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PANEL II: The Global Contours of IP Protection for Trade Dress, Industrial Design, Applied Art, and Product Configuration

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MS. SCHAFFER-GOLDMAN:

Hello, everyone. As many of you know, I am Regina Schaffer-Goldman, and I am the Editor-in-Chief of the IPLJ.

I would like to welcome you to our second panel today. I just wanted to remind you that the IPLJ is currently publishing its 20th Volume this year. Past IPLJ issues are available outside on the desk. Please feel free to take one. The transcript of the symposium will be published in our third book, due out in the Spring of 2010.

A PDF version of this Transcript is available online at http://iplj.net/blog/archives/volumexx/book3. Visit http://iplj.net/blog/archives for access to the IPLJ archive.

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Our second panel will examine "The Global Contours of IP Protection for Trade Dress, Industrial Design, Applied Art and Product Configuration." I am so pleased to introduce our moderator for this panel, Susan Scafidi.

Susan Scafidi is a visiting Professor of Law at Brooklyn Law School, where she teaches fashion law, property, and trust and estates. Professor Scafidi has also taught a course on IP and design and was very recently here at Fordham. She is also the first law professor in the U.S. to teach a course on fashion law. In addition, she is the author of the inimitable blog "Counterfeit Chic," with which many Fordham fans are familiar. Thank you so much for being here, Professor Scafidi.

PROF. SCAFIDI:

Regina, thank you so much for that kind introduction. Also, thanks to you and to Emily and to all of the members of the Journal for organizing this tremendous symposium.

Just a few quick remarks—former Senator Bill Bradley, who still holds the record for the highest percentage of accurate free throws in the history of college basketball, used to say, "It's that all important sense of where you are." So where we are is as follows: if we were to start from the premise that IP should all fall under one umbrella (and of course, not everyone agrees with that, but that ship has more or less sailed), then an ideal system would look something like this: a large white public domain and little carve-outs for copyright and patent and trademark, each separate and neatly defined. In fact, of course, the system looks more like a Venn diagram: everything overlaps a little bit and those boundaries between copyright and patent and trademark have to be policed in some fashion.

That's done in, of course, a number of different ways by using substantive categorical rules. We know that we move classic literary and artistic works over to copyright,[1] inventions over to patent and so forth.[2] Then we make some additional categorical

[1] 17 U.S.C. § 102(a)(1), (5) (2006); *see also id.* § 101.

[2] 35 U.S.C. § 101.

decisions like a statutory decision to put architecture in copyright,[3] although it bleeds over into trademark occasionally.

We use descriptive categories as well as substantive categories, so short phrases for example, don't belong in copyright, but do belong in trademark if they meet other qualifications.[4]

Then we use doctrinal means to police those boundaries, including our primary topic for today, and that is functionality. Of course we are still dealing with, in this panel and other ways, that grey area in the middle. What is in the middle of the diagram, at the point where copyright, patent, and trademark overlap? If you approach it from copyright, you'll think of it in terms of applied art.

If you approach it from patents, you'll think in terms of industrial design. If you approach it from trademark, you'll think in terms of trade dress. Perhaps if you're from a system not our own, outside the U.S., you'll think of it as a fourth category and just call it design.

Either way, it's one of the most fascinating areas of IP, not least because it's the little loose strand that if you pull, could tear the entire system apart, which is why we have a distinguished panel here today to answer these questions, and to explore, particularly, how functionality works in all of these areas.

So let me begin by introducing our first panelist. I will introduce them not all at once, but successively before each speaks, just in case someone comes in later and isn't sure whom they're listening to.

Starting with Professor Afori, Orit Fischman Afori—you have the official bio. So let's make this a little more fun. She gets the award for coming to us from the furthest. She flew all the way from Israel just for the weekend to come to our symposium.

She teaches at the College of Management and Academic Studies Law School in Israel, offering a variety of courses: corporate law, copyright law, introduction to intellectual property,

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3 17 U.S.C. § 102(a)(8).

4 *See, e.g.*, 15 U.S.C. §§ 1052, 1125.

and a clinical seminar on intellectual property and law and technology.

She has wonderful interests within IP, including an area that I'm especially interested in, cultural rights as human rights. But perhaps most important of all, I learned last night that Orit is such a brilliant teacher that her two children, ages eight and five, regularly debate copyright issues. So with that, let me give you Orit.

PROF. FISCHMAN AFORI:

First, I would like to thank the organizers for inviting me. It's a great pleasure for me to be here. The question in this symposium is a very problematic one, the functionality threshold. My talk will focus on the function of the non-functionality requirement in industrial design law and, more specifically, on the confusion it creates.

Industrial design law protects the appearance of useful articles. A key requirement for eligibility is that only the non-functional features of the design will be protected.[5] The basic justification for the non-functionality requirement in design law is to avoid undermining the provisions of patent law, which under certain strict conditions, protects functional elements.[6]

However, the reality is that it is extremely difficult to implement the non-functionality requirement in practice. After a very short overview of the requirement in American and English law, the student-oriented part, I'll present what are, in my opinion, the three major reasons for the difficulties in applying the non-functionality requirement. I will conclude by proposing a way to ease the difficulties while maintaining the requirements.

The Non-Functionality Requirement in Current Law

In the U.S., there are currently three major legal paths for protecting industrial designs: copyright law, trademark law, and patent law. Each of the three paths provides protection only for the non-functional features.

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[5] 35 U.S.C. § 171; L.A. Gear, Inc. v. Thorn McAn Shoe Co., 988 F.2d 1117, 1123 (Fed. Cir. 1993); DONALD S. CHISUM, CHISUM ON PATENTS § 1.04(5)–(6) (2005).

[6] 35 U.S.C. § 112.

As to copyright, currently the U.S. Act allows protection of designs by including "applied art" in the subject matter,[7] and including the requirement that the protected features are the non-functional ones. Both the copyright office and the courts have adopted the (impossible) "separability" concept in the application of the non-functionality doctrine.[8]

This concept not only prohibits protection of functional features, but also requires that those non-functional protected features are separated from the functional ones.[9] The problematic outcome is that non-functional features that are not separated from the functional ones are actually deprived of protection.[10]

As a result, U.S. courts have developed doctrines that are aimed to ease this outcome. These doctrines in turn have been criticized as making the separability criterion unclear, impossible to carry out, arbitrary, and subject to manipulations.[11]

As to the second path—the patent design right—its purpose was to fill the gap between copyright and patent protection. To this end, an additional "ornamentality" requirement was added to the design patent right.[12] At the same time, the utility requirement, which is compulsory with respect to regular patents, was

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7 17 U.S.C. § 101.

8 *See id.* ("[T]he design of a useful article, as defined in this section, shall be considered pictorial, graphic, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspect of the article.").

9 *Id.*; *see also* Kieselstein-Cord v. Accessories by Pearl, Inc., 632 F.2d 989, 993 (2d Cir. 1980) (describing the conceptual separability test); Esquire, Inc. v. Ringer, 591 F.2d 796, 801–05 (D.C. Cir. 1978) (describing the physical separability test).

10 *See, e.g.*, Brandir Int'l v. Cascade Pac. Lumber Co., 834 F.2d 1142, 1147–48 (2d Cir. 1987) (explaining that the bicycle rack lost its protections because it combines both function and aesthetics); *see also* MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 2.08(B)(3) (2005).

11 *See* PAUL GOLDSTEIN, COPYRIGHT, PRINCIPLES, LAW AND PRACTICE § 2.5.3(c) (Little, Brown and Co. 1989); NIMMER & NIMMER, *supra* note 10, § 2.08(B)(3); J.H. Reichman, *Design Protection After the Copyright Act of 1976: A Comparative View of the Emerging Interim Models*, 31 J. COPYRIGHT SOC'Y 267, 350–65 (1983); Eric Setliff, *Copyright and Industrial Design: An "Alternative Design" Alternative*, 30 COLUM. J.L. & ARTS 49, 63 (2006).

12 35 U.S.C. § 171.

eliminated for design patents.[13] Consequently, design patents protect only the ornamental aspects of the patented design, and not the functional features or aspects.[14]

The third path for protecting designs in the U.S. is through trademark law by a trade dress claim. An important requirement for protection of trademark in general is that it does not contain functional elements.[15] The non-functionality requirement, therefore, also applies to trade dress cases.[16]

Things are more complicated when we turn to review the protection of industrial designs in England because there are currently five paths for protecting designs, which include three national paths and two E.U. paths.

In all five paths in England, the basic principle of no protection of functional features governs. To keep this brief, I would just like to mention that Article 7(1) of the European Design Directive provides that "A design right shall not subsist in features of appearance of a product which are solely dictated by its technical function"[17] and in the following I will relate to this "solely dictated" test. Similar provisions forbidding protection of functional elements have been introduced into national legislation.

To sum up the student oriented part, a key requirement for design eligibility is that there is no protection for functional elements. However, there are considerable difficulties in applying this rule in practice.

Why Applying the Non-functionality Requirement Is Difficult

The application of the non-functionality requirement creates many difficulties. I would like to offer three major reasons for this, all of which are linked to the difficulty in defining the term "functionality."

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13 *Id.*

14 *Id.*; *see also* CHISUM, *supra* note 5, § 23.08.

15 15 U.S.C. § 1052(e)(5); *see also* Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159, 165 (1995) ("'[A] product feature is functional' . . . 'if it is essential to the use or purpose of the article or if it affects the cost or quality of the article'" (quoting Inwood Labs., Inc. v. Ives Labs., Inc., 456 U.S. 844, 850 n.10 (1982))).

16 Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 769 (1992).

17 Council Directive 98/71, art. 7(1), 1998 O.J. (L 289) 31 (EC).

The first question that should be asked is how to define "non-functional designs." "Functional" is an abstract term that can be defined in a number of ways. As I mentioned before, the European test is whether the design is solely dictated by its technical function.[18]

At first glance, this appears to be a very good and helpful definition for a test for functional designs. A functional design is a design which is solely dictated by its technical function.[19]

However, a closer look reveals the fundamental problem: when can we conclude that a design meets the requirement of "solely dictated by technical requirement?"

If an article can be formed in several shapes, but in all other respects is entirely functional, would it be correct to say that its design is solely dictated by functional considerations?

The problem with these kinds of situations is that since there are several effective options for shaping the article, the choice of the actual design must be done on the basis of considerations that are not purely technical, such as an aesthetic consideration.

For example, look at the illustration of the coffee machines. There are many functional designs for a coffee machine. On which basis does a designer make his choice? All of the designs are functional. Therefore, the choice is made according to aesthetic considerations, or other considerations which are not necessarily functional.

The House of Lords debated this issue in the well-known *Amp*[20] case and concluded that "solely dictated" by technical functional features means that "the designer was adopting a shape for the article only according to the question whether it works that way, without considering whether it appeals to the eye."[21] However, it does not mean, the House of Lords continues, that there are no other pure, technically-functional possible designs for the same article.[22]

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18 *See supra* note 17 and accompanying text.

19 *See supra* note 17 and accompanying text.

20 Amp, Inc. v. Utilux Pty Ltd, [1971] F.S.R. 572 (H.L.) (U.K.).

21 *See id.* at 583.

22 *See id.*

In other words, this test is the subjective-intent-of-a-designer test, which, like all subjective tests, is very weak. It is very weak because of the obvious problem of how a court is supposed to determine what the designer really had in mind: functional considerations or aesthetic ones.

The subjective intent test calls for manipulations, which may result in arbitrary decisions. More to the point, however, it is not clear why the private intent of the designer is relevant to the rationale of the legal requirement.

Therefore, I think, it's clear that there is a need for an objective test which would serve the rationale of the non-functionality requirement. Actually, Lord Reid himself admitted in the *Amp* case that the ambiguity and the controversy over the eligibility of designs for protection "are centered around the word 'dictated,' which is a metaphorical word out of place in a statutory definition."[23]

The second reason why applying the non-functionality requirement is difficult is that many contemporary designs combine functional and aesthetical elements and it is impossible to separate between the two.

These designs follow the "Form-Follows-Function" (F3) school, which originated in the '20s.[24] This school still dominates design to this day.[25]

The question then becomes whether such design, which merges functional and aesthetical features, should be deprived of protection entirely. The answer to this question under the American separability test is yes:[26] no protection is provided to

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[23] *Id.* at 578.

[24] *See* Setliff, *supra* note 11, at 62 ("According to this Functionalist philosophy, the usual character of any product was best determined by the internal logic of its construction and mechanism." (internal quotations omitted)).

[25] An example of a contemporary design which follows the "form-follows-function" philosophy is Philippe Starck's lemon press "Juicy Salif," produced by Alessi in 1990. *See* Posting of Angie to Introduction to Design, *Philippe Starck—Juicy Salif*, http://introtodesign.blogspot.com/2008/06/philippe-starck-juicy-salif.html (June 24, 2008). Other examples are the many registered designs for chairs. *See, e.g.*, U.S. Patent No. D514,835 (filed Jan. 19, 2005) (issued Feb. 14, 2006).

[26] *See* NIMMER & NIMMER, *supra* note 10, § 2.08(B)(3).

ornamental features if they are merged into the functional features of the design.[27] (And maybe by this way, the whole American industry is pushed into the style of separate ornamental features attached to articles. In other words, there is a legal basis for American kitsch.)

By contrast, under the English model, registration of design that had a functional purpose is permitted.[28] Nevertheless, this English model suffers from drawbacks too, because courts have limited the ability to register these kinds of merged designs if they "impose restrictions on the freedom of subsequent designers by leaving no room for alternative designs of the same article."[29]

Therefore, there is no legal certainty with respect to the eligibility of a design, because whether a design imposes restrictions on the freedom of subsequent designers is not a simple question to answer.

A third difficulty in applying the non-functionality requirement is that the meaning of the term "function" is itself less than clear. One way to understand the term "functional" is in a narrow sense of "technical function" or "physical function;" this is the English way of interpretation according to the Design Directive.[30]

In a broader sense, function may be understood as a way for achieving an aim.[31]

If we accept the broader definition of function, then we must ask *what* the difference between function and aesthetic is. This is because under the broad definition, aesthetic may be perceived as a function. Aesthetic contributes something real to the product, justifying the consumer's decision to buy it. Why does a consumer

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[27] *See* Jonathan E. Moskin, *The Shape of Things to Come—Emerging Theories of Design Protection*, 92 TRADEMARK REP. 691, 694 (2002); *see also* Bonito Boats, Inc. v. Thundercraft Boats, Inc., 489 U.S. 141, 148 (1989).

