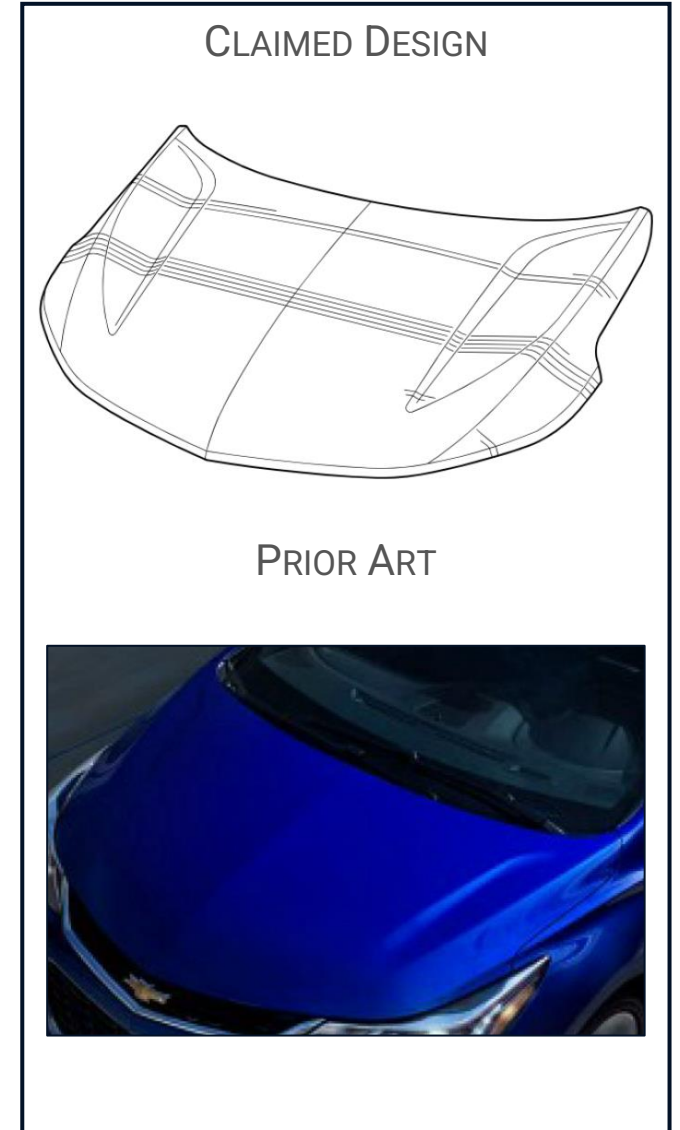
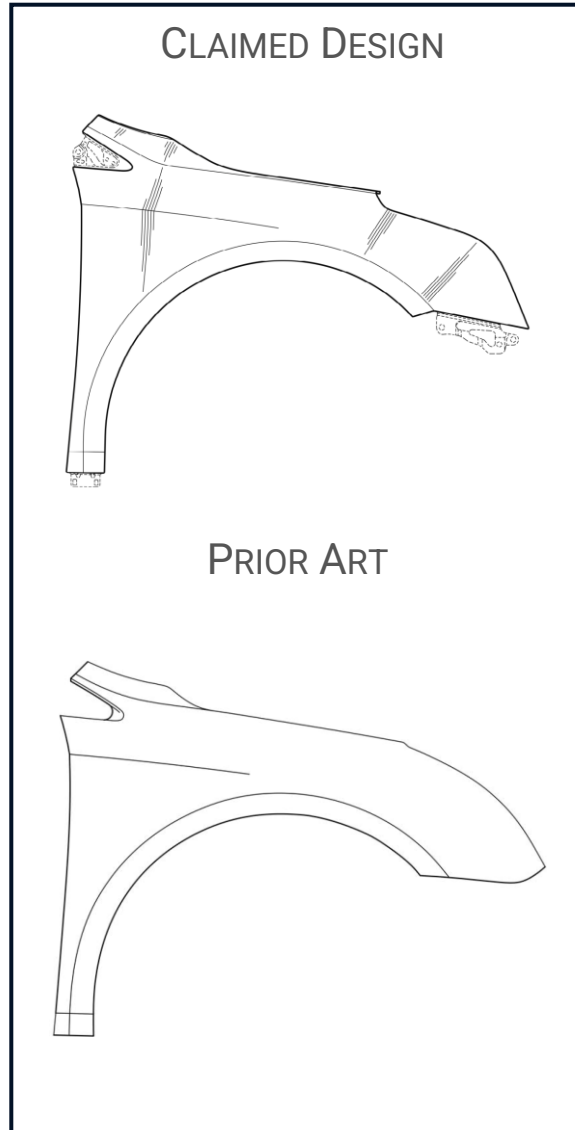
current Federal Circuit law makes it nearly impossible for the USPTO to reject most design patent claims—no matter how banal, trivial, or uncreative. This, not some “*sub silento* abdication of its gatekeeper function,” would seem to be the most likely explanation for the USPTO’s high design patent allowance rate.

