



1989

Industrial Design Protection in the United States of America—Present Situation and Plans for Revision

William T. Fryer III

University of Baltimore School of Law

Follow this and additional works at: <http://scholarworks.law.ubalt.edu/ublr>



Part of the [Intellectual Property Law Commons](#)

Recommended Citation

Fryer, William T. III (1989) "Industrial Design Protection in the United States of America—Present Situation and Plans for Revision," *University of Baltimore Law Review*: Vol. 19: Iss. 1, Article 9.

Available at: <http://scholarworks.law.ubalt.edu/ublr/vol19/iss1/9>

This Article is brought to you for free and open access by ScholarWorks@University of Baltimore School of Law. It has been accepted for inclusion in University of Baltimore Law Review by an authorized administrator of ScholarWorks@University of Baltimore School of Law. For more information, please contact snolan@ubalt.edu.

INDUSTRIAL DESIGN PROTECTION IN THE UNITED STATES OF AMERICA—PRESENT SITUATION AND PLANS FOR REVISION*

William T. Fryer, III†

I. INTRODUCTION

Industry in the United States has shown an increased interest in industrial design protection.¹ This conclusion is based on several recent developments, including significant court decisions and an increased number of design patent applications received by the Patent and Trademark Office (PTO).² Another important development is the renewed effort to improve industrial design protection by adding an additional form of industrial design intellectual property law.

The basic intellectual property law³ available for industrial design protection is the design patent, but there has been significant use of trademark law and some copyright law for certain designs. The consensus in the legal community and many industries is that a better way is needed to protect industrial designs. The present systems take too long to provide protection. These protective rights are difficult to enforce in court and, usually, it is not clear what industrial design features are protected. An important start in this review is to admit that there is a likelihood of misinterpretation when using the "industrial design" term. For example, every product is the result of many design considerations, including technical, cost, and appearance. Although the industrial designer plays an important role in achieving the desired combination of these factors,⁴ industrial design law protects only product appearance.

* Permission granted by the World Intellectual Property Organization (WIPO) for publication in this law review. Substantially the same article appeared in the March 1988 issue of WIPO's publications "Industrial Property" and "La Propriété industrielle" and was also published in 70 J. PAT. & TRADEMARK OFF. SOC'Y 820 (1988).

† B.S.E.E., 1955, Lafayette College; J.D. with honors, 1960, George Washington University. Professor, University of Baltimore School of Law; Chairman, 1982-1986, Industrial Design Committee, American Bar Association, Section on Patent, Trademark and Copyright Law.

1. See, e.g., Freedman, *Forsaking the Black Box: Designers Wrap Products in Visual Metaphors*, Wall St. J., Mar. 26, 1987, at 39, col. 4; MacDonald, *As Awareness of Industrial Design Grows, Firms Start to Use It as a Marketing Tool*, Wall St. J., Feb. 23, 1987, at 27, col. 4; MacDonald, *Looking Good: More Firms Place Higher Priority on Product Design*, Wall St. J., Jan. 22, 1987, at 33, col. 4; Freestone, *Design Protection: The Pros, Cons of Knock-offs*, DESIGN HORIZONS, Oct., 1986, at 12; O'Donnell, Weiner, Bradford, Borrus, Elliott, *Counterfeit Goods*, BUS. WK., Dec. 16, 1985, at 64; Mervach, Jones, *The New Trade Strategy*, BUS. WK., Oct. 7, 1985, at 90; Lehrer, *Designers Want More Protection from Imitators*, Wall St. J., Oct. 1, 1985, at 35, col. 3.
2. In 1986, 9,792 design patent applications were filed. U.S. DEP'T OF COMMERCE, 1986 PTO ANNUAL REPORT 46 (1987) [hereinafter 1986 PTO ANNUAL REPORT]. This figure can be compared with 2,573 in 1954, U.S. DEP'T OF COMMERCE, 1973 PTO ANNUAL REPORT 8 (1974), and 4,774 in 1967, 1986 PTO ANNUAL REPORT, *supra*, at 46. This is an increase of 280% in 32 years or an average increase per year of approximately nine percent. The change in filing has seen a steady increase in almost all years.
3. All references herein to the law will be to United States law, unless otherwise indicated.
4. Article II of the Bylaws of the Industrial Designers Society of America provides:

It is unrealistic to consider the objective of industrial design law as protecting only the design appearance that is not part of nor related to a product functional feature. This view is not consistent with the nature of industrial designs, in that the usual source of most design features is product parts that necessarily form its structure and operation. Product appearance is dictated, at least in part, by the functional arrangement of product parts, and the proper way to consider industrial design law is to examine appearance and its relation to the functional parts. The courts have had to sort out what designs are protected, examining the relation between product function and appearance. While this question is a big issue in industrial design law, no matter what form of intellectual property is being discussed, there are several other important aspects of industrial design law deserving careful attention. This Article will review the present industrial design protection provided by United States trademark law, design patent law, copyright law, and a proposal for a new form of protection called Design Copyright Registration (DCR).

II. TRADEMARK PROTECTION OF INDUSTRIAL DESIGNS

Trademark law is the best place to start in describing industrial design protection, or trade dress protection, as it is sometimes called in trademark decisions. A relatively precise set of requirements must be met before a trademark can be obtained. While there is state trademark law, the federal trademark law under the Lanham Act⁵ is by far the most important.⁶ The Lanham Act offers nationwide protection. In addition, several United States Supreme Court decisions have limited the scope of state laws in protecting product designs.⁷ A number of product industrial designs have been

Industrial Design is the professional service of creating and developing concepts and specifications that optimize the function, value and appearance of products and systems for the mutual benefit of both user and manufacturer.

This service is often provided in the context of a cooperative working relationship with other members of a development group. Typical groups include management, marketing, engineering and manufacturing specialists.

The Industrial Designer's contribution places special emphasis on human characteristics, need and interests which require particular understanding of visual, tactile, safety and convenience criteria. Industrial Designers combine these considerations with practical concern for technical processes and requirements for manufacture; marketing opportunities and economic constraints; and distribution, sales and servicing arrangements. Industrial Designers, as professionals, are guided by awareness of their obligations to protect the public safety and well-being, to respect the environment, and to observe ethical business practice.

Bylaws as published in the 1989-90 DIRECTORY OF INDUS. DESIGNERS SOC'Y OF AM., at 6.

5. 15 U.S.C. §§ 1051-1127 (1988).

6. A leading treatise on trademark law is by J.T. McCARTHY, TRADEMARKS AND UNFAIR COMPETITION (2d ed. 1984) (Sections 7.23-33 are devoted to protection of product shape).

7. See, e.g., *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964); *Compco Corp. v.*

protected under federal trademark law, including a cube puzzle,⁸ cosmetic package,⁹ guitar,¹⁰ cordless telephone,¹¹ lightweight luggage and bags,¹² toy cars,¹³ and parking meters.¹⁴

The main reason why most industrial designs cannot be effectively protected by trademark law is that product design features are not distinctive in a trademark sense. Trademark law requires that the trademark design be recognized by the public as identifying a product source. Quite often, design features are merely interpreted by the public as being attractive parts of the product appearance that serve no trademark significance, just like many words can only have a descriptive meaning in the public's mind. For example, it had to be shown that the geographic term "North American" was associated with a manufacturer of aircraft and not primarily the continent where the company was located.¹⁵ For industrial designs, this requirement almost always means a public survey is needed to prove the design has secondary meaning. Generally, industrial designs do not start out as trademarks, and it takes considerable time to reach the trademark status. During the period before adequate secondary meaning is reached, there is no trademark protection. For this reason, exclusive reliance upon trademark protection for an industrial design is unwise.

