

September 2015 Intellectual Property Roundtable – Hot Topics in IP Law

Latest Developments in Patent Law – A Review of Suprema v. ITC and ClearConnect v. ITC & Align Technologies



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Latest Developments in Trademark Law – A Review of Hana Financial, Inc. v. Hana Bank



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Latest Developments in Copyright Law – A Review of Home Legend, LLC v. Mannington Mills, Inc.



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Latest Developments in Patent Law

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Suprema v. ITC – Does the ITC Have Jurisdiction over Goods That Are Used to Infringe a Patent After Importation?

Underlying Facts

Cross Match Technologies filed a complaint in 2010 asserting 4 patents covering aspects of fingerprinting scanning technologies. The accused RealScan line of fingerprint scanners were made by Suprema, a Korean company, overseas and imported into the U.S. by both Suprema and Mentalix. To function, the scanner must be connected to a computer loaded with custom software. Suprema does not make this software. Instead, it ships each scanner with a software development kit (SDK) that is used for developing custom programs that control the function of the scanners. The SDK includes DLLs (dynamic link libraries) and an instruction manual that explains how programs can be written to take advantage of the scanner functionality. Mentalix, an American company, writes custom software called FedSubmit which utilizes Suprema's SDK to control and operate the scanners. Mentalix bundles its software with the scanners and resells the bundle within the U.S.

Key Statute - 19 U.S.C. § 1337 (emphasis added)

(a) Unlawful activities; covered industries; definitions

(1) Subject to paragraph (2), the following are unlawful, and when found by the Commission to exist shall be dealt with, in addition to any other provision of law, as provided in this section:

(A) Unfair methods of competition and unfair acts in the importation of articles (other than articles provided for in subparagraphs (B), (C), (D), and (E)) into the United States, or in the sale of such articles by the owner, importer, or consignee, the threat or effect of which is—

- (i) to destroy or substantially injure an industry in the United States;
- (ii) to prevent the establishment of such an industry; or
- (iii) to restrain or monopolize trade and commerce in the United States.

(B) The importation into the United States, the sale for importation, or the sale within the United States after importation by the owner, importer, or consignee, of **articles that**—

- (i) ***infringe*** a valid and enforceable United States patent or a valid and enforceable United States copyright registered under title 17; or
- (ii) are made, produced, processed, or mined under, or by means of, a process covered by the claims of a valid and enforceable United States patent.

Commission's Ruling, *Certain Biometric Scanning Devices, Components Thereof, Associated Software, and Products Containing the Same*, No. 337-TA-720

An ALJ determined that Suprema's scanners bundled with Mentalix's FedSubmit software infringed method claim 19 of U.S. Patent No. 7,203,344. The Commission reviewed in 2011 and agreed that Mentalix directly infringed the '344 patent when it combined Suprema's scanners with Mentalix's FedSubmit software and resold them within the U.S. The Commission further concluded that Suprema induced infringement. The Commission ruled that Section 337 provided the ITC with authority to find infringement over importation of goods that, *after importation*, are used by the importer to directly infringe at the inducement of the goods' sellers.

Federal Circuit panel ruling, 742 F.3d 1350, 1352 (Fed. Cir. 2013)

Overruled the Commission's ruling, finding that the Commission lacked authority under section 337 to issue an exclusion order based on induced infringement because the articles are not in an infringing state upon importation. A panel found that Section 337 imposed a temporal limit and that infringement must be determined at the time of importation.

Federal Circuit *en banc* ruling, No. 2012-1170 (Aug. 10, 2015)

An *en banc* panel from the Federal Circuit vacated the panel's prior ruling and restored the Commission's initial ruling. The *en banc* opinion pointed out that the panel ruling effectively eliminated relief under Section 337 for induced infringement and potentially all types of infringement of method claims.

The full panel decided that Section 337 does not answer the question of whether the ITC has jurisdiction over imported goods after importation. Thus, the Federal Circuit stated that the Commission's interpretation of its own power under Section 337 is entitled to *Chevron* deference.

a. Deference to ITC's interpretation of Section 337

The Federal Circuit reviewed the Commission's interpretation of Section 337 pursuant to the framework established in *Chevron, U.S.A., Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837 (1984). *Chevron* articulated a two-part standard for evaluating an agency's construction of a statute. First, has Congress directly spoken on this question? If yes, then the inquiry ends. If answer is no, then the second question is whether the agency's interpretation is based on a "permissible construction of the statute." The agency's "interpretation governs in the absence of unambiguous statutory language to the contrary or unreasonable resolution of the language that is ambiguous." *Suprema*, slip. op. at 14.