FIVE OF EIGHTEEN CHALLENGES INSTITUTED



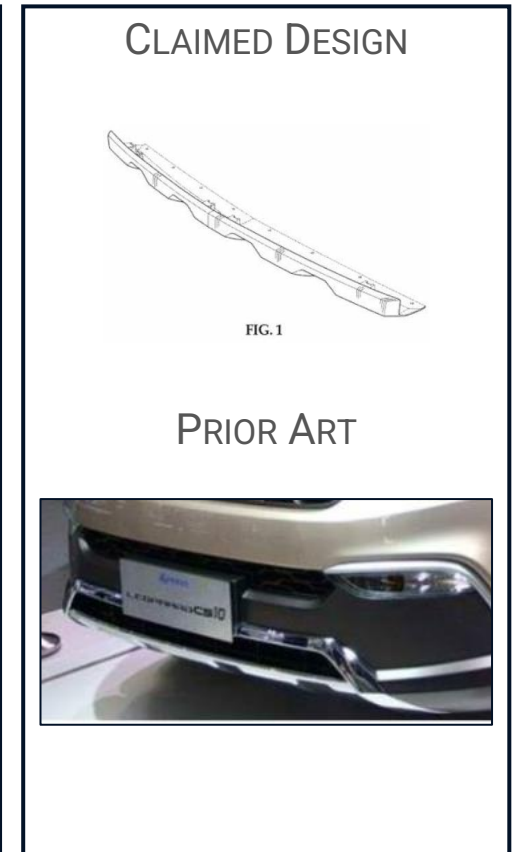
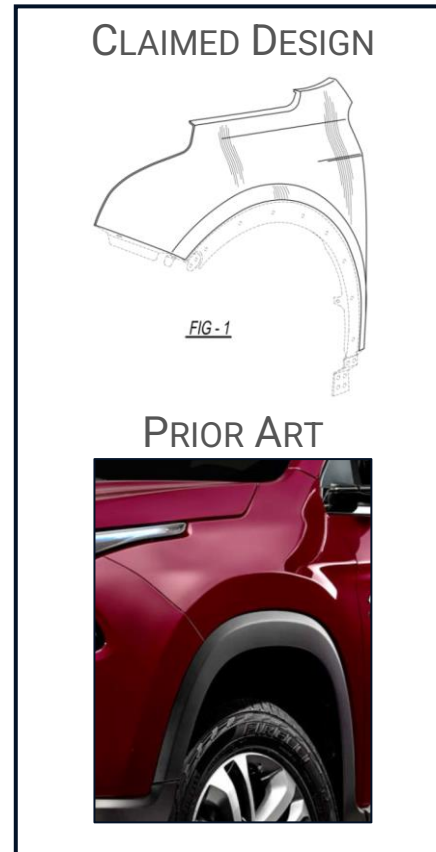
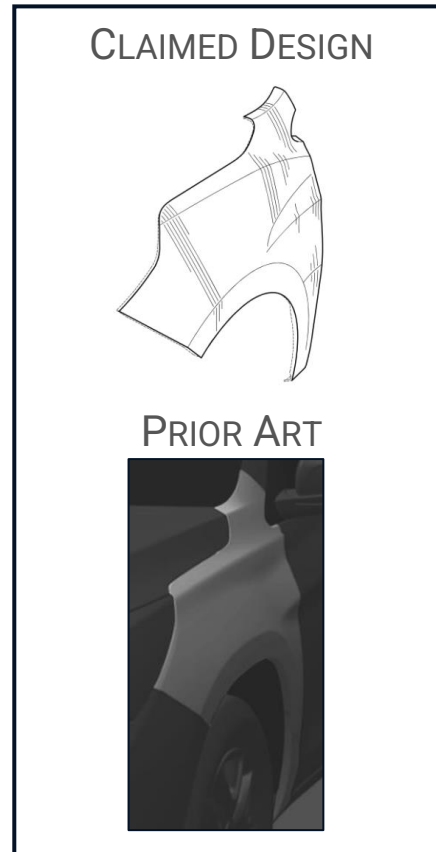
LKQ WON 2
CHALLENGES

