AIPLA QUARTERLY JOURNAL

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PREFACE

We are pleased to publish a triple issue of the *AIPLA Quarterly Journal* devoted exclusively to papers presented at the National Conference on Industrial Design Protection, held October 23, 1996, in Washington, D.C. The conference was organized by William T. Fryer, III, Chairman of the AIPLA Industrial Design Committee for 1994-1996. The University of Baltimore School of Law and the Industrial Designers Society of America cosponsored the conference.

This Symposium issue begins with an article by Mr. Woodring, a leading industrial designer, who presents a perspective that helps us understand the complex relationship of product appearance and function. This basic view of the industrial design creative process is then placed in a legal framework by Patent and Trademark Office (PTO) Deputy Commissioner Goffney.

Next, focusing on developments in the United States, Professor Fryer proposes significant revision to the U.S. design patent system, to make it effective in the twenty-first century. Mr. Thompson, a patent attorney with special expertise in industrial design protection comments on Professor Fryer's proposal and other suggested design protection proposals. Recent changes in the U.S. design patent system for color protection and computer-generated icon and typeface protection are discussed by PTO Supervisory Primary Examiners Zarfas and Word, respectively. Finally, analysis of the interface between trademark and patent law for both utility and design patents is addressed by Professor Dratler and concludes the section focusing on U.S. law.

This issue then turns to the many important international developments concerning industrial design protection. The World Intellectual Property Organization (WIPO) project to update the Hague Agreement for the International Deposit of Industrial Designs is reviewed by WIPO Deputy Director Curchod. Inter-government agreements related to industrial design protection in the European

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A DESIGNER'S VIEW ON THE SCOPE OF INTELLECTUAL PROPERTY PROTECTION

Cooper C. Woodring[*]

I am an industrial designer. I represent the Industrial Designers Society of America (I.D.S.A.), an organization with thousands of members who design many everyday items, such as automobiles, appliances, business and medical equipment, sporting goods, and toys.

I.D.S.A. defines industrial design as "[t]he 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 the user and the manufacturer."[1]

I.D.S.A. designers are responsible for many attributes of popular consumer products: elegant VCR's you can program without a manual; computer chairs that do not cause a backache; antifreeze bottles that funnel their contents into the radiator and not onto the engine; ergonomic, wind-cheating shapes for new cars; and drinking glasses that don't stick together when stacked.

At a recent conference on industrial design and law in Baltimore, Maryland, I asked those in attendance to imagine viewing industrial design from the future. I challenged the audience to imagine it was the year 3,000. Instead of being patent attorneys and patent examiners, I asked them to imagine themselves as

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[*] © 1997 Cooper C. Woodring. Mr. Woodring is a Fellow of the Industrial Designers Society of America. This article is based upon a speech that was presented at the National Conference on Industrial Design, Washington, D.C., on October 23, 1996. Mr. Woodring is a graduate of the University of Kansas School of Fine Arts and of the Cranbrook Academy of Art.

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

Designers are also compared to engineers. However, while engineers make things work, designers make things workable for consumers.

Designers consider their work to be a form of intellectual property. Often, our creations qualify for utility or design patents because they meet the necessary qualifications. Specifically, a design patent can be obtained based upon the appearance of a useful article of manufacture if that article is new, original, ornamental, and non-obvious. A design patent prohibits others from making, using, or selling a certain design.

A design patent has no words and is interpreted through drawings. A design patent protects the general design: the pictured effect on the mind from a general view and not the details revealed by minute testing. The ultimate question is whether the effect of the whole design is substantially the same.[2]

To prove infringement of a design patent, one must establish two elements. First, in the eye of the ordinary observer, giving such attention as a purchaser usually gives, the patented and accused designs must be substantially the same, and the resemblance must be such as to deceive the observer, inducing him or her to purchase one supposing it to be the other.[3] Second, the accused design must appropriate the novelty of the patented design, distinguishing it from the prior art.[4]

Industrial designers find problematic the term "ornamental." Industrial designers believe that a well conceived design for a product requires no ornamentation because the design of the product itself combines form and function, such that they become inseparable.

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[2] L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1125, 25 U.S.P.Q.2d (BNA) 1913, 1918 (Fed. Cir. 1993).

[3] Gorham Mfg. Co. v. White, 81 U.S. (14 Wall.) 511 (1871).

[4] Avia Group Int'l, Inc. v. L.A. Gear Cal., Inc., 853 F.2d 1557, 7 U.S.P.Q.2d

of the accused design failed to consider. In addition, I have applied for design patents to protect my newly created "third" design--not only for credibility in court, but to keep the infringer from stealing the third design.

An example of a purely functional product is barbed wire. It is sold by the pound or yard, and no one cares what it looks like, as long as it does its job or function. Yet, there are literally hundreds of design patents on barbed wire because there are literally hundreds of ways of achieving barbs. In Kansas, there are barbed wire museums and barbed wire auctions for collectors. This is a curious twist on United States patent law. Specifically, the intent of artistic and ornamental design patents was probably not to protect variations of barbs on wire.

In 1851, Isaac Singer, a mechanical engineer, invented a mechanism for a sewing machine that improved upon a prior patented design by Elias Howe.[6] After building a working prototype, a requirement at that time, and applying for a mechanical utility patent, Mr. Singer collaborated with a Brooklyn artisan to have his machine decorated and embellished with ornamental art.[7] An artistic design patent was issued to the artisan protecting a design of the climbing roses on the cast iron trellis and for other ornamental and non-functional aspects of the machine's decoration.[8]

The point of this example is that the creation of the function and the creation of the appearance were different. They were executed by different individuals, and protected by different laws. Problems arise when both qualities are created by the same individual, the industrial designer, whose skills merge function and ornamentality. In sum, ornamentality is any function that can have several appearances.

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[6] James G. McCollann, *Flower Madonna Might Fetch $650*, THE BALTIMORE SUN, Aug. 8, 1991, at 3K.

[7] *Id.*

number of infringement cases, since commodity products are typically easy to make and are therefore made by many manufacturers.

Designers foresee design patent applications for articles of micro-manufacturing: carefully designed articles so small they will be enlarged a hundred times to simply fill a standard sheet of paper. It is uncertain what this will do to the standard rule of "substantial similarity by the ordinary observer." The ordinary observer could not even find the design with a magnifying glass.

In the future, computer-driven designs based on emerging technologies, such as the coefficient of drag in automobiles, will move designs closer together, such that the ordinary observer will need a nameplate to distinguish one from another.

The U.S. design patent system contains incongruities that boggle the minds of most ordinary observers and jurors, such as when a subsequently patented design infringes a previously patented design due to differing standards for patentability and infringement. Nonetheless, this imperfect system has contributed significantly to America's leading position in the family of nations. America's strength has often been attributed to its innovative patent protection system.

In 1900, a Japanese commissioner stated: "We have looked around us to see what nations are the greatest, so that we can be like them. What is it that makes the United States such a great nation? We have investigated and found that it is their patent system--their society's basic practice of giving incentives to those who create."[9]

The design community encourages modifications and improvements to the U.S. design patent system. These modifications should produce a design patent system that is more of a science than what is admittedly now an art, and it should further produce the necessary harmonization with America's international trading partners.

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THE NEW PATENT AND TRADEMARK OFFICE PARADIGM FOR DESIGN PATENTS

Lawrence J. Goffney Jr.[*]

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[*] © 1997 Lawrence J. Goffney Jr. Mr. Goffney is an Acting Secretary of Commerce and Deputy Commissioner of Patents and Trademarks. This article is an updated transcript of Mr. Goffney's presentation at the AIPLA National Conference on Industrial Design Protection, Washington, D.C., October 30, 1996.

an industrial design may have an attractive shape that is recognized by the shopping public as containing the goods of a particular manufacturer. If the shape of a product is not purely functional[2]--that is, if the shape is not competitively necessary for others to use the product because of its functionality rather than the aesthetics of the shape or the identification of the commercial source of the product by the product's shape--then the shape may be protected by trademark law.

The copyright protects designs as "pictorial, graphic, and sculptural works."[3] A copyright gives an author several rights, including the exclusive right to make copies, prepare derivative works, distribute works, publicly perform works, and publicly display works. However, a copyright also can protect an industrial design. I dare say that any lawyer having a basic knowledge of copyright case law knows about the case of *Mazer v. Stein*.[4] The issue in that case was whether statuettes could be protected by copyright when the copyright applicant intended primarily to use the statuettes as lamp bases. The issue could well have turned on the question of whether a lamp manufacturer could copyright the industrial design of a lamp base.

> To prove that a product configuration trademark has been infringed in violation of Section 43(a) of the Lanham Act or, in this case, the common law, a claimant must establish three elements: (a) that the product configuration of the two competing products is confusingly similar; (b) that the appropriated features of the product configuration are primarily non-functional; and (c) that the product configuration has obtained secondary meaning.

[2] 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." Inwood Labs., Inc. v. Ives Labs., Inc., 456 U.S. 844, 850 n.10 (1982).

[3] 17 U.S.C. § 102(5) (1994).

[4] 347 U.S. 201 (1954).

The purpose of design patents, which is to promote the decorative arts,[10] is consistent with the Constitutional power given to Congress to promote the progress of the useful arts by granting patents for limited times.[11] Congress has legislated the limited times as patent terms. As of June 8, 1995, a U.S. utility patent enforcement right starts from the patent issue date and ends twenty years from the date of filing.[12] The pre-June 8, fourteen year design patent term, which starts from the issue date and ends fourteen years from the issue date, was retained.[13]

The protection given a design patent owner over the term of the patent is in the construct of a government grant to the owner that prevents others from making, using, selling or offering for sale, or importing into the United States an invented design for an article of manufacture.[14] In addition to this construct, which applies to all patents, there is a special remedy for design patents. An infringer is liable to a design patent owner for all of the infringer's *profits* from the sale of articles of manufacture incorporating the patented design, "but not less than $250."[15]

The types of designs protected by design patents include ornamental product shapes and surface treatments or patterns, or combinations of shapes and surface treatments or patterns.[16] These are the features that enhance product commercial value. But the

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[10] *Id.* at 1563, 7 U.S.P.Q.2d (BNA) at 1553.

[11] U.S. CONST., art. I, § 8, cl. 8, which states, in part, "The Congress shall have the power . . . [t]o 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."

[12] 35 U.S.C.A. § 154(a)(2) (West Supp. 1996).

[13] *See* 35 U.S.C. § 173 (1994).

[14] *Id.* § 271(a).

[15] *Id.* § 289.

with interior design degrees, four with industrial design degrees, four with degrees in clothing and textile design, two with degrees in journalism, and one with a degree in sociology. There are two examiners with graphic design degrees, one with a degree in urban planning, another with a degree in visual arts, an examiner with a degree in environmental design, one examiner with a degree in conservation design, and three examiners with degrees in graphic arts. One examiner has a masters degree in fine arts, and two examiners have masters degrees in architecture. There are five examiners with law degrees in addition to one of the other degrees, and one examiner has a masters of law degree. The Design Group staff is very well trained to carry out its mission.

John Kittle, the Director of the Design Group, informs me that the final figure for design patents issued in Fiscal Year 1996 is 15,575; the total for all types of patents filed for that year was about 196,360. For the coming year, we expect an increase in utility, plant, and reissue patent application filings to about 211,500, partly due to some rule changes with regard to biotechnology and software patenting. In the design area, the increase next year may be to about 16,000 applications. We expect that increase will result from changes in rules having to do with computer-generated icon protection. Accordingly, for Fiscal Year 1997, we expect that filings of all types of patent applications will total 237,000.

Over the recent years, design patent application filings increased, for the most part, even during a period when applicants and their representatives were not sure whether or not the design system, as it then existed, would be replaced by an industrial design registration system. There was a period of decline in applications for a few years in the early eighties and in the early nineties.

At the PTO, we continually train our patent examiners, and that means that we continually train our design patent examiners. All of our examiners are given 200 hours of classroom training in the Patent Academy during their first year. Interspersed with their receipt of classroom training, examiners discharge their duties as examiners and receive one-on-one training from their supervisors.

relatively few of our examiners had the significant law training that comes from having attended law school classes. Some of them applied for law school but were not admitted. Others did not feel that they had the time with their busy schedules, their families, and their careers, to prepare for and attend law school classes.

With these things in mind, we who were then in the Patents Cost Center set up a Juris Masters program, which I shall refer to as the "JM program," in the Patent Academy. Professors from the George Washington University Law School now come to the Patent Academy and conduct regular law school classes with an emphasis on patent issues and intellectual property. The JM courses are graded, and completion of the program leads to a certificate. But, make no mistake about it, the classes are regular law school classes, and all of our examiners now have an opportunity to obtain a legal education that should help them in their work. Later, we will look into accreditation of the program, with an eye towards allowing the JM program graduates to matriculate into Juris Doctor programs of ABA accredited law schools.

At the PTO and particularly in the Patents Cost Center, we do not overlook the training of technical support staff who are so important to timely and high quality processing of applications. Technical lectures and a wide range of courses are proffered to technical support staff in a Technical Support Academy. Just like the Patent Academy, the Technical Support Academy is located in an up-to-date facility. If, indeed, you want to see classrooms of tomorrow, I suggest that you visit both of these facilities at the PTO.

In addition to the foregoing training facilities, the PTO has on its campus of 15 buildings a PTO University. Its mission is to convert our clerical staff, most of whom are high school graduates, into the work force of tomorrow. In the future we anticipate that the work force will work in an electronic environment. Consequently, all who work in the work force will be required to have a certain proficiency in computer technology. Moreover, because of the self-reliant nature of work at a computer work station, they will also have to work with

what we do at the PTO, so that applications can move more efficiently through the examination process in the shortest period of time and so that patents issuing from the examination process will be of the best quality and give the best protection.

The re-engineering project started with PTO personnel listening to PTO customers and to themselves. As a response to what we heard from our customers and, indeed, ourselves, we have designed processes that might supplant our present processes to the advantage of eliminating wasteful and inefficient steps like paper shuffling to which lost files and high pendency have been attributed.

For example, as one aspect of the Design Group pilot, we have collapsed many of the services that have been carried out in other parts of the PTO into operations within the Design Group. Mail is delivered right to the Design Group rather than one central mail processing center for all of the groups. Design Group personnel process fees again as contrasted with traditional centralized accounting operations. By bringing application files to the Design Group early, files are less likely to be misdirected or misplaced while being routed to and from pre-examination processing stations. Time loss is also avoided when files no longer need to be transported to stations remote from a particular examining group. In fact, the Design Group is able to process the application right through the examination stage. Even the issue fees are paid to the Design Group instead of being sent to another area of the PTO. The Design Group is even handling its own petitions. Almost everything is done in the group from delivery of the application, straight through the process, right up to publication. As a result of this re-engineered process, there is less frequency of paper shuffling that, in the past, caused files to be misplaced and delays to be experienced.

IV. DESIGN PATENT PROTECTION--INTO THE TWENTY-FIRST CENTURY

The reengineered process for the Design Group will also prepare groups for the electronic operations that we expect to permeate the Twenty-First Century. It is exactly the paradigm that can be easily translated into an all electronic environment, when the

features have been added in such a way as to form an additional layer to the procedure under the 1960 Act, which additional layer would apply only where an applicant seeks protection in a country whose law requires the examination of applications as to substance."[17]

The PTO participated as an observer at the Committee of Experts on November 4-8, 1996, at WIPO in Geneva, Switzerland. The PTO recognizes that resolution of all issues concerning U.S. law may not be possible, but the PTO is very interested in reaching an agreement that would allow designers in our country to obtain, more easily and at less expense, protection for their designs in other countries. With each passing year this need grows.

V. CONCLUSION

National design protection is no longer enough. There must be adequate international protection. All intellectual property creations and rights are effected by the computer age. Intellectual property can be expressed in many mediums, and it can be turned into computer bits that are suddenly flying up to a satellite to bounce to any place on the earth, in as many copies as are desired. Countries have to cooperate in this effort, because they no longer can retain the integrity of their borders to keep know-how in and keep certain other know-how out.

Thank you for this opportunity to address you. I look forward to answering any questions you may have.

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[17] *See* WORLD INTELLECTUAL PROPERTY ORGANIZATION, WIPO Document

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DESIGN PATENT SYSTEM FOR THE TWENTY-FIRST CENTURY

William T. Fryer, III[*]

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[*] © 1997 William T. Fryer. Professor, University of Baltimore School of Law, and patent attorney. Chairman of the American Intellectual Property Law Association Industrial Designs Committee, 1994-1996. Chairman of the American Bar Association Special Committee 351 on the Hague Agreement (Industrial Designs), 1991-present. Significant research support on this paper was given by Ms. Beverly Flanagan and Ms. Rosetta McPherson, students at the University of Baltimore School of Law. This paper was presented at the AIPLA National Conference on Industrial Design Protection, Washington, D.C., October 22, 1996.

I. INTRODUCTION

As improved products are developed, much of the creativity involved in bringing them to the market, goes into their industrial design. Product appearance must be attractive to the consumer and functional features arranged in a useful way. There is tremendous economic value in a successful industrial design.

The U.S. design patent system[1] has been an important part of the protection available for industrial designs. Even though there are other forms of intellectual property that can protect a product design,[2] the design patent offers the most extensive rights.[3] The U.S. design patent system is linked through treaties to similar protection systems in other countries.[4]

This article will not enter into the debate on the relative merits or availability of other intellectual property forms, leaving these subjects to the expanding scholarly literature. It is the focus of this article to identify improvements in the design patent system structure that will make it a better form of protection for the twenty-first century.

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[1] 35 U.S.C. §§ 1-376 (1994).

[2] Other forms of intellectual property protection for industrial designs include trademark, Trademark Act of 1946 ("Lanham Act") as amended, 15 U.S.C. §§ 1051-1127 (1994), and copyright, Copyright Act of 1976 as amended, 17 U.S.C. §§ 101-810 (1994). The best form of protection to use depends on the subject matter and the extent of protection needed.

[3] *See* 35 U.S.C. § 271(a) (1994), which states: "Except as otherwise provided in this title, whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent."

[4] For example, a primary treaty is the Paris Convention for the Protection of Industrial Property of July 14, 1967, arts. 1-5, 21 U.S.T. 1629, 1630-38,

In general, a design patent application is filed, examined for basic compliance with the patent law, including novelty[5] and nonobviousness,[6] and issued, if found allowable. A design patent application is kept secret while it is pending.[7] The design patent term is fourteen years from the issue date.[8]

The number of design patent applications filed has increased steadily from Fiscal Year (FY) 1975.[9] There were 5,751 applications in FY 1975 and 15,375 in FY 1995, an increase of 167 percent over twenty-two years (7 percent per year). This increased number of filings showed a continuing interest in design patent protection. In contrast, utility patent application filings increased 82 percent during the same period (3 percent per year).[10] The number of design patents issued increased steadily from 3,632 in FY 1975 to 11,662 in FY 1995.[11]

[5] 35 U.S.C. § 102 (1994).

[6] 35 U.S.C. § 103 (1994).

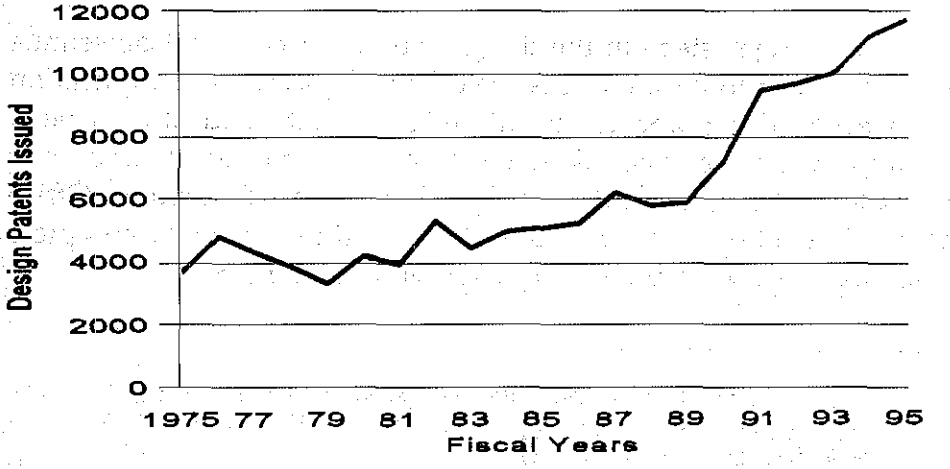
[7] 35 U.S.C. § 122 (1994).

[8] 35 U.S.C. § 173 (1994).

[9] *See* Chart I - based on Appendix Table I. The U.S. government fiscal year runs from October 1 to September 30, and is identified by the year in which it ends.

[10] U.S. Patent and Trademark Office, FY 1995 Annual Report, Table I at 88 [hereinafter PTO Annual Report].

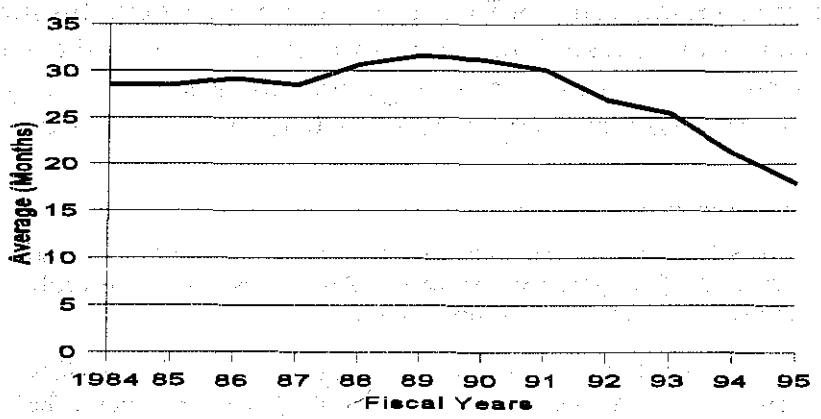
CHART II
DESIGN PATENTS ISSUED
FY 1975-1995



Resource: U.S. PTO FY1995 ANNUAL REPORTS

The average pendency of a design patent application has been reduced almost 41 percent since FY 1988.[15] In FY 1989, the average design patent pendency was 31.6 months. By FY 1995, the average design patent pendency was reduced to 17.9 months.

CHART III
DESIGN PATENT STATISTICS
APPLICATION PENDENCY
FY 1984-1995



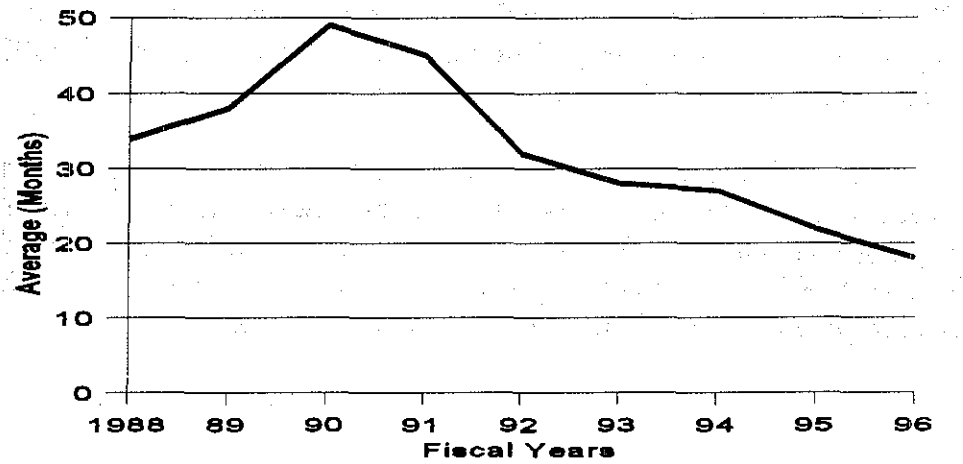
Resources: U.S. Patent and Trademark Office Annual Reports, FY 1984 - 1995.

1997, the PTO made a decision to discontinue the model test program, design patent application processing time and other problems increased significantly. Several corporate and private attorneys have requested prompt solutions to these problems.

[15] Design patent pendency is the average time from filing until issuance or abandonment. The reduction in pendency was due, in part, to the hiring of new examiners, an increase from a low of approximately 20 examiners to the current level of 60. *See* Chart III, based on Appendix Table III.

nineteen months is compared with the FY 1990 peak of forty-nine months for the oldest new case.[19]

CHART IV
PTO DESIGN GROUP OLDEST NEW CASE DATE
FY 1988-1996



Resource: U. S. PTO Official Gazettes; FY - U.S. Government Fiscal Year (October 1 - September 30: the fiscal year identification is the year in which the period ends).

[19] *Id.*

III. PROPOSED STRUCTURAL CHANGES IN THE U.S. DESIGN PATENT SYSTEM

A. *Need For Early Publication And Provisional Right*

The timing is just right to make key structural changes in PTO design patent procedures and a supporting change in the judicial review process for design patents for several reasons.

The reduction in design patent pendency and first office action receipt time are important first steps toward these goals. However, they do not solve all the design system problems. For example, a design owner would still have to wait until issue to enforce the patent right, leaving copiers free to market a copy without risk before the patent issues. Competition would still have no way of knowing what rights are pending, since pending applications are kept secret.

The history of early publication legislation for utility patents, showed an initial failure to identify separate and distinct requirements for design patent protection.[23] The eighteen month publication proposal for all types of patents would not have met design owners' needs. Fortunately, the PTO has focused its latest legislative efforts on utility and plant patents, leaving the design owners to debate the appropriate way to implement early publication.[24]

The European Patent Convention has accepted eighteen months utility application publication as the appropriate standard.[25] Perhaps this time period has proved adequate for most technologies in providing enough time to make a decision whether to publish or to withdraw an application and maintain its secrecy. Because design

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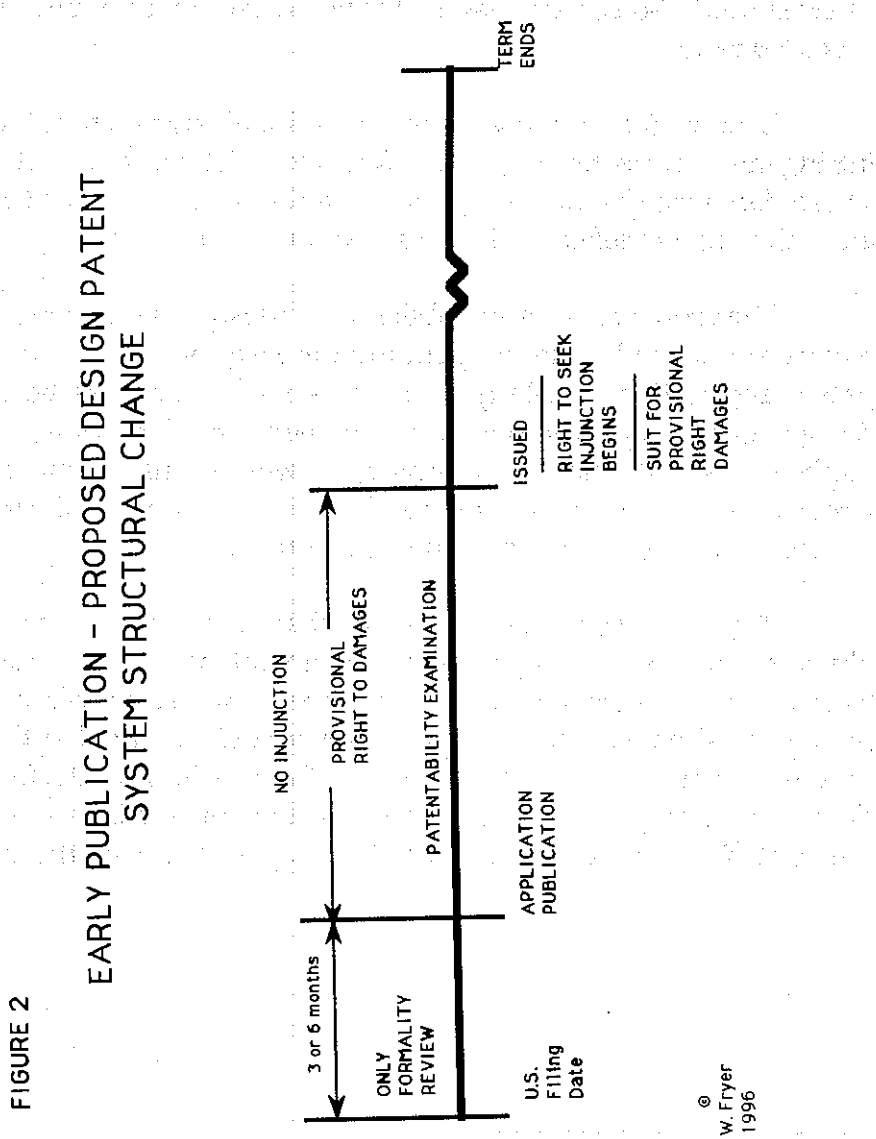
[23] *See infra* section VI.B.

[24] *See infra* notes 101-07.

B. *Proposed Changes*

The PTO procedural change proposal is illustrated in Figure 2.



system.[30] It is significantly more efficient for an applicant to initiate directly the infringement and appeal steps together in one suit.

The shorten infringement/appeal proposal, modeled after a feature in the copyright law, adopted in the 1976,[31] was meant to give recourse against copyright infringement. It appears to be working well.

[30] Under current design patent law, a rejected applicant must exhaust his administrative remedies by appealing to the Patent and Trademark Office Board of Appeals and Interferences [hereinafter "Board"] 35 U.S.C. § 134 (1994). There is then a choice of appealing to the Court of Appeals for the Federal Circuit on the record, 35 U.S.C. § 141, or to the U.S. District Court for the District of Columbia for a de novo review, 35 U.S.C. § 145.

IV. DESIGN PATENT EARLY PUBLICATION REQUIREMENTS

A. *When To Publish*

A design patent application remains secret under current law until the patent issues.[32] Most design owners would benefit from publication as soon as possible to initiate the provisional right. The exception is meant for those industries that need to defer publication for a limited period of time, in order to preserve secrecy.[33]

There are other advantages, including international harmonization and effective international protection of U.S. designs, to adopting early publication and a provisional right. Publication after a three-month period is similar to provisions in the proposed revised Hague Agreement for the International Deposit of Industrial Designs ("Hague Agreement").[34]

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[32] 35 U.S.C. § 122 (1994).

[33] *See infra* section IV.C.

[34] WIPO Doc. H/CE/VI/1 (English) (Sept. 6, 1996). For a review of the Hague Agreement revision fifth meeting of experts, see William T. Fryer, III, *Seeking a Benefits Balance in the Industrial Design Treaty Revision (Hague Agreement): Fifth Meeting of Experts, Held June 13-16, 1995*, 77 J. PAT. & TRADEMARK OFF. SOC'Y 931 (1995). The fourth meeting of experts was discussed in William T. Fryer, III, *International Industrial Design Protection Improvement: The Hague Agreement Revision*, 2 U. BALT. INTELL. PROP L.J. 37 (1993). The third meeting of experts was discussed in William T. Fryer, III, *More Bang for Your Design Protection Money: A Report on the Hague Agreement 3d Meeting of Experts*, 76 J. PAT. & TRADEMARK OFF. SOC'Y 91 (1994). This article has a detailed explanation of the revised treaty operation that is essentially the same as the sixth meeting of experts draft approach. The second meeting of experts was described in William T. Fryer, III, *Report on Hague Agreement (Industrial Designs) Second Meeting of Experts, WIPO, April 27-30, 1992*, 74 J. PAT. & TRADEMARK OFF. SOC'Y 923

the proposed legislation for utility patent early publication,[39] and it is likely that design patent publication would use the same content chosen for utility patent application early publication. Analysis of potential design patent rights requires access to the full, filed application in English to determine what rights may exist. The same conclusion was reached in connection with the review of the proposed legislation for utility patent early publication.[40]

Access to documents filed up to the time of publication would be very helpful. On the other hand, the PTO processing of these requests or printing of this information could slow the examination process. Until the PTO process is fully computerized, the most reasonable choice would be to publish only the filed design application. Access to the design patent application file could be granted after publication.

Experience with the U.S. federal trademark registration system should be a useful indicator that the proposed design patent early publication approach is in the public interest and workable. The federal trademark registration system provides access to trademark applications almost immediately after filing.[41] This information facilitates searching for conflicts. There is no provision in the trademark system for a provisional right to damages during

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[39] *See infra* note 107 and accompanying text.

[40] *Id.*

[41] 37 C.F.R. § 2.27 (1996). The PTO rules state: "An index of pending applications including the name and address of the applicant, a reproduction or description of the mark, the goods or services with which the mark is used, the class number, the dates of use, and the serial number and filing date of the application will be available for public inspection as soon as practical after filing," 37 C.F.R. § 2.27(a) (1996); and "[e]xcept as provided in paragraph (e) of this section, access to the file of a particular pending application will be permitted prior to publication under § 2.80 upon written request," 37 C.F.R. § 2.27(b) (1996). Several private data information systems, for example WESTLAW and LEXIS, provide

The debate over early publication of utility patent applications demonstrates this same need to satisfy the concerns of small business and private inventors.[46] If early publication is adopted for design patents, the secrecy concerns of these industries must be addressed. It is proposed that there be an option to prevent earlier publication until the design patent is issued. This approach would follow the current U.S. practice of publication at patent issuance. If an agreement regarding this deferment issue cannot be reached, legislation could be delayed and completion of the Hague Agreement revision for U.S. participation will be made even more difficult.

D. *Provisional Damage Right*

Successful product appearance can be copied and imitations produced quickly by competitors. Foreign design systems that register a design promptly, without a novelty examination, provide full rights to the original designer to damages and injunction against the sale of imitation products. In contrast, a novelty examination system does not provide enforceable rights until the design patent issues. The inherent unfairness in such a system suggests a right be provided to the design patent applicant owner upon early publication.

Utility patent laws in many countries provide for early publication at eighteen months from the effective filing date.[47] These systems provide the applicant with a provisional right vesting at the time of early publication. The logical compliment to early publication for design patents is this provisional right tailored to a design owner's needs.

A design owner's concern that early publication creates an invitation to copy the design. If there is a provisional right to obtain damages, and an effective route to bring an infringement suit quickly,

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[46] *See infra* notes 106-09 and accompanying text.

Design owners should not be able to obtain injunctive relief upon early publication for several reasons. U.S. patent law has been based on the policy that an invention must be examined for novelty and nonobviousness before patent rights are obtained.[49] Another important principle relates to adequate notice--the public should know what is protected. The balance between competition and patent rights should be maintained. For intellectual property rights of a lesser scope than a patent, such as the right to prevent copying, a system giving protection without prior novelty examination is justified.[50]

A final consideration is when the suit for the provisional right to damages must be filed. Patent law now limits damage recovery to six years prior to a suit.[51] Since a provisional right, as proposed here, cannot be enforced until the patent issues, it would be unjust to apply the current law to provisional right damages. Foreign systems use a variety of approaches.[52] One reasonable approach would permit provisional right damages to be collected for a period up to six years from the patent issue date. On the other hand, a shorter time would force the patent owner to sue promptly. Since the provisional right period would vary depending on prosecution time, it would not be fair to set a time limit to collect provisional right damages based on the date of publication. The most equitable basis would be to set a time limit based on the patent issue date, somewhere in the range of two to five years.

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[49] *See* 35 U.S.C. §§ 102-03 (1994).

[50] 17 U.S.C. §§ 901-14 (1994) (Semiconductor Chip Protection Act of 1984). Section 902(b) specifies low level of novelty and a less stringent test similar to obviousness, and § 905 states the exclusive right is to reproduce the work. *Id.*

[51] 35 U.S.C. § 284 (1994).

immediately after application publication to prevent design patent issuance.

Another consideration favoring enhanced damages for a design provisional right infringement is the claim scope. As the drawing is the disclosure essentially in a design patent, the drawing cannot be changed significantly. A new matter rejection would be applied if the applicant made a change in the drawing that altered the product appearance, but some claim adjustment by dotted line drawing change can occur. Consequently, the design patent claim will remain closely related to the disclosure, or parts of it, in the published application design.

The question of whether to apply willful infringement to utility patent provisional rights may be controversial. It would seem, however, to be more justified for design patents. Since Congress has begun to consider legislation on the utility patent provisional right, it may be wise to use the enhanced damage approach incorporated in the final utility patent legislation, thereby minimizing new controversy when the design provisional right is considered by Congress.

The absence of injunctive relief upon early publication leaves the design owner in a tenuous position, unless there is a way to obtain the design patent and bring an infringement suit promptly. There are procedures currently available to obtain an expedited PTO examination. In the next section, a proposal is made to allow quicker judicial access for an infringement action on applications that are finally rejected.

V. REDUCING DELAY IN APPELLATE REVIEW

A. *Current Appellate Review Process*

The proposed early publication and provisional right would benefit design owners who receive a design patent promptly. Owners facing a finally-rejected application and an infringement situation

before filing the suit depends on the situation. Also, there is a question whether the Board decision should be required before a suit is filed.

At the trial there would be an opportunity for discovery at least for evidence on the infringement issue. Preferably, the appeal decision would be faster if it were based solely on the record. The suit would not involve the PTO staff, and in all other respects the suit would follow the general patent litigation process.

Another alternative would be to modify the current appeal to the District Court for the District of Columbia to add an infringement suit.[58] Under present law the District Court, has jurisdiction to review de novo the issue of patentability on appeal from a PTO Board decision. Adding an infringement issue should not be a major change in the court's work load, as the infringement issue is closely related to patentability.

C. *Copyright Law Experience With Combined Appeal And Infringement Suit*

The idea for this shorter route to an infringement suit came from a procedure used in copyright law, based on 17 U.S.C. section 411(a). It provides:

> In any case, however, where the deposit, application, and fee required for registration have been delivered to the Copyright Office in proper form and registration has been refused, the applicant is entitled to institute an action for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights. The Register may, at his or her option, become a party to the action with respect to the issue of registrability of the copyright claim by entering an appearance within

[58] 35 U.S.C. § 145 (1994). This route precludes an appeal to the Court of

Several companies have used section 411(a) to try to stop infringers quickly.[64] One of the main questions in these cases has been the scope of judicial review.

The analysis of the section 411(a) scope of review issue starts with the review of Copyright Office decisions under the Administrative Procedures Act ("APA").[65] APA section 706 sets forth the scope of review for questions of law and fact. On questions of law, a court has de novo review to determine that the proper interpretation has been applied. On questions of fact, the Copyright Office findings are followed unless clearly erroneous. There is broad deference given to Copyright Office decisions, because the courts recognize the Copyright Office is best equipment to apply the law to the facts. The standard of review of an agency decision is "arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law."[66]

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[64] *See, e.g.* Norris Indus., Inc. v. International Tel. + Tel. Corp., 696 F.2d 918, 217 U.S.P.Q. (BNA) 226 (11th Cir. 1983) (17 U.S.C. §411(a) suit joining Register of Copyrights in the proceeding); Trans-World Mfg. Corp. v. Nyman, 95 F.R.D. 95, 218 U.S.P.Q. (BNA) 208 (D. Del. 1982) (17 U.S.C. § 411(a) suit with design patent infringement counts), *aff'd in part and remanded*, 750 F.2d 1552, 224 U.S.P.Q. (BNA) 259 (Fed. Cir. 1984) (design patent issues only); Gemveto Jewelry Co., Inc., v. Jeff Cooper, Inc., 568 F. Supp. 312, 319, 219 U.S.P.Q. (BNA) 806, 812 (S.D.N.Y. 1983) (17 U.S.C. § 411(a) suit); *vacated and remanded*, 800 F.2d 256, 230 U.S.P.Q. (BNA) 876 (Fed. Cir. 1986) (injunction scope issue), *aff'd without opinion*, 884 F.2d 1399 (Fed. Cir. 1989) (not copyright issue). Note that in these cases the subject matter was industrial design related, i.e. wire-spoked wheel covers, eye glass displays, and jewelry, respectively, indicating the need for prompt industrial design right enforcement.

[65] 17 U.S.C. § 701(d)(1994). This provision states: "Except as provided by § 706(b) and the regulations issued thereunder, all actions taken by the Register of Copyrights under this title are subject to the provisions of the Administrative Procedure Act of June 11, 1946, as amended. . . ." *Id.*

D. *Pros And Cons Of Using Section 411(a) Judicial Review For Design Patent Applications*

A proposal to use section 411(a) type judicial review for design patent applications raises several questions. Perhaps the most important one is the impact on the judicial system--increasing the docket load for already crowded courts. If adopted, a section 411(a)-type review must be carefully tailored to achieve needed benefits in an efficient way. Another important concern is the effect on competition due to the accelerated right to sue. These and other questions will be addressed in this section

It appears that many design owners should prefer obtaining the Board review first, as a relatively inexpensive way to review patentability and obtain a design patent with the presumption of validity. This paper has presented the alternative of direct appeal/infringement suit from the final rejection to eliminate all major delays in the determination of patentability. This approach corresponds most closely to the Copyright Office procedure in terms of timing, where actions are quickly made to obtain a final Copyright Office decision. The PTO Board review adds a significant delay into the pre-final PTO determination process.

The APA requires a final agency determination before judicial review. This requirement leads to the conclusion that PTO Board review cannot be eliminated without making an exception to the APA administrative review process for design applications. It is unlikely that this step would be taken. The time added by the Board review would reduce the value of a section 411(a) procedure for design owners. The proposal to reduce the time to complete the Board appeal under the special circumstances of an infringed design application becomes an even more important step in view of the APA requirement.

After Board action, an unsuccessful design owner could benefit from a section 411(a)-type judicial review. It would cut off some significant time from the usual review process. The copyright law

application pendency. The design owner would have another set of attorneys to deal with, and the presence of the PTO might complicate negotiations.

A section 411(a)-type judicial review for design application appeals would be a significant factor in the competitive market. Without it, competitors might be attracted to infringe designs available through early publication, even though there were provisional rights. A section 411(a)-type review, with appropriate limits, would be an important step to provide a more effective provisional right and design patent system.

VI. UTILITY PATENT APPLICATION EARLY PUBLICATION

A. *Foreign Patent Systems*

It is important to examine the experience with utility patent applications in considering early publication for design patent applications. Most industrialized countries provide for publication of all pending utility patent applications after eighteen months from the effective filing date and include at least a provisional right to damages during the period from publication to patent issue.[79] A few countries provide for eighteen-month utility patent application publication

[79] Countries that provide application publication 18 months from the effective priority date and a provisional right to compensation during the period from publication to patent issue include: Belgium, Bulgaria, Canada, Peoples Republic of China, Commonwealth of Independent States, Czeck Republic, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Japan, Republic of Korea, Mexico, Netherlands, Norway, Romania, Russian Federation, Spain, Sweden, Switzerland, Ukraine, and the United Kingdom (total of 26 countries). ALAN J. JACOBS, PATENTS THROUGHOUT THE WORLD (1996). For a survey of foreign utility patent systems on application publication see Paul A. Ragusa, *Eighteen Months to Publication: Should the United States Join Europe and Japan by Promptly Publishing Patent Applications?*, 26 GEO. WASH. J. INT'L L. & ECON. 143 (1992).

Even with the national provisional right, steps may have to be taken to preserve and initiate the right, as explained in the primary article on the subject by Dr. Axel von Hellfeld.[85] One of his main points is that several countries require publication of claims or communication of the claims in the national language to the alleged infringer for the provisional right to arise.[86] National law may limit the period for recovery under a provisional right to a stated time period after publication or patent issuance.[87] In summary, Dr. von Hellfeld indicated that the provisional utility patent right was available in all European Union countries.[88]

The scope of the right for a published EPC application depends on the right obtain in the patent.[89] The published claims determine the provisional rights. Amended claims and claims added after filing at time of publication are published.[90] The file of a published application is open for inspection.[91] An application can be accelerated for publication to initiate the provisional right before the eighteen-month mandatory publication time.[92]

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[85] Alex von Hellfeld, *Enforcement of European Patents*, PATENT WORLD 20 (Dec. 1991/Jan. 1992) [hereinafter Hellfeld].

[86] *Id.*; SINGER & SINGER, *supra* note 82, at 264 (EPC, art. 67(3)).

[87] Hellfeld, *supra* note 85, at 21.

[88] *Id.*

[89] SINGER & SINGER, *supra* note 82, at 244 (EPC, arts. 67(1),64) The provisional right cannot be broader than the patent right. *Id.*

[90] SINGER & SINGER, *supra* note 82, at 992 (Implementing Regulations to the European Patent Convention, Regulations of 5 Oct. 1973, as amended by Decisions of Administrative Council of the European Patent Organization of Dec. 13, 1994, Rule. 49(3)) [hereinafter European Patent Convention Rules].

[91] SINGER & SINGER, *supra* note 82, at 772, 985-86 (EPC, art. 128(4), Rules 94-95).

[92] SINGER & SINGER, *supra* note 82, 421 (EPC, art. 93(1))

These prior international discussions were limited to utility patents.[97] One of the Advisory Commission's recommendations was to publish utility patents within twenty-four months of their effective filing date and provide compensation for infringement during the period after publication and up to the date of patent issuance.[98] It did not consider whether design patent applications should be published.[99]

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and 298, 302-04, 324-25, 330-33 (1990). For a very useful overview of the draft treaty and unsuccessful efforts to complete a diplomatic conference, see HAROLD C. WEGNER, PATENT HARMONIZATION BY TREATY OR DOMESTIC REFORM § 400, at 26-27, §§ 2060-93, at 257-64 (1993) (contains draft treaty provisions on publication and provisional rights). For a comprehensive analysis of this treaty process and how changes to U.S. patent law should be developed, see R. Carl Moy, *Essay: Patent Harmonization, Protectionism, and Legislation*, 74 J. PAT. & TRADEMARK OFF. SOC'Y 777 (1992) (no specific discussion of early publication or provisional rights). The treaty preparation was the basis for a conference on which there was discussion of PTO early publication cost. *See Third Patent System Major Problems Conference, April 27, 1991*, 32 IDEA 7 (1991) (transcript of conference held at Franklin Pierce Law Center). A WIPO report for the treaty drafting conference outlines the provisional rights available upon early publication in several countries. WIPO Doc. HL/CE/IV/INF/2Rev.1.

[97] Notes on the Basic Proposal for the Treaty and Regulations, Diplomatic Conference for the Conclusion of a Treaty Supplementing the Paris Conference for the as Far as Patents are Concerned, § 2.05, The Hague, June 3-28, 1991, WIPO Doc. PLT/DC/4 (Dec. 21, 1990) (an extensive effort to develop a treaty on patent law harmonization created the need for the Advisory Commission). The draft treaty applied to utility patents. The term "patent" was defined in the draft treaty to exclude other titles for industrial property that are sometimes referred to in national laws as "patents" such as patents for designs, patents for utility models, petty patents, and plant patents. The proposed treaty included a provision on early publication and provisional rights. *Id.*

[98] ADVISORY COMMISSION REPORT, *supra* note 95, at 61.

[99] ADVISORY COMMISSION REPORT, *supra* note 95, at 9. The Summary stated: "This report identifies improvements that will help to ensure that the patent system (as it applies to utility patents only) continues to evolve and serve its role as an incentive for innovation and development in the United States." *Id.*

legislation on application publication, provisional rights, and other patent law changes for all types of patents.[103]

In early 1995, the PTO reevaluated its position on application publication, holding a public hearing primarily on proposed rules to implement eighteen-month publication.[104] Testimony included a suggestion that design patent applications should be treated

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Copyright J. (BNA) 222 (Jan. 13, 1994), and the U.S. announced it would not seek to resume the patent law harmonization treaty work. *Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade In Counterfeit Goods*, 47 Pat. Trademark & Copyright J. (BNA) 230 (Jan. 13, 1994). Instead, agreement was reached with Japan on certain patent law harmonization provisions, including the Administration's introduction of 18-month utility patent application publication. *U.S. says "Not Now" on First-to-File and Agrees with Japon on Patent Term*, 47 Pat. Trademark & Copyright 285 (BNA) (Mar. 10, 1994). A hearing was held on S. 1854. *Senate Panel Considers Patent Reforms, Patent and Trademark Office Operations*, 47 Pat. Trademark & Copyright J. (BNA) 422 (1994). There was written testimony by the Justice Department that the provisional rights needed more study. Several organizations supported patent application publication and provisional rights. *Id.*

[103] This bill, S. 2488, 103d Cong., 2d Sess. (1994), was proposed by the Clinton Administration in response to the agreement with Japan on application publication. Senator DeConcini's introductory remarks provide a goods summary of the pros and cons for application publication, particularly the advantage to the public of knowing technology developments and pending patent rights at an early date. *Adminstration Bill on 18-Month Publication of Patents is Introduced*, 48 Pat. Trademark & Copyright J. (BNA) 599, 611 (Oct. 6, 1994).

[104] For a review of the hearing statements, see, *Hearing Set, Comments Requested on 18-Month Publication of Patents*, 49 Pat. Trademark & Copyright J. (BNA) 150, 175 (Dec. 15, 1994) and Edward J. Webman, *Issues Arising Under an 18 Month Publication Regime: The Initial Public Response in Light of EPC and PCT Practice*, 78 J. PAT. & TRADEMARK OFF. SOC'Y 909, 911 (1995). The author raised the question whether a damages only provisional right would adequately protect short term business cycle products. He suggested consideration of an injunction right during the publication period, without specifying how it would be applied. This article did not separately address the design invention situation. *Id.*

legislation retained the basic eighteen-month application publication and provisional rights language. The legislation excluded design patent publications, and it added a three-month publication deferment feature after the first office action, allowing an opportunity to withdraw an application from publication. The provisional right was based on infringing the identical invention claimed in the published application.

In 1995, the PTO announced proposed rules to implement utility and plant patent application publication eighteen months from the earliest filing date for which a benefit is sought.[107] Under the proposed rules, the utility and plant patent application, as filed, and the prosecution history from the time of publication would be made available to the public.

The rest of the legislative debate through 1996 focused only on utility and plant patent application publication. Later efforts were made to pass the legislation as part of an omnibus bill, which included the "substantially identical" provisional right requirement for the published patent claims infringement scope analysis.[108]

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[107] *Proposed Rules on 18-Month Publication of Applications Are Issued*, 50 Pat. Trademark & Copyright J. 415 (Aug. 17, 1995); *PTO Proposed Changes to Implement 18-Month Publication of Patent Applications*, 50 Pat. Trademark & Copyright J. (BNA) 436 (Aug. 17, 1995). Section 1.306(a) of the proposed rules provided for publication of the application as soon as possible after 18 months from the effective filing date. Section 1.306(b) described the Gazette Entry content, essentially the same as currently provided for patent information, a drawing and claim, for example. Sections 1.11 and 1.13 stated that anyone can obtain a copy of the published application as filed and a copy of the file wrapper, upon payment of a fee. *Id.*

[108] H.R. 3460, 104th Cong., 2d Sess. (1996). This omnibus bill, which included application publication and provisional rights and the substantially identical test, was passed by the House Committee on the Judiciary, but no other action occurred on the bill during the 104th Congress. *Pending Patent Reforms are Approved by Judiciary Committee*, 52 Pat. Trademark & Copyright J. (BNA) 197 (June 13, 1996); *Omnibus Patent Bill (H.R. 3460) As Approved By House Subcommittee on Courts and Intellectual Property*, 52 Pat. Trademark & Copyright J. (BNA) 80 (May 16, 1996);

VII. RECOMMENDED CHANGES FOR TWENTY-FIRST CENTURY DESIGN PATENT SYSTEM

A. *Primary Recommendation--Adoption Of Early Publication*

The above review analyzes the benefits and concerns for adoption of U.S. design application publication coupled with a provisional right. Several recommendations are presented on specific features for the Twenty-First Century Design Patent System. This section compiles these recommendations and related features:

1. Publication of the design application three months after filing is recommended. It gives design owners and the public the best benefits balance.[110] The public has early notice of pending patent rights from this publication, and the design owner has some protection through the provisional right. It also best accommodates the terms of the draft Hague Agreement design treaty revision and many foreign design systems that provide relative prompt publication after filing.

2. The design patent application as filed should be published and the public should have access to the file wrapper after publication.[111] This information should give adequate notice of potential scope of the design right.

3. The published application must be in English.[112] This requirement is necessary to communicate the full protection scope of a design patent application.

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[110] *See supra* Figure 2 and section IV.A.

[111] *See supra* section IV.B.

[112] *Id.*

applications where the design is being infringed. These recommendations can be implemented independently of the design patent publication proposal. This section compiles the recommendations and related features on establishing such a process:

1. Expedite the Board appeal process for design patent application where there is infringement.[118]

2. After an unsuccessful appeal to the Board, give the design owner the right to bring an infringement suit only on the basis of copying, and include an appeal of the Board decision directly to the District Court for the District of Columbia.[119] This proposal is a modification of the current *de novo* appeal to the District Court and would help deal with infringers that copy the published design. The copyright law has a similar approach, which has been used effectively.

C. *Recommendation On Related Utility Patent Early Publication*

An important step before finalizing legislation for any of these recommendations is to carefully review the progress made on utility patent legislation. It is likely that utility patent early publication and provisional rights will be enacted before similar design patent law changes. The experience with related utility patent legislation will be valuable.[120]

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[118] *See supra* section V.B.

[119] *Id; see supra* Figure 3.

[120] *See supra* section VI.B.

General Agreement of Tariffs and Trade ("TRIPS").[121] A three-year period was added for the PTO utility patent process.[122] The change was made in part to reduce the applicant's incentive to delay the utility patent prosecution and ultimately increase the date of expiration of the resulting patent.[123] This problem has been a national and international concern for technology inventions.

A design patent could issue late, and the term of protection could be manipulated. It makes sense to have all types of patents processed in the same way. The design patent term could be seventeen years from the U.S. filing date instead of the current fourteen years from the issue date,[124] to allow for the expected maximum time for the filing and prosecution. There should be extensions beyond the three years for appeal time and other delays that are not the fault of the applicant.

C. *Elimination Of Obviousness Standard*

A frequently proposed change is to eliminate the obviousness standard for design patents.[125] It has been criticized by an experienced judge as being too vague to apply to design inventions.[126]

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[121] The Agreement on Trade Related Aspects of Intellectual Property Rights, Including Trade In Counterfeit Goods, *opened for signature* Apr. 15, 1994, 33 I.L.M. 81 [hereinafter TRIPS].

[122] 35 U.S.C.A. § 154(a)(2) (Supp. 1996).

[123] *See* Mark A. Lemley, *An Empirical Study of the Twenty-Year Patent Term*, 22 AIPLA Q.J. 369, 376-82 (1994).

[124] 35 U.S.C. § 173 (1994).

[125] 35 U.S.C. § 103; MPEP, *supra* note 16, § 1504.03.

[126] *In re* Nalbandian, 661 F.2d 1214, 1218-19, 211 U.S.P.Q. (BNA) 782, 189-

classification of patents.[129] If separate fees were paid and the examination could be handled conveniently as part of a one-step examination, less opposition to the multiple invention change might be encountered. The complexity of handling multiple-invention applications could increase design patent pendency significantly.

Several foreign registration systems and the Hague Agreement procedure permit multiple inventions in one application if they are in the same international classification of goods.[130] This feature is more feasible in the foreign systems because there is no novelty examination, only a formality review. The U.S. novelty examination process creates a different demand on the application format, with the result that adopting the multiple- invention application approach is a practical problem of considerable magnitude.

The issue of allowing multiple inventions in one design patent application can be dealt with under current law by giving all the inventions the benefit of the same filing date. A restriction requirement would be made, and each invention would have to be filed in a separate application and with an additional filing fee.

E. *Multiple Claims In Design Patents*

A literal interpretation of key U.S. patent law provisions leads to the conclusion that multiple written claims can be used in design patents if the rules would permit this practice.[131] Utility patents use this format. In a design patent, the drawing serves primarily as the claim. Some flexibility exists for adding a descriptive statement of the

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[129] MPEP, *supra* note 16, §§ 801-03.

[130] *Guide to the International Deposit of Industrial Designs*, § VI (H), WIPO Pub. No. 623(E) (1990) (100 designs in one international class can be in an application for International Registration).

[131] *See* 35 U.S.C. § 112, ¶¶ 2-4; 37 C.F.R. § 1.153 (1996); MPEP, *supra* note

F. *Protection Of Product Design Including Color*

A change that will likely be implemented promptly by rule revision is to protect product color design by using true product colors in the application and resulting patent.[134] Under current PTO practice, only symbols can be used to represent a few basic colors on a design patent drawing.[135] Most countries provide for true color protection, and the Hague Agreement procedures allow registration of product design true color.[136] The PTO is considering this change, and so far indications are that it will occur after full study on how to implement it in the printing process.

G. Sui Generis *Complementary Protection System*

Many years of effort and extensive debate have occurred in the United States to introduce a *sui generis* design protection system.[137] Legislation was introduced and strongly endorsed by many organizations.[138] The end result of this effort was to defer a decision.

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[134] Proposed rule change was published. 61 Fed. Reg. 49820 (1996). Color photographs and drawings will be permitted, with special limitations on what subject matter can be claimed. *Id.* As of July 1, 1997, information from the PTO indicated final rule publication would be in August 1997 with an effective date of November 1, 1997.

[135] 37 C.F.R. § 1.84 (1996); MPEP, *supra* note 16, § 608.02.

[136] *WIPO Guide to the International Deposit of Industrial Designs* § IV(B), WIPO Pub. No. 623(E) (1990).

[137] William T. Fryer, III, *Industrial Design Protection in the United States of America--Present Situation and Plans for Revision*, 19 U. BALT. L. REV. 198 (1989/1990); Albert C. Johnson, *Where is the Protection for Creative Product Design?*, 19 U. BALT. L. REV. 191 (1989/1990); William Thompson, *Product Protection Under Current and Proposed Design Laws*, 19 U. BALT. L. REV. 271 (1989/1990).

[138] Kenneth Enborg, *Industrial Design Protection in the Automobile Industry*, 19 U. BALT. L. REV. 227 (1989/1990); James F. Fitzpatrick, *Industrial Design Protection and Competition in Automobile Replacement Parts--Back to Monopoly*

The likely adoption of the EU proposal, the Japanese new unfair competition law, and strong domestic and international interest in market entry design protection will create international pressure on the U.S. and domestic interest to adopt limited market entry, unregistered design protection. The proposals in this paper can be adopted without becoming involved in the market entry, unregistered protection debate.

H. *Use of a Provisional Design Application*

At the present time, design patent applications cannot rely on a provisional application for their filing date.[142] The addition of a provisional application process in design patent practice[143] could create problems under current PTO design application procedures.

The main reason for a provisional application is to allow prompt filing of a disclosure, to avoid the effect of an upcoming event that could create a statutory bar to patent protection,[144] and to avoid the loss of foreign patent rights through publication before filing. In practice, the kind of situations that cause these concerns are more likely to occur with designs than utility patent inventions.

The problem with using the provisional application for a design application is that the primary source of protection is defined by the design drawing. The claim of a design patent is primarily the drawing. Since there cannot be written claims of varying scope, the dislosure and a claim scope must be set out in the provisional application drawing. This fact makes it essential to have an attorney carefully prepare the first filed application in order to ensure the maximum flexibility in claiming design protection.

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[142] 35 U.S.C. § 172 (1994).

[143] 35 U.S.C.A § 111(b) (Supp. 1996).

[144] 35 U.S.C. § 102(b) (1994).

claims alternatives, combined with a provisional application for the design patent system.

IX. CONCLUSION

An opportunity exits now to make important changes in the U.S. design patent system. It is recognized that industrial design is a major contributor to U.S. economic development. The design patent system changes recommended in this article should help the system become more responsive to the needs of design owners.

