2017

Design Patent Infringement Needs a Free Expression Defense (La infracción de patentes de diseño necesita una defensa de libre expresión)

Richard J. Peltz-Steele
UMass Dartmouth School of Law, rpeltzsteele@umassd.edu

Ralph D. Clifford
University of Massachusetts School of Law, rclifford@umassd.edu

2017.1

juriste

INTERNATIONAL

Union Internationale des Avocats

Rassembler les avocats du monde ● Bringing Together the World's Lawyers ● Reunir a los abogados del mundo

UIA
Union Internationale des Avocats
International Association of Lawyers
Unión Internacional de Abogados

Design Patent Infringement Needs a Free Expression Defense

Richard J. PELTZ-STEELE & Ralph D. CLIFFORD

La infracción de patentes de diseño necesita una defensa de libre expresión

Las patentes de diseño se propagan en abundancia en el derecho de la propiedad intelectual. Mientras tanto, las patentes de diseño enfrentan desafíos legales aún inexplorados. Enfocándose en la ley estadounidense, este artículo postula que las patentes de diseño violan los derechos fundamentales si no hay una defensa a la infracción fundada en la libertad de expresión. Diseño es único entre las patentes debido a su capacidad expresiva. Por lo tanto, debe acomodarse a la libertad de expresión con defensa de uso o trato justo, comparable a la ley de los derechos de autor.

As elsewhere in the world, design patents are propagating copiously in U.S. intellectual property law. Notwithstanding their fertility, design patents face potentially prohibitive and as yet unexplored legal challenges. One possibility is that the U.S. Congress might lack the very power to authorize design patents. Another possibility – our subject here, with implications for design patents in Europe and around the world – is that design patents violate fundamental rights if there is not a defense to infringement founded in the freedom of expression.

Design patent

Design patents are unique among patents because of their expressive capacity. For this reason, there must be a free expression defense based in public policy and fundamental rights, akin to the fair use or fair dealing defense in copyright law. The defense would ensure that patent law does not subvert legal protection for art, commentary, parody, and criticism, especially when the subsequent user of a patented design is not an economic competitor of the design owner. The IP trade-off in such cases – the public grant of exclusive property rights as reward and incentive for continuing productivity and ultimate contribution to the public domain – is outweighed by the public interest in the subsequent use.

> The fair use analysis complements "total concept" and "total feel" approaches already known in copyright and design patent.

A hybrid creature, design patents have little in common with utility patents, some in common with trademarks, and much in common with copyrights. When examining the competing public policies of IP and free expression, commonalities with copyright dominate the analysis because the use of a patented design constitutes *expression* – communication of ideas between people – in a way that the use of a utility-patented thing or process does not. Thus policy dictates that when allegedly infringing use of a patented design is expressive, the infringement analysis must account for countervailing free expression norms in a way that utility patent infringement need not. In U.S. law, the copyright fair use doctrine, like its fair dealing and public interest relatives in Europe, provides the best fit with design patents and should be incorporated into design patent law.

The concept of balance between IP, authorized by the IP Clause of the U.S. Constitution, and freedom of expression, guaranteed by the U.S. First Amendment, is now entrenched in American constitutional law. The 1791 absolutist command that the government "make no law… abridging the freedom of speech, or of the press," negated neither the 1789 IP Clause nor the federal Commerce Clause. But the U.S. Supreme Court has recognized the need to balance IP and free expression, especially through a body of case law in copyright in the last century. We focus here on copyright law, principally because of its shared rationale with design patent law under the IP Clause.

In the U.S. Constitution, copyrights exemplify the incentive rationale for IP. Copyrights are in inherent tension with freedom of expression, because the statutory definition of that which may be copyrighted requires fixation in a tangible medium of *expression*. An author's or owner's assertion of copyright, for its duration, necessarily subtracts from the range of permissible expression for all

others in the society. Copyright law the world over recognizes the need for balance with free expression. The fair use doctrine in U.S. law employs four codified factors: the purpose and character of the use, the nature of the copyrighted work, the amount and substantiality of the use in relation to the whole, and the effect of the use on market value of the original[1].

Parody is especially problematic at the juncture of IP and free expression, because for a parody to be successful, the author must republish enough of the original to evoke the resemblance in the perception of the audience – even better to create, for a moment, the mistaken impression that the audience is perceiving the original. At the same time, parody is a political tradition, so lies at the heart of free expression for social commentary. On the latter fair use factor, the U.S. Supreme Court observed that even when "a lethal parody, like a scathing theater review, kills demand for the original," there may be no copyright infringement[2].

