

In The  
United States Court Of Appeals  
For The Federal Circuit

**EGYPTIAN GODDESS, INC.,**

*Plaintiff-Appellant,*

and

**ADI TORKIYA,**

*Third Party Defendant,*

v.

**SWISA, INC. and DROR SWISA,**

*Defendants/Third Party Plaintiffs-Appellees.*

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF TEXAS  
IN CASE NO. 3:03-CV-0594  
JUDGE DAVID C. GODBEY

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RESPONSE OF DEFENDANTS/THIRD PARTY PLAINTIFFS-APPELLEES  
SWISA INC. AND DROR SWISA TO  
THE COMBINED PETITION FOR PANEL REHEARING AND REHEARING  
EN BANC OF PLAINTIFF-APPELLANT EGYPTIAN GODDESS, INC.

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Dated: October 15, 2007

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

Egyptian Goddess, Inc. v. Swisa, Inc.  
2006-1562

**CERTIFICATE OF INTEREST**

Counsel for Defendants-Appellees certifies the following:

1. The full name of every party or amicus represented by me is:

Swisa, Inc.  
Dror Swisa

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

In addition to Swisa Inc., Defendant-Appellee Dror Swisa

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:

None

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

Linda G. Moore  
Frederick Linton Medlin  
Jeffrey Snow  
Kirkpatrick & Lockhart Preston Gates Ellis LLP

October 15, 2007.

*Frederick Linton Medlin (by generation key)*  
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## TABLE OF CONTENTS

CERTIFICATE OF INTEREST .....	i
TABLE OF CONTENTS .....	ii
TABLE OF AUTHORITIES.....	iii
ARGUMENT AGAINST A REHEARING BY THE PANEL OR EN BANC .....	1
I.    The Court properly affirmed the district court's summary judgment, and there is no reason for a panel rehearing.....	1
II.   There is no need for a Rehearing En Banc. ....	5
A.   The majority's “non-trivial advance” test comports with Swisa's argument that the D'389 Patent is invalid as obvious .....	6
B.   If the non-trivial advance test is to be examined further, this case presents an unsuitable occasion to do so. ....	9
CONCLUSION AND RELIEF REQUESTED .....	11
CERTIFICATE OF SERVICE.....	13

## TABLE OF AUTHORITIES

<i>Amini Innovation Corp. v. Anthony California, Inc.</i> , 439 F.3d 1365 (Fed. Cir. 2006) .....	10
<i>Avia Group International, Inc. v. L.A. Gear</i> , 853 F.2d 1557 (Fed. Cir. 1988).....	9
<i>Goodyear Tire &amp; Rubber Co. v. Hercules Tire &amp; Rubber Co.</i> , 162 F.3d 1113 (Fed. Cir. 1998).....	3
<i>KSR International Co. v. Teleflex Inc.</i> , 127 S. Ct. 1727 (2007) .....	9
<i>Litton Systems, Inc. v. Whirlpool Corp.</i> , 728 F.2d 1423 (Fed. Cir. 1984).....	2, 3
<i>Sun Hill Industrial v. Easter Unlimited</i> , 48 F.3d 1193 (Fed.Cir. 1995).....	2, 3

## **ARGUMENT AGAINST A REHEARING BY THE PANEL OR EN BANC**

### **I. The Court properly affirmed the district court's summary judgment order, and there is no reason for a panel rehearing.**

EGI's petitions for rehearing retread old ground, repeating arguments rejected by both the district court and this Court. EGI's core argument boils down to a transparently incorrect claim that is the equivalent of asserting that four minus three does not equal one.

The district court below recognized that the *only* difference between the combination of elements in the D'389 Patent and the combination in the Nailco Patent was that the combination of the D'389 Patent added a fourth side without an abrasive surface. Thus, the *only* possible point of novelty of the D'389 Patent over the Nailco Patent was this element. Therefore, reasoned the district court, since this element was not present in the Swisa Buffer, the Swisa Buffer could not infringe under the point of novelty test.

