2013-1466

In The
United States Court Of Appeals
For The Federal Circuit

SOFPOOL LLC,

Plaintiff-Appellant,

v.

KMART CORPORATION and BIG LOTS STORES, INC.,

Defendants-Appellees.

Appeal from the United States District Court for the Eastern District of California in No. 10-CV-3333, Senior Judge Lawrence K. Karlton.

REPLY BRIEF OF APPELLANT

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TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES iii

GLOSSARY OF TERMS v

INTRODUCTION 1

ARGUMENT 2

A. As a Gating Issue, Aside From the Fact that the '817 Design Functions as a Swimming Pool, its Elements Are Ornamental; It Would be an Error of Law to Subtract Such Ornamental Elements From the Infringement Consideration, as KMBL is Advocating in this Case 2

B. The District Court Engaged in an Error of Law By Failing to Proceed to a Three-Way Analysis Between the Patented Design, the Accused Product and the Prior Art; KMBL's Advocating That This Court Should Ignore the District Court's Clear Statements on the Similarity of the Patented and Accused Products is an Additional Error as a Matter of Law 6

1) The District Court Committed an Error of Law When, After Acknowledging the Similarity Between the Competing Designs, it Failed to Engage in a Three-Way Prior Art Analysis, But Instead, Focused on the Single Element of Proportion to Decide the Case 10

a) The Current State of the Ordinary Observer Test is the Two Pronged Test; As a Matter of Law, the Only Time a District Court is Absolved From Applying the Second Prong (e.g. the Prior Art Comparison) is When an Accused Product is Plainly Dissimilar from a Patented Design 11

b) The District Court Meant What it Said Regarding the Similarity of the Competing Designs; Sofpool Should be Able to Rely on the Statements Made by the District Court 14

c) A Court Can Tell at a "First Glance" Whether an Accused Design is Plainly Dissimilar and Therefore OUTSIDE the Scope of a Patented Design; Here the District Court's "First Glance" Determined the Accused Product to be INSIDE the Scope of the '817 Patent 16

d) The District Court's Action of Using the Singular Element of Proportion to Deny Sofpool's Claim Stands *Egyptian Goddess* and its Progeny on it Head 17

2) The Scope of the '817 Patent Should be Interpreted Reasonably Broadly and Fairly in Terms of Proportion 20

a) KMBL's Styrofoam Cup vs. Soup Bowl Example Was a Distortion of the Role of Proportion in this Case 20

b) Professor Visser's Statements Bear on the Scope of the '817 Patent 23

c) The Fact That the '817 Design Conspicuously Departs From the Prior Art Is a Factor in Considering the Scope of the '817 Patent 27

3) The Application of the Second Prong of the Ordinary Observer Test is Warranted Because the First Prong Has Already Been Determined by the District Court; The Federal Circuit Must Now Follow the Law and Apply the Second Prong to Settle the Issue of Infringement 31

CONCLUSION 32

CERTIFICATE OF FILING AND SERVICE

CERTIFICATE OF COMPLIANCE

TABLE OF AUTHORITIES

Page(s)

Cases:

Amini Innovation Corp. v. Anthony California, Inc.,
439 F.3d 1365 (Fed. Cir. 2006) 17, 18

Apple Inc. v. Samsung Electronics Co., Ltd.,
2013 U.S. Dist. LEXIS 13240 (N.D. Cal. 2013) 13

Avia Group Int'l Inc. v. L.A. Gear California, Inc.,
853 F.2d 1557 (Fed. Cir. 1988). 3

Cobra Fixations Co. Ltd. v. Newell Operating Company,
2011 U.S. Dist. LEXIS 40239 (D. NC 2011) 11

Competitive Edge, Inc. v. Staples, Inc.,
763 F. Supp. 2d 997 (N.D. Il), *aff'd without opinion at*
Competitive Edge, Inc. v. Staples, Inc.,
2011 U.S. App. Lexis 4114 (Fed. Cir. 2011) 9, 13, 15

Crocs, Inc. v. International Trade Commission,
598 F.3d 1294 (Fed. Cir. 2010) .....*passim*

David A. Richardson v. Stanley Works, Inc.,
597 F.3d 1288 (Fed. Cir. 2010) 2, 3, 6, 15

Egyptian Goddess, Inc. v. Swisa, Inc.,
543 F.3d 655 (Fed. Cir. 2008).....*passim*

Farmhand, Inc. v. Anel Engineering Industries, Inc.,
693 F.2d 1140 (5th Cir. 1982).....29

Galen Med. Assocs. v. United States,
369 F.3d 1324 (Fed. Cir. 2004) 7, 8, 14

Gorham Co. v. White,
81 U.S. 511 (1871) 16, 21

HR US LLC v. Mizco Int'l, Inc.,
2009 U.S. Dist. LEXIS 27056 (EDNY 2009); *appeal dismissed* by
HR US LLC v. Mizco Int'l, Inc.,
2009 U.S. App. LEXIS 21024 (Fed. Cir. 2009) 15, 21

Knox v. SEIU Local1000,
132 S. Ct. 2277 (2012) 15

Luv 'NCare Ltd v. Mayborn USA, Inc.,
898 F. Supp. 2d 634 (SDNY 2012) 13

Minka Lighting, Inc. v. Maxim Lighting Int'l, Inc.,
2009 U.S. Dist. LEXIS 20948 (N.D. Tex. 2009) 16, 31

United States v. Robinson,
20 F.3d 1030 (9th Cir. 1994) 7, 8

Wing Shing Products Co. Ltd v. Sunbeam Products, Inc. et al.,
665 F. Supp. 2d 357 (SDNY2009); a*ffirmed without opinion* by
Wing Shing Prods. (BVI) Co. v. SunbeamProds.,
2010 U.S. App. LEXIS 9189 (Fed. Cir. 2010) 12

Rule:

Fed. R. App. P. 10(a) 7

GLOSSARY OF TERMS

1. Sofpool – Sofpool LLC, the Appellant.

2. KMBL – Kmart Corporation and Big Lots Stores, Inc., the Appellees.

3. Accused Product – the Summer Escapes™ brand above-ground pool sold by KMBL.

4. Patented Design – The design embodied in U.S. Patent No. 480, 817, which was invented by Pierre Carreau.

5. '817 Patent – U.S. Design Patent No. 480, 817.

6. KMBL Br. – Appellee KMBL's opposition brief in this case.

7. Sofpool Br. – Appellant Sofpool's initial opening brief in this case.

8. District Court – United States District Court for the Eastern District of California, Judge Lawrence K. Karlton presiding.

INTRODUCTION

KMBL has done its best to infuse complexity, ambiguity and confusion into this case. KMBL continues to argue that the ornamental features of the Patented Design are purely functional, despite it being simple to show that each feature is capable of being represented in alternative designs. KMBL was even successful in totally confusing the District Court by convincing it that the proportional differences between the Accused Product and Patented Design were so vast that it was similar to the proportional difference exhibited between a soup bowl and a Styrofoam coffee cup.

The measure of the success of KMBL's campaign of confusion was the fact that it was able to convince the District Court to craft a hybrid tributary in design patent law where although the District Court found similarity in the competing designs, it stopped short of engaging in a prior art analysis as required by law. This legal error deprived Sofpool of its full day in court. Had the prior art analysis been engaged, it would have been clear that the Patented Design conspicuously departed from the prior art and the Accused Product incorporated these departing features. Sofpool asks that the Federal Circuit complete the unfinished business in this case: that is to engage the prior art analysis. If done, infringement will be found.