[28] *See In re* Wingate's Registered Design, (1935) 52 R.P.C. 126, 131 (Ch.) (U.K.) ("[S]o long as the design, qua design, is something which makes an appeal to the eye and is new or original, it is properly a subject matter of registration . . . notwithstanding that it also involves a method of construction which may be entitled to protection as a patent.").

[29] *See* Council Directive 98/71, art. 7(2), 1998 O.J. (L 289) 31 (EC).

[30] *See id.*

[31] *See* Merriam-Webster Online, Function, http://www.merriam-webster.com/dictionary/function (last visited Apr. 13, 2010) (stating that function is synonymous with "purpose").

buy a certain belt or a certain handbag? Because they like it! Therefore, aesthetics themselves have a function.

If this is the case, then the entire structure of industrial design protection, in which we protect external appearance but not function, collapses. I think that this theoretical inquiry into the term functionality is found in the development of the trade dress claim in the U.S.

Courts have developed a very sophisticated concept of *aesthetic functionality*. Whereas strict functionality examines whether the dress adds something to the *use* of the article (this is the utilitarian functionality),[32] aesthetic functionality examines whether the dress makes the article more appealing to the public through its appearance.[33] However, in 2001, the Supreme Court somewhat narrowed this doctrine in the *TrafFix*[34] case by explaining that the aesthetic and the utilitarian aspects must be distinguished from each other.[35]

This third difficulty can be resolved by defining "function" narrowly. However, the first and second difficulties are still relevant.

It is very hard to distinguish between technical and other considerations which dictate the design. And, on many occasions, aesthetics merge with the functional or technical features.

These difficulties create confusion, or "disorder" in industrial design law, because we must follow the non-functionality requirement, even though in many cases it does not make any sense.

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[32] L.A. Gear, Inc. v. Thorn McAn Shoe Co., 988 F.2d 1117, 1123 (Fed. Cir. 1993) ("An article of manufacture necessarily serves a utilitarian purpose, and the design of a useful article is deemed to be functional when the appearance of the claimed design is dictated by the use or purpose of the article.").

[33] RESTATEMENT (FIRST) OF TORTS § 742 cmt. a (1938) ("When goods are bought largely for their aesthetic value, their features may be functional because they definitely contribute to that value and thus aid the performance of an object for which the goods are intended." (internal citations omitted)).

[34] TrafFix Devices, Inc. v. Mktg. Displays, Inc., 532 U.S. 23 (2001).

[35] *Id.* at 33.

Solutions

It is clear that it is not possible to drop the non-functionality requirement because it is essential. The question is whether there is a way to ease this confusion?

My proposal is a very pragmatic one. Since it is impossible to define accurately when a design is purely functional, and since the problem of designs that combine both function and aesthetics is an urgent one, it might make more sense not to resolve the problem at the registration stage but rather to postpone it to a later stage when the case of infringement is brought before a court.

Thus, where a design raises the question of functionality and the answer is not clear cut, the design will nonetheless be registered. However, the determination of which features of the design are being protected will be made by a court in the context of a specific infringement claim.

There are some very significant advantages to this method I'm proposing. First, registration of partially functional designs will not hinder innovative or creative efforts since registration can always be challenged in court. It is a known fact that there is no real prosecution of designs. Actually, designs are deposited during registration.

I suggest simply adding a reservation concerning a possible functionality problem when a design is deposited. This proposal has the advantage of allowing challenges to the eligibility of registered IP rights at all stages. This is usually done by a competitor in an indirect way by just using the design and subsequently facing an infringement action.

Another advantage of this proposal is that there are difficulties in defining the threshold of eligibility. The question is ultimately the eye-of-the-judge test. The eye-of-the-judge test is arbitrary by nature. Therefore, it is better to shift the exercise of the test to the specific context of a court case between actual parties. Such a case-by-case resolution is the traditional common law way of

doing things[36] and is less disruptive than an advanced determination of eligibility with respect to property rights.

The common law system already contains a mechanism which calls for shifting complicated decisions, which are derived from factual bases, to court. This pragmatic approach should be used in the industrial design realm as well.

Mainly, the non-functionality requirement should function as an open-standard norm similar to originality,[37] substantial similarity,[38] and other open-standard norms. When these standards are actually employed, it is impossible to impose a single rule to cover a limitless range of factual possibilities.

Another advantage of this proposal is that courts are in a better position to hear evidence prior to deciding whether granting protection in a specific case would close off practical alternatives for future designers. In other words, the decision whether a feature is functional or not would be made on a practical rather than a theoretical basis based on evidence and actual data presented in court.

Finally, the most important advantage of this proposal is that it has the merit of eliminating the "all or nothing" consequences of the non-functionality requirement: the decision is always made in a specific context of a competing use. Future designers may reopen the question, leading to a different result in a different case, based on a new technological development or new factual basis.

These are basically the most sound and robust justifications for this kind of solution. To conclude, shifting the non-functionality requirement into an open-standard rule that is determined on a case-by-case basis, would be a pragmatic solution to this unending debate over how to apply the non-functionality requirement.

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[36] *See* MARTIN HOWE & A.D. RUSSELL-CLARKE, RUSSELL-CLARKE ON INDUSTRIAL DESIGNS 35–42 (Sweet & Maxwell 2005).

[37] *See* Feist Publ'ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 345 (1991) ("Original, as the term is used in copyright, means only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity.").

[38] *See* CRAIG JOYCE ET AL., COPYRIGHT LAW 618–21 (7th ed. 2006) (discussing the various approaches to the "substantial similarity" test).

Thank you.

PROF. SCAFIDI:

Wendy Gordon, as one of the first ladies of copyright, is truly one of those people who needs no introduction, but let me do it anyway, because it's just so much fun.

For those of you who may not know Wendy Gordon, she is the Philip S. Beck Professor of Law at Boston University School of Law. And if you don't know her, the Supreme Court certainly does, because she's been cited in three different opinions. She also recently completed her second term as Chair of the AALS Section on IP.

Her interests may begin with copyright, but they extend throughout the rest of intellectual property, including trademark and unfair competition and legal theory, etc. She's even taught a course on functionality, so we get the microcosm of that today.

Wendy, thank you so much for being here.

PROF. GORDON:

I appreciate that kind introduction. Fordham just seems to breed generosity of spirit. Thank you, Susan, and thank you to the organizers of this symposium.

Before beginning, let me mention that I will confine myself to a limited number of arenas. Thus, for example, I'm not going to discuss design patents, which will be the focus of another speaker's remarks. I will also not discuss the doctrine of aesthetic functionality. My primary goal will be to compare trademark's doctrine of utilitarian "functionality" with copyright's doctrine of "separability," and to show how for at least two circuit court opinions, the two doctrines may be converging. I hope to stimulate discussion of whether such convergence would be a good idea.

To do that, I'd initially like to bring you back to 1964, when the Supreme Court issued its *Sears*[39] and *Compco*[40] decisions. In these two cases, the Supreme Court ruled that courts could not use state unfair competition law to enjoin the duplication of useful

[39] Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964).

[40] Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234 (1964).

product designs. In dicta, the Court essentially said that anything not protected by a federal patent or a federal copyright, but that lies within the general subject matter of either of those federal laws, must go into the public domain,[41] at least as far as state law is concerned. After *Sears* and *Compco*, it looked like state trademark-type protection to enjoin the confusing use of source-identifying product shapes was being wiped off the map.[42]

Since then, of course, we've seen a lot of developments at the intersection of these three areas of law, patent, copyright, and trademark. In particular, we've seen increasing use of the Lanham Act, which, as a federal law, is not subject to preemption the way the state laws at issue in the *Sears-Compco* cases were. The Lanham Act sustained the strength of trade dress law:[43] allowing

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41 *See Compco*, 376 U.S. at 237–38; *Sears*, 376 U.S. at 231.

42 The Court wrote,

> That an article copied from an unpatented article could be made in some other way, that the design is "nonfunctional" and not essential to the use of either article, that the configuration of the article copied may have a "secondary meaning" which identifies the maker to the trade, or that there may be "confusion" among purchasers as to which article is which or as to who is the maker, may be relevant evidence in applying a State's law requiring such precautions as labeling; however, and regardless of the copier's motives, neither these facts nor any others can furnish a basis for imposing liability for or prohibiting the actual acts of copying and selling.

Compco, 376 U.S. at 238.

The later Supreme Court case of *Bonito Boats*, discussed *infra*, can be read as rendering ineffective the part of the *Compco* opinion that disapproved of state prohibitions against the confusing use of distinctive "nonfunctional" features. *See* Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 166 (1989). Mark Alan Thurmon argues that after *Bonito Boats*, "There is no federal right to copy a distinctive, non-functional design." Mark Alan Thurmon, *The Rise and Fall of Trademark Law's Functionality Doctrine*, 56 FLA. L. REV. 243, 313 (2004). However, as Thurmon also notes, opposing positions are taken by other commentators. *Id.* at 313 n.316 and sources cited therein.

43 *See, e.g.*, Jay Dratler, Jr., *Trademark Protection for Industrial Designs*, 1988 U. ILL. L. REV. 887, 898–99 ("Although 'trade dress' originally referred primarily to packaging, containers, and labels, in recent years the concept has expanded to cover product configurations and even the 'look and feel' of products and service establishments." (footnotes omitted)).

trademark-type protection for distinctive non-functional product and container shapes.[44]

Over time, *Sears-Compco* shrank down even as applied to state law. For example, state trade secret law was upheld against a preemption challenge,[45] and a California law criminalizing the duplication of certain sound recordings was upheld against preemption.[46] It became clear that, depending on the context, states could restrain or punish the copying of at least some products left unprotected by federal copyright or patent law.

Then the Supreme Court drew on the Lanham Act itself to refine its pre-emption position. In the 1989 case *Bonito Boats*,[47] the Supreme Court did two things. First, it reasserted that at its core *Sears-Compco* was basically correct: that "federal patent laws *do* create a federal right to 'copy and to use'"[48] which states may not abrogate. Accordingly, the Court struck down a Florida statute that prohibited certain copying of boat hull designs.[49] Second, the *Bonito Boats* Court went out of its way to say, we don't mean to threaten the law of trade dress too much.[50]

Referring to the federal trademark statute, the Lanham Act, the Court wrote:

> Congress has . . . given federal recognition to many of the concerns [such as avoiding consumer confusion] that underlie the state tort of unfair competition, and the application of *Sears* and *Compco* to *nonfunctional* aspects of a product

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[44] *See id.* Dratler sees "the federalization of trademark law under the Lanham Act" as having apparently made a "successful end run" around the practical effects that *Sears* and *Compco* might have had on trade dress law. *Id.* at 923. Nevertheless, as Dratler himself cautions, the policies of *Sears* and *Compco* have been taken into account by cases and commentators in assessing how the Lanham Act should treat industrial design. *Id.* at 923–24.

[45] Kewanee v. Bicron, 416 U.S. 470, 474 (1974) (holding Ohio trade secret law was not preempted by federal patent law).

[46] Goldstein v. California, 412 U.S. 546, 571 (1972) (upholding California statute against preemption challenge).

[47] Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141 (1989).

[48] *Id.* at 165 (emphasis in original).

[49] *Id.* at 144.

[50] *See id.* at 154–56.

> which have been shown to identify source must take account of competing federal policies in this regard.[51]

So *Bonito Boats* can be read as approving protection for "nonfunctional" aspects of product design when necessary to avert consumer confusion—and as assigning to "nonfunctionality" the role, inter alia, of safeguarding the limits embodied in the patent system.

Patents are hard to obtain and have a short duration.[52] If the law allowed relatively easy trademark protection through the accumulation of secondary meaning, or relatively easy copyright protection through the device of originality, we could end up trapping functional minor advances not worthy of patent, and extending rights in such things for the very long term that copyright gives, or in the case of trademark, potentially forever. Even for advances that are worthy of patent, it disserves patent law goals to extend protection beyond the statutory term.[53]

So consider the guy who's trying to decide what to do with his invention. If it's got a physical shape, he might be saying to himself, "Well, I don't want to go the patent route. It's expensive, I only get the patent under certain conditions, I've got to disclose my invention, and the whole thing goes into the public domain after about 20 years.[54] If I can figure out some way to give the product source-identifying significance, or use my originality to make it pretty enough, let me go the trademark or copyright route, and I'll get much longer protection."

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[51] *Id.* at 166 (emphasis added) (making reference to section 43(a) of the Lanham Act (dicta)). The *Bonito Boats* Court also reinterpreted *Sears* as dealing with "the functional aspects of a product[,]" not mentioning whether it also viewed *Compco*'s elimination of the nonfunctional/functional distinction as mere dicta. *Id.* at 156.

[52] 35 U.S.C. § 154(a)(2) (2006).

[53] *See* Aronson v. Quick Point Pencil Co., 440 U.S. 257, 262 (1979) (stating that the purposes of the federal patent system are: "[f]irst, patent law seeks to foster and reward invention; second, it *promotes disclosure of inventions, to stimulate further innovation and to permit the public to practice the invention once the patent expires*; third, the stringent requirements for patent protection seek to assure that ideas in the public domain remain there for the free use of the public" (emphasis added)).

[54] 35 U.S.C. § 154(a)(2).

If that alternate set of routes were relatively easy to use, it would destroy much of the patent system as it exists. So it's not surprising that the Supreme Court in *Bonito Boats* effectively said that however whittled away the *Sears-Compco* cases from 1964 might be, their basic emphasis on preserving the patent system, and its primacy for the public domain, deserves our attention.[55] Nor is it surprising that the *Bonito Boats* opinion reserved its approbation of trade dress for "nonfunctional" shapes.

After *Bonito Boats* came *Dastar*.[56] There the Supreme Court addressed how federal trademark fared when it encountered part of the copyright domain. In *Dastar*, the Supreme Court gave a narrow interpretation to the Lanham Act in order to prevent an end-run around copyright's rules about the need for public access to expired copyrights.[57]

In that case, a public domain film was "copied substantially"[58] and repackaged by a third party.[59] The third party sold it, which was perfectly permissible as far as the expired copyright in the film was concerned.[60] Yet lower courts had given the original maker of the film a trademark cause of action on the grounds known as reverse passing off: that the repackager had attributed to itself the efforts of somebody else.[61]

The Supreme Court stepped in to say, we really must honor the copyright judgment that this film is in the public domain.[62] The route the Court chose was to narrow the Lanham Act, so that the word "origin" in section 43(a) applied only to the source of physical manufacture rather than to the source of ideas.[63] The

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55 *Bonito Boats*, 489 U.S. at 156–57.