Infringement

U.S. law admits of simultaneous enforcement of copyright and design patent. For example, the Federal Circuit remanded for trial a case involving copyright and design patent infringement claims regarding ornamental features carved into the plaintiff's wood furniture[3]. The copyright claim reached artistic elements, such as a lion's paw. The design patent claimed the "ornamental design for a bed frame."

It is instructive to compare the analyses, which both strive to differentiate the utilitarian, as not protected, from the artistic, as protected[4]. Copyrights require originality, though upon a trifling threshold, just past "sweat of the brow." As to scope, copyrights focus on originality. Expert examination of particular features is complemented by a lay "total feel" approach. The copyright claim is narrative and specific as to scope, as if the protected design elements were "writings" in the classic sense. Design patents meanwhile focus on novelty. The analysis is big-picture, appropriate to the examination of ideas, as if there were a useful invention at issue. Protected content arises in the delta from prior art, and a design is otherwise viewed as a whole. Both analyses focus infringement analysis on similarity, that is, the copying of expression or the taking of idea. Neither analysis will find infringement without testing for some kind of mistake or interchangeability from an observer's perspective.

Copyrights structurally protect free speech, both in definitional foundation and in fair use defense to infringement. But in design patents, free expression is missing in action for a number of reasons. First, insofar as design patents protect commercial products, infringement is likely to involve the misleading or false expression of a competitor. Second, design patent holders are less likely to seek enforcement against a non-commercial infringer than against a competitor. Third, design patents are still relatively new in judicial experience. Unexplored contours mean unpredictable outcomes in litigation, especially when lay jurors are the deciders, so litigation is deterred.

Looking to the defense, the Internet has only relatively recently opened up a global market for infringing commercial and artistic products through new channels of communication that expose infringers. Global fair use in copyright is still an infant concept; design patents have far to go before norms emerge around questions as nuanced as the IP-free speech balance. Making matters worse, the absurd ease with which design patents can be attained looks more like the ease of obtaining copyright than the infamous arduousness of utility patent prosecution. But design patents lack the inversely tempering derogation of fair use.

Free expression

While there is no body of free expression doctrine in design patent law, free expression has not been excluded consciously. Its omission likely is an oversight, corollary to the non-deliberate location of design protection in the patent regime (or *sui generis* in the EU) rather than in copyright. Had historical tides rested design protection in copyright, where it started in 18th-century England, there would be little serious question today that fair use would pertain as a defense. Significantly, free expression seems immaterial to the usual case of utility-patent infringement, because the offense arises in the construction of a machine or execution of a process, almost always involving no expressive conduct. In contrast, the reiteration of a design is inherently expressive. Even when design patent infringement is accomplished most immediately through conduct, such as the sale or import of infringing goods, there is a free expression dimension to the problem, as when copyrights were allegedly infringed in a U.S. Supreme Court case concerning the re-sale and import of textbooks.[5]

There is nothing structural about design patents that makes them incompatible with fair use; to the contrary, the similarity between copyrights and design patents makes fair use a good fit. Public interest is paramount in either case. The defendant in a simple case of unfair competition readily flunks the fair use test, if the defendant can assert expressive interest at all. Cases of artistic merit – say an architect designing a museum of technology borrowed the patented glass staircase of an Apple store[6] – could be tested for purpose and character of use, nature of original, amount and substantiality of taking, and effect on the market for the original. In fact, the protected design might be copyrighted simultaneously and subject to fair use analysis just the same. The fair use analysis complements "total concept" and "total feel" approaches already known in copyright and design patent. As in copyright, commercial gain from subsequent use pushes design patent analysis toward infringement, and transformation in subsequent iteration pushes the analysis away from infringement.

Peace Pretzels

A federal case in 2013, closed upon voluntary dismissal without judicial opinion,[7] helps to demonstrate the need for a fair use defense in design patent law. Until the expiration of its 14-year term in 2014, patent D423, 184 protected this "pretzel," which we call the Peace Pretzel:

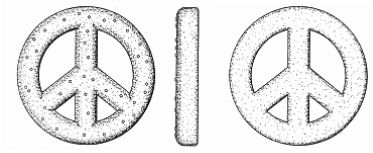

FIG. 1 FIG. 2 FIG. 3

Plaintiff Friend purchased the design patent after the inventor passed away. Friend's attorneys told media that Friend planned to start a pretzel business. Meanwhile Massachusetts pretzel purveyor Laurel Hill

Foods sold pretzel *chips* in the shape of a peace sign. Friend sued Laurel Hill, seeking royalties or profits, damages, attorney's fees, and injunction.

A symbol such as the peace sign can qualify for copyright insofar as it constitutes a graphic work[8]. For example, the courts recognized the copyrightability of a stylized letter omega[9]. Even though the peace sign has existed since 1958, a particular representation of it still can be copyrighted. For instance, Peace Frogs, Inc., claims copyrights in various combinations of frogs and peace symbols[10]. The scope of copyright reaches the expression not the idea, so copyright affords no monopoly over the concept of twisting an actual, edible pretzel into a peace-sign shape.

