

Case Nos. 18-1329, -1331, -1728

**UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

COLUMBIA SPORTSWEAR NORTH AMERICA, INC.,
an Oregon corporation,
Plaintiff - Appellant,

v.

SEIRUS INNOVATIVE ACCESSORIES, INC.,
a Utah corporation,
Defendant - Cross-Appellant.

Appeals from the United States District Court for the
Southern District of California in No. 3:17-cv-01781-HZ,
Judge Marco A. Hernandez

**COMBINED PETITION FOR REHEARING AND
REHEARING EN BANC FOR PLAINTIFF-APPELLANT
COLUMBIA SPORTSWEAR NORTH AMERICA, INC.**

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CERTIFICATE OF INTEREST

Pursuant to Federal Circuit Rule 47.4, counsel for Plaintiff-Appellant Columbia Sportswear North America, Inc. certifies:

1. The full name of every party or *amicus curiae* represented by me is: **Columbia Sportswear North America, Inc.**

2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is: **Not Applicable.**

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or *amicus curiae* represented by me are: **Columbia Sportswear Company**

4. The names of all law firms and the partners or associates that appeared for the party now represented by me in the trial court or agency or *amicus curiae* , or are expected to appear in this Court, are:

SCHWABE, WILLIAMSON & WYATT P.C.: David R. Boyajian, Devon Z. Newman, Brenna K. Legaard, and Angela E. Addae.

5. The title and number of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal is:

***Columbia Sportswear North America, Inc., et al. v. Ventex Co.,
Ltd, et al., Case No. 3:17-cv-00623-SI (D. Or.).***

Dated this 13th day of January, 2020.

/s/ Nika Aldrich
Nika Aldrich

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STATEMENT OF COUNSEL UNDER RULE 35(b)(1)

Based on my professional judgment, I believe the panel decision is contrary to the following precedents of this Court and the Supreme Court of the United States: *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117 (1993); *Payless Shoesource v. Reebok*, 998 F. 2d 985 (Fed. Cir. 1993); *Sun Hill Indus. v. Easter Unlimited, Inc.*, 48 F.3d 1193 (Fed. Cir. 1995); and *Gorham Manufacturing Co. v. White*, 81 U.S. 511 (1871).

Based on my professional judgment, I also believe that this appeal requires an answer to one or more precedent-setting questions of exceptional importance:

(1) When conducting a design-patent infringement analysis under *Gorham v. White*, may a fact-finder consider the addition of brand names or other labeling on an otherwise infringing design?

(2) When conducting a design-patent infringement analysis under *Gorham v. White*, should the fact-finder compare the overall appearance of the claimed design (i) to the overall appearance of the ***accused design***, or (ii) to the overall appearance of the entire ***accused product***, which may include aspects extraneous to the claimed design (e.g., logos, tradenames, color, size, etc.)?

Submitted on January 13th, 2020.

Respectfully,

/s/ Nika Aldrich

Nika Aldrich

*Attorney for Plaintiff-Appellant Columbia
Sportswear North America, Inc.*

INTRODUCTION

Rehearing or rehearing en banc is warranted because the panel’s new design-patent infringement analysis conflicts with precedential decisions of this Court and the Supreme Court—and, if left untouched, will send design patents into a tailspin. Simply emblazoning one’s brand name or logo on another’s design should not be sufficient to avoid patent infringement or to create a jury question about infringement. “Design patent infringement relates solely to the patented design, and does not ... allow for avoidance of infringement by labeling.” *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1126 (1993).

The panel’s decision, which vacated the district court’s grant of summary judgment of infringement, enunciated a sweeping new rule for design-patent infringement whereby the fact-finder must consider the overall appearance of the *entire accused product*, rather than just the overall appearance of the *accused design*. The panel held that the district court erred by failing to consider a brand name placed on the infringer’s product solely for purposes of identifying the product’s source. The panel’s decision misconstrues the Supreme Court’s decision in *Gorham Manufacturing Co. v. White*, 81 U.S. 511 (1871), conflicts with

precedential decisions of this Court, and invites wide-ranging unintended and undesirable consequences.

A design-patent applicant is the master of its claim and can choose the ornamental aspects to include as limitations of its claim. The fact-finder compares the overall appearance of these claimed aspects to the overall appearance of the corresponding aspects of the accused product. Unclaimed aspects of the patented product, such as brand names, are irrelevant to the infringement analysis. As has been a steadfast tenet of this Court for almost four decades, reliance on such irrelevant aspects of the accused product in the infringement analysis constitutes legal error.

Here, however, the panel vacated the district court's grant of summary judgment of infringement, *inter alia*, because the district court disregarded the defendant's brand name imprinted on the accused product when comparing the overall appearance of the patented design to the accused product. In doing so, the panel instructed that the fact-finder must consider the appearance of the ***entire accused product***, including any brand name emblazoned on it, stating "it would be inconsistent with [*Gorham's*] mandate to ignore elements of the accused design entirely, simply because those elements included the name of the

defendant.” Slip Op. at 17. But the panel’s new requirement that the infringement comparison considers the entire accused product—including irrelevant and extraneous aspects having no relation to the claimed design—is a significant departure from *Gorham* and this Court’s precedents, and it substantially undermines the protection of design patents. Rehearing or rehearing en banc is warranted.

STATEMENT OF THE CASE

I. The Patents-in-Suit

This case concerns two patents—a design patent and a utility patent—relating to a three-dimensional heat-reflective material used in Columbia’s Omni-Heat® Reflective products, including jackets, gloves, and apparel. The utility patent, U.S. Patent No. 8,453,270 (‘270 patent), claims certain functional qualities of the heat-reflective material. The design patent, U.S. Design Patent No. D657,093 (D’093 patent), claims the ornamental appearance of the metallic elements on the base material, as shown in relief in the patent’s figures:

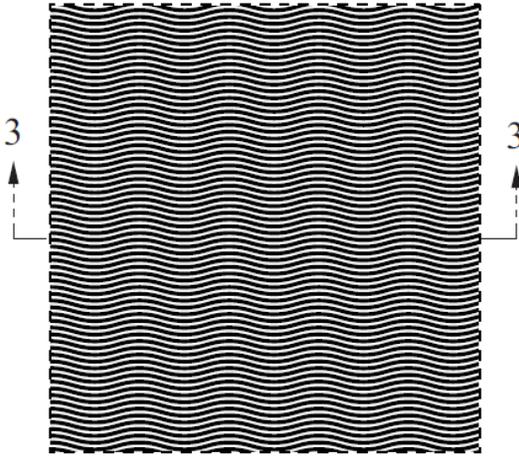


FIG. 1

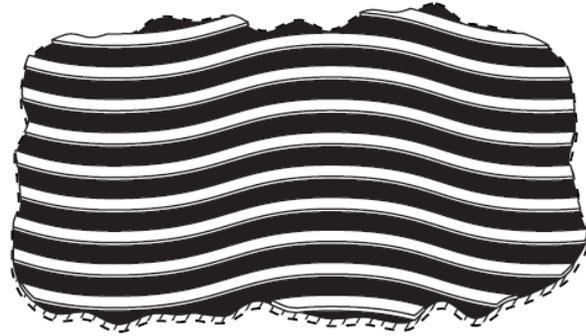
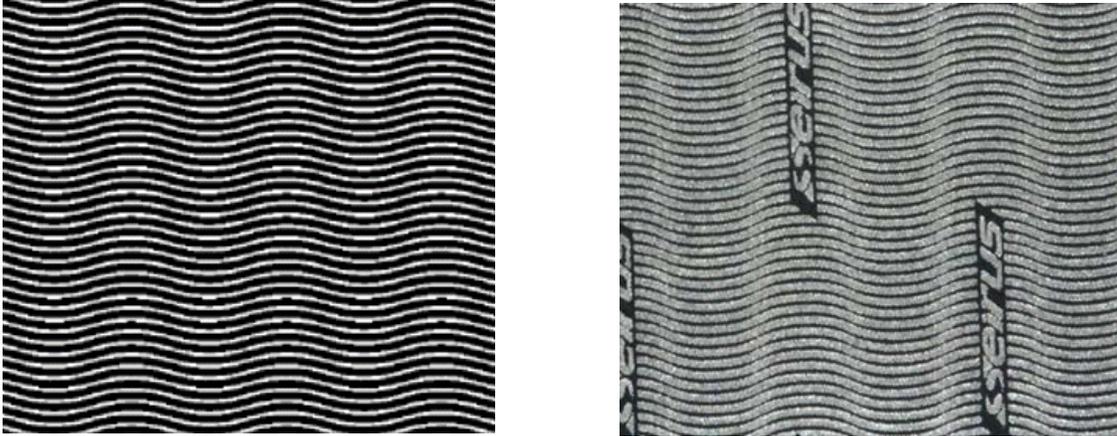


FIG. 2

(Appx4.)

