No. 15-___

IN THE

Supreme Court of the United States

SAMSUNG ELECTRONICS CO., LTD., SAMSUNG ELECTRONICS AMERICA, INC., AND SAMSUNG TELECOMMUNICATIONS AMERICA, LLC,

Petitioners,

v.

APPLE INC.,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

PETITION FOR A WRIT OF CERTIORARI

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December 14, 2015

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QUESTIONS PRESENTED

Design patents are limited to "any new, original and ornamental design for an article of manufacture." 35 U.S.C. 171. A design-patent holder may elect infringer's profits as a remedy under 35 U.S.C. 289, which provides that one who "applies the patented design … to any article of manufacture … shall be liable to the owner to the extent of his total profit, … but [the owner] shall not twice recover the profit made from the infringement."

The Federal Circuit held that a district court need not exclude unprotected conceptual or functional features from a design patent's protected ornamental scope. The court also held that a design-patent holder is entitled to an infringer's entire profits from sales of any product found to contain a patented design, without any regard to the design's contribution to that product's value or sales. The combined effect of these two holdings is to reward design patents far beyond the value of any inventive contribution. The questions presented are:

1. Where a design patent includes unprotected non-ornamental features, should a district court be required to limit that patent to its protected ornamental scope?

2. Where a design patent is applied to only a component of a product, should an award of infringer's profits be limited to those profits attributable to the component?

RULE 29.6 STATEMENT

Samsung Electronics America, Inc. ("SEA") is a wholly-owned subsidiary of Samsung Electronics Co., Ltd. ("SEC"), a publicly held corporation organized under the laws of the Republic of Korea. SEC is not owned by any parent corporation and no other publicly held corporation owns 10% or more of its stock. No other publicly held corporation owns 10% or more of SEA's stock. Effective January 1, 2015, Samsung Telecommunications America, LLC ("STA") merged with and into SEA, and therefore STA no longer exists as a separate corporate entity.

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INTRODUCTION

This Court has decided many utility-patent cases in recent Terms, but has not reviewed a design-patent case in more than 120 years. Late nineteenth-century cases considered design patents on such products as a spoon handle, *Gorham Co. v. White*, 81 U.S. 511 (1871), a carpet, *Dobson v. Dornan*, 118 U.S. 10 (1886), a saddle, *Smith v. Whitman Saddle Co.*, 148 U.S. 674 (1893), and a rug, *Dunlap v. Schofield*, 152 U.S. 244 (1894). This case, by contrast, involves three design patents covering partial features of smartphones—complex products that contain hundreds of thousands of features that have nothing to do with a phone's design.

With the recent explosion of design patents in complex products like smartphones, the time is ripe for this Court to again take up the issue. A patented design might be the essential feature of a spoon or rug. But the same is not true of smartphones, which contain countless other features that give them remarkable functionality wholly unrelated to their design. By combining a cellphone and a computer, a smartphone is a miniature internet browser, digital camera, video recorder, GPS navigator, music player, game station, word processor, movie player and much more.

The three design patents at issue here cover only specific, limited portions of a smartphone's design: a particular black rectangular round-cornered front face, a substantially similar rectangular round-cornered front face plus the surrounding rim or "bezel," and a particular colorful grid of sixteen icons. Each of these patents contains indisputably unprotected elements within its overall claimed "ornamental" design. Some of those elements are not protected as

"ornamental" because they are conceptual: No one may own rectangles, round corners, the color black or the concept of a grid of icons. And some of those elements are not protected as "ornamental" because they are functional: Rectangular shapes and flat screens allow a user to view documents and media. Round corners make phones easier to slip into a pocket or purse. A bezel prevents the glass screen from shattering if a phone is dropped. Icons on a screen inform a user how to touch the screen to initiate various functions.

But the Federal Circuit nonetheless held that a district court need not instruct a jury to disregard those unprotected elements when assessing the similarities between a patented design and an accused product. The court allowed the jury to find infringement based merely on similarities in "overall appearance" and indeed, based on "any perceived similarities or differences" whatsoever.

Compounding this problem, the Federal Circuit allowed the jury to award Samsung's entire profits from the sale of smartphones found to contain the patented designs—here totaling $399 million. It held that Apple was "entitled to" those entire profits no matter how little the patented design features contributed to the value of Samsung's phones. In other words, even if the patented features contributed 1% of the value of Samsung's phones, Apple gets 100% of Samsung's profits.

