

United States District Court,
N.D. Texas, Dallas Division.

**LONG RANGE SYSTEMS,
INC.** Plaintiff.

v.

NTN WIRELESS COMMUNICATIONS, INC. f/k/a Zoom Communications,
Inc. Defendant.

No. 3-03-CV-0598-L

June 18, 2004.

Kenneth R. Matticks, Matticks & Anderson, Dallas, TX, for Plaintiff.

Jennifer Jackson Spencer, Charles Phipps, Locke Liddell & Sapp, Dallas, TX, for Defendant.

FINDINGS AND RECOMMENDATION OF THE UNITED STATES MAGISTRATE JUDGE

KAPLAN, Magistrate J.

This design patent case is before the court on the issue of claim construction. The parties have submitted a joint claim construction statement, briefs, evidence, and oral argument in support of their respective positions. For the reasons stated herein, the court should interpret the patent claim as follows:

I.

Plaintiff Long Range Systems, Inc. ("LRS") manufactures electronic paging devices which are used, among other things, to alert restaurant patrons that their tables are ready. (Plf. Sec. Am. Compl. at 2, para. 4). The pagers are in the general shape of a drink coaster and blink or vibrate when activated. (*Id.*). Plaintiff also is the owner by assignment of Design Patent No. 371,054 ("the '054 Design Patent") covering "[t]he ornamental design for a combined drink coaster and pager." (*Id.* at 2, para. 5 & Exh. A).

In early 1999, Hospitality Innovators ("HI"), later known as Zoom Communications, Inc. ("Zoom"), became the exclusive sales agent for LRS pagers east of the Mississippi River. (*Id.* at 3, para. 8). Sometime thereafter, Zoom introduced its own coaster paging device into the market which, according to plaintiff, "was designed, manufactured and sold, at least in part by using the proprietary and confidential information obtained from LRS." (*Id.* at 3, para. 9). Plaintiff further alleges that Zoom has attempted to mislead potential customers as to the origin of its pagers and has sold remanufactured LRS pagers under its own name. (*Id.* at 3-4, para. 10-11). By this action, plaintiff sues Zoom and its successor, NTN Wireless Communications ("NTN"), for infringement of the '054 Patent, trade dress infringement, and unfair competition under federal and Texas law.

II.

A design patent protects the non-functional aspects of an ornamental design as shown in the patent drawings. *See* 35 U.S.C. s. 171 ("Whoever invents any new, original and ornamental design for an article of manufacture may obtain a design patent therefor ..."); *see also* *OddzOn Products, Inc. v. Just Toys, Inc.*, 122 F.3d 1396, 1404 (Fed.Cir.1997). The proper construction of a design patent involves a two-step process. First, as with a utility patent, the claim must be properly construed to determine its meaning and scope. *Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571, 1577 (Fed.Cir.1995), *citing* *Markman v. Westway Instruments, Inc.*, 52 F.3d 967, 975 (Fed.Cir.1995), *aff'd*, 517 U.S. 370, 116 S.Ct. 1384, 134 L.Ed.2d 577 (1996). Second, the claim as properly construed, must be compared to the accused design to determine whether there has been infringement. *Id.* The comparison begins with a test for overall visual similarity:

[I]f, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other.

Id., *quoting* *Gorham Co. v. White*, 81 U.S. (14 Wall.) 511, 528, 20 L.Ed. 731 (1871). If the patented design is comprised of both functional and ornamental features, "the accused design must appropriate the novel ornamental features of the patented design that distinguish it from the prior art." *Id.*, *citing* *Oakley, Inc. v. Int'l Tropic-Cal, Inc.*, 923 F.2d 167, 169 (Fed.Cir.1991). The "points of novelty" test is separate and independent from the "ordinary observer" test-both must be met in order to establish infringement of a design patent. *See* *Unidynamics Corp. v. Automatic Products Int'l, Ltd.*, 157 F.3d 1311, 1323 (Fed.Cir.1998); *Sun Hill Industries, Inc. v. Easter Unlimited, Inc.*, 48 F.3d 1193, 1197 (Fed.Cir.1995).

