KILPATRICK TOWNSEND

6 KEY TAKEAWAYS

Design Rights Protection for Retailers and Consumer Product Companies

Kilpatrick Townsend Partner Babak Kusha along with an excellent panel composed of counsels Shannon King (Williams-Sonoma), Collette Parris (S'well), and Danielle Warner (FIGS) recently came together at the Kilpatrick Townsend Retail & Consumer Goods Series Seminar in San Francisco. They discussed design patents, the often-overlooked patent right that covers the ornamental appearance for all kinds of products and should be top of mind for retailers and consumer product companies. The audience found the panel discussions insightful and helpful, especially when each panelist was asked the same question to address the same topic from each panelist's different perspectives.

Six key takeaways from the presentation include:

1

While the law on designs is the same, product design cycles and their workflows, the recommended modes for interactions with intellectual property (IP) work flows, and the required legal plans for a single product national company are rather different from those for a multi-product, multi-brand international company. Thus, each product design cycle requires a different strategy for protection and enforcement reflecting different organizational, operational, and risk management approaches.

Design patents continue to increase in filings, use, and prominence. The *Apple v. Samsung* case educated many in the industry that design patents can be powerful. The past decade has seen a significant increase in design patents filed and obtained, along with an increase in design patent litigation.

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The recent *Columbia Sportswear North America, Inc., v. Serius Innovative Accessories, Inc.* was discussed. In the first verdict after A*pple v. Samsung,* a California District Court opted to use the four-factor test when deciding *Columbia Sportswear North America, Inc., v. Serius Innovative Accessories, Inc.* Columbia Sportswear sued Serius for design parent infringement, covering the wavy patterned used for its heat-reflective technology called Omni-Heat® Reflective. Despite the end product being a glove, the jury identified Omni-Heat® Reflective — a single component — as the article of manufacture and awarded damages based on "total profits" at $3,018,174. Both parties appealed the verdict to the Federal Circuit. The Federal Circuit recently remanded the case to the District Court ruling that covering a design with logos is enough to raise a question of material fact of infringement. There is concern now that copycats could avoid design patent infringement by slapping their logos all over the apparel item. Columbia filed a combined petition for rehearing and rehearing en banc on January 13, 2020. For now, those seeking to secure design rights should work closely with counsel to properly identify and capture the relevant contributors to the essential aspects of the innovative new ornamental design and the article or product to which that ornamental design is applied.

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The panel grappled with why design patents are lesser known in some industries. Factors such as insufficient legal education on design patents in law schools; industry specific blind spots; legal and registration requirements to practice before the patent office as a patent attorney to file design patent applications as opposed to the requirements for trademark practice; the ornamental, creative, visual and emotional content of designs and insufficiency of a hard science education as an appropriate background for doing design patent work were discussed.

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The panel alluded to the use of registered community designs as well as unregistered designs that are available in Europe without a counterpart here in the United States.

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While all panelist agreed that gaps do exist in the current protections available by trademarks, copyrights and design patents, they also agreed that in order to adequately protect the ornamental design features for certain products, that parallel track protection, including all three IP types do help address such gaps, and are the recommended course of action for the right product.

For more information, please contact **Babak Kusha**: bkusha@kilpatricktownsend.com

www.kilpatricktownsend.com

Related People



Babak Kusha
t 415.273.7512
bkusha@kilaw.com