

NOTE

A Design-Around for the United States Design Patent System: What Can the United States Learn from the United Kingdom and Canada in the Aftermath of *Samsung v. Apple*?

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The recent Samsung v. Apple design patent litigation has generated substantial discussion of the United States design patent system's weaknesses, particularly with respect to technologically complex products. In late 2016, the United States Supreme Court acknowledged shortcomings of the United States design patent system as applied to multicomponent products, but did not provide a concrete test to address these issues. As the Supreme Court's decision leaves the lower courts without clear guidance to fashion a test, they would benefit from examining industrial design systems abroad for direction. Industrial design systems in other countries, including the United Kingdom and Canada, have not faced negative publicity comparable to that faced by the United States design patent system. Lower courts thus might benefit from a comparative analysis of these nations' systems for design protection. Although the three design protection systems share many similarities, some significant differences exist in how courts determine industrial design infringement and damages awards. To mend its own design patent system, the United States should grant judges discretion to determine proper damages awards following a fact-specific inquiry considering the value that the appropriated design contributes to the infringing product.

* Stanford Law School, J.D. 2017. I would like to thank Professor Lisa Ouellette for her guidance and comments on earlier drafts. I would also like to thank Stephanie McNutt and the *Virginia Journal of International Law* editorial staff for providing input that helped clarify for a general legal audience many of the intellectual property concepts discussed in this Note.

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I. INTRODUCTION

Like registered designs in Canada and the United Kingdom, a United States design patent covers the physical appearance of a product.¹ Recent design patent litigation between Apple Inc. and Samsung Electronics Co. has generated considerable discussion of potential avenues for design patent reform given that the current design patent system is inadequate to address complex products and technologies.² After finding that several Samsung Galaxy smartphone models infringed three of Apple's design patents that Apple had applied to its iPhone, a jury awarded Apple \$399 million, Samsung's entire profit from its infringing phones.³

Much of the criticism of the United States design patent system⁴ has centered around 35 U.S.C. § 289, which provides for an award of an infringer's total profit from the "article of manufacture" to which the infringed design has been applied.⁵ Although such a rule may make sense for simple products where the infringed design drives sales,⁶ it does not adequately address technologically complex products, such as smartphones, that are covered by multiple utility and design patents.⁷ Because physical appearance is just one of many factors that drives purchasing decisions and contributes to the value of a complex product, it

¹ 35 U.S.C. § 171(a) (2012) ("Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor..."). I will use the terms "design" and "industrial design" interchangeably herein to refer to the overall appearance of a product.

² Samsung Elecs. Co. v. Apple Inc., 137 S. Ct. 429 (2016). See, e.g., Sarah Burstein, *Moving Beyond the Standard Criticisms of Design Patents*, 17 STAN. TECH. L. REV. 305 (2013) (evaluating common criticisms of design patents and arguing that relying on standard criticisms conceals the issues and hinders productive design patent system reform); Mark A. Lemley, *A Rational System of Design Patent Remedies*, 17 STAN. TECH. L. REV. 219 (2013) (recognizing that § 289's total profits rule for design patents does not make sense in the modern world and proposing solutions that modify the interpretation of § 289 or abolish it altogether).

³ Amended Verdict Form at 6–7, Apple Inc. v. Samsung Elecs. Co., No. 11-CV-01846-LHK (N.D. Cal. Aug. 24, 2012), ECF No. 1931. Though the jury found three of Apple's design patents infringed, one (for the bezel) did not form the basis for any of the damages award; it is involved in a stayed partial retrial. Brief for Petitioner at 19–20 n.10, Samsung Elecs. Co. v. Apple Inc., 137 S. Ct. 429 (2016). But for the stay and partial retrial, the bezel design patent would have yielded a total profits award under § 289, and it remains a useful example to discuss the shortcomings of § 289.

⁴ See, e.g., Lemley, *supra* note 2, at 232–37.

⁵ 35 U.S.C. § 289 (2012).

⁶ For example, the pattern or design applied to a dinner fork may drive the sales of the fork because on some level all dinner forks have roughly equivalent functionality. In that case, the design of the fork, rather than its utility, differentiates one fork from another and may drive sales. The same cannot be said for technologically complex products, such as smartphones, which differ from one another in functionality as well as appearance.

⁷ Whereas design patents cover the physical appearance or ornamental aspects of a product, utility patents cover the utilitarian function of a product; in other words, utility patents may be issued for "any new and useful process, machine, article of manufacture, or composition of matter, or any new and useful improvement thereof." 35 U.S.C. § 101 (2012); see also *General Information Concerning Patents: What Is a Patent?*, U.S. PAT. & TRADEMARK OFFICE (Sept. 13, 2017), <https://www.uspto.gov/patents-getting-started/general-information-concerning-patents#heading-2>.

makes no sense to award the entire value of a complex product for infringement of a single design patent that covers part or all of the product's appearance. An entire profits award for design patent infringement entirely ignores the functional value of the product, which is equally if not more likely to drive the sales from which the product derives its value. Furthermore, the current text of § 289 reaches too broadly to embody a policy decision focused on deterring “knockoff”⁸ products because such deterrence could be achieved by awarding total profits only in the case of willful design patent infringement.⁹

Section 289 also presents a recovery problem for the second (and any subsequent) patentee once a defendant has paid all its profits from its infringing product to the first design patent holder.¹⁰ Suppose that a product made by D infringes a utility patent held by A, and infringes two design patents, one held by B and the other by C. If B sues D for design patent infringement, the text of § 289 on its face seems to authorize an award of D's entire profits from the product to B, assuming D is found liable. If C later sues D and D is found liable, § 289 would authorize the same remedy, but D would already have paid the entire profits from the infringing product to B. This leaves three options: (1) the court could direct C to seek recovery from B because B already recovered D's entire profit;¹¹ (2) infringer D could be forced to again pay the dollar amount of its entire profits from its infringing product, this time to C; or (3) the court could deny C monetary recovery.¹² Although patent law would not authorize the same remedy for A's utility patent infringement suit, A would face the same recovery problems and options as C. Though “multiple claims to the same profit are not unknown in remedies law, we generally require some form of division of profits or establish a hierarchy of rights to the same piece of property,” requiring a defendant to relinquish the same profit twice only for willful misconduct.¹³ United

⁸ A “knockoff” is “a copy or imitation of someone or something popular,” implying knowledge of the original and intent to copy and thus, in the patent context, willful infringement. *Knockoff*, MERRIAM-WEBSTER (2016), <https://www.merriam-webster.com/dictionary/knockoff> (Feb. 27, 2018).

⁹ Section 289 originally had a scienter requirement, but it was removed when the statute was amended in 1952. *Compare* Act of Feb. 4, 1887, Ch. 105, §§ 1, 2, 24 STAT. 387, 387–88 (amended 1952) *with* 35 U.S.C. § 289 (2012).

¹⁰ Lemley, *supra* note 2, at 231.

¹¹ Lemley suggests accomplishing this by allowing D to implead the first plaintiff B in D's litigation with C. *Id.*

¹² In this scenario, the money paid to C might not fairly be characterized as profit from the infringing product, since D already paid all profits to B, and D now must draw funds to pay C from a source separate from the infringing product's profit margin. In any event, rather than compensating C for the infringement, this situation punishes D for infringing.

¹³ Lemley, *supra* note 2, at 232.

States case law does not provide a clear answer to recovery problems like those created by § 289.¹⁴

In its recent opinion in *Samsung v. Apple*, the Supreme Court concluded that due to this nonsensical result, the “article of manufacture” in § 289 may be something less than the end product sold to consumers (here, a cell phone).¹⁵ The Court declined to give specific guidance, however, regarding the appropriate test to identify the “article of manufacture,” and remanded the case to the Federal Circuit. The Federal Circuit in turn remanded the case without guidance to the Northern District of California.¹⁶ The parties submitted briefing regarding the appropriate framework for analyzing the “article of manufacture,”¹⁷ and the Northern District of California ultimately appeared to adopt the test proposed by the Solicitor General during Supreme Court oral argument.¹⁸ In dealing with this and other design patent issues, U.S. courts may benefit from considering industrial design systems in other common law jurisdictions

¹⁴ Although *Sheldon v. Metro-Goldwyn Pictures Corp.*, 309 U.S. 390 (1940) apportioned profits in a copyright infringement case, the statute involved (17 U.S.C. § 25(b)) was more susceptible to an apportionment principle, limiting recoverable profits to “all the profits which the infringer shall have made from such infringement.”

¹⁵ See Ronald Mann, *Argument Analysis: Justices Cautious About Resolving Samsung-Apple Dispute over Design of Cell Phones*, SCOTUSBLOG (Oct. 13, 2016), <http://www.scotusblog.com/2016/10/argument-analysis-justices-cautious-about-resolving-samsung-apple-dispute-over-design-of-cell-phones>.

¹⁶ *Apple Inc. v. Samsung Elecs. Co.*, 678 F. App'x 1012, 1014 (Fed. Cir. 2017). On November 30, 2017, the district court set a new trial on design patent damages for May 2018. Case Management Order at 2, *Apple Inc. v. Samsung Elecs. Co.*, No. 11-CV-01846-LHK (N.D. Cal. Nov. 30, 2017), ECF No. 3542.

¹⁷ *Apple Inc. v. Samsung Elecs. Co.*, No. 11-CV-01846-LHK (N.D. Cal.), ECF Nos. 3521-3524. Not surprisingly, Apple took a broad view of the “article of manufacture,” asserting that it “is the thing to which the defendant applies the patented design for the purpose of sale,” and that “the defendant bears the burden of persuasion on its request to reduce damages.” Apple’s Opening Brief in Response to the Court’s July 28, 2017 Order at 7, 9, *Apple Inc.*, No. 11-CV-01846-LHK (N.D. Cal. Sept. 8, 2017), ECF No. 3522. Apple proposes that courts consider four factors to determine the article of manufacture: (1) how defendant sells its infringing product (i.e. whether the article of manufacture is part of a unified product or sold separately); (2) “the visual contribution of the patented design to the product as a whole;” (3) “the degree to which the asserted article of manufacture is physically and conceptually distinct from the product as sold;” and (4) the defendant’s motivations for infringement of the design. *Id.* at 9-13. Samsung disagrees and argues that the proper test entails “comparing the claimed attributes of the design patent to the accused product to identify the specific part, portion, or component of the product that corresponds to the patent’s claim.” Samsung’s Opening Brief Pursuant to Order of July 28, 2017 Regarding Necessity of New Trial on Design-Patent Damages at 8, *Apple Inc.*, No. 11-CV-01846-LHK (N.D. Cal. Sept. 8, 2017), ECF No. 3521. According to Samsung, it is plaintiff’s burden to identify the relevant article of manufacture, and courts should not consider “any part, portion, or component of a product that is not considered when determining infringement,” when making this determination. *Id.* “[F]eatures concealed or obscured in normal use” may thus be excluded from the “article of manufacture” inquiry. *Id.*

¹⁸ Compare Final Jury Instructions (Annotated) at 44,, *Apple Inc.*, No. 11-CV-01846-LHK (N.D. Cal. May 18, 2018), ECF No. 3785 with Transcript of Oral Argument at 24, *Samsung Elecs. Co. v. Apple Inc.*, 137 S. Ct. 429 (2016) (No. 15-777). Using this test, the jury returned a verdict, awarding Apple \$533,316,606 for Samsung’s infringement of Apple’s design patents on May 24, 2018. Verdict Form at 3, *Apple Inc.*, No. 11-CV-01846-LHK (N.D. Cal. May 24, 2018), ECF No. 3806.

that have not suffered from problems with seemingly excessive design patent remedies.

The United Kingdom and Canadian industrial design systems appear to have avoided the aforementioned problems that trouble the United States design patent system. Had the *Samsung v. Apple* dispute been litigated in the United Kingdom or in Canada and resulted in a ruling that Samsung's smartphones infringed Apple's designs, the damages award would have been more appropriate and more reasonable because both nations grant judges discretion to determine damages awards for industrial design infringement.¹⁹ This ensures that design rights-holders are not grossly overcompensated for designs that contribute little to a complex product. By emulating the United Kingdom and Canada in vesting judges with discretion to determine appropriate damages awards, the United States could largely resolve current failures of its design patent system.