Another equally good reason for not relying exclusively on trademark law to protect an industrial design is that the scope of trademark product

Day-Brite Lighting, Inc., 376 U.S. 234 (1964). In each of these cases, state unfair competition law (also called unfair trade practices), excluding trademark law, was held to be preempted by the federal patent law, to the extent that the state laws provided protection equivalent to federal utility or design patent law for industrial designs. According to these Supreme Court rulings, unless there is a utility patent or design patent protecting a product design, the design can be copied by anyone. There was no evidence in these cases that the designs were trademarks. They were distinctive through development of secondary meaning. These decisions left unanswered whether state trademark law could be used to protect industrial designs, but it was clear that state law could operate to prevent consumer confusion due to improper labeling or deceptive trade practices. These cases and later Supreme Court cases have left unresolved whether federal law could be used to protect industrial design type trademarks. Subsequent developments in lower courts have shown Lanham Act protection is available for industrial design related trademarks if the basic trademark requirements are met.

8. *Ideal Toy Corp. v. Plawner Toy Mfg. Corp.*, 685 F.2d 78 (3d Cir. 1982).
9. *Olay Co. v. Cococare Prods., Inc.*, 218 U.S.P.Q. (BNA) 1028 (S.D.N.Y. 1983).
10. *In re Ovation Instruments, Inc.*, 201 U.S.P.Q. (BNA) 116 (T.T.A.B. 1978); *Yamaha Int'l Corp. v. Hoshino Gakki Co.*, 231 U.S.P.Q. (BNA) 926 (T.T.A.B. 1986), *aff'd*, 840 F.2d 1572 (Fed. Cir. 1988).
11. *Uniden Corp. of Am. v. Unipacific Corp.*, 223 U.S.P.Q. (BNA) 70 (C.D. Cal. 1983).
12. *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 78 (2d Cir. 1985), *later proceeding*, 617 F. Supp. 316 (E.D.N.Y. 1985), *reconsideration denied*, 227 U.S.P.Q. (BNA) 151 (E.D.N.Y. 1985).
13. *Warner Bros., Inc. v. Gay Toys, Inc.*, 724 F.2d 327 (2d Cir. 1983), *later proceeding*, 598 F. Supp. 424 (S.D.N.Y. 1984).
14. *Time Mechanisms, Inc. v. Qonaar Corp.*, 422 F. Supp. 905 (D.N.J. 1976).
15. *North Am. Aircoach Sys., Inc. v. North Am. Aviation, Inc.*, 231 F.2d 205 (9th Cir. 1955), *cert. denied*, 351 U.S. 920 (1956).

design protection has been carefully limited. As a general rule, design features that give a product a more competitive position cannot be protected by trademark law. This rule was addressed in *In re Teledyne Industries, Inc.*¹⁶ The court applied the following test to determine when a product design can be a trademark:

Simply dissecting appellant's alleged trademark into its design features and attributing to each a proven or commonly known utility is not, without more, conclusive that the design, considered as a whole, is de jure functional and not registrable. . . . Rather, the decisive consideration is whether the overall design of appellant's showerhead is so superior in de facto function or economy of manufacture that recognition of that design as a trademark would hinder competition in the showerhead trade.¹⁷

In *In re Teledyne* there were holes configured in a certain pattern on the face of a nozzle through which water sprayed, as shown in Figure 1 below.

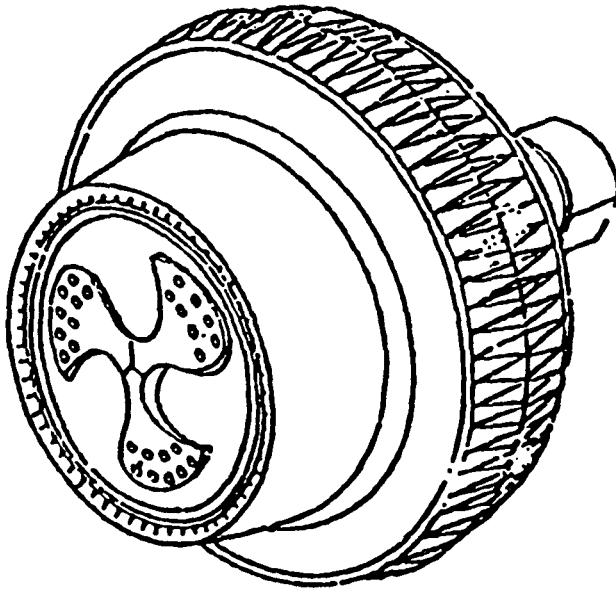


Figure 1

The device was a showerhead that created a pulsating water flow as a result of a mechanism in the head. The application for trademark registration had been refused by the PTO. In affirming this rejection, the court found suggestions in utility patents obtained on the same showerhead that this hole

16. 696 F.2d 968 (Fed. Cir. 1982).

17. *Id.* at 971 (citations omitted).

configuration produced a very desirable spray effect on a person taking a shower. The burden was on the applicant to show other devices could perform equally as well and that this design gave no competitive advantage. The evidence presented by the applicant did not convince the court. The court found trademark protection would include features that gave the product competitive advantages. In effect, the trademark would give the owner an exclusive right to sell a nozzle with this hole pattern, the equivalent of a utility patent on the hole pattern design, without having met the requirements for a utility patent. In contrast, it was noted that the propeller shaped design on the showerhead face in Figure 1 was merely decorative and not a "functional feature." If it had been the subject of the trademark application, and the necessary secondary meaning was shown, a trademark registration should have been obtained.

Another example of judicial treatment of product design trademarks can be found in *Truck Equipment Service Co. v. Fruehauf Corp.*,¹⁸ in which the alleged trademark was the shape of a trailer body. The court found that the trailer body was one of many shapes that could be used. The shape had no special advantage in the operation of the truck nor in its construction—a fact conveniently admitted in the records of the copier.¹⁹ Moreover, there had been considerable use of the trailer, and the court was satisfied that there was adequate secondary meaning, thus creating a distinctive mark. This case relied on section 1125(a) of the Lanham Act, also known by its original bill section number 43(a). The fact that the design was copied, and not independently created, was a factor that helped the owner, but copying is not a requirement for trademark infringement.

The basic question in all industrial design trademark cases is whether the design is functioning as a trademark. A design may be the combination of shape and colors that primarily serve a nontrademark purpose and, therefore, it cannot be protected under the law. Such a situation occurred in the United States Supreme Court case of *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, in which the alleged trademark was the color combination used on medicine capsules.²⁰ In applying the Lanham Act, the Court found that the public used these color combinations to identify the dosage content of each capsule, not primarily to identify the manufacturer of the medicine. The primary functional use of the design prevented any trademark protection. The *Inwood* holding answered the basic question that occurs in each industrial design trademark case: whether the design is primarily serving a nontrademark purpose so as to preclude trademark protection.

The same basic question of trademark distinctiveness can also be evaluated by examining the effect of the alleged trademark on product marketability. At issue is whether the design appearance adds to the commer-

18. 536 F.2d 1210 (8th Cir.), cert. denied, 429 U.S. 861 (1976).

19. *Id.* at 1218.

