

Design Patent Case Digest

[Apple Inc. v. Samsung Electronics Co., Ltd.](#)



Decision Date: May 18, 2015

Court: U.S. Court of Appeals for the Federal Circuit

Patents: [D593,087](#); [D604,305](#); [D618,677](#)

Holding: Judgment of trade dress dilution REVERSED; judgment of patent validity and infringement AFFIRMED

Opinion:

Apple sued Samsung in April 2011 for trade dress dilution and patent infringement. Apple's asserted trade dresses and patents cover various features of Apple's iPhone. After the district court reached a final judgment in favor of Apple, Samsung appealed to the Federal Circuit.

I. Trade Dresses

The court first determined whether Apple's asserted trade dresses—an unregistered trade dress and Trademark Registration No. [3,470,983](#)—are non-functional and therefore protectable. The court noted that it is “more difficult to claim product configuration trade dress than other forms of trade dress,” which framed the review of the two trade dresses. Apple argued non-functionality under the *Disc Golf* factors used in the Ninth Circuit: “(1) whether the design yields a utilitarian advantage, (2) whether alternative designs are available, (3) whether advertising touts the utilitarian advantages of the design, and (4) whether the particular design results from a comparatively simple or inexpensive method of manufacture.” *Disc Golf Ass'n v. Champion Discs, Inc.*, 158 F.3d 1006 (9th Cir. 1998). But the court disagreed with Apple on each factor.

Regarding the first factor, while a non-functional product feature must serve “no purpose other than identification,” Apple's executive testified that the design of the iPhone was “easy to use.” Furthermore, Samsung provided significant evidence to prove the usability function for each of the elements in the unregistered trade dress. Consequently, the court found “that the unregistered trade dress has a utilitarian advantage.” Apple's evidence regarding alternative designs, advertising, and method of manufacture were inadequate to satisfy the remaining factors. Specifically, Apple failed to show that the alternative designs “offered exactly the same features” as Apple's trade dress, that Apple's “product as hero” advertising approach did not praise the iPhone's utilitarian advantages, and that Apple's manufacturing challenges were pertinent to what Apple defined in its unregistered trade dress. Accordingly, Apple's unregistered trade dress was functional and therefore not protectable.

The '983 trade dress covered the design details in each of the sixteen icons on the iPhone's home screen framed by the iPhone's rounded rectangular shape with silver edges and a black background. The court asserted that it was clear that the individual elements of the '983 trade dress were functional and Apple failed to explain how the combination of the sixteen icons when

taken as a whole negate “the undisputed usability function of the individual elements.” Thus, the court found there was undisputed evidence to show that the registered trade dress was also functional and therefore not protectable.

II. Design Patents

The court then turned to the design patents. Samsung argued that it should not be liable for three reasons: any similarity between the patented designs and the accused products was limited to functional elements, there was no evidence of actual deception, and a comparison to prior art would have made the differences between the accused products and the patented designs clear. Samsung also argued that the district court should not have allowed the jury to award damages on Samsung’s “entire profits.”

Regarding functionality, Samsung contended that the district court should have excluded elements that are “‘dictated by their functional purpose,’ or cover the ‘structural . . . aspects of the article.’” Relying on *Richardson v. Stanley Works, Inc.*, 597 F.3d 1288 (Fed. Cir. 2010), the court found that the *Richardson* court “did not establish a rule to eliminate entire elements from the claim scope.” While recognizing that “it is the non-functional, design aspects that are pertinent to determinations of infringement,” the court held that the jury instructions and claim constructions complied with the law and were not legally erroneous.

According to Samsung, the jury instructions were also in error because the infringement instruction made a lack of actual deception irrelevant. The court disagreed and concluded that the jury instructions clarified that actual deception was not a requirement. Samsung also argued that the jury instructions made a consideration of the prior art seem optional. The court rejected Samsung’s argument by pointing out that providing guidelines did not reduce a prior art analysis to a mere option. The instructions expressly stated that the jury “must” consider the prior art. Thus, the court found no error in the jury instructions.

Finally, Samsung argued that the district court made a legal error by allowing the jury to award damages on the entire profits of Samsung’s infringing smartphones. Instead, Samsung argued for limiting damages based on causation principles or limiting damages to the actual infringing “article of manufacture” and not the infringing product. The court disagreed with both arguments noting that a similar “apportionment” argument was rejected when Congress removed the apportionment requirement of design patent damages in 1887. According to the court, Section 289 of Title 35 makes clear that design patent infringers are “liable to the owner to the extent of their total profit,” preventing adoption of the “causation” rule Samsung urged, and noting any change must come from Congress. Although not discussed here, the court also affirmed the district court’s utility patent infringement decision.

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

Tracy-Gene G. Durkin, Director
tdurkin@skgf.com

David K.S. Cornwell, Director
davidc@skgf.com

Special thanks to Summer Associate Benedict L. Hanrahan for his role as a contributing author of this digest.

