

Design Patent Case Digest

[Keystone Retaining Wall Systems, Inc. v. Basalite Concrete Products, LLC](#)

Decision Date: December 19, 2011

Court: D. Minnesota

Patents: [D610,710](#) and [D610,711](#)

Holding: Plaintiff's motion for preliminary injunction GRANTED IN PART

Opinion: Plaintiff Keystone Retaining Wall Systems, Inc. sued Basalite Concrete Products, LLC for infringement of U.S. Design Patents D610,710 and D610,711, entitled Wall Block and Wall Block Body, respectively. (Keystone also sued Basalite for breach of contract, utility patent infringement, trademark infringement, and trademark dilution.) Keystone sells [133Elite™ concrete blocks](#) used to build retaining walls. Under a patent and trademark licensing agreement, Basalite produced and sold a similar construction block of the same name.

In 2006, Keystone and Basalite entered into a licensing agreement, which allowed Basalite to use a number of Keystone's patents and trademarks to produce and sell the 133Elite block. When the contract expired, the parties did not formally renew the licensing agreement, though Basalite continued to pay royalties and Keystone continued to accept the payments. After a disagreement over the royalty payments, Keystone terminated whatever unofficial agreement the parties may have had after the contract expiration and sued Basalite for patent and trademark infringement.

In its case for infringement, Keystone submitted photos of the Basalite 133Elite blocks taken from Basalite promotional materials. Basalite, however, argued that the photos did not show all the features of the patented design and therefore did not prove infringement. Basalite further claimed that its promotional materials, which were published in 2006 (more than one year before the filing date of the Keystone patents), invalidate Keystone's patents as anticipated under 37 C.F.R. §102. The court agreed with Basalite, finding that the photos (which did not include a bottom view of the blocks) were not likely to show infringement since they did not show all the features of the patented design. For the same reason, the court determined that the photos would likely fail to show anticipation of the patented designs.

Keystone submitted an additional photo depicting the bottom surface of the Basalite block, and the court determined that the addition of this photo would likely prove infringement. The court also noted that it had reason to believe that the bottom of the

Basalite block had not changed since 2006 and therefore had reason to believe that the Keystone design patents were anticipated by the Basalite blocks. In the end, the court found that both infringement and invalidity were likely.

Had the preliminary injunction decision been based solely on the design patent infringement case, the court would not have granted the preliminary injunction since Basalite raised a “substantial question” as to the validity of the ‘710 and ‘711 patents. However, since the court determined that the Basalite blocks would likely be found to infringe some of Keystone’s utility patents and trademarks, the preliminary injunction was granted in part.



Thumbs up:

This case appears to embody the old maxim from *Peters v. Active Mfg. Co.*, 129 US 530 - Supreme Court 1889 “that which infringes if later, anticipates if earlier”. Thus, the court’s decision not to grant the motion for a preliminary injunction based on the design patents appears proper.

If you have any questions or would like additional information on this topic, please contact:

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