

Application of “Whole Observation and Comprehensive Judgment” Criterion in Design Infringement Cases

— Comments on “key point of design” and “key part of design” tests

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Introduction

Generally speaking, the attitude toward determination of design infringement in Chinese judicial practice tends to be ambiguous, lacking in both clearness of judging criteria and consistency. This can be attributed to a combination of factors, which include the country’s late start in legal protec-

tion for designs, the scarcity of studies devoted to the subject of design infringement determination over a long period, relevant administrative examination provisions’ having undergone several amendments, and the nature of uncertainty inherent in designs itself.

In Chinese judicial practice, “whole observation and comprehensive judgment” has been the general principle

for design infringement determination, whereas in specific cases, “key point of design” and “key part of design” are the two main aspects needed to be taken into consideration by the adjudicators in arriving at the determination. In the Annual Report on Intellectual Property Cases in 2011 published by the Supreme People’s Court of China, the application of these two tests in practice was expounded under the “Three - drawer Cabinet” case ¹ and the “Wind Wheel” case ².

I. Legal origin of “whole observation and comprehensive judgment” approach

“Whole observation and comprehensive judgment” as the principal approach for determination of design infringement means the determination of whether a design under comparison is identical or similar to a prior design based on the observation of the two designs as a whole, rather than on the parts or details of the designs.

The Guidelines for Patent Examination in its 1993 edition brought forward the “whole observation and comprehensive judgment” approach in the chapter titled “Preliminary Examination of Patent Applications for Design”, stating that: “the observation of a product should be conducted on the design of a product as a whole, and focus should not be on the slight changes in some fine details. That is, observation should not be made based on a part of the design, much less on respective isolated parts of the design. To determine whether the designs are non-identical or dissimilar, observations should be made holistically on the basis of the entire design or the key parts thereof.” ³

The Supreme People’s Court made general provisions on issues related to design patent infringement for the first time in its Interpretations on Several Issues Concerning the Application of Law in the Trial of Patent Infringement Dispute Cases of 2009, stipulating that the court should “consider in a comprehensive manner according to the overall visual effect of the designs on the basis of the design features of the patented design and the accused design”. ⁴ In the Opinions of the Supreme People’s Court on Several Issues Concerning the Application of Law in the Trial of Patent Infringement Dispute Cases (Draft for Internal Comments) of 2012, this principle was affirmed by the provision for “holistic observation of design features and comprehen-

sive judgment of overall visual effect”. ⁵ And the spirit of said provisions was echoed in the Guidelines for Determination of Patent Infringement formulated by the Beijing Higher People’s Court. ⁶

Further to the recognition of the “whole observation and comprehensive judgment” principle, the Interpretations of the Supreme People’s Court pointed out two main factors to consider in applying said principle, namely, “(i) the part of a product easily exposed to direct observation during normal use of the product, relative to other portions of the product; and (ii) the design feature of the patented design as distinct from the prior design, relative to other design features of the patented design.” ⁷ These two factors are referred to as “key part of design” and “key point of design” in practice.

II. Consideration of key part of design

1. Concept of key part

For some products, there exist certain parts which can attract the attention of the general consumer much more easily than the other parts. These parts are the “key parts” of a product. ⁸ “Judging on the basis of the differences between the easily visible parts of products” once served as a criterion alongside “whole observation and comprehensive judgment” for determining the identicalness or similarity of designs. The Guidelines for Patent Examination of 1993 indicated in the chapter titled “Preliminary Examination of Patent Applications for Design” that judgment should be made on the basis of differences between the easily visible parts of products: “for a three-dimensional product, it consists of a front side, a rear side, a top side, a bottom side, and two lateral sides. Although judgment has to be made by observation of the product as a whole, not all the six faces represent the key parts of design. Inventiveness of design is usually embodied in the parts that can be seen easily, and attention would not be paid to those parts that are not readily visible. For such parts as the bottom side of a table or the rear side of a box, even if they involve novel design, they would not be taken as the key parts in the judgment.” ⁹ Regrettably, the Guidelines for Patent Examination failed to clarify the relationship between “judgment based on whole observation” and “judgment based on local differences”. It was therefore hard to determine in practice which of them to take priority during the judging process. And a difference in such priority could lead to entirely different outcomes.

