Friday, Nov. 8, 2019  
9:00 AM – 10:15 AM

Session 103 | Design Patents Since Apple v. Samsung

After the 2016 U.S. Supreme Court case in Apple v. Samsung design, patents have been more popular than ever! Learn about the case law in Apple v. Samsung and in more recent court decisions about design patents. Hear from the U.S. Patent and Trademark Office about design patent statistics and trends as well as some practice tips before the USPTO. Hear from in-house counsel about how businesses are using design patents to protect their inventions, and why they are preferred and more valuable than other types of patents in various circumstances. Hear, also, from outside counsel on litigation and other enforcement trends. And, learn design patent best practices for both patent prosecutors and patent litigators.

Moderator:
George Chen, Bryan Cave Leighton Paisner, LLP

Speakers:
Hope Shimabuku, United States Patent and Trademark Office
Christine Pompa, YETI Coolers
Sue Xia, Walmart
Design Patents
Since
Apple v. Samsung

Panelists:
Christine Pompa
Hope Shimabukko
Sue Xia
YETI Coolers
USPTO
Walmart

Moderator:
George C. Chen
Bryan Cave Leighton Paisner LLP
Agenda

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• Overview of the Law
  • Apple v. Samsung
  • Post-Apple v. Samsung

• U.S. Patent Office Design Patent Statistics

• Best Practices for Design Patents
  • Prosecution
  • Litigation
Introduction

- What is a design patent?
Introduction

• Why are design patents important?
Introduction

- Differences between design patents and utility patents?
Introduction

- Examples
Overview of the Law:
Apple v. Samsung

• [see other slide deck from Hope]
• [briefly mention worldwide dispute in S. Korea, Japan, Australia, Germany, France, Italy, Netherlands, and UK]
• [consider mentioning cultural aspects of infringement actions – Apple’s public apology in Europe]
Overview of the Law: Apple v. Samsung

- The four design patents asserted to be infringed were:
  - D504,889
    - Claims the rounded corners of Apple's iPad.
  - D593,087
    - Claims the rounded corners and raised rim of Apple's iPhone.
  - D604,305
    - Claims a grid of 16 colorful icons in a 4x4 layout, along with a single row of 4 icons that are set permanently under the grid of 16 icons.
  - D618,677
    - Claims the rectangular front surface of Apple's iPhone.
Apple's Design Patents

Figure 1 and 2. Patent No. D504,889
Figure 3. Patent No. D593,087
Figure 4. Patent No. D604,305
Figure 5. Patent No. D618,677
Apple v. Samsung Designs

Are these designs substantially similar?
Comparison of the Designs

D'305 Patent v. Fascinate

- Grid
- Rounded Rectangle
- Mix of Icon Styles
- Colorful Icons
- Bottom Row

D'305 Patent

- Text
- Calendar
- Photos
- Camera
- YouTube
- Stocks
- Maps
- Weather
- Clock
- Calculator
- Notes
- Games

Fascinate

- 3G Mobile Hotspot
- AllShare
- Bing
- Blockbuster
- Browser
- Calculator
- Calendar
- Camera
- Car Cradle
- City ID
- Clock
- Daily briefing
- Desk Cradle
- Email
- Gallery
- Gmail

JX1042, PX21
35 U.S.C. § 289 - Additional remedy for infringement of design patent

• “Whoever during the term of a patent for a design, without license of the owner, (1) applies the patented design, or any colorable imitation thereof, to any article of manufacture for the purpose of sale, or (2) sells or exposes for sale any article of manufacture to which such design or colorable imitation has been applied shall be liable to the owner to the extent of his total profit, but not less than $250, recoverable in any United States district court having jurisdiction of the parties.

• Nothing in this section shall prevent, lessen, or impeach any other remedy which an owner of an infringed patent has under the provisions of this title, but he shall not twice recover the profit made from the infringement.”
Samsung argued that damages should be limited because the relevant articles of manufacture were the front screen rather than the entire smart phone.

CAFC rejects Samsung’s argument because:

- Such a limit was not required because the components of Samsung’s smartphones were not sold separately to ordinary consumers and thus were not distinct articles of manufacture.
- The CAFC states that to be an article of manufacture, the components must have been sold separately to consumers.
The Supreme Court of the United States

• SCOTUS rules that the CAFC's distinction was a misreading of the statute...
  • That an article of manufacture is not defined by how it is sold to consumers; and
  • That a component of a multicomponent product may be an article of manufacture.

• Reversed and remanded.
  • SCOTUS declined to set forth a test to determine the 'article of manufacture,' and instead left it to the CAFC on remand.
Total Profits

• SCOTUS:
  • "The 'total profit' for which § 289 makes an infringer liable is thus all of the profit made from the prohibited conduct, that is, from the manufacture or sale of the 'article of manufacture to which [the patented] design or colorable imitation has been applied.'"

• Two Steps:
  • 1. identify the article of manufacture to which the infringed design has been applied.
  • 2. calculate the infringer's total profit made on that article of manufacture.
Result

• Under SCOTUS interpretation, where an article may be a component of a multicomponent product,
  • A patent holder will sometimes be entitled to the infringer’s total profit from a component of the end product.

• On Remand:
  • The CAFC also declined to set forth a test to determine the 'article of manufacture' and further remanded the issue, as the trial court was in the best position to define a test.
  • The US District Court, Northern District of California, San Jose adopted the United States' proposal for a four factor test to determine the relevant article of manufacture and ordered a new trial on damages for the design patents.
The Four Factor Test to Determine the Relevant Article of Manufacture

The US District Court, Northern District of California, San Jose Division adopted the following four-factor test:

1. **The scope of the design** claimed in the plaintiff's patent, including the drawing and written description;
2. The relative **prominence of the design** within the product as a whole;
3. Whether the design is **conceptually distinct** from the product as a whole; and
4. The physical relationship between the patented design and the rest of the product, including **whether the design pertains to a component** that a user or seller can physically separate from the product as a whole, and whether the design is embodied in a component that is manufactured separately from the rest of the product, or if the component can be sold separately.
International Litigation

- S. Korea
- Japan
- Italy
- France
- The U.K.
- The Netherlands
- Germany
- Australia
- Spain

(note: not all of these cases involved design patents)
United Kingdom – No Apology from Apple

• The U.K. High Court ruled that Samsung did not infringe on Apple’s “community design.”
  • Community Design No. 000181607-0001:
    • iPad’s square frame, rounded edges, curved bezels.
  • Apple was compelled to publish a statement on its U.K. website and in several news sources that Samsung did not infringe.
    • Apple complied, but also noted how in other national courts, Samsung was found to infringe on its design patents.
    • Following this, the Court of Appeals for England and Wales applied damages to the order.*
  • Judge Birss of the High Court stated that Apple’s design is cool, Samsung’s is not, and that therefore, the design did not infringe. (Apple posted that statement on their site as well).
    • Is this so different from the U.S. test for infringement?
      • “…in the eye of an ordinary observer...”
Statistics

- SLIDE LEFT BLANK FOR INSERTION OF STATISTICS.
- Statistics may be found in the memo submitted, however there are statistics from fiscal year 2019 that might not be usable
Best Practices

- Really consider what you are trying to claim along with what you are trying to prevent. Ensure the appropriate scope of protection is being provided through the design patent.
- Have a definite scope of protection in mind to prevent/minimize the use of amendments, which might accidentally introduce new matter not previously disclosed.
- Know the laws/rules for design patents.
  - While the utility patent statutes apply to design patents unless otherwise stated, it is still necessary to know how those statutes apply to design patents.
- For the drawings, make sure that each view is consistent with one another. Consider whether enough drawings or views were submitted to fulfill the enablement requirement.
  - Also consider if there is a minimum figure requirement. The USPTO has not minimum requirement, but China has a seven figure minimum.
Overview of the Law: Post-Apple v. Samsung

- [Poll audience after showing design patent & accused product]
- [Add sneaker tread case]
U.S. Patent Office Statistics

- [before and after Apple v. Samsung]
- [IPR statistics for design patents]
Best Practices: Prosecution

- Vetting process for design patent protection
  - Differences with trademark protection for product configurations
  - No maintenance fees (unlike for utility patents)
- Consider what is being claimed
  - Dashed lines v. solid lines
  - Contour lines
- Avoid amendments to minimize adding new matter
- Consider a sufficient number of different views to satisfy the enablement requirement
- Multiple embodiments per design patent application
- Streamlining U.S. design applications for acceptance in foreign jurisdictions
  - USPTO has no minimum number of views
  - Other countries have a minimum number of views, such as China with a minimum of 7 views
Best Practices: Litigation

- How to evaluate design patent infringement
- Many utility patent statutes also apply to design patents
- Compared to utility patents
  - Jury appeal
  - Damages
Questions?

Christine Pompa
YETI Coolers

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DESIGN PATENTS: BEFORE 2020

NICHOLAS R. POPPELL†

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INTRODUCTION

Design patents protect new, original, and ornamental features on articles of manufacture, and like other forms of patents, the rights granted include those to exclude others from making, using, offering for sale, or selling the patented design. Just as how a single product may contain more than one patented invention, a single product may naturally bear more than one patented design, or the design may only be applied to a single component of a multi-component product. There are similar avenues of protection available under copyright law and as trade dress, but only design patents, as a form of so-called, "Hard IP," offer complete market exclusivity, despite independent creation or use in a different market (though only for 15 years). Stakeholders have seen that their intellectual property portfolios may benefit from all forms of design protection in varying ways. This paper is meant to serve as both an introduction to design patents as well as an in depth look at different issues in design patent law.

Section II of this paper highlights notable differences between design patents, copyright, and trade dress, including the philosophical underpinnings of each, thresholds for protection, and differing definitions of functionality. It uses vehicles as an example of what parts of a product may receive protection under each regime, then addresses a 2019 Court of Appeals of the Federal Circuit case involving Ford, the repairs industry, and arguments against settled doctrine. Section III introduces the reader to the Samsung v. Apple litigation in the Supreme Court of the United States, which brought attention to the ability of a design patent holder to receive total profits from the sales of an infringing product. The court’s interpretation is new, but revives common sense results in the statute, allowing for apportionment based on the value of the article of manufacture to which the design has been applied. Section IV illustrates the history of damages in design patent law, wherein the reader may see that apportionment was more than contemplated by our ancestors, but that they struggled to assign value to a design. Section V delves into international protection for designs and how national regimes differ on protecting them.

This article does not seek to make a sweeping conclusion on design patents, but admits that there is understandable confusion and concern over differences in design patents as opposed to other intellectual property regimes, why total profits are a possibility in infringement suits, and

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2 35 U.S.C. § 171 (a) (Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this title.), 35 U.S.C. § 171 (b) (stating the provisions of the legislation applying to inventions shall apply to design patents as well, unless stated otherwise) and 35 U.S.C. § 154 (a)(1); and Ex parte Adams, 84 Off. Gaz. Pat. Office 311 (1898) ("The several articles of manufacture of peculiar shape which when combined produce a machine or structure having movable parts may each separately be patented as a design."); and Application of Zahn, 617 F. 2d 261, 268 (CCPA 1980) ("Section 171 authorizes patents on ornamental designs for articles of manufacture. While the design must be embodied in some articles, the statute is not limited to designs for complete articles, or 'discrete' articles, and certainly not to articles separately sold...").