The Federal Circuit did not dispute that such a result is ridiculous, but said it was compelled by Section 289 of the Patent Act. That is incorrect. Section 289 nowhere defines the "article of manufacture" to which a patented design is applied as the entire product (here, a smartphone) rather than the

portion of the product depicted in the design patent. And nothing in Section 289 suggests that Congress exempted design patents from the background principles of causation and equity that inform all of patent law, which after all is a species of tort.

Both holdings clearly warrant this Court's review. Each independently conflicts with the Patent Act. Together, they provide a vehicle for design-patent holders to obtain unjustified windfalls far exceeding the conceivable value of any inventive contribution. The decision below is thus an open invitation to litigation abuse, and has already prompted grave concern across a range of U.S. companies about a new flood of extortionate patent litigation, especially in the field of high technology.

Because the Federal Circuit has exclusive nationwide jurisdiction over patent law, only this Court's review can correct that court's misreading of the Patent Act and avert the potentially devastating consequences of the decision below. This Court should grant the petition.

OPINIONS BELOW

The opinion of the U.S. Court of Appeals for the Federal Circuit is reported at 786 F.3d 983 and reproduced at App. 1a-36a. The order of the court of appeals denying rehearing *en banc* is reproduced at App. 154a-155a. The order of the U.S. District Court for the Northern District of California regarding design patent claim construction is unreported but is available at 2012 WL 3071477 and reproduced at App. 37a-55a. The district court's orders denying in part certain post-trial motions are reported at 920 F. Supp. 2d 1079 and 926 F. Supp. 2d 1100 and are reproduced at App. 56a-113a and App. 114a-153a, respectively.

JURISDICTION

The court of appeals denied rehearing *en banc* on August 13, 2015. App. 154a-155a. On October 20, 2015, the Chief Justice extended the time for filing a petition for a writ of certiorari to December 14, 2015. This Court has jurisdiction under 28 U.S.C. 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

U.S. Constitution art. I, § 8, cl. 8 provides in pertinent part that:

> The Congress shall have Power … To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

The relevant provisions of the Patent Act, 35 U.S.C. 1, et seq., are reproduced at App. 156a-158a.

STATEMENT OF THE CASE

A. Statutory Background

This case involves the permissible scope of "design patents" as well as the remedies available for infringement of those patents. This Court is familiar with "utility patents," which are available for "any new and *useful* process, machine, manufacture, or composition of matter, or any new and useful improvement thereof." 35 U.S.C. 101 (emphasis added). By contrast, design patents are available for "any new, original and *ornamental* design for an article of manufacture." 35 U.S.C. 171 (emphasis added). Design patents are historically cheaper and easier to obtain than utility patents—with a higher

allowance rate[1] and no requirement to pay maintenance fees, *see* 37 C.F.R. 1.362(b).

The statute does not define what constitutes a protected "ornamental" design, but it cannot protect "abstract ideas" or "physical phenomena" like basic shapes or concepts, *Bilski v. Kappos*, 561 U.S. 593, 601 (2010), and there is a well-accepted contrast with unprotected "functional" features, *see Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 148 (1989). Although design patents were once available for "useful" product configurations, *see Smith*, 148 U.S. at 677, in 1902 Congress eliminated "the word 'useful' as applied to design patents … and substitut[ed] the word 'ornamental,'" H.R. Rep. No. 57-1661, at 1 (1902); *see* Act of May 9, 1902, ch. 783, Pub. L. No. 57-109, 32 Stat. 193.

While utility-patent holders may recover only "damages adequate to compensate for the infringement," 35 U.S.C. 284, such as an award of lost profits or a reasonable royalty, design-patent holders may elect those remedies or infringer's profits under 35 U.S.C. 289. That section provides:

> Whoever during the term of a patent for a design, without license of the owner … applies the patented design … to any article of manufacture … shall be liable to the owner to the extent of his total profit, but not less than $250 ….

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[1] *Compare* USPTO, http://www.uspto.gov/corda/dashboards/patents/main.dashxml?CTNAVID=1006 (84% of design-patent applications allowed), *with* USPTO, http://www.uspto.gov/corda/dashboards/patents/main.dashxml?CTNAVID=1005 (67.8% of utility, plant, and reissue patent applications allowed).

> 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.

