ARE Design Patent Alert: En Banc Decision in LXQ Corp. v. GM Global Tech. Brings The Law of Obviousness for Design Patent in Accord with KSR

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On May 21, 2024, the full court of U.S. Court of Appeals for the Federal Circuit in *LKQ Corp. v. GM Global Tech.,* 21-2348 (Fed. Cir. 2023) revitalized the law of obviousness for design patents by overruling four decades of precedent based on a rigid and inflexible *Rosen-Durling* test, to bring the law of obviousness in design patents in accord with the general law of obviousness for utility patents as set forth in *Graham v. Deere Co.*, 383 U.S. 1, 86 S. Ct. 684 (1966).

Factual and Procedural Background

Prior to LKQ, the long-standing framework for determining obvious for a design patent was developed in the 1980s out of a CCPA decision in *In re Rosen*, 673 F.2d 388 (CCPA 1982). *Rosen* held that there must be an earlier design that has the same visual impression as the patented design as a prerequisite for finding a patented design obvious. In 1996, the Federal Circuit in *Durling v. Spectrum Furniture Co.*, built on the Rosen test to further require the court to looked at whether it would have been obvious for a designer to modify the earlier reference to create the patented design in question. 101 F.3d 100 (Fed. Cir. 1996). This two-part test has been commonly referred to as the *Rosen-Durling* test.

Question Presented

The issue raised in this case, is whether the Rosen-Durling test is at odds with the Supreme Court's 2007 in *KSR v. Teleflex* decision, and should be modified or eliminated. While the question divided the panel, the most significant issue is what the replacement test should be. Not surprisingly, General Motors opposed the review, stating not only that LKQ failed to raise the KSR issue with the PTAB, but also, they were seeking a complete 'rewrite of design patent obviousness framework that has otherwise remained unchallenged for decades.'

NYIPLA Amicus Brief

The issue of obviousness in design patents does not often get to be heard by the Federal Circuit, let alone the full court, and a significant number of amicus briefs were submitted to help guide the Court. Some of the authors, along with others from the New York Intellectual Property Law Association ("NYIPLA"), submitted an amicus brief in this case urging the Federal Circuit to adopt a more flexible approach for determining obviousness of design patents in lieu of the *Rosen-Durling* test. The brief argued for an approach similar to the one outlined in *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398 (2007), reasoning that patent law statutes require that the same conditions for patentability for utility patents apply to design patents.

In *KSR*,the Supreme Court rejected the restrictive approach to the obviousness analysis for utility patents and, instead, offered a variety of rationales for finding obviousness. In response to *KSR*, the Federal Circuit adopted a more flexible test. The brief likened the rigidness of the pre-*KSR* analysis to the *Rosen-Durling* test and respectfully urged the Federal Circuit to follow suit by applying the same types of flexible rationales to design patents.

Majority Opinion (Authored by Judge Stoll)

In an opinion filed by Circuit Judge Stoll, in which Chief Judge Moore and Circuit Judges Dyk, Prost, Reyna, Taranto, Chen, Hughes, and Stark joined, the Federal Circuit overruled the *Rosen-Durling* test and opted for a more flexible approach, as suggested by the NYIPLA brief.

Guided by § 103, and the Supreme Court's and Federal Circuit Court's precedent, the Court adopted the *Graham* four-part obviousness test for utility patents to also apply to design patents:

(1) considering the scope and content of the prior art with knowledge of an ordinary designer in the field of design,

(2) determining the differences between the prior art designs and the design claim at issue,

(3) considering the level of ordinary skill in the pertinent art, and

(4) assessing secondary considerations of non-obviousness.

Graham v. John Deere Co., 383 U.S. 1, 17-18 (1965). Subsequently, the Court vacated and remanded the case for the Board to apply its new framework.

Concurrence (Authored by Judge Lourie)

The concurrence by Circuit Judge Lourie agreed with the Court's decision to vacate and remand but disagreed with the Court's decision to overrule the *Rosen-Durling* test, arguing that the original test should have been tweaked rather than overruled.

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We will continue to monitor developments and provide further updates regarding this case. In the meantime, please feel free to contact us if you have questions regarding issues raised by this case.

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