

Design Patents



Kirk M. Hartung
Partner
Intellectual Property Attorney

Fast Protection for Product Shapes

Design patents are often a quick and relatively inexpensive way to protect your unique product appearance. Customers and consumers recognize product shapes, and associate them with specific companies. A well-known example is the Coca-Cola bottle shape. Therefore, you don't want competitors knocking off your products by using the same or similar product designs. A cheap or poor quality copy can damage your reputation if the buyer or user cannot distinguish between the designs.

Design patent applications are usually substantially less expensive to prepare and prosecute than a utility application, and have a much higher allowance rate of about 85%. But utility patents outnumber design patents 10 to 1. According to statistics from the U.S. Patent and Trademark Office, the average pendency for a design application is 20.4 months. In comparison, a utility patent application has an average pendency of at least 30 months, and often longer.

A design patent application can cover the overall shape of a product, or a specific component shape. The application can also cover more than one embodiment, such as variations on the theme. The key to design applications are the drawings. The drawings usually show the invention from several different angles or views that an end user may see, such as front, back, each side, top and bottom. Shading may be critical in the drawings to illustrate the surface ornamentation. Features can be disclaimed or excluded from coverage by using specific drawing techniques, such as broken lines. Specific dimensions are not included in the drawings, though relative proportions are important. The drawings define the scope of protection.

A design patent gives the patent owner the right to exclude others from making, selling, or using the patented design in the United States and its territories. Thus, the design patent protects against both exports and imports from and to the United States. Product designs may also be protected in foreign countries by filing and prosecuting applications wherever protection is desired.

Like a utility patent, a design patent can be enforced against an infringer. The test for infringement, is whether "if, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing . . . purchase [of] one supposing it to be the other." This test also focuses on the ornamental features which are unique to the patented



design, as compared to the prior art. In short, does the accused product look like the novel features of the patented design? While design patents are considered to have a narrow scope of protection, they can be effective in stopping competitors who duplicate the product shape, or make substantially similar looking copies.

The beauty of design patents is the relative speed to issuance of the patent, with a high allowance rate, at a reduced cost, and a simplified infringement test, all as compared to utility patents. Design patents may deter the competition from copying your innovative designs. They are potentially valuable assets, which can be licensed or sold.

If you have questions about design patent protection, or want to protect your creative designs, call an MVS attorney, who will be ready to be part of your team, and to assist you in reaching your goals and objectives.

Thoughts on the Biden Administration



Heidi S. Nebel
Managing Partner
Chair, Biotechnology and
Chemical Practice Group

And the Patent Office

With the new administration settling in, we can expect the appointment of a new Director of the United States Patent and Trademark Office (USPTO) any day. The former Director, Andrei Iancu, was appointed by President Trump and has been heralded as a game changer in revitalizing the USPTO in the face of decreasing international preeminence. Most believe that Director Iancu has changed the dialogue surrounding patents, and restored balance and confidence in the U.S. patent system.

Under Iancu's leadership, the USPTO has made several changes to the operations of the Patent Trial and Appeal Board (PTAB) that addressed some consequences of the America Invents Act (AIA) and implementation of guidelines that help prevent an overbroad interpretation of recent decisions under 35 U.S.C. § 101 limiting patent eligible subject matter.

The recent changes at the PTAB harmonize the standards used in PTAB trials with those used in patent infringement trials in federal district courts. Given that Congress intended PTAB trials to be a cost-effective alternative to district court litigation, it seems a logical change. One which ensures a consistent application of standards between court proceedings and PTAB proceedings.

Adopted regulations require the PTAB to interpret issued patent claims according to their ordinary meaning, as understood by a person of "ordinary skill in the art", rather than their "broadest reasonable interpretation". This

predictably ensures that more claims will survive review. The alternative which had been the practice was an administrative agency reviewing a claim in a way that will broaden the application of prior art and result in a more claim invalidation than one would receive in federal court. Different outcomes over the same art was certainly not anticipated or valuable to patent holders. This change is critical given the almost nonexistent chance to revise claims once a PTAB proceeding has been initiated. Amending claims to preserve validity is a mainstay of the EPO system with its opposition proceedings. Other changes at the US PTAB include assigning the burden of proof of invalidity on the patent challenger.