35 U.S.C. 289.[2] The statute does not define what constitutes "an article of manufacture."

B. The Smartphone Industry

Although "unheard of ten years ago," smartphones are now owned by "a significant majority of American adults." *Riley v. California*, 134 S. Ct. 2473, 2482 (2014). They "are now such a pervasive and insistent part of daily life that the proverbial visitor from Mars might conclude they were an important feature of human anatomy." *Id.*

Samsung has long been an industry leader in the field of mobile phones, which it has made and sold since 1988.[3] Samsung was the first mobile-phone manufacturer, for example, to introduce devices that incorporated 3-D cameras, MP3 music players, and voice recognition.[4] Apple, by contrast, was a latecomer

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[2] Congress eliminated infringer's profits as a remedy for utility-patent infringement in 1946. *See* Act of Aug. 1, 1946, ch. 726, Pub. L. No. 79-587, 60 Stat. 778.

[3] *See Samsung Handsets Through The Ages: A Photo Tour of Phone Firsts*, ZDNET (May 28, 2015), http://www.zdnet.com/pictures/samsung-handsets-through-the-ages-a-photo-tour-of-phone-firsts/.

[4] *See Vintage Mobiles*, http://www.gsmhistory.com/vintage-mobiles/.

to the mobile-phone industry, announcing the iPhone in January 2007 and launching it in June 2007.[5]

Well before Apple's iPhone entered the market in 2007, companies other than Apple were independently developing rectangular, round-cornered smartphone devices with large, flat, clear touchscreens. For example, Samsung and LG had developed product designs by 2006 that incorporated configurations similar to those in Apple's design patents:

Samsung Q-Bowl LG Prada Apple iPhone[6]

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[5] *E.g.*, Mike Musgrove, *Apple Seeks To Muscle Into Telecom With iPod Phone*, WASHINGTON POST, Jan. 10, 2007, at D1, *available at* http://www.washingtonpost.com/wp-dyn/content/article/2007/01/09/AR2007010900698.html.

[6] A7408-09, A7415, A7465-73 (Samsung Q-Bowl); A24675, A29563-71, Chris Ziegler, *The LG KE850: touchable chocolate*, ENGADGET (Dec. 15, 2006), http://www.engadget.com/2006/12/15/the-lg-ke850-touchable-chocolate/ (LG Prada); *Apple iPhone*, http://www.gsmarena.com/apple_iphone-1827.php (Apple iPhone). (Citations in the form A___ refer to the joint appendix before the Federal Circuit, *Apple Inc. v. Samsung Electronics Co.*, No. 14-1335 (Fed. Cir.).)

Samsung also developed additional prototypes and mock-ups in 2006, including those below, all before the iPhone was announced:

A7401-13. The Samsung F700, which was announced in early 2007 and went to market later that year, retained the same essential design concept:

See A27594.[7]

[7] *See also Samsung F700*, http://www.gsmarena.com/samsung_f700-1849.php.

The use of such rounded rectangular shapes as the basic design for the iPhone and other contemporary smartphones is unsurprising. As Apple's CEO Steve Jobs told Apple engineers when earlier convincing them to use such shapes, one need only look around at ordinary objects like no-parking signs to see that "'[r]ectangles with rounded corners are everywhere!'"[8]

The worldwide smartphone market grew tenfold between 2007 and 2014, with sales rising from 122 million devices to 1.24 billion devices. That explosion in popularity results from smartphones' functionality. Apple's own advertising touts the functional features of its phones.[9] And after Samsung adopted Google's Android operating system for its flagship products in 2010, its share of the smartphone market rose considerably.[10]

As of 2012, the Patent and Trademark Office ("PTO") had issued more than 250,000 smartphone-related patents, constituting 16% of all active U.S.

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[8] WALTER ISAACSON, STEVE JOBS 130 (2011). According to his biographer, Jobs continued, "'Just look around this room! … And look outside, there's even more [rectangles with rounded corners], practically everywhere you look! Within three blocks, we found seventeen examples …. I started pointing them out everywhere [*e.g.*, a No Parking sign] until he was completely convinced.'" *Id.*

[9] *See, e.g.*, *Apple iPhone 4 Official Introduction*, https://www.youtube.com/watch?v=KEaLJpFxR9Q (emphasizing videoconferencing, camera, video recording, processing chip and battery features).