3 Note that the term "ornamental," requires the design to be visible to consumers.

4 The relative ease of international protection for copyrights and trade dress continues to make those attractive options; and UNITED STATES PATENT AND TRADEMARK OFFICE https://www.uspto.gov/web/offices/pac/mpep/s1505.html.
whether other nations offer protection for design patents per se. The answers to these questions are not so straightforward: first, this article not only highlights differences between design patents and other intellectual property regimes, but it highlights the overlaps as well. There is not often a clear line between the regimes, and it is questioned whether such a line is possible or desirable. Second, total profits from the sale of infringing articles raises red flags in readers who are weary of the U.S. as a litigious society. The question is whether this will encourage frivolous law suits. This article admits the possibility, but leans toward the SCOTUS ruling that should tend to limit damages to the total profits of the single article to which the infringing design is applied, rather than defaulting to total profits from the product as a whole. The United States Patent and Trademark Office has not seen an uptick in design filings that could be reasonably attributed to the litigation.5 Further, this article notes that similar damages are available under trademark law. Finally, the article admits some truth to the notion that other nations don’t protect design patents per se, as the nations and international treaties often refer to design patents under different names. However, international standards follow the patent standard of the design being “new and original,” which are the most critical words in the definition of a design patent.

II. OVERLAPS AND DIFFERENCES BETWEEN DESIGN PATENTS, COPYRIGHT, AND TRADE DRESS

The IP regimes of design patents, copyright, and trade dress feature many differences as well as overlaps. There is no requirement to choose between copyright and design patents when applying for such,6 and so long as either functions only as a source indicator, it will be protectable as trade dress. The United States Court of Customs Appeals has stated that the underlying purposes of patent rights are distinct from trademark rights, and that rights in one regime do not accrue rights in the other.7 Practically speaking though, if one has exclusive rights in copyright or design patent law, this may contribute to a design acquirin secondary meaning, thereby being protectable as trade dress. Thus, despite being separate in the law, practitioners must seek to increase the value and security of their IP portfolios by seeking protection in all relevant fields.

A. UNDERLYING POLICIES

Although policy reasons differ in why protection is granted to a design under the three regimes of patent, copyright, and trademark law, the effects a design under any regime has on consumers is largely similar: it attracts consumers, and from regime-to-regime, it maintains some form of exclusivity, which tends to contribute to source recognition. Recognizing the same philosophy as any other patent, a design patent is granted in order to encourage innovation and the disclosure of those innovations for the good of the public. The philosophy of trademark law is to protect consumers from misleading marks and to enable them to differentiate between marks in order to make informed decisions. As copyright law stems from the same Constitutional

6 In re Yardley, 493 F.2d 1389, 181 USPQ 331.
7 In re Mogen David Wine Corp., 328 F.2d 925, 140 USPQ 575 (CCPA 1964); and for information on how to file an application for a design patent on a design that bears a registered trademark or is protected under copyright, see MPEP 15.55 & 15.76 (Manual of Patent Examining Procedure, 2018).
provision as patent law does, its philosophy is quite similar: to encourage authorship of original works, fixed in a tangible medium of expression. These philosophies all assume that an exclusive right in the work, innovation, or mark will encourage others to develop new ideas (instead of copying protected ones), thereby benefitting society over time. The benefits that new and non-functional designs bring to society, especially when fashion trends turn over on a yearly basis, is questionable.

B. THRESHOLDS FOR PROTECTION

Design patents protect new, original and ornamental features for an article of manufacture. Copyright in general does not protect abstract ideas. In regard to designs, the work must still be fixed in a tangible form, thus, a design in the abstract alone is not protected in either patents or copyright law. Trade dress refers to the section of trademark law that protects the total image of products, packaging, or locations that serve to indicate their source (being a subcategory of trademarks in general which includes words, phrases, symbols, sounds, scents, and designs). The term, “total image,” implies that trade dress would not be applicable to smaller components of a multicomponent product, where a design patent would be. Trade dress of a product’s design is never inherently distinctive, and thus must develop secondary meaning as a source indicator in order to receive protection as a trademark, while trade dress of product packaging may be inherently distinctive. Although a design may be patented, it will not receive protection as a trademark if it has not developed secondary meaning. For this reason, stakeholders may use the exclusivity of a design patent in order to garner secondary meaning among consumers before registering the design as trade dress. In other words, if the design patent holder has the ability to exclude others from using the design, or confusingly similar designs, then it is impossible for consumers to associate the design with other sources. So long as the design is somehow indicative of the source, then the design may later become a registered trademark. Partly because trademarks have no novelty requirement, prior use as a design patent does not bar registration as a trademark.

Differences also lie in how an interested party may go about receiving protection. While copyright inures upon creation, and trademark rights may develop upon use in commerce, 

8 See also, the first design patent bill was modeled after the English Copyright of Designs Act of 1839 (The Calico Act).
14 17 U.S.C. § 408 (note that although “registration is not a condition of copyright protection,” there are numerous benefits to registration, including but not limited to establishing a public record, enabling suits in federal court, and allowing for statutory damages and attorneys’ fees in federal court).
design patents must be applied for at the United States Patent and Trademark Office (USPTO). The procedure is largely the same as for utility patents, but is cheaper, due in part to no maintenance fees, and generally takes a shorter amount of time. Parties may not receive protection under any of the three regimes if the design is not original enough. Under copyright, the artistic expression must be original, although this threshold is not as high as in patents. Under patent law, a work may lack originality, or lack novelty, if each element of a claim has been predicted by a single prior art reference. Further, taking multiple prior art references together, a design may be rejected as obvious if a person having ordinary skill in the art could have come up with the design in question. A trademark may lack in “originality” if the mark or a confusingly similar mark is already in use by another or if the mark has become generic or if it once was generic. The latter note on generics is comparable to the public domain of copyright and patent law, a safe haven outside the bounds of the law wherein older works are free for public use, or expired patents can no longer block generic pharmaceuticals from entering the market.

C. FUNCTIONALITY (& AESTHETIC FUNCTIONALITY)

In each regime, there is a question on function versus form. The standard in design patents is that the form of the design must not be dictated by the function, though the law naturally recognizes that the form may have some connection to the function, since it is always tied to an article of manufacture. A useful question in determining whether the function dictates the form of a design is whether the design may be substituted by different designs, while still allowing the article of manufacture to function in the same way. In trade dress, even if the product design has acquired secondary meaning, if the design is functional, it will not be registrable. Similar to design patents, however, it does not matter that the design is applied to a functional object.

Copyrights, on the other hand, may only be had for designs that may be conceptually independent from the tangible medium to which they are applied. In Star Athletica, the Supreme Court of the United States (SCOTUS) applied a two-prong “separability” test. Copyright protection was contested for a sports team’s allegedly infringing use of pin-stripes and chevrons on its uniforms. Star Athletica claimed that the protected designs could not be protected because they served a function of identification, as uniforms tend to do for fans and

19 See Jake Linford, “A Linguistic Justification for the Protection of ‘Generic’ Trademarks,” 17 Yale J. L. & Tech. 110 (2015) (In summary, that blocking the registration of marks that were once, but are no longer, generic, ignores a seminal pillar of linguistic science known as semantic shift, simply, that meanings of words change over time).
20 Rosco Inc. v. MirrorLite Co., 304 F.3d 1378, 1378 (Fed. Cir. 2002).
21 Id.
24 Star Athletica, LLC v. Varsity Brands, Inc., 580 U.S. ___ (2017) (the Court did not address whether the designs were original enough to receive copyright protection in the first place).
25 Id.
26 Id.
players alike. The Court rejected this argument, stating, "...an artistic feature of the design of a useful article is eligible for copyright protection if the feature (1) can be perceived as a two-or three-dimensional work of art separate from the useful article and (2) would qualify as a protectable pictorial graphic, or sculptural work either on its own or in some other medium if imagined separately from the useful article."

In trademark law, the doctrine of aesthetic functionality further limits protection for trade dress protection on utilitarian objects. Even when a mark or design on a functioning object would fail to be seen as serving a truly utilitarian function, it may yet provide some functionality through its aesthetics. For instance, a color may serve to make compatibility between parts obvious, or a color may put competitors at a "significant non-reputation-related disadvantage." The doctrine does not apply to cases wherein the mark or design is applied to an ornamental or non-utilitarian object, like a toy. In the Federal Circuit, the Automotive Body Parts Association asked the court to apply this doctrine to design patent law as well. The court rightly declined, in part because such a ruling would go against the purpose of design patents, which protect ornamental features, not source indicators, and that some functionality of the design is permitted. The grant of trademark protection for even a modicum of functionality would serve to create an indefinite utility patent without having been examined by the USPTO under patent law.

D. HYPOTHETICAL

Protection for ornamental features on automobiles is of particular interest to those stakeholders in the automotive industry. It is worthwhile to examine what artistic features may conceivably receive protection as a design patent, a copyrightable expression, or as trade dress, as the Court itself in Star Athletica also took the time to make a similar comparison specifically for the copyright issue at hand. For instance, one may wish to acquire a design patent or trade dress on the general shape or total appearance of the vehicle. In order to do so for design patents or trade dress, one would have to make the argument that the shape of the vehicle is not tied to functionality, like in aerodynamics, safety, or room for passengers. For trade dress, one would have to go the extra mile in showing that the shape, like that of a Lamborghini or a Hummer, is a

27 Id.
28 Id.
30 Id.
33 In re DC Comics, Inc., 689 F.2d 1042, 1047-1050, 215 USPQ 394, 397, 399-401 (C.C.P.A. 1982).
35 Id.
source indicator. With design patents, stakeholders seek protection for smaller components of the vehicle, as opposed to trade dress, which applies to the total appearance.

As for copyright, although the shape may meet its lower standard of originality, it is difficult to conceive of how the curves and sleek planes of a vehicle may be conceptually separable from the vehicle itself, much unlike the ease in which a mural could be conceptually separated from a wall. This qualm is answered, however, by copyright case law, wherein the original design of a belt buckle was found to be conceptually separable from functionality of the buckle itself. This low standard for the separability test makes the distinction between copyright and design patent standards quite muddy. Although there are different tests to determine when functionality bars protection for each, the results appear to be quite similar. A final example of protectable IP on a vehicle is in hood ornaments. Although, this would refer to trademark law in general rather than specifically trade dress, the example is one in which each regime could offer protection.

E. REPAIRS AND THE FEDERAL CIRCUIT’S 2019 FORD F-150 RULING

Intellectual property rights on designs are of special interest to repair shops that are unaffiliated with the rights holder. This is especially true in the automotive industry, where car owners needing repairs on the exterior of their vehicles wish for the product to look “good as new,” or just like the original, which is often covered by intellectual property rights. With respect to trademarks, a non-infringing use occurs when an unaffiliated repair shop advertises their services and particularly which type of vehicles they specialize in, but this fair use is curtailed when the unaffiliated repair shop, by use of the mark, implies an affiliation with the manufacturer. The European Union clarified its test for these situations when BMW brought suit against an unaffiliated repair shop, ruling that when there was no context to indicate that the use of the mark was merely informative, rather than implying affiliation, there was infringement.39

As stated in the previous section, a design for the body of a vehicle, may be difficult to protect as a design patent, considering the importance of aerodynamics in how the design is formed. Car manufacturers may instead wish to patent smaller components of the exterior, for instance, features that look like air vents, but that have very little or no real function. Ford’s case began in the Eastern District of Michigan, where the Automotive Body Parts Association (ABPA) sued Ford seeking a judgment of invalidity on two of Ford’s design patents for the F-150.40 Rightly so, the ABPA feared for its members’ ability to restore those vehicles without infringing on the rights of Ford or without paying royalties under licensing agreements. The lower court held for Ford, then on appeal, the ABPA reasserted its argument that the designs were primarily functional, relying on the circuit’s previous ruling in Sport Dimension v. Coleman.

