

2019

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Perry J. Saidman

Saidman DesignLaw Group, LLC, perry.saidman@designlawgroup.com

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Recommended Citation

Saidman, Perry J. (2019) "Design Patent Damages: A Critique of the Government's Proposed 4-Factor Test for Determining the "Article of Manufacture"," *IP Theory*: Vol. 8 : Iss. 1 , Article 3.

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Design Patent Damages: A Critique of the Government’s Proposed 4-Factor Test for Determining the “Article of Manufacture”

PERRY J. SAIDMAN*

INTRODUCTION

The Supreme Court in *Samsung Electronics Co. v. Apple, Inc.* wrestled with the question of determining the meaning of “article of manufacture” in 35 U.S.C. § 289 when it comes to calculating the total profit of the infringer that is awarded to the patentee.¹ That section of the statute says in pertinent part:

Whoever during the term of a patent for a design, without license of the owner, (1) applies the patented design, or any colorable imitation thereof, to any article of manufacture for the purpose of sale, or (2) sells or exposes for sale any article of manufacture to which such design or colorable imitation has been applied shall be liable to the owner to the extent of his total profit, but not less than \$250, recoverable in any United States district court having jurisdiction of the parties.²

In its Petition for Certiorari, Samsung raised the novel theory that the article of manufacture could be less than the entire product sold by the infringer. The Supreme Court agreed to hear the following issue, as framed in Samsung’s Petition:

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?

Samsung argued that for a multi-component product, such as a smartphone, the article of manufacture needs to be defined in terms of only portions or components of the smartphone. Since Apple’s design patents were drawn to portions of the iPhone, rather than the entire iPhone, Samsung sought to limit its liability to its total profit on those portions. This would have greatly reduced the jury award of \$399 million, which had been based on the total profit derived from Samsung’s sales of their entire smartphones to which the patented designs had been applied.³

The Supreme Court said that the only question before it was narrow:⁴ “[W]hether, in the case of a multicomponent product, the relevant ‘article of manufacture’ must always be the end product sold to the consumer or whether it can also be a component of that product.”⁵

* Principal, Saidman DesignLaw Group, LLC, a law firm in Silver Spring, Maryland that specializes in legal issues involving designs and product configurations. The opinions expressed herein are those of the author only and do not necessarily represent those of any client of the firm. © 2019.

¹ 137 S. Ct. 429 (2016).

² 35 U.S.C.A. § 289 (West 2012).

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

⁴ *See generally* *Nordock, Inc. v. Sys., Inc.*, No. 2014-1762, 2017 WL 1034379, at *1 (Fed. Cir. Mar. 17, 2017).

Looking to the statutory text, the Supreme Court concluded that the term “article of manufacture,” as it is used in § 289, “encompasses both a product sold to a consumer and a component of that product.”⁶ The Court further indicated that the term “article of manufacture” is “broad enough to embrace both a product sold to a consumer and a component of that product, whether sold separately or not.”⁷ The Court declined, however, to “set out a test for identifying the relevant article of manufacture at the first step of the § 289 damages inquiry.”⁸

Thus, the narrow question left unanswered from *Samsung* is how to determine the relevant article of manufacture for a multi-component product, such as a kitchen oven (the example given by Justice Sotomayor). If the product is a single component product, such as a dinner plate (again, Justice Sotomayor’s example), there is no issue, because, as she put it, “the product [sold to a consumer] is the ‘article of manufacture’ to which the design has been applied.”⁹

The meaning of “total profit” was not at issue; as the Court stated: “[t]otal,’ of course, means all.”¹⁰ Thus, the Court left undisturbed the long-standing design patent rule against apportionment of the infringer’s total profit, as well as its sister rule prohibiting an inquiry into causation.¹¹

As noted above, the Court left formulation of a test for determining the article of manufacture to the lower courts in future litigation.

I. BRIEF CRITIQUE OF SUPREME COURT’S DECISION

The Court in its decision misinterpreted two critical issues that may have affected the outcome of the case.

First, the Court failed to make a distinction between the patentee’s product and the infringer’s product. The words “article of manufacture” appear in two sections of the statute, § 171¹² that defines it in terms of design patent subject matter, i.e., the patentee’s product, and § 289 that defines it in terms of the infringer’s product. They are not the same “article of

⁵ *Samsung*, 137 S. Ct. at 434.

⁶ *Id.*

⁷ *Id.* at 436.

⁸ *Id.*

⁹ *Id.* at 432. Nothing in the Court’s decision affects the calculation of total profit of a single component product regardless of the scope of the design patent.