This Note proceeds in three parts. Part I introduces industrial designs, the rationale underlying their protection, and the international framework for industrial design protection. Part II analyzes industrial design protection systems in the United States, the United Kingdom, and Canada, from design registration through infringement and available remedies. Part III employs examples to assess these design protection regimes and concludes with recommendations for elements the United States might borrow from the United Kingdom or Canada to improve its own regime.

II. DESIGN PROTECTION: RATIONALE AND INTERNATIONAL FRAMEWORK

Like design patents, industrial designs cover the overall aesthetic appearance of a product or a part of a product resulting from individual features of the product, such as shape and configuration.²⁰ Differences in product designs can influence consumers' purchasing decisions, especially when the products presented to consumers serve largely the same function.²¹ Industrial design provides a mechanism for differentiation between manufacturers in a particular product market and can thus be a valuable intellectual property asset.

¹⁹ Industrial Design Act, R.S.C. 1985, c. I-9, s. 15.1 (Can.); The Intellectual Property (Enforcement, etc.) Regulations 2006, SI 2006/1028, art. 3, ¶ 3 (UK).

²⁰ See, e.g., Industrial Design Act, R.S.C. 1985, c. I-9, s. 2 (Can.) (defining "design"); Registered Designs Act 1949, 12, 13, & 14 Geo. 6 c. 88, § 1(2) (UK) (same). A registered industrial design in the United Kingdom or Canada is the analog to a design patent in the United States—both a registered industrial design and a design patent protect a product's overall appearance. See, e.g., sources cited *supra* notes 1, 17.

²¹ See, e.g., *Industrial Design Protection*, EUROPEAN COMM'N, https://ec.europa.eu/growth/industry/intellectual-property/industrial-design/protection_en (last updated Apr. 12, 2016) ("The design of a product is often the main reason that consumers chose it over others.").

Because industrial designs overlap with aspects of patents, copyrights, and trademarks, one might question the need to protect industrial designs with a separate doctrine. Despite this overlap, the doctrines covering patents, copyrights, and trademarks would not provide protection for designs in all cases where design protection is desirable.²² For instance, patent law may deny protection for a design due to its lack of utility;²³ copyright law may deny protection under the conceptual separability doctrine;²⁴ and trademark law may deny trade dress protection, either under its functionality doctrine or because consumers do not associate the design with the product's source.²⁵ By contrast, a design-specific doctrine would protect a new product's overall appearance even when functional features contribute significantly to that appearance, so long as the functional features do not completely dictate the appearance of the product.

Since patent, copyright, and trademark law do not always protect industrial designs, some countries have adopted independent industrial design protection regimes. The drafters of the World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) also recognized the desirability of a separate industrial design

²² In a recent report on intellectual property in Canada, the Canadian Intellectual Property Office explicitly recognized that “[i]ndustrial designs protect aspects of a finished work which other forms of IP rights may not.” INNOVATION, SCI. & ECON. DEV. CAN., CAN. INTELLECTUAL PROP. OFFICE, 2016 IP CANADA REPORT 12 (2016), [https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/vwapj/IP_Canada_Report_2016_en.pdf/\\$file/IP_Canada_Report_2016_en.pdf](https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/vwapj/IP_Canada_Report_2016_en.pdf/$file/IP_Canada_Report_2016_en.pdf). *See id.* (recognizing that industrial design protection is “important in the protection of product reputations, visual brand identification, and facilitating creativity in design”). *See also* Council Regulation 6/2002 of Dec. 12, 2001 on Community Designs, ¶ 7, 2002 O.J. (L 3) 1 (EC) (“Enhanced protection for industrial design not only promotes the contribution of individual designers to the sum of Community excellence in the field, but also encourages innovation and development of new products and investment in their production.”).

²³ Utility patents protect functional articles, whereas industrial designs protect the appearance of an article. *Compare* 35 U.S.C. § 101 (2012) *with* 35 U.S.C. § 171 (2012).

²⁴ 17 U.S.C. § 101 (2012) (limiting pictorial, graphic, or sculptural work protection for useful article designs to only those that “incorporate[] pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article”). A “useful article” is defined as “an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information. An article that is normally a part of a useful article is considered a “useful article.” *Id.*

²⁵ *See* Lanham Act § 2(e)(5), 15 U.S.C. § 1052(e)(5) (2012) (removing functional articles from trade dress protection); Lanham Act § 43(a), 15 U.S.C. § 1125(a)(1) (2012) (extending trademark liability to nonverbal characteristics of goods and requiring misrepresentation or consumer confusion with respect to a product's origin for trademark liability). United States trademark law does not protect a product's decoration or design unless relevant consumers identify the decoration with the product's manufacturer. *Wal-Mart Stores, Inc. v. Samara Bros, Inc.*, 529 U.S. 205, 212 (2000) (“It seems to us that design, like color, is not inherently distinctive.”). Establishing the requisite association usually requires a period of time after a product is released into the market, during which others would be free to copy the design. Since patent, copyright, and trademark law do not always protect industrial designs, countries have adopted separate regimes for industrial design protection. *See, e.g.*, 35 U.S.C. § 171 (2012); Industrial Design Act, R.S.C 1985, c. I-9 (Can.); Registered Designs Act 1949, 12, 13, & 14 Geo. 6 c. 88 (UK).

doctrine, including industrial design protection in Articles 25 and 26 of the Agreement.²⁶ Under Article 25(1), member states must protect “new or original” designs, but need not protect designs “dictated essentially by technical or functional considerations” or designs that do not differ significantly from known designs or their combinations.²⁷ Article 26 sets out a minimum protection term of ten years and establishes that design owners may prevent others “from making, selling, or importing articles bearing or embodying a design which is a copy, or substantially a copy, of the protected design, when such acts are undertaken for commercial purposes.”²⁸

Additionally, the World Intellectual Property Organization’s (WIPO’s) Hague Agreement Concerning the International Registration of Industrial Designs establishes international procedures to facilitate economical industrial design registration in multiple international jurisdictions, much like the Patent Cooperation Treaty for utility patents.²⁹

The Hague Agreement allows design owners with various ties to Contracting Parties³⁰ to obtain protection for their designs in multiple Contracting Party nations by paying a single set of fees to register a design. For each design, owners complete “a single international application filed with the International Bureau of the World Intellectual Property Organization that results in a single international registration.”³¹ Once the International Bureau ensures that an international application complies with formal requirements, the application is published on the WIPO website and substantive examination occurs in the relevant Office of each Contracting Party designated in the application.³² Industrial designs

²⁶ Agreement on Trade-Related Aspects of Intellectual Property Rights arts. 25–26, Apr. 15, 1994, 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994) [hereinafter TRIPS Agreement].

²⁷ *Id.* art. 25(1).

²⁸ *Id.* art. 26(1), (3).

²⁹ WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO), INTERNATIONAL REGISTRATION OF INDUSTRIAL DESIGNS: MAIN FEATURES AND ADVANTAGES ¶ 37 (2015), http://www.wipo.int/edocs/pubdocs/en/designs/911/wipo_pub_911.pdf. The Hague Agreement is composed of two international treaties: The Geneva Act of July 2, 1999; and The Hague Act of November 28, 1960. *Id.* ¶ 3. The United States became a Contracting Party on May 13, 2015, while the European Union acceded to the Agreement as of January 1, 2008. WIPO, Hague Agreement Concerning the International Registration of Industrial Designs: Status on October 18, 2016, <http://www.wipo.int/export/sites/www/treaties/en/documents/pdf/hague.pdf>.

³⁰ “More specifically, design owners must:

- a. be a national of a Contracting Party or a member State of an intergovernmental organization which is a Contracting Party, such as the European Union or the African Intellectual Property Organization, or
- b. have a domicile in the territory of a Contracting Party, or
- c. have a real and effective industrial or commercial establishment in the territory of a Contracting Party”

INTERNATIONAL REGISTRATION, *supra* note 29, at ¶ 5.

³¹ *Id.* ¶ 1.

³² *Id.* ¶¶ 24, 26.

registered under Hague Agreement procedures are subject to the substantive law of each designated national jurisdiction throughout the remainder of the application process and thereafter if the national examining office approves the application.³³ Thus, while the Hague Agreement harmonizes the procedure for obtaining industrial design protection across multiple international jurisdictions, the Contracting Parties retain their own varied substantive requirements for granting and enforcing industrial design protection.

III. DESIGN PROTECTION REGIMES: COMPARING THE UNITED STATES, UNITED KINGDOM, AND CANADIAN SYSTEMS

Although industrial design systems share many common characteristics, variation among different systems yields significant differences in areas such as infringement inquiries and available remedies. The United States, United Kingdom, and Canada share functionality bars and require novelty for an industrial design to be eligible for protection, but the United Kingdom and Canada have an additional requirement that an industrial design must not be contrary to morality or public policy. The United Kingdom stands alone in explicitly lacking an examination system and in barring protection for designs covering product components required for product interoperability. While infringement in the United Kingdom and Canada is determined by a judge and through the eyes of the informed consumer, in the United States a judge or (more frequently) a jury employs an ordinary observer standard to determine infringement.³⁴ Additionally, the United Kingdom and Canada allow lack of knowledge of the protected design as a defense to infringement, which limits available remedies to injunctive relief, while the United States offers no such defense. Finally, the United Kingdom and Canada grant judges broad discretion to determine appropriate damages awards for industrial design infringement, while § 289 has been interpreted to require a total profits award in the United States.³⁵

³³ *Id.* ¶¶ 1, 26, 32.

³⁴ Mark A. Lemley, *Why Do Juries Decide If Patents Are Valid?*, 99 VA. L. REV. 1673, 1706 (2013) (noting frequency of jury trials in patent cases that reach the trial stage has remained over 70% since 1994).

³⁵ Although the Supreme Court held that § 289's "article of manufacture" can be less than the entire product to which an infringing design has been applied, the language of § 289 still mandates a total profit award based on the infringer's sales of the article of manufacture to which the infringing design has been applied. 35 U.S.C. § 289 (2012); *Samsung Elecs. Co. v. Apple Inc.*, 137 S. Ct. 429, 436–37 (2016).

A. Legislation, Examination, and Registration

1. United States

United States design patent, copyright, and trademark law provide options for protecting industrial designs at the national level, with design patents being the analogue to national industrial designs in other countries. Addressing the scope of design patents, 35 U.S.C. § 171 provides protection for “any new, original and ornamental design for an article of manufacture.” The statute does not define “design” or “article of manufacture,” leaving courts to interpret those terms in light of other relevant statutory provisions, such as 35 U.S.C. § 289.³⁶ The requirement for an “ornamental” design has been interpreted to preclude design patent protection for designs that are “dictated solely by function,” and has led courts to separate the functional features from the ornamental elements of designs embodied in design patents.³⁷

United States design patent applications undergo U.S. Patent and Trademark Office examination for compliance with the novelty³⁸ and nonobviousness³⁹ requirements that also apply to utility patents.⁴⁰ The application requires a title identifying the article to which the design is applied, but “[n]o description of the design in the specification beyond a brief description of the drawing is generally necessary, since as a rule the illustration in the drawing views is its own best description.”⁴¹ And unlike utility patents, design patents may only have one claim, which “shall be in formal terms to the ornamental design for the article.”⁴² Despite these formal examination requirements, one scholar has reported data suggesting that this examination system functions more “as a registration system than one based on a true examination.”⁴³ The term of protection is fifteen years

³⁶ See, e.g., *Apple Inc. v. Samsung Electronics Co.*, 786 F.3d 983, 1002 (Fed. Cir. 2015).

³⁷ 35 U.S.C. § 171(a) (2012); see also *OddzOn Prods., Inc. v. Just Toys, Inc.*, 122 F.3d 1396, 1405 (Fed. Cir. 1997) (“Where a design contains both functional and non-functional elements, the scope of the claim must be construed in order to identify the non-functional aspects of the design as shown in the patent.”). The functionality bar has early origins in United States jurisprudence. *Gorham Mfg. Co. v. White*, 81 U.S. 511, 524 (1871) (“The acts of Congress which authorize the grant of patents for designs were plainly intended to give encouragement to the decorative arts. They contemplate not so much utility as appearance. . .”).