II. The District Court Decision

Using Columbia's own suppliers to develop a heat-reflective material, Seirus then used Columbia's patented D'093 design for a new line of heat-reflective products called "HeatWave," which were intended to compete with Columbia's Omni-Heat® products. Columbia sued Seirus for infringement of the D'093 patent. Below is a side-by-side comparison of a figure from the D'093 patented design and Seirus's HeatWave heat-reflective material:



The district court granted Columbia’s motion for summary judgment of infringement, rejecting Seirus’s argument that its stylized brand name on the accused product should be considered when conducting the design-patent infringement analysis. The evidence showed that Seirus applied its trade name not as a design element, but rather solely as a brand identifier, so that when the fabric is cut up and sewn into a glove, customers would know it came from Seirus. (Appx6176, Appx6182-6184.)

Citing *L.A. Gear*, the district court explained that it is “well-settled that a defendant cannot avoid infringement by merely affixing its logo to an otherwise infringing design.” (Appx190.) The district court also cited numerous district court cases applying that same holding. (Appx190-Appx191.)

The district court then correctly compared the overall appearance of the claimed design—sans logo—to the relevant portion of the accused product and concluded that Seirus infringed. Although Seirus stressed minor details in the shape and spacing of the three-dimensional ridges in an attempt to distinguish its design from the patented D’093 design, the district court noted that “even considering the slight variation in wave width or spacing, the differences between the Seirus design and the Columbia design are so minor as to be nearly imperceptible, and do not change the overall visual impression that the Seirus design is the same as Columbia’s patented one.” (Appx193 (citing *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 681 (Fed. Cir. 2008) (en banc)).)

At trial, a jury ultimately concluded that Columbia was entitled to damages under 35 U.S.C. §289 for Seirus’s infringement of the D’093 patent.

III. The Panel Decision

On appeal, the panel reversed the district court’s grant of summary judgment of infringement, holding that the district court erred for two reasons: “(1) the court improperly declined to consider the effect of Seirus’s logo in its infringement analysis, and (2) the court resolved a

series of disputed fact issues, in some instances relying on an incorrect standard, that should have been tried to a jury.” Slip Op. at 17.

As to the first reason, the panel acknowledged the holding in *L.A. Gear* that “design patent infringement relates solely to the patented design, and does not ... allow [for] avoidance of infringement by labeling.” Slip Op. at 17 (quoting *L.A. Gear*, 988 F.2d at 1126). The panel, however, sought to diminish the scope of *L.A. Gear* by holding it applied only in situations where “copying [was] admitted.” *Id.* Specifically, the panel recast *L.A. Gear* as standing for the proposition that “[a] would-be infringer should not escape liability for design patent infringement ***if a design is copied*** but labeled with its name.” *Id.* (emphasis supplied). Breaking new ground, the panel held that, outside the copying context, a would-be infringer ***may*** rely on the use or placement of a brand name or logo on an accused design to differentiate it from the patented design under the “ordinary observer” infringement test, holding:

L.A. Gear does not prohibit the fact finder from considering an ornamental logo, its placement, and its appearance as one among other potential differences between a patented design and an accused one. Indeed, the fact finder is tasked with determining whether an ordinary observer would find the “effect of the whole design substantially the same.” *Gorham*, 81 U.S. at

530. It would be inconsistent with this mandate to ignore elements of the accused design entirely, simply because those elements included the name of the defendant.

Slip Op. at 17 (emphasis added). The panel placed no other qualifiers on its broad new rule—and it failed to discuss or distinguish any other precedential decisions of this Court.

As to the second reason for reversing, the panel stated that the district court erred in resolving “several” disputed factual issues. The panel’s opinion details two issues but, as explained below, neither one is a disputed fact under the proper analysis.

ARGUMENT

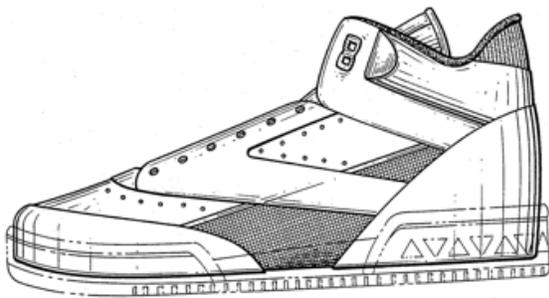
The panel’s decision is legally and logically flawed and warrants rehearing: (1) to reinforce precedential opinions, including *Gorham* and *L.A. Gear*; and (2) to restore the fundamental tenet that aspects of the accused product that do not correspond to like-kind aspects claimed in the design patent are irrelevant to the infringement analysis.

I. The Panel’s New Design-Patent Infringement Analysis Is Contrary to Longstanding Precedents

The test for patent-design infringement under *Gorham* concerns the effect of the accused design, ***not*** the effect of whole accused product. *Gorham*, 81 U.S. at 530. These are two very different concepts. Of

course, the accused design is most often a subset of the accused product. But other ornamentation not claimed in the design patent, such as brand names, logos, color, and so on, must be ignored.

This Court's precedents consistently have followed this rule. In *L.A. Gear*, for example, the asserted design patent was directed to a sneaker. The defendant sold a sneaker that had substantially the same design as the claimed design, but included defendant's trademark "BALLOONS" emblazoned across the shoe:



Asserted '617 Design Patent



Accused Product

On appeal, this Court affirmed the district court's finding that defendants infringed, notwithstanding the prominent, stylized use of this mark. Although copying was admitted, that was not the basis of this Court's conclusion. Rather, the Court made clear that its holding was ***not*** limited to only cases where copying had been shown, explaining:

Design patent infringement relates solely to the patented design, ***and does not require proof of***

unfair competition in the marketplace, see Unette Corp. v. Unit Pack Co., 785 F.2d 1026, 1029, 228 USPQ 933, 934 (Fed. Cir. 1986), or allow of avoidance of infringement by labelling.

988 F.2d at 1126 (emphasis added). Thus, “labeling” is irrelevant to a design-patent infringement analysis, and proof of unfair competition (such as copying a competitor’s design) is not a predicate for that rule to apply. The panel’s attempt to distinguish *L.A. Gear* was error.

Importantly, *L.A. Gear* also distinguished the effect of logos and trade names in trade-dress law from design-patent law. With respect to the trade-dress claim, the Court held that the same placement of the “BALLOONS” mark on the shoes ***avoided*** infringement, stating such a label “clearly outweigh[s] the similarities in the shoe design, insofar as consumer confusion as to source is avoided.” *Id.* at 1134. The Court concluded that “purchasers of these BALLOONS ... athletic shoes” are not “likely to be confused or deceived or mistakenly think that they were buying the L.A. GEAR athletic shoes, despite the substantial similarity of overall design.” *Id.* On this basis, this Court ***reversed*** the district court’s finding of trade-dress infringement, while ***affirming*** the district court’s finding of design-patent infringement. Thus, this Court set clear

guidance: in trade-dress cases the use of a trademark may avoid infringement; in design-patent cases use of a trademark or other source identifier (“labelling”) “does not ... allow of avoidance of infringement.” *Id.* at 1126. Contrary to the panel’s holding here, the Court did not “consider [the] ornamental logo, its placement, and its appearance as one among other potential differences between [L.A. Gear’s] patented design and [the] accused one.” The *L.A. Gear* Court expressly rejected such an analysis.

Following the opinions of the Supreme Court and this Court, district courts have unanimously disregarded consideration of source identifiers (“labelling”) when conducting infringement analyses.¹

¹ See, e.g., *Physio-Control Corp. v. Med. Research Labs.*, 1988 U.S. Dist. LEXIS 192 (N.D. Ill. Jan. 14, 1988) (“It is not enough to say that no one would confuse the two designs because ... both have prominently displayed logos. The test is not palming off; ... designations are not part of the patented design and must be ignored.”); see also *Hutzler Mfg. Co. v. Bradshaw Int’l, Inc.*, 2012 U.S. Dist. LEXIS 103864 (S.D.N.Y. July 24, 2012); *Torspo Hockey Int’l, Inc. v. Kor Hockey Ltd.*, 491 F. Supp. 2d 871, 881 (D. Minn. 2007); *Superior Merchandise Co., Inc. v. M.G.I. Wholesale, Inc.*, 1999 U.S. Dist. LEXIS 16674 (E.D. La. Oct. 25, 1999); *Cornucopia*, 2012 WL 3094955, at *4; *Jack Schwartz Shoes v. Skechers U.S.A.*, 2002 U.S. Dist. LEXIS 25699 (S.D.N.Y. Sept. 10, 2002); *Rockport Co., Inc. v. Deer Stags, Inc.*, 65 F. Supp. 2d 189, 195 (S.D.N.Y. 1999); *Herbko Int’l, Inc. v. Gemmy Industries Corp.*, 916 F. Supp. 322, 326 (S.D.N.Y. 1996).

