In the coming days, the long-standing IP fight between Apple and Samsung will finally arrive at the U.S. Supreme Court. Samsung's deadline to file a writ of certiorari falls in late December, and it is a near certainty the Korean company will do so. The two heavyweights in the fight will get all the mainstream press, but the real story will be the rise — and fall — of the two underappreciated and underutilized instruments of IP law that they are fighting with: design patents and trade dress.

Design Patents and Trade Dress: What Are They?

Trade dress is a form of trademark right. Just as a word or design can be a trademark, the packaging or appearance of a product can be protected trade dress. Like trademarks, trade dress identifies the source of the product. The quintessential example is the Coca-Cola bottle — its unique shape immediately tells the consumer that this is a Coca- Cola product. Importantly, not any aspect of a product's packaging or appearance is subject to trade dress protection; only "non-functional" features qualify.

Design patents protect unique aesthetic features of products. Like the more common utility patents, inventors apply for design patents with the USPTO. Like trade dress protection, design patents are not available for the functional features of claimed inventions. Unlike trade dress — which effectively provides a monopoly as long as the design is used — design patents do not have to have "source identifying function." But they do expire, usually in less than 17 years.

The Jury Verdict and Increased Interest in Trade Dress and Design Patents

In 2011, Apple sued Samsung in federal court in the Northern District of California, alleging that Samsung smartphones infringed Apple utility patents, design
patents, and trade dress covering Apple iPhones. In 2012, a jury returned a verdict finding 23 different Samsung smartphones violated Apple patents and trade dress. The original award exceeded $1 billion but after a retrial and appeal was reduced to $548 million.

The jury found that certain aspects of the iPhone, including the rounded corners, the bezel (i.e., the rim around the perimeter of the phone), and the arrangement and graphic design of icons on the screen were protectable trade dress and that Samsung phones infringed this trade dress. The jury further found that three design patents owned by Apple covering similar aspects of the iPhone were valid and infringed by Samsung.

The Apple-Samsung trial was followed closely by the general public, but even more closely by the IP bar. Patent prosecutors and litigators had, of course, always been aware of design patents and trade dress, but these usually took a back seat in infringement actions. Apple-Samsung helped change that, and applications for design patents and trade dress protection increased significantly in 2012 and the years following.

The Federal Circuit Decision

Samsung appealed the trial court decision. In May 2015, the Federal Circuit affirmed the portion of the trial court decision dealing with Apple's design patents, including the findings of validity and infringement and the award of Samsung's entire profits on its infringing smartphones. But the Federal Circuit reversed the decision as to Apple's trade dress, finding that Apple had not established that the asserted features were non-functional. The Court's holding here was less a change in the law than an affirmation of the exacting legal standard and a warning to district judges — particularly those in the Ninth Circuit — to be circumspect regarding trade dress.

As explained above, the key to trade dress protection is whether the claimed feature is non-functional. Apple had successfully argued at trial that the claimed features of the iPhone were worthy of protection because they had been developed for their "beauty" not for "superior performance." The Federal Circuit focused on the test for determining non-functionality set forth in Disc Golf Ass'n v. Champion Discs, Inc., which provides that "a product feature need only have some utilitarian advantage to be considered functional." 158 F.3d 1002, 1007 (9th Cir. 1998) (italics in original).

Calling the Ninth Circuit's Disc Golf standard a "high bar," the Federal Circuit found Apple's showing to be lacking. Even if Apple was primarily focused on aesthetics, "the evidence showed that the iPhone's design pursued more than just beauty." Again, this was not new law — Disc Golf was decided in 1998 — but the Federal Circuit's articulation and application of this law effectively eliminated any wiggle room that district courts might have had.

Samsung's Appeal to Supreme Court

Samsung is apparently not content with this partial victory at the Federal Circuit which leaves the $548 million award intact. Post-opinion briefing has made clear Samsung's intent to petition for certiorari and provided a glimpse into the arguments it will raise.

First, Samsung will question whether a party asserting a design patent is entitled to a damage award based on the infringer's "total profit" from the product, even if only a particular feature of the product is infringing. This limitation, known as apportionment, has significantly altered the damages landscape for utility patents in recent years. Not so

for design patents, because the federal statute currently provides that the infringer of a design patent "shall be liable to the owner to the extent of his total profit." 35 U.S.C. § 289. Second, Samsung will argue that unlike the district court, which instructed the jury to compare the "ornamental design" claimed in Apple's design patents to Samsung's phones, a court must, through claim construction and jury instructions, explicitly exclude any and all functional elements from the comparison of design patent to product to determine whether infringement has occurred.

Whither Design Patents and Trade Dress?

There is no question that the district court decision dramatically raised the profile of trade dress and design patents, and incited a marked increase in applications for and assertions of those rights. But what now, after the Federal Circuit opinion, and if the Supreme Court takes up Samsung's appeal?

The answer appears different for trade dress and design patents. The Federal Circuit opinion slammed the door on an expansive view of trade dress rights, especially as related to "product configuration" rather than packaging. As for design patents, much depends on whether the Supreme Court limits damages in some manner. That seems unlikely given the express language of the statute, and we can expect a continued increase in design patent infringement claims from parties seeking the purported infringer's "total profits."

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