

IP Alert | Federal Circuit Overrules over 40 years of Design Law Precedent in Assessing Obviousness in LKQ Corporation v. GM Global Technology Operations LLC

Darrell G. Mottley and Robert S. Katz

The Federal Circuit has ruled that design patent obviousness consideration should be more aligned with Supreme Court utility patent law precedent. This new en banc opinion overturns previous U.S. Federal Circuit design patent obviousness jurisprudence held to be “too rigid” in devising a new framework having a flexible, fact-based approach used primarily for utility patents. The Federal Circuit also relied on an 1893 Supreme Court design patent opinion in *Smith v. Whitman Saddle*^[i] to further underpin the modification to this more flexible analysis for design patent obviousness.^[ii]

The *LKQ Corporation v. GM Global Technology Operations LLC*^[iii] case focuses on the standards for assessing the non-obviousness of design patents under 35 U.S.C. § 103. The design patent at issue concerns General Motors’ U.S. Design Patent No. D797,625 (“D’625 patent”), which covers the design for a vehicle’s front fender, specifically used in the 2018–2020 Chevrolet Equinox.

In the initial proceedings at the U.S. Patent and Trademark Office (“USPTO”) Patent Trials and Appeals Board (“Board”), LKQ filed a petition for inter partes review of GM’s patent, arguing that the design was unpatentable due to prior art references, namely U.S. Design Patent No. D773,340 (“Lian”) and a promotional brochure depicting the front fender design of the 2010 Hyundai Tucson.

Previous Rosen-Durling Framework and Proceedings Below

The previous framework was known as the two-part Rosen-Durling Test to assess the § 103 standard of obviousness of design patents. Step one of this test required a primary reference that is “basically the same” as the claimed design known as a Rosen reference^[iv]. If no Rosen reference is found, the obviousness inquiry ends without consideration of step two. But if there is a Rosen reference, step two proceeds where secondary references must be “so related” to the primary reference that the features of the secondary references suggest a combination with the primary reference, which was referred to as the Durling part of the test.^[v]

Under the previous framework, the Board found significant differences between Lian and the claimed design, impacting their overall visual impressions. In applying the Rosen-Durling test, the Board concluded LKQ failed to identify a proper Rosen reference, ending the obviousness inquiry at step one.

On appeal, the initial panel of the Federal Circuit that reviewed the case affirmed the Board's decision, upholding the Rosen-Durling test notwithstanding LKQ's argument asserting that *KSR v. Teleflex* required a flexible, fact-based analysis for design patents. Subsequently, the Federal Circuit granted rehearing en banc to reassess the validity and applicability of the Rosen-Durling test in light of *KSR v. Teleflex* and other precedent.

Under en banc Review – Rosen-Durling Test Overruled

The Federal Circuit overruled the Rosen-Durling test and established a new framework for evaluating the § 103 standard of obviousness of design patents, emphasizing a flexible expansive analysis generally consistent with the standards used for utility patents espoused in *Graham v. John Deere Co.*^[vi], *KSR v. Teleflex*, and the design patent “inventive faculty” analysis in *Smith v. Whitman Saddle.*^[vii]

The new flexible framework generally follows a broad four-factor approach in *Graham*. A first factor requires the assessment of the scope and content of the prior art. The Court held the assessment be based on a broad analogous art requirement thereby overruling the previous threshold of the “basically the same” Rosen reference requirement. In determining the prior art, analogous art for a design patent includes prior art from the same field of endeavor as the article of manufacture of the claimed design.

A second factor, in determining the differences between the prior art and the claimed design, the Court requires a visual comparison of the designs as a whole and not on selected individual features. Further, a third factor, in assessing the level of ordinary skill in the art, the Court considers the knowledge of a designer of ordinary skill who designs articles of the type involved in the relevant field.

The new flexible framework enables the Court to assess, a fourth factor, the motivation to combine secondary references with a primary reference without the allegedly rigid “so related” Durling requirement. The motivation to combine can come from various factors beyond the references themselves. Finally, consistent with *Graham*, secondary considerations, such as commercial success, industry praise, and copying of the design by others can be relevant indicia of non-obviousness.

Several amici and GM raised concerns about the potential for increased uncertainty and disruption in overruling *Rosen* and *Durling*. The Court acknowledged these concerns, however justified the change as necessary for consistency with Congress statutory and Supreme Court guidance in *Graham*.

The Court vacated the Board's non-obviousness determination and remanded the case for further proceedings using the newly established framework.

Concurring Opinion

Judge Lourie agreed with vacating and remanding the case to the Board but argued for modifying rather than scrapping the established framework of Rosen and Durling. His concurrence emphasized the importance of flexibility and modification, rather than discarding the core principles of these precedents. He also pointed to the analysis of the amici that had argued that the Rosen-Durling test was basically correct. The amici include the American Intellectual Property Law Association, the Institute for Design Science and Public Policy, the International Trademark Association, and the Industrial Designers Society of America.

Implications

The resolution of the questions posed in the en banc opinion *LKQ Corporation v. GM Global Technology Operations LLC* may have a substantial and far-reaching effect on the future of design patent obviousness. However, the full impact of this decision is currently unknown and increased uncertainty in the law will surely follow. While it is possible that this case may appear to be a victory for companies who make counterfeits and knockoff products, it is also likely that the impact of this decision will not be a loss as it may presently seem for the design community. The opinion seems to include language requiring more specific evidence regarding why it would have been obvious to make a combination of prior art designs. Additionally, the Court's explicit revisiting of secondary considerations of non-obviousness may be a positive development. Further, the selection of the claimed design title should continue to be an important consideration in evaluating the potential scope and content of the prior art as it is tied to the article of manufacture claimed in the design. In sum, the impact of this decision on design innovation will depend on future decisions by the courts and the adoption of new examination policies by the USPTO.

[i] *Smith et al. v. Whitman Saddle Co.*, 148 U.S. 676 (1893).

[ii] See *LKQ Corporation v. GM Global Technology Operations LLC*, slip op. 2021-2348 (May 21, 2024, Fed. Cir.) at fn. 2 (“The reasoning of *Whitman Saddle* carries over to the modern § 103 standard of obviousness.”).

[iii] See *LKQ Corporation v. GM Global Technology Operations LLC*, slip op. 2021-2348 (May 21, 2024, Fed. Cir.).

[iv] *In re Rosen*, 673 F.2d 388, 391 (CCPA 1982).

[vi] *Graham v. John Deere Co.*, 383 U.S. 1 (1966).

[vii] *Smith et al. v. Whitman Saddle Co.*, 148 U.S. 676, 679 (1893).

Posted: May 22, 2024