

Case Nos. 18-1329, -1331, -1728

**UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

**COLUMBIA SPORTSWEAR NORTH AMERICA, INC.,
an Oregon corporation,**

Plaintiff - Appellant,

v.

**SEIRUS INNOVATIVE ACCESSORIES, INC.,
a Utah corporation,**

Defendant - Cross-Appellant.

Appeals from the United States District Court for the
Southern District of California in No. 3:17-cv-01781-HZ,
Judge Marco A. Hernandez

**[PROPOSED] BRIEF OF AMICUS CURIAE INDUSTRIAL DESIGNERS
SOCIETY OF AMERICA, INC.'S IN SUPPORT OF THE PETITION FOR
REHEARING AND REHEARING EN BANC**

CERTIFICATE OF INTEREST

Counsel for the *Amicus Curiae*, INDUSTRIAL DESIGNERS SOCIETY OF AMERICA, INC. (“IDSA”), certifies the following:

1. The full name of every party represented by me is: INDUSTRIAL DESIGNERS SOCIETY OF AMERICA, INC.
2. The name of the real party in interest represented by me is: INDUSTRIAL DESIGNERS SOCIETY OF AMERICA, INC.
3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the parties represented by me are:
n/a
4. The names of all law firms and the partners or associates that appeared for the party or *amicus curiae* now represented by me in the trial court or agency or are expected to appear in this court are:
n/a
5. The title and number of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this court’s decision in the pending appeal.
n/a

January 27, 2020

/s/ Damon A. Neagle

Signature of counsel

Damon A. Neagle

Printed Name of counsel

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STATEMENT OF INTEREST OF *AMICUS CURIAE*

Founded in 1965, the Industrial Designers Society of America (“IDSA”) is one of the oldest and largest membership associations for professional industrial designers. IDSA is a non-profit organization dedicated to improving industrial design knowledge and representing the industrial design profession to businesses, the government, and the public. IDSA has thousands of members in dozens of Student Chapters, Professional Chapters, and Special Interest Sections. IDSA also sponsors the annual International Design Excellence Awards® (IDEA), one of the world’s most prestigious and rigorous design competitions.

IDSA has a primary interest in the outcome of this matter based on its longstanding commitment to design rights issues. IDSA’s specific interests in this case are to ensure that the design patent infringement analysis is administered in a way that fairly protects design innovation. IDSA has no stake in any of the parties to this litigation or the result of this case.

IDSA submits this brief with the consent of counsel for Plaintiff-Appellant Columbia Sportswear, Inc.. IDSA also conferred with counsel for Defendant - Cross-Appellant, Seirus Innovative Accessories, Inc., but did not receive consent.

No party or party’s counsel authored this brief in whole or in part; no party or party’s counsel contributed money that was intended to fund preparing or submitting this brief; no person or entity other than the amicus curiae, its members,

or its counsel contributed money that was intended to fund preparing or submitting the brief.

BACKGROUND

The facts of this case are laid out in the Petitioner's brief. While the Panel's opinion addressed both utility patent and design patent issues, IDSA only takes issue with the latter. Specifically, this brief addresses the new directive in the Panel opinion that the fact-finder always consider branding on the accused product in the design patent infringement analysis, save for (rare) situations where copying is admitted.

ARGUMENT

I. AS A GENERAL RULE, BRANDING ON AN ACCUSED PRODUCT IS IRRELEVANT TO THE DESIGN PATENT INFRINGEMENT ANALYSIS.

As a general rule, branding on an accused product is irrelevant to the design patent infringement analysis. This Court's precedential opinion in *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117 (Fed. Cir. 1993) stands for this important and foundational principle. The Panel opinion, however, (perhaps inadvertently) used language, which if taken at face value, requires branding on the accused product to be "considered" in the design patent infringement analysis in all cases, save those limited situations where copying is admitted. This Court should grant rehearing to (i) strike the Panel's attempt to limit *L.A. Gear* to only situations where copying is admitted, and (ii) restore the

fundamental general rule that branding on an accused product is irrelevant to the design patent infringement analysis.