GM DID NOT
APPEAL

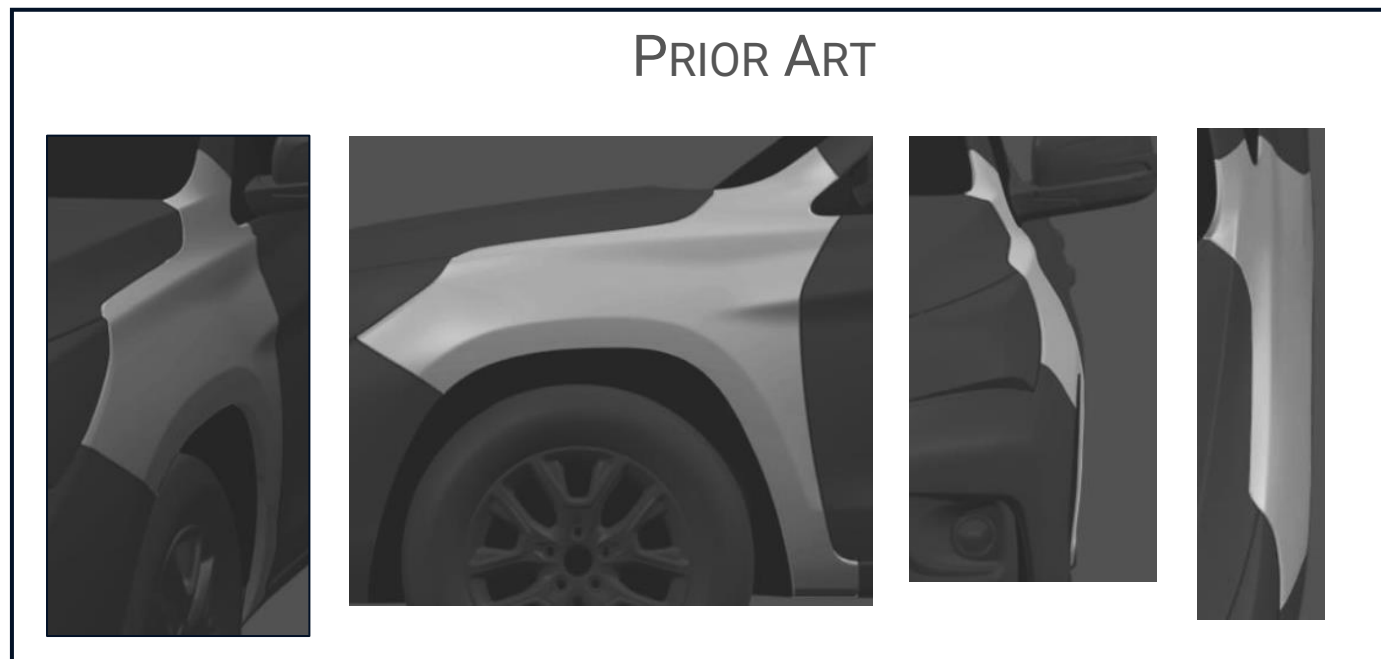
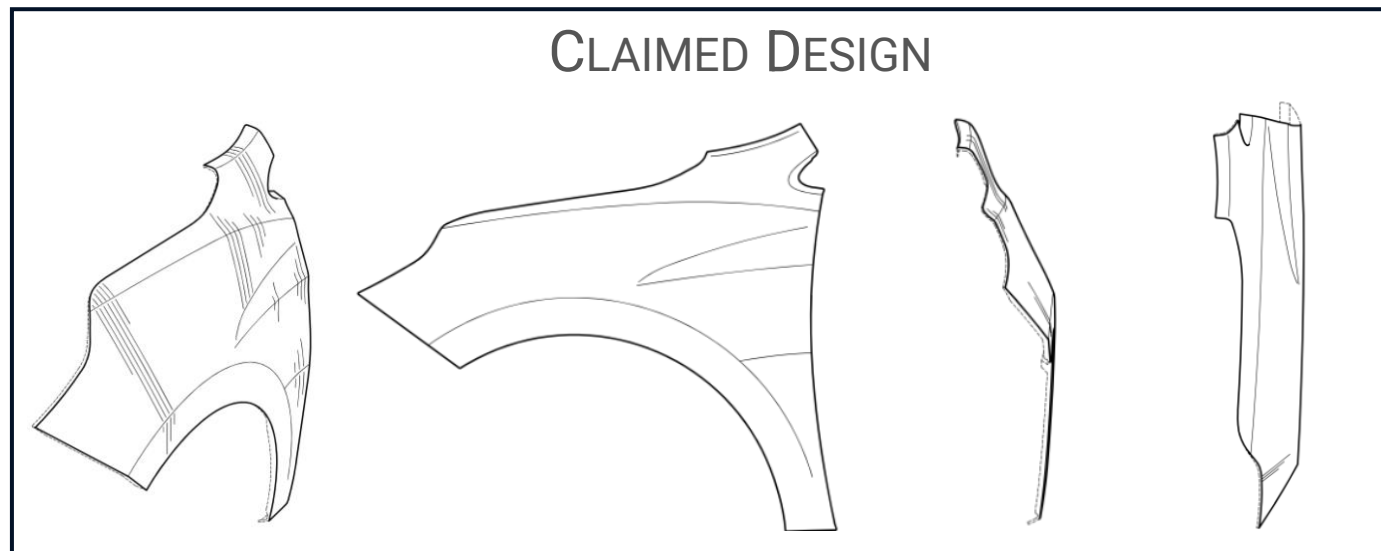


LKQ LOST 3 CHALLENGES

LKQ APPEALED 2



LEAD CASE '625 PATENT



PTAB DECISION ON '625 PATENT

Instituted because Lian was reasonably likely to anticipate and render obvious

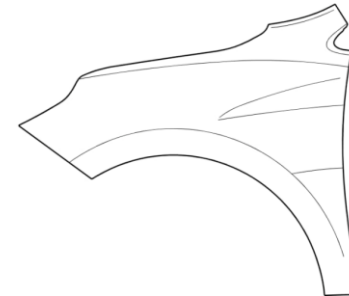
In Final Written Decision, denied in part for

- Failure to identify a *Rosen* reference

Refused to look at the secondary reference

Undisputed evidence that secondary disclosed every feature allegedly missing from the primary reference