20. 456 U.S. 844 (1982).

cial attractiveness of the product. While some courts have held that a design considered by customers as an important part of the visual attractiveness of a product cannot be a trademark,²¹ this test seems to be less popular today. Instead, the test has been replaced by more basic questions concerning the previously discussed utilitarian function of the related product parts and whether the design is recognized as a trademark in the marketplace.²² If consumers use the design primarily as recognition of the manufacturer, then it can be a trademark.

This brief explanation of trademark law, applied to industrial designs, should demonstrate the many reasons why trademarks do not answer the need for a clearly defined industrial design protection system. The basic question is whether a particular design can be a trademark. The usual requirement for secondary meaning for industrial design trademark is not easy to prove. It takes time to reach trademark status, and no enforceable rights are obtained until it becomes a trademark in the marketplace. Even though a trademark has the advantage of perpetual life, its disadvantages have persuaded most practitioners to turn to design patents for more consistent protection of industrial designs. Practitioners, however, have not been completely satisfied with the design patent alternative.

III. DESIGN PATENTS

Although the first patent law in the United States was enacted on April 10, 1790; it did not directly, or by implication cover industrial designs.²³ This law applied to the functional arrangement of machines. Patents obtained on this subject matter are commonly called utility patents. The first industrial design patent law in the United States was passed in 1842, and it applied to a wide range of products, including articles of manufacture, designs printed on fabric, statues, designs placed on a product, or shape or configuration of a product.²⁴ While there were changes, the subsequent statutes continued this broad subject matter scope. Products that were

21. See, e.g., *Pagliero v. Wallace China Co.*, 198 F.2d 339, 343 (9th Cir. 1952) (relying on the aesthetic functionality test, which was described as a determination of whether the design is an important ingredient of the commercial success of the product).

22. See, e.g., *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 78 (2d Cir. 1985) (not following the aesthetic functionality test, but rather employing a more basic analysis of trademark distinctiveness). See generally Oddi, *The Functions of Functionality in Trademark Law*, 76 TRADEMARK REP. 308 (1986).

23. Patent Act of 1790, 1 Stat. 109 (1790). For useful treatises on design patent law, see A.W. DELLER, *DELLER'S WALKER ON PATENTS* (2d ed. 1964), and W.C. ROBINSON, *THE LAW OF PATENTS FOR USEFUL INVENTIONS* (1890).

24. Patent Act of 1842, 5 Stat. 543, § 3 (1842). The early history of United States patent law is reported in several treatises. See generally W.L. SYMONS, *THE LAW OF PATENTS FOR DESIGNS* (1914); W.E. SIMONDS, *THE LAW OF DESIGN PATENTS* (1874); H.T. FENTON, *THE LAW OF PATENTS FOR DESIGNS* (1889).

involved in very early industrial design court cases included a rug,²⁵ a saddle,²⁶ and eating utensils.²⁷

A most unique feature of design patent law is that the utility patent law standards apply to design patents, except where there is a conflict with the design patent provisions.²⁸ It is virtually impossible to understand design patent law without also understanding utility patent law. This close relationship is the result of the design patent statute being a part of the utility patent statute, with only a few provisions specifically identified as applying exclusively to design patents. An inherent difficulty in this arrangement is determining which utility patent provisions are inconsistent with or need special interpretation for design patents. This question has been a continuous source of debate since the first patent laws were enacted, and remains one of the major issues that shape the scope and effect of design patent law.

It is easier to begin with the features of the utility patent and design patent laws that are shared without controversy. The standard procedure is to file with the PTO an application for a design patent that describes and claims the design. The PTO examines the application and decides whether it will issue a patent. The basic requirement for a complete disclosure of the design is satisfied by the application drawing.²⁹ The application drawing shows the design from several perspectives and with proper shading. The requirement for a claim in the application is satisfied by a simple statement that the applicant claims the design as shown in the drawing, although a more detailed claim description can be used.³⁰ A decision of what design features to emphasize in the drawings and a determination of what is claimed can be critical, as in an attempt to obtain the priority date of an earlier design application. PTO examination of a design application will determine whether the design is novel³¹ and unobvious.³² Only if both of these standards are met can a design patent be obtained. In general, the novelty standard is like the utility patent requirement in that no prior art designs show exactly the claimed design. If there are differences from such prior designs, no matter how slight, the design will be considered novel.

The standard of unobviousness has caused substantial controversy over

25. *Dunlap v. Schofield*, 152 U.S. 244 (1894) (design patent owner failed to recover damages for infringement because rug was not marked with patent notice, and there was no proof of actual knowledge that the patent was infringed).

26. *Smith v. Whitman Saddle Co.*, 148 U.S. 674 (1893) (differences in the appearance of two saddles dictated that no patent infringement be found).

27. *Gorham Co. v. White*, 81 U.S. (14 Wall.) 511 (1872) (infringement found because defendant's silverware was so similar in appearance to patented silverware that an ordinary customer would likely be induced to buy the defendant's silverware thinking that it was the patented silverware).

28. 35 U.S.C. § 171 (1988).

29. *Id.* § 113. For a more detailed description of the drawing requirements, see 37 C.F.R. §§ 1.52, 1.81-.88 (1990).

30. 35 U.S.C. § 112 (1988).

31. *Id.* § 102.

32. *Id.* § 103.

how it should be applied to design patents. In utility patent law, the application of the standard involves a well developed method of analysis of relevant prior art, to determine whether one who is skilled in a particular art would consider the invention, as a whole, within the skill of that art.³³ This standard is a very subjective standard, and the analysis relies heavily upon many factors that may show whether the invention is unobvious. Prior art teachings are used to see if the invention has been suggested. An example of an unpatentable utility invention is where one material is substituted for another without any unexpected result. The decision is made from the viewpoint of a person who understands the technology and teachings of the prior art, otherwise known as one who is skilled in the art.

The design patent law standard for unobviousness has gone through considerable evolution. For many years there were conflicting decisions from the courts, primarily based upon whether designs should be evaluated by an ordinary person,³⁴ or by an ordinary designer,³⁵ to determine if a design was unobvious. Under either approach, if a prior art reference appearance was the same as the applicant's, as judged by an ordinary observer, the design was not novel and no design patent could be obtained. When differences between the designs existed, and these differences involved features found in the prior art, the addition or substitution of them could be considered an obvious step. Under these circumstances, there would be no design patent issued. From this brief oversimplification of the unobvious standard applied to design patents, it is apparent that very little certainty existed in whether a design patent was valid. Even if the PTO granted a design patent, and the presumption of validity was given full weight, the courts had their own "view" of how to apply the obviousness standard. The simplicity of the basic issue and a court's willingness to make the decision and not rely on experts have made the unobvious determination even more unpredictable.

In 1981, the Court of Customs and Patent Appeals issued a very important decision, *In re Nalbandian*, which clarified the standard for analyzing unobviousness for design patents.³⁶ The court found that the ordinary observer test for unobviousness had led to "the less discerning eye," making it easier for a court to hold a design patent invalid.³⁷ Accordingly, the court adopted a test that required the evaluation to be by an ordinary designer

33. *Graham v. John Deere Co.*, 383 U.S. 1 (1966) (patents at issue were held unpatentable because the claimed subject matter was obvious to a person skilled in that art).

34. *See, e.g., Schwinn Bicycle Co. v. Goodyear Tire & Rubber Co.*, 444 F.2d 295, 299 (9th Cir. 1970); *In re Laverne*, 356 F.2d 1003 (C.C.P.A. 1966).