37 Kieselstein-Cord v. Accessories By Pearl, Inc., 632 F.2d 989 (2d Cir. 1980) (reversing the ruling of the S.D.N.Y).
40 ABPA v. Ford Global Techs., LLC.
The designs in question are the F-150’s hood, as design patent number D489,299 (herein D’299), and head lamps, as D501,685 (D’685). The court thereby considered what types of functionality may invalidate a design patent. The ABPA’s first claim on functionality was that the designs were [aesthetically] functional, in that they were compatible with the car as a whole.41 The court held that even if the designs were aesthetically functional, that was not enough to render the design functional, or invalid.42 The ABPA’s second claim expressly asked the court to adopt trademark law’s doctrine of aesthetic functionality. The court declined to do so, distinguishing the cited case law involving the design of the blades on a key, where the key blade must have been designed as shown in order to function and interact with the lock.43 The blade design was thus primarily functional, not aesthetically functional, and further, unable to be substituted with a different design in order to perform that same function. In the case of Ford, the designs were substitutable, and in fact, Ford presented many alternative designs into evidence. Trademark law’s aesthetic functionality test, which prevents any aesthetic function other than source indication, would simply not fit well with design patent law, which necessarily bears a lower standard of functionality, allowing for some function so long as the design is not primarily functional or dictated by function.

Further on, ABPA attempted to have the CAFC redefine well-established law on the exhaustion of patent rights. Patent rights exhaust upon first sale. This means that when an article is sold, a reseller may sell that patented article without fear of infringing on the patent holder’s right to sell the patented product. This doctrine has never meant that once a patented component article is sold along with a whole product, it may be legally replaced by identical articles... yet, this is what the ABPA argued: specifically, that the court should “adapt” the law for designs. The argument, of course, got nowhere with the CAFC, which noted that principles of utility patents apply to those of design patents unless stated otherwise.44

F. INFRINGEMENT & DAMAGES

The standards for determining whether a design has infringed also differ. For design patents, the Federal Circuit has established the Ordinary Observer test: infringement is examined through the eye of the ordinary observer, in light of prior art, determining if the two designs are substantially the same and if the resemblance causes a likelihood of confusion. The circuit adopted the “Point of Novelty” test: that “no matter how similar two items look, ‘the accused device must appropriate the novelty in the patented device which distinguishes it from the prior art.’”45 Further, a point of novelty may be a combination of elements known in separate prior arts, combined in non-trivial ways (essentially an obviousness inquiry).46 As noted before, standards of utility patents apply to design patents unless otherwise stated. That being said, a

41 Id. at 7.
42 Id.
43 Id. (citing BestLock Corp. v. Ilco Unican Corp., 94 F.3d 1563 (Fed. Cir. 1996).
44 Id.
46 See Lawman Armor Corp. v. Winner Int’l, LLC, 449 F.3d 1190, 1192 (Fed. Cir. 2006); Litton, 728 F.2d at 1443-44; and see Bernhardt, LLC v. Collezione Europa USA, Inc., 386 F.3d 1371, 1383 (Fed. Cir. 2004).
utility patent is infringed if every element of a claim is present in the allegedly infringing article, or if the elements amount to what is an essentially equivalent invention. Although the “substantial similarity” test for design patent infringement can be seen as similar to the doctrine of equivalence, the latter bears no element of confusion, and further on, equivalence of claims relies on the testimony of experts rather than on the ordinary observer’s reaction. This difference is one of the main issues commentators have with section 289 of the Patent Act, because despite the lower standard of proof in design patent cases, a finding of infringement may lead to total profit damages for the entire product.

In utility and design patents, a court may issue monetary damages as well as an injunction. Utility and design patents share three modes of measuring damages: lost profits, established royalty, and reasonable royalty, but design patents alone maintain an accounting for the infringer’s illicit profits. For willful infringement of a patent, SCOTUS has raised the standard to that of “objective recklessness,” bringing the definition in line with that of the Copyright Law.

Copyright infringement, being “Soft IP,” first requires a showing of access, or in other words, that the allegedly infringing design was not created independently. Following this, a showing of substantial similarity is required to find infringement, though caveats comparable to those in the Point of Novelty test exist, in that one can be held liable for infringement based on a combination of elements, even when those elements are individually unprotected. This threshold of infringement is still developing in case law, particularly in regard to musicians, but nonetheless has entertainment lawyers exercising considerable caution with artists who expressly wish to emulate an established artist’s style, particularly because a finding of willful infringement in copyright law allows a court to enhance statutory damages. Copyright damages may include the infringer’s gross revenue, as shown by the plaintiff, though the damages may be apportioned based on the defendant’s proving of deductible expenses.

Trademark infringement may be found for a valid mark if the defendant used, without permission, the same or a similar mark in commerce, and the use of that mark is likely to cause confusion as to the source of the goods. These standards are relatively analogous to those of design patents, sharing a requirement for sameness or similarity. Although both standards share a requirement for showing a likelihood of confusion, those standards differ in regard to what is actually confused. For design patents, the likelihood of confusion refers to confusing the products, whereas in trademark law, the likelihood of confusion refers to confusing the source of the product. Further, trademark enforcement in common law, being “Soft IP,” is limited to similar marks that are used within the same market or within the natural zone of expansion of the

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48 1 Chisum on Patents § 20.01.
49 Seagate (2007).
50 Williams v. Gaye, 895 F.3d 1106 (9th Cir. Court of Appeals, 2018) (citing Three Boys Music v. Bolton, 212 F.3d at 477, 485 (9th Cir. Court of Appeals, 2000).
51 17 U.S.C. § 504(b).
protected mark. Thus, an independent mark may exist simultaneously and peacefully with the exact same mark or a similar mark in a different market. As for design patents, exclusivity applies across the U.S., whether through different markets or different regions, enabling the patent holder to block independent activity.

For an injunction in trademark cases, the plaintiff must show a likelihood of confusion, but for economic damages, the plaintiff must show actual confusion. Damages for infringement of trademarks are laid out in the Lanham Act’s section 1117. Recovery is enabled for the “defendant’s profits, any damages sustained by the plaintiff, and the costs of the action.” The court will examine damages and may treble damages in certain cases, while the plaintiff must show the defendant’s sales and the defendant must “prove all elements of cost of deduction claimed.” In cases involving counterfeits, the plaintiff may elect, before judgment, to instead recover statutory damages—which may be greatly increased for willful use of the counterfeit mark. Under the section as a whole, it is possible to recover a defendant’s total profit on a good that also gains value from a utility patent, copyright, or even a design patent. It is important to keep this, as well as copyright damages, in mind in lieu of the following section on apportioning design patent damages, in that although it may seem unjust to grant total profits for a design patent infringement, it is certainly not something new. This paper opines that so long as double damages are barred, no gross injustice takes place.

G. NOTICE

In trademark law, in order for a registrant to receive profits and damages in an infringement suit, he or she must have provided notice to the infringer by way of accompanying the mark with, among other possibilities, the symbol “®.” Otherwise, registration of the mark with the USPTO shall amount to constructive notice of the registrant’s ownership, but cannot alone lead to damages and profits. A similar law in patents is present, providing that a rights holder should indicate the product is patented by fixing the word “patent” or “pat.,” on the product along with the patent number. Further, “In the event of failure so to mark, no damages shall be recovered by the patentee in any action for infringement, except on proof that the infringer was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after such notice. Filing of an action for infringement shall constitute such notice.”

Under copyright law, it is required for works published prior to March 1st, 1989 to give notice of registration in order to continue to receive protection, but for works registered after that

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56 Id.
57 Id. at (c).
61 Id.
date, it is not required (although there are legal benefits to doing so). Among other benefits, including such a notice may limit a defendant’s ability to persuade the court that his or her alleged infringement was not willful.

III. APPORTIONING DAMAGES FOR DESIGN PATENT INFRINGEMENT: NEW TOTALS

A. INTRODUCTION TO THE SECTION 289 DEBATE IN THE APPLE V. SAMSUNG LITIGATION

Section 289 of the Patent Act allows a plaintiff patent-holder to recover the “total profits” the infringer earns from the infringing activity. In the past decade’s Apple v. Samsung line of design patent litigation, the competing interpretations of the section found their way to the Supreme Court, where the court ruled that a component piece of a multicomponent product could be considered an “article of manufacture” within the language of the statute, and that the article of manufacture could have a “total profit” separate from the total profit of the product as a whole. The relevant text of the section is as follows:

Whoever during the term of a patent for a design, without license of the owner, (1) applies the patented design, or any colorable imitation thereof, to any article of manufacture for the purpose of sale, or (2) sells or exposes for sale any article of manufacture to which such design or colorable imitation has been applied shall be liable to the owner to the extent of his total profit, but not less than $250, recoverable in any United States district court having jurisdiction of the parties.

Prior to reaching the Supreme Court, the case had the Court of Appeals for the Federal Circuit grapple with the question and analyze the statute. The court rejected Samsung’s argument that profits should be apportioned based on the value of the component that bears the patented design only. Based on a reading of the statute (“sells or exposes for sale any article of manufacture”) the court ruled that because the smaller components were not sold separately, they were not articles of manufacture per the statute in question. Thus, the “article of manufacture,” in this case, was, for example, the iPhone as a whole. Apple was subsequently awarded $399 million for two design patent infringements, based on the total profit of Samsung’s sales that included those infringing designs.

Some logic in the CAFC’s opinion may be found in the language of section 289, in that it may exclude apportionment, whether or not the article of manufacture is a component piece or the whole product, if that relevant article is not sold separately. The statute reads: “...sells or exposes for sale any article of manufacture...” A reading of the statute could interpret it to mean that the article of manufacture must be sold separately, or have its own price tag, or be placed on the market (exposed for sale), be it a replacement piece or not. It may be implied, then, that an article sold must be a single product, rather than a component piece. Under this reading, a narrow or broad definition of “article of manufacture” would not change the fact that the language of the

63 Id.
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statute necessarily narrows it further. For example, even if an article of manufacture could be the display of an iPhone, rather than the whole phone, the interpretation would deem it necessary to calculate damages based on the article of manufacture that is sold or placed on the market.66

The thorn in the foot of this argument, however, is that the section is silent as to whether the article of manufacture must be a single product. To put it simply, the language of section 289, by stating that the article must be sold or placed on the market, reiterates that in order to recover damages there must be actual infringing activity, not only the intent or plan to infringe. The article does not further narrow the scope of “article of manufacture” by saying the article sold or placed on the market must be a single product. The implication to the contrary, as discussed in the following section, is a leap that the Court could not in good faith make.

In an amicus curiae brief that was submitted to the Supreme Court, several major interested companies and associations cried out against the CAFC’s ruling, claiming that it was “deeply flawed.”67 Such a ruling would very clearly encourage more design patent litigation, because it offered a backdoor to total profits, even where infringement of a utility patent may be apportioned.68 The companies and associations undertook the complex task of analyzing and defining the term “article of manufacture” based on definitions of the term at the time of implementation of the statute and based upon subsequent court decisions, all in order to show that an “article of manufacture” need not be sold separately as per the statute.