In its 2001 edition, the Guidelines for Patent Examination clearly put forward the concept of “judgment based on key part”, and pointed out that “determination of the key part may be made on the basis of the state of use of the product in combination with the context or aesthetic appeal of the design of the prior products that belong to the same or similar class with the product incorporating the design under comparison”¹⁰. In practice, when determining design patent infringement, the design of those parts other than the key parts needs to be excluded from comparison. For instance, for a product which has a specific facet facing the user when in use, only the part facing the user, i.e. the easily visible part, may serve as the basis of judgment; and either this part *per se* or the portion thereof that easily attracts the general consumer’s attention may be regarded as the key part of the product. As for the portions that cannot be seen or that cannot be easily seen by the user when in use, such as the bottom of a table or a chair, the back of a fixed hanging mail box, the back of a vehicle number plate, the back and the bottom of a TV set and other audio and visual home appliances, the back of a watch, the back of a carpet, the bottom of a bottle or a pot, and the parts other than the inlet face panel of a ceiling toilet ventilator, they should not be regarded as “key parts” in the judgement because they usually do not attract the attention of a general consumer.

2. Judgment of key part

In the patent and trade secret infringement case Fushibao Household Electric Appliances Co., Ltd. v. Gales Electrical Appliance Co., Ltd.,¹¹ the court held that the thermo pot produced and sold by Fushibao compared with the patented product of Gales differed in the water tray, the purified water dispenser lock, the lid, the shape of the front view of the pot body, the decorative patterns of the pot body, and the symmetrical portions on both sides of the cambered face of the “helmet” in the front of the pot, but these were just local variations of minor portions with non-obvious visual differences. By comparison of the essential parts of the two products and through whole observation of the products, the two designs were found to cause visual confusion to the general consumer easily, and therefore should be determined as similar. Accordingly, the thermo pot produced and sold by Gales constituted infringement upon the patent owned by Fushibao.

In the 2006 edition of the Guidelines for Patent Examination, however, the section on “Judgment of Key Part”

was removed. “Key part of design” was no longer presented as a separate judging approach, but was instead incorporated in significantly reduced length into the section of “Whole Observation and Comprehensive Judgment”. This, on the one hand, further underscored the importance of “whole observation and comprehensive judgment” while, on the other hand, undermined “key part of design” as a judging approach. Nevertheless, this did not mean total denial of the key part of a product as one of the judging factors. Compared with the change in design of the invisible or not easily visible part, the design change of the part that is easily visible when in use generally still has more notable influence on the overall visual effect.¹² The aim of this revision of the Guidelines for Patent Examination was to set forth in an all-round way that under the framework of judgment based on overall visual effect, a change in the part that was easily visible to the user when in use often had more notable influence on the overall visual effect than a change in the part which could not be seen easily or could not be seen at all.¹³

In a case involving a wind wheel design, both the patent at issue and the prior design consisted of a central hub and two fan blades centrosymmetrically arranged at the two sides of the hub. Accordingly, comparison of the designs involved the hub and the fan blades. The Supreme People’s Court in trial deemed that:

“As to the comparison of the fan blades of the two designs, the two symmetrically arranged fan blades occupy the predominant visual portion of the product and thus attracts the attention of the general consumer more easily. The shape and symmetrical arrangement of the fan blades, which are basically the same, have a notable influence on the overall visual effect of the designs. Although the fan blades of the patent at issue protrude a little beyond the hub body, the protrusion of the fan blades accounts for only a small portion of the entire fan, and when in use, is arranged on a side of the installation face of the wind wheel so that it can hardly be observed by the general consumer. As a result, such a difference has no notable influence on the overall visual effect. Regarding the comparison of the hubs of the two designs, to determine the influence brought by a change in design of the central part of the product on the overall visual effect, comprehensive consideration should be given to such factors as the proportion of the central part in relation to the entire product and the extent of change. A change in the design of a central part does not

necessarily have a notable influence on the overall visual effect. Although the hub of the patent at issue is located in the centre, it obviously accounts for only a small portion relative to the fan blades and the variation from the hub of the prior design is thus limited. Such difference has no notable influence on the overall visual effect, given the plurality of common points in the hub and the hub wall shared by the patent at issue and the prior design. In comparison of the patent at issue and the prior design, after taking into comprehensive consideration their similarities, differences, and influence of the differences on the overall visual effect, it should be determined that they are not obviously different from each other in overall visual effect, and thus belong to similar designs.”

