

Federal Circuit Creates New Flexible Approach for Determining Obviousness in Design Patents

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On May 21, 2024, the full (*en banc*) U.S. Court of Appeals for the Federal Circuit issued its opinion in *LKQ Corp. v. GM Global Technology Operations, LLC*, Case No. 21-2348. The decision reconsidered decades of precedent and determined that a new, more flexible approach to considering the threshold patentability question of obviousness of design patents was required.

Pursuant to the Patent Act, 35 U.S.C. § 103, design patents, like all patents, must not be “obvious.” In the utility patent context, where functional (i.e., how things work) considerations are paramount, there is little conceptual difficulty in understanding what is meant by an “obvious” improvement over prior inventions especially when that consideration is done from the perspective of a “person having ordinary skill in the art.” In the design patent context, when one is limited to judging the “obviousness” of non-functional, ornamental features, the notion of “obviousness” has been more difficult to adequately capture and articulate, especially as artistic and ornamental decisions of the “ordinary designer in the field” may be more abstract and less linear. Nevertheless, courts were still guided by the same so-called *Graham* factual inquiries for either the utility or design patent context: (1) evaluate the scope and content of the prior art; (2) identify the differences between the prior art and the claim(s) at issue; (3) identify the level of ordinary skill in the pertinent art or field; and (4) consider other secondary considerations of non-obviousness, such as long-felt need, failure of others or commercial success.ⁱ

Old Standard: *Rosen-Durling* test

Before this decision, courts used the two-step *Rosen-Durling* test to determine the scope of the prior art for an obviousness inquiry. First, the test required a primary reference with design characteristics that were “basically the same” as the claimed design.ⁱⁱ Second, the test considered whether the primary reference was “so related” to the secondary reference(s) that the ordinary designer would have thought to combine them.ⁱⁱⁱ The test was rigid and invalidated few design patents because challengers struggled to find a reference “basically the same” as the claimed invention.

New Standard: *LKQ* case

While parts of the obviousness analysis remain the same, the new standard provides a more flexible approach to the inquiry. In the decision, the court modified the *Graham* analysis for design patents, discussed the motivation to combine prior art and reaffirmed the ruling on secondary considerations.

First, the court discussed what prior art can be used in an obviousness inquiry, namely, what constitutes permitted “analogous art.” For utility patents, analogous art must be prior art from the same field of endeavor as the claimed invention, or, if it is not, the prior art must be relevant to the problem addressed by the invention. Similarly, the prior art for a design patent must be from the “same field of endeavor as the article of manufacture of the claimed design.”^{iv} However, the court questioned whether the second inquiry—whether the prior art is relevant to the problem addressed by the invention—would be applicable to design patents. Design patents do not specify a particular problem because they do not contain a written description or claims to define the issue. Thus, the court did not supply a standard for the second question. Instead, the court concluded that future cases would develop the answer.^v

The court also defined the primary reference that must be identified to determine the scope of the prior art. In its decision, the court was conscious of the fact that every inventive design is a combination of previous designs. The primary reference must be something in existence and not something brought into existence by combining multiple features. The court clarified that the primary reference no longer needs to be “basically the same” as the claimed design.^{vi} Typically, this reference will be the most visually similar to the claimed invention. The more visually similar the prior art is, the more likely it is to render the claimed invention obvious.^{vii}

The court did not change the application of the second and third factors of the *Graham* test. To determine the differences between the prior art and the claimed invention, one must still examine from the “perspective of the ordinary designer in the field of the article of manufacture” and compare the visual differences between the prior art and the claimed invention.^{viii}

Finally, the court did not change the standard for secondary considerations. Commercial success, industry praise and copying from others may still render a patent nonobvious despite the *Graham* framework analysis. The court left future cases to decipher whether long felt need and failure of others will be enough to impact the obviousness inquiry of a design patent.^{ix}

After considering the *Graham* factors, the question becomes whether the prior art makes the claimed design obvious. The court reaffirmed that the analysis is based on the “visual impression” of the design.^x When the primary reference is not sufficient alone, one or more secondary references can be considered. The court looked to earlier Supreme Court precedent encouraging a flexible analysis of the analogous prior art, explaining the motivation to combine does not need to come from the references themselves.^{xi} The court concluded that “the more different the overall appearance of the primary reference verses the secondary reference(s),” the more support the challenger will need to prove the motivation to combine.^{xii} The decision also warned about hindsight bias in this analysis, emphasizing the need for some record that motivates the combination.

Future Impact

Going forward, the most notable change is the scope of the prior art that a court can consider in an obviousness inquiry. The decision encourages a more flexible standard by rejecting the “basically the same” threshold. As a result, it would appear that design patents will be harder to obtain and easier to invalidate. On the other hand, the shift may not be dramatic, as the concurring opinion pointed out.^{xiii} Courts will still use common sense and examine the visual similarities between the claimed design and the primary reference. Finding a design that is most visually similar to the claimed invention as a starting point may end up being not much different than finding a design that is “basically the same” as the claimed invention.

For questions about the decision or anything related to patents (including design patents), contact **Daniel H. Shulman** at dshulman@vedderprice.com, **Anika Fischer (Law Clerk)** at afischer@vedderprice.com or the Vedder Price lawyer(s) you normally work with.

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ⁱ *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 17 (1966).

ⁱⁱ *In re Rosen*, 673 F.2d 388, 391 (C.C.P.A. 1982).

ⁱⁱⁱ *Durling v. Spectrum Furniture Co. Inc.*, 101 F.3d 100, 103 (Fed. Cir. 1996).

^{iv} *LKQ Corp. v. GM Global Tech. Operations LLC*, No. 21-2348, slip op. at 22 (Fed. Cir. May 21, 2024) (en banc).

^v *Id.* at 22–23.

^{vi} *Id.* at 23.

^{vii} *Id.* at 23–34.

^{viii} *Id.* at 24.

^{ix} *Id.* at 27–28.

^x *Id.* at 26.

^{xi} *Id.* at 26 (citing *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398 (2007)).

^{xii} *Id.* at 27

^{xiii} *Id.* at 5–6 (concurring opinion).