¹⁰ *Id.* at 434 (citing AMERICAN HERITAGE DICTIONARY 1836 (5th ed. 2011)).

¹¹ Transcript of Oral Argument at 6:7–13, *Samsung*, 137 S.Ct. 429 (2016) (No. 15-777) (“JUSTICE KAGAN: . . . [I]n other words, you’re . . . saying we should only look to what an article of manufacture is and not your other argument that there should be apportionment as to any particular article of manufacture. MS. SULLIVAN: That is correct, Your Honor.”); *Id.* at 17:6–23 (“MS. SULLIVAN: . . . The district court shut us out of article of manufacture as the basis for total profit, and it shut us out of causation or apportionment, which we don’t press here.”); *Id.* at 4:9–19 (“JUSTICE KENNEDY: My preference, if -- if I were just making another sensible rule, is we’d have market studies to see how . . . the extent to which the design affected the consumer, and then the jury would have something to do that. But that’s apportionment, which runs headlong into the statute.”).

¹² 35 U.S.C.A. § 171 (West 2013). Section 171 is the design patent equivalent to § 101 for utility patents, in that both define statutory subject matter. Section 171 states in relevant part: *Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor Id.*

manufacture”, a nicety incorrectly analyzed by the Supreme Court that had equated the terms, citing the meaning of one as evidence of the meaning of the other.¹³

In § 171, in order for a design patent to be granted, it must be original, ornamental and “for an article of manufacture.” Of necessity, the latter phrase refers to the applicant’s product, since there is no infringer’s product to consider. There are cases that have addressed the issue of whether the applicant’s claimed design is directed to an article of manufacture, or not, in order to satisfy this statutory subject matter requirement of § 171.¹⁴

On the other hand, § 289 quite clearly refers not to the patentee’s product, but rather to the product of the infringer, in that the infringer is liable if it “applies the patented design, or any colorable imitation thereof, to *any* article of manufacture.”¹⁵

By equating the two meanings of “article of manufacture,” the Court was able to cite instances where the “article of manufacture” in § 171 was only a portion (component) of the claimed design to come to the conclusion that the “article of manufacture” in § 289 can mean a component.¹⁶

Second, the Supreme Court appeared to overlook the fact that the jury’s award was supported by the literal words of the statute.¹⁷ Samsung had applied the patented design (in this case, 3 patented designs) to *any* article of manufacture, for example, to smartphones.¹⁸ So it was perfectly reasonable for the jury to base its total profit award of \$399 million on sales of Samsung’s entire smartphones.¹⁹

II. THE GOVERNMENT’S 4-FACTOR TEST

The United States Government, through the Solicitor General of the Department of Justice, submitted an *amicus curiae* brief in which it proposed a 4-factor test for determining the relevant article of manufacture. The Court mentioned that test, but declined to adopt it, or any other test, saying the parties had not had a chance to brief it.²⁰

The Government’s four factors are as follows:

¹³ *Samsung*, 137 S. Ct. at 435; see also Sarah Burstein, *The “Article of Manufacture” in 1887*, 32 BERKELEY TECH. L.J. 1 (2017).

¹⁴ *In re Zahn*, 617 F.2d 261 (C.C.P.A. 1980) (a portion of a drill bit qualifies as an “article of manufacture” under § 171); *In re Hruby*, 373 F.2d 997 (C.C.P.A. 1967) (finding that a design patent for patterns of water “formed by continually moving droplets of water in a fountain” satisfies the “article of manufacture” requirement of § 171).

¹⁵ “Any” means any. So, the “article of manufacture” must refer to any infringer’s product to which it applies the patented design. It has nothing to do with the patentee’s article of manufacture which may be an entirely different product.

¹⁶ See *Samsung*, 137 S. Ct. at 435.

¹⁷ Brief of Amici Curiae on Behalf of Intellectual Property Professors in Support of Respondent at 26–27, *Samsung*, 137 S. Ct. 435 (No. 15-777), 2016 WL 4239412.

¹⁸ If Samsung had applied the patented designs to an ashtray it would be liable for the total profit on sales of the ashtray.