ARGUMENT

A. As a Gating Issue, Aside From the Fact that the '817 Design Functions as a Swimming Pool, its Elements Are Ornamental; It Would be an Error of Law to Subtract Such Ornamental Elements From the Infringement Consideration, as KMBL is Advocating in this Case.

Sofpool's '817 Patent clearly entitles its design as an "Above-Ground Swimming Pool." (A15). A swimming pool functions as a vessel to hold water so that people can swim in it. (Sofpool Br. 28). Other than that, Sofpool's Patented Design is a unique representation of a pool that looks nothing like the prior art. (Sofpool Br. 48-69). In its opening brief, Sofpool did an extensive comparison with the prior art to demonstrate how the prior art conspicuously departs from the Patented Design. (*See* Sofpool Br. 48-69). The reason the Patented Design looks nothing like the prior art is because the design elements which comprise the Patented Design incorporate overall ornamental effects which set the design apart from any above-ground swimming pool that came before it. *See Crocs, Inc. v. International Trade Commission*, 598 F.3d 1294, 1304-1306 (Fed. Cir. 2010). (Despite differences in accused products, they still incorporated the overall effects of the patented sandal.).

In analyzing designs for design patent infringement, the functional aspects must be ignored and only ornamental aspects are protected. *David A. Richardson v. Stanley Works, Inc.,* 597 F.3d 1288, 1294 (Fed. Cir. 2010). The requirement for elimination of functional aspects from the analysis insures that the scope of a

design patent claim is not extended to functional aspects. *Id.*, at 1293. During claim construction in this case, this deference to scope, regarding function, was properly observed by the District Court. ("Whatever functional role may be played by any element…. should therefore be disregarded; but the design of those same elements or features is part of the claim.") (A410.)

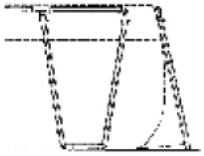
As a matter of law, a design element has ornamental aspects capable of design patent protection if the design element is capable of being represented in alternate designs. *See Avia Group Int'l Inc. v. L.A. Gear California, Inc.*, 853 F.2d 1557, 1563 (Fed. Cir. 1988). In its opening brief, Sofpool noted how the District Court provided a Markman claim construction which included a list of elements worthy of consideration from an infringement standpoint. (A410) (Sofpool. Br. 29-30). Sofpool then provided an extensive analysis as to how all of the elements noted by the District Court were capable of being represented as alternative designs. (Sofpool Br. 29-30).

Despite this showing by Sofpool, KMBL has sought to distort the facts on the point of functionality of elements in the Patented Design. Regarding the top tube, KMBL stated that "There is very little differentiation between the prior art top collars, the '817 Patent pool, and the Summer Escapes pool, except their relative size and how far they extend in relation to the bottom of the pool." (KMBL Br. 68). This statement is simply not true, as Sofpool demonstrated that a prior art

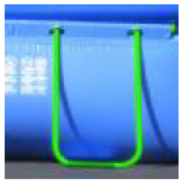
pool, the Tempo Pool, employed a top tube that was square-shaped in cross section. (A 67, 109). Sofpool even demonstrated that regardless of whether the top tube was made of foam or filled with air, that a square shape was a viable alternate design regarding the cross section of the top tube. (A109-110). Also, the prior art is devoid of oval-shaped top tubes. (Sofpool Br. 48-69).

Apart from KMBL's distortion regarding the top tube design, the remainder of the elements of the '817 design are, like the top tube, clearly capable of alternative designs and are therefore ornamental. In fact, KMBL's brief really makes Sofpool's case on this point by demonstrating the alternative designs for most elements noted in the District Court's Markman determination.:

1) Alternate Designs for the struts (KMBL Br. 63):


'145 Patent strut


'817 Patent pool strut


Summer Escapes pool strut


'839 Patent strut

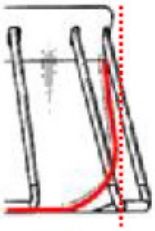

'693 Patent, Fig. 3


'616 Patent, Fig. 1

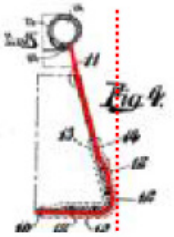
2) Alternate designs for the end wall angles and bulges (KMBL Br. 65):


'817 Patent

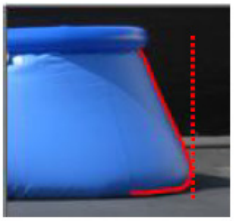

'546 Patent


'839 Patent

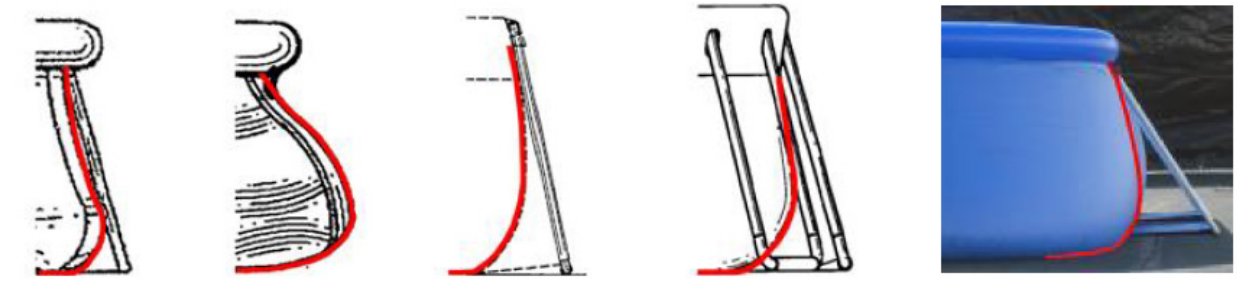

'061 Patent, fig. 3



'061 Patent, fig. 4

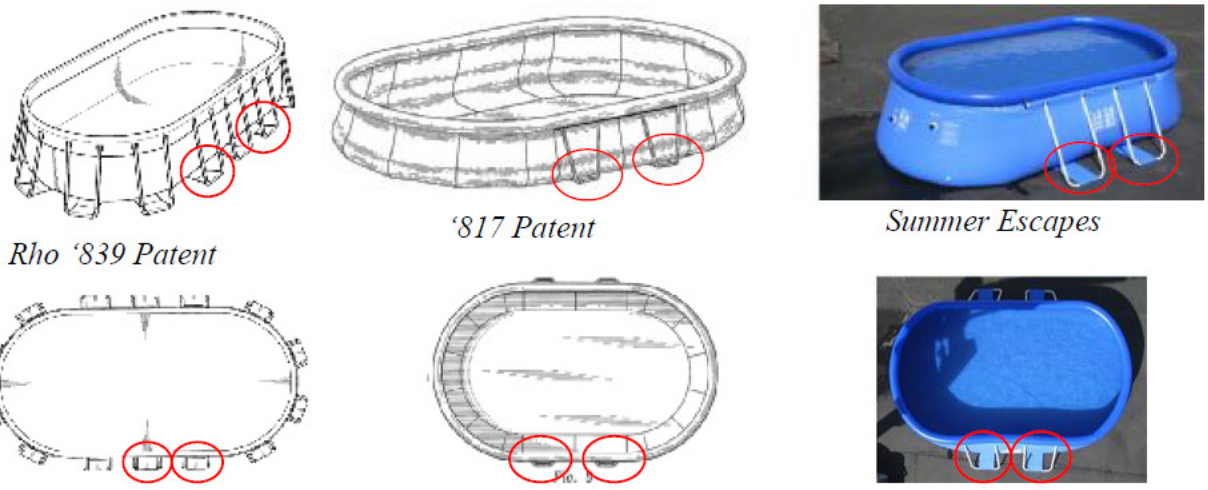

Summer Escapes Pool

3) Alternate designs for the side wall angles and bulges (KMBL Br. 66):



