

Design Patent Schedule A? More Like Schedule Nay.

Floatsup, LLC v. The Partnerships and Unincorporated Associations identified in Schedule A, No. 24-cv-06736 (N.D. Ill. November 14, 2024)

By: Reid Huefner & Daniel Zhang | Edited by: Jason Keener | November 26, 2024

“Schedule A” cases are cases particularly common in the Northern District of Illinois and are named as such because defendants are identified in a sealed “Schedule A” exhibit instead of on the body of the complaint. These Schedule A defendants often number in the hundreds per case. The intent behind Schedule A cases is often to effectuate takedowns, account freezes, and injunctive relief against anonymous alleged counterfeiters that could hide or move assets (or otherwise evade judgment) at a whim when operating various online store fronts. It is not uncommon for courts in the Northern District of Illinois to provide form templates for motions for temporary restraining orders (“TRO”), preliminary injunction, or default judgment to expedite any relief an aggrieved party may seek. As a result, motions for TRO are routinely granted as a matter of course. Such TROs, and any subsequent preliminary injunction or default judgment, allow the aggrieved party to take down products or freeze accounts on online retail platforms like Amazon. However, this week, a court in the Northern District of Illinois (“Court”) denied a Motion for TRO in a Schedule A design patent case covering drink holders.



In denying the motion for TRO, the Court found that the plaintiff failed to make a “clear showing required for a TRO,” including demonstrating (1) “the merits of the alleged infringement,” (2) “irreparable injury” and, (3) “inadequate remedy at law.” Regarding the merits of infringement, which requires a finding that “the ordinary observer would decide that the two designs are substantially the same,” the Court noted that it must “carefully exclude [] functional features from the visual comparison” and whether certain features on the design “differ from the prior art.” In other words, the asserted design patent, which covers a drink holder, does not cover all drink holders nor features that are common to all drink holders. It only covers the ornamentation of the single particular drink holder claimed in the design patent. The Court identified several differences between the accused products and the design patent, including raised-ridges and curvature, and found that “no sufficient showing on infringement has been made.”

Interestingly, the Court distinguished between design patent and trademark or copyright Schedule A cases. Unlike in counterfeit trademark or exact-copy copyright cases, the Court noted that in design patent cases, there may not be a “reasonable basis [] to infer willful infringement.” And as such, there is less reason for concern that “Defendant will destroy evidence or transfer assets.” In other words, the Court emphasized that the typical “infer[ence] of willful infringement” does not apply in design patent cases where infringement does not involve deceptive branding or identical copies.

This ruling is a previously rare, but now increasingly common, example of a court scrutinizing the evidentiary basis for a TRO in a Schedule A case. Although not uncommon for TROs to be granted immediately in design patent cases (*see e.g. Jinjiangshisiluliangpinjinchukoumaoyi v. The Entities and Individuals Identified in Annex A, No. 23-cv-04587 (N.D. Ill. August 3, 2023)*), perhaps the patent world’s increasing interest in design patent cases (*see, e.g., LKQ v. GM, 102 F.4th 1280 (Fed. Cir. 2024) (en banc)*) is causing courts to rethink the scope of the monopoly afforded by a design patent.