

PUBLIC VERSION

**UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.**

**Before Paul J. Luckern
Administrative Law Judge**

In the Matter of

CERTAIN AUTOMOTIVE PARTS

Inv. No. 337-TA-557

POST-HEARING BRIEF OF THE COMMISSION INVESTIGATIVE STAFF

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I. INTRODUCTION

The Commission Investigative Staff (“the Staff”) files this post-hearing brief pursuant to Ground Rule 16 and the Judge’s directions on the last day of the hearing. Hearing Tr. 2179 *et seq.* As shown below, the record evidence demonstrates that none of the patents at issue have a point or points of novelty. Hence, none of them is infringed and Ford does not practice any of them. Similarly, each of the patents are invalid as anticipated or rendered obvious by, *inter alia*, Ford’s public use of prototypes and large scale depictions of F-150 and Ranger trucks at the Houston Astrohall during a two-week period in December 2000. Moreover, the evidence of record demonstrates that each of the patents at issue is unenforceable because the applicants intentionally withheld material information from the Patent and Trademark Office (“PTO”) during prosecution of the applications that resulted in such patents.

II. THE PARTIES

A. Complainant

Ford Global Technologies, LLC (“Ford GTL”) of Dearborn, Michigan, is a Delaware corporation and is the owner, by assignment, of each of the fourteen design patents originally asserted. Amended Complaint, ¶¶ 2.1, 2.3, pp. 5-6. Ford GTL has granted Ford Motor Co. (“Ford”) a non-exclusive license under the design patents at issue. Amended Complaint, ¶ 2.3, pp. 5-6. Each of the design patents at issue is directed to a part created specifically for the 2004-05 Ford F-150 pickup truck. Amended Complaint, ¶ 2.4, p. 6.

B. Respondents

Keystone Automotive Industries, Inc. (“Keystone”) of Pomona, California is a corporation organized under the laws of California and is engaged in the importation into the United States of a wide variety of allegedly infringing automotive parts for the Ford F-150 truck, and the sale of such parts after importation through Keystone's distribution network. Amended Complaint, ¶ 3.1, p. 7; Keystone Resp. To Complaint, ¶ 20, p. 9.

U.S. Autoparts Network, Inc. (“US Autoparts”) is located in Carson, California and is engaged in the importation into the United States of a wide variety of allegedly infringing automotive parts for the Ford F-150 truck, and the sale of such parts after importation through U.S. Autoparts' distribution network. Amended Complaint, ¶ 3.2, p. 7; US Autoparts Resp. To Complaint, ¶ 21, p. 9.

Gordon Auto Body Parts Co., Ltd. (“Gordon”) is located in Taiwan and is engaged in the manufacture, sale for importation into the United States, and sale in the United States after

importation of allegedly infringing automotive parts, including fenders and hoods. Amended Complaint, ¶ 3.3, pp. 7-8 7; Gordon Resp. To Complaint, ¶ 22, p. 9.

Y.C.C. Parts Manufacturing Co., Ltd. (“YCC”) is located in Taiwan and is engaged in the manufacture, sale for importation into the United States, and sale in the United States after importation of allegedly infringing automotive parts, including bumpers, valances and grilles. Amended Complaint, ¶ 3.4, p. 8; YCC Resp. To Complaint, ¶ 23, pp. 9-10.

TYC Brother Industrial Co., Ltd. (“TYC”) is located in Taiwan and is engaged in the manufacture, sale for importation into the United States, and sale in the United States after importation of allegedly infringing automotive parts, including head lamps. Amended Complaint, ¶ 3.5, p. 8; TYC Resp. To Complaint, ¶ 24, p. 10.

Depo Auto Parts Ind. Co., Ltd. (“Depo”) is located in Taiwan and is engaged in the manufacture, sale for importation into the United States, and sale in the United States after importation of allegedly infringing automotive parts, including tail lamps. Amended Complaint, ¶ 3.6, p. 8; Depo Resp. To Complaint, ¶ 25, p. 10.

III. DEVELOPMENT OF THE 2004 F-150

During the time frame 1998-99, Ford began preparations for a “new” F-150 truck for the 2004 model year. Metros Tr. 281. All Ford designers were invited to submit their proposed themes for the “new” F-150. Ford selected two designers Tyler Blake and Brad Richards, to compete for the honor being the designer of the winning “theme” or design for the new F-150. Metros Tr. 289; Shiavone Tr. 563; Blake Tr. 1077.

Although Ford contends that the designers were given a “clean sheet” to design the “new” F-150, the designers were constrained by, *inter alia*, the fact that the “new” F-150 had to look like it was “Built Ford Tough.” “It needs to look like a Ford.” Metros Tr. 310. For example, the new truck had to have Ford’s “DNA” such as a trapezoidal grille and honeycomb mesh. *Id.* at 311-12 Metros Tr. 525-27; Blake Tr. 1184. One of the goals of the project was to raise the bar on how people perceive pickup trucks, and to make the F-150 look modern. Metros Tr. 311.

However, the designers also wanted people to identify the truck as a Ford F-150. Metros Tr. 311. The designers did not need a checklist of design features that could be used to identify the truck as one made by Ford because they knew the attributes of prior Ford trucks. The design team often met in the studio to brainstorm about design features that would identify or tell people that “the truck is a Ford truck.” Metros Tr. 311; Blake Tr. 1151.

The designers were also constrained by the fact that they were designing a pickup truck with four wheel drive that could go off road and carry passengers and cargo. Therefore, designers could not stray too far from the basic, predetermined shape of the pickup truck. Metros Tr. 286-88; Skalski Tr. 1613.

The original design team consisted of Patrick Shiavone, chief designer, Craig Metros, Brad Richards, and Tyler Blake. Blake Tr. 1086. Jeff Nowak joined the team after the final design was selected by Ford’s management. Metros Tr. 289. Mr. Shiavone was the chief designer responsible for the entire design in terms of the appearance of the interior and exterior of the truck. Metros Tr. 280; Shiavone Tr. 568. Mr. Metros joined the team in in 1999. However, the program officially started in 1998. Metros Tr. 281. Mr. Metros was responsible

for all appearance related items for the exterior of the truck. Thus, he was responsible for the shape of the body, the appearance of the front and rear, the mirrors, and the wheels. Metros Tr. 281-82.

Tyler Blake was a senior designer at Ford at the time that he was chosen to work on the project. Metros Tr. 282. Mr. Blake's role was to develop themes and concepts for the F-150; and his theme was chosen for the 2004 F-150. Metros Tr. 282. Brad Richards was a member of the project from the beginning and worked alongside Mr. Blake as one of the designers. Metros Tr. 288.

The design process began in earnest during 1999. Metros Tr. 298; Blake Tr. 1079. Brad Richards and Tyler Blake competed for the honor of being the designer whose design would be selected for the "new" Ford F-150. Messrs. Blake and Richards were sketching and creating different themes, essentially competing with each other. Metros Tr. 289.

Eventually two full-size clay models were made during the development stage. One represented Blake's designs and the other Richard's. The models were split models, with a different design on each side of a model. Therefore, four designs are represented on the two models depicted in CX-58 (RX-504 at 2279)); Blake's designs are on the model on the left and Richard's designs are on the model on the right. Metros Tr. 339; Blake Tr. 1080; Skalski Tr. 1623. The models depicted in CX-58 are more similar to each other in appearance than the original designs of Blake and Richards because the design team had decided that certain features had to be used. Thus, both models have the same windshield angle and drop belt line, which was taken from the F-250. Metros Tr. 334-35; Blake Tr. 1081. Components such as the headlamps,

grilles and bumpers are visible on the clay models. Metros Tr. 335. With the exception of the tires and wheels, everything appearing on the two models is made of clay. The clay is covered with different-colored Dynoc to represent different components of the vehicle such as glass for the windshield and windows, chrome and glass for the head lamps and tail lamps, chrome for the bumpers and so forth. Blake Tr. 1084-85.

Thereafter, Ford's management, Wm. Clay Ford, CEO, J. Mays, V.P. design, and others chose Mr. Blake's design as the design for the "new" F-150 in January 2000. Metros Tr. 289; Shiavone Tr. 620-21; Olsen Tr. 1314. By the time that the design was selected the clay models had been digitized and the data stored on a computer. Therefore, while the designers could make adjustments to the design, they could not change the design that had been selected by upper management. Skalski Tr. 1630. After Ford's management approval of the final design in January 2000, Mr. Shiavone never went back to management for approval of any changes. Shiavone Tr. 621.

Ford then built a clay model of the winning design. The designers continued to refine the design. Changes, if any, however, from the winning design were not great enough to require a return to upper management for approval. Shiavone Tr. 621-22. After the designers were satisfied with the clay model as refined, the design was completed. A fiberglass prototype was then made for market research. Shiavone Tr. 587; Blake Tr. 1088-89. The clay model was used as the basis to build a fiberglass model having the final design. Shiavone Tr. 622.

At his deposition in May 2006, Mr. Metros testified that August 20, 2000 was "rather late for freezing clay," *i.e.* finalizing the design. Metros Tr. 537-38. RX-526 is a copy of the

document that was the subject of Mr. Metros's deposition testimony. The document contains a section entitled "P221 Exterior Clay Freeze on 8/29/00, Deliverables and Required Actions." Metros Tr. 550; RX-526. RX-526 establishes a goal of creating a surface that is within plus/minus 1.5 millimeters by August 29, 2000. Metros Tr. 550; RX-525 at 16421.

As noted earlier, a fiberglass prototype is made at the end of the design program for market research purposes. Shiavone Tr. 587; Blake Tr. 1088-89. Because the fiberglass model can be made to look like steel, it is made once a design has been solidified to see what the vehicle will look like when it is made of steel. Blake Tr. 1086. It takes approximately five months to make a full-scale fiberglass prototype such as the P221. Metros Tr. 545-46, Tr. 552.

Fiberglass models are very expensive to make. Thus, the decision to make a fiberglass model signals a commitment to the design because it is very difficult to change the surfaces of a fiberglass model. Therefore, a design is pretty well set by the time they decide to make a fiberglass model because changes are much easier in the clay. Skalski Tr. 1643.

The fiberglass model of the "new" Ford F-150 was identified by the code "P221," and was identified as vehicle "H" at Ford's December 2000 Houston marketing event. RX-595.

In early December 2000, Ford and its marketing consultant MORPACE, International conducted a "marketing event" at the Astrohall in Houston, Texas at which Ford displayed its "new" Ford truck designs. Invitations were mailed to approximately 36,000 owners and potential owners of pickup trucks. Nearly 1300 individuals accepted, 1062 of which actually attended. Ward Tr. 804, 845; CX-111 at MP 88; RPX78 -88 (Titles thereof). Fiberglass models of Ford vehicles, including trucks with new designs were on display.

IV. PRODUCTS AND PATENTS AT ISSUE

The products at issue are replacement automotive parts for Ford F-150 pickup trucks; specifically, the version of the F-150 truck that was introduced in the 2004 model year (“new F-150 truck”). Amended Complaint, ¶¶ 1.1-1.3, p. 1.

Ford GTL initially asserted fourteen design patents in its complaint. Amended Complaint, ¶¶ 4.1-4.14, pp. 9-12. The design patents at issue are alleged to cover novel ornamental designs for various parts of the new F-150 truck. On June 21, 2006, Ford filed a motion withdrawing four of these patents (the ‘658, ‘685, ‘299, and ‘801 patents) and sought to terminate this investigation as to them. On July 18, 2006, the Judge issued Order No. 8 granting the foregoing motion; the Commission issued its Notice of Non-Review of Order No. 8 on August 3, 2006. For easier reference, the Staff has set forth a chart containing the remaining patent numbers, their titles (which reflect the parts to which each corresponds), the inventors of each patent, and its exhibit number:

D495,979 (“the ‘979 patent”) CX-4	Vehicle Grill	Metros, Schiavone, Blake
D496,890 (“the ‘890 patent”) CX-6	Vehicle Grill	Metros, Schiavone, Blake
D493,552 (“the ‘552 patent”) CX-3	Vehicle Head Lamp	Metros, Schiavone, Blake

D497,579 ("the '579 patent") CX-7	Bumper Lower Valance	Metros, Schiavone, Blake
D503,135 ("the '135 patent") CX-9	Bumper Lower Valance	Metros, Schiavone, Blake
D491,119 ("the '119 patent") CX-1	Exterior of Vehicle Front Bumper	Metros, Schiavone, Blake
D496,615 ("the '615 patent") CX-5	Vehicle Side View Mirror	Metros, Nowak, Schiavone, Blake
D503,912 ("the '912 patent") CX-10	Vehicle Fender	Metros, Schiavone, Blake
D502,561 ("the '561 patent") CX-8	Vehicle Tail Lamp	Metros, Schiavone, Blake, Nowak
D492,044 ("the '044 patent") CX-2	Exterior of Vehicle Tail Lamp	Metros, Nowak, Schiavone, Blake

V. JURISDICTION

Each of Respondents has stipulated that it has imported certain of the accused products into the United States and sold them in the United States. *See* Order No. 10, July 18, 2006.

VI. THE STANDARD FOR ESTABLISHING INFRINGEMENT OF DESIGN PATENTS

A. The Legal Standard

A design patent protects the non-functional aspects of an ornamental design as seen as a whole and as shown in the patent. *Contessa Food Products, Inc. v. Conagra, Inc.*, 282 F.3d 1370, 1376-77 (Fed. Cir. 2002) (“*Contessa*”); *KeyStone Retaining Wall Sys., Inc. v. Westrock, Inc.*, 997 F.2d 1444, 1450 (Fed. Cir. 1993) (“*KeyStone*”). An aspect of a design patent is functional “if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.” *Amini Innovation Corp. v. Anthony Calif., Inc.*, 439 F.3d 1365, 1371 (Fed. Cir. 2006) (“*Amini*”), *citing and quoting Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 (1982). As stated by the Supreme Court:

To qualify for protection [under Section 171], a design must present an aesthetically pleasing *appearance that is not dictated by function alone*, and must satisfy the other criteria of patentability.

Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 148 (1989) (emphasis added).

Thus, if the appearance of the product claimed in a design patent is dictated solely by the function of the article, the design is functional and hence the patent is invalid because the design is not ornamental. It is the drawings in the patent, not just one feature of the claimed design, that define the patented design.¹ *Contessa*, 282 F.3d at 1377; *KeyStone*, 997 F.2d at 1450.

The Manual of Patent Examination Procedures (“MPEP”), Rev. 2, May 2004, provides:

¹ Each of the designs at issue has been found to be “ornamental.” *See* Order No. 12, August 2, 2006, granting Ford’s Motion for Summary Determination Dismissing Respondents’ Defense That the Asserted Patents Do Not Comply with the Ornamentality Requirements of 35 U.S.C. § 171.

The language “new, original and ornamental design for an article of manufacture” set forth in 35 U.S.C. 171 has been interpreted by the case law to include at least three kinds of designs:

- (A) a design for an ornament, impression, print, or picture applied to or embodied in an article of manufacture (surface indicia);
- (B) a design for the shape or configuration of an article of manufacture; and
- (C) a combination of the first two categories.

See In re Schnell, 46 F.2d 203, 8 USPQ 19 (CCPA 1931); *Ex parte Donaldson*, 26 USPQ2d 1250 (Bd. Pat. App. & Int. 1992).

MPEP, § 1504.01(a). Each of the patents at issue appear to relate solely to the second category (B) identified above.