Under step 1 of the *Chevron* test, the Federal Circuit concluded that Congress did not directly answer the question. The word "infringe" refers back to 35 U.S.C. §271, which includes both direct and indirect infringement. The phrase "articles that infringe" finds no corollary in Section 271. In addition, whereas Section 271 defines infringement by way of actions committed by persons, Section 337 defines infringement by articles. This creates ambiguity and thus indicates that Congress did not answer the question at issue.

Because there is ambiguity, the Federal Circuit next looked at whether the ITC's interpretation of Section 337 is unreasonable under step 2 of the *Chevron* test. The Commission's interpretation prevails, "whether or not it is the only possible interpretation or even the one a court might think

best.” *Suprema*, slip. op. at 20. In reviewing the Commission’s interpretation, the *en banc* panel agreed that the language of Section 337 actually contemplates that direct infringement would occur after the act of importation (“the sale within the United States *after importation* by the owner, importer, or consignee, of articles that infringe”). The *en banc* panel further determined that Congress intended to vest the ITC with broad authority to address “every type and form of unfair trade acts.” *Suprema*, slip. op. at 22. The Federal Circuit further pointed to the fact that the ITC has consistently issued exclusionary orders to remedy induced infringement over the past 35 years.

Judge Dyk’s dissent

The dissent points out what they believe to be a key distinction between this case and prior ITC rulings on inducement. In prior cases, the Commission has found inducement of infringement where inducing instructions are included in the importation. Thus, the Commission could reasonably conclude that every imported article in those prior cases would be used to infringe a patent. In contrast, here, there is a substantial non-infringing use for *Suprema*’s scanners because direct infringement depends on how the custom software is programmed. The dissent points out that the Commission acknowledged that Customs cannot determine, at the time of importation, whether a *Suprema* scanner would be used in an infringing manner or not. And while the majority in the *en banc* panel refers to *Suprema*’s instruction manuals, the dissent points out that neither the ALJ or the Commission concluded that the instruction manuals actually induced infringement, and they did not rely on those manuals as proof of inducement. The dissent further suggests that there is no evidence that the instruction manuals are shipped alongside the scanners.

O’Malley, Prost, Lourie, and Dyk’s dissent

This dissent criticizes the majority for basing its decision on public policy and trying to fill a gap in the ITC’s authority when that responsibility falls to Congress. In particular, the dissent disagrees with the majority’s analysis under the *Chevron* test. In step 1, the dissent finds that the phrase “articles that infringe” is not ambiguous, pointing to several dictionary definitions as establishing the term “articles” to refer to physical objects. The use of phrases such as “importation into the United States” and “sale for importation” in Section 337 establish the point of importation as the “cornerstone of liability.” Patented methods, like claim 19 of the asserted patent, are generally not infringed at the time of importation.

Congress articulated in Section 337(a)(1)(B) that the only acts of infringement are importation, sale for importation, and sale within the United States. Congress did not include “use,” thus, Congress did not intend the ITC to have authority over infringement of method claims, unless it occurs at the time of importation. As further indication that the ITC’s authority does not reach post-importation use that may infringe a method claim, the dissent points to the Commission’s own decision in *In The Matter Of Certain Electronic Devices With Image Processing Systems, Components Thereof, And Associated Software*, Inv. No. 337-TA-724, 2012 WL 3246515 (Dec. 21, 2011). In that decision, the Commission ruled that Apple did not indirectly infringe a method claim by importing computers that were later used in the U.S. to practice the claimed method because Section 337 does not cover post-importation use. *Id.* at *13.