A.

At this stage of the litigation, the court has been asked only to construe the meaning and scope of the patent claim. The proper construction of design patent focuses on the overall visual impression of its ornamental features. *OddzOn Products*, 122 F.3d at 1405; *Durling v. Spectrum Furniture Co.*, 101 F.3d 100, 104 (Fed.Cir.1996). Stated differently, "the Court's construction should translate the drawings into a written description that evokes the visual image of the claimed design." *Lamps Plus, Inc. v. Dolan*, 2003 WL 22435702 at (N.D.Tex. Aug.26, 2003), *citing* *Minka Lighting, Inc. v. Craftmade International, Inc.*, 2001 WL 1012685 at (N.D.Tex. Aug.20, 2001). The court should resolve any disputes regarding claim construction based on its own observation of the design aided by any other submissions it chooses to consider. *Id.* Ultimately, the court should translate the patent drawings into a written description that evokes the visual image of the claimed design. *Id.*, *citing* *Durling*, 101 F.3d at 103 & n. 2

B.

The parties agree that a proper construction of the '054 Patent should include the following description:

The claim of U.S. Design Patent No. 371,054 is directed to an ornamental design for a combined drink coaster and pager. This device, as shown in the figures of the '054 Design Patent, consists of an essentially square casing with four rounded upper corners and a circular depression located in the center of its top surface. The circular depression occupies the majority of the top surface of the casing.

(*See* Jt. Cl. Constr. St. at 2). However, they disagree as to what further language is required to properly construe the patent.

1.

Plaintiff maintains that the only other language necessary to describe the patent claim would clarify that "[t]he casing is sufficiently transparent to allow illuminated LED's [Light Emitting Diodes] to be viewed outside of the casing." (*Id.*). This proposed construction is far too generic. The construction of a design patent must be specific enough to assist the jury in determining whether the accused design appropriates the "points of novelty" of the patented design. *Lamps Plus*, 2003 WL 22435702 at *4. *See also American Eagle Wheel Corp. v. American Racing Equipment, Inc.*, 129 F.3d 135, 1997 WL 643916 at (Fed.Cir. Oct.20, 1997) (Table) ("[T]he scope of what the design patent claims must be construed narrowly."). Contrary to this principle, plaintiff's proposed construction would encompass the entire, general design concept of a coaster pager device. *See OddzOn Products*, 122 F.3d at 1405; *Durling*, 101 F.3d at 104. FN1

FN1. Such a broad construction also could cause plaintiff's device to run afoul of the prior art. (*See* Def.App. at 25-47, Exhs. I, J, K. & L).

Moreover, the law makes clear that it is the *overall* appearance of the design, not just any particular feature, that must be included in the claim construction. "A patented design is defined by the drawings of the patent, not just by one feature of the claimed design." *Contessa Food Products, Inc. v. Conagra, Inc.* , 282 F.3d 1370, 1378 (Fed.Cir.2002), *quoting* *KeyStone Retaining Wall Systems, Inc. v. Westrock, Inc.*, 997 F.2d 1444, 1450 (Fed.Cir.1993). Even plaintiff acknowledges that the visibility of the LED lights is only the "*primary* design feature" of its device. (Plf. Cl. Constr. Br. at 3) (emphasis added). For these reasons, plaintiff's proposed construction should be rejected.

2.

Defendant proposes that the following additional language be incorporated in the claim construction:

The casing is sufficiently transparent to allow the square circuit board mounted inside of the casing and four sets of lights mounted on the top of the circuit board to be viewed outside of the casing. Each of the four sets of lights consists of a row of three lights, all three lights linearly aligned, with each set of lights positioned near each of the four corners of the casing, but along the circumference of the circular depression. All four sets of lights are equally spaced from each other along the circumference of the circular depression. The circuit board is mounted slightly above the surface and slightly below the top surface of the casing using four mounting posts, each of which protrudes through the top surface of the casing and each of which is inset into the bottom surface of the casing.