³⁸ 35 U.S.C. § 102 (2012).

³⁹ 35 U.S.C. § 103 (2012).

⁴⁰ U.S. PAT. & TRADEMARK OFF., MANUAL OF PATENT EXAMINING PROCEDURE §§ 1504.02, 1504.03 (9th ed. Rev. 7, Aug. 2017) [hereinafter MPEP] (“A claimed design that meets the test of novelty must additionally be evaluated for nonobviousness under 35 U.S.C. 103.”).

⁴¹ *Id.* § 1503.01, subsec. II (citing *In re Freeman*, 23 App. D.C. 226 (App. D.C. 1904)).

⁴² *Id.* § 1503.01, subsec. III (citing 37 C.F.R. 1.153).

⁴³ Dennis Crouch, *Design Patent Rejections*, PATENTLYO (Jan. 19, 2010) <http://patentlyo.com/patent/2010/01/design-patent-rejections.html> (finding that 81.6% of design

from the date the application was granted for design applications filed on or after May 13, 2015, and fourteen years from the date the application was granted for applications filed earlier.⁴⁴

2. *United Kingdom*

Several statutes and regulations govern industrial design rights in the United Kingdom at the national and regional levels. These include the Registered Designs Act 1949;⁴⁵ Council Regulation No. 6/2002 (governing registered and unregistered Community designs); the Copyright, Designs, and Patents Act 1988; United Kingdom copyright law; and various statutory instruments, or secondary legislation.⁴⁶

The Registered Designs Act 1949 covers national registration of designs and provides for a national unregistered design right under the Copyright, Designs and Patents Act 1988.⁴⁷ The unregistered design right applies more narrowly than the registered design rights and provides more limited protection.⁴⁸ The Registered Designs Act defines “design” as “the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture or materials of the product or its ornamentation.”⁴⁹ In turn, the Registered Designs Act defines “product” as “any industrial or handicraft item other than a computer program; and, in particular, includes packaging, get-up, graphic symbols, typographic type-faces and parts intended to be assembled into a complex product.”⁵⁰ As is true of Regulation No. 6/2002, discussed *infra*, the Registered Designs Act requires novelty and originality as prerequisites

patent applications never receive a rejection, and that only 1.2% of design patent applications receive a prior-art-based rejection).

⁴⁴ MPEP § 1505 (9th ed. Rev. 9, Aug. 2017).

⁴⁵ The Registered Designs Act 1949 has been amended over the years by multiple pieces of legislation but remains in force as amended.

⁴⁶ *Intellectual Property: Law and Practice*, GOV.UK, <https://www.gov.uk/topic/intellectual-property/law-practice> (last visited Nov. 25, 2016) (listing government documents applicable to United Kingdom intellectual property regimes).

⁴⁷ Registered Designs Act 1949, 12, 13, & 14 Geo. 6 c. 88, § 44 (UK) (defining “national unregistered design right” as “design right within the meaning of Part III of the Copyright, Designs and Patents Act 1988,” in addition to defining other terms). Section 213(2) of the Copyright, Designs, and Patents Act 1988 in turn defines “design” as “the design of the shape or configuration (whether internal or external) of the whole or part of an article.” Copyright, Designs, and Patents Act 1988, c. 48, § 213(2) (UK).

⁴⁸ Unregistered design rights apply only to “the shape or configuration” of an article (with an exception for designs necessary for interoperability), not to “surface decoration,” and expire either fifteen years from the creation of the design or ten years from the first sale of articles to which the design has been applied. Copyright, Designs, and Patents Act 1988, c. 48, §§ 213(2)–(3), 216(1) (UK). This statutory text has been interpreted to provide unregistered design right protection only for three-dimensional designs. *Design Right*, GOV.UK (Sept. 27, 2016), <https://www.gov.uk/design-right> (noting that two-dimensional “designs such as graphics, textiles and wallpaper,” must be registered to obtain protection).

⁴⁹ Registered Designs Act 1949, 12, 13, & 14 Geo. 6 c. 88, § 1(2) (UK).

⁵⁰ *Id.* § 1(3).

for protection.⁵¹ It also bars protection for designs dictated by a product's function or required for a product's interoperability with other products.⁵² The Registered Designs Act prohibits protection of designs "contrary to public policy or to accepted principles of morality."⁵³

The application process under the Registered Designs Act is more akin to a registration system than an examination system. Unlike the United States and Canadian systems, there is no examination for novelty.⁵⁴ Application examination and approval is focused on formal requirements, but the United Kingdom Intellectual Property Office may, in limited circumstances, refuse registration on substantive grounds. Such limited grounds include situations where the design fails to meet the defined requirements under section 1(2) of the Registered Designs Act, is solely dictated by function, is required for interoperability,⁵⁵ or is contrary to public policy. Applications must be submitted on the appropriate form and include a design representation or specimen accompanied by a description of the design.⁵⁶

Additionally, starting in 2002, Community design protection for industrial designs became available throughout the European Union under Regulation No. 6/2002.⁵⁷ The Regulation protects both registered (long-term protection up to twenty-five years) and unregistered (three-year, short-term protection for designs made available to the public) Community designs that comply with its terms.⁵⁸ Community design protection was introduced with the intent to harmonize industrial design law to facilitate the "free movement of goods" throughout the European Union.⁵⁹ Community design applications are directed to the Office for Harmonisation in the Internal Market and are subsequently protected in each Member State of the European Union.⁶⁰ Although the Regulation

⁵¹ *Id.* § 1B(2)–(3).

⁵² *Id.* § 1C(1)–(2).

⁵³ *Id.* § 1D.

⁵⁴ Designs Practice Notice 1/06: Ending Examination on Novelty Grounds U.K. INTELL. PROP. OFF. (Nov. 20, 2007), <https://www.gov.uk/government/publications/designs-practice-notice-106/dpn-106-ending-novelty-examination> ("[A]n application is no longer tested for novelty by the UK Intellectual Property Office . . . The onus is therefore placed on the applicant to consider the novelty and individual character of their design before applying to register it.").

⁵⁵ Designs Practice Notice, DPN 5/03: Designs Dictated by Technical Function (Aug. 17, 2003), <https://www.gov.uk/government/publications/designs-practice-notice-503/dpn-503-designs-dictated-by-their-technical-function> (providing guidance on the functionality and interoperability requirements).

⁵⁶ The Registered Designs Rules 2006, SI 2006/1975, Rule 4 (UK).

⁵⁷ Council Regulation 6/2002 of Dec. 12, 2001 on Community Designs, arts. 1, 111, 2002 O.J. (L 3) 3–4, 24 (EC).

⁵⁸ *Id.* at 2 ¶ 17, arts. 1, 11–12.

⁵⁹ *Id.* at 1 ¶¶ 4–5.

⁶⁰ *Id.* arts. 1–2.

leaves enforcement of Community design rights to national laws,⁶¹ it requires Member States to designate Community design courts,⁶² which have exclusive jurisdiction over actions for infringement of Community designs,⁶³ to apply the Regulation's provisions. The Community design courts apply their national laws "[o]n all matters not covered by th[e] Regulation."⁶⁴ If the United Kingdom formally exits the European Union in accordance with the results of the "Brexit" referendum vote held June 23, 2016,⁶⁵ however, Community design protection will no longer be available in the United Kingdom, as it will no longer be a member of the European Union.⁶⁶

The Regulation defines "design" as "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 itself and/or its ornamentation."⁶⁷ In turn, the Regulation defines "product" as "any industrial or handicraft item, *inter alia* parts intended to be assembled into a complex product, packaging, get-up, graphic symbols and typographic typefaces, but excluding computer programs."⁶⁸ The Regulation requires that designs be novel (i.e., differ from publicly available designs in more than "immaterial details")⁶⁹ and have individual character (i.e., differ from publicly available designs in "the overall impression [they] produce[] on the informed user").⁷⁰ Moreover, Regulation 6/2002 bars registration not only of industrial designs for a product whose features are "solely dictated by [their] technical function," but also of designs for product features that are required for interoperability with other products.⁷¹

⁶¹ *Id.* ¶ 22.

⁶² *Id.* art. 80.

⁶³ *Id.* art. 81. Note that this exclusive jurisdiction includes "counterclaims for a declaration of invalidity raised in connection with" an action for infringement of a Community design. *Id.* Community design courts also have exclusive jurisdiction over actions for declaration of noninfringement of Community designs where permitted under national law in addition to actions for declaration of invalidity of an unregistered Community design. *Id.*

⁶⁴ *Id.* art. 88. Article 96 of the Regulation further requires that Member States make national copyright protection available for designs protected as Community designs. *Id.* art. 96.

⁶⁵ For additional information about the referendum vote and its aftermath, see Alex Hunt & Brian Wheeler, *Brexit: All You Need to Know About the UK Leaving the EU*, BBC NEWS (Nov. 24, 2016), <http://www.bbc.com/news/uk-politics-32810887>.

⁶⁶ Ryan Davis, *5 Things IP Attorneys Need to Know About Brexit*, LAW360 (June 24, 2016, 10:04 PM EDT), <http://www.law360.com/articles/810715/5-things-ip-attorneys-need-to-know-about-brexit>.

⁶⁷ Council Regulation 6/2002 of Dec. 12, 2001 on Community Designs, art. 3, 2002 O.J. (L 3) 4 (EC).

⁶⁸ *Id.* art. 3.

⁶⁹ *Id.* art. 5.

⁷⁰ *Id.* art. 6. Note that a design applied to a component part that is subsequently incorporated into a product will only be considered registrable if the component part to which the design is applied "remains visible during normal use" of the product. *Id.* art. 4.

⁷¹ *Id.* art. 8.

Applications for Community design registrations are examined essentially only for compliance with formal filing requirements.⁷² The only grounds for substantive refusal of an application are that a design fails to meet the definition in Article 3(a) of the Regulation, or the design is contrary to public policy.⁷³ Substantive challenges to the validity of a Community design may be brought in separate proceedings before the Office for Harmonisation in the Internal Market or a Community design court.⁷⁴

3. *Canada*

Canada's national system for industrial designs is governed by the Industrial Design Act and will soon include The Economic Action Plan 2014 Act, No. 2 (Bill C-43).⁷⁵ The Industrial Design Act defines "design" as "features of shape, configuration, pattern or ornament and any combination of those features that, in a finished article, appeal to and are judged solely by the eye."⁷⁶ In turn, the Act defines "article" as "any thing that is made by hand, tool or machine."⁷⁷ Although Canada's Industrial Design Act does not include an originality requirement, section 7(3) of the Act provides that a registration certificate, "in the absence of proof to the contrary, is sufficient evidence of the design [and] of the originality of the design"⁷⁸ This has led courts to adopt a *de facto* requirement of originality,⁷⁹ to be reframed by Bill C-43 as a novelty requirement.⁸⁰ Under the current originality requirements, applicants face an originality rejection when "a search discloses the existence of an identical or substantially similar design."⁸¹ Moreover, as is true in the United States and the United

⁷² *Id.* arts. 45, 47.

⁷³ *Id.* art. 47.

⁷⁴ *Id.* arts. 24, 52, 81. Designs may be considered contrary to public policy based on the nature of the product to which the design is applied, or based on the nature of the design itself; designs for instruments of torture, for example, are uniformly considered contrary to public policy throughout the European Union, as are designs for Nazi or racist symbols. CONCISE EUROPEAN TRADE MARK AND DESIGN LAW 375–76 (Charles Gielen & Verena von Bomhard eds., 2011).

⁷⁵ Amendments to the Patent Act: Questions and Answers, CANADIAN INTELLECTUAL PROPERTY OFFICE Q6 (June 1, 2015), <http://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr03892.html>. Bill C-43 received Royal Assent on December 16, 2014, but is not yet in force; it will come into force on a date to be determined by order of the Governor in Council. *Id.*

⁷⁶ Industrial Design Act, R.S.C 1985, c. I-9, s. 2 (Can.).

⁷⁷ *Id.*

⁷⁸ *Id.* s. 7(3).

⁷⁹ *See, e.g.,* *Bodum USA, Inc. v. Trudeau Corp.* (1889), 2012 FC 1128, [2013] F.C.R. 372, paras. 96–99 (Can. Ont.) (confirming originality requirement).