Director Iancu has also brought a much-needed administrative regularity with his efforts on guidelines for the application and interpretation of recent Supreme Court decisions on patent eligible subject matter, 35 U.S.C. § 101. Recent decisions such as *Myriad* and *Prometheus* have put the United States at odds with the rest of the world in patent eligible inventions and these decisions have led to a decrease in investment in biotechnology and perceived value of US patents. They have also led to the increasingly popular view of other countries and patent offices (such as the EPO, for instance) as leaders in intellectual property and the perceived strength of their patent systems.

The recently announced Biden transition team for the Department of Commerce is headed by a familiar face, Colleen Chien who served in the Obama White House from 2013 to 2015, as Senior Advisor on Intellectual Property and Innovation. She is known for her research and publications on domestic and international patent law and policy issues.

Whether the current administration will return to the Obama era of declining respect for our USPTO and increasing unpredictability, remains to be seen, as one of her first duties will be to recommend a new Director of the USPTO. One with very large shoes to fill.

Patent Ownership



Luke T. Mohrhauser
Partner
Intellectual Property Attorney
Chair, Mechanical-Electrical
Practice Group

Assignments

It is important to parse out ownership in intellectual property, as the owner(s) will control the rights of the IP. This includes, but is not limited to, control over use, enforcement of rights, and transferability of the IP rights. The different types of IP have different laws and other rules indicating how ownership vests in creators and/or employers, patents included. In short, absent any agreement indicating how ownership of present or future inventions is to be handled, ownership of the patent rights, including at application and issuance, ownership vests in the inventors themselves. However, while this is a topic that has many nuances in and of itself, the present article will focus on ownership interests by an inventor's employer



and the assignment of rights to the employer by an inventor/employee, and will include some tips and tricks for both parties to make sure that ownership rights are clear to all parties.

First, a few disclaimers. One, it should be appreciated that assignments are a contract between parties in which one party is transferring rights to another. While patents are covered by federal statutes/laws, contracts are generally covered by state laws. Thus, there is some interplay between federal and state laws, and any particular question should be handled by an attorney licensed to practice in the particular State in which the assignment is being executed. In addition, the information provided is for U.S. patents, and ownership rights for employees in countries outside the U.S. may include additional considerations, such as statutory compensation for the rights to employees' inventions.

As noted, in order for patent rights to transfer from an employee-inventor, an employer must have the employee agree to the transfer. Many employers include language in employee handbooks, policies, contracts, or otherwise noted. For example, the assignment may be spelled out as being a consideration for the continued employment of the employee, as well as other perks, such as the use of the employer's equipment to be able to work on inventions related to the employee's job duties. For example, a designer for a manufacturer may be hired to create new designs for new products. The employer provides employment, as well as potentially state of the art equipment for the development and/or testing of the designs. The employee gets to use all of this, and gets paid, while the employer is able to own any invention arising from the employment.

While having a new employee review and sign one or more documents spelling out the patent ownership and assignment provisions is ideal, updates to the documents may also require updated review and acknowledgment of the ownership/assignment provisions. These should be clearly spelled out and understood by the employees reviewing and signing.

In addition, any language addressing assignments should be made in the proper tense. For example, there can be different legal meaning for terms depending on their tense. Consider the following: "I agree to assign" vs. "I hereby assign". The former is a future tense stating that the employee agrees or promises to do something *in the future*. Thus, until the employee actually executes an assignment for a particular invention, such as with the filing of a patent application covering the same, the employee may retain ownership. If something were to happen before such execution, such as incapacitation of the employee or the employee leaving the company, the employer may be out of luck and without complete rights to the invention¹.

Instead, the better language to use in any ownership provision in a policy, handbook, employee contract, temporary contract, or other document indicating that a company is to own an invention or discovery coming from employment is the latter language, is "I hereby assign" or similar language. You will note that this language is in the present tense, affirming a present transfer of any and all rights, covering inventions even not yet invented. It has been held that such language indicates a present assignment of current and future patent rights, and a present assignment of patent rights in a future invention not yet invented by the employee divests the employee of ownership of those patent rights; once the invention is made, ownership automatically transfers to the assignee.² It is still best to get an actual assignment for each invention/patent application signed and filed with the patent application, but this will be done with knowledge that the invention has already been assigned by the employment documents.