56 Dastar Corp. v. Twentieth Century Fox Film Corp., 539 U.S. 23 (2003).

57 *See id.* at 33–34.

58 *Id.* at 28.

59 *See id.* at 25–26.

60 *See id.* at 38.

61 *Id.* at 27–28.

62 *Id.* at 37–38. The Court wanted to avoid "creat[ing] a species of mutant copyright law that limits the public's federal right to 'copy and to use' expired copyrights." *Id.* at 34 (quotation marks omitted) (citing Bonito Boats, Inc. v. Thundercraft Boats, Inc., 489 U.S. 141, 165 (1989)).

63 *Id.* at 37.

defendant had physically manufactured the films it distributed, so it was not guilty of reverse passing off.[64]

Thus we have the Supreme Court in *Bonito Boats* reemphasizing the importance of patent, including patent's limited duration and high standards that put innovations into the public domain. We have *Dastar*, which reinforced the importance of the copyright public domain. In addition, in the nineteenth century, the Supreme Court in *Baker v. Selden*[65] made clear that copyright must defer to patent when useful methods are at issue.[66] Copyright should not grant exclusive rights even in artistic creations[67] if the result might be to lock up a useful method that patent law would govern or put into the public domain.[68] Today's statute is explicit

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64 *See id.* at 38.

65 101 U.S. 99 (1879).

66 The refusal to use copyright to grant rights in useful methods could also be considered an issue of copyright's own proper internal boundaries. Yet the Court treated patent law as relevant. Thus, a key issue in *Baker* was whether "the copyright in a book" describing a bookkeeping method could restrain strangers from reproducing "the ruled lines and headings" necessary to employ the bookkeeping system. *Id.* at 101. The Court held copyright law gave no such right lest the use of the method itself be constrained.

> To give to the author of the book an exclusive property in the art described therein, when no examination of its novelty has ever been officially made, would be a surprise and a fraud upon the public. *That is the province of letters-patent, not of copyright*. The claim to an invention or discovery of an art or manufacture must be subjected to the examination of the Patent Office before an exclusive right therein can be obtained; and it can only be secured by a patent from the government.

Id. at 102 (emphasis added).

67 It might be argued that the lines and headings in *Baker* were insufficiently original or artistic to be protected by copyright even had there been no trespass on patent's territory. I do not pretend to have expertise in 1879 copyright law. Nevertheless, the Court's approach does not seem to depend on any finding that the lines and headings were unoriginal. Rather, the contrast with art per se lay in the purposes art serves. *Id.* at 103–04. Wrote the Court, inter alia:

> where the art [that a book] teaches *cannot be used without employing the methods and diagrams* used to illustrate the book, or such as are similar to them, such methods and diagrams are to be considered as necessary incidents to the art, and *given therewith to the public*; not given for the purpose of publication in other works explanatory of the art, but for the purpose of practical application.

Id. at 103 (emphasis added).

68 > Whether the art might or might not have been patented, is a question which is not before us. *It was not patented, and is open and free to*

in disclaiming copyright for methods, ideas, processes and the like.[69]

All these decisions have implications for how federal law should be interpreted, implicitly in *Bonito Boats* and explicitly in *Baker* and *Dastar*. *Dastar* suggests that federal trademark law must sometimes defer to copyright's definition of the public domain; *Baker* posits that copyright must sometimes defer to patent's definition of the public domain; and *Bonito Boats* suggests that the public has some rights to copy and to use functional objects and discoveries that are unpatented. What are the courts and other branches of government doing with these instructions?

Historically, trademark law has assessed a number of factors to monitor its border with patent; one of the important factors was whether a given design was a "competitive necessity" in the sense that few or no equally good alternative designs existed.[70] In a few minutes I will turn to *TrafFix*, a fairly new Supreme Court opinion that may drastically reduce the relevance of design alternatives to trademark law. We are not sure what the future of trademark will bring.

Let me begin, though, with copyright, and a test it uses to monitor its border with patent. I will focus on one version of that test, which does not depend on the availability of "alternative designs."

Copyright law refuses to grant exclusive rights to some original creations potentially within its ambit, in part to secure the primacy of patent and the patent public domain. Copyright has many devices for doing so. For purposes of examining industrial design, the most important of the copyright doctrines is the following rule: that those pictorial, graphic, and sculptural works that are "useful

> *the use of the public*. And, of course, in using the art, the ruled lines and headings of accounts must necessarily be used as incident to it.

Id. at 104 (emphasis added).

[69] 17 U.S.C. § 102(b) (2006) ("In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form . . . .").

[70] *See generally* Thurmon, *supra* note 42.

objects" can be copyrighted only if their aesthetic aspects are separable from their utilitarian ones.[71]

Admittedly, as our prior speaker Orit Fischman Afori says, "Aesthetics are a kind of function." The Copyright Act addresses that issue in its skillful definition of "useful article," which you'll find at section 101.[72] A useful article "is an article having an intrinsic utilitarian function that is not *merely to portray the appearance of the article or to convey information*."[73] I've emphasized that last bit because it describes the functions that are appropriate for copyright. It is perfectly appropriate for copyright "to portray . . . appearance" or "to convey information." Those are copyright functions. A three-dimensional object that solely serves these functions is not a "useful article."

By contrast, if a three-dimensional object[74] serves additional or *other* utilitarian functions, it is a "useful article" and must pass the separability test in order to obtain copyright protection:

> the design of a useful article . . . shall be considered a . . . sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.[75]

The separability test applies if you're trying to get protection for a piece of industrial design as a sculptural object and that design serves—as it almost always does—a function other than conveying appearance or information. Examples of objects subject to the separability test would include, for example, the chair or the coffee makers that Orit presented in her slides, or an ornamental

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71 17 U.S.C. § 101 (defining "pictorial graphic, and sculptural works" and "useful article").

72 *Id.* (defining "useful article").

73 *Id.* (emphasis added).

74 Such objects (other than buildings, which are subject to separate protection under 17 U.S.C. § 102(a)(8)) usually seek copyright as "sculptural" works, *id.* § 102(a)(5), and such works are subject to the separability test if they are "useful articles."

75 17 U.S.C. § 101 (defining "pictorial, graphic, and sculptural works").

belt buckle[76] or a visually pleasing bicycle rack.[77] These are "useful articles." If their creators try to get them protection as sculptural works, the separability test might well deny them copyright.

Orit has emphasized the difficulties courts have had in applying the separability test. Those difficulties and the resulting variations among courts cannot be denied. But I see my task as trying to get an overview of separability. One way to achieve that goal is by focusing on an interpretation of the separability doctrine that is fairly unambiguous: namely, that copyright should be granted to an aesthetic feature only if, inter alia, "the useful article in which [the feature] is embodied would be equally useful without it."[78] I call this the "shaving-off" test: strip off the aesthetics, and ask if the object still functions as effectively. A "shaving-off" interpretation is advanced as a component of a test for conceptual separability by a noted commentator (Paul Goldstein, from whom I quote) and is inherent in the analysis of at least one respected court (the Second Circuit in *Carol Barnhart*).[79]

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[76] *See* Kieselstein-Cord v. Accessories by Pearl, Inc., 632 F.2d 989, 990 (2d Cir. 1980).

[77] *See* Brandir Int'l, Inc. v. Cascade Pac. Lumber Co., 834 F.2d 1142, 1143 (2d Cir. 1987).

[78] This is the second prong of Paul Goldstein's suggested "distillation" of conceptual separability: "a pictorial, graphic or sculptural feature incorporated in the design of a useful article is conceptually separable if it can stand on its own as a work of art traditionally, conceived, *and if the useful article in which it is embodied would be equally useful without it*." *See* 1 PAUL GOLDSTEIN, GOLDSTEIN ON COPYRIGHT § 2.5.3, at 2:67 (2d ed. 2003 & Supp. 2004) (emphasis added). As discussed further *infra*, the "shave-off" test is most clearly applied in *Carol Barnhart, Inc. v. Economy Cover Corp*., 773 F.2d 411, 412 (2d Cir. 1985) (denying mannequin torsos copyright).

The first prong of Goldstein's test (the work standing on its own as art) is problematic for many reasons, including its malleability. But since Goldstein's two-prong test is cumulative (it uses the word "and" between the prongs), a work will fail to obtain copyright if it fails to meet *either* of the two prongs. If it fails the second prong, that is sufficient to bar copyright. The second prong is the one I employ (whether the object would be equally useful if shaved of its allegedly copyrightable elements). And that second prong tends to provide relatively unambiguous and predictable results.

In *Pivot Point International, Inc. v. Charlene Products, Inc.*, 372 F.3d 913 (7th Cir. 2004), the Seventh Circuit refused to adopt a variant of the shave-off test, over a vigorous dissent. *See id.* at 932–34 (Kanne, J., dissenting). Interestingly, the majority opinion devotes some attention to the possibility of alternative designs. *Id.* at 929–30.

[79] Carol Barnhart Inc. v. Econ. Cover Corp., 773 F.2d 411 (2d Cir. 1985).

Admittedly, this test I adapt from *Carol Barnhart* is not a majority or even plurality rule. For example, the Second Circuit itself, in a later case, used a different interpretation of separability, without rejecting the *Barnhart* result.[80] But for purposes of our discussion, the shave-off test I offer has many virtues. First, I think it is consistent with many case results, and sensitive to patent concerns. Second, it "holds still": one can make predictions, I think, about what copyrights it will bar. If one shaves off the arguably original (aesthetic) features, will the object still function as well? That's not usually a hard question to answer. Third, it offers a striking contrast to historic trademark law, which will help the clarity of our discussion. The pre-*TrafFix* functionality test of trademark law looks to whether an object has *alternatives*. Consider a bicycle rack made of undulating tubing that is aesthetically pleasing in a form-follows-function way. Under the "shaving-off" test, it could not be copyrighted, because if one removed its undulations, there would be nothing to which the bicycles and their locks could attach. Under the "alternatives" test now so controversial in trademark law, on the other hand, the bike rack might be "nonfunctional" because so many alternatives exist to the particular shape.[81]

I do not argue substantively that the shave-off test is the best one—I am not even sure Goldstein would say that of his test.[82] But for purposes of understanding potential differences between "functionality" and "separability," the shave-off test is an excellent one.

Now that we have temporarily "fixed" part of our interpretation of separability, we can ask what purposes such a broad prohibition might serve from an institutional perspective. I don't mean that these purposes were embraced by Congress deliberately—the

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80 *See Brandir*, 834 F.2d at 1145.

81 Thus, in *Brandir*, the court found a bicycle rack uncopyrightable, but on the question of trademark functionality, *Brandir* remanded: "[I]t is the absence of alternative constructions performing the same function that renders the feature functional" for trademark purposes, and that was seen as a question of fact not suitable for summary judgment. *Id.* at 1148–49. An object could be "inseparable" and noncopyrightable, but nevertheless "nonfunctional" and capable (if distinctive) of serving as a trademark.

82 *See* GOLDSTEIN, *supra* note 78, § 2.5.3, at 2:68–71.

historical record is complex[83]—but that the purposes may nevertheless have been served.

Separability if interpreted strictly (that is, using the "shaving-off test") can be seen as a way of reducing judicial and litigation costs. It is possible that Congress by adopting the separability test in 1976 avoided for copyright the morass of what we term in trademark law the functionality doctrine.[84] "Separability" could allow courts to avoid deciding, for example, whether there are many competitive alternatives available for a particular lamp design, or a particular chair design.[85] Separability can be understood as instructing judges to avoid the hard questions: if you can't separate the function out, such that the artwork can still exist afterwards, then just deny copyright to the whole thing. Avoid complicated questions of how good this particular object is at its task, whether giving it a copyright will allow sufficient scope to later designers, or questions about the object's artistic quality. If the object doesn't pass the separability test, the battle's over. No copyright.

Thus I'm speculating that in making this choice for separability, Congress may have enabled an experiment in reducing litigation and lightening the judicial load. (Whether the courts took advantage of the opportunity is a separate question.)

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[83] *See, e.g.*, J.H. Reichman, *Design Protection in Domestic and Foreign Copyright Law: From the Berne Revision of 1948 to the Copyright Act of 1976*, 1983 DUKE L.J. 1143, 1259–64 (detailing the interactions that gave rise to the separability test and its adoption in the 1976 Act).

[84] Mark Alan Thurmon describes the 1928–81 developments in trademark functionality doctrine as "turbulent." *See* Thurmon, *supra* note 42, at 271–82.

[85] In fact, when the Copyright Act was passed, the availability of competitive alternatives looked like it was very important to the trademark test for functionality. The Copyright Act embodying the separability test was passed in 1976. Copyright Act of 1976, Pub. L. No. 93-553, 90 Stat. 2541 (codified as amended at 17 U.S.C. §§ 101–810, 1101 (2006)). The *Morton-Norwich* court supplied examples of cases in 1976 and 1973 that emphasized an inquiry into "alternatives" as part of the functionality inquiry in trademark law. *In re* Morton-Norwich Prods., Inc., 671 F.2d 1332, 1341 (C.C.P.A. 1982). The *Morton-Norwich* opinion also cited some cases in which functionality was found despite the presence of alternative designs. *Id.*; *see also* Thurmon, *supra* note 42, at 271–82 (suggesting that the Restatement (First) of Torts in 1938 temporarily pulled trademark courts away from developing a consensus that functionality should be viewed from the perspective of "competitive need" in which analysis of alternative designs would have played an important role).

The legislative history states that Congress saw a need for a bright line test; [86] it doesn't reveal the underlying logic of that choice.

Whatever the explanation, the separability test seems to me on its face to deny judges an immense amount of discretion. Now as the courts have actually interpreted separability, they have been more protective of their powers. Some objects that you might think didn't possess separable aesthetic and functional features, have been granted copyright protection.

But by and large, in my view, the courts have been fairly restrictive in their grants of copyright—following implicitly some version of the "shaving-off" test perhaps—and have for example denied copyright to immensely creative bicycle rack designs[87] and torsos of the human figure being used as store mannequins.[88] To illustrate the strictness of the "separability" approach in practice, consider architecture.