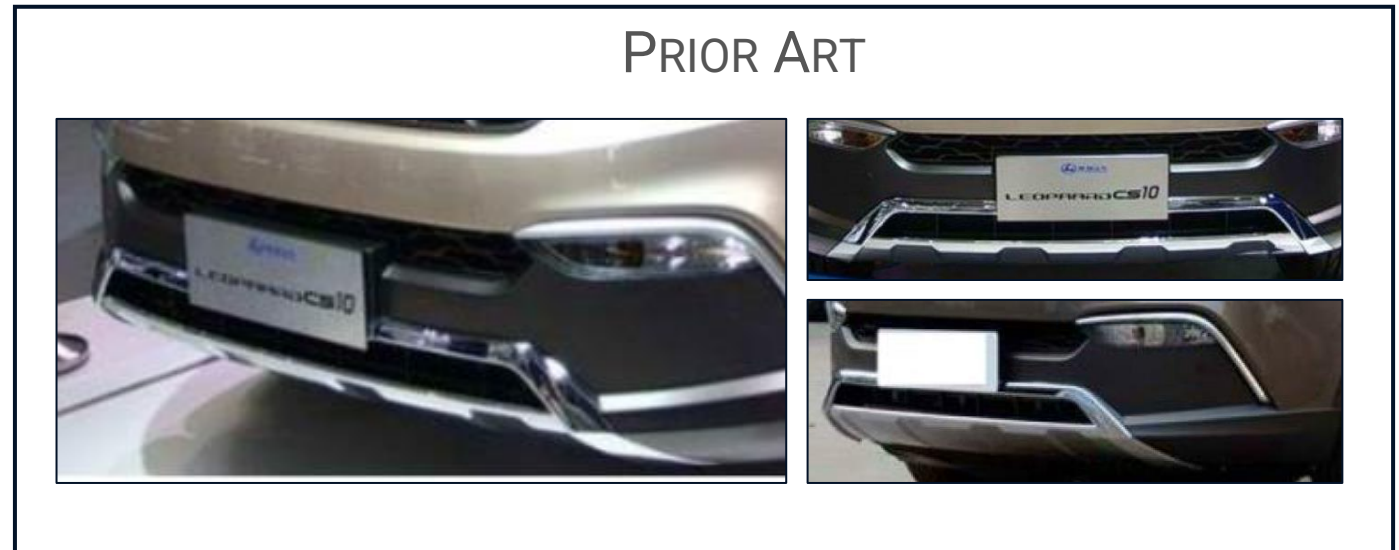
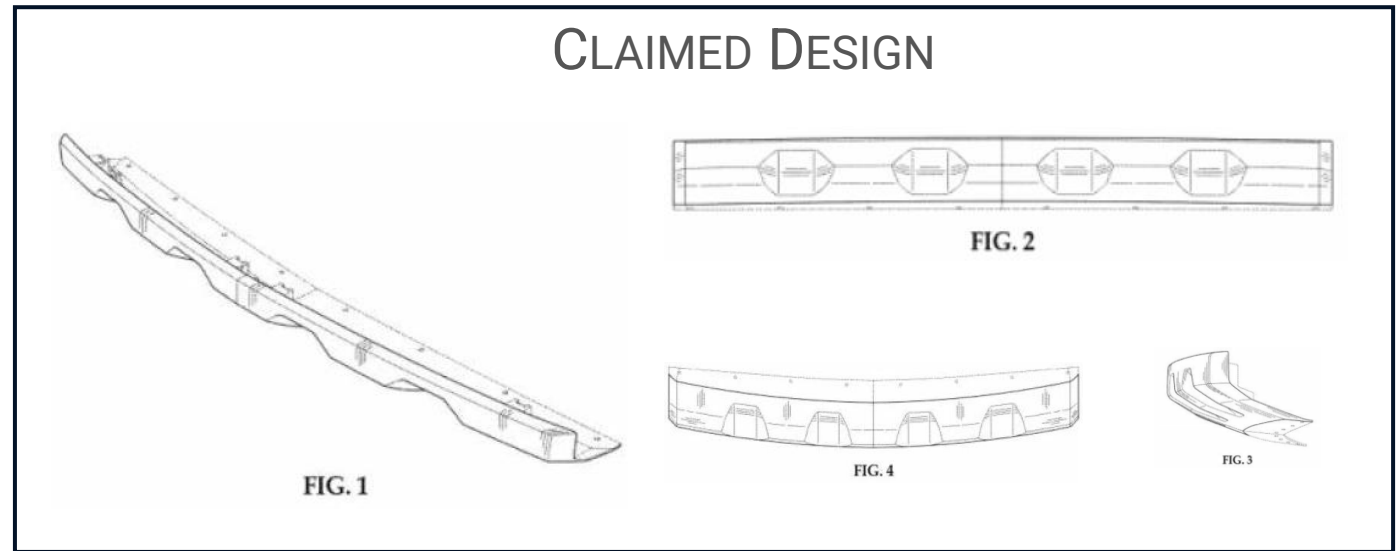
CLAIMED DESIGN