The issue of assignment and making sure that the proper entity owns the rights to a patent application is of greater importance since the passage of the America Invents Act. This Act allows patent applications to be filed in the name of non-inventors, such as entities that have ownership rights to the subject matter. The easiest way to prove such rights are with assignments and/or assignment provisions. In addition, if Company X files a

patent application invented by Employee 1, and the employee subsequently leaves the company without signing a separate assignment, having the proper language in an employment agreement can be filed as proof that Company X “owns” the rights to the subject matter covered in the application.

Therefore, a regular audit of employee policies, handbooks, provisions, and/or contracts is recommended. This will provide a chance to ensure that the proper language is included to protect both parties should any disagreement arise, and in particular, should indicate who has proper ownership of any invention or discovery made by an employee, such as in their normal duties of employment or otherwise on company time.

Please do not hesitate to contact the attorneys at McKee, Voorhees & Sease, PLC to review any employment language and to make sure all parties understand their rights and ownership considerations for inventions and/or discoveries.

¹See, e.g., *IPVenture, Inc. v. Prostar Computer, Inc.*, 503 F.3d 1324 (2007).

²See, e.g., *Picture Patents, LLC v. Aeropostale, Inc.*, 788 F.Supp.2d 127 (2011).

The Road to Recovery



**Oliver P. Couture,
Ph.D.**

Intellectual Property Attorney

For Research

Getting into the lab to do research this past year has been a challenge for many researchers. It has been estimated that about 20-40% of research output has been lost since last March, costing \$10s of billions. Researchers working on grants have also not been able complete the work on their grants, which threatens a researcher’s ability to obtain grants in the future. It has also been estimated that in an effort to maintain themselves, universities have been offering far fewer faculty positions, by up to a 70% drop. Graduate students have also had to postpone graduating as they have also not been able to complete their research. However, even if they would graduate, with the drop in the available positions, they would still not have a job.

On February 25, 2021, the U.S. House of Representatives held a hearing to discuss not only how to get research back on track, but also what steps may be taken in an attempt to future proof research against the next epidemic or pandemic. The House called four witnesses: Dr. Sudip Parikh, C.E.O. of the American Association for the Advancement of Science, Dr. Christopher Keane, V.P. for Research at Washington State University, Dr. Felice J. Levine, Executive Director of the American Educational Research Association, and Mr. Thomas Quaadman, Executive V.P. of the Center for Capital Markets Competitiveness, U.S. Chamber of Commerce.

The Representatives and witnesses discussed a broad range of topics over the length of the hearing with the focus



being the need to improve research and its funding and just not recover, the differences between research which can be done on the computer vs. research that needs lab space, and the disproportionate effect it has had on graduate student and post docs, especially women.

Of the reoccurring themes, the fact that the U.S. is lagging behind other countries in continued investment in research and development was one of the most discussed. For example, the U.S. only spends 2.8% of the budget on research and development and there has been a decline since 2008. This decline has resulted in a 60-year spending low. China on the other hand has increased spending by 12-17% per year on research. Similarly, in recent years countries in Europe have also increased their spending, putting the U.S. at about 10th in the world for research and development spending as a percent of the GDP. China has also replaced the U.S. as the largest publisher of scientific journal articles.

There was also discussion for the need to maintain long term competitiveness in key areas, such as artificial intelligence (AI) and genetics. This allows the U.S. to set the standards and rules for technology moving forward and to maintain our quality of life. AI is also important as it allows for a more comprehensive approach to all areas of research as most areas of research have been utilizing computers and AI.

As for moving forward, all four of the witnesses stressed that more needs to be done. Currently there are two bills being put forward by Science, Space, & Technology Committee, the RISE and Early Career Act aimed at providing some relief research due to the current pandemic. The RISE Act is aimed at providing \$25B to provide supplemental funding to extend the duration of grants and agreements to cover the cost of construction of scientific facilities and equipment and to award new grants and agreements to conduct COVID-19 related research. The Early Career Act is a \$250M bill to establish a temporary fellowship program for graduating graduate students and early career post docs. Both Dr. Parikh and Mr. Quadman argued this is needed to keep talent in research and development and to keep them from becoming lawyers or being recruited to other countries.