In construing a design patent claim, the scope of the claimed design encompasses “its visual appearance as a whole” and in particular “the visual impression it creates.” *See Durling v. Spectrum Furniture Co.*, 101 F.3d 100, 104-05 (Fed. Cir. 1996). If a design includes both functional and ornamental features, infringement occurs if an ordinary person “would be deceived by reason of the common features in the claimed and accused designs which are ornamental.” *Amini*, 439 F.3d at 1371, *citing and quoting Read Corp. v. Portec, Inc.*, 970 F.2d 816, 825 (Fed. Cir. 1992). However, the deception that arises must be a result of similarities in the overall design, not of similarities in ornamental features considered in isolation. *See, e.g., KeyStone*, 997 F.2d at 1450; *see also In re Lapworth*, 451 F.2d 1094, 1096 (CCPA 1971) (“It is distinctiveness in overall appearance of an object, when compared with the prior art, rather than minute details or small variations in configuration . . . that constitutes the test of design patentability.”). As further explicated in *Bernhardt, L.L.C. v. Collezione Europa USA, Inc.*, 386

F.3d 1371, 1384 (Fed. Cir. 2004) (“*Bernhardt I*”), the Federal Circuit held that a patentee must introduce into evidence, *at a minimum*, the design patent at issue, its prosecution history, and the relevant prior art references cited in the prosecution history; and must present, in some form, its contentions as to points of novelty. *Bernhardt I*, 386 F.3d at 1384; *accord*, *Amini*, 439 F.3d at 1372 (“On remand, in addition to the evidence on record, Amini ‘must introduce ... at a minimum ... [the] prosecution history [for the '218 patent], and the relevant prior art references cited in the prosecution history; and must present, in some form, its contentions as to points of novelty,’” citing *Bernhardt I* at 1384.).

In assessing infringement, the patented and accused designs do not have to be identical in order for design patent infringement to be found. *Braun Inc. v. Dynamics Corp. of Am.*, 975 F.2d 815, 820 (Fed. Cir.1992). What is controlling is the appearance of the design as a whole in comparison to the accused product. *OddzOn Prods., Inc. v. Just Toys, Inc.*, 122 F.3d 1396, 1405 (Fed. Cir. 1997).

An ordinary observer test governs design patent infringement: “[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 him to purchase one supposing it to be the other, the first one patented is infringed by the other.” *Gorham Company v. White*, 81 U.S. 511 at 528 (“*Gorham*”).

In addition, the accused design must appropriate the novel ornamental features of the patented design that distinguish the patented from the prior art. *Oakley, Inc. v. Int’l Tropic-Cal, Inc.*, 923 F.2d 167, 169 (Fed. Cir. 1991). Both of these tests must be satisfied if infringement is to be found. *See Unidynamics Corp. v. Automatic Prods. Int’l, Ltd.*, 157 F.3d 1311, 1323 (Fed. Cir. 1998).

Two designs are substantially the same if their resemblance is deceptive to the extent that it would induce an ordinary observer, giving such attention as a purchaser usually gives, to purchase an article having one design supposing it to be the other. *Door-Master Corp. v. Yorktowne, Inc.*, 256 F.3d 1308,1313 (Fed. Cir. 2001). Moreover, the test as stated implies a “comparison” of the patented design and the accused design based upon the memory of an “ordinary purchaser.” In other words, the test is *not* a side-by-side (direct) comparison of the patented design and the allegedly infringing/anticipating design. Indeed, the Supreme Court in *Gorham*, expressly rejected the lower court’s use of side-by-side comparisons as well as such a comparison by experts to determine infringement of design patents, stating:

With this we cannot concur. *Such a test would destroy all the protection which the act of Congress intended to give.* There never could be piracy of a patented design, for human ingenuity has never yet produced a design, in all its details, exactly like another, so like, that an expert could not distinguish them. No counterfeit bank note is so identical in appearance with the true that an experienced artist cannot discern a difference. It is said an engraver distinguishes impressions made by the same plate. Experts, therefore, are not the persons to be deceived. *Much less than that which would be substantial identity in their eyes would be undistinguishable in the eyes of men generally, of observers of ordinary acuteness, bringing to the examination of the article upon which the design has been placed that degree of observation which men of ordinary intelligence give. It is persons of the latter class who are the principal purchasers of the articles to which designs have given novel appearances, and if they are misled, and induced to purchase what is not the article they supposed it to be, if, for example, they are led to purchase forks or spoons, deceived by an apparent resemblance into the belief that they bear the 'cottage' design, and, therefore, are the production of the holders of the Gorham, Thurber, and Dexter patent, when in fact they are not, the patentees are injured, and that advantage of a market which the patent was granted to secure is destroyed.* The purpose of the law must be effected if possible; but, plainly, it cannot be if, while the general appearance of the design is preserved, minor differences of detail in the manner in which the appearance is produced, observable by experts, but not noticed by ordinary observers, by those who buy and use, are sufficient to relieve an imitating design from condemnation as an infringement.

Gorham, 81 U.S. at 527-28 (emphasis added). Moreover, as noted earlier, “[m]ere differences of lines in the drawing or sketch, a greater or smaller number of lines, or slight variations in configuration, [even] if sufficient to change the effect upon the eye, *will not destroy* the substantial identity.” *Gorham*, 81 U.S. at 526-7 (emphasis added). Thus, the Court in *Gorham* equated “identity of design” with “sameness of appearance” and noted that slight variations would not destroy substantial identity.² See *In re Certain Two-Handled Faucets and Escutcheons, and Components Thereof*, ITC Inv. 337-TA-422 (March 17, 2000) (“*Faucets*”), citing *Gorham*, 81 U.S. at 524. Therefore, the determination of whether two designs are substantially the same can be made by the court, based on its own visual comparison. See *Faucets* at 16. As noted in *Faucets*, “an ordinary observer is a hypothetical purchaser of faucets which could include this administrative law judge” Thus, neither expert testimony, nor the patentee’s verbal description, is controlling. As *Faucets* (and *Gorham*) makes clear, expert testimony is *not* to be given precedence over a Judge’s own observation and comparison.

In their responses to contention interrogatories, Respondents relied extensively on the first Federal Circuit opinion in *Lawman Armor Corp. v. Winner Int’l, LLC*, 437 F.3d 1383 (Fed. Cir., 2006) (“*Lawman I*”). In *Lawman I*, the Federal Circuit affirmed the district court’s grant of a summary judgment of non-infringement based on the fact that each of the alleged points of

² For example, numerous differences between the patented design and the accused designs are apparent based upon side-by-side comparison of the patented design and the accused designs at issue in *Gorham*. See 81 U.S. at 521. It should be noted that the evidence at the trial in *Gorham* demonstrated that the differences between the patented design and the accused design could be discernible by a direct comparison between them; however, one would probably mistake one for the other without the benefit of such a direct comparison. *Gorham*, 81 U.S. at 513-18.

novelty in the patented design was present in *one* prior art reference. The court rejected Lawman’s contention that the combination of the eight alleged points of novelty constituted a ninth point of novelty, stating: “This argument is inconsistent with, and would seriously undermine, the rationale of the ‘points of novelty’ test.” *Id.*, 437 F.3d at 1385. In *dicta*, the court stated: “‘New’ designs frequently involve only relatively small changes in the shape, size, placement, or color of elements of old designs. It is those changes in and departures from the old designs that constitute the ‘points of novelty’ in the patented new design.” *Id.*, 437 F.3d at 1386.

After a petition for *en banc* consideration was rejected, the original panel issued a supplemental *per curiam* opinion, wherein it stated: “Thus, to whatever extent incorporating the eight points of novelty itself was a ninth point of novelty, *we recognized that the overall appearance of a design cannot itself be a point of novelty.*” *Lawman Armor Corp. v. Winner Int’l, LLC*, 490 F.3d at 1190, 1192 (emphasis added) (“*Lawman II*”). The panel stated: “In our decision, we did not intend to cast any doubt upon our prior decisions indicating that in appropriate circumstances a combination of design elements itself may constitute a ‘point of novelty.’ Such a combination is a different concept than the overall appearance of a design which, as indicated, our cases have recognized cannot be a point of novelty.” *Id.*

Based on the foregoing, the Staff believes that differences in size, relative position, and spatial relationships of aspects found in the prior art can constitute “points of novelty,” and thus, could be the subject of design patent protection.³ However, the dissent from the denial for

³ Moreover, both of the decisions in *Lawman* were decisions by a panel, and not the court sitting *en banc*. Hence, neither decision overrules or supersedes prior decisions of either the
(continued...)

rehearing *en banc* found that the panel’s decision eliminates patent protection for designs that consist of combinations of elements from existing designs. See *Lawman II*, dissenting opinion at 490 F.3d 1193-94.

In sum, the “overall” appearance of the product cannot constitute a “point of novelty.” *Lawman II*, 490 F.3d at 1192. As the court in *Bernhardt L.L.C. v. Collezione Europa USA, Inc.*, 422 F.Supp.2d 561, 563 (M.D.N.S. 2006) (“*Bernhardt II*”), stated: “However, it is an inferior court's duty to apply the law as it is now on the books, and a district court does not have the luxury of determining that controlling authority is “wrong” and thus not following it.”

B. Ford’s Contentions Regarding Points of Novelty

Ford contends that Respondents, in order to establish the absence of points of novelty, “must prove there is no novelty, *i.e.*, that the patents are invalid under 35 U.S.C. § 102, by clear and convincing evidence.” Ford PHS at 10. Ford’s position is contrary to federal court precedent. For example, the court in *Lawman I* determined that a claimed design patent lacked novelty based on the existence of eight different references, each of which disclosed *only one* of the alleged points of novelty. *Lawman I*, 437 F.3d 1385. Thus, the design patent at issue therein

³(...continued)

Federal Circuit or the CCPA. See *South Corp. v. U.S.*, 690 F.2d 1368, 1369 (Fed. Cir. 1982), *en banc*, wherein the court stated:

The court sits in banc [*sic. en banc*] to consider what case law, if any, may appropriately serve as established precedent. We hold that the holdings of our predecessor courts, the United States Court of Claims and the United States Court of Customs and Patent Appeals, announced by those courts before the close of business September 30, 1982, shall be binding as precedent in this court.

was determined to lack any novelty based on eight different references. In contrast, anticipation of a design patent requires the existence of *one reference that satisfies the infringement test*. Based on the often-quoted statement - - “[t]hat which infringes, if later, would anticipate, if earlier,” *Peters v. Active Mfg. Co.*, 129 U.S. 530, 537 (1889) - - the design patent infringement test also applies to design patent anticipation. Thus, as Ford argued in its motion for summary determination of infringement, the “all elements” rule does not apply when determining design patent infringement. *See Ford’s Memorandum in Support of Motion for Summary Determination of Infringement and that the Patents Are Valid at 5.*

In other words, the same product that would satisfy the ordinary observer test if later, would anticipate if it existed earlier, (even though that product does not appropriate of the points of novelty) as long as it satisfies the ordinary observer test. *Gorham Co. v. White*, 81 U.S. 511, 528 (1871). *Accord, In re Bartlett*, 300 F.2d 942, 943-44 (CCPA 1962); *In re Nalbandian*, 661 F.2d 1214, 1217, n.3 (CCPA 1981); MPEP, § 1504.02. In *Bartlett*, the Federal Circuit’s predecessor, Court of Customs and Patent Appeals (“CCPA”) in addressing the standard that should be used when determining anticipation, held that the “ordinary observer” test is to be used when determining anticipation. *In re Bartlett*, 300 F.2d 942, 943-44 (CCPA 1962) (“*Bartlett*”); *In re Nalbandian*, 661 F.2d 1214, 1217, n.3 (CCPA 1981) (“*Nalbandian*”). In *Bartlett*, the CCPA stated:

If the general or ensemble appearance-effect of a design is different from that of others in the eyes of ordinary observers, novelty of design is deemed to be present. *The degree of difference required to establish novelty occurs when the average observer takes the new design for a different, and not a modified already-existing, design.*

This court accepted that as sound law in 1949 and we do now. But novelty, as the Johnson opinion was careful to point out, is only one of the prerequisites to patentability and finding compliance with the above test for novelty is not sufficient, in itself, to determine patentability, or the existence of a ‘patentable distinction.’

Bartlett, 300 F.2d at 943-44. *See also*, *Nalbandian*, 661 F.2d at 1217, n.3; *Black & Decker Inc. v. Pittway Corp.*, 636 F.Supp. 1193, 1196 (N.D. Ill. 1986) (a reference lacking an alleged point of novelty *anticipated* the design patent at issue.). Indeed, the Court in *Litton Sys., Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1444 (Fed. Cir. 1984) stated that “[t]his ‘point of novelty’ approach applies *only* to a determination of infringement,” citing decisions involving validity determinations wherein novelty of the patent at issue was ignored. *Contra* Brooks Tr. 128 (Opening argument).

In sum, Ford provides no legal support for its contentions relating to “points of novelty” and the Staff knows of none. Moreover, as shown above, Ford’s contentions are directly contrary to precedent.

Moreover, as demonstrated below, Ford’s attempt to craft a novel “combination” is contrary to precedent and to the facts of record. The Staff believes that Ford’s formulations of the alleged points of novelty to be similar to those criticized by the district court in *Bush Indus., Inc. v. O’Sullivan Industries, Inc.*, 772 F.Supp. 1442 (D. Del. 1991). The patentee in *Bush*, like Ford, sought to craft a “combination” point of novelty in light of the *Litton* decision. The patentee in *Bush*, like Ford here, changed its proposed points of novelty numerous times. Similarly, the patentee, like Ford, argued that the point of novelty is the spatial relationship

between and among certain identified elements in the figures. *Bush*, 772 F.Supp. at 1452. In response, the court stated:

We find that Bush's formulations of the points of novelty in its designs are not only vague but also slippery. Every combination Bush has identified has been entirely malleable. The most obvious example is provided by the '888 patent.

When O'Sullivan presented pictures of the L & B Wood Specialties and Best Distributors entertainment centers, which as described above, display this layout, Bush simply revised its statement of the point of novelty to include dentil molding. Indeed, Bush's counsel admitted as much at oral argument, saying "if they find more prior art, we will change the point of novelty again." *Id.* at 42.

What troubles us about this approach is not simply the fact that Bush revised its statement upon being confronted with an additional prior art example. We agree that there might be a situation in which patent holder could reasonably make such a revision in its statement of the design's point of novelty. For example, were a patented design formed by uniting a vast variety of features no two of which had ever before been paired, and the patent holder later discovered that two of the features had appeared together in a prior art example, the combination of the remaining large array of previously unjoined elements would still be sufficient as a point of novelty.

Yet, that is not this case. Not only are the features distinguishing the Bush designs from the prior art far less substantial than those in our hypothetical, but from the outset Bush has adopted a definition of point of novelty which can never be pinned down. Accepting for the moment Bush's contention that a statement of the point of novelty should not "be frozen in time," *id.* at 42, neither should it be completely liquid.

Bush, 772 F.Supp. at 1452. In this regard, the Staff notes that the alleged points of novelty presented by Ford at the hearing are the third and/or fourth formulation.

VII. CONSTRUCTION OF THE PATENTS AT ISSUE

In its prehearing brief, Ford qualifies each of its contentions regarding the point(s) of novelty with a statement that it is not relying upon the overall appearance of the design for a

point of novelty. However, Ford also qualified its identification of the alleged points of novelty with a statement to the effect that “another point of novelty is the combination of the enumerated points of novelty.” In the Staff’s view, notwithstanding that *Lawman I* and *II* makes some distinction between “overall appearance” and “combination,” given the confused nature of Ford’s claims of points of novelty, the statement regarding “combination” in this context appears to be tantamount to claiming the overall appearance of the design. Such a claim was expressly rejected by the Federal Circuit in *Lawman II*. At the hearing, moreover, Ford relied upon “combinations” that appear to be claiming the overall appearance of the designs since the “combination” relies upon the specific relationship between and among elements of the design “as shown in the figures.”

A. The ‘979 Patent (CX-4)

With respect to the ‘979 patent, Ford presents its fourth formulation of the patent’s points of novelty as follows:

A point of novelty for the ‘979 design is the combination of a pronounced inner frame with trapezoidal and longitudinal openings shaped (with tapered walls and sized (trapezoidal openings much larger, relative to the equally-sized longitudinal openings, than in the prior art) as shown in the patent Figures, especially FIGS. 1 and 2. (The center plinth is not claimed.)