The primary proposal is to add a system of early publication for design patent applications with a provisional right to damages. This change follows closely the approach under consideration in recent legislation for utility and plant patents. The considerable experience with early publication for utility patent in other countries can provide guidance.

A supporting recommendation is to provide a shorter route to infringement and patentability determination for design applications that are unsuccessful in their appeals to the Board. This proposal would allow direct filing of an infringement action, based on copying, with the District Court for the District of Columbia, the same court available now for de novo review of a Board decision. This idea is based on experience under the copyright law with a similar provision.

Any of these proposals can be implemented separately to improve the design patent system. The most important one is to add early publication and a provisional right. It is supported by favorable experience and policy considerations. The design patent system needs all of these improvements to be effective in the twenty-first century.

Appendix

APPENDIX TABLE II
DESIGN PATENTS ISSUED*
FY 1975-1995

YEAR	TOTAL DESIGN PATENTS	COMMENTS
1975	3,632	
1976	4,781	
1977	4,261	
1978	3,797	
1979	3,269	
1980	4,167	
1981	3,882	
1982	5,299	
1983	4,401	Steady increase
1984	4,935	
1985	5,058	
1986	5,202	
1987	6,158	
1988	5,740	
1989	5,844	
1990	7,176	
1991	9,386	
1992	9,612	
1993	9,946	Steady increase
1994	11,138	
1995	**11,662**	221% increase since 1975, (11% per year)

* The transition quarter, July 1, 1976, to September 30, 1976, has been omitted. Excludes withdrawn numbers beginning with FY 1978.

Resource: U. S. PTO FY1995 ANNUAL REPORTS

Appendix

APPENDIX TABLE IV
PTO DESIGN GROUP OLDEST NEW CASE DATE
FY 1988-1996

YEAR	DESIGN APPLICATION OLDEST NEW CASE AVERAGE (Months)	COMMENTS
1988	34	
1989	38	
1990	49	Peak
1991	45	
1992	32	Downward trend
1993	28	
1994	27	Continued downward
1995	22	
1996	18	Best so far; 63% reduction since 1990

Resource: U. S. PTO Official Gazettes; FY - U.S. Government Fiscal Year (October 1 - September 30: the fiscal year identification is the year in which the period ends).

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U. S. DESIGN PROTECTION: DISCUSSION OF STATUS AND SUGGESTED PROPOSALS

William S. Thompson[*]

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[*] © 1997 William S. Thompson. Mr. Thompson is a patent attorney in North Fort Myers, Florida, with special expertise in developing improved industrial design protection. This paper is a commentary to a paper delivered by William R. Fryer regarding design protection, and other suggested design protection proposals at the AIPLA National Conference on Industrial Design Protection, Washington, D.C., October 23, 1996.

degenerative circle: because few pay sufficient attention to the system, an even lesser number envision its true potential; absent widespread recognition of the system's potential, there is no incentive to spend considerable energy to upgrade it.

This diagnosis of the ills of the design patent is systemic and is not the responsibility of the Patent Office examining staff or attorneys seeking protection or enforcing rights. Nor is the fact that organic change is desired merely one person's view. I claim as my most prestigious ally Judge Giles S. Rich who, when working with the Commission on the 1952 Patent Act and, in particular the precise definition of patentability being framed, recognized its unsuitability to designs. Because of the huge task involved in restating the utility patent law, the design protection issue was set aside (which has been too often its fate over the last 150 years). Judge Rich and company returned to unfinished business by later proposing a sui generis design protection system. This separate design protection proposal was presented to Congress in 1957 as the Willis Bill. Instead of analyzing a design's patentability under the "obvious to one skilled in the art" standard, a design was to be judged based on whether it is attractive or distinct. The proposed legislation was, in my view, a sound concept, and efforts to pass similar approaches have persisted up to the present Congress. Judge Rich expressed his frustration to Congress' failure to pass the then-current version of the legislation in his concurring opinion in *In re Nalbandian*,[2] where he stated:

> It is time to pass it and get the impossible issue of obviousness in design patentability cases off the backs of the courts and the Patent and Trademark Office, giving some sense of certainty to the business world of what designs can be protected and how.[3]

In more recent times, specifically in the past ten to fifteen years, sui generis design protection has been vigorously and effectively

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[2] 661 F.2d 1214, 211 U.S.P.Q. (BNA) 782 (C.C.P.A. 1981).

[3] *Id.* at 1219, 211 U.S.P.Q. (BNA) at 786.

A. *The Fryer Proposal*

The primary elements of the Fryer proposal as they have been outlined to me are:

> I. Publish applications automatically, whether or not examination is completed, at an early date, perhaps as early as three or six months.
>
> II. On publication of the application, provide provisional rights or the right to claim damages or royalties for infringement (no injunctive relief).
>
> III. Permit a design applicant during pendency and on rejection to have standing to sue in court whereupon both validity and infringement may be considered.

Elements I and II have been under serious consideration as a change to the utility patent system. These changes were before the 104th Congress with a real possibility of passage.[4] However, the changes were never enacted due to the press to adjourn in the final days of the session. It is anticipated the proposal will be presented in the 105th Congress, and will again receive serious consideration.

One propelling force in favor of passage is the fact that this change in U.S. patent law is part of an agreement our Commissioner has entered into with the Japanese Patent Commissioner in return for changes in the Japanese law that are visualized to be beneficial to American inventors.[5] Early publication with provisional rights is

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[4] The Inventor Rights Protection and Patent Reform Act, H.R. 3460, 104th Cong. (1996) (introduced on May 15, 1996).

[5] Sectoral Accord on Intellectual Property Rights, Aug. 16, 1994, U.S. - Japan (signed by Commerce Secretary Ron Brown and Japanese Ambassador to the United States Takakazu Kuriyama under the bilateral economic framework negotiations).

The remaining portion, those having a prosecution period in excess of eighteen months, can be accelerated, if desired, in two ways. First, a petition to make the application "special" on a showing of need can be used to speed up the processing and, while having an associated cost, can be rationalized in a situation where an infringement appears to exist. Secondly, the application publication proposal permits the applicant to request publication earlier than eighteen months. Thus, on filing or shortly thereafter, an applicant could request publication and obtain provisional rights at a very early date. While this may not give standing to sue until the patent is granted, an infringer would be accruing liability and need to take the claim of infringement seriously.

Unlike the utility patent arena, the loss of confidentiality is not as important for designs and should pose less of an obstacle than it has for utility patents. Processes, mysterious interworkings of complex devices, or compositions of matter cannot be protected by design patents. The subject of design protection lies in the external appearance of an object which is not amenable to secrecy, certainly not after commercialization. During the pre-market introduction period, most designs will not need to be treated in a manner consistent with a real intent for maintaining secrecy. Those that do could be subject to deferral on a proper showing. All of these provisions have been similarly proposed in the utility patent legislation. It is further noted that for designs, there is less of a need for an extended period for invention evolution. Design patents have virtually no scope, so that if the proposed commercial embodiment changes after a first application is filed, a second case should normally be filed rather than trying to conform the first case and trusting that some scope of protection will bridge the gap.

Professor Fryer has proposed, however, not merely an early publication of design applications at the eighteen month point as proposed for utility patents, but very early publication at three or six months after filing. This would provide the design applicant with some enforceable rights virtually at the outset and, as has been noted, would facilitate acceptance of a international design registration system. Consistent with the view that secrecy should not be an

that a similar provision exists in copyright law. The concept is that rather than requiring the applicant to first challenge the administrative body's position and then much later pursue an infringer, both considerations may be handled at once. If we have earlier publication of design applications, as proposed, with provisional rights then we will approach the situation to a degree. At least this would be the case if one is not impeded from asserting provisional rights against an infringer and initiating a legal action prior to allowance by the Patent Office. Since copyright has only superficial examination, whereas design applications are, at least conceptually, subject to substantive examination, the analogy between the two systems may not be apt.

This aspect of the proposal, while having some foundation in the copyright field, has not been previously considered for application to patents or designs. Thus it is a fresh idea. Its purpose again is to give the design applicant an earlier ability to enforce rights. Rather than being at the mercy of protracted prosecution delays after a final rejection inherent in the appeal process, both the validity and infringement questions may be determined before one body having final disposition authority.

The proposal unmasks an ambiguity that lies beneath the surface of our design protection system. Is it appropriate to treat designs with all the substantive examination solemnity of utility patents, as we do, or may the agency review process be something less, for example left to deal with formalities like copyrights and leave the more substantive questions to court determination? This proposal seems to lie somewhere in the middle by suggesting the administrative agency need not complete its substantive examination process or that an applicant need not exhaust his/her administrative remedies by carrying forward with an appeal. I believe the substantive examination system we apply to designs today can be challenged. Consider the following points:

I) When our design protection system was first enacted over 150 years ago we had a national patent office to administer it, but we did not have a national

literature, catalogues, newspaper inserts, and the like which effectively disclose the external appearance of an article. No attempt is being made and likely ever will be made to collect this image material in searchable data bases. As a result the viability of the Patent Office examination is low and, in many cases, virtually non-existent. The only credible way to test a design against the prior art is to have interested third parties bring to bear their experiences and knowledge. Courts tend to feel free to give de novo consideration to the validity of design patents because they can understand the technology with good explanation and give little deference, comparatively, to prior Office examinations and findings. One need not have an engineering degree to compare a protected design with the prior art and infringing devices.

B. *Summary Of The Fryer Proposal*

Professor Fryer's proposals, both early publication with provisional rights and the ability to sue an infringer after final rejection, have the effect of placing enforcement rights in the hands of the design applicant at an earlier point in time. The 105th Congress has introduced legislation providing for publication of utility patent applications eighteen months after filing.[6] Consideration should be given now as to whether that legislation should apply across the board to all patents, including those patents that are for designs. This aspect of the proposal merits immediate attention and communication to those influencing the legislative process. The arguments in favor of this change, along with the change to utility patents, are that it would: (1) maintain consistency in the systems; (2) provide some enforceable rights for those involved in difficult and protracted

[6] H.R. 400, 105th Cong. (1997) (introduced Jan. 9, 1997 by Representative Coble). The bill contains an eighteen month provision which does not extend to design patents. The publication provision proved controversial and in House action passing the legislation it was amended to exclude

Over the past score of years design application filing has increased from 5,000-6,000 to the 15,000-16,000. This is a 250-300% increase. At first blush this suggests a viable and growing system. However, this is less than ten percent of the utility patent application volume. I have surveyed the reported cases on two occasions for prior articles and noted that instances where a design patent has been successfully enforced can be counted in single digits per year. If a cost benefit analysis were done of the current design system, its continuance could not be justified. It is thus unsurprising that those with a vested interest in copying the products of others fight to preserve the current system. While an entirely new sui generis system is the logical approach to fix the system, there is merit in Professor Fryer's view that there should be consideration of alternate approaches to modify the existing design patent system. Therefore, I will consider what can be done to amend the current design patent system to improve it.

A number of values should be considered when creating or reforming an intellectual property protection system. Certainly cost to the user, institutions, and the public is a principal consideration. Clarity in understanding what is protected, both on the part of the proprietor and the public, is most important. Speed in the process of giving enforceable rights should be valued as well. Finally, wide scale applicability and trouble free interface with foreign systems becomes increasingly important in the global economy.

Taking these values into account, the following elements are proposed:

I) REGISTRATION/EXAMINATION

Filing the application should be reviewed for formalities and then published as a design registration. Examinations could be ordered by a court as part of infringement proceedings. It may be appropriate to have completed an examination to give rise to a presumption of validity.

designers may be scanning the trade literature and glancing only a few seconds at an item which does not make it likely that each potential prior art item that is scanned is imprinted on the mind.

The design examination process could be handled much more efficiently and on a more cost effective basis if it were limited to post-grant activity. For the greater body of designs, the relevant prior art is not in the patent literature, but is contained in ads which fully disclose the design appearance without accompanying descriptive text. Such material is not contained in searchable databases and probably never will be. Patent examiners see only a small slice of the real relevant art and even when they do perfect work with what they have available, it carries very little weight. Courts have little hesitancy to review design patent validity on summary judgement motions taking into account the real prior art that those knowledgeable in the field make available. The presumption of validity means little, at least in the face of an opponent who gathers the highly relevant commercial data that often exists.

A more effective system would grant design registration without substantive examination, but then permit either the applicant or third parties to request examination at any time. The benefits of such a system are as follows. First, it would permit the combined validity/infringement action contained in Professor Fryer's proposal. Second, it would be a system that could respond to a world system of central publication which has the potential for maximum protection in relation to cost. Third, it would conduct examination on the basis of materials or information known to those in the trade and disclosed by those requesting the examination. The existing examining core would be made much more effective. Not only would examiners have the opportunity to bring to bear on the examination the searchable prior art, but the very important non-searchable material submitted by opponents. Whether such a post-registration examination should be a precondition to litigation or could be ordered by a court during the course of litigation could be considered. However obtained, Professor Fryer's objective of early access to enforcement mechanisms by design applicants seems desirable because we should not delay

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DESIGN PROTECTION FOR ARTICLES OF MANUFACTURE WITH COLOR

Louis S. Zarfas[*]

One area of design law that is currently undergoing an evolution involves the design protection for an article of manufacture with color. Of course, outside of design patent protection, the law currently has remedies for protecting color as a trademark or trade dress. One of the more recent examples of the facts and circumstances surrounding such protection involves the United States Supreme Court's recent decision in *Qualitex Co. v. Jacobson Products Co.*[1]

However, under current design patent regulations, the only way to properly present a claim to color in combination with an article of manufacture is by filing a design patent application with a formal pen and ink drawing using the conventional symbols for color shown in the Manual of Patent Examining Procedure under section 608.02.[2] Color photographs and drawings are not presently accepted in design patent applications under 37 C.F.R. section 1.152,[3] which

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[*] © 1997 Louis S. Zarfas. Mr. Zarfas is a Supervisory Patent Examiner with the United States Patent & Trademark Office Design Group and Editor-in-Chief of the *Journal of the Patent & Trademark Office Society*. He holds a B.S. degree from M.I.T. (1970) and received his J.D. from George Washington University Law School in 1984. This paper was presented at the AIPLA National Conference on Industrial Design Protection, Washington, D.C., October 23, 1996.

[1] 115 S. Ct. 1300, 1304, 34 U.S.P.Q.2d (BNA) 1161, 1164 (1995) (holding that color alone can meet the basic requirements of a trademark).

[2] U.S. DEPARTMENT OF COMMERCE, MANUAL OF PATENT EXAMINING PROCEDURE § 608.02, at 600-68 to 600-85 (rev. 2 1996) [hereinafter MPEP].

[3] Section 1.152 states that:

> [t]he design must be represented by a drawing that

1.84(b)(1).[7] Color photographs, however, are not currently accepted in design cases in lieu of *formal* drawings.[8]

If a design application is filed with color photographs as informal drawings, the color, unless *specifically disclaimed* in the original disclosure, is construed to be part of the claimed design.[9] This limits applicants' alternatives in correcting the informality. If the applicant seeks to adhere strictly to section 1.152, drawings must be filed converting the colors shown in the informal photographs to the corresponding convention color symbols delineated in MPEP section 608.02.[10] Drawings devoid of these color indications are subject to a rejection under 35 U.S.C. section 112 for failing to include the disclosed, undisclaimed features (i.e., colors) shown in the informal photographs.[11] The same is true if the initial submission constituted color drawings instead of color photographs.

This procedure may not be fully satisfactory in certain cases, since the conventional symbols for indication of color in patent drawings only encompass nine colors.[12] For example, all shades of

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[7] Changes in Patent Drawing Standards, 58 Fed. Reg. 38,719 (Pat. & Trademark Off. 1993) (amending 37 C.F.R. § 1.84). Section 1.84(b)(1) requires a petition, a fee, and three copies of black and white photographs. 37 C.F.R. § 1.84(b)(1)(i)-(ii). Further, the photos must be of sufficient quality to enable reproduction. *Id.*

[8] MPEP, *supra* note 2, § 608.02, at 600-76 to 600-77.

[9] Although the Patent and Trademark Office ("PTO") has no written policy setting out such treatment of color photographs, the PTO as a general practice construes color to be part of the claimed design unless specifically disclaimed by the applicant.

[10] 37 C.F.R. § 1.152; MPEP, *supra* note 2, § 608.02, at 600-74.

[11] 35 U.S.C. §§ 112, 132 (1994); 37 C.F.R. § 1.118; *see, e.g., In re* Rasmussen, 650 F.2d 1212, 1214-15, 211 U.S.P.Q. (BNA) 323, 326 (C.C.P.A. 1981) (stating that section 132 prohibits "attempts to add new disclosure to that originally presented").

[12] MPEP, *supra* note 2, § 608.02, at 600-74

photographs are accepted as formal drawings under the foregoing conditions, the actual printed patent--should the application issue as such--will be in black and white.[19] Color copies of the original drawings or photographs will be available from the PTO upon request and payment of the designated fee pursuant to 37 C.F.R. section 1.119(a)(3).[20]

The PTO is currently considering whether it would be advisable to modify the regulations to permit color photographs and/or color drawings in lieu of formal drawings in design cases without filing a petition under section 1.183 to waive the rules.[21] Applicants should be cognizant of the fact that design patent drawings constituting photographs, color photographs, or color drawings by their very nature result in more specific claims with narrower scopes of protection.[22] For instance, design patents with black and white drawings have long been held to cover the configuration of the article of manufacture depicted, irrespective of actual color. If a design patent does include specific color indicators in its drawings or photographs, it will not enjoy the same breadth of interpretation. In such circumstances, a change of color may not be construed to be a "colorable imitation,"[23] pun intended. Therefore, I close with a familiar caveat: "Be careful what you ask for, for you may receive it."

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[19] MPEP, *supra* note 2, § 608.02, at 600-76.

[20] 37 C.F.R. § 1.84(a)(2).

[21] 1996 Changes to Patent Practice and Procedure, 61 Fed. Reg. 49,820, 49,835, 49,856 (Pat. & Trademark Off. 1996) (providing notice of proposed rulemaking).

[22] *See, e.g., In re* Mann, 861 F.2d 1581, 1582, 8 U.S.P.Q.2d (BNA) 2030, 2031 (Fed. Cir. 1988) (holding that a design claim is limited to what is shown in the application drawings).

[23] 35 U.S.C. § 289, ¶ 1 (1994).

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THE NEW GUIDELINES ON PROTECTION OF COMPUTER-GENERATED ICONS AND TYPEFACE

A. Hugo Word[*]

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[*] © 1997 A. Hugo Word. Mr. Word is a Supervisory Design Patent Examiner in the United States Patent and Trademark Office, Group 1100/2900. He is also the Treasurer of the National Intellectual Property Law Association. Mr. Word received his B.S. in 1957 from Virginia State University. This paper was presented at the AIPLA National Conference on Industrial Design Protection, Washington, D.C., October 23, 1996.

II. ETYMOLOGY: ICON

Icon comes from the Indo-European root *weik-* which meant likeness or image. The word is also related to the Greek *eikon* and the Latin *icon*. The computer-related use of icon is a natural transfer from these earlier meanings.

III. DEFINITION

In its computer-related sense, an icon is a small picture that can represent a file, an action to be taken, or some other object in a graphical user interface.[5] Icons can be activated with a click of the mouse, in which case the associated action will occur or the file represented will be opened. Icons can also be dragged around, as when a file is deleted by dragging it to a picture of a garbage can.

One of the earliest computer systems using icons was called Smalltalk. It, however, was mainly used in academic and industry applications. Perhaps the first computer designed for the general public that primarily used icons was the "Apple Macintosh." The trend today is towards using a graphic interface relying on icons.

Computer icons within a GUI are supposed to resemble some real object. The success of an icon in communicating the right meaning to the user depends on the accuracy of the representation and, of course, the user's ability to recognize the relationship. A computer system will have a variety of signs built-in to communicate with the user. Key words and sentences that provide instructions or alert the user of the status of the system are symbols. A user is considered computer literate when he or she can understand those symbols. Some examples of icons used on a GUI desktop are: folders, hands, silhouette of a person, picture of a camera, picture of printers, scissors, clipboards, picture of a disk. The meaning of these icons can easily be deciphered from the shapes depicted in them. The name

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[5] Symposium, *The Future of Software Protection*, 47 U. PITT. L. REV. 1229, 1267 n.69 (1986).

however, that had the drawing disclosure showed the icon on a broken line drawing of a CRT or other tangible article of manufacture, and had the title been specifically tailored, the Board would have considered the display screen with computer icon to be statutory subject matter.[11] The PTO, in its "Guidelines for Examination of Design Patent Applications For Computer-Generated Icons," has adopted the position described in *Strijland*.[12]

V. ICONS AND SURFACE INDICIA

The language "new, original and ornamental design for an article of manufacture" set forth in 35 U.S.C. section 171 has been interpreted by the case law to include at least three kinds of designs: (1) a design for an ornament, impression, print, or picture applied to an article of manufacture (surface indicia); (2) a design for the shape or configuration of an article of manufacture; and (3) a combination of the first two categories.[13]

The ornamental appearance of an article includes its shape and configuration as well as any indicia, lettering, of other ornamentation embodied in the article (surface indicia). Surface indicia must be embodied in an article of manufacture.[14] Surface indicia, *per se* (i.e., not embodied in a specific article of manufacture), or a picture standing alone are not proper subject matter for a design patent and thus do not meet the statutory requirements of 35 U.S.C. section 171.[15]

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[11] *See id.*

[12] The guidelines were published in 1185 O.G. 60 and 61 Fed. Reg. 11,380, effective April 19, 1996. *See generally Strickland*, 26 U.S.P.Q.2d (BNA) at 1259.

[13] *See In re* Schnell, 46 F.2d 203, 8 U.S.P.Q. (BNA) 19 (C.C.P.A. 1931); *Ex parte* Donaldson, 26 U.S.P.Q.2d (BNA) 1250 (Bd. Pat. App. & Int. 1992).

[14] *Strijland*, 26 U.S.P.Q.2d (BNA) at 1262; *see also In re* Zahn, 617 F.2d 261, 267, 204 U.S.P.Q. (BNA) 988, 994 (C.C.P.A. 1980).

[15] 26 U.S.P.Q.2d (BNA) at 1262

VII. PTO PROCEDURES AND GUIDELINES FOR EVALUATING APPLICATIONS

The PTO has designated the following procedures for reviewing design patent applications drawn to computer-generated icons for compliance with the "article of manufacture" requirement of 35 U.S.C. section 171:

A. Read the entire disclosure to determine what the applicant claims as the design and to determine whether the design is embodied in an article of manufacture. 37 C.F.R. §§ 1.71 and 1.152-1.154.[23]

1. Review the drawing to determine whether a computer screen, monitor, other display panel, or portion thereof, is shown. 37 C.F.R. § 1.152.[24]

2. Review the title to determine whether it clearly describes the claimed subject matter. 37 C.F.R. § 1.153.

The following titles do not adequately describe a design for an article of manufacture under 35 U.S.C. § 171: "COMPUTER ICON" or "ICON." On the other hand, the following titles do adequately describe a design for an article

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[23] Since the claim must be in formal terms to the design "as shown, or as shown and described," the drawing provides the best description of the claim. 37 C.F.R. § 1.153.

[24] Although a computer-generated icon may be embodied in only a portion of a computer screen, monitor, or other display panel, the drawing "must contain a sufficient number of views to constitute a complete disclosure of the appearance of the design." 37 C.F.R. § 1.152. In addition, the drawing must comply with 37 C.F.R. § 1.84.

other display panel, or portion thereof, indicate that:

(i) the claim does not comply with 35 U.S.C.§ 171; and, (ii) amendments to the written description, drawings and/or claim attempting to overcome the rejection will not be entered or if entered will be rejected because the claim would lack a written descriptive basis under 35 U.S.C. § 112, first paragraph, and the amendments to the description and drawings would constitute new matter under 35 U.S.C. § 132.[28]

2. If the disclosure as a whole suggests or describes the claimed subject matter as a computer-generated icon embodied in a computer screen, monitor, other display panel, or portion thereof, indicate that the drawing may be amended to overcome the rejection under 35 U.S.C. § 171. Suggest amendments which would bring the claim into compliance with 35 U.S.C. § 171.[29]

C. Indicate all objections to the disclosure for failure to comply with the formal requirements of the Rules of Practice in Patent Cases. (37 C.F.R. §§ 1.71, 1.81-1.85, and 1.152-1.154). Suggest amendments which would bring the disclosure

[28] *Id.* at 11,382.

[29] *Id.*

VIII. TREATMENT OF TYPE FONTS

Traditionally, type fonts have been generated by solid blocks from which each letter or symbol was produced. Consequently, the Patent and Trademark Office has historically granted design patents drawn to type fonts.[34] Claims directed to type fonts should not be rejected under 35 U.S.C. section 171 for failure to comply with the 'article of manufacture' requirement on the basis that more modern methods of typesetting, including computer-generation, do not require solid printing blocks.[35]

IX. CONCLUSION

There is currently a backlog of approximately seventy applications under suspension from the 1986 to 1992 period, and approximately 170 new applications pending. These applications will be examined in date order. New application filings on this subject matter are being received all the time.

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[34] *Id.*

[35] *Id.*

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TRADE DRESS PROTECTION FOR PRODUCT CONFIGURATIONS: IS THERE A CONFLICT WITH PATENT POLICY?

Jay Dratler, Jr.[*]

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[*] © 1997 Jay Dratler, Jr. Dr. Dratler is a Professor of Law at the William S. Richardson School of Law, University of Hawaii at Manoa. This Article is based upon a presentation made to the AIPLA National Conference on Industrial Design in Washington, D.C., October 23, 1996. This article is licensed without fee for nonprofit research and classroom use in nationally accredited law schools with attribution to author and journal and copyright notice. All other rights reserved.

time,[3] thereby ratifying developments that otherwise might have been condemned as judicial legislation.[4] In 1992 the Supreme Court

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[3] [The 1988 amendments] revise[d] Section 43(a) of the [Lanham] Act (15 U.S.C. § 1125(a)) to codify the interpretation it ha[d] been given by the courts. Because Section 43(a) of the Act fills an important gap in federal unfair competition law, the committee expects the courts to continue to interpret the section.

> As written Section 43(a) appears to deal only with false descriptions or representations and false designations of geographic origin. Since its enactment in 1946, however, it has been widely interpreted as creating, in essence, a federal law of unfair competition. For example, it has been applied to cases involving the infringement of unregistered marks, violations of trade dress and certain nonfunctional configurations of goods and actionable false advertising claims.

SENATE JUDICIARY COMM., S. REP. NO. 100-515 § 35, at 40 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5603; *see also Kohler*, 12 F.3d at 636, 29 U.S.P.Q.2d (BNA) at 1244 ("Congress . . . specifically approved the broad judicial interpretation of Section 45's definition of 'trademark' to include product configurations. . . . Therefore, we hold now, as we have in the past, that Section 45 of the Act allows product configurations to be eligible for trademark status.") (citations omitted).

[4] As Justice Stevens noted in his concurrence in Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 783, 23 U.S.P.Q.2d (BNA) 1081, 1089 (1992) (Stevens, J., concurring):

> Congress has revisited this statute from time to time, and has accepted the 'judicial legislation' that has created this federal cause of action. Recently, for example, in the Trademark Law Revision Act of 1988, Pub. L. 100-667, 102 Stat. 3935, Congress codified the judicial interpretation of § 43(a), giving its imprimatur to a growing body of case law from the Circuits that had expanded the section beyond its original language.

See also Vornado, 58 F.3d at 1505, 35 U.S.P.Q.2d (BNA) at 1338 ("Congress acknowledged and, to some extent, ratified the judicial expansion of section 43(a) in 1988, when it enacted its first comprehensive revision of the Lanham Act."); *Kohler*, 12 F.3d at 636, 29 U.S.P.Q.2d (BNA) at 1244; *L.A. Gear*, 988 F.2d at 1131, 25 U.S.P.Q.2d (BNA) at 1923; Bristol-Myers

Partly as a result of these developments, trade dress litigation, which includes litigation over product configurations,[8] has burgeoned in recent years.[9] Some jurists see this sort of litigation as a natural development of the law of trade symbols in federal fora, providing valuable and sometimes necessary protection for the legitimate identifiers of a product's source.[10] Others see it as a dangerous development in intellectual property law, undermining the integrity of the patent system by providing patent-like protection on the

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[8] *See, e.g.*, L. & J.G. Stickley, Inc. v. Canal Dover Furniture Co., 79 F.3d 258, 262, 38 U.S.P.Q.2d (BNA) 1202, 1205 (2d Cir. 1996) ("Although trade dress once referred only to the manner in which a product was 'dressed up' to go to market with a label, package, display card, and similar packaging elements, the concept now includes the design and appearance of the product as well as that of the container.") (citation and internal quotation marks omitted); Knitwaves, Inc. v. Lollytogs, Ltd., 71 F.3d 996, 1005, 36 U.S.P.Q.2d (BNA) 1737, 1744 (2d Cir. 1995) (Trade dress "includes the design and appearance of the product as well as that of the container and all elements making up the total visual image by which the product is presented to customers.") (citation omitted); Fabrication Enters. v. Hygenic Corp., 64 F.3d 53, 57, 35 U.S.P.Q.2d (BNA) 1753, 1756 (2d Cir. 1995) ("[A] product's manufacturer may be entitled 'to trade dress protection for the appearance of the product.'") (citation omitted); Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc., 58 F.3d 27, 31, 35 U.S.P.Q.2d (BNA) 1284, 1286-87 (2d Cir. 1995) (discussing expansion of protection from packaging to product design).

[9] A search for trade dress decisions rendered after the Supreme Court's decision in *Two Pesos* produced forty-two cases in the federal courts of appeals alone. Search of LEXIS, GENFED library, COURTS file (Sept. 4, 1996).

[10] *See, e.g.*, Kohler Co. v. Moen Inc., 12 F.3d 632, 640 n.10, 29 U.S.P.Q.2d (BNA) 1241, 1248 n.10 (7th Cir. 1993) (Plaintiff "simply has the right to preclude others from copying its trademarked product for the purpose of confusing the public as to its source."); PAF S.r.l. v. Lisa Lighting Co., 712 F. Supp. 394, 411, 12 U.S.P.Q.2d (BNA) 1161, 1175 (S.D.N.Y. 1989) ("[W]here the trade dress is distinctive and the products so closely resemble each other, labeling cannot preclude the possibility that

process for determining whether a likelihood of confusion between the plaintiff's and defendant's trade dress exists, and even whether the same standard for likelihood of confusion should apply to product configuration cases as to other cases of unfair competition.[14] In short, the federal courts in this field disagree on virtually every aspect of legal doctrine on which it is possible to disagree.[15]

Inc., 87 F.3d 654, 657 n.2, 39 U.S.P.Q.2d (BNA) 1355, 1358 n.2 (4th Cir. 1996) (same); TEC Eng'g Corp. v. Budget Molders Supply, Inc., 82 F.3d 542, 546 n.3, 38 U.S.P.Q.2d (BNA) 1787, 1789-90 n.3 (1st Cir. 1996) (same); *Vornado*, 58 F.3d at 1503 n.10, 35 U.S.P.Q.2d (BNA) at 1335 n.10 (refusing to reach issue).

[14] *Compare* Insty*Bit, Inc. v. Poly-Tech Indus., 95 F.3d 663, 668-69, 673, 39 U.S.P.Q.2d (BNA) 1961, 1962, 1963-64, 1967 (8th Cir. 1996) (reversing district court's summary judgment of no likelihood of confusion, which had been based upon examination of products and packaging alone, because district court failed to examine six factors used previously in trademark case), *and Tools USA*, 87 F.3d at 661-62, 39 U.S.P.Q.2d (BNA) at 1361-1362 (applying ordinary multi-factor test for likelihood of confusion to case involving trade dress of equipment catalog), *and* Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc., 58 F.3d 27, 34, 35 U.S.P.Q.2d (BNA) 1284, 1289 (2d Cir. 1995) (applying factors from *Polaroid Corp. v. Polarad Electronics*--a trademark infringement case--in evaluating likelihood of confusion in trade dress case), *and* Imagineering, Inc. v. Van Klassens, Inc., 53 F.3d 1260, 1264-65, 34 U.S.P.Q.2d (BNA) 1526, 1529-30 (Fed. Cir.) (applying *Polaroid* factors in normal way as Second Circuit's test for likelihood of confusion of trade dress), *cert. denied*, 116 S. Ct. 277 (1995), *and* Badger Meter, Inc. v. Grinnell Corp., 13 F.3d 1145, 1152, 29 U.S.P.Q.2d (BNA) 1507, 1512 (7th Cir. 1994) (reciting usual list of factors in trade dress case, without distinguishing product configuration from other trade dress cases, but noting that "the weight to be assigned to each of these factors will differ according to the case"), *with* Versa Prods. Co. v. Bifold Co., 50 F.3d 189, 201-08, 33 U.S.P.Q.2d (BNA) 1801, 1808-15 (3d Cir.) (determining likelihood of confusion in product configuration cases demands less emphasis on similarities of appearance, strength of plaintiff's mark and defendant's intent, and more on product labeling and consumers' sophistication and exercise of care), *cert. denied*, 116 S. Ct. 54 (1995).

[15] All courts are in general agreement that a trade dress claim has three elements, whether involving product configuration or other kinds of trade dress: (1) the distinctiveness of the plaintiff's trade dress, which may arise from inherent distinctiveness or secondary meaning; (2) the nonfunctionality of the plaintiff's trade dress; and (3) likelihood of confusion between the plaintiff's and the

protection, and how a conflict in policy may arise.[22] It then analyzes the applicability of the Supreme Court's trilogy of pre-emption decisions[23] to federal trade dress protection under the Lanham Act, including constitutional issues.[24] Finding nothing determinative in those decisions, it next turns to the three elements of trade dress protection: (1) distinctiveness,[25] (2) nonfunctionality,[26] and (3) likelihood of confusion,[27] with emphasis on trade dress and product configurations.

In discussing functionality, this article analyzes the potential for conflict with patent law in the the style of another noted pre-emption decision, *Kewanee Oil Co. v. Bicron Corp.*[28] There the Supreme Court upheld state trade secret law against a challenge based upon federal patent policy; this article follows the *Kewanee* Court's lead in addressing the impact of in-force and expired patents, as well as patentability, on trade dress protection for product configurations.[29] Finally, this article examines remedies for infringing trade dress in product configurations[30] and shows how properly tailored relief can both advance the purposes of trade symbol protection and avoid

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[22] *See infra* text accompanying notes 40-99.

[23] Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 9 U.S.P.Q.2d (BNA) 1847 (1989); Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 140 U.S.P.Q. (BNA) 524 (1964); Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234, 140 U.S.P.Q. (BNA) 528 (1964).

[24] *See infra* text accompanying notes 99-139.

[25] *See infra* text accompanying notes 139-246.

[26] *See infra* text accompanying notes 246-423.

[27] *See infra* text accompanying notes 423-54.

[28] 416 U.S. 470, 181 U.S.P.Q. (BNA) 673 (1974).

[29] *See infra* text accompanying notes 287-423.

[30] *See infra* text accompanying notes 454-507.

copyright laws in strengthening a competitive economy,[39] but it also gives rise to a risk of conflict.[40] Understanding the source of potential tension is crucial to appreciating the limits of trade symbol protection.

In the fifty years since enactment of the Lanham Act,[41] congressional committees and the Supreme Court have identified four purposes that it serves.[42] First, it "foster[s] competition" by "protect[ing] the ability of consumers to distinguish among competing producers."[43] Second, it avoids confusion among consumers as to the sources of goods and services.[44] Third, it encourages "the

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[39] Although the exclusive rights that patent and copyright laws provide curtail competition in the short run, their effect in creating incentives for innovation and creativity promotes competition in the long run. *See* JAY DRATLER, JR., LICENSING OF INTELLECTUAL PROPERTY § 6.02[1] (1994) [hereinafter DRATLER, LICENSING].

[40] *See infra* text accompanying notes 66-99.

[41] The Lanham Act reached its fiftieth anniversary on July 5, 1996. *See* Trademark Act of 1946, Pub. L. No. 79-489, 60 Stat. 412 (July 5, 1946) (codified as amended at 15 U.S.C. §§ 1051-1127).

[42] For a more complete discussion, see DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, § 9.02[1].

[43] Park 'N Fly, Inc. v. Dollar Park and Fly, Inc., 469 U.S. 189, 198, 224 U.S.P.Q. (BNA) 327, 331 (1985) (citation omitted); *see also* Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 873, 31 U.S.P.Q.2d (BNA) 1481, 1487 (8th Cir. 1994) (per curiam) ("Protecting trademarks protects the public and fosters fair competition.") (citation omitted).

[44] *See* 15 U.S.C. § 1127 (purposes of statute include "to make actionable the deceptive and misleading use of marks in . . . commerce" and "to prevent fraud and deception in . . . commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks"); S. REP. NO. 100-515 (1988), *reprinted in* 1988 U.S.C.C.A.N 5577, 5580 (act allows consumers to "identify brands they prefer and [to] purchase those brands without being confused or misled"); S. REP. NO. 98-627 (1984), *reprinted in* 1984 U.S.C.C.A.N. 5708, 5719 (report on Trademark Clarification Act of 1984) (state "protect[s] the public from confusion or deception by enabling purchasers to identify and obtain desired goods or services").

See also Centaur Comms. Ltd. v. A/S/M Comms. Inc., 830 F.2d 1217,

will and reputation appurtenant to their products and services, can only be served by advancing the first, for producers' good will and reputation cannot be preserved if consumers are confused, misled, or deceived as to who offers the products or services that they buy. Finally, the first three purposes can be served only if producers' "dirty tricks" are prohibited, at least the type of "dirty tricks" that lead to free riding on competitors' reputations and good will. All the expressed purposes of federal trade symbol protection thus are related, if not subservient, to a single goal: promoting competition by providing consumers with the means to identify the sources of goods and services in the marketplace. It follows that the central goal of trade symbol law is promoting competition.

This observation leads to a proper appreciation of the true role of trade symbol law in the field of intellectual property. Intellectual property law is a part of economic law, and the foundation of all economic law in the United States is the bedrock policy of free competition. As the Supreme Court has repeatedly admonished, free competition is the fundamental economic policy of the United States.[47] To the extent that patent law intrudes upon this policy, it is an exception to the general rule.

Indeed, patent law has been an exception to the rule of free competition for over 350 years,[48] since the Statute of Monopolies in England endorsed patent protection as an exception to a general

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[47] *See* United States v. Philadelphia Nat'l Bank, 374 U.S. 321, 372 (1963) ("[C]ompetition is our fundamental national economic policy."); *see also* Standard Oil Co. v. FTC, 340 U.S. 231, 248 (1951) ("The heart of our national economic policy long has been faith in the value of competition."); Fashion Originators' Guild of America, Inc. v. FTC, 312 U.S. 457, 465 (1941) ("Under the Sherman Act competition not combination, should be the law of trade.") (citation and internal quotation marks omitted).

[48] For a discussion of this point in the context of the relationship between patent and antitrust law, see generally DRATLER, LICENSING, *supra* note 39,

today makes detailed comparison shopping for their features, qualities, characteristics, and ingredients all but impossible. For example, the average modern supermarket contains over 30,000 items vying for the consumer's attention.[51] If the average consumer considered only three percent (that is, 900) of these items and spent one minute reading details on the labels or instructions for each, then a weekly trip to the supermarket would take fifteen hours. Obviously this expenditure of time would be infeasible for all but fanatic or retired consumers.

As this example shows, it is unrealistic in real life to expect consumers to engage in detailed comparison of products and services in the marketplace, especially at the point of sale. What trade symbols provide is a "shorthand," which allows consumers to recognize in an instant the products and services that they prefer, without detailed and perhaps repetitious examination of labels or instruction sheets, and without extensive advance preparation or research.[52] If trade symbols are legally protected, a consumer may rely on them to identify the products and services that he or she desires in an instant, whether on the basis of previous experience, another's recommendation, previous examination of products in the

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[51] *See* Zachary Schiller et al., *Make It Simple*, BUS. WEEK, Sept. 9, 1996, at 96 ("Since so many of the 30,000 items in a typical supermarket offer niggling differences from each other, shoppers face numbing selection--but little in the way of real variety.").

[52] The goal of trademark protection is to allow a firm to affix an identifying mark to its product (or service) offering that will, because it is distinctive and no competitor may use a confusingly similar designation, enable the consumer to discover in the least possible amount of time and with the least possible amount of head-scratching whether a particular brand is that firm's brand or a competitor's brand.

Advanced Resources Int'l, Inc. v. Tri-Star Petroleum Co., 4 F.3d 327, 335, 28 U.S.P.Q.2d (BNA) 1280, 1286 (4th Cir. 1993) (quoting Blau Plumbing, Inc. v. S.O.S. Fixit, Inc., 781 F.2d 604, 609, 228 U.S.P.Q. (BNA) 519, 521 (7th

others' recognized symbols on their own products, consumers will be confused. Even if others use similar symbols "innocently," with no culpable intent to usurp trademark owners' good will, their doing so may nevertheless impair the value of the "shorthand" that those symbols provide for consumers.[56] Just as symbols or words in any language must have a fixed and definite meaning to be intelligible, so the "shorthand" of trade symbols must have a definite and invariable meaning in order to serve its primary purpose of identifying goods and services quickly and efficiently for consumers in the marketplace.[57] In the law of trade symbols, this sort of definite and invariable meaning goes by the name of "distinctiveness."[58]

This simple analysis of the function of trade symbols explains much about the law that governs them. First, it explains why distinctiveness is the primary requirement for legal protection of a trade symbol, whether it be a verbal symbol, a product configuration,

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exclusive right to particular identifying words or symbols which they may attach to their products as a designator of source."), *cert. denied*, 116 S. Ct. 1044 (1996).

[56] For this reason, modern trade symbol law, as distinguished from the old common law of "passing off," de-emphasizes the defendant's intent in adopting a symbol similar to the plaintiff's, and instead emphasizes the issue of probable or actual confusion among consumers in the real marketplace. *See* Sicilia Di R. Biebow & Co. v. Cox, 732 F.2d 417, 431 n.10 (5th Cir. 1984) (citation omitted); *see also* Falcon Rice Mill, Inc. v. Community Rice Mill, Inc., 725 F.2d 336, 348, 222 U.S.P.Q. 197, 206 (5th Cir. 1984) (refusing to hold former employee to higher standard than other competitors because focus of trademark protection is confusion of public).

[57] *See, e.g.*, Versa Prods. Co. v. Bifold Co., 50 F.3d 189, 200, 33 U.S.P.Q.2d (BNA) 1801, 1808 (3d Cir.) ("[C]onsumer confusion is, of course, at the heart of trademark law.") (citations omitted), *cert. denied*, 116 S. Ct. 54 (1995); Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc., 973 F.2d 1033, 1038, 1043, 24 U.S.P.Q.2d (BNA) 1161, 1163, 1168 (2d Cir. 1992) (Likelihood of confusion is the "central question" in trade dress cases.).

but buys another due to confusion over trade symbols, that is not competition, but deception or mistake. Only if trade symbols perform their allotted function of identifying products or services accurately, quickly, and efficiently in the real world of the marketplace can competition on the merits be both free and fair.

This is not to say, of course, that the salutary goal of free and fair competition demands protection of trade symbols--far less product configurations--in all instances. Many product-configuration cases are balanced on the knife's edge of policy, between the goal of promoting competition by protecting legitimate product identifiers and producers' hard-won good will and the goal of insuring freedom to compete by copying others' unpatented and uncopyrighted designs.[63] Judge Learned Hand eloquently identified the problem over half a century ago:

> [T]he plaintiff has the right not to lose his customers through false representations that those are his wares which in fact are not, but he may not monopolize any design or pattern, however trifling. The defendant, on the other hand, may copy plaintiff's good slavishly down to the minutest detail; but he may not represent himself as the plaintiff in their sale.[64]

> some . . . method of product identification, informed consumer choice, and hence meaningful competition in quality, could not exist. . . .

Id. (citations and internal quotation marks omitted).

[63] For discussion of the toughest cases, see *infra* text accompanying notes 507-56.

[64] Crescent Tool Co. v. Kilborn & Bishop Co., 247 F. 299, 301 (2d Cir. 1917).

The problem has not changed in the years since Judge Hand penned this description. *See* Thomas & Betts Corp. v. Panduit Corp., 65 F.3d 654, 658, 36 U.S.P.Q.2d (BNA) 1065, 1068 (7th Cir. 1995) (quoting *Crescent Tool*), *cert. denied*, 116 S. Ct. 1044 (1996); L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1131, 25 U.S.P.Q.2d (BNA) 1913, 1923 (Fed. Cir. 1993), *cert.*

patent protection is a fundamental constitutional requirement[69] and an economic necessity, if patent law is to realize its intended purpose of encouraging, rather than retarding, innovation.[70] In contrast, federal trade symbol protection has the potential to last forever.[71] As courts have often noted, trade symbol protection for product configurations therefore risks awarding a form of perpetual protection for unpatented or unpatentable product features.[72] It therefore risks conflict with the fundamental patent policy of disclosing innovative technical solutions in order to make them

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[69] *See* U.S. CONST. art. I, § 8, cl. 8 (quoted in n.36 *supra*); Graham v. John Deere Co., 383 U.S. 1, 6, 148 U.S.P.Q. 459, 462 (1966) ("Congress may not create patent monopolies of unlimited duration . . . .") (quoted and reaffirmed in Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 146, 9 U.S.P.Q.2d (BNA) 1847, 1850 (1989))).

[70] Patents of unlimited duration would provide more than the necessary incentive for future innovation, at the cost of perpetual monopolies on existing innovations, which would raise their cost and lower their rate of production, as well as impede their use as building blocks in future innovation. *See generally* DRATLER, LICENSING, *supra* note 39, § 6.04[1] (discussing problem of economic optimization and indeterminacy with respect to patent law).

[71] Trademark registration may be renewed without limit. *See* 37 C.F.R. § 2.181 (1996); Qualitex Co. v. Jacobson Prods. Co., 115 S. Ct. 1300, 1304, 34 U.S.P.Q.2d (BNA) 1161, 1163 (1995).

[72] *See, e.g., Qualitex*, 115 S. Ct. at 1304, 34 U.S.P.Q.2d (BNA) at 1163 (Functional features cannot serve as trademarks because "a monopoly over such features could be obtained without regard to whether they qualify as patents [sic] and could be extended forever (because trademarks may be renewed in perpetuity).") (citations omitted); Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts, 944 F.2d 1235, 1253, 20 U.S.P.Q.2d (BNA) 1001, 1016 (6th Cir. 1991) (Kennedy, J., dissenting) ("Congress intended that the rights in a design should expire with their [sic] design patent. The effect of the majority's holding is to give [plaintiff] the equivalent of a design patent in perpetuity."); *cf.* Vornado Air Circulation Sys., Inc. v. Duracraft Corp., 58 F.3d 1498, 1508, 35 U.S.P.Q.2d (BNA) 1332, 1340 (10th Cir. 1995) ("[T]his case clearly shows that trade dress protection can directly interfere with the public's ability to practice patented inventions after the patents have expired, and that it undermines the principle that ideas in the public domain should stay there."), *cert. denied*,

infringement suit.[75] All three requirements must be satisfied before any legal remedy will apply.[76]

[75] After the Supreme Court's two most recent decisions in the field, there is virtually no dissent on these points. *See* Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 769-70, 23 U.S.P.Q.2d (BNA) 1081, 1084 (1992) (requirements for distinctiveness, likelihood of confusion and nonfunctionality); *id.* at 774-76, 23 U.S.P.Q.2d (BNA) at 1083-84 (same requirements for distinctiveness apply to trademarks and trade dress); Qualitex Co. v. Jacobson Prods. Co., 115 S. Ct. 1300, 1304, 34 U.S.P.Q.2d (BNA) 1161, 1163 (1995) (noting requirement for nonfunctionality).

See also TEC Eng'g Corp. v. Budget Molders Supply, Inc., 82 F.3d 542, 545-546, 38 U.S.P.Q.2d (BNA) 1787, 1789 (1st Cir. 1996); EFS Mktg., Inc. v. Russ Berrie & Co., 76 F.3d 487, 490, 37 U.S.P.Q.2d (BNA) 1646, 1649 (2d Cir. 1995); Landscape Forms, Inc. v. Columbia Cascade Co., 70 F.3d 251, 253, 36 U.S.P.Q.2d (BNA) 1790, 1791-92 (2d Cir. 1995); Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc., 58 F.3d 27, 31, 35 U.S.P.Q.2d (BNA) 1284, 1287 (2d Cir. 1995); Imagineering, Inc. v. Van Klassens, Inc., 53 F.3d 1260, 1263, 34 U.S.P.Q.2d (BNA) 1526, 1528 (Fed. Cir.), *cert. denied*, 116 S. Ct. 277 (1995); Versa Prods. Co. v. Bifold Co., 50 F.3d 189, 199, 33 U.S.P.Q.2d (BNA) 1801, 1808 (3d Cir.), *cert. denied*, 116 S. Ct. 54 (1995); Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 868, 31 U.S.P.Q.2d (BNA) 1481, 1483 (8th Cir. 1994) (per curiam); Abbott Lab. v. Mead Johnson & Co., 971 F.2d 6, 20, 23 U.S.P.Q.2d (BNA) 1663, 1673 (7th Cir. 1992).

[76] *See, e.g.*, Epic Metals Corp. Souliere, 99 F.3d 1034, 40 U.S.P.Q.2d (BNA) 1705, 1708 11th Cir. 1996) ("[A]s all three elements are necessary for a finding of trade dress infringement, any one could be characterized as a threshold."); *EFS Mktg.*, 76 F.3d at 491, 37 U.S.P.Q.2d (BNA) at 1650 (affirming dismissal of trade dress claim without investigating likelihood of confusion, for failure to demonstrate inherent distinctiveness or secondary meaning of product-configuration trade dress); *Landscape Forms*, 70 F.3d at 253-54, 36 U.S.P.Q.2d (BNA) at 1791-93 (refusing to reach likelihood of confusion after deciding that trade dress was functional); Mana Prods., Inc. v. Columbia Cosmetics Mfg., 65 F.3d 1063, 1071, 36 U.S.P.Q.2d (BNA) 1176, 1181-82 (2d Cir. 1995) (in absence of inherent distinctiveness or secondary meaning, there was no need to analyze likelihood of confusion or functionality); Fabrication Enters. v. Hygenic Corp., 64 F.3d 53, 57-58, 35 U.S.P.Q.2d (BNA) 1753, 1756 (2d Cir. 1995) (trade dress requires inherent distinctiveness or secondary meaning, and functionality will defeat protection); *Jeffrey Milstein, Inc.*, 58 F.3d at 34, 35 U.S.P.Q.2d (BNA) at 1289 (district court could have denied injunctive relief on finding lack of distinctiveness alone, without reaching likelihood of confusion); *Versa Prods.*, 50 F.3d at 198, 216, 33 U.S.P.Q.2d (BNA) at 1806-07, 822 (declining to reach issues of nonfunctionality or inherent distinctiveness where finding of likelihood of confusion below was clearly

patent system and create numerous monopolies, of potentially perpetual duration, for unpatented and unpatentable products--all to the detriment of consumers.[79] A few courts have denied or limited trade dress protection for product configurations in order to avoid

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Id. (citation omitted); *see also* Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234, 237, 140 U.S.P.Q. (BNA) 528, 530 (1964) ("To forbid copying would interfere with the federal policy, found in art. I, § 8, cl. 8, of the Constitution and in the implementing federal statutes, of allowing free access to copy whatever the federal patent and copyright laws leave in the public domain.").

[79] *See* Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 156, 9 U.S.P.Q.2d (BNA) 1847, 1854 (1989).

> Both the novelty and the nonobviousness requirements of federal patent law are grounded in the notion that concepts within the public grasp, or those so obvious that they readily could be, are the tools of creation available to all. They provide the baseline of free competition upon which the patent system's incentive to creative effort depends.

Id.; *see* also Abbott Lab. v. Mead Johnson & Co., 971 F.2d 6, 18-19, 23 U.S.P.Q.2d (BNA) 1663, 1672 (7th Cir. 1992).

> It is a rare case where purging a safe and effective product [from the market] serves broad societal interests. This is particularly so when the purged product is one of only two in a given market; monopolies, as a general rule, carry substantial social costs, including higher prices, lower output, and a reduced incentive to engage in product innovation beneficial to consumers. . . . The costs are even higher when, as here, important health concerns are involved.

Id. (citation omitted).

The difficulty with this analysis, however, is that it proceeds from the unexamined assumption that patent and trade symbol protection are necessarily equivalent in every case.[82] That is, it assumes that trade symbol protection provides "as much" protection as a patent, but without the same stiff requirements and the same limitation of duration. Basing this conclusion on such an assumption is surprising, given the care and detail with which the Supreme Court examined a similar claim regarding trade secret protection. In *Kewanee Oil Co. v. Bicron Corp.*,[83] the Court put the requirements for and strength of state trade secret protection under a microscope, looking for a conflict with patent policy. It found none, in large measure because of the differences between the two forms of protection.[84] Its analysis of the relative strength of the two forms of protection can be summed up in the Court's own words: "[W]here patent law acts as a barrier, trade secret law functions relatively as a sieve."[85]

This same comment is equally apt, if not more so, as applied to trade symbol protection.[86] In protecting trade symbols, the law does

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[82] On occasion, this approach also neglects giving trade symbol policy its due. *See Milstein*, 58 F.3d at 32, 35 U.S.P.Q.2d (BNA) at 1287 (noting potential conflict with patent and copyright policy, but failing to mention countervailing policies of trade symbol law).

[83] 416 U.S. 470, 480-91, 181 U.S.P.Q. (BNA) 673, 679-82 (1974).

[84] *See id.* at 483-84, 181 U.S.P.Q. (BNA) at 679 (concluding that all patent policies other than that of encouraging disclosure of innovations are consistent with trade secret law); *id.* at 485, 489, 491, 181 U.S.P.Q. (BNA) at 679-82 (concluding that trade secret law does not conflict with disclosure policy of patent law for subject matter that is: (1) known to be unpatentable, (2) of doubtful patentability, and (3) clearly patentable). For an application of the same style of analysis to trade symbol protection, see *infra* text accompanying notes 287-423.

[85] *Kewanee Oil*, 416 U.S. at 490, 181 U.S.P.Q. (BNA) at 681.

[86] *See infra* text accompanying notes 438-59.

output.[91] Thus, a protected product configuration that serves as a source identifier cannot threaten competition by providing market power if there are substitute or alternative products with equal consumer value at competitive prices.

If properly interpreted to require that such alternatives are available,[92] the traditional doctrines of trade symbol law should prevent the sort of end run around patent protection that some courts fear. The functionality doctrine was designed for precisely that purpose.[93] In addition to the doctrine of functionality, the other two requirements for trade dress protection--the requirement of distinctiveness[94] and the standard of infringement[95]--also help avoid

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[91] This assumes that there are no barriers to entry, such as patent protection. If the producer has patent protection, both patent law and policy approve monopoly pricing, for the purpose of providing financial incentives for innovation.

[92] This article argues that trade symbol doctrine should be interpreted to insure the availability of such alternatives. *See infra* text accompanying notes 181-246, 265-75, 287-95, 349-57, 371-80, 394-96, 415-24.

[93] *See* Dratler, *Trademark Protection, supra* note 7, at 887, 940-41 n.283 (citing additional decisions to same effect). If "a defense of functionality is recognized, there is no conflict with federal patent law, save possibly with 35 U.S.C. § 171, which allows a 14-year patent to be granted for a nonfunctional ornamental design--a design patent." *Kohler*, 12 F.3d at 638, 29 U.S.P.Q.2d (BNA) at 1245-46 (citation omitted); *see also* Vornado Air Circulation Sys. v. Duracraft Corp., 58 F.3d 1498, 1506, 35 U.S.P.Q.2d (BNA) 1332, 1338-39 (10th Cir. 1995), *cert. denied*, 116 S. Ct. 753 (1996) (citations omitted):

> It would have been understandable for Congress to assume that a nonfunctionality requirement would eliminate any possible conflicts between the Lanham Act and the Patent Act--at least as to utility patents--given the repeated statements by various courts and commentators that functionality doctrine has precisely that purpose and effect.

[94] *See infra* text accompanying notes 140-47.

[95] *See infra* text accompanying notes 423-54.

that federal patent law, by negative implication, creates a right to copy product configurations unprotected by federal patent or copyright law,[103] which preempts potentially perpetual protection of

[103] *See Sears*, 376 U.S. at 231, 140 U.S.P.Q. (BNA) at 528 ("An unpatentable article, like an article on which the patent has expired, is in the public domain and may be made and sold by whoever chooses to do so."); *Compco*, 376 U.S. at 237-38, 140 U.S.P.Q. (BNA) at 530 ("[W]hen an article is unprotected by a patent or a copyright, state law may not forbid others to copy that article . . . . Under the federal patent laws it is . . . in the public domain and can be copied in every detail by whoever pleases."); *Bonito Boats*, 489 U.S. at 165, 9 U.S.P.Q.2d (BNA) at 1857-58 ("For almost 100 years it has been well established that in the case of an expired patent, the federal patent laws *do* create a federal right to 'copy and use.' *Sears* and *Compco* extended that rule to potentially patentable ideas which are fully exposed to the public.") (emphasis in original); *see also* Versa Prods. Co. v. Bifold Co., 50 F.3d 189, 207, 33 U.S.P.Q.2d (BNA) 1801, 1814 (3d Cir.), *cert. denied*, 116 S. Ct. 54 (1995).

> Competitors have broad rights to copy successful product designs, when those designs are not protected by (utility or design) patents. It is not unfair competition for someone to trade off the goodwill of a *product* . . . ; it is only unfair to deceive consumers as to the origin of one's goods and thereby trade off the goodwill of a prior *producer*.

Id. (emphasis in original; citations omitted).

In *Sears* and *Compco*, the product configurations were designs for lighting fixtures, which had been declared unpatentable. *Sears*, 376 U.S. at 225-26, 140 U.S.P.Q. (BNA) at 525-26 (pole lamp; utility and design patents had been invalidated); *Compco*, 376 U.S. at 234-35, 140 U.S.P.Q. (BNA) at 529 (fluorescent lighting fixture for ceilings; utility patent had been denied; design patent had been invalidated). In *Bonito Boats* the product configuration at issue was the shape of unpatented boat hulls. 489 U.S. at 144, 9 U.S.P.Q.2d (BNA) at 1849.

under trade symbol law and the policies underlying patent law.[107] That potential for conflict exists whether the source of the trade symbol protection is federal or state law, for it is axiomatic that federal statutes must be interpreted, insofar as possible, as consistent with each other.[108]

The reason that the *Sears-Compco-Bonito Boats* cases have little to say on the subject is not just that, as preemption cases, they are technically inapplicable to interpreting a federal statute. That is true but irrelevant. There are three more compelling reasons why the "holy trinity" of preemption cases is of little use in discussing protection of product configurations under federal law.

First, because the three preemption cases involved state law, there was no reason in those cases to balance potentially

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[107] *See supra* text accompanying notes 65-81; *see also Kohler*, 12 F.3d at 646-47, 29 U.S.P.Q.2d (BNA) at 1253 (Cudahy, J., dissenting) (arguing that more than the Supremacy Clause was at stake in *Sears, Compco* and *Bonito Boats* because the Lanham Act federalizes the state law of unfair competition).

> [T]he conflict that the Court found between state law and federal patent law as a prerequisite to preemption in *Sears, Compco* and *Bonito Boats* is exactly the same conflict as would develop between federal patent law and federal trademark law if a design patent could be made perpetual by trademarking the design.