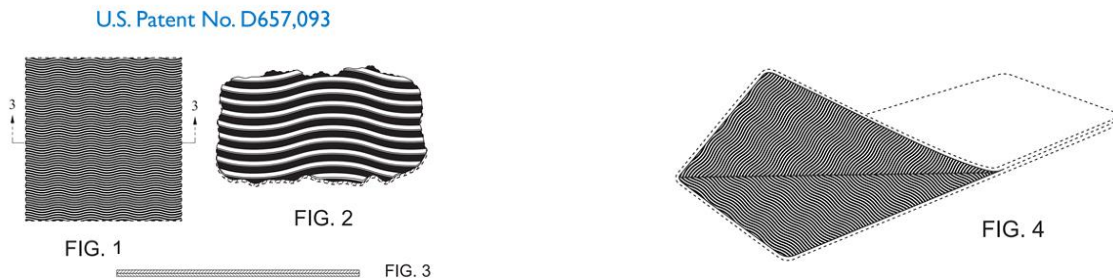
¹⁹ After the Supreme Court’s decision, on remand to the district court for a retrial on damages, the jury found that the article of manufacture was the entire smartphone and awarded Apple \$539 million on that basis. Jan Wolfe & Stephen Nellis, *U.S. jury awards Apple \$539 million in Samsung patent retrial*, REUTERS (May 24, 2018, 6:10 PM), <https://www.reuters.com/article/us-apple-samsung-elec/u-s-jury-awards-apple-539-million-in-samsung-patent-retrial-idUSKCN1IP3Q1> [<https://perma.cc/24KS-6HGF>].

²⁰ *Samsung*, 137 S. Ct. at 436.

1. The scope of the design claimed in the plaintiff's patent, including the drawing and written description;
2. The relative prominence of the design within the product as a whole;
3. Whether the design is conceptually distinct from the product as a whole; and
4. The physical relationship between the patented design and the rest of the product, including whether the design pertains to a component that a user or seller can physically separate from the product as a whole, and whether the design is embodied in a component that is manufactured separately from the rest of the product, or if the component can be sold separately.²¹

Following the Court's decision, several district courts have considered how to determine the relevant article of manufacture and concluded that the Government's proposed 4-factor test is the appropriate test.²² At least one of those cases is on appeal to the Court of Appeals for the Federal Circuit.²³ Unfortunately, since both parties in the case on appeal stipulated that the 4-factor test should be applied, and the district court therefore applied it, the issue of whether the 4-factor test is appropriate is not squarely before the Federal Circuit. The parties, Columbia Sportswear and Seirus Innovative Accessories, advanced detailed arguments regarding each of the four factors.

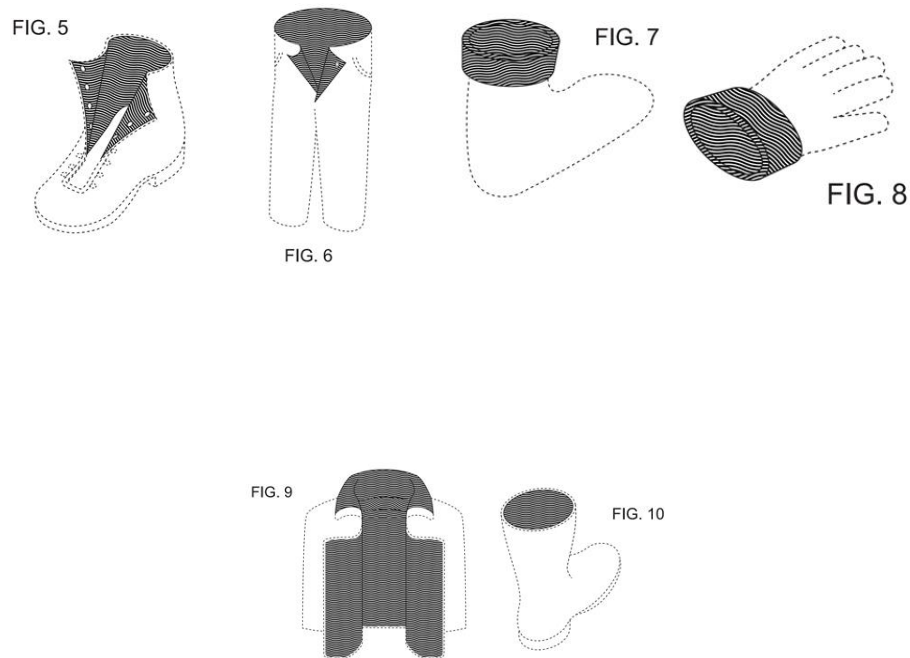
Nevertheless, the patentee Columbia's design patent is instructive:



²¹ Brief for United States as Amicus Curiae Supporting Neither Party at *27–29, *Samsung* 137 S. Ct. 435 (No. 15-777), 2016 WL 3194218.