CX-24. Ford appears to be relying upon the overall appearance of the ‘979 patent. *See Lawman II*, 490 F.3d at 1192 (the “overall” appearance of a product cannot constitute a “point of novelty”).⁴ More significantly, the evidence demonstrates that each of the individual items

⁴ *See Bernhardt II*, 422 F.Supp.2d at 566 (“Bernhardt’s proposed point of novelty number 6, (continued...)”)

enumerated above indeed, all of them are present in the “nostril grille” on the full-scale P221 and P273 prototype trucks exhibited at Ford’s December 2000 Houston marketing event as well as on large-scale posters depicting Ford-F150s and Rangers that were also on exhibit.⁵ At the hearing, Ford’s counsel admitted that all of Ford’s alleged points of novelty regarding the ‘979 patent are present in the “nostril grille” on the P221 prototype exhibited at Ford’s December 2000 marketing event, and that the ‘979 patent would be anticipated. Brooks Tr. 135.

The stated combination is also found in prior art automotive grilles. For example, Ford’s 2003 Econoline and F-350 trucks satisfy Ford’s written description of the alleged points of novelty. *See, e.g.*, Skalski Tr. 1783; RDX-112 and RDX-113. However, the elements of the combination do not have the exact relationship “as shown” in the figures and, hence the overall appearance of the designs in question are not substantially the same.

In view of the foregoing, the ‘979 patent does not have any point or points of novelty.

B. The ‘890 Patent (CX-6)

With respect to the ‘890 patent, Ford presented its third formulation of the alleged patent’s point of novelty as follows:

⁴(...continued)

the use in combination of known design elements, may run afoul of the holding of Lawman Armor that a combination of known features cannot constitute a point of novelty”); *Bush*, 772 F.Supp. at 1453 (“While we accept Bush’s argument that it is not advocating the overall appearance approach rejected in *Winner*, we find that Bush’s method would have a similar effect”).

⁵ In this regard, Ford’s counsel admitted at the hearing that the ‘979 patent would be anticipated if the Houston event is determined to have been “public.” Brooks, Tr. 135.

A point of novelty for the '890 design is the combination of a honeycomb surround placed within an inner frame in a recessed fashion to create an inner lip on the inner frame shown in FIG. 3 and lateral contour (5) shown in FIG. 3 and vertical contour (6) shown in FIG. 4. (The center plinth is not claimed).

CX-26. Ford appears to be relying upon the overall appearance of the '890 patent. *See Lawman II*, 490 F.3d at 1192 (the “overall” appearance of a product cannot constitute a “point of novelty”).⁶ The alleged point of novelty encompasses the overall appearance of the grille as depicted in the drawings except for the center plinth.

The evidence of record demonstrates that each of the individual items enumerated above is found together and separately in numerous prior art grilles, and indeed, with the exception of the honeycomb mesh, all of them are present in the grille on an F-150 XLT 4X2 super cab truck, depicted on a large-scale poster at the 2000 December Houston marketing event. Specifically, ordinary observers in the form of members of a focus group at the December 2000 Houston marketing event identified the mesh on grille of the F-150 depicted in RDX-22 (Vehicle QQ) as honeycomb. RPX-104; Skalski Tr. 1702. Further, that grille contains most of the elements of Ford’s alleged combination point of novelty. Skalski Tr. 1709-13, 22, 1811, 1975-76; RDX-22.

Moreover, the grilles for the 1999 Ford F-150, 2001 Ford Ranger Edge and Ford 2001 police model Crown Victoria satisfy all but one element of Ford’s alleged combination point of

⁶ *See Bernhardt II*, 422 F.Supp.2d at 566 (“Bernhardt’s proposed point of novelty number 6, the use in combination of known design elements, may run afoul of the holding of *Lawman Armor* that a combination of known features cannot constitute a point of novelty”); *Bush*, 772 F.Supp. at 1453 (“While we accept Bush’s argument that it is not advocating the overall appearance approach rejected in *Winner*, we find that Bush’s method would have a similar effect”).

novelty for the '890 patent Skalski Tr. 1807-08, Tr. 1811-12; RDX-120 - RDX-123. The one “element” that they fail to satisfy is Ford’s inclusion of the words “as shown in the figures,” which invokes the overall appearance of the grille. Since the overall appearance of a product cannot constitute a point of novelty, these grilles, in fact, have all the points of novelty of the '890 patent. (*See Lawman II*, 490 F.3d at 1192).

In view of the foregoing, the '890 patent does not have any point or points of novelty.

C. The '552 Patent (CX-3)

With respect to the '552 patent, Ford presented its third formulation of its alleged points of novelty as follows:

A point of novelty for the '552 design is the decorative horizontal bars placed as shown, and the combination of a dominant lamp, subdominant lamp and contoured marker shaped (the dominant lamp and the subdominant lamp are generally circular, the marker is contoured in two dimensions), sized, and placed (the contoured marker placed on the cylinder that defines the dominant lamp) as shown in the patent Figures, especially FIG. 2.

CX-23. Ford appears to be relying upon the overall appearance of the '552 patent. *See Lawman II*, 490 F.3d at 1192 (the “overall” appearance of a product cannot constitute a “point of novelty”).⁷ The Staff is of the view that all of the alleged points of novelty, including the so-called “combination,” is found in the headlight of the F-150 full-scale prototype exhibited and displayed at Ford’s 2000 Houston marketing event. *See, e.g.*, Skalski Tr. 1674-80, 1681, Tr.

⁷ *See Bernhardt II*, 422 F.Supp.2d at 566 (“Bernhardt’s proposed point of novelty number 6, the use in combination of known design elements, may run afoul of the holding of *Lawman Armor* that a combination of known features cannot constitute a point of novelty”); *Bush*, 772 F.Supp. at 1453 (“While we accept Bush’s argument that it is not advocating the overall appearance approach rejected in *Winner*, we find that Bush’s method would have a similar effect”).

1954; RDX-5; RDX-12; RDX-13; RDX-15; RX-505 at Ford 26268 and 26274; RX-595; RPX 78C at 0:38 -42 (MP216); RPX 79C at 1:08 (MP217); RPX 82C at 0:48 -52 (MP220); RPX 88C at 1:14 (MP226).

While the Ford Ranger full-scale prototype exhibited and displayed at Ford's 2000 Houston marketing event did not have the three horizontal lines, it did display the combination point of novelty (the overall appearance). Skalski Tr. 1680-81; RDX-14; RDX-15; RDX-107.

In view of the foregoing, the '552 patent does not have any point or points of novelty.

D. The '579 Patent (CX-7)

With respect to the '579 patent, Ford presented the fourth formulation of its alleged points of novelty as follows:

A point of novelty for the '579 design is a lower valance with vertically protruding recesses that includes a combination of two contoured surfaces one of which includes five distinct portions, as shown in the patent Figures, especially FIG. 2.

CX-27. Ford appears to be relying upon the overall appearance of the '579 patent. *See Lawman II*, 490 F.3d at 1192 (the "overall" appearance of a product cannot constitute a "point of novelty").⁸ Moreover, the lower bumper valance of the 2003 Ford Expedition satisfies Ford's alleged combination point of novelty for the '579 patent. Skalski Tr. 1817-18; RDX-128.

Similarly, the lower bumper valance with recesses of the 2002 Ford Explorer XLT satisfies

⁸ *See Bernhardt II*, 422 F.Supp.2d at 566 ("Bernhardt's proposed point of novelty number 6, the use in combination of known design elements, may run afoul of the holding of *Lawman Armor* that a combination of known features cannot constitute a point of novelty"); *Bush*, 772 F.Supp. at 1453 ("While we accept Bush's argument that it is not advocating the overall appearance approach rejected in *Winner*, we find that Bush's method would have a similar effect").

Ford's alleged combination point of novelty for the '579 patent. Skalski Tr. 1820-21; RDX-127; RX-23.

In view of the foregoing, the '579 patent does not have any point or points of novelty.

E. The '135 Patent (CX-9)

With respect to the '135 patent, Ford presented the fourth formulation of its alleged points of novelty as follows:

A point of novelty for the '135 design is a lower valance with vertically protruding tow hook frame openings that include a combination of two contoured surfaces one of which includes five distinct subsurfaces, as shown in the patent Figures, especially FIG. 2.

CX-29. Ford appears to be relying upon the overall appearance of the '135 patent. *See Lawman II*, 490 F.3d at 1192 (the "overall" appearance of a product cannot constitute a "point of novelty").⁹ Further, the appearance of the lower bumper valance on the P221 depicted on a poster at the 2000 Houston marketing event satisfies Ford's points of novelty for the '135 patent. Skalski Tr. 1716; RDX-30; RDX-31.

Moreover, the lower bumper valance with tow hook openings of the 2003 Ford Expedition and 2002 Ford Explorer XLT satisfy Ford's alleged combination point of novelty for the '135 patent. Skalski Tr. 1817-18, Tr. 1820-21; RDX-125; RDX-126; RX-22.

In view of the foregoing, the '135 patent does not have any point or points of novelty.

⁹ *See Bernhardt II*, 422 F.Supp.2d at 566 ("Bernhardt's proposed point of novelty number 6, the use in combination of known design elements, may run afoul of the holding of *Lawman Armor* that a combination of known features cannot constitute a point of novelty"); *Bush*, 772 F.Supp. at 1453 ("While we accept Bush's argument that it is not advocating the overall appearance approach rejected in *Winner*, we find that Bush's method would have a similar effect").

F. The ‘119 Patent (CX-1)

With respect to the ‘119 patent, Ford presented the third formulation of its alleged points of novelty as follows:

A point of novelty of the ‘119 design is a bumper fascia that includes the combination of a generally vertical, forward facing contoured surface that has five distinct portions on planes as shown in FIG. 3, and a separate forward facing contoured surface that is chamfered rearward.

CX-21. Ford appears to be relying upon the overall appearance of the ‘135 patent. *See Lawman II*, 490 F.3d at 1192 (the “overall” appearance of a product cannot constitute a “point of novelty”).¹⁰ At the hearing, Ford’s counsel admitted that all of Ford’s alleged points of novelty regarding the ‘119 patent are present in the “bumper fascia” on the P221 prototype exhibited at Ford’s December 2000 marketing event, and that the ‘119 patent would be anticipated if the marketing event is found to have been public. Brooks Tr. 135.

In addition to the P221, the record includes other art that satisfy Ford’s alleged combination point of novelty. The upper bumper facias of the 2003 Ford Expedition, 2000 GMC Yukon XL, and 2001 Ford Ranger Edge satisfy all of Ford’s alleged points of novelty. Skalski Tr. 1769-71, Tr. 1772-73; RX-16; RX-18; RDX-109.

In light of the foregoing, the ‘119 patent does not have any point or points of novelty.

¹⁰ *See Bernhardt II*, 422 F.Supp.2d at 566 (“Bernhardt’s proposed point of novelty number 6, the use in combination of known design elements, may run afoul of the holding of *Lawman Armor* that a combination of known features cannot constitute a point of novelty”); *Bush*, 772 F.Supp. at 1453 (“While we accept Bush’s argument that it is not advocating the overall appearance approach rejected in *Winner*, we find that Bush’s method would have a similar effect”).

G. The '615 Patent (CX-5)

With respect to the '615 patent, Ford presented the third formulation of its alleged points of novelty as follows:

A point of novelty for the '615 design is a side view mirror that includes a combination of a contoured arm having a top edge that in rear view is placed to visually align with the truncated lower corner detail of the mirror and mirror housing, a front surface contour that creates a curve that is uninterrupted along the front of the contoured arm and mirror housing, when viewed from the top as shown in FIG. 5, and the overall perimeter shape.

CX- 25. Ford appears to be relying upon the overall appearance of the '135 patent. *See Lawman II*, 490 F.3d at 1192 (the “overall” appearance of a product cannot constitute a “point of novelty”).¹¹

The side view mirror of the P221 contains all but one element of Ford’s alleged combination point of novelty. Whether that mirror satisfies “the truncated lower corner” could not be determined based on the videos because the videos did not provide the requisite view. Therefore, the P221's side view mirror may or may not satisfy this element. Skalski Tr. 1745-47, Tr. 1755; RDX-52. However, the side view mirror disclosed in prior art patent U.S. Patent Number D343,820 satisfies Ford’s alleged “combination” point of novelty. Skalski Tr. 1757; RX-259. Further, the side view mirror of the 1997 Toyota Land Cruiser and 2001 Ford Explorer Sport satisfy each element of the alleged combination, excepting the alleged perimeter shape,

¹¹ *See Bernhardt II*, 422 F.Supp.2d at 566 (“Bernhardt’s proposed point of novelty number 6, the use in combination of known design elements, may run afoul of the holding of *Lawman Armor* that a combination of known features cannot constitute a point of novelty”); *Bush*, 772 F.Supp. at 1453 (“While we accept Bush's argument that it is not advocating the overall appearance approach rejected in *Winner*, we find that Bush’s method would have a similar effect”).

which is not shown on RDX-136. Skalski Tr. 1747-51, Tr. 1752-53; RX-58; RX-59; RDX-136; RDX-137; RPX-56.

Finally, the side view mirror of the 2000 GMC K2500 pickup truck satisfies the alleged contoured arm and perimeter shape aspects of Ford's alleged point of novelty for the '615 patent. Skalski Tr. 1756-57.

In light of the above, the every element of Ford's alleged combination point of novelty is found in the prior art.

H. The '912 Patent (CX-10)

With respect to the '912 patent, Ford presented the fourth formulation of the alleged points of novelty as follows:

A point of novelty for the '912 design is a fender that includes a combination of a concentrically shaped wheel opening flat, a contoured wheel lip and a shoulder sized and shaped as shown in the patent Figures, such that the flat, the lip, the vertical portion of the shoulder and the horizontal portion of the shoulder are all significant features, the vertical portion of the shoulder is relatively small and the lip is the largest; and a chamfered surface near the waterline.

CX-30. Ford appears to be relying upon the overall appearance of the '135 patent. *See Lawman II*, 490 F.3d at 1192 (the "overall" appearance of a product cannot constitute a "point of novelty").¹²

¹² *See Bernhardt II*, 422 F.Supp.2d at 566 ("Bernhardt's proposed point of novelty number 6, the use in combination of known design elements, may run afoul of the holding of *Lawman Armor* that a combination of known features cannot constitute a point of novelty"); *Bush*, 772 F.Supp. at 1453 ("While we accept Bush's argument that it is not advocating the overall appearance approach rejected in *Winner*, we find that Bush's method would have a similar effect").

The '912 patent does not have any points of novelty in light of the P221. Skalski Tr. 1692-93, Tr. 1699-1700; RDX-20. There appears to be only one minor difference in appearance between the fender of the P221 and the '912 patent. The fender of the P221 appears to be slightly narrower at the section close to the windshield and the side view mirror than the drawings in the '912 patent, although the only way to tell would be to take the parts off and measure them. Skalski Tr. 1694-96. Moreover, the fenders of the 2003 Ford Expedition and 2001 Ford Escape satisfy Ford's alleged combination point of novelty for the '912 patent, including the overall appearance. Skalski Tr. 1799-1800; RX-2; RDX-117; RDX-118. Thus, each aspect of Ford's alleged combination point of novelty as well as the combination itself is found in the prior art. Skalski Tr. 1801.

In view of the foregoing, the '912 patent does not any point or points of novelty.

I. The '561 Patent (CX-8)

With respect to the '561 patent, Ford presented the third formulation of the alleged points of novelty as follows:

A point of novelty for the '561 design is a vehicle tail lamp that includes a combination of a perimeter chamfer, the surface contour shown in FIG. 2, and the placement and shape of contoured band shown in FIG. 1.