PRIMARY REFERENCE



SECOND CASE '508 PATENT

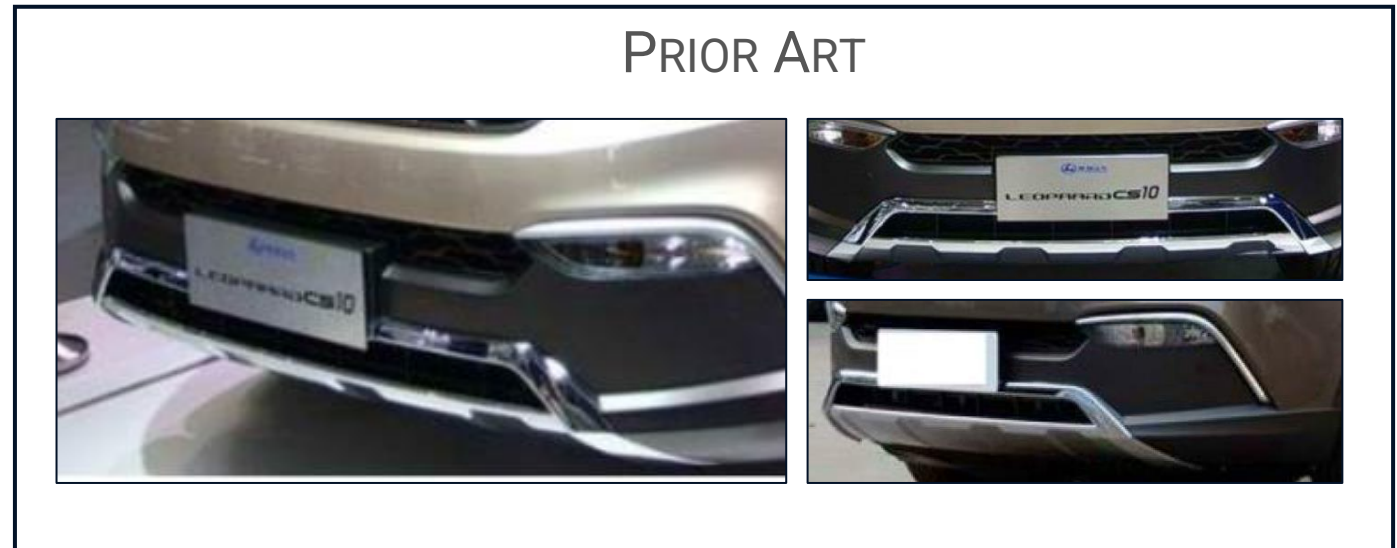
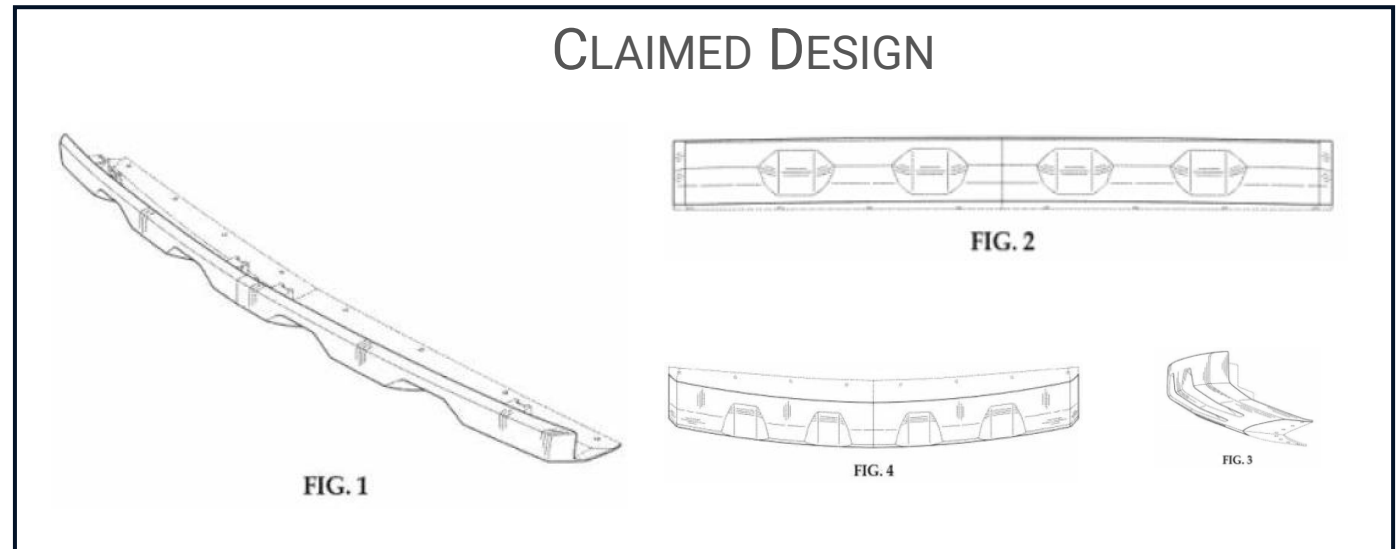