B. THE SUPREME COURT IN SAMSUNG V. APPLE: THE TWO-FACTOR TEST FOR DETERMINING DAMAGES

In the Supreme Court’s ruling, it followed a similar train of thought. While admitting the statute does provide for remuneration based on “total profits,” the Court further specified that the infringer is liable for all of the profit “made from the prohibited conduct... from the manufacture or sale of the ‘article of manufacture to which [the patented] design or colorable imitation has been applied.”69 An article of manufacture is thus “both a product sold to a consumer and a component of that product.”70 The Court notes that the reading of the term is consistent with sections 171 and 101 of the Patent Act. Further on, it sets out a test for determining damages in design patent cases: (1) to identify the article of manufacture, and (2) to apportion damages based on the value of the infringing article, amounting to the “total profit.”71 (The test intentionally excludes any method of determining what the relevant article of manufacture is.)

The language of the Court has created a fiction in word choice for stakeholders and administrative agencies, because an article of manufacture may now be a smaller component,
and that smaller component may have an independent “total profit” from the product as a whole, thereby creating two or more total profits in one product. It is tempting to call this “apportionment,” and by common sense, it would not be inaccurate to do so. It seems that efforts for congruency with the Court have, however, led to enforcement of the fiction in language that this ruling does not lead to apportioning damages, because the article of manufacture may have its own total profit. Practically speaking, the ruling marks a return to the option of apportioning damages.

In summary, the Court ruled that to read an “article of manufacture” as only ever being the end product sold to consumers is too narrow a reading, and that it could also be a component of that product, whether sold separately or not. It follows that a court could find an infringing article of manufacture to be a component of an end product, and that damages would then rightfully be apportioned to that component. However, the possibility remains for a product to be a single article of manufacture, as will be seen in section III of this paper on the history of design damages, and that that single article of manufacture will be used to determine total profits.

C. THE FOUR FACTOR TEST FOR IDENTIFYING THE ARTICLE OF MANUFACTURE

Further on, although the definition of “article of manufacture” was broadened by the Court, the Court did not lay out a test for determining what the relevant article of manufacture is. In fact, the Court declined to do so. On remand, the CAFC also declined to lay out a test for determining what the relevant article of manufacture is. The court determined that the U.S. District Court of the Northern District of California, San Jose, where the case originated, was best situated to develop a test if need be. After analyzing tests submitted by Apple, Samsung, and the United States (as amica curiae), the court decided that the four factor test offered by the United States was the most appropriate for identifying the article of manufacture, as defined by the Supreme Court. The factors are as follows:

1. The scope of the design claimed in the plaintiff’s patent, including the drawing and written description;
2. The relative prominence of the design within the product as a whole;
3. Whether the design is conceptually distinct from the product as a whole; and
4. The physical relationship between the patented design and the rest of the product, including whether the design pertains to a component that a user or seller can physically separate from the product as a whole, and whether the design is embodied in a component that is manufactured separately from the rest of the product, or if the component can be sold separately.

This four-factor test gives the fact-finder guidance in weighing competing interests while determining the relevant article of manufacture. The test has been largely adopted by a court in the Southern District of California as well, but no precedent has so far been set by higher courts. Note the language in the third factor: that the design should be “conceptually distinct” from the product in order to be considered an article of manufacture. This is the same test as for copyright

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72 On remand, 678 F. App’x 1012 (Fed. Cir. 2017).
protection of designs on useful articles, except that the copyright test speaks directly to whether the design is protectable subject matter under copyright law. The patent question speaks to what is the relevant article of manufacture. It is odd to include a question of separability in this regard, because the test's focus is to determine which article of manufacture is relevant to the design in question. It is ironic to apply a subject matter test that rips the design off of the product in order to determine which component the design is primarily applied to. The conceptual separability test is best used to determine whether the design is functional, dictated by form or function, or if it is actually proper subject matter for protection. As the four factor test is not about any of those, the third factor should be excluded.

It is important to realize that this test is in large part a reaction to unseemly results from prior litigation, in which damages relied on proving the value of the design, rather than the value of the article they are applied to. The difficulty of the task caused some plaintiffs to receive only nominal damages, which in turn led to legislation creating a statutory minimum, as well as the idea of total profits based on the article of manufacture. The fourth factor of the test detailed above speaks most clearly on this issue, explicitly describing how a design may have a more significant relationship with a component of a product rather than with the product as a whole. It includes whether the component may be sold separately, whether it's physically separable, and whether it's manufactured separately. This author recommends that courts should begin the test with the fourth factor, and failing to find a smaller component that could be the relevant article, should move on to factors one and two in conjunction to determine the value the design brings to the product as a whole, which would also be the relevant article of manufacture.

IV. HISTORY OF DESIGN PATENT DAMAGES

The judicial history of design patent damages begins with carpets, an apt example of how a design may affect the value of an article of manufacture. There is no doubt that courts in the 18th and 19th centuries saw the need for apportioning damages in design patent cases, but there was, for some time, no rule on how to determine the value of the design. In the Supreme Court's 1884 Garretson v. Clark opinion, the Court stated, "The patentee must in every case give evidence tending to separate or apportion the defendant's profits and the patentee's damages between the patented feature and the unpatented features, and such evidence must be reliable and tangible, and not conjectural or speculative; or he must show be [sic] equally reliable and satisfactory evidence that the profits and damages are to be calculated on the whole machine, for the reason that the entire value of the whole machine, as a marketable article, is properly and legally attributable to the patented feature." This quotation speaks of precise measurements of damages due to the patented article, calling for no amounts of conjecture or speculation... but this paper asks, and courts would soon realize, how one could avoid such pitfalls while attempting to determine the value a design brings to a product.

In the 19th century two cases were brought against the same defendants, the Dobson brothers, for the infringement on the design patents of several carpets. In the Dobson cases, the Supreme Court found that Dobson had undoubtedly infringed on the design patents of several

74 Garretson v. Clark, 111 U.S. 120 (1884).
plaintiffs, yet it could not apportion damages because the plaintiffs did not offer enough evidence to prove the value the design gave to the article of manufacture.\textsuperscript{75} The Court awarded the plaintiffs nominal damages of six cents each.\textsuperscript{76} The decision was made in response to the lower court awarding damages equal to the entire profits of the defendants.\textsuperscript{77} The forty-ninth Congress thus was made aware of the two extreme possibilities under design patent law: nominal damages due to an inability to reliably calculate the value of a design, and total damages based on the entire product, even when the value of the design is not proven. In its eleventh session, Congress passed the precursor to section 289, to be found in Chapter 105. The relevant portion reads:

\begin{quote}
...to sell or expose for sale any article of manufacture to which such design or colorable imitation... have [sic] been applied, knowing that the same has been so applied... shall be liable in the amount of two hundred and fifty dollars; and in case the total profit made by him from the manufacture or sale...of the article or articles to which the design, or colorable imitation thereof, has been applied, exceeds the sum of two-hundred and fifty dollars, he shall be further liable for the excess of such profit over and above the sum of two hundred and fifty dollars; and the full amount of such liability may be recovered by the owner of the letters patent...
\end{quote}

The statute includes the possibility of total profits as damages for willful infringement of a patented design, provided that the profit exceeds the nominal award of $250. The nominal threshold not only protects plaintiffs who would otherwise be unable to prove the value of the design or the profits of the defendant, but contains the foundational language in regard to the "article of manufacture" that the Supreme Court most recently interpreted in Samsung v. Apple. In sum, this statute allowed plaintiffs to recover damages based on the value of the article of manufacture to which the design has been applied, rather than attempting to calculate the value of a design alone.\textsuperscript{78} It did not, however, make clear the definition of "article of manufacture," and nor did the Patent Act of 1952, which codified section 289 in Title 35.\textsuperscript{79}

V. INTERNATIONAL PROTECTION FOR DESIGNS

A. INTRODUCTION & THE TRIPS AGREEMENT ON INDUSTRIAL DESIGNS

Designs have received protection on the international stage\textsuperscript{80} dating back to the Paris Convention, as adopted in 1883, which provided simply that "industrial designs shall be protected in all the countries of the Union."\textsuperscript{81} Article 4 of the Paris Convention, which applied to

\textsuperscript{75} See Dobson v. Hartford Carpet Company, 114 U.S. 439 (1885); and Dobson v. Doman, 118 U.S. 10 (1886); and Nike Inc. v. Wal-Mart Stores, Inc., 138 F.3d 1437, 1441 (Fed. Cir. 1998) (discussing the history of damages in design patent cases).
\textsuperscript{76} Id.
\textsuperscript{79} Nike, Inc. v. Wal-Mart Stores, Inc., at 1442.
\textsuperscript{80} Note that in individual nations, the earliest design law is cited as the 1711 Ordinance of the Consul of Lyons, which protected the silk industry in Lyons (see Frank D. Prager, "History of Intellectual Property: From 1545 to 1787," 26 J. OF THE TRADEMARK AND PAT. OFFICE SOC’y 711 (1944)); and other national laws included Britain’s Calico Printers’ Act 1787 and the U.S. design patent act of 1842, which provided protection for ornamental designs.
\textsuperscript{81} Paris Convention for the Protection of Industrial Property of March 20, 1883, art. Squinquies.
patents and trademarks, as well as designs, set forth a standard for limited rights of priority in all member states according to the first filing date.82 More generally, the agreement put in place a system of National Treatment,83 meaning that a member state could not treat an application differently based on its origination from another member state, or in other words, that the laws that apply to nationals must also apply to foreigners from member states. This makes it so, for instance, the U.S. design patent term of 15 years cannot only apply to U.S.-based applicants, but must also apply to foreign applicants from other member states. The most recent version of the Paris Convention is incorporated by reference into the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which is the modern multilateral standard on intellectual property rights, as administered by the World Trade Organization (WTO).

Article 25.1 establishes the standard for industrial designs, namely that a design must be “new and original,”84 thereby differentiating the regime from copyright, which bears the lower standard of originality, often interpreted in U.S. law as a modicum of originality. Article 25.2 attempts to ensure that the costs of registration do not serve as a disincentive for applicants when compared to the relatively short term of protection.85 Article 26 establishes the rights that must be granted to industrial designs, then states that members may apply limited exceptions to those rights, so long as those exceptions are reasonable.86 The term of protection shall “amount to” at least 10 years; the functional language of “amount to” allows, for instance, the Australian rule of initially granting a term of five years with the ability to renew for an additional five year term.87

B. THE HAGUE AGREEMENT

The Hague Agreement Concerning the International Registration of Industrial Designs (the Hague Agreement), administered by the World Intellectual Property Organization (WIPO), governs the international registration of industrial designs (otherwise known as design patents, community designs, or design registrations).88 After a design is submitted within the International Bureau of WIPO, it is published in the International Designs Bulletin.89 The applicant has designated “Contracting Parties,” or rather, the international destinations of the application, and those parties are notified of the publication.90 Those parties, be they the USPTO or another nation’s design examination office, will have six months (or twelve months under the 1999 Act) to deny the application under national law.91 If the applicant wishes to challenge a refusal, such challenge takes place in the rejecting office’s nation according to its national law.92

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82 Id. at art. 4.
83 Id. at art. 2.
84 TRIPS art. 25.1.
85 Id. at art. 25.2.
86 Id. at art 26.1 & 26.2.
89 Id.
90 Id.
91 Id.; and Hague Agreement 1960 art. 8(1)&(2); 1999 art. 12(1)&(2).
92 Id.; and Hague Agreement 1960 art. 8(3); 1999 art. 12(3).
C. VARYING LEVELS OF PROTECTION

Although the TRIPS Agreement's section on industrial designs provides a minimum standard of protection, countries are free to offer greater protections in national law. For instance, Australia adopts the minimum term of five years for its registered designs, but offers a possible five year extension.93 The European Union's Designs Directives "requires sui generis protection by member states for a much larger range of design aspects, notably 'the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture, and/or materials of the product.'"94 This is in stark contrast to U.S. design patent law, wherein the material of the product is never considered in design, as it is not considered ornamental. Many countries offer "cumulative" protection for designs, allowing for simultaneous protection of a design by patent, copyright, and trademark law, as well as by sui generis systems of protection.95 Although this paper has established boundaries and overlaps in U.S. design protection, those same aspects do not translate to other jurisdictions without serious qualifications.

