

21 October 2004



TECHNOLOGY LAW UPDATE

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Bernhardt L.L.C. v. Collezione Europa USA, Inc.

No. 04-1024 (Fed. Cir. Oct. 20, 2004)

“[T]o invalidate a design patent based on a prior public use under 35 U.S.C. § 102(b), the fact finder must compare the claim and the prior public use, employing both the ordinary observer and point of novelty tests”

On October 20, 2004, the Federal Circuit vacated and remanded the district court’s judgment following a bench trial that Collezione did not infringe U.S. Patents No. D438,727, No. D439,763, No. D439,770, No. D441,560, No. D441,975, and No. D441,980, which related to furniture designs, and that the ’980, ’770, ’975, and ’560 patents were invalid for prior public use under 35 U.S.C. § 102(b). The Federal Circuit stated:

[T]o invalidate a design patent based on a prior public use under 35 U.S.C. § 102(b), the fact finder must compare the claim and the prior public use, employing both the ordinary observer and point of novelty tests. . . . While the court concluded that each of Bernhardt’s furniture pieces corresponding to each SKU were “similar to” the furniture design “shown in” each of Bernhardt’s design patents, the analysis does not discuss or explain whether the furniture designs actually displayed at Pre-Market were substantially similar in appearance in the eyes of an ordinary observer to the claimed designs or appropriated the points of novelty of the patented designs. Only after making these determinations could the district court properly assess whether an invalidating public use within the scope of § 102(b) had occurred. The fact that the exhibited designs were Bernhardt’s own designs does not diminish the analysis required by the district court and did not obviate Collezione’s burden to prove that the designs were covered by the claims, meaning not only similar in appearance to the ordinary observer but also embodying the points of novelty.

Collezione also bore the burden of [proving] by clear and convincing evidence that Bernhardt’s 1999 Pre-Market was “public” within the meaning of 35 U.S.C. § 102(b). . . . “Public use under 35 U.S.C. § 102(b) includes any use of the claimed invention by a person other than the inventor who is under no limitation, restriction or obligation of secrecy to the inventor.” “The only use possible for an ornamental design is its embodiment, exhibition, and observation.” . . . In determining whether an invention was in public use, a court “must consider how the totality of the circumstances comports with the policies underlying the on sale and public use bars,” including “discouraging the removal of inventions from the public domain which the public justifiably comes to believe are freely available, prohibiting an extension of the period for exploiting the invention, and favoring prompt and widespread disclosure of inventions.” Additional factors a court must consider and weigh [include], inter alia, “the nature of the activity that occurred in public; the public access to and knowledge of the public use; [and] whether there was any confidentiality obligation imposed on persons who observed the use” The presence or absence of a confidentiality agreement is not dispositive of the public use issue, but “is one factor to be considered in assessing all the evidence.”

The district court focused on the absence of any confidentiality agreements and did not discuss or analyze how the totality of circumstances surrounding Bernhardt’s 1999 Pre-Market comports with the policies underlying the public use bar. [T]hese policies include “discouraging the removal of inventions from the public domain which the public justifiably comes to believe are freely available, prohibiting an extension of the period for exploiting the invention, and favoring prompt and widespread disclosure of inventions,” and “the nature of the activity that occurred in public; the public access to and knowledge of the public use; [and] whether there was any confidentiality obligation imposed on persons who observed the use.” [B]ecause the district court’s analysis of the “public” nature of the exhibition was incomplete, we vacate the district court’s finding of invalidity based on prior public use under § 102(b) and remand