This Court's other precedents further support the rule that additional, unclaimed ornamentations are not considered in the analysis. In *Payless Shoesource, Inc. v. Reebok, Int'l, Ltd.* 998 F. 2d 985, 990 (Fed. Cir. 1993), for example, "additional black coloring" and "an orange basketball on the tongue" on a shoe were held irrelevant to infringement analysis. *Payless Shoesource*, 998 F.2d at 990. "None of those cited features ... is part of the claimed designs and thus they may not serve as a valid basis for comparison in a design patent infringement analysis." Rather, it is error to be "***influenced by features extraneous to the claimed design***" when conducting an infringement analysis. *Id.* (emphasis added).

Likewise, in *Sun Hill Indus. v. Easter Unlimited, Inc.*, 48 F.3d 1193 (Fed. Cir. 1995), this Court held the "trial court committed legal error by relying on unclaimed features of Sun Hill's commercial embodiment." 48 F.3d. at 1196. The Court added that the fact finder has "the obligation to carefully confine its comparison only to the claimed features, and not to unclaimed features." *Id.* at 1197.

The panel's contrary decision was legal error and a substantial departure from *Gorham* and this Court's precedents. Rehearing or

rehearing en banc should be granted.

II. The Panel's New Design-Patent Infringement Analysis Will Undermine U.S. Design Patents

The panel's holding in this case substantially alters well-settled design patent jurisprudence and will have a significant, detrimental effect on the value of design patents. Contrary to the panel's decision, the fact finder *must* disregard aspects of the accused product extraneous to the claimed design, such as brand names. The proper comparison is between the claimed design and the accused design, *not* the claimed design and the entire accused product.

By way of example, consider the impact of this Court's ruling on the spoon claimed in the landmark case of *Gorham v. White*—if White's brand name had been emblazoned on the handle. Under the panel's ruling, the jury would be *required* to consider these marks in its infringement analysis:



Gorham's
Patent
Design



White's
Utensil
(with logo)

This cannot be the outcome that the design laws have in mind and directly contravenes this Court's express holding in *L.A. Gear*. Otherwise, "the act of Congress will afford no protection to a design against imitations of his invention[.]" *Gorham* at 531. As one district court observed, "design patent protection would essentially collapse if putting one's own logo on an otherwise identical product could defeat the ordinary observer test[.]" *Cornucopia Products, LLC v. Dyson, Inc.*, 2012 WL 3094955, at *4 (D. Ariz. July 27, 2012). "The purpose of the law must be effected if possible." *Gorham* at 528. But, plainly it cannot be if mere

source identifiers are injected into the design-patent infringement analysis. As members of the design-patent bar have noted, design patents will be effectively rendered meaningless if slapping one's own brand name or logo on another's design is sufficient to avoid infringement or even create a jury question.²

III. Under the Correct Standard for Assessing Design-Patent Infringement, the Panel Erred in Vacating the District Court's Grant of Summary Judgment as to the D'093 Patent

This Court need not remand for an infringement assessment under the correct legal standard because “nothing of record warrants a further exercise of the fact-finding function.” *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561, 1565-66 (Fed. Cir. 1987), *cert. denied*, 481 U.S. 1052 (1987). Once the irrelevant Seirus logos are properly removed from consideration, the record facts show the two designs are near exact, and certainly “substantially the same.”

² See, e.g., “Federal Circuit Dodges Design Patent Damages Issue and Goes Loco Over Infringer's Logo,” available at:

<https://www.designlawperspectives.com/blog/federal-circuit-dodges-design-patent-damages-issue-and-goes-loco-with-infringers-logo/>;

“IP Hot Topic: Does Adding a Logo to a Copycat Product Qualify as a Successful Design Around?,” available at:

<https://www.sterneckessler.com/news-insights/client-alerts/ip-hot-topic-does-adding-logo-copycat-product-qualify-successful-design>)

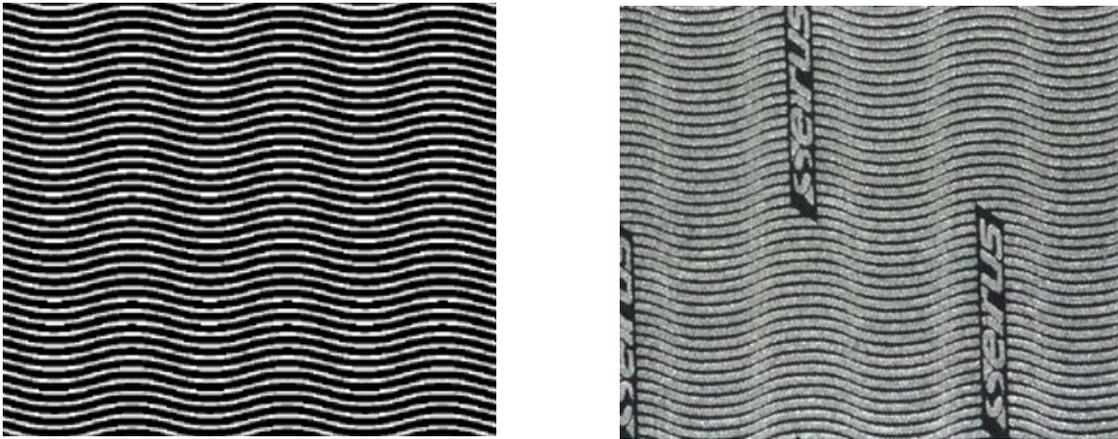
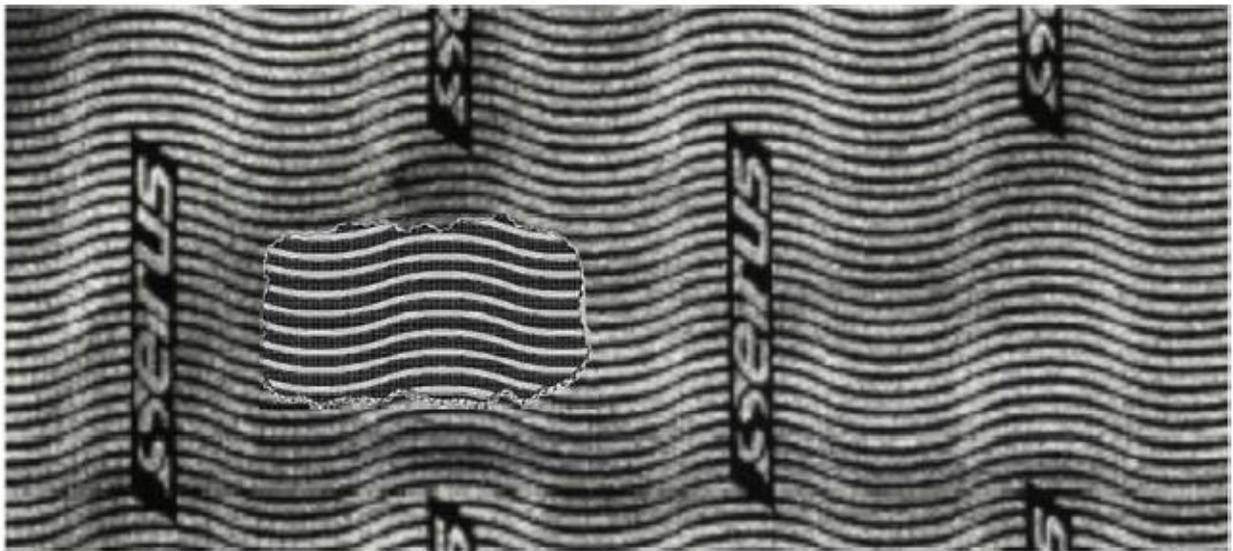


Figure 2 of the D'093 Patent shown overlaying Seirus's design:



There is no genuine issue as to any material fact concerning infringement of the D'093 patent. The district court's grant of summary judgment should be reviewed and affirmed on rehearing.

The district court conducted a legally sound design-patent infringement analysis, meticulously and methodically applying

precedents of this Court. The district court's opinion shows that it faithfully applied *Egyptian Goddess* and considered the prior art in its infringement analysis. As to any alleged differences in the thickness and spacing of the wave-shaped ridges, the district court thoroughly considered this issue, but concluded that they were "so minor as to be nearly imperceptible and do not change the overall impression that the Seirus design is the same as Columbia's patented one." (Appx193.) With the proper infringement analysis employed, this case is suited for summary disposition of infringement.

PETITION FOR PANEL REHEARING

Rehearing also is warranted for the panel decision concerning Columbia's utility patent. A new trial is required when material, inadmissible evidence is presented to the jury on a critical fact issue.

STATEMENT OF THE CASE

I. Facts

Columbia's '270 patent claims garments wherein 30-to-70 percent of the base material on the innermost surface is covered with heat-directing elements. Seirus alleged anticipation and obviousness. The critical issue at trial was the 30-to-70-percent coverage limitation.

For anticipation, Seirus relied entirely on a British patent application to Fottinger, also its primary reference for obviousness. Fottinger disclosed coverage of an aluminum-powder mixture over 5 to 40 percent, and “[p]referably ... 10 to 20%” of a fabric. (Appx4135 1:79, 1:84-94; 1:105-06.)