i. AUSTRALIAN DESIGN LAW

Australia's design law, first embodied in its Designs Act 1906, arose not from a particular need or commercial desire for design protection, but from a pragmatic decision, adopting English legislation on design law in order to receive reciprocal protection for its designers abroad.96 At home, however, Australia's design law wasn't taken advantage of until after industrialization made available furniture designs typically sold at upper-class prices to middle income families.97 Those manufacturers were not protected by long-standing reputations, gained by exclusivity, generations of master-apprentice relations, or exquisite quality, and so they sought protection of their intellectual property through the designs law.98 In regard to furniture, Australian copyright law would not cover them, and trademark law would require source indication, which would be difficult to attain. Professor Dan Hunter and attorney Suzannah Wood observe that as modernist design, or the so-called "machine aesthetic," has taken over the industry, design protection is harder to come by, because the nature of designs applied in factories are necessarily less novel.99 They argue that although these industries seek broader protection, it should not be granted.100

ii. COMMUNITY DESIGNS IN THE EUROPEAN UNION

European Union (E.U.) design law, formed by both the Design Regulation and the Design Directive, creates protection for unregistered (three years) and registered designs (up to twenty-

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95 Id. at 405.
96 Id. at 409.
97 Id. at 413.
98 Id.
99 Id. at 408.
100 Id.
five years) throughout E.U. member states. For registered designs, which receive more secure protections, applicants must submit their applications to the Office of Harmonisation in the Internal Market (OHIM). The scope of protectable designs is significantly broader than in other jurisdictions, considering especially the copyright-like protection for unregistered designs, as well as the protection of colors, materials, and textures as or in designs. In cases of design infringement, The E.U.’s standard for analysis is that of the “informed user” rather than the U.S. standard of the “ordinary observer.” Recital 14 of Regulation No. 6/2002 states that “the assessment as to whether a design has individual character should be based on whether the overall impression produced on an informed user viewing the design clearly differs from that produced on him by the existing design corpus, taking into consideration the nature of the product to which the design is applied or in which it is incorporated, and in particular the industrial sector to which it belongs and the degree of freedom of the designer in developing the design.” The complex definition of “informed user” may lead one to believe that the standard is higher than in the U.S., but in practice, there is not likely to be a significant difference.

Another difference between E.U. and U.S. design law is in the E.U.’s treatment of and language in regard to obscure prior disclosed designs, or prior art for the U.S. If a prior disclosed design is too obscure in relation to the community design applicant, then that prior design will not bar the registration of the latter design. This rule would likely apply to foreign and community applicants alike, otherwise the legislation would run in to National Treatment issues under the TRIPS agreement, opening themselves up to dispute. It is nonetheless possible, even if on paper the law effects all equally, that it is de facto discriminatory. In Senz v. OHIM—Impliva, the General Court confirmed that “for the purposes of invalidity, (1) that the onus is on the design owner to prove that a prior disclosure is too obscure, and (2) that it does not matter if a prior design has never been commercialized — as long as it has been disclosed, it is a relevant prior design.” This seems to imply that if an article is disclosed, it will not be too obscure, coming close to the prior art standard of U.S. design patents, though the quotation does not speak to the patent law difference on novelty versus obviousness in relation to prior art.

A third difference lies in the E.U.’s treatment of non-visible parts. Where in the U.S., non-visible parts are simply not protected, such parts in the E.U. may receive protection as community designs, but only if they are not component parts of complex products. This has

102 Id. at 112.
105 35 U.S.C. 171; and see In re Stevens, 173 F.2d 1015, 81 USPQ 362 (CCPA 1949); and In re Webb, 916 F.2d 1553, 1558, 16 USPQ2D 1433, 1436 (Fed. Cir. 1990).
106 Recital 12 of Council Regulation (EC) No 6/2002 (Dec. 12, 2001) on Community Designs (OK 2002 L 3. P. 1) (“protection should not be extended to those component parts which are not visible during normal use of a product, nor to those features of such part which are not visible when the part is mounted, or which would not, in themselves, fulfill the requirements as to novelty and individual character. Therefore, those features of design which are excluded from protection for these reasons should not be taken into consideration for the purpose of assessing whether other
created some debate over what a complex product truly is: for instance, in the controversial case of *Group Nivelles v. OHIM - Easy Sanitary Solutions*, the European Union Intellectual Property Office (EUIPO) and the General Court agreed that an industrial shower drain was a component part of a complex piece, and thus its non-visible side could not receive protection as a community design. 107 Finding the top plate to be anticipated by a prior disclosed design, the office invalidated the registration as a whole. 108 This and the General Court’s opinion raised questions about what a multi-component product truly is. 109 Depending on the definition, one could limit the non-visible parts rule to those products with parts that may be disassembled and reassembled, 110 or one could limit the rule to those products with the former type of parts as well as fixed parts that simply perform different functions, which seems to be what the General Court and the EUIPO did in this case. Nonetheless, the question was not put to rest, because it was nullified by a rule that U.S. practitioners will surely be familiar with...

The EUIPO based its invalidation on an image of the prior disclosed art that did not show the industrial drain as it would be mounted. The General Court asserted that the EUIPO should have combined the various elements of the prior design in order to “obtain the complete appearance of the design.” 111 On appeal at the Court of Justice (CJEU), the Opinion of the Advocate General stated that the image of the prior disclosed design that the EUIPO relied on could not have been sufficient to invalidate the new design, because the image did not show the drain mounted. 112 This boils down instead to a question of enablement, or as the Advocate General said, to “provide the EUIPO with the necessary information and, in particular, to identify and reproduce precisely and entirely the design that is allegedly earlier…” 113 This justification differs slightly from U.S. patent theory, wherein the disclosure requirement is meant solely for enabling others to practice the invention, whereas the CJEU seems to solely justify a rejection based on the need for the EUIPO to fully understand the invention, stopping short of a true enablement rejection. Either way, although the exclusive application of the rule of non-visible parts to components makes for clumsy arguments about what a component piece truly is, the E.U. maintains other reliable mechanisms, found normally in patent law, that help to solidify its design registrations.

iii. Routes of Extra-Territorial Patent and Design Law Jurisdiction in the E.U.

The European Union is a customs union, an economic alliance made of multiple independent member states that have agreed to share a common outer-tariff wall. The main legislative body of the E.U. has the right to develop legislation that governs its members, and it has the right to enter into treaties and represent its members at multilateral institutions like the...
WTO (for instance, one should not bring a WTO dispute settlement action to the Netherlands, because only the E.U. will respond). The question of the extent of its members' independence has often arisen, and in multiple contexts. The E.U.'s legislation typically has direct effect, but allows for members to gap fill, following a rule similar to the Charming Betsy rule of the U.S., in that where there is conflicting law, the one instituted later in time is effective. The patent is registered for on a pan-European basis, but what the successful applicant receives is a bundle of E.U. member patents rather than a “pan-European” patent, as the application is distributed to National offices where they are registered independently and receive varying levels of protection. When it comes to enforcement of rights, courts have attempted to ease the burden of rights holders by implementing pan-European preliminary injunctions. These actions have been criticized as overstepping boundaries and endangering the independence of national courts.

There are rare instances in which a pan-European injunction is granted from a single member state. First, they may be granted where a case does not allege the invalidity of a patent, for example, raising a defense that does not argue invalidity of the patent in question. Second, even when the validity of a patent may be in question, a court may issue a pan-European preliminary injunction based on the need for protective measures. Under this rule, even if the court instituted a pan-European preliminary injunction, it would have to lift the injunction whether it found infringement or not, at least outside of its own national jurisdiction.

The problems of extra-territorial reach in this case are highlighted by the events in the U.K., as Apple sought injunctive relief on two of the same designs. The U.K. Patent Court ruled that Samsung's Galaxy tablets (the 10.1, 8.9, and 7.7) did not infringe on Apple's registered designs, and further, that Apple should post the details of the ruling in a public letter on its U.K. website and in several news outlets (essentially an admission of meritless litigious behavior, but not exactly an apology). In lieu of the order, Apple posted the results, but also mentioned that Samsung was contrarily found to have infringed on those designs in the German courts. Although the U.S. courts analyzed different designs, Apple referenced those rulings as well. The U.K. patent court's colorful language in regard to Apple's product was also duplicated in the letter, for example, the court argued that Samsung's tablet design did not infringe because “[The Apple design]... is an understated, smooth and simple product. It is a cool design... the Samsung Galaxy Tablets... are not as cool.”

This tends to show that even without judicially sanctioned extraterritorial reach, an independent ruling on a design from one nation may have some effect on the life and success of

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115 Id.
116 Id.
the same or a similar design in another, simply by reputation and consumers' ignorance of the complexities and variations of design law. The E.U. may thus look forward to the proposed creation of its Unified Patent Court, which would so far unite twenty-five contracting E.U. members and be capable of issuing a single injunction to cover all of them, as well as determine damages and revoke patents in those member states.

U.S. practitioners and stakeholders should be reminded, however, that decisions of other nations' courts or intellectual property administrative offices are not binding on the U.S. If a design is held to be valid in Germany, for instance, there is no precedent set for U.S. courts to follow suit. The U.S. court or the USPTO will make its determination according to its own laws, rules, and procedures. At most, U.S. courts may use findings of fact from those cases if the design or patent at issue is the same, simply so that the court will save time and money. To be clear, differing rulings from one nation to another are not causes of action, unless they are unjustified in falling below the minimum standards of international agreements.

VI. CONCLUSION

To attempt to unify a general paper like this with a sweeping conclusion would be to ignore the colorful variation in design law both over borderlines and over time. Attempts at unification may seek to begin in the nomenclature in regard to design law, however, so long as design laws are so markedly different, such differing names may remain important. Although other IP laws are expected to differ across jurisdictions, yet bear the same names and cause little confusion thereby, there are critical differences in design protections that render this possibility unwanted. For example, the major differences between design patents and community designs, especially that of protecting unregistered designs in the E.U., will likely leave these regimes linguistically separated for the foreseeable future.

In the United States, efforts like in the Ford case to fudge the line between design patent and trademark law are likely side effects of the confusing overlaps between the laws. Doctrines that make sense in one regime may gut another simply due to the underlying philosophy of each. Although the laws often protect similar or the same designs, they do so for different reasons, which lead to the finer differences in the laws. The trade dress doctrine of aesthetic functionality is meant to bar from protection those marks that are not only source indicators, but instead serve some other aesthetic function, which could even include attracting consumers, or unifying a product. As source indication is not a concern of design patents, such a doctrine is unnecessary. For instance, where the design standard of not being dictated by function and the trade dress doctrine of aesthetic functionality would both bar protection of a color code on components that must fit together in particular ways, there is no need to use the latter and broader doctrine, which would later limit a design patent's ability to simply look cool.

Lastly, it is perhaps key to reiterate that in U.S. design patent cases, the trouble has been in determining the damages. Those learning about design patents often ask how to determine the value of a design, and indeed, this question has hampered plaintiffs in the past. It would involve a significant amount of conjecture and speculation that just does not seem fitting in a court of law. The answer though, is that courts no longer look at the value of the design, but look instead
to the total value of the article of manufacture that the design has been applied to. This method has led to extensive damages (but never double damages), and this fact has brought significant attention to design patents over the last decade. Ironically, those who would view these damages as too steep often revert to the question of the value of a design in order to dispute the value of the article of manufacture. Supposing there is a true difference in value, it would likely have to be represented as an arbitrary apportionment of the value of the article of manufacture to which the design has been applied. This is not something courts are likely to do.