PTAB DECISION ON '508 PATENT

Institution granted because the alleged differences appeared insignificant or inconsequential

In Final Written Decision, denied for:

- Failure to identify a *Rosen* reference
- Photos supposedly not clear enough to compare rear edge



ARGUMENTS ON APPEAL

Anticipation:

- **The Board focused on minute differences rather than the design as a whole**

Obviousness

- ***Rosen* reference requirement inconsistent with *KSR***
- **Prior art was sufficiently similar**
- ***Durling* restrictions on modifying the primary reference inconsistent with *KSR***

PANEL DECISION

JUDGE CLEVINGER

JUDGE LOURIE

JUDGE STARK

JUDGES RECOGNIZED ROSEN'S RIGIDITY

"[I]f you don't have the *Rosen* reference, we don't look at the prior art. How could you have a more rigid rule for design patent 103 analysis?"

J. Clevenger

"A strong case can be made that the step one *Rosen* reference requirement is precisely the type of limiting, rigid rule *KSR* faulted: if a design patent challenger fails to identify a *Rosen* reference, the obviousness analysis stops."

J. Stark (Concurrence)

GRANT OF EN BANC REVIEW

United States Court of Appeals for the Federal Circuit

LKQ CORPORATION, KEYSTONE AUTOMOTIVE
INDUSTRIES, INC.,
Appellants

v.

GM GLOBAL TECHNOLOGY OPERATIONS LLC,
Appellee

2021-2348

Appeal from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in No. IPR2020-
00534.