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[86] > [T]he Committee is seeking to draw *as clear a line as possible* between copyrightable works of applied art and uncopyrighted works of industrial design. A two-dimensional painting, drawing, or graphic work is still capable of being identified as such when it is printed on or applied to utilitarian articles such as textile fabrics, wallpaper, containers, and the like. The same is true when a statue or carving is used to embellish an industrial product or, as in the Mazer case [347 U.S. 201 (1954)], is incorporated into a product without losing its ability to exist independently as a work of art. On the other hand, *although the shape of an industrial product may be aesthetically satisfying and valuable, the Committee's intention is not to offer it copyright protection under the bill*. Unless the shape of an automobile, airplane, ladies' dress, food processor, television set, or any other industrial product contains some element that, physically or conceptually, can be identified as separable from the utilitarian aspects of that article, the design would not be copyrighted under the bill.
>
> H.R. REP. NO. 94-1476, at 55 (1976) (emphasis added).

At least one court, however, argues that "[t]he language employed by Congress is not the language of a bright-line rule of universal application" but rather "general policy guidance." Pivot Point Int'l, Inc. v. Charlene Prods., Inc., 372 F.3d 913, 921 (7th Cir. 2004). I think that assessment overstates the indeterminacy of the statute.

[87] *See* Brandir Int'l, Inc. v. Cascade Pac. Lumber Co., 834 F.2d 1142, 1143 (2d Cir. 1987).

[88] *See* Carol Barnhart Inc. v. Econ. Cover Corp., 773 F.2d 411, 412 (2d Cir. 1985) (denying mannequin torsos copyright). *But see Pivot Point*, 372 F.3d at 932 (holding that a mannequin is copyrightable "because [it] was the product of a creative process unfettered by functional concerns").

For some time, buildings were copyrightable only as sculptural objects, and therefore as "useful articles" had to pass the separability test. They generally could not pass. Except as to discrete ornaments like "gargoyles," "Congress and the courts refused to acknowledge any separability that would permit protection for a building itself."[89] "Finished buildings generally were not considered protected . . . ."[90]

In order to adhere to the Berne Convention in regard to architecture, Congress twice amended the Copyright Act. In the second amendment, Congress gave architecture a new category free of the strict separability analysis.[91] The new test seems to be whether the "design elements are not functionally required,"[92] apparently a test easier for copyright claimants to pass than separability.

Without the separability rule, product shapes probably could be protectable to a much greater extent than they are. Perhaps they would only be struck down if they violated yet another copyright rule, perhaps the doctrine called "merger."[93] Merger is usually employed to keep *ideas* free from copyright protection, but the general policies of the doctrine apply equally well to functional objects.[94]

Merger strikes only rarely. It's like lightning, whereas a lack of separability is an everyday occurrence, like rain.

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89 JULIE COHEN, LYDIA PALLAS LOREN, RUTH OKEDIJI & MAUREEN O'ROURKE, COPYRIGHT IN A GLOBAL INFORMATION ECONOMY 269 (2d ed. 2006).

90 *Id.*

91 *See* Architectural Works Copyright Protection Act, Pub. L. No. 101-650, §§ 702–06, 104 Stat. 5133 (1990) (codified as amended at 17 U.S.C. §§ 101–02, 106, 120, 301).

92 COHEN ET AL., *supra* note 89, at 276 (quoting H.R. REP. NO. 101-735, at 20–21 (1990), *reprinted in* 1990 U.S.C.C.A.N. 6935, 6951–52)).

93 *See generally* Morrissey v. Procter & Gamble Co., 379 F.2d 675, 678–79 (1st Cir. 1967) (providing general information about the merger doctrine and idea/expression dichotomy).

94 Thus, at various times courts have used the "idea/expression dichotomy" to deny copyright protection to three-dimensional objects. *See* Reichman, *supra* note 83, at 1234 & n.476.

Merger is not the only alternative. Another approach might be to deny copyright to objects whose shapes are "functionally required." *See* discussion of architectural works *supra* text accompanying notes 91–92. Such a test, like merger, is much less demanding than the separability test—at least on its face.

The merger doctrine came into being via judicial interpretation long ago.[95] Although you can describe merger in many ways, as it applies to our concerns the merger doctrine basically would deny copyright to an expressive work conveying an idea or serving a functional purpose if giving copyright would threaten to lock up the idea or function in the copyright holder's hands.[96] That is, a finding of merger can be precluded by showing there are a multitude of alternative ways to express the idea or attractively carry out the function. It resembles the pre-*TrafFix* "functionality" inquiry more closely than it does the "shave-off" version of separability.

Merger is supposed to keep copyright from checkmating the public's interest in free use in ideas and unpatented products. The *Morrissey*[97] court used the word "checkmate" to indicate that a court should consider a piece of expression "merged" into its idea before the point is reached when the expression is the sole way of conveying the idea. Even if there are a few potential alternate versions possible, copyright should be denied if you can see the end in sight—much as good chess players can see an inevitable checkmate several moves ahead of the actual event.[98] But not all courts take the "checkmate" approach.

So merger seems to say, if there are only a few ways of expressing something, then you can't copyright any of them. Now in the case of that beautiful chair that Orit showed, or those some-attractive, some-unattractive espresso machines that she showed, clearly there are more than three or four ways to design them. Many particular espresso machines or chairs would, I think, pass a merger test. But they may flunk separability.

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95 *See* Baker v. Selden, 101 U.S. 99, 101–02 (1879). *Baker* is often seen as the birthplace of the merger doctrine: "[W]here the art [a book] teaches cannot be used without employing the methods and diagrams used to illustrate the book, or such as are similar to them, such methods and diagrams are to be considered as necessary incidents to the art, and given therewith to the public . . . ." *Id.* at 103.

96 *See generally id.* at 101–02 (providing general information about what we now call the merger doctrine and idea/expression dichotomy); *Morrissey*, 379 F.2d at 678–79 (same).

97 Morrissey v. Procter & Gamble Co., 379 F.2d 675 (1st Cir. 1967).

98 *See id.* at 678–79.

The tests for separability vary across federal jurisdictions. I'd be glad to discuss the tests in detail during the question and answer session. For now, let me mention two examples. One type of approach tracks the creator's choices in making his design, asking whether changes were made to the design to serve a functional purpose.[99] If so, it doesn't matter if the affected feature also shows aesthetic intent, kill it, no copyright for it.[100] The other approach, which I've already mentioned, implicitly asks if the aesthetic part of the object could be shaved off without impairing the object's functionality.[101] If it can, then copyright would be sustained. If, on the other hand, removing the contested features would impair the object's functionality, copyright in the features would be denied.

Because it is often difficult for useful objects of industrial design to get protection as sculptures under copyright law,[102] one might question whether copyright's failure to protect most industrial design causes disincentives. In my view, American designers still predominantly follow the route of Form-Follows-Function, instead of trying to pile flowery separable designs on top

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[99] For example, the court held that a bike rack, which originated as an artistic sculpture, was functional, and therefore not copyrightable, in part because the sculptor modified the original sculpture with the intent of making it a more efficient bicycle rack. *See* Brandir Int'l, Inc. v. Cascade Pac. Lumber Co., 834 F.2d 1142, 1147–48 (2d Cir. 1987).

[100] *See id.*

[101] The Second Circuit in dicta suggested the grant of copyright to a belt buckle design was appropriate because, inter alia, "the ornamented surfaces of the buckles were not in any respect required by their utilitarian functions; the artistic and aesthetic features could . . . be conceived of as having been added to, or superimposed upon, an otherwise utilitarian article." Carol Barnhart Inc. v. Econ. Cover Corp., 773 F.2d 411, 419 (2d Cir. 1985) (discussing Kieselstein-Cord v. Accessories by Pearl, Inc., 632 F.2d 989 (2d Cir. 1980)). The opinion concludes by defending the copyright in the belt buckle on this ground: that "a belt buckle can *serve its function satisfactorily* without any ornamentation of the type that renders the *Kieselstein-Cord* buckles distinctive." *Id.* (emphasis added).

The copyright statute in defining "useful object" may be more concerned with copyright's own internal limits than with deference to patent law. Yet the language just quoted is protective of patent law: the court seems to place emphasis on whether the *utilitarian article* could exist and function independently without the added artwork. By contrast, the statutory language instead asks if the *aesthetic* features can exist independently.

[102] I am speaking here of judicial approaches. I have not examined Copyright Office practices.

of objects. That so many American designers have resisted the more easily-copyrightable route of "kitsch" suggests that design might continue to flourish as an aesthetic and important part of our economy whatever route copyright law chooses. Of course, the economic fate of designers depends on far more than just copyright law—notably, on business models, and on alternative sources of legal protection such as trademark law.[103]

As you know, trademark law protects only "nonfunctional" product designs, and the definition of "functionality" is much debated. At least until recently, an important factor was whether alternatives existed—if they did, a product design was likely to be found "nonfunctional."[104] Under the still influential *Morton-Norwich* opinion,[105] the key question was whether the design at issue was "the best or one of a few superior designs available?"[106] So long as many equally good design alternatives existed, under *Morton-Norwich* it looked like trademark law would protect a significant amount of industrial design.

In the recent Supreme Court case known as *TrafFix*, the relevance of alternative designs became more questionable. In *TrafFix*, a company that held expired utility patents in a dual spring design for holding signs against the wind sought to protect the design under trademark law, based on the claim that people

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[103] *See generally* Dratler, *supra* note 43.

[104] "Since the effect upon competition 'is really the crux of the matter,' it is, of course, significant that there are other alternatives available." *In re* Morton-Norwich Prods., 671 F.2d 1332, 1341 (C.C.P.A. 1982) (internal citations omitted). Other factors mattered as well, but let us keep our eye on the issue of alternatives as part of the competitive-need standard, since the presence of alternatives can often favor claimants who argue for the nonfunctionality of their trade dress. *See, e.g.*, Thurmon, *supra* note 42, at 302 n.265 ("It is certainly true that a great many product or packaging features will be deemed non-functional under a competitive need standard.").

Admittedly, an inquiry into alternatives can itself be subject to significant variation. *See, e.g.*, *id.* at 298–302 (arguing for a particular conception of alternatives).

[105] The *Morton-Norwich* decision was approved as having continued applicability after *TrafFix* in *Valu Engineering, Inc. v. Rexnord Corp.*, 278 F.3d 1268 (Fed. Cir. 2002), discussed *infra*. Thus, the Federal Circuit position is in disagreement with those courts that see *TrafFix* as "radically changing" the law of functionality. Thurmon, *supra* note 42, at 246. The Federal Circuit interpretation in *Valu Engineering* "is particularly significant because the United States Patent and Trademark Office (PTO) is bound by the decisions of the Federal Circuit on such issues." *Id.*

[106] *Morton-Norwich*, 671 F.2d at 1341.

recognized the dual spring design as source-identifying.[107] The company apparently argued that despite the expired patent, competitors who want to use the dual spring design should at least make it look a little different to avoid confusing the public. New manufacturers of the sign-holding device could put a box around it, for example, to hide the dual springs, or use a different number of springs.[108]

Under such an argument, the design's trademark status might have been upheld if there were many possible competitive alternatives.[109] And there is some appeal in such a view: if many ways exist for third parties to use an invention that had entered into the public domain, without the result looking exactly like the thing consumers had come to associate with a particular source, why not require new users of the invention to change the appearance a little?

The Supreme Court refused to put this burden on the new manufacturers.[110] The Court said: "A utility patent is strong evidence that the features therein claimed are functional."[111]

"Where the expired patent claimed the features in question, one who seeks to establish trade dress protection must carry the heavy burden of showing that the feature is not functional, for instance by showing that it is merely an ornamental, incidental, or arbitrary aspect of the device."[112]

Moreover, wrote the Court,

> Functionality having been established . . . .

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107 TrafFix Devices, Inc. v. Mktg. Displays, Inc., 532 U.S. 23, 26–27 (2001).

108 *Id.* at 33–34 (disapproving the court of appeals' willingness to explore such alternatives).

109 *See* Brief for Respondent at 21, *TrafFix*, 532 U.S. 23 (No. 99-1571) ("[I]f a product feature has numerous alternatives (actual or theoretical) that serve the same useful purpose or provide the desired ornamental impression, then allowing the patentee to appropriate one design would not hinder competition in the relevant product market. To the contrary, it would prevent others from depriving the trade dress owner of its investment and goodwill, and denying the public of a distinctive source identifier necessary for informed and effective competition.").

110 *See TrafFix*, 532 U.S. at 33–34.

111 *Id.* at 29.

112 *Id.* at 30.

> There is no need . . . to engage, as did the Court of Appeals, in speculation about other design possibilities, such as using three or four springs which might serve the same purpose . . . . The dual-spring design is not an arbitrary flourish in the configuration of MDI's product; it is the reason the device works. Other designs need not be attempted.[113]

Whether or not the design has a competitive advantage over other designs is irrelevant in the case where the design "is the reason the device works."[114] Even if there are many ways to avoid consumer confusion by covering the invention, or altering its appearance without impairing its usefulness, that's irrelevant.[115] If the design "is the reason the device works,"[116] then at least in the presence of an expired utility patent, *TrafFix* says that trademark law must not enjoin copying by competitors.[117]

TrafFix is immensely controversial, and may presage new possibilities for the development of trademark doctrine. The courts have gone in at least two different directions in interpreting *TrafFix*. One of the approaches treats *TrafFix* as little altering the federal approach to functionality. Another seems to take from *TrafFix* a test that remarkably resembles one version of the copyright separability test I've called the "shave-off" approach.

The case that seems to see *TrafFix* as making little change is *Valu Engineering*.[118] At issue was the trademark status of a design for conveyor-belt guard rails. In *Valu Engineering*, the influential Federal Circuit said that *TrafFix* doesn't really mean what it seems to say; we can still use the old *Morton-Norwich* factors,[119] one of which is "the availability to competitors of functionally equivalent

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113 *Id.* at 33–34 (citation omitted).

114 *Id*. at 33–34.

115 *Id*. at 34.

116 *Id*. at 33.

117 *See id*. at 35.