During trial and without any pretrial disclosure, Seirus proffered new opinion evidence that Fottinger disclosed a specific embodiment of 36-percent coverage—squarely within the claimed coverage limitation and invalidating if true. This new testimony was based on an experiment with fabric and described in Fottinger only as follows:

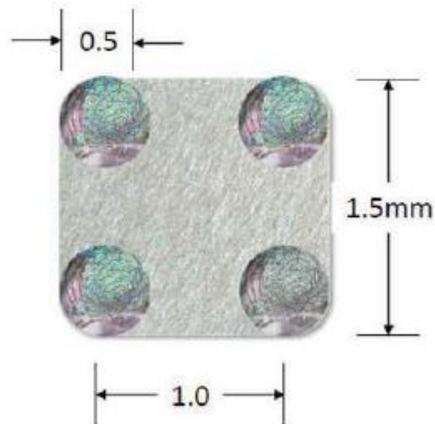
Printing was effected using a 25 mesh printing film, hole ø 0.5 mm, thickness 0.22 mm.

(Appx4135 1:79, 1:84-94; 1:105-06.) Throughout years of discovery and pretrial proceedings, neither party offered an opinion on the meaning of this technical phrase or the coverage it would yield.

In the midst of trial, Seirus proffered a previously undisclosed slide created to purportedly illustrate its meaning:

Fottinger's Heat Directing Elements

Printing was effected using a 25 mesh printing film, hole \varnothing 0.5 mm, thickness 0.22 mm. A 40 g/m² coating was applied and then dried.



Ex. 1040
at Col. 2:103-105

DDX-528

(Appx1653.)

Columbia moved to bar testimony concerning the slide on numerous grounds. The district court directly asked Seirus's counsel whether Dr. Block would be testifying that Fottinger disclosed a particular coverage percentage. (Appx3202.) Seirus's counsel did not answer, but instead represented that calculating the percent coverage of metal on fabric based on this incomprehensible disclosure was "math that a high schooler

could do.” (Appx3203.) The district court then allowed Dr. Block to testify about the slide.

Dr. Block subsequently gave opinions that, as Seirus admitted after trial and the panel acknowledged, were false and cannot be defended. Specifically, Block opined that Fottinger’s printing results in a fabric having a specific **36% coverage** (Appx3256) and then told the jury that “Fottinger, with his 36, places himself directly in the middle” of the claimed 30-70-percent coverage, and thus anticipates the claimed range (Appx3258).

Dr. Block was indignant at length in defense of his false opinions on cross-examination (Appx3325-3334): arguing Columbia’s attorneys were “not correct,” “don’t understand what a unit cell is,” “don’t know what you’re talking about,” and were “wrong” to suggest that the coverage ratio was not 36 percent. (Appx3330-03332.)

The jury found the claims both anticipated and obvious, necessarily crediting Block’s opinion testimony on this point. In truth, as all conceded after verdict, Fottinger’s experiment could have yielded at most only 18-percent coverage, a coverage insufficient to anticipate, but instead supporting Columbia’s non-obviousness position.

II. The Panel Decision

Declining to address anticipation, the panel affirmed instead the finding of obviousness, holding that the jury verdict was supported by “substantial evidence.” Slip Op. at 11.

With respect to Block’s admittedly false testimony on the critical disputed issue, the panel speculated (Slip Op. at 12) without any record reference that “the jury could have easily verified any representations about” Fottinger’s technical disclosure. Dr. Block’s testimony about this opaque phrase violated several federal rules, including Fed. R. Civ. P. 26(a)(2)(B) and Fed. R. Evid. 402, 403, and 702, and the panel never explained on what basis the jury was to establish that it was false. And there is no evidence that the jury ignored this critical false testimony.

ARGUMENT IN SUPPORT OF PANEL REHEARING

Dr. Block’s false testimony concerned only this disclosure:

Printing was effected using a 25 mesh printing film, hole ø 0.5 mm, thickness 0.22 mm.

Contrary to the panel’s bald assumption, *no juror* would have had the technical background knowledge to have converted this language into a “percent coverage,” and thus “verif[y] [Dr. Block’s] representations about the reference.” Slip Op. at 13. It is not disputed that, “[t]here are

numerous recognized standards for ‘mesh,’ and under each standard, ‘25 mesh’ means different dimensions,” none of which support Dr. Block’s testimony. (Appx1653.) The Court cannot assume any juror understood the testimony was false, disregarded it, or based her obviousness decision on other, unidentified admissible evidence. The panel’s assumptions are error and should be corrected.

The Supreme Court, this Court, and the Ninth Circuit have all held that a jury verdict cannot stand when ***material, inadmissible evidence*** is presented to the jury on an important issue in dispute—regardless whether a jury might have reached the same decision had the inadmissible evidence been excluded. One can no sooner presume that the jury believed the good evidence than that it believed the incompetent evidence. “It [is] impossible accurately to appraise the extent to which the jury relied on testimony tainted by the false” evidence. *Fraige v. Am.-Nat. Watermattress Corp.*, 996 F.2d 295, 299 (Fed. Cir. 1993) (internal quotations omitted).

Rather, when false testimony going to the heart of the dispute is presented to the jury over objection, a new trial is required. *Anheuser-Busch, Inc. v. Nat. Beverage Distribs*, 69 F.3d 337, 347 (9th Cir. 1995).

Rembrandt Vision Techs., L.P. v. Johnson & Johnson Vision Care, Inc., 818 F.3d 1320, 1327 (Fed. Cir. 2016) (new trial warranted due to “false testimony” infecting jury determination of non-infringement). This principle undergirds the fairness of jury trials. Without it, gamesmanship and sharp practices will rule.

The panel distinguished the controlling precedent of *Fraige* and *Rembrandt* without a principled basis. Slip Op. at 13. But the holdings in these cases and the Ninth Circuit cases set the legal standard and are predicated on the logical impact of false or inadmissible testimony in a jury system. The panel should vacate its decision denying Columbia’s right to a new trial and remand this case for retrial of all validity issues concerning the ’270 patent.

CONCLUSION

For the reasons stated herein, this Court should grant Columbia’s petition for rehearing and rehearing en banc.

Dated this 13th day of January, 2020.

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

1. This brief complies with the type-volume limitation of Federal Rule of Federal Circuit Rule 32(a) because this brief contains 3,890 words (not to exceed 3,900), excluding the parts of the brief exempted by Fed. Cir. R. 35(c)(2).

2. This brief complies with the typeface requirements of Fed. R. App. P. 32(a)(5) and the type style requirements of Fed R. App. P. 32(a)(6) because this brief has been prepared in a proportionally spaced typeface using Microsoft Word 2016 in 14 point Century Schoolhouse.

Dated: January 13, 2020.

/s/ Nika Aldrich
Nika Aldrich

ADDENDUM

**United States Court of Appeals
for the Federal Circuit**

**COLUMBIA SPORTSWEAR NORTH AMERICA,
INC., AN OREGON CORPORATION,**
Plaintiff-Appellant

v.

**SEIRUS INNOVATIVE ACCESSORIES, INC., A
UTAH CORPORATION,**
Defendant-Cross-Appellant

2018-1329, 2018-1331, 2018-1728

Appeals from the United States District Court for the
Southern District of California in No. 3:17-cv-01781-HZ,
Judge Marco A. Hernandez.

Decided: November 13, 2019

NICHOLAS (NIKA) FREMONT ALDRICH, JR., Schwabe,
Williamson & Wyatt, Portland, OR, argued for plaintiff-ap-
pellant. Also represented by DAVID W. AXELROD, SARA
KOBAK.

SETH MCCARTHY SPROUL, Fish & Richardson, PC, San
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resented by CHRISTOPHER MARCHESE, OLIVER RICHARDS,
TUCKER N. TERHUFEN.

Before LOURIE, MOORE, and STOLL, *Circuit Judges*.

LOURIE, *Circuit Judge*.

Columbia Sportswear North America, Inc. (“Columbia”) appeals from the U.S. District Court for the Southern District of California’s judgment after a jury trial that claims 2 and 23 of U.S. Patent 8,453,270 (“the ’270 patent”) are invalid as anticipated and obvious. *See Judgment, Columbia Sportswear N. Am. v. Seirus Innovative Accessories, Inc.*, No. 3:17-cv-01781 (S.D. Cal. Nov. 22, 2017), ECF No. 403. Seirus Innovative Accessories, Inc. (“Seirus”) cross-appeals from the U.S. District Court for the District of Oregon’s grant of summary judgment that it infringes U.S. Patent D657,093 (“the ’093 patent”) and from its entry of the jury’s damages award. *Columbia Sportswear N. Am., Inc. v. Seirus Innovative Accessories*, 202 F. Supp. 3d 1186 (D. Or. 2016) (“*Summary Judgment Decision*”). Because we conclude that the court did not err in holding claims 2 and 23 of the ’270 patent invalid but that it did err in granting summary judgment of infringement for the ’093 patent, we affirm-in-part, reverse-in-part, and remand for further proceedings.