35. *See, e.g., Sidewinder Marine, Inc. v. Starbuck Kustom Boats & Prods., Inc.*, 597 F.2d 201, 208 (10th Cir. 1979); *Hadco Prods., Inc. v. Walter Kidde & Co.*, 462 F.2d 1265, 1272 (3d Cir.), *cert. denied*, 409 U.S. 1023 (1972); *Fields v. Schuyler*, 472 F.2d 1304, 1305 (D.C. Cir. 1972), *cert. denied*, 411 U.S. 987 (1973); *Rains v. Niaqua, Inc.*, 406 F.2d 275, 280 (2d Cir.), *cert. denied*, 395 U.S. 909 (1969).

36. 661 F.2d 1214, 1216 (C.C.P.A. 1981).

37. *Id.* at 1216 n.2.

skilled in the particular design field. The court was very careful to state that this was not the same "skilled in the art" person used in evaluating the unobvious standard for utility patents. This change brought the utility patent and design patent tests into general agreement, recognizing that a different type of design person had to be used, and also had positive effects on the development of design patent law.³⁸ The unobviousness standard could be addressed by witnesses with expertise in creating the appearance of products in a particular field, or related fields, to determine what design techniques were common. The experts would interpret the prior art designs from a product appearance designer's point of view. Because designers have their own training schools and apprentice experience, this input to the legal determination appeared to be very helpful.

In 1982 the Court of Customs and Patent Appeals was replaced by the Court of Appeals for the Federal Circuit (CAFC). This new court decides all design patent appeals. Even with the uniformity provided by the CAFC and only one standard for unobviousness, several serious problems remained for successful enforcement of design patents. One of these problems was how to apply the unobvious standard, now that it was clear the ordinary designer could provide expert testimony on the question. Designers, by their nature, are highly opinionated, with strong likes and dislikes. When a designer is asked what would be obvious, or whether this change was within the skill of a designer, the answer depends upon the designer's personal taste. This evaluation is in contrast, at least to a degree, with that of utility patents in which scientific principles, basic teachings on technical subjects, and tests conducted on prior art inventions and the claimed invention, clarify what techniques are related and can be substituted for each other, and whether the performance is better.³⁹

There is a great deal more uncertainty in the analysis for unobviousness of an industrial design. The only way to determine whether a design is unobvious is to see if experts agree. Furthermore, even with the help of appearance designers, courts will ultimately decide the legal question of whether the design is unobvious. This unpredictability makes the design patent less attractive to many industries. While statistical studies concerning design patents are not conclusive nor complete, several surveys have indicated the percentage of design patents held valid and infringed by the courts has been very low.⁴⁰ Recent statistics suggest some change, but several of these cases have involved copying of the patented design.⁴¹

38. *Id.*

39. *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966) (evaluating a utility patent for novelty and obviousness).

40. For the period 1942 through 1951, about 23% of litigated design patents were held valid, where validity was determined. Walter, *A Ten Year Survey of Design Patent Litigation*, 35 J. PAT. OFF. SOC'Y 389, 390 (1953) (This journal has since changed its name to J. PAT. & TRADEMARK OFF. SOC'Y).

41. 1984 A.B.A. SEC. PAT., TRADEMARK & COPYRIGHT L. 159. Forty-five percent of all lit-

One question common to all industrial design protection laws is whether a design appearance feature that is related to a functional product part can be protected. This question may be difficult to understand because the purpose of design patents is to protect the appearance of useful products, including the appearance of product configurations and shapes created by functional parts. Nevertheless, design patent cases show a continuing controversy on the issue of just where design patents fit within the law.⁴² In essence, courts ask whether a design patent is an exclusive right to the appearance of a product that is equivalent to the protection given by a utility patent for that product's embodiment. An example is a chair. Clearly many, if not all, chair parts perform a function. The design patent protects the appearance created by a particular functional arrangement of these parts. The question is what standard should be used to determine the protected subject matter.

Design patent law started with no clear direction to this question. Case law and commentators continually described the initial Patent Office experience as very "lax" or easy, allowing design patents on any product as long as it was a novel design.⁴³ The early court decisions took a different view, usually setting up a test for validity that required something more than novelty, essentially the unobviousness standard discussed above. These courts found guidance in the utility patent cases decided in the 1800s, relying on the general provision of the patent law that the same standards should be applied to design patents and to utility patents.⁴⁴ Some courts included a requirement that there be an artistic or ornamental quality to the design. Finally in 1902, the design patent statute was amended to add the word "ornamental"⁴⁵ as a requirement, and this provision remains in the current

igated design patents during the year surveyed were held valid, where validity was determined. 1984 COMMITTEE REPORT. Fifty-six percent of the litigated design patents in the surveyed year were held valid, and only 22% were held valid and infringed, where validity was determined. This report attributed the improvement in validity to the United States Court of Appeals for the Federal Circuit resolving the debate over the obviousness test. 1985 COMMITTEE REPORT.

42. See, e.g., *Power Controls Corp. v. Hybrinetics, Inc.*, 806 F.2d 234 (Fed. Cir. 1986); *In re Carletti*, 328 F.2d 1020 (C.C.P.A. 1963); *In re Garbo*, 287 F.2d 192 (C.C.P.A. 1961). In each of these decisions the design was found not to be proper subject matter for a design patent.
43. See W.E. SIMONDS, *supra* note 24, at 182 (stating that the Patent Office issued design patents "without well defined limits"); H.T. FENTON, *supra* note 24, at 251 (quoting an 1871 Patent Office decision, *Ex parte Parkinson*, that refers to the "lax" practices and standards for design patents under prior Patent Office commissioners).
44. See W.E. SIMONDS, *supra* note 24, at 192 (reviewing the common heritage of utility and design patents). The same standards were applied by the courts to each of these forms of patents, requiring the exercise of creative genius. This standard was applied in *Hotchkiss v. Greenwood*, 52 U.S. 248 (1850), in which the patent was held invalid because no more ingenuity and skill was necessary to construct the new product than was possessed by an ordinary mechanic acquainted with the business.
45. See W.E. SIMONDS, *supra* note 24, at 12. This treatise quotes the Commissioner of Patents in testimony supporting the addition of the term "ornamental" to the design patent statute, as stating:

law.⁴⁶ Since then, courts have tried to identify what to look for in a design in order to meet the ornamental standard.

One approach in finding whether a design is "ornamental" is to determine whether some effort has been made to create a more pleasing product appearance. An artistic effort, even if not successful in the opinion of some, produces a protectable, ornamental design. Many products need this type of design development, and this design should be considered ornamental. If no intentional effort is made to improve the appearance of a product, however, the subject matter must be examined from another point of view, focusing on whether the product design, when protected, is going to prevent others from using a design appearance that is needed to compete in the marketplace for utilitarian reasons, not merely appearance considerations. The design may result in better performance, efficiency, or reduced manufacturing cost. If there are other devices that can compete effectively, using the same functional operation while having different appearances, then the protected subject matter does not present a competitive problem. It is ornamental and design protection is appropriate.

A recent application of the ornamental standard is found in *Power Controls Corp. v. Hybrinetics, Inc.*,⁴⁷ in which the design was a plastic packaging container for an electrical component. This container was arranged to close like a clam shell and fit tightly around the component. The court examined each design appearance feature and found that it was used for a functional reason. The design patent owner failed to present evidence to show the arrangement was created, at least in part, to improve the appearance of the package, or that the package could be built using the same functional arrangement without creating essentially the same appearance. Thus, the court held that the design was not ornamental. Likewise, in *In re Carletti*, a plumbing gasket with surface ribs was found to be a purely functional design and not protectable.⁴⁸ The *Carletti* court examined all of the evidence to see if any reason other than function may have dictated the design. The court was looking for evidence that the design was ornamental, but found none.