⁸⁰ Economic Action Plan 2014 Act, No. 2, S.C. 2014, c. 39 part 4, div. 1, s. 105(7)(b) (Can.).

⁸¹ CANADIAN INTELLECTUAL PROPERTY OFFICE, INDUSTRIAL DESIGN OFFICE PRACTICES 20 (2013), [https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/vwapj/diPratiquesAdministratives-idOfficePratiques-eng.pdf/\\$FILE/diPratiquesAdministratives-idOfficePratiques-eng.pdf](https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/vwapj/diPratiquesAdministratives-idOfficePratiques-eng.pdf/$FILE/diPratiquesAdministratives-idOfficePratiques-eng.pdf) (last visited Nov. 22, 2016). *See also* Industrial Design Act, R.S.C 1985, c. I-9, s. 6(1) (Can.) ("The Minister shall register the design if the Minister finds that it is not identical

Kingdom, the Industrial Design Act contains a functionality bar prohibiting registration of “features applied to a useful article that are dictated solely by a utilitarian function of the article.”⁸² Similar to the United Kingdom, industrial design applications may be refused on the basis that the design “is contrary to public morality or order.”⁸³

A complete Canadian industrial design application requires a title identifying the article to which the design is applied, drawings or photographs showing the entire article, and a description indicating whether the design pertains to the entire article or a portion thereof.⁸⁴ Old, known designs may be combined to form registrable new designs so long as the new designs substantially differ from old designs and from any known combination of old designs.⁸⁵ As is true in the United States, it seems that most industrial design applications in Canada are ultimately granted: between April 2015 and March 2016, 5,811 industrial design applications were granted and 6,043 industrial design applications filed.⁸⁶ Although some portion of the 5,811 applications granted likely originated from a backlog of applications rather than from the 6,043 applications filed in that year, total applications and grants from 2010 to 2014 suggest a generally high grant rate with some decline in years 2012 to 2013 and 2013 to 2014.⁸⁷

B. *Industrial Design Litigation: Infringement and Defenses*

Although all three countries use a similar infringement threshold of substantial similarity, the audiences who determine infringement differ: in the United Kingdom and Canada, a judge determines infringement through the eyes of an informed consumer, while in the United States, a

with or does not so closely resemble any other design already registered as to be confounded therewith.”).

⁸² Industrial Design Act, R.S.C 1985, c. I-9, s. 5.1(a) (Can.).

⁸³ *Id.* s. 6(2).

⁸⁴ INDUSTRIAL DESIGN OFFICE PRACTICES, *supra* note 81, at 11, 13, 15.

⁸⁵ Brian W. Gray, Christopher N. Hunter, & Rita Gao, *Industrial Design Rights: Canada*, in *INDUSTRIAL DESIGN RIGHTS: AN INTERNATIONAL PERSPECTIVE* 67, 67 (Brian W. Gray & Rita Gao eds., 2d ed., 2016).

⁸⁶ CANADIAN INTELLECTUAL PROPERTY OFFICE, 2015–2016—MONTHLY PRODUCTION STATISTICS, (May 30, 2016), <http://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr04062.html>. In the period between April 2015 and March 2016, 5,811 of 6,043 (96.2%) industrial design applications were allowed, compared with 22,495 of 38,968 patent applications (57.7%).

⁸⁷ See CANADIAN INTELLECTUAL PROPERTY OFFICE, ANNUAL REPORT 2013–14—APPENDIX (PAGE 5 OF 6), (June 1, 2015), <http://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr03867.html#corporatestatistics>. The Report lists the figures reproduced in the table below for industrial designs for years 2010 to 2014:

	2010–11	2011–12	2012–13	2013–14
Applications	5,138	5,170	5,389	5,370
Grants/Registrations	4,950	4,640	4,052	4,049

jury typically determines infringement through the eyes of an ordinary observer. Although defenses to design infringement are similar across jurisdictions, the United States differs from the United Kingdom and Canada in lacking an innocent infringer defense. Additionally, United States judges have less discretion to determine damages awards than judges in the United Kingdom and Canada.

1. *Infringement*

In the United States, judges or juries in federal trial courts determine design patent infringement. A design patent is infringed when, “in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same.”⁸⁸ Designs are substantially the same when “the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other.”⁸⁹ For infringement, “the degree of similarity between the accused design⁹⁰ and the patented design ha[s] to be assessed in light of the designs in the prior art⁹¹”—when “a field is crowded with many references relating to the design of the same type of appliance, [courts] must construe the range of equivalents [in the prior art] very narrowly.”⁹² The ordinary observer, examining the designs at issue in light of the prior art, will be “drawn to those aspects of the claimed design that differ from the prior art.”⁹³ Moreover, “when the claimed design is close to the prior art designs, small differences between the accused design and the claimed design are likely to be important to the eye of the hypothetical ordinary observer.”⁹⁴ Although the infringement inquiry focuses on the similarity between the patented design and the accused design as a whole, courts sometimes engage in a

⁸⁸ *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 670 (Fed. Cir. 2008) (en banc) (citing *Gorham Co. v. White*, 81 U.S. 511, 528 (1871)).

⁸⁹ *Id.* at 670.

⁹⁰ The “accused design” is the design accused of infringing a design patent. The “patented design” is the design covered by the design patent. Patents are drafted in units called “claims,” and a single application may “claim” different embodiments of a single invention.

⁹¹ Under current United States law, “prior art” is any patent or published material that is found to predate the filing date of the design patent application for the patented design. 35 U.S.C. § 102(a) (2012). If prior art demonstrates that a design was already known before the date the design patent application was filed, the design will be deemed unpatentable based on the disclosures in the prior art. *Id.* 35 U.S.C. § 102(a) applies to both utility and design patents. U.S. PAT. & TRADEMARK OFF., *Design Patent Application Guide: Patent Laws that Apply to Design Patent Applications* (2017), <https://www.uspto.gov/patents-getting-started/patent-basics/types-patent-applications/design-patent-application-guide#main-content>.

⁹² *Egyptian Goddess*, 543 F.3d at 676 (citing *Litton Sys., Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1444 (Fed. Cir. 1984)).

⁹³ *Id.*

⁹⁴ *Id.*

feature-by-feature comparison to identify differences rather than considering overall physical appearance.⁹⁵

In assessing infringement of national registered designs, United Kingdom courts determine whether the designs at issue produce a different overall impression on the informed user.⁹⁶ Community design courts engage in an identical inquiry to determine industrial design infringement.⁹⁷ The United Kingdom’s “informed user” is “a particularly observant user who has knowledge of the design state of the art, and of the design features normally included in the designs existing in the sector concerned.”⁹⁸ Although the informed user pays a relatively “high degree of attention” to the products at issue and conducts a direct comparison between the designs, the informed user does not observe “in detail minimal differences which may exist.”⁹⁹ Thus, the informed user is less qualified and observant than an expert, but, more observant than “the average consumer of trade mark law”¹⁰⁰

Canadian courts will find an industrial design infringed when there is no substantial difference between the designs at issue in the eyes of the court, as aided by expert testimony, viewed from the point of view of the informed consumer.¹⁰¹ When the registered design claims the design for a product in its entirety, an infringing article must be quasi identical to the product to which the registered design is applied to infringe.¹⁰² Supporting evidence of infringement includes the design description and drawings, manufactured articles, and prior art.¹⁰³ Substantial identity may be determined through a direct comparison of the registered design and the allegedly infringing design.¹⁰⁴

⁹⁵ In the *Egyptian Goddess* opinion, the Federal Circuit did not characterize such an approach by the district court as legal error. It stated: “[w]hile the district court focused on the differences in the particular feature at issue rather than the effect of those differences on the appearance of the design as a whole, we are satisfied that the difference . . . is important, viewed in the context of the prior art.” *Id.* at 682–83 (holding a nail buffer with abrasive pads on four sides not to infringe a design patent covering a nail buffer with abrasive pads on three sides because consumers would not consider the difference between a three-way buffer and a four-way buffer minor).

⁹⁶ See Registered Designs Act 1949, 12, 13, & 14 Geo. 6 c. 88, § 7(1) (UK), amended by The Registered Designs Regulations 2001, SI 2001/3949, art. 5 (UK).

⁹⁷ Council Regulation 6/2002 of Dec. 12, 2001 on Community Designs, art. 10, 2002 O.J. (L 3) 5 (EC).

⁹⁸ Case C-281/10P, *PepsiCo, Inc. v. Grupo Promer Mon-Graphic SA* 2011 E.C.R. I-10153 at ¶¶ 53–59.

⁹⁹ *Samsung Elecs. (UK) Ltd. v. Apple Inc.* [2012] EWCA (Civ) 1339 [10] (appeal taken from EWHC (Pat)).

¹⁰⁰ *Id.*

¹⁰¹ *Bodum USA, Inc. v. Trudeau Corp.* (1889), 2012 FC 1128, [2013] 3 F.C.R. 371, para. 80 (Can. Ont.).

¹⁰² *Id.* para. 50.

¹⁰³ See, e.g., *id.* paras. 65–68.

¹⁰⁴ See *id.* para. 34.

2. Defenses

Prior user. Generally, a prior use defense to infringement provides protection to a party who has commercially used an invention or design before the priority date of the patent or registration.¹⁰⁵ This defense usually overlaps with the prior art¹⁰⁶ that may invalidate a patent or registered design. Council Regulation No. 6/2002 explicitly provides for a prior user defense against infringement of a registered Community design.¹⁰⁷ This defense sweeps more broadly than prior art by including designs that a party has privately prepared to use, but not yet used publicly in the Community prior to the filing date of the registered design at issue. Neither the United States nor Canadian systems provide as robust a prior user defense.

Innocent infringer. This defense exempts from damages and profits awards “a defendant who proves that as of the date of the infringement he was not aware, and had no reasonable ground for supposing, that the design was registered”; the defense does not, however, insulate a defendant from an injunction prohibiting further infringement.¹⁰⁸ In other words, this defense protects parties who had no actual or constructive knowledge of a registered design against paying damages for their innocent infringement of that registered design, but it does not protect such “innocent infringers” against an injunction precluding them from continued infringement of the registered design.¹⁰⁹ The United States lacks an innocent infringer defense because direct patent infringement has no

¹⁰⁵ See, e.g., 35 U.S.C. § 273(a) (2012); Council Regulation 6/2002 of Dec. 12, 2001 on Community Designs, art. 22, 2002 O.J. (L 3) 1 (EC). Some jurisdictions place additional limitations on this defense, such as requiring that commercial use began a given time period before the priority date of the invention or design. See, e.g., 35 U.S.C. § 273.

¹⁰⁶ For any given design, current United States law defines “prior art” as any patent or published material that is found to predate the filing date of the design’s application. 35 U.S.C. § 102(a) (2012). If prior art demonstrates that a design was already known before the date the design patent application was filed, the design will be deemed unpatentable based on the disclosures in the prior art. *Id.* Section 102(a) applies to both utility and design patents. *Design Patent Application Guide: Patent Laws that Apply to Design Patent Applications*, U.S. PAT. & TRADEMARK OFF., (Sept. 2, 2017), <https://www.uspto.gov/patents-getting-started/patent-basics/types-patent-applications/design-patent-application-guide#main-content>.

¹⁰⁷ Council Regulation 6/2002 of Dec. 12, 2001 on Community Designs, art. 22, 2002 O.J. (L 3) 1 (EC) (“A right of prior use shall exist for any third person who can establish that before the date . . . of priority, he has in good faith commenced use within the Community, or has made serious and effective preparations to that end, of a design included within the scope of protection of a registered Community design, which has not been copied from the latter.”).

¹⁰⁸ The Intellectual Property (Enforcement, etc.) Regulations 2006, SI 2006/1028, Schedule 1, ¶ 3, § 24B (UK).