While all four witnesses supported both acts, they stressed that more needs to be done at all levels. For example, Dr. Levine stressed the importance of Research Experience for Undergraduates, which fund entire summers for undergraduates to work in labs. Having mentored multiple students during graduate school under this and a similar program at Iowa State University, it really is an amazing opportunity for undergraduates to get involved in actual research. Dr. Parikh also stressed the importance of improving infrastructure to ensure the security of samples, such as ice cores and tissue culture. Mr. Quadman also brought up that the U.S. needs a recommitment to the patent system as it allows for the transfer and collaborations mainly between academia and industry, citing to the Bayh Dole Act, as each specialized in either basic or applied research. This was followed by Dr. Parikh also making the transfer between academia and industry easier.

While the U.S. may still be the leader in research, other countries are rapidly catching up. If the U.S. is to maintain its status as the world leader in research and development, it needs a recommitment to spending and incentivizing research. The best incentivization is through a strong patent system, which was reinforced by Mr. Quadman who called for the U.S. to recommit to the patent system as it allows for the transfer and collaborations mainly between academia and industry, citing to the Bayh Dole Act, as each specialize in either basic or applied research.

Friendly Reminder from the Federal Circuit



Joseph M. Hallman
Intellectual Property Attorney

Statements Made During Patent Prosecution May Affect Future Litigation

On February 10, 2021, in **Infinity Computer Products v. Oki Data Americas, Inc.**, the United States Court of Appeals for the Federal Circuit (“Federal Circuit”) affirmed the district court ruling from the District of Delaware holding the asserted patent claims in a patent infringement action to be invalid for indefiniteness. The Federal Circuit’s ruling

highlights the importance of statements made and positions taken during patent prosecution and how those statements can affect a potential infringement suit years after the patent has issued.

In this patent infringement action, Infinity Computer Products (“Infinity”) sued Oki Data Americas, Inc. (“Oki Data”) for infringing four related patents with claim 1 of U.S. Patent No. 6,894,811 (“the ‘811 patent”) being representative for purposes of the lawsuit. The ‘811 patent is directed to a method for creating scanning capability from a facsimile machine to a computer. Claim 1 of the ‘811 patent claims a connection between the facsimile machine and the computer which it refers to as a “passive link”. At issue in the case is how to construe this term. The specification of the ‘811 patent does not include the term “passive link”, nor is it included in the specification of the ‘811 patent’s parent application, U.S. Patent App. Serial No. 08/226,278 (“the ‘278 parent application”), of which the ‘811 patent is a continuation-in-part.

The term “passive link” first appeared during prosecution of the ‘811 patent in order to distinguish the claimed invention from a prior art reference, U.S. Patent No. 5,542,106 (“Perkins”). At first, Infinity attempted to distinguish the claimed invention from Perkins by asserting that it allowed uninterrupted signals between the facsimile machine and the computer without the use of intervening circuitry. When the Examiner was not initially persuaded, Infinity eventually introduced the term “passive link” arguing that the claimed invention uses a passive link that does not require any intervening apparatus. To make this argument, Infinity relied on new figures added to the ‘811 patent that were not part of the ‘278 parent application. These new figures showed that there was no facsimile modem between the facsimile machine and the computer. Infinity argued that Perkins required intervening circuitry even when that circuitry was internal to the computer because the intervening circuitry of Perkins intercepts transmitted data before it reaches the I/O bus of the computer. Unlike Perkins, Infinity argued, the claimed invention allows data to pass directly to the I/O bus of the computer without intervening circuitry. This argument persuaded the Examiner and the ‘811 patent was subsequently issued.



After the '811 patent was issued, it underwent three ex parte reexaminations. In an attempt to eliminate a prior art reference that was raised in one of the reexaminations, U.S. Patent No. 5,900,947 (“Kenmochi”), Infinity argued that the '811 patent should be given the priority date of the '278 parent application, which would predate Kenmochi. The '278 parent application only included figures that depicted “facsimile modem circuitry” in the computer, while the '811 patent added additional figures that do not include any facsimile modem circuitry in the computer. However, when attempting to claim the benefit of the '278 parent application’s priority date, Infinity argued that the telephone cable shown in the '278 parent application’s figures constituted a “passive link”. The reexamination ultimately resulted in confirming the patentability of the claims of the '811 patent.