[i]t is thought that if the present bill shall become a law the subject of design patents will occupy its proper philosophical position in the field of intellectual production, having upon the one side of it the statute providing protection to mechanical constructions, possessing utility of mechanical function, and upon the other side the copyright law, where objects of art are protected, reserving to itself the position of protecting objects of new and artistic quality pertaining, however, to commerce, but not justifying their existence upon functional utility. If the design patent does not occupy this position there is no other well defined position for it to take.

46. Section 171 provides: "Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this title." 35 U.S.C. § 171 (1988).

47. 806 F.2d 234 (Fed. Cir. 1986).

48. *In re Carletti*, 328 F.2d 1020, 1022 (C.C.P.A. 1963).

The difficulty in resolving the ornamental issue is even greater for many designs when one considers the broad role played by an industrial designer, who does more than make the product attractive. The industrial designer tries to change the parts to create a unique combination of function and appearance, striving to reduce costs or optimize some other criteria and produce a marketable appearance. Drawing a line between protected and unprotected designs is not easy, and the courts will not expand design patent protection to a scope where the design patent effectively serves the role of a utility patent.

In the dissenting opinion of *In re Cho*,⁴⁹ a recent CAFC design patent case, Judge Newman reconsidered the proper standard for determining protectable design patent subject matter, that is, what is ornamental. Judge Newman proposed to determine what is ornamental by using as a first step the same analysis applied to a utility patent invention to determine unobviousness.⁵⁰ Judge Newman reasoned that if the combination of the features for functional reasons would be obvious to one skilled in the art under the utility patent law standard, then the design applicant had to prove that the design features were not essential to that functional operation. The majority, however, held that this issue had not been raised on appeal and, therefore, did not address it. In the same analysis, Judge Newman considered the unobviousness standard as integrally related to the ornamental issue. Even though Judge Newman's view was not considered by the majority, it raises more questions for design patent litigants and helps to focus on an issue of design patent law that needs resolution. Whether the search is for artistic quality in the design, subject matter that is nonthreatening from a competitive functional point of view, or use of a standard based on utility patent analysis for an unobvious invention, the courts have their hands full in grappling with the design patent subject matter issue.

The above introduction to trademark law shows that essentially the same subject matter issue exists as in design patent cases. Trademark case law has resolved the issue in a more systematic and decisive way—to the satisfaction of most courts—by asking whether the product design makes the product more competitive. Moreover in trademark law, there is no standard comparable to unobviousness that has to be analyzed.

A design patent gives an exclusive right to make, use, and sell the protected design.⁵¹ There is no requirement to show copying, as only an independent creation is needed to establish infringement. The design patent is the same in this respect as the utility patent. The important issue of how to determine design patent infringement was resolved long ago by the United States Supreme Court in the case of *Gorham Co. v. White*.⁵² The Court's

49. *In re Cho*, 813 F.2d 378, 382 (Fed. Cir. 1987) (Newman, J., dissenting).

50. *Id.* at 382-84.

51. 35 U.S.C. § 271(a) (1988).

52. 81 U.S. (14 Wall.) 511 (1871).

analysis in *Gorham* compared the patented design and the alleged infringing design as an ordinary person would look at them.⁵³ If the designs appeared the same, even though differences existed, there was an infringement. One United States practitioner has surveyed the recent design patent cases and concluded that courts only find a design patent valid and infringed if there is evidence of copying.⁵⁴ The practitioner concluded that, without showing access to the design owner's product or the design patent, the courts do not find infringement as often. In effect, this survey suggested that the present design patent system functions like the copyright-type system described below.

There are designers who object to a regime in which small differences are adequate to avoid design patent infringement. Even though the legal standard for design patent infringement is clearly established, the extent of alterations allowed within the scope of a design patent is an issue in most design patent infringement cases. Some variations of the patented design are protected despite failing to significantly change its appearance. The flexibility given utility patents under the equity doctrine of equivalence is applicable to design patents and serves as the basis for some variations being permitted. On the other hand, the extent of design change permitted always goes back to the original test of whether the ordinary person would view the overall designs as substantially the same. The designer cannot ask for more under the design patent system. The courts always stress the need for reasonable predictability of what is protected in infringement analysis, whether it be in utility patent or design patent cases.

The design patent provides very important protections, giving the exclusive right to make, use and sell the protected design. The value of a design patent, however, is greatly reduced owing to the uncertainty of how to apply its standards. For example, the unobviousness requirement is very difficult to apply, and the subject matter issue is hard to resolve for many designs. Another factor decreasing the usefulness of the design patent system is the time it takes to obtain a design patent, an average of almost 2.5 years.⁵⁵ During the time the application is pending, there are no protective rights, and copiers can operate without risk. Upon patent issuance, the protection term begins and copiers can look forward to several more years of use before litigation ends, subject only to liability for damages, if and when the patent successfully passes all the significant obstacles in its path. Additionally, the cost of obtaining a design patent is an important consideration. Although a design patent costs less than a utility patent, a design patent is still expensive, approximately \$1000, including attorney and PTO fees.

Judge Rich—now on the CAFC—in his concurring opinion in *In re*

53. *Id.* at 528.

54. Thompson, *Industrial Design Protection in the U.S.*, in 4 AM. INTELL. PROP. L.A., SELECTED LEGAL PAPERS L-1, No. 7 (1986).

55. 1986 PTO ANNUAL REPORT, *supra* note 2, at 21.

Nalbandian, stated that there should be another, less difficult system for design protection.⁵⁶ He encouraged passage of legislation to set up a copyright-type protection system for industrial designs, much like the DCR described below.

IV. COPYRIGHT LAW PROTECTION OF INDUSTRIAL DESIGNS

Copyright law protection in the United States prevents others from making a substantially identical copy of a protected work.⁵⁷ There is no procedural requirement to initially obtain copyright protection. Instead, protection occurs immediately when a work is "fixed in any tangible medium of expression."⁵⁸ Protection continues when the work is published. At the time of publication, a notice of copyright may be put on the work to obtain favorable remedy benefits.⁵⁹ There is some leeway, however, when the notice has been omitted accidentally, if corrective steps are taken within five years from publication.⁶⁰ While copyright protection begins as soon as the work is created, the enforcement of United States origin designs in a court must be preceded by registration of the work in the Copyright Office.⁶¹ At that time, the Copyright Office makes a decision whether the subject matter can be protected.⁶² If the Copyright Office refuses registration, the only alternative is to appeal the decision to a court. Yet, if the subject matter is protected, the term of protection can be as long as the life of the designer plus fifty years.⁶³ Furthermore, there is multi-country protection on works under the Berne Convention (Berne), the Universal Copyright Convention (UCC) and through many bilateral agreements.⁶⁴ Berne dic-

56. 661 F.2d 1214, 1218 (C.C.P.A. 1981) (Rich, J., concurring). Judge Rich outlined the history of efforts to obtain a better protection system for industrial designs. He found the unobviousness standard very difficult to apply, and questioned whether it was appropriate for industrial designs. He urged attention be given to legislation pending then in Congress that corresponded essentially to current legislation, discussed more fully in Part V.

57. 17 U.S.C. §§ 101-810 (1988). For a leading treatise on copyright law, see M. NIMMER & D. NIMMER, *NIMMER ON COPYRIGHT* (1989) (Section 2.18 relates to industrial design subject matter). For a detailed review of copyright law legislation related to industrial designs, see Milch, *Protection for Utilitarian Works of Art: The Design Patent/Copyright Conundrum*, 10 *COLUM. J.L. & ARTS* 211 (1986). For a comprehensive review of domestic and foreign design law, see 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.