CX- 28. Ford appears to be relying upon the overall appearance of the '135 patent. *See Lawman II*, 490 F.3d at 1192 (the "overall" appearance of a product cannot constitute a "point of novelty").¹³ The tail lamp of the full-size prototype Ford Ranger exhibited at the Houston

¹³ *See Bernhardt II*, 422 F.Supp.2d 561 at 566 ("Bernhardt's proposed point of novelty number 6, the use in combination of known design elements, may run afoul of the holding of *Lawman* (continued...)

marketing event has all of Ford's alleged points of novelty for the '561 patent. Skalski Tr. 1734-35; RDX-41. That tail lamp also has substantially the same appearance as the figures of the '561 patent. Skalski Tr. 1730; RDX-41 The sole difference in appearance between the tail lamp and the figure is that the contoured band on the Ford Ranger prototype does not extend completely to the perimeter of the lamp. Skalski Tr. 1737; RDX-38.

Further, the design of the tail lamps on the 1997 Ford Ranger Styleside and the 1995 Jeep Grand Cherokee satisfy all of the elements of Ford's alleged combination point of novelty for the '561 patent. Skalski Tr. 1850; RDX-134.

In view of the foregoing, the '561 patent does not any point or points of novelty.

J. The '044 Patent (CX-2)

With respect to the '044 patent, Ford presented the third formulation of the alleged points of novelty as follows:

A point of novelty for the '044 design is a vehicle tail lamp that includes the combination of a perimeter chamfer, the lamp sized so that it is larger from the side view (FIG. 2) than from the back view (FIG. 1), the angled edge as shown in FIG. 2, and the shape and placement of the contoured band as shown in the figures.

CX-22. Ford appears to be relying upon the overall appearance of the '135 patent. *See Lawman II*, 490 F.3d at 1192 (the "overall" appearance of a product cannot constitute a "point of

¹³(...continued)

Armor that a combination of known features cannot constitute a point of novelty"); *Bush*, 772 F.Supp. at 1453 ("While we accept Bush's argument that it is not advocating the overall appearance approach rejected in *Winner*, we find that Bush's method would have a similar effect").

novelty”).¹⁴ Ford contends that a “perimeter chamfer” is a point of novelty of the ‘044 patent. However, none of the figures of the ‘044 patent depict or disclose any feature that indicates or could indicate the presence of such a chamfer. Skalski Tr. 1740. If a chamfer were depicted, the drawing(s) would have two parallel lines close together at the perimeter to indicate a chamfer. Skalski Tr. 1741; *compare* Figures of CX-2 with Figs. 2 and 3 of CX-8. Moreover, a top (plan) view is generally necessary to conclusively determine whether a chamfer is present. Skalski Tr. 1741.

The design of the tail lamp on the Ford Ranger prototype (RDX-44) depicted on a poster at the Houston marketing event has all of the components of Ford’s alleged combination point of novelty, except for the alleged non-existing perimeter chamfer element, which is not indicated in any of the figures of the ‘044 patent. Skalski Tr. 1740-42; RDX-46; RDX-47. Further, the contoured band on the 1997 Ford Ranger extends from side to side. Skalski Tr. 1739; RDX-48.

Some or all elements of Ford's alleged combination point of novelty for the ‘044 patent are present in the following tail lamps: 1996 VW Passat sedan (RX-47); 1999 Ford F-150 Flareside (RX-51; RDX-132); 2002 Chevy S-10 (RX-50; RDX-131); 1997 Ford Ranger (RDX-129); 1995 Jeep Grand Cherokee (RDX-133); 1998 Kia Sportage (RX-49; RDX-130). Skalski Tr. 1822-30.

In view of the foregoing, the ‘044 patent does not have a point or points of novelty.

¹⁴ See *Bernhardt II*, 422 F.Supp.2d at 566 (“Bernhardt’s proposed point of novelty number 6, the use in combination of known design elements, may run afoul of the holding of *Lawman Armor* that a combination of known features cannot constitute a point of novelty”); *Bush*, 772 F.Supp. at 1453 (“While we accept Bush's argument that it is not advocating the overall appearance approach rejected in *Winner*, we find that Bush’s method would have a similar effect”).

VIII. INFRINGEMENT

As discussed above in the claim construction section, the evidence of record demonstrates that none of the asserted design patents has legally recognizable “points” of novelty because each of the alleged points of novelty for each of the design patents appears to be present in prior art devices and/or references. In view of the foregoing, none of Respondents’ accused replacement parts infringe any of the asserted patents.

IX. DOMESTIC INDUSTRY

In an investigation based on patent infringement, Section 337 requires that an industry in the United States relating to the articles protected by the patent exists or is in the process of being established. This requires a showing by the Complainant that the technical elements of the domestic industry requirement of Section 337(a)(3) are satisfied.

A. Technical Prong

Complainant contends that the design of Ford’s F-150 truck satisfies the technical prong of the domestic industry requirement. The evidence of record demonstrates that each of the asserted design patents is used on Ford’s F-150 series trucks. However, since none of the alleged points of novelty are, in fact, novel, Ford does not practice any of the patents at issue.

B. Economic Prong

The economic prong of the domestic industry is not in issue. *See* Order No. 11, July 19, 2006, Granting Ford’s Motion for Summary Determination that it satisfies this element.

IX. VALIDITY OF THE PATENTS AT ISSUE

A. Presumption of Validity and Legal Standards for Overcoming this Presumption

The patents at issue are presumed to be valid. 35 U.S.C. § 282; *DMI Inc. v. Deere & Co.*, 802 F.2d 421, 231 USPQ 276, 280 (Fed. Cir. 1986). Although a plaintiff has the burden of proving infringement, it can rely upon the presumption of validity, which a respondent must overcome by clear and convincing evidence. *Uniroyal, Inc. v. Rudkin-Wiley Corp.*, 837 F.2d 1044 (Fed. Cir.), *cert. denied*, 488 U.S. 825 (1988); *Hybritech, Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1375 (Fed. Cir.), *cert. denied*, 480 U.S. 947 (1986).

B. Law of Anticipation

Design patent anticipation requires a showing that a single prior art reference is “identical in all material respects” to the claimed invention. *Hupp v. Siroflex of Am., Inc.*, 122 F.3d 1456, 1461 (Fed. Cir.1997). Based on the often-quoted statement - - “[t]hat which infringes, if later, would anticipate, if earlier,” *Peters v. Active Mfg. Co.*, 129 U.S. 530, 537 (1889) - - the design patent infringement test also applies to design patent anticipation. Further, the CCPA held that the ordinary observer test applies when determining anticipation, and a panel of Federal Circuit has stated that the points of novelty tests does not apply when determining validity. *See, In re Bartlett*, 300 F.2d at 943-44; *Litton Sys., Inc.*, 728 F.2d at 1444; *cf. In re Nalbandian*, 661 F.2d at 1217, n.3; . In *Bartlett*, the Court addressed how to determine whether a design is novel for purposes of an anticipation analysis:

If the general or ensemble appearance-effect of a design is different from that of others in the eyes of ordinary observers, novelty of design is deemed to be present. *The degree of difference required to establish novelty occurs when the average*

observer takes the new design for a different, and not a modified already-existing, design.

300 F.2d at 943 (emphasis added). Thus, the test to be applied is whether the designs of the patents at issue are *new* and *not* a modified already-existing design. Moreover, “[m]ere differences of lines in the drawing or sketch, a greater or smaller number of lines, or slight variations in configuration, [even] if sufficient to change the effect upon the eye, will not destroy the substantial identity.” *Gorham*, 81 U.S. at 526-7. Thus, the *Gorham* court equated “identity of design” with “sameness of appearance” and noted that slight variations will not destroy substantial identity.¹⁵ *Accord In reLapworth*, 451 F.2d 1094, at 1096 (CCPA 1971) (“It is distinctiveness in overall appearance of an object, when compared with the prior art, rather than minute details or small variations in configuration . . . that constitutes the test of design patentability”).

Further, the “average observer” test does *not* require that the claimed design and the prior art be from analogous arts when evaluating novelty. *In re Glavas*, 230 F.2d 447, 450 (CCPA 1956). Thus, the fact that the certain of the prior art devices cited by Respondents are assemblies comprised of bumper fascia, bumper, lower bumper valance, and/or a portion of the frame of the grille manufactured or sold as a unit does not preclude the use of the “appearance” of the “components” of such assemblies as invalidating art.

As shown below, the record evidence demonstrates that the most if not all of the designs at issue are modifications of designs previously used by Ford and others.

¹⁵ In this regard, the Staff notes that in rendering his opinion on anticipation, Mr. Olsen, Ford’s expert, applied a strict identity test as determined by a designer. Olsen Tr. 1317, 1356-57. Moreover, Mr. Olsen believes that determinations of anticipation should *only* made by designers. Olsen Tr. 1317

1. Public Use

Section 102 provides that “[a] person shall be entitled to a patent unless . . . (b) the invention was patented or described in a printed publication in this or a foreign country or *in public use in this country*, more than one year prior to the date of the application for patent in the United States. . . .” 35 U.S.C. §102(b). Section 171 further specifies that “[t]he provisions of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided.” 35 U.S.C. §171. Therefore, sections 102 and 103 apply to design patents. *Bernhardt I*, 386 F.3d at 1377.

a. Ford’s Use Was “Public”

The “public use” doctrine serves the important public interest of “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.” *Bernhardt I*, 386 F.3d at 1379 (quoting *Manville Sales Corp. v. Paramount Sys., Inc.*, 917 F.2d 544, 550 (Fed. Cir. 1990)). A “public use” bar under § 102(b) arises “where, before the critical date, the invention is in public use and ready for patenting.” *Invitrogen Corp. v. Biocrest Mfg., L.P.*, 424 F.3d 1374, 1379 (Fed. Cir. 2005) (utility patent case); *New Railhead Mfg, L.L.C. v. Vermeer Mfg Co.*, 298 F.3d 1290, 1297 (Fed. Cir. 2002) (repeated use of claimed method to test, among other things, the durability of the drill bits that were the physical embodiment of the patent constituted a public rather than experimental use).

“Public use” has been defined as “any use of [a claimed] invention by a person other than the inventor who is under no limitation, restriction or obligation of secrecy to the inventor.” *In re Smith* (Fed. Cir. 1983); *Bernhardt I*, 386 F.3d at 1379. In *Bernhardt I*, the Federal Circuit set forth the following standard for determining whether public use has occurred:

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,” [*Manville Sales*, 917 F.2d] at 549, 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,” *id.* at 550 (internal quotation marks omitted) Additional factors a court must consider and weigh in determining whether the use was “public” under § 102(b) 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” *Allied Colloids Inc. v. Am. Cyanamid Co.*, 64 F.3d 1570, 1574 (Fed. Cir.1995); *see also Netscape*, 295 F.3d at 1320. *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.” Moleculon Research Corp. v. CBS, Inc.*, 793 F.2d 1261, 1266 (Fed. Cir.1986).

Bernhardt I, 386 F.3d at 1379 (emphasis added). In addition to the factors set forth above, commercial exploitation and experimentation are additional factors to consider. *Invitrogen*, 424 F.3d at 1380. As demonstrated below, however, *experimentation is not a factor to consider in the context of design patents.*

Ford contends that its display of full-scale prototypes of Ford F-150s and Rangers together with commercially available trucks, including trucks made by Ford, GM, Dodge, and Toyota, in a manner meant to lead the consumers to believe that all of the vehicles displayed were commercially available does not constitute public use because, *inter alia*, “the public could never justifiably believe the fiberglass mock-up displayed was freely available, and there is no policy

encouraging Ford to disclose the Houston clinic mock-up because the patented designs were still being developed.” Ford PHS at 14-15. The Staff does not accept this *post hoc* rationale.

Ford and MORPACE, its consultant, did everything in their power to make the consumers at the Houston marketing event believe that all of the vehicles displayed, including the so-called “mock-up” were real, functioning vehicles. Nothing was done to differentiate between “real” trucks and the now so-called “mock-up” trucks displayed at the Houston marketing event or during discussions relating to the truck. *See, e.g.*, Ward Tr. 803; Matela Tr. 901-02. (Important to keep consumers from knowing which vehicles were “real”). All of the trucks were displayed in a manner designed to make each of them appear to be commercially available. *Id.* Moreover, as demonstrated below, many of the “limitations” that Ford listed at p. 14 of its prehearing statement are not “limitations” designed to prevent the attendees from disclosing anything that they observed or learned at the Houston marketing event to third parties. Indeed, the event was conducted in a manner designed to obtain feedback from the attendees, which included their description of the trucks displayed at the Houston marketing event to others.

The testimony of Ford’s marketing personnel, as well as those from MORPACE, makes clear that the attendees at the Houston marketing event were not only expected to, but prompted to, discuss the trucks displayed with third parties.¹⁶ Finally, as the testimony of the inventors

¹⁶ The invitations informed the that their *identities, i.e.*, the identity of the participants, would be held in confidence so that they would not be subjected to sales promotions. CX-104 at 2; CX-105 (RX-570). In contrast, *none* of the materials given to the participants or the moderators, hosts, or security personnel, including their instructions, contained any reference or statement that the event itself was confidential or that any information observed or obtained at the event was confidential. *See, e.g.*, Ward Tr. 814-15; CX-106; CX-107.

makes clear, the designs were “fixed,” and, with the exception of minor changes to the the tail lights and the side view mirrors, changes in design of the components of the P221 that are the subject of this investigation, if any, were so minor that an ordinary observer would not be able to detect them even if they were described to such a person. In view of the foregoing, Ford’s claims that the event was shrouded in confidentiality rings hollow.

Approximately 1100 potential purchasers of pickup trucks viewed the P221 and P273 prototypes of the Ford F-150 and Ranger trucks¹⁷ and depictions of other trucks in the F-150 and Ranger series that were equipped with components such as side view mirrors, tail lights, and grilles of varying appearances during a two-week period in December 2000. CX-108 at MP62 “Background.” Approximately 100 of the consumers were invited back to participate in focus groups. Ward Tr. 777. The sole purpose of the event was commercial in nature, *i.e.*, to obtain consumer feedback on the vehicles for marketing purposes. The Federal Circuit has made clear that the use of focus groups in market “research” constitutes commercial public use. *In re Smith*, 714 F.2d at 1137.

In its prehearing brief, Ford, relying upon *Tone Bros., Inc. v. Sysco Corp.*, 28 F.3d 1192, 1194 (Fed. Cir. 1994), contends that the event constituted experimental use because it was closed to the public, *i.e.*, entry was by “invitation only,” and Ford kept data on the “research results.” PHS at 15. Ford’s reliance is misplaced. In *Tone*, the court made clear that the experimentation

¹⁷ The participant “universe” consisted of owners and potential owners of pickup trucks. RPX78C - 88C titles thereof.

at issue therein case related to the *functional* features of the product and not as here, *ornamental*, stating:

As a matter of law, experimentation directed to *functional features* of a product to which an ornamental design relates *may negate what otherwise would be a public use* within the meaning of section 102(b).

Tone, 28 F.3d at 1200 (emphasis supplied). Ford has not argued and cannot argue that the Houston marketing event had anything to do with the functional aspect of any of the components at issue. Hence, Ford's contentions should be disregarded.

Moreover, Ford's reliance that on fact that the participation was "by invitation" does not negate invalidating public use. *See Beachcombers v. WildeWood Creative Prods., Inc.*, 31 F.3d 1154, (Fed. Cir. 1994). In *Beachcombers*, the inventor of a kaleidoscope demonstrated the device at a private party at her home to personal friends in order to obtain "feedback on the device." Since the group consisted of friends, the inventor saw no need for confidentiality agreements and thus "made no efforts to conceal the device or keep anything about it secret." *Id.* at 1160. The Federal Circuit determined that despite the limited number and the fact that the group consisted of friends, the demonstration constituted public use, *inter alia*, because members of the group were free to disseminate information about what they had seen. Similarly, in the instant case, the participants at the Houston marketing event were free to discuss what they had seen to any and all.

