

Articles

February 24, 2014

***Pacific Coast Marine Windshields Ltd. V. Malibu Boats, LLC et. al.:* Federal Circuit Decision Confirms Application of Principle of Prosecution History Estoppel to Design Patents**

AUTHORS

Miguel A. Lopez, Ph.D.
Stefan J. Kirchanski, Ph.D.

RELATED PRACTICES

Intellectual Property
Patent Litigation
Patent Prosecution and
Counseling

ARCHIVES

2014 2010 2006
2013 2009 2005
2012 2008 2004
2011 2007

On January 8, 2014, the Federal Circuit in *Pacific Coast Marine Windshields Ltd. V. Malibu Boats, LLC. et. al.* confirmed that prosecution history estoppel applies to design patents. Although application of this doctrine to utility patents is well established, the court noted that the issue in regards to design patents was one of first impression. Nevertheless, in its decision, the Federal Circuit overturned a District Court's grant of Malibu Boats' motion for summary judgment of non-infringement on the grounds of prosecution history estoppel. This decision has immediate implications in the prosecution and enforcement of design patents as well as far reaching consequences on the licensing of their rights.

In 2006, the owner and CEO of Pacific Coast, Darren Bach, filed a design patent application claiming an "ornamental design of a marine windshield with a frame, a tapered corner post with vent holes and without said vent holes, and with a hatch and without said hatch, as shown and described." The application as filed included multiple embodiments including or not including a front hatch and including or not including different numbers and shapes of vent holes. The original drawing showed embodiments with no vent holes, with two rectangular or elliptical vent holes and with four round, elliptical or square vent holes. The examiner determined that the embodiments represented at least five patentably distinct groups of designs and issued a restriction requirement. The applicant then elected without traverse the design corresponding to a marine windshield with a hatch and tapered corner posts with four vent holes and amended the claim and deleted the drawings showing the other embodiments. The amended application issued in November of 2007 as No. D555,070 (the '070 patent). In May of 2008, Darren Bach obtained a design patent for a marine windshield with no vent holes as a divisional of the originally filed application (D569,789, the '789 patent).

In 2011, Pacific Coast filed suit against Malibu Boats, alleging that Malibu's design of a boat windshield with three vent holes and a hatch infringed the '070 patent which explicitly covered a design of a hatch with four vent holes. The district court granted Malibu Boats' motion for summary judgment of non-infringement on the grounds of prosecution history estoppel because Pacific Coast had surrendered the designs reflected in the canceled drawings. The court recognized that that the accused the design was within the territory surrendered between the original and amended claim. Lastly, the court found that the patentee was unable to overcome the presumption of prosecution history estoppel. Pacific Coast appealed the decision to the Federal Circuit.

The court noted that although the doctrine of prosecution history estoppel is well established for utility patents, the issue in regards to design patents was one of first impression. Utility patents may be infringed literally and/or under the doctrine of equivalents when there are only "insubstantial differences" between the claimed and accused elements. Prosecution history estoppel limits the patentee's ability to recover under the doctrine of equivalents by limiting what the patentee can claim as equivalent. More specifically, if a patentee is obliged to surrender subject matter during patent prosecution to obtain a patent, prosecution history estoppel prevents the patentee from recapturing the surrendered matter under the doctrine of equivalents. Additionally, prosecution history estoppel is an integral component of public notice and provides the public with a clear definition of the metes and bounds of a claimed invention.

For design patents, the issue becomes more complicated, because the line between literal and equivalent infringement is less well defined. With design patents, the test for infringement is "if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other." As such, Pacific Coast argued that the doctrine of prosecution history estoppel should not be applied design patents. The Federal Circuit disagreed on the grounds that the same principles of public notice that apply to utility patents apply to

design patents. The Federal Circuit decided that not applying the doctrine of prosecution estoppel to design patents would undermine the public-notice functions of the statutory claiming requirement.

The Federal Circuit then addressed whether the principles of the prosecution history estoppel barred the infringement claim in this particular instance by addressing three issues: 1) whether there was a surrender of subject matter; 2) whether such a surrender was for reasons of patentability; and 3) whether the accused design is within the scope of the surrender.

In regards to the first issue, the Federal Circuit found that Pacific Coast did surrender subject matter by electing without traverse one design and amending the claim to include only windshield designs containing corner posts with four vent holes.

In regards to the second issue, the Federal Circuit found that Pacific Coast did surrender subject matter for reasons of patentability. Although the subject matter was not surrendered in view of prior art, the Federal Circuit noted that in a design patent, a restriction requirement is not simply a matter of administrative convenience (as can be the case in a utility patent), but rather a necessity because a design application by statute can only contain a single claim for a single design. Therefore in this case, the election of a single design was necessary for patentability.

In regards to the third issue, the Federal Circuit reasoned that prosecution history estoppel only bars infringement claims if the accused design falls within the scope of the surrendered subject matter. Malibu Boats had argued that because Pacific Coast surrendered subject matter to a corner post with two vent holes, they also surrendered claim to a corner post with three vent holes since three vent holes falls within the "range" of 0-4 vent holes. The Federal Circuit did not agree and found that this argument did not apply to design patents and that Pacific Coast did not claim a range of 0-4 vent holes in the original application. The Federal Circuit held that the principle of prosecution history estoppel did not bar Pacific Coast's infringement claim and remanded for further proceedings.

It seems that the court was influenced by the difference between infringement standards for design patents versus utility patents as well as the ability to file divisional applications to capture subject matter cancelled in response to a restriction requirement. Pacific Coast originally showed embodiments with zero, two and four vent holes. In electing the four-hole embodiment Pacific Coast clearly preserved its ability to capture the other embodiments in divisional applications. Although only the zero-hole and four-hole embodiments issued as divisional applications, the question is whether or not Malibu Boats' three-hole product infringes either of these patents. This will turn on whether the observer test will determine that two holes resembles four holes sufficiently to deceive the observer. It will be interesting to see how the lower court decides the infringement allegations of Pacific Coast. Although the Federal Circuit has determined that prosecution history estoppel applies to design patent in principal, it is difficult to see how it applies in practice because a restriction requirement is the most likely place a design patent applicant could surrender matter—and the Federal Circuit has now decided that such a surrender does not invoke prosecution history estoppel. It seems likely that the situations in which prosecution estoppel will apply to design applications will be fairly narrow. One possible situation might be where the examiner objects to the drawings as being unclear—for example, for not being properly shaded so as to indicate whether a particular feature is protruding from or is actually penetrating into a surface (e.g., concave versus convex). In response the applicant argues that the feature is clearly protruding and supplies drawings with corrected shading. In a subsequent infringement contest the observer test should not be allowed to conclude that the resemblance between protruding and penetrating features is such as to deceive the observer. In such a case, the penetrating feature has clearly been disclaimed.