[10] *See, e.g.*, Alex Cocotas, *Samsung Maintains Lead In The Smartphone Market, Despite iPhone 5*, BUSINESS INSIDER (Feb. 9, 2013), http://www.businessinsider.com.au/samsung-is-the-smartphone-king-2013-2; Kent German, *A Brief History of Android Phones*, CNET (Aug. 2, 2011), http://www.cnet.com/news/a-brief-history-of-android-phones/.

patents.[11] Any individual smartphone may incorporate the vast majority of those 250,000 patented technologies.[12] About six percent of all smartphone-related patents are design patents.[13]

C. Apple's Asserted Design Patents And Trade Dresses

This petition arises from a decision affirming a judgment awarding Apple $399 million for supposed infringement of three of Apple's design patents. A design patent uses pictures rather than verbal descriptions to claim its invention. While some design patents depict entire products or decorative patterns that can be applied to entire products, other design patents (as here) cover only a portion or small component of a product. The Federal Circuit's predecessor confirmed the PTO's authority to allow such partial claiming. *See In re Zahn*, 617 F.2d 261, 267 (C.C.P.A. 1980). Partial design patents use

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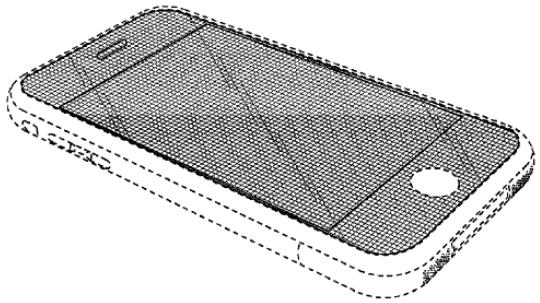
[11] *See* Daniel O'Connor, *One In Six Active U.S. Patents Pertain To The Smartphone*, PROJECT DISCO (Oct. 17, 2012), http://www.project-disco.org/intellectual-property/one-in-six-active-u-s-patents-pertain-to-the-smartphone/.

[12] David Drummond, *When Patents Attack Android* (Aug. 3, 2011), https://googleblog.blogspot.com/2011/08/when-patents-attack-android.html; Michael Risch, *Software Patents and the Smartphone*, PRAWFSBLAWG (Nov. 15, 2012), http://prawfsblawg.blogs.com/prawfsblawg/2012/11/software-patents-and-the-smartphone.html (noting the "oft repeated statistic: that there are 250,000 patents that might be infringed by any given smartphone").

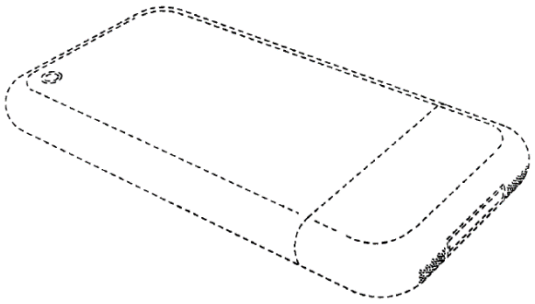
[13] *See* Joel Reidenberg et al., *Patents and Small Participants in the Smartphone Industry*, 18 STAN. TECH. L. REV. 375, 394 (2015).

broken lines in their drawings to exclude features that are not part of the "claimed design."[14]

All three design patents at issue here claim "[t]he ornamental design … as shown and described" in such pictures, and all three claim only partial features of a smartphone's design. Using solid lines for the claimed subject matter and broken lines for disclaimed features, Apple's D618,677 ("D'677") patent shows a black rectangular front face with rounded corners, as follows:

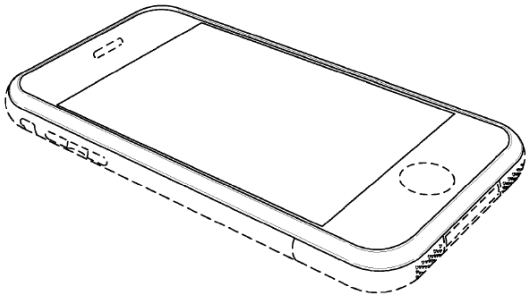


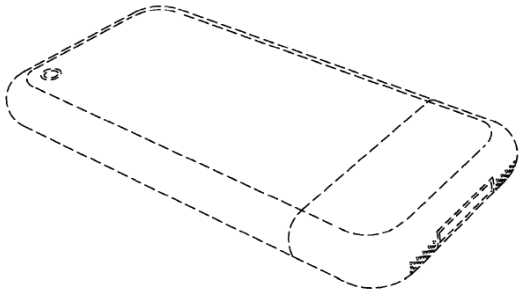
[14] As the PTO states in its Manual of Patent Examining Procedure ("MPEP"), "[t]he two most common uses of broken lines are to disclose the environment related to the claimed design and to define the bounds of the claim. Structure that is not part of the claimed design, but is considered necessary to show the environment in which the design is associated, may be represented in the drawing by broken lines. This includes any portion of an article in which the design is embodied or applied to that is not considered part of the claimed design." MPEP § 1503.02, *available at* http://www.uspto.gov/web/offices/pac/mpep/s1503.html.



A1310-14.

Apple's D593,087 ("D'087") patent is substantially similar to the D'677 as it depicts a rectangular front face with rounded corners, but with the addition of a "bezel," or surrounding rim, as follows:

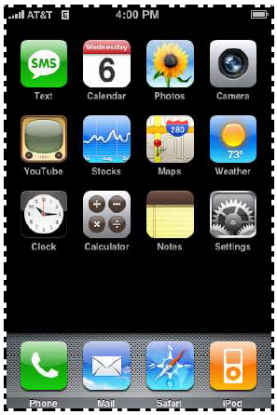




A1294-308.

Apple's D604,305 ("D'305") patent relates not to the physical front face of the device, but instead to a

particular grid of sixteen colorful icons on a black screen, shown as follows:



A20061-67.

Apple also asserted trade dresses materially identical to the designs it claimed in the D'677, D'087 and D'305 patents. It asserted unregistered trade-dress rights in:

> [a] rectangular product with four evenly rounded corners; [a] flat clear surface covering the front of the product; [t]he appearance of a metalic bezel around the clear flat surface; [a] display screen under the clear surface; … substantial black borders above and below the screen and narrower black borders on either side of the screen; … a matrix of colorful square icons with evenly rounded corners … [and] a bottom dock of colorful square icons … set off from the other icons on the display ….

A7361. And Apple asserted a registered trade dress (No. 3,470,983) that included a grid of sixteen icons

nearly identical to the one depicted in the D'305 patent, as follows:

A20036-38.

D. The District Court Proceedings

Apple filed this action in the U.S. District Court for the Northern District of California in 2011, alleging, among other things, that various Samsung smartphones infringed the D'677, D'087 and D'305 patents and diluted the unregistered and registered trade dresses.

1. As to design-patent liability, the district court ruled that it need not distinguish Apple's protected ornamental design from the unprotected conceptual and functional aspects of the patent figures. At the outset of trial, the court rejected Samsung's request that the court construe the patent claims so as to limit them to their protected, ornamental scope. App. 38a. The court instead stated that it would defer any such determination until the close of evidence. *Id.*

At trial, the evidence showed that Apple's design patents and trade dresses contain unprotected conceptual and functional features. Samsung's unrebutted evidence showed that rounded corners improve a phone's "pocketability" and "durability" (A40869-70; A42612-16), that a non-rectangular display element would be difficult and "expensive" to manufacture and "completely rare" (A42611-12; A40874-75), that the rectangular shape of the device maximizes the size of the rectangular display it can hold (A42612), that a clear flat front surface facilitates finger-touch operation over the entire display (A42616-17), and that the borders surrounding the display efficiently accommodate and hide underlying components (A40681; A40871-72).

Moreover, Apple's witnesses admitted that "having a clear cover over the display element" was "absolutely functional" (A41202-03), that "you need a speaker at the top to hear" (A40681), that the bezel keeps the glass from hitting the ground if the phone is dropped (A40495-96), that "rounded corners certainly help you move things in and out of your pocket" (A40682), and that Apple may not own "a colorful matrix of icons" or "icons arranged in rows and columns in a grid" (A41479-80), which inform the user that the phone will perform particular functions when specific icons are selected (A41459).

At the close of evidence, however, the district court again declined to draw any distinction between the patents' protected and unprotected features. The court merely instructed the jury (over Samsung's objection) that each patent "claims the ornamental design of an electronic device [or graphical user interface] as shown." App. 160a-161a. The court did not define "ornamental" or instruct the jury that the

conceptual and functional elements shown in the drawings are not protected.

