United States Court of Appeals for the Federal Circuit

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

v.

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

2018-1329, 2018-1331, 2018-1728

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

Decided: November 13, 2019

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

SETH MCCARTHY SPROUL, Fish & Richardson, PC, San Diego, CA, argued for defendant-cross-appellant. Also represented by CHRISTOPHER MARCHESE, OLIVER RICHARDS, TUCKER N. TERHUFEN.

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

LOURIE, *Circuit Judge.*

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

BACKGROUND

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

> 1. A heat management material adapted for use with body gear, comprising:
>
> a base material having a transfer property that is adapted to allow, impede, and/or restrict passage of a natural element through the base material; and
>
> a discontinuous array of discrete heat-directing elements, each independently coupled to a first side of a base material, the heat directing elements being positioned to direct heat in a desired direction, wherein a surface area ratio of heat-directing elements to base material is from about 7:3 to about 3:7 and wherein the placement and spacing of the heat-directing elements permits the base material to retain partial performance of the transfer property.

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

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

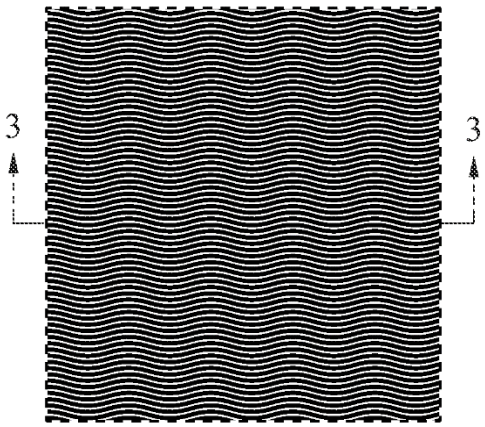

FIG. 1

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

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

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

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

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

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

DISCUSSION

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

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.