III. Comparison of key points of design

1. Function of key point

In determination of design infringement, it has always been a tough issue when it comes to comparison of key points of design. To determine whether the accused design has appropriated the key points of the patented design, i.e. the design features distinguishing the patented design from the prior design, three objects are involved, namely, the patented design, the accused design, and the prior design. Key points of design, also known as innovative points, originated from the “point of novelty test” of the U.S., a criterion established in the case *Litton Systems Inc. v. Whirlpool Corp.* heard by the United State Court of Appeals for the Federal Circuit in 1984. In this case, the plaintiff Litton alleged that its design patents were infringed by the microwave ovens produced by the defendant Whirlpool. The Federal Circuit’s opinions were that “no matter how similar two items look, the accused device must appropriate the novelty in the patented device which distinguishes it from the prior art.”¹⁴

In China, the role of key points of design has also been clarified in judicial practice. In *Patent Reexamination Board of SIPO & Zhejiang Jinfei Machinery Group v. Zhejiang Wanfeng Motorcycle Wheel Co., Ltd.*, a patent invalidation administrative case selected by the Supreme People’s Court as one of the exemplary cases of 2010, the first-instance court determined that the patent at issue and the prior design were not similar on the grounds that “the differences have a notable influence on the overall visual effect, and confusion can be ruled out due to the high discerning capa-

bility possessed by the consumers of the product concerned”.¹⁵

One point to note is, in judging the identicalness or similarity of designs in the judicial practice, key points of design should be considered under the perspective of “whole observation, comprehensive judgment”. Otherwise, China will risk repeating the erroneous path of the U.S., where “point of novelty test” once served as the sole criterion for the purpose. From the standpoint of a right-holder, the more novel a design is, the more innovative points will be identified from the design. However, a patented design with multiple design features being considered as innovative points can be disadvantageous, as under the circumstances that infringement is not established until all of the innovative points have been covered, a design of more innovative points means increased difficulty for such a design to secure protection under the patent rights.¹⁶ The issue eventually came under the spotlight in 2008 in *Egyptian Goddess, Inc. v. Swisa, Inc.*. In this case, the Federal Circuit unprecedentedly rejected the “point of novelty test” and accounted for the potential defects of the test in some cases: “the attention of the court may therefore be focused on whether the accused design has appropriated a single specified feature of the claimed design, rather than on the proper inquiry, i.e., whether the accused design has appropriated the claimed design as a whole.”¹⁷ As a way to rectify this approach, the Federal Circuit reverted to the principle similar to China’s “whole observation, comprehensive judgment”, noting that “examining the novel features of the claimed design can be an important component of the comparison of the claimed design with the accused design and the prior art. But the comparison of the designs, including the examination of any novel features, must be conducted as part of the ordinary observer test, not as part of a separate test focusing on particular points of novelty that are designated only in the course of litigation.”¹⁸

2. Delimitation of key point

The latest revised Chinese Patent Law (2008) clearly prescribes a brief description as one of the requirements for design patent applications.¹⁹ “Key point”, representing the design feature that distinguishes a patented design from the prior design, is an integral part of a brief description, and belongs to a subordinate concept of “design feature”. It is noteworthy, however, that the design recognised as the key point in a brief description does not necessarily have a notable influence on the overall visual effect, nor

does it necessarily result in the obvious distinction between the patent at issue and the prior design. Take an auto design as an example, the bottom side of the automobile, despite its being identified in the brief description as the essential feature of the design, does not have a notable influence on the overall visual effect of the auto.²⁰ As to the determination of key points, the administrative authority for patent examination has expressed the view that the role of the key point in subsequent procedures had yet to be established through judicial precedents.²¹ To this, the judiciary's response was that the features distinguishing the patented design from the prior design should be identified on the basis of evidence adduction and cross-examination of the parties concerned, and as design patents in China did not undergo substantive examination, the depiction of the key point in a brief description could be taken as reference in the judgment of the innovative parts of a design.

In the design infringement case *Bridgestone Corporation v. Zhejiang Hangtingdun Bull Rubber Limited Company, et al.*,²² the Supreme People's Court noted that "special attention should be drawn to whether the accused design has appropriated the point of design that distinguishes the patented design from the prior design ... As to the motor vehicle tyres in the present case, the design of the main tread has a more notable influence on the overall visual effect of the product and is where the focus of the comparison of the three designs lies ... Obviously, the accused design of this case is not identical to the prior design. According to the facts related to the points of design distinguishing the accused design, the prior design, and the patent at issue as ascertained by this court, the major differences between the patent at issue and the prior design Delta Z38(P) comprise the shape of the blocks on the main tread, the depth of the transverse grooves in the exterior rim of the outer annular contact surface, the degree of bending of the annular grooves, and the design of the protruding particles on the bottom of the central annular grooves. Such differences result in notably different overall visual effect between the patent at issue and the prior design ... The accused product BT98 tyre has taken advantage of the above distinguishing points of design in aspects including the shape of the blocks on the main tread, the depth of the transverse grooves in the exterior rim of the outer annular contact surface, the degree of bending of the annular grooves, and the design of the protruding particles on the bottom of the central annular grooves." It shows from the above judicial opin-

ions that the points of design distinguishing the patent at issue and the prior design are the crucial criteria for judging whether the accused design falls into the scope of protection of a patent in subsequent procedures.