¹⁰⁹ Whereas paying damages can be viewed as a punitive measure against an innocent infringer, an injunction against future infringement merely gives patentees the benefits of their patents (temporary monopoly in the patented invention) going forward until the patent expires. Regardless, once a lawsuit has been filed, an innocent infringer will be deemed to have been on notice of the design patent at issue, and from that date will not qualify for the innocent infringer defense, which is predicated on a lack of actual or constructive notice of the design patent.

knowledge requirement.¹¹⁰ By contrast, the United Kingdom's Registered Designs Act, as amended by the Intellectual Property (Enforcement, etc.) Regulations 2006, provides for an innocent infringer defense,¹¹¹ as does Canada's Industrial Designs Act.¹¹²

Invalidity. Industrial designs may be invalidated if they fail to satisfy the requirements for industrial design protection, discussed *supra* Part II. Defendants may assert invalidity of an industrial design in all three countries on functionality or novelty grounds.¹¹³ Additionally, in the United Kingdom and Canada, industrial designs may be invalidated if they are contrary to morality or public policy.¹¹⁴ Furthermore, in the United Kingdom, a design may be held invalid if the design is applied to a component of a product that is required for the product to be interoperable with other products.¹¹⁵

C. Remedies

Generally, the United States, United Kingdom, and Canada all make available the same remedies for design infringement actions. The countries differ, however, in the discretion given to courts to award different types of relief. Canada and the United Kingdom give their courts greater discretion in their equitable jurisdiction to determine appropriate remedies. Additionally, injunctive relief is easier to obtain in Canada and the United Kingdom than in the United States.

1. Monetary Relief

Damages. Damages are the basic common law remedy and are available for infringement of industrial designs in the United States, the United Kingdom, and Canada. In the United States, 35 U.S.C. § 284 provides for the award, for any kind of patent infringement, of “damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interests and costs as fixed by the court.”¹¹⁶ In design patent

¹¹⁰ *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S. Ct. 1920, 1926 (2015) (“Under [direct patent infringement], a defendant’s mental state is irrelevant.”); *see* 35 U.S.C. § 271 (2012) (“whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent”). The same statutory provisions govern the infringement inquiry for design patents and utility patents. *See, e.g.*, 35 U.S.C. § 171(b) (2012).

¹¹¹ The Intellectual Property (Enforcement, etc.) Regulations 2006, SI 2006/1028, Schedule 1, ¶ 3, § 24B (UK).

¹¹² Industrial Design Act, R.S.C 1985, c. I-9, s. 17(1) (Can.).

¹¹³ *See supra* functionality discussions in Part II.A.

¹¹⁴ *See supra* Part II.A.2, Part II.A.3.

¹¹⁵ *See supra* Part II.A.2.

¹¹⁶ 35 U.S.C. § 284 (2012). In utility patent cases, the Federal Circuit has endorsed calculating reasonable royalties based on an analytical approach or a hypothetical negotiation approach. *Lucent*

cases, however, § 289 provides for the defendant's total profits as an additional remedy that effectively replaces the remedies provided for in § 284, as discussed below.¹¹⁷

In the United Kingdom, the Intellectual Property (Enforcement, etc.) Regulations 2006 amended the United Kingdom's Registered Designs Act and other legislation to harmonize United Kingdom intellectual property law with that of the European Union.¹¹⁸ The Regulations explicitly made available for design infringement all forms of relief available for infringement of other intellectual property rights, including "damages, injunctions, [and] accounts."¹¹⁹ Factors to be assessed in calculating damages include negative economic consequences suffered by the claimant, any unfair profits made by the defendant, any moral prejudice suffered by the claimant as a result of the infringement, and the terms of a hypothetical reasonable royalty.¹²⁰

Canada's Industrial Design Act provides that, in an action for industrial design infringement, "the court may make such orders as the circumstances require," including an award for damages.¹²¹ The appropriate damages calculation is a fact-specific inquiry, and Canadian courts determine damages on a case-by-case basis.¹²²

Total Profits. In the United States, the Federal Circuit interpreted 35 U.S.C. § 289¹²³ to provide for awarding an infringer's total profits from the entire product to which the design had been applied.¹²⁴ The court held that the statute left no room to limit the total profits award to an "infringing 'article of manufacture'" constituting less than the entire product to which the infringed design was applied when such an "article of manufacture"

Techs., Inc. v. Gateway, Inc., 580 F.3d 1301, 1324–25 (Fed. Cir. 2009) (describing accepted methods for calculating reasonable royalty). The analytical approach focuses on the infringer's "internal profit projections on the infringing item at the time that infringement began, and then apportion[s] the projected profits between the patent owner and the infringer." *Id.* (internal citations omitted). The hypothetical negotiation approach calculates damages based on the royalty amount to which the parties would have agreed immediately prior to infringement had they been willing to negotiate. Courts consider several factors, such as comparable licenses between the parties for similar patented technologies, the defendant's profit margin, and the contributions of non-infringing elements to the value of the product. *Georgia-Pacific Corp. v. U.S. Plywood Corp.*, 318 F. Supp. 1116, 1120 (S.D.N.Y. 1970) (listing fifteen hypothetical negotiation factors).

¹¹⁷ 35 U.S.C. § 289 (2012).

¹¹⁸ The Intellectual Property (Enforcement, etc.) Regulations 2006, SI 2006/1028 (UK) (noting that the Regulations are implemented under the powers conferred by section 2 of the European Communities Act 1972).

¹¹⁹ *Id.* Schedule 1, ¶ 3 (amending Registered Designs Act to insert Sections 24A–24G). This mirrors the language in section 229 of the Copyright, Designs and Patents Act 1988, c. 48, § 229(2) (UK).

¹²⁰ The Intellectual Property (Enforcement, etc.) Regulations 2006, SI 2006/1028, ¶ 3 (UK).

¹²¹ Industrial Design Act, R.S.C 1985, c. I-9, s. 15.1 (Can.).

¹²² *See* Industries LUMIO (Canada) Inc. c. Dusablon, [2007] R.J.Q. 1216, para. 230 (Can. Que.).

¹²³ 35 U.S.C. § 289 (2012).

¹²⁴ *Apple Inc. v. Samsung Elecs. Co.*, 786 F.3d 983, 1002 (Fed. Cir. 2015).

was not sold separately from the entire product.¹²⁵ The Supreme Court recently rejected this non-apportionment approach without articulating the proper method for apportionment.¹²⁶

In the United Kingdom and Canada, by contrast, total profits awards are discretionary. In the United Kingdom, defendant's profits are available as an equitable remedy at the discretion of the deciding court.¹²⁷ And Canada's Industrial Design Act allows for a total profits award as an alternative to damages "as the circumstances require," also vesting the deciding court with discretion.¹²⁸ Total profits awards in United Kingdom and Canadian industrial design cases appear to be rare, but not unprecedented.¹²⁹

Attorney Fees and Costs. In the United States, costs¹³⁰ and attorney fees are awarded at the discretion of the court, though attorney fee awards are reserved for "exceptional cases."¹³¹ In the United Kingdom, courts usually award costs, which may include attorney fees, to the prevailing party in an industrial design infringement action.¹³² Additionally, Council Regulation No. 6/2002 provides for an award of fees and costs to the prevailing party in an action for invalidity of a registered Community design; but when an invalidity proceeding does not proceed to judgment or there is no prevailing party, costs awards are discretionary.¹³³ Canadian federal courts also have full discretion in awarding costs, including attorney fees, in all proceedings.¹³⁴ Judges may consider many factors in

¹²⁵ *Id.* The Federal Circuit distinguished the case that Samsung relied on for its argument that the total profits award should be limited to "the portion of the product as sold that incorporates or embodies the subject matter of the patent," but did not address the merits of Samsung's argument. *Id.*

¹²⁶ Samsung Elecs. Co. v. Apple Inc., 137 S. Ct. 429 (2016).

¹²⁷ The Intellectual Property (Enforcement, etc.) Regulations 2006, SI 2006/1028, art. 3 (UK) (listing "any unfair profits made by the defendant" as a factor to consider in assessing damages for infringement of an intellectual property right).

¹²⁸ Industrial Design Act, R.S.C 1985, c. I-9, s. 15.1 (Can.).

¹²⁹ Global Upholstery v. Galaxy Office Furniture, 1976 CarswellNat 493, para. 167 (Can. F.T.C.D.) (WL) (awarding total profits after a finding of intentional copying); Ifejika v. Ifejika [2014] EWHC (Pat) 2625 [29-33] (UK) (determining total profits for product, performing apportionment analysis to determine value added to product by infringed design feature, and awarding total profits attributable to the infringed design feature); Potton Ltd. v. Yorkclose Ltd. [1990] F.S.R. 11 (performing similar calculation in copyright case).

¹³⁰ 35 U.S.C. § 284 (2012) (providing for "costs as fixed by the court").

¹³¹ 35 U.S.C. § 285 (2012) (providing a court discretion to award attorney fees to the prevailing party in "exceptional cases").

¹³² David Charles Musker, *Industrial Design Rights: United Kingdom, in* INDUSTRIAL DESIGN RIGHTS: AN INTERNATIONAL PERSPECTIVE 357, 373 (Brian W. Gray & Rita Gao eds., 2d ed. 2016); *Guidance: Intellectual Property Crime and Infringement*, U.K. INTELL. PROP. OFF. (2016), <https://www.gov.uk/guidance/intellectual-property-crime-and-infringement>.

¹³³ Council Regulation 6/2002 of Dec. 12, 2001 on Community Designs, art. 70, 2002 O.J. (L 3) 3-4, 24 (EC).

¹³⁴ Federal Courts Rules, SOR/98-106, § 400(1). Although assessment officers perform the actual assessment of costs in litigation, assessments made by assessment officers who are not judges

determining costs awards, including the result of the proceeding, the complexity of the issues, public interest considerations, and the relative success of the parties.¹³⁵

Enhanced damages. Enhanced damages¹³⁶ are available and discretionary in all three nations. In the United States, district courts have the discretion to “increase the damages up to three times the amount found or assessed,” but enhanced damages are usually awarded only in exceptional cases.¹³⁷ The Federal Circuit has, however, noted that such treble damages are inappropriate when a patentee has been awarded an infringer’s total profits in a design patent case, due to § 289’s prohibition of double recovery.¹³⁸ Courts in the United Kingdom may “award such additional damages as justice may require” in cases of flagrant infringement.¹³⁹ In Canada, the federal courts’ total discretion encompasses the power to award the equivalent of enhanced damages in the United States and the United Kingdom.¹⁴⁰

2. Injunctions and Seizure

The availability of injunctive relief in the United States is governed by 35 U.S.C. § 283 and subsequent case law interpreting it. Section 283 provides that courts “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.”¹⁴¹ Although this appears to implement a broad discretionary standard, case law has narrowed courts’

are subject to Federal Court review, and the judge has the ultimate discretion over the costs award. *Id.* §§ 400(6), 405, 414.

¹³⁵ *Id.* § 400(3). For a case awarding costs based on the relative success of the parties, see *Zero Spill Systems (Int’l) Inc. v. Heide*, [2015] F.C.A. 115, paras. 108–09 (Can. Ont.), (awarding party seventy percent of its costs for lower court and appellate proceedings based on the fact that the party was “substantially successful on appeal, but not entirely”).

¹³⁶ “Enhanced damages” is a term of art used in patent law to describe monetary remedies awarded to an injured party that exceed the actual damages suffered by that party. Examples include treble damages (three times the actual damages award) and punitive damages. *See, e.g.*, *Halo Elecs., Inc. v. Pulse Elecs., Inc.*, 136 S. Ct. 1923, 1928–30 (2016) (discussing the history of enhanced damages in United States patent law).

¹³⁷ 35 U.S.C. § 284 (2012). In *Halo Electronics, Inc. v. Pulse Electronics, Inc.*, the Supreme Court noted that “such [enhanced] damages are generally reserved for egregious cases of culpable behavior.” 136 S. Ct. 1923, 1932 (2016).

¹³⁸ 35 U.S.C. § 289 (2012) (“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.”); *Catalina Lighting, Inc. v. Lamps Plus, Inc.*, 295 F.3d 1277, 1291 (Fed. Cir. 2002) (“When only a design patent is at issue, a patentee may not recover both infringer profits and additional damages under § 284.”).

¹³⁹ Copyright, Designs and Patents Act 1988, c. 48, § 229(3) (UK).

¹⁴⁰ *See* Federal Courts Rules, SOR/98-106, § 400(6).