The only point of novelty in the D'389 Patent over the Nailco Patent is the addition of the fourth side without a pad, thereby transforming the equilateral triangular cross-section into a square. In the context of nail buffers, a fourth side without a pad is not substantially the same as a fourth side with a pad. Because the Swisa product does not include the point of novelty of the D'389 Patent—a fourth side without a pad—there is no infringement.

JA5 (footnote omitted).

In affirming, this Court also recognized that the Swisa buffers have raised, abrasive pads on all four sides, and when “considering the prior art in the nail buffer field, this difference between the accused design and the patented design cannot be considered minor.” Opinion at p. 7, citing *Litton Systems, Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1444 (Fed. Cir. 1984) (explaining that the differences between the claimed and accused designs must be considered in light of the differences between the prior art and the claimed design).

To escape the obvious truth of this reasoning, EGI’s strategy has been to argue that the D’389 patent must for some incomprehensible reason be compared *not* to the nearest prior art, but to “the entire relevant prior art” including prior art more distant than the Nailco Buffer. According to EGI, this Court “clearly erred” in comparing the D’389 to the nearest prior art rather than engaging in EGI’s counterintuitive approach, even though precedent demonstrates the propriety of looking to the nearest prior art to establish the sole possible novel elements in a combination point of novelty. For example, a combination point of novelty was at issue in *Sun Hill Indus. v. Easter Unlimited*, 48 F.3d 1193, 1198 (Fed.Cir. 1995), where it was recognized that at most the point of novelty consisted of elements not in the closest prior art combination:

The only differences between the trial court's description of Sun Hill's claimed designed and the Noteworthy Bags are the contrasting jack-o-lantern faces, the bottom closure, the specific features of the jack-o-lantern facts, and the shiny surface. The point of novelty therefore consists at most of these four features.

*Id.*. Similarly, in this case the majority correctly recognized that “[t]he patentee is not free to set forth any combination of elements as the point of novelty, rather, ***the point of novelty must include features of the claimed design that distinguish it from the prior art.***” Opinion at p. 4, citing *Litton Systems, Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1444 (Fed. Cir. 1984); *Goodyear Tire & Rubber Co. v. Hercules Tire & Rubber Co.*, 162 F.3d 1113, 1118 (Fed. Cir. 1998).

EGI offers the following reasoning why the sole difference between the D'389 Patent and the nearest prior art supposedly cannot be the point of novelty, as it plainly is: because the element existed in other prior art, more distant from the D'389 Patent. EGI persists in refusing to recognize that the presence of this element in other prior art in no way changes the fact that the element is still the ***only possible*** point of novelty to the D'389. EGI has contrived a combination point of novelty with four elements, of which three are in the Nailco Patent. As the district court pointed out, “EGI cannot claim the combination of those three elements in the D'389 Patent as novel when they were already combined in the Nailco Patent.” JA5. This leaves only the one element that separates the D'389 Patent from the Nailco Patent: the addition of the fourth side without a pad, which

is absent from the Swisa Buffer. The fact that this element exists in other prior art simply points to the truth that there is no point of novelty in the D'389 Patent, as Swisa has always contended.

The alternative combination point of novelty that EGI seeks to construct is one that leaves out this sole actual difference between the D'389 Patent and the Nailco Patent, and instead assembles only elements present in the accused device. The majority declined to forbid the “shopping list” approach “whereby a patentee strategically selects a point of novelty that consists only of those elements of claimed design that are also present in the accused design.” Order at p. 4. But the majority did correctly recognize that “the point of novelty should be determined by comparing the claimed design to the prior art and not to the accused design.” Opinion at p. 4, fn. 1. In this case, EGI necessarily compared the claimed design to the accused design to construct the asserted point of novelty, because a comparison to the nearest prior art makes plain that the sole point of novelty that could be asserted over the Nailco Patent is absent from the Swisa Buffer. The majority did not want to address the “motive” behind the construction of this supposed combination point of novelty, but one does not have to look to motive to recognize the simple fact that EGI’s postulated combination point of novelty leaves out the only difference between the combination of elements in the claimed design and the combination of elements in the nearest prior art. Again, as the majority

recognized, “*the point of novelty must include features of the claimed design that distinguish it from the prior art.*” Opinion at p. 4.