'817 Patent '546 Patent '145 Patent '839 Patent Summer Escapes Pool

4) Alternate designs for the straps (KMBL Br. 67):



Rho '839 Patent '817 Patent Summer Escapes

The alternate designs regarding the shapes of the above-ground pools also vary by design choice. There are round pools (A551-559, A561), square pools (A652, 663) and even among oval pools the "ovalness" varies (A112-1134). KMBL tried to insinuate that Sofpool's choice of an oval pool was purely functional because an oval would be the only shape that would fit into a narrow back yard. (KMBL Br. 8). However, a narrow, elongate rectangular above-ground pool, such as the Bonnin design (A359-360), or the prior art Mussa design (A322) would easily be alternative designs which could fit into just such a yard, thereby destroying KMBL's argument.

All of the elements noted by the District Court in its Markman claim construction clearly possess ornamental qualities as demonstrated by the alternate designs which exist for each element. Therefore, in the argument to follow, when the overall competing designs are considered it would be an error of law to consider subtracting any of the elements noted previously, from the infringement analysis. *David A. Richardson v. Stanley Works, Inc.,* 597 F.3d, at 1293-1294.

B. The District Court Engaged in an Error of Law By Failing to Proceed to a Three-Way Analysis Between the Patented Design, the Accused Product and the Prior Art; KMBL's Advocating That This Court Should Ignore the District Court's Clear Statements on the Similarity of the Patented and Accused Products is an Additional Error as a Matter of Law.

After the District Court noted the similarity between the Patented Design and Accused Product, thus satisfying the first prong of the infringement analysis under *Egyptian Goddess*, it committed clear error by not engaging in the second prong of the ordinary observer test, that is a three-way comparison between the Patented Design, the Accused Product and the prior art. (A10, A1691). (Sofpool Br. 39-42). *See Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d, at 678.

In its opposition brief, KMBL argued that the District Court's statements regarding similarity during the summary judgment hearing in this case should be ignored (KMBL Br. 48), since these statements were merely just the "colloquy" between judges and lawyers and attempts by the Court to play "devil's advocate"

with the litigants. (KMBL Br. 50). KMBL argued that only the written final judgment mattered and not the judge's statements in the summary judgment hearing transcript. (KMBL Br. 48).

To advocate that a hearing transcript critical to the understanding of this case should be ignored, is mind-boggling ,to say the least, and an error of law at its worst. Rule 10(a) of the Federal Rules of Appellate Procedure (FRAP) states that the record on appeal consists of:

> (1) the original papers and exhibits filed in the district court;
> (2) *the transcript of proceedings, if any*; and
> (3) a certified copy of the docket entries prepared by the district clerk.

(*See* FRAP Rule 10(a))

Clearly, the Federal Circuit is entitled to consider the certified transcript (A1705) of the summary judgment hearing in this case. For KMBL to say that it should be "ignored" is in contravention of the rules and legal error.

To support its conclusion that the transcript should be ignored, KMBL cites the cases of *Galen Med. Assocs. v. United States*, 369 F.3d 1324, 1331 (Fed. Cir. 2004) and *United States v. Robinson*, 20 F.3d 1030, 1033 (9th Cir. 1994). Actually, *Galen* supports Sofpool's contention that a transcript *should be consulted* for an understanding of this case, because in *Galen*, the Federal Circuit consulted the transcript of the proceedings below in order to determine if certain objections were made and depositions requested. *See Galen Med. Assocs. v. United States*,

369 F.3d 1324, 1331-1332 (Fed. Cir. 2004). KMBL cites only to a point in *Galen* where the Court of Federal Claims seemed to recite an inconsistent standard of proof in its written decision versus the oral hearing transcript. *See Galen,* 369 F.3d, at 1331. Clearly in *Galen*, the written decision cited the correct and unambiguous standard of proof and was therefore a better source to refer to than the transcript of the proceedings on that point. *Id.* ("a protester needs "well-nigh irrefragable proof"").

In *United States v. Robinson,* a similar situation as in *Galen* arose; that is the statements made by the judge in the District Court hearing transcript seemed to contradict statements made in the written opinion. *See United States v. Robinson*, 20 F.3d 1030, 1033 (9th Cir. 1994) ("Although these findings seem to contradict some of the statements made by the district judge during the sentencing hearing, the written opinion indicates that the district court ultimately found the appellants had not established their present inability to pay.").

This case is neither *Galen* nor *United States v. Robinson* because there is no contradiction between the hearing transcript and the final judgment as to the issue of the similarity of the Accused Product to the Patented Design. There was no contradiction between the hearing transcript and the written opinion, as to whether the first prong of the ordinary observer test was satisfied; that is whether the competing designs were "not plainly dissimilar." *Egyptian Goddess, Inc. v. Swisa,*

Inc., 543 F.3d, at 678. ("In other instances, when the claimed and Accused Products are *not plainly dissimilar*, resolution of the question whether the ordinary observer would consider the two designs to be substantially the same will benefit from a comparison of the claimed and accused designs with the prior art…") (emphasis ours).

In this case the hearing transcript and the written description were consistent. In the hearing transcript, the District Court differentiated this case from the case of *Competitive Edge, Inc. v. Staples, Inc.,* which was a case where the court determined that the two competing designs had no similarity (e.g. were "plainly dissimilar"). *See Competitive Edge, Inc. v. Staples, Inc.*, 763 F. Supp. 2d 997, 1012 (N.D. Il), *aff'd without opinion at Competitive Edge, Inc. v. Staples, Inc.*, 2011 U.S. App. Lexis 4114 (Fed. Cir. 2011). (A1690-1691). The District Court in this case clearly stated in the hearing transcript that the Accused Product and the Patented Design were similar and that this case was not the same as *Competitive Edge*. (A1691) ("But this is -- you know, this isn't the same…. there are *sufficient similarities*…") (emphasis ours).

In the written opinion, the District Court consistently reiterated its opinion from the hearing transcript. (A10). ("At first glance, the accused design appears to be within the scope limitation of the claimed design."). The District Court went on to punctuate the similarity between the competing designs by reciting the similar

elements noted in its Markman claim construction. (A10-11). ("The claimed and accused designs are both for an oval, above-ground pool… Both designs feature a tubular top…. Both designs feature side struts along their long sides, stretching from just below the tubular top, to the ground….. Both designs feature side straps that run underneath the pool and connect the struts where the struts meet the ground…. Both designs have angled side walls with a curve or bulge at the bottom, just before the structure meets the ground…… Both designs contain segmented side walls.") (A10-11).

The District Court was consistent in its opinion of similarity between the competing designs whether you look at the hearing transcript or the judgment opinion. Clearly, the District Court admitted that the first prong, namely, the similarity between the competing designs, had been met. However, it was after this point, when the District Court should have applied the second prong of the *Egyptian Goddess* test, namely engaging in a comparison with the prior art, where things went clearly wrong. *See Egyptian Goddess*, 543 F.3d at 678.

1) The District Court Committed an Error of Law When, After Acknowledging the Similarity Between the Competing Designs, it Failed to Engage in a Three-Way Prior Art Analysis, But Instead, Focused on the Single Element of Proportion to Decide the Case.