Id.; See also Ferrari, 944 F.2d at 1253, 20 U.S.P.Q.2d (BNA) at 1016 (Kennedy, J., dissenting) ("[T]he rationale applied in this trilogy of cases [*Sears, Compco*, and *Bonito Boats*] to state unfair competition laws applies with equal force to federal trademark laws.").

[108] *See, e.g.* Morton v. Mancari, 417 U.S. 535, 550-51 (1974); *Ferrari*, 944 F.2d at 1248, 20 U.S.P.Q.2d (BNA) at 1013 (Kennedy, J., dissenting) (Any "remedy that provides defendant with absolute protection in perpetuity against copying its unpatented design. . . . is contrary to the language and purpose of the Lanham Act and runs afoul of Supreme Court precedent.")

Bonito Boats Court felt it necessary to clarify them, if not to back away from some of their less flexible language.[113]

Now that the law of unfair competition has been federalized under the Lanham Act,[114] it is no longer enough simply to cite the *potential* for conflict;[115] one must also cite and analyze the *nature* of any conflict found to be real. To the extent the potential for conflict is realized, the now-federalized policies underlying trade symbol law must be balanced against those underlying the patent system.[116] Since

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> 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, regardless of the copier's motives.

[113] *See Bonito Boats*, 489 U.S. at 154, 9 U.S.P.Q.2d (BNA) at 1853 ("[W]hile *Sears* speaks in absolutist terms, its conclusion that the States may place some conditions on the use of trade dress indicates an implicit recognition that all state regulation of potentially patentable but unpatented subject matter is not *ipso facto* pre-empted by the federal patent laws."); *see also id.* at 156, 9 U.S.P.Q.2d (BNA) at 1854 ("[W]e have consistently reiterated the teaching of *Sears* and *Compco* that ideas once placed before the public without the protection of a valid patent are subject to appropriation without *significant* restraint.") (emphasis added; citation omitted).

[114] *See supra* notes 1, 3-5.

[115] *See* Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts, 944 F.2d 1235, 1241, 20 U.S.P.Q.2d (BNA) 1001, 1007 (6th Cir. 1991) (defendant "cannot copy at will because 'other federal statutory protection,' the Lanham Act, applies") (quoting *Compco*, 376 U.S. at 238, 140 U.S.P.Q. (BNA) at 530).

[116] *See* L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1132, 25 U.S.P.Q.2d (BNA) 1913, 1924 (Fed. Cir. 1993):

> Although the protection of trade identification is a goal of the Lanham Act, § 43(a) seeks an appropriate balance among the divergent policies of protecting and encouraging creators and enabling fair competition by copiers, with the purpose of protecting consumers from confusion or palming off, while enhancing the consumer benefits of competition.

language of the Copyright Clause restricting grants to protection for "limited Times" and to the purpose of "promot[ing] the Progress of Science and useful Arts[.]"[120] As the *Bonito Boats* Court itself suggested, that right impacts only laws that purport to address the same goal as the patent and copyright laws--providing financial incentives for innovation.[121]

The purposes of trade symbol law, however, have little to do with providing incentives for innovation.[122] Rather, trade symbol law

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[120] U.S. CONST. art. I, § 8, cl. 8. For derivation of this right, see *Bonito Boats*, 489 U.S. at 149-57, 9 U.S.P.Q.2d (BNA) at 1851-55, 1857-58; Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 230-32, 140 U.S.P.Q. (BNA) 524, 528 (1964).

[121] *See Bonito Boats*, 489 U.S. at 155-57, 165-67, 9 U.S.P.Q.2d (BNA) at 1854, 1858 (distinguishing *Aronson* and *Kewanee*); *see also* Gifford, *supra* note 53, at 790-91 (noting that the rationale of *Bonito Boats* turned on the congruence of the purposes of the state law there at issue with those of patent and copyright law, and noting a suggestion in the opinion itself that a divergence in purposes might have justified a different result).

[122] *See supra* text accompanying 41-46; *see also* Fabrication Enters. v. Hygenic Corp., 64 F.3d 53, 59 n.4, 35 U.S.P.Q.2d (BNA) 1753, 1757 n.4 (2d Cir. 1995) ("The Lanham Act is not concerned with protecting innovation by giving the innovator a monopoly, which is the function of patent law."); Duraco Prods., Inc. v. Joy Plastic Enters., 40 F.3d 1431, 1445, 32 U.S.P.Q.2d (BNA) 1724, 1736 (3d Cir. 1994) ("Of course, it is not the purpose of unfair competition law, under the guise of either consumer protection or the protection of business good will, to implement a policy of encouraging innovative designs by protecting them once designed.") (citations omitted); Melissa R. Gleiberman, *From Fast Cars to Fast Food: Overbroad Protection of Product Trade Dress Under Section 43(a) of the Lanham Act*, 45 STAN. L. REV. 2037, 2056 (1993) ("Noticeably absent from the Lanham Act's legislative history is any statement that the trademark system should provide incentives for the creation of attractive product designs.").

One commentator has argued that trade symbol protection--particularly its more expansive variants--has the effect of providing incentives for innovation in product varieties. *See* Gifford, *supra* note 53, at 770 (arguing that trademark law "performs an analogous role [to that of patents and copyright] in encouraging business firms to develop new product varieties"); *id.* at 778, 785-86. This may be true, particularly in

Merely to state so broad a proposition, however, is to refute it: the penumbral "right to copy" does not and cannot extend to all laws that control copying for any purpose; it only extends to laws that restrict copying in pursuit of the same objectives as patent and copyright law.[127] Since trade symbol law does not do so, it should stand on equal footing with patent and copyright law insofar as a balancing of policy is concerned; and Congress' intent to provide broad protection for trade dress (including product configurations) under the Lanham Act should be respected.[128]

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[127] *See supra* text accompanying notes 120-21 and note 124.

Even the most ardent advocate of constitutional limitations on trade dress protection for product configurations concedes that constitutional limitations apply only to the extent there is some congruence between trade dress protection on the one hand and patent and copyright protection on the other:

> Even if perpetual protection for functional configurations is a proper vehicle for stimulating commerce, Congress cannot override constitutional limitations on its own authority merely by invoking the Commerce Clause. . . . [E]fforts to evade the [Copyright] Clause's limits are valid *only if they create qualitatively different protection.*

Davis, *supra* note 105, at 640-41 (emphasis added; footnotes omitted). This article argues that trade symbol law does exactly that. Properly construed, trade symbol protection differs qualitatively from patent and copyright protection in purpose, prerequisites, the standard of infringement, and remedies.

[128] *See supra* notes 3-5; *see also* Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 166, 9 U.S.P.Q.2d (BNA) 1847, 1858 (1989):

> [T]here are affirmative indications from Congress that both the law of unfair competition and trade secret protection are consistent with the balance struck by the patent laws. . . . Congress has thus given federal recognition to many of the concerns which underlie that state tort of unfair competition and the application of *Sears* and *Compco* to nonfunctional aspects of a product which have been shown to identify source must take account of the competing federal policies in this regard.

trial court had dismissed the lawsuit on preemption grounds.[131] The kind of relief under scrutiny in *Sears* and *Compco*, while routine in patent cases,[132] appears extreme from the standpoint of trade symbol law and therefore creates the most obvious--but by no means inevitable[133]--conflict with patent policy. None of the Courts of the trilogy addressed the more difficult question of limited relief--whether in time or scope--that might serve the goals of patent and trade symbol protection simultaneously.[134] Furthermore, every one of those courts explicitly left room for limited relief, and the *Bonito*

[131] *Bonito Boats*, 489 U.S. at 145, 9 U.S.P.Q.2d (BNA) at 1850.

[132] *See infra* text accompanying notes 456-57, 459-64; *see also infra* note 457.

[133] The conflict is not inevitable because the parties are free to request more limited relief, and the courts are free to grant more limited relief even if not requested by the parties. *See infra* text accompanying notes 492-97; *see also infra* notes 493-94.

[134] *See* L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1132, 25 U.S.P.Q.2d (BNA) 1913, 1924 (Fed. Cir. 1993) ("[T]he right to slavishly copy a product design that is not the subject of patent, copyright, or trademark, is accompanied by the obligation to avoid confusion, mistake, or deception.")

congressional intent--let alone how that right should apply to remedies less extreme than those at issue in *Sears* and *Compco*. Accordingly, although the Supreme Court is not writing on an entirely blank slate, the holy trinity gives it considerable room to maneuver in deciding exactly how the policies underlying the patent system should balance with those underlying trade symbol law, which are equally important to a free-market economy and the engine of unfettered competition that drives it.[139]

C. *The Requirement For Distinctiveness*

Before courts may properly conclude that protecting product features as trade dress will undermine the patent system, they must come to grips with four fundamental aspects of that protection. These are: the requirement for distinctiveness, the requirement for nonfunctionality, the standard of infringement (likelihood of confusion), and the nature of trade symbol remedies. The first fundamental aspect of trade symbol protection that bears on potential conflict with the patent system is the requirement for distinctiveness.[140] Under black letter law, trade dress, including a

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[139] *See supra* text accompanying note 41-65.

[140] The Lanham Act's definition of "trademark" states the requirement for distinctiveness but does not define it in operational terms. *See* 15 U.S.C. § 1127 (1994) (definition of "trademark"); *see also* International Jensen, Inc. v. Metrosound U.S.A., Inc., 4 F.3d 819, 824, 28 U.S.P.Q.2d (BNA) 1287, 1291 (9th Cir. 1993) ("A mark or dress is distinctive when it identifies the particular source of the product or distinguishes it from other products") (citation omitted); *cf.* L. & J.G. Stickley, Inc. v. Canal Dover Furniture Co., 79 F.3d 258, 262, 38 U.S.P.Q.2d (BNA) 1202, 1205 (2d Cir. 1996) ("[T]he threshold inquiry is distinctiveness: whether the trade dress identifies the producer.") (citation omitted).

For a recent, thorough review of this requirement and its treatment in the courts, see generally Graeme B. Dinwoodie, *Reconceptualizing the Inherent Distinctiveness of Product Design Trade Dress*, 75 N. CAR. L. REV. 471 (1997).

either inherently or through the acquisition of secondary meaning.[142]

Lanham Act for discriminating against any particular kind of trade symbol as a matter of law, although different kinds of trade symbols of course may be treated differently as a matter of fact. *See* Paddington Corp. v. Attiki Importers & Distrib., 996 F.2d 577, 583, 27 U.S.P.Q.2d (BNA) 1189, 1192 (2d Cir. 1993) ("While the applicability of the [traditional] *Abercrombie* classifications to trade dress was not at issue in *Two Pesos*, the Court noted that the Fifth Circuit below had applied the *Abercrombie* classifications to the trade dress at issue and discussed them without disapproval.") (citation omitted).

If there is no textual or doctrinal basis for distinguishing between trademarks and trade dress, there is even less basis for distinguishing between different types of trade dress. Moreover, any attempt to apply different rules to product packaging and product configuration would only create additional difficulties in doctrine, linedrawing, and practical administration of the law. *See* Dinwoodie, *supra* note 140, at 572-85. Accordingly, if courts wish to disfavor product configuration as trade dress, they should do so by careful analysis of the facts of each case, not by creating unnecessary new principles of law. *Cf. Landscape II*, *supra*, 113 F.3d at , 42 U.S.P.Q.2d (BNA) at 1645-46 ("This circuit appears to be moving toward a rule that packaging is usually indicative of a product's source, while the design or configuration of the product is usually not so.") (citation omitted).

[142] Secondary meaning is a term of art referring to consumers' recognition of a trade symbol as a brand, i.e., as connoting primarily the source of the product (even though anonymous) rather than the product itself. *See, e.g.*, Tools USA & Equip. Co. v. Champ Frame Straightening Equip., Inc., 87 F.3d 654, 660, 39 U.S.P.Q.2d (BNA) 1355, 1360 (4th Cir. 1996) (in order for secondary meaning to exist, "[t]he public need not be able to identify the name of the manufacturer that produces the product; it is enough if the public perceives that the product emanates from a single source.") (citation omitted); *Stuart Hall*, 51 F.3d at 789, 34 U.S.P.Q.2d (BNA) at 1434 ("The ultimate inquiry is whether in the consumer's mind the mark denotes a single thing coming from a single source. . . . That single source, however, need not be known by name by consumers.") (quoting Co-Rect Prods. v. Marvy! Adver. Photography, 780 F.2d 1324, 1330, 228 U.S.P.Q. (BNA) 429, 432 (8th Cir. 1985) (other citations omitted)); *Tone Bros.*, 28 F.3d at 1203 n.11, 31 U.S.P.Q.2d (BNA) at 1329 n.11 ("The anonymous source rule states that a consumer need not know the identity of the single source, and that all that is necessary to establish secondary meaning is that the consumer associate the trade dress with a single, albeit anonymous, source.") (citations omitted); International Jensen, 4 F.3d at 824, 28 U.S.P.Q.2d (BNA) at 1291 ("[A] product's trademark or trade dress acquires a secondary meaning when the purchasing public associates the mark or

It is now well established that commonplace or ordinary features and designs cannot be inherently distinctive.[145] Although a commonplace or ordinary design might have *become* eligible for protection by having acquired secondary meaning before becoming common (for example, before others have copied it), commonality and widespread use by third parties are factors that strongly weigh

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suggestive, it is inherently distinctive despite its incorporation of generic or descriptive elements. . . . One could no more deny protection to a trade dress for using commonly used elements than one could deny protection to a trademark because it consisted of a combination of commonly used letters of the alphabet.") (citations omitted). *But cf.* August Storck K.G. v. Nabisco, Inc., 59 F.3d 616, 620, 35 U.S.P.Q.2d (BNA) 1211, 1214 (7th Cir. 1995) ("Doubtless the overall appearance is what matters. . . . Dissecting a product or package into components can cause a court to miss an overall similarity[,]" but there was no actionable trade dress infringement where common elements were nondistinctive, functional or both.) (citations omitted).

[145] *See, e.g., Mana Prods.*, 65 F.3d at 1070, 36 U.S.P.Q.2d (BNA) at 1180 ("As a whole, the compacts' size and shape--with their rectangular and square designs--are common characteristics of the entire genre of makeup compacts."); *August Storck*, 59 F.3d at 619-620, 35 U.S.P.Q.2d (BNA) at 1214 (holding that banner on candy package was common graphic element, functional, and "not independently protectable") (citations omitted); Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 869, 31 U.S.P.Q.2d (BNA) 1481, 1484 (8th Cir. 1994) (per curiam) (Pillow-shaped package resulting "from partially filling a concededly ordinary bag with potpourri and tying it closed" was commonplace and therefore not inherently distinctive.) (citations omitted).

> In determining whether a design is arbitrary or distinctive this court has looked to whether it was a "common" basic shape or design, whether it was unique or unusual in a particular field, whether it was a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for the goods, or whether it was capable of creating a commercial impression distinct from the accompanying words.

Seabrook Foods, Inc. v. Bar-Well Foods Ltd., 568 F.2d 1342, 1344, 196 U.S.P.Q. (BNA) 289, 291 (C.C.P.A. 1977) (footnotes omitted) (*quoted with*

disuse,[150] their close resemblance to something in the public domain,[151]

Id. There is also authority that customary design features, like generic trademarks, cannot even enjoy acquired distinctiveness, i.e., secondary meaning. *See Duraco*, 40 F.3d at 1449, 32 U.S.P.Q.2d (BNA) at 1738 ("[D]esigns customary in the industry can not be inherently distinctive (nor for that matter can they acquire secondary meaning).") (citations omitted).

[149] *See* EFS Mktg., Inc. v. Russ Berrie & Co., 76 F.3d 487, 489-91, 37 U.S.P.Q.2d (BNA) 1646, 1648-50 (2d Cir. 1995) (where at least twenty companies made troll dolls by time of trial, plaintiff's troll dolls were not distinctive because they were "so similar to the many other troll dolls on the market that they [could not] be said to identify [plaintiff] as their particular source"); *Mana Prods.*, 65 F.3d at 1070, 36 U.S.P.Q.2d (BNA) at 1180 (black, rectangular, make-up contracts were not inherently distinctive where compacts with the same color and shape were widely available, and where both plaintiff and defendant purchased their compacts from independent manufacturers); Fabrication Enters. v. Hygenic Corp., 64 F.3d 53, 61, 35 U.S.P.Q.2d (BNA) 1753, 1759 (2d Cir. 1995) (third-party use of similar trade dress is relevant to issues of both inherent distinctiveness and secondary meaning); International Jensen, Inc., v. Metrosound U.S.A., Inc., 4 F.3d 819, 821, 28 U.S.P.Q.2d (BNA) 1287, 1288 (9th Cir. 1993) (affirming denial of preliminary injunction where many firms had sold speakers with colored "surrounds," including blue "surrounds" like those used by plaintiff); *see also Mana Prods.*, 65 F.3d at 1071, 36 U.S.P.Q.2d (BNA) at 1181 ("[The] color black does not act as a symbol and distinguish [plaintiff's] compacts from its competitors [sic]. . . . because there are countless numbers of cosmetics companies that sell black compacts.").

Extensive third-party use also may indicate that a mark is unprotectable because it is or has become generic. *Cf.* Mil-Mar Shoe Co. v. Shonac Corp., 75 F.3d 1153, 1155, 1159, 1161, 37 U.S.P.Q.2d (BNA) 1633, 1635, 1638, 1640 (7th Cir. 1996) (evidence that over 20,000 businesses in the United States, including 8,000 retail stores, have names including the word "warehouse," and that hundreds of retail shoe stores include "Warehouse Shoes" or "Shoe Warehouse" in their names strongly supported ruling that "Warehouse Shoes" was generic).

[150] *See* L. & J.G. Stickley, Inc., v. Canal Dover Furniture Co., 79 F.3d 258, 265, 38 U.S.P.Q.2d (BNA) 1202, 1207 (2d Cir. 1996) ("In a case of exact reproductions of historical designs," requirement for secondary meaning--association of trade dress with producer--presents "a high hurdle to a Lanham Act plaintiff [that] we do not believe [plaintiff here] will clear" on remand.)

Three lines of reasoning of the *Two Pesos* Court suggested that this traditional approach applies to trade dress as well as trademarks. First, the Court held that the consequences of inherent distinctiveness are the same for both types of symbols.[155] Second, it reasoned that there is no basis in the Lanham Act for treating the two differently.[156] Finally, it applied the language of the *Abercrombie* categories to trade dress without disapproval.[157] Relying on the apparent direction of the Supreme Court, a number of lower courts have hewed to the traditional path and applied the *Abercrombie* spectrum in assessing distinctiveness in product configuration cases.[158]

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[155] *See Two Pesos*, 505 U.S. at 774-76, 23 U.S.P.Q.2d (BNA) at 1085-86; *supra* text accompanying note 140-41.

[156] *See Two Pesos*, 505 U.S. at 774, 23 U.S.P.Q.2d (BNA) at 1086.

> It would be a different matter if there were textual basis in § 43(a) for treating inherently distinctive verbal or symbolic trademarks differently from inherently distinctive trade dress. But there is none. The section does not mention trademarks or trade dress, whether they be called generic, descriptive, suggestive, arbitrary, fanciful, or functional. Nor does the concept of secondary meaning appear in the text of § 43(a).

Id.; *see also* Stuart Hall Co. v. Ampad Corp., 51 F.3d 780, 787, 34 U.S.P.Q.2d (BNA) 1428, 1433 (8th Cir. 1995) (quoted *infra* note 246); Krueger Int'l, Inc. v. Nightingale Inc., 915 F. Supp. 595, 602, 40 U.S.P.Q.2d (BNA) 1334, 1338-39 (S.D.N.Y. 1996) (agreeing with *Stuart Hall* court that the *Two Pesos* Court envisioned trademark and trade dress protection as a "single concept" requiring a single test for inherent distinctiveness).

[157] *See supra* note 156; Paddington Corp. v. Attiki Importers & Distrib., Inc., 996 F.2d 577, 583, 27 U.S.P.Q.2d (BNA) 1189, 1192 (2d Cir. 1993) (quoted *supra* note 141).

useful analytical content, they can be divided into four general classes: (1) those that depend on the symbol's *capability* of serving as a source identifier;[162] (2) those that depend upon the symbol's *likelihood* of so

meaning, *see supra* note 142, it is difficult to conceive of real proof in a real courtroom that would assist in applying these tests. Because the Supreme Court has ruled that secondary meaning is not required for inherently distinctive trade dress, these "tests" are useless. *See supra* notes 141 and 156.

[162] *See* Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 773, 23 U.S.P.Q.2d (BNA) 1081, 1085 (1992) (trade dress that is inherently distinctive "is capable of identifying products or services as coming from a specific source.") (*quoted in* Braun Inc. v. Dynamics Corp. of Am., 975 F.2d 815, 825 n.18, 24 U.S.P.Q.2d (BNA) 1121, 1129 n.18 (Fed. Cir. 1992)); *see also Paddington*, 996 F.2d at 582-83, 27 U.S.P.Q.2d (BNA) at 1192 ("What is critical for Lanham Act § 43(a) analysis, . . . is not whether a trade dress has in fact come to identify a specific producer, but whether it is '*capable* of identifying a particular source of the product.'") (emphasis in

generic or widely used by others--is *capable* of serving as a source identifier if properly handled.[167] The important question is not whether a symbol has the bare capacity to serve as a shorthand identifier to consumers, but whether it in fact does so. Allowing a symbol to be protected when it *might* serve as a source identifier but does not in fact do so would only cause confusion among consumers, thereby contravening the basic goal of trade symbol protection.[168] Therefore the focus of any test for inherent distinctiveness of product configurations should be directed toward determining--without duplicating the test for secondary meaning[169]--whether the configuration *in fact* serves as a source identifier.

The third variant test, based upon the symbol owner's intent,[170] can also readily be eliminated, for five reasons. First, it would be difficult to administer because it is subjective rather than objective. Second, a test for protection based upon the defendant's intent--let alone the plaintiff's--would be inconsistent with modern trademark

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and perhaps is likely to do so if, as a rule, nobody else were allowed to copy it." *Id.* (emphasis in original; footnote omitted).

[167] *See id.* ("[E]ven the basic design of a light bulb is 'capable of identifying a particular source of the product,' . . . assuming that only one manufacturer produces the basic design, a fact which would be assured, of course, if the design were protected against copying.") (quoting *Paddington*, 996 F.2d at 582-83, 27 U.S.P.Q.2d (BNA) at 1192).

[168] *See Duraco*, 40 F.3d at 1448, 32 U.S.P.Q.2d (BNA) at 1737 (*Two Pesos* did not establish a "capable of identifying" standard; the capability to distinguish is necessary but not sufficient.).

[169] The test for inherent distinctiveness should not duplicate the test for secondary meaning because the *Two Pesos* Court ruled that *either* is sufficient to satisfy the distinctiveness requirement for trade dress. *See supra* note 141. Since the two concepts are distinct in the field of trademarks, and since the same Court found no basis in section 43(a) of the Lanham Act for distinguishing between trademarks and trade dress, it follows that the two concepts must have distinct meanings in the field of trade dress as well. *See supra* note 156. *But see supra* note 141 (raising question whether same analysis should apply to product configurations).

[170] *See supra* note 164.

a copyist's intent is always ambiguous, for it is hard to distinguish between a lawful intent to copy unpatented product features and an unlawful intent to usurp good will.[175]

The fourth test, proposed by the *Duraco* court,[176] has three key flaws. First, one of its elements relies in part on the same standard of

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confirms the argument that intent is not a sufficiently independent test. *See* Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts, 944 F.2d 1235, 1239, 20 U.S.P.Q.2d (BNA) 1001, 1005 (6th Cir. 1991) ("The evidence of intentional copying shows the strong secondary meaning of the Ferrari designs because '[t]here is no logical reason for the precise copying save an attempt to realize upon a secondary meaning that is in existence.'") (quoting Audio Fidelity, Inc. v. High Fidelity Recordings, Inc., 283 F.2d 551, 558, 127 U.S.P.Q. (BNA) 307, 311 (9th Cir. 1960)).

[175] *See, e.g.*, Thomas & Betts Corp. v. Panduit Corp., 65 F.3d 654, 663, 36 U.S.P.Q.2d (BNA) 1065, 1072 (7th Cir. 1995) (evidence of intent in copying is ambiguous in product configuration cases because intent to copy functional features is both probable and lawful), *cert. denied*, 116 S. Ct. 1044 (1996); *cf.* Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 873, 31 U.S.P.Q.2d (BNA) 1481, 1487 (8th Cir. 1994) (per curiam) (success of product does not demonstrate secondary meaning because it may derive from product features other than trade dress); Versa Prods. Co. v. Bifold Co., 50 F.3d 189, 209, 33 U.S.P.Q.2d (BNA) 1801, 1816 (3d Cir.) ("[I]n a product configuration case the defendant's intent . . . is not relevant to the issue of likelihood of confusion absent affirmatively misleading labeling and marketing."), *cert. denied*, 116 S. Ct. 54 (1995).

Another commentator also has criticized a test based upon intent. *See* Dinwoodie, *supra* note 140, at 545-49; *id.* at 545-46 ("An intent-based test (let alone one founded on the 'primary' intent of the producer) is inconsistent both with the purpose of the distinctiveness requirement and the language of the Lanham Act, and is likely in practice to preclude the possibility of inherently distinctive product design (other than in cases of consciously-superfluous product appendages).") (footnote omitted). Nevertheless, the Second Circuit seems loath to ignore intent entirely. *See* Landscape Forms, Inc. V. Columbia Cascade Co., 113 F.3d 373, 378 n.3, 42 U.S.P.Q.2d (BNA) 1641, 1645 n.3 (2d Cir. 1997) (*Landscape II*) ("[A] manufacturer's subjective intentions may be probative of whether its dress is likely to indicate product source . . . [but] objective consideration of the product and its similarity to others on the market will always be relevant and often decisive.") (citations omitted).

[176] *See supra* note 165.

among others, the *Duraco* court's three-part test has not found favor with other courts.[181]

Thus, the only test that has any real future is the second one, based on the likelihood that a symbol actually serves as a source identifier.[182] This test may have merit as long as it is not interpreted so narrowly as to require proof that is tantamount to proof of secondary meaning,[183] thereby undermining the *Two Pesos* Court's

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> intent in adopting the particular configuration is highly probative.

Duraco, 40 F.3d at 1450, 32 U.S.P.Q.2d (BNA) at 1739 (citations omitted); *cf.* Stuart Hall Co. v. Ampad Corp., 51 F.3d 780, 784-85, 788, 34 U.S.P.Q.2d (BNA) 1428, 1431, 1434 (8th Cir. 1995) (disapproving district court's requirement that trade dress be "striking or memorable" as "contrary to established law in this circuit and in others" and reversing judgment).

[181] *See, e.g., Stuart Hall*, 51 F.3d at 787-88, 34 U.S.P.Q.2d (BNA) at 1433-34 (declining to adopt *Duraco* standard); Krueger Int'l, Inc. v. Nightingale Inc., 915 F. Supp. 595, 602, 40 U.S.P.Q.2d (BNA) 1334, 1338 (S.D.N.Y. 1996) (Eighth Circuit advanced "forceful and persuasive argument that the Supreme Court has not authorized" abandonment of distinctiveness spectrum, "no matter how much difficulty it causes.") (citation omitted).

[182] *See supra* text accompanying note 162-63.

Professor Dinwoodie reached the same conclusion by a somewhat different route. *See* Dinwoodie, *supra* note 140, at 587 (distinctiveness of product configurations should turn on "the *likelihood* that consumers will associate a product feature with its source in a particular instance.") (emphasis in original; footnote omitted). However, he and I differ somewhat as to the analysis that should be used to assess this likelihood. *See infra* note 207.

[183] The *Duraco* court, discussing the last part of its three-part test, see *supra* note 165, which addresses a symbol's likelihood of serving as a source identifier, argued that a test for likelihood need not duplicate the test for secondary meaning:

> The inquiry here does not duplicate that employed for secondary meaning; instead of focusing on consumers' actually acquired mental associations, the inquiry focuses on whether a consumer would likely perceive the feature or combination or arrangement of features

not describe anything, they just are."[188] As a result, it may be harder to discern both a defendant's motive for copying a product

1993) ("[A] trade dress featuring an illustration of a shining car on a bottle of car wax likely would be descriptive."); Ambrit Inc. v. Kraft, Inc., 812 F.2d 1531, 1539-40, 1 U.S.P.Q.2d (BNA) 1161, 1165-66 (11th Cir. 1986) (concluding that use of blue and silver colors, as well as polar bear image, suggested cold when used on ice cream bar wrapping).

[188] Dratler, *Trademark Protection, supra* note 7, at 903 ("Unlike verbal marks, industrial designs do not describe anything; they 'just are.'") (*quoted with approval in Duraco*, 40 F.3d at 1441, 32 U.S.P.Q.2d (BNA) at 1731); *see also* Thomas & Betts Corp. v. Panduit Corp., 65 F.3d 654, 658, 36 U.S.P.Q.2d (BNA) 1065, 1068 (7th Cir. 1995) ("The issue is slightly different in most . . . product configuration cases, because product features, though they may identify the source of the product, do not really identify the product--they are the product.") (citation omitted); Krueger Int'l, Inc. v. Nightingale Inc., 915 F. Supp. 595, 601, 40 U.S.P.Q.2d (BNA) 1334, 1338 (S.D.N.Y. 1996) ("Does the shape of a chair seat 'suggest' a chair seat? Does it 'describe' a chair seat? Or is it just a chair seat? No matter how beautifully designed,

the "dialectical" relationship between language and reality,[191] which product configurations, not involving language, seldom have. Rather, it is classification based upon the number of commercially available alternatives. A generic mark is denied protection not simply because it is the name of the product, but rather because rival producers have virtually no alternatives--or at least no effective ones--to calling their products by name.[192] For example, competing producers of aspirin did not have to hobble their marketing efforts by using the stultifying but equivalent pharmaceutical term, "acetylsalicilic acid," at least in the retail trade.[193] The same analysis applies to product configurations or features that are common, expected, or customary in an industry.[194]

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[191] *See Duraco*, 40 F.3d at 1440-41, 32 U.S.P.Q.2d (BNA) at 1731:

> [A] product configuration differs fundamentally from a product's trademark, insofar as it is not a symbol according to which one can relate the signifier (the trademark, or perhaps the packaging) to the signified (the product). Being constitutive of the product itself and thus having no such dialectical relationship to the product, the product's configuration cannot be said to be "suggestive" or "descriptive" of the product, or "arbitrary" or "fanciful" in relation to it.

[192] As the Second Circuit wrote, "[s]uccess . . . in securing public identification . . . cannot deprive competing manufacturers of the product of the right to call an article by its name." Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9, 189 U.S.P.Q (BNA) 759, 764 (2d Cir. 1976).

[193] *See* Bayer Drug Co. v. United Drug Co., 272 F. 505, 512, 513-14 (S.D.N.Y. 1921); *see also* A. J. Canfield Co. v. Honickman, 808 F.2d 291, 306-07, 1 U.S.P.Q.2d (BNA) 1364, 1376, 1378 (3d Cir. 1986) (mark is generic if it is a common descriptor for new product and "no commonly used alternative effectively communicates the same functional information;" under this standard, "chocolate fudge" for diet soda of that flavor was generic).

[194] *See* Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc., 58 F.3d 27, 32, 35 U.S.P.Q.2d (BNA) 1284, 1287 (2d Cir. 1995) ("[T]he fact that a trade dress is composed exclusively of commonly used or functional elements might suggest that the dress should be regarded as unprotectable or 'generic,' to avoid tying up a product or marketing idea.") (citation omitted); *see also*

competition or to make unique and unambiguous shorthand identification impossible. It makes this demonstration sometimes by direct inference,[198] as when consumer surveys are introduced into evidence, and sometimes by circumstantial evidence, which demonstrates only a *probability* that the trademark identification function is served.[199]

The same reasoning applies to arbitrary, fanciful, and suggestive product configurations.[200] They have so many alternatives that their appropriation by a single producer creates no impediment to competition and no inference that unambiguous shorthand

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[198] *See* Tools USA and Equip. Co. v. Champ Frame Straightening Equip., Inc., 87 F.3d 654, 660, 39 U.S.P.Q.2d (BNA) 1355, 1360 (4th Cir. 1996) (testimonial evidence of actual consumer confusion).

[199] *See, e.g., id.* at 660, 39 U.S.P.Q.2d (BNA) at 1360 (four factors bear on secondary meaning: "(1) long use; (2) advertising; (3) sales volume; and (4) identity of source or origin in the minds of the purchasing public.") (citations omitted); L. & J.G. Stickley, Inc. v. Canal Dover Furniture Co., 79 F.3d 258, 263, 38 U.S.P.Q.2d (BNA) 1202, 1206 (2d Cir. 1996) (factors demonstrating secondary meaning of trade dress include: "(1) advertising expenditures, (2) consumer studies linking the dress to the source, (3) unsolicited media coverage of the product, (4) sales success, (5) attempts to plagiarize the dress, and (6) length and exclusivity of the [dress]'s use[,]" but no single factor is required or decisive) (quoting Centaur Comms., Ltd. v. A/S/M Comms., Inc., 830 F.2d 1217, 1222, 4 U.S.P.Q.2d (BNA) 1541, 1545 (2d Cir. 1987) (footnote omitted)). *See generally* DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, § 9.02[3][d] (describing direct and circumstantial evidence of secondary meaning). *Cf.* Tone Bros., Inc. v. Sysco Corp., 28 F.3d 1192, 1205, 31 U.S.P.Q.2d (BNA) 1321, 1330 (Fed. Cir. 1994) ("[A] finding of secondary meaning can be sustained on purely circumstantial evidence.") (citation omitted).

[200] In the traditional distinctiveness spectrum, suggestive trade symbols are protected without a showing of secondary meaning. *See infra* note 202; *see also, e.g.*, Computer Care v. Service Sys. Enters., 982 F.2d 1063, 1069 n.5, 25 U.S.P.Q.2d (BNA) 1020, 1024 n.5 (7th Cir. 1992) (if "trade dress were merely suggestive, [plaintiff] would be entitled to protection from wholesale copying of that trade dress by a direct competitor.") (citation omitted); Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc., 973 F.2d 1033, 1040, 24 U.S.P.Q.2d (BNA) 1161, 1165 (2d Cir. 1992) (the line between descriptive and suggestive marks is important because it determines whether secondary meaning is required).

So viewed, the *Abercrombie* distinctiveness spectrum translates readily from the field of verbal symbols into the mute language[204] of product configuration. The only difference is the nature of the constraints that limit the alternatives available. In the case of verbal marks, the limitations of language play an important role.[205] In the case of product configurations, the limitations of technology, design, and industry custom are more important. But in each case it is the relationship between the symbol and the product that defines the constraints.[206] The fact that the constraints are linguistic in one case and technical, functional, or conventional in the other is immaterial. The underlying conceptual basis for a finding of distinctiveness *vel non* is the same in both cases: a large or small range of alternatives, leading to a natural inference that consumers likely will or will not,

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presumptively it primarily identifies the product's source.").

[204] *See supra* text accompanying note 185-88.

[205] *See supra* notes 192-93, 195.

[206] *See Stuart Hall*, 51 F.3d at 786, 34 U.S.P.Q.2d (BNA) at 1432:

> [The distinctiveness spectrum's] definitions address the relation between the product and the trade dress, not the relation between the trade dress and the consumer. The question they present is whether, and how much, the trade dress is dictated by the nature of the product, not whether consumers remember or are struck by the design, or whether consumers associate the design with its source. If the specific design of the trade dress is only tenuously connected with the nature of the product, then it is inherently distinctive, and secondary meaning, which requires a showing that consumers attach significance to the trade dress as a source-signifier, need not be proven. If the design of the trade dress is dictated by the nature of the product, then secondary meaning must be proven.

For a critique of the portion of this excerpt regarding consumer

A number of thoughtful courts have taken precisely this approach.[208] Some have viewed product configurations or features as

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future alternatives. Just as the first producer to make "Chocolate Fudge" diet soda cannot claim that name as a trademark because there are few, if any, commercially viable alternatives, *see* A.J. Canfield Co, v. Honickman, 808 F.2d 281, 308, 1 U.S.P.Q.2d (BNA) 1364, 1378 (3d Cir. 1986) (holding name generic), so the first producer to market lime-flavored soda in green twelve-ounce cans could not claim its trade dress as inherently distinctive, *see infra* note 209, even though no other products on the market yet had similar trade dress. As these examples illustrate, failure to consider alternatives would render any "first of its kind" product *ipso facto* inherently distinctive--an overinclusive result.

The number of alternatives to a new-product design has a close conceptual relationship to the primary question of distinctiveness--consumer identification of the source. If a shape has many alternatives, consumers may take it as an indication of source because they expect different producers to try the various alternatives. If a shape has few or no alternatives, however, consumers likely will associate the shape with the product, and not its producer, because they will expect others to produce products having the same or a similar shape. Accordingly, despite the confusion that simlar tests for distinctiveness and functionality may engender, *see* Dinwoodie, *supra* note 140, at 598-99, there seems to be no escape from them. *See infra* text accompanying notes 214-46; Dratler, *supra* note 7, at 951-53.

Professor Dinwoodie's observation, however, leads to an important evidentiary point. In assessing the distinctiveness of product configurations, evidence of consumers' *awareness* of alternatives may be more important than the existence of the alternatives alone. That awareness is of course an empircal question, which could be addressed by appropriate surveys or other direct evidence. In the absence of direct evidence, however, the existence *vel non* of alternatives should remain an important indirect or circumstantial indicator of consumers' likely awareness. To require direct evidence of consumer awareness in every case would duplicate the requirement for secondary meaning, in derogation of the Supreme Court's command. *See supra* notes 141, 169.

[208] *See, e.g.*, Insty*Bit, Inc. v. Poly-Tech Indus., 95 F.3d 663, 672-73, 39 U.S.P.Q.3d (BNA) 1961, 1967-68 (8th Cir. 1996) (applying *Abercrombie* classifications to trade dress of quick-change drill products); Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc., 58 F.3d 27, 31-34, 35 U.S.P.Q.2d (BNA) 1284, 1287-89 (2d Cir. 1995) (applying *Abercrombie* distinctiveness spectrum and agreeing with district court that trade dress was "generic"); *Stuart Hall*, 51 F.3d at 786-88, 34 U.S.P.Q.2d (BNA) at 1432-34; Paddington Corp. v. Attiki Importers & Distrib. Inc., 996 F.2d 577, 582-84, 27

viewed product configurations or features as descriptive--and therefore requiring a showing of secondary meaning--when the alternatives were limited, but not so limited as to preclude the possibility of their serving as shorthand identification in satisfaction of trademark policy.[211] Still others have viewed product configurations or features as suggestive, arbitrary, or fanciful--i.e., inherently distinctive--and therefore as eligible for protection without a showing of secondary meaning, when the range of alternatives was so broad as to avoid any significant restraint on competition.[212] Ironically, even the *Duraco* court, which rejected the *Abercrombie* distinctiveness spectrum as a legal standard,[213] endorsed this

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[211] *See, e.g., Mana Prods.*, 65 F.3d at 1070, 36 U.S.P.Q.2d (BNA) at 1180 ("The mirrors, tins, and the makeup inside the compacts are at best, descriptive, in the cosmetics industry. . . . Since they are at best descriptive, then they must have acquired secondary meaning in order to be distinctive and therefore protected."); *cf. Braun*, 975 F.2d at 827 n.25, 24 U.S.P.Q.2d (BNA) at 1131 n.25 (use of "food props" to illustrate functional qualities of blenders--to puree fruits and vegetables and blend drinks--amounted to use of "generic and descriptive matter" on packaging "to inform the public of the nature and use of [defendant's] product" and could not be viewed as contributing to infringement); Blau Plumbing, Inc. v. S.O.S. Fix-It, Inc., 781 F.2d 604, 609, 228 U.S.P.Q. 519, 521 (yellow-pages advertisement for sewer service firm with four boxes labeled north, south, east, and west, each containing locations and phone numbers of different branches of firm within corresponding part of city, was descriptive of company's ability to serve entire city).

[212] *See Computer Care*, 982 F.2d at 1069, 25 U.S.P.Q.2d (BNA) at 1024 (trade dress of reminder sales brochure, reminder letters, and monthly reports for automobile service department reminder systems was inherently distinctive where "overall combination" of its elements was "largely arbitrary"); *cf. Paddington*, 996 F.2d at 584, 27 U.S.P.Q.2d (BNA) at 1193 ("[T]he tone and layout of the colors, the style and size of the lettering, and, most important, the overall appearance of the bottle's labeling, [were] undeniably arbitrary. They were selected from an almost limitless supply of patterns, colors and designs.").

[213] *See* supra notes 164-65 and notes 165-191

same is true of the requirement for nonfunctionality.[217] The core of the doctrine of functionality reflects a search for alternatives unconstrained by utilitarian or aesthetic function.[218] As a result, there is some overlap--perhaps in some cases amounting to identity--between the distinctiveness spectrum and the doctrine of functionality

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many cases, no ability) to focus on direct evidence of consumer association with a single source.

The ultimate goal of all tests for distinctiveness, however, whether inherent or acquired, is to determine whether consumers in fact associate the symbol with a particular source. Tests for inherent distinctiveness necessarily do this by inference and presumption, for if there were direct evidence of such association, secondary meaning would exist and there would be no need to prove inherent distinctiveness. Indeed, one of the purposes of protecting inherently distinctive trade dress is to allow new market entrants to build good will appurtenant to their trade symbols, without the risk of usurpation by competitors before they have had a chance to have developed secondary meaning. *See* Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 775, 23 U.S.P.Q.2d (BNA) 1081, 1086 (1992):

> [A]dding a secondary meaning requirement could have anticompetitive effects, creating particular burdens on the start-up of small companies . . . . that seek [to] start a new product in a limited area and then expand into new markets. Denying protection for inherently distinctive nonfunctional trade dress until after secondary meaning has been established would allow a competitor, which has not adopted a distinctive trade dress of its own, to appropriate the originator's dress in other markets and to deter the originator from expanding into and competing in these areas.

[217] *See infra* text accompanying notes 265-75, 287-94 (regarding functionality generally); *infra* text accompanying notes 350-57 (regarding functionality and in-force patents); *infra* text accompanying notes 371-80, 395-406 (regarding functionality and unpatentable matter); *infra* text accompanying notes 415-24 (regarding functionality and patentable but unpatented matter).

In any event, the overlap is hardly complete, for distinctiveness means more than an abundance of unconstrained alternatives. Widespread use of a symbol, for example, can negate distinctiveness even if the alternatives are completely unconstrained.[223]

The reason for the incomplete overlap is that the distinctiveness and functionality requirements address different intermediate goals.[224] The distinctiveness requirement is positive in thrust. It requires a commercial symbol to do what a trademark is supposed to do: to provide an unambiguous identification of source.[225] In contrast, the nonfunctionality requirement is negative in thrust: it avoids undue restraints on competition, particularly in things that patents do not control.[226] Thus the purpose of the nonfunctionality requirement is satisfied once a court has determined

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> other than because that configuration signifies a source of the product, the penumbra of the patent laws--granting others a right to copy what has been donated to the public domain--will deny protection unless secondary meaning is first shown.

See also supra note 190. Indeed, the Supreme Court appeared to reject such an approach in *Two Pesos*. *See supra* notes 141, 156. Instead, functional constraints upon alternatives should be considered in *applying* both the traditional distinctiveness analysis and the nonfunctionality requirement. Although for product configurations the two types of analyses will overlap, the two are sufficiently flexible and fact-dependent to avoid the evil of perpetual patent protection feared by the *Duraco* court.

[223] *See supra* text accompanying notes 144-46, 148-49.

[224] *See Duraco*, 40 F.3d at 1451, 32 U.S.P.Q.2d (BNA) at 1740:

> [T]he primarily source-designating inquiry is different from the functionality inquiry, for it limits inherently distinctive product configurations not to those that are not important for competitors to be able to copy, but rather to those whose primary significance is as an intrinsic indicator of the product's source.

[225] *See supra* text accompanying notes 50-61.

should permit, but not require,[232] proof of inherent distinctiveness using the same sort of evidence traditionally used in proving secondary meaning.[233] The reason is simple: a test for "likelihood" should not fail simply because the level of proof approaches certainty rather than mere probability.[234]

Viewed through the lens of "likelihood," the traditional distinctiveness spectrum[235] is nothing more than a list of means of demonstrating--by presumptions, circumstantial evidence, or direct evidence--the probability that a symbol in fact serves as a shorthand source identifier. Where the symbol is arbitrary, the showing is by inference, derived from the facts that there are numerous alternatives and that no one else has claimed the symbol first (otherwise, that rival would have priority of use and likely ownership).[236] Where the

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[232] *See Stuart Hall*, 51 F.3d at 787, 34 U.S.P.Q.2d (BNA) at 1432 (citation omitted):

> In summary, the *Chevron* and *Abercrombie* tests focus on the arbitrariness of the trade dress and its relevance to the product, whereas the *Seabrook* test focuses on a comparison of the trade dress with others in the same field. None of these tests in any combination examines the trade dress's impact on consumers.

But see supra note 216 (criticizing this aspect of *Stuart Hall* as misleading).

[233] *See* Imagineering, Inc. v. Van Klassens, Inc., 53 F.3d 1260, 1264, 34 U.S.P.Q.2d (BNA) 1526, 1528-29 (Fed. Cir.) (evidence that furniture: (1) possessed "a coherent 'total image;'" (2) received wide media coverage, including pictorials; (3) was hailed as "novel," "exclusive," and "outdoor classics;" (4) was featured in interior design competition and by museum; (5) was seen by witnesses as "unlike any other furniture yet produced" and having a "totally different look" new to market, was sufficient to sustain jury's finding of inherent distinctiveness), *cert. denied*, 116 S. Ct. 277 (1995).

[234] *But see Stuart Hall*, 51 F.3d at 789, 34 U.S.P.Q.2d (BNA) at 1435 (consumer survey was relevant to secondary meaning and likelihood of confusion, but not, as district court thought, to inherent distinctiveness). This view is criticized *supra* note 216.

[235] *See supra* text accompanying notes 152-54.

and inference that may bear on this issue.[243] Other circumstances, such as widespread use by others,[244] may provide similar proof. Finally, if construed as encompassing all modes of demonstrating reasonable probability, whether directly or by inference, and not merely as a pale reflection of the requirement for secondary meaning, the "likelihood" test of the Second Circuit[245] is fully consistent with traditional distinctiveness doctrine. This conclusion suggests that the "likelihood" test should be so interpreted. Any other interpretation would only destroy the doctrinal coherence that, in the Supreme Court's view, the text of the Lanham Act requires.[246]

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[243] *See supra* text accompanying notes 144-52.

For a discussion of types of evidence that may bear on inherent distinctiveness, see Dinwoodie, *supra* note 140, at 585-97.

If courts are to analyze particular evidence of inherent distinctiveness, trade dress owners must specify with precision the product features for which they claim protection. *See* Landscape Forms, Inc. v. Columbia Cascade Co., 113 F.3d 373, 42 U.S.P.Q.2d (BNA) 1641, 1642, 1647-48 (2d Cir. 1997) (*Landscape II*) (vacating preliminary injunction for failure of plaintiff to "articulate what [specifc combination of features] makes its products inherently distinctive"). Identification of specific features will help courts (1) determine "how unique and unexpected the design elements are in the relevant market[,]" (2) tailor relief narrowly; and (3) determine whether a trade dress claim is addressed to an improper level of generality such as an "unprotectible style, theme or idea." *Id.*, 42 U.S.P.Q.2d (BNA) at 1647.

[244] *See supra* text accompanying notes 144-49.

[245] *See supra* note 163.

[246] *See supra* notes 141, 156; *see also* Stuart Hall Co. v. Ampad Corp., 51 F.3d 780, 787, 34 U.S.P.Q.2d (BNA) 1428, 1433 (8th Cir. 1995) ("We . . . read *Two Pesos* as resting on a presumption that 'trade dress' is a single concept that encompasses both product configuration and packaging, and find that its holding applies to trade dress as a whole, not merely to packaging.").

functions or affect the utility of the product must be protected, if at all, by patents.[250]

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not lie if the product design is essential to the use of the device, and not primarily directed to its appearance.") (citation omitted).

[250] *See, e.g.*, Thomas & Betts Corp. v. Panduit Corp., 65 F.3d 654, 661 n.6, 36 U.S.P.Q.2d (BNA) 1065, 1070 n.6 (7th Cir. 1995) (criticizing magistrate judge below for failing to find oval shape of cable tie functional, despite evidence that: (1) it avoided sharp corners, was smooth, and therefore was less likely to snag; (2) it used less material than some alternative designs; and (3) all cable ties on market had rectangular or oval heads), *cert. denied*, 116 S. Ct. 1044 (1996); Tough Traveler, Ltd. v. Outbound Prods., Inc., 60 F.3d 964, 971, 35 U.S.P.Q.2d (BNA) 1617, 1622 (2d Cir. 1995) (Jacobs, J., concurring) (arguing that trade dress of baby-carrier was unprotectable where "functional features dominate[d] the design of the two products").

In applying this test, however, the design must be considered as a whole. *See* Insty*Bit, Inc. v. Poly-Tech Indus., 95 F.3d 663, 673, 39 U.S.P.Q.2d (BNA) 1961, 1968 (8th Cir. 1996) ("In assessing functionality, the appropriate inquiry is whether the collection of design elements, taken as a whole, are [sic] functional, not whether individual elements of the trade dress could be categorized as such.") (citations omitted); International Jensen, Inc. v. Metrosound U.S.A., Inc., 4 F.3d 819, 823, 28 U.S.P.Q.2d (BNA) 1287, 1290 (9th Cir. 1993) (proper functionality inquiry is not "whether the individual elements are functional but whether the whole collection of elements taken together are [sic] functional") (citation omitted); Keystone Retaining Wall Sys., Inc. v. Westrock, Inc., 997 F.2d 1444, 1448, 27 U.S.P.Q.2d (BNA) 1297, 1300 (Fed. Cir. 1993) (inquiry is addressed to "whether the whole collection of elements taken together are [sic] functional") (citation omitted).

In this respect, the functionality doctrine in trade dress law is similar to the doctrine of the same name in design patent law. *See* L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1123, 25 U.S.P.Q.2d (BNA) 1913, 1917 (Fed. Cir. 1993) ("In determining whether a [patented] design is primarily functional or primarily ornamental the claimed design is viewed in its entirety, for the ultimate question is not the functional or decorative aspect of each separate feature, but the overall appearance of the article[.]") (citation omitted). The same principle--assessing the appearance of the article as a whole--applies to the requirement for distinctiveness. *See supra* text accompanying notes 143-44 and note 144.

This broader, second variant has a key deficiency. Because it is little more than a statement of the doctrine's purpose,[253] it is policy masquerading as doctrine.[254] If the law is not to render trade dress protection uncertain and increase the uncertainty and the cost of litigation, the policy of avoiding impairment of competition must be elaborated in specific doctrine.[255] Unfortunately, however, the breadth of this second variant of the nonfunctionality requirement already has encouraged an unfortunate diversity in judicial results by

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(functional feature is one competitors find necessary to incorporate in order to compete effectively). *See also* Fabrication Enters. v. Hygenic Corp., 64 F.3d 53, 58, 35 U.S.P.Q.2d (BNA) 1753, 1756 (2d Cir. 1995) (rejecting "important to the usefulness of the item" as standard for functionality: "a color or color code, even one that contributes to the function of the product, may be protected under the Lanham Act unless the costs to competition of precluding competitors from using the color are too high") (citation omitted).

[253] *See Fabrication Enters.*, 64 F.3d at 58, 35 U.S.P.Q.2d (BNA) at 1756 ("The purpose of the functionality defense is to prevent advances in functional design from being monopolized by the owner of the design's trade dress in order to 'encourage competition and the broadest dissemination of useful design features.'") (quoting Warner Brothers, Inc. v. Gay Toys, Inc., 724 F.2d 327, 331 (2d Cir. 1983)).

[254] In citing a Fifth Circuit opinion with apparent approval, the Supreme Court implied that competitive equality is the policy and an alternatives test the corresponding doctrinal standard. *See* Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 775, 23 U.S.P.Q.2d (BNA) 1081, 1086 (1992) ("The Fifth Circuit holds that a design is legally functional, and thus unprotectable, if it is one of a limited number of equally efficient options available to competitors and free competition would be unduly hindered by according the design trademark protection.") (citation omitted).

[255] *See Fabrication Enters.*, 64 F.3d at 59, 35 U.S.P.Q.2d (BNA) at 1757 (*Qualitex* court's emphasis on competition makes "multi-factored, industry-sensitive test even more vital."); Kohler Co. v. Moen Inc., 12 F.3d 632, 649, 29 U.S.P.Q.2d (BNA) 1241, 1255 (Cudahy, J., dissenting) ("[T]he attempt to categorize product features as 'essential' or 'non-essential' for competition is perplexing and ultimately vain."); *see also Qualitex*, 115 S. Ct. at 1306, 34 U.S.P.Q.2d at 1165 (Court must consider whether product feature is "'essential to the use or purpose of the [article]' or 'affects its cost or quality'") (citation omitted).

function.[259] Just as the first variant of the functionality requirement is designed to prevent preemption of utility that can lawfully be controlled, if at all, by utility patents,[260] the doctrine of aesthetic functionality is designed, at least in part, to prevent preemption of designs that should be controlled, if at all, by design patents.[261]

Like the second variant,[262] however, this branch of the functionality requirement can be criticized as consisting of disguised policy, rather than coherent, predictable rules or standards.[263] It allows courts to weigh design patent policy (or general competitive policy) without specific standards and therefore invites unpredictable results.[264] More important, it allows product features to be deprived

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[259] *See, e.g,* L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1123, 25 U.S.P.Q.2d (BNA) 1913, 1917 (Fed. Cir. 1993) (design patent is invalid if the design is dictated by function); Power Controls Corp. v. Hybrinetics, Inc., 806 F.2d 234, 238, 231 U.S.P.Q. 774, 777 (Fed. Cir. 1986) (patent on design that is primarily functional is invalid).

[260] *See supra* text accompanying notes 247-50.

[261] For examples of application of this variant, see American Greetings Corp. v. Dan-Dee Imports, Inc., 807 F.2d 1136, 1142-43, 1 U.S.P.Q.2d (BNA) 1001, 1005-06 (3d Cir. 1986) (teddy bears' "tummy graphics" were functional because they conveyed "emotional or personality message of each bear"); Standard Terry Mills v. Shen Mfg. Co., 803 F.2d 778, 781, 231 U.S.P.Q. (BNA) 555, 558 (3d Cir. 1986) ("windowpane check" design for towels was functional because it contributed to their utilitarian functions and was compatible with contemporary kitchen decor); Prufrock Ltd. v. Lasater, 781 F.2d 129, 134, 228 U.S.P.Q. (BNA) 435, 438-39 (9th Cir. 1986) (restaurant trade dress was functional because it "advance[d] the concept" of down-home country look); Keene Corp. v. Paraflex Indus., 653 F.2d 822, 826-27, 211 U.S.P.Q. (BNA) 201, 204-05 (3d Cir. 1981) (lighting fixture design was functional because of its "architectural compatibility" with "contemporary architectural styling").

[262] *See supra* text accompanying notes 250-52.

[263] *See supra* text accompanying notes 252-56.

[264] *See, e.g., American Greetings,* 807 F.2d at 1138, 1142-43, 1 U.S.P.Q.2d (BNA) at 1005-06 (upholding finding that teddy bears' "tummy graphics," consisting of stylized rainbows, moons, stars, flowers, suns, hearts and

The final variant of the doctrine of functionality recognized by the courts is a simple alternatives test.[266] Courts recognizing this

[266] *See, e.g.*, Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 775, 23 U.S.P.Q.2d (BNA) 1081, 1086 (1992) (The functionality doctrine "serves to assure that competition will not be stifled by the exhaustion of a limited number of trade dresses."); Tools USA and Equip. Co. v. Champ Frame Straightening Equip., Inc., 87 F.3d 654, 659, 39 U.S.P.Q.2d (BNA) 1355, 1359 (4th Cir. 1996) ("[B]ecause the functionality requirement is directed at the extent to which protecting a particular feature would hinder competition, . . . one test for functionality is the availability to competitors of alternative options.") (footnote and citation omitted); Mana Prods., Inc. v. Columbia Cosmetics Mfg., 65 F.3d 1063, 1068-69, 36 U.S.P.Q.2d (BNA) 1176, 1179 (2d Cir. 1995) ("The Lanham Act does not protect functional packaging and commonplace product design because competition would be 'stifled by the exhaustion of a limited number of trade dresses.'") (quoting *Two Pesos*, 505 U.S. at 775, 23 U.S.P.Q.2d (BNA) at 1086); Fabrication Enters. v. Hygenic Corp., 64 F.3d 53, 61, 35 U.S.P.Q.2d (BNA) 1753, 1758-59 (2d Cir. 1995) (where color sequence for elastic exercise bands conferred "a significant benefit" by identifying their resistance levels, "[t]he dispositive issue [was] whether that benefit [could] be achieved by alternative means"-- a question that addressed "the technical and economic practicality of other color coding or identification systems" such as imprinting or stamping bands.); Vornado Air Circulation Sys., Inc. v. Duracraft Corp., 58 F.3d 1498, 1507, 35 U.S.P.Q.2d (BNA) 1332, 1339 (10th Cir. 1995) ("The availability of equally satisfactory alternatives for a particular feature, and not its inherent usefulness, is often the fulcrum on which Lanham Act functionality analysis turns."), *cert. denied*, 116 S. Ct. 753 (1996); L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1130, 25 U.S.P.Q.2d (BNA) 1913, 1922 (Fed. Cir. 1993) ("[T]o merit trade dress protection the ornamental feature must not hinder competition by limiting the range of alternative designs.").

Although the Seventh Circuit's "costly to design around" test, see *infra* note 530, differs linguistically, in substance it reduces to an alternatives test, albeit one that requires a relatively narrow range of available alternatives in order to invalidate trade dress as functional. *See* Abbott Lab. v. Mead Johnson & Co., 971 F.2d 6, 21, 23 U.S.P.Q.2d (BNA) 1663, 1674 (7th Cir. 1992) (The fact that square bottles may have had advantages over alternatives--being easier to ship and package, taking less shelf space, and being easier for consumers to handle--did not alone prove functionality; defendant also had to show that marketing its product in a non-square bottle would raise its cost of production and marketing, with a materially adverse impact upon its ability to compete effectively in relevant market, or "assuming no material price differential, it [had to] show that consumers or retailers so prefer square bottles that no other shape [would]

have to use the same symbol in order to enjoy their constitutional right to compete, the product configuration or feature at issue is deemed functional and unprotected, whether or not it is distinctive.[268] If the number of alternatives is sufficiently great that appropriation of one poses no threat to competition, then that alternative is nonfunctional.[269] The *Restatement (Third) of Unfair Competition*[270] and

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recognized as a constraint is an unresolved question. *Compare Fabrication Enters.*, 64 F.3d at 61 & n.9, 35 U.S.P.Q.2d (BNA) at 1759 & n.9 (finding it "not clear" whether marketplace acceptability of alternatives is appropriate test for functionality), *with* Abbott Lab., 971 F.2d at 21, 23 U.S.P.Q.2d (BNA) at 1674 (including consumer acceptance as part of test).

In standard microeconomic theory, consumers have sovereignty over the marketplace. That is, the goal of free competition in a free society is to satisfy consumers' preferences, no matter how odd or idiosyncratic they may be. Accordingly, consumers' collective preferences should be considered constraints, but only where their preferences are clearly shown to be related to utilitarian or aesthetic features of the product. Consumers preferences should not be considered if shown to derive from yearning for a popular, well-advertised or faddish brand. A producer is entitled to the good will of products that become trendy or faddish as a result of brand identification, whether that identification is fortuitous or a result of promotion and advertising.