Discussion Questions

1. Should the ITC be allowed to exclude articles of goods that would be later combined to infringe a particular patent?
 - a. Should the ITC have the authority to rule on potential acts of inducement or contributory infringement when the act of direct infringement has not occurred at the time of importation?
 - b. Should such instances of infringement be litigated and handled at the district court level instead of the ITC?
 - c. Cross Match could pursue a remedy against Mentalix in district court and enjoin the infringing combination. Should that be sufficient?
2. *Suprema* argued that Section 271(a) (“any patented invention”) and (c) (“a component”) articulate infringement in terms of actual goods made, sold, offered for sale, or imported, thus, there was precedent in the Patent Act for articulating infringement in terms of actual items rather than the provisioning of goods.
 - a. Is *Suprema* correct in this interpretation?
 - b. Does this interpretation lend support to the position that the ITC should be limited to excluding actual infringing goods at the time of importation?
3. Section 337 says “articles that infringe” in the present tense. *Suprema* argued that meant Congress intended to limit the ITC authority to goods that actually infringed at the time of importation.
 - a. Is *Suprema* correct in this interpretation?
4. The Federal Circuit cited to the strong public policy rationale in allowing the ITC to handle all unfair trade acts. Should public policy play a role in this decision?
 - a. *See* dissent from Judges O’Malley, Prost, Lourie, and Dyk on this point.
5. The dissent points out that the exclusionary order, as drafted, is overbroad because it excludes the importation of all *Suprema* scanners when the infringement only occurs when the *Suprema* scanners are combined with *Mentalix* software.
 - a. Should the ITC’s authority only reach actual goods because customs agents cannot ascertain the whether a party will use a good in an infringing manner post-importation?
 - b. The Commission’s ruling allowed *Suprema* to import scanners that were first certified to be used with non-*Mentalix* software. Does this pre-condition adequately solve the overbroad exclusionary order?

ClearCorrect v. ITC and Align Technologies—Does the ITC’s authority to block the importation of infringing “articles” under 19 U.S.C. § 1337 extend to data or digital information?

Underlying Facts

ClearCorrect makes and sells orthodontic “aligners” that fit over a patient’s teeth and gradually straighten them. *ClearCorrect* first makes a mold of the patient’s teeth, scans the mold, then sends the scanned data to an affiliated company in Pakistan, CCPK. CCPK uses the data from the scan to plot projected movements of the patient’s teeth from their crooked position to a

straight position. It sends the data for these plotted movements back to ClearCorrect in Texas, which uses the data to create sets of aligners for the patient's use.

Align first sued ClearCorrect for patent infringement in 2011 in Texas district court. That lawsuit was dismissed after Align granted ClearCorrect a covenant not to sue. On April 5, 2012, the ITC initiated an investigation based on Align's complaint that ClearCorrect infringed seven other patents.

ITC Proceedings & Order

In the ITC proceedings, an ALJ found that ClearCorrect infringed six of the seven patents and recommended that the Commission issue cease and desist orders. The full commission decided to review the ALJ's recommendation, and it received amicus briefing from Google, the MPAA, Nokia, and others.

The Commission found that ClearCorrect infringed two types of method claims found in five of the asserted patents.¹ The Commission found that ClearCorrect directly infringed and that CCPK contributed to that infringement by providing the digital models. It ordered ClearCorrect to cease and desist "importing (including through electronic transmission)" the "digital models, digital data, and treatment plans for use in making incremental dental positioning adjustment appliances or the appliances therefrom." (Apr. 3, 2014 ITC Order.) It later stayed that order pending the appeal to the Federal Circuit.

Issued Addressed at Oral Argument

The oral argument occurred on August 11, 2015—just one day after the court issued its opinion in *Suprema*. The panel included Judges Prost and O'Malley, both of whom dissented from the *Suprema* holding. The judges may have hinted at their views in *ClearCorrect* in that dissent when they wrote: "The word 'articles' is not ambiguous—it has a well-defined legal definition. [citation] The word connotes *a physical object*."

¹ Claim 1 from U.S. Patent 6,722,880, copied below, is representative of what the ITC called "Group I" type claims:

1. A method for making a predetermined series of dental incremental position adjustment appliances, said method comprising:
 - a) obtaining a digital data set representing an initial tooth arrangement;
 - b) obtaining a repositioned tooth arrangement based on the initial tooth arrangement;
 - c) obtaining a series of successive digital data sets representing a series of successive tooth arrangements; and
 - d) fabricating a predetermined series of dental incremental position adjustment appliances based on the series of successive digital data sets, wherein said appliances comprise polymeric shells having cavities shaped to receive and resiliently reposition teeth, and said appliances correspond to the series of successive tooth arrangements progressing from the initial to the repositioned tooth arrangement.

The ITC also found that ClearCorrect infringed so-called "Group II" claims, which differ from Group I claims because they "stop[] short of the production or fabrication of appliances" and instead "end with the creation of digital data sets or when the digital data sets are 'provided' to a fabricator." (ITC Resp. Br. at 12.) The claims thus correspond with CCPK's activities in Pakistan. (*Id.*)

The judges aggressively questioned both sides, but they did seem more skeptical of the positions taken by the ITC and Align. Judge Prost interrupted the ITC’s attorney almost immediately to challenge a statement in the ITC’s brief that the court should “not lose sight of the fact that this is a case about teeth.” Judge Prost said that the case involved an important legal principle and drew an analogy to *Markman*, arguing that nobody thinks of that case as merely about dry cleaning.