BACKGROUND

At issue in these proceedings are two patents: the ’270 patent and the ’093 patent. The ’270 patent is a utility patent directed to materials that use a pattern of heat-directing elements coupled to a base fabric to manage heat through reflection or conductivity. ’270 patent col. 1 ll. 22–27. Figures in the patent depict the material’s use in cold-weather and camping gear, including jackets, boots, gloves, hats, pants, sleeping bags, and tents. *Id.* figures 4–15. At issue here are claims 2 and 23. Claim 2 depends from claim 1, which recites:

1. A heat management material adapted for use with body gear, comprising:

a base material having a transfer property that is adapted to allow, impede, and/or restrict passage of a natural element through the base material; and

a discontinuous array of discrete heat-directing elements, each independently coupled to a first side of a base material, the heat directing elements being positioned to direct heat in a desired direction, wherein a surface area ratio of heat-directing elements to base material is from about 7:3 to about 3:7 and wherein the placement and spacing of the heat-directing elements permits the base material to retain partial performance of the transfer property.

Id. col. 8 ll. 8–22. Claim 2 further requires that “the base material comprises an innermost layer of the body gear having an innermost surface, and wherein the heat-directing elements are positioned on the innermost surface to direct heat towards the body of a body gear user.” *Id.* col. 8 ll. 23–26.

The '093 patent is a design patent drawn to the “ornamental design of a heat reflective material.” As with all design patents, what is claimed is “the ornamental design . . . as shown and described.” 37 C.F.R. § 1.153(a). Figure 1 depicts the claimed wave-pattern design:

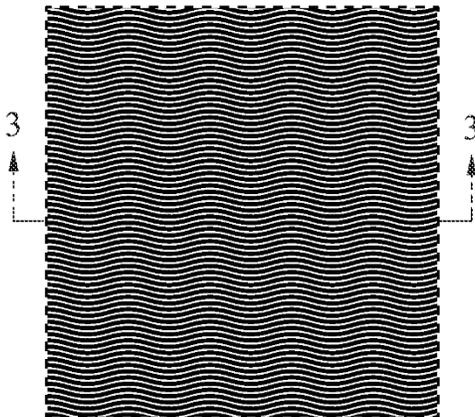


FIG. 1

Several remaining figures in the patent depict the design as applied to sleeping bags, boots, pants, gloves, and jackets. '093 patent figures 4–10.

On January 12, 2015, Columbia filed suit in the District of Oregon accusing Seirus of infringing both patents. Seirus first filed a motion to dismiss for improper venue under Fed. R. Civ. P. 12(b)(3). Relying on *VE Holding Corp. v. Johnson Gas Appliance Co.*, 917 F.2d 1574 (Fed. Cir. 1990), Seirus argued that it was not subject to personal jurisdiction in Oregon, so it did not reside in the district for purposes of 28 U.S.C. § 1400(b). Defendant Seirus Innovation Accessories, Inc.'s Memorandum in Support of Motion to Dismiss, or, Alternatively, Transfer Venue to the Southern District of California, *Columbia Sportswear N. Am. v. Seirus Innovative Accessories, Inc.*, No. 3:17-cv-01781 (Feb. 27, 2015), ECF No. 16. Seirus moved in the alternative to transfer the case to the Southern District of California for convenience. The court declined to dismiss or transfer the case because it found itself to have personal jurisdiction over Seirus and found the convenience transfer factors to be balanced. *See Columbia Sportswear N. Am., Inc. v. Seirus Innovative Accessories*, No. 3:15-CV-00064-HZ, 2015 WL 3986148, at *1 (D. Or. June 29, 2015).

The district court also granted summary judgment that Seirus's HeatWave products infringe the '093 patent. *See Summary Judgment Decision*, 202 F. Supp. 3d 1186. The court first held that the "ordinary observer" for the design patent infringement analysis would be the end buyer and user of Seirus's gloves and products. *Id.* at 1192. Viewing the designs side-by-side, the court then reasoned that "even the most discerning customer would be hard pressed to notice the differences between Seirus's HeatWave design and Columbia's patented design," characterizing the difference in wave pattern, orientation, and the presence of Seirus's logo as "minor differences." *Id.* at 1192–93.

Two years after its first venue motion, Seirus moved again under Rule 12(b)(3) to dismiss the case for lack of jurisdiction or to transfer it to the Southern District of California. This time, Seirus’s argument relied on the Supreme Court’s intervening decision in *TC Heartland LLC v. Kraft Foods Grp. Brands LLC*, 137 S. Ct. 1514 (2017), which overruled *VE Holding*. Although it found Seirus had waived its venue challenge, the district court found *TC Heartland* to be “an intervening change in the law excusing [Seirus]’s waiver” and transferred the case to the Southern District of California. *Columbia Sportswear N. Am., Inc. v. Seirus Innovative Accessories, Inc.*, 265 F. Supp. 3d 1196, 1208 (D. Or. 2017) (“*Transfer Decision*”).

In that court, infringement and invalidity of the ’270 patent were tried to a jury, and the jury determined that claims 2 and 23 were invalid as both anticipated and obvious. *See* Jury Verdict Form, *Columbia Sportswear N. Am. v. Seirus Innovative Accessories, Inc.*, No. 3:17-cv-01781 (Sept. 29, 2017), ECF No. 377, J.A. 4–6. The jury did not reach the issue of infringement of the ’270 patent. The jury also considered damages and willfulness for infringement of the ’093 patent, awarding Columbia \$3,018,174 in damages but finding that the infringement was not willful. *Id.*

Both parties filed post-trial motions for judgment as a matter of law and for a new trial, but the court summarily denied them in a two-page opinion. J.A. 7–9. Both parties filed notices of appeal. We have jurisdiction under 28 U.S.C. § 1295(a)(1).

DISCUSSION

In its appeal, Columbia argues that the district court should have granted its motion for judgment as a matter of law that the invention of the ’270 patent was not anticipated and would not have been obvious at the time of the invention. Columbia also asks us to grant it a new trial on validity issues for the ’270 patent. If the case is remanded for any reason, Columbia requests that we reverse the

district court’s decision, rendered after *TC Heartland*, to transfer the case to the Southern District of California. In the cross-appeal, Seirus requests that we reverse the district court’s grant of summary judgment that its products infringe the ’093 patent and reverse or vacate the damages. We consider each issue in turn.

In reviewing issues tried to a jury, we review the district court’s denial of post-trial motions for judgment as a matter of law and for a new trial under the law of the regional circuit—here, the Ninth Circuit. See *Finjan, Inc. v. Secure Computing Corp.*, 626 F.3d 1197, 1202 (Fed. Cir. 2010) (citing *Revolution Eyewear, Inc. v. Aspex Eyewear, Inc.*, 563 F.3d 1358, 1370 (Fed. Cir. 2009)). In evaluating a district court’s ruling on motions for judgment as a matter of law, we ask whether the verdict was supported by substantial evidence. *Unicolors, Inc. v. Urban Outfitters, Inc.*, 853 F.3d 980, 984 (9th Cir. 2017) (citing *Harper v. City of Los Angeles*, 533 F.3d 1010, 1021 (9th Cir. 2008)). Under Ninth Circuit law, “[a] jury’s verdict must be upheld if supported by substantial evidence.” *OTR Wheel Eng’g, Inc. v. W. Worldwide Servs. Inc.*, 897 F.3d 1008, 1015 (9th Cir. 2018) (citing *Unicolors*, 853 F.3d at 984). “Substantial evidence is evidence adequate to support the jury’s conclusion, even if it is possible to draw a contrary conclusion from the same evidence,” and “[t]he credibility of the witnesses and the weight of the evidence are issues for the jury and are generally not subject to appellate review.” *Id.*

We review the district court’s denial of a motion for a new trial for an abuse of discretion. *Molski v. M.J. Cable, Inc.*, 481 F.3d 724, 728 (9th Cir. 2007) (citing *Dorn v. Burlington N. Santa Fe R.R. Co.*, 397 F.3d 1183, 1189 (9th Cir. 2005)). Rule 59(a)(1)(A) provides that the district court may grant a motion for a new trial after a jury trial “for any reason for which a new trial has . . . been granted in an action at law in federal court.” A “motion for a new trial may invoke the discretion of the court in so far as it is bottomed on the claim that the verdict is against the weight of

the evidence . . . and may raise questions of law arising out of alleged substantial errors in admission or rejection of evidence or instructions to the jury.” *Montgomery Ward & Co. v. Duncan*, 311 U.S. 243, 251 (1940). In the Ninth Circuit, a “trial court may grant a new trial only if the verdict is contrary to the clear weight of the evidence, is based upon false or perjurious evidence, or to prevent a miscarriage of justice.” *Passantino v. Johnson & Johnson Consumer Prods., Inc.*, 212 F.3d 493, 510 n.15 (9th Cir. 2000) (citing *Ace v. Aetna Life Ins. Co.*, 139 F.3d 1241, 1248 (9th Cir. 1998), *cert denied*, 525 U.S. 930 (1998)).