[268] *See* Wallace Int'l Silversmiths, Inc. v. Godinger Silver Art Co., 916 F.2d 76, 80, 16 U.S.P.Q.2d (BNA) 1555, 1558-59 (2d Cir. 1990) (finding that baroque silverware design was functional where effective competition in silverware market required use of "essentially the same scrolls and flowers"). *See also* sources cited *supra* note 266.

[269] *See, e.g.*, Insty*Bit, Inc. v. Poly-Tech Indus., 95 F.3d 663, 673-74, 39 U.S.P.Q.2d (BNA) 1961, 1968-69 (8th Cir. 1996) (denying summary judgment for defendant, although some features of quick-change drill products, such as color "black" and appearance of sleeves and shanks, may have been functional, where plaintiff "presented evidence that competing manufacturers have adopted different design features for their quick-change products"); *Tools USA*, 87 F.3d at 658, 39 U.S.P.Q.2d (BNA) at 1359 (particular size, shape, and location of box with credit-card logos on front of catalog was nonfunctional, due to availability of alternative formats, although information in it was functional); *Knitwaves*, 71 F.3d at 1006, 36 U.S.P.Q.2d (BNA) at 1744-45 (rejecting argument that protecting plaintiff's "fall motif" would "significantly restrict the number of designs available" to competitors); *Fabrication Enters.*, 64 F.3d at 61, 35 U.S.P.Q.2d

Restatement[273] and case law[274] agree that it applies to aesthetic

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The Second cirucit has referred to the lack of a sufficient number of commercially viable alternative designs for particular products as a kind of market foreclosure. *See, e.g.*, Landscape Forms, Inc. v. Columbia Cascade Co., 113 F.3d 373, 377, 42 U.S.P.Q.2d (BNA) 1641, 1644 (2d Cir. 1997) (*Landscape II*) (functionality defense "requires a showing that trade dress protection would deprive competitors of alternative designs, and, thus, foreclose competition from the relevant market") (citations omitted); Wallace Int'l Silversmiths, Inc. v. Godinger Silver Art Co., 916 F.2d 76, 81, 16 U.S.P.Q.2d (BNA) 1555, 1559 (2d Cir. 1990), *cert. denied* 499 U.S. 976 (1991) ("It is a first principle of trademark law that an owner may not use the mark as a means of excluding competitors from a substantial market."). This nomenclature, however, is misleading, for no trade dress decision so far has applied the rigorous economic definition of relevant markets that is generally required in antitrust cases. *Cf.* Dratler, LICENSING, *supra* note 39, at § 5.02[2][b][i][B] (discussing principles of market definition under Sherman Act). Perhaps a more rigorous analysis of economic markets, including reasonable interchangeability of products and cross-elasticity of demand for alternative designs, would help confirm (or dispel) judicial suspicion of market foreclosure in trade dress cases.

[272] *See also* Krueger Int'l, Inc. v. Nightingale Inc., 915 F. Supp. 595, 606, 40 U.S.P.Q.2d (BNA) 1334, 1342 (S.D.N.Y. 1996):

> Every producer hopes that it and its trade dress will be remembered because its design is pleasing, not because it is ugly. . . . Thus I see no need to force the courts to choose between ideas that are not mutually exclusive. The more useful approach, I believe, is the market foreclosure test articulated in *Wallace*.

(referring to *Wallace Int'l*, 916 F.2d at 81, 16 U.S.P.Q.2d (BNA) at 1558-59).

[273] *See* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17, cmt. c (1995) ("A design is functional because of its aesthetic value only if it confers a significant benefit that cannot practically be duplicated by the use of alternative designs.").

[274] *See, e.g.*, Qualitex Co. v. Jacobson Prods. Co., 115 S. Ct. 1300, 1306, 34 U.S.P.Q.2d (BNA) 1161, 1165 (1995) (quoting RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17, cmt. c (1995)); *Knitwaves*, 71 F.3d at 1006, 36 U.S.P.Q.2d (BNA) at 1744 ("[W]here an ornamental feature is claimed as a trademark and trademark protection would significantly hinder competition *by limiting the range of adequate alternative designs*, the aesthetic functionality doctrine denies such protection.") (emphasis added) (quoting

To the extent these variants of functionality doctrine are based upon general, unvarnished competitive policy, they are doomed to uncertainty and controversy.[283] In the field of antitrust law, courts have taken over one hundred years to sketch the contours of competitive policy, and the job is not yet done, if it ever will be.[284] If the narrow question of trade dress protection is to avoid all the debilitating uncertainty of the broad field of antitrust law, along with all the litigation expense that that uncertainty entails,[285] there must be some rules and standards for lower courts to apply and for businesses to use to plan their activities. The fourth variant of the

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> [T]hat which is not protected by a utility patent or that on which a utility patent has expired is free for everyone to copy, regardless whether the matter in question is needed to compete or not. The same should be true of design features which are unprotected by a design patent. It does not matter that the design may not be necessary for competition.

Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts, 944 F.2d 1235, 1253, 20 U.S.P.Q.2d (BNA) 1001, 1016 (6th Cir. 1991) (Kennedy, J., dissenting) ("Congress intended that the rights in a design should expire with [the] design patent. The effect of the majority's holding is to give [plaintiff] the equivalent of a design patent in perpetuity.").

[283] This observation applies to the two variants relating to patent policy, as well as the general variant that cautions against impairing competition, for they often devolve into assessments of the general right to compete with respect to unpatented or unpatentable products.

[284] *See generally* DRATLER, LICENSING, *supra* note 39, § 5.02[1][d] (discussing key role of courts in interpreting antitrust law and resulting fluidity and uncertainty).

[285] *See Kohler*, 12 F.3d at 649, 29 U.S.P.Q.2d (BNA) at 1255 (Cudahy, J., dissenting) ("The 'functionality' doctrine has proved to be at best an extremely fuzzy border between design patent and trademark law. . . . The line between nonfunctional and functional is difficult to draw and an

E. *A* Kewanee*-Style Analysis*

Of the four commonly-recognized variants of functionality doctrine for product configurations,[288] only the alternatives test can reasonably be described as a rule or standard. The variant based on competition policy is nothing other than raw policy,[289] and the two variants based on avoiding conflict with utility[290] and design[291] patent law are little better. None of them prescribes specific rules or standards by which courts can narrow the range of permissible options and litigants can predict outcomes. Nor does any readily apparent course of deduction using these variants lead to particular certainty of results.

One possible solution to this dilemma is to rely solely on the alternatives test and to abandon the others. Although courts[292]--including the Supreme Court[293]--have come close to doing this, they have shied away from doing so completely, perhaps fearing they

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only add to the confusion. Instead, courts should focus on whether protection of a design feature will unduly hinder effective competition--either because the feature is dictated by the functions that the product is intended to serve, or because it is one of only a few alternatives that consumers wish to purchase.

[288] *See supra* text accompanying notes 275-79.

[289] *See supra* text accompanying notes 252-56.

[290] *See supra* text accompanying notes 246-50.

[291] *See supra* text accompanying notes 256-65.

[292] *See supra* notes 266, 268-69.

[293] *See* Qualitex Co. v. Jacobson Prods. Co., 115 S. Ct. 1300, 1306, 34 U.S.P.Q.2d (BNA) 1161, 1165 (1995) (quoting RESTATEMENT (THIRD) OF UNFAIR COMPETITION, § 17 cmt. c. (1995)); Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 775, 23 U.S.P.Q.2d (BNA) 1081, 1086 (1992) (discussing opinion below without disapproval).

which trade symbol protection must be consistent, or, if it is not entirely consistent, these are the policies against which trade symbol protection must be balanced.[301]

There is little or no conflict between trade symbol protection and the first two policies. Although promoting innovation is only a minor and incidental goal of trade symbol protection,[302] that protection serves the same purpose, albeit indirectly, by encouraging producers' investment in marketing.[303] Indeed, the distinctive marketing symbols, not previously used for the same purpose,[304] that trade symbol law protects could be described as "innovations" in marketing. Few, if any, meet the stringent standards of novelty and nonobviousness required for patent protection.[305] Therefore, they are

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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.

[301] *See supra* text accompanying notes 40-65, 108-33 (discussing the need to balance policies of two coequal federal statutory schemes).

[302] *See supra* text accompanying notes 121-23 and note 122.

[303] *See supra* text accompanying notes 44-45.

[304] In order to enjoy trade symbol protection on anything like an exclusive basis, a producer must have priority of use in commerce or must have applied to register the mark on the Principal Register of the Patent and Trademark Office before others' use began. *See* Lanham Act §§ 7(c), 22, 33(b)(4)(1994), 15 U.S.C. §§ 1057(c), 1072, 1115(b)(4) (1994) (setting forth, respectively, rules for priority of use or registration of trademarks, the effect of registration as constructive notice of use, and the limited area defense of prior use against the priority of a later-registered mark); DRATLER, *supra* note 1, § 11.02 (discussing common-law rules of priority of use and their incorporation into federal law under Lanham Act, especially § 43(a)).

[305] *See supra* text accompanying notes 73-79 and note 77.

Trade symbols also do not ordinarily meet the third requirement for

identified in *Kewanee* and *Aronson*: that of keeping in the public domain what belongs there.[312] For all practical purposes, this policy reduces to one of avoiding undeserved and potentially perpetual patent protection for trade symbols, as discussed above.[313] Moreover, as a practical matter it is also synonymous with the more general policy of free competition in things that are unpatented and unpatentable, i.e., the policy underlying the first three variants of the functionality doctrine.[314] Therefore, satisfaction of this third *Kewanee* policy should satisfy not only the test of *Kewanee*, but the broader test for consistency with the competition policy that lies at the heart of our national economy. In other words, to the extent trade symbol law is consistent with the public-domain policy of patent law, it should satisfy all of the three policy-based variants of functionality doctrine as currently recognized.

In analyzing conflicts between trade symbol protection and the public-domain policy of patent law, it is helpful to consider three classes of cases, which are mutually exclusive and exhaustive, just as the Supreme Court did in *Kewanee*.[315] These classes are: (1) patented subject matter;[316] (2) unpatented and unpatentable subject matter;[317] and (3) unpatented but patentable subject matter.[318]

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[312] *See supra* notes 299-300.

[313] *See supra* text accompanying notes 67-81.

[314] *See supra* text accompanying notes 246-65.

[315] *See* Kewanee Oil Co. v. Bicron Corp., 416 U.S. 470, 484, 181 U.S.P.Q. (BNA) 673, 679 (1974) (dividing trade secrets into those believed patentable, those known not to be patentable, and "those whose patentability is considered dubious") (quoting Painton & Co. v. Bourns, Inc., 442 F.2d 216, 224, 169 U.S.P.Q. (BNA) 528, 533 (2d Cir. 1971)).

[316] *See infra* text accompanying notes 324-57.

[317] *See infra* text accompanying notes 357-405.

[318] *See infra* text accompanying notes 405-23.

identifier but is not also attractive by virtue of its aesthetics and ornamentality. To require that trade symbols serve no purpose of ornamentation would be to require that source identifiers be ugly--in obvious contradiction to the operation of commerce in the real world. As a result, it is now generally accepted that trade symbols can serve as source identification and ornamentation simultaneously.[324] Thus, if the policies underlying both patent and trade symbol law are to be honored in a realistic way, the analysis requires more sensitivity and finesse with respect to ornamentality than with respect to utility.

1. Patented Features

The first category of product configurations[325] comprises those that are patented. In this category, two now-hoary Supreme Court precedents appear to provide a clear and unequivocal answer regarding the availability of trade dress protection, at least where the patents are expired. Since there is no such precedent for unexpired patents, it is useful to discuss them separately.[326]

a. *Expired patents*

In *Kellogg Co. v. National Biscuit Co.*,[327] the Supreme Court ruled that the pillow shape of shredded wheat could not be protected as a trade symbol after the patents that had covered it had expired.[328] In

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[324] *See supra* note 265.

[325] *See supra* text accompanying notes 315-18.

[326] *See infra* text accompanying notes 334-57.

[327] 305 U.S. 111, 119-20 (1938).

[328] *See id.* (shape became "dedicated to the public" where patented machines "were designed to produce only the pillow-shaped biscuits[,]" a design patent had "cover[ed] the pillow-shaped form[,]" and both

could be copied after the patent expires.[330] Such a result is entirely appropriate for matter claimed in a patent, because it is a fundamental goal of patent protection to insure that patented *subject matter* enrich the public domain once patents expire.[331]

This analysis applies as much to design patents as to utility patents, notwithstanding an old line of decisions to the contrary in the Court of Customs and Patent Appeals, the Federal Circuit's predecessor court.[332]

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[330] *See id.* at 185 ("[A]s a matter of course, . . . on the termination of the patent there passes to the public the right to make the machine in the form in which it was constructed during the patent.").

Although much of the *Singer* Court's decision revolved around the name "Singer," *see supra* note 329, its most interesting aspect for present purposes was its take on trade dress. The defendant had simulated product features that the plaintiff, anticipating expiration of its basic patents, had adopted solely for purposes of product differentiation; and the Court ruled this an act of unfair competition even though patents on other features had expired. *See Singer*, 163 U.S. at 201-02; *infra* note 331. It also ruled that a feature still under patent could be protected against simulation under the law of unfair competition. *See Singer*, 163 U.S. at 202; *see also infra* text accompanying notes 334-35 and note 335. The outcome of the case was a judgment for the plaintiff, an order for an injunction, and an accounting for profits, *see Singer* at 204, a result virtually predetermined by the breadth of the defendant's acts of piracy, which went as far as falsification of serial numbers to make the plaintiff look like an older company. *See id.* at 202. Thus, the facts and result of *Singer*, as distinguished from its oft-quoted *dicta*, stand for propositions entirely consonant with the thrust of the modern law of unfair competition, as incorporated in Lanham Act § 43(a).

[331] *See supra* notes 72-73 and accompanying text.

Both the *Kellogg* and *Singer* courts, however, properly noted that those who copy the subject matter of expired patents have a duty to avoid confusion as to source. *See Singer*, 163 U.S. at 186-87; *Kellogg*, 305 U.S. at 120 ("Fairness requires that [copying] be done in a manner which reasonably distinguishes [defendant's] product from that of plaintiff.").

[332] In two lines of decisions beginning in the early 1960s, the Court of Customs and Patent Appeals treated design and utility patents differently with respect to trademark registration. In one line of decisions, it suggested that neither an existing nor an expired *design* patent *ipso facto*

The reason is fundamental: post-patent-expiration trade dress protection for patented matter would remove that matter wholly or partly from the public domain, thereby impairing the central "bargain" of all patent law--the inventor's exchange of disclosure and eventual free public use for a *temporary* monopoly. If the inventor, after the patent's expiration, could continue to enjoy some sort of protection in perpetuity (even though of lesser strength and scope than patent proection), then she would receive more, and the public less, than this fundamental bargain presumes. There is no reason to distinguish between design and utility patents with respect to a policy so central to the patent system as this axiomatic *quid pro quo*. Indeed, if *per se* rules deserve any place in this fact-sensitive area of law, they ought to protect this fundamental bargain against encroachment. Accordingly, subject matter *claimed* in an expired patent should not by itself be eligible for trade dress protection, whether the patent involves ornamental design or utilitarian inventions.

It follows that matter *claimed* in a patent should not be eligible for trademark registration while the patent is in force, even though it should be eligible for protection as unregistered trade dress. Chronology is the reason. The terms of patents and trademark

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"right to copy" remained with the *Mogen David* court's successor court, the Federal Circuit, and was explicitly and thoroughly repudiated in *Bonito* Boats. *See* Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 1141, 163-65, 9 U.S.P.Q.2d (BNA) 1847, 1857-58 (1989) (repudiating Federal Circuit's views in Interpart Corp. v. Italia, 777 F.2d 678, 228 U.S.P.Q.2d (BNA) 124 (Fed. Cir. 1985)). As a result, an important underpinning of the *Mogen David* line of cases has been eroded.

Finally, the *Mogen David* line of cases contravenes the evolution of the doctrine of aesthetic functionality, whose very purpose is to avoid conflict between trade symbol protection and design patent law. In *Mogen David I*, the court rejected, see 328 F.2d at 931, 140 U.S.P.Q. (BNA) at 580 (C.C.P.A. 1964), the Solicitor General's "functionality in ornamentation" argument, which today is generally accepted (although not always well defined or understood) under the rubric of aesthetic functionality. *See supra* text accompanying notes 256-65. Thus, from the standpoint of both chronology and substance, the *Mogen David* line of cases appears to be a tributary of judicial thought that the mainstream has passed by.

fundamental bargain of patent law because the inventor never receives and should not expect any monopoly in them, and the public has the right to enjoy them from the beginning, not just after the end, of the patent term. No doubt the majority of trade dress cases will involve product features of this sort, for the precise combination of features claimed as trade dress will seldom correspond exactly to a drawing depicted in a design patent, far less to one or more precise claims in a utility patent.

b. *Unexpired patents*

Although the rule for trade dress protection of products covered by expired patents is clear, precedent with respect to *un*expired patents is relatively murky. There is no Supreme Court precedent that directly addresses the issue. The *Singer* Court, however, cited the defendant's imitation of plaintiff's adjustment screw, which was still under patent, as an act of unfair competition, albeit one among many.[335] This point of *Singer* suggests that patented features may serve trade symbol functions while the patent is still in force.

In this regard the *Singer* decision is in tension with the Tenth Circuit's decision in *Vornado*,[336] which held that patent protection *ipso*

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[335] *See Singer*, 163 U.S. at 202. The plaintiff's screw adjusted the tension in its sewing machines, while the defendant's was simply a "dummy screw" designed to duplicate the appearance of the plaintiff's. *Id.*

[336] Vornado Air Circulation Sys. v. Duracraft Corp., 58 F.3d 1498, 35 U.S.P.Q.2d (BNA) 1332 (10th Cir. 1995), *cert. denied*, 116 S. Ct. 753 (1996); *see also infra* text accompanying notes 398-406, 498-99 and note 499.

This view of *Singer* is *not* in tension with decisions of the Court of Customs and Patent Appeals denying trademark *registration* to matter that is functional because of its relationship to unexpired patents. *See, e.g., Shakespeare*, 289 F.2d at 508, 129 U.S.P.Q. (BNA) at 325 (quoted *supra* note 332) (denying trademark registration of spiral ridges on fishing rod that were inevitable result of using patented process); *cf. Deister*, 289 F.2d at 504-05, 129 U.S.P.Q. (BNA) at 322-23 (denying trademark registration of rhomboidal shape of shake table that was disclosed in two patents)

in combination with other elements.[341] In other words, in *Vornado* the spiral-grill feature that the plaintiff had claimed as its trade dress was unpatented and possibly unpatentable by itself, although the court did not rest its decision on that point.[342] Thus, *Singer* appears to be the only decision dealing with product features specifically claimed in unexpired patents.[343]

When a product feature claimed as trade dress is also claimed in an unexpired patent, allowing both forms of protection (patent and trade dress) would not conflict with the public-domain policy of patent law,[344] because by virtue of the patent claim's coverage the feature is by definition not in the public domain. Moreover, allowing trade symbol protection as a "backup" to patent protection would preclude the kind of obvious unfair competition addressed in *Singer*--a defendant simulating a patented feature in a non-operational way,

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[341] The *Vornado* court did not say why the parties agreed that there was no patent infringement. *See supra* note 339. There are only two possibilities: either the defendant's grill differed in form from the plaintiff's, or the plaintiff's patent claimed other elements in combination with the grill. The fact that plaintiff's trade dress case was based upon the alleged similarity of the grill makes the first alternative unlikely. *See id.*; *see also Vornado*, 58 F.3d at 1501, 35 U.S.P.Q.2d (BNA) at 1334 (noting that defendant's fan "differed significantly" from plaintiff's "in its overall configuration, its base and duct structure, its center knob, neon colors, packaging, labeling, and price").

[342] *See id.*, 58 F.3d at 1500, 35 U.S.P.Q.2d (BNA) at 1333 ("Vornado emphasizes that its fan grill was not patentable by itself because a spiral grill per se was already in the public domain as prior art."); *see also* Thomas & Betts Corp. v. Panduit Corp., 65 F.3d 654, 660, 36 U.S.P.Q.2d (BNA) 1065, 1070 (7th Cir. 1995) ("[I]n Vornado . . . the spiral grill itself was not independently claimed (that is why [defendant's] fan did not infringe the still valid patent) because it was discussed in the prior art"), *cert. denied*, 116 S. Ct. 1044 (1996).

[343] In the case of *Thomas & Betts*, 65 F.3d at 659-60, 36 U.S.P.Q.2d (BNA) at 1069-70, the court dealt with matters disclosed but not claimed in a patent. For a discussion of such matter, see *infra* text accompanying notes 380-405.

[344] *See supra* text accompanying notes 299-300.

feature in a non-operational or marginally noninfringing way (under patent law) in order to usurp the good will that belongs solely to the patentee during the patent's term.[349] Nothing in patent policy demands such a result. Indeed, a rule of that sort would undermine not only the goals of trade symbol protection, but the goals of patent law as well. By allowing competitors to confuse consumers as to the presence or operability of the feature at the point of sale, it would deprive the patentee of some of the good will deriving from the feature's functional aspects and would thereby devalue the patent, contrary to the goal of encouraging innovation.

One other possible objection to joint protection during the patent term is also worthy of discussion. Since the scope of trade dress protection differs from the scope of patent protection,[350] joint protection for patented features might, in effect, extend the scope of patent protection and therefore curtail the public's recognized right to "invent around" a patent.[351] Although such a result is possible, it is

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[349] *See supra* notes 330, 335, and text accompanying notes 337-38.

[350] *See infra* text accompanying notes 428-54 (regarding standards of infringement), 454-74 (regarding remedies).

[351] The right to "invent around" a patent is a corollary of the rule that a patent's claims define the patented invention. *See infra* text accompanying notes 429-30 and note 430. A competitor has the right to review the patent and its claims and to use the results of that review to develop a new device or process that performs the same functions as the patented invention, but in a way that does not infringe the patent's claims. *See* Vitronics Corp. v. Conceptronic, Inc., 90 F.3d 1576, 1583, 39 U.S.P.Q.2d (BNA) 1573, 1577 (Fed. Cir. 1996) ("[C]ompetitors are entitled to review the public record, apply the established rules of claim construction, ascertain the scope of the patentee's claimed invention and, thus, design around the claimed invention.") (citation omitted). The potential financial benefit of designing around a patent, and thereby avoiding the "toll charge" of patent royalties, creates a "negative incentive" to develop new and noninfringing ways to solve the same technical problem. *See* State Indus. v. A.O. Smith Corp., 751 F.2d 1226, 1236, 224 U.S.P.Q. (BNA) 418, 424 (Fed. Cir. 1985) ("One of the benefits of a patent system is its so-called 'negative incentive' to 'design around' a competitor's products, even when they are patented, thus bringing a steady flow of innovations to the marketplace."); *see also* Hilton

alternatives test disqualifies as functional any features whose designs have too few alternatives for "inventing around."

This analysis repudiates the reasoning of *Vornado*,[354] in which the Tenth Circuit expressly refused to consider alternatives.[355] It does not, however, necessarily repudiate the *result* in *Vornado*. The result there may have been justified by the paucity of alternatives to the spiral-grill design there at issue;[356] that design might have been properly declared functional and unprotected under the alternatives test. The result also may have been justified by a lack of likelihood of confusion, given the dissimilarity of the trade dress as a whole.[357]

2. Unpatented Features

The next category[358] for analysis is that of unpatented product features. These features are best discussed in two sub-categories:

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[354] Vornado Air Circulation Sys. v. Duracraft Corp., 58 F.3d 1498, 35 U.S.P.Q.2d (BNA) 1332 (10th Cir. 1995), *cert. denied*, 116 S. Ct. 753 (1996).

[355] *See id.* at 1507, 1510, 35 U.S.P.Q.2d (BNA) at 1339, 1341-42 (noting that "availability of equally satisfactory alternatives for a particular feature" is "often the fulcrum on which Lanham Act functionality analysis turns[,]" but ignoring functionality analysis entirely in reaching result); *see also supra* note 337.

[356] The *Vornado* court noted that the spiral grill was not much better, if at all, than other designs for the functional purpose of optimizing air flow. *See id.* at 1500, 1510, 35 U.S.P.Q.2d (BNA) at 1333, 1342. However, the court failed to consider whether the design at issue left competitors with adequate *aesthetic* alternatives.

[357] *See id.* at 1501, 35 U.S.P.Q. 2d (BNA) at 1334 (noting significant differences in appearance of defendant's fan) (quoted *supra* note 341).

[358] *See supra* text accompanying notes 315-18.

meet even the weaker standards required for copyright protection.[365] Thus, the very existence of trade symbol protection acknowledges the fact that public-domain material may be appropriated and used as trade symbols.[366]

It bears repeating that trade symbol protection under the Lanham Act is not a matter of federal preemption.[367] Therefore no one can say that a mere conflict--however slight--with patent policy should be enough to eliminate trade symbol protection entirely.[368] Rather, the two sets of policies should be weighed and balanced to determine whether trade symbol protection can coexist with the patent system, and, if so, how the former can be tailored to minimize possible conflict with the latter.[369] The important trade symbol policy of providing consumers with quick and effective shorthand source identifiers[370] must be considered, especially when a product's configuration is likely to serve, for whatever reason, as the sole means of identifying its source. Any person who has ever rushed into a store, seeking to buy a product based upon its appearance, without regard to brand names or trademarks, knows how important a product's appearance can be for identification of source in the real world. The trick is distinguishing those cases in which it is important in practice from those in which it is not.[371]

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[365] *See supra* notes 34, 77.

[366] There is one limitation on the use of public domain material as a protectable trade symbol: the impact on competition cannot be too great.

[367] *See supra* text accompanying notes 99-105, 108-09.

[368] *See supra* text accompanying notes 108-28.

[369] *See supra* text accompanying notes 124-28, 137-39.

[370] *See supra* text accompanying notes 50-58.

[371] *See supra* text accompanying notes 60-65.

any serious conflict while allowing physical product features to perform the vital function of shorthand identifiers in the marketplace.[376]

Precisely because they lack novelty and nonobviousness,[377] unpatentable product features often have plenty of alternatives, both for immediate use and as building blocks for future useful inventions and ornamental designs. Sometimes they are "a dime a dozen."[378] There is some merit in protecting a producer's right to use as source identifiers pedestrian improvements in these common designs, having just the amount of distinctiveness needed for legal protection as trade symbols.[379] There is also some merit in allowing consumers to rely on them as such. Doing so is unlikely to undermine the patent system to any serious extent, because there are so many alternatives. Where the feature at issue is of this sort, nothing in patent law requires that it be eliminated as a candidate for a source identifier, at the risk of consumer confusion, deceit, and fraud.[380]

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[376] *See supra* text accompanying notes 50-58.

[377] *See supra* text accompanying notes 360-61.

[378] *See supra* note 88; *see also*, Knitwaves, Inc. v. Lollytogs, Ltd., 71 F.3d 996, 1006, 1009 36 U.S.P.Q.2d (BNA) 1737, 1745, 1747 (2d Cir. 1995) (holding that defendant could not "meet the market foreclosure requirement of functionality" but that plaintiff's trade dress was not distinctive).

[379] If design is too common, it may lack distinctiveness. *See supra* text accompanying notes 144-49.

[380] *See supra* text accompanying notes 54-65.

Another commentator has suggested that trade dress protection raises fewer constitutional questions if the trade dress is non-inventive. *See* Davis, *supra* note 105, at 651-52 & n.283 (Because "the [Copyright] Clause's 'for limited Times' language is directly applicable to 'invention and discovery,' this [temporal] restriction is inapplicable to nonfunctional elements that do not result from 'sudden invention,' 'genius,' or 'laborious

The Seventh Circuit has given an affirmative answer,[384] but only in *dictum*.[385] While its *dictum* has all the intrinsic attraction of any bright-line rule, it requires some justification in policy. There is nothing to distinguish matter that is unpatented and unpatentable because it was disclosed and unclaimed in an issued patent from matter that is unpatented and unpatentable for any other reason, except for the bare fact of disclosure. Protecting disclosed-but-not-claimed matter will not undermine the basic *quid pro quo* of patent law because an inventor neither expects nor receives a monopoly of such matter, and because the public does not have to wait until the patent expires to practice its use. Therefore, if the logic of the Seventh Circuit's putative sweeping denial of protection for disclosed but unclaimed matter is not to wipe out trade dress protection for all unpatentable matter--and therefore for the vast majority of nonverbal trade symbols[386]--there must be some policy justification for that denial based on the fact of disclosure itself.

The only such justification of which I am aware is that denying protection to disclosed but unclaimed matter would reduce the search

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[384] *See* Thomas & Betts Corp. v. Panduit Corp., 65 F.3d 654, 659-60, 36 U.S.P.Q.2d (BNA) 1065, 1069-70 (7th Cir. 1995) (refusing to distinguish *Vornado* on grounds that the spiral grill was element of patent claim, while features at issue in instant case were disclosed but not claimed in patent, and hinting that no product feature disclosed in patent, whether or not claimed, is eligible for protection as trade dress), *cert. denied*, 116 S. Ct. 1044 (1996).

[385] *See id.* at 660, 36 U.S.P.Q.2d (BNA) at 1070 ("The present case . . . does not require that we pass on the correctness of *Vornado* or [defendant's] broader claim.").

[386] Apparently there are jurists who believe that the law should do just that. *See, e.g.*, Kohler Co. v. Moen Inc., 12 F.3d 632, 645, 29 U.S.P.Q.2d (BNA) 1241, 1252 (7th Cir. 1993) (Cudahy, J., dissenting) ("Certainly, if the Patent Clause gives the right to copy an article which was once covered by a patent, the public must also retain the right to copy an article which has never been even temporarily removed from the public domain by reason of being patented."); *Thomas & Betts*, 65 F.3d at 658, 36 U.S.P.Q.2d (BNA) at 1068 ("The right to copy is *even more robust* when the copied product was

answer. Businesses routinely retain commercial search firms to conduct trademark searches, which include pending applications, for a few hundred dollars at most; and thus prudent businesses presumably are aware of their competition, particularly before introducing new products to the marketplace. Moreover, in virtually every serious trade dress dispute,[392] the defendant knowingly copied or simulated the plaintiff's trade dress; trade dress infringement does not normally happen by accident. When a defendant knowingly tries to imitate a plaintiff's design, or at least tries to come as close to the line of infringement as possible without stepping over, the defendant's search costs are zero because there is no search; the defendant knows well in advance the risks undertaken.

Finally, a producer cannot copy a disclosed but unclaimed product feature in reliance on an unexpired patent[393] alone, even though that feature is, for the purpose of *that patent*, dedicated to the public.[394] The feature may have been unclaimed in the particular patent because it is controlled by an earlier dominant patent that is still unexpired.[395] Thus, the argument that only an absolute right to copy matter disclosed but unclaimed in patents will minimize

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[392] In virtually every case cited in this article, the defendant was aware of the plaintiff's design and copied it to some degree.

[393] The same is true to a limited extent even for *expired* patents, especially in the fields of drugs and medical devices. Even though a subordinate patent has expired, the terms of underlying dominant patents may have been extended for various reasons and so may survive the expiration of the later-issued subordinate patent. *See* 35 U.S.C. § 154(b) (1994) (providing term extension for any patent); *id.* §§ 155A, 156 (providing term restoration and extension for patents relating to drugs and medical devices).

[394] *See supra* text accompanying notes 380-82 and note 381.

[395] Ordinarily, that fact that matter disclosed but not claimed in a patent is covered by an earlier patent is indicated in some way, either by narrative in the specification, or by a citation to the earlier patent. Nothing requires this to be done, however, if the matter disclosed is peripheral to the patented invention; and in any event tracing the disclosure through

alternative that was not claimed in the patent, at least the patentee[399] should be unable to claim trade dress protection for it. Rather than base this rule on patent law, however, a better ground is old-fashioned equity: *estoppel in pais*. A patent is a document affected with a public interest;[400] it is intended to be made public and relied upon by society. Therefore, if a patentee unambiguously disclosed a product feature used in a utilitarian invention (in the case of utility patents) or in an ornamental design (in the case of design patents) and failed to claim it, the patentee should be estopped from claiming later that it is nonfunctional and serves as a source identifier. Even if there is no legal estoppel, the patent's disclosure should serve as *evidence* of the product feautre's functionality, the strength of which would depend upon how clearly the disclosure identifies utilitarian or ornamental aspects of the feature.

Such a use of the doctrine of estoppel or simple inference, for example, would have provided a stronger basis for the *Vornado* court's

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[399] There are good reasons for treating the patentee differently from third parties in this regard. *See infra* text accompanying notes 404-06.

[400] A patent by its very nature is affected with a public interest. As recognized by the Constitution, it is a special privilege designed to serve the public purpose of promoting the 'Progress of Science and useful Arts.' At the same time, a patent is an exception to the general rule against monopolies and to the right to access to a free and open market. The far-reaching social and economic consequences of a patent, therefore, give the public a paramount interest in seeing that patent monopolies spring from backgrounds free from fraud or other inequitable conduct and that such monopolies are kept within their legitimate scope.

Precision Instrument Mfg. Co. v. Automotive Maintenance Mach. Co., 324 U.S. 806, 816 (1945); *see also supra* text accompanying notes 371-77.

occur in patents.[403] It would therefore allow courts to avoid denying trade dress protection for a legitimiate source identifier on the basis of an ambiguous or indirect reference in a patent that did not clearly demonstrate the feature's utilitarian or aesthetic functionality.[404] Second, it would allow courts to ignore disclosures in patents held by

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[403] Among other things, a feature that is not actually claimed as such may be: (1) included as an *element* of a claim, that is, patented in combination with other elements but not by itself (the case in Vornado, *see supra* notes 341, 342); (2) described in the narrative part of the specification as prior art; (3) described in the narrative part of the specification without characterization as prior art; (4) included in a drawing of the patented invention or design; or (5) included in a drawing or diagram in the specification, explaining the operation of the invention or design or its relationship to prior art. The effect of the disclosure on the feature's eligibility for trade dress protection should depend, *inter alia*, on which type of disclosure is involved and how that disclosure affects the relevant policy balance.

[404] In contrast, a blanket rule that a claim *element* not separately claimed cannot serve as trade dress--which may have been the import of the *Vornado* decision, *see supra* note 337--would go far toward the extreme position that nothing unpatentable should receive trade dress protection. *See supra* text accompanying notes 385-86. The universe of claim elements not separately claimed is vastly greater than the universe of separately claimed elements, since most patents are in fact combination patents of one sort or another.

> Virtually *all* patents are "combination patents," if by that label one intends to describe patents having claims to inventions formed of a combination of elements. It is difficult to visualize, as least in the mechanical-structural arts, a "non-combination" invention, i.e., an invention consisting of a *single* element. Such inventions, if they exist, are rare indeed.

Stratoflex, Inc. v. Aeroquip Corp., 713 F.2d 1530, 1540, 218 U.S.P.Q. (BNA) 871, 880 (Fed. Cir. 1983) (emphasis in original). Thus a rule that features serving as elements of claims but not claimed separately are *ipso facto* ineligible for trade dress protection would remove a vast structural lexicon from the pool of potential source identifiers.

foregone?[409] The answer depends upon the extent to which trade dress protection provides the equivalent of a perpetual patent.[410] It is inappropriate merely to assume that it does so without analysis, for patent and trade dress protection have vastly different purposes, as well as different remedies and modes of application.[411]

The remainder of this article for the most part explores the differing standards of infringement and the possibilities of tailoring relief that may avoid conflict between trade dress protection for patentable but unpatented features and the patent system. Before those issues are addressed, however, one further point is worth making. In *Kewanee* the court decided against partial preemption of trade secret protection for subject matter known to be patentable, in part because of the difficulty of administering a system of partial preemption.[412] A scheme for partial preemption of patentable trade secrets, the Court noted, would force the parties in effect to switch sides in arguing patent issues.[413] The trade secret plaintiff would argue the lack of novelty, uselessness, and utter obviousness of her creation, while the defendant would argue the creation's merit and patentability. Such a scenario, the Court implied,[414] would put too great a strain on the adversary system, not to mention the ability of courts and juries to comprehend hypothetical and inconsistent arguments.[415]

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[409] *See supra* text accompanying notes 71-73, 246-50, 256-61, 299-300.

[410] *See supra* text accompanying notes 81-99.

[411] *See id.*

[412] *See* Kewanee Oil v. Bicron Corp., 416 U.S. 470, 491-92, 181 U.S.P.Q. (BNA) 673, 682 (1974).

[413] *See id.* at 492, 181 U.S.P.Q. (BNA) at 682.

[414] *See id.*

[415] *Cf.* FED. R. CIV. P. 8(e)(2) (allowing alternative and inconsistent

resort to trade dress protection, rather than patent protection, suggests an end run around the patent system. If objective factors[422] (such as the nature of the design and the state of art in the industry) suggest that such an end run may be in progress, the court can cut it off by appropriately tailoring the remedy as discussed below[423]--an issue not addressed in *Kewanee*.

F. *The Standard Of Trademark Infringement*

If the requirements for distinctiveness and nonfunctionality are not enough to avoid conflict with patent policy, the law of trade symbols has yet another substantive doctrine that helps avoid that conflict. This is the ubiquitous standard of infringement[424]-- a likelihood of confusion among the relevant purchasing public under all the circumstances.[425] Mere similarity of product configurations is not enough to trigger trade symbol remedies, although it may be enough to justify an injunction controlling products protected by design patents.[426] Not only must the product configurations or

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[422] Such determination should be based upon objective factors; the owner's intent should be irrelevant.

[423] *See supra* text accompanying notes 464-507, 546-56.

[424] The same standard for infringement applies to cases involving all kinds of trade symbols, including trade names, trademarks, trade dress, and product configurations. *See* Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 780, 23 U.S.P.Q.2d (BNA) 1081, 1088 (1992) (Stevens, J., concurring) ("[U]nder the Lanham Act [§ 43(a)], the ultimate test is whether the public is likely to be deceived or confused by the similarity of the marks. . . . Whether we call the violation infringement, unfair competition or false designation of origin, the test is identical--is there a 'likelihood of confusion?'") (quoting New West Corp. v. NYM Co. of Cal., 595 F.2d 1194, 1201, 202 U.S.P.Q. (BNA) 643, 649 (9th Cir. 1979)); L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1132, 25 U.S.P.Q.2d (BNA) 1913, 1924 (Fed. Cir. 1993). *See generally* DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, § 10.01 (introduction) (quoted *infra* note 439).

[425] *See* DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, § 10.01[2].

[426] *See infra* text accompanying notes 428-46.

and sometimes extrinsic evidence,[429] the claims themselves control the scope of the patent monopoly.[430] The very nature of the patentee's product, let alone its presentation in the marketplace, is irrelevant; for it is the claimed invention, not the preferred or commercial embodiment, that controls assessment of infringement.[431] More

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[429] *See* Markman v. Westview Instruments, Inc., 52 F.3d 967, 979-80, 34 U.S.P.Q.2d (BNA) 1321, 1329-31 (Fed. Cir. 1995) (*in banc*), *aff'd*, 116 S. Ct. 1384 (1996); *see generally* DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, § 2.05[3][a] (discussing claim interpretation).

[430] *See, e.g., Markman*, 116 S. Ct. at 1388, 38 U.S.P.Q.2d (BNA) at 1463-64; Aro Mfg. Co. v. Convertible Top Replacement Co., 365 U.S. 336, 339, 128 U.S.P.Q. (BNA) 354, 356-57 (1961) (claims of patent are sole measure of patent grant); Mercoid Corp. v. Mid-Continent Inv. Co., 320 U.S. 661, 665, 60 U.S.P.Q. (BNA) 21, 24 (1944) (limits of patent "are narrowly and strictly confined to the precise terms of the grant"); Corning Glass Works v. Sumitomo Elec. U.S.A., Inc., 868 F.2d 1251, 1257, 9 U.S.P.Q.2d (BNA) 1962, 1966-67 (Fed. Cir. 1989) ("A claim in a patent provides the metes and bounds of the right which the patent confers on the patentee to exclude others from making, using, or selling the protected invention.") (citations omitted); Uniroyal Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 1053, 5 U.S.P.Q.2d (BNA) 1434, 1440 (Fed. Cir. 1988) ("This court has repeatedly held that it is the claims which define the invention.") (citation omitted).

Although the claims as so construed may be stretched or tightened under the doctrine of equivalents or its reverse, in order to do justice in the individual case, *see* DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, § 2.05[3][b][i], the range of discretion provided by that doctrine is relatively small. The Federal Circuit has described the doctrine as accommodating only "insubstantial" differences, *see* Hilton-Davis Chem. Co. v. Warner-Jenkinson Co., 62 F.2d 1512, 1517-19, 1521-22 , 35 U.S.P.Q.2d (BNA) 1641, 1645-46 (Fed. Cir. 1995) (*in banc*), *rev'd on other grounds*, 117 S.Ct. 1040, 41 U.S.P.Q.2d (BNA) 1865 (1997), and the Supreme Court has declined to disagree, *see id.* 117 S.Ct. at 1054, 41 U.S.P.Q.2d (BNA) 1875 (seeing "no purpose in . . . micro-managing the Federal Circuit's particluar word choice.").

[431] *See, e.g.*, Sun Hill Indus. v. Easter Unlimited, Inc., 48 F.3d 1193, 1197, 33 U.S.P.Q.2d (BNA) 1925, 1927 (Fed. Cir. 1995) ("The trial court must measure infringement against the claim, not against a commercial embodiment that contains more than the claim."); Atlantic Thermoplastics Co. v. Faytex Corp., 970 F.2d 834, 846, 23 U.S.P.Q.2d (BNA) 1481, 1491 (Fed. Cir. 1992) ("This court has repeatedly emphasized that infringement analysis compares the accused product with the patent claims, not an embodiment of the claims.") (citations omitted).

products, without reference to other aspects of the commercial marketplace.[437] Whether a court or jury decides the issue, the decision

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drawings in the patent, not just by one feature of the claimed design.") (citation omitted); Braun Inc. v. Dynamics Corp. of Am., 975 F.2d 815, 819-20, 24 U.S.P.Q.2d (BNA) 1121, 1125 (Fed. Cir. 1992).

In comparing the patented design and the design of the accused product for similarities, however, unprotectable characteristics of the patented design must be ignored. *See id.*, 975 F.2d at 820 n.7, 24 U.S.P.Q.2d (BNA) at 1125 n.7 ("[W]here a design is composed of functional, as well as ornamental features, a patent owner must establish that an ordinary person would be deceived by reason of the common features in the claimed and accused designs which are ornamental.") (citation omitted).

[436] *See Keystone*, 997 F.2d at 1451, 27 U.S.P.Q.2d (BNA) at 1302-03 (where patented design was for block from which retaining wall was made, court could consider all sides of block, even though all but face were hidden in normal use of wall); *Braun*, 975 F.2d at 820, 24 U.S.P.Q.2d (BNA) at 1125 ("In evaluating a claim of design patent infringement, a trier of fact must consider the ornamental aspects of the design as a whole and not merely isolated portions of the patented design.") (citation omitted); *In re* Salmon, 705 F.2d 1579, 1582, 217 U.S.P.Q. (BNA) 981, 984 (Fed. Cir. 1993) ("A design is a unitary thing and all of its portions are material.")(citations omitted).

[437] *See Braun*, 975 F.2d at 828, 24 U.S.P.Q.2d (BNA) at 1132 ("[A] different quantum of proof applies to design patent infringement . . . . [A] design patentee may prove infringement simply by showing that an ordinary observer would be deceived by reason of an accused device's ornamental design.")(citation omitted); *id.* at 820, 24 U.S.P.Q.2d (BNA) at 1125 ("Design patent infringement does not concern itself with the broad issue of consumer behavior in the marketplace.") (citing Unette Corp. v. Unit Pack Co., 785 F.2d 1026, 1029, 228 U.S.P.Q. (BNA) 933, 934 (Fed. Cir. 1986) (Likelihood of purchasers' confusion as to the source of goods is not a necessary factor for determining design patent infringement; the holder of a valid design patent need not even have progressed to the manufacture and distribution of a "purchasable" product.)); *see also Braun*, 975 F.2d at 821, 24 U.S.P.Q.2d (BNA) at 1126 ("Nothing in *Gorham* suggests that, in finding design patent infringement, a trier of fact may not as a matter of law rely exclusively or primarily on a visual comparison of the patented design, as well as the device that embodies the design, and the accused

is considered, it must be assessed as a whole.[441] Among the facts that must be considered where relevant are:[442] (1) the strength of the plaintiff's trade symbol in terms of its inherent distinctiveness, acquired distinctiveness,[443] longevity and extent of use, extent of third party use, and similar factors; (2) the similarity of the trade symbols at issue, both by themselves and in their entire commercial context, including labels, other trade symbols, trade dress, and the manner of presentation of the products in the marketplace;[444] (3) the similarity of

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The federal circuit courts of appeals differ, however, both as to how the factors are to be applied in product configuration cases, see *supra* note 15, and as to the appropriate standard of review on appeal. *See Bristol-Myers*, 973 F.2d at 1043, 24 U.S.P.Q.2d (BNA) at 1168 (noting split in circuits on standard of review) (citation omitted).

[441] *See Bristol-Myers*, 973 F.2d at 1046, 24 U.S.P.Q.2d (BNA) at 1170 ("[I]n a trade dress infringement case the question is not how many points of similarity exist between the two packages but rather whether the two trade dresses 'create the same general overall impression.'") (quoting RJR Foods v. White Rock Corp., 603 F.2d 1058, 1060, 203 U.S.P.Q. (BNA) 401, 402 (2d Cir. 1979)); Vaughan Mfg. Co. v. Brikam Int'l, Inc., 814 F.2d 346, 350, 1 U.S.P.Q.2d (BNA) 2067, 2070 (inquiry must consider "overall trade dress").

[442] *See supra* note 14; *see generally* DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, § 10.01[3].

[443] Even marks that are inherently distinctive may acquire secondary meaning through use, which gives them additional strength, although they do not require it for legal protection. *See, e.g.*, McGregor-Doniger, Inc. v. Drizzle, Inc., 599 F.2d 1126, 1132, 202 U.S.P.Q. (BNA) 81, 87-89 (2d Cir. 1979) (mark "Drizzler" for coats, although suggestive, had become strong through development of secondary meaning); Seabrook Foods, Inc. v. Bar-Well Foods, Ltd., 568 F.2d 1342, 1348, 196 U.S.P.Q. (BNA) 289, 293 (C.C.P.A. 1977) (Rich, J., dissenting) ("[A] mark that is inherently distinctive inherently has a 'secondary meaning,' particularly after it has been used, as here, on a billion packages of frozen foods [in twelve years] since 1965.").

[444] In assessing the overall similarity between the plaintiff's and the defendant's trade dress, similarities due to nondistinctive or functional elements of the product design should be disregarded. *See* Merriam-Webster, Inc. v. Random House, Inc., 35 F.3d 65, 72, 32 U.S.P.Q.2d (BNA) 1010, 1015 (2d Cir. 1993) ("Although the style and

of these factors (as well as others)[445] bears on the question of trade dress infringement, "[s]imilarity in overall appearance alone cannot establish source confusion as a matter of law."[446]

Thus, the question of trade symbol infringement is about as multidimensional as it could be.[447] The similarity of the trade symbols themselves is only one factor--and not necessarily the dominant one--in the analysis.[448] Courts may refuse to find trade symbol infringement, despite the similarity of the symbols at issue themselves, for many reasons. They can do so because the symbols at issue are used with other trade symbols, including trademarks and trade dress, that adequately identify the products for the public despite similarities in the contested trade symbols.[449] They can do so because the plaintiff and defendant distribute their products through

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[445] The lists of factors that the various federal circuit courts use, all of which are different in detail but similar in substance, are nonexclusive. *See* DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, § 10.01[2] ("Any fact relevant to the likelihood of confusion is eligible for consideration, for the touchstone is commercial reality, and the methodology is common sense.").

[446] L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1130-31, 25 U.S.P.Q.2d (BNA) 1913, 1923 (Fed. Cir. 1993) (quoting Coach Leatherware Co. v. Ann Taylor Inc., 933 F.2d 162, 169, 18 U.S.P.Q.2d (BNA) 1907, 1913 (2d Cir. 1991) (other citation omitted).

[447] *See supra* note 439; *see generally* DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, § 10.01[2], [3].

[448] *Cf.* James Burrough Ltd. v. Sign of the Beefeater, Inc., 540 F.2d 266, 275, 192 U.S.P.Q.2d (BNA) 555, 562 (7th Cir. 1976) (trademark use):

> It is of course proper to consider similarities and dissimilarities between the marks in their entireties as one element in determining likelihood of confusion. But the comparison is not that involved in testing for copyright infringement. Though the marks must be compared, they must be compared in the light of what occurs in the marketplace, not in the courtroom.

competitor is entitled to copy the plaintiff's unpatented product features as long as there is no likelihood of confusion.[453] As a result, "the underlying policies of federal trademark law, and the nature of the protection afforded, do not approximate the sweeping, perpetual patent-like state statutes that the Supreme Court found impermissible in *Sears*, *Compco*, and *Bonito Boats*."[454]

G. *The Flexibility Of Trade Symbol Remedies*

The vast doctrinal gulf between patent and trade symbol infringement[455] has two principal consequences. First, it belies the simplistic notion that trade symbol protection is the equivalent of a

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[453] *See supra* note 76; *see also, e.g.*, Knitwaves, Inc. v. Lollytogs, Ltd., 71 F.3d 996, 1006, 36 U.S.P.Q.2d (BNA) 1737, 1745 (2d Cir. 1995) ("According trademark protection to [plaintiff's] designs would not preclude [defendant] from using fall colors or motifs, squirrels or leaves. It would preclude only the use of designs so similar as to create a likelihood of confusion."); Kohler Co. v. Moen Inc., 12 F.3d 632, 640 n.10, 29 U.S.P.Q.2d (BNA) 1241, 1248 n.10 (7th Cir. 1993) ("Kohler is free to copy Moen's design so long as it insures that the public is not thereby deceived or confused into believing that its copy is a Moen faucet."); *L.A. Gear*, 988 F.2d at 1131, 25 U.S.P.Q.2d (BNA) at 1923 ("If likelihood of confusion is avoided, copying of trade dress can not be prevented under § 43(a).").

[454] *Kohler*, 12 F.3d at 641-42, 29 U.S.P.Q.2d (BNA) at 1249; *see also L.A. Gear*, 988 F.2d at 1131-32, 25 U.S.P.Q.2d (BNA) at 1924 ("Under § 43(a) the statutory requirement of likelihood of confusion must be met, in order to prohibit copying of the design of a product."); *Ferrari*, 944 F.2d at 1240-41, 20 U.S.P.Q.2d (BNA) at 1006-07 (finding no conflict because trademark and patent law are distinct fields with differing requirements, which exist independently of each other).

"The trademark owner has an indefinite term of protection, it is true, but in an infringement suit must also prove secondary meaning and likelihood of confusion, which the owner of a design patent need not do; there is therefore no necessary inconsistency between the two modes of protection." *Kohler*, 12 F.3d at 638, 29 U.S.P.Q.2d (BNA) at 1246 (quoting W. T. Rogers Co. v. Keene, 778 F.2d 334, 337, 228 U.S.P.Q. (BNA) 145, 145-46 (7th Cir. 1985)) (footnote omitted).

[455] *See supra* text accompanying notes 423-54.

making, using, selling, importing, or offering for sale products with the patented feature must be enjoined.[461] In all of the two-century history of patent law in the United States, there are only a handful of cases denying such injunctive relief after a full trial, and of those all but two--apparently aberrant cases[462]--were based on unusual,

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U.S.P.Q. (BNA) 676, 677 (Fed. Cir. 1985) (permanent injunction should be granted in ordinary case); Trans World Mfg. Corp. v. Al Nyman & Sons, Inc., 750 F.2d 1552, 1564-65, 224 U.S.P.Q. (BNA) 259, 266-67 (Fed. Cir. 1984) (it is an abuse of discretion not to grant injunction against unauthorized use of patented design, unless jury awards damages for use over entire life of patent).

[461] *See supra* note 457; *see also* 35 U.S.C. § 283 (1994) (authorizing injunctive relief generally "in accordance with the principles of equity").

[462] *See* Foster v. American Mach. & Foundry Co., 492 F.2d 1317, 1319, 182 U.S.P.Q. (BNA) 1, 3, 6 (2d Cir. 1974) (denying permanent injunction in favor of damages measured by reasonable royalty where patentee was patent attorney who had "never engaged in any manufacturing or other business connected with the patent"); Hoe v. Boston Daily Advertiser Corp., 14 F. 914, 915-16 (C.C. Mass. 1883) (denying injunction where large unpatented machine contained small patented improvement, which would have been hard to remove).

No doubt even these results would be deemed aberrational today. Under current theory, the value of a patent is determined not by the courts, but by voluntary transactions in the marketplace. The requirement for voluntary transactions in turn is made real by the patentee's near-absolute right to exclude, which includes the right to refuse to license or use a patent during the limited patent term. *See* 35 U.S.C. § 271(d)(4) (refusing to license or use is not misuse or illegal extension of patent right).

A third decision appears to have been based on the plaintiff's attempt to use a patent to exert improper leverage over third parties. *See* Nerney v. New York, N. H. & H. R. Co., 83 F.2d 409, 410-11 (2d Cir. 1936) (refusing to enjoin rail yard's temporary and incidental use of infringing hand brakes owned by third parties while their rail cars were in yard, where plaintiff apparently had sued yard in order to coerce third parties, who apparently were not sued). *See generally* DRATLER, LICENSING, *supra* note

Infringement in trade symbol law consists not just of making, using, selling, importing, or offering a particular product for sale,[465] but of the existence in the marketplace of an entire congeries of circumstances that leads to a likelihood of confusion among the relevant consumers.[466] While the presence or absence of that likelihood is, like all judicial determinations of liability, a binary decision (yes or no), the remedy is not. Any change in circumstances that reduces the likelihood of confusion to a mere possibility (or less) eliminates the infringement.

Courts can remedy trade symbol infringement by ordering any change in circumstances having that effect. Among other things, they may remedy infringement by ordering relatively minor changes in the form or substance of a trade symbol.[467] They may require the use of geographic or explanatory modifiers[468] or disclaimers[469], or the

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[465] *Cf. supra note* 457 (patent infringement).

[466] *See supra* text accompanying notes 438-54.

[467] *See George Basch*, 968 F.2d at 1542, 23 U.S.P.Q.2d (BNA) at 1360 (minimal likelihood of confusion required only "minimal correction").

[468] *See* Keene Corp. v. Paraflex Indus., 653 F.2d 822, 824, 828, 211 U.S.P.Q. (BNA) 201, 202, 206 (3d Cir. 1981) (affirming injunction requiring defendant just to add metal plates to its copies of plaintiff's lighting fixtures bearing legends "Made in Taiwan" and "Not a Product of Keene Corporation").

[469] *See* G.D. Searle & Co. v. Hudson Pharm. Corp., 715 F.2d 837, 840, 842, 220 U.S.P.Q. (BNA) 496, 498-500, 501-02 (3d Cir. 1983) (with disclaimer of affiliation, laxative producer could continue to use similar trade dress and legend characterizing its product as "equivalent" to plaintiff's); *Keene*, 653 F.2d at 824, 828, 211 U.S.P.Q. (BNA) at 206; *see also* Soltex Polymer Corp. v. Fortex Indus., Inc., 832 F.2d 1325, 1329-30, 4 U.S.P.Q. 2d (BNA) 1785, 1788 (2d Cir. 1987) (disclaimer was appropriate where defendant had acted in good faith, buyers were sophisticated, and potential confusion was "minimal or moderate"); *cf.* Frisch's Restaurants, Inc. v. Elby's Big Boy of Steubenville, Inc., 670 F.2d 642, 645, 652, 214 U.S.P.Q. (BNA) 15, 17, 23 (6th Cir. 1982) (trademark case requiring disclaimers of affiliation in media advertising in plaintiff's trade territory); Societe Comptoir de L'Industrie

corrective advertising to curtail confusion.[473] If any one of these expedients is not enough to convert a likelihood of confusion into a mere possibility by itself, courts can order them in combination. In this way, they can remedy trademark infringement without ever coming close to the equivalent of a patent remedy, i.e., a remedy that stops product distribution dead in its tracks.[474]

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204 U.S.P.Q. (BNA) 177, 186 (7th Cir. 1979); Ideassociates, Inc. v. Ideatech, Inc., 704 F. Supp. 294, 295-96 (D.D.C. 1989).

[473] Courts may order defendants to undertake corrective advertising for this purpose. *See Abbott Labs.*, 971 F.2d at 18, 23 U.S.P.Q.2d (BNA) at 1671 (suggesting that plaintiff could get order to have defendant do corrective advertising); Taco Cabana Int'l, Inc. v. Two Pesos, Inc., 932 F.2d 1113, 1126, 19 U.S.P.Q.2d (BNA) 1253, 1263 (5th Cir. 1991) (upholding order requiring defendant to do corrective advertising in trade dress case) (citing *Frisch's Restaurants*, 670 F.2d at 650-51, 214 U.S.P.Q. (BNA) at 17, 22 (affirming district court's order for corrective advertising in trademark case)), *aff'd* 505 U.S. 763, 23 U.S.P.Q.2d (BNA) 1081 (1992).

In addition, courts may award plaintiffs their expenses of corrective advertising, so that they may do their own advertising to curtail confusion. *See, e.g.*, Adray v. Adry-Mart, Inc., 76 F.3d 984, 989, 37 U.S.P.Q.2d (BNA) 1872, 1876 (9th Cir. 1995) (allowing jury instruction for prospective award of corrective advertising expense, but "only to the extent that the amount of money needed for corrective advertising does not exceed the damage to the value of [plaintiff's] mark") (footnote omitted); Big O Tire Dealers, Inc. v. Goodyear Tire & Rubber Co., 561 F.2d 1365, 1374-76, 195 U.S.P.Q. (BNA) 417, 424-26 (10th Cir. 1977) (allowing prospective recovery of plaintiff's corrective advertising expenses to ameliorate reverse confusion); *cf.* U-Haul Int'l, Inc. v. Jartran, Inc., 793 F.2d 1034, 1041, 230 U.S.P.Q. (BNA) 343, 348 (9th Cir. 1986) (allowing recovery of plaintiff's corrective advertising expense incurred before trial in false advertising case).

[474] *See Ferrari*, 944 F.2d at 1250, 20 U.S.P.Q.2d (BNA) at 1014 (Kennedy, J., dissenting):

> [E]ven if I were to conclude that plaintiff's copies created confusion in the pre-sale context, I would tailor the remedy to protect only against such confusion; this would best be accomplished through adequate labelling. The majority's remedy goes well beyond protection of consumers against confusion as to a product's source. It protects the design

have served the goal of reliable shorthand identification of products, as well as the subsidiary purposes of trade symbol protection.[479] Restrictions on product distribution beyond this point may well begin to encroach on the domain of patent protection and provide unwarranted monopolies, i.e., patent protection on the cheap.[480] Accordingly, full-on injunctions against product distribution, based upon claims that an unpatented product configuration infringes the plaintiff's trade dress, should be relatively rare, since in most cases trade dress infringement can be avoided with a lesser remedy.[481]

S. Ct. 54 (1995); *Ferrari*, 944 F.2d at 1250, 20 U.S.P.Q.2d (BNA) at 1014, (Kennedy, J., dissenting).

[479] *See* George Basch Co. v. Blue Coral, Inc., 968 F.2d 1532, 1542, 23 U.S.P.Q.2d (BNA) 1351, 1360 (2d Cir. 1992) ("[T]he relief granted should be no broader than necessary to cure the effects of the harm caused.") (quoting Soltex Polymer Corp. v. Fortex Indus., Inc., 832 F.2d 1325, 1329, 4 U.S.P.Q.2d (BNA) 1785, 1788 (2d Cir. 1987)); *see also* Gleiberman, *supra* note 122, at 2051 ("Because section 43(a) liability rests on a finding that consumer confusion is likely, the relief granted should not require the defendant to take greater measures than necessary to eliminate the confusion.").

