

Representing Design Patent Owners? Read On.

Food for thought: In inter partes review, the institution of trial likely means invalidation.

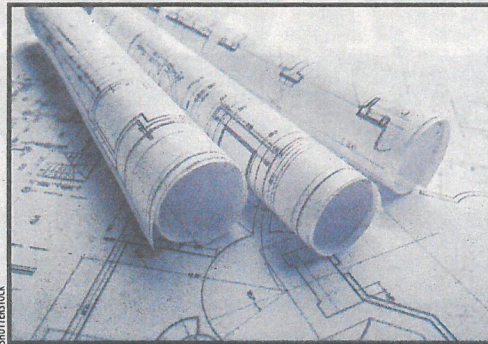
BY JAYME PARTRIDGE, JESSIE HERRERA AND ROB GERLACH

Design patents, the patents du jour, have recently been in the spotlight because of the \$399 million damages verdict awarded to Apple Inc. for infringement of its design patents in the *Apple v. Samsung* case, currently before the U.S. Supreme Court. Unlike their utility counterparts that protect the way an article is used and works, design patents are unique because they cover only the ornamental appearance of an article.

According to U.S. Patent and Trademark Office projections for 2016, the number of design patent applications filed will reach an all-time high. In addition, more than 250 lawsuits asserting design patents have been filed since Jan. 1, 2016. A common defense relied upon in a patent infringement lawsuit is to challenge the validity of the asserted patent, regardless of whether it is a design patent or a utility patent. The burden to prove invalidity in a lawsuit is high: a defendant must show by clear and convincing evidence that a patent is invalid.

In September 2012, defendants accused of patent infringement were given an additional avenue to challenge a patent's validity: inter partes review. Inter partes review is a proceeding where the validity of a patent can be challenged before the Patent Trial and Appeal Board of the U.S. Patent Office. Before the board, invalidity of a patent need only be shown by a preponderance of the evidence. Accordingly, these proceedings are often used by patent infringement defendants.

Since the inception of this proceeding, more than 5,000 petitions for inter partes review have been filed. Although there have been few design patents challenged in inter partes reviews to date, the recent increase in lawsuits will no doubt result in an increase in these proceedings.



Whether representing petitioners challenging patent validity or the patent owner trying to preserve patent validity, a practitioner should be aware that design patents provide unique challenges and opportunities during inter partes review. Although there have been fewer than 35 design patent inter partes review proceedings, a Patterson & Sheridan analysis of these proceedings reveals potential strategies for practitioners.

Based on an analysis of initiated design patent inter partes review proceedings, when representing a design patent owner, the primary goal should be to avoid institution of a trial in the U.S. Patent Office. Although this may seem like the ultimate goal in any inter partes review proceeding, this is not always the case. If the board institutes trial and subsequently issues a final written decision upholding the validity of the patent, the petitioner is prevented by estoppel from raising the same invalidity arguments in district court litigation. Estoppel does not apply, however, if the board denies institution of trial.

Moreover, the board decision denying institution of trial may not be admissible in the pending litigation.

Accordingly, some practitioners recommend not filing a preliminary response to

the petition, increasing the likelihood that trial will be instituted such that estoppel will attach if the claims are held valid.

But an attorney representing a design patent owner should think twice before adopting this strategy. The board has not upheld the validity of a design patent in a final written decision. Instead, the board has issued six final written decisions invalidating the challenged design patent.

A CLEAR MESSAGE

The message is clear for design patents: institution likely means invalidation. A practitioner representing a design patent attorney in an inter partes review should do everything possible to avoid a trial.

A well-written preliminary response gives the patent owner the best chance to avoid institution. The preliminary response is the first time the patent owner can rebut the petition before the board institution decision.

Although filing a preliminary response does not guarantee the board will deny institution, not filing a preliminary response virtually guarantees trial will be instituted.

Except for one instance, the board has instituted trial every time a patent owner has not filed a preliminary response in a design patent proceeding.

The preliminary response provides the

patent owner an early opportunity to frame the claimed design as valid over the prior art.

Interestingly, although the overall visual design impression as compared to the prior art is the standard for determining invalidity of a design patent, the board has found it helpful to identify and distinguish various features of the claimed design from the prior art.

Thus, in a preliminary response, although it is important to show that the claimed design has a different overall visual impression than the prior art, a practitioner representing a patent owner should also identify specific features of the claimed design that are distinguishable from the prior art. The board's propensity to focus on features of a claimed design also provides guidance when representing petitioners in design patent inter partes reviews.

In addition to addressing the overall visual impression of the claimed design, the practitioner should analyze as many features of the claimed design as possible in the petition. Failure to include such an analysis may result in the board denying institution of a trial.

In at least one decision, the board denied institution of trial in part because the petitioner did not explicitly address all of the design features identified by the patent owner in the subsequently filed preliminary response.

As design patents lawsuits continue to be filed, inter partes reviews involving design patents will become more popular. The early Patent Trial and Appeal Board decisions provide guidance for practitioners in these unique proceedings.



JAYME PARTRIDGE AND JESSIE HERRERA are partners at Patterson & Sheridan. Partridge practices intellectual property litigation. Herrera is a patent attorney, specializing in design patents. ROB GERLACH is an associate. Partridge and Herrera are respectively be reached at jpartridge@pattersonsheridan.com and jherrera@pattersonsheridan.com.

Ex-GC: Diverse Legal Departments Are Within Reach

Paul Williams, formerly of Cardinal Health, disagrees with those who say finding diverse talent is impossible.

BY JENNIFER WILLIAMS-ALVAREZ

It's no secret that law is one of the least diverse professions in the United States. While corporate law departments may be doing better than firms, there's still a lot of room for improvement. According to Paul Williams, a former chief legal officer who now spends his days as a recruiter for legal departments, it's not at all unrealistic to expect diversity in-house.

"I disagree with those who might say that it's impossible to find diverse talent for legal department roles," said Williams, the ex-CLO of the health care company

Cardinal Health Inc. who became a partner at the recruiting firm Major, Lindsey & Africa 11 years ago. "It's really just a function of making it a priority. And if you do that, you can make it happen."

Williams said his tenure at Cardinal Health is proof of this. During his 10 years at the company, he was able to create a department that was a third ethnically diverse and about half women. "Even 11 years ago, because I made diversity a priority, I was able to build a very, very diverse legal department," he said.

Williams became a recruiter because he wanted to replicate that success else-

where, he said. He said he views recruiters as "the gatekeepers for the profession." Of the roughly 200 to 300 placements a year made by Major, Lindsey & Africa, roughly 40 to 50 percent are people of color and about 60 percent are women. And with each diverse candidate that's placed, there's the potential to drive change in the department, Williams said.

"I see people assuming very, very visible roles and as a result, that makes it a little bit easier to bring about change in the roles below those individuals," he said. "To the extent that the leader of a department is diverse or sensitive to

diversity, that makes it easier to recruit diverse individuals."

Although Williams says there is a lot more to be done, he also strikes an optimistic tone. "I do believe that slowly but surely, particularly on the in-house side, that we are making progress," he said. "I'm very confident that five years from now, there will be considerably more general counsel of Fortune 500 as well as Fortune 1,000 companies who will be ethnically diverse and who are women."

Contact Jennifer Williams-Alvarez at jwilliams@alm.com.