Design patents after 2020 will likely continue to rise in importance, but will likely see more confusion, almost being viewed as a counterfeit in itself of trademark law. Moving forward, entrepreneurs and the legal community must continuously look back to the purpose of patent law in general in order to appropriately understand the minutiae of the law. Lacking this understanding, litigants may infringe and suffer catastrophic monetary losses, or they may make arbitrary arguments according to other IP regimes, or even those in other national jurisdictions. Successful use of design patent law, however, will lead to protection for some designs that would otherwise be unprotected as trade dress or possibly unprotected under copyright law. Maintaining a diverse IP portfolio is not a novel idea, but the practice must always expand to new forms of protection, or to forms of protection one never thought to be relevant. It remains to be seen how the patenting of designs will benefit the public domain following the 15 year term, especially if the same designs are later protected as trade dress, having acquired secondary meaning, for an unlimited term. That being said, if there is little value in a design going public after the 15 year term, then the ability to register the design as trade dress is rather a moot point, but whether design law belongs under greater patent law becomes a more pressing concern.
# Memo: Current State of Design Patents

Rachel T. Le*

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I. AN INTRODUCTION TO DESIGN PATENTS
   a. DESIGN PATENTS AND THE RIGHTS OF THE PATENTEE.

Design patents offer protection over "any new, original and ornamental design for an article of manufacture." 35 U.S.C. § 171. When a design patent is issued to a patentee for his or her design, that patentee has the right to exclude others from making, using, offering for sale, or selling the design on an article of manufacture throughout the United States or importing such into the United States. 35 U.S.C. § 154. The protection granted by the patent is for a term of fifteen years from the date of grant. 35 U.S.C. § 173.

Infringement of a patent is defined in 35 U.S.C. § 271, but within the damages section for a design patent, section 289, infringement for a design patent is specifically explained. Infringement of a design patent occurs when a party, during the term of the design patent, without licensing of the patentee, (1) applies the patented design, or any colorable imitation thereof, to any article of manufacture for the purpose of sale, or (2) sells or exposes for sale any article of manufacture to which such design or colorable imitation has been applied. 35 U.S.C. § 289. When the patentee’s design is infringed, he or she may seek a remedy against the infringer in civil court. 35 U.S.C. § 281.

b. HOW TO DETERMINE IF A DESIGN PATENT HAS BEEN INFRINGED.

In 1872, the Supreme Court of the United States came up with the "ordinary observer" test, which is used to determine whether an article is infringing on the patented design of the patentee/plaintiff. SCOTUS held that if, in the eye of an ordinary observer, two designs are substantially the same, the first one patented is infringed by the other. Gorham Co. v. White, 81 U.S. 511, 528 (1872).

The ordinary observer was modified by the Court of Appeals for the Federal Circuit, and became known as the "point of novelty" test. Under the point of novelty test, for the design patent to be infringed, "the accused device must appropriate the novelty in the patented device which distinguishes it from the prior art." Litton Systems, Inc. v. Whirlpool Corp., 728 F.2d 1423, 1444 (Fed. Cir. 1984). In other words, in the eye of the ordinary observer, the two articles must have their similarity attributable to the novelty that differentiates the patented design from prior art for there to be infringement.

The test for infringement of a design patent was reverted back to the ordinary observer test by the Federal Circuit in 2008. CAFC held that the ordinary observer test should be the "sole test for determining whether a design patent has been infringed." Egyptian Goddess, Inc. v. Swisa, Inc., 543 F.3d. 665, 678 (Fed. Cir. 2008). CAFC clarified that the ordinary observer test set forth in Gorham Co. v. White should be conducted in light of the prior art. Id.

c. REMEDIES FOR THE PATENTEE AGAINST AN INFRINGER.

When an infringer is found to have infringed on the patentee’s design patent, the patentee has options for the remedy to compensate him or her for the infringement. The patentee can get an injunction order against the infringer and/or seek monetary damages.
Under 35 U.S.C. § 283, the patentee may seek and the court may grant injunctions “in accordance with the principles of equity to prevent the violation of any right secured by patent, on such terms as the court deems reasonable.” 35 U.S.C. § 283. The injunction order against the infringer would stop him or her from continuing to infringe on the patentee’s design patent.

A patentee may also pursue monetary damages from the infringer. For infringement of patents, the court, if finding for the patentee, shall award damages adequate to compensate for the infringement. 35 U.S.C. § 284. Adequate compensation should be no less than a reasonable royalty for the use made of the invention, design, by the infringer. Id. Section 284 apportions the profits of the infringer and only awards the patentee the portion of the profits that were attributable to the patented design. LaserDynamics Inc. v. Quanta Computer Inc., 694 F.3d 51, 67-68 (Fed. Cir. 2012). Design patents have a specialized damages provision, section 289, which allows for the awarding of the infringer’s total profit for the article of manufacture that applies the patented design. 35 U.S.C. § 289. However, this total profits remedy has become controversial, because when the statute is applied to multicomponent products, the awarding of total profits is unfair when the patented design infringed by the product is only a small part of the appeal of the product to consumers.

II. DESIGN PATENT DAMAGES
   a. A BRIEF TIMELINE LEADING UP TO SECTION 289.

Prior to section 289, damages for design patents, like utility patents, were calculated by apportioning the infringer’s profits. The Supreme Court held in Garretson v. Clark that the patentee has the burden of production to apportion the profits of the infringer, and only the amount attributable to the patented feature is to be awarded as damages. Garretson v. Clark, 111 U.S. 120, 121 (1884). The Supreme Court heard cases on carpet design patent infringement and the patentee was awarded a miniscule amount of damages for the infringement because of the difficulty of apportioning the profits for a design. Dobson v. Hartford Carpet Co., 114 U.S. 439, 447 (1885) and Dobson v. Dornan, 118 U.S. 10, 18 (1886).

In response, Congress enacted a damages provision for design patents. In 1887, section 289’s predecessor was passed to eliminate the “need to apportion the infringer’s profits between the patented design and the article bearing the design.” H.R. Rep. No. 1966 49th Cong. 1st Sess., 1 (1886). Section 289’s predecessor allowed the patentee to recover the total profit made by the willful infringer from the manufacture or sale of the article(s) to which the design was applied to. The total profits remedy for design patent infringements was codified in the Patent Act of 1952 as section 289, but the statute dropped the willful intent of the infringer for determining damages. Apple Inc. v. Samsung Elecs. Co., Ltd., No. 11-CV-01846-LHK, 2017 WL 4776443, at *2 (N.D. Cal. Oct. 22, 2017).

b. THE DOBSON CASES.

In 1885 and 1886, the Supreme Court heard two cases on design patent infringement by the Dobson brothers. In both cases, the Dobson brothers were found to have infringed on the plaintiffs’ design patents for carpet designs, but the patentees were only awarded nominal damages. The patentees failed to show what portion of the profits was due to the patented design
and what portion was due to the unpatented carpet. That failure to apportion Dobson’s profits is what led to the nominal damages despite the infringement of the design patent. *Dobson v. Hartford Carpet Co.*, 114 U.S. at 447 (1885) and *Dobson v. Dornan*, 118 U.S. at 18 (1886).

c. **Congress’ Response to SCOTUS’ Holding in the Dobson Cases.**

Following the *Dobson* cases, Congress enacted section 289’s predecessor in 1887. *Apple Inc. v. Samsung Elecs. Co., Ltd.*, No. 11-CV-01846-LHK, 2017 WL 4776443, at *2 (N.D. Cal. Oct. 22, 2017). Congress feared that the precedent set by the *Dobson* cases weakened design patent law by providing no effectual monetary recovery for infringement. *Id.* Congress’ enactment of the damages statute for design patents got rid of the requirement for the patentee to produce evidence to apportion the infringer’s profits. *Id.*

In 1952, the Patent Act of 1952 codified the design patent infringement remedy in section 289. This total profit remedy for design patent infringement was affirmed by the Federal Circuit in *Nike v. Wal-Mart*, which held that section 289 did not require patentees to apportion the infringer’s profits. *Nike, Inc. v. Wal-Mart Stores, Inc.*, 138 F.3d 1437, 1441-43 (Fed. Cir. 1998).

d. **The Current Language and Interpretation.**

Under 35 U.S.C. § 289, design patent owners are given an alternative to damages under section 284. Section 289, additional remedy for infringement of design patent, states:

> Whoever during the term of a patent for a design, without license of the owner, (1) applies the patented design, or any colorable imitation thereof, to any article of manufacture for the purpose of sale, or (2) sells or exposes for sale any article of manufacture to which such design of colorable imitation has been applied shall be liable to the owner to the extent of his total profit, but not less than $250, recoverable in any United States district court having jurisdiction of all parties. Nothing in this section shall prevent, lessen, or impeach any other remedy which an owner of an infringed patent has under the provisions of this title, but he shall not twice recover the profit made from the infringement.

On December 6, 2016, SCOTUS held that under section 289, the relevant article of manufacture can be either the product sold or a component of that product. *Samsung Elecs. Co., Ltd. v. Apple Inc.*, 137 S.Ct. 429, 436 (2016). It is that relevant article of manufacture’s total profit that is awarded to the patentee for the infringer’s infringement on his or her design patent. *Id.* at 434. This marks a return to the idea of apportionment for determining damages for design patent infringement.

III. **US Litigation: Apple v. Samsung**

a. **The Procedural History.**

Apple filed suit against Samsung in 2011 in the United States District Court, Northern District of California, San Jose. Following the initial trial, Samsung, in a post-trial motion, raised issue with the damages awarded by the jury. The court found that there was error in the jury award, as the award was based on incorrect notice dates. A damages retrial using the correct
notice date occurred on November 21, 2013. Samsung then appealed to the Federal Circuit. On May 18, 2015, CAFC upheld the lower court’s decision, and further addressed the design patent damages under section 289. CAFC interpreted the statute to mean that a component piece of a multi-component product cannot be the relevant article of manufacture under section 289 unless it is sold separately. *Apple Inc. v. Samsung Elecs. Co., Ltd.*, 786 F.3d 983, 1002 (Fed. Cir. 2015).

The Supreme Court elected to address the issue of whether the article of manufacture under section 289 can be a component of a product. On December 6, 2016, SCOTUS held that under section 289, the term “article of manufacture” encompasses both a product sold and a component of that product. Notably allowing for “total profits” to apply to both a part and the whole product. SCOTUS reversed and remanded CAFC’s decision. However, SCOTUS declined to set forth a test to determine the relevant article of manufacture and instead left it to CAFC on remand.

On February 7, 2017, CAFC also declined to set forth a test and further remanded the issue to the trial court, as the trial court was in the best position to define a test. On October 22, 2017, the district court adopted the United States’ proposed test to determine the relevant article of manufacture, and ordered a new trial on damages for the design patents. The district court also noted the burden of proof of the plaintiff and defendant.

On May 24, 2018, the new trial on damages awarded Apple $539 million. Samsung again appealed the decision, but prior to the appeal being heard, the two companies settled outside of court. The US District Court, Northern District of California, San Jose issued an order dismissing all suits with prejudice on July 27, 2018.

b. THE PATENTS ASSERTED TO BE INFRINGED.