3. Application of key point

In the three-drawer cabinet case of *Jun Hao Company v. Jia Yi Furniture Factory*, the Supreme People's Court opined that the design features distinguishing a patented design from the prior design had a more notable influence on the overall visual effect of a design, and where the accused design had appropriated the design features of the patent at issue, simple substitution of decorative patterns would not affect the similarity of the two designs in overall visual effect. In this case, the patented product was a three-drawer cabinet consisting of a cabinet top, a cabinet body, and cabinet feet. For the front view, the cabinet body had three drawers arranged from top to bottom, all of the drawers being rectangular-shaped with a round knob in the centre, and every two of the drawers being provided with a strip-shaped interstice, while a floral pattern in the likeness of lilies extending through the front surface of the three drawers. For the top view, the cabinet top was elliptical, with a raised fence-like rim giving rise to a basin-shaped cabinet top, and the centre of the basin being arranged with a lily pattern resembling that on the front view. The left view showed the cabinet body provided with an elongated octagonal decorative block, within which is a lily pattern. The right view was symmetrical with the left view. For the rear view, the cabinet body featured two decorative strips, one being on the left side and the other on the right, while the middle portion was left blank. As for the bottom view, the cabinet feet portion was also elliptical in shape, comprising four T-shaped legs symmetrically disposed within the cabinet's elliptic bottom. The appellee Junhao Company of this case produced and sold elliptical cabinets with three drawers.

On 6 September 2010, Jiayi Furniture filed a lawsuit to the Intermediate People's Court of Zhongshan City, Guangdong Province, and requested that Junhao Company be ordered to bear liability for design infringement. The first-instance court held that the product incorporating the patent at issue and the accused product were both elliptical cabinets having three drawers, and were similar in shape in the top, the body and the feet; notwithstanding this, the overall visual effect of the two products were different as a result of the differences in the floral patterns on the surface of the cabinet bodies, the presentation of the patterns, and the

combination of the shape with the graphics. Accordingly, the accused product and the product incorporating the patent at issue were found to be dissimilar, and the production and sales of the accused product by Junhao Company did not constitute infringement. The claim by Jiayi Furniture was therefore overruled. Jiayi Furniture, dissatisfied with the decision, brought an appeal to the Higher People's Court of Guangdong Province. The second-instance court deemed that the most notable design features of the patent at issue were the specific combination and arrangement of a quadrangular three-drawer cabinet and an octagonal decorative frame with an egg-shaped cylindrical body. Under the circumstances that Junhao Company did not produce any evidence to support that the shape of the patented product was a customary design of that type of product, these features had even greater influence on the overall visual effect. On the grounds that the accused product contained such features, and the differences in decorative patterns between the accused patent and the patent at issue were only local, slight differences, the accused design and the patented design at issue were similar. Accordingly, the first-instance judgment was revoked and Junhao Company was ordered to bear the liabilities for the infringement. Junhao Company, dissatisfied with the decision, filed a petition for retrial to the Supreme People's Court.

The Supreme People's Court in trial deemed that both the accused product and the product incorporating the patented design at issue related to an egg-shaped three-drawer cabinet and were basically the same in the shape of the cabinet top, body and feet. The major differences between them were: i) the accused design had no pattern on the cabinet top, whereas the patented design was decorated with a lily pattern on the top of the cabinet; and ii) in those portions where the patented design had elegant, symmetrically arranged lily patterns, the accused product was decorated with clusters of peonies. Based on the available evidence of the case, the design features that distinguished the patented design of the case from the prior design were the combination and arrangement of a quadrangular three-drawer cabinet and an octagonal decorative frame with an egg-shaped cylindrical cabinet body. Hence, the basic sameness between the accused product and the patented product in the overall shape of the cabinet body, the shape of the parts thereof, and the manner of arrangement, compared with other design features, had greater influence on the overall visual effect of the designs. Although the decora-

tive patterns of the accused design were different from those of the patented design, the patterns of both designs carried a floral theme, that is, they were patterns of the same subject matter. Also, the decorative arrangements on the cabinet bodies of the two designs were basically the same. The accused design had substantially appropriated the design concept of the patented design. The simple substitution of a peony pattern for a lily pattern of the patented design only produced local, slight influence on the overall visual effect. Given the knowledge and cognitive capability of the general consumer, these differences did not suffice to distinguish the accused design from the patented design, and would not affect substantially the judgment of similarity in overall visual effect between the accused design and the patented design.