A. **The Panel Opinion Wrongly Limits the Reach of *L.A. Gear* to Only Situations Where Copying is Admitted.**

The Panel opinion, taken at face value, appears to emasculate this Court's foundational holding in *L.A. Gear* by limiting its reach to only those situations where copying is admitted. The troublesome paragraph in the Panel's opinion reads:

The district court relied on one precedent from this court – *L.A. Gear*—for the proposition that logos should be wholly disregarded in the design-infringement analysis. In that case, the parties did not dispute that the patented and accused designs were substantially similar. *L.A. Gear*, 988 F.2d at 1125. In fact, **“copying [was]admitted.”** Id. In evaluating infringement there, we explained that design infringement is not avoided “by labelling.” A would-be infringer should not escape liability for design patent infringement if a design **is copied** but labeled with its name. **But *L.A. Gear* does not prohibit the fact finder from considering an ornamental logo, its placement, and its appearance as one among other potential differences between a patented design and an accused one.**

(bold added, italics in original). Copying was not the hinge issue in *L.A. Gear* as to whether branding on the accused product is considered in the infringement analysis. *L.A. Gear* holding is not so limited; rather, it stands for a *much broader and important* general rule that branding on an accused product is

irrelevant to the design patent analysis. Without this general rule in place, *meaningful* U.S. design patent protection would crumble.

L.A. Gear is a good vehicle for explaining *why* branding on the accused product is not part of the design patent analysis. There, the defendant argued that the visual appearance of the branding should be considered in both the trade dress *and* design patent infringement analyses. *L.A. Gear*, 988 F.2d at 1126. The accused shoes included the branding “BALLOONS” on the side of the shoe upper:



Claimed Design



Accused Design

While the *L.A. Gear* court agreed that the branding was relevant to *trade dress* infringement analyses, the court, without qualification, rejected this argument for assessing infringement of the design patent claims:

[d]esign patent infringement relates solely to the patented design, and does not ... allow for avoidance of infringement by labeling.

Id. at 1126. The scope of *L.A. Gear* was not contingent on copying, and nor should it be. Copying is irrelevant for proving the strict liability tort design patent infringement.

B. The *Claim* of a Design Patent Dictates Parameters of Design Patent Infringement Analysis, Not the Accused Product.

The general rule of *L.A. Gear* makes good policy as it aligns with the property right that is being afforded by a design patent. A design patentee sets forth the meets and bounds of its design in a **claim**. It is these claimed attributes (e.g. shape, color, surfaces ornamentation and/or branding) that determine the parameters for the design patent infringement analysis. Attributes in the accused product that are extraneous to the patented claim are irrelevant to the infringement analysis. See, e.g., *Advantek Marketing, Inc. v. Shanghai Walk-Long Tools Co., Ltd.*, 898 F.3d 1210, 1216-17 (Fed. Cir. 2018) (extra features in accused product are irrelevant to design patent infringement analysis). District courts ever since *L.A. Gear* have consistently resisted attempts by accused infringers to bring added branding on the accused product into the design patent infringement analysis. See, e.g. *Cornucopia Prods., LLC v. Dyson, Inc.*, 2012 WL 3094955 at *4 (D. Ariz. July 27, 2012) (“design patent protection would essentially collapse if putting one’s own logo on an otherwise identical product could defeat the ordinary observer test”); *Physio-Control Corp. v. Med.*

Research Labs., 1988 U.S. Dist. LEXIS 192 (N.D. Ill. Jan. 14, 1988)
 (“designations are not part of the patented design and must be ignored.”).

II. ADDING BRANDING AS A NEW CONSIDERATION FOR THE FACT-FINDER WILL LEAD TO A HARMFUL DISTORTION OF THE ORDINARY OBSERVER TEST.¹

Branding (e.g., brand names, logos, logotypes, etc.) is such a powerful visual cue to the ordinary observer that its inclusion in the infringement analysis runs too high a risk of overshadowing the main objective of the infringement test, which is to determine whether the claimed design is infringed.