But design patent rides to the rescue. The "inventor" of the Peace Pretzel did not have to worry about the idea-expression dichotomy in copyright law; instead, after an apparently easy process to claim a design patent with little or no scrutiny for qualifying novelty, an enforceable monopoly for 14 years was created. The patent protection was not limited to combating commercial confusion (trademark), nor to the contents of particular artistic expressions (copyright); rather, more broadly, the patent precluded the making, using, or selling of a pretzel in the shape of a peace sign[11].

The missing piece in *Friend*, and the unresolved problem in design patent, is fair use. In contrast with copyrights, design patents lack the structural safeguard of the idea-expression dichotomy and are not limited in scope to fixed expression. At minimum, the generic intermediate scrutiny of the U.S. First Amendment, for content-neutral government regulations that incidentally affect speech, must come into play when the violation of a design patent is expressive.

Change the defendant to a non-commercial user, and *Friend* takes on a different cast. Imagine a city rally for Ukrainian-Russian peace at which a sponsoring ethnic bakery makes and gives away peace-sign-shaped pretzels. Or suppose a German-American citizens group decides to counter community angst over immigration by uniting persons in Oktoberfest beer gardens to dialog over homemade peace-sign-shaped pretzels. Peace-sign-shaped cookies might offend, too, as the diagrams say nothing about ingredients. Farther afield, suppose shaped pretzels become *objets d'art*. A latter-day Andy Warhol or redirected Thomas Forsyth might comment on the inequality of food distribution around the world, even employing bread dough as ironic medium.

Without the structural safeguards and fair use defense that shape copyright, design patents exclude activists and artists from political advocacy and social commentary. If design patents can be perverted to freeze out this speech, then public policy is left wanting. Human dignity is compromised by restraint on free expression. The marketplace of ideas is hobbled in the attainment of truth. With opinion bottled up, self-governance is impaired, and the expressive safety valve is constricted, putting the society at risk of unhealthy volatility. The IP-free speech balance is flouted.

Conclusion

In sum, balance between IP and free expression requires an affirmative defense to design patent infringement. The doctrinal similarity between design patent and copyright suggests the appropriateness of a fair use doctrine. The flexible test may be adapted readily to design patent, requiring examination of (1) the purpose and character of the allegedly infringing making, using, offer, or sale, including its commercial purpose, or its educational, political, artistic, or other noncommercial purpose; (2) the nature of the patented design, focusing on its points of novel ornamentation; (3) the amount and substantiality of the portion of design used in relation to the patented design as a whole; and (4) the effect of the allegedly infringing making, use, offer, or sale upon the potential market for or value of the product or products that bear the patented design. It is incumbent on the courts to effect such a balance.

Richard J. PELTZ-STEELE
rpeltzsteele@umassd.edu

Ralph D. CLIFFORD
relifford@umassd.edu

Professors
at University of Massachussets Law School
North Dartmouth, MA, United States

Note: Richard J. Peltz-Steele and Ralph D. Clifford explore this subject in detail in their recent Constitutionality of Design Patents, *14 Chi.-Kent J. Intell. Prop. 553 (2015), https://ssrn.com/abstract=2584118.*

1. 17 U.S.C. § 107 (2012).

2. Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 591-92 (1994).

3. Amini Innovation Corp. v. Anthony California, Inc., 439 F.3d 1365, 1368 (Fed. Cir. 2006).

4. The distinction in copyright is at issue in *Star Athletica, LLC v. Varsity Brands, Inc.,* No. 15-866 (U.S. argued Oct. 31, 2016).

5. Kirtsaeng v. John Wiley & Sons, Inc., 133 S. Ct. 1351, 1357 (2013).

6. U.S. Patent No. D478, 999S (filed July 15, 2002).

7. Notice of Voluntary Dismissal, Friend v. Keystone Pretzels, No. 2:13-cv-01028 (W.D. Pa. filed Nov. 18, 2013).

8. 17 U.S.C. § 102(a)(5) (2012).

9. Omega S.A. v. Costco Wholesale Corp., 541 F.3d 982 (9th Cir. 2008), *aff'd by an equally divided court,* 562 U.S. 40 (2010), *abrogated on different grounds by Kirtsaeng,* 133 S. Ct. 1351.

10. Complaint, Peace Frogs, Inc. v. K-Mart Corp., No. 4:14 cv 22, 2014 WL 938739 (E.D.Va. filed Feb. 26, 2014).

11. 17 U.S.C. § 154(a)(1).