Intellectual property laws: the Apple v. Samsung case

Anyone who has followed the recent Apple v. Samsung case recognises the challenges involved in building a case that does not get lost in the complexity of the technology, the sheer number of products alleged to infringe, and the nuances of the intellectual property laws at issue. Brent R. Bellows, a Partner at Knowles Intellectual Property Strategies LLC, analyses Apple's recent victory against Samsung.

The recently concluded trial between Apple and Samsung[1], saw the jury-following a three week trial, a 109-page jury instruction, and a 20-page verdict form consisting of 33 separate questions with roughly 700 subparts, return a mostly favourable $1.05 billion[2] verdict for Apple on a host of infringement allegations against Samsung accusing Samsung of copying the proprietary aspects of Apple's iPhone and iPad products. While the dollar amount awarded is substantial, what makes this case particularly interesting is Apple's reliance on the under-utilised design patent as a central part of its case. This focus on design patents created a demonstrable, and easily understandable core story repeated throughout the trial: Samsung's mobile devices not only look like Apple's products, but they also use Apple's patented software features to interact with the user[3].

To state that the case was simply a design patent case would be an oversimplification. Apple brought multiple infringement claims against Samsung around a host of intellectual property rights[4]. Prior to trial, Apple reduced the breadth of its originally asserted claims, but the allegations still encompassed 26 Samsung smartphones and two tablets accused of infringing various combinations of Apple utility patents[5], design patents[6], and registered[7] and unregistered trade dress embodied by the iPhone and iPad. To further complicate matters, Samsung asserted (unsuccessfully)[8] its own patents, including two standards-essential patents[9] directed to wireless phone communications and three utility patents[10] directed to smartphone technologies.

A design patent protects the way an article of manufacture looks, while a utility patent protects the article itself or the way it is used or works. 35 U.S.C. § 171 provides that: 'Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor.' Unlike a utility patent, a design patent has but a single claim that is procured through illustrative drawings, and the claim is construed by the articles appearance, which includes its shape/configuration and/or surface ornamentation[11]. A design based on or dictated by the function or utilitarian purpose of the article is ineligible for design patent protection and functionality of the design is an affirmative defense to a claim of infringement[12]. A design patent provides the right to exclude others from importing, making, using, offering to sell, or selling within the US for the term[13] of the patent.

To establish infringement, the design patentee must establish that the accused article and the protected design are, 'in the eye of an ordinary observer, giving such attention as a purchaser usually gives,' the design of the accused device and the patented design are 'substantially the same'[14]. Under this 'ordinary observer' test, the patented design and the accused device are substantially the same if the resemblance between the accused device's design and the patented design is such as to deceive the ordinary observer, inducing him to purchase one supposing it to be the other (actual proof of deception in the marketplace seems not to be a prerequisite to a finding of infringement)[15]. This comparison is done in light of the prior art, which sets the bounds of the design protection, a number of guidelines have been developed to assist in the analysis[16]. In applying the 'ordinary observer' test, the focus is on the 'overall design' of the product compared to the design patent[17].

The four design patents asserted by Apple encompass various design aspects of its iPhone and iPad products. In general, the D'677, embodied by the iPhone, is directed to a design incorporating a flat front surface with four evenly rounded corners with an inset rectangular display screen centered on the front surface that leaves very narrow borders on either side of the display screen and substantial borders above and below the display screen, with a horizontal speaker slot centered on the front surface. The front surface is also free of additional ornamentation outside of an optional button centrally located below the display, and includes a black transparent and glass-like front surface. Comparatively, the D'087 patent is much narrower than the D'677 patent, and claims only a portion of the iPhone: a 'bezel encircling the front face of the patented design [that] extends from the front of the phone to its sides,' the front face, and a flat contour on the front face, but does not claim the rest of the article[18]. The D'889 patent, embodied by the iPad, is a 'broad, simple design that gives the overall visual impression of a rectangular shape with four evenly rounded corners, a flat glass-like surface without any ornamentation and a rim surrounding the front surface. The back is a flat panel that rounds up near the edges. The

overall design creates a thin form factor. The screen takes up most of the space on the front of the design.'[19] The court found that both the front and back of the design claimed in the D'889 patent required a transparent, translucent, and highly polished or reflective surface[20]. The D'305 patent, embodied by the GUI of the iPhone, is directed generally to the appearance and layout of a grid of icons with rounded corners.

From the beginning of the suit, Apple used the visual similarities of the Apple and Samsung products in seeking to paint a picture of Samsung as a copycat. Apple implemented this design patent-centric strategy through a series of striking demonstratives that depicted the Samsung products over time. The theme remained the same: the first column depicted Samsung designs prior to the release of Apple products; the second column depicted the Apple product that was the embodiment of the design patents; and the third column depicted Samsung products accused of infringing released after the Apple products. From there, Apple turned to demonstratives depicting a side-by-side comparison of the accused Samsung product and the asserted design patent. These exhibits were basic, elegant in approach, and easily understood. Add to that internal Samsung documents analysing the Apple products in glowing terms, and the combination proved to be powerful, despite Samsung's defenses regarding the design patents' applicability and validity.