58. 17 U.S.C. § 102(a) (1988) (the definition of "fixed" is found in § 101).

59. *Id.* § 401 (covering copiers and photographs).

60. *Id.* § 405.

61. *Id.* § 411.

62. *Id.* § 410.

63. *Id.* § 302(a).

64. For a complete listing of United States Copyright relations with the other independent nations of the world, see *ANNUAL REPORT OF THE REGISTER OF COPYRIGHTS FOR FISCAL 1985*, 16-20 (1986).

tates some minimum standards or scope of protection for industrial designs.⁶⁵

Copyright law offers very favorable protection for selected industrial designs, but most product designs cannot be protected under this law. The reason for the exclusion is historical and practical. The United States Constitution refers to copyright protection of authors' writings, and this provision has been expanded for conventional literary and artistic works.⁶⁶ Accordingly, some useful product designs with a very strong artistic content have been granted copyright protection, such as jewelry, candlestick holders, salt and pepper shakers, fish bowls, and ash trays.⁶⁷ Yet, other useful product designs have been denied copyright protection even though they had significant artistic features, or parts that could have been protected separately as works of art. It is not clear, even today, what standards are followed to accept or reject a copyright registration for a useful product design. Some clarification in the law occurred in *Mazer v. Stein*, a significant Supreme Court decision that allowed copyright protection for a very attractive statue of a woman's figure used as a lamp base.⁶⁸ The *Mazer* statue was an artistic work, independent of any useful purpose, and the fact it was part of a lamp did not exclude copyright protection. Since the application for registration was for the statue only, *Mazer* left room for debate on the proper scope of copyrightable subject matter for industrial designs.⁶⁹ Revision of the copyright law in 1976 continued this debate.

The 1976 copyright law revision included a requirement that only

-
65. S. RICKETSON, *THE BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS: 1886-1986* (1987).
66. U.S. CONST. art. I, § 8, cl. 8 (granting Congress the power "to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries").
67. *Mazer v. Stein*, 347 U.S. 201, 221 (1954).
68. *Id.* at 201. In *Mazer*, the Court based its decision at least in part on the fact that the Copyright Office had registered similar useful articles. The Court, however, decided not to interpret the maximum scope of the "work of art" provision nor the constitutional term "writing." *Id.* at 213. Justice Douglas, in his concurring opinion, urged the Court to decide whether this lamp base statue and other useful articles being registered were within the constitutional requirement that copyrights apply to "writings." *Id.* at 220 (Douglas, J., concurring). This question remains undecided up to now by the Supreme Court, but the long standing practice of the Copyright Office in registering these articles would indicate these items should receive copyright protection. The line between accepted and rejected useful works will be a continuous source of litigation and discussion.
69. See, e.g., *Esquire, Inc. v. Ringer*, 414 F. Supp. 939 (D.D.C. 1976), *rev'd*, 591 F.2d 79 (D.C. Cir. 1978), *cert. denied*, 440 U.S. 908 (1979). In *Esquire*, the industrial design was an outdoor lighting fixture that was attractive in its shape. The Copyright Office had established rules after *Mazer* permitting registration of industrial designs only if they were conceptually separate from the product utilitarian features and *Esquire* was the first serious test of the rule. The court of appeals agreed with the Copyright Office that there should be no registration, because copyright protection should not cover the overall configuration of a useful article. *Esquire*, 591 F.2d at 803. The next important case interpreting the conceptual separability test was *Kieselstein-Cord v. Accessories by*

industrial designs that could be conceptually separated from the functional features of a product could be protected.⁷⁰ The case of *Carol Barnhart, Inc. v. Economy Cover Corp.* summarized one view on the current status of copyright protection for industrial designs.⁷¹ In *Carol Barnhart*, an attempt was made to copyright the appearance of a mannequin used to display clothes. The Copyright Office had refused to register the mannequin design, and the court agreed. The Court of Appeals for the Second Circuit, a very experienced court in intellectual property matters, found that the 1976 Copyright Act and related legislative history clearly limited protection of useful article designs to ones that can be conceptually separated from the product configuration.⁷² Therefore, the court held that the mannequin was created for a useful purpose, and there was no basis for expanding copyright protection, notwithstanding that the mannequin alone could be used as an artistic display, without clothes. Under this interpretation, the scope of subject matter available for industrial design protection under the 1976 Copyright Act is very narrow.

The practical side of why copyright protection of industrial designs is so limited is the reluctance of the Copyright Office to become involved in the debate over what product designs can be protected. It is an understandable concern and the Copyright Office is satisfied with its role to protect the traditional forms of primarily nonfunctional works. However, there is no satisfactory explanation why some useful articles with attractive shapes are protected by copyright law and others with essentially the same artistic

Pearl, Inc., 489 F. Supp. 732 (S.D.N.Y.), *rev'd*, 632 F.2d 989 (2d Cir. 1980). In *Kieselstein-Cord*, the industrial designs were belt buckles. One design was found to have been created under the pre-1976 Copyright Act and another was created after the 1976 Act became law. The court held that the test was the same for each work. *Id.* at 735. The buckles had function-related shape features and an attractive contoured surface appearance. The conceptually separable test allowed protection of the surface appearance.

70. Section 101 provides in pertinent part:

'Pictorial, graphic, and sculptural works' include two-dimensional and three-dimensional works of fine, graphic, and applied art, photographs, prints and art reproductions, maps, globes, charts, diagrams, models, and technical drawings, including architectural plans. Such works shall include works of artistic craftsmanship insofar as their form but not their mechanical or utilitarian aspects are concerned; the design of a useful article, as defined in this section, shall be considered a 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 aspects of the article.

17 U.S.C. § 101 (1988).

Section 102(b) deals with subject matter of the copyright in general and states: "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 in which it is described, explained, illustrated, or embodied in such work." *Id.* § 102(b).

71. *Carol Barnhart, Inc. v. Economy Cover Corp.*, 773 F.2d 411 (2d Cir. 1985).

72. *Id.* at 418.

quality, and used at least in part for decoration, are not covered. The chair, used as an example above, is not within the copyright law, unless there is a portion of the design that could be visually separated from the legs, arms, and other configuration features. An emblem or seal design on the back might be protected by a copyright. When a very close analogy can be made to existing copyrighted useful articles, in terms of artistic significance and decorative use, there is a reasonable likelihood that a useful product appearance will be protected by copyright law. There should be a greater effort to add such products to the copyright protected group.⁷³

Copyright law offers protection only for a limited group of industrial designs. For these favored designs, however, the copyright law contains several important features that well serve the industrial design owner. First, the instant protection upon creation stops copiers immediately. Second, the administrative procedure is very simple for the creator to follow since the only requirement is a notice on the work at the time of publication. Third, the registration step only takes a few months and offers a centralized library on what is copyrighted, and the registration gives access to the copyright owner's name and address. Fourth, the cost of obtaining a registration is relatively small because the creators can process their applications, and the registration cost is ten dollars per work. As of January 3, 1991, the registration fee is twenty dollars. Finally, copyright law leaves open the option to apply for design patent protection on the same subject.⁷⁴ In contrast, the Copyright Office refuses to register a work on which a design patent has been obtained, treating the design patent as an election of one of the available protection forms.