When free from the binds of design patent rules, it is typical human nature to compare designs by pointing out differences in isolation. (Sofpool Br. 2). Under *Egyptian Goddess* the danger of such comparisons was the impetus for rejecting

the old "points of novelty" test, as this test allowed differences in isolation to be a basis for noninfringement between otherwise overall similar designs. *See Crocs Inv. v. International Trade Commission*, 598 F.3d 1294, 1303 (Fed. Cir. 2010). Here, the District Court, without any reference to prior art, decided that the Patented Design looked like a "wading pool" and the Accused Product was "tall and elegant". (A12-13). This focus on proportion in isolation was after the District Court had previously touted the similarity of the two designs. (A10-11).

The singular focus on proportion is what decided this case. (A12-13). Clearly, the similar ornamental elements recited by the District Court (A10-11) took a back seat to the ornamental element of proportion in the judge's mind. Sofpool contends that the District Court's failure to engage the prior art test was a serious commission of legal error which led to a confusing and skewed result.

a) The Current State of the Ordinary Observer Test is the Two Pronged Test; As a Matter of Law, the Only Time a District Court is Absolved From Applying the Second Prong (e.g. the Prior Art Comparison) is When an Accused Product is Plainly Dissimilar from a Patented Design.

After *Egyptian Goddess* it was made abundantly clear that a two-pronged ordinary observer test now existed. *See Egyptian Goddess, Inc. v. Swisa, Inc*. 543 F.3d at 678; *Cobra Fixations Co. Ltd. v. Newell Operating Company*, 2011 U.S. Dist. LEXIS 40239, at *7-*8 (D. NC 2011). ("With regard to the *first stage* of the infringement test, …. Moving to the *second stage* of the

test, a comparison of the overall impression of the three sets of claimed and accused designs in conjunction with the prior art"). (emphasis ours). In the present case, the District Court acknowledged the first prong (A10-11) (e.g. substantial similarity of the competing designs), but did not engage the second prong (e.g. a three-way prior art analysis). Instead, the District Court focused on proportion as the only ornamental effect that mattered and decided the case based upon that. (A11-12).

The District Court has created a type of confusing hybrid category in design patent law; namely a category where the first prong of the ordinary observer test is met, but wherein one ornamental element is so overwhelming in the District Court's mind that the second prong of the test can be ignored. (A11-12). Sofpool is at a loss to find any case where such a disconnect from the second prong of the test is considered to be an accurate application of the law. It seems, instead, that the cases have consistently applied the second prong once the first prong was found to have been met. *See*, e.g. *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 681 (Fed. Cir. 2008) (after determining similarity between accused design nail buffer and patented design, a comparison of the prior art showed no infringement.); *Wing Shing Products Co. Ltd v. Sunbeam Products, Inc. et al.,* 665 F. Supp. 2d 357 (SDNY2009); a*ffirmed without opinion* by *Wing Shing Prods. (BVI) Co. v. SunbeamProds.*, 2010 U.S. App. LEXIS 9189 (Fed. Cir. 2010) (Comparison of

patented coffee maker design with prior art coffee makers in a crowded art revealed only ornamental "bull-nose" base portion was novel.); *Luv 'NCare Ltd v. Mayborn USA, Inc.,* 898 F. Supp. 2d 634, 640 (SDNY 2012) (application of prior art showed that patented sippy cup departed conspicuously from the prior art and accused design infringed patented design); In the case of *Apple Inc. v. Samsung Electronics Co., Ltd.,* 2013 U.S. Dist. LEXIS 13240 *12 (N.D. Cal.), the court there certified jury instructions which instructed the jury to consider the prior art when determining infringement in the crowded art of smart phones. (*See* A1619)

Under the law, a district court is absolved of applying the prior art test only where the district court has determined that two competing designs are "plainly dissimilar." (*See e.g. Competitive Edge, Inc. v. Staples, Inc.*763 F. Supp. 2d 997, 1012 (N.D. Il), *aff'd without opinion at Competitive Edge, Inc. v. Staples, Inc.,* 2011 U.S. App. Lexis 4114 (Fed. Cir. 2011)). (A1690-1691). Therefore, to accept KMBL's position that, despite the District Court determining that the Accused Product was similar in appearance to the Patented Design, (A1691, A10-11) that no prior art comparison was necessary, (KMBL Br. 4) would stand *Egyptian Goddess* and its progeny on its head.

KMBL's logic presents a conundrum of two options to the Federal Circuit. Namely, either: 1) The District Court did not mean what it said when it stated that this case was different from *Competitive Edge* (A1691) and that it further did not

mean what it said when it stated that "at first glance" the Accused Product appeared to be "within the scope" (A10) of the '817 patent; OR 2) The District Court *did mean* everything that it said regarding the similarity of the Accused Product to the Patented Design, BUT that a single element, like proportion, can so overwhelm the other ornamental qualities, that it is okay to ignore the prior art comparison. (KMBL Br 3-4). Either of these two options would require the Federal Circuit to create new law to accommodate the hybrid category KMBL advocates. However a third option, which Sofpool advocates, is to just follow the law and apply the prior art test and see where it comes out.

b) The District Court Meant What it Said Regarding the Similarity of the Competing Designs; Sofpool Should be Able to Rely on the Statements Made by the District Court.

A hearing transcript is often relied upon to determine the meaning of statements made during court proceedings. *See Galen Med. Assocs. v. United States*, 369 F.3d 1324, 1331-1332 (Fed. Cir. 2004) (Court reviewed status conference transcripts to determine if plaintiff requested depositions and properly objected to preserve issues for appeal). Words can mean everything in determining whether legal standards have been met. The Distict Court's consistent statements (A10-11, A1691) in the hearing transcripts and the judgment opinion regarding the similarity of the accused product to the Patented Design should be able to be relied upon, as is the case with the statements made by any court. *See*

Knox v. SEIU Local1000, 132 S. Ct. 2277, 2300 (2012) ("For the last 25 years unions and employers across the Nation *have relied upon this Court's statements*…"). (emphasis ours).

Likewise, the clarity of Federal Circuit decisions involving situations where an accused design is "plainly dissimilar" from a patented design is unequivocal. *See Competitive Edge, Inc. v. Staples, Inc.*,763 F. Supp. 2d 997, 1011 (N.D. Il), *aff'd without opinion at Competitive Edge, Inc. v. Staples, Inc.*, 2011 U.S. App. Lexis 4114 (Fed. Cir. 2011). ("A side-by-side comparison shows that the two designs, taken as a whole, create overall visual impressions that would appear plainly dissimilar to the ordinary observer.") ; *See David A. Richardson v. Stanley Works, Inc.*, 597 F.3d 1288, 1295-1296 (Fed. Cir. 2010) (After factoring out functional elements, the Federal Circuit found that the Stanley tool had a "stream-lined" appearance; Richardson's tool did not.); *See also HR US LLC v. Mizco Int'l, Inc.*, 2009 U.S. Dist. LEXIS 27056, *33-*34(EDNY 2009; Appeal dismissed by *HR US LLC v. Mizco Int'l, Inc.*, 2009 U.S. App. LEXIS 21024 (Fed. Cir. 2009) ("When the Mizco holder is in the closed position, the '250 design and the Mizco holder are plainly dissimilar….. Furthermore, when the Mizco holder is in the open position, the two designs are even more dissimilar.")