I. THE APPEAL – THE ’270 PATENT

We first consider the jury’s findings that the ’270 patent is invalid. At trial, Seirus presented two invalidity grounds to the jury: that the asserted claims were anticipated by Fottinger and that the claims would have been obvious over Fottinger alone or in combination with one of Halley, Worley, Vaughn, or Blauer. The jury found the claims invalid under both theories.

Fottinger, U.K. Patent Application GB 2,073,613A, describes textile sheets coated on at least one face with a binder and metal powder. Fottinger lists as suitable “[a]ll known dispersible binders” and comments that aluminum or aluminum alloy are preferred metals. The coating is described as discontinuous and as coating from 5% to 40% of the surface area of the coated face, while the textile sheet is described as “very suitable for use as interlinings and as lining fabrics for articles of clothing.” Fottinger col. 2 ll. 48–50.

The other references each relate to outerwear materials with various coatings. Halley, U.S. Patent Application 2002/0197924, relates to composite lining materials for garments. Halley Abstract. Halley describes a water-resistant, water-vapor permeable, flexible substrate that has fabric secured to one side and a plurality of discrete abrasion-resisting polymeric dots on the other. *Id.* The

abrasion-resisting dots cover 30% to 70% by area of the flexible substrate, and “coverage of the substrate material is not too great to substantially affect the water-vapor-permeability thereof.” *Id.* ¶ 44.

Vaughn, U.K. Patent Application GB 2,350,073, similarly describes a water-resistant water-vapor permeable material with polymer coating to improve abrasion resistance, while Blauer, U.S. Patent 5,626,949, describes a breathable shell for outerwear with a high tensile strength stratum printed on the inner face of the fabric, covering 10% to 90% of the surface area of the inner face. Worley, U.S. Patent 7,135,424, also describes a substrate coated discontinuously with a polymeric material for use in apparel, footwear, medical products, and other products.

Columbia argues on appeal that the district court should have granted its motion for JMOL that the claims are not anticipated and would not have been obvious over the references. It devotes most of its briefing to the anticipation ground. But because we agree with Seirus that substantial evidence supports the jury’s verdict that the claims would have been obvious, we need not reach Columbia’s anticipation arguments.

Columbia raises two challenges to the jury’s obviousness findings: (1) that Fottinger fails to disclose certain claim limitations, and (2) that Seirus’s expert testimony was deficient. First, Columbia argues that Fottinger fails to teach the placement of “discrete heat directing elements,” “each individually coupled” to a base material, on the “innermost surface” of a garment. Specifically, Columbia points to a passage in Fottinger that states that the disclosed materials are “very suitable for use as interlining and as lining fabrics” and suggests that interlinings differ from the innermost surface of a garment. Appellant’s Br. 44 (citing Fottinger, col. 2 ll. 48–52). Columbia further maintains that Fottinger does not disclose heat-directing elements because the plastic binder in Fottinger does not

direct heat, and, if the aluminum particles in the binder are considered to be the heat-directing elements, those particles are not independently coupled to the base material as required by the claims.

To the extent Seirus relies on other references to meet these limitations, Columbia argues that the record lacks evidence regarding combining the art. Additionally, Columbia contends that a person of skill would not have expected 30% to 70% coverage to be successful in view of Fottinger, which teaches no more than 40% coverage of a material with the binder.

Second, Columbia argues that this case involves a technical area beyond the training and education of most jurors and thus requires competent expert testimony on the issue of obviousness. Columbia then suggests that Dr. Block's testimony is unable to support the jury's verdict because he failed to apply the correct legal standard for obviousness and failed to consider objective indicia in his analysis.

As to the merits of the obviousness defense, Seirus responds that the range in Fottinger and the range in the claims overlap and that the overlap establishes a *prima facie* case of obviousness, which was not rebutted. Seirus also counters that Fottinger discloses every limitation of the claims, but, to the extent Fottinger fails to meet every limitation, Seirus relies on any of Vaughn, Halley, Blauer, and Worly as disclosing 30% to 70% coverage.

In response to Columbia's argument regarding expert testimony, Seirus maintains that expert testimony is not required in this case because the references are easily understandable. If expert testimony is required, however, Seirus relies on Dr. Block's testimony and argues that it is legally correct.

We agree with Seirus that the jury's obviousness verdict was supported by substantial evidence. Obviousness is a question of law, supported by underlying fact

questions. *In re Baxter Int'l, Inc.*, 678 F.3d 1357, 1361 (Fed. Cir. 2012). In evaluating obviousness, we consider the scope and content of the prior art, differences between the prior art and the claims at issue, the level of ordinary skill in the pertinent art, and any secondary considerations. *Graham v. John Deere Co. of Kan. City*, 383 U.S. 1, 17–18 (1966). “[A] prima facie case of obviousness arises when the ranges of a claimed composition overlap the ranges disclosed in the prior art.” *In re Harris*, 409 F.3d 1339, 1341 (Fed. Cir. 2005) (citing *In re Peterson*, 315 F.3d 1325, 1329 (Fed. Cir. 2003)). The parties dispute three claim limitations: (1) “discrete heat directing elements” that are “each individually coupled to a base material; (2) that those elements are present on the innermost surface of a garment; and (3) that the elements cover 30% to 70% of the base material.

Fottinger discloses “a textile sheet” with a “discontinuous coating comprising a binder and metal powder” covering “from 5 to 40% of the surface area of the coated face.” Fottinger col. 2 ll. 54–60. The jury was entitled to rely on Fottinger’s disclosed “discontinuous coating comprising a binder and metal powder” as the claimed “discrete heat directing element.” Likewise, the jury was entitled to read Fottinger’s disclosure that the coating is “on at least one face” and could be used as “lining fabrics for articles of clothing” to mean that Fottinger’s coated face was on the innermost surface of a garment. The range of coverage in Fottinger significantly overlaps that in the claims, and “even a slight overlap in range establishes a *prima facie* case of obviousness.” *In re Peterson*, 315 F.3d at 1329.

Columbia’s specific arguments that the heat directing elements in Fottinger are the aluminum particles and that the Fottinger coating could not have been on the innermost surface of a garment are simply inconsistent with the facts as indicated above. The record evidence was “adequate to support the jury’s conclusion,” even if Columbia would

“draw a contrary conclusion from the same evidence.” *OTR Wheel Eng’g*, 897 F.3d at 1015.

Columbia also argues that Seirus’s obviousness defense lacked necessary, competent expert testimony. But we are not persuaded that the legal determination of obviousness in this case requires such evidence. The technology here—coated materials for cold weather and outdoor products—is “easily understandable without the need for expert explanatory testimony.” *Perfect Web Techs., Inc. v. InfoUSA, Inc.*, 587 F.3d 1324, 1329 (Fed. Cir. 2009) (quoting *Centricut, LLC v. Esab Grp., Inc.*, 390 F.3d 1361, 1369 (Fed. Cir. 2004)). The primary topics covered by the ’270 patent specification are the pattern of the heat-directing elements, percentage coverage of the base material, and the various ways the material could be used in body gear. There is no discussion of thermodynamics or the mechanism that yields the claimed material’s heat retentive properties in the patent. Thus, given the patent and references’ general, easily understood language, this is not a case that requires expert explanation. See *Intercontinental Great Brands LLC v. Kellogg N. Am. Co.*, 869 F.3d 1336, 1348 (Fed. Cir. 2017) (holding expert testimony was not required for motivation to combine where the specification and claims did not include any new manufacturing equipment or instructions to produce the claimed food containers). Because expert testimony is not required in this case, Columbia’s critiques of Dr. Block’s testimony do not persuade us that Columbia is entitled to judgment as a matter of law.

In light of the foregoing and considering the record before the district court, the jury’s verdict that the claims of the ’270 patent would have been obvious is certainly supported by substantial evidence, and judgment as a matter of law was properly denied.

Columbia argues in the alternative that it is entitled to a new trial for two reasons: (1) because the court declined to instruct the jury with Columbia’s proposed instruction

on anticipatory ranges and (2) because Seirus's expert, Dr. Block, falsely testified that Fottinger taught an embodiment with 36% coverage.

First, Columbia argues that the district court should have instructed the jury to apply a set of factors in determining whether Fottinger's overlapping range anticipates the range in the claims. The proposed instruction would have asked the jury to consider whether "there is a considerable difference" between the two ranges, whether the claimed range was "critical to the invention," and whether the claimed range "performs contrary to what might be expected from the prior art." J.A. 1567.