Despite Ford's contentions that the participants in the event were subject to confidentiality agreements, nothing in the materials produced from MORPACE's files relating to Ford's December 2000 Houston marketing event, including instructions to security personnel, hosts and hostesses and focus group moderators, referred to confidential agreements in any fashion.

Similarly, none of Ford's personnel who were involved in the preparation for and/or participation in that event testified that confidential agreements were used. Finally, the Staff notes that no completed confidentiality agreements or sign-out sheets were produced during discovery.

Ford relies upon a blank, unsigned, generic "sign-out" sheet allegedly discovered by the president of MORPACE the night before his deposition as evidence that the participants at the Houston marketing event were subject to confidentiality agreements. CX-102. The Staff believes that the so-called "sign out" sheet should be given no weight. First, the document was not found in MORPACE's files relating to the December 2000 Houston marketing event. Second, approximately two weeks before the alleged discovery, MORPACE's president signed a declaration wherein he stated that *no* confidential agreements had been used, but rather the guards *were instructed to verbally inform the participants of the confidential nature.*¹⁸ Warn, Tr. 762-772. Third, as noted above, none of the written materials relating to the December 2000 Houston marketing event or testimony relating to that event referred to or mentioned any such sign out sheet. Fourth, requesting participants to agree to additional terms *after* they have performed their obligations under the offer in order to receive payment for their services is unenforceable. Fifth, as demonstrated below, the sign out sheet does *not* preclude of those who signed the signed the sheet from disclosing *any* information obtained through observation.

The sign out sheet (CX-102) is a single page entitled "Sign-Out Release." The page contains three sentences below the heading in normal print. The first sentence states that, by

¹⁸ As mentioned previously, the written instructions provided to the security personnel do not include any such "instruction."

signing, the participant acknowledges receipt of payment. The second sentence states: “I, also, agree that as consideration of the payment I will keep confidential all information *discussed* today.” (emphasis added). The third sentence states that MORPACE is allowed to use comments made by the participant. The rest of the page consist of two columns and 23 rows for the names and signatures of 23 participants. As the emphasized text above makes clear, the consumers, assuming that any participant at the Houston event signed the sheet and agreed to its terms, were *not* asked to keep confidential *any* information they obtained through observation, *i.e.*, visually. The confidentiality provision only relates “to information discussed.” CX-102. The nearly 1100 consumers who participated in the Houston marketing event were free to disclose anything they observed to anyone.

Thus, contrary to Ford’s contention, the sign out sheet is *not* a confidentiality agreement preventing consumers from describing, sketching, or otherwise disseminating anything that they observed at the Houston marketing event after they left the premises. In stark contrast, Ford has required individuals and entities dealing with it to sign confidentiality/non-disclosure agreements (“NDA”) *prior* to disclosing *any* information to that individual/entity. Bejin Tr. 1423, Tr. 1425-26. Moreover, the NDAs identify the information that is to be kept confidential, and they ask the suppliers to treat it as they would treat their own confidential information. The provisions also prohibit the suppliers from disclosing the information to third parties without Ford’s consent. Bejin Tr. 1424-25. No such restrictions are set forth on the sign-out sheet.

In view of the foregoing, the evidence of record demonstrates that the participants at Ford’s Houston marketing event were not under any obligation to maintain the confidentiality of

any information obtained by observation at that event.

In further support of their contention that the Houston marketing event was confidential, Ford's witnesses emphasized that although they knew that the consumers had described the vehicles to others, they were not concerned about the Respondents discussing what they had seen with third-parties because the descriptions were not of a nature that would enable one to replicate the designs. Metros Tr. 428-29; Shiavone Tr. 683-87; Matela Tr. 909-10, Tr. 914-15; Howitt Tr. 1575, Tr. 1583.

Ford also argues that the fact that there had been "no leaks" in all of the years that it has conducted marketing studies demonstrates that such events were confidential. These arguments are based upon an incorrect premise. The law is clear that whether or not the "public" could replicate the invention is irrelevant when determining whether an activity constitutes "public use" under § 102. For example, "public use" under § 102 may be found even when the invention is hidden from view during such use. *See, e.g., Egbert v. Lippmann*, 104 U.S. 333, 336, 26 L.Ed. 755 (1881); *New Railhead Mfg. L.L.C. v. Vermeer Mfg. Co.*, 298 F.3d 1290, 1297 (Fed. Cir. 2002). The Supreme Court in *Egbert v. Lippmann*, 104 U.S. 333, 336 (1881) held that an individual's use of a corset incorporating the patented steel coils constituted "public use" even though the coils could not be seen by the public. In reaching this holding, the Court stated:

We say, thirdly, that some inventions are by their very character only capable of being used where they cannot be seen or observed by the public eye. An invention may consist of a lever or spring, hidden in the running gear of a watch, or of a ratchet, shaft, or cog-wheel covered from view in the recesses of a machine for spinning or weaving. Nevertheless, if its inventor sells a machine of which his invention forms a part, and allows it to be used without restriction of any kind, the use is a public one. . . .

104 U.S. at 336. Similarly, in *New Railhead*, the Federal Circuit held that the use of a patented method *under* a public area constituted “public use,” stating:

The statutory phrase “public use” does not necessarily mean open and visible in the ordinary sense; it 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. *Lough v. Brunswick Corp.*, 86 F.3d 1113, 1119, 39 USPQ2d 1100, 1104 (Fed. Cir.1996); *Egbert v. Lippmann*, 104 U.S. 333, 336, 26 L.Ed. 755 (1881); *see also Elec. Storage Battery Co. v. Shimadzu*, 307 U.S. 5, 20, 59 S.Ct. 675, 83 L.Ed. 1071 (1939) (“The ordinary use of a machine or the practice of a process in a factory in the usual course of producing articles for commercial purposes is a public use.”).

298 F.3d at 1297. The public would not be able to replicate the inventions at issue in *Egbert* or *New Railhead* because both were not visible to the public. In light of these decisions, Ford’s arguments based upon the inability of the Respondents to describe the designs of the components of the P221 in the detail required to replicate the designs are without legal substance.

Moreover, if the consumers’ reaction to the contemplated appearance of the “new” F-150s was highly negative during the two-week study at the Houston Astrohall, the appearance of the F-150 actually commercialized during the 2004 model year could conceivably have been different than it was. *See In re Mann*, 861 F.2d at 1581 (“Obtaining the reactions of people to a design--whether or not they like it--is not ‘experimentation’ in that sense. In the case of a design, if market testing shows that it has no appeal and the design is changed, the result is a new and different design; the original design remains just what it was.”).

The appearance of an object that is the subject of a design patent is “fixed” whether in a three dimensional rendition or a depiction thereof. *Continental Plastic Containers*, 141 F.3d at 1079 (non-functional solid prototype of a cup for beverages and drawings thereof resulted in the

Court stating that “. . . design inventions are reduced to practice as soon as an embodiment is constructed”); *cf.*, *In re Mann*, 861 F.2d at 1581 (“The only use possible for an ornamental design is its embodiment, exhibition, and observation.”); *Continental Plastic Containers, Inc. v. Owens-Brockway Plastic Prods.*, 1996 WL 79390 (N.D.Ill.), *aff’d* 141 F.3d 1073 (Fed. Cir. 1998) (“Continental’s patent is not for a container *but for the design of a container, a representation of the appearance of a container*, and it introduced that design into the marketplace. The patent does not cover some general ornamental design; it is restricted, as it must be, to a design for an article of manufacture, a juice container. That container did not, however, have to be reduced to practice or be successfully exploited.” (emphasis added); *Fisher-Price, Inc. v. Safety 1st, Inc.*, 279 F. Supp.2d 530, 545 (D.Del. 2003) (public use if a prototype embodying the design had been displayed at a meeting with potential purchaser). Therefore, each of the designs of the external appearance of all vehicles presented to the approximately 1100 individuals who attended the 2000 Houston Astrohall exhibition were reduced to practice, *i.e.*, “ready for patenting,” no later than the first date of the exhibition because of the presence of full-scale prototypes of an F-150 and Ranger as well as numerous large-scale posters containing depictions of such trucks from various angles displaying the appearance of each of the components that are the subject of the patents at issue.

Moreover, specifically with respect to Ford’s argument that the designs were not ready for patenting because the patents cover “a vehicle component,”¹⁹ the evidence of record demonstrates that the prototypes of the components at issue, *viz* the grilles, bumper fascia, head lamps, tail lamps, lower bumper valances, and mirrors were separate components, and each one could be

¹⁹ Ford PHS at 17.

removed from the P221 prototype. Metros Tr. 383; Blake Tr. 1094.

b. Ford Used the Patented Designs Commercially

Title 35 of the U.S. Code gives entities time to share their designs with the public through market research or otherwise before seeking patent protection. However, the time is limited to a period of one year prior to the filing date. While evidence of “experimental use” may negate public use, as noted above, “experimental use” has no application in the context of design patents.

See, e.g., Continental Plastic Containers v. Owens Brockway Plastic Products, 141 F.3d 1073 (Fed. Cir. 1998) (“*Continental Plastic Containers*”); *In re Mann*, 861 F.2d 1581 (Fed. Cir. 1988).

As the Federal Circuit stated in *Continental Plastic Containers*:

Since design inventions are reduced to practice as soon as an embodiment is constructed, *Fitzgerald v. Arbib*, 46 C.C.P.A. 969, 268 F.2d 763, 122 USPQ 530, 532 (1959) (“[T]his court and its predecessors in patent jurisdiction have held that reduction to practice of a three-dimensional design invention requires the production of an article embodying that design.”), *experimental use negation is virtually inapplicable in the design patent context*. Applying experimental use negation in the design patent context would allow entities to increase the life of their design patents merely by tarrying over the production of the article of manufacture.

Continental Plastic Containers, 141 F.3d at 1079 (emphasis added). In *Continental Plastic Containers*, the court held that the design was reduced to practice based upon both a non-functional solid prototype of the patented cup design and three-dimensional drawings of the design. *Id.* at 1078. Moreover, as the Federal Circuit previously explained:

We see no way in which an ornamental design for an article of manufacture can be subject to the “experimental use” exception applicable in the case of functioning machines, manufactures, or processes. *Obtaining the reactions of people to a design--whether or not they like it--is not “experimentation” in that sense*. In the case of a design, if market testing shows that it has no appeal and the design is changed, the result is a new and different design; the original design remains just

what it was. Design patents have almost no scope. The claim at bar, as in all design cases, is limited to what is shown in the application drawings.

In re Mann, 861 F.2d at 1581 (emphasis added).²⁰ Here, as in *Mann*, Ford conducted a marketing study to determine the appeal of the appearance of the “new” Ford F-150 and Ranger series of trucks by demonstrating a full-size prototype model of each, code named P221 and P273, and large-scale drawings depicting other models in the F-150 and Ranger series of trucks to some 1,100 attendees over a two-week period in the Houston Astrodome.²¹ The P221 prototype was identified as a F-150 XLT 4X2 super cab truck and by the code letter “K” during the marketing event,²² and the P273 Ford Ranger prototype was identified by the code letter “H.”

Under the foregoing circumstances, Ford “used” the patented designs for commercial purposes at the Houston Astrodome event. *In re Mann*, 861 F.2d at 1581 (“The only use possible for an ornamental design is its embodiment, exhibition, and observation”). Ford’s and MORPACE’s exhibition of the P221 and P273, as well as the large-scale depictions of other trucks in the F-150 and Ranger series to approximately 1100 individuals to obtain their opinions as to the appearance of such trucks (which included the solicitation of comments relating to various aspects of the trucks, including the front, side and rear views of these trucks) clearly

²⁰ Even with respect to utility patents, tests to determine the marketability of an “invention” do not constitute “experimental use.” *See, e.g., In re Smith*, 714 F.2d 1127, 1135 (Fed. Cir. 1983) (“The experimental use exception, however, *does not include market testing where the inventor is attempting to gauge consumer demand for his claimed invention*. The purpose of such activities is commercial exploitation and not experimentation.”).

²¹ The F-150 series of trucks consists of five different models.

²² Another F-150 XLT 4X2 super cab truck, depicted on a large-scale poster. A group of the attendees discussed its grille, which they referred to as a “black honeycomb” grille. RPX 84 at approximately 49:40 through 52 (MP 222).

constitutes a “use” of the designs relating to the external appearance of the components of the trucks.²³ And, as demonstrated above, such use was “public” within the meaning of § 102(b).

Moreover, the law is clear that “public” use can occur irrespective of whether the use is for commercial purposes. *In re Blaisdell*, 242 F.2d 779, 783 (CCPA 1957).

Thus, it is well established that to constitute public use or sale of an invention, *it is not necessary* that more than one of the invented articles be used or sold, *Egbert v. Lippmann*, 1881, 104 U.S. 333, 26 L.Ed. 755, *or that the article be used or sold for a profit*, *Elizabeth v. Pavement Company*, 1877, 97 U.S. 126, 24 L.Ed. 1000, *or that the article be used with the knowledge or consent of the inventor*, *Electric Storage Battery Co. v. Shimadzu*, 1938, 307 U.S. 5, 59 S.Ct. 675, 83 L.Ed. 1071, *or that the invention be necessarily exposed to public view (viz.-- the invention may be a small element, concealed by its nature, in a larger article; its presence may not be known to the user or purchaser of said article)*, *Hall v. Macneale*, 1882, 107 U.S. 90, 96, 97, 2 S.Ct. 73, 27 L.Ed. 367.

In re Blaisdell, 242 F.2d at 783 (emphasis added). As the district court in *Continental Plastics* noted, a design patent covers the “appearance” of an article. Hence, a product bearing that appearance does not have to be reduced to practice. 1996 WL 79390 at *5.

²³ Ford contends that “Respondents do not and cannot prove that the patented vehicle components designs were ‘ready for patenting’ because the Houston clinic *did* not involve ‘production of an article embodying [any vehicle component] design, citing *Continental Plastic*, 141 F.3d 1089 (quoting Fitzgerald).” Ford PHS at 17. This contention ignores the fact that one may file an application for patents, both design or utility, without an actual reduction to practice. Here Ford constructed prototypes and large scale posters depicting such trucks presumably generated by a computer. The same process used to generate the prototypes and posters could be used to construct prototypes and drawings limited to the components at issue. Moreover, as the district court in *Continental Plastics* noted, a product bearing the appearance disclosed in a design patent does not have to exist. *Continental Plastic Containers, Inc. v. Owens-Brockway Products, Inc.*, 1996 WL 79390 at *5 (N.D. Ill. 1996). Finally, as discussed above each of the components were severable from the P221. In sum, Ford’s contentions relating to entire vehicle versus specific components and the need for the production of actual components should be given little, if any, weight.

c. The '979, '119, '890, '552, '579, '135, '912, '561, and '044 Patents Are Anticipated Under 102(b) Based On Public Use

Mr. Schiavone, a named inventor on the patents at issue, testified at his 30(b)(6) deposition that the differences in the appearance of the exterior design between the P221 and the commercial F-150 were that the door handles were turned “a different way” and a revision was made to the cowl and the “A” pillar. He further testified that none of these changes would be noticed, *i.e.*, discernible, by an ordinary observer. JX-17, Shiavone Dep. Tr. 107-08.

At the hearing, however, Mr. Shiavone, who had previously testified that only one fiberglass prototype, a red F-150 had been made, testified that his testimony regarding minimal changes concerned a *different* fiberglass prototype, a black F-150, that had been exhibited at a later marketing event held in Dallas, Texas. Shiavone Tr. 630-34, Tr. 638-39. Mr. Metros, another named inventor, who had previously testified at deposition that only one fiberglass prototype had been made, testified at the hearing that his deposition testimony that only slight finish changes differentiate the P221 fiberglass prototype exhibited at the Houston event from the final product, in fact, related to a second fiberglass prototype black F-150 that was exhibited later at a Dallas, Texas marketing event. Metros Tr. 434-35. Mr. Blake, a named inventor, testified at his deposition that only one fiberglass prototype had been made. However, at the hearing, he testified that he had a debate with Mr. Shiavone in the presence of Mr. Metros and attorneys from Brooks & Kushman, and that he “was reminded” that a second fiberglass prototype black F-150 had been made. Blake Tr. 1151-52. Mr. Blake also testified that he had not heard of a second prototype until Mr. Shiavone reminded him of it. Blake Tr. 1153. As demonstrated below, the inventors’ testimony about the existence of a second fiberglass prototype should be disregarded.