The district court further instructed the jury (again, over Samsung's objection) that it should find infringement if "the overall appearance of an accused Samsung design is substantially the same as the overall appearance of the claimed Apple design patent." App. 162a. The court did not tell the jury to look at similarities only in the *ornamental* aspects of the phones' appearance, nor did it equip the jury to understand what the claimed ornamental aspects were. To the contrary, the district court instructed the jury that it "should consider *any* perceived similarities or differences between the patented and accused designs." *Id.* (emphasis added).

The district court thus left the jury free to decide for itself the scope of the claimed "ornamental" design. Under the court's instructions, the jury could look at Apple's patented designs, look at Samsung's phones, see that both have rectangular shapes, rounded corners, flat screens and colorful icon grids, and decide, *voila!*, that there must be design-patent infringement—even though those shared features are conceptual and functional, not ornamental.

2. As to design-patent damages, the district court awarded infringer's profits in the amount of Samsung's entire profits on sales of its accused phones. The court never required Apple to prove that its patented design features contributed materially (or at all) to those sales.

To the contrary, the district court instructed (over Samsung's objection) that, if the jury found infringement and declined to impose Apple's lost profits or a reasonable royalty as the measure of damages, "Apple

is entitled to all profit earned by [Samsung] on sales of articles that infringe Apple's design patents." App 165a. And it defined that profit as Samsung's "entire profit on the sale of the article to which the patented design is applied and not just the portion of profit attributable to the design or ornamental aspects covered by the design." *Id*.

3. The jury found infringement of all three design patents and dilution of Apple's trade dresses, and awarded damages. After a partial retrial resulting from Samsung's post-trial motions, the district court entered final judgment awarding $399 million attributable to design-patent infringement and $382 million attributable to trade-dress dilution.[15]

E. The Federal Circuit Decision

The Federal Circuit reversed as to trade-dress dilution but affirmed as to design-patent infringement. The court upheld the district court's refusal to limit the design patents to their protected ornamental scope and upheld the award to Apple of all of Samsung's profits from its accused smartphones.

1. Applying Ninth Circuit law, the Federal Circuit reversed the $382 million judgment for trade-dress dilution. App. 6a-18a. The court held the asserted trade dresses—which are materially the same as the patented designs at issue—invalid as "functional." *Id*.

The court relied on the "extensive evidence in the record that showed the usability function of every single element in the unregistered trade dress," App. 11a, and the "undisputed usability function of the

[15] The remaining $149 million in damages attributable to utility-patent infringement is not at issue in this petition.

individual elements" of the registered trade dress, App. 17a. As to Apple's unregistered trade dress, the court drew several examples from the record as described above: the "rounded corners improve 'pocketability' and 'durability,'" the "rectangular shape maximizes the display that can be accommodated," and the "flat clear surface on the front of the phone facilitates touch operation." App. 11a-12a. As to Apple's registered trade dress, the court noted that Apple's "icon designs promote usability" by "'communicat[ing] to the consumer … that if they hit that icon, certain functionality will occur on the phone.'" App. 16a (quoting Apple's expert witness).

2. Despite the virtual identity between the invalid "functional" Apple trade dresses and the three design patents, the Federal Circuit (this time applying its own precedent) affirmed the $399 million design-patent judgment. The court held that, even where a design patent includes unprotected conceptual and functional elements, the district court need not "eliminate entire elements from the claim scope." App. 22a; *see id*. (reiterating that the district court need not "eliminate elements from the claim scope of a valid patent in analyzing infringement"). And the court found no error in the district court's direction to the jury to consider "overall appearance" and "any perceived similarities or differences," App. 162a, rather than only *ornamental* appearance and *ornamental* similarities and differences. App. 22a-23a.

To the contrary, the Federal Circuit concluded that the district court had done all it needed to do by instructing the jury that the design patents each "claim[ed] 'the ornamental design' as shown in the patent figures." App. 23a. The court failed to explain

how that instruction could assist the jury when it merely recited what was already on the face of the patents. And it failed to explain how such a reference to "'the ornamental design' as shown" could be helpful to the jury when the district court nowhere defined the term "ornamental," nowhere identified the ornamental aspects of Apple's patented designs, and nowhere told the jury that Apple's design patents contained unprotected elements that should not be considered when determining infringement.

