United States Court of Appeals for the Federal Circuit

AUTOMOTIVE BODY PARTS ASSOCIATION,
Plaintiff-Appellant

v.

FORD GLOBAL TECHNOLOGIES, LLC,
Defendant-Appellee

2018-1613

Appeal from the United States District Court for the Eastern District of Michigan in No. 2:15-cv-10137-LJM-RSW, Judge Laurie J. Michelson.

SEALED OPINION ISSUED: July 11, 2019
PUBLIC OPINION ISSUED: July 23, 2019*

ROBERT GLENN OAKE, JR., Oake Law Office, Allen, TX, argued for plaintiff-appellant. Also represented by PAUL KITTINGER, Cardelli Lanfear PC, Royal Oak, MI.

JESSICA LYNN ELLSWORTH, Hogan Lovells US LLP, Washington, DC, argued for defendant-appellee. Also represented by KATHERINE BOOTH WELLINGTON; FRANK A.

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* This opinion was originally filed under seal and has been unsealed in full.

ANGILERI, MARC LORELLI, Brooks Kushman PC, Southfield, MI.

Before HUGHES, SCHALL, and STOLL, *Circuit Judges*.

STOLL, *Circuit Judge*.

This case involves both differences and similarities between design patents and utility patents. A design patent protects a "new, original and ornamental design for an article of manufacture." 35 U.S.C. § 171(a). While established law bars design patents on primarily functional designs for lack of ornamentality, utility patents must be functional to be patentable. In many other ways though, design and utility patents are similar. Section 171(b) of Title 35 demands as much, directing that the requirements that apply to "patents for inventions shall apply to patents for designs" unless otherwise provided.

Here, we decide what types of functionality invalidate a design patent and determine whether long-standing rules of patent exhaustion and repair rights applicable to utility patents also apply to design patents. Automotive Body Parts Association (ABPA) asks us to hold that the aesthetic appeal—rather than any mechanical or utilitarian aspect—of a patented design may render it functional. And it asks us to expand the doctrines of exhaustion and repair to recognize the "unique nature" of design patents. Both theories invite us to rewrite established law to permit ABPA to evade Ford Global Technologies, LLC's patent rights. We decline ABPA's invitation and affirm the district court's summary judgment.

BACKGROUND

I

Ford's U.S. Patent No. D489,299 and U.S. Patent No. D501,685 protect designs used in certain models of Ford's F-150 trucks. The D'299 patent, titled "Exterior of

Vehicle Hood," claims "[t]he ornamental design for exterior of vehicle hood." Figure 1, below, illustrates the hood.

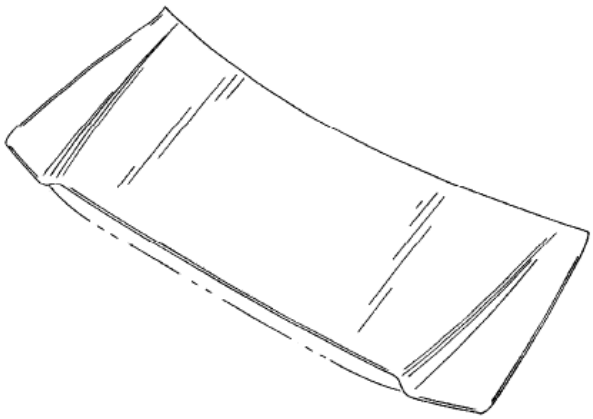
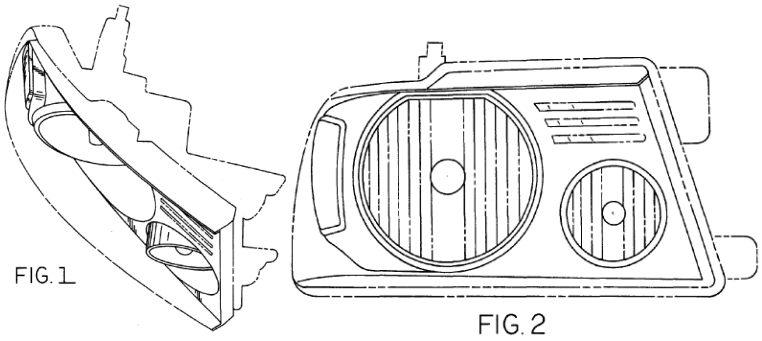


FIG. 1

The D'685 patent, titled "Vehicle Head Lamp," claims "[t]he ornamental design for a vehicle head lamp," as shown in Figures 1 and 2, reproduced below.