The record does not contain *any* documentary evidence supporting the witnesses' testimony that a second full-scale fiberglass "beauty" prototype of the 2004 F-150 was ever made or that a fiberglass beauty prototype 2004 F-150 was exhibited in Dallas, Texas prior to the official public announcement/exhibition of the "new" 2004 F-150.²⁴ Moreover, Mr. Shiavone's hearing testimony that his reference to differences between "the original fiberglass" and the final design related to a *second* fiberglass prototype is simply not credible. For example, Mr. Shiavone testified that he had been confused because he did not have photographs to refer to. However, photographs of the red prototype exhibited in Houston were marked as exhibits at his deposition. *See* Schiavone Tr. 631-32. Mr. Metros's hearing testimony as to why he confused the Houston event with a subsequent event at his deposition also does not stand muster. *See* Metros Tr. 432-37. Inventor Blake's testimony is more telling, Mr. Blake was "reminded" in a debate with Mr. Shiavone, his superior, that a second prototype had been built in a meeting with inventor Metros and attorneys from Brooks & Kushman. Mr. Blake did not have any recollection independent of "the debate." Blake Tr. 1151-53.²⁵ Finally, in light of the time and expense involved in producing a fiberglass beauty, the absence of any documentation referring to a second fiberglass beauty is

²⁴ The Staff understands that no document produced as part of the discovery process refers to a second fiberglass beauty or to a Dallas event at any time during the relevant time frame at which a full-scale fiberglass "2004" F-150 was displayed. The first and only reference to Dallas, Texas that the Staff is aware of is the deposition testimony of Mr. Ward at his deposition, which took place after Respondents' motion for summary determination based on public use was filed.

²⁵ It should be noted that Mr. Shiavone as Design Director for Trucks, SUVs and "People Movers" is superior to Messrs. Metros (Chief Designer) and Blake (Advanced Strategic Advanced Studio at Ford. Shiavone Tr. 562-63; Metros Tr. 264; Blake Tr. 1073.

telling given the gravity of this issue.

In sum, the Staff submits that the hearing testimony relating to a second fiberglass beauty should be disregarded.

i. The '979 Patent and '119 Patents (CX-4 and CX-1)

Ford admits that the '979 and '119 patents are anticipated if the Houston event is determined to have been "public" use. Brooks Tr. 135. Therefore, the Staff will not further address these two patents in this section.

ii. The '890 Patent (CX-6)

Ford contends that "a point of novelty for the '890 design is the combination of a honeycomb surround placed within an inner frame in a recessed fashion to create an inner lip on the inner frame shown in FIG. 3 and lateral contour (5) shown in FIG. 3 and vertical contour (6) shown in FIG. 4. The center plinth is not claimed.). CX-26. As demonstrated above, the points of novelty are irrelevant when determining anticipation. *See Bartlett*, 300 F.2d at 943.

Ordinary observers in the form of members of a focus group at the December 2000 Houston marketing event identified the mesh on grille of the F-150 depicted in RDX-22 (Vehicle QQ) as honeycomb. RPX-104; Skalski Tr. 1702. Thus, ordinary observers would consider the design of the grille in RDX-22 and the '890 patent to be substantially the same in appearance. Skalski Tr. 1702. However, to the extent that a lattice mesh differs from a honeycomb mesh, such difference is so slight that consumers would still be confused by seeing one and thinking that it was the other. *See Gorham*, 81 U.S. at 526-7 ("Mere differences of lines in the drawing or sketch, a greater or smaller number of lines, or slight variations in configuration, [even] if sufficient to change the effect upon the eye, will not destroy the substantial identity."). Hence the '890 patent

is anticipated.

While unnecessary under applicable precedent, the appearance of the grille of the F-150 depicted in RDX-221 satisfies three of the five elements encompassed by Ford's alleged combination point of novelty. Skalski Tr. 1692-93, Tr. 1709-13, Tr. 1811, Tr. 1975-76; RDX-22; RDX-25; RDX-26.

iii. The '552 Patent (CX-3)

Ford contends that "a point of novelty for the '552 design is the decorative horizontal bars placed as shown, and the combination of a dominant lamp, subdominant lamp and contoured marker shaped (the dominant lamp and the subdominant lamp are generally circular, the marker is contoured in two dimensions), sized, and placed (the contoured marker placed on the cylinder that defines the dominant lamp) as shown in the patent Figures, especially FIG. 2." CX-23. As demonstrated above, the points of novelty are irrelevant when determining anticipation. *See Bartlett*, 300 F.2d at 943.

The design of the head lamp on the full-scale P221 and P273 exhibited at the December 2000 Houston marketing event is substantially the same as the design of the '552 patent. Skalski Tr. 1674-76, Tr. 1677, 1681; RDX-5; RDX-12; RDX-13. Moreover, to the extent that differences exist between the head lamps on the full-scale P221 and P273 displayed at the Houston event, such differences are not substantial enough to preclude a finding of anticipation. *See Gorham*, 81 U.S. at 526-7 ("Mere differences of lines in the drawing or sketch, a greater or smaller number of lines, or slight variations in configuration, [even] if sufficient to change the effect upon the eye, will not destroy the substantial identity."). Hence the '552 patent is anticipated.

While unnecessary for anticipation, the head lamps on the full-scale P221 satisfy each element of Ford's alleged combination point of novelty and the head lamps of the P273 lack only one element, the three horizontal lines. Skalski Tr. 1674-81, Tr. 1683, Tr. 1954; RDX-5; RDX-12; RDX-13; RDX-14; RDX-15; RDX-107.

iv. The '579 Patent

Ford contends that "a point of novelty for the '579 design is a lower valance with vertically protruding recesses that includes a combination of two contoured surfaces one of which includes five distinct portions, as shown in the patent Figures, especially FIG. 2." CX-27. As demonstrated above, the points of novelty are irrelevant when determining anticipation. *See Bartlett*, 300 F.2d at 943.

An ordinary observer comparing the design described in the '579 patent (RDX-33) to the valance that's shown on the P221 poster exhibited at the Houston event (RDX-29) would consider them to be substantially the same as the design. Skalski Tr. 1725-26; RDX-29; RDX-33. Moreover, to the extent that differences exist between the head lamps on the full-scale P221 and P273 displayed at the Houston event, such differences are not substantial enough to preclude a finding of anticipation. *See Gorham*, 81 U.S. at 526-7 ("Mere differences of lines in the drawing or sketch, a greater or smaller number of lines, or slight variations in configuration, [even] if sufficient to change the effect upon the eye, will not destroy the substantial identity."). Hence the '579 patent is anticipated.

While unnecessary, the design of the valance on that vehicle satisfies Ford's alleged point of novelty. Skalski Tr. 1726-27; RDX-29; RDX-35.

v. The '135 Patent (CX-9)

Ford contends that “a point of novelty for the '135 design is a lower valance with vertically protruding tow hook frame openings that include a combination of two contoured surfaces one of which includes five distinct subsurfaces, as shown in the patent Figures, especially FIG. 2.” CX-29. As demonstrated above, the points of novelty are irrelevant when determining anticipation. *See Bartlett*, 300 F.2d at 943.

The evidence of record demonstrates that an ordinary observer would see the appearance of the lower bumper valance on the P221 depicted on a poster (RDX-29) at the 2000 Houston marketing event as being substantially the same design as that disclosed in the '135 patent. Skalski Tr. 1715-16; RDX-28; RDX-29. To the extent that differences in appearance exist, such differences are not substantial enough to preclude a finding of anticipation. *See Gorham*, 81 U.S. at 526-7 (“Mere differences of lines in the drawing or sketch, a greater or smaller number of lines, or slight variations in configuration, [even] if sufficient to change the effect upon the eye, will not destroy the substantial identity.”). Hence the lower bumper valance on the P221 depicted in RDX-29 anticipates the '135 patent.

While unnecessary for anticipation, the evidence also demonstrates that this lower bumper valance satisfies Ford's alleged point of novelty. Skalski Tr. 1716; RDX-30; RDX-31.

vi. The '615 Patent (CX-5)

Ford contends “a point of novelty for the '615 design is a side view mirror that includes a combination of a contoured arm having a top edge that in rear view is placed to visually align with the truncated lower corner detail of the mirror and mirror housing, a front surface contour that creates a curve that is uninterrupted along the front of the contoured arm and mirror housing,

when viewed from the top as shown in FIG. 5, and the overall perimeter shape. CX- 25. As demonstrated above, the points of novelty are irrelevant when determining anticipation. *See Bartlett*, 300 F.2d at 943.

Professor Skalski could not make a determination as to whether the side view mirror on the P221 is substantially similar in design to the design of the '615 patent because the video did not provide all of the requisite views. Skalski Tr. 1746-47; RDX-51. Professor Skalski was also unable to determine whether the side view mirror on the P221 satisfied all of the elements of Ford's alleged point of novelty because he did not have a video shot of the allegedly truncated lower corner detail. Skalski Tr. 1746-47; RDX-52.

Hence the record does not contain the evidence necessary to determine whether the side view mirror on the P221 anticipates the '615 patent.

vii. The '912 Patent (CX-10)

Ford contends that "a point of novelty for the '912 design is a fender that includes a combination of a concentrically shaped wheel opening flat, a contoured wheel lip and a shoulder sized and shaped as shown in the patent Figures, such that the flat, the lip, the vertical portion of the shoulder and the horizontal portion of the shoulder are all significant features, the vertical portion of the shoulder is relatively small and the lip is the largest; and a chamfered surface near the waterline." CX-10. As demonstrated above, the points of novelty are irrelevant when determining anticipation. *See Bartlett*, 300 F.2d at 943.

The evidence of record demonstrates that an ordinary observer would consider the appearance of the fender on the P221 to be substantially the same design as the design of the '912 patent. There appears to be only one minor difference in appearance between the fender of the

P221 and the '912 patent. The fender of the P221 appears to be slightly narrower at the section close to the windshield and the side view mirror than the drawings in the '912 patent, and the only way to tell would be to take the parts off and measure them. Skalski Tr. 1694-96.²⁶ To the extent that differences may exist, such differences are not substantial enough to preclude a finding of anticipation. *See Gorham*, 81 U.S. at 526-7 (“Mere differences of lines in the drawing or sketch, a greater or smaller number of lines, or slight variations in configuration, [even] if sufficient to change the effect upon the eye, will not destroy the substantial identity.”). Hence the fender on the P221 anticipates the '912 patent.

While unnecessary under applicable precedent, the appearance of the fender on the P221 also satisfies all of Ford's alleged points of novelty. Skalski Tr. 1692-93, Tr. 1699-1700; RDX-20.

viii. The '561 Patent (CX-8)

Ford contends that “a point of novelty for the '561 design is a vehicle tail lamp that includes a combination of a perimeter chamfer, the surface contour shown in FIG. 2, and the placement and shape of contoured band shown in FIG. 1. CX- 28. As demonstrated above, the points of novelty are irrelevant when determining anticipation. *See Bartlett*, 300 F.2d at 943.

The appearance of the tail lamp on the full-size Ford Ranger prototype displayed at the Houston marketing event is substantially the same design as that depicted in figure 6 of the '561

²⁶ The area identified by Professor Skalski is the area that was referred to by Mr. Shiavone as a minor change that would not be detected by an ordinary observer at his 30(b)(6) deposition. The area is also identified as a “Key Open Issue” in Ford’s August 21, 2000 Exterior Freeze Risk Assessment (RX-526 at 16420), upon which Mr. Metros remarked at his deposition: “I would say maybe we were late in freezing the exterior clay.” Metros Tr. 537.

patent. Skalski Tr. 1730; RDX-37; RDX-38. The sole difference in appearance between the tail lamp and the figure is that the contoured band on the Ford Ranger prototype does not extend completely to the perimeter of the lamp, and the one in the patent figures do. Skalski Tr. 1737; RDX-38. An ordinary observer would not see that difference as making the design substantially different. Skalski Tr. 1737. Moreover, the Staff believes that this difference is so slight that it does not negate a finding of anticipation. *See Gorham*, 81 U.S. at 526-7 (“Mere differences of lines in the drawing or sketch, a greater or smaller number of lines, or slight variations in configuration, [even] if sufficient to change the effect upon the eye, will not destroy the substantial identity.”). Hence the tail lamp on the full-scale P273 anticipates the ‘561 patent.

While unnecessary for anticipation, the tail lamp on the full-scale P273 satisfies Ford’s alleged point of novelty for the ‘561 patent. Skalski Tr. 1734-35; RDX-41.

ix. The ‘044 Patent (CX-2)

Ford contends that “a point of novelty for the ‘044 design is a vehicle tail lamp that includes the combination of a perimeter chamfer, the lamp sized so that it is larger from the side view (FIG. 2) than from the back view (FIG. 1), the angled edge as shown in FIG. 2, and the shape and placement of the contoured band as shown in the figures.” CX-22.²⁷ As demonstrated above, the points of novelty are irrelevant when determining anticipation. *See Bartlett*, 300 F.2d at 943.

An ordinary observer would consider the appearance of the flare-side tail lamp on the prototype Ford Ranger depicted on RDX-44 to be substantially the same design as figure 2 of the

²⁷ As demonstrated in the claim construction section supra, none of the figures of the ‘044 patent contains any information that would lead any one, including an ordinary designer, to conclude that a design of the ‘044 patent includes a perimeter that is chamfered. Skalski Tr. 1740-41.

'044 patent. Skalski Tr. 1738; RDX-43 (Fig. 2); RDX-44 (Ford Ranger prototype). The main difference between the two is that the contoured band on the prototype Ranger does not completely extend to the perimeter of the lamp while the contoured band in the '044 patent does. Compare CX-2 with RX-737. Moreover, the Staff believes that this difference is so slight that it does not negate a finding of anticipation. *See Gorham*, 81 U.S. at 526-7 (“Mere differences of lines in the drawing or sketch, a greater or smaller number of lines, or slight variations in configuration, [even] if sufficient to change the effect upon the eye, will not destroy the substantial identity.”). Hence the flare-side tail lamp on the prototype Ford Ranger depicted on RDX-44 anticipates the '044 patent.

While unnecessary for anticipation, the flare-side tail lamp on the prototype Ford Ranger depicted on RDX-44 satisfies Ford's alleged point of novelty for the '044 patent.

In sum, the evidence of record demonstrates that how that the '979, '119, '890, '552, '579, '135, '912, '561, and '044 patents are anticipated based on the fact that the appearance of the components of the trucks exhibited at the Houston event satisfies the ordinary observer and point of novelty tests.

2. Other References

a. The '119 Patent (CX-1)

(i) The 2003 Ford Expedition

The design of the upper bumper fascia of the 2003 Ford Expedition is substantially the same as the design that is described in the '119 patent. Skalski Tr. 1759-60; RX-14. The upper bumper fascia of the 2003 Ford Expedition is part of an assembly comprised of the upper bumper fascia, arms forming part of the frame of the grille, a bumper section and a lower bumper valance.

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An ordinary observer would divide the assembly into four parts. Skalski Tr. 1759-61; RX-14.

A photograph of a 2003 Ford Expedition is on the lower left of RDX-669 that emphasizes the upper bumper fascia and a similar photograph of the 2004 Ford F-150 is on the lower right. When the assembly is on the Ford Expedition, the appearance of its upper bumper fascia is substantially the same as that of the 2004 F-150. Skalski Tr.1762-63; RX-669. While there are some differences between the two upper bumper fascias, they are still substantially similar to each other. There can be differences. Skalski Tr. 1763.