Much of the oral argument involved attempts by the ITC and Align to argue that, if the court affirms, there are limiting principles that would narrow the ITC’s power to regulate intangible articles. The ITC’s attorney argued that the Commission would not be able to regulate, for example, digital services or phone calls, and that only “digital goods” would be covered by the ITC’s authority. The attorney for Align later argued that Internet service providers and other “carriers” of electronic information also would not be subject to the ITC’s authority because they are not importers.

Additional Letter Briefing Regarding the Impact of *Suprema*

At the oral argument, the Federal Circuit panel requested further letter briefing from the parties regarding the impact of *Suprema* on the case. Both sides argued that *Suprema* supported their positions. The ITC and Align emphasized the finding in *Suprema* that the Federal Circuit must apply *Chevron* deference to the ITC’s interpretation of section 337. They further argued that the majority opinion in *Suprema* used the words “articles” and “goods” synonymously. (Judge Prost seemed quite skeptical of this point when the ITC made a similar argument at oral argument, stating that the *Suprema* majority did not determine the meaning of the word “articles,” but instead assumed that “articles” refer to “tangible items” and interpreted the words “that infringe.”) ClearCorrect took the opposite lesson from the *Suprema* majority’s interchangeable use of “goods” and “articles,” arguing that “goods” are generally tangible objects, and so “articles” must be, too.

Discussion Questions

1. If the Federal Circuit affirms that the ITC may regulate intangible “articles” such as data, what are the limits on the ITC’s jurisdiction? Is this case really just about teeth, as the ITC argued in its brief?
2. The data here is ultimately used to make physical items—teeth aligners. If the Federal Circuit affirms, is that fact a sensible or realistic way to limit the ITC’s authority over intangible “articles?”
3. Considering that Judges Prost and O’Malley strongly hinted at their views of this case in their *Suprema* dissent, is this case headed for a rehearing en banc?
4. At oral argument, the ITC and Align both emphasized that if the court affirms, the ITC would not have authority over carriers that merely transmit intangible “articles,” such as Internet service providers. Would this immunity extend to ISPs that provide streaming services, for example? Note that the Motion Picture Association of America submitted an amicus brief arguing that this new authority could be a powerful tool in fighting copyright infringement. Could the ITC exercise jurisdiction over ISPs under a theory of contributory infringement, as some legal scholars have suggested?

5. Did Congress already settle the question of which federal agency has authority over electronic communications when it created the FCC? The Communications Act of 1934, which created the FCC, calls it the “centralizing authority” “with respect to interstate and foreign commerce in wire and radio communication.” 47 U.S.C. § 151.

Latest Development in Trademark Law

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A. Hana Financial, Inc. v. Hana Bank

In *Hana*, the United States Supreme Court held that the issue of “tacking” – attempting to establish priority based on an earlier use of a nearly-identical mark – is a question for the jury rather than a legal issue to be decided by the judge. *Hana Financial, Inc. v. Hana Bank*, 135 S.Ct. 907 (2015).

By way of background, Hana Financial is a California financial services company. It has used the “Hana Financial” name and mark since at least as early as 1995. It obtained a federal registration for “HANA FINANCIAL” in 1996.

Hana Bank, a Korean entity, began advertising its financial services using the name “Hana Overseas Korean Club” in several Korean language newspapers throughout the United States as early as 1994. Hana Bank began operating a bank in the U.S. under the name “Hana Bank” in 2002.

Hana Financial sued Hana Bank for trademark infringement in 2007. Hana Bank defended by claiming it was the senior user of the “HANA” mark based on its first use of “Hana Overseas Korean Club” in the U.S. in 1994. Hana Bank argued that it could “tack” that earlier use to establish priority over Hana Financial’s first use 1995.

There was no dispute in the case regarding the elements required to qualify for “tacking.” The parties agreed that tacking allows a brand owner to make minor modifications to its marks over time without losing the benefit of earlier versions of the mark in establishing priority. The parties also agreed that in order to tack the earlier mark, the marks must be “legal equivalents.” A mark is considered a “legal equivalent” if it creates the same, continuing commercial impression such that the consumer would consider both to be the same mark. *Hana*, 135 S.Ct. at 910. The parties agreed that tacking is not available where the later mark is materially different from, or alters the character of, the earlier mark. *Hana, supra*. The sole issue on appeal was whether tacking is a factual issue to be decided by a jury or a legal issue to be decided by the judge.