118 Valu Eng'g, Inc. v. Rexnord Corp., 278 F.3d 1268 (Fed. Cir. 2002).

119 Even under the *Morton-Norwich* approach, the court denied protection to the guide rail design, *id.* at 1279, a result the court would have almost certainly reached had it employed the *TrafFix* approach as interpreted by, e.g., the *Eppendorf* case described below. If so, technically the case analysis is dicta.

designs."[120] That is, in *Valu Engineering*, the Federal Circuit said that alternative designs should continue to play a significant role in the analysis of functionality.[121]

A few months later came a case called *Eppendorf* in the Fifth Circuit.[122] The Eppendorf company manufactured both a popular dispenser syringe and pipette tips that would fit the syringe.[123] A third party came along and made an allegedly confusingly similar set of pipettes which it sold at a lower price.[124] That new manufacturer advertised that its pipettes could fit the Eppendorf syringe.[125] Basically, it was a case of after-market sale of an object that was both competitive with, and compatible with, items in Eppendorf's product line.[126] Eppendorf alleged that many of its pipette features were distinctive and non-functional.

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[120] *Id*. at 1274.

[121] *Id*. at 1274 (citing *In re* Morton-Norwich Prods., Inc., 671 F.2d 1332, 1340–41 (C.C.P.A. 1982)). Wrote the *Valu Engineering* court:

> Nothing in *TrafFix* suggests that consideration of alternative designs is not properly part of the overall mix, and we do not read the Court's observations in *TrafFix* as rendering the availability of alternative designs irrelevant. Rather, we conclude that the Court merely noted that once a product feature is found functional based on other considerations there is no need to consider the availability of alternative designs, because the feature cannot be given trade dress protection merely because there are alternative designs available. But that does not mean that the availability of alternative designs cannot be a legitimate source of evidence to determine whether a feature is functional in the first place.

Id. at 1276 (footnote omitted).

There may be occasions when alternatives are important, but under *TrafFix*, those occasions do not include situations where the claimed distinctive feature is the "reason the device works."

[122] Eppendorf-Netheler-Hinz GMBH v. Ritter GMBH, 289 F.3d 351 (5th Cir. 2002), *cert. denied*, 537 U.S. 1071 (2002).

[123] *Id*. at 353.

[124] *Id*. at 354 (noting that defendant's pipette tips "were marketed as a 'direct replacement'" for plaintiff's pipette tips).

[125] *Id*.

[126] As noted above, the crucial language in *Valu Engineering* may be dicta. The same may be true of the language in *Eppendorf*: had the *Eppendorf* court employed a competitive-necessity test, it might have come to the same result as it did using its strict interpretation of *TrafFix*.

Given the importance of the Eppendorf syringes in the market, the court could have found a competitive need to sell identical pipettes, so the pipettes could fit into the popular syringe holder. Recognizing a trademark in *Eppendorf* pipettes, in other words,

To assess the features' functionality, the court conceivably could have asked (as *Morton-Norwich* would have asked) if alternative designs existed for the claimed features which could do their job as well. The *Eppendorf* court refused to take this tack. It treated as irrelevant the expert testimony offered on the question of whether "[the design elements identified by Eppendorf] can be changed significantly, considerably without affecting the overall intended purpose."[127]

Instead, the court assessed whether the features were necessary to the product's operation in the sense that, if the features were *absent*, the product would no longer function.[128] Because removing the features would leave the device unable to work, the court ruled that all the features "are essential to the operation" of

might have left little possibility of a low-cost alternative in that secondary market. (However, the opinion does not reveal whether the features of defendant's pipettes that were similar to Eppendorf's distinctive product features went further than necessary to make its pipettes functionally compatible with the Eppendorf syringe.)

[127] *Eppendorf*, 289 F.3d at 358 (alteration in original); *see also id*. at 356 n.4 ("A product feature that satisfies [what *TrafFix* called] the traditional test for functionality is not shielded from functional status merely because the feature is not a competitive necessity.").

[128] The court uses affirmative language such as "the flange is necessary," *id*. at 358, but the opinion obviously means by "necessary" that the feature must be present in order for the object to function. In my view, the same thought is better conveyed without overly burdening the word "necessary," and instead inquiring directly into whether the absence of the item would affect the object's functional operation.

The court used the following language:

> (1) The flange is necessary to connect the Combitip to the dispenser syringe; (2) The rings on the plunger head are necessary to lock the plunger into a cylinder in the dispenser syringe; (3) The plunger is necessary to push liquids out of the tip, and the ribs on the plunger stabilize its action; (4) The tips at the lower end of the Combitips are designed to easily fit into test tubes and other receptacles; (5) The size of the Combitip determines the dispensed volume, and size is essential to accurate and efficient dispensing; (6) The color scheme used on the Combitip-clear plastic with black lettering-enables the user easily to see and measure the amount of liquid in the Combitip, and black is standard in the medical industry; and (7) The stumps of the larger Combitips must be angled to separate air bubbles from the liquid and ensure that the full volume of liquid is dispensed. Thus, all eight design elements identified by Eppendorf are essential to the operation of the Combitips.

Id.

plaintiff's pipette tips.[129] Having come to this conclusion, the court concluded that "alternative designs are not germane."[130]

For example, the court said that "the flange is necessary to connect . . . to the dispenser syringe;"[131] that the plunger is necessary to "push liquids out of the tip;"[132] and that the color scheme of clear plastic with black lettering (which the court noted was standard in the medical industry)[133] was necessary to "see and measure the amount of liquid."[134] So all of these things were functional, concluded the court—regardless of whether there were alternative shapes or schemes that could have achieved the same task.[135] Apparently because a pipette must have a flange, a plunger and lettering, all of those aspects were "functional."

This analysis is remarkably similar to that of the Second Circuit in the *Carol Barnhart* copyright case. There the court found "no separability" in the design of mannequin torsos. Wrote the court:

> the features claimed to be aesthetic or artistic, e.g., the life-size configuration of the breasts and the width of the shoulders, are inextricably intertwined with the utilitarian feature, the display of clothes. . . . [A] model of a human torso, in order to serve its utilitarian function, must have some configuration of the chest and some width of shoulders.[136]

Thus, the chest and shoulder designs are not "separable."

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129 *Id*.

130 *Id*. Although the presence of expired patents might arguably have been essential to the *TrafFix* opinion, the *Eppendorf* opinion does not mention whether the pipettes had ever been patented. The court instead focuses on the question of whether a feature "is the reason the device works." *Id*. at 355, 357 (quoting TrafFix Devices, Inc. v. Mktg. Displays, Inc., 532 U.S. 23, 33–34 (2001)).

131 *Id*. at 358.

132 *Id*.

133 To achieve protection under the Lanham Act, an object must be nonfunctional *and* distinctive (source-identifying). 15 U.S.C. §§ 1052, 1127 (2006). The court may have been intimating its doubts about the distinctiveness of the lettering.

134 *Eppendorf*, 289 F.3d at 358.

135 *See id*.

136 Carol Barnhart Inc. v. Econ. Cover Corp., 773 F.2d 411, 419 (2d Cir. 1985).

Thus to resolve a trademark functionality dispute, the *Eppendorf* court might be said to have used a strict, *Carol Barnhart* type version of what we call the separability test in copyright.[137] The *Eppendorf* court saw that kind of approach as its warrant from *TrafFix*.

So what lessons can we draw from these developments? One possibility is this. After *TrafFix*, it appears that trademark courts have the option of following copyright's lead, and could employ a separability-type "shaving-off" test that would leave many more objects open for copying. Perhaps we can use the existing copyright and trademark cases as a sort of laboratory from which to gain some empirical data on whether this would be a good route to follow. Despite the differences in the goals served by copyright and trademark respectively, both regimes seek to avoid conflict with patent law. The costs and benefits of "separability" in its various versions, is worth comparing with "functionality" in its various guises, particularly at the two extremes I have highlighted: the copyright cases that hinge on how an object would function if the aesthetics were shaved away, and the trademark cases that hinge on whether the appearance of a distinctive object could be altered (or an alternative found) without impairing functionality.

Thank you.

PROF. SCAFIDI:

Next we have Mark Janis, who is a Professor of Law and Ira C. Batman Faculty Fellow at the Maurer School of Law at Indiana University. It took a title that long, by the way, to lure him away from Iowa where he was also a distinguished Chair until quite recently.

Mark teaches and writes in the areas of patent, trademark and unfair competition, and IP and antitrust. So he comes at this a little more from an industrial property perspective. He is well-published in law reviews, of course, but also has a special gift for the kind of writing, that on any other panel but this one, I would call useful.

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[137] As mentioned, the resemblance is perhaps most clear in the approach to separability taken by *Carol Barnhart*.

That is to say, he's written a casebook that a lot of you have studied from, *Trademarks & Unfair Competition*; he's also the author of a couple volume treatise on IP and Antitrust. What I'm most excited about is his forthcoming book on Trade Dress and Design Law. So without further ado, Mark.

PROF. JANIS:

Thank you for the introduction. Thanks, it's always nice to be here at Fordham.

I'm going to talk about design patent law, the oldest form of design protection law, at least in the U.S., but also the least evolved. Design patent law is largely derivative of utility patent law for better or worse. The derivation hasn't always been very smooth, leading some to attempt to draw analogies to trademark, to copyright.

What I'd like to do is talk a little bit about some recent doctrinal developments in design patent law, but mainly for the purpose of asking an overarching question, which is, has the patent model for design protection really proven to be all that successful?

My objective is not really to denigrate the design patent system, though in some ways that would be easy to do. My objective really is to ask whether there might be a way to make the design patent system ease away from its "patentness."

So I want to start by addressing the question from a historical perspective. What were we thinking? Why did we decide to adopt a patent model for design protection? There are many ways that one could explain it.

My way may be a little bit frivolous here, but really the main reasons I brought the slides was so I could show you a picture of Henry Ellsworth. I think that there's a fair argument to be made that the main reason that we adopted a patent model for designs was because Henry Ellsworth wanted it.[138]

[138] Henry Leavitt Ellsworth (1791–1858) was largely responsible for the development of the business of the United States Patent Office. *See generally* FRANKLIN BOWDITCH DEXTER, BIOGRAPHICAL SKETCHES OF THE GRADUATES OF YALE COLLEGE WITH ANNALS OF THE COLLEGE HISTORY 6, at 309–12 (Yale Univ. Press 1912).

He was a politically powerful guy at the time, happened to be the patent commissioner.[139] In a report in 1841 to the Congress, he said, essentially as you can see from the excerpt there, "Give me the authority to grant patents for these objects, designs."[140] And he says, "This could happen simply by authorizing me to issue patents under the same limitations and on the same conditions as govern the present action in other cases."[141]

Now, how simple was that really? In 1841 or 1842, when Congress did take his advice and passed a statute very similar to the language of his report,[142] the limitations and conditions that he would have had in mind are really quite different than the ones that we would have in mind today.

So, for example, at the time, there was no developed doctrine of obviousness in utility patent law.[143] *Hotchkiss v. Greenwood*[144] had not been decided. There was not a developed claim drafting practice either.

Certainly, we didn't have the set of tools for defining claim scope that we now have in utility patent law.[145] One other thing: the Ellsworth letter refers to the word "useful" in connection with some categories of designs, suggesting that those designs could be protected only if they possessed utility.[146] While the utility patent law did contain a utility requirement at the time,[147] and design patent law could have drawn upon it, that notion seems rather

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139 *See id*. at 310.

140 HENRY L. ELLSWORTH, REPORT FROM THE COMMISSIONER OF PATENTS, H.R. DOC. NO. 74 (1842).

141 *Id*.

142 *Id*.

143 35 U.S.C. § 103 (2006) ("A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title [35 U.S.C. § 102], if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains."); *see also* CHISUM, *supra* note 5, § 1:OV.2.

144 52 U.S. 248 (1851).

145 *See generally* Phillips v. AWH Corp., 415 F.3d 1303 (Fed. Cir. 2005) (en banc).

146 HENRY L. ELLSWORTH, REPORT FROM THE COMMISSIONER OF PATENTS, H.R. DOC. NO. 74 (1842).

147 35 U.S.C. § 101.

strange for design protection, where we're usually interested in ensuring non-functionality, rather than functionality.

So the patent model that Henry Ellsworth had in mind really was necessarily quite different than the patent model that we have today for designs. Indeed, some of the doctrines that have been most troublesome in design patent law are the very ones that I have just mentioned: obviousness, claim scope, and non-functionality.

I now want to explore those doctrines a bit to ask the following question: have these doctrines been troublesome just because patent law is difficult and its doctrines aren't always pure, or have these doctrines been difficult for a common reason, that the patent model, at least as we know it today, isn't a very good fit for protecting design?

So let me start with obviousness and detail a couple of debates that have arisen recently with respect to design patent obviousness.

First, I would suggest that the very idea of applying the utility patent doctrine of obviousness to designs is a challenging concept to grasp. I take comfort in the fact that I have some good company in that: Judge Rich.

The design patent obviousness requirement comes to design patents implicitly through this incorporation clause in § 171,[148] written by Judge Rich,[149] who also wrote § 103.[150]

But if you actually tried to follow the statute applying § 103, which Judge Rich wrote, by way of § 171, which he wrote, that was difficult. He complained about it himself, "Applying obviousness to designs is impossible," he said in his concurring opinion in the *Nalbandian* case.[151]

In very typical, Judge Rich fashion, he went on in that concurring opinion to say, "And let me just tell you something about the writing of the patent statute, which by the way, I was

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148 *Id.* § 171.

149 Giles S. Rich served on the United States Court of Appeals for the Federal Circuit from 1956 until his death in 1999. *See* Richard A. Oppel, Jr., *Giles S. Rich, Oldest Active Federal Judge, Dies at 95*, N.Y. TIMES, June 12, 1999, at A13; *see also* James F. Davis, *Judge Giles S. Rich: His Life and Legacy Revisited*, LANDSLIDE, Sept.–Oct. 2009, at 8.

150 35 U.S.C. § 103.

151 *In re* Nalbandian, 661 F.2d 1214, 1218–19 (C.C.P.A. 1981) (Rich, J., concurring).

responsible for in part. What we decided to do was throw in this incorporation clause, knowing that obviousness was going to be a problem, and come back to it later. And we never have, and this is the problem."[152]

He went on in this opinion to say, "And by the way, there've been 70 odd," maybe at the time 40 or 50 odd, "legislative proposals for comprehensive design patent protection. The bar should be behind those."[153]

Judge Rich was surely right that obviousness is difficult to apply to designs, and perhaps he was right that obviousness was never really intended to endure over the long term as a requirement for design protection. Compounding that, the law of obviousness in utility patents has been pretty volatile. And further compounding that, the law of design patents outside of obviousness has been pretty volatile in ways that affect design patent obviousness, and that's just starting to show up in the court decisions.