3. The Federal Circuit also upheld the district court's award of Samsung's entire profits from the sale of its smartphones found to infringe the design patents. App. 27a-29a. According to the Federal Circuit, "total profit" in Section 289 constitutes all of an infringer's profits from an entire product, no matter how little that profit is attributable to the infringement. App. 28a-29a. The court held that "the clear statutory language prevents us from adopting a 'causation' rule," App. 28a, because the phrase "article of manufacture" in Section 289 means an entire item "sold separately … to ordinary purchasers," not the portion of the product that contains the infringing design, App. 29a.

The court did not deny that "an award of a defendant's entire profits for design patent infringement makes no sense in the modern world." App. 28a n.1. Nor did the court attempt to reconcile its interpretation with the statutory requirement that the patentee "shall not twice recover the profit *made from the infringement*." 35 U.S.C. 289 (emphasis added).

4. The Federal Circuit denied rehearing *en banc*. App. 154a-155a. This petition followed.

REASONS FOR GRANTING THE WRIT

The Federal Circuit's decision conflicts with the Patent Act and greatly overprotects and overcompensates design patents. It overprotects them by holding that they need not be limited to their protected ornamental scope. It overcompensates them by allowing their holders to obtain massive windfalls far exceeding the inventive value of their patents.

Each of these holdings alone would warrant this Court's review. And together, they plainly do. The Federal Circuit's decision is an open invitation to litigation abuse and the escalating and extortionate assertion of design patents, including by entities that do not practice their patents (also known as "trolls"). The decision has accordingly already reverberated throughout the multi-billion dollar high-tech industry.

Nothing in the Patent Act compels or authorizes such harmful results. Congress could not have intended the scope of design patents, alone among all forms of intellectual property, to be unrestricted to protectable subject matter or defined by unguided jury discretion rather than rigorous construction by courts. And Congress could not have intended design-patent damages, alone among all forms of intellectual-property remedies, to be exempt from ordinary principles of causation and proportionality.

This Court should grant review to correct the Federal Circuit's erroneous interpretation of the Patent Act, and to prevent the vast overprotection and overcompensation of design patents that would follow from the decision below if left intact.

I. THIS COURT SHOULD REVIEW THE FEDERAL CIRCUIT'S HOLDING THAT A DISTRICT COURT NEED NOT LIMIT A DESIGN PATENT TO ITS PROTECTED ORNAMENTAL SCOPE

It is undisputed, based on the clear words of the Patent Act, that Apple's design patents can cover only "ornamental" designs. And it is indisputable, based on the evidence and the Federal Circuit's own holding on the trade-dress claims, that Apple's design patents cover non-ornamental conceptual and functional features. But no one—not the jury, not the district court, and not the Federal Circuit—made any effort to ensure that infringement was limited to the protected ornamental features. The result is that Apple's patents have been effectively enlarged to include conceptual and functional features that are beyond legitimate design-patent protection.

A. The Decision Below Conflicts With Section 171 Of The Patent Act

Design-patent protection is limited to "any new, original and *ornamental* design for an article of manufacture." 35 U.S.C. 171 (emphasis added). By Section 171's own terms, the protectable scope of design patents does not encompass *non*-ornamental features. "Ornamental" is not defined in the statute and is not a self-defining term. But it cannot include concepts, shapes or colors, for no patent can. *Bilski*, 561 U.S. at 603. And it cannot include "functional" features, for those are the proper domain of utility-patent law. *See Bonito Boats*, 489 U.S. at 148; *Gorham*, 81 U.S. at 524 ("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 ….").

Here, however, the jury was never told as much. Apple's design patents indisputably contain a host of unprotected features, as is plain from the Federal Circuit's ruling invalidating Apple's trade dresses claiming almost precisely the same features. But the district court never construed the patents to exclude those unprotected features. It never even told the jury that valid design patents *could* have unprotected features, much less explained how to identify them and exclude them from the infringement analysis. It instead told the jury to consider "any perceived similarities or differences" between the patented features and the accused products, App. 162a, including even similarities in "shape or configuration," App. 164a.

In affirming, the Federal Circuit held as a matter of law that courts need never define "ornamental," identify the ornamental aspects of a patented design, or distinguish those protected ornamental aspects from unprotected elements. On the Federal Circuit's view, courts may simply inform the jury—with no explanation or guidance—that a design patent claims "'the ornamental design' as shown in the patent figures." App. 22a.

