Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States* v. *Detroit Timber & Lumber Co.,* 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

Syllabus

SAMSUNG ELECTRONICS CO., LTD., ET AL. *v.* APPLE INC.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

No. 15–777. Argued October 11, 2016—Decided December 6, 2016

Section 289 of the Patent Act makes it unlawful to manufacture or sell an "article of manufacture" to which a patented design or a colorable imitation thereof has been applied and makes an infringer liable to the patent holder "to the extent of his total profit." 35 U. S. C. §289. As relevant here, a jury found that various smartphones manufactured by petitioners (collectively, Samsung) infringed design patents owned by respondent Apple Inc. that covered a rectangular front face with rounded edges and a grid of colorful icons on a black screen. Apple was awarded $399 million in damages—Samsung's entire profit from the sale of its infringing smartphones. The Federal Circuit affirmed the damages award, rejecting Samsung's argument that damages should be limited because the relevant articles of manufacture were the front face or screen rather than the entire smartphone. The court reasoned that such a limit was not required because the components of Samsung's smartphones were not sold separately to ordinary consumers and thus were not distinct articles of manufacture.

Held: In the case of a multicomponent product, the relevant "article of manufacture" for arriving at a §289 damages award need not be the end product sold to the consumer but may be only a component of that product. Pp. 4–9.

(a) The statutory text resolves the issue here. An "article of manufacture," which is simply a thing made by hand or machine, encompasses both a product sold to a consumer and a component of that product. This reading is consistent with §171(a) of the Patent Act, which makes certain "design[s] for an article of manufacture" eligible for design patent protection, and which has been understood by the Patent Office and the courts to permit a design patent that extends to

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only a component of a multicomponent product, see, *e.g.*, *Ex parte Adams*, 84 Off. Gaz. Pat. Office 311; *Application of Zahn*, 617 F. 2d 261, 268 (CCPA). This reading is also consistent with the Court's reading of the term "manufacture" in §101, which makes "any new and useful . . . manufacture" eligible for utility patent protection. See *Diamond* v. *Chakrabarty*, 447 U. S. 303, 308. Pp. 4–7.

(b) Because 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, the Federal Circuit's narrower reading cannot be squared with §289's text. Absent adequate briefing by the parties, this Court declines to resolve whether the relevant article of manufacture for each design patent at issue here is the smartphone or a particular smartphone component. Doing so is not necessary to resolve the question presented, and the Federal Circuit may address any remaining issues on remand. Pp. 7–8.

786 F. 3d 983, reversed and remanded.

SOTOMAYOR, J., delivered the opinion for a unanimous Court.

SUPREME COURT OF THE UNITED STATES

No. 15–777

SAMSUNG ELECTRONICS CO., LTD., ET AL.,
PETITIONERS *v.* APPLE INC.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

[December 6, 2016]

JUSTICE SOTOMAYOR delivered the opinion of the Court.

Section 289 of the Patent Act provides a damages remedy specific to design patent infringement. A person who manufactures or sells "any article of manufacture to which [a patented] design or colorable imitation has been applied shall be liable to the owner to the extent of his total profit." 35 U. S. C. §289. In the case of a design for a single-component product, such as a dinner plate, the product is the "article of manufacture" to which the design has been applied. In the case of a design for a multicomponent product, such as a kitchen oven, identifying the "article of manufacture" to which the design has been applied is a more difficult task.

This case involves the infringement of designs for smartphones. The United States Court of Appeals for the Federal Circuit identified the entire smartphone as the only permissible "article of manufacture" for the purpose of calculating §289 damages because consumers could not separately purchase components of the smartphones. The question before us is whether that reading is consistent with §289. We hold that it is not.

I

A

The federal patent laws have long permitted those who invent designs for manufactured articles to patent their designs. See Patent Act of 1842, §3, 5 Stat. 543–544. Patent protection is available for a "new, original and ornamental design for an article of manufacture." 35 U. S. C. §171(a). A patentable design "gives a peculiar or distinctive appearance to the manufacture, or article to which it may be applied, or to which it gives form." *Gorham Co.* v. *White*, 14 Wall. 511, 525 (1872). This Court has explained that a design patent is infringed "if, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same." *Id.,* at 528.

In 1885, this Court limited the damages available for design patent infringement. The statute in effect at the time allowed a holder of a design patent to recover "the actual damages sustained" from infringement. Rev. Stat. §4919. In *Dobson* v. *Hartford Carpet Co.*, 114 U. S. 439 (1885), the lower courts had awarded the holders of design patents on carpets damages in the amount of "the entire profit to the [patent holders], per yard, in the manufacture and sale of carpets of the patented designs, and not merely the value which the designs contributed to the carpets." *Id.,* at 443. This Court reversed the damages award and construed the statute to require proof that the profits were "due to" the design rather than other aspects of the carpets. *Id.,* at 444; see also *Dobson* v. *Dornan*, 118 U. S. 10, 17 (1886) ("The plaintiff must show what profits or damages are attributable to the use of the infringing design").

In 1887, in response to the *Dobson* cases, Congress enacted a specific damages remedy for design patent infringement. See S. Rep. No. 206, 49th Cong., 1st Sess., 1–2 (1886); H. R. Rep. No. 1966, 49th Cong., 1st Sess., 1–2 (1886). The new provision made it unlawful to manufac-

ture or sell an article of manufacture to which a patented design or a colorable imitation thereof had been applied. An act to amend the law relating to patents, trademarks, and copyright, §1, 24 Stat. 387. It went on to make a design patent infringer "liable in the amount of" $250 or "the total profit made by him from the manufacture or sale . . . of the article or articles to which the design, or colorable imitation thereof, has been applied." *Ibid.*

The Patent Act of 1952 codified this provision in §289. 66 Stat. 813. That codified language now reads, in relevant 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 . . . ." 35 U. S. C. §289.

B

Apple Inc. released its first-generation iPhone in 2007. The iPhone is a smartphone, a "cell phone with a broad range of other functions based on advanced computing capability, large storage capacity, and Internet connectivity." *Riley* v. *California*, 573 U. S. ___, ___ (2014) (slip op., at 2). Apple secured many design patents in connection with the release. Among those patents were the D618,677 patent, covering a black rectangular front face with rounded corners, the D593,087 patent, covering a rectangular front face with rounded corners and a raised rim, and the D604,305 patent, covering a grid of 16 colorful icons on a black screen. App. 530–578.

Samsung Electronics Co., Samsung Electronics America, Inc., and Samsung Telecommunications America, LLC (Samsung), also manufacture smartphones. After Apple

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