Because Columbia does not challenge the instructions given as misleading or incorrect statements of the law, we review the district court's jury instruction for an abuse of discretion. *Mockler v. Multnomah Cty.*, 140 F.3d 808, 812 (9th Cir. 1998). Further, in the Ninth Circuit, "[h]armless error review applies to jury instructions in civil cases." *Kennedy v. S. Cal. Edison Co.*, 268 F.3d 763, 770 (9th Cir. 2001). We need not decide whether the district court abused its discretion in declining to instruct the jury on anticipatory ranges because the jury also found the claims obvious under other jury instructions unchallenged by Columbia on appeal. Any error in the instructions for anticipation thus constitutes harmless error.

Second, Columbia submits that Dr. Block's testimony regarding Fottinger entitles it to a new trial. Specifically, Dr. Block testified at trial that Fottinger's use of a "25 mesh" with half-millimeter spots yielded an embodiment with 36% coverage. Both Seirus and Columbia agree that this testimony was incorrect. Appellant's Br. 68; Appellee's Br. 64. Seirus characterizes Dr. Block's testimony as an error in interpreting how the dot pattern in Fottinger repeated, Appellee's Br. 67, while Columbia characterizes it as intentionally introduced false testimony, Appellant's Br. 69–70.

We have considered the issue of false testimony in at least two cases, *Fraige v. American-National Watermattress Corp.*, 996 F.2d 295 (Fed. Cir. 1993), and *Rembrandt Vision Technologies, L.P. v. Johnson & Johnson Vision Care, Inc.*, 818 F.3d 1320 (Fed. Cir. 2016). Both came to us after denials of motions under Rule 60(b), which specifically provides for relief from a judgment in the case of fraud. Even putting aside this procedural difference, however, the facts here—a few lines of mistaken expert testimony—are in stark contrast to the facts in those cases. For example, in *Fraige*, the defendant’s fraudulent conduct was so significant that the court imposed sanctions against the defendant under Fed. R. Civ. P. 11 and referred the matter of misconduct to the United States Attorney. 996 F. 2d at 296–97. In *Rembrandt*, an expert falsely testified about performing experiments material to the issues in the case and withheld data that would have undermined his opinions. 818 F.3d at 1323–24. Such conduct infects the proceedings and can result in an unfair trial, but the record here is not comparable. Even if Dr. Block purposefully misrepresented the contents of Fottinger, Fottinger itself was in the record for the jury to consider. The jury could have easily verified any representations about the reference. Moreover, Columbia had ample opportunity to cross-examine Dr. Block on his incorrect understanding of Fottinger’s disclosure. Under these circumstances and given the uncomplicated nature of the evidence, we cannot conclude that Dr. Block’s misstatements warrant a new trial.

II. THE CROSS APPEAL – THE ’093 PATENT

In the cross-appeal, Seirus argues that the district court erred in granting summary judgment that its products infringe the ’093 patent and that the court made a series of errors regarding damages for infringing that patent. But, because we agree with Seirus that the district court erred in granting summary judgment, we need not reach its arguments regarding damages.

We review a grant of summary judgment under the law of the regional circuit, which in this case is the Ninth Circuit. See *Charles Mach. Works, Inc. v. Vermeer Mfg. Co.*, 723 F.3d 1376, 1378 (Fed. Cir. 2013). The Ninth Circuit “review[s] a district court’s order granting or denying summary judgment *de novo*.” *City of Pomona v. SQM N. Am. Corp.*, 750 F.3d 1036, 1043 (9th Cir. 2014).

Summary judgment is appropriate when the moving party demonstrates that “there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a); *Celotex Corp. v. Catrett*, 477 U.S. 317, 322–23 (1986). “We determine, viewing the evidence in the light most favorable to the nonmoving party, whether there are any genuine issues of material fact and whether the district court correctly applied the relevant substantive law.” *Wallis v. Princess Cruises, Inc.*, 306 F.3d 827, 832 (9th Cir. 2002) (citing *Clicks Billiards, Inc. v. Sixshooters Inc.*, 251 F.3d 1252, 1257 (9th Cir. 2001)). The court “does not weigh the evidence or determine the truth of the matter, but only determines whether there is a genuine issue for trial.” *Balint v. Carson City*, 180 F.3d 1047, 1054 (9th Cir. 1999) (citing *Summers v. A. Teichert & Son, Inc.*, 127 F.3d 1150, 1152 (9th Cir. 1997)).

Design patent infringement is a question of fact, which a patentee must prove by a preponderance of the evidence. *Richardson v. Stanley Works, Inc.*, 597 F.3d 1288, 1295 (Fed. Cir. 2010) (citing *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1124 (Fed. Cir. 1993)). The “ordinary observer” test is the sole test for determining whether a design patent has been infringed. *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 678 (Fed. Cir. 2008) (en banc). The test originates from the Supreme Court’s *Gorham* decision, which provides that “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 Co. v. White*, 81 U.S. 511, 528 (1871). “The ordinary observer test applies to the patented design in its entirety, as it is claimed.” *Crocs, Inc. v. Int’l Trade Comm’n*, 598 F.3d 1294, 1303 (Fed. Cir. 2010). The ordinary observer is considered to be familiar with prior art designs, and “[w]hen the differences between the claimed and accused designs are viewed in light of the prior art, the attention of the hypothetical ordinary observer may be drawn to those aspects of the claimed design that differ from the prior art.” *Id.* (citing *Egyptian Goddess*, 543 F.3d at 681). “If the claimed design is close to the prior art designs, small differences between the accused design and the claimed design assume more importance to the eye of the hypothetical ordinary observer.” *Id.*

In analyzing whether Seirus’s products infringe, the district court began by identifying the ordinary observer. The court found that it was the “retail customer who buys and uses Seirus’s products lined with the HeatWave fabric to keep their hands, feet, or head warm during outdoor activities,” and deemed such an end buyer and user of Seirus’s products to be the ordinary observer. *Summary Judgment Decision*, 202 F. Supp. 3d at 1192. Considering the designs side-by-side, the court found that “even the most discerning customer would be hard pressed to notice the differences between Seirus’s HeatWave design and Columbia’s patented design.” *Id.*

Seirus argued that there were substantial and significant differences between the designs—including that the waves in Seirus’s design were interrupted by repeated use of Seirus’s logo, that waves varied in terms of orientation, spacing, and size, and especially that some of the designs differed by 90°. But the district court disagreed. First, the district court declined to consider Seirus’s logo placement because logo placement was not claimed in Columbia’s patent. *Id.* at 1194. As for orientation, the court discounted this feature because the ’093 patent did not require a

particular design orientation. In comparing the wave spacing and size, the court found those differences were not claimed in the patent and were irrelevant to its analysis. *Id.* at 1195. Even considering the differences, however, the court found them to be “so minor as to be nearly imperceptible” and that they did “not change the overall visual impression that the Seirus design is the same as Columbia’s patented one.” *Id.* To complete its analysis, the court considered Seirus’s submitted prior art designs, which the court found to be “far afield from Columbia’s ‘heat management materials.’” *Id.* at 1196. Considering the closest design, however, the court found Columbia and Seirus’s designs to be “substantially closer” than the pattern disclosed in a prior art patent. *Id.* at 1197.

Seirus argues that this case should not have been resolved on summary judgment because of several fact disputes. For example, Seirus suggests that the parties disputed the identity of the ordinary observer, and a jury could have determined that the ordinary observer was a sophisticated, commercial buyer, not an end customer buying the products directly. Appellee’s Br. 23. Such a buyer, according to Seirus, would have noticed differences between the designs, including the physical orientation of the designs and the thickness of the waves. Seirus also contests the court’s evaluation of the prior art as improper resolution of disputed fact issues. Seirus argues that the district court’s principal mistake, however, was to “ignore the repeating Seirus logo boxes, which are an integral part of the accused design.” *Id.* at 28. According to Seirus, excluding such ornamental elements of the accused design simply because they include its logo is at odds with this court’s jurisprudence that the ordinary observer compare the overall appearance of the two designs.

Columbia responds that there was no genuine dispute of material fact regarding infringement. According to Columbia, the ordinary observer is not the intervening commercial reseller but the end consumers who are the

principal purchasers of products with Seirus's design. Regarding Seirus's logo, Columbia argues that its presence does not make Seirus's design less infringing, and, when the design is compared without the logo, it is virtually identical to that claimed in the '093 patent. As for the product's orientation, Columbia argues that fabric can be oriented in any direction depending on how it is held, so the court was correct to reject Seirus's defense that orientation was material to the analysis.

Given the record in this case, we are persuaded that the district court erred in granting summary judgment of infringement for two reasons: (1) the court improperly declined to consider the effect of Seirus's logo in its infringement analysis and (2) the court resolved a series of disputed fact issues, in some instances relying on an incorrect standard, that should have been tried to a jury.

