

EXHIBIT QQ

**TO DECLARATION AND LOCAL RULE 7-5 CERTIFICATION OF ERIK
S. MAURER IN SUPPORT OF PLAINTIFFS' EMERGENCY MOTION
FOR TEMPORARY RESTRAINING ORDER, SEIZURE ORDER, AND
PRELIMINARY INJUNCTION**

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Nike, Inc. v. Meitac Int'l Enterprise Co. Ltd. Nev., 2006. Only the Westlaw citation is currently available.

United States District Court, D. Nevada.

NIKE, INC., Plaintiff,

v.

MEITAC INT'L ENTERPRISE CO. LTD., in Shoe, Inc., and Man Lee Mo, Defendants.

No. 2:06-CV-00934-PMP-PA.

Oct. 11, 2006.

[Christopher J. Renk](#), [Erik S. Maurer](#), [Michael Harris](#), of Banner & Witcoff Ltd, Chicago, IL, for Nike, Inc.

ORDER RE PRELIMINARY INJUNCTION

[PRO](#), Chief J.

*1 This action was commenced August 1, 2006, by the filing of Plaintiff Nike, Inc.'s ("Nike") Complaint seeking declaratory and injunctive relief and damages for Defendants Meitac Int'l Enterprise Co., Ltd. and Man Lee Mo's (collectively "Meitac") alleged infringement of Plaintiff Nike's design patents for athletic and fashion footwear.

Coterminous with their Complaint, Nike filed an Emergency Motion for Temporary Restraining Order Without Notice and a Preliminary Injunction (# 8). On August 1, 2006, the Honorable Roger L. Hunt, United States District Judge, entered an Order granting Nike's Motion for Temporary Restraining Order (# 11 and # 13) which authorized seizure of specified athletic shoes then on display by Meitac at the World Shoe Association Trade Show which was being held in Las Vegas from August 1-4, 2006.

On August 7, 2006, Nike filed a Statement of Inventory of Seized Materials (# 16). On September 13, 2006, Nike filed a First Amended Complaint refining its allegations of design patent infringement by Meitac. Included in Nike's Amended Complaint is a table comparing Nike's design patents with Meitac's allegedly infringing shoes which were seized at the WSA Trade Show pursuant to the Temporary Restraining and Seizure Order issued by Judge Hunt on August 1, 2006.

Hearing on Nike's fully-briefed Motion for

Preliminary Injunction was stayed pursuant to stipulation of the parties until October 5, 2006. At that hearing (# 48), the Court received into evidence a series of exhibits consisting of examples of shoes seized from Meitac at the World Shoe Association Trade Show pursuant to the Temporary Restraining and Seizure Order entered by Judge Hunt, together with copies of the design patents which each shoe allegedly infringes. (See Exhibits 1 and 1A through 15 and 15A.)

The issues presented by Nike's Motion for Preliminary Injunction are straight forward. "A design patent protects the nonfunctional aspects of an ornamental design as shown in the patent." [Elmer and HTH, Inc. v. ICC Fabricating, Inc.](#), 67 F.3d 1571, 1577 (Fed.Cir.1995). "Injunctive relief in patent cases is authorized by 35 U.S.C. § 283. Whether a preliminary injunction should issue turns upon four factors: (1) the movant's reasonable likelihood of success of the merits; (2) the irreparable harm the movant will suffer if preliminary relief is not granted; (3) the balance of hardships tipping in its favor; and (4) the adverse impact on the public interest. (Citations omitted.)" [Reebok Int'l Ltd., v. J. Baker, Inc.](#), 32 F.3d 1552, 1555 (Fed.Cir.1994).

In determining whether a design patent is infringed, the Court is called upon to construe the patent claim and compare the construed claim to the accused product. [Contessa Food Products, Inc. v. Conagra, Inc.](#), 282 F.3d 1370 at 1376 (Fed.Cir.2002).

In construing a design patent claim the scope of the claimed design encompasses "its visual appearance as a whole," and in particular "the visual impression it creates." See [Durling v. Spectrum Furniture Co.](#), 101 F.3d 100, 104-05, 40 USPQ2d 1788, 1791 (Fed.Cir.1996). In assessing infringement, the patented and accused designs do not have to be identical in order for design patent infringement to be found. [Braun Inc. v. Dynamics Corp. of Am.](#), 975 F.2d 815, 820, 24 USPQ2d 1121, 1125 (Fed.Cir.1992). What is controlling is the appearance of the design as a whole in comparison to the accused product. [OddzOn Prods., Inc. v. Just Toys, Inc.](#) 122 F.2d 1396, 1405, 43 USPQ2d 1641, 1647 (Fed.Cir.1997).

*2 Comparison to the accused product includes two distinct tests, both of which must be satisfied in order to find infringement: (a) the "ordinary observer" test, and (b) the "point of novelty" test. See [Unidynamics](#)

Corp. v. Automatic Prods. Int'l, Ltd., 157 F.3d 1311, 1323, 48 USPQ2d 1099, 1107 (Fed.Cir.1998). The “ordinary observer” test requires that the district court perform the inquiry set forth in *Gorham Co. v. White*: if, 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. The “point of novelty” test is distinct from the “ordinary observer” test and requires proof that the accused design appropriates the novelty which distinguishes the patented design from the prior art. Litton Sys., Inc. v. Whirlpool Corp., 728 F.2d 1423, 1444, 221 USPQ 97, 109 (Fed.Cir.1984). Although application of the “ordinary observer” and “point of novelty” tests may sometimes lead to the same result, see Shelcore, Inc. v. Durham Indus., Inc., 745 F.2d 621, 628 N. 16, 223 USPO 584, 590 n. 17 (Fed.Cir.1984), it is legal error to merge the two tests, for example by relying on the claimed overall design as the point of novelty. See Sun Hill Indus., Inc. v. Easter Unlimited, Inc., 48 F.3d 1193, 1197, 33 USPQ2d 1925, 1928 (Fed.Cir.1995); Winner Int'l Corp. v. Wolo Mfg. Corp., 905 F.2d 375, 376 15 USPQ2d 1076, 1077 (Fed.Cir.1990)(“To consider the overall appearance of a design without regard to prior art would eviscerate the purpose of the ‘point of novelty’ approach, which is to focus on those aspects of a design which render the design different from prior art designs.”).