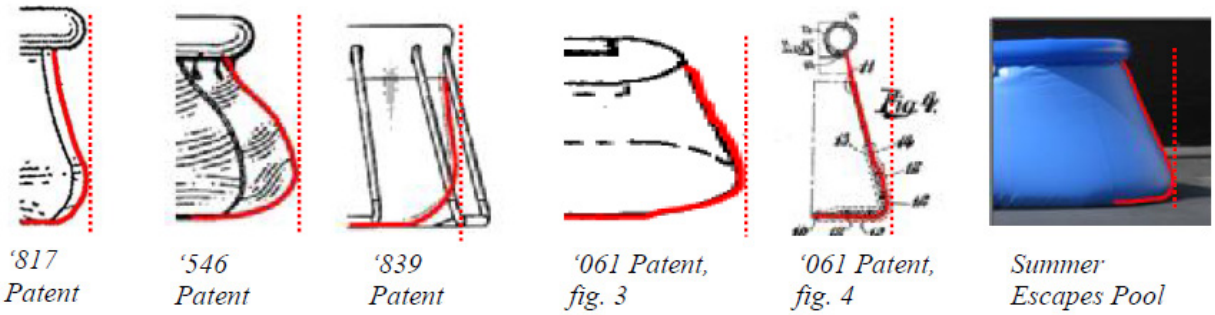
c) A Court Can Tell at a "First Glance" Whether an Accused Design is Plainly Dissimilar and Therefore OUTSIDE the Scope of a Patented Design; Here the District Court's "First Glance" Determined the Accused Product to be INSIDE the Scope of the '817 Patent.

Also, KMBL has argued that the District Court's statement that "at a glance" the Accused Product appeared to be within "the scope" of the '817 Patent was not a definitive enough statement on similarity. (A10-11). (KMBL Br. 21). However, the law says the opposite. *See Minka Lighting, Inc. v. Maxim Lighting Int'l, Inc.*, 2009 U.S. Dist. LEXIS 20948, *19 (N.D. Tex. 2009). ("The difference is obvious **at first glance.** This hook makes Defendants' Cambria fixture appear to have three appendages, whereas the '591 patent appears to have just two.") (emphasis ours). In *Minka*, it seemed to matter greatly that the Court stated that the two designs were plainly dissimilar "at first glance." Here, the District Court found the opposite in its summary judgment order (A2); that is the competing designs being similar "at a glance." (A10-11). Clearly, *Minka* found that a "first glance" was good enough to discern dissimilarity; likewise the Federal Circuit should find that a "first glance" is sufficient to discern similarity. Sameness at "first glance" is really the old "sameness of effect upon the eye" of competing designs as articulated way back in *Gorham v. White*. ("We are now prepared to inquire what is the true test of identity of design. Plainly, it must be sameness of appearance, and mere difference ….will not destroy the substantial identity.") *Gorham Co. v. White*, 81 U.S. 511, 526-527 (1871).

d) The District Court's Action of Using the Singular Element of Proportion to Deny Sofpool's Claim Stands *Egyptian Goddess* and its Progeny on it Head.

Alternatively, if we are not going to second-guess the District Court's clear statements on the similarity of the Accused Design vs. the Patented Design, then we have to agree, as a matter of law, that not applying the second prong of the ordinary observer test in the face of such similarity, was error. *See Egyptian Goddess, Inc. v. Swisa, Inc*. 543 F.3d at 678. We also have to agree that the District Court's focus on proportion alone to overcome all of the other ornamental features of the Patented Design was further error. It is improper to focus on specific features that differ between two designs if such a focus ignores the critical issue of whether the overall designs, as a whole, are substantially similar. *Amini Innovation Corp. v. Anthony California, Inc.*, 439 F.3d 1365, 1372 (Fed. Cir. 2006) (stressing that trial court must "analyz[e] the design as a whole from the perspective of an ordinary observer" and must avoid relying simply on an "element-by-element comparison" of the patented design and alleged infringing device). The deception that arises between an accused and patented design is a result of similarities in the overall design, not of similarities of ornamental features in isolation. *Crocs Inc. v. International Trade Commision*, 598 F.3d 1294, 1303 (Fed. Cir. 2010), citing *Amini Innovation*, 439 F.3d at 1371.

As a matter of law, KMBL's brief was in error because the visual comparisons therein were, by in large, comparisons of disembodied elements in isolation. *See Amini Innovation Corp. v. Anthony California, Inc.*, 439 F.3d 1365, 1372 (Fed. Cir. 2006). Most of the comparison views in KMBL's brief ignored the overall appearance of the various designs whether they were prior art, the Accused Product or the Patented Design. (KMBL Br. 29, 31, 63 (struts); KMBL Br. 35, 37, 64-65 (endwall bulges, angles); KMBL Br. 66 (sidewall angles, bulges)) . For example, to show the prior art end walls, KMBL provided this disembodied set of images, clearly in violation of *Amini Innnovation*. (KMBL Br. 65):

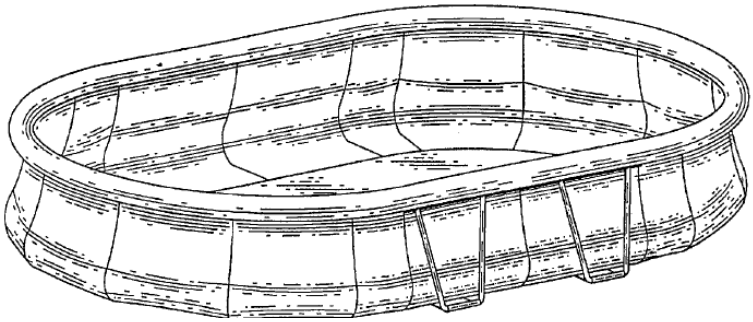


'817 Patent *'546 Patent* *'839 Patent* *'061 Patent, fig. 3* *'061 Patent, fig. 4* *Summer Escapes Pool*

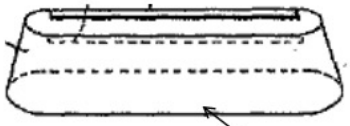
This is really the grossest form of distortion by KMBL and may have led to the ultimate confusion noted by the District Court. (A1660, A1669, A1676, A1703-1704). Had KMBL followed the law and shown complete, *overall views* of the above designs, an entirely different picture would have emerged, namely that the Accused Product was closer in appearance to the '817 Patent than the prior art (*See* Sofpool Br. 49-67):

