



Strategies to leverage design patents as key assets for companies

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The question of how companies can leverage design patent protection may be answered by discussing how it can be used for a company's gain or how design patent protection can be used by a company to achieve a maximum advantage. But what are best practices to leverage design patents covering the ornamental and aesthetic aspects of innovation?

Design patent protection and its associated exclusionary rights can apply to a variety of technologies and implementations, most notably mechanical devices, consumer goods and computer interfaces. Design patent infringement litigation and enforcement vis-a-vis counterfeit goods or direct copying is well understood and often a key component for companies facing such challenges. However, even in situations in which a company may not face direct copying or counterfeit goods, there is an opportunity to evangelise consideration of the business, non-litigation value of a strategic design patent portfolio.

The focal point of this article is to explain the business value gained by having a competitor incur business costs and delays to work-around a patented design.

Gaining advantages with design patents

Neither utility nor design patent protection provides the patent owner with any explicit right to practice the covered inventive subject matter. Accordingly, the advantages of design patent protection are related to the exclusionary character of the patent right.

Design patent protection is often associated with providing the design patent holder with a narrower scope of protection based on the legal standard for determining infringement of design patents. The legal standard is generally referred to as the ordinary observer test. Under this test, "if, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing . . . purchase [of] one supposing it to be the other, the first one patented is infringed by the other," according to the 2008 US Court of Appeals for the Federal Circuit ruling in *Egyptian Goddess Inc v Swisa Inc*.

Unlike the broader scope of utility patent protection, the scope of design patent protection is rarely viewed as extending beyond preventing direct copying of the subject matter illustrated in the design patent. In certain industries and scenarios, design patent protection is a key strategy to preventing counterfeit goods or entities attempting to explicitly copy a product. In other industries, where the likelihood of counterfeit goods or explicit copying is lower, the inclusion of design patents as part of an intellectual property strategy is often overlooked. For example, commentary regarding the drawbacks of design patent

protection is often phrased as “if a competitor’s product looks different than the drawings in a design patent, then design patent protection won’t help”. While such statements may be legally accurate as to whether infringement has occurred, they do not reflect the advantages companies achieve in the exclusionary right of design patent protection.

Specifically, there can be business advantages to being able to prevent or delay the development or release of unlicensed competitive products in view of a protected design. Similarly, there can be business advantages to forcing competitors to invest resources to avoid copying the protected design. Such business advantages do not necessarily require or result in litigation involving design patents, and can yield significant gains relative to the costs of filing and prosecuting design patents in the United States.

Maximising design patent gains

Design patent protection is typically associated with lower legal and filing costs relative to the fees and costs required for utility patent protection. In addition, both the time required to prepare a design patent application and the time to obtain the design patent after filing are typically much shorter than those for utility patents. Therefore, the potential for return on investment for a strategic design patent portfolio strategy will typically have a lower threshold than utility patent portfolio strategies.

Strategy 1 – file early

In view of the lower threshold needed to obtain a return on investment, one value-maximising strategy is to file design patents early in the development of the patent portfolio. Depending on the technical subject matter of the design (software v mechanical object), consider filing for design patent protection as soon as development of meaningful ornamental aspects of a product are final. Even if the company plans to file utility patents, the design patents may provide some early exclusionary rights. Always consider the IP and business implications of the publication of the issued design patent, and if it would constitute “first publication” disclosing a future product.

Strategy 2 – file often

Another value-maximising strategy, which can be additional or an alternative to the first strategy, is to consider multiple design patent filings covering not only a primary or desired design but some possible variations as well. In this strategy, design patent filings covering variations and alternative designs would increase the resources a competitor would likely need to invest to come up with a competitive product or service that would not be substantially similar to the plurality of designs. Specifically, the cost and fee structure of design patents is not so prohibitive to consider the variation designs, especially in consideration of the potential burden the multiple design patents may place on competitive products and services.

Conclusion

Strategic design patent filing can and should be part of a comprehensive IP strategy. It can provide companies with valuable assets. There will always be a set of activities or a “bad actor”, in which enforcement of design patents, via litigation or other enforcement mechanisms, may be an appropriate strategy. This is commonly understood in the context of counterfeit or direct knock-offs of patent designs.

However, as discussed above, for “good actors” that respect third-party IP and will attempt to avoid infringement or otherwise take active steps to design-around, there is a hidden value to the design patent owner, namely, in the business costs incurred by competitors to respect design patent rights.

By understanding and taking advantage of the scope of protection afforded by design patents, a company can maximise their value at a reasonable cost.

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