[480] *See supra* text accompanying notes 67-81; *cf.* Abbott Labs. v. Mead Johnson & Co., 971 F.2d 6, 19, 23 U.S.P.Q.2d (BNA) 1663, 1672 (7th Cir. 1992) (lower court committed error of law "by not addressing less severe remedies that would have addressed the allegedly false and misleading aspects of [defendant's product's advertising] campaign without eliminating it from the market.").

[481] *See George Basch*, 968 F.2d at 1542, 23 U.S.P.Q.2d (BNA) at 1359 ("[A] finding of likelihood of confusion in an infringement action does not automatically compel the issuance of an injunction . . . .") (citations omitted); *see also* TEC Eng'g Corp. v. Budget Molders Supply, Inc., 82 F.3d 542, 544, 546, 38 U.S.P.Q.2d (BNA) 1787, 1788, 1790 (1st Cir. 1996) (remanding for findings of fact and conclusions of law and suggesting that district court give special consideration to defendant's claim of overbreadth with respect to paragraph of preliminary injunction that prohibited manufacturing, marketing, and sale of "any other conveyor which is likely to cause confusion or mistake in the minds of the public or to deceive purchasers into the belief that the defendant's goods are the plaintiff's goods or are affiliated with or sponsored by the plaintiff")

curtailing the production and distribution of infringing products.[484] Where the parties' original labelling is enough to avoid confusion, courts refuse to grant any remedy at all.[485]

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[484] *See supra* text accompanying notes 467-71.

[485] *See, e.g., Versa Prods.*, 50 F.3d at 213, 33 U.S.P.Q.2d (BNA) at 1819-20 (labelling precluded likelihood of confusion where both manufacturers stamped their names on their products and attached to them metal labels bearing their differing logos, part numbers and names, and where defendant's label also contained its serial number, place of origin, telephone number, and fax number); Duraco Prods., Inc. v. Joy Plastic Enters., 40 F.3d 1431, 1453, 32 U.S.P.Q.2d (BNA) 1724, 1742 (3d Cir. 1994) ("The inference of unfair competition will be even weaker where the copier takes conspicuous steps--whether in packaging, trademark, marketing techniques, or otherwise--to distinguish its product from its competitor's."); Merriam-Webster, Inc. v. Random House, Inc., 35 F.3d 65, 71-72, 32 U.S.P.Q.2d (BNA) 1010, 1014 (2d Cir. 1993) (prominent use of logos and trade names on dictionary dust jackets avoided likelihood of confusion even considering trade dress as whole), *cert. denied*, 115 S. Ct. 1252 (1995); Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc., 973 F.2d 1033, 1046, 24 U.S.P.Q.2d (BNA) 1161, 1170 (2d Cir. 1992) (prominent use of trade names, which covered one-third of package, and differences in styles that reflected parties' different family of products, precluded likelihood of consumer confusion); Blue Bell Bio-Med. v. Cin-Bad, Inc., 864 F.2d 1253, 1260-61, 9 U.S.P.Q. (BNA) 1870, 1876 (5th Cir. 1989) (upholding denial of preliminary injunction where labels on hospital carts and purchasers' care dispelled likelihood of confusion despite similar trade dress); Stormy Clime, Ltd. v. Progroup, Inc., 809 F.2d 971, 977, 1 U.S.P.Q.2d (BNA) 2026, 2031 (2d Cir. 1987) (labeling of defendant's raincoats on inside of neck--customary location where consumers would expect to find labels--was factor that helped avoid confusion); Freixenet, S.A. v. Admiral Wine & Liquor Co., 731 F.2d 148, 151, 222 U.S.P.Q. (BNA) 770, 773 (3d Cir. 1984) (labeling on wine bottle was sufficient to avoid confusion despite copying of some aspects of trade dress); *Litton Sys.*, 728 F.2d at 1446-47, 221 U.S.P.Q. (BNA) at 112-13 (labeling of microwave ovens was sufficient to avoid confusion despite similar face designs); American Rolex Watch Corp. v. Ricoh Time Corp., 491 F.2d 877, 879, 180 U.S.P.Q. (BNA) 417, 417-18 (2d Cir. 1974) ("Rolex's reliance upon [section 43(a)] appears to be misplaced in view of the prominent display of 'Ricoh' on the challenged watch."); *Bose*, 467 F.2d at 309-11, 175 U.S.P.Q. (BNA) at 389-90 (labelling avoided confusion despite close copying of loudspeaker configuration); Pagliero v. Wallace China Co., 198 F.2d 339, 341, 344, 95 U.S.P.Q. (BNA) 45, 46, 49 (9th Cir. 1952) (modifying injunction to permit continued use of patterns but not verbal trademarks where defendant copied patterns for china but stamped its own name on the back); Reebok Int'l Ltd. v. Alon, 5

labelling is almost always sufficient to avoid confusion at the point of sale, it may be insufficient to avoid confusion under the circumstances,[487] for example, in various post-sale[488] contexts[489], in

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confusion unlikely, in light of all the circumstances."). *But cf. Ferrari*, 944 F.2d at 1250, 20 U.S.P.Q.2d (BNA) at 1014 (Kennedy, J., dissenting) (distinguishing other post-sale confusion cases as involving inaccurate or nonexistent labeling).

[487] *See L.A. Gear*, 988 F.2d at 1133, 25 U.S.P.Q.2d (BNA) at 1925 (power of labels to dispel confusion depends, *inter alia*, on strength of trademarks on labels, their prominence, and their dominance as features of entire trade dress) (citation omitted); *see also, e.g.*, Banff, Ltd. v. Federated Dep't Stores, 841 F.2d 486, 492, 6 U.S.P.Q.2d (BNA) 1187, 1192 (2d Cir. 1988) ("Bloomingdale's attachment of its company name below its standard typestyle 'B Wear' mark [did] not offset the mark's similarity because the name [was] in very small letters and [might] actually increase the misappropriation by linking defendant's name to plaintiff's goodwill.") (citation omitted).

[488] "'Post-sale confusion' refers to the association consumers might make between the allegedly infringing item and the familiar product [other than at the point of sale], thereby influencing their purchasing decisions." Insty*Bit, Inc. v. Poly-Tech Indus., 95 F.3d 663, 671, 39 U.S.P.Q.2d (BNA) 1961, 1967 (8th Cir. 1996) (citation omitted).

As an extreme example, consider a counterfeit Rolex watch. While a person who purchases the counterfeit for $25 is unlikely to be confused about the watch's origin, a *potential* purchaser who later sees the counterfeit watch in operation on the purchaser's wrist might be dissuaded from purchasing a real Rolex after seeing evidence of poor quality or shoddy work. *See* United States v. Torkington, 812 F.2d 1347, 1352, 1354, 2 U.S.P.Q.2d (BNA) 1166, 1170, 1172 (11th Cir. 1987) (criminal counterfeiting case). *See generally Insty*Bit*, 95 F.3d at 672, 39 U.S.P.Q.2d (BNA) at 1967 ("[A]n action for trademark infringement may be based on confusion of consumers other than direct purchasers, including observers of an allegedly infringing product in use by a direct purchaser.") (citations omitted).

Although post-sale confusion was originally recognized in cases involving registered trademarks, the same reasoning applies in trade dress cases. *See id.* ("[T]he Supreme Court's holding in *Two Pesos*, that the same analyses apply to the protection of trademarks and trade dress under § 43(a) of the [Lanham] Act, leads us to conclude that the likelihood of post-sale confusion may be considered in trade dress infringement actions."); (citing Payless Shoesource, Inc. v. Reebok Int'l Ltd., 998 F.2d 985, 989-990, 27 U.S.P.Q.2d

trade on the plaintiff's good will.[491] As a result, cases like those involving probable post-sale confusion present courts with the most difficult decisions.[492]

But whatever the level of probable confusion, courts have the power to tailor appropriate and limited remedies. Although courts often respond reflexively to remedies requested by the parties, they are not required to do so.[493] Just as a court may award a smaller

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fact existed as to whether spice jar's trade dress was inherently distinctive or had established secondary meaning, despite widespread private labelling), *cert. denied*, 115 S. Ct. 1356 (1995); *Badger Meter*, 13 F.3d at 1152, 29 U.S.P.Q.2d (BNA) at 1512 (rejecting defendant's argument that labelling should avoid confusion, despite similarities in trade dress, because of defendant's past practice of private-labelling other manufacturers' products). *But cf. Versa Prods.*, 50 F.3d at 214-16, 33 U.S.P.Q.2d (BNA) at 1820-22 (there was insufficient likelihood of confusion arising from possibility of private-labelling in absence of evidence that private-labelling was widespread in industry or likely under circumstances).

[491] *See* Paddington Corp. v. Attiki Importers & Distribs., Inc., 996 F.2d 577, 586, 27 U.S.P.Q.2d (BNA) 1189, 1195 (2d Cir. 1993) ("Where a second-comer acts in bad faith and intentionally copies a trademark or trade dress, a presumption arises that the copier has succeeded in causing confusion.") (citations omitted); Charles of the Ritz Group, Ltd. v. Quality King Distribs., Inc., 832 F.2d 1317, 1322, 4 U.S.P.Q.2d (BNA) 1778, 1782-83 (intentional copying in trademark case "bolsters a finding of consumer confusion"); Perfect Fit Indus. v. Acme Quilting Co., 618 F.2d 950, 954, 205 U.S.P.Q. (BNA) 297, 301-02 (2d Cir. 1980) (trade dress) (citations omitted).

[492] *See, e.g., Insty*Bit*, 95 F.3d at 672, 39 U.S.P.Q.2d (BNA) at 1967 (it was error for district court not to consider post-sale confusion where "consumers are often first exposed to [the] products in use (that is, outside of the package) and then go to a distributor to find these tools by attempting to match the products on the shelves with the ones they are seeking"); *L.A. Gear*, 988 F.2d at 1133, 25 U.S.P.Q.2d (BNA) at 1924 ("The entire product image must be considered, and all relevant factors must be weighed, in deciding whether [defendants'] labelling, by use of their own trademarks and by their placement on the shoes, served to dispel confusion.").

[493] *See, e.g.*, Badger Meter, Inc. v. Grinnell Corp., 13 F.3d 1145, 1150-51, 1153, 29 U.S.P.Q.2d (BNA) 1507, 1511, 1514 (7th Cir. 1994) (court did not grant broad injunction requested by plaintiff "but instead entered a fairly

This analysis suggests that the narrow isthmus of remedies, not the broad plain of policy, is the gound on which trade dress battles should be fought. There is no need for sweeping modifications to the doctrine of distinctiveness,[498] the doctrine of functionality,[499] or the standard for trademark infringement,[500] in order to accommodate trade dress protection for product configurations. The Supreme Court itself has suggested (in *Two Pesos*) that trade dress should be treated no differently than trademarks.[501] Although no product configuration was in question in its decision, the conceptual distance between the restaurant trade dress at issue there and a product's form was not terribly great.[502] It may be true that some of the details of the distinctiveness doctrine have no immediate translation from verbal marks to product configuration,[503] but that is largely irrelevant to the thrust of traditional distinctiveness doctrine properly construed.[504] That fact alone does not require wrenching changes in trade symbol doctrine simply to accommodate the basic principles of patent policy around which those doctrines were originally designed.

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[498] *See* Stuart Hall Co. v. Ampad Corp., 51 F.3d 780, 788, 34 U.S.P.Q.2d (BNA) 1428, 1434 (8th Cir. 1995) ("This circuit has followed *Abercrombie* in the past, and, in light of *Two Pesos*' approval, we see no reason to abandon the classic test now.").

[499] *Cf.* Vornado Air Circulation Sys. v. Duracraft Corp., 58 F.3d 1498, 1510, 35 U.S.P.Q.2d (BNA) 1332, 1342 (10th Cir. 1995) (opting to refuse trade dress protection to any patented feature, regardless of functionality) (quoted *supra* note 337), *cert. denied* 116 S.Ct. 753 (1996); Thomas & Betts Corp. v. Panduit Corp., 65 F.3d 654, 659, 36 U.S.P.Q.2d (BNA) 1065, 1069-70 (dictum: no product feature *disclosed* in patent, whether or not claimed, is eligible for protection as trade dress), *cert. denied*, 116 S. Ct. 1044 (1996).

[500] *See* Versa Prods. Co. v. Bifold Co., 50 F.3d 189, 201-08, 33 U.S.P.Q.2d (BNA) 1801, 1809-15 (3d Cir.), *cert. denied*, 116 S. Ct. 54 (1995) (outlined *supra* note 14).

[501] *See supra* notes 6, 141, 156.

[502] *See supra* note 141.

[503] *See supra* text accompanying notes 185-91.

[504] *See supra* text accompanying notes 190-215, 239-46.

IV. HARD CASES

Perhaps this analyis so far sounds too easy. "What about the hard cases?" the skeptical reader might ask. The hardest cases are those in which: (1) the product configuration at issue is clearly distinctive and nonfunctional; (2) the defendant slavishly copies it deliberately and in detail, marketing it through the same channels and to the same class of purchasers as the plaintiff; and (3) the nature of the product is such that labels are absent, inconspicuous, or invisible, at least in the post-sale context,[508] so that the usual remedy of corrective labeling[509] is unavailing. Under these circumstances the product configuration merits protection as trade dress because it

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effect. If product configurations are easily protected, consumers might learn to rely on configurations as source designators; if protection is rare, consumers will disregard product configurations as source designators, and no confusion will result.

Duraco Prods., Inc. v. Joy Plastic Enters., Ltd., 40 F.3d 1431, 1451, 32 U.S.P.Q.2d (BNA) 1724, 1740 (3d Cir. 1994).

This "worst case" scenario, however, seems likely only if trade dress protection does indeed provide a form of "cheap" patent protection. If remedies are tailored in accordance with the goals of trade symbol protection, that unfortunate result is far less likely. Producers will not be eager to arrange their product designs and marketing programs, for example, around litigation whose end result may be only to force their competitors to label and package their products unambiguously.

[508] It is hard to imagine a circumstance in which labels, tags or similar devices could not cure a likelihood of confusion at the point of sale. Even if the product is sold in bulk without packaging or labels, the defendant could be required to stamp each item, to label bins, boxes or other bulk containers, or, in extreme cases, to provide placards or stand-up signs declaring the source of its fungible products. *But see* Fabrication Enters. v. Hygenic Corp., 64 F.3d 53, 61, 35 U.S.P.Q.2d (BNA) 1753, 1758 (2d Cir. 1995) (plaintiff claimed that physical process of producing rubber exercise bands precluded marking them permanently).

[509] See accompanying text accompanying notes 466-72, 481-85.

fact have been functional,[519] the court easily could have found the plaintiff estopped to deny its functionality,[520] and in any event confusion was probably unlikely.[521] The only case of which I am aware that unambiguously and fully fits the foregoing profile of a hard case is *PAF S.r.l. v. Lisa Lighting Co.*[522]

The facts of this case were startling both in their simplicity and in the difficulty of the legal issues that they raised. The plaintiff had

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1727 (plaintiff's best efforts at proof produced only five alternative designs that achieved the same visual effect); *supra* text accompanying notes 181-207, 208-11. Or it could simply have upheld, as not clearly erroneous, the district court's finding of no inherent distinctiveness. *See Duraco*, 40 F.3d at 1436-37, 32 U.S.P.Q.2d (BNA) at 1727-28. Because the court found no secondary meaning, *see id.* at 1452-54, 32 U.S.P.Q.2d (BNA) at 1741-42, any of these variants would have justified dismissing the case.

[519] Under the test suggested here, the court should have considered alternatives to decide whether the spiral grill was functional because the grill was not claimed in the patent; it was just an element of a claim. *See supra* text accompanying notes 360-99. Alternatively, the court should have considered whether the disclosure of the sprial grill in Vornado's patent was of such a nature as to estop Vornado from denying the grill's functionality. *See supra* text accompanying notes 398-406. Since the court applied a *per se* rule and decided the case without considering the doctrine of functionality at all, however, it did not reach the either of these questions. *See supra* note 337.

[520] *See supra* text accompanying notes 398-406.

[521] *See* Vornado Air Circulation Sys. v. Duracraft Corp., 58 F.3d 1498, 1501, 35 U.S.P.Q.2d (BNA) 1332, 1334 (10th Cir. 1995), *cert denied*, 116 S. Ct. 753 (1996) (outlined *supra* note 341).

My own personal observation of Vornado fans also revealed a large "Vornado" label and a trademark capital "V," permanently and prominently mounted in the center of each spiral grill. Unless these trademarks were added after the events at issue in the case, they undoubtedly would do much to avoid any likelihood of confusion.

[522] 712 F. Supp. 394, 12 U.S.P.Q.2d (BNA) 1161 (S.D.N.Y. 1989).

My earlier article on this subject was prophetic in this regard; it described, as a hypothetical fact pattern, almost the exact circumstances of this case. *See* Dratler, *Trademark Protection*, *supra* note 7, at 972.

Indeed, the lamp was a veritable embodiment[529] of Judge Posner's admonition that nonfunctional features are those that are costly to design, rather than costly to design around.[530] As a result of its uniqueness and uniquely costly design, there was no basis for

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In any event, the design likely would have qualified as inherently distinctive under today's standards. Not only was it unique in the marketplace for nearly three years after its introduction, *see PAF*, 712 F. Supp. at 398-99, 12 U.S.P.Q.2d (BNA) at 1164, but customers often referred to it by name or manufacturer or described the design in purchasing the lamp. *See id.* at 404, 12 U.S.P.Q.2d (BNA) at 1168-69. Thus, there was a strong likelihood that potential purchasers viewed the design as indicative of a single source.

[528] *Id.* at 401-02, 12 U.S.P.Q.2d (BNA) at 1166-67 (finding design nonfunctional in view of "myriad design alternatives" for halogen lamps); *id.* at 398-99, 12 U.S.P.Q.2d (BNA) at 1164 (noting defendant's president's admission in letter to same effect).

[529] *Id.* at 402, 12 U.S.P.Q.2d (BNA) at 1167 (plaintiff's expert testified that production methods would make design more expensive than alternatives); *see also infra* note 532; *PAF*, 712 F. Supp. at 408-09, 12 U.S.P.Q.2d (BNA) at 1173 (defendant's lower-cost lamps had severe quality problems).

[530] *See* Schwinn Bicycle Co. v. Ross Bicycles, Inc., 870 F.2d 1176, 1189, 10 U.S.P.Q.2d (BNA) 1001, 1012 (7th Cir. 1989) (functional feature is "one that is costly to design around or do without, rather than one that is costly to have") (Posner, J.); *see also* Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 885-86, 31 U.S.P.Q.2d (BNA) 1481, 1498 (8th Cir. 1994) (Gibson, J., dissenting) (noting similarity between plaintiff's potpourri packaging, which was "more complex, expensive to produce and difficult to pack" than alternatives, and truck design in *Truck Equipment*, which engineer testified was "useless and would only gather road dirt and mud") (referring to Truck Equip. Serv. Co. V. Fruehauf Corp., 536 F.2d 1210, 1218, 191 U.S.P.Q. (BNA) 79, 85-86 (8th Cir.), *cert. denied*, 429 U.S. 861 (1976)).

The Seventh Circuit later elaborated on this test. *See* Abbott Labs. v. Mead Johnson & Co., 971 F.2d 6, 20, 23 U.S.P.Q.2d (BNA) 1663, 1674 (7th Cir. 1992) ("By 'costly,' we do not mean costly in some *de minimis* sense; nor do we mean fatally costly. Rather we mean costly in a way that will adversely affect a competitor's ability to produce and market a product of

deliberately infringed the lamp's trade dress,[535] the court also awarded the plaintiff an accounting of the defendant's profits.[536]

Although the court found no conflict with patent policy,[537] the facts of the case presented the oft-feared conflict[538] in stark relief. On the one hand, the court was faced with a clearly deliberate attempt to trade on the good will established by an original, distinctive, and nonfunctional product design. On the other hand, the design was not protected by design patent, utility patent, or copyright,[539] and

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[plaintiff's lamp.]" *Id.* at 412-13, 12 U.S.P.Q.2d (BNA) at 1176.

Three years later, the same court awarded a similar permanent injunction against the lamp's Taiwanese manufacturer, which covered both the model at issue in the first case and a later model. *See* Lon Tai Shing Co. v. Koch & Lowy, 21 U.S.P.Q.2d (BNA) 1858, 1859 (S.D.N.Y. 1992).

[535] *See supra* text accompanying notes 532-33, and notes 527, 533.

[536] *See PAF*, 712 F. Supp. at 413-14, 12 U.S.P.Q.2d (BNA) at 1177 (granting accounting of profits due to willful infringement and performing accounting at same time).

In the later companion case, the court refused to award an accounting of profits against the Taiwanese manufacturer of the same lamp, for lack of proof that its infringement had been deliberate. *See Lon Tai Shing Co.*, 21 U.S.P.Q.2d (BNA) at 1861 (S.D.N.Y. 1992) (denying profits award for lack of proof that manufacturer "knowingly became part of any palming off perpetrated by its distributors or retailers[,]" where it had sought advice of U.S. counsel on both patent and trade dress protection under U.S. law and sought and had received its own design patent on its second model) (citation omitted).

[537] *See PAF*, 712 F. Supp. at 412 n.19, 12 U.S.P.Q.2d (BNA) at 1176 n.19 (reasoning that "preemption [was] not an issue" and that cases "where the defendant has attempted to palm off his goods as those of the plaintiff . . . either go beyond or are not equivalent to federal copyright and patent laws.") (citations omitted).

[538] *See supra* text accompanying notes 67-81.

[539] The design likely would have qualified for a design patent. The Italian producer, however, apparently had been confused by differences between

contrary rule of law would require producers to make products less attractive to consumers in the interests of achieving trade symbol protection--a result wholly at odds with both the goals of trade symbol protection and the fundamental economic policy of free competition.[546] Yet by making its trade dress the primary source identifier in this manner, a producer increases the risk of perpetual protection and therefore conflict with patent policy.

If the courts are as determined to protect the "right to copy" unpatented and uncopyrighted designs from federal encroachment as they are from state encroachment,[547] then a perpetual injunction, unlimited in time, against copying such a product in any form is an unattractive option under these circumstances. Such an injunction would realize the worst fears of those who worry about the subversion of patent policy: protection like that offered by a design patent, for an unconstitutionally unlimited time, without satisfying the stiff requirements for patent protection.[548] In cases like this it is no answer, as it might be in others, to say that the injunction could be limited to the particular circumstances that create a likelihood of confusion. For in this case the design was, by its nature, applicable to no other products, and the products, channels of distribution and advertising, and customers of the plaintiff and defendant were necessarily the same. Hence, the multi-factor test for likelihood of

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U.S.P.Q.2d (BNA) 1001, 1012 (6th Cir. 1991) (finding labeling inadequate and affirming perpetual injunction against making cheap replicas of Ferrari's "Daytona" classics). Similarly, how many purchasers of upscale "designer" faucets want to be confronted with their producer's name or logo every day during their morning ablutions? *Cf.* Kohler Co. v. Moen Inc., 12 F.3d 632, 29 U.S.P.Q.2d (BNA) 1241 (7th Cir. 1993) (discussed *supra* text accompanying notes 512-13).

[546] *See supra* text accompanying notes 42-58.

[547] *See supra* text accompanying notes 102-05, 117-28.

[548] *See supra* text accompanying notes 67-81, 102-04, 117-28, 246-50, 256-300.

the plaintiff.[552] In each case the defendant could, without undue damage to patent policy, be liable for damages relating to interim sales.[553] Each of these alternatives would require the defendant, by action or advertising, to avoid a likelihood of confusion and, in effect, to identify the plaintiff as the design's originator and itself as a

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[552] Corrective advertising is common relief in cases of so-called "reverse" confusion--in which a larger firm, by usurping the trade symbol of a smaller firm, makes the public think the smaller firm is the copyist. *See supra* note 473; *see also* Fisons Horticulture, Inc. v. Vigoro Indus., 30 F.3d 466, 474, 31 U.S.P.Q.2d (BNA) 1592, 1598 (3d Cir. 1994) ("Reverse confusion occurs when a larger, more powerful company uses the trademark of a smaller, less powerful senior owner and thereby causes likely confusion as to the source of the senior user's goods or services.") (citations omitted). The same remedy is appropriate in product configuration cases because they often resemble the reverse confusion paradigm, for example, when a powerful defendant copies a plaintiff's original product design at a lower retail price. *See* Stuart Hall Co. v. Ampad Corp., 51 F.3d 780, 783, 34 U.S.P.Q.2d (BNA) 1428, 1429-30 (8th Cir. 1995) (defendant's executive planner pads used graphics and text "almost identical" to those of plaintiff's pads, were apparently copied from plaintiff's pads, and were sold to Wal-Mart "as a replacement for [plaintiff's] products at a lower price"); *cf.* Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 226, 140 U.S.P.Q. (BNA) 524, 526 (1964) (defendant Sears made "substantially exact copy" of plaintiff's lamp and sold it at retail price for "about the same" as plaintiff's wholesale price).

[553] Damages would not be awarded just for copying the design, but for failing to avoid confusion in doing so. Moreover, the amounts recoverable would be limited to the diversion of trade resulting from actual confusion or (in the case of an accounting for profits) the usurpation of goodwill resulting from actual confusion caused by bad-faith infringement. *See supra* note 464. Once the defendant, whether under injunctive order or otherwise, took adequate steps to avoid a likelihood of confusion, liability for damages would cease.

If a plaintiff waited until the statute of limitations has expired and then sued for damages and no injunction, a court could decide to award no damages, even if they were otherwise deserved, because of the delay. Courts have this discretion in federal trade symbol cases because all damage recoveries (including the defendant's profits) are "subject to the principles of equity." Lanham Act § 35(a), 15 U.S.C. § 1117(a) (1994). *See generally* DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, § 12.02[1][e] (damages), 12.04[5] (profits).

protection absolutely for a feature mentioned in a patent,[557] unless the feature is claimed as such and the patent has expired.[558] The existing doctrines of distinctiveness and functionality, coupled with the ubiquitous multi-factor standard of likelihood of confusion,[559] should suffice to prevent conflict with patent policy.

Any drastic change in doctrine, however well intended, would only be counterproductive. It would increase confusion and uncertainty and thereby open the floodgates of litigation even wider. More important, by increasing uncertainty and decreasing the clarity of the law, it might provide unwarranted protection for larger companies, because uncertainty inevitably favors those with greater resources to spend on litigation.

The second major point to be underscored relates to the fear of euncroaching on the domain of patent law. If existing doctrines of trade dress protection are properly applied, there should be much less danger of granting the equivalent of perpetual patent protection than courts now fear. Properly construed, the distinctiveness requirement alone should eliminate a large number of contenders for trade dress protection of product configurations, including those that are common or widely used and those that have few viable alternatives.[560] Features and combinations of features that are commonplace, ordinary, expected, or constrained by industry custom or convention should not be deemed inherently distinctive.[561]

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[557] *See supra* text accompanying notes 380-97.

[558] *See supra* text accompanying notes 325-35. Depending on the circumstances, however, a patentee might be estopped from denying that a feature disclosed in a patent is functional, or the disclosure might serve as evidence of its functionality. *See supra* text accompanying notes 397-406.

[559] *See supra* text accompanying notes 439-54.

[560] *See supra* text accompanying notes 144-49, 181-246.

[561] *See supra* text accompanying notes 144-49, 219-21.

When this analysis is done, the flexibility and fact dependence of the doctrines of distinctiveness and functionality should justify denying protection to product configurations in all but a fraction of cases--namely, those in which the configurations truly require protection to advance primary goal of trade dress protection: quick and efficient shorthand source identification in the real marketplace.[568] Of those remaining cases, the multi-factor analysis of likelihood of confusion[569] should eliminate another substantial part, on the ground that differences in the symbols, the products, or the commercial context in which they appear--including labels, packaging, and other trade dress--render confusion a mere possibility, rather than a probability.[570] For those cases that survive this gauntlet, the remedy is the key to avoiding conflict between the goals and policies underlying patent and trade symbol law.[571]

Those policies are quite different and generally not in conflict.[572] However, they can be brought into conflict if courts are

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10, 23 U.S.P.Q.2d (BNA) at 1253-56. In essence, the second step denies protection to those aspects identified in the first for which commercially viable alternative forms of expression are constrained by circumstances. The final step involves comparing, as a whole, what remains after filtering with the defendant's program in order to determine whether enough has been taken to find infringement. *See id.* at 710, 23 U.S.P.Q.2d (BNA) at 1256. The analogous process of analysis for product configurations would involve: (1) abstracting those aspects of the product configuration that *may* serve as source identifiers, (2) filtering out those aspects that cannot legitimately serve as source identifiers because they are common, dictated by utilitarian function or aesthetic appeal, or have too small a range of unconstrained alternatives, and (3) determining if defendant's borrowing of what is left, as a whole and under all the circumstances of the marketplace, creates a likelihood of confusion.

[568] *See supra* text accompanying notes 50-58.

[569] *See supra* text accompanying notes 438-54.

[570] *See supra* text accompanying notes 464-74.

[571] *See supra* text accompanying notes 455-507, 549-56.

[572] *See supra* text accompanying notes 41-65, 67-99, 287-423.

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THE REVISION OF THE HAGUE AGREEMENT CONCERNING THE INTERNATIONAL DEPOSIT OF INDUSTRIAL DESIGNS

François Curchod[*]

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believed that, after the sixth session, that will take place in Geneva from November 4 to 8, 1996,[4] a further session of the Committee of Experts will be needed, which should take place in 1997. Therefore, the diplomatic conference, which will adopt the new treaty, cannot take place before 1998.[5]

II. THE TWO OBJECTIVES OF THE REVISION

The draft new Act ("the new draft"), which will be discussed by the Committee of Experts in November 1996, has been prepared with two main objectives in mind: first, expanding the geographical scope of the Hague system for the international registration of industrial designs; and, second, making the Hague system a more efficient instrument for obtaining protection for industrial designs in more than one country, especially for the design-intensive industries, and in particular the textile and fashion industries.[6] These two objectives are not always immediately compatible. Expanding the geographical scope requires the accommodation of at least the basic requirements of States whose law requires the examination of applications as to substance. Such an accommodation, in turn, requires, for example, the extension of the time period allowed for the refusal of the effect of an international registration. This extension, in turn, runs contrary to the desire of various industries, particularly those in which product cycles are short, to obtain protection as quickly as possible.[7]

In addressing the first objective of expanded geographical scope, the approach adopted in the drafts considered by the Committee of Experts to date has involved the addition of a further

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[4] *Committee of Experts on the Development of the Hague Agreement: Sixth Session*, 2 INDUS. PROP. & COPYRIGHT 260 (1996). This paper does not reflect the results of the Sixth Session, held in the meantime (see, however, *infra* note 16).

[5] INDUS. PROP. 1995, *supra* note 1, at 272.

[6] *Id.* at 271.

[7] *Id.*

by applicants designating Contracting Parties that have, and intend to maintain, a substantive examination system.[14]

There would be limits, however, placed on the registration requirements for "Chapter II Contracting Parties," particularly with regard to the reproduction of the industrial design and the description. Such limits would result from provisions that, because of their detailed technical character, are proposed as part of the Regulations under the new Act. Another important limitation is the proposed exclusion of the application of the so-called "*Hilmer* doctrine," which, as desired by the vast majority of the participants in the fifth session of the Committee of Experts, results from the omission of Article X, a square bracketed clause included in the draft submitted to the fifth session of the Committee of Experts.[15]

A complex system providing for restrictions on designations of Contracting Parties having a substantive examination system and those without such a system was prepared for the Sixth Session of the Committee of Experts.[16]

IV. OTHER MAIN FEATURES OF THE REVISION

The other main features of the revised system for the international registration of industrial designs under the Hague Agreement envisaged by the new draft are as follows:

(1) Both States and "regional organizations"[17] would be eligible to become parties to the new Act;[18]

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[14] *Id.*

[15] INDUS. PROP. 1994, *supra* note 1, at 188 (opposition); INDUS. PROP. 1993, *supra* note 1, at 404 (Art. 10).

[16] That system is not described in this paper since it will not be maintained in view of the opposition it met from the vast majority of the participants of the Sixth Session.

[17] Since then, the expression "regional organizations" has been replaced by "intergovernmental organizations."

[18] *Id.* at 396.

purpose.[24] In such cases, the period of one month allowed for the transmission of an international application from the intermediary filing Office to the International Bureau may be extended to three months without affecting the filing date. At the request of the Delegation of the United States at the Committee of Experts, a provision was made to allow for an extension of this period up to six months without affecting the filing date, provided that the Office concerned (for all practical purposes, the United States Patent and Trademark Office) notifies both the International Bureau and the applicant that, due to the security clearance, the three-month time limit cannot be respected. If the applicable time limit--one month, three months, or six months, as the case may be--for the transmission of the international application to the International Bureau is not observed, the filing date will be the date on which the International Bureau receives the international application.[25]

(4) In order to accommodate some of the varying requirements of the different national and regional systems for the registration of industrial designs, the revised system envisages three different categories of requirements in an international application:

(a) The first category covers the requirements that all international applications, regardless of which Contracting Parties are designated, must satisfy in order to register in the International Register the industrial design that is the subject of the international application. The requirements in the first category correspond to those requirements which would need to be satisfied in all Contracting Parties in a national (or regional) application for a filing date to be accorded to the national (or regional) application under the law of each of those Contracting Parties.[26]

(b) The second category covers certain additional requirements specified in Chapter II that must be satisfied in an

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[24] *Id.*

[25] INDUS. PROP. 1994, *supra* note 1, at 183.

[26] INDUS. PROP. 1992, *supra* note 1, at 206.

(5) The date of an international registration would be the filing date[29] of the international application, subject to provisions requiring the postponement of the date of international registration in the case of certain irregularities.[30]

(6) The international application may contain a request for deferment of publication. A flexible system is provided with respect to deferment of publication in order to accommodate differing national (or regional) approaches to deferment. Essentially, where an international application contains a request to defer publication, publication would be deferred for the shortest period of deferment recognized under the applicable laws of all of the designated Contracting Parties. Thus, for example, if two Contracting Parties were designated, and they recognized under their applicable laws deferment of publication for periods of twelve and twenty-four months, respectively, publication of the international application would be deferred for a period of twelve months. In any case, the maximum period of deferment of publication is thirty months. It is also possible that a Contracting Party refuses to recognize deferment of publication under its laws. If an international application containing a request for deferment of publication designated such a Contracting Party, the applicant would be notified by the International Bureau that deferment of publication would not be possible with respect to that designated Contracting Party. If the applicant did not withdraw the designation of that Contracting Party within a certain time limit, the request for deferment of publication in the international application would be disregarded by the International Bureau.[31]

(7) Designated Contracting Parties may refuse to recognize an international registration. The normal period allowed to communicate a refusal is six months, but may be extended up to

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[29] *See supra* section IV, ¶ 3.

[30] INDUS. PROP. 1993, *supra* note 1, at 397.

[31] *Id.*

international registration upon the expiration of the deferment period. Only a prescribed portion of the international registration fee must be paid at the time of filing the international application, the balance being payable two months before the expiration of the deferment period.[35]

(10) Each designated Contracting Party must recognize a minimum period of fifteen years, subject to renewal, from the date of international registration to the expiration of the period of protection obtained through international registration. Any designated Contracting Party whose applicable law allows for a longer period of protection must recognize the equivalent, longer period of protection.[36]

(11) A saving provision is included to confirm that the new Act would not affect any other equivalent or greater form of protection accorded by the applicable law of a Contracting Party, any protection accorded to works of art or works of applied art by international copyright treaties and conventions, or any protection accorded to industrial designs under the Agreement on Trade-Related Aspects of Intellectual Property Rights.[37]

(12) If the new Act is to take the form of a revision of the Hague Agreement, Contracting Parties would be members of the same Union as States that are party to the 1934 Act or the 1960 Act.[38] It is intended that two provisions be included in the administrative and final clauses of the new Act that would be designed to ensure that the new Act would not come into force unless and until there are a sufficient number of Contracting Parties having sufficiently important

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[35] *Id.* at 398.

[36] *Id.*

[37] Agreement on Trade-Related Aspects of Intellectual Property Rights Including Trade In Counterfeit Goods, *opened for signature* Apr. 15, 1994, 33 I.L.M. 81; INDUS. PROP. 1993, *supra* note 1, at 398.

[38] Hague Agreement, *supra* note 2.

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FEDERALIZED FUNCTIONALISM: THE FUTURE OF DESIGN PROTECTION IN THE EUROPEAN UNION

Graeme B. Dinwoodie[*]

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[*] © 1997 Graeme B. Dinwoodie. Associate Professor of Law, University of Cincinnati College of Law; LL.B., Glasgow University, 1987; LL.M., Harvard Law School, 1988. This Article is based upon a presentation made to the National Conference on Industrial Design on October 23, 1996, in Washington, D.C. My thanks to Professor William Fryer for providing me with the opportunity to air my views on the E.U. proposals at that conference. This Article is also part of a larger study I have been conducting of intellectual property protection for industrial designs under U.S. and E.U. law, and was written in partial fulfillment of the requirements for the degree of Doctor of the Science of Law in the Faculty of Law, Columbia University. I am very grateful to Jane Ginsburg, Chair of my J.S.D. Committee at Columbia Law School, both for her support and encouragement of that project, and for her insightful comments on earlier drafts of this Article. I am also indebted to Lionel Bently, Kenneth Campbell, Paul Caron, Denis Edwards, Brian Havel, Donna Nagy, Jerry Reichman and Michael Van Alstine for providing comments on earlier drafts of this Article and to my research assistant, Kevin Bowman, for his invaluable help. Responsibility for the views expressed and any errors

I. INTRODUCTION

The protection of designs throughout the countries of the European Union ("E.U.")[1] is on the threshold of significant change. The Council of Ministers of the European Community recently moved closer to the adoption of legislation that would create unitary E.U.-wide sui generis design rights.[2] This legislation is intended to replace the patchwork of intellectual property laws currently protecting designs in the fifteen Member States of the Union with a common system of rights at both the national and Community levels. The proposals boast the potential, however, not only to effect reform throughout Europe but also to establish a model for industrial design protection internationally.[3] Recent legislative developments involving intellectual property law in the E.U. have found an echo in

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[1] The term "E.U." has been used somewhat indiscriminately in popular and political circles to identify the source of proposals or statements emanating from either the European Union or its inter-governmental or community components. Article A of the Treaty on European Union (the "Maastricht Treaty") established the European Union ("E.U."), which rests on "three pillars": (1) the European Communities (i.e., the former European Economic Community now renamed the "European Community" or "E.C.", the European Coal and Steel Community, and the European Atomic Energy Community); (2) the process of formal intergovernmental cooperation in the fields of foreign and security policy; and (3) intergovernmental cooperation in justice and home affairs. *See* E.C. INTELLECTUAL PROPERTY MATERIALS xi (Anna Booy & Audrey Horton eds., 1994). In this Article, on occasion I use the term "E.U."; however, strictly speaking, the design proposals are being pursued through the legislative workings of the E.C.

[2] *See infra* text accompanying notes 74-82 (explaining current status of proposals).

[3] See Annette Kur, *TRIPs and Design Protection* 141, 159, *in* FROM GATT TO TRIPS -- THE AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS (Friedrich-Karl Beier & Gerard Schricker eds., 1996) (suggesting that the European Union design harmonization exercise may stimulate global approximation of design protection systems); *see, e.g.*, Paul Tackaberry, *Intellectual Property Laws in the Hong Kong SAR: Localization and Internationalization*, 42 MCGILL L.J. (forthcoming 1997) (noting that the draft design of the law of the newly created Hong Kong

hand in international negotiations,[6] and the structure of existing international agreements may be sufficiently vague for the E.U. to consider leveraging its solution by conditioning rights for non-E.U. producers on reciprocal protection abroad for European producers.[7] This article concludes that while the E.U. proposals embrace many principles that should provide the foundation of any model system of design protection, we cannot yet hail the construction of a prototypical design regime (or even a design regime that will rationalize protection within the countries of the European Union).

Part II of the Article describes the objectives that lie behind the European initiative and explains the legislative means chosen by the Commission to realize those objectives. The long-term, global influence of the proposals will stem from devising a system that

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[6] *See* Green Paper on the Legal Protection of Industrial Design, Working Document of the Services of the Commission, Doc. # 111/F/5131/91-EN (1991) ¶ 3.5.2 [hereinafter Green Paper] ("[U]nifying the Community legislation in this field would automatically strengthen the negotiating position of the Community in the international framework.").

[7] The U.K. Government took the position that it could condition *its* Unregistered Design Right on reciprocal protection without violating its obligations under either the Paris or Berne Conventions. *See* CHRISTINE FELLNER, INDUSTRIAL DESIGN LAW 125-126 (Sweet & Maxwell 1995) (explaining reasoning of the U.K. Government). While the GATT/TRIPS Agreement retained the exceptions to national treatment found in the Paris and Berne Conventions, *see* The Agreement on Trade-Related Aspects of Intellectual Property Rights Including Trade in Counterfeit Goods, *opened for signature*, April 15, 1994, 33 I.L.M. 81, art. 3 [hereinafter TRIPs], the TRIPs Agreement created "Most-Favoured-Nation" (MFN) obligations with respect to the grant of intellectual property rights. *See id.* art. 4. Some commentators have suggested that the MFN obligations contained in Article 4 should void conditions of material reciprocity such as those imposed with respect to the U.K.'s Unregistered Design Right. *See* J. H. Reichman, *Universal Minimum Standards of Intellectual Property Protection Under the TRIPS Component of the WTO Agreement*, 29 INTELL. LAW. 345, 349 n.27 (1995). Although the spirit of the TRIPs Agreement (and the Paris Convention) would suggest that design rights should be available on a national treatment basis, the Commission's intentions with respect to the conditions under which the Unregistered Community Design Right would be available to non-E.U. producers are not evident from the Green

derives from an insight that others might usefully consider--the value of multinational rights in an age of global product distribution, the elimination of the illusory distinction between aesthetic and functional designs, and the recognition that registration-based systems do not offer adequate protection to many design industries.

With each of these features, however, comes new and difficult issues. Supranational protection forces us to confront the relationship between these new federal rights and the myriad of different protections that exist under the various national laws. The protection of functional designs on the same terms as aesthetic designs raises questions about how to avoid the incidental protection of a product's function based on standards less rigorous than those demanded by the patent system, and requires reconsideration of the proper balance between creating incentives and ensuring competition. And the increased use of unregistered rights in the industrial arena brings into focus the nature and value of the registration process.

The E.U. proposals only partially meet the challenges presented by these issues. Although the European Commission sought to incorporate competition-motivated limits in the legislation, aspects of the current text appear over-protective and potentially anticompetitive. That text--the Common Position adopted by the Council of Ministers on March 13, 1997--fails to address adequately (over the Commission's objections) the competitive impact of providing car manufacturers with exclusive rights in automotive spare parts. And affording monopoly-type rights for a term longer than that provided by a patent on the basis of an unexamined registration application appears excessively protective, and likely to affect adversely the creative environment. These features of the Common Position mar its claim to provide an *appropriate* level of protection for functionalist design. Finally, as explained in Part V of the Article, the failure to ensure the supremacy of the new regime limits its capacity to rationalize design protection in Europe. Without preempting, or at least regulating the cumulation of, other national forms of protection, or harmonizing member state laws more broadly

character[11] of the laws by which designs are protected in the Member States threatens to disrupt the workings of a common market and to interfere with the free movement of goods upon which the E.U. is founded.[12] In addition, the wide divergence among Member States in the means by which designs are afforded protection generates additional expense and complications for the producer seeking to obtain protection for its design throughout the countries of the European Union.[13] Consider the following hypothetical involving a

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on The Coordination of Certain Rules Concerning Copyright and Rights Related to Copyright Applicable to Satellite Broadcasting and Cable Retransmission, 1993 O.J. (L 248).

[11] The exception to this within the E.U. is the Benelux countries, which have established a single system of protection throughout the territories of Belgium, the Netherlands, and Luxembourg. *See* Uniform Benelux Designs Law, signed as part of the Benelux Designs Convention on October 25, 1966, effective January 1, 1975, *reprinted in* 13 INDUS. PROP. 177-83 (1974).

[12] *See* Green Paper, *supra* note 6, ¶ 3.2.5. The European Court of Justice has struggled to reconcile the territorial nature of intellectual property protection and the principle of the free movement of goods upon which the E.U. is premised. For a recent example of the court's reconciliation of these two objectives, see Case C-9/93, IHT Internationale v. Ideal Standard, [1994] 3 C.M.L.R. 857 (exhaustion of trademark rights applies where the owner of the mark in the importing state and in the exporting state are the same or economically linked). The general rule of free movement of goods set out in Article 30 of the Treaty of Rome is expressly made subject to an exception for the assertion of national industrial property rights. *See* Treaty Establishing the European Community, as amended by the Treaty on European Union, art. 36 [hereinafter EC Treaty]. While the doctrine of exhaustion developed by the Court has limited the partition of the European market, where the rights in protected matter are owned in different states by persons with no economic relation, Article 36 may allow the assertion of those rights in derogation of the principle of free movement of goods. *See* Green Paper, *supra* note 6, ¶ 3.2.4 (citing example of protection of spare parts).

[13] No set of intellectual property laws is as disparate as the means by which the Member States of the European Union protect designs. *See* Green Paper, *supra* note 6, at 8 ("The Report [of the 1962 Commission Working Party on Industrial Designs] noted that the differences existing in national legislations were so extensive that it would be almost hopeless to undertake a harmonization."); Hugh Griffiths, *Overview of Developments*

countries of the E.U., most notably[16] France[17] and the Benelux[18] countries, the design of the coffee-maker might be protectable by copyright (against unauthorized reproduction) for a relatively long period of time.[19] Sole reliance on copyright protection would,

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[16] Copyright protection for designs may be available in other countries in certain circumstances. *See, e.g.*, Case No. 4 Ob 95/91, Decision of the Austrian Supreme Court (Nov. 5, 1991) (protecting design of Le Corbusier lounge chair under copyright law).

[17] *See* Marie-Angèle Pérot-Morel, *Specific Protection of Designs and its Relation to Protection by Copyright in French Law, in* DESIGN PROTECTION 45, 47 (H. Cohen Jehoram ed., 1976):

> French law considers that any creation of form bearing an adequate mark of its author's personality, whatever its purpose or usefulness, comes necessarily under [copyright law and specific design legislation.] The said Unity of Art Theory results in a rejection of any criterion of aesthetic creation which could allow industrial art to be separated from real art.

Id.; *see also* Loi sur la propriété littéraire et artistique [Law on literary and Artistic Property], No. 57-298 (Mar. 11, 1957), as amended by Law No. 86-660 (July 3, 1985) and Law No. 92-597 (July 1, 1992), art. 2 ("The provisions of this law shall protect the rights of authors in all intellectual works, regardless of the kind, form of expression, merit or purpose of such works."); Specific Law on Designs, of July 14, 1909, art. 1; *see generally* Yves Gaubiac, *La théorie de l'unité de l'art*, 111 REVUE INTERNATIONALE DU DROIT D'AUTEUR 2 (1981).

[18] *See* Screenoprints v. Citroën Nederland, (Benelux Court of Justice, 22 May 1987), *noted at* 3 EUR. INTELL. PROP. REV. 235 (1981) (construing liberally the requirement that a design have a "marked artistic character").

[19] Although French law permits cumulative protection under copyright and design law, *see supra* note 17, it does preclude the protection under those regimes of designs that are patentable and inseparable from the desired technical effect of the invention. *See* Specific Law on Designs, of July 14, 1909, art. 2 ("If the same object can be considered both as a new design and as a patentable invention, and if the elements which constitute the newness of the design are inseparable from those of the invention, the said object can be protected only [by patent]."); *see also* Marie-Angèle Pérot-Morel, *Protection of Designs and How it is Related to The Law of Patents in French Law*, in DESIGN PROTECTION, *supra* note 17, at 67, 68; Thermopac

industrially marketed designs.[24] Thus, although copyright protection is cheap to obtain, and slow to expire, our producer seeking truly European-wide protection must look to other forms of protection.

Most of the E.U. countries, including those in which copyright might be available, also offer some form of special design law that might protect the design of the producer's coffee-maker.[25] Indeed, although these protections typically last for a shorter period of time than copyright, and impose the cost of depositing or registering the design, they confer (in most countries) broader monopoly-type rights.[26] Thus the costs of registration might appear worthwhile; perhaps, even the cost of a separate (but similar) application in each Member State *might* be justified. The producer should not be too optimistic, however. Although nearly all the countries of the E.U. have enacted design laws of some sort, the elements of those systems diverge widely, even where those elements are similarly labeled.

The variations in the requirement that a design be "novel," nominally common to all Member States, illustrate graphically how

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[24] *See* Copyright, Designs & Patents Act, 1988, ch. 48, § 51; *see also* FELLNER, *supra* note 7, at 64-67 (section 51 should take most industrial designs out of copyright). Simultaneously, however, the U.K. offers even functional designs that satisfy a slightly more strenuous threshold a shorter version of copyright protection in the form of the unregistered design right. *See* Copyright, Designs & Patents Act, § 213 et sub.; *infra* note 121 (noting that threshold to protection under U.K. unregistered design right higher than copyright originality threshold).

[25] For example, the separability requirement that excludes copyright protection in Italy does not force the design into the public domain; it merely relegates the design to the protection of the Italian designs and models law. *See* Stefano Agostini, *Overview of Intellectual Property Legislation*, J. PROPRIETARY RIGHTS, Jan. 1995, at 8, 9.

[26] *See* Firth, *supra* note 14, at 43 ("In most jurisdictions an absolute monopoly is conferred [by special design protection] . . . but in Germany and France, the [protection offered] . . . is against imitation [of the design]."); *see also* Annette Kur, *The Green Paper's 'Design Approach'--What's Wrong With It?*, 15 EUR. INTELL. PROP. L. REV. 374, 375 (1993) (French

examination to which designs seeking this protection are subjected.[32] Finally, because our coffee-maker reflects the purest ideal of functionalism, and blends form imperceptibly with function, it may be denied protection in some Member States under an "ornamentality" or "eye-appeal" requirement. The United Kingdom, for example, offers registered design protection only to designs that "appeal to the eye," effectively excluding functional designs from protection.[33]

In short, our producer's coffee-maker might be novel in some countries, but not others; in some Member States, novelty might be insufficient to warrant protection; its functionalist pedigree may thwart claims of protection in many countries; and the applications to be filed *in each country* are by no means uniform, and may be subjected to different levels of scrutiny. Complexity and inconsistency are the hallmarks of design protection in Europe. And this brief description does not even address the additional options of trademark protection, unfair competition actions, and utility model protection that--again in varying ways in different Member States--

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[32] Some countries impose no substantive examination (for example, the Benelux, Italy, Germany, and Spain). Others, such as France, will examine as to certain grounds but conduct no search for prior art. Finally, the U.K. conducts a substantive examination prior to the grant of a registered design. *See* Firth, *supra* note 14, at 46.

[33] *See* Registered Designs Act, 1949, 12, 13, & 14 Geo. 6, ch. 88, § 1(1) (U.K.) (defining "designs" for purposes of the Registered Designs Act, as "features of shape, configuration, pattern or ornament applied to an article by any industrial process, being features which in the finished article appeal to or are judged by the eye . . ."). Countries other than the U.K. impose standards of ornamentality. *See* Firth, *supra* note 14, at 45-46 (listing Germany and Spain as imposing ornamental requirement). In contrast, Sweden, for example, extends its registered design protection to all designs, whether aesthetic or functional. *See* Awapatent, ABA SECTION ON INTELLECTUAL PROPERTY LAW, REPORT OF COMMITTEE ON INDUSTRIAL DESIGN ("FOREIGN DEVELOPMENTS"), *reprinted in* ANNUAL REPORT OF SECTION ON INTELLECTUAL PROPERTY LAW 367 (1994-1995).

supplementary process, an afterthought that by its concealment of the ugliness of utilitarian parts contributed to post-production marketing efforts. The primary unfinished functional design of the product was conceived of without reference to aesthetic considerations. In the early twentieth century, however, following the Bauhaus[38] emphasis upon form following function,[39] industrial design evolved to include

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HESKETT, INDUSTRIAL DESIGN 85 (1980). Led by William Morris and Philip Webb, the Arts and Crafts Movement rebelled against the values and aesthetics of the Industrial Revolution and the division of design and manufacture that had occurred during that period. *See* RALPH CAPLAN, BY DESIGN 40 (1982). *But see* HESKETT, *supra at* 19-20 (suggesting that the influence of Morris and followers, while great abroad, was limited in Britain, where industry perceived their views as based on a nostalgia for the craft and culture of the past). Its advocacy of pre-industrial values and its aversion to the ugliness of machine-made functional products had an incidental effect in the industrial arena, however, and led to the innovation of what literally might be called "applied art," i.e., art applied to a product in the final stages of its manufacture. This indiscriminate application of ornament was the earliest and most crude form of industrial design, allowing manufacturers to cater to the demands of novelty and fashion while retaining the constancy and standardization of product that contributed toward cheap production. *See id.* at 72 (discussing concept with respect to the commercial considerations of the U.S. automobile industry in the 1920s).

[38] The Bauhaus School of architecture, design and craftsmanship, was founded in Germany in 1919 by Walter Gropius (1883-1969) and was later led by Ludwig Mies van der Rohe. The Bauhaus emphasized the importance of simplicity and economy, and attempted to reconcile art and design with industrial techniques. Its historical significance lies not in the range of designed products emanating from it, but in its philosophical and educational influence. *See* HESKETT, *supra* note 37, at 103-104 ("Bauhaus products appear no more than a minuscule contribution from an avant-garde fringe group . . . [but] the fact of its enormous influence is undeniable. . . . What the Bauhaus was appears to have been less important than what its members and followers believed it to be. Its influence, far greater than the sum of its practical achievements, is above all a testimony to the power of ideas.").

[39] The precept that form should follow function was, of course, not exclusive to the Bauhaus. The phrase itself is often credited to Louis Sullivan, the important late nineteenth and early twentieth century

features.[43] Indeed, early U.S. efforts at more integrated design were commercially unsuccessful.[44] Eventually, however, led by designers such as Henry Dreyfuss, the integrated functionalism of the Europeans came to the United States and replaced the supplementary "styling" of the earlier years.[45]

Design made the transition to mass-produced goods not just as the reflection of a dominant artistic philosophy but also as a commercially dictated marketing strategy. Properly effected, the process of making functional products appear more aesthetically pleasing resulted in greater commercial success.[46] Manufacturers now

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[43] *See* HENRY DREYFUSS, DESIGNING FOR PEOPLE 69 (1955) (criticizing Detroit's habit of disguising form related to function with appendages of chrome teeth, disks and wings), *cited in* LORENZ, *supra* note 37, at 15. "From the very start, a yawning gulf developed between European and U.S. conceptions of industrial design: the one highly intellectual and dedicated to functional simplicity (what has often been described as 'working from the inside out'), the other a styling tool at the service of sales and advertising, where the exterior was all-important, and the inside mattered little." LORENZ, *supra* note 37, at 11.

[44] *See* LORENZ, *supra* note 37, at 15 (noting the failure of the Chrysler "Airflow").

[45] Arguably, European manufacturers also began paying greater heed to "styling," suggesting not so much a fundamental shift in world design but rather an assimilation that has tended to drift in favor of integrated functionalism. *See* HESKETT, *supra* note 37, at 123 & 126 (impact of "streamlining" felt outside the United States, the image conveyed by publications and films). Raymond Loewy, (1893-1984), a French-born designer who immigrated to America in 1919, claimed his design of the Sears, Roebuck Coldspot refrigerator to be the "first work commissioned as industrial design in America." RAYMOND LOEWY, INDUSTRIAL DESIGN 13 (1979).

[46] *See* LOEWY, *supra* note 45, at 10 (1979) ("Between two products equal in price, function and quality, the better looking will outsell the other"); *cf.* PAUL INGRASSIA AND JOSEPH B. WHITE, COMEBACK: THE FALL & RISE OF THE AMERICAN AUTOMOBILE INDUSTRY 179 (Simon & Schuster 1994) ("Because of dated designs [of the Chevrolet Cavalier] and poor quality, GM was forced to shell out $700 in retail discounts for every vehicle it sold in North

discard the shackles of orthodoxy contributes to design conservatism, and to the banality that such conservatism inevitably engenders.[51]

Yet, many national laws offer only limited protection to the functional (as opposed to ornamental) aspects of a product's design, although designs integrating form and function have become the most valuable facet of modern industrial design.[52] Acting on this premise,

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[51] *Cf.* Robin Laurence, *Appeal of Steel Enjoys A Retro-Revival*, VANCOUVER SUN, Aug. 12, 1995, at D5 (noting idealist beliefs concerning the effect of modernist industrial design on social and economic affairs). A legal regime that encourages minor ornamental variations on an uninspired theme also disserves the consuming public. A choice of similar variants may be no choice at all. Plentiful homogeneity may be particularly destructive of choice and diversity because the purchasing resistance to radical innovation induced by similar variants ultimately snowballs and affects the creative process itself. To deal with this problem, Raymond Loewy formulated the principle of "MAYA" (most advanced yet acceptable) by which to design consumer products. *See* HESKETT, *supra* note 37, at 178; *see also* Gillo Dorfles, *Sociological and Semiological Aspects of Design in* DESIGN HISTORY: PAST, PROCESS, PRODUCT 11, 12-13 (1979) ("An incessant supply of graphic, cinematic, televisual and musical images, unanswered by an equivalent response on the part of the consumer, may lead to a sterilization of the imaginative quality of the individual. . . . There is a pressing need to restore to the consumer the possibility of exercising his own choice and of enhancing his own preferential capacity, in rebellion against the framework of pre-established conformism--even though that conformism is an avant-garde one"); JOHN F. PILE, DESIGN: PURPOSE, FORM AND MEANING 2 (1979) ("In spite of our belief that we live in the civilization with the highest level of technical achievement in history, we accept with enthusiasm some of the worst artifacts that humanity has ever endured").

[52] *See* Green Paper, *supra* note 6, at 2 ("[National legislation] protects only insufficiently the salient features of contemporary industrial design, which is the enhanced functionality of a product by way of its design. It is often limited to the ornamentation of a product."). Inadequate protection in one Member State threatens the market share of legitimate producers in Member States offering effective protection, dampening the incentive to

new instrument "could be developed with greater freedom than any change to be introduced in existing legislation. One could hope that Member States would look for the most appropriate and advanced solutions when starting from scratch."[57]

The introduction of a single, autonomous law obviates the problems wrought by territorial protection. Accordingly, the cornerstone of the current proposals is the creation of federal design rights, implemented by the enactment of a Regulation (the Proposed Regulation on Community Design).[58] The Commission concluded, however, that "[t]here is no overwhelming reason for the Community to interfere in Member States' affairs so far as to insist that their national laws should be scrapped when the Community design law comes into operation."[59] Indeed, even if the Commission wished to replace national forms of protection with the Community-level regime, Member States could not immediately dismantle their local systems because of pre-existing rights acquired under those systems. Yet, the continued existence of national rights threatens the

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combined with the cumulation of national and Community level protection. *See infra* Part V.