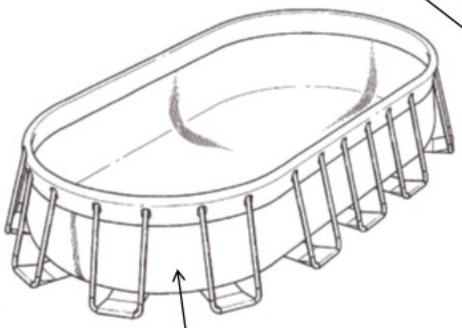


Accused Summer Escapes

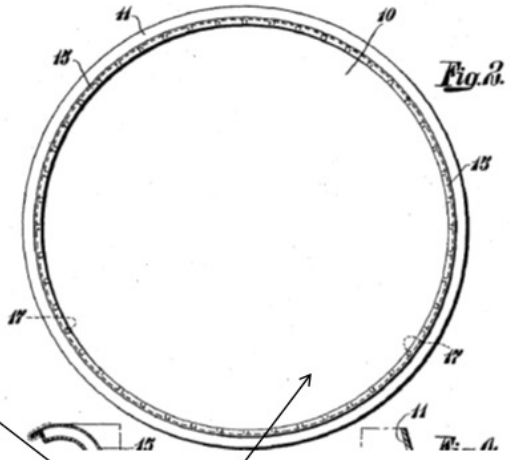


‘817 Patent

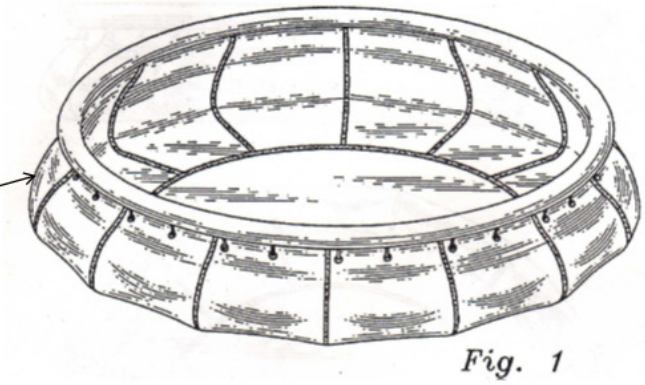




‘839 Patent



‘061 Patent



‘546 Patent

The context of the overall design is the only fair basis for comparison and proportion must be considered in the context of the overall design, and not as a singular, disembodied focal point excluding all other ornamental features of the Patented Design.

2) The Scope of the '817 Patent Should be Interpreted Reasonably Broadly and Fairly in Terms of Proportion.

KMBL won the summary judgment by getting the District Court to focus singularly on the ornamental element of proportion. (A11-12). The District Court even began thinking that the Patented Design was a wading pool. (A12). Therefore, despite finding similarity (A10-11), the District Court decided the case on the singular element of proportion rather than by applying the three-way prior art comparison. This was a strange decision, as it created a category of legal limbo in design patent law where an accused design could be similar to a patented design, but despite this fact, no second prong is engaged. This strange and legally unsupportable result may have come about from KMBL's exaggerated examples regarding proportion in this case.

a) KMBL's Styrofoam Cup vs. Soup Bowl Example Was a Distortion of the Role of Proportion in this Case.

During oral argument, KMBL noted that this case was like a Styrofoam cup being proportionally modified to form a Styrofoam soup bowl. (A1683). The inference was that KMBL's Accused Design was so proportionally modified that these proportional modifications alone took it outside of the scope of Sofpool's '817 Patent. (A1683-1684). The District Court seemed much taken by this argument, and this seemed to be where the District Court formed its wrongful impression that Sofpool's design covered a wading pool and not a swimming pool. (A1683-1684) ("Well said. Well said.").

In the case of a Styrofoam cup versus a Styrofoam soup bowl, Sofpool would have to agree that the proportional difference in such a case implies a different function such that no reasonable ordinary observer would be deceived. (*See Gorham Co. v. White*, 81 U.S. 511, 527 (1871). (Deception is due to "sameness of effect upon the eye"). Most people would agree that a Styrofoam cup does not possess that "sameness of effect upon the eye" as a Styrofoam bowl. As shown below, a Styrofoam cup taken from Google Images® was "blown up" in the manner that KMBL advocated, to create a soup bowl. (A1683):

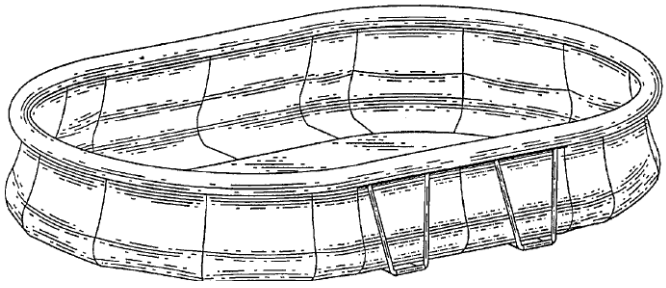


Clearly, with the cup-bowl example shown above, no one would be deceived into thinking that a cup was a bowl and vice versa. However, the cup-bowl example is an exaggeration, by KMBL, of the proportional differences in the case at bar. Also, the cup-bowl example is clearly a situation where the two designs are "plainly dissimilar" and no three-way prior art comparison would be warranted. (*See HR US LLC v. Mizco Int'l, Inc.*, 2009 U.S. Dist. LEXIS 27056, *33-*34(EDNY 2009; Appeal dismissed by *HR US LLC v. Mizco Int'l, Inc.*, 2009 U.S. App. LEXIS 21024 (Fed. Cir. 2009)). KMBL's cup-bowl example is clearly a case where "at first glance" the two designs are "plainly dissimilar".

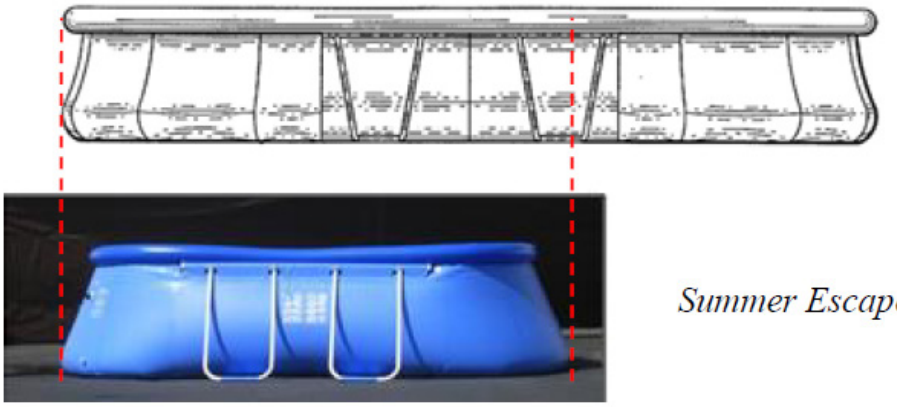
Contrastingly when the Accused Product and Patented Design are compared side by side, at similar heights, no one could validly say that this was not a comparison of two similar swimming pools. The District Court agreed that they looked similar. (A10-11). Below are some images taken from KMBL's brief (KMBL Br. 15-16), and some taken from Sofpool's brief (Sofpool Br. 33-37), which clearly illustrate why the District Court felt "at a glance" that the competing designs were "not plainly dissimilar.":



Summer Escapes 15'X9'X42"