The Federal Circuit held that Apple "provided sufficient testimonies to allow the jury to account for any functional aspects in the asserted design patents." App. 25a. But the jury was not even told that the patents *could* have functional or other unprotected aspects, much less that it should account for them. The jury thus had no way of knowing that conceptual or functional attributes like rounded corners and rectangular form should be disregarded in deciding

whether Samsung's phones infringed Apple's patented designs.[16]

The Federal Circuit's refusal to cabin design patents to their protected ornamental scope conflicts with Section 171. Under the Federal Circuit's ruling, infringement may be found based on the use of non-ornamental attributes, like the rounded rectangular form, that the design-patent holder does not own. It blinks reality to suppose that the jury in this case—or the juries in the many design-patent infringement suits that will follow—have any way, left to their own devices, to faithfully implement the Patent Act's essential limitation of the patentable subject matter to "ornamental" designs. 35 U.S.C. 171.

The Federal Circuit's ruling also creates tension with other areas of intellectual property law that routinely enforce limitations to protectable scope. For example, copyright law, through "filtration" and other devices that "serve[] 'the purpose of defining the scope of plaintiff's copyright,'" requires that unprotectable ideas be identified and factored out before infringement is considered. *Computer Assocs. Int'l v. Altai, Inc.*, 982 F.2d 693, 707-08 (2d Cir. 1992) (quoting *Brown Bag Software v. Symantec Corp.*, 960 F.2d 1465, 1475-76 (9th Cir. 1992)); *see also Apple Computer, Inc. v. Microsoft Corp.*, 35 F.3d 1435, 1443 (9th Cir. 1994) (denying copyright protection for "the

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[16] In fact, Apple's expert witnesses repeatedly cited unprotected functional elements as a basis for their infringement opinions. The experts opined, for example, that Samsung's products conveyed an overall impression similar to the patented designs because both those products and the patents included a "regular grid" and a "colorful mix of icons" (A41379) and a "rectangular display area" under a "transparent" surface and a speaker slot "in the upper border area" (A41017-18; *see* A41053).

idea of a graphical user interface, or the idea of a desktop metaphor").

Trademark law likewise deems a claimed trade dress unprotectable as functional "when it is essential to the use or purpose of the device or when it affects the cost or quality of the device." *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 34 (2001); *see Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982) (similar). Indeed, in this very case the Federal Circuit had no trouble invalidating Apple's trade dresses based on such functional attributes. But under the Federal Circuit's own far more stringent test for functionality in the design-patent context—that a design must be "dictated by function," *see, e.g.*, *High Point Design LLC v. Buyers Direct, Inc.*, 730 F.3d 1301, 1315-16 (Fed Cir. 2013)—almost no design patent will ever be invalidated. And functional elements will almost never be factored out of a jury's infringement analysis. *See* App. 60a (district court ruling that it need not "instruct the jury to factor out functional design elements" because "Samsung had not shown that the allegedly functional design elements were actually functional under the Federal Circuit's 'dictated by function' standard"). These tensions with copyright and trademark law reinforce the need for this Court's intervention.

B. The Decision Below Conflicts With This Court's Precedents Requiring Judicial Construction Of Patent Claims

The Federal Circuit's decision also warrants review because it conflicts with this Court's precedents in the closely analogous context of utility patents, which recognize that district courts have a duty to construe patent claims and eliminate unprotected features. *See*

Markman v. Westview Instruments, Inc., 517 U.S. 370, 390 (1996). That duty rests with courts (not juries) even when claim construction involves factual disputes. *See Teva Pharms. USA, Inc. v. Sandoz, Inc.*, 135 S. Ct. 831, 835 (2015).

That duty likewise extends to design patents. Utility-patent construction is allocated to courts rather than juries to promote "uniformity" and avoid "uncertainty." *Markman*, 517 U.S. at 390. Those goals pertain equally to design patents. But while the Federal Circuit acknowledges that *Markman* applies to design patents, it allows district courts (as here) to decline to provide any meaningful claim construction, based on an apparent concern that courts may not be able to convert design-patent pictures into words. *See Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 679-80 (Fed. Cir. 2008) (en banc).

Any such concern is misplaced. A district court can easily, for example, instruct a jury on what "ornamental" means and what it excludes, identify to a jury a design patent's conceptual, functional and ornamental aspects, and instruct a jury not to find infringement based on conceptual or functional similarities. The Federal Circuit here, for example, had no trouble describing in words the unprotected functional aspects of Apple's trade dresses, including those illustrated by pictures.

For all of these reasons, this Court should review the design-patent liability judgment.