A. The Science of Brand Impact and Brand Equity on Ornamental Design Evaluation.

Branding is the single strongest and most effective method for product differentiation in the marketplace. As stated in the critical text “Advertising Theory” by brand experts Krugman and Hayes:

Brand image represents the total impression or net takeaway that a consumer has of the product or service and makes it easier on the consumer in terms of product selection and product use. The [brand] image serves as a mental shortcut that communicates quickly without requiring a great deal of thought on the part of the consumer. (Rodgers, S., & Thorson, E.. *Advertising Theory*, Chapter 28, *Brand Concepts and Advertising*, Krugman, D. & Hayes, J., p. 439 (2012))

¹ The undersigned wishes to acknowledge Charles L. Mauro CHFP, president and founder of Mauro Usability Science, and members of the Mauro Usability Science research staff, who provided the underlying research and assisted in the drafting of this section of the brief.

Commercial enterprises spend literally hundreds of billions of dollars² a year to increase the impact that their brands have on decision-making behaviors of consumers in the marketplace. The single most important objective of a brand is to instantly differentiate a product in the marketplace based on the consumers' knowledge and awareness of that brand in a given product category.

For example, a Mercedes automobile may have a value in the marketplace of \$50,000, but the value of the Mercedes brand indicated by the name alone is worth more than \$50 billion dollars. The reason that brands have such staggering value is that brands have equity in the mind of the consumer and represent a wide range of emotional, psychological and physical attributes of all of the products produced by that company. (Aaker, David. A., *Building Strong Brands* (2012)).

Consumer decision-making is fundamentally rooted in brand equity and brand conveyance. The same design product, one branded and one not, will be perceived by the consumer in entirely different ways; the two will equate to different products in the mind of the consumer. Injecting the consideration of

² The estimated total cost of branding includes the global costs for advertising, promotion and marketing of products for the specific purpose of impacting consumer behavior by establishing in the minds of the consumer what the brand stands for in terms of wide range of emotional, psychological and physical benefits.

brands on the accused product into the design patent infringement analysis will irreparably distort the ordinary observer test. The design patent infringement test evaluates the visual similarity of the accused design with **the claimed design**.

Research shows that, in terms of overall perception of a product's ornamental design, branding and brand indication has the ability to gain automatic attention from consumers as they inspect a product design, averting attention away from other design features, such as overall shape (Plassmann, H., Ramsøy, T. Z., & Milosavljevic, M., *Branding the Brain: A Critical Review and Outlook*, Journal of Consumer Psychology, Vol. 22(1), 18-36 (2012)). Such differentiation happens at a surprising speed of as little as 313 milliseconds (Mormann, M. M., Koch, C., & Rangel, A., *Consumers can make decisions in as little as a third of a second*. Judgment and Decision Making, Vol. 6(6), 520-530 (2011)). Brand indication and related elements are processed in the first stages of shape processing, which leads such information to influence perception of other product features such as ornamental shape (Id.).

B. Branding Reduces Cognitive Effort and Redirects Attention.

The human information processing system employs a method for navigating the everyday world; it is known technically as “cognitive minimization” (Palmer, S. E. *Vision Science: Photons to Phenomenology*, p.

289 (1999)). As consumers go about examining products in the marketplace, they will spend only as much mental effort as is required to identify the product they are seeking. Once they have confirmed that a given product is the brand they are seeking, they will not continue to examine the product further. By associating the brand of a product with the product ornamental design, consumers will spend much less time examining the ornamental shape of a product and simply move on to the next step in the decision-making process. If branding on an accused product is considered in the design patent infringement analysis, this same process will play out in the minds of fact-finders when applying the ordinary observer test.