Consider, for example, the ordinary-observer test versus the ordinary-designer test. Utility patent law says that obviousness is measured through the eyes of a person of ordinary skill in the art.[154] Design patent law, after some controversy played out in the *Nalbandian* case, now says that obviousness is to be measured through the eyes of the ordinary designer.[155] These propositions sound consistent.

The problem comes in that infringement in design patents has always been measured through the eyes of the ordinary observer, first in *Gorham v. White*[156] and then more recently, in the *Egyptian Goddess*[157] case, which reestablished a version of the ordinary-observer test as the dominant test.

Perhaps symmetry between utility patent obviousness and design patent obviousness should be the objective, or perhaps

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152 *Id.*

153 *Id.* at 1219 n.1.

154 35 U.S.C. § 103(a).

155 *Nalbandian*, 661 F.2d at 1216.

156 81 U.S. 511, 528 (1872).

157 Egyptian Goddess, Inc. v. Swisa, 543 F.3d 665, 678 (Fed. Cir. 2008).

symmetry between design patent obviousness and design patent infringement is more important. Either way, the issue seems to be puzzling to courts at the highest level. Recently, in the *Titan Tire*[158] case, the issue did come up, and here's what the Federal Circuit had to say about it. Now, in fairness to the Federal Circuit, they probably didn't have to resolve this legal question in order to decide the case, which may explain the ambivalent rhetoric. The Federal Circuit said that its *Egyptian Goddess* opinion was directed to design patent infringement (of course), and particularly to reestablishing the ordinary observer test for design patent infringement.[159] Then the Federal Circuit proceeded to say that "It's not clear to what extent, if any, the doctrine applicable to obviousness should be modified to conform to that approach."[160] Perhaps the court was right to avoid plunging into dicta. But sometimes these sorts of statements can be frustrating, particularly in the area of design patents, where the number of cases is limited. Who is going to tell us what is clear, if not the Federal Circuit?

The issue of symmetry between design patent obviousness and utility patent obviousness also arose in the *Titan Tire* case. The main point of controversy here concerns the teaching-suggestion-motivation test, and the distinction between rigid and flexible applications of that test.[161]

Here is the Federal Circuit's version of the teaching-suggestion -motivation test as applied to design patents, as recited in the *Durling v. Spectrum Furniture*[162] case. An obviousness combination requires a primary reference, "the design characteristics of which are basically the same as the claimed design,"[163] and secondary references sufficiently related to the primary reference "that the appearance of certain ornamental features in one would suggest the application of those features to

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158 Titan Tire Corp. v. Case New Holland, Inc., 566 F.3d 1372 (Fed. Cir. 2009).

159 *Id*. at 1384.

160 *Id*.

161 *Id*. at 1380–81.

162 Durling v. Spectrum Furniture Co., 101 F.3d 100, 103 (Fed. Cir. 1996) ("More specifically the inquiry is whether one of ordinary skill would have combined teachings of the prior art to create the same overall visual appearance as the claimed design.").

163 *Id*.

the other."[164] There are lots of requirements for the primary reference and for the secondary references. That strikes me as being really quite rigid.

That might be problematic because in *KSR International Co. v. Teleflex Inc.*,[165] a utility patent case of course, the Supreme Court clearly rejected a rigid view of the teaching-suggestion-motivation test.[166] Should that same reasoning apply in the design patent context? In the *Titan Tire* case, the Federal Circuit was a little coy on the point. The court said that design patents "like utility patents, must meet the nonobviousness requirement"[167] and then said "it is not obvious that the Supreme Court necessarily intended to exclude design patents from the reach of *KSR*."[168]

I take away from this just a lingering question. Maybe this struggle is symptomatic of a larger problem in that we're trying to fit this utility patent model to designs and maybe that just was an awkward thing all the way along.

Now, consider the inquiry into design patent claim scope. Here we have the *Gorham v. White* standard, the famous ordinary-observer standard for patent infringement of a design.[169] One thing to notice about this test is that it really is not very analogous to modern utility patent infringement law at all. Perhaps, even then, the Court was resisting the patent analogy. The *Gorham* standard has more in common with modern trademark law, with its references to deception of observers and product diversion and so forth.[170]

In *Egyptian Goddess*, the en banc Federal Circuit discarded the point-of-novelty test and reinstalled a version of the ordinary-

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164 *Id.*

165 550 U.S. 398 (2007).

166 *Id.* at 427.

167 Titan Tire Corp. v. Case New Holland, Inc., 566 F.3d 1372, 1384 (Fed. Cir. 2009).

168 *Id.* at 1385.

169 Gorham Co. v. White, 81 U.S. 511, 528 (1871) ("[I]n the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other.").

170 *See, e.g.*, 15 U.S.C. § 1114 (2006) (defining the likelihood of confusion standard of infringement as "likely to cause confusion, or to cause mistake, or to deceive").

observer test, where the ordinary observer is capable of comparing the claimed design with the accused design against the backdrop of prior art designs.[171] We could argue about whether the Federal Circuit's decision makes the standard more like a patent standard, or perhaps just something that is sui generis.

But in another part of its opinion, the court clearly moved away from the patent analogy. That part speaks about claim construction—a central exercise in any modern utility patent litigation—and there were lots of questions in design patent cases about whether the design patent claim, which is defined by the drawings, needs to be construed in words.

In the relevant part of the *Egyptian Goddess* decision, the Federal Circuit answered those questions by saying that claim construction in words ordinarily should not be undertaken in a design patent case because it's too difficult.[172] I think too difficult probably meant, usually too narrowing.

But the Federal Circuit also said that "the trial court could usefully guide the finder of fact by addressing a number of other issues that bear on the scope of the claim;"[173] and the court listed the issues: "describing the role of particular conventions in design patent drafting;"[174] "describing the effect of any representations that may have been made in the course of the prosecution history;"[175] and "distinguishing between those features of the claimed design that are ornamental and those that are purely functional."[176]

We should wonder what's going on here. The Federal Circuit has backed away from the central focus of utility patent infringement litigation claim construction, perhaps because it just isn't a very good fit for litigating design patents. But did it really mean also to discard the accompanying tools of claim construction altogether? Did it really mean to make them merely optional?

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171 Egyptian Goddess, Inc. v. Swisa, 543 F.3d 665, 678 (Fed. Cir. 2008).
172 *Id*. at 679–80.
173 *Id*. at 680.
174 *Id*.
175 *Id*.
176 *Id*.

For example, what if a design patent applicant makes limiting statements about the meaning of its claim in the prosecution history. Is it optional to take those into account? Or is the court required to take that into account?

What about other canons of claim construction? Do claims have to be assessed the same way for validity as for infringement, for example? That seems very central to concepts of patent law. Here we have a district court in *International Seaway Trading Corp. v. Walgreens Corp.*[177] saying, "I'm not so sure that I do need to do that." I really think this has to be wrong.[178]

So, again, are these just the sort of ordinary doctrinal issues that have to be worked through? It may be so.

But might they also indicate something about the robustness of a patent model for designs? I think the latter.

Finally, let me talk a little bit about functionality. A doctrine that takes us firmly away from any utility patent analogy, of course.

Consider the acronym, FUBAR. FUBAR, which I understand to mean "Fouled up beyond any recognition." That's what my mother told me anyway. But it also stands for "Functional utility bar." Let me just ask you, if you are representing a defendant in a design patent case, wouldn't you love it if your accused device was named the functional utility bar? Perfect. Perfect.

That's *Richardson v. Stanley Works, Inc.*[179] This will be an interesting case to watch, decided in the District of Arizona, and pending at the Federal Circuit. In fact, the oral arguments are coming up here in a couple of weeks. It is a case that could go away quietly or it could involve some really important issues in design patent.[180]

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177 599 F. Supp. 2d 1307, 1314–15 (S.D. Fla. 2009).

178 Shortly after the Symposium, the Federal Circuit decided on appeal in *International Seaway* that courts must assess anticipation in the same way that they assess infringement: the point-of-novelty analysis should be discarded for anticipation, just as it was discarded for infringement, and only the ordinary observer test applies. Int'l Seaway Trading Corp. v. Walgreens Corp., 589 F.3d 1233, 1235 (Fed. Cir. 2009).

179 610 F. Supp. 2d 1046 (D. Ariz. 2009).

180 After the Symposium, the Federal Circuit decided *Richardson* on appeal. Richardson v. Stanley Works, Inc., 597 F.3d 1288, 1293 (Fed. Cir. 2010) (concluding that it was

It may go away quietly if the court thinks that the claimed and accused devices, illustrated here, just don't look very similar to an ordinary observer. And maybe they don't.

So maybe it's possible to dispose of this case without really any high-level legal analysis. That's not the way the case is framed though. The case has been framed as a case all about functionality.[181] The plaintiff says that you have to look at the overall appearance of the design in assessing functionality.[182] The defendant urges the court to look at individual features, attribute de facto functions to them, and filter those out in determining infringement.[183]

There is a problem currently with the way this issue is structured in design patents, although I won't have time to discuss the issue in depth. There is Federal Circuit law saying that as a matter of claim construction, you should filter out functional features,[184] which sounds consistent with a lot of design law and gives some support to the defendant's position.

On the other hand, *Egyptian Goddess* seems to strike a contrary theme. The court in *Egyptian Goddess* discarded the point-of-novelty test on the ground that it lent too much attention to individual features.[185] So there's a real tension here that this case about the FUBAR brings up, at least as the case is briefed.

I'll pass over my ideas on how that tension should be resolved, and instead conclude by noting that these sorts of disputes do raise, for me, questions about the robustness of the patent analogy and do suggest to me that we really ought to think about moving away from that analogy—easing away from obviousness, easing away

proper for the lower court to filter out functional elements as part of the exercise of claim construction). *Richardson* and related developments are explored in more detail in GRAEME B. DINWOODIE & MARK D. JANIS, TRADE DRESS & DESIGN LAW chs. 5–6 (forthcoming 2010).

181 *Richardson*, 610 F. Supp. at 1051–52.

182 *Id.* at 1052.

183 *Id.* at 1052–53.

184 *Id.* at 1051 (quoting Amini Innovation Corp. v. Anthony Cal., Inc., 439 F.3d 1365, 1372 (Fed. Cir. 2006)).

185 Egyptian Goddess, Inc. v. Swisa, 543 F.3d 665, 677 (Fed. Cir. 2008).

from claims, and overall, easing away from a patent analogy. So I'm past my time, let me sit down, thank you for your attention.

PROF. SCAFIDI:

And finally, we have Jonathan Moskin, who is kind enough to join us from Foley and Lardner. He's a Partner and a member of the Litigation, Trademark, Copyright and Advertising, Privacy, and Security & Information Management Practices. In other words, he wears a lot of IP-related hats.

Jonathan is currently Chair of the New York Intellectual Property Law Association's Privacy Law Committee and has, in the past, served as Chairman of the New York Intellectual Property Law Association's Internet Law and Design Protection Committees.

Jonathan also does a great deal of editorial and writing work, as editor of *The Trademark Reporter*, as a member of the Editorial Board of the *Intellectual Property Strategist* and also an Editorial Board Member for the *Queen Mary Studies in IP Law and Policy Series*.

In other words, Jonathan, as I always think of him, is really an academic in practitioner's clothing. But let's face it, that's usually much nicer clothing. So, welcome, Jonathan.

MR. MOSKIN:

You are the only person, I think, who's ever complimented me on my clothing.

So I have to say, after listening to the previous three speakers, as well as the speakers early this morning, on *Bilski*, I really have no idea what I want to tell you.

I will say that last night, I was speaking with my former partner, Jim Dabney. He raised the question, well, what do these two topics have to do with one another? One theme that has not yet emerged from the other panelists, but I do think really does unite the discussion earlier this morning about *Bilski* as well as the discussion we're having now, is the concern that all aspects of intellectually property law share for not impinging too much on competition. So the anti-trust flip-side of the coin of intellectual

property protection is not overextending the limited monopolies that are granted.

I really think that if you look at some of the cases, and I'll walk you through some of them, what you'll see is that to some extent, I think that what courts are struggling with and what we have been struggling with in defining what is functional and how to limit protection for the trade risk rights, stems from that, that these are all related concepts.

I've identified some of the main concepts that bear on this issue. Many of these have already been addressed, so what I'll really do is instead of focusing on these now, is just walk you through some history. This is the *Two Pesos*[186] case in the Supreme Court, which is often cited as the "High-water mark of design protection under trademark law, under the Lanham Act," and you can see these look like just two large, almost generic Mexican or Tex-Mex restaurants, a very unlikely subject matter for the Supreme Court to announce very broad doctrine that it was going to protect trade dress rights and the appearance, the overall or outwards appearance of these restaurants.[187]

Yet this is in fact what the Supreme Court did and I won't dwell on all of the language here, you can read the slide yourself, but what the Court rejected here was a requirement that the claimed trade dress owner prove secondary meaning,[188] that as long as the restaurant, and again you tell me if you think there's something inherently distinctive about these, as long as there was a sufficient inherent distinctiveness to the claimed trade dress, that's good enough, at least as of 1992.[189]

Continuing in this trend, although there were some limitations that the Supreme Court imposed in the *Qualitex*[190] case, here too, a color by itself was deemed protectable as trade dress[191] and I think—I know I've been practicing in this field for quite awhile—many people in the field assumed at this point in time that virtually

186 Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763 (1992).
187 *Id.* at 765–66.
188 *Id.* at 775.
189 *Id.* at 776.
190 Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159 (1995).
191 *Id.* at 161.

any type of trade dress could be protectable. There were protections being extended to sound marks and all sorts of other things at this time,[192] oh, well, here, for another example, part of the same general time period, the design of Ferrari, which had long since ceased being in production. A car kit company was making reproductions of it and it was still deemed to be protectable as an indication of source and therefore protectable under the Lanham Act.[193]

You'll come to see more recently, as the law has changed, that just a couple of years ago, the Massachusetts Federal Court had a case involving the Shelby Cobra design and for some of the reasons we'll now discuss, and came to the very conclusion that the Cobra design, no matter how distinctive it was, wasn't protectable.[194]

So what is the underlying concept, or limiting concept, that the courts have wrestled with? That's whether the design in question is identifiable to consumers and identifies the source of the product.