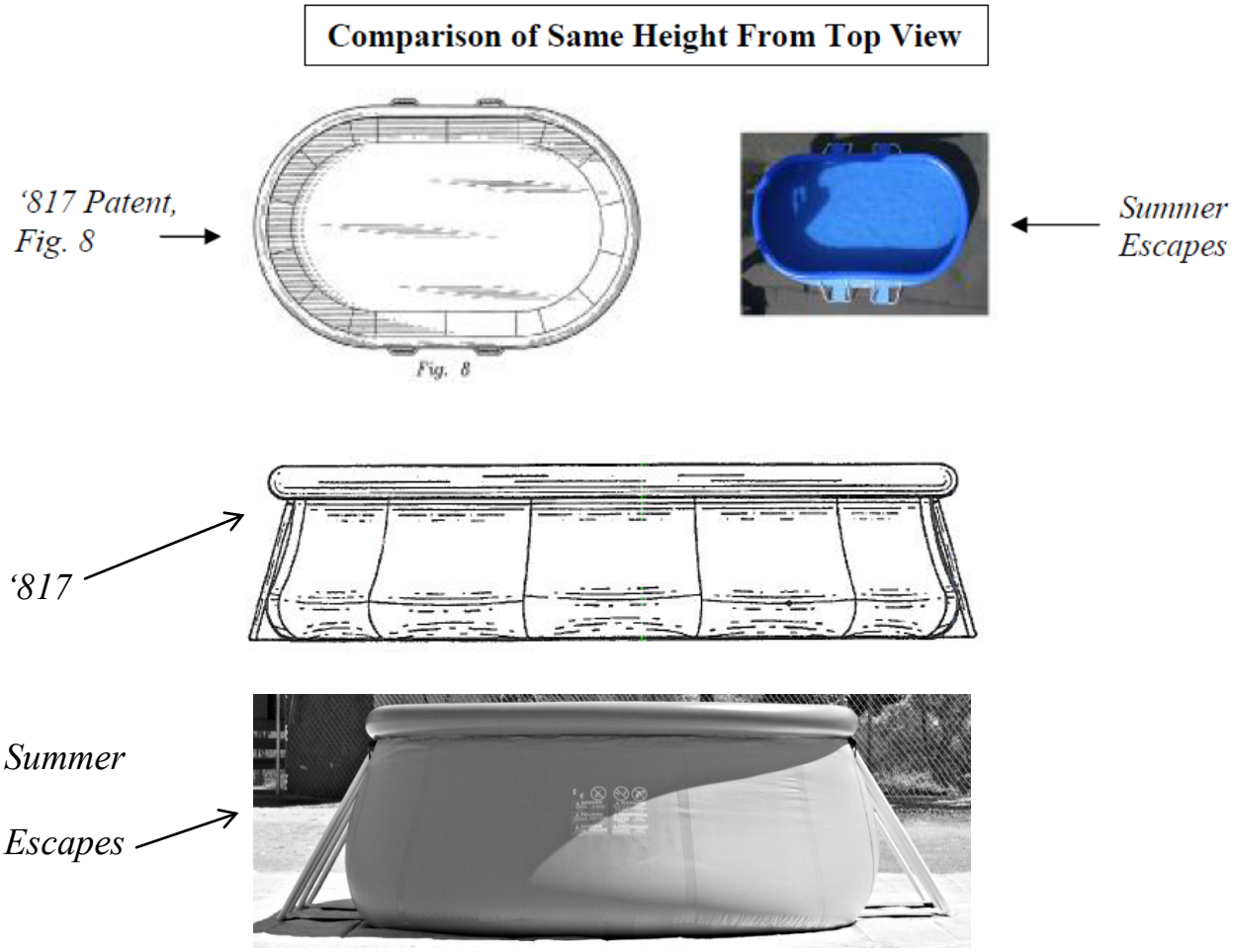


Comparison at the Same Height



'817 Patent, Fig. 7

Summer Escapes



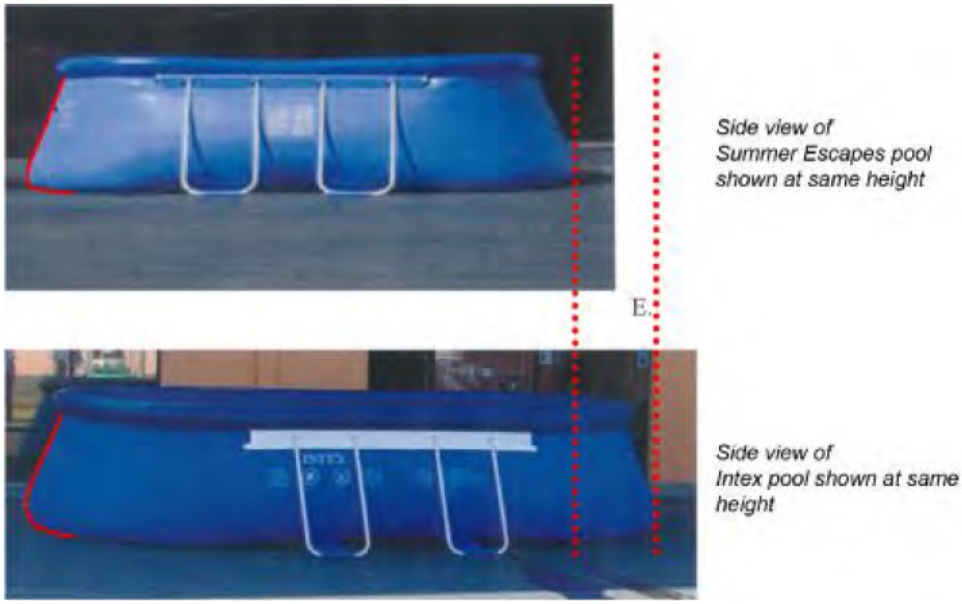
b) Professor Visser's Statements Bear on the Scope of the '817 Patent.

KMBL's expert, Professor Visser, testified on the similarity of a commercial embodiment of an above-ground pool compared to the '817 Design from the previous Intex case. (A670-671) (Sofpool Br. 13). During the summary judgment hearing, Sofpool argued that Mr. Visser's opinion was relevant in determining the scope of what was "plainly dissimilar" or "not plainly dissimilar." (A1674). Clearly, Mr. Visser found the Intex pool to be similar and therefore within the scope of the '817 Patent. (A670-671). (Sofpool Br. 13).

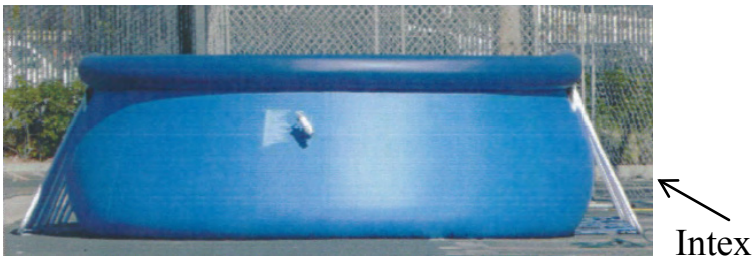
In closing arguments in the Intex case, Intex's counsel even conceded the similarity between the Patented Design and the Intex pool. (A1374) (Sofpool Br. 15).

In Sofpool's brief, a comparison of the Intex pool, the Accused Product and the Patented Design are presented. (Sofpool Br. 14). Somehow, in the mind of KMBL the proportions of the accused Summer Escapes design are so radically different from the Intex pool that the proportions of the Accused Product now overwhelm the other overall effects of the '817 Design. (A1684) (e.g. "Proportions are enough."). In other words, the Accused Summer Escapes Product is a "soup bowl" and the Intex commercial embodiment is a "cup". (KMBL Br. 51-52).

KMBL's arguments on the scope of the '817 cannot be believed. First, KMBL argues that the '817 patent is entitled to "no scope." (KMBL Br. 15) (A1685) Yet, Professor Visser contradicted this very argument by allowing the '817 Patent to have enough scope to cover the Intex pool. (A670-671). Below are comparisons of the Intex, and the Accused Product at similar heights. (A1423-1424) (Sofpool Br. 14) Clearly the Accused Product's proportions are not enough to transform it into the "soup bowl" that KMBL argued was representative of this case:


Side view of
Summer Escapes pool
shown at same height
E.
Side view of
Intex pool shown at same
height


Summer Escapes


Intex



Intex

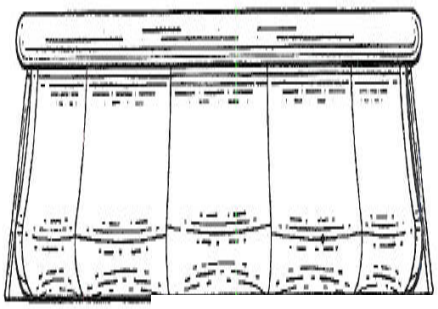


Summer Escapes

Does the '817 Patent have an unlimited scope as to proportions? No, Sofpool is not arguing this. In fact, if this were a case where the proportional differences did approach KMBL's Styrofoam cup-bowl example, then the competing designs would clearly be "plainly dissimilar". A representation of what KMBL's argument might look like are presented below. Clearly such proportional differences do not represent this case:

Front view comparisons at similar height:

'817 Patent *Summer Escapes Accused Product:*









c) The Fact That the '817 Design Conspicuously Departs From the Prior Art Is a Factor in Considering the Scope of the '817 Patent.