Concluding Remarks

As a subject matter eligible for intellectual property protection, designs play an increasingly important role in modern society. They are direct manifestation of industrial production techniques and competence, and what is more, good design may enhance significantly the competitiveness of a product on the market. In the context of global trade, the general standard of designs of a country also reflects its levels of industrial development as well as cultural and artistic attainment, thereby affecting the standing of the country in international markets. The development of design infringement determination theories and the judicial attitude toward the issue of design infringement determination in practice directly affect people's understanding of the nature of designs, and at the same time inspire the approaches to the solution of issues including patentability requirements, modes of protection, and overlapping of rights.

In China, in the process of developing the legal protection system for designs, it seems that we have been failing to arrive at some enduring theories for infringement determination, which also bewilders the writer while working on the article. Admittedly, for the patent protection of such special subject matter as designs, maybe there are no objective determination criteria as those for inventions. Or, even though there are such criteria, it is unlikely for us to be immune to the influence of subjective factors when making the judgment. This, however, is perhaps the appeal of legal research. That is, its value is realised in the course of pursuit of truth, unattainable as it might be. And so is it in respect of

the search for a method for design infringement determination. Although refined theories for design infringement determination have yet to be established, the care about judicial justice and industrial advancement are in themselves strong impetus for us to carry on with the research work of the subject. ■

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¹ See the Supreme People's Court's Civil Judgment No. Minshenzi 1406/2011.

² See the Supreme People's Court's Administrative Judgment No. Xingtizi 1/2011.

³ Part I, Chapter 3, Section 5.4, Subparagraph 4 of the Guidelines for

Patent Examination (1993).

⁴ Article 11 of Interpretations of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Patent Infringement Dispute Cases (2009).

⁵ Article 22 of Interpretations of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Patent Infringement Dispute Cases (Draft for Internal Comments).

⁶ Articles 79 to 82 of the Beijing Higher People's Court's Patent Infringement Adjudication Guidelines.

⁷ See *supra* note 4.

⁸ Zhang Guangliang (editor-in-chief) (September 2008). Judicial protection of designs (p.55). Law Press.

⁹ Part I, Chapter 3, Section 5.4, Subparagraph 5 of the Guidelines for Patent Examination (1993).

¹⁰ Part IV, Chapter 5, Section 6.7 of the Guidelines for Patent Examination (2001).

¹¹ The Supreme People's Court's Gazette of the PRC, vol. 2, 1999.

¹² See *supra* note 8.

¹³ Patent Review and Management Department of State Intellectual Property Office (January 2006). Guide to Revision to the Guidelines for Patent Examination 2006 (p.291). Intellectual Property Press.

¹⁴ *Litton Systems Inc v. Whirlpool Corp*, 728 F. 2d 1423 (Fed. Cir., 1984).

¹⁵ See the Beijing No.1 Intermediate People's Court's Civil Judgment No. Yizhongminchuzi 2556/2009.

¹⁶ Yan Wenjun & Hu Yunqiu (9 June 2012). An Exploration into the Criteria of Design Patent Infringement Determination – Focus on Innovative Points as a Factor of Influence, carried in Papers of Confer-

ence on Designs-related Legal Issues. Intellectual Property Center of Chinese Academy of Social Sciences.

¹⁷ *Egyptian Goddess Inc. v. Swisa, Inc.* 543 F.3d665 (2008).

¹⁸ *Ibid.*

¹⁹ Article 27 of the Chinese Patent Law.

²⁰ Part IV, Chapter 5, Section 6.1 of the Guidelines for Patent Examination.

²¹ Patent Review and Management Department of State Intellectual Property Office (August 2010). Guide to Revision to the Guidelines for Patent Examination 2010 (p.189). Intellectual Property Press.

²² See the Supreme People's Court's Civil Judgment No. Mintizi 189/2010.