¹⁴¹ 35 U.S.C. 283 (2012).

discretion considerably.¹⁴² In *eBay v. MercExchange*, the Supreme Court held that the Federal Circuit's "general rule" [for patent cases] . . . that a permanent injunction will issue once infringement and validity have been adjudged" constituted legal error.¹⁴³ Instead, lower courts should apply the traditional "four-factor test" requiring a plaintiff to demonstrate (1) irreparable injury, (2) inadequate remedy at law, (3) balance of hardships that warrants an equitable remedy, and (4) that an injunction will not harm the public interest.¹⁴⁴ This four-factor test constrains district courts' equitable discretion to grant injunctions.¹⁴⁵ Empirical studies of utility patent¹⁴⁶ injunction grant rates post-*eBay* have found that permanent injunctions are still granted in the majority of competitor cases, and disproportionately affect non-practicing entities and the high technology industry.¹⁴⁷ Interestingly, this four-factor test has been adopted beyond the patent context as the test for granting permanent injunctive relief.¹⁴⁸

In the United Kingdom, injunctive relief is discretionary under the Registered Designs Act but is very common.¹⁴⁹ On application by the rights-holder, the Registered Designs Act also provides for delivery to the industrial design rights-holder of infringing goods and "anything specifically designed or adapted for making" infringing goods.¹⁵⁰ Community design infringement provides for essentially the same remedy: absent special circumstances, injunctive relief and seizure of infringing

¹⁴² See, e.g., *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391, 393–94 (2006) (holding that Federal Circuit's general rule automatically granting permanent injunctions in cases finding patent infringement was error and setting out four-factor test for injunctive relief under the Patent Act).

¹⁴³ *Id.* at 393–94.

¹⁴⁴ *Id.* at 391.

¹⁴⁵ *Id.* at 394.

¹⁴⁶ To date, the legal literature has not produced a study of injunction grant rates focusing exclusively on design patents. Current patent injunction grant rate studies have either excluded design patents altogether or included them in studies of injunctions issued in all patent cases in a defined period. See, e.g., Christopher B. Seaman, *Permanent Injunctions in Patent Litigation After eBay: An Empirical Study*, 101 IOWA L. REV. 1949 (2016) (excluding design patents from study of post-*eBay* permanent injunction grant rate); John M. Golden, *Injunctions as More (or Less) than "Off Switches": Patent-Infringement Injunctions' Scope*, 90 TEX. L. REV. 1399 (2012) (including design patent case injunctions in a study of all injunctions issued by district courts in patent cases in 2010).

¹⁴⁷ For an interesting discussion of permanent injunction grant rate in patent cases after *eBay*, see Seaman, *supra* note 145. Seaman found an overall injunction grant rate of 72.5% from May 2006 to December 2013 consistent with prior scholarship figures between 72% to 75%, and noted the decline from the pre-*eBay* rate of 95%. *Id.* at 1982–83. However, Seaman found a considerably higher grant rate of 84% for competitors. *Id.* at 1990.

¹⁴⁸ *Id.* at 1951 n.5.

¹⁴⁹ The Intellectual Property (Enforcement, etc.) Regulations 2006, SI 2006/1028, Schedule 1, ¶ 3 (UK) (amending Registered Designs Act to include § 24A(2)). See also Musker, *supra* note 132, at 373 (noting that injunctive relief on a finding of industrial design infringement is common practice in the United Kingdom).

¹⁵⁰ The Intellectual Property (Enforcement, etc.) Regulations 2006, SI 2006/1028, Schedule 1, ¶ 3 (UK) (amending Registered Designs Act to include § 24C).

products and “the materials and implements predominantly used in order to manufacture the infringing goods” is automatic.¹⁵¹

Canadian federal courts may grant interlocutory¹⁵² and permanent injunctions in industrial design cases at their discretion.¹⁵³ Moreover, when a defendant can establish that it “was not aware, and had no reasonable grounds to suspect, that the design was registered” at the time of infringement, an injunction is the only available remedy.¹⁵⁴

3. *Criminal Sanctions*

In the United States, criminal sanctions are available under copyright,¹⁵⁵ trademark,¹⁵⁶ and trade secret¹⁵⁷ regimes, and for fraud on the Patent Office.¹⁵⁸ The United Kingdom’s Intellectual Property Act 2014 amended the Registered Designs Act to criminalize intentional copying of a registered design for a commercial purpose.¹⁵⁹ In Canada, criminal penalties for design infringement are available under trademark and copyright regimes.¹⁶⁰

¹⁵¹ Council Regulation 6/2002 of Dec. 12, 2001 on Community Designs, art. 89, 2002 O.J. (L 3) 20–21 (EC).

¹⁵² Federal Courts Rules, SOR/98-106, § 373(1) (Can.) (authorizing federal courts to issue interlocutory injunctions).

¹⁵³ Industrial Design Act, R.S.C. 1985, c. I-9, s. 15.1 (Can.) (authorizing injunctive relief at the court’s discretion in industrial design actions).

¹⁵⁴ *Id.* s. 17(1). When the products bearing the infringed design are marked, a defendant will be unable to invoke section 17(1) because product marking provides constructive notice of the design registration. *Id.* s. 17(2).

¹⁵⁵ Criminal penalties apply to willful copyright infringement for commercial gain under 17 U.S.C. § 506 and 18 U.S.C. § 2319, and to violations of the Digital Millennium Copyright Act under 17 U.S.C. §§ 1201–05. *See generally* H. MARSHALL JARRETT ET AL., OFFICE OF LEGAL EDUCATION, EXECUTIVE OFFICE FOR UNITED STATES ATTORNEYS, PROSECUTING INTELLECTUAL PROPERTY CRIMES (4th ed. 2013), https://www.justice.gov/sites/default/files/criminal-ccips/legacy/2015/03/26/prosecuting_ip_crimes_manual_2013.pdf (comprehensive manual published by the United States Department of Justice providing guidance on prosecuting intellectual property crimes).

¹⁵⁶ Criminal penalties apply to trafficking in counterfeit trademarks, service marks, and certification marks under 18 U.S.C. § 2320. *See generally* JARRETT ET AL., *supra* note 154 (providing guidance on prosecuting intellectual property crimes).

¹⁵⁷ Criminal penalties apply to theft of commercial trade secrets under 18 U.S.C. § 1831–1839. *See generally* JARRETT ET AL., *supra* note 154 (providing guidance on prosecuting intellectual property crimes).

¹⁵⁸ Criminal penalties apply to fraud on the patent office or private citizens through forgery of patents under 18 U.S.C. § 497 and falsely marking goods with a patent number under 35 U.S.C. § 292. *See generally* JARRETT ET AL., *supra* note 154 (providing guidance on prosecuting intellectual property crimes).

¹⁵⁹ Intellectual Property Act 2014, c. 18, § 13 (UK).

¹⁶⁰ Gray et al., *supra* note 85, at 74–76.

D. Examples: Double-Walled Glassware and Tablets

The similarities and differences among the industrial design protection systems in the United States, the United Kingdom, and Canada are further illustrated through the examples below.

*1. Double-Walled Glassware: Bodum USA, Inc. v. Trudeau Corp.*¹⁶¹

Courts and fact finders in all three nations would likely have reached the same result: the Canadian court determined that Bodum's designs were invalid for lack of novelty because they were substantially similar to the relevant prior art designs that the court identified when it heard the case. While a United Kingdom court might also reach a non-infringement verdict, a United States appellate court likely would not reach the issue of infringement after finding Bodum's designs invalid because an invalid design patent cannot be infringed.

Registered Designs.¹⁶²

Background. The *Bodum* case originated in a Canadian federal court in Ontario.¹⁶³ Plaintiffs brought an industrial design infringement action for registered industrial design numbers 107,736 and 114,070, covering designs for double-walled glasses sold by Bodum.¹⁶⁴ Defendant Trudeau counterclaimed for invalidity.¹⁶⁵

¹⁶¹ *Bodum USA, Inc. v. Trudeau Corp.* (1889), 2012 FC 1128, [2013] F.C.R. 372 (Can. Ont.).

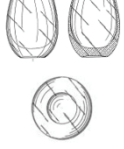

¹⁶² *Id.* paras. 9–10.



¹⁶³ *Id.* para. 1.

¹⁶⁴ *Id.*



¹⁶⁵ *Id.*

Prior Art.¹⁶⁶

BODUM INDUSTRIAL DESIGN	PRIOR ART	
 Industrial design No 107,736 (Exhibit TX-1) (2003)	 Fig. 315. (One third.) (Exhibit TX-97) (1897)	 (Exhibit TX-106) (2000)
	 (Exhibit TX-105) (2001)	 Double-walled salt dish (Exhibit TX-168) (circa 1750-1800)

 Industrial design No 114,070 (Exhibit TX-214) (2003)	 Fig. 286. (One third.) (Exhibit TX-97) (1897)	 (Exhibit TX-13) (1915)	 (Exhibit TX-21) (December 31, 1991)
	 Coca-Cola glass (Exhibit TX-108) (circa 1919)	 History of the glass (19th century) (Exhibit TX-166) (1834)	 Assam No 4553-16 (Exhibit TX-219) (before 2003)

Accused Products.¹⁶⁷

 Trudeau glass (Exhibit TX-186)	 Trudeau glass (Exhibit TX-47)
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Validity. Due to designer freedom to manipulate various features, Bodum's glass designs would not likely be held invalid on functionality grounds in any jurisdiction. Courts in all three jurisdictions, would, however, likely find the Bodum designs invalid for lack of novelty.

The Canadian court found that the Bodum glasses did not meet the "spark of inspiration" required for the registered designs to be valid because the designs did "not vary substantially" from the prior art.¹⁶⁸ When a design pertains to an established field, and consumers make daily use of the articles to which the design is applied, the differences between the design and the prior art must be "marked and substantial."¹⁶⁹ The Bodum glasses were nearly identical to the prior art. The TX-97 (1897) prior art design had interior and exterior lines very similar to the '736 design. The '070 design had interior and exterior lines very similar to the

¹⁶⁶ *Id.* paras. 60, 65.

¹⁶⁷ *Id.* para. 11.

¹⁶⁸ *Id.* paras. 97-98.

¹⁶⁹ *Id.* para. 98 (citation omitted).

TX-219 prior art design.¹⁷⁰ Since the United Kingdom’s novelty analysis largely tracks that of Canada, Bodum’s designs would not likely meet the United Kingdom’s standard of producing “a different overall impression on the informed user,” rendering them invalid.¹⁷¹

A United States court would likely find the designs for both Bodum glasses invalid for lack of novelty, and failing that, invalid for obviousness, since all elements existed in the prior art in various combinations similar to the design at issue.¹⁷² The prior art contains glasses with essentially the same lines and shapes as the Bodum designs. More particularly, the rounded shape and bottom, with the opening of the glass being wider than the bottom of the ’736 design, is nearly identical to the TX-106 (2000) and TX-105 (2001) prior art designs. And the ’070 Bodum design’s shape is nearly identical to the TX-13 (1915) prior art design. Given these near identities, a United States court would likely find the Bodum designs invalid on novelty or obviousness grounds.

Infringement. The Canadian court identified the glasses’ utilitarian function (keeping hot drinks hot and cold drinks cold) and the elements of the design that were responsible for that function (the space between the walls of the glass).¹⁷³ It then “ignore[d] similarities or even identities between the registered design and the alleged infringement which arise from functional matters included within the design.”¹⁷⁴ The court also noted that, “where emphasis is on the entirety of the design, in order to establish infringement, the article in question will have to be quasi identical.”¹⁷⁵ Examining in detail the concavity and convexity of the interior and exterior walls of the glasses, the court held that Trudeau’s glasses did not infringe because the curvature of the Bodum and Trudeau glasses was not sufficiently similar. Moreover, the court opined “that the Trudeau glasses are a lot more similar to some pre-2003 glasses than to the industrial designs in question in this case.”¹⁷⁶ Furthermore, the Trudeau glasses differed in their concave lines and points of tangency from Bodum’s designs.¹⁷⁷ Ultimately, the Canadian court held that “even if [it] disregarded the prior art, the Trudeau glasses have almost none of the features of the configuration of the industrial designs in question.”¹⁷⁸

The United Kingdom’s infringement framework largely tracks that of Canada, and a United Kingdom court would likely have reached the same

¹⁷⁰ *Id.* paras. 81–83.