The inventors of these designs are artists holding Bachelor of Fine Arts degrees from the College for Creative Studies. In a declaration, one inventor explained that the inventors had "full control and responsibility for the exterior appearance of the . . . Ford F-150 truck," that "the design team created and selected part designs based on aesthetic appearance," and that although engineers reviewed the final designs, "[t]here were no changes to the aesthetic

designs of the[] parts based on engineering or functional requirements." J.A. 2538–39.

II

ABPA, an association of companies that distribute automotive body parts, clashed with Ford at the International Trade Commission when Ford accused a number of ABPA members of infringing the D'299 and D'685 patents, among others. The ITC actions eventually settled, but only after the administrative law judge ruled that "respondents' [invalidity] defense that the asserted patents do not comply with the ornamentality requirement of 35 U.S.C. § 171 has no basis in the law," J.A. 256, and that "there is no legal basis for respondents' assertion of [unenforceability based on] either the patent exhaustion or permissible repair doctrines," J.A. 242.

Undeterred, ABPA sued Ford in district court, seeking a declaratory judgment of invalidity or unenforceability of the D'299 and D'685 patents. ABPA eventually moved for summary judgment. The district court considered ABPA's arguments and denied the motion, noting that ABPA "effectively ask[ed] this Court to eliminate design patents on auto-body parts." *Auto. Body Parts Ass'n v. Ford Glob. Techs., LLC*, 293 F. Supp. 3d 690, 694 (E.D. Mich. 2018). Though Ford had not moved for summary judgment, the district court announced its intention to enter judgment in favor of Ford sua sponte pursuant to Federal Rule of Civil Procedure 56(f)(1). *Id.* at 707. ABPA responded, agreeing that it had not "include[d] any additional argument, authorities, or evidence beyond that which has already been considered by this Court," and stating that it "d[id] not object to the prompt entry of final judgment so that [it could] file a notice of appeal." J.A. 2149. The district court entered summary judgment, and ABPA appeals.

DISCUSSION

We review the district court's sua sponte grant of summary judgment under the law of the regional circuit. *See Charles Mach. Works, Inc. v. Vermeer Mfg. Co.*, 723 F.3d 1376, 1378 (Fed. Cir. 2013). In the Sixth Circuit, "[t]he substance of the district court's decision is reviewed de novo under the normal standards for summary judgment." *Leffman v. Sprint Corp.*, 481 F.3d 428, 430 (6th Cir. 2007) ("The district court's procedural decision to enter summary judgment sua sponte, however, is reviewed for abuse of discretion." (quoting *Shelby Cty. Health Care Corp. v. S. Council of Indus. Workers Health & Welfare Trust Fund*, 203 F.3d 926, 931 (6th Cir. 2000))). Accordingly, we determine whether, after weighing all inferences in favor of ABPA, Ford is entitled to judgment as a matter of law.[1] *See Leary v. Daeschner*, 349 F.3d 888, 897 (6th Cir. 2003).

I

We first address ABPA's invalidity arguments. Section 171 of Title 35 authorizes patents claiming "new, original and *ornamental* design[s] for an article of manufacture." 35 U.S.C. § 171(a) (emphasis added). Our precedent gives weight to this language, holding that a design patent must claim an "ornamental" design, not one "dictated by function." *See, e.g.*, *High Point Design LLC v. Buyers Direct, Inc.*, 730 F.3d 1301, 1315 (Fed. Cir. 2013). We have recognized, however, that a valid design may contain some functional elements. After all, "a design patent's

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[1] Ordinarily, we review a district court's determination of whether a patented design is invalid due to functionality for clear error. *See Ethicon Endo-Surgery, Inc. v. Covidien, Inc.*, 796 F.3d 1312, 1328 (Fed. Cir. 2015). ABPA invites us to revisit this standard and establish de novo review. Given the de novo standard inherent in review of summary judgment, we do not reach this question.

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