ON PETITION FOR REHEARING EN BANC

BARRY IRWIN, Irwin IP LLP, Chicago, IL, filed a peti-
tion for panel rehearing and rehearing en banc for appel-
lants. Also represented by ANDREW HIMEBAUGH, IFTEKHAR
ZAIM, Chicago, IL; MARK A. LEMLEY, MARK P
MCKENNA, Lex Lumina PLLC, New York, NY.

ISSUES HEARD EN BANC



Should *Rosen-Durling* be eliminated as abrogated by or inconsistent with *KSR*?



If *Rosen-Durling* were eliminated or modified, what should the test be?



Has any precedent clarified *Rosen-Durling*?

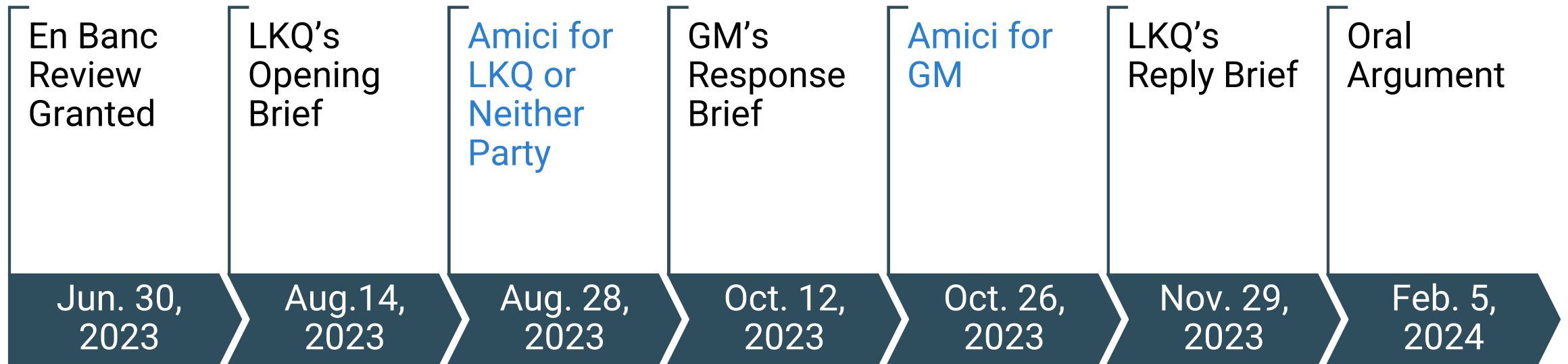


Would eliminating or modifying *Rosen-Durling* cause uncertainty in a settled area of law?



What role should any differences between utility and design patents play?

EN BANC TIMELINE



AMICI BRIEFS

LKQ's Amici

- APCIA-NAMIC-CAPA
- Auto Care Assoc.
- Auto Body Parts Assoc.
- Eagle Eyes
- Taiwan Body Parts Assoc.
- Patent Law Professors, the Repair Assoc., Securepairs, iFixit, & US PIRG

Amici "Supporting Neither Party"

- United States
- NYIPLA
- AIPLA
- Institute for Design & Public Policy (Saidman)

GM's Amici

- Hyundai / Kia
- Alliance for Automotive Innovation & Rivian Automotive, Inc.
- Industrial Designers Society of America
- Ford Motor Co.
- Apple Inc.
- Int'l Trademark Assoc.
- Intellectual Property Owners Assoc.

AMICUS BRIEF FOR THE UNITED STATES

“[T]here is no reason that *KSR*’s discussion of the expansive and flexible principles undergirding the obviousness inquiry should not be equally applicable in the design patent context.”

“If a design would be obvious only when the overall appearance of the prior art is nearly identical to the claimed design, there is a risk of overrunning the marketplace with otherwise-obvious designs, thwarting legitimate competition.”

“The Court should also eliminate *Durling*’s “so-related” requirement in order to allow the decisionmaker to take into account the ordinarily skilled designer’s experience, creativity, and common sense, when considering combinations involving the base reference.”