C. Branding Impacts Consumer Behavior in Ways Ornamental Design Does Not.

There are several assets linked to a brand name or logo that largely impact consumers' perception of a product. Once these cognitive assets are attached to the ornamental design of a product, they cannot be extracted and will have a direct and dramatic impact on the ordinary observer's assessment of the product, both individually and in relation to other products. These assets are often referred to as brand equity by branding experts, and include numerous attributes such as brand personality, user imagery, self-expressive and

emotional benefits and brand-customer relationships (Aaker, *supra*). Brand equity tap into much deeper emotional, motivational and psychological factors critical to consumer decision making than would be the case without the presence of brand indicating subject matter. The consumer's product perceptions are highly affected by expectations formed from prior exposures to the product and most importantly, the associated brand (see Palmer, *supra*, at 84-85 and Kreuzbauer, R., & Malter, A. J., *Embodied cognition and new product design: Changing product form to influence brand categorization*. Journal of Product Innovation Management, Vol. 22(2), pp. 165-176 (2005).

For example, presence of branding on a product is used to communicate to the consumer the quality, reliability and status value of a product, which impacts how consumers view the product. David A. Aaker, in his seminal text *Building Strong Brands*, illustrates this concept with the following visual (see Aaker, *supra*):



Brand equity attributes go far beyond that which is relevant to the ornamental attributes that can be claimed in a design patent. The ordinary observer test is designed to examine the ornamental design values of a patented and accused design, not brand attributes. Ornamental values of the physical product design include overall shape, relative visual complexity (i.e., dimension, form, regularity, clutter), curvature (i.e., angularity, circularity, convergence), congruence (i.e., symmetry, stability, centrality, planned distortion), completeness (i.e., synthesis, amount of information, incomplete patterns) (Wedel, M., & Pieters, R., *Visual Marketing: From Attention to Action* (2007)) as well as Gestalt principles of designs, such as figure-ground articulation, continuity and closure (*Gestalt Principles*, Scholarpedia, http://scholarpedia.org/article/Gestalt_principle).

In sum, once branding is injected into the infringement evaluation, related brand equity associations, which are irrelevant to the claimed design, also come with it. This simple fact dramatically increases the complexity of decision-making for the consumer, most importantly, and necessarily distorts the accurate application of the ordinary observer test.

III. THE PANEL OPINION, IF NOT REMEDIED, PLACES DESIGN PATENTS ON THE PATH TO OBSOLESCENCE.

In *Gorham v. White*, the Supreme Court proclaimed that

The acts of Congress which authorize the grant of patents for designs were plainly intended to give encouragement to the decorative arts. ... The law manifestly contemplates that giving certain new and original appearances to a manufactured article may enhance its salable value, may enlarge the demand for it, and may be a meritorious service to the public.

Gorham v. White, 81 U.S. 511, 524-25 (1871). But if branding is included in the design patent infringement analysis, designers will be left with no meaningful way to protect their designs. A “competitor” could make a product using another’s claimed design, attach *prominent-enough* branding, and avoid infringement. This Court should not allow these property rights to be so easily side-stepped. This result would be contrary to Congress’ intent to provide meaningful protection for meritorious design.

Even if a party could establish infringement when branding is considered, the analysis would be significantly more expensive and complex. Naturally, small inventors and small companies will be most prejudiced by this increased cost. With the chance of success of proving infringement so small, and the cost of enforcement so great, the Panel's opinion regarding inclusion of branding in the infringement analysis sets design patents on the path to obsolescence.

CONCLUSION

For the reasons cited herein, this Court should grant the petition for rehearing or rehearing *en banc* (or provide a supplemental opinion) to address the troublesome language of the Panel opinion.

January 27, 2020

Respectfully submitted,
/s/ Damon A. Neagle
Damon A. Neagle
Attorney for *Amicus Curiae*

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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Name of Counsel

Signature of Counsel

Law Firm

Design IP, P.C.

Address

1575 Pond Road, Suite 201

City, State, Zip

Allentown, PA 18104

Telephone Number

610-395-4900

Fax Number

610-680-3312

E-Mail Address

damonneagle@designip.com

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