The second prong of the ordinary observer test also serves as a strong barometer as to whether an accused design infringes a patented design. *Egyptian Goddess*, 543 F.3d at 677. ("If the accused design has copied a particular feature of the claimed design that departs conspicuously from the prior art, the accused design is naturally more likely to be regarded as deceptively similar to the claimed design."). Sofpool conducted its three-way prior art test in its opening brief. (Sofpool Br. 46-68). This comparison showed only the '839 Rho patent to be closest prior art, but still lacking many of the overall effects of the '817 Design. (Sofpool Br. 49-53). Sofpool was able to demonstrate that the oval top tube with round cross section was not present in the Rho design, nor was an oval top tube having a round cross section

present on any oval-shaped pool noted in the prior art. (Sofpool Br. 50, 58, 60, 62, 63, 64, 66). This feature was unique to the '817 Design and was copied by the Accused Product. Sofpool also showed that it was the only oval-shaped above-ground pool having contoured panel seams, the contours providing an ornamental overall effect. (Sofpool Br. 51). The Accused Product could have gone with the smooth, seamless sides of the Rho design (Sofpool Br. 51), but instead, it copied Sofpool by incorporating this unique ornamental effect into its pool design. (Sofpool Br. 51). All other prior art oval above-ground pool designs were either seamless, like Rho (Sofpool Br. 58) or had straight seams tying together their panels, which lacked any ornamental contoured effect. (Sofpool Br. 60, 62, 63, 64, 66).

Other ornamental effects, such as the twin, generally U-shaped side struts were incorporated by the Accused Product. (Sofpool Br. 51). Sofpool's bulging and sloped side and endwalls were also incorporated into the Accused Product (Sofpool Br. 51-53), but were lacking in the Rho patent. (Sofpool Br. 52).

The fact that the Accused Product copied the Patented Design's ornamental features which departed conspicuously from the prior art (e.g. the oval top tube, the contoured seams on an oval shape) clearly puts KMBL on the wrong side of infringement. *Egyptian Goddess*, 543 F.3d at 677. Additionally, by combining so many of Sofpool's unique elements into its design further cemented KMBL's fate as an infringer under the law. *Id.* at 678

During the summary judgment hearing, Sofpool argued that the fact that a patented design departs conspicuously from the prior art could be used as a tool to define the scope of the '817 Patent. (A1672-1673). Sofpool likened this to the field of utility patents wherein a unique pioneering patent is entitled to a broader range of equivalents. (A1672-1673) *See Farmhand, Inc. v. Anel Engineering Industries, Inc.*, 693 F.2d 1140, 1145 (5th Cir. 1982). ("We recognize that pioneering patents deserve broad protection, and we likewise note that a patent need not list every imaginable permutation of its components nor need it anticipate every possible modification developed by those who use it.") That is, if an Accused Product copies the unique overall effects of a Patented Design, then such a unique design should be entitled to a broader range of equivalents, including in the area of proportion.

The case of *Crocs Inc. v. International Trade Commission* supports this line of thinking, although it did not mention "pioneering patents" per se. *Crocs, Inc. v. International Trade Commission*, 598 F.3d 1294, 1303 (Fed. Cir. 2010). ("Minor differences between a patented design and an accused article's design cannot and shall not prevent a finding of infringement.") The *Crocs* court noted how the accused products had a number of differences when compared to the patented design. *Crocs*, 598 F.3d, at 1301 (Administrative judge found that accused designs had differently shaped straps, straps did not extend to the heel,

holes in upper had different shapes, holes in upper web-shaped and not systematic). However, these noted multiple differences did not destroy the fact that the accused infringing designs incorporated the unique "overall effects" of the patented design and infringement was found. *Crocs*, at 1304-1306; (Sofpool Br. 32-37).

Sofpool has argued many times in this case as to how its case is really *Crocs* re-incarnated. (Sofpool Br. 32-37). The Patented Design, like the unique sandal in *Crocs* has no equivalent in the prior art. (Sofpool Br. 49-68). Also, as in *Crocs*, there have been many manufacturers who have tried to copy the unique "overall effects" of Sofpool's design. (e.g. first Intex and now KMBL). However, here, unlike in *Crocs*, the District Court found the Accused Product to be within the scope of the Patented Design "at a glance" and even differentiated this case from cases where competing designs were "plainly dissimilar". (A 10-11); *See Crocs*, at 1301. (Administrative judge found *no similarity* between Crocs design and accused designs.). (emphasis ours). Therefore, this case is one where the unique "overall effects" of the Patented Design should factor heavily into determining that a broader range of proportions would be infringements.

3) The Application of the Second Prong of the Ordinary Observer Test is Warranted Because the First Prong Has Already Been Determined by the District Court; The Federal Circuit Must Now Follow the Law and Apply the Second Prong to Settle the Issue of Infringement.

This case has been punctuated by admitted confusion at the District Court level. (A1660, A1669, A1676, A1703-1704). However, the whole time the answer to the ultimate question of infringement was so close at hand that all the confusion and this appeal could have been avoided. This answer was to simply take the step of engaging in a three-way prior art analysis, as required by law. *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 678 (Fed. Cir. 2008). This application must be followed in all cases where an accused design has been found to be similar to a patented design. Even in situations where similarity is found "at a first glance." *See Minka Lighting, Inc. v. Maxim Lighting Int'l, Inc.*, 2009 U.S. Dist. LEXIS 20948, *19 (N.D. Tex. 2009). Applying the three-way prior art test will slice through the confusion in this case by providing the necessary frame of reference with regard to the uniqueness of the overall effects of the Patented Design in view of the prior art and whether KMBL has infringed through copying these unique overall effects. (Sofpool Br. 2-3). Sofpool's swimming pool, like the sandal in *Crocs*, must be found to have been infringed under the preponderance of the evidence presented in Sofpool's briefs.

CONCLUSION

The distortions perpetrated by KMBL with regard to proportion in this matter have done nothing but add confusion, complexity and ambiguity to this case. Clarity will be found only when the Federal Circuit applies the three-way test between the Patented Design, the Accused Product and the prior art. Sofpool prays that this step be performed and that a finding of infringement be held.

Respectfully submitted,

DATED: October 28, 2013

By: /s/ John P. Costello

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CERTIFICATE OF FILING AND SERVICE

I hereby certify that, on this the 28th day of October, 2013, I electronically filed the foregoing with the Clerk of Court using the CM/ECF System, which will send notice of such filing to the following registered users:

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I further certify that, upon acceptance and request from the Court, the required paper copies of the foregoing will be deposited with United Parcel Service for delivery to the Clerk, UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT, 717 Madison Place, N.W., Washington, D.C. 20439.

The necessary filing and service were performed in accordance with the instructions given to me by counsel in this case.

/s/ Melissa A. Dockery
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And Type Style Requirements

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October 28, 2013

/s/ John P. Costello
John P. Costello