[57] *See* Green Paper, *supra* note 6, ¶ 3.9.2. This hope appears to have been overly-optimistic. The entrenchment on the question of spare parts has revealed the philosophical differences that discouraged the Commission from essaying a harmonization of copyright protection for designs. *See infra* text accompanying notes 192-205.

[58] *See* Proposal for a European Parliament and Council Regulation on the Community Design, COM(93)342 final (Dec. 3, 1993) 1994 O.J. (C 29/20) [hereinafter Proposed Regulation]. A regulation of the European Community has general application, is binding in its entirety, and is directly applicable in all Member States. *See* EC Treaty, *supra* note 12, art. 189; *see also* 5 HANS SMIT & PETER E. HERZOG, THE LAW OF THE EUROPEAN ECONOMIC COMMUNITY: A COMMENTARY ON THE EEC TREATY § 189.09-10 (1994). It does not require national implementing legislation to become effective in Member States. *See* P.S.R.F. MATHIJSEN, A GUIDE TO EUROPEAN COMMUNITY LAW 89 (5th ed. 1993).

The design proposals had their official genesis as discussion drafts annexed to a Green Paper published by the European Commission in June 1991,[63] and were first formally submitted by the Commission to the Council of Ministers and the European Parliament in December 1993. Although the Commission initiates all E.C. legislation, the relative involvement of the Council and the Parliament varies depending upon the "basis" (*i.e.*, the provision of the Treaty of Rome) upon which the Commission rests its authority to propose the legislation.[64]

The harmonization of intellectual property laws among the Member States has typically been attempted by the Commission pursuant to Article 100a of the E.C. Treaty, which provides authority to enact legislation necessary to complete the internal market. Legislation proposed under that Article involves what is known as the "codecision" procedure, which permits the Council to adopt legislation by a qualified majority but also entails greater involvement of the European Parliament.[65] An absolute majority of the members of the Parliament has the power to veto legislation considered under

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[63] In the Green Paper, the Commission acknowledged the important preliminary work of the Max Planck Institut for Foreign and International Patent, Copyright and Competition Law, which had published a discussion draft of a Proposed Regulation in July 1990. *See* Green Paper, *supra* note 6, ¶¶ 1.10.3, 5.2.5 ("[A]n approach similar to the one now suggested by the Commission has been favored by the Max Planck Institut."); Griffiths, *supra* note 13, at 366 (noting role of the Max Planck Institut); *see also* MAX PLANCK INSTITUT FOR FOREIGN AND INTERNATIONAL PATENT COPYRIGHT AND COMPETITION LAW, TOWARDS A EUROPEAN DESIGN LAW 17-85 (1991) [hereinafter TOWARDS A EUROPEAN DESIGN LAW] (copy on file with author). The Max Planck proposal had been discussed with a group of experts from the member countries of the E.U. and E.F.T.A. as well as from the E.U. Commission and the World Intellectual Property Organization, at a symposium in July 1990. *See* Green Paper, *supra* note 6, at 1 (Introductory Remarks).

[64] *See infra* text accompanying notes 65 and 70.

[65] *See* EC Treaty, *supra* note 12, arts. 110a, 189b.

requires unanimous approval by the Member States (as represented in Council) but envisages a lesser role for the European Parliament.[70] In particular, legislation can be enacted under Article 235 over the objections of the Parliament.

The use of two different legislative procedures for the enactment of substantively identical (and interdependent) instruments is unfortunate, because it permits each institution to hold up the enactment of the entire package by delaying the instrument into which procedurally it has the greatest input. Modification of the "basis" for the enactment of the Regulation reduces the formal influence that the Parliament may have on the shape of that instrument; the Parliament will, however, by virtue of its veto power over the Directive, be able in practice to influence the Regulation. And, although the Directive may be enacted by a qualified majority of the Council,[71] the unanimity requirement under Article 235 provides any Member State with a veto power over the Regulation, and thus over the package.[72] The net effect is that the package as a whole will require unanimous approval in the Council and adoption by the Parliament, which is a more testing standard of legislative approval than either the codecision or consultation procedures would impose separately. The Commission has thus been left in a very difficult position.[73]

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[70] *See* EC Treaty, *supra* note 12, art. 235; *see also* 6 SMIT & HERZOG, *supra* note 58, § 235.09.

[71] If the Council wishes to adopt a Common Position that modifies the initial proposals of the Commission, unanimity is required. *See* EC Treaty, *supra* note 12, art. 189a(1).

[72] *See* EC Treaty, *supra* note 12, art. 235.

[73] For a very good discussion of these problems, see Posner, *supra* note 68, at 4-6.

on the Directive it differed from the Commission's Amended Proposal only on the question of the repair clause.[78]

Parliament now has three months in which to accept or reject (by an absolute majority of its members) the text of the Common Position, or to offer amendments.[79] It is rare, however, that Commission proposals for legislation to complete the internal market are wholly rejected.[80] If Parliament indicates its intention to veto the Common Position, the Council may convene a Conciliation Committee (comprising members of the Council and the Parliament, and with the involvement of the Commission) to resolve the disagreement.[81] At present, this would appear the most likely next

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Bernhard Posner, *Design Protection in the European Union: The Proposals of the European Commission*, Paper Presented to the Fifth Annual Fordham Conference on International Intellectual Property Law and Policy, ¶¶ 10.4-5 (copy on file with author).

[78] The Common Position was adopted by the Council of Ministers at the Internal Market Council Meeting on March 13, 1997, notwithstanding reluctance on the part of some countries (such as the U.K.) to diverge from the Commission's proposed repair clause. *See* Emma Tucker, *Brussels Loses Battle Over Car Spare Parts*, FIN. TIMES, Mar. 14, 1997, at 2 (quoting U.K. Government official). The U.K. feared that to insist upon the clause, and prevent agreement, would be fatal to the entire exercise, which on the whole it favored. *See* Helen Crawford and Andrew Cave, *Going Spare Over Car Parts*, DAILY TELEGRAPH, Mar. 17, 1997, at 29 (noting that Britain backed down for fear of jeopardizing the entire proposal).

[79] *See* EC Treaty, *supra* note 12, art. 189b(2).

[80] *See* Posner, *supra* note 68, at 3 ("Rejected proposals are rare, because by submitting proposals the Commission has already answered in the affirmative the preliminary question according to the EC Treaty whether legislation is necessary. Thus the legislative process will continue irrespective of opposition from some quarters or some Member States."). *But see supra* note 66 (rejection by the Parliament of Biotechnology Directive).

[81] *See* EC Treaty, *supra* note 12, art. 189b(2). The Conciliation Committee is comprised of members of the Council of Ministers and an equal number of representatives of the Parliament. *See id.* art. 189(b)(4). The Committee

right is an innovation--if one that is based largely on a similar right first introduced in the United Kingdom in 1988.[85]

The purpose of providing protection without registration is to accommodate industries that develop large numbers of designs, only a few of which are commercially exploited, and whose products are short-lived. For these industries, such as fashion and textiles, almost any registration process will remain an overly expensive, unduly time-consuming, and not particularly helpful, proposition. The registration *process*, particularly if it involves a substantive examination, ordinarily extends beyond the commercial life of the design. For these industries, some form of automatic short-term protection against unauthorized reproduction is necessary (and, largely, sufficient).[86]

Automatic protection can take one of two primary forms: copyright, or some form of unregistered design right.[87] Many of the industries seeking this automatic, short-term protection for the

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[85] *See* Copyright, Designs & Patents Act, 1988, ch. 48, Part III (U.K.).

[86] These industries were, however, concerned about maintaining their ability to seek registered protection. They were vocal in expressing concerns surrounding the loss of novelty through use by the applicant prior to registration, *see* Green Paper, *supra* note 6, ¶ 4.3.4., and the need for multiple application provisions, *see id.* ¶ 4.3.15. A grace period, *see infra* note 95, of itself did not solve all of the problems of these industries. During the period of early marketing--prior to the decision whether to seek a registered design--designs remain vulnerable to copying. The Commission noted in its Green Paper that "the competitor could possibly file a claim for registration before the rightful owner, with the effect that the necessary invalidation of the registration becomes both cumbersome and often expensive." Green Paper, *supra* note 6, ¶ 4.3.7. Some form of automatic rights provides the most effective form of protection for industries designing and manufacturing many short-lived products.

[87] Unfair competition laws also offer unregistered forms of protection. *See* Green Paper, *supra* note 6, ¶ 2.7 (noting that all Member States other than the U.K. offer some form of unfair competition protection, but also noting differences in the scope of protection offered in the Member States); *cf.*

protection without registration.[92] The unregistered design right suffers, however, from some of the same drawbacks as copyright. In particular, any form of unregistered right decreases the certainty surrounding the development of product design, both for the producer asserting unregistered rights and for its competitors. And uncertainty, just as much as under- or over-protection, can act as a repressant on creative and innovative activity. Yet, the certainty that is claimed as an advantage of registration systems can often be more imaginary than real,[93] and, as discussed below, the *false* certainty of certain registered rights might be equally harmful to the creative environment. The Commission has, nevertheless, accommodated

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[92] *See id.* ¶ 11.3.5.5; *see also* J. H. Reichman, *Legal Hybrids Between the Patent and Copyright Paradigms*, 94 COLUM. L. REV. 2432, 2465 (1994) (characterizing the U.K. unregistered design right as "copyright-like" protection). Most industrial property rights are contingent on registration; indeed, registration is often seen as the primary indicia of whether a country can be said to be using a "patent approach" or a "copyright approach" to protect design. *Cf.* Green Paper, *supra* note 6, at 16.

[93] The falsity of the assurance of registration may stem from the attitude of courts to the determinations of the administrative agency, from the limited search capacity of administrative offices, or from the nature of administrative examination. *See* Griffiths, *supra* note 13, at 360; *see also* Green Paper, *supra* note 6, at 17; Bernhard Posner, The E.C. Industrial Design Directive and Regulation: An Update and Analysis, Address at the Third Annual Fordham Conference on Int'l. Intellectual Property Law and Policy 6 (April 1995) (paper on file with the author) (describing reasons why registration does not provide the security claimed for it). Some industries, such as the U.K. textile industry, have found value even in the lesser degree of certainty provided by examination systems falling between full substantive examination and the formalities-only search envisaged by the E.U. proposals. *See* REPORT OF THE DEPARTMENTAL COMMITTEE ON INDUSTRIAL DESIGNS (JOHNSTON COMMITTEE) ¶ 12 (Cmnd. 1808) (1962) (noting that the textile industry relied on the "limited" searches conducted by the Manchester Registry as a "rough and ready test of infringement" that would influence whether the manufacturer exploited

The Amended Directive purports to harmonize national registered design laws, but it does not require Member States to introduce unregistered design right protection at the national level, nor does it oblige the United Kingdom to make amendments to its unregistered design law.[98] The legislative instruments, therefore,

> a design is applied prior to registration does not have the effect of destroying the novelty of the design . . . [French industries] underline, however, that given the existence of exactly opposite rules in other Member States, it constitutes a trap, into which French enterprises often fall. Relying upon the contents of the French legislation they put their design products on the market in France, with the effect that they will be deprived of the possibility to register the design in other Member States due to lack of novelty.

Id. The Commission accepted these arguments, noting that the purpose of the novelty requirement (preventing the appropriation by a single producer of a design that is widespread) is not undermined by permitting a grace period before rights to obtain a registration are lost on the basis of a lack of novelty. In this way, manufacturers can test their designs in the marketplace before deciding whether to seek registered design rights (thus blending neatly with the purposes of the unregistered design right). In the Green Paper, the Commission fixed on a period of twelve months as the grace period, regarding that as a sufficient period of time in which to gauge the need for and value of a registration, and the current proposals endorse that decision. *See* Proposed Regulation, *supra* note 58, art. 8; Amended Proposed Directive, *supra* note 75, art. 6(2).

[98] The Regulation creates a new and independent form of protection and thus must address the entire range of issues pertinent to a self-standing system of design protection. The Directive will not operate in such a void. Instead, because registered design legislation exists in all the Member States except Greece, the Directive seeks to harmonize only the core elements of existing systems and leaves many issues to the Member States. For example, the Regulation provides that where a design has been developed by an employee in the execution of his duties or following instructions given by his employer the Community rights in that design will vest in the employer. *See* Proposed Regulation, *supra* note 58, art. 14. *But cf. id.* art. 19 (granting employee right, akin to moral right of attribution, to be identified as the designer in the application before the Community Design Office). In contrast, the Directive makes no provision on this question, leaving the allocation of rights between employer and employee to national law. Many national design laws do, however, contain equivalent provisions. *See, e.g.*, Copyright, Designs & Patents

investment in the *external* appearance of a product.[103] The most important aspect of the definition of design, however, is what it does *not* include: it contains no reference to the aesthetic or functional nature of the design. This has been a constant of the proposals, from the Draft Law prepared by the Max Planck Institut through the Green Paper and all the stages of the legislative process,[104] and is arguably

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proposals were patterned, makes some distinction between two and three dimensional designs. *See, e.g.*, Copyright, Designs & Patents Act, 1988, ch. 48, § 213(3)(c) (U.K.) (surface decoration can be protected only as *registered* design).

[103] The Commission reaffirmed, in its Green Paper on Utility Models, that it viewed design rights as according protection to "the outward form of an object." The Protection of Utility Models in the Single Market, COM(95)370 final at 2 n.7 [hereinafter Utility Model Paper] (distinguishing subject matter of design rights from the technical invention, which can be protected by utility model laws); *see also* Green Paper, *supra* note 6, at 14 ("This Green Paper deals with the issue of the legal protection for the external aspect–the appearance–of a product."). This central message was emphasized by the adoption of an amendment made by the Parliament to the effect that the "appearance" to be protected is the "outwardly visible" appearance. It is not intended that this represent a fundamental change to the meaning of "design". *See* Explanatory Memorandum to the Amended Proposal for a European Parliament and Council Directive on the Legal Protection of Designs, COM(96)66 final at 5 [hereinafter Amended Directive Memorandum] (offering only the boring of a firearm barrel as an example of a design that would fall afoul of this change to the definition). The Commission was at pains to distinguish this reference to "visibility" from the provision in Article 3(3) of the Directive which excludes from protection component parts that are not visible during the normal use of the complex product to which they belong (the exclusion from protection of "under the hood" parts). *See infra* text accompanying notes 182-83.

[104] *See* TOWARDS A EUROPEAN DESIGN LAW, *supra* note 63, at 8 (noting the "broad definition corresponding with the current design activity ('Form follows function')"); Griffiths, *supra* note 13, at 370 (noting lack of distinction, in commenting on proposals in the Green Paper); Regulation Memorandum, *supra* note 67, at 10 ("It is irrelevant whether the design is of an aesthetic character or functional."); *cf.* Green Paper, *supra* note 6, ¶¶ 5.4.3.1-2 (explaining that the "design industry usually considers that design is the result of three elements: a functional improvement or technical innovation in the product, a creative contribution of aesthetic

Although no international agreement defines authoritatively what is meant by the term "industrial design," traditionally, for legal scholars, it has embodied the notion of ornamentation or features designed to appeal to the eye.[106] Functional features, if protected at all, were dealt with by other regimes.[107] For manufacturers, however, "industrial design" has long encompassed more than ornamentation.

Jerome 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, 1219 (discussing linkage of utility models and ornamental designs under the Italian Design Law of 1940) [hereinafter Reichman, *From Berne to 1976*]. Professor Reichman's greater receptiveness to such a sui generis system appears based on his reduced fear that (i) patent and copyright will be improperly invaded by industrial designs, and that (ii) protection of aesthetic designs may conceal--and thus offer overbroad protection to--functional effects. Several features of the Italian Design law of 1940 may contribute to Professor Reichman's conclusions. First, the correlative terms and scope of protection for aesthetic and functional offered no advantage to casting functional design as aesthetic; second, because the Italian utility model law offered protection on easier terms than patent law, there was less incentive to seek to protect functional designs under the softer standards of copyright or aesthetic design law (relieving pressure on those regimes). *See id.* If realistic and effective protection *is available* to functional designs on their own terms, the pressure on other regimes is released. Third, the principle of non-cumulation further aided in preventing industrial designs seeking broader than appropriate protection under the copyright regime. Finally, the term of protection was short. The new sui generis system advanced by the E.U. *does* offer realistic (if arguably too generous) protection to functional designs on their own terms; and, it does obviate any temptation to abuse aesthetic design law not by offering parallel, but identical, protection. It does not, however, address the question of cumulation. This is a fundamental flaw. *See infra* text accompanying notes 271-83.

[106] *See, e.g.*, Registered Designs Act, 1949, 12, 13, & 14 Geo. 6, ch. 88, § 1(1) (U.K.) (defining "designs" for purposes of the Registered Designs Act, as "features of shape, configuration, pattern or ornament applied to an article by any industrial process, being features which in the finished article appeal to or are judged by the eye . . ."). The Registered Designs Act of 1949 was amended in significant ways by the Copyright, Designs & Patents Act of 1988: the amended text is set forth as Schedule 4 to the 1988 Act. *See* Copyright, Designs & Patents Act, 1988, ch. 48, sch. 4 (U.K.).

[107] *See* Green paper, *supra* note 6, ¶¶ 2.6.2-2.6.4 (discussing patent and

C. *Separating The Mundane From The Protected: Thresholds Of Protection*

The thresholds to Community design protection follow a common structural model: a two-step test that assesses (i) whether the design is different from other designs, and (ii) whether the development of the design beyond prior designs involves more than minimal creativity on the part of the designer.[111] The precise formulation of the thresholds has undergone some change as the proposals have evolved. The Green Paper would have imposed a single requirement of "distinctiveness"; the proposals now require that, to obtain protection, a design must be (1) new, and (2) have individual character.[112] The same standards govern protectability under both the registered and unregistered regimes.

1. The First Formal Hurdle: Novelty

Most Member States (and most countries outside the E.U.) require some form of novelty as a primary threshold to registered design protection. The *test* of novelty varies significantly, however, throughout the Member States.[113] Some countries mandate only local novelty (by imposing geographical restrictions on the prior art considered in assessing novelty); others set temporal limits on what prior designs might be regarded as anticipating the design at issue;

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parallels).

[111] *See* Green Paper, *supra* note 6, ¶ 5.5.1.2 (asking how the "demarcation line be drawn between those details which are so insignificant that one cannot speak of a 'new' design and those details which constitute a development of the prior design sufficiently creative to deserve separate protection"); *cf. id.* ¶ 2.3.8 (characterizing second inquiry as "when does a design which only differs in some details from a prior design cease to be an imitation and become a 'new' design").

[112] Amended Directive, *supra* note 75, art. 3(2); Proposed Regulation, *supra* note 58, art. 4.

[113] *See* Griffiths, *supra* note 13, at 362; *supra* text accompanying notes 27-29.

name,[119] and one of the principal drafters of the proposals has characterized the novelty standard demanded under the design proposals as one of "false novelty."[120] Indeed, the Commission considered lowering the threshold further to one of originality (the subjective notion of the design being original to the designer, and not copied, regardless of objective similarity to other designs), especially given the availability of unregistered rights and the elimination of a substantive examination as a precondition to registered rights, both of which suggest that the design system might be a member of the copyright family.[121] In addition to its doubts about whether it could

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[119] In its Green Paper the Commission expressed concern about merely using the term "novelty" lest courts drift toward the establishment of higher patent-like thresholds. *See* Green Paper, *supra* note 6, ¶¶ 5.5.1.3, 5.5.9.1. *But see* Mario Franzosi, *Commentary*, *in* EUROPEAN DESIGN PROTECTION, *supra* note 68, at 53, 53 ("The concept of novelty under the proposal is clearly similar, if not identical to the standard of novelty valid for patents."). Use of existing terminology incurs the risk that the term's current significance might overwhelm any different understanding of the term that legislators wish to cultivate. The drafters of the Max Planck proposals had similarly wished to avoid use of the term "originality" out of a fear that the term would (incorrectly) be understood as denoting the low threshold for copyright protection. *See* TOWARDS A EUROPEAN DESIGN LAW, *supra* note 63, at 9.

[120] *See* Bernhard Posner, The Development of Design Rights: The Community Design, paper presented to FICPI Open Forum § 4.3 (Nov. 1993) (paper on file with the author); *see also* Posner, *supra* note 93, ¶ 3.3. The Commentary to the 1993 proposals emphasize that "[i]t is only identical or near identical anticipations which destroy the novelty, whereas 'overall impression of similarity' is not enough to have this effect." Regulation Memorandum, *supra* note 67, at 12.

[121] The Commission could have adopted a modified copyright originality threshold. Such a standard was incorporated by the U.S. Congress in the Semiconductor Chip Protection Act of 1984. *See* 17 U.S.C. § 902(b) (1994) (protecting mask works that are original and that are not staple, commonplace, or familiar in the semiconductor industry). A similar limitation--which derogated from the copyright-based assumption that originality flowed from mere independent creation by providing that "a design is not original if it is commonplace in the design field" in question--was included in the 1988 U.K. design legislation. *See* Copyright, Designs & Patents Act, 1988, ch. 48, §§ 213(1), 213(4) (U.K.) (providing unregistered

Commission was swayed by the inevitable link between the thresholds for protection and the scope of protection--the easier protection is to acquire, the lesser will be the scope of rights afforded by that protection.[123] The Commission did not wish to offer designers only the protection against copying that it thought could be the limit

1948 Brussels text); *see also* Berne Convention For The Protection of Literary And Artistic Works (Paris Text 1971), arts. 2(7), 7(4) [hereinafter Berne Convention] (embodying compromise on works of applied art). The reluctance to address copyright harmonization of this topic perhaps reflects the deep divisions that the 1948 (and earlier) exercises revealed.

[123] This linkage is a well-known conceptual structure in intellectual property law. Thus, for example, if mere independent creation were sufficient to warrant protection, then that same conduct should not be considered infringement of the rights of another. *See* Franzosi, *supra* note 119, at 99 ("It is a classical application of the German theory of the 'Abstandlare' [sic]: i.e., the same distance which is sufficient to assert protection is also sufficient to assert noninfringement"); Marianne Levin, Commentary, in EUROPEAN DESIGN PROTECTION, *supra* note 68, at 63, 72 (noting choice between affording broad protection to a small number of items and thin protection to a large number of items); *cf.* Reichman, *supra* note 105, at 1192 (noting the alternatives in American law between "soft design protection on soft terms" and "hard protection on hard terms"); Reichman, *supra* note 92, at 2449-50 (contrasting "soft protection" for a long period of time provided to independently created copyrighted works with "short period of strong protection" for inventions that meet "strict standards"); Ralph S. Brown, *Eligibility for Copyright Protection: A Search for Principled Standards*, 70 MINN. L. REV. 579, 588-89 (1985) (noting that the lesser scope of rights afforded by copyright helps justify the relatively easier threshold for copyright--as opposed to patent--eligibility); Mark A. Lemley, *The Economics of Improvement in Intellectual Property Law*, 75 TEX. L. REV. 989, 1038 (1997) ("The rarer a right is, and the harder it is to acquire, the more powerful we should expect it to be."); Frederick W. Mostert, *Well-Known and Famous Marks: Is Harmony Possible In The Global Village?*, 86 TRADEMARK REPORTER 103, 116 1996) ("[T]he higher the degree of reputation or commercial magnetism acquired by a mark, the broader its scope of protection") (discussing subset of "well-known" marks that might be afforded greater protection by virtue of enhanced "fame"). *But cf. infra* note 139 (petty patent, granted for smaller inventive step than patent affords same scope of protection as patent but with shorter term)

objective criterion of novelty was adopted as the primary threshold for protection. Although the "linkage" argument should sustain the higher threshold only for registered designs (because the Unregistered Community Design only accords anti-copying rights), the same threshold will exist for both registered and unregistered protection.[126]

2. The Real Hurdle: Individual Character

To avoid providing protection to designs that differ only in small details from a prior design, a supplementary threshold is contemplated by the proposals. A design will be protected only if it possesses "individual character." This will be the concept that truly sets the outside parameters of prima facie protection. A design shall "be considered to have an individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design which has [previously] been made available to the public."[127]

This standard of "individual character" is fleshed out somewhat in the Official Commentary to the proposals. First, the comparison mandated by this threshold is one of overall impression. Plotting the extent of common features will not resolve this issue; rather, the question is whether, as a matter of overall impression, the design creates a sense of overall dissimilarity as opposed to a feeling of *déjà*

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supra note 63, at 48 (noting the "small" probability of persons independently creating very similar designs). The precise significance of requiring copying as an element of infringement, and the extent to which that would precipitate prolonged litigation, would depend upon judicial attitudes to the possibility of similar, independently created functional designs. *See infra* text accompanying notes 245-49.

[126] *See* Horton, *supra* note 121, at 53 (noting that it "seems odd . . . that the higher standard of novelty for protection has been applied without distinction to both registered and unregistered Community Designs").

[127] Amended Directive, *supra* note 75, art 5; Proposed Regulation, *supra*

be considered in the analysis of individual character (and novelty)[132] is determined universally,[133] subject to a "safeguard clause" introduced by the European Parliament that excludes from prior art disclosures that "could not reasonably have become known in the normal course of business to the circles specialized in the sector concerned operating within the Community" at the date of the application or claimed priority.[134]

9(8) of the U.K. Copyright Act of 1956).

[132] In the earlier versions of the proposals, the prior art to be considered in determining novelty was broader than that to be appraised in assessing a design's individual character. *See* Proposed Directive, *supra* note 61, arts. 4-6; Proposed Regulation, *supra* note 58, arts. 5-7. Under the 1993 proposals, individual character would have been assessed by reference only to designs on the market for which an unexpired registration under Community or national law had been granted. Thus, "if a prior design was no longer marketed, it [could] not be used to deny individual character [although it could destroy novelty]." Franzosi, *supra* note 119, at 61. Now, the "individual character" comparison will be made "with any design disclosed before the design in question." Amended Directive Memorandum, *supra* note 103, at 6.

[133] In the Green Paper, the Commission had suggested that "a test of universal objective novelty cannot be fulfilled and therefore should not be imposed." Green Paper, *supra* note 6, ¶ 5.5.5.1 ("There is no substantial reason for resorting to such a severe test: the Community Design will protect only features of shape and the situation is not comparable to the one prevailing in the patent field where there is an overriding interest of maintaining in the public domain already disclosed inventions."). The Commission had at that time concluded that no system of evaluation can consider every design ever made. *See id.* ¶ 5.5.1.1; *cf.* J. Beckwith Burr, *Competition Policy and Intellectual Property In The Information Age*, 41 VILL. L. REV. 193, 199 n. 14 (1997) (noting that, with "cumulative technology, the prior art in the public domain is more difficult to discover"). The U.S. standard in section 102 of the Patent Act in part uses such a "universal, objective" standard, however, at least with respect to de jure novelty (such as a patent or a publication); a national standard is used for de facto novelty (characterized by use or knowledge). *See* A. Samuel Oddi, *Beyond Obviousness: Invention Protection In The Twenty-First Century*, 38 AM. U. L. REV. 1097, 1121 (1989).

[134] Amended Directive, *supra* note 75, art. 6(1); Proposed Regulation, *supra* note 58, art. 8 (article 8 requires that it be conformed to reflect the

simply requires the noticeable and non-trivial development of designs beyond what has gone before.[138]

The primary difficulty of adopting any standard falling between the relatively well-understood thresholds of patent and copyright is in fixing its compass. This has rendered difficult attempts to discern a consistent threshold in petty patent or utility model systems,[139] and is likely to present problems for these design

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[138] The Commission clearly wished to ensure that adaptations of existing designs are protected by the new design right. *See* Posner, *supra* note 93, ¶ 3.3; *see also* Franzosi, *supra* note 119, at 59 ("It is enough [to display individual character] that a product has some peculiarities, is not a staple one, [and] is not in common use. It seems to me that a vast area of protection is open.") (commenting on higher threshold in 1993 proposals); Annette Kur, *The Design Approach To Design Protection And Possible Implications For The Spare Parts Problem*, Paper presented at Munich Conference on Spare Parts (June 18, 1996) (copy on file with author) (suggesting that protection should not depend upon the innovation being "spectacular"). Although the standard is somewhat vague, the legislation explicitly mandates consideration of the degree of freedom that the designer enjoyed in developing the design. That is to say, in a crowded field a smaller advance from prior designs will more easily warrant the conclusion of individual character. *See* Proposed Regulation, *supra* note 58, art. 6(3); Amended Proposed Directive, *supra* note 75, art. 5(2); *see also* Franzosi, *supra* note 119, at 62. Of course, the scope of protection that such designs receive will be correspondingly limited; if there is little room for exceptional creativity on the part of the first designer, he cannot be heard to complain if the same restrictions compel a later designer to create a design that bears a resemblance to his in some respect. *See* Amended Proposed Directive, *supra* note 75, art. 9(2).

[139] *See* John Richards, Petty Patent Protection, Address at the Third Annual Fordham conference on Int'l Intellectual Property law and Policy 5 (Apr. 1995) (paper on file with author) (noting argument that lower threshold and lack of examination leads to uncertainty); Office Gregorj, ABA SECTION ON INTELLECTUAL PROPERTY LAW, REPORT OF COMMITTEE ON INDUSTRIAL DESIGN ("FOREIGN DEVELOPMENTS"), *reprinted in* ANNUAL REPORT OF SECTION ON INTELLECTUAL PROPERTY LAW 365 (1994-1995) (discussing difference between thresholds for patent and utility model law protection in Italy, and noting the "problematic" nature of the distinction). Utility model or petty patent laws offer "second-class" patent protection. They confer exclusive rights on technical inventions that do not rise to the

varying judicial interpretations of the protection accorded under this new regime.[142]

D. *Avoiding Over-Protection: Exclusions From Protection*

In a system that broadly envisages the protection of functional designs on conditions that intentionally do not approach those required of applicants for utility patents, the exclusions from protection assume paramount importance.[143] Protecting the appearance of a functional design clearly raises the possibility of incidentally affecting the ability of others to practice that function.[144] Without the caution that this should impel, and the exclusions it

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[142] *See* Franzosi, *supra* note 119, at 60 ("If a judge thinks that the requirements for protection must be particularly strict, then he will have to accept also the consequence that the limits of infringement are broad. . . . If, on the contrary, the requirements for protection are diluted, as a result various subsequent works will escape a finding of infringement.").

[143] *See* Green Paper, *supra* note 6, ¶ 3.11 ("The grant of exclusive rights to design owners must be carefully weighed against other considerations in order to avoid unduly restrictive effects on legitimate competition. This problem particularly arises with functional designs in which case a technological innovation is very often involved. It is important that due regard be paid to the interests of third parties and of the public at large in defining the rules which should govern exclusive rights under a Community solution.").

[144] *See* Levin, *supra* note 123, at 74 ("It should not . . . be denied that for the purposes of protection the appearance of a functional product is not necessarily the appearance as such. A protection of the outer appearance gives the right holder a lead in relation to the competitor who wants to copy the unprotected function. To avoid infringement he will have to give his product a significantly different shape. In this way design protection is maybe not an alternative to utility model protection, but it still constitutes a weapon on the market.") Of course, if the shape is the only way of performing the function, protection under the design regime will be denied. *See* Amended Proposed Directive, *supra* note 75, art. 7(1) (excluding protection for designs solely dictated by the product's function); Proposed Regulation, *supra* note 58, art. 9(1) (prior language not

One response to the threat of anticompetitive consequences is to fall back on principles of competition law to deal with any specific instances in which the grant or the enforcement of rights is anticompetitive. Indeed, it is that philosophy that prompted the Max Planck Institut to make no special provision limiting the protection for spare parts in its draft legislation, upon which much of the E.U. proposals is based.[146] The Max Planck Institut's draft did contain other exclusions, but those are endorsed by the Institut by reference to a lack of creativity rather than countervailing competitive concerns.[147] Other commentators have advanced similar arguments with respect to other specific exclusions. Audrey Horton, for example, has written that:

> It is hard to resist the conclusion that [interconnections] is an area better dealt with openly as a competition law issue. If we bring into play the concerns of the ECJ in *Volvo v. Veng* then, if there is no refusal to supply and

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functional designs), the common thresholds established by these proposals can be expected to experience every possible upward pressure.

[146] *See* Friedreich-Karl Beier, *Protection For Spare Parts In The Proposals For A European Design Law*, 25 I.I.C. 840, 842 (1994) (citing Annette Kur, 1993 G.R.U.R. Int. 71); *see also* TOWARDS A EUROPEAN DESIGN LAW, *supra* note 63, at 57-58 (explaining that protection would extend to spare parts, and in particular to spare parts for motor vehicles); *cf.* Horton, *supra* note 121, at 54 ("Some commentators have questioned whether the issue of interconnections would not more widely have been left to be dealt with by European competition law. Certainly, the explicit rationale behind [the must-fit exclusion] is the preservation of competition in sub-markets for peripherals or spare parts by ensuring interconnectability or inter-operability."). Dr. Kur, one of the principal drafters of the Max Planck proposal, has recently intimated support for the inclusion of a repair clause aimed at limiting the scope of protection for spare parts. *See* Kur, *supra* note 138, at 13-14.

[147] *See* Beier, *supra* note 146, at 856 (justifying the antecedent to the exclusion of "designs dictated solely by function" as being because such features "are not the result of design creativity"). Professor Beier would probably not take exception to the must-fit provision, because he appears to view that exception as subsumed by the general exclusion of designs

granted without careful consideration of the costs and benefits for the creative and competitive environment.[151]

To support advance legislative attention to these concerns is not to deny the continued importance of competition law in monitoring the margins of the enforcement of intellectual property rights. The assimilation of competitive values into the design legislation should not derogate from the capacity of the Commission to initiate investigations of what it perceives as anticompetitive conduct.[152] Rather, by imbuing the scope of protection with pro-competitive principles at the outset, it is to be hoped that the necessity for such proceedings can be significantly minimized. Although no set of provisions can be formulated that will adequately resolve all the competitive issues that might be raised by new forms of protection,[153] some situations are sufficiently clear that they can be addressed prospectively, and standards can be established that will furnish

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[151] The strongest argument favoring placing primary reliance upon competition proceedings initiated by the Commission is the institutional expertise that the Commission has developed in dealing with competition investigations. Even setting aside questions regarding the appropriate use of the Commission's finite resources, this counter-argument does not fare well when weighed against the substantial policy concerns regarding monopoly rights expressed in the text.

[152] Recital 17 of the Directive makes clear that the design proposals are without prejudice to the application of the competition rules embodied in Article 85 and 86 of the EC Treaty. *See* Amended Proposed Directive, *supra* note 75, recital 17.

[153] *Cf.* Eleanor M. Fox, *Trade, Competition, And Intellectual Property--TRIPS and Its Antitrust Counterparts*, 29 VAND. J. TRANSNAT'L. L. 481, 491-92 (1996) (cautioning that writing rules for the interface between intellectual property and competition law "would be a daunting and probably unwise enterprise. . . . Rule-writing in advance of problems is insensitive to the very nuances that may reveal the wise solution. By contrast, case-by-case evolution is based on the inevitably complex facts and context that can give roots and legitimacy to law formation.")

protection and lend legitimacy to the proposals as balanced, procompetitive measures.[155]

1. Designs Solely Dictated By Function

Any designs that are "solely dictated by the technical function [of the product]" are excluded from protection by Article 7(1) of the Directive.[156] Similar exclusions are found in many design laws throughout the world.[157] The Commission was persuaded by the

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[155] In addition to the exclusions described in detail here, there exist various other limitations on the rights conferred by the design right holder. *See* Proposed Regulation, *supra* note 58, art. 22; Amended Directive, *supra* note 75, art. 13 (rights of design right holder do not extend to: (1) acts done privately and for non-commercial purposes; (2) acts done for experimental purposes; and (3) certain acts of reproduction done for the purpose of teaching).

[156] The initial proposal from the Commission excepted protection for designs "to the extent that the realisation of a technical function leaves no freedom as regards arbitrary features of appearance." Proposed Directive, *supra* note 61, art. 7(1); *see also* Proposed Regulation, *supra* note 58, art. 9 (reflecting former language). The Commission made the change to reflect the amendments to the must-fit exclusion in Article 7(2) of the Amended Proposal. *See* Amended Directive Memorandum, *supra* note 103, at 7; *see infra* note 179 and accompanying text (discussing must-fit exclusion in Article 7(2)). The current language is clearer, although the first text might have more accurately reflected the Commission's justification for this exclusion. *See* Regulation Memorandum, *supra* note 67, at 14 (noting that where the "form follows function without any possibility of variation . . . the designer cannot claim that the result is due to personal creativity").

[157] *See, e.g.*, Registered Designs Act, 1949, 12, 13, & 14 Geo. 6, ch. 88, § 1(1)(b)(i) (UK) (defining "designs" for purposes of the Registered Designs Act, as not including features of shape or configuration of an article that are dictated solely by the function which the article has to perform); infra notes 158, 162 and 168 (discussing interpretation of U.K. provision); Firth, *supra* note 14, at 44-45 (noting that the Benelux design law excludes features that are "indispensable to function"). Legislative innovations in the United States that offer anti-copying protection to specific classes of functional designs have contained similar exclusions. *See* H.R. REP. NO. 101-735, at 20 (1990) (legislative history of the Architectural Works Copyright Protection Act, stating that "functionally required" features are

excluded from protection.[160] In explaining the change to this language from that found in its initial proposal,[161] the Commission indicated that this exclusion was intended to address those "extremely rare cases where form *necessarily* follows function,"[162] and thus the Commission would appear to regard the term as mandatory.

One interpretation of this provision, which flows from viewing the term "dictated" as meaning "mandated," would focus on whether any[163] alternative designs exist: if they do, the design is not solely

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[160] Indeed, the Commission felt compelled to repeat in its explanation of the Article 7(1) exclusion that "the question whether a design does or does not contain any aesthetic elements is irrelevant in the context of the requirements for protection." Amended Directive Memorandum, *supra* note 103, at 7.

[161] *See* Proposed Directive, *supra* note 61, art. 7(1).

[162] Amended Directive Memorandum, *supra* note 103, at 7 (emphasis added). When the House of Lords was faced with this provision (and interpreted it otherwise) in *Amp*, Lord Reid was influenced by the fact that the circumstance in which the form was the only possible choice would be very rare. *See Amp*, [1972] R.P.C. at 109. While the infrequency of the occurrence may cut against that narrow interpretation of the U.K. exclusion, such a result plainly would not contravene the intention of the Commission. Moreover, the U.K. statute at issue in *Amp* only protected aesthetic designs--designs with "eye-appeal"--which supports a broader exclusion of functional designs than envisaged by the E.U. proposals. *See id.* at 112 (interpreting Registered Designs Act, 1949).

[163] *See* Griffiths, *supra* note 13, at 370 (commenting on exclusion in Green Paper proposals) ("We exclude functionally dictated designs because if the designer sets out to solve a functional problem *where there is only one possible solution* to that problem, then there really is no design freedom and there should be no protection.") (emphasis added); *see also* Green Paper, *supra* note 6, ¶ 5.4.6.2:

> If a technical effect can be achieved only by a given form, the design cannot be protected. On the other hand, if the designer has a choice among various forms in order to arrive at the technical effect, the features in question can be protected. Understood in this way the exclusion from protection corresponds exactly to the

dress law,[164] U.S. design patent law,[165] U.S. copyright law,[166] and in the multiplicity of forms test found in French copyright and design patent law.[167] If the test calls simply for a determination of whether there are *any* other designs, however, there remains a danger that the *few* designs that will enable the product to function may be depleted by

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[164] If this were the interpretation adopted, the relevant considerations would be reminiscent of some of the analysis one finds in trade dress functionality determinations. The mere fact that a product is functional (in the lay sense) does not prevent trade dress protection for its design. *See In re* Morton Norwich Prods., 671 F.2d 1332, 1339, 213 U.S.P.Q. (BNA) 9, 14 (C.C.P.A. 1982). The unavailability of commercially feasible alternatives will, however, render the design legally "functional" and hence unprotectable. *See* Schwinn Bicycle Co. v. Ross Bicycles, Inc., 870 F.2d 1176, 1189, 10 U.S.P.Q.2d (BNA) 1001, 1012-13 (7th Cir. 1989) ("feature is functional if it is one that is [sic] costly to design around or do without"); Qualitex Co. v. Jacobson Prods., 115 S. Ct. 1300, 1306 (1995) ("The functionality doctrine . . . forbids the use of a product's feature as a trademark where doing so will put a competitor at a significant disadvantage because the feature is 'essential to the use or purpose of the article' or 'affects [its] cost or quality'") (alteration in original) (quoting Inwood Labs. v. Ives Labs., 456 U.S. 844, 850 n.10, 214 U.S.P.Q. (BNA) 1, 8 n.10 (1982)). Under this reading of Article 7(1) of the Directive, however, the proposed design right exclusion would be a narrower exclusion than the ousting of so-called "functional" designs from trade dress protection. Trade dress protection requires not only that alternative designs be available, but that those be commercially feasible competitive alternatives.

[165] *See* Avia Group Int'l, Inc. v. L.A. Gear, Inc., 853 F.2d 1557, 1563, 7 U.S.P.Q.2d (BNA) 1548, 1561 (Fed. Cir. 1986) (endorsing multiplicity of forms test for functionality); *see also* Best Lock Corp. v. Ilco Unican Corp., 94 F.3d 1563, 1566, 40 U.S.P.Q.2d (BNA) 1048, 1050 (Fed. Cir. 1996) (denying design patent protection where the "aesthetic appeal of [a] . . . design [was] the inevitable result of having a shape that is dictated solely by functional concerns"); *see generally* Reichman, *New Technologies*, *supra* note 105, at 47-51 (discussing nonfunctionality test as a multiplicity of forms).

[166] *See supra* note 157 (discussing Architectural Works Copyright Protection Act); *infra* note 171 and accompanying text (discussing copyright merger doctrine); Computer Assocs. Int'l v. Altai, Inc., 982 F.2d 693, 708-10 (2d Cir. 1992) (excluding aspects of software dictated by functional considerations).

[167] *See* Pérot-Morel, *supra* note 19, at 70-72 (discussing the multiplicity of

copyright.[171] Courts have, however, interpreted that concept broadly and have denied protection where the expression is one of only a limited number of ways of expressing the idea.[172] The E.U. design legislation would benefit from a similar breadth of interpretation. Thus, although mere functional influences should not result in the denial of protection, nor should the mere availability of a single other alternative be sufficient to ensure protection. That might cause oligopolies rather than monopolies, but the competitive harm would be little different.

2. Must-Fit Provision ("Interconnections")

The E.U. proposals contain two sets of provisions that bear confusingly similar popular labels: "must-fit" provisions and "must-match" provisions. The must-fit exclusion deals with mechanical synchronicity, while the must-match provision deals with visual synchronicity.[173] Article 7(2) of the Directive and Article 9 of the

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[171] *See* Mason v. Montgomery Data, Inc., 967 F.2d 135, 138, 23 U.S.P.Q.2d (BNA) 1676, 1678 (5th Cir. 1992).

[172] *See* Morrisey v. Procter & Gamble Co., 379 F.2d 675, 678-79, 154 U.S.P.Q. (BNA) 193, 195-96 (1st Cir. 1967); Computer Assocs. v. Altai, Inc., 982 F.2d 693, 708 (2d Cir. 1992); *see also* Jane C. Ginsburg, *No "Sweat?" Copyright and Other Protection of Works of Information After* Feist v. Rural Telephone, 92 COLUM. L. REV. 338, 346 (1992) ("In copyright law, an 'idea' is not an epistemological concept, but a legal conclusion prompted by notions--often unarticulated and unproven--of appropriate competition."); Herbert Rosenthal Jewelry Corp. v. Kalpakian, 446 F.2d 738, 741, 170 U.S.P.Q. (BNA) 557, 559 (9th Cir. 1971) ("The guiding consideration in drawing the line [between idea and expression] is the preservation of the balance between competition and protection reflected in the patent and copyright laws."); *cf.* Glynn S. Lunney, Jr., *Re-examining Copyright's Incentives-Access Paradigm*, 40 VAND. L. REV. 483, 506-08 & 528 n.182 (1996) (describing the incentives-access paradigm as the "external key" to the separation of idea from copyrightable expression, "idea" being the "level [of abstraction] where the chance of independent creation or the risk of undue monopolization became significant.").

[173] *See* Jeremy J. Phillips, *Commentary*, *in* EUROPEAN DESIGN PROTECTION, *supra* note 68, at 163 n.226 (noting different focus of the two sets of

additionally reflects the lack of a designer's freedom in creating interconnections.[176]

In some ways, the "must-fit" provision is merely a specific application of the general exclusion of protection of features dictated solely by technical function,[177] although the legislation would appear to envisage that some features might survive the general exclusion but be caught by this provision.[178] The current text of the must-fit provision reflects some changes requested by the European

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courts have squarely addressed the objective of software interoperability when the issue has been presented to them. *See* Sega Enters. v. Accolade, Inc., 977 F.2d 1510, 24 U.S.P.Q.2d (BNA) 1561 (9th Cir. 1992); *see also* Jerome Huet and Jane C. Ginsburg, *Computer Programs in Europe: A Comparative Analysis of the 1991 Software Directive*, 30 COLUM. J. TRANSNAT'L L. 327, 367-70 (1992).

[176] *See* Griffiths, *supra* note 13, at 370. This assessment of creative possibilities is probably a correct one. The shape with which the design feature must fit already exists. The design of interconnections thus stands in slight contrast to the exclusion of designs that are dictated solely by function, where although the function is known, the designer may still be required to work out the shape (albeit the only shape) that will perform that function. *See supra* note 163. The exclusion of designs that are dictated solely by function is best explained as a response to concerns of incidentally protecting technical effects through the design (rather than the patent) system. *See supra* text accompanying notes 156-57.

[177] *See* Beier, *supra* note 146, at 857 (describing the must-fit provision as "strictly speaking . . . a redundant clarification of [the exclusion of designs dictated solely by function]") (commenting on the language contained in the 1993 proposals); *cf.* Firth, *supra* note 14, at 44 (noting that the logic of the "dictated solely by function" exclusion is what excludes must-fit features from the U.K.'s unregistered design right).

[178] *See* Beier, *supra* note 146 at 856 (suggesting that it is possible that certain designs might need to fit with another connection, but not because they are dictated solely by a technical function, and coming to that conclusion because otherwise Article 9(2) would have no independent meaning, and because an interpretation of redundancy would conflict with the "Lego sub-exception in Article 9(3)). *But cf.* Bently & Coulthard, *supra* note 121 at 12 (suggesting that the must-fit exclusion in the U.K. unregistered designs code is not intended to exclude more designs than the

3. Extent Of Protection For Spare Parts

Perhaps the most contentious issue in the debate regarding the E.U. design proposals has been the extent of protection for spare parts and, in particular, the effect that any such protection would have on competition in the aftermarket.[181] Among the provisions already discussed, the must-fit exclusion, as well as the general exclusion of designs dictated solely by function, may cause the denial of protection to many spare parts. The Amended Directive proposed by the Commission contained an additional derogation from protection, however, called the "must-match" exclusion, which was specifically directed at the repair market, and two further provisions will likely also confine the availability of protection for spare parts.

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designs by virtue of it "eye-appeal" requirement. *See* Registered Designs Act, 1949, 12, 13, & 14 Geo. 6, ch. 88, § 1(1). Many must-fit parts are unlikely to overcome that initial hurdle to obtaining protection.

[181] This concern for competition manifests itself in both judicial and legislative discussion of the spare parts issue. *See* Canon Kabushiki Kaisha v. Green Cartridge Co., [1997] 3 W.L.R. 13, 20 (Privy Council) (Apr. 30, 1997) ("The [spare parts exception to copyright recognized by the House of Lords in *British Leyland*] is an expression of . . . an over-riding public policy, namely the need to prevent a manufacturer from using copyright (as opposed to patents or design right) in order to control the aftermarket for parts."); Regulation Memorandum, *supra* note 67, at 9, 20 (noting that purpose of provisions aimed at spare parts was to avoid the creation of captive markets and the limitation or exclusion of competition). The same question generated significant controversy when the most recent design protection proposals were introduced in the U.S. Congress. *See, e.g., The Design Innovation and Technology Act: Hearings on H.R. 1790*, 102d Cong. 1st Sess. (1991), (Jan. 29, 1992), *reported at* 43 Pat. Trademark & Copyright J. 304-306 (1992); *see also* H.R. 379, Title I (Protection of Industrial Designs), 100th Cong. 1st Sess. (1987) (Moorhead); Design Protection Act of 1985, H.R. 1900, 99th Cong., 1st Sess. (1985) (Moorhead); H.R. 1790, 102d Cong. 1st Sess. (1991) (Gephardt). The Gephardt bill would have excluded from protection, among other things: designs dictated solely by utilitarian function; design features of motor vehicles' glass; and the design of articles which are part of a larger useful article and the shape of which is dictated by a mechanical interface, perimeter, or envelope restrictions necessary to

"under the hood," even if they might be visible during the maintenance or repair of the product in question.[183]

b. *Part-by-part threshold analysis*

The protection of the overall design of a product as new and demonstrating individual character will not of itself secure the protection of individual component parts that comprise that design. While component parts may be protected by the various design rights contemplated by the Commission, the design of the component must of itself reach the various thresholds for protection.[184] The protectability of the overall design of a car will not determine the separate protectability of exhaust pipes or rear view mirrors. The role of the thresholds to protection in ensuring free competition in certain markets should, therefore, not be forgotten. Many spare parts may not evince novelty and individual character. And, to emphasize the importance of this fact, the design proposals expressly prevent effective protection being afforded to an otherwise unprotectable component part by virtue of its status as part of a larger protected product.[185]

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[183] *See* Amended Directive, *supra* note 75, art. 3(4) ("Normal use within the meaning of paragraph 3(a) shall mean use by the end user and shall not include maintenance, servicing or repair.")

[184] *See* Green Paper, *supra* note 6, ¶ 5.4.9.

[185] Article 3(3)(b) of the Amended Proposal now provides that protection will be afforded the design of a product which constitutes a component part of a complex product to the extent that the visible features of the component part fulfill in themselves the requirement as to novelty and individual character. *See* Amended Directive Memorandum, *supra* note 103, at 4-5; *see also* R. v. Registered Designs Appeal Tribunal, ex parte Ford Motor Co. [1995] 1 W.L.R. 18 (holding that component parts do not qualify for U.K. registered design protection because they do not represent an "article" with an independent life as an item of commerce); Registered Designs Act, 1949, 12, 13, & 14 Geo. 6, ch. 88, § 1(1) (design for purposes of Registered Designs Act means "features of shape . . . applied to an article."). Parts denied registered design protection in *Ford* could be protected by the U.K. unregistered design right. *See* Copyright, Designs

subject to significant creative constraint, affording rights in a must-fit design would more directly implicate concerns regarding the incidental protection of a technical effect. Yet, the grant of exclusive rights in must-match parts may still raise competitive concerns, particularly in the aftermarket for repair parts.[188] In practical terms, the market for these parts truly may be captive. As Bernhard Posner has noted, "the consumer wishing to replace a car body part is to the extent that he does not wish to change the appearance of his vehicle bound to the manufacturer unless a third party is authorized to reproduce the design."[189]

Visually matching parts are less likely to fall afoul of the "under-the-hood" restrictions in the definition of design in Article 3(3), or of the general exclusion of functionally-dictated designs, or of the specific denial of protection to must-fit designs. Without further provision, they may as a prima facie matter be protected by design right. The proposals formulated by the Max Planck Institut contained no separate derogation from protection for must-match parts, but every iteration of the Directive since (other than the Common Position adopted by the Council[190]) has in some regard specially addressed the

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[188] Article 22 of the Regulation permits a person to copy the design privately, and without commercial gain: this would include for the purpose of repairing the product in question. *See* Proposed Regulation, *supra* note 58, art. 22. Article 23, the contentious provision, is addressed at commercially-produced copies of the part by persons other than the owners of the cars. *See id.* art. 23.

[189] Posner, *supra* note 93, ¶ 6.3; *see also* British Leyland Motor Corp. v. Armstrong Patents Co., [1986] 1 All E.R. 850, 864 (Lord Templeman) (noting that if copyright gives exclusive rights in spare parts for cars "the purchaser of a BL car sells his soul to the company store."); *id.* at 861 (Lord Bridge) (contemplating extreme case in which "a car manufacturer, to encourage early obsolence, decided to discontinue his own supply of spare parts for every model five years after it ceased production and sought to enforce his copyright in spare parts drawings to stifle any alternative source of supply").

could not be enforced against any third party using the must-match design "to permit the repair of the complex product so as to restore its original appearance . . . [if] the third party has notified the design holder of the intended use of the design [and has] offered the right holder a fair and reasonable remuneration for that use."[195] The value

regimes seeking no more than a minimalist, pro-competitive cure for chronically insufficent lead time"). Article 14(4) of the Amended Proposed Directive would re-activate the exclusive rights of the design owner as against any third party who is unwilling to provide the design holder with the information regarding extent of use required under Article 14(d)(iii), or who is unwilling to make payment of the remuneration tendered under Article 14(d)(ii). *See* Amended Proposed Directive, *supra* note 75, art. 14(4).

[195] Amended Proposed Directive, *supra* note 75, art. 14. The third party user also assumes informational obligations toward the public, *see infra* note 196, and toward the right holder. *See* Amended Proposed Directive, *supra* note 75, art. 14(d)(iii) (third party must offer to provide the right holder "in a regular and reliable manner with information as to the scale

have argued that a remuneration right would not provide an adequate return on their investment, while spare parts producers have countered that the compulsory license scheme merely imposes additional costs that are borne by the public.[200] Given the lack of detail in the proposals regarding what would be considered "fair and reasonable remuneration," both parties appear to pre-judge the merit of the scheme. The only guidance contained in the Directive is that the amount of remuneration would vary primarily in relation to the investment made in the development of the relevant design. In the first instance, this would be a matter for private resolution between the parties, with recourse to whichever institution or tribunal each Member State selects for that purpose.[201]

ii. Competition law alternatives

A final text had been expected to emerge from the November, 1996, Council Meeting, but agreement on the spare parts provision was not forthcoming.[202] Eventually, on March 13, 1997, the Council adopted a Common Position that differed from the Commission's

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[200] *See* Phillips, *supra* note 173, at 165 (reporting positions of both sides).

[201] *See* Franzosi, *supra* note 119, at 167.

[202] *See supra* note 77. Member States arguing for broad protection for spare parts persisted in their position, and although certain other Member States were willing to accede to those arguments, the Commission refused to relent and the unanimity among Member States necessary to amend the Commission's proposal did not exist. *See* Tucker, *supra* note 77, at 3 ("Because of the Commission's refusal to back down, the draft legislation must return to Member States for further work"); Emma Tucker, *Move To Open EU Car Spares Market Set For Defeat*, FIN. TIMES, Nov. 23, 1996, at 3 (noting U.K. willingness to switch position and vote against the inclusion of broad repair clause); *see also* Franzosi, *supra* note 119, at 165 ("The spectrum of positions ranges from Member States who favor protection of spare parts to Member States who do not want protection at all."); Posner, *supra* note 77, ¶ 10.4 (discussing November 1996 and March 1997 Internal

the absence of agreement upon the nature of the exclusion, the approach of the Max Planck Institut (and, by implication, the Council) in relying upon competition law seems attractive. Yet, the argument from the competition law adherents may fall under its own weight. Audrey Horton, for example, has argued that:

> If the thresholds on novelty/individual character are set at an appropriately high level, and if technical variants for the particular design feature are possible until the particular variant selected has become an industry standard by effluxion of time, or non-enforcement/non-policing of rights, there appears to be little justification for refusing protection, provided that the right holder is willing to supply fairly the relevant market for spare parts or peripherals.[207]

However, if (as Horton implies) one can determine the collection of circumstances--high thresholds, no protection for the sole means of performing a function or for features that have become industry standards, and an affirmative obligation to supply the market--that are preconditions to an appropriate balance of protection and competition, why not legislate to that effect?[208]

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protection country might be mounted under the provisions of the Treaty relating to the free movement of goods. *See* EC Treaty, *supra* note 12, art. 30 (prohibiting barriers to the free movement of goods); *id.*, art. 36 (exception for industrial property). For an analysis of possible arguments, as well as previous challenges under Article 30, see INGE GOVAERE, THE USE AND ABUSE OF INTELLECTUAL PROPERTY RIGHTS IN E.C. LAW 195-228 (1996).

[207] Horton, *supra* note 121, at 54.

[208] *See supra* note 154. The question to be asked in the context of the spare parts dilemma is whether the appropriate balance between competition and incentive can be articulated more precisely than by mere declaration that the protection of spare parts is subject to the competition law principles embodied in Articles 85 and 86 of the EC Treaty. If E.U. policy-makers can determine that the appropriate balance will in all cases be

The evidence of several investigations in different countries would appear to suggest that licensed competitors are necessary to effective competition, at least in the aftermarket for car parts.[210] If the provision is to be of general application, however, the decision should be based not on the competitive economics of the car spare parts

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[210] *See* FORD REPORT, *supra* note 206; REPORT OF THE BUSINESS PERFORMANCE GROUP OF THE LONDON SCHOOL OF ECONOMICS, *cited in* Rupert Hughes, *Design Protection of Auto Spares: the Automotive Spares Industry Perspective*, 22 INT. BUS. LAWYER 116, 119 (1994); *cf.* REPORT OF THE STAFF OF THE FEDERAL TRADE COMMISSION ON THE ROLE OF THE MARKETPLACE IN PROMOTING FAIR CRASH PARTS COMPETITION, *cited in* Fitzpatrick, *supra* note 191, at 241 n.38 & 247 n.70; Gregorj, *supra* note 139, at 365 (noting that the Italian competition authorities have concluded that protection for car spare parts would be anticompetitive and thus have recommended amendment of the designs law to make special provision for spare parts); Mario Franzosi, *Comment*, EUR. INTELL. PROP. REV. D-134 (1995) (reporting that the Italian antitrust authorities concluded that exclusive rights in spare parts should not be enforced because that would"create an economic hardship for the consumer").

John Voortman has suggested an additional competitive injury that flows from lack of competition in the parts aftermarket:

> The effect of eliminating competition from the replacement parts market is that the buyer is required, at the time of purchasing the equipment, to choose the supplier of its future parts as well as the supplier of the equipment. Other things being equal, competition should be more effective, and resources better allocated when buyers have as much information as possible about what they are buying. If buyers are required to choose a parts supplier when purchasing the equipment, they must make the choice based in part on what can be little more than a "guesstimate" of the supplier's future policies as to price, availability and quality of parts. Those are all matters on which the buyer can, and usually will, be better informed when the parts are needed than when purchasing the original equipment.

John J. Voortman, *Copyrighting Part Books: The Protection of Parts Information As Industriously Collected Or Compiled Data*, 10 J.L. & COM. 219, 252 (1991).

reduced the controversy to a question of "who should receive the rewards from the sale of replacement body parts. Should the benefit go to the automobile manufacturer . . . or the insurance industry . . . ?"[215]

It would be a mistake to view the spare parts issue in those terms, however, for several reasons. First, framed simply as an arbitrary allocation of corporate profits, it is unclear upon what principled basis a decision could be made.[216] Second, there is a danger

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[215] Enborg, *supra* note 182, at 232; *see also* William S. Thompson, *Product Protection Under Current And Proposed Design Laws*, 19 U. BALT. L. REV. 271, 284 (1989) (suggesting that design protection for spare parts will merely determine the allocation of the costs of manufacturing, maintaining and repairing his car, between car manufacturer and insurance company). The "mere allocation" argument presupposes that the introduction of competition at each stage of a consumer's expenditure would not affect the profit margins or operations of the various economic actors.