The district court relied on one precedent from this court—*L.A. Gear*—for the proposition that logos should be wholly disregarded in the design-infringement analysis. In that case, the parties did not dispute that the patented and accused designs were substantially similar. *L.A. Gear*, 988 F.2d at 1125. In fact, “copying [was] admitted.” *Id.* In evaluating infringement there, we explained that design infringement is not avoided “by labelling.” *Id.* at 1126. A would-be infringer should not escape liability for design patent infringement if a design is copied but labeled with its name. But *L.A. Gear* does not prohibit the fact finder from *considering* an ornamental logo, its placement, and its appearance as one among other potential differences between a patented design and an accused one. Indeed, the fact finder is tasked with determining whether an ordinary observer would find the “effect of the whole design substantially the same.” *Gorham*, 81 U.S. at 530. It would be inconsistent with this mandate to ignore elements of the accused design entirely, simply because those elements included the name of the defendant.

Before the district court, Seirus raised several disputed fact issues regarding differences between its design and Columbia's patented one. For example, Seirus argued that the waves in its design are not of a uniform thickness, whereas the '093 patent waves are consistent and that this difference would affect the infringement analysis. However, the court found that the wave thickness was not claimed in Columbia's patent. This finding is in error, however, because the claim of the '093 patent is drawn to the "ornamental design of a heat reflective material as shown and described," and Columbia's design has uniform line thickness in every figure in the patent.

The court then deemed the wave thickness difference "minor" and found that it did "not change the overall visual impression that the Seirus design is the same as Columbia's patented one." *Summary Judgment Decision*, 202 F. Supp. 3d at 1195. But the district court's piecemeal approach, considering only if design elements independently affect the overall visual impression that the designs are similar, is at odds with our case law requiring the factfinder to analyze the design as a whole. *See Amini Innovation Corp. v. Anthony Cal., Inc.*, 439 F.3d 1365, 1372 (Fed. Cir. 2006). An ordinary observer is deceived by an infringing design as a result of "similarities in the overall design, not of similarities in ornamental features considered in isolation." *Id.* at 1371.

Likewise, in evaluating the prior art, the court erroneously compared Columbia's design, Seirus's HeatWave product's design, and a prior art patent design side-by-side before concluding that "[t]he overall visual effect of the Columbia and Seirus designs are nearly identical and if the logo was removed from the Seirus design, an ordinary observer would have great difficulty distinguishing between the Seirus and Columbia designs." *Summary Judgment Decision*, 202 F. Supp. 3d at 1197.

The district court’s evaluation of the prior art and its evaluation of wave thickness present another problem. In both instances, the district court made a finding of fact—whether an element of Seirus’s design would give an ordinary observer a different visual impression than Columbia’s design—over a disputed factual record. Such fact findings are not permitted by Rule 56 and should be resolved by a jury on remand.

The parties raise additional issues regarding the court’s damages award under 25 U.S.C. § 289. For example, Columbia argues that the § 289 remedy is one of disgorgement that should be tried to the bench. And there is a significant issue as to whether the proper article of manufacture in this case should be the HeatWave product actually sold or the fabric encompassing the design. Both of these issues are important, but we do not reach them because we have vacated the infringement finding.

III. VENUE

Columbia challenges the district court’s transfer of the case to California. This case was initially filed in the District of Oregon in January 2015. In Seirus’s initial responsive pleadings, it contested personal jurisdiction, and, relying on *VE Holding*, venue. Two years later, the Supreme Court decided *TC Heartland*, which overruled *VE Holding*. Thereafter, Seirus filed a renewed motion to dismiss or transfer the case for improper venue, now relying on *TC Heartland*.

Considering the fact that Seirus had filed a Rule 12 motion without challenging venue under § 1400(b) as interpreted by *Fourco Glass Co. v. Transmirra Products Corp.*, 353 U.S. 222 (1957), the court first found that Seirus waived its venue objection under Fed. R. Civ. P. 12(g). *Transfer Decision*, 265 F. Supp. 3d at 1202. The court then considered whether Seirus’s litigation conduct amounted to waiver of any objection to venue. Comparing this case to other district court cases on this issue, the court found that

Seirus had engaged in substantially more litigation conduct than the defendants in those cases and had waived its defense on this basis as well. *Id.* at 1202–03. Although Seirus had waived its objection to venue in two different ways, the court excused that waiver because *TC Heartland* constituted an intervening change in the law. Thus, the court transferred the case to the Southern District of California. *Id.* at 1203–08.

We review a district court’s decision to exercise or, as here, not exercise its inherent power to find waiver for an abuse of discretion. *See Dietz v. Bouldin*, 136 S. Ct. 1885, 1895 (2016) (reviewing a district court’s exercise of its inherent power to rescind a discharge order and recall a dismissed jury for an abuse of discretion); *In re Micron Tech., Inc.*, 875 F.3d 1091 (Fed. Cir. 2017).

Columbia argues that the court’s decision to excuse Seirus’s waiver was in error, and that, if this case is remanded for any reason, we should “hold that the transfer of venue was improper[] and remand with an order to transfer the case back to the District of Oregon for all further proceedings.” Appellant’s Br. 74. Columbia relies on this court’s *In re Micron* decision to argue that *TC Heartland*’s intervening change in the law excused only Seirus’s Rule 12 waiver, not its litigation conduct-based waiver.

Seirus contests Columbia’s interpretation of this court’s *Micron* decision and maintains that the district court acted within its discretion to excuse both rule- and non-rule-based waiver.

The Federal Rules of Civil Procedure provide that “[e]very defense to a claim for relief in any pleading must be asserted in the responsive pleading if one is required.” Fed. R. Civ. P. 12(b). Motions asserting certain defenses, however, including improper venue must be filed before a responsive pleading is filed. Fed. R. Civ. P. 12(b)(3). A party that moves under Rule 12 for improper venue “must not make another motion under this rule raising a defense

or objection that was *available* to the party but omitted from its earlier motion.” Fed. R. Civ. P. 12(g)(2), (h)(1). “[I]ssues of waiver or forfeiture of patent-venue rights under § 1400(b) and § 1406(a) are governed by [Federal Circuit] law,” *In re Oath Holdings Inc.*, 908 F.3d 1301, 1305 (Fed. Cir. 2018), and we addressed the circumstances under which a district court can find patent venue waived in *In re Micron*, 875 F.3d at 1100–01.

In *Micron*, as here, the defendant failed to raise a venue defense contesting that the definition of “resides” in 28 U.S.C. § 1391(b) was trumped by the patent-venue statute, § 1400, in its first motion under Rule 12 but proceeded to do so in a later motion after the Court issued *TC Heartland*. Noting that controlling precedent precluded a district court from accepting a litigant’s objection to venue before *TC Heartland*, we held that the venue defense was “not ‘available’” and that Rule 12’s waiver rule was inapplicable. *In re Micron*, 875 F.3d at 1100.

We further explained, however, that a district court could find a venue defense waived outside of the Rule 12 framework. While Rule 12(h)(1) provides for waiver in certain circumstances, “[i]t does not state that there is no other basis on which a district court might find a defendant to have forfeited an otherwise-meritorious venue defense.” *Id.* Relying on the Supreme Court’s *Dietz* decision, we explained that a district court’s inherent authority to manage its own affairs to achieve the orderly and expeditious disposition of cases permits it to find forfeiture of a venue objection, provided that the court respects and does not circumvent relevant rights granted by statute or rule. *Id.* at 1101. Such “authority must be exercised with caution to avoid the forbidden circumvention.” *Id.*

Columbia submits that our *Micron* decision stands for the proposition that “*TC Heartland*’s intervening change in the law only excused rule-based waiver.” Appellant’s Br. 73. Columbia is incorrect. In *Micron*, this court explained

that the district court had *authority* to find waiver outside of the context of Rule 12. But we did not prohibit a district court from excusing litigation conduct-based waiver based on an intervening change in the law. The court found that “[i]t would have been unreasonable to expect [Seirus] to argue that venue was proper only in the state of its incorporation prior to *TC Heartland*,” and that finding was not an abuse of discretion. *Transfer Decision*, 265 F. Supp. 3d at 1207. Indeed, “[j]ust because a district court has the inherent power to [find waiver] does not mean that it is appropriate to use that power in every case.” *Dietz*, 136 S. Ct. at 1893. Because the district court did not abuse its discretion in excusing Seirus’s waiver of its venue defense, we do not find that the district court needs to retransfer this case back to Oregon.

CONCLUSION

We have considered the parties’ remaining arguments but find them unpersuasive. Accordingly, we affirm the district court’s judgment that claims 2 and 23 of the ’270 patent are invalid under § 103, reverse the district court’s grant of summary judgment that Seirus infringed the ’093 patent, and remand for further proceedings concerning the design patent in the Southern District of California.

AFFIRMED-IN-PART, REVERSED-IN-PART, AND REMANDED

COSTS

Costs to Seirus.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the **COMBINED PETITION FOR REHEARING OR REHEARING EN BANC** was served by the Appellate CM/ECF System, on the 13th day of January, 2020, on the following parties:

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