



## **THE EVER-CHANGING LANDSCAPE OF PATENT LAW**

At one time the case law in the area of patents was one of the most stable of all areas of law, but in recent years the case law has been changing the landscape of patent law in major ways. Although many of the changes are of particular interest to patent attorneys or those who practice intellectual property law, general practitioners, their clients, entrepreneurs and lay persons should have some knowledge of these changes to avoid pitfalls, render proper advice and make sound business decisions.

As we await the decision from the United States Supreme Court in the Bilski case (*In re Bilski*, 545 F.3d 943, 88 U.S.P.Q.2d 1385 (Fed. Cir. 2008)) on the patentability of business methods, a decision that could change the face of patent law forever, two other recent decisions have resulted in changes that all practitioners and their clients should be aware of. One change concerns the false marking of products and the second concerns the scope of design patents.

We often see clients who desire to mark their products and associated advertising with the designation “patent pending” or “patent applied for” before a patent application has been filed. Many times people desire to mark their products with the word “patented” before a patent has issued. The motivation behind this desire is usually to deter competitors from copying their product.

Such false marking, if done with the intent to deceive, has always been a violation of federal statute, specifically 35 U.S.C. 292, which provides a penalty of \$500 for each offense. In the past, the penalty was applied on a one-time basis, regardless of how many falsely-marked items were sold. However, the recent case of *The Forest Group, Inc. v. Bon Tool Company*, 2009 WL 5064353 (C.A.Fed. (Tex.)) changed all that and now the \$500 penalty is calculated on a per article basis. This change has and will result in more suits brought by members of the public and competitors, especially against companies who sell thousands or millions of articles that are falsely marked. Such suits may result in large monetary awards, with one-half going to the party suing and the other to the United States government.

The next major recent change in patent law came in the area of design patents. Unlike utility patents which cover apparatuses, devices and processes that have usefulness, design patents cover the ornamental appearance of an object separate and apart from whatever utility the object may have. The test for infringement of a design patent under the prior long-standing case law was based on whether a design had the same point of novelty (i.e., feature) as a patented design. Similarly, the test for validity of a design patent was whether a patented design had a point of novelty not found in the prior art. Thus, design patents were construed rather narrowly and not accorded much value as it was always easy to find a prior patent or other reference that contained a particular point of novelty.

Now, however, the “point of novelty” test for both infringement and validity of design patents has been thrown out, first by the case of *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665 (Fed. Cir. 2008) as to infringement, and second by case of *International Seaway Trading Corporation v. Walgreens Corporation*, 2009 WL 482608 (C.A. Fed. (Fla.)) as to validity. The sole test now for both infringement and validity is the “ordinary observer” test. In other words, are the designs substantially similar in the eyes of an ordinary observer. If yes, there could be infringement or a design patent could be invalidated. As a result of this change to the “ordinary observer” test design patents will now be construed more broadly and should now be considered more valuable to inventors and businesses in protecting the appearance of their products.

In light of the recent case law, clients should be warned to not mark their products with false designations of “patented” or “patent pending” and inventors should strongly consider the use of design patents in protecting their intellectual property.

Thank you for taking the time to read this edition of Protecting Your Creativity. If you are in need of our services then please contact us to schedule an appointment.

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