Industrial design protection is available to some extent under trade-

73. For another approach to interpreting the copyright subject matter scope that has not gone beyond the academic discussion stage, see Milch, *supra* note 57. Milch proposes establishing a category of copyright protected handcrafted utilitarian works of decorative art. These works by their nature are not duplicated by mass production techniques. Ceramic, wood, and metal crafts are examples of arts that would benefit from this protection. Moreover, this protection would encourage individuals to use their artistic talents in creating reproductions of useful articles.

74. *Mazer v. Stein*, 347 U.S. 201, 217 (1954) (holding that patentability does not bar copyright as a work of art); 37 C.F.R. § 202.10(a), (b) (1990). The Copyright Office rule specifically prohibits registration of a design after a design patent has been obtained. The law is unsettled whether copyright and design patent protection can exist simultaneously on the same design, or when copyright protection ends if a design patent is obtained. Basic public policy considerations would appear to indicate that anyone could use a design once the design patent on it has expired. Up to that time the requirements and nature of these rights are so different, and the uncertainty of design patent protection so great, that simultaneous protection can be justified. Another view would be that an election has been made and the benefits received, at least up to the time a design patent is held invalid, so the copyright protection should terminate as soon as the design patent is issued. The design patent provides greater protection, eliminating the need for a copyright, as long as the design patent is held valid. It is likely that public policy considerations would be most persuasive and the election approach would prevail, if and when the issue comes before the Supreme Court.

mark law, to a limited degree under copyright law for certain classifications of designs, and primarily under design patent law. Design patent law, however, has some serious problems that will remain with the system no matter how effectively the CAFC acts to clarify the legal standards. One of the CAFC judges has admitted design patent law is not predictable enough, and a simpler system is needed to protect industrial designs.

V. PROPOSED DESIGN COPYRIGHT REGISTRATION

A potential solution to this problem is under consideration in Congress, in the form of a proposed DCR, similar to the present copyright law.⁷⁵ A previous bill on DCR was Senate Bill 791.⁷⁶ While there have been several similar bills in Congress, on DCR, each bill has followed the same basic approach. This approach would set up a separate system, functioning in a manner similar to copyright law, but tailored to the special needs of industrial design protection. The easiest way to illustrate how the proposed system would work is to take a typical product design through each stage of development and use, to see how DCR would affect it. To begin with, a design must be incorporated into a useful article to be protected by a DCR.⁷⁷ When a chair designer creates a new design by first making a sketch of the design on paper, there would be no design protection from a DCR. Protection would begin, however, when the chair is offered for sale, sold, or publicly exhibited.⁷⁸ No registration or other steps are needed. The designer can rely on trade secret law to protect against misappropriation up to the time the DCR protection begins.

Another basic requirement under DCR is that the designer's creation must be original and cannot be copied from another designer's work. This is the same rule that applies under current copyright law.⁷⁹ The designer has one year to apply for a registration, measured from the first time that a useful article utilizing the design was offered for sale, sold, or publicly exhibited.⁸⁰ The protection ends if no application for registration is filed during this period. Under Senate Bill 791, the Copyright Office is assigned the responsibility of processing the designer's registration.⁸¹ It would

75. For a detailed review of prior legislation on industrial design protection, see Denicola, *Applied Art and Industrial Design: A Suggested Approach to Copyright in Useful Articles*, 67 MINN. L. REV. 707 (1983). For a thorough analysis of industrial design legislative proposals, see Reichman, *Design Protection After the Copyright Act of 1976: A Comparative View of the Emerging Models*, 31 J. COPYRIGHT SOC'Y 276 (1984). See also Willis, *Protection of Ornamental Designs of Useful Articles*, 39 J. PAT. OFF. SOC'Y 595 (1957) (remarks of Congressman Willis in 1957 introducing industrial design legislation similar to the current legislative proposal).

76. S. 791, 100th Cong., 1st Sess. (1987).

77. *Id.* § 1001(b)(2).

78. *Id.* §§ 1004, 1009(b).

79. *Id.* §§ 1001(a), 1001(b)(3), 1008(e).

80. *Id.* § 1009(a).

81. *Id.* §§ 1016, 1030.

examine the application for compliance with formalities, including a determination of whether the design is a proper subject for protection.⁸² Applications should be processed quickly and the registration issued in a few months, approximately the same time it currently takes for copyright registration. If the chair designer decides to apply for a DCR before the chair is offered for sale, sold or publicly exhibited, the application registration must state that a chair, with the design, has been constructed.⁸³ Such a requirement encourages development of the product, and keeps the intellectual property protection relevant to economic needs.

The protection term for a DCR is ten years from the date the product is first placed on sale, sold, or publicly exhibited, or from the date the registration is published, if none of the earlier mentioned events have occurred.⁸⁴ This term of protection is considerably shorter than copyright law design protection, and slightly shorter than the fourteen-year maximum for design patents. The relatively short life span for most products fits into this time frame. Another important influence for selecting a ten-year period was that Congress had already accepted a ten-year term of protection for products covered by the Semiconductor Chip Protection Act of 1984 (Chip Act).⁸⁵ It is very unlikely that efforts will be made to extend the proposed ten-year DCR protection period for industrial designs, even though many countries use longer protection periods in their industrial design laws.

Enforcement of a DCR is based on copyright law concepts. The chair designer with a DCR can go to federal district court to bring an infringement action.⁸⁶ The evidence presented must show the design was copied.⁸⁷ In copyright law this requirement means that there must be proof that the alleged infringer saw the protected design, or heard enough about it to know how it looked, and created a substantially identical design. Wide publicity on the protected design may be strong circumstantial evidence of access to it. The question of whether the designs are substantially identical is answered by a side-by-side comparison of the product appearances, to see if the ordinary person is likely to consider the designs the same. There may be certain parts of the design that cannot be protected, and these components are not considered in making the comparison, as explained below in the discussion of section 1003.

82. *Id.* §§ 1012(a), 1016.

83. *Id.* § 1009(d).

84. *Id.* § 1005(a).

85. 17 U.S.C. §§ 901-914 (1988) [hereinafter Chip Act]. The Chip Act has similarities to DCR. It was given expedited consideration, because of political and economic concerns. The Chip Act was written using concepts and many specific provisions from a copending industrial design bill, Design Protection Act of 1983, H.R. 2985, 98th Cong., 1st Sess. (1983). Further, the Chip Act allows protection of a utilitarian design, one dictated by function and that has a competitive advantage because of this function. A section corresponding to § 1002(a)(4) of S. 791 was not included in the Chip Act.

86. S. 791, 100th Cong., 1st Sess., §§ 1008, 1020 (1987).

87. *Id.* § 1008(b), (d).

Senate Bill 791 took particular care to protect the innocent infringer. An innocent infringer is one who does not know of the DCR protection, or one who is merely part of a chain of business transactions involving the protected design and who will cooperate by revealing the source of the goods being sold.⁸⁸ The overall purpose of these provisions was to target as infringers, the manufacturer and those acting closely with the manufacturer. DCR calls for placing a special notice on each product to indicate that the design is protected under the law.⁸⁹ Omission of the notice does not preclude protection under DCR, but it prevents recovery of damages from the infringer until written notice is given.⁹⁰ This practice follows the copyright law. It should not be difficult for a designer to develop the habit of placing a notice on the work, especially when it is explained that there can be a potential loss of damages without such notice.