That's a very tricky thing to answer. In the case that marked the change in the law, *Wal-Mart Stores, Inc. v. Samara Brothers Inc.*,[195] the designs were these appliqués to children's clothing.[196] Interesting, because this case involved copyright as well as trade dress, the plaintiff won on both theories below and the Supreme Court reversed, but only on the trade dress claim.[197] In language that has since bedeviled this field, the Court focused on the fact, well, does this really identify the source of the product or is it just a design?[198] If it's a design, then, sure, it can be protected under copyright, but not under trademark.[199]

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[192] For example, Anheuser-Busch was granted federal registration for the sound of a howling wolf used in beer commercials. Jeffery S. Edelstein & Cathy L. Leuders, *Recent Developments in Trade Dress Infringement Law*, 40 IDEA 105, 122 (2000).

[193] Ferrari S.p.A Esercizio Fabbriche Auto. E Corse v. McBurnie Coachcraft, Inc., No. 86-1812-B, 1988 U.S. Dist. LEXIS 16314, at *8–10 (S.D. Cal. Aug. 31, 1988).

[194] Shelby v. Superformance Int'l, Inc., 251 F. Supp. 2d 983, 987 (D. Mass. 2002).

[195] 529 U.S. 205 (2000).

[196] *Id.* at 207–08.

[197] *Id.* at 216.

[198] *See id.* at 212–15.

[199] *Id.* at 214.

Essentially, what I think the court was wrestling with is the design, is it a symbol of origin? Does it identify source? If so, how do you prove that? Or is it the thing itself? If it's the thing itself, then we have to be very careful about how we protect it.

I'm not a classics scholar, but I have put down here a quote from Umberto Eco, defining what we mean by a symbol anyway. I think it really is part of the conceptual struggle here, there is no absent half when the thing itself is what you're talking about protecting as a design, as a trademark, or trade dress.

Some of you may be—I don't know if they teach Sigmund Freud any longer in college, but as Freud, who was considered, I suppose, the master of what were the meanings of symbols, even he recognized that sometimes a good cigar is just a good cigar.

That was a joke, by the way, but looking back to the definition in the statute itself, what is a trademark? The Lanham Act specifically calls out that it has to be a source-indicating symbol.[200] It has to identify and distinguish the goods of the merchant.[201] So it is unlike, I think, the questions that were just assumed in the *Two Pesos* case, there is a very tough question. Is it distinctive? Is it just inherently distinctive;[202] the kind of thing that we might think of as being protectable under copyright? Or does it serve this other function? Is it somehow, even though it's all part of the thing itself, is it representing some absent half? Is there some other secondary meaning? Is there some other broader significance that it has and how do we disentangle these questions?

Now, following the *Samara Brothers* decision, Congress stepped in and essentially created a presumption that trade dress, trade dress generally, and not simply the thing itself, is functional.[203] I went back this morning, because I was puzzled about this, and looked at the *Samara Brothers* decision itself, and was interested in what Justice Scalia said—in looking at those, I don't think I need to go back to the slide of the children's clothing—which was that "consumers should not be deprived of

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200 *See* 15 U.S.C. § 1127 (2006).

201 *Id.*

202 Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 769 (1992).

203 *See* 15 U.S.C. § 1125(a)(3).

the benefits of competition with regard to the utilitarian and aesthetic purposes that product design ordinarily serves."[204] He was grouping together the utilitarian and the aesthetic.

Although the *Samara Brothers* case has been cited in the increasingly muddy discussion, the Supreme Court meant to bar protection for aesthetically functional products or designs. I think he was certainly throwing all these things together because of the anti-competitive nature of extending protection too broadly to product designs.

Congress seems to have taken that lead by, as I say, creating a presumption that all product designs, not simply the thing itself, but any types of trade dress are presumptively functional.[205] I think in using the same broad term, "functional" in the same broad way that Justice Scalia was using it in the *Samara Brothers* case, such an approach does not distinguish between utilitarian functionality and aesthetic functionality, but rather embraces a broader concern about not extending anti-competitive rights that prevent people from making products that are useful for all of us.

Now I don't really want to spend too much time on distinguishing trade dress concerns from copyright and patent. The two other speakers, Professor Gordon and Professor Janis, have already gone into much greater length than I could possibly do on that, but the difficulties, I think, exist in how we distinguish these features from one another. I was speaking with one of the speakers this morning about how the Supreme Court was going to decide the *Bilski* case. His comment, and I hate to quote somebody who's not even here any longer, about an off-the-record comment he made, was, "Well, sheet music certainly couldn't be patentable, that's protected by copyright."

But what if the sheet music served as a sort of therapeutic function to improve one's mood or as a cure for depression? I recited to him, a very recent book by Oliver Sacks who goes on at great length about the benefits of music in just this way.

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[204] *Samara Bros.*, 529 U.S. at 213.

[205] *See* 15 U.S.C. § 1125(a)(3).

Now, if there was such a therapeutic benefit to a piece of sheet music, now would that also then make it ineligible for copyright protection? I also want to mention that on the issue of design protection, one of the really fundamental problems is not just in defining what is the proper test for ornamentality or infringement, but also the fact that the courts have construed design patents to have literally no scope. There is a practical problem that—I know I litigated one design patent case up to the Federal Circuit, and although we won, it's very difficult, and I've concluded, very difficult to protect design patents in any meaningful way.

I have included in the materials, an article, which suggests—somewhat inspired by that litigation, but for other broader reasons—that one way to make design patents more relevant is really to take the Supreme Court and the *Gorham* case at its word and start treating these cases more like trademark or copyright cases and find out what ordinary observers think.[206] Conduct consumer surveys; there have been almost no such surveys conducted in design patent cases,[207] which I find remarkable. I suspect that's really more a function of the way the law is practiced, namely that design patent cases are often litigated by patent lawyers, whereas trademark cases are litigated by trademark lawyers and there aren't very many people like me who, well, litigate all sorts of cases and think that, as Professor Scafidi said at the outset, this is all somehow part of what we call intellectual property law.

Again, Professor Gordon discussed the *Dastar* case at greater length. I won't dwell on it. But I will just say that there's a certain irony in the Supreme Court's language that there is this "carefully crafted bargain."[208] I think it says, I think, one thing, if you conclude nothing else from today's discussion, that it really is a mess.

Demonstrating, again, just briefly, why this is all so difficult to apply, here's a picture from a recent Second Circuit decision in

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206 Moskin, *supra* note 27, at 702.

207 *Id.* at 703.

208 Dastar Corp. v. Twentieth Century Fox Film Corp., 539 U.S. 23, 33 (2003) (quoting Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 151 (1989)).

which, again, not unlike the *Samara Brothers* case, the court said that the Yurman Design was protectable under copyright, but not under trademark.[209]

The issue of copyright protection was not addressed on appeal, and at the risk of making the obvious pun, had it been addressed, I frankly wonder how the court would have disentangled the separate strands that are shown here, with copyright protection as distinct from trademark protection.

The case did begin to enunciate some very tough tests that have been followed since, including in the case that's shown here. By a show of hands, would any of you care to guess whether this design is protectable as trade dress?

Anyone say yes? Who thinks it is protectable?

Well, we have two. The rest of you all, you think it's not?

Well, in fact, the Southern District, fairly recently, actually very recently, held that it's not.[210] These are some of the factors that the court looked at. Again, how I don't think the right hand necessarily knows what the left hand is doing, but if you look at some of the factors that the court insisted, even as a matter of pleading, that the plaintiff show, and this probably comes from the *Yurman* case, as well as an earlier Second Circuit case, the *Landscape Forms*[211] decision, what the court is requiring is something not unlike a mark-and-tie test where if you're claiming

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209 *See* Yurman Design, Inc. v. PAJ, Inc., 262 F.3d 101, 110–18 (2d Cir. 2001).

210 Heller, Inc. v. Design Within Reach, Inc., No. 09 Civ. 1909, 2009 U.S. Dist. LEXIS 71991, at *17–18 (S.D.N.Y. Aug. 14, 2009).

211 Landscape Forms, Inc. v. Columbia Cascade Co., 113 F.3d 376, 381 (2d Cir. 1997) ("Nonetheless, focus on the overall look of a product does not permit a plaintiff to dispense with an articulation of the specific elements which comprise its distinct dress. Without such a precise expression of the character and scope of the claimed trade dress, litigation will be difficult, as courts will be unable to evaluate how unique and unexpected the design elements are in the relevant market. Courts will also be unable to shape narrowly-tailored relief if they do not know what distinctive combination of ingredients deserves protection. Moreover, a plaintiff's inability to explain to a court exactly which aspects of its product design(s) merit protection may indicate that its claim is pitched at an improper level of generality, i.e., the claimant seeks protection for an unprotectable style, theme or idea.").

rights and trade dress, you now have to articulate all of the elements that you believe are protectable.[212]

The reason the court has said, not just this court, but other courts have said this—this brings me back to the other theme that I think unites a lot of these, the discussion that we've had this morning, in putting on *Bilski*—it's the anti-competitive nature of overextending rights in these designs. The court was clearly very worried that if we're going to give rights in a trade dress design, the claimed trade dress owner has to be able to tell us exactly what it is he is claiming, in which he is claiming protection, and if he can't, he won't get protection.[213]

I guess I'll just skip over this, but one of the other parts of the concern here, I'll very, very quickly mention, also limiting rights and trade dress, is since source indication is such a troubling, difficult notion when you're talking about the thing itself, the courts have also, and this is just one example, said, well, fine, you may have a distinctive bottle shape here, but you need to tell people where it comes from. Doesn't that solve all of your concerns about source indication? That indeed is what the Second Circuit has said,[214] and again, this is the principle enunciated by the Second Circuit, this includes extensive discussions about not overextending the Lanham Act to make it an anti-competitive body of law.

So thank you very much.

PROF. SCAFIDI:

As our panelists return to the dais, a quick recommendation for after we adjourn for the day. Chairs seem to be on the agenda for today and we're just a few blocks from the Museum of Art and Design, which at the moment has some really cool chairs on exhibit. So you could go test the theory of whether it's all just American kitsch or not.

All right. Let us begin our Q&A session, perhaps by my suggesting to the moderators and panelists that they address one

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212 *See Heller*, 2009 U.S. Dist. LEXIS 71991, at *14–17.

213 *See id.*

214 *See* Nora Beverages, Inc. v. Perrier Group of Am., Inc., 269 F.3d 114, 122 (2d Cir. 2001).

another briefly. Orit has put a very clear suggestion on the table that one way to fix the problem is, and I summarize here, to move from the copyright perspective and allow registration of even things that may very well be functional, with the reservation that this can be determined later, at the point of an infringement action.

Now, Mark, and implicitly Jonathan, I think, have endorsed something a little different and that is making design patents less patent-like, which is another possibility for how to try to resolve an issue like this. So I wonder if you all could address one another's proposals and also, Wendy and Jonathan, you could take a look, from the criticisms that you've made or comments that you've made, at those proposals and tell us what you think.

PROF. GORDON:

Well, I have a very small point to make. I learned an awful lot from Jonathan, and now I think I have a small contribution for you. Remember, the Yurman bracelets, about which you made the entangling separability joke?

I don't think the bracelets would be "useful articles" to begin with, so I don't think I have to worry about separability.

MR. MOSKIN:

Well, if by that standard, then I don't necessarily disagree with you, but I think in keeping with a long tradition in the law, clothing has also been deemed to be functional, utilitarian. There's a lot one could say here. I think abstract designs are particularly difficult to protect under copyright because it's so hard to separate out conceptually what's unique about the design from—unlike a figurative element, a simple example, the *Mazer v. Stein* swan, in the Yurman bracelet.

PROF. GORDON:

It was a Balinese dancer in *Mazer*.[215]

MR. MOSKIN:

Was it?

PROF. GORDON:

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[215] Mazer v. Stein, 347 U.S. 201, 202 (1954).

Yes. It was very swan-like though.

PROF. SCAFIDI:

Caryatid actually. A classical carved figure carrying something on her head

MR. MOSKIN:

Anyway, we don't need to digress.

PROF. SCAFIDI:

Yes.

MR. MOSKIN:

Quite that far.

But I think it's very difficult to disentangle those strands and the history—essentially all fashion is inherently functional, because it's meant to be worn.

PROF. SCAFIDI:

And yet jewelry—Wendy's correct, jewelry is treated differently and subject to copyright. Strangely, strangely you're right. Because it still has to fit the body.

MR. MOSKIN:

Right.

PROF. SCAFIDI:

Yes. Great point.

So?

MR. MOSKIN:

I will, if I can, jump in on that. There is, since I was talking about anti-competitive concerns, the thing that really jumped out at me, a concern about just giving registrations and then let the parties fight it out later, is precisely what the Supreme Court said in the *Samara Brothers* case, and Justice Scalia was very explicit, he wanted to limit the anti-competitive effects of giving protection and he wanted to create a bright line so that parties couldn't file anti-competitive lawsuits that would run up enormous bills and one could then use the leverage of litigation itself to establish effective

intellectual property rights, where they were not inherently worthy of being protected.[216]

PROF. FISCHMAN AFORI:

But I think that—anyway, this is the situation with copyright. I think that design is a branch of copyright law and copyright law reacts in the same way. I mean, there's no registration, or at least the registration is not compulsory.[217] Rather, it is needed in order to file a suit.[218] Then you go to court and challenge open standards, such as whether the work is original and whether there is substantial similarity, etc. I think there's no difference between these kinds of standards and the non-functionality standard.

PROF. JANIS:

Let me jump in and say that I've known Wendy for a long time, this is the first time I've ever seen her perform the Balinese dancer, I'm going to remember that.

One reaction to the proposal about functionality, I need to understand a little better, I'm looking forward to reading the paper. But one thing I'm struck by is the fact that in some ways that's the way that functionality is already being applied. You could take design patents, for example, where in theory there's an examination, in theory there would be an examination of functionality and there would be a discussion of functionality from a validity perspective[219] and then there would be another discussion, perhaps, from an infringement perspective.[220]

But in fact, there isn't much prosecution in design patents. So in fact, what you describe may be very close to what is already going on, at least in the design patent area, quite possibly others, so I would want to think more about your proposal and how it fits really with what's currently going on.

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216 *See* Wal-Mart Stores, Inc. v. Samara Bros, Inc., 529 U.S. 205, 213–14 (2000).

217 17 U.S.C. § 408(a) (2006).

218 *Id.* § 411(a).