Apple asserted that a plethora of their patents, both utility and design, had been infringed by Samsung. Samsung’s countersuit also asserted infringement of multiple patents by Apple. During pretrial, the case was narrowed to seven patents asserted by Apple to be infringed and five patents asserted by Samsung to be infringed. Trade dress infringement was also alleged by Apple but later dismissed.

Of Apple’s seven patents, four are design patents. The four design patents are: D504,889; D593,087; D604,305; and D618,677. The four shall be referred to as D’889, D’087, D’305, and D’677 respectively. D’889 claims the rounded corners of Apple’s iPad. Similarly, D’087 claims the rounded corners and raised rim of Apple’s iPhone. D’305 claims the graphical user interface of the iPhone which is a grid of sixteen colorful icons in a four-by-four layout, along with a single row of four icons that are permanently set under the grid of sixteen icons. D’677 claims the rectangular front surface of the iPhone.

Apple’s remaining three patents are utility patents. The three utility patents are: 7,864,163; 7,469,381; and 7,844,915. The three shall be referred to as ‘163, ‘381, and ‘915 respectively. Patent ‘163 claims the ‘tap-to-zoom’ feature. Patent ‘381 claims the ‘bounce-back’ effect. The ‘bounce-back’ effect is when the user scrolls past the edge of a document, image, or similar object to show white-space, but once the user’s scrolling input is no longer detected, the
document, image, or similar object moves back so that the display edge meets with the edge of such object. Patent '915 claims the scrolling and scaling of electronic objects feature.


Apple also asserted trade dress claims against Samsung. There were four trade dresses, three unregistered and one registered. The unregistered trade dresses were: the iPhone 3G trade dress, the combination iPhone trade dress, and the iPad/iPad 2 trade dress. The registered trade dress was for the iPhone.

c. THE FIRST JURY TRIAL.

On August 24, 2012, a thirteen day trial ended with the jury reaching a verdict for Apple. The jury found that all of Apple’s patents except D’889 were willfully infringed by Samsung. Amended Verdict Form 1931, U.S. District Court Northern District of California (Aug. 24, 2012), https://cand.uscourts.gov/filelibrary/1079/Amended%20Jury%20Verdict.pdf. Only one of Apple’s trade dresses were found protectable by the jury; the unregistered iPhone 3G trade dress was found protectable. Id. at 10. Samsung was found to have willfully diluted Apple’s iPhone 3G trade dress. Id. at 14. The jury awarded Apple around $1 billion for Samsung’s infringements on Apple’s patents and trade dress dilution. Id. at 15. For Samsung’s utility patents, there was no finding of infringement by Apple. Id. at 17.


d. SAMSUNG’S APPEAL TO THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT.

CAFC affirmed in part and reversed and remanded in part the district court’s decision. Apple Inc. v. Samsung Elecs. Co., Ltd., 786 F.3d at 1005 (Fed. Cir. 2015). CAFC held that the relevant article of manufacture under section 289 is the product sold to ordinary consumers. Id. at 1002. Components of a product cannot be the relevant article of manufacture unless the components are sold separately to consumers. Id. CAFC affirmed the jury’s verdict on the design
patent infringements, including the damages award, and the validity of two of Apple’s utility patents. Id. at 1006. The jury finding that Apple’s asserted trade dresses are protectable was reversed and the damages for the trade dress dilution was vacated. Id. at 994-96. Apple was awarded $399 million in damages for Samsung’s design patent infringement. Samsung Elecs. Co., Ltd. v. Apple Inc., 137 S.Ct. 429, 433-34 (2016).

e. The Supreme Court of the United States on the Issue of Section 289 Damages.

SCOTUS granted writ of certiorari limited to the question, “Where a design patent is applied to only a component of a product, should an award of infringer’s profits be limited to those profits attributable to the component?” In a unanimous opinion, the Court held that under section 289, a component of a multicomponent product may be the relevant article of manufacture. Id. at 436. SCOTUS further stated that an article of manufacture is not defined by how it is sold to consumers. Id.

SCOTUS declined to set forth a test to determine the relevant article of manufacture under section 289. Id. The Court instead left it to CAFC on remand to adopt a test. SCOTUS did set forth a two-step test for damages under section 289. Id. To determine damages awarded under section 289, a court must (1) identify the article of manufacture to which the infringed design has been applied, and (2) calculate the infringer’s total profit made on that article of manufacture. Id. at 434.

f. The Series of Remands.

On remand, CAFC declined to adopt a test to determine the relevant article of manufacture. Apple Inc. v. Samsung Elecs. Co., Ltd., 678 Fed. Appx. 1012, 1014 (Fed. Cir. 2017). The Federal Circuit chose to further remand the case to the district court for the determination of the test, finding that the district court was in the best position to evaluate the parties’ arguments. Id.

The district court adopted the United States’ proposal for a four-factor test to determine the relevant article of manufacture. Apple Inc v. Samsung Elecs. Co., Ltd., No. 11-CV-01846-LHK, 2017 WL 4776443, at *12 (N.D. Cal. Oct. 22, 2017). To determine the relevant article of manufacture, a court must consider the following factors: (1) the scope of the design claimed in the plaintiff’s patent, including the drawing and written description; (2) the relative prominence of the design within the product as a whole; (3) whether the design is conceptually distinct from the product as a whole; and (4) the physical relationship between the patented design and the rest of the product, including whether the design pertains to a component that a user or seller can physically separate from the product as a whole, and whether the design is embodied in a component that is manufactured separately from the rest of the product, or if the component can be sold separately. Id. at *11.

The district court also identified the burden of proof for the plaintiff and defendant. Id. at *12. The burden of proof encompasses two distinct burdens: the burden of persuasion, the burden to prove one’s evidence is more likely than not to be the truth, and the burden of
production, the burden to present evidence at different points in the proceeding. *Id.* The plaintiff bears the burden of persuasion and the initial burden of production on identifying the relevant article of manufacture and proving the total profit on that article. *Id.* Once the plaintiff satisfies his or her burden of production, it shifts to the defendant to produce evidence of an alternative article of manufacture and evidence of a different profit calculation. *Id.* With a test adopted, and the burden of proof identified for the parties, the district court ordered a new trial on damages for the design patents. *Id.* at *19.

The district court's prescribing of the burden of proof for the plaintiff and defendant for design patent damages differentiates the modern design damages from those present at the time of the *Dobson cases,* despite the reappearance of apportionment. In the *Dobson cases,* the plaintiff bore the burden of production and the burden of persuasion to show what portion of the defendant's profits is attributable to the patented design. *Dobson v. Hartford Carpet Co.,* 114 U.S. at 445 (1885). The district court instead has the plaintiff bear both burdens, at least initially, to identify the relevant article of manufacture that the patented design is applied to, along with the total profits of that article of manufacture. *Apple Inc. v. Samsung Elecs. Co., Ltd.,* No. 11-CV-01846-LHK, 2017 WL 4776443, at *12 (N.D. Cal. Oct. 22, 2017). The difference is miniscule, but for the plaintiff, the district court's approach is achievable. The issue with the burden of proof during the time of the *Dobson cases* is that for products like rugs that are a single component comprising the whole product, it is impossible for the plaintiff to produce evidence of what portion of the profits is attributable to the patented design. Under the holding in *Apple,* for single component products, the plaintiff can identify the whole product as the article of manufacture and meet his or her burden of proof. For multicomponent products, if possible, under *Apple,* plaintiffs will identify the whole product as the article of manufacture, but the defendant has the chance to counter that with identification of a component as the article of manufacture to prevent the awarding of his or her total profits. *Apple*’s approach to the burden of proof looks to what the design is applied to, the article of manufacture, instead of what is the worth of the design alone. This approach allows for an achievable burden of proof for the plaintiff, while also acknowledging the potential unjust awarding of total profits when the product is a multicomponent product.

g. THE NEW TRIAL FOR DAMAGES.

The new trial for damages occurred on May 24, 2018. The trial took place in the US District Court, Northern District of California, San Jose. The district court ruled in judgment in favor of Apple and awarded Apple $539 million in damages.

h. HEARINGS HELD BY THE DISTRICT COURT AND THE RESULTING ORDERS ISSUED.

The US District Court, Northern District of California, San Jose issued multiple orders on claim construction of Apple’s design and utility patents. The district court also issued orders on Apple’s and Samsung’s motion for judgment as a matter of law.

The district court construed the dispute claim terms and issued an order on April 4, 2012. The relevant patents are all utility patents. Apple Inc. v. Samsung Elecs. Co., Ltd., No. 11-CV-01846-LHK, 2012 WL 1123752, at *1 (N.D. Cal. Apr. 4, 2012). The eight patents in dispute were: 7,698,711, 6,493,002, 7,469,381, 7,663,607, 7,812,828, 7,844,915, and 7,853,891. Id. The order issued construed eight claim terms found in the eight utility patents. Id. at 2-29.

On July 20, 2012, the district court construed two more terms. Apple Inc. v. Samsung Elecs. Co., Ltd., No. 11-CV-0184-LHK, 2012 WL 2993856, at *1 (N.D. Cal. July 20, 2012). The two disputed terms were found in the following two utility patents owned by Apple: 7,469,381 and 7,864,163. Id. The district court in the order issued construed “electronic document” and “structured electronic document.” Id. at 2-5.

The district court issued an order on claim construction of Apple’s design patents. Apple Inc. v. Samsung Elecs. Co., Ltd., No. 11-CV-01846-LHK, 2012 WL 3071477, at *1 (N.D. Cal. July 27, 2012). The order was issued on July 27, 2012. The court construed the claims of all four design patents that were asserted to be infringed by Samsung’s products. The design patents were: D’667, D’087, D’889, and D’305. Id.


i. THE DELAWARE LITIGATION.

IV. INTERNATIONAL LITIGATION: APPLE v. SAMSUNG

a. SOUTH KOREA.


On August 24, 2012, the court delivered its decision on both cases. *Id.* For the infringement suit brought by Samsung, the court found that Apple’s products infringed on two of the five disputed patents, including Samsung’s patent on 3G technology. *Id.* This resulted in an injunction against Apple which removed the iPhone 3GS, iPhone 4, iPad 1, and iPad 2 from sale in South Korea. *Id.* For the other case, Samsung was found to have infringed Apple’s bounce-back technology, and the sale of Samsung products using the bounce-back technology, such as the Galaxy S2, were banned in South Korea. *Id.* The court found that Samsung did not illegally copy Apple’s design, ruling that rectangular screens with rounded corners already existed in products before the iPhone and iPad. *Id.* The court also ruled that no consumer would confuse the two companies’ products with each other, and that Samsung’s icons did not infringe Apple’s patents. *Id.*

b. JAPAN.

Beginning in April of 2011, Apple and Samsung sued one another alleging infringement over patents. The main patents at issue for Apple were its patent on the “bounce-back” feature and the patent relating to synchronizing music and video data (Patent No. 4,204,977). Samsung’s main patents were those relating to mobile-communications technologies, its 3G technology.


c. GERMANY.

Samsung’s 7.7 tablet but not the 10.1. *Id.* The injunction was only against Samsung’s German subsidiary. *Id.*

On July 24, 2012, the Oberlandgericht, the German Court of Appeal, granted a pan-EU interim injunction against both Samsung and its German subsidiary. *Id.* Apple did later apply to the German court for the injunction to be completely withdrawn. *Id.*

The British Court of Appeal questioned whether the Oberlandgericht had jurisdiction to issue such an interim injunction. The British Court’s reasoning for its belief that the Oberlandgericht did not have jurisdiction is explained in the UK section below.

d. France & Italy.


e. Netherlands.


f. Australia.

