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ABPA v. Ford: Design Patent Defenses Run Out of Gas on Appeal

A U.S. Court of Appeals for the Federal Circuit decision strengthens U.S. design patent protection for replacement parts.

On July 23, 2019, the U.S. Court of Appeals for the Federal Circuit released its decision affirming summary judgment that the asserted design patents were not invalid for non-ornamentality under 35 U.S.C. § 171, and rejecting related exhaustion and repair unenforceability theories. *Automotive Body Parts Association v. Ford Global Technologies, LLC*, No. 2018-1613. The decision strengthens U.S. design patent protection for replacement parts for automobiles, diverging from European statutory laws that declare such parts noninfringing.

At the trial court level, plaintiff Automotive Body Parts Association ("ABPA") sued defendant Ford Global Technologies, LLC, for a declaratory judgement in the U.S. District Court for the Eastern District of Michigan that design patents claiming the aesthetic appearance of the hood and headlamp of Ford F-150 trucks were invalid and/or unenforceable. The district court granted summary judgment that the asserted designs were not invalid for lack of ornamentality under § 171, rejecting ABPA's "aesthetic functionality" theory borrowed from U.S. trademark law. The district court also held that the designs were not unenforceable under patent exhaustion and repair doctrines.

The Federal Circuit affirmed across the board. The court dispatched ABPA's theory that "aesthetic functionality" rendered the patents ineligible under § 171. On this issue of first impression, the court "h[e]Id that, even in this context of a consumer preference for a particular design to match other parts of a whole, the aesthetic appeal of a design to consumers is inadequate to render that design functional." Slip op. at 7. The court refused to credit trademark law arguments that aesthetics which do not serve source-identifying functions are unprotectable. *Id.* at 8. While trademark law limits protection for aesthetics to those that distinguish goods and services and identify their source, "design patents expressly grant to their owners exclusive rights to a particular aesthetic for a limited period of time." *Id.* at 8-9. Similarly unavailing were ABPA's arguments under existing § 171 case law, because the patent owner persuasively showed that many alternative hood and headlamp designs existed for performing the same functions as the original parts. Slip op. at 9-11.

The court also rejected ABPA's unenforceability theories. While it is true that the patent owner's rights were exhausted with the sales of original F-150 trucks (including their hoods and headlamps), exhaustion does not extend to unlicensed third-party replacement parts, because "exhaustion attaches only to items sold by, or with the authorization of, the patentee." Slip op. at 12-13. The court saw no reason to apply a different rule for design patents, which are generally governed by the same rules that apply to utility patents, such as prosecution history estoppel. *Id.* And the court rejected ABPA's repair theories for similar reasons: "[T]hough a sale of the F-150 truck permits the purchaser to repair the designs as applied to the specific hood and headlamps sold on the truck, the purchaser may not create new hoods and headlamps using [patent owner's] designs." Slip op. at 16.

The ABPA decision reinforces design patent protection for replacement parts that restore the

appearance of all types of articles, not just automobiles. *ABPA* also illustrates the narrow scope of non-ornamentality under § 171; while not dispositive, the existence of even one alternative design to perform the same function can be compelling evidence that the claimed design is eligible subject matter. Finally, *ABPA* reaffirms that design patent rights follow the same rules as utility patent rights, including the doctrines of exhaustion and repair.



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