219 *See, e.g.*, Best Lock Corp. v. Ilco Unican Corp., 94 F.3d 1563, 1566–67 (Fed. Cir. 1996) (invalidating design patents on the basis of functionality). *See generally* DINWOODIE & JANIS, *supra* note 180, at ch. 5 (discussing functionality as a design patent validity doctrine).

220 *See* Richardson v. Stanley Works, Inc., 597 F.3d 1288, 1294–96 (Fed. Cir. 2010) (discussing functionality in the context of an infringement allegation).

PROF. FISCHMAN AFORI:

I agree. I think that I have just described what is going on in reality, and I'm putting this reality "on the table."

PROF. JANIS:

Yes.

PROF. FISCHMAN AFORI:

Start with this pattern design, there is no registration, there is no prosecution, it's a deposit and nothing more. I personally think that also deposits should be eliminated.

It should be a kind of short term copyright, for ten years, and it is in accordance with TRIPS.[221]

By the way, I think that in the 1976 U.S. copyright bill, there was a chapter suggesting this kind of a short-term copyright for designs.[222] However, at the last minute it was taken off by Congress, and I don't know why. I couldn't find any explanation for why it was taken out from the 1976 bill.

PROF. GORDON:

Jerry Reichman has some valuable discussion on that.[223]

MR. MOSKIN:

What scope of protection would you suggest be allowed to these design registrations?

PROF. FISCHMAN AFORI:

Anti-copying, like copyright . Short-term copyright.

MR. MOSKIN:

Yes.

PROF. FISCHMAN AFORI:

And by the way, also the Paris Convention, gives freedom to the countries to decide whether designs should be protected

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[221] Agreement on Trade-Related Aspects of Intellectual Property Rights art. 26.3, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 33 I.L.M. 1125, 1207 (1994).

[222] Albert C. Johnston, *Where Is the Protection for Creative Product Design?*, 19 U. BALT. L. REV. 191, 194 (1989).

[223] *See, e.g.*, Reichman, *supra* note 83, at 1262 n.644.

through the patent route, including a high threshold of novelty and strong monopoly right,[224] or through a copyright system, which includes an originality threshold, and a right against copying.[225] Therofore, all the options are open. The shorter copyright path is a better position in my view.

PROF. SCAFIDI:

I see some audience members with hands already in the air, so perhaps we can turn to the audience at this point.

The organizers have asked that you please take the microphone and state your name before you begin speaking. This is for the record, so who is eager to begin?

MR. HOFFBERG:

With respect to simply depositing registration of designs, with a copyright, you have an intentional infringement issue. Infringement cannot occur unless somebody has actually copied something.[226] That sets a threshold on an enforcement procedure.

If you have an innocent infringement of a design, that creates the hazard of very significant amounts of litigation?

PROF. FISCHMAN AFORI:

Well, I'm not familiar with all of the American cases, but as far as I know, for example, in European cases, ultimately the court

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[224] *See* Paris Convention on the Protection of Intellectual Property art. 5(5), Mar. 20, 1883 (as amended Sept. 28, 1979), 21 U.S.T. 1583; *see also* Orit Fischman Afori, *Reconceptualizing Property in Designs*, 25 CARDOZO ARTS & ENT L.J. 1105, 1129 (2008) [hereinafter Fischman Afori, *Reconceptualizing*] ("At the Convention, there was a long debate as to whether designs should be included in this instrument. This debate was partly resolved in 1958, when Article 5(5) of the Paris Convention was adopted, according to which 'Industrial Designs shall be protected in all the countries of the Union.' Notably the parties agreed only on the obligation to protect designs, without setting any standard with respect to the eligibility or scope of design protection." (footnotes omitted)).

[225] *See* Fischman Afori, *Reconceptualizing*, *supra* note 224, at 1129 ("Notably, the parties agreed only on the obligation to protect designs, without setting any standard with respect to the eligibility or scope of design protection. Therefore, once something is identified as an industrial design according to a member state's law, it is protected. However, such protection can be achieved by a wide spectrum of legal means, from copyright, to special design laws assimilated into patent law, to unfair competition law."(footnotes omitted)).

[226] *See* Laureyssens v. Idea Group, Inc., 964 F.2d 131, 139 (2d Cir. 1992).

asks whether it was copied. There is a limitless range of scenarios. Ultimately, the question turns to focus on whether there was copying or not. I'm proposing to admit that in reality design law is treated as a short term copyright and courts do look after an act of copying in order to conclude that there was infringement.

MR. MOSKIN:

Yes, I don't think the U.S. has a subjective standard of good faith on design infringement.

PROF. JANIS:

For U.S. design patents, after *Egyptian Goddess*, I think we're moving away from the anti-copying regime because when there was a requirement to show appropriation of points of novelty and substantial similarity,[227] that was very much like copyright and it was pretty hard to imagine the case where unintentionally, you appropriated all these points of novelty. That point-of-novelty test is now gone, so one could say that it raises the possibility of unintentional infringement. I kind of doubt that it will happen, but at least there is the possibility of that.

So that's the trend in U.S. design patent enforcement, going away from a copyright model, as I would characterize it, anyway.

MR. MOSKIN:

Well, the fact is, is that anyone who's litigated any of these sorts of cases knows patent cases as well as copyright. Copyright is inherent in the definition of infringement, yes, there must be an initial finding of copying. But, of course, that can be established through indirect proof of access and similarity,[228] but every one of these sorts of cases, frequently, gets bogged down in accusations of willful infringement and copying.

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[227] *See* Litton Sys., Inc. v. Whirlpool Corp., 728 F.2d 1423, 1444 (Fed. Cir. 1984).

[228] *Laureyssens*, 964 F.2d at 140 ("Copying may be established either by direct evidence of copying or by indirect evidence, including access to the copyrighted work, similarities that are probative of copying between the works, and expert testimony. If actual copying is established, a plaintiff must then show that the copying amounts to an improper appropriation by demonstrating that substantial similarity to protected material exists between the two works.").

Design patent cases, or any kind of patent case, you want to get willful infringement because it enhances your damages.[229] Trademark cases, even though there are plenty of cases saying that we don't care whether copying was intentional because that doesn't influence whether consumers are going to be confused, but the fact is that this is the law, it all comes down to the law of unfair competition and these cases all turn off and on, on proof of bad faith and copying. It's what makes litigation, frankly, so expensive. Because we're all so busy trying to point fingers at one another and show what evil characters our adversaries are.

MR. HOFFBERG:

Yes, but willful infringement can arise after a notice letter.

MR. MOSKIN:

Right.

MR. HOFFBERG:

It doesn't have to predate the infringement?

MR. MOSKIN:

No, I'm not saying every case, it will—no, there certainly are exceptions.

PROF. SCAFIDI:

Are there additional questions?

Up in the back. Thank you.

MS. WONG:

Good morning. Tzen Wong. It's a question to Professor Afori, somewhat inspired by Professor Scafidi's reference to your work on cultural rights as human rights. Just wondering, in your opinion, do designers or design rights, have a place in the discussion on cultural rights?

PROF. FISCHMAN AFORI:

Again, is the question whether designers have a cultural right?

MS. WONG:

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[229] *See* Justin P. Huddleson, Note, *Objectively Reckless: A Semi-Imperical Evaluation of In Re* Seagate, 15 B.U. J. SCI. & TECH. L. 102, 102 (2009).

Yes. Would they have a place in the discussion about cultural rights?

PROF. GORDON:

Are you talking about things like indigenous designs in Australia?

MS. WONG:

That would be one way of approaching it, but I was thinking about it more broadly.

PROF. FISCHMAN AFORI:

Well, I think that even if they have a cultural right, it's not undermining, in any context, my proposal to have short-term protection.

I mean, the cultural issue or the constitutional issue of human rights is, I think, at another level. Maybe it has implication in the scope of protection or in the exceptions and limitations.

PROF. SCAFIDI:

You're thinking, perhaps, of their moral rights as well? Or no?

MS. WONG:

I'd love to hear the answer to that question.

PROF. FISCHMAN AFORI:

No, I think that designers should enjoy moral rights. I know I'm going to be stoned here in the U.S., but I'm pro-moral rights. In France, for example, designers are regarded as creators or authors and there should be no discrimination between a designer and a painter: all are "arts" and all should enjoy moral rights.[230] But there is a question as to how to define the scope of protection according to the subject matter; and a painting should be distinguished from a hairbrush. There is no logic in protecting the

[230] *See* Laura C. Marshall, Note, *Catwalk Copycats: Why the Congress Should Adopt a Modified Version of the Design Piracy Prohibition Act*, 14 J. INTELL. PROP. L. 305, 319 (2007) (explaining that French copyright law has been extended to original fashion designs and copyright holders receive moral rights the moment they create original work).

design of a hairbrush for life of the designer plus seventy years.[231] It's too much, hairbrushes should have no more than ten years. Anyway, after two years, it's a non-issue.

PROF. GORDON:

I've never been able to keep a hairbrush for ten years.

PROF. SCAFIDI:

In any case, are there any other questions?

Yes, down at the front?

MS. ASCHER:

I'd like to ask Professor Janis, you indicated a lot of areas where you're not really happy with design protection coming through patent law.

Do you have a recommendation that would work, aside from case-by-case litigation, actually, for cleaning it up? Would you recommend a statute; an additional amendment? Or what would your recommendation be to put some of these lawyers out of work?

PROF. JANIS:

Oh, I would hope not to do that, at least if they're lawyers coming from my class in Indiana.

The simple way to answer it would be to say, oh, we should have comprehensive design protection legislation and it should be patterned after the legislation that we have in Europe.

We've tried and tried and tried and we've never been able to accomplish that, so that leads me to ask a more pragmatic question, so if we're sticking with the regimes that we have, what kinds of smaller reforms could be made, smaller reforms to the design patent regime, assuming no movement in the trade dress regime.

I would say perhaps we need to make a statutory change, to impose some other requirement other than obviousness. At the very least, we need to change the rhetoric. It may be that the analysis doesn't turn out to be that much different, but to change

[231] Copyright protection in the European Union exists for the life of the author plus seventy years. Council Directive 93/98, art. 1, 1993 O.J. (L 290) 11 (EC).

the rhetoric away from utility patent rhetoric, so we're not talking about obviousness anymore, we're talking about individual character, something else.

Similarly, a change in the law, by which we would not talk about claims, to a patent lawyer, that just invites an element-by-element sort of analysis, a feature-by-feature kind of analysis, and I think that's been problematic in the area of design patents.

And certainly there's a lot more work to be done, specifically in the doctrine of functionality. There are all kinds of inconsistent pronouncements—you have cases that say the standard is dictated by functionality and at the same time say the standard is primarily functional. The Federal Circuit has recited them back-to-back in the same case.[232] So the court has a role, too, in effectuating some important reforms, even if we think of them as small-scale reforms.

PROF. FISCHMAN AFORI:

I just want to pop up with another answer to the question from this direction. It's a very good question and I think another supplementary answer to the situation of non-copying similarities is the court's impulse to grant restitution or use similar doctrines such as unfair competition, misappropriation, or unjust enrichment. Such doctrines can be used as a supplementary answer to a situation where there are similarities which are not made by intentional copying. So it's again, common law proposals, but I think it works.

PROF. SCAFIDI:

Is there one other question?

MR. HOFFBERG:

If you move away from a patent style analysis of design patents, how does the legal analysis of the design ever get appealed?

PROF. JANIS:

How does it ever get appealed?

MR. HOFFBERG:

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[232] PHG Techs., LLC v. St. John Cos., 469 F.3d 1361, 1366 (Fed. Cir. 2006).

Yes, without a judge going through word-by-word, element-by-element, describing what he's thinking and what the design is and what the prior art is and what the infringement is, how do you ever get an appeal of a decision?

PROF. JANIS:

I don't think there is a good answer to it, but you see it coming up in trade dress law too. If we're protecting the overall appearance, there are a lot of different ways to define that. There are ways to define it post-hoc, for litigation purposes, that would seem troubling and objectionable. That could even happen under the current regime of design patents, even though we act like the scope of rights is a little more formally defined in advance, and we have a claim. It certainly could happen in the less formal regime that I'm talking about.

I think that that is a problem, but I think it's endemic to the area. That's always going to be difficult in design, probably no matter which type of regime that one uses.

MR. MOSKIN:

I mean, what your question called to mind is the standard of review that's often invoked in copyright cases, that if it's simply a pictorial or graphic thing, with courts, the appellate courts will say, we are in as good of a position as the district courts to review that picture or thing or culture, whatever it may be, for purposes of appellate review.[233]

Nonetheless, although there is a certain amount of difference that I think the cases now increasingly say, when the appellate courts do that kind of analysis. But I think it always behooves the litigant to do the best possible job of articulating what are those elements, even if it's not required.

I mean, in some cases, now in trade dress cases, it is becoming required and in design patent cases—if you can't tell the jury what is so unique, or in the old days, what are the points of novelty, you're probably not going to win.

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[233] *See, e.g.*, Esquire, Inc. v. Winger, 591 F.2d 796, 798 (D.C. Cir. 1978). The court of appeals reversed the district court's decision that an outdoor lighting fixture was eligible for copyright protection as a "work of art." *See id.*

So again, I think it behooves litigants to do it anyway, even if it's not a requirement.

PROF. JANIS:

You also have to think about who's the ordinary observer too, for purposes of design patents. And that's more complicated now, after the *Egyptian Goddess* case. But that's another place where a litigant could do exactly what was being suggested. You could go well beyond the minimal requirements of the law in articulating who is the ordinary observer for purposes of your case.

I do think that the way that's now defined, an ordinary observer is a little less ordinary than it used to be and less like the appellate judge than it used to be and that really creates the complication that you're talking about.

MR. MOSKIN:

And it's also complicated by the fact that you're not supposed to use the commercial embodiment as the basis for assessing infringement, but rather what's claimed in the pictures.[234] If the person who drafted the design patent was attentive to some of the things that you can do using phantom lines, so forth, it can be very difficult to figure out, well, what am I supposed to show an ordinary observer for him or her to define as the real element for the purpose of making a comparison of some sort.

PROF. SCAFIDI:

All right. At this point, I have received the signal that only two words can stand between you all and lunch and those words are "thank you."

[234] *See, e.g.*, Sun Hill Indus., Inc. v. Easter Unlimited, Inc., 48 F.3d 1193, 1196 (Fed. Cir. 1995).