²² *Nordock, Inc. v. Sys., Inc.*, No. 11-CV-118, 2017 WL 5633114 (E.D. Wis. Nov. 21, 2017); *Columbia Sportswear N. Am., Inc. v. Seirus Innovative Accessories, Inc.*, No. 17-CV-01781, 2017 WL 5494999 (S.D. Cal., Nov. 16, 2017); *Apple Inc. v. Samsung Elecs. Co.*, No. 11-CV-01846, 2017 WL 4776443 (N.D. Cal., Oct. 22, 2017). Ironically, after having won at the Supreme Court, on remand to the district court for a new trial on damages, the jury—after having been instructed to apply the Government's 4-factor test—found Samsung liable for \$140 million more in total profit than the original verdict. See Wolfe & Nellis, *supra* note 19.

²³ Amended Notice of Appeal for Seirus Innovative Accessories, Inc., *Columbia Sportswear N. Am.*, 2017 WL 5494999 (No. 17-CV-01781).



The claim of Columbia’s U.S. Patent No. D657,093 is: “The ornamental design of a heat reflective material, as shown and described.” The description of the figures indicated that FIGS. 1-3 were of the heat reflective material, while FIGS. 4–10 showed the heat reflective material used in various products, such as a sleeping bag (FIG. 4), footwear (FIGS. 5 and 10), legwear (FIG. 6), socks (FIG. 7), hardware (FIG. 8), and outerwear (FIG. 9). Note that the various products in FIGS. 4-10 are shown in broken lines which means that they are not part of the claimed design.

Not surprisingly, Columbia sought to define the article of manufacture as the various end products with which Serius has used the heat reflective material (i.e., legwear, footwear, gloves, and the like). Serius, on the other hand, wanted to limit the article of manufacture upon which total profit is based on the component, i.e., the heat reflective material itself as shown in FIGS. 1–3. The total profit made by Serius on the component would presumably be far less than the total profit of the various end products.

Commentators have addressed the article of manufacture question; some have endorsed the Government’s 4-factor test,²⁴ some have criticized it²⁵, and still others have set forth alternative tests.²⁶

²⁴ See Elizabeth M. Gil, Note, *Samsung v. Apple: Taking A Bite Out of the Design Patent “Article of Manufacture” Controversy*, 25 U. MIAMI BUS. L. REV. 67 (2017).

²⁵ See Burstein, *supra* note 13.

This paper will provide a brief analysis and comments on the Government's 4-factor test. In summary, the author feels that one of the four factors is workable and appropriate, another is very unworkable, and the other two are problematic.

Initially, it needs to be understood that the fact pattern that will trigger consideration of the 4 factors will always be when the patented design is a so-called partial design, claiming only a portion of a product, such as that in Columbia's design patent shown above. When the infringer is selling a multi-component product, the issue will be framed as to whether the infringer's article of manufacture should be its entire product as sold (a position likely taken by the patentee) or limited to only a component of its product (a position likely taken by the infringer).

On the other hand, as noted above, when the design patent claims the entire product of the patentee, the Government's 4-factor test need not be applied, since there can be no question but that the article of manufacture is the entire product sold by the infringer.

Thus, the analysis that follows is necessarily limited to those situations where the patented design is a so-called partial design; that is, it claims only a portion of a product, rather than the entire product.

1. FACTOR ONE: The scope of the design claimed in the plaintiff's patent, including the drawing and written description

Although it sounds reasonable on its face, this is perhaps the most problematic factor.²⁷ In order to be useful, the evaluation of each factor must result in a finding either in favor of the patentee or in favor of the infringer.²⁸ In the case of a partial design covering only a portion of the patentee's product, evaluation of Factor One, the scope of the patented design, will always come down in favor of the accused infringer which, as noted above, will take the position that the relevant article of manufacture is only a component of its product, the portion that is claimed in the design patent. Some examples will best illustrate the point.