¹⁷¹ *See supra* Part II.A.2.

¹⁷² *See supra* Part II.A.1.

¹⁷³ *Bodum U.S.A, Inc.*, 2012 FC 1128, paras. 44, 46.

¹⁷⁴ *Id.* para. 46.

¹⁷⁵ *Id.* para. 50.

¹⁷⁶ *Id.* para. 87.

¹⁷⁷ *Id.* paras. 62–69.

¹⁷⁸ *Id.* para. 90.

result that the Trudeau glasses do not infringe. Setting aside the space between the walls of the glasses, a United Kingdom court would have compared the overall shape of Bodum's designs with the prior art and Trudeau's accused glasses, and would likely have found insufficient similarity for infringement due to differences in the degrees of curvature of the Bodum and Trudeau glasses.¹⁷⁹

A United States appellate court considering the facts of the *Bodum* case would not likely have reached the infringement issue. Nonetheless, a United States infringement inquiry would likely have found that the Trudeau TX-47 glass did not infringe, and may or may not have found that the Trudeau TX-186 glass infringed the '070 design. Because United States courts construe design equivalents very narrowly in fields crowded with prior art,¹⁸⁰ a United States court would likely have found Trudeau's TX-47 glass to be noninfringing. Due to its taller stature and more streamlined appearance, an ordinary observer would not likely regard the Trudeau glass as substantially the same as either of the Bodum designs or purchase the Trudeau glass accidentally when intending to buy one of the Bodum glasses.¹⁸¹ Even if the United States' narrowed scope of equivalents and ordinary observer standard¹⁸² creates a lower infringement standard than Canada's quasi identity requirement and informed consumer standard, the '070 design is more similar in appearance to the TX-13 (1915) prior art than to the Trudeau TX-186 glass. Were a United States court to reach the infringement issue, it would likely find insufficient differences between the TX-186 and the '070 design for infringement.¹⁸³

2. *Tablets*: Samsung Elecs. (UK) Ltd. v. Apple Inc.¹⁸⁴

In this case, the United Kingdom appellate court upheld the trial court's ruling that the Samsung tablets did not infringe Apple's registered design because the Samsung tablets produced "a different overall impression" on the informed user.¹⁸⁵ Although United Kingdom and Canadian courts would likely reach the same noninfringement conclusion, a United States jury might find that Samsung's tablets infringed Apple's design.

¹⁷⁹ The TX-47 design appears more similar to the prior art than it does to Bodum's designs.

¹⁸⁰ See *supra* Part II.B.1.

¹⁸¹ See *supra* Part II.B.1.

¹⁸² Given the subtle differences in the interior bottoms and flared walls, an ordinary observer intending to purchase a Bodum glass made to the '070 design might inadvertently purchase the Trudeau TX-186 instead.

¹⁸³ See discussion *supra* Part II.A.1.

¹⁸⁴ *Samsung Elecs. (UK) Ltd. v. Apple Inc.* [2012] EWCA (Civ) 1339 [10] (appeal taken from EWHC (Pat)).

¹⁸⁵ *Id.* ¶¶ 9, 53.

Apple's Registered Community Design.¹⁸⁶

Image 0001.1 (front):

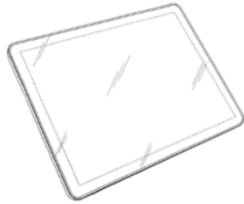


Image 0001.2 (rear):

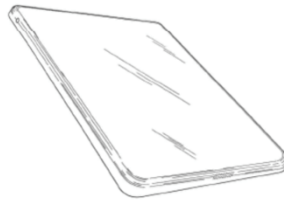


Image 0001.5:



Image 0001.6:



Image 0001.7:



Samsung's Accused Tablets.¹⁸⁷



Background.

¹⁸⁶ *Id.* Annex A.

¹⁸⁷ *Id.* Annex B.

Apple appealed a determination by the Patent Court that Samsung's 7.7, 8.9, and 10.1 Galaxy tablet computers did not infringe Apple's registered Community Design No. 000181607-001.¹⁸⁸ Since tablets, like smartphones, are technologically complex products, this case presents many of the same issues presented in the *Samsung v. Apple* litigation before the Northern District of California.

Prior Art.¹⁸⁹



Validity. Although Samsung did not contend that any of the features of Apple's Community Design were dictated solely by function, the United Kingdom appellate court considered the issue *sua sponte*, reframing the lower court's analysis in functional terms.¹⁹⁰ Solely functional features included a flat, transparent, display screen and border of some kind, while partially functional features allowing the designer some choice included the overall shape, rounded corners and rim thickness, and raised frame.¹⁹¹ Comparing Apple's Community Design with the relevant prior art, the United Kingdom appellate court agreed with the trial court that the significance of the overall shape of the Community Design as an identifier was diminished "by the fact that there are other designs in the design corpus which are very similar too."¹⁹² Ultimately, the United Kingdom appellate court focused on ornamentation, overall tablet thickness, and tablet edge sharpness as the key design differences for its infringement analysis.

Like the United Kingdom appellate court, a Canadian court would have discounted aspects of the product that are relevant to its function—as in *Bodum*, it would have focused its attention on design aspects that allowed the designer some creative latitude.¹⁹³ A Canadian court may even

¹⁸⁸ *Id.* ¶ 1.

¹⁸⁹ *Id.* ¶¶ 40, 50.

¹⁹⁰ *Id.* ¶¶ 31–39.

¹⁹¹ *Id.* ¶¶ 35–39.

¹⁹² *Id.* ¶¶ 34–35.

¹⁹³ *Bodum USA, Inc. v. Trudeau Corp.* (1889), 2012 FC 1128, [2013] F.C.R. 372, para. 51 (Can. Ont.).

have been more restrictive than the United Kingdom appellate court, perhaps considering the decision of whether to have a raised frame as solely dictated by whether the tablet had a touch screen. Removing the functional features, a Canadian court would have considered the same primary factors (ornamentation and thickness) during its infringement analysis as the United Kingdom appellate court.

Had this case been litigated in the United States, by contrast, an appellate court likely would not have reached the functionality issue because the parties failed to raise it in the trial court. Furthermore, the relatively large bulge on the back of the prior art tablet would likely have been sufficient to distinguish Apple's Community design from the prior art for purposes of novelty and nonobviousness; the prior art raised in the United Kingdom litigation would have failed to teach all elements of Apple's design. A jury standing in the shoes of the ordinary consumer might focus its attention on design features that would most greatly affect a consumer's experience using a product. When making purchasing decisions, ordinary consumers likely focus most on those features that they predict will impact their day-to-day use of a product; they may give less weight to features that affect appearance but have no functional implications.¹⁹⁴ In this case, the bulge on the back of the prior art tablets would likely have been a significant feature impacting the ordinary consumer's normal use of the tablets, affecting, for example, how the tablet could be held or placed on a surface. A United States jury would thus likely have focused on the differences between the flat back of Apple's registered design and the bulge in the prior art tablets. That difference would likely have led a jury to find Apple's registered design valid, requiring an infringement analysis.

Infringement. Noting ornamentation choice as the design feature allowing the greatest creative latitude,¹⁹⁵ the United Kingdom appellate court affirmed the lower court's infringement decision that the Samsung tablets "produce[d] on the informed user a different overall impression," accounting for "the degree of freedom of the designer in developing his

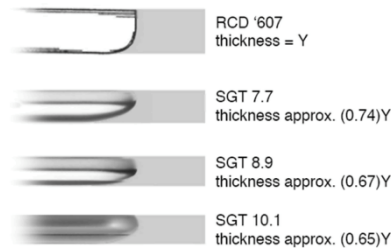
¹⁹⁴ This inference finds some support in the final jury instructions given in the *Apple v. Samsung* design patent litigation when it was first litigated in the district court. Those instructions state that "[m]inor differences should not prevent a finding of [design patent] infringement." Since the parties agree on and submit jury instructions to the court, the inclusion of this statement suggests some concern that the jurors may attach undue weight in a side-by-side comparison of individual product features to minor differences that they would not ordinarily focus on in making a purchasing decision. See Final Jury Instructions at 63, *Apple Inc. v. Samsung Elecs. Co.*, No. 5:11-cv-01846-LHK (N.D. Cal. Aug. 21, 2012), ECF No. 1893. Such minor differences may include those that would not affect a consumer's experience with a product.

¹⁹⁵ *Samsung Elecs. (UK) Ltd. v. Apple Inc.* [2012] EWCA (Civ) 1339 [36] (appeal taken from EWHC (Pat)). The court also noted features that were more constrained by functional considerations, such as a choice between a bezel or a raised frame, how flat the tablet would be, and the thickness of the rim surrounding the device. *Id.* ¶¶ 36–37.

design” to determine the scope of protection for the design.¹⁹⁶ An informed user viewing the Samsung tablet, the appellate court noted, would notice the grille and camera hole, both similar to Apple’s design, and the Samsung name printed on the front. Although this difference was minor overall, its significance was increased due to Apple’s contention that “an important feature of [the] design was no ornamentation.”¹⁹⁷

The United Kingdom appellate court also focused on the edge sharpness and overall tablet thickness in great detail, finding that “[t]he Samsung products are all significantly and immediately noticeably thinner than the registered design.”¹⁹⁸ The court ultimately concluded that “[f]rom the front [the Samsung tablets] belong to the family which includes the Apple design,” but they “are very thin, almost insubstantial members of that family.”¹⁹⁹

Detailed Tablet Thickness and Corner Comparison.²⁰⁰



Had this case been litigated in the United States, however, difference of logo ornamentation would not likely have been sufficient for a jury to find that the Samsung tablets did not infringe. In the United States *Samsung v. Apple* smartphone design patent litigation, Apple’s design patents for the front face of an iPhone, which similarly lacked ornamentation, were at issue, and the jury nonetheless found that several Samsung smartphones prominently featuring the word “Samsung” on their front faces infringed Apple’s front face design patent.²⁰¹ Edge thickness and sharpness may not have been sufficient to differentiate Samsung’s tablets from Apple’s design, either. Although the United Kingdom appellate court compared the corners of the tablets and the design directly and in great detail,²⁰² a United States jury would not likely do the same, as the United States

¹⁹⁶ *Id.* ¶¶ 9, 53–54.

¹⁹⁷ *Id.* ¶¶ 16–18.

¹⁹⁸ *Id.* ¶ 52.

¹⁹⁹ *Id.* ¶ 53 (quoting lower court opinion).

²⁰⁰ *Id.* ¶ 43.

²⁰¹ Amended Verdict Form at 6–7, *Apple Inc. v. Samsung Elecs. Co.*, No. 11-CV-01846-LHK (N.D. Cal. Aug. 24, 2012), ECF No. 1931.

²⁰² The United Kingdom appellate court included in its opinion a figure magnifying the corners of the tablets and Apple’s design and providing precise comparative overall tablet thickness measurements. *See Samsung Elecs. (UK) Ltd. v. Apple Inc.* [2012] EWCA (Civ) 1339 [43, 52–53].

standard would not necessarily demand such a comparison.²⁰³ It is unlikely that an ordinary consumer would undertake such a detailed analysis of the corners of a tablet before purchasing one, particularly since everyday tablet use would likely involve far less interaction with the tablet's corners than its other aspects, such as its touch screen. The wide availability of cases that cover the corners of a tablet may further diminish the ordinary consumer's attention to a tablet's corners. Consumers who use such cases will interact with the case, rather than the corners of the tablet itself when handling the tablet.

A Canadian court would not likely have found infringement. When a design covers an entire product, as is the case with Apple's design, an accused product must be "quasi identical" to infringe.²⁰⁴ Due to the differences in front face ornamentation, edge sharpness, and tablet thickness identifiable by the United Kingdom's informed consumer, a Canadian informed consumer would likely also notice such differences and consider them sufficient to differentiate Samsung's tablets from Apple's design. Moreover, the United Kingdom court's analysis of the overall tablet thickness, edge sharpness, and curvature parallel the *Bodum* court's prior art comparative analysis of the concave and convex lines of the double-walled glasses; the "quasi identical" standard that a Canadian court would apply in this case would likely merit scrutiny paralleling that of the United Kingdom court.