There is no reason for this Court to revisit these arguments by EGI, which are manifestly meritless and have now been rejected by both the district court and this Court.

## **II. There is no need for a Rehearing En Banc.**

The result in this case is plainly correct. Judge Dyk in his dissent did not state that he would have reversed the summary judgment, but only that he would have considered this matter “without reliance on the majority’s incorrect ‘non-trivial advance’ standard.” Dissenting Opinion at p. 4. In its petition for a rehearing en banc, EGI focuses its arguments on what it considers the flaws in this “non-trivial advance test” for determining, on the facts of this case, when a combination of elements already existing in the prior art may constitute a valid combination point of novelty. EGI argues that there is a “compelling need” for this case to be reheard en banc because of these supposed “flaws.” Yet even were the “non-trivial advance test” flawed, this case is not the appropriate one in which to examine its merits, because application of the test was not necessary on the present facts.

**A. The majority’s “non-trivial advance” test comports with Swisa’s argument that the D’389 Patent is invalid as obvious.**

Swisa argued below on its motion for summary judgment that the D’389 patent was invalid as obvious. The district court did not reach the issue of invalidity because this matter was so easily resolved by determining there could be no infringement under the point of novelty infringement test. Swisa also presented in Appellees’ Brief its argument that the D’389 patent was invalid based on obviousness, because invalidity of the patent presented an alternative ground on which the summary judgment might be upheld. Just as the facts of this case make it particularly obvious that there can be no infringement under the point of novelty test, it is also readily apparent that the D’389 patent is invalid based on obviousness. The same nearest prior art that is critical in the point of novelty infringement analysis, the Nailco Buffer, also handily serves the purpose of a “primary reference.” The numerous square ended, four-sided nail buffers in the prior art constituted a wealth of secondary references. Ironically, EGI’s own arguments drove home the invalidity of its patent. As discussed above, EGI was forced to insist that the only element that separated the D’389 Patent from nearest prior art could not be the point of novelty, because the element existed in other prior art. With a simple comparison of the designs and basic reasoning saying

there could be no *other* point of novelty besides this element, and EGI vehemently asserting at the same time that this element could not be the point of novelty, the conclusion that there was no point of novelty inevitably loomed large.

The panel majority did not directly address Swisa's argument as to invalidity based on obviousness, but the obviousness of the design, brought home by EGI's own assertion that the one possible point of novelty was not novel, created a backdrop for the analysis of infringement under the point of novelty test. Among the other failings of EGI's proposed combination point of novelty was that if one were to assume that it constituted the design's actual novelty the patent would plainly be invalid. But for purposes of the infringement analysis, the majority assumed that the patent was valid.

Again, the combination point of novelty that EGI put forth included three elements all present in the nearest prior art, the Nailco Buffer—which would also be the primary reference” for purposes of an invalidity argument—and a single element not present in the nearest prior art, a “square cross section,” which was the common shape of the numerous Falley buffer blocks in the prior art—or the “secondary references” for purposes of an invalidity analysis. There is no way such a “combination point of novelty” could even arguably be considered “novel,” as both the prosecution history and the undisputed prior art demonstrated.

There is no dispute, however, that nail buffers having square cross-sections were widely known in the prior art.

EGI admits that three prior art references cited during the prosecution of the D'389 patent illustrate at least five nail buffer designs with a square cross section. Moreover, the parties both agree that other well-known prior art designs, namely the Tammy Taylor buffers, also had square cross-sections. In light of the prior art, no reasonable juror could conclude that EGI's asserted point of novelty constituted a non-trivial advance over the prior art.

Opinion at p. 6. Therefore the majority stated: "The district court correctly determined that only if the point of novelty included a fourth side without a raised pad could it even arguably be a non-trivial advance over the prior art." Opinion at p. 7. In actuality, nothing in the summary judgment order indicates that the district court made this determination. Such a determination was unnecessary in this case, because the only possible difference between the combination of the nearest prior art and the D'389 was the addition of a fourth side without a pad, which was not in the Swisa Buffer, and in the context of nail buffers, a fourth side without a pad was not substantially similar to a fourth side with a pad. This difference between buffer sides with pads and buffer sides without pads is readily apparent from the prior art, and the majority noted that "when considering the prior art in the nail buffer field," this difference between having raised abrasive pads on all four sides as opposed to three "cannot be considered minor." Opinion at p. 7.