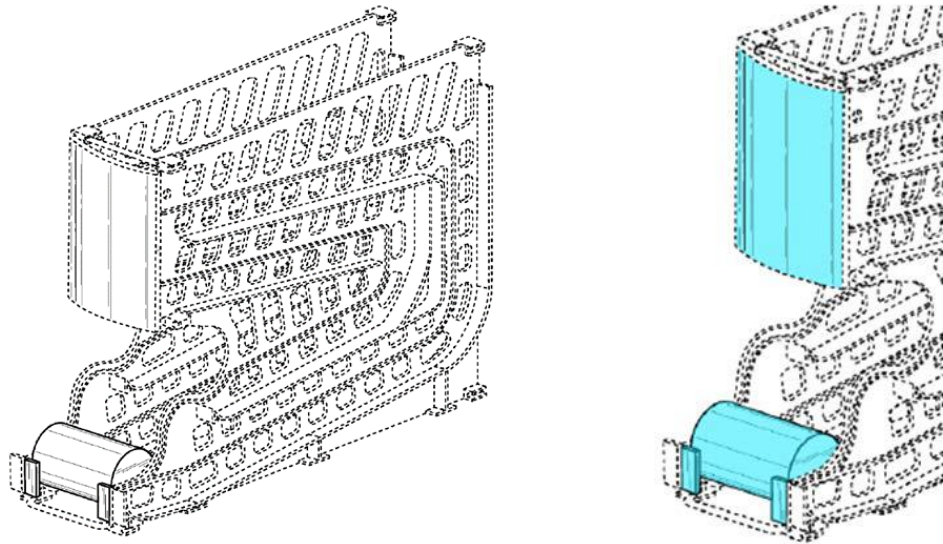
Gamon Plus, Inc. owns the following design patent on a portion of a gravity feed dispenser, as shown below (the portions of the claimed design are shaded in the figure on the right).²⁹

²⁶ Perry Saidman, Elizabeth Ferrill, Damon Neagle & Tracy Durkin, *Determining the "Article of Manufacture" Under 35 U.S.C. § 289*, 99 J. PAT. & TRADEMARK OFF. SOC'Y 349 (2017).

²⁷ The scope of the design patent is taken into account in an infringement litigation during the *Markman* claim construction analysis. The use of this factor in damages analysis would be duplicative, and is not helpful, as will be explained.

²⁸ For example, there is a long-standing multi-factor test in trademark law for determining the question of infringement, (i.e., whether there is a likelihood of confusion). The result of evaluating each factor can favor either the trademark owner or the accused infringer. *In re E.I. DuPont DeNemours & Co.*, 476 F.2d 1357 (C.C.P.A. 1973). After such evaluations, the finder of fact considers them as a whole to conclude whether there is a likelihood of confusion.

²⁹ U.S. Patent No. D612,646 (issued Mar. 30, 2010).



Someone who infringes this patent, and sells a competing gravity feed dispenser, would argue that the scope of the patented design is limited to the combination of the can, the tabs that hold the can in place, and the label holder. This is generally quite accurate.³⁰ It would then argue that Factor One mandates that the article of manufacture upon which total profit should be based is limited to those 3 elements. The patentee would be rendered almost speechless against this argument since the scope of the design patent is limited to those elements. So, Factor One would undercut Gamon’s presumed argument that total profit ought to be based on the infringer’s entire end product as sold.

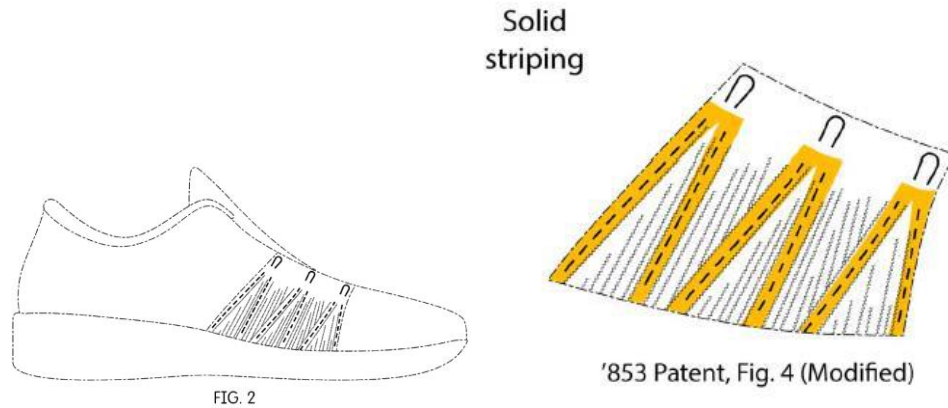
Nike, Inc. owns the design patent below that claims only a side portion of a shoe.³¹ Suppose an infringer sells a competing shoe that has the patented design applied thereto. The infringer would argue that the scope of the patented design is limited to the side portion. It would then argue that Factor One mandates that the article of manufacture is limited to the side portion and its total profit should be based only on that component. The patentee would likely have no counter to this argument since the scope of the design patent is so limited.³² So, Factor One would undercut Nike’s expected argument that total profit ought to be based on the infringer’s entire shoe (i.e., the end product as sold).³³

³⁰ For the sake of simplicity, the scope of the design patent in this discussion does not take into account the prior art which may be done in the Markman analysis.