(*Id.*). Plaintiff counters that this construction describes purely functional, as opposed to ornamental, aspects of the design. Indeed, the proper construction of a design patent should describe only the non-functional features of the design. *Oddzon Products*, 122 F.3d at 1405. However, the test of functionality is a stringent one:

[T]he design of a useful article is deemed functional where the appearance of the claimed design is dictated by the use or purpose of the article. [Citation omitted.] [T]he design must not be governed solely by function, *i.e.*, that this is not the only possible form of the article that could perform its function. [Citation omitted.] When there are several ways to achieve the function of an article of manufacture, the design of the article is more likely to serve a primarily ornamental purpose.

Rosco, Inc. v. Mirror Lite Co., 304 F.3d 1373, 1378 (Fed.Cir.2002) (internal quotation marks omitted). The test is applied to the device as a whole, not its individual components. *See L.A. Gear*, 988 F.2d at 1123. Therefore, regardless whether individual components of the device serve some function, they are not purely functional unless their "*appearance* ... is dictated by the use or purpose of the article." *Rosco, Inc.*, 304 F.3d at 1378 (emphasis added) (citation omitted).

Here, plaintiff has not shown that the *appearance* of the lights, circuit board, and mounting posts is strictly dictated by their functions. Clustering the lights in four sets of three at points equidistant around the circumference of the circular center depression is purely an aesthetic choice. There is no functional reason why the lights could not be placed around the entire circumference of the depression or grouped in smaller or larger numbers or in different locations. Clearly, a description of the number and placement of the lights is necessary to evoke the overall visual impression of the design.

Plaintiff further argues that the placement of the circuit board is necessary to prevent the circuitry from melting the plastic housing of the coaster and that the mounting posts serve as recharging terminals when the coasters are stacked on top of one another. As with the lights, the *appearance* of these features is not purely functional. Plaintiff has articulated no functional reason that requires the mounting posts to be circular as opposed to any other shape or that necessitates their placement in the four corners of the device. Nor is visibility of the circuit board through the transparent casing strictly dictated by function. In fact, the prosecution history reveals that the patent examiner required the inventor to amend the patent by adding "transparency shading." In complying with this instruction, the inventor indicated that the entire surface of the coaster was transparent. (*See* Plf.App. at 7, 9-10). Importantly, the inventor did not specifically exclude either the circuit board or the mounting posts by representing them in broken lines. These features are therefore presumed to be included in the patented design. *Contessa Food Products*, 282 F.3d at 1378; *see also Elmer*, 67 F.3d at 1577.

RECOMMENDATION

Defendant's proposed construction of the '054 Patent describes the various components of the design in relation to one another in a way that appropriately reflects the overall visual impression of the patented device. *See Minka Lighting*, 2001 WL 1012685 at *19. The court should construe the sole claim of this patent as follows:

The claim of U.S. Design Patent No. 371,054 is directed to an ornamental design for a combined drink coaster and pager. This device, as shown in the figures of the '054 Design Patent, consists of an essentially square casing with four rounded upper corners and a circular depression located in the center of its top surface. The circular depression occupies the majority of the top surface of the casing. The casing is sufficiently transparent to allow the square circuit board mounted inside of the casing and four sets of lights mounted on the top of the circuit board to be viewed outside of the casing. Each of the four sets of lights consists of a row of three lights, all three lights linearly aligned, with each set of lights positioned near each of the four corners of the casing, but along the circumference of the circular depression. All four sets of lights are equally spaced from each other along the circumference of the circular depression. The circuit board is mounted slightly above the surface and slightly below the top surface of the casing using four mounting posts, each of which protrudes through the top surface of the casing and each of which is inset into the bottom surface of the casing.

A copy of this recommendation shall be sent to all counsel of record. Any party may file written objections to the recommendation by *July 2, 2004*. The failure to file written objections shall bar the aggrieved party from appealing the factual findings and legal conclusions of the magistrate judge that are accepted or adopted by the district court except upon grounds of plain error. *See* *Douglass v. United Services Automobile Ass'n*, 79 F.3d 1415, 1417 (5th Cir.1996).

N.D.Tex.,2004.

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