Although the district court did not determine that the combination point of novelty could only "even arguably be a non-trivial advance over the prior art" if it

contained a fourth side without a pad, such a determination inevitably arises. It arises as a matter of common sense given the relatively simple facts of this case, and EGI's own claim that the only possible point of novelty cannot be a novel element. "Design patents must meet a nonobvious requirement identical to that applicable to utility patents." *Avia Group International, Inc. v. L. A. Gear*, 853 F.2d 1557, 1563 (Fed. Cir. 1988). When four sided square ended buffer blocks are widely known, making a four-sided square-ended version of the Nailco Buffer was about as obvious as it could possibly be. "Rigid preventive rules that deny fact finders recourse to commonsense . . . are neither necessary under our case law nor consistent with it." *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1742-1743 (2007). For a district court or an appellate court to recognize, in the context of the point of novelty infringement analysis, that a proposed combination point of novelty would make the patent invalid, and hence should be rejected, is no more than recourse to common sense.

**B. If the "non-trivial advance" test is to be examined further, this case presents an unsuitable occasion to do so.**

If the Court were to further examine the "non-trivial advance" test set out by the majority, the present case would not be a desirable context in which to do so.

The principle that combination points of novelty involving old elements in the prior art cannot be combinations that blatantly violate the assumption of patent validity by being manifestly obvious should be examined further, if at all, in a

context where such an analysis is necessary for the decision, or where a judgment has been rendered below based on such an analysis. Here application of the test is unnecessary, the district court did not use it, and the majority's opinion contains enough in the way of other reasoning to support an affirmance, and its statements about the absence of a non-trivial advance are simply observations of what is readily apparent. For here there can be no legitimate question that the adopting EGI's combination point of novelty would result in a patent that is invalid as obvious.

Moreover, the claim construction in this case was flawed, and elements at issue in the point of novelty analysis here should not have been considered in the first place. Although the majority stated at page 2 of the Opinion that “[n]either party challenges the district court’s claim construction,” in reality, pages 36-49 of Appellees’ Brief argued that the district court had erred in its claim construction to the extent that it had not found the addition of a fourth side with an abrasive surface a functional element in a 4-way nail buffer. The district court made this error prior to this Court’s adoption, in the context of design patents, of the proposition that “[a]n aspect is functional ‘if it is essential to the use or purpose of the article or if it affects the cost or quality of an article.’” *Amini Innovation Corp. v. Anthony California, Inc.*, 439 F.3d 1365, 1371 (Fed. Cir. 2006). This underlying claim construction error creates no difficulty to the extent the case is disposed of

by simply recognizing there is a single possible point of novelty in the D'389 and that this element is not present in the Swisa Buffer. But the misidentification of a key functional feature, which should not be part of the infringement analysis, as an ornamental feature makes this case an inappropriate one to serve as the basis for an en banc analysis of how combination points of novelty should be identified. A case with a correct underlying claim construction would better serve such an inquiry.

### **CONCLUSION AND RELIEF REQUESTED**

For the foregoing reasons, Swisa ask that the combined petition for panel rehearing and rehearing en banc be denied.

Respectfully submitted this 15th day of October 2007.

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## CERTIFICATE OF SERVICE

I certify that on October 15, 2007, one original and 18 copies of the foregoing Response of Defendants/Third Party Plaintiffs-Appellees Swisa Inc. and Dror Swisa to the Combined Petition for Panel Rehearing and Rehearing En Banc of Plaintiff-Appellant Egyptian Goddess, Inc. was hand-filed with the Clerk of Court, U.S. Court of Appeals for the Federal Circuit, 717 Madison Place, NW—Room 401, Washington, DC 20439, and 2 copies of the foregoing brief was served by FedEx, overnight delivery on each of the following counsel of record for the parties.

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