³¹ U.S. Patent No. D696,853 (issued Jan. 7, 2014).

³² See *supra* note 30.

³³ In a 1998 case, infringement of Nike’s partial design patent resulted in an award of total profit on the infringer’s sale of its entire end product as sold. *Nike, Inc. v. Wal-Mart Stores, Inc.*, 138 F.3d 1437 (Fed. Cir. 1998).



As another example, Kolcraft Enterprises, Inc. owns a design patent on curved legs for a child's playpen.³⁴ Once again, the infringer's argument is apparent: the total profit ought to be calculated based on the legs alone, rather than the entire playpen, since the scope of the design patent is limited to the legs.³⁵ There is no viable rebuttal for the patentee to this argument.

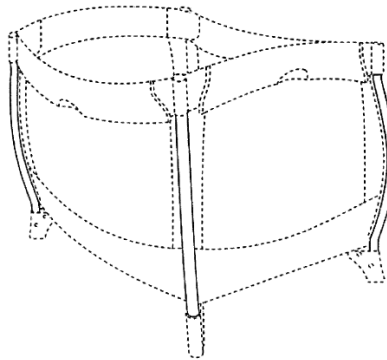


FIG. 1

In Columbia's design patent shown above, its scope will be invariably limited to the material itself, rather than include the various unclaimed products shown in broken lines.

It is clear from these examples that Factor One is not at all helpful in determining the article of manufacture since it always results in favor of the infringer. The scope of a patent on a partial design will always be the corresponding portion of the infringer's product. The patentee always loses.

The patentee's position that, upon a finding of infringement of its patent on a partial design, it is entitled to the infringer's total profit on sales of the entire end product as sold is not unreasonable.³⁶ The claimed portion may well be the dominant portion of the product design that

³⁴ U.S. Patent No. D570,621 (issued June 10, 2008).

³⁵ See *supra* note 30.

³⁶ The "entire market value rule" used in utility patent damages analysis is not analogous to § 289 analysis. Apportionment is the underlying justification for the existence of the entire market value rule. See INTELLECTUAL PROP. OWNERS ASS'N, APPORTIONMENT IN DETERMINING REASONABLE ROYALTY DAMAGES: LEGAL PRINCIPLES,

makes it a success. Indeed, why would the infringer copy it otherwise? Moreover, the infringer applied the patented design to its end product in order to sell the end product, not just the portion patented.

2. *FACTOR TWO: The relative prominence of the design within the product as a whole.*

This factor is appropriate at least for the reason that its evaluation could result in a finding in favor of the patentee or in favor of the infringer.

The Government in its *amicus curiae* brief gave the following rationale for this factor:

If the design is a minor component of the product, like a latch on a refrigerator, or if the product has many other components unaffected by the design, that fact suggests that the “article” should be the component embodying the design. Conversely, if the design is a significant attribute of the entire product, affecting the appearance of the product as a whole, that fact might suggest that the “article” should be the product.³⁷

This makes sense. Considering the examples above, Gamon can argue that its forward-facing design elements are a significant attribute of the entire product, perhaps the very reason that consumers are attracted to the product. An infringer can argue that those elements are minor components, and the product has many other visually observable components that equally affect the overall appearance of its product.

Nike can argue that its side ornamentation is the thing that distinguishes its shoe from others, and that grabs the consumer’s eye. The infringer might say that it is but a small part of a larger shoe that has many eye-catching elements.

Kolcraft similarly might say that its curved legs are unique and what distinguishes its playpen from those of others, serving almost as a trademark. The infringer might argue that it’s a very minor element compared to the other parts of its playpen.

And Columbia can argue that its heat reflective material is what distinguishes its gloves, for example, from ordinary gloves, whereas Serious might argue that you can’t even see the heat reflective material.

Since it’s clear that both parties have an opportunity to “win” this factor, it’s not objectionable.

3. *FACTOR THREE: Whether the design is conceptually distinct from the product as a whole*

This factor is unworkable. The “conceptually distinct” factor echoes a relic from copyright law, namely, the separability test that has tied up jurists in knots for years.³⁸ One noted

PRACTICAL CONSIDERATIONS AND COUNTERVAILING VIEWPOINTS (2018). And the Court during the *Samsung* oral argument affirmed that § 289 still prohibits apportionment. Transcript of Oral Argument, *supra* note 11, at 53:4–6.