IV. MOVING TOWARD A MORE RATIONAL UNITED STATES SYSTEM

The United States design patent system awards infringement remedies that generally outstrip the value that designs contribute to complex products.²⁰⁵ The *Samsung Electronics Co. v. Apple Inc.* design patent litigation has brought the United States system under scrutiny, drawing multiple proposals for solutions achieved through legislation or judicial interpretation.²⁰⁶ The United States could craft several different legislative solutions by adopting elements common to the United Kingdom and Canadian systems.

One of the simplest, and perhaps the most elegant legislative solutions would be to repeal § 289 and award remedies at the court's discretion in design patent cases. Both the United Kingdom and Canada have systems

²⁰³ See *supra* Part II.B.1. (discussing the varying infringement standards across all three nations).

²⁰⁴ *Bodum USA, Inc. v. Trudeau Corp.* (1889), 2012 F.C. 1128, [2013] F.C.R. 372, para. 50 (Can. Ont.).

²⁰⁵ See *supra* Introduction.

²⁰⁶ See sources cited *supra* note 2. Private parties filed twenty-one amicus briefs on the merits in the Supreme Court *Samsung v. Apple* litigation, seeking to weigh in on the appropriate interpretation of § 289. *Samsung Electronics Co. v. Apple*, SCOTUSBLOG (2016), <http://www.scotusblog.com/case-files/cases/samsung-electronics-co-v-apple>.

granting judges broad discretion in industrial design cases, and neither country has found itself in the news for excessive design infringement verdicts.²⁰⁷ In the United States *Samsung v. Apple* design litigation, even the Federal Circuit seemed to agree that awarding Apple Samsung's entire profits from the phones that infringed Apple's design patents was an absurd result, but the court held that § 289 on its face required it.²⁰⁸ Vesting courts with greater discretion to determine damages awards would be in line with recent Supreme Court jurisprudence increasing judicial discretion in patent cases to award attorney fees under § 285²⁰⁹ and enhanced damages under § 284.²¹⁰ Subjecting total profits awards to a multi-factor framework to guide a court's discretionary determination of remedies in design patent cases, as Canada has done, would address the most egregious cases, such as the *Samsung v. Apple* design litigation.²¹¹ A court familiar with determining damages awards, legal interpretation, and potentially, with patent law, would likely be more able than a jury to recognize that complex products do not derive their value from a handful of design features applied to them, but rather from their functional features.²¹²

Another legislative solution could create a compulsory licensing scheme for design patents. But requiring rights-holders to grant infringers compulsory licenses on reasonable terms is unsatisfactory if part of the rationale underlying design patents is to prevent consumer confusion.

A third legislative solution could involve aligning the mechanics of the United States infringement inquiry more closely with those of the United Kingdom and Canada. Regardless of whether the United States' ordinary consumer differs substantially from the United Kingdom's and Canada's informed consumer, a significant infringement inquiry difference persists among the countries: while design patent infringement may be (and most often is) determined by a jury in the United States, it is determined by a judge in the United Kingdom and Canada. Shifting the design

²⁰⁷ See *supra* Part II.C.1.

²⁰⁸ See, e.g., *Apple Inc. v. Samsung Elecs. Co.*, 786 F.3d 983, 1002 n.1 (Fed. Cir. 2015) (“Amici 27 Law Professors argues that an award of a defendant's entire profits for design patent infringement makes no sense in the modern world. Those are policy arguments that should be directed to Congress. We are bound by what the statute says, irrespective of policy arguments that may be made against it.”).

²⁰⁹ *Octane Fitness, LLC v. Icon Health & Fitness, Inc.*, 134 S. Ct. 1749, 1756 (2014) (rejecting the Federal Circuit's rigid formula for determining what constitutes an exceptional case and holding “that an ‘exceptional’ case is simply one that stands out from others with respect to the substantive strength of a party's litigating position . . . or the unreasonable manner in which the case was litigated”).

²¹⁰ *Halo Elecs, Inc. v. Pulse Elecs., Inc.*, 136 S. Ct. 1923, 1934 (2016) (“eschew[ing] any rigid formula for awarding enhanced damages under § 284,” and holding that § 284 “gives district courts discretion in meting out enhanced damages”).

²¹¹ Federal Courts Rules, SOR/98-106, s. 400(1)–(3) (Can.).

²¹² See Lemley, *supra* note 2, at 227.

infringement inquiry to a judge could raise the de facto United States standards for design infringement and validity, especially when the deciding judge has significant patent or design infringement experience. Although the idea is unlikely to gain traction due to the jury trial's constitutional roots, replacing jury trials with bench trials in design patent infringement cases may aid the United States in resolving its design patent system shortcomings.²¹³ Had the *Samsung v. Apple* litigation begun with a bench trial, Apple's design patent for its bezel, for example, may have been invalidated on functionality grounds.²¹⁴

The United States could also reform its design patent system through judicial interpretation of § 289. Although the Supreme Court oral arguments in *Samsung Electronics Co. v. Apple, Inc.*, included extensive discussion of how § 289's "article of manufacture" language should be interpreted, the Court declined to reach the merits of that issue in its written opinion.²¹⁵ The Court remanded the case to the Federal Circuit, instructing that court to formulate a test for what constitutes the relevant "article of manufacture" under § 289.²¹⁶ The Federal Circuit subsequently remanded the case to the Northern District of California without providing further guidance.²¹⁷ Courts evaluating design patent damages issues may consider several possible solutions.

First, a court could interpret "article of manufacture" to apply to the smallest saleable patent-practicing unit of the product that includes the design. This concept is not foreign to United States patent law, and is used to calculate damages for complex technological products by approximating the value that the infringed component contributes to the overall product.²¹⁸ Broadly speaking, for Apple's front face and bezel design patents, the smallest salable unit could be the outer casing of the phone; this would effectively apportion value separately to the appearance of the phone as distinguished from its functional features attributable to the

²¹³ Lemley, *supra* note 34 (evaluating the constitutional backdrop to using juries in patent trials and arguing that the Constitution may not require juries to try patent cases).

²¹⁴ *See Samsung Elecs. (UK) Ltd. v. Apple Inc.* [2012] EWCA (Civ) 1339 [34–35] (appeal taken from EWHC (Pat)) (affirming trial court judge's holding that tablet's "rectangular display screen [design] is totally banal and determined solely by function").

²¹⁵ Transcript of Oral Argument at 5, 7, 11, 12, 21, *Samsung Elecs. Co. v. Apple Inc.*, 137 S. Ct. 429 (2016) (No. 15-777) (discussing various potential tests for determining the "article of manufacture").

²¹⁶ *Samsung Elecs. Co. v. Apple Inc.*, 137 S. Ct. 429, 431 (2016).

²¹⁷ The Federal Circuit remanded the case to the district court below on February 7, 2017. *Apple Inc. v. Samsung Elecs. Co.*, 678 F. App'x 1012, 1014 (Fed. Cir. 2017) ("If the [district] court determines that a new damages trial is necessary, it will have the opportunity to set forth a test for identifying the relevant article of manufacture for purposes of § 289, and to apply that test to this case.").

²¹⁸ *See* Jason Rantanen, *Important Damages Opinion: VirnetX v. Cisco and Apple*, PATENTLYO (Sept. 16, 2014), <http://patentlyo.com/patent/2014/09/important-opinion-virnetx.html> (discussing applications of smallest saleable unit in patent law and 2014 Federal Circuit opinion applying smallest saleable unit to technologically complex products).

phone's "innards." The smallest salable unit pertaining to the graphical user interface is more difficult to determine. In practice, the smallest salable unit determination for all three design patents at issue in the *Samsung v. Apple* litigation will likely require expert testimony.

Second, a court could interpret "article of manufacture" in a more literal sense as applying to the smallest article during the manufacturing process to which the design is applied.²¹⁹ Under this interpretation, courts could apportion damages based on the value that the aforementioned "article of manufacture" contributes to the value of the overall product—the total profit from that article of manufacture is the value that it, as a component, contributes to the value of the overall product. For complex products, this smallest manufacturing process article test may often encompass less of the finished product than the smallest salable unit. For example, the Samsung phone bezel itself may be the smallest article to which the design patent covering the bezel of the iPhone is applied during manufacturing. And for the front face design patent, the smallest article to which the design is applied may be the front face itself, if the front face and back portion of the casing are manufactured as separate pieces. After a finding of infringement, this test would have awarded Apple Samsung's entire profits attributable to the infringing phones' features that correspond to Apple's bezel and front face designs. Both of these results correspond to a smaller portion of the iPhone than the entire outer casing, which would also include the back portion of the outer casing.

Third, a court could adopt the four-pronged test proposed by the Solicitor General during the Supreme Court oral argument to determine the "article of manufacture" and use the results to calculate an appropriate damages award with the aid of expert testimony.²²⁰ The test requires a four-step analysis: (1) determine "the scope of the patented design as shown in the drawings in the patent," (2) determine "how prominently that design features in the accused article," (3) determine "whether there are other conceptually distinct innovations or components in the article that are not part of or associated with the patented design, and finally," (4) determine "the physical relationship between the patented design and the rest of the article."²²¹ Because this test does not condition "article of manufacture" on physical separability or a physical event, it would likely be more complicated to administer than either of the first two solutions.²²²

²¹⁹ The representative from the Solicitor General's office offered a similar position during oral argument. Transcript of Oral Argument at 24, *Samsung Elecs. Co. v. Apple Inc.*, 137 S. Ct. 429 (2016) (No. 15-777).

²²⁰ *Id.* at 28. The Northern District of California seems to have taken this approach. Final Jury Instructions (Annotated) at 44, *Apple Inc.*, No. 11-CV-01846-LHK (N.D. Cal. May 18, 2018), ECF No. 3785

²²¹ *Id.*

²²² *Id.* at 20 (Samsung's characterization of Solicitor General's proposed test).

Under any of the three tests discussed above, determining the value attributable to the relevant “article of manufacture” would likely require expert testimony and consumer surveys of what drives consumers’ purchasing decisions. As the Solicitor General noted during oral argument, to the extent that the relevant “article of manufacture” drives sales of a product, its apportioned value will be high relative to the value of the entire product, and the design patentee may “recover a very substantial portion of the profits” of the entire product in an infringement action.²²³

Although developing a test that allows interpreting “article of manufacture” to apply to something less than the entire product helps resolve the problem of excessive monetary awards for design patent infringement, it may still fall short of a full resolution, depending on its application. To the extent that such a test requires identifying a physical portion of a product and calculating a monetary “total profits” value attributable to that portion, it will not provide any greater solution to the second patentee’s recovery problem than a total profits rule for the entire product: in situations where a particular “article of manufacture” covering a portion of a product infringes multiple design patents, the second patentee could not recover damages and would have to either seek monetary recovery from the first patentee who already recovered from the defendant, or the defendant would have to pay its entire profits for an “article of manufacture” more than once. In a world of increasingly technologically complex products, this multiple infringement scenario may become the norm. In smartphone litigation, for example, the relevant article of manufacture could be as large as a smartphone’s graphical user interface or outer casing, and individual design and utility patents held by different patentees could read on different features of the graphical user interface or casing.

Therefore, the United States design patent system would be best served by an interpretation of the Supreme Court’s language that allows district court judges to make a monetary award based on the overall value contributed by the article of manufacture to the product, rather than requiring them to mechanically identify the relevant article of manufacture and make an award of the total profits attributable to that article. Essentially, this vests discretion in district court judges to determine appropriate damages in design patent infringement litigation.

²²³ *Id.* at 31 (Samsung’s characterization of Solicitor General’s proposed test).

V. CONCLUSION

As the United Kingdom and Canadian industrial design regimes make clear, there is no good reason for the United States to require total profits awards for design patent infringement when the same is not required for other forms of intellectual property infringement. The United States should reform its system, regardless of whether such reform is achieved through statutory interpretation or legislative action. Several options with varying complexity exist, but the simplest, most elegant solution would entail legislative action to (1) repeal § 289, and (2) vest courts with discretion to award design patent remedies using a totality of the circumstances framework that considers relevant factors on a case-by-case basis.