1. Supreme Court’s Reliance on “Ordinary Consumer”

The Court reasoned that the issue was particularly well suited for a jury because it hinged on the similarity of earlier and later marks as viewed by an “ordinary consumer.” The Court explained:

Application of a test that relies upon an ordinary consumer’s understanding of the impression that a mark conveys falls comfortably within the ken of a jury. Indeed, we have long recognized across a variety of doctrinal contexts that, when the

relevant question is how an ordinary person or community would make an assessment, the jury is generally the decision maker that ought to provide the fact intensive answer.

Hana, 135 S.Ct. at 911.

The Court rejected Hana Financial's arguments that "tacking" is a complicated mixed question of law and fact critical to the orderly functioning of the trademark system and therefore should be decided by the judge. The Court noted that the concerns associated with allowing juries to decide tacking issues were no different or greater than many other areas where juries are asked to make complicated decisions on a regular basis. *Hana*, 135 S.Ct. at 912.

2. **Practical Effect of *Hana***

a. **Expanding Jury Role?**

Commentators have questioned whether *Hana's* recognition of the jury as the appropriate arbiter of consumer perception issues will lead to an expansion of the jury's role in other consumer perception issues such as descriptiveness, acquired distinctiveness, secondary meaning, genericness, and dilution.

b. **Will Summary Judgment in Trademark Cases Become Even More Elusive?**

Will the deference to juries for such consumer perception issues make it even more difficult to obtain summary judgment in trademark cases?

c. **Heightened Significance and Importance of Expert Testimony and Survey Evidence?**

Will parties feel compelled to obtain and rely on more expert testimony and survey evidence to strengthen their jury presentations?

Latest Developments in Copyright Law

***Home Legend, LLC v. Mannington Mills, Inc.* The Eleventh Circuit Address Separability Under Copyright Law**

**By: Grady M. Garrison and Adam S. Baldrige
(Baker Donelson Bearman Caldwell Berkowitz, PC)**

The Eleventh Circuit's decision in *Home Legend, LLC v. Mannington Mills, Inc.*, 784 F.3d 1404 (11th Cir. Apr. 29, 2015), addressed the issue of the validity of a copyright registration owned by Mannington Mills, Inc. for the appearance of the surface of laminate wood flooring. Specifically, the Eleventh Circuit addressed the issue of the separability of the "Glazed Maple" design from the useful article, flooring, and the issue of the originality of the design. The district court had entered summary judgment in favor of Home Legend, LLC, concluding that the "Glazed Maple" copyrighted design was invalid.

Mannington and Home Legend both sold laminate wood flooring. To improve the appearance of laminate flooring, manufacturers add a layer called "décor paper" which is a decorative layer between the core board of the hard wood flooring and the transparent protective coating. According to the Eleventh Circuit, "[t]he copyright at issue in this case covers Mannington's décor paper design called 'Glazed Maple,' which is a huge digital photograph depicting fifteen stained and apparently time-worn maple planks." The Mannington employees that were involved with the creation of the design "did not seek out an actual aged wood floor from which to create the design but instead 'envision[ed what] a floor could look like after' twenty or thirty years, including the effects 'age and wear and patina' might have on the planks." The process for creating the décor paper included the design team beginning with "between fifty and seventy-five raw, smooth-milled white maple planks. With a selection of hand tools, they added gouges, dents, nail holes, ripples, 'chatter marks,' and other surface imperfections to the wood in an effort to make it look like floorboards that had been walked across for many years. The Court noted

as the team intended, the stain pooled in some of the textured areas they had created, making darker spots on the wood. They selected and applied more than one stain color. The team chose to accentuate some of the naturally occurring marks and to deemphasize others, and they used more stain and paint to add effects like shadowing, simulated mineral streaks, and dark spots that were not present on the raw wood.

The design team then experimented with various selections and arrangement of the boards to select combinations of planks that they thought would look best in a home, choosing about thirty planks to photograph with a high-resolution digital scanner. The team further made modifications to retouch certain areas and adjusting contrast where the boards appeared "too dark or too light" in comparison to the other boards. The team then selected fifteen plank images to be included in a single 120" by 100" digital image, which is referred to as the Glazed Maple design. Mannington obtained a copyright registration for the two-dimensional Glazed Maple design.