³⁷ Brief for United States as Amicus Curiae Supporting Neither Party, *supra* note 21, at *28.

³⁸ *Star Athletica v. Varsity Brands*, 137 S. Ct. 1002 (2017), has done little to clear up the separability test, and in some cases has muddled its application. See Lili Levi, *The New Separability*, 20 VAND. J. ENT. & TECH. L. 709

professor has called the copyright separability test the most troublesome doctrine in copyright law;³⁹ volumes have been written both trying to analyze it and make sense of it.⁴⁰

The Government in its brief justified this test by saying: “If the product contains other components that embody conceptually distinct innovations, it may be appropriate to conclude that a component is the relevant article.”⁴¹

Again, this will almost always come down in favor of the infringer. Almost any component can be argued to be conceptually separable from the product as a whole. It is hard to imagine one that is not. Certainly, in Columbia’s design patent shown above, the heat reflective material is clearly conceptually separable from the end products with which it is used. The Government gives no hint as to what a patentee might put forth to “win” this factor. Moreover, it leaves the patentee in the awkward position of arguing that they cannot conceive that a particular component can’t be separated from the end product as sold. It also incentivizes the patentee to minimize other, unclaimed components of its product, an argument that could hurt it in the event that it has design patent protection covering such other components.

4. *FACTOR FOUR: The physical relationship between the patented design and the rest of the product, including whether the design pertains to a component that a user or seller can physically separate from the product as a whole, and whether the design is embodied in a component that is manufactured separately from the rest of the product, or if the component can be sold separately.*

This factor embodies 3 elements: whether the component (a) is physically separable; (b) is manufactured separately; or (c) can be sold separately.⁴²

This factor has elements that make sense, and others that are problematic. One that makes sense is whether the component is sold separately. If the component is sold separately, it’s a good argument that it is not an integral component of a multi-component product.⁴³ Also, a

(2018); Mala Chatterjee, Note, *Conceptual Separability as Conceivability: A Philosophical Analysis of the Useful Articles Doctrine*, 93 N.Y.U. L. REV. 558 (2018).

³⁹ PAUL GOLDSTEIN, COPYRIGHT: PRINCIPLES, LAW AND PRACTICE § 2.5.3 (1989) (“Of the many fine lines that run through the Copyright Act, none is more troublesome than the line between protectable pictorial, graphic and sculptural works and unprotectable utilitarian elements of industrial design.”).

⁴⁰ See Jane C. Ginsburg, “Courts Have Twisted Themselves Into Knots”: U.S. Copyright Protection for Applied Art, 40 COLUM. J.L. & ARTS 1 (2016); Jacqueline Lefebvre, Note, *The Need for “Supreme” Clarity: Clothing, Copyright, and Conceptual Separability*, 27 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 143 (2016); Sonja Wolf Sahlsten, Note, *I’m a Little Treepot: Conceptual Separability and Affording Copyright Protection to Useful Articles*, 67 FLA. L. REV. 941 (2016); Barton R. Keyes, Note, *Alive and Well: The (Still) Ongoing Debate Surrounding Conceptual Separability in American Copyright Law*, 69 OHIO ST. L.J. 109 (2008); Gary S. Raskin, Comment, *Copyright Protection for Useful Articles: Can the Design of an Object be Conceptually Separated from the Object’s Function?*, 33 SANTA CLARA L. REV. 171 (1993).

⁴¹ Brief for United States as Amicus Curiae Supporting Neither Party, *supra* note 21, at *29.

⁴² It also overlaps with Factor Three pertaining to separability.

⁴³ The words “can be” in the Government’s formulation create a slippery slope since many components “can be” sold separately but are not. The question can be better stated “. . . if the component *is* sold separately” and a caveat should be added that such sales must have commenced after the initiation of the litigation to avoid post-litigation manipulation by the infringer; that is, sales of the component that take place after a suit is filed can be based on the infringer’s attempt to improve its position with respect to this factor.

component that is sold separately renders the total profit calculation on that component far easier than otherwise.

The inclusion of an evaluation of whether a component is manufactured separately is one of those questions that will almost always come down in the infringer’s favor when considering a multi-component product. Virtually all components of a multi-component product are manufactured separately. Columbia’s heat reflective material, as one example, may be sold to manufacturers who use it in their end products. Thus, this element runs afoul of the requirement that each of these factors, in order to be helpful at all, need to be able to result in favor of either the patentee or the infringer.