Apple stressed that the overall visual impressions of the Samsung devices were substantially similar to the design patents. Samsung focused on the lack of ornamentation and novelty[21] in light of the prior art of the patents. To this end, Samsung often repeated the meme that Apple was trying to claim a monopoly on 'rectangles with rounded corners,' and an analysis of the ornamental attributes of the patents in light of the prior art showed that the Samsung products incorporated attributes in the public domain and, therefore, did not infringe.

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The jury returned a verdict favourable to Apple on the D'677 patent and the D'305, finding that 13 of the 14 accused Samsung products willfully infringed the D'677 patent and all 13 of the accused Samsung products willfully infringed the D'305 patent. The jury rejected infringement claims against Samsung's tablets[22] based on the D'889 patent[23] and rejected eight of the 13 claims under the D'087 patent, which deals with the 'bezel' rectangles-with-rounded-corners design of the iPhone.

Both parties have filed post-trial motions seeking relief from the verdict. Apple is seeking a permanent injunction against Samsung. If Apple is successful it is likely Samsung will be required to redesign its products to avoid running afoul of an injunctive order-using the jury's verdict form as a guide to what designs may be allowable. An injunction will allow Apple to further define and trumpet its 'beautiful designs' as a distinguishing factor and begin preparing its next assault on its Android competitors with its (re)empowered design patents. If the Samsung case is any indication, Apple's competitors should be concerned, and intellectual property managers should re-examine the potential value of design patents in creating a deep intellectual property reservoir.

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1. Apple, Inc. v. Samsung Elect. Co., Ltd, et al., Case No. 5:11-cv-01846 (N.D. Cal).
2. Apple was seeking in excess of $2.5 billion. Regardless, the jury award is the third largest for infringement in US history. https://lexmachina.com/2012/08/24/apple-samsung-verdict-third-largest-ever-in-u-s-patent-litigation/.
3. See Apple's Trail Brief, Docket No. 1299-2 (23 July 2012).
4. See Apple's Amended Complaint, Docket No. 75 (16 June 2011).
5. US Pat. Nos.: 7,469,381 (touch screen device capable of performing a bounce-back functions); 7,844,915 ('scroll v. gesture' functions); and, 7,864,163 (touch screen 'tap and zoom' functions).
6. US Design Pat. Nos.: D604,305 (iPhone GUI design); D593,087 (partial iPhone design); D618,677 (iPhone design); and D504,889 (iPad design).
7. US Trade Dress Reg. No. 3,470,983 (iPhone).
8. The jury found for Apple on every Samsung offensive count.
9. US Pat. Nos. 7,675,941 ('Alternative E-Bit Technology'), and 7,447,516 (performance characteristics of radio antennae power in 3G phones).
10. US Pat. Nos.: 7,577,460 (directed to the integration of a cell phone, digital camera, and email technologies in a single device); 7,456,893 (allowing a user to bookmark an image in an image gallery); and 7,698,711 (directed to multitasking while listening to music).
11. E.g. US Design Patent D618,677 claims: The ornamental design of an electronic device.
12. Egyptian Goddess, Inc. v. Swisa, Inc., 543 F.3d 665 (Fed. Cir. 2008).
13. A design patent has a term of 14 years from grant. 35 U.S.C. § 173.
14. Egyptian Goddess, Inc. v. Swisa, Inc., 543 F.3d 665, 670 (Fed. Cir. 2008) (quoting Gorham Co. v. White, 81 U.S. 511, 528 (1871))..
15. See id.at 681.
16. See generally id at 670-678.
17. See Int'l Seaway Trading Corp. v. Walgreens Corp., 589 F.3d 1233, 1239-41 (Fed. Cir. 2009).
18. Apple, Inc. v. Samsung Elecs. Co., Ltd., 678 F.3d 1314, 1325 (Fed. Cir. 2012).
19. Denying Motion For Preliminary Injunction, Docket No. 452 (2 Dec 2011).
20. Regarding Design Patent Claim Construction, Docket No. 1425 (27 July 2012).
21. A piece of prior art asserted by Samsung, a design from Sony similar to that of the iPhone, was excluded by the court because of its untimely disclosure. Granting-In-Part And Denying-In-Part Motions To Strike Expert Reports, Docket No. 1144 (27 June 2012).
22. The jury did find that the Samsung tablets infringed the Apple utility patents.
23. The court entered a preliminary junction in June 2012 prior to trial against Samsung, finding that Apple had shown likelihood of success, after the Federal Circuit had reversed the court's previous finding that the D'889 patent was likely to be invalid.