(ii) The 2002 Ford Explorer

RX-21 is comprised of photographs of a 2002 Ford Explorer front end assembly on the left and when the assembly is on the Ford Explorer, the appearance of its upper bumper fascia is substantially the same as that of the 2004 F-150. Skalski Tr.1766-68; RX-21; RX-778.

b. The '615 Patent (CX-5)

(i) The 1997 Toyota Land Cruiser

An ordinary observer would consider the design of the 1997 Toyota Land Cruiser side view mirror to be substantially the same design as the mirror described in the '615 patent. Skalski Tr. 1750; RX-58 at 1-2; RPX-56. A designer of ordinary skill would consider the design of the 1997 Land Cruiser side view mirror to be substantially the same design as the mirror described in the '615 patent. Skalski Tr. 1750-51; RX-58 at 1-2 RPX-56.

A designer of ordinary skill would see the side view mirror of the 1997 Land Cruiser as being the same design as the mirror described in the '615 patent and they might say there are some slight differences. Skalski Tr. 1750-51; RX-58 at 1-2 RPX-56. The top surface of the side view mirror of the 1997 Land Cruiser (RPX-56) above the mirror housing is rounder than the top

surface on one of Ford's replacement side view mirrors (CPX-5.2). Skalski Tr. 2014.

The side view mirror of the Land Cruiser is smaller than the Ford replacement mirror. One has greater or lesser radii than the other because the comparison is between a small mirror and a large mirror. Therefore, a direct comparison between the two mirrors is meaningless. The '615 patent does not include measurements to show the size. Skalski Tr. 2017. Radii change with increases in scale and the patent does not specify any scale. Skalski Tr. 2017-18.

(ii) 2001 Ford Explorer Sport

An ordinary observer would consider the design of the 2001 Ford Explorer Sport to be substantially the same design as the mirror described in the '615 patent. Skalski Tr. 1751-52; RX-59. A designer of ordinary skill would see the side view mirror of the 2001 Ford Explorer Sport as being the same design as the mirror described in the '615 patent and they might say there are some slight differences. Skalski Tr. 1750-51; RX-59.

c. The '912 Patent (CX-10)

(i) The 2003 Ford Expedition

An ordinary observer would see the design of the fender of the 2003 Ford Expedition to be substantially the same as the design described in the '912 patent. Skalski Tr. 1793; RX-2. The only difference between the fender of the 2003 Ford Expedition and the fender described in the '912 patent is at the top part toward the rear of the fender where it has a slightly raised section. That section is usually present to line up with the hood where it comes down. The raised portion in the patent drawings is not raised as much as is done in the 2003 Ford Expedition. Skalski Tr. 1797.

(ii) The 2001 Ford Escape

An ordinary observer would see the design of the fender of the 2001 Ford Escape to be substantially the same as the design described in the '912 patent. Skalski Tr. 1794; RX-3.

C. Law of Obviousness**1. The Law**

Invalidity based on obviousness of a patented design is determined based on factual criteria similar to those that have been developed as analytical tools for reviewing the validity of a utility patent under § 103, that is, through application of the *Graham* factors. *Hupp v. Siroflex of America, Inc.*, 122 F.3d 1456, 1462 (Fed. Cir.1997) (“*Hupp*”). In *Graham*, the Supreme Court stated that the following inquiries should be addressed: (1) the scope and content of the prior art; (2) the level of ordinary skill in the art; (3) the differences between the claimed invention and the prior art; and (4) secondary considerations of nonobviousness, “also known as ‘objectives indicia of nonobviousness.’” *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966). Secondary considerations, also part of the *Graham* factors, include commercial success, long-felt but unresolved need, failure of others, copying, and unexpected results. The determination of the ultimate question of obviousness is made from the viewpoint of a person of ordinary skill in the field of the patented design. *Durling v. Spectrum Furniture Co.*, 101 F.3d 100, 103 (Fed. Cir. 1996); *Litton Systems, Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1443 (Fed. Cir. 1984).

In addition, in determining whether a patented design is obvious, one must have a primary reference. See *Hupp*, 122 F.3d at 1462 citing *In re Rosen*, 673 F.2d 388, 391 (CCPA 1982), where the court stated that “there must be a reference, a something in existence, the design characteristics of which are basically the same as the claimed design in order to support a holding

of obviousness.” The correct application of this analytic approach is to ascertain whether, upon application of the *Graham* factors to the invention viewed as a whole, the same or a substantially similar article of manufacture is known to have design characteristics of which the design of the article as shown in the claim is an obvious variant. *Avia Group Int'l, Inc. v. L.A. Gear California, Inc.*, 853 F.2d 1557, 1563-64 (Fed. Cir. 1988). Obviousness, in turn, is determined by ascertaining whether the applicable prior art contains any suggestion or motivation for making the modifications in the design of the prior art article in order to produce the claimed design. *In re Borden*, 90 F.3d 1570, 1574 (Fed. Cir.1996) (“In order for secondary references to be considered, however, there must be some suggestion in the prior art to modify the basic design with features from the secondary references”). In *Borden*, however, the Federal Circuit affirmed the board’s obviousness rejection, holding that motivation does not have to be explicit. Instead, motivation could be premised solely on the closeness of the secondary references to the primary one, stating:

The secondary references were thus properly found to be so closely related to the basic design reference “that the appearance of certain ornamental features in one would suggest the application of those features to the other.” *In re Glavas*, 230 F.2d at 450, 109 USPQ at 52; see *In re Carter*, 673 F.2d 1378, 1380, 213 USPQ 625 (CCPA 1982) (secondary reference “so closely related that the adoption of features therein for modification of the [claimed] design would be readily suggested”).

Borden, 90 F.3d at 1575. Based on the closeness of the references, the Court held:

In this case, unlike [cite omitted], the basic design reference is closely akin to *Borden*'s claimed design, and the secondary references provide the two design elements necessary to bridge the small gap between the *Bettix* container and *Borden*'s claimed design. Moreover, the two missing design elements are not taken from unrelated references, but are found in other dual-chamber containers. The Board found the secondary references to be so closely related to the *Bettix* design as to suggest to a container designer of ordinary skill that the small chamber of the *Bettix* container could be modified in a manner that would make it identical to *Borden*'s design. The Board therefore found that the prior art references did not

simply provide a general approach to creating new designs, as in Harvey, but taught the two specific design elements that would convert the Bettix reference into appellant's claimed design, and did so in a setting that would suggest the combination to one of skill in the art.

Id., 90 F.3d at 1575-76; accord, *Durling v. Spectrum Furniture Co., Inc.*, 101 F.3d 100, 103 (Fed. Cir. 1996). Thus, motivation is inferred when a “primary” reference is close to the design at issue, and, thus, motivation does not have to be demonstrated.²⁸ In contrast, Ford contends that one must point to a teaching or suggestion in the prior art to create the claimed combination, citing to *In re Dembiczak*, 175 F.3d 994, 998-1000 (Fed. Cir. 1999). Ford PHS at 12.²⁹ Ford also contended that Respondents will not be able to prove obviousness “because they have not provided clear and convincing evidence of a suggestion to make the design changes between the Houston mock-up and the patented design.” *Id.* at 18.³⁰ It is noteworthy that Ford relies upon an obviousness decision from a case involving a utility patent in support of this proposition, while ignoring the design patent decision in *Durling* (cited at Ford PHS at 11 and 12) which applied the inferred motivation approach of *In re Borden*, discussed above.

²⁸ In its response to Respondents’ motion for invalidity based on public use, the Staff opposed Respondents’ motion insofar as it sought an invalidity determination based on obviousness, based upon the Staff’s incorrect view of the law at that time. As discussed above, however, motivation is inferred when a “primary” reference is close to the design at issue and, thus, motivation does not have to be demonstrated.

²⁹ Mr. Olsen could not provide any of the qualifications that would define an “a designer of ordinary skill.” Olsen Tr. 1365-66.

³⁰ Moreover, as discussed with respect to anticipation, *supra*, most of the changes were so minor that, according to the inventors, such changes would not be discernible to “an ordinary observer” even if a description of such changes was provided to the “ordinary observer.”

2. Discussion

The Staff believes that the record demonstrates that, if the asserted patents are not anticipated by Ford F-150 and Ranger prototypes publicly displayed at the Houston event, they are rendered obvious by such art. The Staff also believes that asserted patents as discussed in the Staff's proposed findings that discuss specific combinations of prior art references, render the patents at issue invalid for obviousness. In light of these secondary references to the patents at issue, the Staff is of the view that the motivation to combine references may be inferred..

D. Indefiniteness Under Section 112, ¶ 2

Section 112, paragraph 2, reads as follows:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

35 U.S.C. §112, ¶ 2. In order to satisfy the definiteness requirement, a patent claim must particularly point out and distinctly claim the invention, *i.e.*, provide a clear and definite meaning to one of ordinary skill in the art in light of the specification. *Miles Laboratories, Inc. v. Shandon Inc.*, 997 F.2d 870, 874-75 (Fed. Cir.), *cert. denied*, 114 S.Ct. 943 (1994). With respect to design patents, the Manual of Patent Examination and Procedures ("MPEP") provides:

[S]ince the drawing disclosure and any narrative description in the specification are incorporated into the claim by the use of the language "as shown and described," any determination of the scope of protection sought by the claim is also a determination of the subject matter that must be enabled by the disclosure. Hence, if the appearance and shape or configuration of the design for which protection is sought cannot be determined or understood due to an inadequate visual disclosure, then the claim, which incorporates the visual disclosure, fails to particularly point out and distinctly claim the subject matter applicant regards as their invention, in violation of the second paragraph of 35 U.S.C. 112.

MPEP, § 1504.04(I) (8th Ed, August 2005), accessible at

http://www.uspto.gov/web/offices/pac/mpep/documents/1500_1504_04.htm#sect1504.04.

2. Discussion

The evidence of record demonstrates that the ‘135 and ‘579 patents are indefinite. As previously noted, Ford contends that the ‘135 patent discloses openings/apertures through which tow hooks would extend, and the ‘579 patent discloses recesses instead of openings/apertures. However, as previously discussed, neither patent contains any information from which an ordinary observer would be able to determine whether openings/apertures or recesses are disclosed in either patent. For example, Tyler Blake, one of the named inventors of these patents, was confused at his deposition when asked to identify which of the two patents “discloses” openings and which “discloses” recesses at his deposition.³¹ Blake Tr. 1189-94. Moreover, both experts agreed that a neither the ‘579 nor the ‘135 patent provides any information that would inform an ordinary observer that “recesses” in the valance of the ‘579 patent are recessed areas in the valance and not holes or openings in the valance, or that the “holes” in the valance of the ‘135 patent are holes or openings and not recesses. Olsen, Tr. 2159; Skalski, Tr. 1722-24, Tr. 1815, Tr. 1856-57; CX-7; CX-9.

In view of the foregoing, the Staff submits that the evidence of record demonstrates that the ‘579 and ‘135 patents are indefinite under § 112, ¶ 2.

³¹ Mr. Blake was obviously prepared to answer the same question at the hearing without any hesitation.

XI. INEQUITABLE CONDUCT

1. The Legal Standard

Applicants for patents have a duty to prosecute patents in the U.S. Patent and Trademark Office (“PTO”) with candor and good faith, which includes a duty to disclose information known to the applicants to be material to patentability. 37 C.F.R. 1.56(a) (2004); *The Pharmacia Corp. v. Par Pharmaceutical, Inc.*, 417 F.3d 1369 (Fed. Cir. 2005) (“*Pharmacia*”) (statements made by a declarant conflicted with an article co-authored by him as well as statements that were made therein regarding two references); *GFI, Inc. v. Franklin Corp.*, 265 F.3d 1268, 1273 (Fed. Cir. 2001) (“*GFI*”); *Purdue Pharma L.P. v. Endo Pharmaceuticals Inc.*, 410 F.3d 690, 695 (Fed. Cir. 2005) (citing *Molins PLC v. Textron, Inc.*, 48 F.3d 1172, 1178 (Fed. Cir. 1995)); *Brasseler, U.S.A. I, L.P. v. Stryker Sales Corp.*, 267 F.3d 1370, 1382-83 (Fed. Cir. 2001) (“*Brasseler*”) (attorney and inventor had duty to investigate facts surrounding potential bar). A patent is unenforceable on grounds of “inequitable conduct” if the patentee made affirmative misrepresentations of a material fact, failed to disclose material information, or submitted false material information, coupled with an intent to deceive. *Pharmacia*, 417 F.3d 1371 -72 (intent inferred when declarant failed to bring statements in an article co-authored by him as well as statements that were made therein regarding two references that conflicted with declaration); *GFI, Inc. v. Franklin Corp.*, 265 F.3d 1268, 1273 (Fed. Cir. 2001) (“*GFI*”); *Purdue Pharma L.P. v. Boehringer Ingelheim GmbH*, 237 F.3d 1359, 1366 (Fed. Cir. 2001); *Labounty Manufacturing, Inc. v. US. Int’l Trade Comm’n.*, 958 F.2d 1066, 1070, 1074 (Fed. Cir. 1992) (“*LaBounty*”). Both materiality and intent must be proven by clear and convincing evidence. *Kingsdown Medical Consultants, Ltd. v. Hollister, Inc.*, 863 F.2d 867, 872 (Fed. Cir. 1988) (*en banc* on this issue),

cert. denied, 490 U.S. 1067 (1989) (“*Kingsdown*”).

Patent Office Rule 56(a) was amended, effective July 1, 1992, to read, in relevant part:

Each individual associated with the filing and prosecution of an application has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to the patentability as defined in this section. The duty to disclose information exists with respect to each pending claim until the claim is cancelled or withdrawn from consideration, or the application becomes abandoned. Information material to a claim that is cancelled or withdrawn from consideration need not be submitted if the information is not material to the patentability of any existing claim.

37 C.F.R. 5 1.56(a) (2004). Rule 56(b) was also amended to read as follows:

Under this section, information is material to patentability when it is not cumulative to information already in the record or being made of record, and (1) It establishes, by itself or in combination with other information, a prima facie case of unpatentability of a claim, or (2) It refutes, or is inconsistent with, a position the applicant takes in:

- (i) opposing an argument of unpatentability relied on by the Office,
- or
- (ii) asserting an argument of patentability.

37 C.F.R. 5 1.56(b) (2004). The duty of candor extends throughout the patent's entire prosecution history. In determining inequitable conduct, the trier of fact may look beyond the issued claims to their antecedents, the specification and drawings, and to earlier and later versions thereof. *Fox Industries, Inc. v. Structural Preservation Sys., Inc.*, 922 F.2d 801, 803-04 (Fed. Cir. 1990) (“*Fox*”). Therefore, a breach of the duty of candor early in the prosecution of an application may render unenforceable all claims that eventually issue from the same or related applications. *Baxter Int’l, Inc. v. McGaw, Inc.*, 149 F.3d 1321, 133 1-32 (Fed. Cir. 1991); *Fox*, 922 F.2d at 803-04; *Consolidated Aluminum Corp. v. Fonseca Int’l Ltd.*, 910 F.2d 804,812-13 (Fed. Cir. 1990); *Driscoll v. Cebalo*, 731 F.2d 878, 885 (Fed. Cir. 1984).

Generally, when withheld information is highly material, a lower showing of deceptive intent will be sufficient to establish inequitable conduct. *American Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1363 (Fed. Cir.), *cert. denied*, 469 U.S. 821 (1984). Moreover, “[d]irect proof of wrongful is rarely available but may be inferred from clear and convincing evidence of the surrounding circumstances.” *Critikon, Inc. v. Becton-Dickinson Vascular Access, Inc.*, 120 F.3d 1253, 1256 (Fed. Cir. 1997); *LaBounty*, 958 F.2d at 1076; *Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 746 F. Supp. 1413 (N.D. Cal. 1990), *aff’d*, 925 F.2d 1480 (Fed. Cir.), *cert. denied*, 111 S.Ct. 2854 (1991).