Oki Data argued at the district court level that the claims of the '811 patent are indefinite based on the conflicting construction of the term “passive link”. Oki Data pointed out the conflicting positions taken by Infinity regarding the passive link when attempting to overcome Perkins and later when attempting to overcome Kenmochi. Oki Data argued that the conflicting positions created indefiniteness regarding where the “passive link” ends and the “computer” begins. The district court agreed with Oki Data and found the claims of the '811 patent to be indefinite and therefore invalid.

On appeal, the Federal Circuit noted that it would look to the patent record to determine whether the claims are indefinite. The Federal Circuit further noted that the claims, specification, and prosecution history are all part of the patent record, and that reexamination proceedings are part of the prosecution history. The Federal Circuit pointed out the fact that when Infinity attempted to overcome Perkins, the passive link effectively ended at the I/O bus of the computer because Infinity argued that data transmitted through the passive link and passed directly to the computer’s I/O Bus. However, the Federal Circuit also pointed out that when Infinity attempted to overcome Kenmochi, the passive link effectively ended at the computer’s port because the computer element disclosed by the '278 parent app included a cable and other intervening circuitry. Thus, the Federal Circuit affirmed the district court’s decision invalidating the '811 patent holding that the “intrinsic evidence leaves an ordinarily skilled artisan without reasonable certainty as to where the passive link ends and where the computer begins.”

This case operates as a reminder to all patent practitioners that statements made and positions taken during prosecution will forever have an effect on the validity of the patent. This decision by the Federal Circuit highlights the need for a conscientious approach to patent prosecution in which the patent practitioner is continuously aware that his or her conduct will forever be part of the intrinsic record of the patent, and therefore, can and will be offered as evidence in any future litigation.

We've been and will be

November 9-13, 2020

Kirk M. Hartung, Partner and Intellectual Property Attorney, MVS **Mechanical - Electrical** Practice Group, **Gregory Lars Gunnerson** and **Joseph M. Hallman**, Intellectual Property Attorneys in the MVS **Mechanical - Electrical** Practice Group attended the Legus Virtual Fall Meeting.

November 30, 2020

Kirk M. Hartung, Partner and Intellectual Property Attorney, MVS **Mechanical - Electrical** Practice Group, presented to the Drake Law School Entrepreneurial Clinic students on IP Protections.

December 10, 2020

Heidi S. Nebel, Managing Partner and Chair, MVS **Biotechnology and Chemical Practice Group** and **Christine Lebrón-Dykeman**, Partner and Chair, MVS **Trademark Practice Group** presented at a webinar hosted by the Seed Innovation & Protection Alliance (SIPA). The webinar discussed procuring and enforcing Plant Variety Protection (PVP) rights in the U.S.

January 14, 2021

Heidi S. Nebel, Managing Partner and Chair, MVS **Biotechnology and Chemical Practice Group** and **Jill N. Link, Pharm.D.**, Partner and Chair, MVS **Licensing Practice Group**, attended the ASTA Intellectual Property Rights Committee meeting.

January 22, 2021

Jill N. Link, Pharm.D., Partner and Chair, MVS **Licensing Practice Group**, attended the Drake Law School Board of Counselors meeting.

February 10, 2021

Heidi S. Nebel, Managing Partner and Chair, MVS **Biotechnology and Chemical Practice Group** attended the AUTM Board of Directors Meeting.

February 18-19, 2021

Cassie J. Edgar, Partner and Chair, MVS **Regulatory Law Practice Group** attended the **USDA's 97th Annual Agricultural Outlook Forum** titled **"Building on Innovation: A Pathway to Resilience."**

February 25-26, 2021

Glenn Johnson, Attorney Practicing in Commercial, Employment and **Intellectual Property Law and Litigation** and **Jonathan L. Kennedy**, Partner practicing in **Intellectual Property Law and Litigation** presented at the Iowa Academy of Trial Lawyers Annual Meeting.

