The recent Apple v. Baili case has generated a wide interest in design patents. This article discusses developments in courtroom standards for determining design patent infringement applied in Apple v. Baili, and case implications from this case. Such standards involve how to determine distinctive features, what to be considered a functional feature, what elements may affect the degree of freedom of designers and others.

1. Background

In December 2012, Apple, a demands cash-up smartphone maker, filed a complaint to the Beijing Intellectual Property Office (854x457) alleging that iPhone 6 and iPhone 6 Plus (the "accused products") infringe upon the design patent of Baili Electronics Co., Ltd. ("Baili") — a provincial design patent with the number of 201430011304.8. The Patent Administration of Beijing ("PRB") upheld the validity of the 113 patent on July 3, 2015, and Apple appealed the PRB’s decision to the Beijing Intellectual Property Court ("BIPO") on September 18, 2015.

In January 2016, the BIPO issued a decision which upheld the validity of the 113 patent and specifically the claims in which iPhone 6 and iPhone 6 Plus infringe. Apple appealed the BIPO's decision to the Beijing IP Court ("Court"). In March 2017, the Beijing IP Court issued a judgment, holding that iPhone 6 and iPhone 6 Plus did not infringe Baili's'113 patent because it did not meet the ordinary observer test.

2. The "Ordinary Observer Test"

The test for determining design patent infringement in China, as expressed by the Supreme People's Court (SPC) in a decision dated 2016, is whether an ordinary consumer would find the accused products identical or similar to the patented design. Such ordinary consumer is not an expert, but one who intends to purchase the patented design or is interested in the subject, and who is supposed to be familiar with the prior art and the claimed design.

3. Distinctiveness v. Functionality

In the case at hand, both urged the Court to ignore the dissimilarities identified between the accused design and the disclosed products. The court (including the home button, the porthole of the iPod's audio jack and headphone jack, the registered mark and consumer preference) and the pattern on the back of the two models phones because, it contended, these elements are all functional and should be excluded from the infringement analysis. The Court disagreed, emphasizing that if it considered the following factors in determining whether an element is primary functional: (i) whether the design is dictated solely by functionality; (ii) whether alternative designs would achieve the same function; and (iii) whether the design was chosen for aesthetic rather than functional reasons.

The Court noted that the features found to be in dissimilarity are ornamental rather than functional features, because obscure alternative design choices exist and they present no aesthetically pleasing expression. Therefore, the Court treated these features as ornamental aspects of the patented design that shall be considered in the comparison.

4. Application of the Ordinary Observer Test to the Accused Products

The Court then applied the ordinary observer test and compared the various features of the accused product (the smartphone) with the features of the claimed design. As for the accused products, Apple contended that iPhone 6 and iPhone 6 Plus do not infringe the '113 patent because they did not meet the "ordinary observer test." The Court treated these features as ornamental aspects of the claimed design that shall be considered in the comparison.

5. The Designer’s Degree of Freedom

In addition, the Court considered the designer's degree of freedom in developing relevant designs, which depends on the prior art as compared with the accused designs. The Court held that in light of the PRB decision and numerous prior art provided by Apple, the design of the accused products is significantly different from the prior art.

6. Application of the "Ordinary Observer Test" to the Accused Products

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7. Conclusion

The recent Apple v. Baili case has generated a wide interest in design patents. This article discusses developments in courtroom standards for determining design patent infringement applied in Apple v. Baili, and case implications from this case. Such standards involve how to determine distinctive features, what to be considered a functional feature, what elements may affect the degree of freedom of designers and others.

The Court ruled in Apple's favor, finding that most of the similarities between iPhone 6 and 6 Plus and the '113 patent, such as the general shape of the devices, the rounded corners, the flat clear screen have been disclosed by the prior art. Therefore, such novel features are important in distinguishing the iPhone 6 and 6 Plus from the accused products. The Court therefore found non-infringement of the accused products.

In conclusion, the recent Apple v. Baili case has generated a wide interest in design patents. This article discusses developments in courtroom standards for determining design patent infringement applied in Apple v. Baili, and case implications from this case. Such standards involve how to determine distinctive features, what to be considered a functional feature, what elements may affect the degree of freedom of designers and others.
5. Implications

For a long time, the test for design patent infringement in China involves a fair amount of subjectivity and the
court is especially cautious in administering whether the accused design is the same as or similar to the
patented design. The Apple v. Baili case provides a clear and comprehensive framework for analyzing
whether one design infringes another.

Many commentators describe it as a landmark case that brought more certainty to the test of design patent
infringement.

The key strategy an accused party could learn from Apple is trying his best to collect prior art references and
file an invalidity action against the asserted design patent. The validity challenge can bring possibility of
staying the infringement case pending the invalidity decision.

More importantly, since prior art would significantly limit the expansion scope of the claimed design to
increase the likelihood of non-infringement finding. Further, such prior art references can also help narrow the
scope of design so that dissimilarities in details may be accepted as ground for non-infringement, and support
non-functional arguments.