Ford contends that the Houston marketing event is not material because it was not “public,” and, if material, neither the inventors nor their attorneys “knew or had reason to know that it was material because they thought that the clinic was a confidential, non-commercial market research event at which Ford maintained control over the displayed fiberglass mock-up at all times.” Ford PHS at 19-20. Based upon the foregoing, Ford contends that intent to deceive cannot be proven because “the attorneys had no knowledge of the clinic, and the inventors believed that the clinic was - - and in fact it was - - a confidential, non-commercial market research event at which Ford maintained control over the displayed fiberglass mock-up at all times.” Ford PHS at 21.

2. The Withheld Materials Are Material

As demonstrated in the prior sections, the appearance of each of the components of the prototype Ford F-150 and Ranger trucks allegedly covered by the patents at issue that were the subject of the 2000 Houston marketing event is substantially identical to the appearance of the designs depicted in the design patents at issue, with the only differences between the designs, if

any, being legally irrelevant. Indeed, inventor Blake admitted that certain components of the vehicles exhibited at the Houston event are closer to the patented components than any art provided to the PTO. Blake Tr. 1179-84, 1184, 1185-87.

3. The Applicants Intentionally Withheld the Information

The evidence demonstrates that at least three of the four named inventors of all of the patents at issue had personal knowledge of Ford's 2000 Houston two-week marketing event at which prototypes of the "new" F-150 and Ranger were displayed and were the subject of focus groups. Moreover, the evidence demonstrates that at least two of the three had no reason to believe that the participants at the event were subject to confidentiality agreements.

The evidence of record demonstrates that at least two of the named inventors, Messrs. Shiavone and Metros, knew or should have known that the Houston clinic was in fact a public event. Both of these inventors were present at the 2000 Houston marketing event and heard attendees telling the moderators how they had described the vehicles to third parties. *See e.g.* Metros Tr. 419, 425, 428-30; Shiavone Tr. 683-87.³² Both of these inventors testified that the Houston event was a confidential event, and that they assumed that the attendees had signed confidentiality agreements.³³ Metros Tr. 365. However, neither one did or said anything when they heard the attendees state that they had told third parties about the vehicles. Metros Tr. 425,

³² Inventor Blake testified that he has no recollection about whether he knew that the attendees had spoken to third parties about the vehicles exhibited at the event, he does recollect being present at a time when focus groups were present. Blake, Tr. 1165.

³³ Inventor Blake also testified that he personally believed that the event was confidential. Blake Tr. 1165.

428-29; Shiavone Tr. 685. Further, none of the three inventors who attended the marketing event heard a moderator admonish any of the attendees for divulging information to third parties.

Metros Tr. 425-26; Shiavone Tr. 685; Blake Tr. 1165-66. Moreover, none of the inventors heard anyone state that the event was confidential and/or that any information learned from the event had to be retained in confidence. Metros Tr. 425-26; Shiavone Tr. 685; Blake Tr. 1165-66.

Finally, none of the inventors made any effort to determine whether the attendees had, in fact, signed confidentiality agreements. Metros Tr. 421; Shiavone Tr. 676-77, 680; Blake Tr. 1167.

Ford's attorneys allegedly instructed Messrs. Shiavone and Metros on their duty to disclose material information, and the requisites for obtaining valid patents. *See, e.g.* Metros Tr. 399-401, 404; Shiavone Tr. 697-98; Bejin Tr. 1454; Kelley Tr. 1521; Artz Tr. 1545.³⁴ Despite allegedly being instructed about disclosure requirements, including possible public use, none of the inventors disclosed the Houston event to Ford's attorneys. Metros Tr. 405, 424-25, 450; Shiavone Tr. 697-98; Blake Tr. 1197.

Once the inventors Metros and Shiavone heard an attendee state that he/she had described the vehicles to third parties, they were on notice of a potential invalidating event. Under these circumstances, they were under a duty to investigate (or have investigated) whether the event was in fact a public event. *Brasseler*, 267 F.3d 1385-86. Here as in *Brasseler*, the inventors had notice of a possible invalidating act, and failed to investigate the potentially invalidating act (or have it investigated). As in *Brasseler*, the Judge should find that the inventors intentionally

³⁴ In contrast, inventor Blake asked an unidentified "Ford engineer" "what was prior art." Blake Tr. 1172. Mr. Blake does not recall any contact with an attorney in connection with any of the patent applications. *Id.* at 1173, 1178-79.

withheld material art from the PTO during the prosecution of each of the patents at issue.

Under the foregoing circumstances, an inventor with knowledge that 1) tens of thousands of members of the general public were invited to observe the designs, 2) that nearly 1,100 individuals accepted the invitation and observed these designs, and 3) the attendees were free to describe (or had described) what they saw with anyone else once they left the marketing event, is under an obligation to disclose these facts to the PTO.

In the Staff's view, Ford's contentions that security and the like was the responsibility of others and the inventors had no duty to investigate must fail in light of the *Brasseler* decision. As discussed above, Messrs. Metros and Shiavone knew that the attendees were divulging information to third parties. Despite this knowledge, neither one did anything or informed their attorneys of that fact when specifically asked.

In view of the oft-stated adage "if in doubt, disclose,"³⁵ the testimony of Ford's witnesses at the hearing did not provide credible exculpatory explanations for withholding information

³⁵ As the court stated in *LaBounty*, "Close cases should be resolved by disclosure, not unilaterally by the applicant." 958 F.2d at 1076. Indeed, the MPEP expressly incorporates this adage in § 2004 ("Aids to Compliance With Duty of Disclosure"), which reads as follows:

10. When in doubt, it is desirable and safest to submit information. Even though the attorney, agent, or applicant doesn't consider it necessarily material, someone else may see it differently and embarrassing questions can be avoided. The court in *U.S. Industries v. Norton Co.*, 210 USPQ 94, 107 (N.D. N.Y. 1980) stated "In short, the question of relevancy in close cases, should be left to the examiner and not the applicant." See also *LaBounty Mfg., Inc. v. U.S. Int'l Trade Comm'n*, 958 F.2d 1066, 22 USPQ2d 1025 (Fed. Cir. 1992).

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relating to its two-week December 2000 Houston marketing event from the PTO. As the Federal Circuit recently stated:

This court has held that a trial court may infer deceptive intent based on a showing that a patentee withheld references with which it was intimately familiar and which were inconsistent with its own patentability arguments to the PTO. *GFI, Inc. v. Franklin Corp.*, 265 F.3d 1268, 1275 (Fed. Cir.2001) (citing *LaBounty Mfg., Inc. v. United States Int’l Trade Comm’n*, 958 F.2d 1066, 1076 (Fed. Cir.1992)). “[A] patentee facing a high level of materiality and clear proof that it knew or should have known of that materiality, can expect to find it difficult to establish subject good faith sufficient to prevent the drawing of an inference of to mislead.” *Id.* (internal quotes and citation omitted).

AGFA Corp. v. CREO Prods. Inc., 451 F.3d 1366, 1378 (Fed. Cir. 2006); *accord, Ferring B.V. v. Barr Labs., Inc.*, 437 F.3d 1181, 1191 (Fed. Cir. 2006); *Bruno Independent Living Aids, Inc. v. Acorn Mobility Services Ltd.*, 394 F.3d 1348, 1354 (Fed. Cir. 2005).

As summarized above, each of the inventors testified that the Houston event was confidential. However, at least two of them knew that the respondents had disclosed information to third-parties - - an apparent breach - - of the alleged confidentiality agreement. However, none of the inventors conducted any investigation (or asked that one be conducted), testifying that security was not their responsibility. *See, e.g.*, Schiavone Tr. 680; Blake Tr. 1167-68. For example, Attorney Bejin asked Mr. Schiavone: “Did you disclose your invention to non-company personnel wherein there are no confidentiality restrictions?” Bejin Tr. 1454. It would have been reasonable for Mr. Schiavone to tell Ms. Bejin that respondents at the Houston clinic had divulged information to third parties despite being under an alleged confidentiality agreement, or ask her of the possible ramifications of such disclosures. Similarly, Mr. Metros told Ms. Bejin that there had been no public disclosure, despite having heard Respondents stating that they had described the vehicles at the Houston event to third parties. Metros Tr. 533.

PUBLIC VERSION

Simply put, here as in *Brasseler*, Ford should not be allowed to profit from having cultivated ignorance or to ignore evidence of actual disclosures to third parties. In sum, the Staff believes that Ford has committed inequitable conduct.

XII. IMPORTATION

Stipulated.

XIII. REMEDY AND BONDING

Under 19 C.F.R. §§ 210.36(a) and 210.42(a)(1)(ii), the Administrative Law Judge is to consider evidence and argument on the issues of remedy and bonding and issue a recommended determination thereon.

Ford contends that if a violation is found a general exclusion order would be the appropriate remedy in this investigation. Ford asserts that the evidence will show that numerous manufacturers of replacement parts for the F-150 in addition to the named Respondents exist and that a widespread pattern of alleged infringement exists. Ford PHS at 22-23.

Respondents contend that Ford has not offered any evidence that would support its request in its Complaint for a general exclusion order. Respondents also assert that Ford failed to respond to contention interrogatories seeking support for such a remedy. Finally, Respondents assert that they know of no evidence in the proposed exhibits of either party that would support a finding that a general exclusion order is warranted in this investigation. Respondents' PHS at 181. Based upon the foregoing, Respondents argue that the Judge should not recommend issuance of a general exclusion order. *Id.*

The Staff agrees with Ford that a general exclusion order directed against all replacement parts found to infringe would be the appropriate remedy in this investigation if a violation is found. As demonstrated below, the evidence presented satisfies the requirements for the issuance of a general exclusion order.

A. Remedy

A limited exclusion order is the usual remedy when a violation of Section 337 is found; the statute states that “[i]f the Commission determines, as a result of an investigation under this section, that there is a violation of this section, it shall direct that the articles concerned, imported by any person violating the provision of this section, be excluded from entry into the United States . . .” 19 U.S.C. § 1337(d)(1). A general exclusion order, conversely, is available only in very limited circumstances. See 19 U.S.C. § 1337(d)(2).

Section 337(d)(2) sets forth the factual circumstances that must be present before the Commission may issue a general exclusion order - - specifically:

- (A) a general exclusion from entry of articles is necessary to prevent circumvention of an exclusion order limited to products of named persons; or
- (B) there is a pattern of violation of this section and it is difficult to identify the source of infringing products.

19 U.S.C. § 1337(d)(2). These statutory standards were added in the 1995 amendments to Section 337 and codified the long-standing Commission practice for issuing general exclusion orders as set forth in *Certain Airless Paint Spray Pumps And Components Thereof*, Inv. No. 337-TA-90, Comm. Op. at 18, 216 U.S.P.Q. 465 (1981) (“Spray Pumps”). In *Spray Pumps*, the Commission noted that a Complainant

should not be compelled to file a series of separate complaints against several

individual foreign manufacturers as it becomes aware of their products in the U.S. market. Such a practice would not only waste the resources of the complainant, it would also burden the Commission with redundant investigations.

USITC Pub. 1199 at 30. The Commission also recognized the potential of a general exclusion order to disrupt legitimate trade. Balancing these interests, the Commission concluded that it would

require that a complainant seeking a general exclusion order prove both a widespread pattern of unauthorized use of its patented invention and certain business conditions from which one might reasonably infer that foreign manufacturers other than the respondents to the investigation may attempt to enter the U.S. market with infringing articles.

Id.; see also *Certain Lens-Fitted Film Packages* (“Film Packages”), Inv. No. 337-TA-406, Commission Opinion at 9, USITC Pub. at 3219 (June 1999).

The factors considered in determining if there is a widespread pattern of unauthorized use are:

- (1) a Commission determination of unauthorized importation into the United States of infringing articles by numerous foreign manufacturers;
- (2) the pendency of foreign infringement suits based upon foreign patents which correspond to the domestic patent at issue; and
- (3) other evidence which demonstrates a history of unauthorized foreign use of the patented invention.

Film Packages, at 9-10.

The evidence demonstrates that (1) many foreign manufacturers of Ford F-150 replacement parts in addition to the named Respondents exist; (2) many other foreign manufacturers would be able to quickly and relatively inexpensively commence manufacturing replacement parts because manufacturing automotive replacement parts is their business; and (3)

numerous potential importers of replacement parts into the U.S. exist. In the Staff's view, CX-114, a CD, which appears to have been produced by the Taiwanese replacement parts manufacturers, provides support for issuance of a general exclusion order if Ford prevails.

In sum, the Staff believes that a general exclusion order directed against the products that are determined to infringe would be the appropriate remedy if a violation were to be found.

B. Cease and Desist Order

Ford contends that it is entitled to cease and desist orders. Ford PHS at 22. In contrast, Respondents contend that Ford failed to identify any evidence that would support issuance of cease and desists orders; and, hence cease and desist orders would not be appropriate in this investigation. Respondents' PHS at 181.

The Staff believes that a cease and desist order directed against the domestic Respondents may be appropriate in this investigation as long as they maintain commercially significant domestic inventories.

C. Bond

If the Commission enters a general exclusion order or cease and desist orders, Respondents may continue to import and sell their products during the pendency of the Presidential review period under a bond in an amount determined by the Commission to be "sufficient to protect the complainant from any injury." 19 U.S.C. § 1337; 19 C.F.R. § 210.50(a)(3). The Commission frequently sets the bond by attempting to eliminate the difference in sales prices between the patented domestic product and the infringing product. *See, e.g., Microsphere Adhesives, Process For Making Same, and Products Containing Same, Including Self-Stick Repositionable Notes*, Inv. No. 337-TA-366, Commission Op. at 24, USITC Pub. No.

2949 (January 1996). However, in the absence of reliable price information, the Commission has used other methods to determine an appropriate bond.

Ford, in its supplemental statement on remedy, recommends that a bond of 200% of entered value be imposed because the prices of the accused products are generally one-half the price of the allegedly patented products in order to determine a Bond. Ford's Supplement Regarding its Request for a General Exclusion Order Remedy, at 7. Ford submitted exhibits showing pricing information in support of its recommended bond amount. Ford's proposed bond appears to be reasonable. Therefore, the Staff would not object to the imposition of a bond of 200% of entered value in this investigation.

XIV. CONCLUSION

As demonstrated above, the evidence of record establishes: (1) none of the patents is infringed by Respondents or practiced by Complainant because none of them possess a point of novelty over the prior art; (2) the '979, '119, '615, '890, '552, '579, '135, '912, '561, and '044 patents are invalid as anticipated; (3) to the extent that any of the foregoing is not found to be anticipated, it would be invalid as obvious; (4) the '579 and '135 patents are invalid for failure to satisfy the definiteness requirements of § 112, ¶ 2; and (5) all of the patents are unenforceable due

to the applicant's inequitable conduct before the PTO during prosecution of each of the patents at issue.

Respectfully submitted,

S/ Juan Cockburn

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September 14, 2006

**UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.**

**Before Paul J. Luckern
Administrative Law Judge**

In the Matter of

CERTAIN AUTOMOTIVE PARTS

Inv. No. 337-TA-557

FINAL EXHIBIT LIST OF THE COMMISSION INVESTIGATIVE

SPX 1. Model of Ford F-150 Lariat truck, Complaint Exhibit 38.

Respectfully submitted,

s/Juan Cockburn

Lynn I. Levine, Director

Jeffrey R. Whieldon, Supervisory Attorney

Juan Cockburn, Investigative Attorney

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Dated: September 1, 2006

PUBLIC CERTIFICATE OF SERVICE

I, Juan Cockburn, hereby certify that on October 25, 2006 copies of the foregoing **POST-HEARING BRIEF OF THE COMMISSION INVESTIGATIVE STAFF (PUBLIC VERSION)** were served by hand upon Administrative Law Judge Paul J. Luckern (three copies) and upon the following parties as set forth below.

For Complainant Ford Global Technologies, LLC

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