[216] Mr. Enborg, who phrased the debate in these terms, favored the automobile industry because of the investment made by the manufacturer and the "vigorous interbrand competition" in that market, as opposed to the insurance industry, which is "shielded from competition and antitrust laws by the McCarran-Ferguson Act." Enborg, *supra* note 182, at 232; *see also* Thompson, *supra* note 215, at 284 ("Looking at the auto and insurance industries as both operating within the constraints of their respective competitive environments, it seems that the basic consumer benefit argument of the insurance industry fails [because public benefit must consider not only auto insurance but all transport costs]."). Professor Beier explicitly condemns the "special interest" nature of the debate:

> Design right limitations for certain activities of exploitation, such as proposed in the repair clause of the Directive cannot be justified by the prevailing interests of the general public. They rather serve exclusively the economic interests of certain industries, in this case the so-called independent manufacturers of spare parts. Elevating such economic interests to the level of limitations of the intellectual property right for certain purposes of exploitation is clearly an intervention in design protection that is incompatible with legal systematics . . . .

Beier, *supra* note 146, at 859; *see also id.* at 857 (complaining that the "Lego sub-exception" in Article 9(3) "is a perfect example for [sic] an individual

a peculiarity of that market, namely, the extent to which most purchasers rely on insurance to cover the costs of repair.[219]

When looked at more broadly, the debate presents a typical intellectual property conundrum: how to encourage investment in design and to prevent free-riding, without restraining competition?[220] Several commentators have argued that, historically, aftermarket prices have fallen significantly when original product manufacturers have been forced to compete with alternative sources of supply.[221] This is not surprising: free copying should reduce prices in the short-term. The economic equation is more complicated, however, and must also take account of longer-term consequences in product design when product parts are free to be copied by second-comers. Economic theory may offer some guidance, but it provides no clear answers. And there is little empirical proof that is definitive in

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[219] *See* Voortman, *supra* note 210, at 250 n.126.

[220] The protagonists in the car spare parts debate have also engaged on the question of whether free copying of spare parts might implicate safety concerns because of the widespread use of allegedly inferior products. *See* Enborg, *supra* note 182, at 229-31; Fitzpatrick, *supra* note 191, at 235. Consumer safety clearly does affect the contours of intellectual property protection, *see, e.g.*, JANE C. GINSBURG, DAVID GOLDBERG, & ARTHUR J. GREENBAUM, TRADEMARK AND UNFAIR COMPETITION LAW 194-95 (drug color cases have "more to do with public health policy [toward generic drugs] than with trademark law"); H.R. 2511, 104th Cong. 2d Sess., CONG. REC. H5776 (June 4, 1996) (Rep. Goodlatte) (supporting anti-counterfeiting legislation because of effect on airline safety of fake parts), but regulatory mechanisms also exist to address those questions.

[221] *See* Fitzpatrick, *supra* note 191, at 236-37; *see also The Industrial Innovation And Technology Act: Hearings on S. 791 Before The Subcomm. on Patents, Copyrights And Trademarks of The Senate Comm. on The Judiciary*, 100th Cong., 1st Sess., (Mar. 26, 1987) (statement of Sen. Deconcini), *reported at* Voortman, *supra* note 210, at 250 n.126 (collecting sources for proposition that replacement part prices fell substantially when competition introduced into car spare parts market).

other countries is less clear.[224] This makes harmonization of national laws more difficult--but all the more essential.

E. *Defining The Size Of The Prize: Scope Of Rights*

1. Monopoly Rights Or Anti-Copying Protection

Like most registered design laws, *registration* under the proposed legislation will confer upon the holder the exclusive right[225] to use the design and to prevent the unauthorized third-party use of the design or designs that do not produce "on the informed user a different overall impression."[226] The scope of protection received by

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[224] *See* Franzosi, *supra* note 119, at 168 ("In France, spare parts are protected both under the copyright law and with design registration. In Great Britain, spare parts are not protected at all. In Italy, the courts are divided. . . Germany seems to allow for protection, even if the courts provide some preconditions."); *see also supra* note 191 (reporting views of Breier and Fitzpatrick). Italian courts have split on the question of the protection of spare parts under the designs and models laws. *See* Gregorj, *supra* note 139, at 365 (1994-1995) (discussing conflicting decisions); *see also* Olmann and Circa v. Alfa Romeo, Court of Appeal, Turin, 14 July 1994, *reported at* 17 EUR. INTELL. PROP. REV. D-134 (1995) (invalidating design protection for care fenders because when examined by itself, and not in the context of the body of the car, it did not possess any ornamental value). The *Alfa Romeo* decision accepted the theoretical possibility that spare parts may be protectable as registered designs, but Professor Franzosi has suggested that "from a practical point of view, it seems to be very difficult for single parts to achieve [protection]". Franzosi, *supra* note 210, at D-134. A recent case suggests that German design law may offer protection to car parts. *See* Helga Tremmel, ABA SECTION ON INTELLECTUAL PROPERTY LAW, REPORT OF COMMITTEE ON INDUSTRIAL DESIGN ("FOREIGN DEVELOPMENTS"), *reprinted in* ANNUAL REPORT OF SECTION ON INTELLECTUAL PROPERTY LAW 389 (1995-1996) (discussing case where design of Daimler-Benz AG wheel rims protected).

[225] Amended Proposed Directive, *supra* note 75, art. 12.

[226] *See* Amended Proposed Directive, *supra* note 75, arts. 9 (scope of protection), 12 (rights conferred by registered design); *see also* Firth, *supra* note 14, at 43 ("In most jurisdictions an absolute monopoly is conferred [by a design registration]"); *see id.* (listing Benelux, Italy, Spain, and the U.K. as countries providing absolute monopoly protection). Firth describes the

While the rights conferred by a design registration at both the Community and national level are in the nature of monopoly rights,[229] the owner of the Unregistered Community Design obtains only the right to prevent unauthorized reproduction.[230] That is to say, independent creation is a defense in an action for infringement of an unregistered, but not a registered, design. The same more limited scope of rights is accorded the owner of a registered design for which publication has been deferred.[231] The precise nature of the rights granted by the various initiatives is thus clearly a function of whether the design has been registered, and of whether constructive notice is

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[229] *See* Proposed Regulation, *supra* note 58, art. 21 ("A Registered Community Design shall confer on its holder the exclusive right to use the design and to prevent any third party not having his consent from using a design included within the scope of protection of the registered Community Design. The aforementioned use shall, in particular, cover the making, offering, putting on the market or using of a product in which such a design is incorporated or to which such a design is incorporated or to which it is applied, and the importing, exporting or stocking of such a product for those purposes.").

[230] One commentator has suggested that "[t]he Commission considers that in the vast majority of cases a registered Community Design will operate exactly like a protection against unauthorized reproduction. However, it will save the right holder from lengthy disputes as to the subjective element involved in infringement proceedings based on an unregistered Community design." Ohlgart, *supra* note 184, at 128. *But see id.* at 129 (noting the different treatment of secondary infringers where design is registered). If correct, this would be consistent with the idea that the two rights are (other than with respect to term) essentially the same, with the unexamined registration operating only as constructive notice (and thus rebuttable proof of certain elements of a claim) in establishing infringement. Such an interpretation, while finding favor with this author, would appear inconsistent with the Commission's view of the relative attractiveness of the two rights. *See* Green Paper, *supra* note 6, ¶ 5.5.3.2 (noting attractiveness of stronger rights); *see also* Bently, *supra* note 125, at 46 ("[I]f a registration system is to be operated as an alternative to automatic protection, it is important that the act of registration offers some advantages over that [sic] granted by the automatic system").

[231] Once the design is fully published, the design owner becomes prospectively possessed of the full rights of the owner of a registration.

also breaks down in several ways.[236] A design registration may be obtained in the U.K. only after substantive examination of the application by the U.K. Patent Office, and only for designs that "appeal to the eye" and meet the standard of novelty.[237] Unregistered design protection, in contrast, is available in the U.K. both for aesthetic and functional designs, and designs need only be "original" and not "commonplace."[238] The broader rights afforded the owner of a registration under the U.K. scheme can thus be explained not only by the nature of the registration process[239] and by different thresholds for registered and unregistered protection,[240] but also by the type of designs protected by the respective rights.[241] None of these features distinguish the Registered Community Design from the Unregistered Community Design. Although other countries of the European Union

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[236] *See* Copyright Designs & Patents Act 1988, § 226 (unregistered design right); FELLNER, *supra* note 7, at 203 ("there can be no design right infringement where the design has been independently created"); Registered Designs Act, 1949, 12, 13, & 14 Geo. 6, ch. 88, § 7 (registration provides exclusive right to make, sell or offer for sale articles in respect of which the design is registered).

[237] *See* Registered Designs Act, 1949, 12, 13, & 14 Geo. 6, ch. 88, §§ 1(2) (requirement of novelty, defined in turn in section 1(4)), 1(3) (excluding functional designs).

[238] *See* Copyright, Designs & Patents Act, 1988, ch. 48, §§ 213(1) (requirement of originality, in turn defined in section 231(4)), 213(2) (designs defined without reference to aesthetic appeal), 213(6) (protection begins upon date design recorded in design document or date on which article is made to the design); *see also supra* note 121 (discussing judicial interpretation of threshold for protection under U.K. unregistered design regime).

[239] *See infra* Part III (discussing nature of the registration process).

[240] *See supra* note 123 (discussing linkage of threshold and scope of protection).

[241] *Cf. supra* note 145 (discussing connection between threshold and

unless courts were willing to afford genuine credence to the possibility of independent creation.[246]

Courts should, however, be less willing to presume copying from mere similarity of the design of functional products. Given the constraints imposed on designers by functional considerations, it is arguably more likely that two producers might independently develop similar functional designs than is the case with the *beaux-artes*.[247] One U.K. court has acknowledged this increased likelihood of similarity in appraising the question of copying of an unregistered design (proof of copying is a prerequisite to infringement under the

[246] There are, however, other advantages to the design registration. Unregistered design protection under Articles 7(a) and 12 of the Regulation is only available when designs are made available to the public, and thus a registration, the protection of which runs from the filing of an application even before making the design available to the public may provide a cause of action against certain pre-publication conduct whereas the unregistered right could not. *See* Proposed Regulation, *supra* note 58, art. 13. While this may be an important advantage in those industries in which the use of pre-marketing registrations is prevalent, a liberal attitude toward proof of copying would reduce the benefits of a company, having put a product on the market in reliance on the unregistered design protection, seeking a registration. The only remaining advantage accruing from the registration would be the term of protection, which would be extended beyond the three year limit of unregistered protection. As a consequence, it may well be that certain industries with short-lived designs may make less use than expected of registration opportunities.

2. Duration Of Rights

Determining the appropriate duration of design rights presents the problem of assessing the different needs of different industries that seek design protection.[250] As the Commission noted in its Green Paper:

> Many designs are by nature shortlived. Designs applied to textiles and fashion goods have an extremely short economic lifespan, which industry endeavors to make increasingly shorter by the rapid introduction of new designs making those of the previous season look outdated. The designs of other industries may last longer.[251]

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[250] There exists a wide range of terms of design protection throughout the Member States. "The maximum duration of design registration varies from 10 years in Spain through 50 in France to an indefinite potential duration in Portugal. The most common maximum duration is 15 years." Firth, *supra* note 14, at 43; *see id.* at 45-47 (noting protection in following countries: Benelux, 5 years with renewal to 15 years; France, twenty five years, with renewal to 50 years; Germany, 5 years with renewal to 20 years; Italy, 15 years; Spain, 10 years with renewal to 20 years; and, the U.K., 5 years with renewals to 25 years). *But see* CÉSAR BESSA MONTEIRO, ABA SECTION ON INTELLECTUAL PROPERTY LAW, REPORT OF COMMITTEE ON INDUSTRIAL DESIGN ("FOREIGN DEVELOPMENTS"), *reprinted in* ANNUAL REPORT OF SECTION ON INTELLECTUAL PROPERTY LAW 391 (1995-1996) (discussing reform of Portuguese design law, effective June 1, 1995, providing 25 years protection). Both the Berne Convention and the TRIPs Agreement contains provisions that might arguably impact the duration of each of the rights conferred under the E.U. proposals. *See* Berne Convention, *supra* note 122, art. 7(4) (works of applied art to be protected for at least twenty-five years from the making of the work); TRIPs, *supra* note 7, art. 26(3) (requiring ten years of protection for industrial designs); *see also* Term Directive, *supra* note 4, art. 1 (extending term of copyright protection for literary and artistic works within the meaning of Article 2 of the Berne Convention--which includes works of applied art--to life of the author plus seventy years) (making no special provision for works of applied art, unlike Articles 2(7) and 7(4) of the Berne Convention).

[251] Green Paper, *supra* note 6, ¶ 4.3.17.

functional designs carries the potential to impact upon the ability of the public to practice the function performed by that product. To reflect that concern, the proposals accord these creative works a lesser term of protection than that provided by copyright, in effect discriminating against a particular type of artistic endeavor and thereby violating one of the fundamental precepts of copyright law. Such a derogation from aesthetic neutrality is, however, preferable to denying protection entirely for functional designs out of fear of incidentally protecting a function or an industrial product for the full term of copyright.[255] The Commission finally settled on a term of three years for unregistered protection; however, because the conditions for protection do not vary as between registered and unregistered designs, each design protected for three years can, by timely application, receive protection of a patent-like nature for up to twenty-five years.

IV. NATURE OF REGISTRATION

To accommodate the concerns of industry regarding the costs and delay of design registration, the Commission's proposals suggested two changes to a full-blown registration system.[256] First, the unregistered design right has been included as an integral part of the solution. Second, even where rights are based on registration, the registration system will be a "passive" registration system. The Community Design Office will check applications only for obviously

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[255] To some extent, the various exclusions from protection should minimize the possibility of incidentally obtaining exclusive rights in a function as such by way of design protection. *See supra* text accompanying notes 156-80. The limited term of protection might better be explained as indicative of the industrial property roots of product design protection, and reflective of the historical concern that industrial property should be privately possessed for a lesser period than what classically was termed "literary and artistic property."

[256] The Directive would not compel Member States to dismantle any system of substantive examination used under their registered design

without examination threatens the certainty of the design environment.[260] A non-examined registration is merely a claim of right, quite different in nature from a full patent registration (the paradigmatic source of full-blown monopoly rights).[261] Yet, the mere assertion of that claim gains for the applicant prima facie exclusive rights, to be deployed against competitors even if they have independently developed a similar design.

The Commission rationalized its elimination of an examination by noting that the risk of taking out a design registration for a design that is not new is a risk borne by the designer.[262] The climate of uncertainty--or false certainty--is also a factor for competitors, however, who might be dissuaded from proceeding with a product design because of invalid registrations.[263] As representatives of the

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by registration. *See supra* note 242.

[260] As is the case with design patents in the United States, this supposed certainty can, however, often be an illusion depending upon the attitude and deference of courts to administrative determinations. *See* PATENT AND TRADEMARK OFFICE, STUDY OF COURT DETERMINATIONS OF PATENT VALIDITY/INVALIDITY, 1973-1977, *reprinted in* 455 PATENT, TRADEMARK & COPYRIGHT J. D1-D3 (1979) (68% of design patents held invalid in federal courts). The advantage of registration as pursued by a system of passive examination is a registry of claims rather than certainty of ownership.

[261] It is perhaps to avoid these parallels that advocates of the E.U. initiative have refused to label the proposed legislation as "patent-based" or "copyright-based." Instead, they have insisted that it reflects a "design approach." *See, e.g.*, Kur, *supra* note 26, at 376-77.

[262] *See* Green Paper, *supra* note 6, ¶ 4.3.11; Posner, *supra* note 93, at 7 ("The [applicant] should itself assume the responsibility for the design being valid and should be ready to carry the costs and risks inherent in possible subsequent litigation.").

[263] *Cf.* Lear v. Adkins, 395 U.S. 653, 673-74, 162 U.S.P.Q. (BNA) 1, 9 (1969) (enforcement of contract rights on an invalid patent "would undermine the strong federal policy favoring the full and free use of ideas in the public domain"); Burr, *supra* note 133, at 197-99 (noting the increased operating and development costs incurred where competitors must structure production around protected property--a factor that is of most significance

after transposition of the Directive reflect the legislative balance, to be the exclusive means of protecting designs at the national level ("noncumulation"); or, by harmonizing the other forms of national protection, such as copyright, trademark or utility model rights, at a level that would have been consistent with the balance of the new legislation ("harmonization"). The legislation contains none of these mechanisms, and their omission may significantly undermine the Commission's initiatives.[266]

The Commission's rejection of the first option--preemption of national laws--is understandable.[267] Declaration of the supremacy and exclusivity of Community-level design law would have been difficult politically; and the perpetuation of national laws is necessary in order to respect existing rights, and to provide for those producers seeking

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[266] *See* Horton, *supra* note 121, at 56 ("Until the national copyright and unfair competition laws of Member States are harmonized also, in practice the harmonization of design legislation cannot take effect as planned. There will still be critical differences in the laws of Member States which will impede the free circulation of goods and services with the potential to restrict or distort competition."). Horton injects a dose of reality into the debate when acknowledging that:

> The harmonization of laws within the EU is inevitably proceeding on a piecemeal basis. However, since each harmonization Directive is really part of an overall jigsaw puzzle, until all the pieces are in place the whole picture will not materialize and make sense for lawyers and the design industry alike.

Id.

[267] The Commission may hope that the attractiveness of the Community rights will cause applicants to pursue their claims at the Community rather than the national level, and that the market will thus create the dominance of Community rights that could not be imposed legally because of political concerns. But, given the varied forms of protection that industrial design might attract throughout the countries of the E.U., there can be no guarantee that this will occur. *See infra* note 276.

recognition that Community usurpation of rights granted by Member States for over a century would be politically less palatable, notwithstanding the fine distinctions that can be drawn as a matter of intellectual property law.

The refusal to address *either* cumulation or harmonization, although arguably also reflective of political pragmatism on the Commission's part, may be more problematic.[271] Failure to confront the question of cumulation affords heightened significance to the myriad of different laws protecting designs in the Member States.[272] A design may not only enjoy protection as a registered Community Design, but may also receive the protection of patent, trademark, copyright, utility model, unregistered design right, or other intellectual property laws at the national level.[273] This facilitates the

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[271] In the E.U. context, the potential of cumulative protection is both horizontal and vertical. Vertically, there may exist overlapping (and/or conflicting) protection at the E.U. level and under national state laws. Horizontally, cumulation of different types of intellectual property right may exist (at both levels). It is this second concept to which intellectual property scholars traditionally are referring when they use the term "cumulation."

[272] For a discussion of the question of cumulation, *see generally* Jehoram, *supra* note 14; H. Cohen Jehoram, *The E.C. Green Paper On The Legal Protection of Industrial Design: Half Way Down The Right Track--A View From The Benelux*, 14 EUR. INTELL. PROP. REV. 75 (1992).

[273] *See* Proposed Regulation, *supra* note 58, art. 100(1); Amended Proposed Directive, *supra* note 75, art. 17. The provision in the Directive *requiring* Member States to provide full cumulation with copyright has undergone significant revision during the legislative process. *See* Proposed Regulation, *supra* note 58, art. 100(2)-(3) (old position). Even when the Commission was insisting that cumulation of protection under copyright law would be mandatory, it made no attempt to harmonize generally the conditions under which designs were accorded protection under the copyright code in each Member State. *See* Amended Proposed Directive, *supra* note 75, art. 18 ("The extent to which, and the conditions under which, [copyright] protection is conferred, including the level of originality required, shall be determined by each Member State."). Accordingly, the wide variances in copyright laws will continue to plague producers seeking protection throughout the European Union. For

it also provides competitors with a guide as to the conduct in which they can engage.[274]

Yet, permitting cumulation does not inherently cause these difficulties. If the cumulative forms of protection were revised to mesh with the balance struck in the design legislation, cumulation would provoke fewer objections.[275] It is only where more expansive alternative forms of protection are readily available that producers and their competitors will be unable to rely on the balance embodied in the new legislation.[276] Despite this, the Commission has made no attempt other than minimally to regulate the rival regimes to which

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[274] To reformulate this "competitors' dilemma" as a call to legislative action, the goal of a balanced design protection system will remain unrealized unless the legislation progresses beyond proclaiming substantive minimum standards of protection (so-called "substantive minima"), and articulates substantive minima *for competitors*--or, to view the task from the perspective of the intellectual property owner, to agree upon binding "substantive maxima". Even putting aside the failure in the Common Position to agree upon the repair clause, *see supra* text accompanying notes 76-82, the current legislative package truly only establishes minimum levels of protection because the alternative regimes adumbrated above permit Member States effectively to exceed the more restricted levels of protection installed by the harmonization Directive. Competitors relying on rights flowing from the more balanced specific design provisions may find themselves subject to challenge under other less measured regimes that are left unregulated by the current proposals.

[275] For example, the acceptability of cumulative trademark protection for design rests upon strict compliance with the requirement that the design operates as a source-identifier and does not violate any of the functionality-based exclusions outlined in the Trademark Directive. *See infra* note 282. (Unfair competition actions based upon slavish imitation without regard to these considerations or to the confusion-avoidance limits of trademark protection, would pose a greater threat to the integrity of the design regime proposed by the Commission).

[276] In its Green Paper, the Commission implicitly acknowledged that the extent of reliance upon one system of protection will depend upon the extent to which other forms of protection are available. *See* Green Paper, *supra* note 6, ¶ 3.8.3 ("The frequency with which industry has resort to the protection given by [specific design laws] varies a great deal, as it is linked to the extent to which other forms of protection are available or more

system of compulsory licenses or limiting producers to three years of exclusive rights--that provision would harmonize the scope of design rights for spare parts at what is deemed the appropriate level to ensure a balance between protecting investment and ensuring fair competition. If producers are unhappy with that level of protection, however, they might predictably look elsewhere, such as to copyright. And they would find national laws (for example, France)[280] willing to afford full copyright protection, easily circumventing the limits of the design system.[281]

[280] *See* Posner, *supra* note 169, at 111 (noting practice of some French car manufacturers of relying on copyright to protect spare parts).

[281] Until the House of Lords elevated broader policy concerns over the strict construction of the various statutes protecting design in the *British Leyland* case in 1986, that possibility also existed in the United Kingdom. *See* British Leyland Motor Co. v. Armstrong Patents Co., [1986] 1 All E.R. 850 (H.L.). Indeed, as if to illustrate the interdependence of these different forms of relief, it was the raising of the threshold of protection for registered designs in 1972 by the House of Lords in Amp v. Utilux Proprietary, [1972] R.P.C. 103, that compelled car manufacturers to seek the refuge of copyright law.

may be further complicated by the Commission's initiative on utility models.[283] This is not a recipe for clarity or certainty.

VI. CONCLUSION

Reforms in European Union intellectual property law are particularly important not only for the usual reasons of comparative analysis but also because of the increasing influence of E.U. law on developments worldwide. The Commission's design proposals both

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v. Wards Mobility Services [1995] F.S.R. 169 (suggesting that the product design need not consist of a "capricious addition" to receive protection as a trademark, but noting that it is "because of the difficulties of proof [of distinctiveness] that successful cases of passing off based on the shape of goods are so rare"); *see also* Alison Firth, *Cushions and Confusion: The* RoHo *Passing Off Case*, 16 EUR. INTELL. PROP. REV. 494, 495 (1994) (limits of action for passing-off make registration under new legislation all the more desirable). The full effect of these exclusions will only become apparent with time, but given the possibility of cumulation with design rights, producers may seek to rely on trademark to protect certain source-identifying product designs. This type of cumulation is less objectionable, however, because the trademark laws are not aimed at encouraging creative conduct, but rather at protecting developed goodwill and avoiding consumer confusion. The limits in trademark protection that flow from this different purpose suggest that, *properly interpreted*, it should offer less threat as a tool for circumventing the limits of the design law.

[283] Utility model laws offer second-class patent protection. They confer exclusive rights on technical inventions below the level of patentable inventions. The Commission's recent consultative document seeks views on the need for and value of harmonizing utility model laws currently on the books of Member States throughout the E.U., and on whether a parallel community-wide right is required. *See* Utility Model Paper, *supra* note 103, at vii-x. Provisionally, the Commission suggests the introduction of yet another Community level right--(registered) utility model protection. The European Parliament has indicated its broad agreement with the Commission's proposals. *See European Parliament in Favor of European Utility Model* 28 I.I.C. 147 (1997). However, the Economic And Social Committee, in expressing its opinion on the Green Paper on Utility Models, suggested that the Commission has not taken sufficient account of the relationship between utility model protection and the protection of functional designs under the unregistered design scheme. *See* Opinion Of The Economic And Social Committee On The Green Paper: The Protection of Utility Models In The Single Market, O.J. C 174/6, ¶ 5.2.1 (June 17,

function. In all these respects, the Commission's proposals should serve as a model for national, international, and supranational protection of product designs.

Arguably of the most significance to the ongoing international debate regarding the future of design protection is the Commission's decision to wrestle with the dilemma of functionalism, and to confront squarely the difficult issues that are raised by offering protection to functional designs. Inclusion of these designs within the ambit of the proposed legislation carries with it the responsibility to delimit carefully the extent to which they can be protected, lest protecting the appearance of a functional design should incidentally affect the ability of others to practice that function. The Commission is therefore to be applauded for its efforts to incorporate a balance between the interests of the first producer and those of the second-comer into the provisions of the design regime itself. By infusing the scope of protection with procompetitive principles at the inception, some clarity and certainty is injected into the otherwise unpredictable contest between intellectual property protection and precepts of competition law. Reliance on external principles of competition law to temper the excesses of full-blown intellectual property rights may seem attractive, as some commentators have advocated, especially in the midst of heated disagreement among Member States regarding the appropriate balance between these sometimes conflicting values. However, recurring competitive dilemmas could be resolved more efficiently by the prospective legislative articulation of the balance between exclusive rights and fair competition.

Notwithstanding the Commission's admirable insistence that proper limits be placed on the protection available under the proposed legislation, the proposals may dispense more protection than is necessary. For functional designs that are subjected to no substantive examination, the grant of monopoly rights for twenty-five years appears excessive, and threatens the certainty of the design environment. A competitor might reasonably be deterred from proceeding with a product design because of registered designs bearing prima facie monopoly protection. Yet those rights flow from

creating incentives and ensuring fair competition; but these proposals ensure that the discussion will be conducted in the proper and essential context of all design, whether aesthetic or functional. The Commission has made an important contribution to that debate. Nevertheless, measured by the Commission's own objectives of establishing a common level of protection throughout the countries of the European Union and eradicating barriers to the free movement of goods, the proposals are seriously flawed. The pragmatic decision to limit the scope of the exercise and to avoid the questions of cumulation, preemption or broad-based harmonization, restricts these proposals to the status of an opening volley.

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THE NOVELTY REQUIREMENT IN DESIGN PROTECTION LAW: THE BENELUX EXPERIENCE

Jaap H. Spoor[*]

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© 1997 Jaap H. Spoor. Jaap H. Spoor is a professor of intellectual property law at the Vrije Universiteit, Amsterdam, The Netherlands, and Of Counsel to the law firm Trenité Van Doorne. Professor Spoor specializes in copyright, computer, trademark, and other intellectual property law subjects. He co-authored the leading Dutch treatise on copyright law and published several other books and articles concerning copyright, intellectual property, and computer law. This paper was presented at the AIPLA National Conference on Industrial Design Protection, Washington, D.C., October 23, 1996.

I. INTRODUCTION

In 1951, some time before the European Community ("EC") common market began to take shape, Belgium, the Netherlands, and Luxemburg decided to join forces by forming the Benelux Economic Union. To that end, several uniform statutes were introduced in order to promote Benelux trade, including the Uniform Benelux Trademark Act ("BTMA"),[1] enacted in 1971, and the Uniform Benelux Designs and Models Protection Act ("BDMA"),[2] effective 1975.[3]

The BDMA established a registration system for design and model protection. To ensure reliability and compel companies who

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[1] Benelux Convention on Trade Marks, Mar. 19, 1962, 704 U.N.T.S. 341 [hereinafter BTMA].

[2] Benelux Convention on Designs or Models, Nov. 21, 1974, 965 U.N.T.S. 363 [hereinafter BDMA].

[3] Both the BTMA and the BDMA provide for uniform law in the three Benelux countries. Enforcement actions must be brought before the national courts according to ordinary competence rules. However, a Benelux Court of Justice ("BCJ"), sitting with nine judges (three from each national Supreme Court) was set up in order to ensure uniformity of interpretation. The BCJ judgments are always delivered in both French and Dutch. National judgments will be in one language only. In Belgium, the choice between Flemish (which is virtually identical to Dutch) or French depends mostly on region.

There are no legal journals which have full coverage of all Benelux Court case law concerning BTMA and BDMA. In Holland, BIJBLAD BIJ DE INDUSTRIËLE EIGENDOM ("BIE") publishes mainly national judgments, although sometimes cases from Belgium are also reported (mostly Flemish ones and only incidentally French judgments). INTELLECTUELE EIGENDOM EN RECLAMERECHT ("IER") almost exclusively reports Dutch judgments. REVUE DE DROIT INTELLECTUEL "L'INGÉNIEUR-CONSEIL" ("Ing. Cons.") essentially reports French language cases from Belgium only. Some judgments will be published in national non-intellectual property journals, such as NEDERLANDSE JURISPRUDENTIE ("NJ"), or copyright journals such as INFORMATIERECHT/AMI ("AMI").

As yet, except for journal-related databases, there are no specialized intellectual property ("IP") jurisprudence databases in the Benelux

Krane" industrial crane.[5] The Plaintiffs argued that after they had spent years improving their product, the results of their hard labor had simply been copied by the defendants.[6] The appeals court found for the Plaintiffs, but the Supreme Court reversed.[7]

In its reasoning, the Supreme Court essentially stated that anyone should be allowed to design products with maximum functionality even by copying third-party products except when the latter are copyrighted or patented.[8] In consequence, copying third-party non-copyrighted or non-patented products will only be unlawful if such copying is both unnecessary (because product functionality may be obtained otherwise) and causes confusion among the public.[9] The case was sent back to the appellate court, where Hyster argued in vain that perhaps after all their work "Karry Krane" was not as perfect as they had alleged before, so that Thole might very well have developed an equally efficient crane without copying Hyster's product.[10] This time the court found for the Defendant, and the Plaintiff's final appeal to the Supreme Court failed.[11]

In retrospect, Hyster was a victim of the popular and untested feeling that the more useful a product, the more objectionable it is to copy it. The Supreme Court took exactly the opposite view: In the absence of specific statutory rights, functional solutions should remain

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[5] *Id.*

[6] *Id.*

[7] *Id.*

[8] *Id.*

[9] *Id.*

[10] *See* HR 21 May 1954, NJ 1955, 387.

3. Copyright

Traditionally, Dutch copyright law not only protects more traditional literary and artistic works, but also works of applied art and industrial designs and models. The main, if not only, criterion for protection is whether the product's form satisfies the general originality requirement, as developed in a huge body of court cases.[16] Dutch copyright law has never applied a severability test with respect to useful articles (as in Italian law), where useful articles may not be protected by copyright, although their design will be protected if it can be separated from the article and is sufficiently original by itself. Under Dutch copyright law the whole product may, and indeed must, be taken into consideration in assessing whether the design is original.

The Netherlands is a party to the Berne Convention.[17] Article 5.2 of the Convention states that no formalities may be required as a prerequisite for copyright protection, and no registration is required, nor is it possible, since there is no Copyright Office.

4. Pre-BDMA Practice

Until the BDMA changed the picture, plaintiffs sued for copyright infringement as well as for slavish imitation. The courts would consider the copyright issue first: if the product was considered insufficiently original (as often was the case) they would then address the slavish imitation allegation, often finding there to be needless and confusing imitation. On the whole, it was felt the system worked fairly well.

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[16] *See infra* section IV.C.3.

[17] Berne Convention for the Protection of Literary and Artistic Works, July 14, 1967, 828 U.N.T.S. 221 [hereinafter Berne Convention].

"a useful product's novel external form."[20] Protection is limited to identical or similar product forms and, moreover, to products which serve an identical or similar function only. Consequently, a registration for a photographic camera design will not cover the use of that form for a portable radio for example. Under Article 2, features which are necessary in order to reach a certain technical effect are excluded from protection.[21] Consequently, if a product's form is merely resulting from its function, protection will be refused.[22]

B. *Novelty*

Probably the most important substantive requirement concerns the condition that the model must have been novel on the filing date.[23] The standard of novelty is lower than that in patent law: A model will lack novelty if, during the fifty years preceding the filing date, it was known in the relevant industrial or commercial sector.[24] Marketing the article in a Benelux country before it is filed will almost certainly destroy its novelty, but this is much less certain if the product was only marketed abroad, and may, for example, depend on it having been shown at an international trade fair, or discussed in a professional journal which is sufficiently distributed in the Benelux.

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[20] *See* BDMA, *supra* note 2, art. 1. In the Act's language, two-dimensional objects are called designs, while three-dimensional models are called objects. *Id.* The distinction has no consequences, and will be used interchangably here without necessarily distinguishing between them.

[21] *Id.*, art. 2.

[22] *See, e.g., In re* Vacu Prods./United Indus., 's-Hertogenbosch Appeals Court 31 January 1995, BIE 1996, 102 (collapsible bottle cooling device).

[23] In the alternative, the model must have been novel on the priority date under article 4.C. of the Paris Convention. *See* Paris Convention for the Protection of Industrial Property, July 14, 1967, 828 U.N.T.S. 307.

[24] *See* BDMA, *supra* note 2, art. 4.1.a.

The absence of substantive examination, however, has never been criticized extensively. This may be explained by the fact that interested parties from all three Benelux countries have always been familiar with protection being granted without any registration.[27] Perhaps if substantive examination had been known before, its abolishment would have been considered a loss, but there was no previous experience with substantive examination on which to rely.[28]

D. *Rationale Of The BDMA*

The BDMA was not only intended to harmonize Benelux law and to remove territorial borders between the three Benelux countries, it also focused on introducing a unitary protection system for product design, whereby checking the register would give reasonable certainty as to whether a product's form was protected or not, since interested parties might only obtain such protection through registration. Clearly, this goal could only be reached by excluding or at least greatly reducing other potentially competing protection regimes, especially those regimes, such as copyright and unfair competition, that do not require registration. Indeed, the BDMA contains provisions to this effect.[29]

IV. THE PRACTICAL EXPERIENCE

A. *Failure To File In Time*

In practice, the failure to file in good time (i.e., while the model is still novel) probably is the most serious obstacle to effective model protection, notwithstanding the not too severe novelty standard. The

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[27] *See supra* section II.

[28] The Netherlands however had substantive examination in the field of utility patents as well as trademarks before 1971. Although these were mostly considered satisfactory, they did not lead to a general feeling that design registrations should be tested as well. *See* D.W.F. Verkade, BESCHERMING VAN HET UITERLIJK VAN PRODUKTEN 47 (1985).

B. *Slavish Imitation Actions And The BDMA*

1. Article 14.5 Of The BDMA[30]

As mentioned before, at least in The Netherlands, until the advent of the BDMA, the action against slavish imitation was a cornerstone of model protection. But if governments wish to provide that people should file for registration (and pay for it) in order to obtain a certain form of protection, governments can hardly allow non-registered protection regimes to subsist. This is especially the case where such protection is much less demanding of the registrant and, at the same time, just as effective should it come to litigation. Clearly, if the BDMA was to be successful, actions based on slavish imitation had to go. Consequently, paragraph 5 of article 14, of the BDMA, states that, "for facts which merely concern infringement of a design or model, no claim can be based on the legal provisions intended to fight against unfair competition."[31]

2. *In Re* Prince

Still, the words "facts which merely concern infringement of a design or model," and especially the word "merely," suggests some room for unfair competition actions in cases where more than simple copying is at stake. A case concerning the sale of imitation Prince brand tennis rackets enabled the Benelux Court of Justice to make its pronouncement on this subject.[32] The Plaintiff, Prince Manufacturing Inc., had failed to register its product designs in the Benelux, but argued that the imitations were nevertheless actionable since the Defendants' unfair competition involved more than selling

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[30] *See* BDMA, *supra* note 2, art. 14.5.

[31] *See id.*

[32] Prince Mfg. Inc./Van Riel-Gijzen, BenGH 21 December 1990, NJ 1991, 429 (Verkade).

if the defendants have committed other acts of unfair competition, the court may extend an injunction or damages to cover the imitation as well, if that extension is necessary to remedy the unfair competition.[34]

3. Additional Case Law

The *Prince* judgment does not mark a clear break in the case law. Even before *Prince*, courts were inclined to draw a line between cases of mere copying of unregistered (or registered but non-novel) designs and cases involving other questionable acts. For example, in a case concerning the copying of fur coats, the Amsterdam Appeals Court found for the plaintiffs because the following factors were involved: copying minute details; misleading customers as to the origin of the products; underpricing; applying lower quality standards to the imitations; and the existence of a former business relationship between the parties.[35] This result arguably could still be obtained under *Prince*.

Still, courts have yet to develop a clear practice as to the amount or the nature of the questionable acts that must be involved before the hurdle of article 14.5 can be overcome. Some judgments mention factors which although established were not sufficient, such as underpricing, lesser quality of the imitation, and profiting through imitation in general.[36] Other decisions mention circumstances which

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[34] *Id.*

[35] Bob Moscou/Mode Peer, Amsterdam Court of Appeals 29 May 1986, BIE 1987, 43.

[36] *See, e.g.*, Dessini v. Steur, Utrecht District Court 17 Sept. 1991, BIE 1994, 236 (holding that underpricing is not sufficient to make the imitation actionable, and the defendant's products' lesser quality results simply from their lower price); Zippel v. Colourfile, Haarlem District Court 20 Mar. 1992, BIE 1994, 128 (holding that use of the trademark Flexi-Clip which may form a reference to the plaintiff's ZipClip is not enough); Mirage Studios v. Europlay, The Hague Appeal Court 23 Apr. 1992, BIE 1993, 182 (holding that the act of profiting from a well-known design is

whether the company intended to market its products in Benelux or not.[40] According to the court, "the BDMA is intended to protect designs. However, if one were to make such a requirement, it would have the opposite effect for foreign parties who fail to file in time in the Benelux."[41]

The *Kevin Nash* decision is not compatible with the current law. It also is probably mistaken insofar as it merely states that "the BDMA is intended to protect designs,"[42] since the BDMA was also intended to provide certainty for third-parties by providing a reliable registration system. At the same time, one may well sympathize with the court's view, which rather acutely points out one of the BDMA's major defects.[43]

4. Pre-BDMA Product Forms

Those products already on the market before the BDMA came into force in 1975 had already lost their novelty before applications could be filed, which made them unfit for model protection. Article 25 of the BDMA therefore provided that existing protection forms, such as the unfair competition action, remained fully available for those models. Much effort was made by plaintiffs of unregistered product forms to establish that their models dated back to 1974 or earlier, or at least were adaptations of such earlier models which could still profit from protection for those earlier models.

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[40] *Id.*

[41] *Id.*

[42] *Id.*

[43] In Powerflow/Jorc, 's-Hertogenbosch Court of Appeals 9 Nov. 1994, BIE 1995, 312 (Verkade), the reasoning of the District Court in *Kevin Nash* was considered irrelevant as the plaintiffs, although a foreign company, had been doing business in the Benelux for years and therefore might well

countries' obligations under the Berne Convention, such a course was not viable. Instead, they followed a less drastic approach, which aimed at both limiting the impact of copyright protection and maximizing the Model Register's reliability. After all, to the extent that the originality level which it requires exceeds the standards applied to mere model protection, copyright will not form much of a challenge to the model registration system, since companies in all likelihood will prefer to register those models whose originality must be considered doubtful.

Therefore, article 21 of the BDMA provides in the first paragraph that "designs or models which display a clearly artistic character may be protected simultaneously by this Act as well as by the Copyright Act, if the requirements of both Acts are satisfied."[49] The second paragraph then goes on to state that "designs and models which display no manifestly artistic character are excluded from protection based on the Copyright Act."[50]

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[49] *See* BDMA, *supra* note 2, art. 21, ¶ 1.

[50] *Id.* ¶ 2. To complete the picture: the third paragraph of article 21 provides that, if a model right is declared null and void, or lapses because the term of protection expires, the copyright in that model will lapse simultaneously, provided that both rights are held by the same person and the holder fails to formally register an intent to preserve the copyright. *Id.* ¶ 3. This provision is intended to inform third parties who consult the Model Registers that notwithstanding the fact that a certain product form is no longer protected as a model, copyright claims may still subsist. However laudable that intent may be, the provision's overall validity is open to doubt, since it requires a formality to be observed for an existing copyright to remain valid. As noted before, this may well be incompatible witharticle 5.2 of the Berne Convention. *See* Berne Convention, *supra* note 17, art. 5.2. It must be pointed out, however, that it is not certain whether that provision will apply if the work was first published in a Benelux country and the copyright therein is claimed in that same Benelux country, since the third paragraph of article 5.2 provides that "Protection in the

Screenoprints ends the uncertainty as to whether it is safe to rely on copyright protection for product design which meets the reasonably well-charted, general copyright requirements. Although by itself it did nothing to lower the protection threshold, it may well have furthered the interest in design copyright as a viable alternative to filing for model registration, at least for not-too-simple models.

3. Development Of The Originality Standard In Dutch Law

Although legal practice never forgot copyright as a means for protecting product design, the uncertainty as to the necessary originality level perhaps had somewhat limited practical application. Once *Screenoprints* held that the originality threshold had not been raised, claims for copyright relief in design cases became more frequent. In pre-BDMA times, courts mostly had relied on unfair competition while reserving copyright to the more original models. Upon effectuation of the BDMA, unfair competition actions hardly were available anymore and the courts started granting copyright relief more frequently, often by accepting an increasingly modest modicum of originality. Unfortunately, it is difficult to document this development without being able to show the designs that were involved. The paragraphs below describe a few trends and examples.

Quite a few cases concern clothing design; not designs of haute couture, but at best rather trendy mass-marketed designs. Until the 1970s, copyright cases concerning such designs were extremely rare, and only a few judgments have been reported from that era in which such protection was indeed granted. Today, on the other hand, copyright judgments in this area are not only frequent, but cases where the design is considered original[56] heavily outnumber findings

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[56] *See, e.g.*, Chique de Freak/Clips Mode, Amsterdam Court of Appeals 24 Dec. 1987, BIE 1989, 86 (salopette); Olly's/M&S, Amsterdam Court of Appeals 1 Dec. 1988, BIE 1990, 264 (rain coats); Julius Hollander/Ali Yer, Rotterdam District Court 28 Mar. 1989, BIE 1990, 149 (pigskin winter coat); Gruno & Chardin/Thomas Basics, 's-Hertogenbosch Court of Appeals 9

equipment,[66] a vibrating razor[67] and the Psion organizer's Datapak-module's casing.[68] Again, cases where originality was found outnumber those where it was refused by at least three to one.[69] Refusals include such technical designs as door locks,[70] or bicycle tire tread patterns.[71] Some decades ago probably no one would have even considered claiming copyright in such product designs.

D. *Trademark Protection*

Product forms may also be protected as trademarks. When the BDMA was drafted, little attention (if any) was given to this eventuality because the BTMA,[72] although already on the shelf, had not yet come into force.[73] However, the BTMA explicitly states that three-dimensional signs may serve as trademarks, provided they are sufficiently distinctive, are not dictated by product function nor define

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[64] Decaux/Mediamax, HR 29 Dec. 1995 NJ 1996, 546 (Verkade).

[65] Boels/Klarenbeek, Utrecht District Court 29 Nov. 1994, IER 1995, 39.

[66] Industar/Euromate, Alkmaar District Court 1 May 1991, BIE 1992, 301.

[67] Remington/Hamarc, Utrecht District Court 26 Sept. 1989, BIE 1991, 242.

[68] Psion/Cheap Chip, Breda District Court 13 Feb. 1991, BIE 1992, 58.

[69] This ratio results from a survey of over fifty cases. In the fifty years before 1985, the overall ratio was approximately one-to-one. *See* J. H. SPOOR, DE GESTAGE GROEI VAN MERK, WERK EN UITVINDING 23 (1990).

[70] VSB/Priem, HR 25 Apr. 1986, NJ 1986, 531.

[71] Vredestein/Hunneman, Arnhem District Court 13 Aug. 1993, AMI 1994, 103.

[72] *See* BTMA, *supra* note 1.

[73] The treaty to incorporate the BDMA was concluded in 1966, although it took until 1975 before it came into force. The BTMA became effective in

unprotectable as trademarks will often be sufficiently original to qualify for copyright protection. In the end, truly functional product forms will most likely turn out to be unprotectable, whether as trademarks, copyright works, or designs and models. Here, patent protection may be the only alternative. For the rest, third-parties should not merely check the Model Register, but they should search the Trademark Register as well, keeping in mind that negative search results can never guarantee the product's form may be freely used, as it may well enjoy copyright protection.

V. CONCLUSION

In conjunction with the abolition of unfair competition protection for design and the limiting of its copyright counterpart, the novelty requirement was meant to provide for a reliable registration system in the field of design protection. Evidently, this goal has not been reached.

It can be argued, however, that the price would have been too high anyway. For many product forms, protection through registration is simply too expensive, either because of their short economic life span, or because it may remain uncertain whether they will be marketed in the Benelux until it is too late. In practice, courts have reacted by increasing protection of unregistered designs under copyright law or, to a lesser extent, under trademark law, while never abolishing unfair competition altogether. Together with the absence of substantive examination, this has made the Model Register fundamentally unreliable.

One may not conclude from these remarks that one should never consider filing for model registration. For many product forms, especially those of rather simple design, the BDMA may well offer the most secure, or even the only, form of protection. Nevertheless, the

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Interbrew/Roman, Brussels Court of Appeals 20 Sept. 1995, IER 1996, p. 32 (Hoegaarden-beer glass); Unilever/Verwet, 's-Gravenhage Court of Appeals 6 June 1996, BIE 1997, p. 79 (Steinhauser) (Glorix bottle).

implement such a one year grace period in the BDMA,[78] a rather remarkable step now that the BDMA will once more have to be amended if the EC Directive is adopted. The protocol is not accompanied by an explanatory memorandum, and is still subject to the consent of the respective national parliaments, a procedure which is likely to take several years, if one goes by past experience. Moreover, the protocol has no retroactive effect. It certainly will not bring any fast relief for existing problems with the novelty requirement. Still, it demonstrates that the disadvantages of this requirement are to some extent appreciated by the responsible Benelux authorities.

Finally, and apart from the foregoing, the developments described in this article also demonstrate that governments have limited power to make the law as they believe it should be, even if they do so with the best of motivations. The attempts to channel design protection into an exclusive registration system must be considered to have failed, partly because they did not pay sufficient attention to some of the legitimate interests of the interested parties and partly because of restraints imposed by international convention obligations. It clearly is not easy to mold the law at will.

[78] Protocol of 28 March 1995 to amend the BDMA, Tractatenblad van het Koninkrijk der Nederlanden (Treaty Journal of The Netherlands) 133 (1995)

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THE LAW OF DESIGNS: MEXICAN LEGAL SYSTEM AND TRIPS

Dr. Horacio Rangel-Ortiz[*]

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[*] © 1997 Dr. Horacio Rangel-Ortiz. Dr. Rangel-Oritz is a partner with the Mexico City intellectual property law firm Uhthoff, Gomez Vega & Uhthoff, S.C. and president elect of the International Association of Teachers and Researchers of Intellectual Property (ATRIP). This paper was submitted by the author as the basis of the presentation made at The National Conference on Industrial Design Protection sponsored by the American Intellectual Property Law Association, the Industrial Designers Society of America and the University of Baltimore School of Law on

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reference to industrial designs.[2] In fact, the Patent Law of 1820[3] included a provision expressly excluding industrial designs from protection under the statute.[4] The Patent Law of 1890 did not contemplate protection of industrial designs. Interestingly, the Trademark Law of 1889 did include an express provision governing the protection of trademarks that also was applicable to industrial designs, both three-dimensional and two-dimensional. This protection is indicated in Article 19, which is the last provision of the Trademark Law of 1889. The lack of any additional reference to industrial designs in the statute clearly suggests that the adoption of the provision was an idea that was incorporated at the last minute. The lack of a specific provision providing for the protection of industrial designs did not prevent parties from relying on the Trademark law of 1889 to seek legal protection of industrial designs, specifically of *distinctive* industrial designs. Further evidence of the significance of this protection is found in the first patent statute expressly addressing the protection of industrial designs in Mexico, the Patent Law of 1903. This statute included a transitional provision continuing the prosecution of pending applications for the registration of industrial designs as was permitted under the Trademark Law of 1889.

B. *First Reference To Design Patents In The Patent Law Of 1903*

The protection of industrial designs was contemplated for the first time in Mexican patent law with the adoption of the Patent Law of 1903, where express reference was made to *three-dimensional*

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[2] *See* DAVID RANGEL-ORTIZ, PROTECCIÓN DEL DISEÑO INDUSTRIAL EN EL DERECHO MEXICANO, Facultad de Derecho, Universidad Nacional Autónoma de México 41 (UNAM) (1978).

[3] The Patent Law of 1820 was also the first patent statute in Spain.

[4] *See* Article 18 of the Patent Law of 1820. Ley de Patentes, D.O., 1820 (Mex.).

The concept of novelty applicable to patents of invention and design patents in the laws of 1903, 1928, and 1942 was defined in broad terms, comprising disclosures that had taken place both in Mexico and abroad. No distinction was made in the statutes between novelty for patents of invention and novelty for design patents. As to the originality requirement mandated for industrial models only, no legal definition of originality was contained in the laws of 1903, 1928 or 1942.

The infringement provisions applicable to patents of invention were also applicable to design patents in the laws of 1903, 1928 and 1942.

The terms of protection have varied since the statutes first recognized design protection. The Act of 1903 contemplated granting design patents for either five or ten-year terms. The Patent Laws of 1928 established ten-year terms. The Act of 1942, however, provided for a reduction to a seven-year term in cases where the design had not been used by its owner in Mexico.[7]

D. *Design Protection Under The Law On Inventions And Marks Of 1975*[8]

More than thirty years after the adoption of the Industrial Property Law of 1942, Congress passed the Law on Inventions and Marks of 1975, superseding the Industrial Property Law of 1942. The Law of 1975 adopted a new system of protection of industrial designs, including the incorporation of a new chapter formed by six provisions exclusively devoted to industrial design protection.

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[7] *See* Law of 1903, art. 104; Law of 1928, art. 35; Law of 1943, arts. 42 and 53. *See also* RANGEL-ORTIZ, *supra* note 2, at 42-43.

[8] For a study of design protection under the Law on Inventions and Marks of 1975, see David Rangel-Ortiz, *El diseño industrial en la nueva legislación mexicana de propiedad industrial*, 31-32 REVISTA MEXICANA DE LA PROPIEDAD

E. *Design Protection In The Industrial Property Law Of 1991*

The Law of 1975 as amended in 1986 remained in force until it was superseded by the Industrial Property Law of 1991. The 1991 law extended the protection of industrial designs to the longest term that industrial designs patents have had in the history of industrial design protection in Mexico: fifteen years from the filing date. This amendment altered the seven-year term provided for in the previous statute and changed the initial date used to determine the length of term from the date of issue to the date of filing.

The 1991 law eliminated the novelty requirement for industrial designs and substituted an originality requirement. According to the 1991 law, an original industrial design is an industrial design that is not identical with, or confusingly similar to, another industrial design that is publicly known *in Mexico*.

The Industrial Property Law of 1991 incorporates for the first time in Mexican design law a definition of originality. Some legal commentators and scholars have posited that "a design is original when its component elements are the result of the author's creative efforts."[13] In contrast, the definition of originality as set forth in the Law of 1991 is more concerned with the distinctiveness and novelty of the design. In addition, the 1991 law replaced the previous absolute novelty requirement of earlier statutes with a requirement of *territorial originality*.

Finally, the Law of 1991 eliminated the need to conduct a substantive examination as a condition for granting a valid industrial

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[13] *See, e.g.*, II STEPHEN P. LADAS, PATENTS, TRADEMARKS AND RELATED RIGHTS - NATIONAL AND INTERNATIONAL PROTECTION 870 (1975).

C. *Definitions Of Industrial Design: Three-Dimensional Industrial Design And Industrial Design In Flat*

The definitions of three-dimensional industrial design and industrial design in flat proposed by the legislature in 1975 were generally followed by the drafters of the 1994 amendment.

According to the amended statute, an *industrial design in flat* (*dibujo industrial* or industrial drawing) is a combination of figures, lines or colors incorporated into an industrial product for decorative purposes further providing the industrial product with a peculiar and particular look. The statute defines a *three-dimensional industrial design* (*modelo industrial* or industrial model) as a three-dimensional form which serves as a model or mold for the manufacturing of an industrial product thereby providing the industrial product with a particular look, as long as it does not imply technical effects. Thus, an industrial design must consist either of a shape (configuration) which is three-dimensional, or a pattern (drawing) which is two-dimensional.

D. *Technical Or Functional Considerations*

The statute in force requires that protection of industrial designs not extend to designs dictated exclusively by technical or functional considerations, and that do not imply a creative, arbitrary, non-technical contribution by the designer.[16]

E. *Conditions For Registration: Novelty And Industrial Application*

Novelty and industrial application are two conditions that must be met for an industrial design to be protected under the present

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[16] Amended I.P.L., *supra* note 15, art. 31, ¶ 3. The language in this paragraph is taken from TRIPS, *supra* note 1, art. 25. Yet, the expression "exclusively" does not appear in TRIPS. Instead, TRIPS uses the term "essentially."

become moot because of the concepts incorporating both subjective and objective notions of novelty and originality in the definition of novelty copied from Article 25 of TRIPS.[22] The subjective element is suggested by references to language like "independent creative effort." The objective element is implied by the requirement that the design be different from known designs.

F. *The Territorial Originality Requirement Is Removed*

While the territorial originality requirement has been deleted, the reform of 1994 is not explicit about the adoption of a system of absolute or universal novelty, as has long been the case in Mexican design law. Nevertheless, the fact that the drafters of the 1994 amendment have eliminated the territorial, local, or relative *originality* requirement provided for in the Law of 1991 should be interpreted to mean that the novelty requirement presently contemplated for industrial designs in the statute is an absolute or universal novelty requirement. Otherwise, the derogation of territorial originality in the Law of 1991 would make little sense.

G. *Formal Examination And Substantive Examination*

The 1994 amendments re-introduce the substantive examination of industrial design applications which had been deleted by the drafters of the 1991 Law. At present, industrial design applications are subject to a formal examination and a substantive examination prior to a final decision on whether or not a registration will be granted.

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[22] *See* IVAN CHERPILLOD, CENTRE DU DROIT DE L'ENTERPRISE DE LA UNIVERSITÉ DE LAUSANNE, L'OBJET DU DROIT D'AUTEUR 131 (1985). In addition, some authors suggest that the originality and novelty concepts in design law should not necessarily be construed any differently. *See* FYSH, *supra* note 21, at 36 ("As to what distinction, if any, is to be drawn

J. *Marking Requirements*

The provisions applicable to marking requirements are somewhat obscure.[28] It is clear that patent and trademark owners must comply with such requirements in order to initiate infringement proceedings. The question of whether or not owners of design registrations must also meet the marking requirements is not clearly answered by the statute. For all practical purposes it is advisable that owners of industrial design registrations comply with the marking requirements, consisting of an indication that the industrial design in question is protected by an industrial design registration. This requirement may be satisfied by placing an indication on the product itself or on the product's containers. The statute provides further that notice of the existence of the relevant industrial property right may be made by any other means, without illustrating such means. Thus, in addition to the constructive information received by the public through the official publication of the Patent Office, the registrant must implement the necessary steps towards having the public informed of the existence of the pertinent industrial property right. For the foregoing reasons, failure to meet the informative requirements may jeopardize commencement of legal proceedings against infringers, if the relevant provision is construed as requiring this type of information or marking as a condition precedent to the commencement of infringement proceedings. No particular required wording is contemplated in the statute. Perhaps "DISEÑO INDUSTRIAL REGISTRADO" followed by the registration number would suffice. The statute is not explicit on this.

K. *Working Requirements*

The Industrial Property Law of 1991, as amended in 1994, does not establish working requirements for design registrations. In the past, certain provisions applicable to patents were also applicable to

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[28] *See id.* art. 229.

1928 superseded the Civil Code of 1884 and also incorporated a copyright chapter devoted to intellectual property.[33]

The Civil Code of 1870[34] and the Civil Code of 1884[35] included provisions suggested protection for works of art such as *drawings* and *designs of any kind* as well as *sculptures* including *models and patterns.* Nevertheless, the pertinent chapters included provisions addressing the limitations of copyright protection. Provisions were identified those situations when copyright protection would not operate, which has been largely construed as conflicting with the proposition that industrial designs (industrial models and industrial drawings), were protected under the copyright provisions of the Civil Code of 1870 and the Civil Code of 1884.[36]

B. *Design Protection Under The Civil Code Of 1928*

The Civil Code of 1928 once again referred to the possibility of protecting works of art, such as *drawings* and *designs of any kind,* as well as *sculptures,* including *models and patterns.*[37] The provisions limiting the copyright owner from taking action against third parties, as contained in the Civil Codes of 1870 and 1884, were amended in 1928. [38] These amendments have been construed to mean that

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[33] *See* C.C.D.F., art. 9 (transitory), D.O., May 26, 1928 and June 13, 1928. *See also* C.C.D.F. arts. 1181-1280. Article 1280 included an indication in the sense that all provisions contained in the copyright chapter of the Civil Code of 1928 should be regarded as federal law implementing Articles 4 and 28 of the Federal Constitution. *Id.*

[34] C.C. Mexico City, art. 1306 (1870).

[35] C.C. Mexico City, art. 1191 (1884). The foregoing text is identical to the text of Article 1306 of the Civil Code of 1870.

[36] C.C. Mexico City, arts. 1322, XIV, XIV (1870); C.C. Mexico City, art. 1207 (1884).

[37] C.C. Mexico City, arts. 1183, II (1928).

[38] C.C. Mexico City, arts. 1258, 1259, XI, XII (1928).

If the creation, in addition to the role as work of art, had an industrial application or an industrial destination, then the work should have been considered a *work of applied art* subject to copyright protection under the provisions of the law of 1947. In any case, the language used by the drafters of the Law of 1947 certainly could have been better, for it is difficult to think of a *work of art* with no purpose or function other than an industrial application. In this situation, the creation involved would not be a *work of art*, but a different type of *work*.

Everything seems to indicate that the drafters of this provision really meant to say that works intended to perform solely an industrial function would not be subject to copyright protection. Apart from these stylistic and formal considerations, it is clear that the Law of 1947 mandated that works with a *purely* utilitarian and functional purpose would not be protected under the statute.

Because this is not a characteristic of industrial designs (works of applied art), it is apparent that works of applied art were subject to copyright protection under the Copyright Law of 1947. This preliminary conclusion, however, should be reviewed in light of the provisions of the regulations in force at the time.