In Australia, the primary issue between Apple and Samsung was whether the Australian court should grant the interim injunction against Samsung’s Galaxy Tab 10.1 which was alleged to have infringed on Apple’s patents. *Apple Inc. v. Samsung Electronics Co. Ltd.*, [2011] FCA 1164 (2011). The patents at issue are Australian Standard Patent No. 2005246219 and Patent No. 2007286532 held by Apple. *Id.* at *10.

The relevant considerations before the court could grant the injunction were: (1) whether the plaintiff has made out a prima facie case and (2) whether the inconvenience or injury which the plaintiff would likely suffer if an injunction were refused outweighs or is outweighed by the injury by which the defendant would suffer if an injunction were granted. *Id.* at *20. In accordance with those considerations, the court found that Apple had established a prima facie case and that the balance of convenience tilted in Apple’s favor. *Id.* at *244. The court found that the injunction restraining the launch of Samsung’s Galaxy Tab 10.1 would be appropriate. *Id.*
Apple alleged that Samsung infringed on Apple’s registered Community Design No. 000181607-0001, which claims the design for Apple’s tablet, the iPad. Samsung Electronics (UK) Ltd. v. Apple Inc., No. A3/2012/1845, 2012 WL 4866791, at *1 (Oct. 18, 2012). A community design is an industrial design right that provides protection for both unregistered and registered design that does not produce a different overall impression on an “informed user.” A community design provides the exclusive right to use and the right to exclude others from using the protected design.

For determining infringement of a community design, an “informed user” may be understood to be a particularly observant user, not a user of average attention to detail. Id. at *11 (citing the Court of Justice of the European Union in PepsiCo v. Grupo Promer (C-281/10P) [2012] FSR).

Judge Birss of the Patents Court, on July 9, 2012, held that Samsung’s tablets did not infringe on Apple’s registered community design. Id. at *1. Judge Birss later held that Apple should be compelled to publish the results of the suit. Id. at *1.

On October 18, 2012, the Court of Appeal (Civil Division) issued its opinion on the appeal by Apple. Apple argued that an informed user would give little significance to the thickness of the design as registered, as the user would note that the design was from 2004 and would know and expect advances in technology to make thinner tablets possible. Id. at *13. The court disagreed, stating that the scope of protection “is for the design as registered, not some future, even if foreseeable, variant.” Id. at *14. The court upheld the decision of non-infringement by Samsung’s products. Id. at *54.

The British Court of Appeal, did not believe that the Oberlandgericht had the jurisdiction to grant a pan-EU interim injunction against Samsung. Id. at *56. The German court was not “first seized” of the claim for a declaration of non-infringement, nor was it “first seized” of the claim of infringement. Id. at *57. The British Court also could not see “any basis for an interim injunction.” Id. at *58. At the time of Oberlandesgericht’s decision to grant the pan-EU injunction, the British Patents Court had already issued a final declaration while sitting as a Community Court. Id. The British Court of Appeal also found that the Oberlandesgericht’s reasoning on the merits “sparse in the extreme.” Id. at *61. The court believed that it was not for the German court, particularly one acting in the capacity as a national court, to interfere with the Community (EU) wide jurisdiction and declaration. Id. at *59.

On the compelled publicity order, the court held that such an order is meant to dispel commercial uncertainty. Id. at *81. There was commercial uncertainty, as the media said Samsung had won, looking at the suit in the UK, while others in media said that Apple had a pan-EU injunction, looking at the results of the suit in Germany. Id. at *83. These two differing points might have caused consumers to question the legality of Samsung’s product, along with whether those products would be supported. Id. The court found that there was commercial uncertainty and that the confusion must be made clear by Apple itself. Id. at *84.
In short, the UK courts found that Samsung had not infringed on Apple’s community design. The court also held that the publicity order was necessary to clear confusion that arose due to the high publicity and results of the litigation between the companies in other nations, specifically the German pan-EU injunction.

V. THE USPTO AND DESIGN PATENTS
   a. RELEVANT CASE LAW.
      i. INTRODUCTION

      The MPEP holds the rules and procedures of patent examination and included in those rules are those that arose from case law. The following sections will discuss some case law found in the MPEP relating to design patent examination. During an examination of a design patent application, examiners will likely consider the relevant holdings of the following cases.

      ii. In re Owens.

      The application at issue was a continuation of a design patent application for a bottle with angular facets. In re Owens, 710 F.3d 1362, 1363 (Fed. Cir. 2013). In the parent application, Owens claimed a pentagonal panel (see Figure 1, shown below), and in the continuation, Owens drew a broken line that bisected the top of the pentagonal panel (see Figure 2, shown below). Id. at 1363-1365. The examiner rejected the continuation application on the basis of new matter. Id. at 1365. The examiner understood the use of the broken line, a new boundary, as defining an entirely new trapezoidal-shaped surface. Id. That trapezoidal-shaped surface was considered new matter. Id. Given that that trapezoidal-shaped region was not previously defined in the parent application, the examiner found that Owens did not originally possess that region in the parent application. Id.
Figure 1. The parent patent. ¹

Figure 2. Owens' CIP with the new boundary line. ²

¹ *In re Owens*, 710 F.3d 1362, 1364 (Fed. Cir. 2013).
² *In re Owens*, 710 F.3d 1362, 1365 (Fed. Cir. 2013).
The Patent Trial and Appeals Board (PTAB) understood the use of the broken line bisecting the pentagonal surface to be defining a trapezoidal section occupying part, but not all, of the surface area of the claimed panel in the parent application. *Id.* at 1366. PTAB affirmed the examiner’s rejection. *Id.*

The Federal Circuit affirmed PTAB’s decision. *Id.* at 1368. CAFC further clarified that the best advice for practitioners, when considering the use of broken lines for unclaimed boundary lines in amendments, is that unclaimed boundary lines will typically comply with the written description requirement only if they make explicit a boundary that already exists, but was unclaimed in the parent application. *Id.* In short, CAFC held that an applicant cannot add a new boundary line where there was not one before.

**iii. *Ex Parte Strijland.*

The design application at issue was for a claim for the "ornamental design for an information icon for display screen of a programmed computer system or the like." *Ex parte Strijland,* 26 USPQ2d 1259, 1992 WL 470727, at *1 (B.P.A.I. 1992). The examiner rejected the claim as unpatentable. *Id.* The examiner found that the design was not an ornamental design for an article of manufacture; the examiner instead found that the design, as claimed, was a picture rather than a design applied to an article of manufacture. *Id.* The drawings from the application only shows the icon. *Id.* In correspondence with the applicant, the examiner further pointed out that under 37 CFR § 1.152, the language specifies the requirement that the article of manufacture be shown in the drawings. *Id.*

The board held that a computer-generated icon alone is merely surface ornamentation. *Id.* at 2. The icon must be shown to be applied to an article of manufacture; therefore, the icon must be shown on a computer screen, monitor, other display panel, or a portion thereof. *See MPEP 1504.01(a) Computer-Generated Icons* (citing *Ex parte Strijland,* 26 USPQ2d 1259 (B.P.A.I. 1992)). However, the board clarifies that the appearance of the icon on a display is not significantly different from the display of a picture on a piece of paper. *Id.* at *4. The icon displayed on the screen is considered to be applied to an article of manufacture due to the icon being an integral and active component in the operation of a programmed computer displaying the design. *Id.* at *5. Thus, for icons to be patentable, there must be some level of user interaction to differentiate the icon from being a picture.

**iv. *In re Stirling.*

The design patent application at issue was for wall paper. *In re Stirling,* 47 F.2d 809 (CCPA 1931). The application was rejected by the examiner and that rejection was affirmed by PTAB. *Id.* Stirling’s application was rejected for lack of patentable invention, the design being dependent upon the process of making the design, and the fact that the design is an imitation of marble. *Id.*

The process to produce the design starts with a piece of paper being crumpled to a very great extent. *Id.* This produced a multitude of creases throughout the paper. *Id.* Ink was then spread in the creases of the crinkled paper and the surface of the paper was wiped so that the ink
remained in the creases. Id. Streaks and blotches were created from this process, and those streaks and blotches were multiplied to be pleasing to the eye. Id. The streaks and blotches were multiplied by photographing the paper on the same plate and moving the photographed sheet through an appropriate angle to obtain the desired results. Id.

The United States Court of Customs and Patent Appeals (CCPA) affirmed PTAB’s decision. Id. The court quoted the definition of an invention as “the result of an inventive act, which consists of conceiving an idea and reducing it to practice.” Id. An invention evolves from the mind. Id. Stirling had no mental concept of the final product of his design. Id. The design produced by the process described did not originate from Stirling’s brain. Id. The design’s production was mechanical and not the result of thought. Id. It was by chance within the process that the particular design occurred from the crumpling of the paper. Id. Therefore, Stirling did not have an invention. Id. CCPA held that there was no invention, as the applicant had little control over the outcome of the design. Id.

VI. Best Practices

For practitioners, the best practices can be summed up with the advice to know the law for design patents. Design patents have a lot of overlap with utility patents. They also have overlap with trademarks, especially trade dress, and copyrights. While there are similarities between design patents and other intellectual property protections, one must not forget that design patents have their own rules that differ not only from trademarks and copyrights, but also from utility patents.

Rules that apply exclusively to design patents are 37 C.F.R §§ 1.152-1.155. Section 1.152 states that design drawings must comply with the standards of drawings for utility patents, 37 C.F.R. § 1.84, and contain a sufficient number of views to allow for enablement. 37 C.F.R. § 1.152. Section 1.152 also clarifies what is appropriate use of surface shading, broken lines, and photographs in lieu of ink drawings. Id. Section 1.153 states that no description other than a reference to the drawing is required, and that only one claim is required and permitted. 37 C.F.R. § 1.153(a). The section covers title, description and claim, and oath or declaration and states that for design patents, the application should comply with the rules of utility patents regarding the subject matter covered by the section. 37 C.F.R. § 1.153. Section 1.154 details the arrangement order of all elements of a design patent application. 36 C.F.R. 1.154. Section 1.155 covers expedited examination of design applications. 37 C.F.R. 1.155. Unless the subject matter is covered by those four rules, utility patent rules must be complied with by those seeking a design patent. 35 U.S.C. § 171(b).

For design patents, the drawings are the claims and the written description. Therefore, when applying the rules from utility patents (MPEP § 608.01 “Specification”), one must consider how those rules apply to the different embodiment of the claims and the written description. See MPEP § 608.01. For design patents, the full lines, or solid lines, in the drawings define the scope of the design claim. MPEP § 1503.01, Subsection III. The drawings also provide the description of the invention. In re Daniels, 144 F.3d 1452, 1456 (Fed. Cir. 1998). Thus, the drawings must allow for a person having ordinary skill in the art to make and use the invention to meet the
enablement requirement of 35 U.S.C. 112(a). MPEP § 1504.4, Subsection I. The practitioner should ensure that the drawings submitted in the design application comply with the rules regarding the specification and claims. MPEP Chapter 1500, "Design Patents," details the statutory rules relating to design patents along with going into further details on those requirements. MPEP § 1500.

For those seeking a design patent, it is best practice to know the rules and laws that apply to design patents. The best source to turn to will be the design patent statutes, 37 C.F.R. §§ 1.152-1.155, and the MPEP. Chapter 1500 of the MPEP will be of particular interest as that chapter specifically covers design patents; however, the rest of the MPEP should not be ignored, as it still may have relevant information. With those references, practitioners may proceed with knowledge that should aid their endeavors to obtain design patents for their clients.