March 2-3, 2021

Jill N. Link, Pharm.D., Partner and Chair, MVS **Licensing Practice Group**, **Cassie J. Edgar**, Partner and Chair, MVS **Regulatory Law Practice Group**, **Oliver P. Couture, Ph.D.** and **Tina G. Yin-Sowatzke, Pharm.D.**, Intellectual Property Attorneys and **Brian D. Keppler, Ph.D.**, Patent Agent, in the MVS **Biotechnology and Chemical Practice Group** attended the Iowa Bio Virtual Showcase and Conference.

March 2, 2021

Jill N. Link, Pharm.D., Jill N. Link, Pharm.D., Partner and Chair, MVS **Licensing Practice Group** and **Cassie J. Edgar**, Partner and Chair, MVS **Regulatory Law Practice Group**, presented at the Iowa Bio Showcase and Conference on "Best Practices for Hiring and Working with IP Counsel."

March 5, 2021

Cassie J. Edgar, Partner and Chair, MVS **Regulatory Law Practice Group** presented at the Healthcare Startups, Clubhouse on "Legal Q&A with Startup and Healthcare Attorneys."

March 8, 2021

Jill N. Link, Pharm.D., Partner and Chair, MVS **Licensing Practice Group** attended the LES Iowa Chapter virtual networking event for licensing professionals.

March 11-12, 2021

Cassie J. Edgar, Partner and Chair, MVS **Regulatory Law Practice Group** attended the Future Food Tech Virtual Summit.

March 15-18, 2021

Heidi S. Nebel, Managing Partner and Chair, MVS **Biotechnology and Chemical Practice Group**, **Jill N. Link, Pharm.D.**, Partner and Chair, MVS **Licensing Practice Group**, **Sarah M.D. Luth**, Intellectual Property Attorney in the MVS **Biotechnology and Chemical Practice Group**, **Gregory Lars Gunnerson** and **Joseph M. Hallman**, Intellectual Property Attorneys in the MVS **Mechanical - Electrical** Practice Group attended the **AUTM Virtual Annual Meeting**.

March 31, 2021

Heidi S. Nebel, Managing Partner and Chair, MVS **Biotechnology and Chemical Practice Group** will be attending the PVP Advisory Board Meeting.

April 2-3, 2021

Gregory Lars Gunnerson, Intellectual property Attorney in the MVS **Mechanical - Electrical** Practice Group to attend and volunteer as a judge in the AIAA (American Institute of Aeronautics and Astronautics) Region V Student Conference.

April 13, 2021

Heidi S. Nebel, Managing Partner and Chair, MVS **Biotechnology and Chemical Practice Group** will be presenting at the Center for Sorghum Improvement Virtual Seminar.

April 13, 2021

Kirk M. Hartung, Partner and Intellectual Property Attorney, MVS **Mechanical - Electrical** Practice Group, will be presenting to the Drake Law School Entrepreneurial Clinic students on IP Protections.

April 15-16, 2021

MVS attorneys will be attending the **Invent Penn State Virtual Venture & IP Conference**.

April 23, 2021

Jill N. Link, Pharm.D., Partner and Chair, MVS **Licensing Practice Group**, will be attending the Drake Law School Board of Counselors meeting.

June 9, 2021

Luke T. Mohrhauser, Partner and Chair, MVS **Mechanical - Electrical** Practice Group and **Christine Lebrón-Dykeman**, Partner and Chair, MVS **Trademark Practice Group**, will be presenting at the **ABI Taking Care of Business Conference** on “Mitigating Fear of IP Infringement Claims & Stopping Infringement of Your IP.”

June 22-24, 2021

Kirk M. Hartung, Partner and Intellectual Property Attorney, MVS **Mechanical - Electrical** Practice Group, will be moderating a transaction breakout session at the Legus 2021 Annual Zoom Meeting.



801 Grand Avenue, Suite 3200
Des Moines, Iowa 50309-2721

P. 515-288-3667
F. 515-288-1338
www.ipmvs.com

BRIEFS is published periodically and is intended as an information source for the clients of McKee, Voorhees & Sease, PLC. Its contents should not be considered legal advice and no reader should act upon any of the information contained in the publication without professional counsel.