Whether a user or seller can “physically separate” a component from the product is far too loosely stated to be helpful. What if tools can be used to separate a component of an end product? This physical separation element may also influence patentees to try to make their products in one piece, which may or may not be possible or even desirable. This element is also redundant in that consideration of another element—whether the component is manufactured separately—would subsume this element. After all, if a component is manufactured separately, it is also physically separable.

III. OTHER FACTORS TO CONSIDER

Commentators have suggested other factors that are worth considering in formulating a test for determining the relevant article of manufacture.

For example, a law professor in an extensive analysis of what was called “historical evidence” of the words “article of manufacture” suggests that its meaning in 1887—when the predecessor to § 289 was first passed—should be the same as its meaning in 2019.⁴⁴ The article posits that for 3D products, the article of manufacture should be the entire article identified in the patent.⁴⁵ A problem with that formulation—similar to the Supreme Court’s failure—is that it does not take into account the different meanings of “article of manufacture” in § 171 and § 289 of the statute.⁴⁶ Also, such an analysis will always result in the patentee being awarded the total profit on sales of the infringer’s end product as sold, a result not likely intended by the professor.⁴⁷

Other commentators have suggested a different 4-element test:⁴⁸

1. the visual contribution made by the patented design to the overall appearance of the end product sold by the infringer, in the eye of an ordinary observer;
2. whether at the time of the infringement, the patentee or infringer separately sold its [proposed] articles of manufacture;
3. the intent of the infringer in appropriating the patented design; and

⁴⁴ Burstein, *supra* note 13 at 83.

⁴⁵ For surface ornamentation, the professor suggests that the infringing article “could” be something other than what the patentee invented and produced. *Id.*

⁴⁶ See *supra* text accompanying note 14–15.

⁴⁷ No analysis of the article of manufacture need be undertaken when the design patent claims the entire product of the patentee. See *supra* Part II.

⁴⁸ Saidman et al., *supra* note 26, at 355.

4. the degree of difficulty in calculating total profit of the [proposed] articles of manufacture.⁴⁹

Element 1 is very similar to the Government's Factor Two (the visual contribution of the claimed partial design to the overall appearance of the end product as sold), and Element 2 is similar to a portion of the Government's Factor Four (whether the component is sold separately).

Elements 3 and 4 have no parallel in the Government's 4-factor test. According to the authors:

[Element] 3 addresses the infringer's intent in appropriating the patented design. This is a proper consideration because, unlike the legal remedy of damages provided under 35 U.S.C. § 284, the disgorgement of infringer's total profit under § 289 is an equitable remedy, where the intentions of the infringer are relevant. Further, the infringer's profit cannot be enhanced for willful infringement under § 284, which is reserved for trebling damages. This factor also takes into account cases of innocent infringement. Thus, if the intent of the infringer is to take advantage of the goodwill engendered by the patented design in order to sell its competing product, this factor weighs in favor of the relevant article of manufacture being the patentee's [proposed] article of manufacture. If, however, the infringer had no intent to simulate the patented design, and/or the infringer's [proposed] article of manufacture was conceived and produced independently and without knowledge of the patented design, this factor weighs in favor of the relevant article of manufacture being the infringer's [proposed] article of manufacture.⁵⁰

As for the rationale behind Element 4, the authors explained:

[Element] 4 addresses one of the original underlying rationales for awarding total profit under § 289, which is the inherent difficulty, if not impossibility, of calculating total profit from a patented [partial] design separate from that of the end product as sold. Accordingly, if the total profit of a [proposed] article of manufacture is susceptible to a straightforward, objective calculation, then this factor weighs in favor of that [proposed] article of manufacture being the relevant article of manufacture.⁵¹

CONCLUSION

The outcome of an analysis of the relevant article of manufacture in design patent damages analysis is critical to the effectiveness of the design patent system. The mere fact that such an analysis must be undertaken—a brand new requirement in design patent damages determinations—adds tremendous costs to design patent litigation, something that is especially ill-afforded by small businesses simply trying to prevent knockoffs of its new products by quick-to-

⁴⁹ *Id.*

⁵⁰ *Id.* at 357 (citation omitted).

⁵¹ *Id.*

copy competitors, usually big box retailers having far greater resources. Therefore, it is very important that such an analysis incorporate factors that are even-handed, relatively easy to evaluate, and susceptible of being found either in favor of the patentee or the infringer.

The Government's 4-factor test is seriously flawed. Courts considering the "article of manufacture" issue need to examine the 4-factors critically and be open to considering other formulations and factors that may be more relevant to the ultimate determination.