There is a requirement that the protected design be "attractive" or "distinct," but there is no definition for these terms.⁹¹ Some would like to interpret these terms as adding a requirement for artistic product quality in order to obtain a DCR. Such a requirement would be similar to the "ornamental" requirement in design patent law. Others consider the "attractive" and "distinct" terms adequate to define any product design that can be recognized and that fits into the other subject matter of requirements of a DCR. They believe that adding an artistic requirement would unduly complicate the law. Sections 1002 and 1003 of the legislation carefully limit the subject matter scope that can be protected.

Sections 1002 and 1003 provide a list of what designs *cannot* be protected. The first excluded designs are those listed in section 1002(a)(2). They are designs that are "staple or commonplace, such as a standard geometric figure, familiar symbol, emblem, or motif, or other shape, pattern, or configuration which has become common, prevalent, or ordinary."⁹²

As discussed in an earlier article by this author, this requirement operates like a very low-level novelty standard, preventing protection of the basic designs in common use.⁹³ As a practical matter, exclusion under this section would be limited because designs usually involve a combination of many basic design configurations that create a much more complex design appearance. This standard is not an absolute novelty requirement, in which a design must be different from all prior designs. It simply keeps the basic design parts free for everyone to use, once they become widely accepted. Nonetheless, some experience will be needed with this provision to refine its full impact.

The second design subject matter excluded from protection are those

88. *Id.* § 1008(a)(2), (c).

89. *Id.* § 1006.

90. *Id.* § 1007.

91. *Id.* § 1001(a).

92. *Id.* § 1002(a)(2).

93. 1982 *Summary of Proceedings*, A.B.A. SEC. PAT., TRADEMARK & COPYRIGHT L. 166.

listed in section 1002(a)(3). These are designs that are "different from a design excluded by paragraph (2) only in insignificant details or in elements which are variants commonly used in the relevant trades."⁹⁴ In essence, this provision gives the exclusion standard of section 1002(a)(2) some flexibility. It may be applied from the point of view of one skilled in the design art and familiar with what is commonly used and what variations are insignificant. This provision should not exclude many designs for the same reasons given for section 1002(a)(2). As discussed in the earlier article by this author, the analysis under section 1002(a)(3) is similar to the obviousness standard used in utility patent law under 35 U.S.C. § 103, with a much more restricted set of requirements, as spelled out in section 1002(a)(2)-(3).⁹⁵ To satisfy the requirements set by the terms "commonplace," "common," "prevalent," and "ordinary," strong evidence is needed of widespread use for a design feature in the pertinent design field.

Probably the most difficult subject matter exclusion to apply is section 1002(a)(4). It excludes designs that are "dictated solely by utilitarian function of the article that embodies it." This statement sounds logical, but the question is how it should be applied. DCR helps answer this question by stating in section 1003:

Protection for a design under this chapter shall be available notwithstanding the employment in the design of the subject matter excluded from protection under section 1002(a)(2) through (4), if the design is a substantial revision, adaptation or rearrangement of such subject matter. Such protection shall be independent of any subsisting protection in subject matter employed in the design, and shall not be construed as securing any right to subject matter excluded from protection or as extending any subsisting protection.⁹⁶

Section 1003 makes it clear that design features falling under section 1002(a)(2)-(4) are not protected, but the remaining portion of the product design can be protected, if it is a substantial revision, adaptation, or rearrangement of the excluded subject matter. Using the chair example, the overall appearance inherent in a four-legged chair with a seat and backrest cannot be protected. It is solely dictated by function, and everyone will have to use that design to build this type of chair. A utility patent is the appropriate form of protection for this invention, to claim the functional relationship of the parts. A design that simply rounds the chair back in a semicircular shape may not be protected, in view of that common, basic design configuration in the industry. A chair that uses more design features to create a distinct design, one that appears different from the commonly

94. S. 791, 100th Cong., 1st Sess. § 1002(a)(3) (1987).

95. See 1982 *Summary of Proceedings*, *supra* note 93, at 166.

96. S. 791, § 1002(a)(4).

used configurations or insignificant variations thereof, will be protected. In the same fashion, numerous chairs can use the functional configuration of legs, seat, and back, and if each of these designs take on a distinct appearance, it is protected. Only the specific design rearrangement, distinct from the essential functional design everyone must use, is protected.

The subject matter definition of sections 1002 and 1003 gives meaning to the section 1001 requirement that a design be "distinct" or "attractive." The issue of what functionally related features can be protected is reduced to a two-step analysis: (1) what design features are required to carry out the product function, and (2) is the design a substantial revision in appearance of the function dictated design determined in the first step of the analysis. If the answer to part two is yes, the design can be protected. To the extent that the design has features that fall under the prohibition of section 1002(a)(2)-(4), they are not protected.

Clearly the protected distinct design does not include appearance features of functional parts that everyone must use to have a product work competitively. The analysis of sections 1002 and 1003 using the chair example shows this subject matter definition approach encourages industrial product design development, while leaving the product's functional operation free for everyone to use. As long as chairs can be built that perform the same function and have different appearances, these chair designs can be both protected and competitive.

The subject matter definition under sections 1002 and 1003 is important in the analysis of infringement.⁹⁷ The familiar copyright test is used to determine infringement, and requires gaining access to the protected design, followed by a side-by-side comparison with it to determine if the designs are substantially identical.⁹⁸ The infringement analysis looks only at the protected features to see if they have been copied.⁹⁹ There is no infringement if excluded subject matter of section 1002 is copied.¹⁰⁰ When the design includes both excluded and nonexcluded subject matter, the nonexcluded subject matter is protected even if the excluded design features cannot be protected.¹⁰¹ In practice, the infringement analysis will look at design features that can be protected, and if the protectable subject matter creates a design in and of itself, it is a distinct design under the legislation.

VI. CONCLUSION

There are many advantages to the proposed legislation. The system will give protection at an early stage of commercial development, or immediately upon public exhibition. The procedures used are quite simple and

97. *Id.* §§ 1008, 1020.

98. *Id.* § 1008(d).

99. *Id.*

100. *Id.* §§ 1027-1029.

101. *Id.* § 1028(b).

can be handled directly by the designer, without the regular help of attorneys and other specialists. The registration process is geared to take very little time, while still giving the government an opportunity to inspect each application. The infringement standards used are very familiar, in that they follow basic copyright law concepts. While the subject matter scope of the legislation has some very specific standards, the end result is a workable scope that avoids a subjective measure of the artistic quality of the work. This approach protects the public interest and gives the DCR reasonable predictability of what is protected. The legislation carefully avoids upsetting the marketing system because most retailers, wholesalers, and other middle persons are easily able to avoid an infringement suit. Further, DCR legislation makes it clear that it will not change existing trademark, copyright, nor unfair competition law protection of industrial designs.¹⁰² It will preclude a DCR from being obtained whenever a design patent has been obtained on the same design.¹⁰³

DCR has several hurdles to pass before it becomes law. There are influential industries supporting this legislation, including automotive companies who want to protect their auto parts. The automobile industry has had a considerable problem with copiers of their replacement parts, with many of these parts being of inferior quality. On the other side of the debate are auto insurance companies who want to use the cheapest parts available, consistent with quality, and prefer to use parts that look alike. In fact, some "crash parts" like hoods and doors, with special styling, must look alike to be acceptable. Serious negotiations are in process to resolve the apparent conflict between these two interest groups. These negotiations and other efforts may result in a solution. There is no dispute that a better system is needed for industrial design protection. The main debate centers around the application of the legislation to a unique industry situation. Until a new law is enacted, the existing forms of protection, primarily design patent law, will have to be utilized.

102. *Id.* §§ 1027-1029.

103. *Id.* § 1028(b).