In 2012, Mannington sued Home Legend for copyright infringement and Home Legend

responded by seeking a declaratory judgment of copyright invalidity. Mannington's request for a preliminary injunction was denied by the district court. Home Legend moved for summary judgment at the close of discovery, arguing that the copyright did not cover copyright-eligible subject matter. The district court granted Home Legend's motion for summary judgment based on three grounds. First, the district court concluded that the Glazed Maple design lacked the requisite originality to be an "'original work[] of authorship' eligible for copyright protection under 17 U.S.C. § 102(a). Second, the lower court found that the design was "'simply not separable from the functional element of the flooring,' and that 'the 2-D artwork [of the Glazed Maple design] would not be marketable if it were separated from the functional elements of the flooring.'" Third, the district court found that Mannington's copyright was "directed to an 'idea or process,' namely the process of recreating the appearance of rustic and aged maple planks."

Mannington appealed all three rulings. On appeal, Mannington argued that its artwork was "both physically and conceptually separable from the laminate flooring to which it has been applied, and that, as a result, the district court's ruling that the copyright covered a 'useful article' was error." Mannington also disputed the district court's conclusion that Mannington was seeking to protect a procedure or process and argued that the conclusion that the copyright at issue was directed to an uncopyrightable idea or process was error. Mannington also asserted on appeal that the design was sufficiently original to be protectable by copyright law.

On appeal, the Eleventh Circuit addressed first the issue of originality and concluded:

Mannington's testimony about that idea shows that the idea's expression in the Glazed Maple design was the product of creativity, not a slavish copy of nature. Perhaps that expression is not highly creative, but it does not need to be. The decisions Mannington made in the location and character of the marks it added to the boards render its contributions creative enough to hurdle the low bar of copyrightable originality.

Relying on *Feist Publ'ns v. Rural Tel. Serv. Co., Inc.*, 499 U.S. 340 (1991), the Court also found that "even if copyright did not protect the altered individual plank images, the Glazed Maple design is...a compilation expressing original selection and creative coordination of elements." The Court held that the Glazed Maple design was sufficiently original to be copyrightable.

On the issue of separability, the Eleventh Circuit ruled that the district court's finding of non-marketability was based "not on evidence but on conjecture," and that Home Legend's copying of the design supported the marketability of the design because "otherwise Home Legend would not have copied it." The Eleventh Circuit also disagreed with the district court's finding that the design "had the function of hiding wear": "Hanging an Ansel Adams print over an unsightly water stain on a living room wall might make the print 'functional' ..., but it would have no effect on the copyright in the work itself." The Court noted that "[s]eparability for the purpose of assessing copyright eligibility of a useful article's design means that the design is 'either physically severable from the utilitarian article or conceptually severable.'" The Court found that the Glazed Maple design is both physically and conceptually separable.

With regard to physical separability, the Court held that "the flooring and the design are

physically severable: the evidence shows that Mannington sells otherwise identical flooring that uses décor paper other than the Glazed Maple design. The interchangeability of the paper designs in the manufacturing process necessarily implies that the design and the flooring to which Mannington applies it are physically separate objects.”

The Eleventh Circuit also found the design conceptually separable from the use as a decoration on flooring:

The design might as easily be applied to wallpaper or as the veneer of a picture frame. One amicus even suggests that nothing (save perhaps good taste) prevents the “Glazed Maple image from being printed, framed, and hung on a wall as art.” ... This is obviously true, as it is of any two-dimensional image. Because the design is both physically and conceptually severable from the flooring to which Mannington applied it, the district court erred when it determined the design was an uncopyrightable useful article.

The Eleventh Circuit also rejected the district court’s conclusion that the copyright was directed to a process or idea, noting that Mannington evidence regarding copyrightable originality in presenting evidence about how it created the design “does not mean that Mannington tried to copyright the process through which it produced the design.” In a footnote, the Court also rejected Home Legend’s argument that “Mannington’s patents protecting methods for finishing wood imply that its copyrights in a design depicting finished wood must also be directed toward those same methods.” “The use of a patented process to create an original design does not mean that the design is not copyrightable.”

Reversing the district court’s judgment, the Court held that “Mannington owns a valid copyright, even if the protection that copyright affords it is not particularly strong.” After the Eleventh Circuit’s ruling, Home Legend filed a petition for certiorari which is currently pending before the U.S. Supreme Court.