Id. at 1376-1377.

The question for the Court at this stage of the proceedings is whether Nike enjoys a reasonable likelihood of success on its claim that the design patents alleged in its Amended Complaint and Motion for Preliminary Injunction are infringed by Meitac's shoes which were seized and offered into evidence at the hearing conducted October 5, 2006. The Court finds that the claims articulated in each of the design patents at issue are unambiguous and are clearly illustrated by the figures contained therein. The Court also finds that in applying the “ordinary observer” test, a reasonable finder of fact would by a preponderance of the evidence conclude that the competing designs are substantially similar and that the accused products infringe Nike's patent design claims.

The Court recognizes that to establish fully the “points of novelty” test for design patent infringement at trial, Nike will be required to

introduce into evidence, “... at a minimum, the design patent at issue, its prosecution history, and the relevant prior art references cited in the prosecution history; and must present, in some form, its contentions as to points of novelty....” Bernhardt v. Collezione Europa USA, Inc., 386 F.3d 1371, 1384. The Court finds that at this of the proceedings on a Motion for Preliminary Injunction, Nike is not required to present the same quantum of evidence as will be necessary at trial, but is required only to show a reasonable likelihood of success on the merits of its design patent infringement claim. For now, the Court finds only that Nike has demonstrated by a preponderance of the evidence a reasonable likelihood of success on the merits of its design patent infringement claim by sufficiently satisfying both the “points of novelty” test and the “ordinary observer” test. To do more, in the view of this Court, would collapse the requirements of a plaintiff's burden at trial with those at the preliminary injunction stage.

*3 Where, as here, Meitac's accused products duplicate a presumptively valid patent design in virtually every respect, it also misappropriates the novel aspects of the design and necessarily incorporates the design patent's points of novelty. Litton Sys., Inc. v. Whirlpool Corp., 728 F.2d 1423, 1444 (Fed.Cir.1984). See also L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1125-26 (Fed.Cir.1993). Here, Meitac's shoes duplicate Nike's patented designs in almost every significant feature. Nike has met its burden of showing a reasonable likelihood of success on the merits to sustain its prayer for preliminary injunctive relief.

The Court further finds that by virtue of Nike's showing of a reasonable likelihood of success on the merits, it is entitled to a presumption of irreparable harm. Hybritech, Inc. v. Abbott Labs., 849 F.2d 1446, 1456-57 (Fed.Cir.1988). Nike's showing of irreparable harm is strengthened by the fact that if preliminary injunctive relief is not made available, Nike will be severely handicapped in its ability to prevent further importation of infringing products, thereby destroying any potential of preserving the status quo pending a resolution of this case on its merits.

Finally, while the Court recognizes that granting a preliminary injunction will always pose some hardship on the party enjoined, the hardship which would befall Nike as described above clearly outweighs any hardship which will be suffered by Meitac as a result of its inability to market the

allegedly infringing shoes within the jurisdiction of this Court. Moreover, the public interest is clearly served by seeing that patents are enforced and the status quo with the respect to the enforcement of such patents is preserved pending trial where, as here, a plaintiff has shown a likelihood of success of the merits.

IT IS THEREFORE ORDERED that Plaintiff Nike, Inc.'s Motion for Preliminary Injunction (# 8) is granted and that Defendant Meitac International Enterprises Co, Ltd., In Shoe, Inc., and Man Lee Mo are hereby preliminarily enjoined from infringing Nike [U.S. Patent Nos. D498,914; D499,248; D511,884; D512,214; D522,231; D522,739; D522,740; D523,229; D523,230; D523,233; D523,618; D523,620; and D524,529](#), including at least by making, selling, offering to sell and/or importing Meitac footwear model numbers: Na0576, Na2154, Na0994, Na2370, Na2167, 1-427, Na0978, M-7010, Na1805, Na1407, Na11563, Na1228, Na2166, Na0819, Na0891, and Na0841, as well as other footwear models bearing the patented designs and colorable imitations thereof.

IT IS FURTHER ORDERED that the \$50,000 bond previously posted by Plaintiff Nike is sufficient to secure the instant preliminary injunction.

IT IS FURTHER ORDERED that the Clerk of Court shall preserve all exhibits introduced at the hearing regarding Plaintiff's Motion for Preliminary Injunction conducted October 5, 2006, including the two boxes of athletic shoes and accompanying design patents (Exhibits 1 and 1A through 15 and 15A).

***4** IT IS FURTHER ORDERED that counsel for the parties to this action shall forthwith meet and confer, and not later than November 13, 2006, shall file with the Court a proposed Joint Discovery Plan and Scheduling Order in accord with Local Rule 26-1.

D.Nev.,2006.
Nike, Inc. v. Meitac Int'l Enterprise Co. Ltd
Slip Copy, 2006 WL 3883278 (D.Nev.)

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- [2006 WL 2376971](#) (Trial Pleading) Complaint (Aug. 1, 2006) Original Image of this Document (PDF)
- [2:06cv00934](#) (Docket) (Aug. 1, 2006)

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