While some provisions of the Law of 1947 included references to laws and *regulations*,[44] the regulations to the Law of 1947 were never issued by the President. Therefore, lawyers were left to speculate on whether the previous regulations of 1939--issued by the President--were still in force. This is not a theoretical question. Instead, the question of whether or not the regulations of 1939 remained in force in the absence of subsequent regulations issued by the same authority could have a decisive impact on whether or not industrial designs are subject to copyright protection. Of course, the significance of this issue is more evident in situations involving

art, that is to say, a work of applied art. This interpretation is based on the text of Article 5 of the Law of 1947 where the legislature barred copyright protection to works performing *solely* a functional and utilitarian purpose. Thus, if the work sought to be registered at the copyright office is not *only* a functional or utilitarian item,[47] but *also* a work of art, then the work will be registrable at the copyright office and subject to copyright protection as a *work of applied art*. To conclude that works such as industrial designs, that have been or should be registered at the patent and trademark office under the provisions of the patent and trademark laws, may not be registered at the copyright office, would contradict Article 5 of the Copyright Law of 1947. This conclusion would, in turn, violate the Federal Constitution and the rules governing legal interpretation. Because of the foregoing reasons, one may conclude that Regulation 5, II did not limit the registration of *works of applied art* at the copyright office even when such *works of applied art* could have also been registered at the patent and trademark office as industrial designs.

There may be an extreme situation where it is not acknowledged that the provisions of the Law of 1947 and those of the Regulations of 1939 should be interpreted pursuant to the legal criteria previously mentioned. Further, it might be argued that industrial designs are not protected under the copyright laws by reason of the text of Regulation 5, II. In these situations, advocates of the school of *unity of art, applied art* and of *cumulative* protection, would have an additional argument in their favor. They could point to the text of Transitory Article Two of the Copyright Law of 1947, which abrogated not only the copyright provisions of the Civil Code of 1928, but also *any other provision in conflict with the provisions of the Copyright Law of 1947.*[48]

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[47] A functional or utilitarian item is a work subject to registration under the Patent and Trademark Law.

[48] Furthermore, if the Executive Officer, who signed into law the Copyright Law of 1947, intended existing regulations in conflict with the provisions of the new Copyright Law of 1947 to remain in force, the

Civil Code of 1928 were passed by the Mexican Congress. This situation has remained unaltered after the Regulations of 1939 and after the Copyright Law of 1947.

E. *The Copyright Law Of 1956 As Amended In 1963*

In 1956, the Copyright Law of 1947 was repealed by Congress, and simultaneously replaced with a new act. The Copyright Law of 1956, as originally enacted, was not considered a satisfactory legal instrument by lawyers, authors, or legal commentators. It is for this reason that shortly after this law was passed, a bill of amendments was drafted in 1961, the so-called *Valderrama draft*. The Valderrama draft was the basis for the actual bill submitted to Congress in 1963 known as the *Gaxiola-Rojas Bill*, which took the form of the Bill of Amendments to the Copyright Law of 1956, approved by Congress in 1963.[50]

From a practical perspective, the *Gaxiola-Rojas Bill* approved by Congress was a new law which replaced the Law of 1956. Formally speaking, however, the bill approved by Congress in 1963 was not a new law but a bill of amendments to the Copyright Law of 1956. That is why some lawyers refer to the statute in force as the Law of 1963. As noted, however, the Law of 1956 was not revoked, but only amended. Strictly speaking, one should continue identifying the copyright statute in force at this time as the Law of 1956, as amended in 1963.[51]

The Copyright Law of 1956, as amended in 1963 ("FCL") does not make express reference to industrial designs. Following the patterns of previous statutes, the law generally refers to the protection of works of art, followed by an illustrative list of works of art which include *paintings, drawings, sculptures and three-dimensional works as*

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[50] *See* RANGEL-ORTIZ, *supra* note 2, at 67.

confirming the proposition that works of applied art are copyrightable subject matter under the Mexican Copyright Law of 1956, as amended in 1963.

G. *Copyright Protection Does Not Extend To The Industrial Exploitation Of The Ideas Contained In A Work*

From time to time, lawyers questioned the protection afforded by the Copyright Law to works of applied art (*industrial* designs), on the basis of a provision mandating that *copyright protection does not extend to the industrial exploitation of the ideas contained in a work.*[55] This does not conflict with the notion expressly adopted by the statute that works of art are subject to copyright protection irrespective of their destination. Article 18, paragraph (a), simply mandates the traditional rule of copyright law that *copyright protection does not extend to the ideas of a copyrightable work, but only to the expression.*[56]

H. *The Regulations Of 1939 And The Cumulative Or Concurrent Protection After The Law Of 1956 As Amended In 1963*

Lawyers have also questioned copyright protection of works of applied art on the basis of the old rule contained in the Regulations of 1939. Because these regulations have not been expressly abolished as a whole, there is room for argument on whether or not such regulations remain in force at this time. To my knowledge, this issue has not been tested in a published, final, and firm precedent pertaining to Mexican jurisprudence.

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[55] FCL, *supra* note 52, art. 18, § a.

[56] POUILLET, *supra* note 53, at 95 ("le droit porte pas sur le sujet, sur l'idée, il porte sur la forme donnée au sujet ou à l'idée").

I. *Works Of Applied Art Are Subject To Cumulative Protection In Mexico*

In effect, the Industrial Property Law of 1991 as amended in 1994, does not contain as clear a provision as in the Law on Inventions and Marks of 1975. The Industrial Property Law in force at this time simply does not explicitly address the issue of cumulative protection as did the law of 1975. This lack of clarity, however, has not eliminated the notion that, under Mexican intellectual property law, works of applied art are subject to a system of *cumulative* or *concurrent protection* following the principle of *unity of art* under the fundamentals of intellectual property law and of legal interpretation discussed in this presentation.[59]

J. *Recording A Work Of Applied Art*

No official criteria have been published by the Mexican authorities concerning whether an applicant recording a work of applied art must distinguish it from the work of art. Practices regarding the recording of a work of applied art at the Mexican Copyright Office are *unpredictable.* There are cases where industrial designs such as *sculptures, three-dimensional works,* or *drawings* have been recorded with no problem. Yet, experience also shows that applicants for the recording of a work of applied art at the Mexican Copyright Office may face complications if the work of art is not clearly *distinguishable* from the work of applied art sought to be recorded, a *requirement* sometimes imposed in local practice. Obviously the requirement of *distinguishing* the work of art from the work of applied art destroys the notion of *unity* of art discussed herein. The language used by the statute, which is similar to that used

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[59] Different approaches of *cumulative* or *alternative* protection are discussed in David Rangel-Medina, *La protección del arte aplicado,* 29-30 REVISTA MEXICANA DE LA PROPIEDAD INDUSTRIAL Y ARTISTICA, 17 (1977) and Ridi, 1 REV. INTERAMERICANA DE DIREITO INTELECTUAL 63 (1978). *See also* LADAS, *supra* note 13, at 840, 842. JOSÉ MANUEL OTERO LASTRES, EL MODELO INDUSTRIAL 105 (Editorial Montecorvo, S.A. Madrid 1977).

provisions in their respective statutes specifically addressing the copyrightability of works of applied art, in addition to provisions that refer to the protection of sculptures, three-dimensional works of art, works pertaining to the plastic arts, drawings, and paintings. From an orthodox perspective, the provisions expressly contemplating works of applied art, including industrial models and industrial drawings, as *different* works from conventional works of art (sculptures, three-dimensional works, works pertaining to the plastic arts, drawings, and paintings) seems to question the theory of *unity of art*. Confidence and certainty could be achieved by following the approach adopted by these two countries.

Indeed, a version of the approach followed by these two countries could be adopted in Mexico without challenging the school of applied art and the doctrine of unity of art. The law could provide that works of applied art must be considered as works of art pertaining to other categories of art expressly contemplated in the statute, such as sculptures, three-dimensional works of art, works pertaining to the plastic arts, drawings, and paintings. In such a manner, one could eliminate interpretations questioning legal access to copyright protection to works of applied art, while preserving the orthodox approach of the school of *unity of art*.

In effect, Article 5, paragraph (2), item 10 of the new Copyright and Related Rights Act of 1995 in Slovenia provides: "Copyright works are individual intellectual creations in the domain of literature, science, and art, which are expressed in any mode, unless otherwise provided by this Act. As copyright works are considered in particular: *works of applied art and industrial design*."[60] Likewise, Article 2, item (h) of the new Copyright Law of 1996 in Oman provides:

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[60] Official Gazette RS No. 21/1995, April 14, 1995 (entered into force on April 29, 1995) *translated in* A. ZUPANCIC, SLOVENIAN INTELLECTUAL PROPERTY OFFICE, INTELLECTUAL PROPERTY. LAWS AND REGULATIONS OF THE REPUBLIC OF SLOVENIA 65-66 (1996).

B. *Protection of Designs Under The Current Trademark Statute*

The Mexican trademark statute currently in force, the Industrial Property Law of 1991, as Amended in 1994 (IPL), provides for a broad concept of a trademark. The statute defines a trademark as *any visible sign* that distinguishes goods or services.[62] The statute also dictates that a trademark may be confirmed by *visible figures* capable of identifying goods or services and by *three-dimensional forms*.[63]

Clearly, both designs in flat and three-dimensional designs are considered trademarks under the provisions of the trademark statute in force, and would be protected, provided the general distinctiveness requirement was met. Thus, trademark protection may be refused for a design on grounds of genericness or descriptiveness, as in cases involving word marks.[64] Therefore, the Mexican law on designs provides for cumulative or concurrent protection not only from a copyright and design patent perspective, but also from a trademark stand point.

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[62] I.P.L., *supra* note 14, art. 88.

[63] I.P.L., *supra* note 14, art. 89, §§ I, II.

[64] I.P.L., *supra* note 14, arts. 90, §§ III, IV. Prior to the Industrial Property Law of 1991, as amended in 1994, Mexican trademark law already provided for a broad concept of trademark, thus allowing protection of in flat and three-dimensional designs, provided the subject matter sought to be registered was distinctive. *See* Law of Inventions and Trademarks (amended), art. 90, § I (1975). *See also* Industrial Property Law, art. 97 (1942). Article 2 of the trademark Law of 1928 also included a broad concept of trademark thus allowing the protection of distinctive designs in flat and distinctive three-dimensional designs. Likewise, Article 1 of the Trademark Law of 1903 included a broad concept of trademark comprising both designs in flat and three-dimensional designs.

2. Members may provide limited exceptions to the protection of industrial designs, provided that such exceptions do not unreasonably conflict with normal exploitation of protected designs and do not unreasonably prejudice the legitimate interests of the owner of the protected design, taking account of the legitimate interests of third parties.

3. The duration of protection available shall amount to at least ten years.

A. *Obligations And Alternatives For Design Protection Under TRIPS*

The rules that flow from the text of Articles 25 and 26 of TRIPS may be summarized as follows:

1. The conditions for protection of industrial designs are (*compulsory*).

Article 25, paragraph 1, TRIPS:

a. independently created design

b. novelty or

c. originality

2. If the design does not significantly differ from known designs or a combination of known design features, the design may not be considered new or original (*optional*).[66]

3. Protection may not extend to designs dictated essentially by technical or functional considerations *(optional).*[67]

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[66] *Id.* art. 25, ¶ 1.

[67] *Id.* art. 25, ¶ 1.

8. The term of protection of designs should be at least ten years. TRIPS does not specify whether this term is computed from the date of filing or the date of issue *(compulsory).*[72]

9. Design law or copyright law should not be an obstacle for protection of textile designs in general. Particular consideration should be given to costs, examination, and publication *(compulsory).*[73]

B. *Implementation Of TRIPS Provisions In Mexican Design Law*

The rule contemplated in Article 25, paragraph 1, of TRIPS requiring that industrial designs be independently created, novel or original[74] has been adopted by the drafters of the reform of 1994 in the text of Article 31, IPL.

The rule contemplated in Article 25, paragraph 1 of TRIPS that the design not significantly differ from known designs or combinations of known design features[75] has been adopted by the drafters of the reform of 1994 in the text of Article 31, IPL.

The option contemplated in Article 25, paragraph 1, of TRIPS, that protection may not extend to designs dictated essentially by technical or functional considerations[76] is exercised in the text of Article 31, IPL. The expression *"essentially"* does not appear in the Mexican statute. Instead, reference is made to the fact that protection shall not extend to designs dictated *exclusively* by technical or functional considerations. Additionally, the Mexican statute

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[72] *Id.* art. 26, ¶ 3.

[73] *Id.* art. 25, ¶ 2.

[74] *Id.* art. 25, ¶ 1.

[75] *Id.*

[76] *Id.*

addition, the Mexican Industrial Property Law requires *knowledge* on the part of the seller that he is selling a product manufactured or made without the consent of the owner of the registered design as a condition precedent to proceeding against the party offering the product for sale or placing it in circulation. TRIPS does not include this additional requirement that will likely make legal proceedings against infringers of design registrations more tedious.

The Mexican statute includes a provision that may be construed as implementing an obligation to extend design protection in situations involving articles bearing or embodying a design which is *a copy* of the protected design. Yet, the Mexican statute is not explicit as to whether legal action can be initiated in situations involving articles bearing or embodying a design which is *substantially a copy* of the protected design.[82]

The Mexican statute does not address whether design owners shall be entitled to take action against third parties only in situations involving conduct performed with commercial purposes.[83]

The question of exceptions regarding design protection is not contemplated in the Mexican statute.

The Mexican statute provides for non-extendable term of fifteen years to be counted from the filing date which arguable complies with the TRIPS requirement that the term of protection be

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contemplates a system of local or domestic exhaustion, thus parallel imports have been prevented in patent matters, as distinguished from a system of international exhaustion, such as that existing under Decision 344 of the Cartagena Agreement. The patent provisions dealing with the question of exhaustion of rights do not extend to industrial designs. *See* Amended I.P.L., *supra* note 15, arts. 22, 25, 37.

[82] I.P.L., *supra* note 14, arts. 213, XI and XII.

related to the acquisition and maintenance of the pertinent exclusive rights in certain jurisdictions. This is confirmed by the expression "cost" used in Article 26, paragraph 2.

With regard to the expressions "examination" and "publication," it again appears that the concerns of the textile industry are related to organizational and bureaucratic considerations inherent to the prosecution of the pertinent applications. While acknowledging that isolated problems exist, it is difficult to think of a prevalent situation where design applications related to textile designs are subjected to different rules regarding government fees and prosecution. In most countries, according a preferential treatment to textile design applications would likely raise constitutional questions, irrespective of whether the preferential treatment for textile designs suggested by TRIPS was eventually implemented as a matter of practice or as a matter of law. It is said that the textile industry has a short period of time to take advantage of the use of textile designs after they have been placed in the market place, but again, this seems to be the case in most industries involving any new or original industrial design. Time will tell how the new provisions are implemented in domestic law and practice.

A. *The Formation Of A Special Branch Of Industrial Property For Designs And Models Is A Historical Accident*

When reading the TRIPS provisions one cannot avoid thinking of the origins of design protection that many legal commentators and scholars enjoy reproducing in their works, including Pouillet,[85] Perot-

[85] *See* POUILLET, *supra* note 53, at n.14; GREEFE & GREEFE, *supra* note 53, at

made a trip to Lyon[93] in 1806, the manufacturers of the city made various complaints to him with respect to inadequate regulation and protection of their industries. Among other things, they complained that the law of 1793 concerning artistic property did not protect them sufficiently. Napoleon promised to remedy the situation. The law of 1806 was a law generally concerned with the industries of Lyon; Section 3 of Title II, entitled "the preservation of ownership of designs," dealt with the protection of designs of the factories of Lyon by deposit and registration in the archives of the trade councils of each industry.[94]

These provisions of the law might be regarded as merely supplementing the law of 1793 and recognizing, by registration of a design, a proof of creation and ownership. But the law spoke of "*dessins de fabricant*"[95] or "*dessins de fabrique,*"[96] and the French courts exerted themselves to define an industrial design and distinguish it from an artistic design. With the subsequent extension of the provisions of the law of 1806 to all industries and to industrial models, the theoretical separation of industrial designs and models from artistic property was accomplished, though in fact definite boundaries between the two fields have never been established.[97] In reality the Law of 1806 simply confirmed the Law of 1793. Although it was believed that the Law of 1806 created a new category of designs: the *dessins* dits de *fabrique,* Pouillet asserts that this was a mistake.[98]

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[93] *See* POUILLET, *supra* note 53, at n.14; GREEFE & GREEFE, *supra* note 53, at 5.

[94] *See* LADAS, *supra* note 13, at 828-830.

[95] *Id.*

[96] POUILLET, *supra* note 54, at 98.

[97] LADAS, *supra* note 13, at 830.

[98] POUILLET, *supra* note 54, at 98.

contemplated in Article 25 of TRIPS. In effect, the reform of 1994 provides that an industrial design shall be deemed to meet the novelty requirement when the design is the result of an independent creative effort (subjective element) and when the design differs in a significant way from other previously known designs or of combinations of previously known characteristics of other designs (objective element).

The law of designs has conferred *cumulative* legal protection to industrial designs under the industrial property and copyright laws in Mexico ever since the Patent Law of 1928 and the Civil Code of 1928 were passed by the Mexican Congress. This situation has remained unaltered after the Regulations of 1939 and after the Copyright Law of 1947.

Congress has expressly acknowledged that industrial designs may be protected under Mexican industrial property law and Mexican copyright law.

Under Mexican intellectual property law, works of applied art are subject to a system of *cumulative* or *concurrent protection* following the principle of *unity of art* under the fundamentals of intellectual property law and legal interpretation discussed in this article.

In spite of the existence of clear legal support favoring copyrightability of works of applied art, there is a reluctance to register works of applied art at the Mexican Copyright Office, particularly when the work of applied art involves an industrial model. Day-to-day practice at the agency is unpredictable, and applicants of registrations at the Mexican Copyright Office are advised to discuss issues regarding recording of this type of work with the highest authorities within such agency in appropriate cases. Usually applicants of copyright registrations of industrial models are told by officers and employees of the Copyright Office that the only way the work may be recorded is as a drawing, and not as an industrial model. Since one of the primary purposes of a copyright registration is to bear witness that on a given date the applicant for

VIII. NOTA BENE

Upon completion of this paper, the Mexican Congress approved a new copyright law effective as of Monday, March 24, 1997.[99] Contrary to the pattern followed by the old Law of 1956 as Amended in 1963--abrogated as of March 24, 1997--, Article 13, section XIII of the new copyright law expressly provides for the copyrightability of *works of applied art including graphic and textile designs*. The latter, in terms not entirely dissimilar to those followed by the drafters of the new copyright statutes in Slovenia and Oman (the wording of which does not include the expressions *graphic and textile designs*) previously discussed and, as noted elsewhere in this paper, also conferred with officers of the Mexican Copyright Office while they were in the process of drafting the bill that was introduced to Congress upon completion of this paper.

On the other hand, the adoption of the provision contained in new article 13, XIII of the recently enacted law matches with the stipulation of Article 2 of the Berne Convention, which includes works of applied art among the works of art that Berne members have engaged in considering as works of art for purposes of copyright protection under Berne. While, as noted, this tends to contradict the orthodox theory of *unité de l'art* of one of the fathers of modern *Droit d'auteur*, if correctly interpreted, the implementation of the Berne precept into the domestic statute should eliminate the room for discussion that the absence of a provision as explicit as new Article 13, XIII triggered in day to day practice in Mexico. The incorporation of the new provision should help to confirm that works of applied art are protected in Mexico under a system of *concurrent* or *cumulative* protection.

Furthermore, the new law seems to contradict Pouillet's theory of unity of art only in part, notably in the text of new Article 13, XIII. Elsewhere, the new statute confirms the theory of unity of art when

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[99] Transitory Article One of the Decree published in the Official Gazette of the Federation of December 24, 1996.

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FUTURE MEETINGS calendar

1997

November 2-5	LICENSING EXECUTIVE SOCIETY, LES (USA & CANADA) Annual Meeting, Hyatt Regency, San Diego, California (703-836-3106)

1998

January 17-21	ABA-IPL SECTION, ABA - IPL 1998 Midwinter Meeting, Ritz Carlton Laguna Nigel, Dana Point, California (312-988-5639)
January 25-28	ASSOCIATION OF CORPORATE PATENT COUNSEL, Loew's Ventana Canyon Resort, Tucson, Arizona (Contact: Allen Richmond, Secretary, (918) 661-0512, Fax (918) 661-8739)
January 21-24	AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION, Mid-Winter Meeting, La Quinta Hotel Golf & Tennis Resort, La Quinta, California (703-415-0780)
February 26-28	LICENSING EXECUTIVE SOCIETY, LES (USA & CANADA) Winter Meeting, Four Seasons Hotel, Newport Beach, California (703-836-3106)
March 30-31	ABA-IPL SECTION, ABA - IPL 1998 Spring CLE Meeting, Omni Shoreham Hotel, Washington, D.C. (312-988-5639)
April 22-24	AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION, Spring Meeting, Minneapolis Hilton & Towers, Minneapolis, Minnesota (703-415-0780)
May 9-13	INTERNATIONAL TRADEMARK ASSOCIATION, Copley Connection and Hynes Convention Center, Boston, Massachusetts (Call Membership Services, (212) 768-9887)
June 21-24	ASSOCIATION OF CORPORATE PATENT COUNSEL, The Inn at Semi-AH-Moo, Blaine, Washington (near Vancouver, B.C.) (Contact: Allen Richmond, Secretary, (918) 661-0512, Fax (918) 661-8739)
June 24-28	ABA-IPL SECTION, ABA - IPL1998 Summer IPL Conference, Colonial Williamsburg, Virginia (312-988-5639)
July 31-August 5	ABA-IPL SECTION, 1998 Annual Meeting, Toronto, Ontario, Canada (312-988-5639)
October 1-3	PATENT AND TRADEMARK INSTITUTE OF CANADA, 72nd Annual General Meeting, Hotel Newfoundland, St. John's, Newfoundland, Canada (613-234-0516)
October 15-17	AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION, Annual Meeting, Crystal Gateway Marriott Hotel, Arlington, Virginia (703-415-0780)
October 24-31	LICENSING EXECUTIVE SOCIETY, LES (USA & CANADA) Annual Meeting, Fountainbleau Hilton, Miami Beach, Florida (703-836-3106)

adopting once again the words of the French jurist Pouillet in the text of new Article 5 which, not unlike the abrogated statute, contains an express provision in the sense that works of art are copyrightable subject matter irrespective of their destination. As noted by Pouillet more than 100 years ago, it may be said that given the way Mexican copyright law was interpreted in the past on questions involving works of applied art, the incorporation of Article 13, section XIII in the new statute is a step in the right direction.

the copyright registration of a work of applied art appeared at the copyright office in his capacity as author or copyright owner of the work, one should give consideration to the alternative currently proposed by the Copyright Office before simply refusing to depart from an orthodox way of handling things.

Under Mexican trademark law, designs in flat and three-dimensional designs are considered as trademarks under the current trademark statute and they would be protected provided the general distinctiveness requirement is met. Thus trademark protection may be refused for a design on grounds of genericness or descriptiveness as in cases involving word marks.

The Mexican law on designs provides for cumulative or concurrent protection not only from a copyright and design patent perspective, but also from a trademark stand point.

As a general proposition, Mexican design law meets TRIPS standards, with three basic exceptions. The Mexican statute is silent regarding the possibility of importing articles made or manufactured without the consent of the owner of the design registration. The Mexican statute does not state that design protection is extended to articles bearing or embodying a design which is substantially a copy, of the protected design. TRIPS does not discuss the possibility of restricting design protection from third parties selling infringing articles bearing or embodying a protected design to situations where the seller has knowledge that he is selling an article made or manufactued without the consent of the owner of the registered design. This requirement is contemplated in the Mexican Industrial Property Law. Finally, no official statement has been made by the Mexican authorities on whether or not Mexico will take advantage of the transitional periods contemplated in TRIPS (Article 65) for developing countries. Some legislative activities, however, suggest that Mexico might not be willing to take advantage of the transitional periods contemplated in TRIPS, as illustrated by the examination of the law applicable to industrial designs in force at this time in Mexico.

B. *Article 25, Paragraph 2, Of TRIPS: Another Accident?*

It is of interest to note that 200 years later, the textile industry has accomplished a similar goal to that of their French predecessors by incorporating *a particular system of protection* of textile designs within the design system *created* for them through the law of 1806. Only time will tell how the new provisions of Article 25, paragraph 2, of TRIPS are implemented.

VII. CONCLUSION

In summary, since the last century, Mexican tradition had always identified the title conferring exclusivity over an industrial design as a design *patent*. This terminology was changed from patent to registration by the legislature of 1975. While subsequent legislation has departed from some of the criteria adopted in 1975, at present, the title conferring exclusivity upon industrial designs still is identified as a *design registration*.

Throughout the years, the term for design patents or design registrations has varied from ten to five-year periods. The term presently contemplated in the statute in force is the longest term provided in the history of industrial design protection in Mexico, namely, an unextendable fifteen-year period from filing. This clearly conforms to TRIPS, where a minimum term of ten years is contemplated.

The amendments of 1994 to the Industrial Property Law of 1991 introduced various changes in industrial design law. One of the most notable changes was the elimination of the *territorial originality* requirement which had been introduced by the drafters of the Industrial Property Law of 1991. This implied that the originality requirement contemplated in the statute must be universal or absolute according to the Mexican tradition.

Mexican law provides for a hybrid concept of originality and novelty including objective and subjective elements such as those

Morel,[86] Greffe,[87] Otero-Lastres,[88] Amor-Fernandez,[89] Sepulveda.[90] Others, like Ladas,[91] assert that the adoption of a particular system for designs is either an accident or a mistake.

Industrial designs were made a branch of industrial property law by the French Law of 1806, and it was this law that was copied or imitated all over the world. This law, however, was an accident.[92] During the revolution, France passed the law of July 19 to 24, 1793, for the protection of literary and artistic property. The provisions of the law were broad enough to cover any kind of design. When Napoleon

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[86] MARIE-ANGÈLE PEROT-MOREL, LES PRINCIPES DE PROTECTION DES DESSINS ET MODÈLES DANS LES PAYS DU MARCHÉ COMMUN 40-41 (Mouton Ed. 1968).

[87] GREEFE & GREEFE, *supra* note 53, at 5.

[88] OTERO-LASTRES, *supra* note 59, at 60.

[89] ANTONIO AMOR-FERNANDEZ, LA PROPIEDAD INDUSTRIAL EN EL DERECHO INTERNACIONAL 89 (Ediciones Nauta 1965).

[90] CÉSAR SEPULVEDA, LA PROTECCIÓN INTERNACIONAL A LOS DISEÑOS INDUSTRIALES, Revista Mexicana de la Propiedad Industrial y Artística, Jan.-Dec. 1976, at 46, 47.

[91] LADAS, *supra* note 13, at 829.

[92] For a description of the situation existing in England prior to the approval of the French Law of 1806, see STEPHEN P. LADAS, THE INTERNATIONAL PROTECTION OF INDUSTRIAL PROPERTY 10 (1930). In England the first legislation on the subject of designs in the Act of 1787 (27 Geo III, c. 38) is entitled "An Act for the encouragement of the arts of designing and printing linens, cottons, calicoes and muslins, by vesting properties thereof in the designers, printers, and proprietors for a limited time." *Id.* It provided that a designer should have the sole right of reprinting his design for two months, beginning from the day of the first publishing thereof. The term was extended to three months in 1794. *Id.* The French law passed in 1806 purported to protect only the designs of the industries of Lyon, but was extended by the courts to all of France. *Id.* In the United States, the act of Congress of 1842 protected designs for the first time. *Id.* In some Germanic states there existed decrees prohibiting the copying of designs, but the real protection of this right does not begin until

at least ten years although TRIPS does not define the date from which the term should be calculated.

No provision in Mexican industrial property or copyright law and practice state that design law or copyright law should not be an obstacle for protection of textile designs in general nor that particular consideration should be given to costs, examination, and publication.[84] In summary, Mexican law meets TRIPS standards with the three exceptions noted.

VI. TEXTILE DESIGNS, TRIPS, AND THE FRENCH LAW OF 1806 ON DESIGNS

Article 25, paragraph 2, of TRIPS includes a provision which deserves commentary. This article requires that members ensure that requirements involved in securing protection for textile designs, such as costs, examinations, or publication, will not unreasonably impair the opportunity to seek and obtain such protection. Members may choose to meet this obligation through industrial design law or through copyright law. Surely there should have been situations where the textile industry faced complications in protecting designs around the world. Otherwise, the incorporation of the engagement contained in Article 25, paragraph 2, would not have made much sense.

All factors indicate, however, that such complications were not related to substantive considerations or to the issue of whether or not design law was the appropriate tool to protect textile designs. This assumption is grounded on the text of Article 25, paragraph 2, of TRIPS, which clearly indicates that the concerns of the textile industry are not related to these types of issues, but rather to more pragmatic considerations that have little or nothing to do with design law. The concerns of the textile industry as reflected in Article 25, paragraph 2, are more directly related to pecuniary considerations such as the costs

[84] *Id.* art. 25, ¶ 1.

mandates that protection shall not extend to industrial designs that do not imply a creative, arbitrary, non-technical contribution by the designer.[77]

Under Mexican law, the owner of a design registration has the right to prevent third parties without consent from *manufacturing* or *making* a design which is a copy of the registered design.[78] In addition, the owner of a design registration has the right to prevent third parties without consent *from offering for sale* and from *placing in circulation* unauthorized copies of registered designs where the third party is aware that the design was manufactured or made without the necessary consent.[79]

Generally, these provisions meet the criteria contemplated in Article 26, paragraph 1 of TRIPS that design owners should be allowed to prevent third parties from performing the following acts: making, selling or importing.[80] Yet, the Mexican statute does not explicitly address whether the owner of a design registration may prevent others from *importing* products bearing the registered design without consent. A similar silence is found in the Mexican Copyright law with respect to works protected under copyright law.[81] In

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[77] I.P.L., *supra* note 14, art. 31, ¶ 3.

[78] I.P.L., *supra* note 14, art. 213, ¶ XI.

[79] *Id.*

[80] TRIPS, *supra* note 1, art. 26, ¶ 1.

[81] In addition, when the Mexican Industrial Property Law allows the owners of a design registration to take action against third parties who offer for sale or who have placed in circulation products bearing the registered design, this right of action is restricted to situations involving unauthorized copies of the registered design, as distinguished from genuine reproductions of the registered design, which apparently may be freely sold by third parties with or without the consent of the owner of the registered design. The provisions addressing design protection in the IPL do not address this issue. *See* Amended I.P.L., *supra* note 15, arts. 31-37,

4. Design owners should be allowed to prevent third parties from performing the following acts *(compulsory)*:[68]

a. making

b. selling or

c. importing.

5. Design protection is extended to articles bearing or embodying a design which is a copy or substantially a copy, of the protected design *(compulsory)*.[69]

6. Design owners shall be entitled to take action against third parties only in situations involving conduct performed with commercial purposes *(compulsory)*.[70]

7. Whatever exception is contemplated in domestic law and practice regarding design protection should be enforced according to the following rules *(compulsory)*.[71]

a. the exceptions should not prevent the normal exploitation of protected industrial designs;

b. the exception should not prejudice the legitimate interests of the owners of protected industrial design; and

c. the exception should take into consideration the legitimate interests of third parties.

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[68] *Id.* art. 26, ¶ 1.

[69] *Id.* art. 26, ¶ 1.

[70] *Id.* art. 26, ¶ 1.

[71] *Id.* art. 26, ¶ 2.

V. MEXICAN DESIGN LAW AND TRIPS

Industrial design protection is contemplated in Articles 25 and 26 of the Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods (TRIPS)[65]:

> Article 25. *Requirements for Protection*
>
> 1. Members shall provide for the protection of independently created industrial designs that are new or original. Members may provide that designs are not new or original if they do not significantly differ from known designs or combinations of known design features. Members may provide that such protection shall not extend to designs dictated essentially by technical or functional considerations.
>
> 2. Each member shall ensure that requirements for securing protection for textile designs, in particular in regard to cost, examination or publication, do not unreasonably impair the opportunity to seek and obtain such protection. Members shall be free to meet this obligation through industrial design law or through copyright law.
>
> Article 26. *Protection.*
>
> 1. The owner of a protected industrial design shall have the right to prevent third parties not having his consent from making, selling or importing articles bearing or embodying a design which is a copy, or substantially a copy, of the protected design, when such acts are undertaken for commercial purposes.

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[65] TRIPS, *supra* note 1.

> The authors of original works of art in literature, science, arts, and culture in general shall enjoy the protection of this law irrespective of the value of those works of art, type thereof, manner of expression or purpose for which they were created. The said protection shall comprise in particular the authors of the following works: . . . (h) *the applied works of art whether handicraft or industrial.*[61]

The Mexican Administration is currently drafting a document that should take the form of a bill for a new copyright law. It is not known when this will be completed and eventually introduced to Congress. In a conference held October 4, 1994, with the Head of the Mexican Copyright Office and other high officers with the agency, the solutions adopted in Slovenia and Oman were introduced and discussed.

IV. PROTECTION OF INDUSTRIAL DESIGNS UNDER MEXICAN TRADEMARK LAW

A. *Mexican Legislative Tradition Conferring Trademark Protection To Distinctive Designs*

There is a tradition in Mexican trademark law of granting trademark protection to distinctive designs. The first statute governing the protection of trademarks in Mexico, the Trademark Law of 1889, included an express provision conferring protection to distinctive designs. After the Trademark Law of 1889, the trademark laws of 1903, 1928, 1942, 1975, and 1991 also conferred trademark protection to *distinctive* designs in flat and distinctive three-dimensional designs.

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[61] Copyright Law, Royal Decree No. 47/96 issued on 21st, Moharram, 1417 A.H. (corresponding to June 8, 1996), *translated in* Abu-Ghazaleh Intellectual Property, *TMP Bulletin An Intellectual Property Bulletin From the*

by Pouillet to describe the theory of *unity of art*, contains a solid legal basis to appeal an administrative decision rejecting the recording of a work of applied art at the Mexican Copyright Office on the grounds that the applicant was not able to distinguish the *work of art* from the *work of applied art*. For a number of practical reasons there are no published judicial precedents correcting Copyright Office practice on this issue.

The legal basis for the Mexican Copyright Office to record works of art *irrespective of their destination* (works of applied art), is clearly contained in the language of the statute, including Article 8 of the Mexican Copyright Office of 1956, as amended in 1963. Furthermore, Article 8 of the Mexican Copyright Office seems to provide a basis for protecting a work of applied art that the Mexican Copyright Office refused to record. Article 8 provides that "works of art shall enjoy legal protection whether or not they are recorded at the Copyright Office irrespective of their destination." In practice, however, if the owner of an industrial design were to institute infringement proceedings, such party would be well advised to exercise efforts to obtain the pertinent recording at the Mexican Copyright Office instead of relying on the wording of Article 8 of the statute.

K. *The Solution Recently Adopted In Slovenia And Oman*

Discussions with officers of the Mexican Copyright Office suggest that one of the reasons the agency has been reluctant to register works of applied art, whether industrial models or industrial drawings, either as sculptures, three-dimensional works, works pertaining to the plastic arts, or drawings may be due to the strict and narrow construction of the provisions of the Mexican Copyright Law. Copyright protection of works of applied art could be more easily obtained in Mexico by adopting a solution such as that followed by Slovenia and Oman where similar complications to those faced in Mexican practice might have taken place in the absence of express provisions addressing the copyrightability of works of applied art. These two countries have recently decided to include express

In reality, the issue is not whether the provisions of the Regulations remain in force, but rather, whether previously mentioned Regulation 5, II may obstruct enforcement of the principle of cumulative protection under current Mexican intellectual property law. The same arguments that support the proposition that the Regulations of 1939 did not affect the copyright protection afforded to industrial designs under the repealed Copyright Law of 1947 also apply to the existing situation under the provisions of the Copyright Law of 1956 as amended in 1963.

This view is further reinforced by the fact that the current statute contains an express provision stating that works of art are copyrightable subject matter *irrespective of their destination.*[57] Additional support for this proposition is found in the text of the repealed Law on Inventions and Marks of 1975. In this law, Congress expressly mandated that "the protection afforded by the industrial property law to industrial designs was conferred without prejudicing the protection also afforded to authors by other statutes."[58] Thus, Congress has expressly acknowledged that industrial designs may be protected under Mexican industrial property law and Mexican author's law (copyright law).

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[57] FCL, *supra* note 52, art. 8.

[58] Abrogated Law on Inventions and Marks of 1975, art. 86. *See* André Françon, *The Protection of Designs, the Protection of Trademark Rights, Protection by Action for Unfair Competition, and How these Relate in French Law*, in MONOGRAPHS ON INDUSTRIAL PROPERTY AND COPYRIGHT LAW 80 (Herman Cohen Jehoram ed. 1976) (reaches similar conclusions when commenting on a similar text of French law, specifically Article 1 of the Law of July 14, 1909 on designs: "any creator of a design and his successors in title have the exclusive right to exploit, sell or have sold his design in the conditions provided by the present law, *without prejudicing*

well as any other work of art analogous to any of the groups of works illustrated in the list shown in Article 7 of the statute.

F. The théorie de l'unité de l'art *In The Mexican Law Of 1956 As Amended In 1963*

In the absence of express provisions in the statute either protecting or rejecting protection of works of applied art, industrial designs are protected in Mexico under the theory of unity of art (*unité de l'art*). This theory affords copyright protection to works of art *irrespective of their destination,* as expressly noted by Article 8 of the FCL, for as long as the work involves originality and is the result of an independent creative work further embodied in a tangible medium of expression.[52]

The *irrelevance of the destination of the work of art* expressly mentioned in Article 8 of the Mexican statute is exactly the main element used to describe the old theory of unity of art by its father, the French jurist Eugène Pouillet. The main elements of this centennial theory are described not only in his famous treatise on industrial design,[53] but also in his treatise on author's rights (or copyright), where he insists that the "industrial destination of a work of art does not change the nature of the right."[54] These are the principles and language expressly adopted in the Mexican statute,

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[52] *See, e.g.*, Mexican Copyright Law of 1956, arts. 7, 8, 9 (amended in 1963) [hereinafter FCL].

[53] *See* EUGÈNE POUILLET, TRAITÉ DES DESSINS ET MODÈLES (1911). *See also* PIERRE GREEFE & FRANÇOIS GREEFE, TRAITÉ DES DESSINS ET DES MODÈLES 26 (1988). The theory of *unité de l'art* of Pouillet was defended and discussed in international meetings as early as the year 1905, including the International Artistic Congress in Venice in 1905, and other international meetings at the beginning of the century. *See* Newton Silveira, *Direito de Autor no Desenho Industrial*, EDITORA REVISTA DOS TRIBUNAIS 107 (1982).

[54] EUGENE POUILLET, TRAITE THEORIQUE ET PRATIQUE DE LA PROPRIETE LITTERAIRE ET ARTISTIQUE ET DU DROIT DE LA REPRESENTATION 96 (Georges Maillard & Charles Claro, 3d ed. 1908). *See also* ANTONIO CHAVES,

It should also be noted that the Regulations of 1939 were meant to regulate the copyright law in force at the time such regulations were issued by the President. Thus, if the law governed by the Regulations of 1939 is expressly superseded by Congress, it makes little sense to conclude that the Regulations of 1939--which contain provision in conflict with the new statute--continue in force under subsequent statutes.

In similar situations, when Congress has intended that the regulations of a law repealed by Congress continue serving as the regulations of the new statute, Congress has included an express provision to that effect in the transitory chapter of the new law. This was the case when the Law on Inventions and Marks of 1975 was passed by Congress. In that case, the Law of 1975 was passed by Congress with a transitory provision repealing the Industrial Property Law of 1942, and another transitory provision expressly mandating that the old Regulations of the Industrial Property Law of 1942 should continue serving as regulations to the new law. The President, though, could issue new regulations specifically tailored for the new Law on Inventions and Marks of 1975.[49]

No provision similar to that contained in the Law on Inventions and Marks of 1975 is found in the Copyright Law of 1947. Rather, the Copyright Law of 1947 contains an express provision derogating all legal provisions in conflict with the new law. Consequently, the law of designs has conferred *cumulative* legal protection to industrial designs under the industrial property and the copyright laws in Mexico ever since the Patent Law of 1928 and the

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legislative body. This scenario did not take place. In addition, legal commentators have asserted that since the Regulations of 1939 were not in conflict with the Copyright Law of 1947, there has been no need to abrogate the Regulations of 1939. The only area where an amendment was proposed with a view to adapting the Regulations of 1939 to the Copyright Law of 1947 was the question of fees contemplated in the Tariff of the Regulations of 1939. *See* JESUS ROMO-ELIAS, LEY SOBRE LOS DERECHOS DE AUTOR Y EDITOR 184 (1956).

contradictory or conflicting provisions in the Law and the Regulations.

D. *The Regulations Of 1939*

The Regulations of 1939[45] provided that "works that have been registered or should be registered pursuant to the Patent and Trademark Law will not receive copyright protection."[46]

Lawyers have speculated about whether or not this provision meant that copyright protection was barred for registered designs or designs that could have been registered as industrial designs under the Patent Law of 1928, and afterwards under the Industrial Property Law of 1942. While the generality and vagueness of the text of Regulation 5, II, give room for argument, in interpreting the text of Regulation 5, II, one should bear in mind two things: the text of the Copyright Law of 1947, and the fundamentals of Constitutional and Administrative law on legal interpretation. Essentially, the regulations should not go beyond the text of the law nor should they contradict the provisions of a law approved by Congress.

Bearing this in mind, it is clear that the intention of the legislature was that works with a purely functional and utilitarian purpose were not subject to copyright protection as indicated in Article 5 of the Copyright Law of 1947. It thus seems that Article 5 of the Law of 1947 is in line with the rule contained in Regulation 5, II, if this regulation is construed to mean that works that have been registered or should be registered at the patent and trademark office should not be registered at the copyright office. This is so, unless the work registered at the patent and trademark office is *also* a work of

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[45] "Reglamento para el reconocimiento de los derechos de autor, traductor o editor de Septiembre 11, 1939," D.O., Oct. 17, 1939 (Mex.). The 1939 law went into effect 15 days after the respective publication in the *Diario Oficial de la Federación*.

[46] *Id.* Reg. 5, ¶ II.

industrial designs should be protected under the copyright provisions. It is for these reasons that legal commentators in Mexico agree with the proposition that industrial designs are subject to copyright protection in Mexico.[39]

C. *The Copyright Law Of 1947*

The copyright provisions of the Civil Code of 1928, in effect after 1932, were in force until 1947, when a copyright law independent from the civil code became effective in Mexico. The Copyright Law of 1947 thus replaced the copyright chapter of the Civil Code of 1928.[40] The Copyright Law of 1947 provided that literary, didactic, scientific, or artistic works were subject to copyright protection.[41] The law also included an illustrative list of specific works of art protected under the statute, including *"drawings, illustrations, paintings, sculptures . . .* and *any . . . artistic work capable of being published and reproduced."*[42]

The Copyright Law of 1947 contained an interesting provision indicating that *works of art that have only an industrial application are not protected under the act.*[43] Article 5 of the Law of 1947 did not explicitly state that works of art with an industrial application would not be protected under the statute. The language of the statute, however, seemed to suggest that industrial designs were not subject to copyright protection under the provisions of the Law of 1947. Instead, the Law of 1947 provided that works of art that *only* had an industrial application would not be protected by copyright law, a universal principle of copyright law.

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[39] See RANGEL-ORTIZ, *supra* note 2, at 46-48.

[40] "Ley Federal sobre el Derecho de Autor," art. 2 (transitory), D.O. Jan. 14, 1948 (Mex.).

[41] *Id.* art. 1.

[42] *Id.* art. 4 (emphasis added).

design registrations.[29] It was debatable whether or not the working requirements for patents also applied to design registrations. Under the statute in force, it is clear that only some provisions relating to prosecution of patents, and not maintenance, apply to design registrations.[30]

III. PROTECTION OF INDUSTRIAL DESIGNS UNDER MEXICAN COPYRIGHT LAW

A. *Design Protection Under The Old Copyright Laws And The Civil Codes*

The old copyright laws did not make reference to industrial designs, whether industrial models or industrial drawings. This was the case with the copyright statutes of 1764, 1813, and 1846, which restricted copyright protection to literary works.[31] Following the pattern of the Portuguese Civil Code, the drafters of the Civil Code for Mexico City of 1870 incorporated a chapter devoted to copyright matters applicable to literary and artistic works in general. The same chapter, with slight changes of form, was incorporated into the Civil Code for Mexico City of 1884.[32] The Civil Code for Mexico City of

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[29] *See, e.g.*, "Ley de Invenciones y Marcas," art. 81, D.O., Feb. 10, 1976 (Mex.).

[30] *See* Amended I.P.L., *supra* note 15, art. 37.

[31] *Real orden de 20 de octubre de 1764 dictada por Carlos III, Decreto de 10 de junio de 1813 de las Cortes Generales y Extraordinarias Españolas*, and *Decreto sobre propiedad literaria de 3 de diciembre de 1846*. *See* DAVID RANGEL-MEDINA, LOS DERECHOS DE AUTOR; SU NATURALEZA JURÍDICA Y COMENTARIOS ACERCA DE SU PROTECCIÓN LEGAL EN MÉXICO 28-31 (1944).

[32] *See* David Rangel-Medina, *Derecho de la propiedad industrial e intelectual*, Instituto de Investigaciones Jurídicas 13 (UNAM) (1992).

H. *No Publication*

No publication of industrial design applications is required for registration.[23]

I. *Infringement*

Infringement of an industrial design had always been considered a crime under Mexican industrial design law. However, under the Law of 1991, as amended in 1994, infringement of an industrial design is considered an illegal activity which may be attacked both civilly and administratively.[24] Infringement of an industrial design will be considered a crime only in second-offense situations.[25] After the 1994 amnendments, the owner of a design registration has the right to prevent third parties from *"manufacturing* or *making"* a product embodying a copy of the registered design without consent.[26]

Furthermore, the owner of a design registration has the right to prevent third parties from *"offering for sale"* or *"placing in circulation"* unauthorized reproductions of products bearing the registered design where the third party is aware that the product bearing the design was *manufactured* or *made* without the necessary consent.[27]

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[23] *See* Amended I.P.L., *supra* note 15, art. 37.

[24] *See id.*, arts. 213, XI and XII.

[25] *See id.*, arts. 223, I.

[26] *See id.*, arts. 213, X.

industrial property law.[17] The originality requirement and the legal definition of originality contemplated in the original text of the Law of 1991 have been eliminated in the 1994 amendment. The 1994 amendment, however, includes a definition of novelty applicable to industrial designs only.[18] This legal definition of novelty also approaches originality notions.

In effect, the 1994 amended law provides that an industrial design shall be deemed to meet the novelty requirement when it is the result of an independent creative effort (subjective element) and when it differs in a significant way from other previously known designs or combinations of previously known characteristics of other designs (objective element).[19]

Therefore, in addition to industrial application, the patent statute currently in force contemplates hybrid notions of novelty and originality in terms not totally dissimilar to those provided in TRIPS.[20] In TRIPS, the same definition matches indistinctly originality or novelty, as is also the case in some domestic statutes such as the English Registered Designs Act of 1949, where it is provided that a design would not be registered unless it is *new or original.*[21]

The issue of whether the Mexican statute should follow principles of subjective or objective novelty and originality has

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[17] Amended I.P.L., *supra* note 15, art. 31, ¶ 1.

[18] Before the Law of 1991, Mexican statutes provided for a novelty requirement that applied similarly to design patents and patents of invention.

[19] Amended I.P.L., *supra* note 15, art. 31.

[20] TRIPS, *supra* note 1, art. 25, ¶ 1.

[21] English Registered Designs Act of 1949, Section 1 (2) of the Act. The full text of the English Registered Designs Act of 1949 appears in Appendix I of MICHAEL FYSH, RUSSEL-CLARKE ON COPYRIGHT IN INDUSTRIAL DESIGNS 186 (1974).

design registration. Under the Law of 1991, only a formal examination is conducted.[14]

II. DESIGN PROTECTION UNDER THE PATENT STATUTE PRESENTLY IN FORCE: THE INDUSTRIAL PROPERTY LAW OF 1991 AS AMENDED IN 1994

The Law of 1991 was amended in 1994. Thus, the law now in force in Mexico is the Industrial Property Law of 1991 as amended in 1994[15]. Having briefly referred to the way in which Mexican industrial design law has developed since the turn of the century up to the Law of 1991, the following discussion will focus on the main characteristics of the system of protection of industrial designs after the 1994 amendment.

A. *Terminology*

The terminology adopted in 1975 to identify the legal title of protection of industrial designs is still followed. That is, no reference is made to design patents as in the old Mexican statutes. Instead, the expression incorporated by the Law of 1975 has been kept: design *registrations*. In addition, the expression, industrial designs (*diseños industriales*), which was officially adopted in the 1991 Law to refer to three-dimensional industrial designs (*modelos industriales*) and industrial designs in flat (*dibujos industriales*), remains unchanged by the 1994 amendment.

B. *Term*

The fifteen-year unextendable term from filing incorporated with the Law of 1991 is left intact by the 1994 amendment.

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[14] *See* "Ley de fomento y proteccion de la propiedad industrial," art. 37, D.O., June 25, 1991 (Mex.) [hereinafter I.P.L.].

[15] *See* I.P.L., as amended by "Decreto," D.O., Aug. 2, 1994 (Mex.) [hereinafter Amended I.P.L.].

The Law of 1975's most obvious change was of a formal nature. The statute substituted the name *design patents* for design *registrations*. Additionally, the Law of 1975 limited the expression *patent* to *patents of invention* in patent statutes.[9]

Substantively, the 1975 statute's most evident change was the elimination of the originality requirement as a condition to granting design patents to industrial models. In the Law of 1975, the only two requirements for the grant of a design patent, which protected either an industrial model or an industrial drawing, were novelty and industrial application.[10]

Like previous patent statutes, the 1975 Act also considered the novelty of design in determining whether a design patent should be granted. Furthermore, the complex and casuistic definition of industrial model and industrial design contained in the laws of 1903, 1928, and 1942 were changed to simplify the legal definitions of such concepts in the statute. The definition also clarified the notions embodied in the industrial design concept.

Under the Law of 1975, the ten-year term established by the previous statutes was reduced to an unextendable five-years from the date of issue.[11] The 1986 amendment to the Law of 1975 extended the five-year term to an unextendable seven-year term of protection.[12]

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[9] For purposes of this discussion, design patents and design registration are referenced indistinctly.

[10] *See* Law of 1975, arts. 81-85.

[11] Law of 1975, art. 81.

[12] Law of 1975, art. 81, as amended by "Decreto," D.O., Jan. 17, 1987 (Mex.)

industrial designs (commonly referred to as *industrial models)* and *industrial designs in flat* (commonly referred to as *industrial drawings)* as patentable subject matter under the new system of design patents. These can be distinguished from the traditional patents of invention, governed by the former patent statutes. In addition to the industrial destination of the model, the Patent Law of 1903 provided for novelty and originality as conditions precedent to the protection of a three-dimensional industrial design. In contrast, the protection of industrial designs in flat (industrial drawings) was not conditioned on originality but only on novelty.[5]

C. *Design Protection In The Patent Laws Of 1903, 1928, And 1942*

The Patent Law of 1928 superseded the Patent Law of 1903. The 1928 statute introduced a system essentially identical to that contemplated by the law of 1903 on the subject of industrial design protection.[6]

The Industrial Property Law of 1942 superseded the Patent Law of 1928. In determining whether a design patent should be granted, the 1942 Act used standards similar to those set forth in the 1903 and 1928 statutes. The granting of design patents involving industrial drawings was conditioned on the novelty and industrial nature of the product with which the drawing was associated.

The only significant improvement that took place since the Patent Law of 1903 was the separating of conditions into two different provisions. The conditions appeared in one single provision in previous statutes. The Patent Law of 1928 devoted one provision to industrial models and another provision to industrial drawings. This was also the case in the Industrial Property Law of 1942.

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[5] Patent Law of 1903, art. 102.

Preliminary Remarks

This article examines the Mexican law of designs from three different perspectives. First, protection of industrial designs is examined based on the provisions of the industrial-property statutes that have governed the protection of inventions on the one hand, and trademarks on the other. Second, the relevant provisions contained in copyright statutes are similarly discussed. The current status of the law of designs in Mexico will be better understood when the individuals responsible for making decisions on the question of whether or not a particular design deserves legal protection in Mexico are aware of how design law has emerged and evolved in this jurisdiction. It is for this reason that this work includes a brief presentation on how design law has developed since the first intellectual property statutes were passed by the Mexican Congress in the last century up to the industrial design law currently in force.

The discussion of Mexican design law is followed by an analysis of the provisions addressing industrial design protection in the Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods.[1] The analysis of the TRIPS provisions is supplemented with an evaluation of how such provisions have been implemented in domestic law.

I. PROTECTION OF INDUSTRIAL DESIGNS UNDER PRIOR MEXICAN PATENT LAW

A. *Nineteenth Century Patent Statutes Did Not Contemplate Design Protection*

Nineteenth centruy patent statutes governing the protection of inventions in Mexico, including the Patent Law of 1820, the Patent Law of 1832, and the Patent Law of 1890, did not make express

[1] The Agreement on Trade-Related Aspects of Intellectual Property Rights Including Trade In Counterfeit Goods, *opened for signature* April 15, 1994,

E. *Conditions For Registration: Novelty And Industrial Application* 763
F. *The Territorial Originality Requirement* 765
G. *Formal Examination And Substantive Examination* .. 765
H. *No Publication* 766
I. *Infringement* 766
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A. *Design Protection Under The Old Copyright Laws And The Civil Codes* 768
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E. *The Copyright Law Of 1956 As Amended In 1963* 775
F. *The* Théorie De L'Unité De L'Art *In The Mexican Law Of 1956 As Amended In 1963* 776
G. *Copyright Protection Does Not Extend To The Industrial Exploitation Of The Ideas Contained In A Work* 777
H. *The Regulations Of 1939 And The Cumulative Or Concurrent Protection After The Law Of 1956 As Amended In 1963* 777
I. *Works Of Applied Art Are Subject To Cumulative Protection In Mexico* 779
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IV. PROTECTION OF INDUSTRIAL DESIGNS UNDER MEXICAN TRADEMARK LAW 782
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impact of the competing protection regimes--unfair competition, copyright and trademark law--becomes abundantly clear if one realizes that over the last ten years, at least as many reported design protection cases were based on those regimes as were based on model registration.[76]

The essential question is: Even if it may have seemed a good idea some twenty years ago, is there any point in continuing to require novelty at the date of filing as a condition for protection? We believe there is not. We sympathize with the view, expressed by the 's-Hertogenbosch District Court in *Kevin Nash v. Bruins*, that the BDMA is intended to protect designs, but that the novelty requirement gets in the way. One can think of other methods to make filing worthwhile without punishing applicants for filing late by entirely closing every claim to protection. One such alternative might be to make actions for damages depend on filing, while granting injunctive relief against the copying of unregistered designs.

The revised draft for an EC Directive on the harmonization of design protection provides for a two-tiered system, consisting of a registration system offering up to twenty-five years of protection supplemented with protection of non-registered design during a three year term.[77] Moreover, applicants are granted a one year grace period for filing a valid application, as of the date when the design's novelty is lost. Together these proposals provide for adequate protection of fashion design, without unduly extending protection of unregistered designs.

It is interesting to note that even before these proposals had been agreed upon, the Benelux countries had already decided to

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[76] Some cases involved more than one system, e.g., copyright as well as a model registration.

[77] *See* Amended proposal for a European Parliament and Council Directive on the legal protection of designs, of 21 February, 1996, COM(96) 66 final - COD 464.

the essential value of the product. Since many product forms will meet these requirements, trademark law has now developed into an additional form of protection for product forms which, although not available for every product design, should certainly be taken into account.

Trademark protection offers several advantages as compared to model protection. Although, like model law, it requires filing for registration, filing costs are considerably lower. Moreover, protection will not lapse after fifteen years but may remain valid forever as long as the registration is renewed regularly and the trademark is duly used. Finally, and perhaps most important, trademark law requires no novelty.

As said before, the BDMA does not address the trademark issue, nor does it in any way limit this protection regime. It was probably felt that the necessary limitation had already been laid down in the BTMA, which excludes from trademark protection both functional designs and forms which define the product's essential value.[74] In practice, however, many product forms fall in neither category.[75] Moreover, forms which are valuable enough to be

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[74] Article 1.2 of the BTMA provides that "shapes determined by the very nature of the goods or which affect their actual value or produce industrial results cannot be considered marks." *See* BTMA, *supra* note 1, art. 1.2.

[75] Trademark protection has been afforded repeatedly to such products as bottles, containers, cocktail biscuits, beer glasses, ice-cream cakes, and Lego toy bricks. *See e.g.* Barends/Busschops, Antwerpen Court of Appeals 3 Apr. 1980, BIE 1983, p. 275 (lemon juice bottle); Smiths Food Group/Bahlsens Keksfabrik, HR 11 Nov. 1983, NJ 1984, 203 (Wichers Hoeth) ("Wokkels" cocktail biscuits); Cointreau/Distillerie Smeets, Brussels Commercial Court 5 Feb. 1985, IER 1985, p. 66 (Cointreau bottle); Red Mill/Smiths Food Group, HR 21 Apr. 1989, NJ 1989; 835 (Wichers Hoeth) ("Bacony" cocktail biscuits); Droste/Tjoklat, HR 2 Mar. 1990, NJ 1991, 148 (Verkade) (chocolate boxes); De Kluis/De Ridder, Breda District Court 17 Nov. 1992, BIE 1994, p. 12 (Boekman) (Hoegaarden-beer glass); DeKluis/Dunkie, Amsterdam District Court 16 Dec. 1992, BIE 1994, p. 15 (Hoegaarden-beer glass); Lego/Byggis, Luik Court of Appeals 30 June 1993, BIE 1996, p. 306 (Lego toy brick); Unilever/Campina, 's-

of insufficient originality.[57] The large number of cases concerning footgear is perhaps even more remarkable[58]--especially because originality is repeatedly found to reside in part of the design only, such as a boot lace[59] or buckle-and-strap.[60]

Sixteen reported cases deal with furniture. Three of the four judgments where protection was denied because of insufficient originality concerned garden chairs which were held to be essentially functional only. The fourth case concerned a chest of drawers in the well-known Chippendale style.[61]

Designs which were found original include: a stove,[62] compact disk racks,[63] a billboard support,[64] a key holder,[65] industrial air suction

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District Court 11 Aug. 1989, BIE 1990, 76 (patchwork belt); Martinez/Van Croonenborgh, Breda District Court 16 Nov. 1993, BIE 1996, 208 (wind coat); Manfree/Aucoin, 's-Hertogenbosch District Court 31 May 1994, IER 1994, 144 (supermarket employee uniforms).

[57] *See, e.g.*, Cofex/Gaanderse, Haarlem District Court 24 Mar. 1986, IER 1986, 71 (pilot jacket model); Gruno & Chardin/Thomas Basics, 's-Hertogenbosch Court of Appeals 9 Sept. 1991, BIE 1993, 229 (children's clothing).

[58] Twelve reported cases since 1986 involve footware. In ten of these twelve cases, the designs were considered original.

[59] FFD/Euro-Moda, Amsterdam Court of Appeals 22 June 1989, BIE 1990, 146.

[60] Kappetein/Taft, Amsterdam Court of Appeals 19 Apr. 1990, BIE 1991, 19.

[61] Van Rees/Van den Bree, The Hague Appeals Court 17 May 1990, BIE 1991, 162 (Van Nieuwenhoven Helbach) (design considered non-original against the classic Chippendale style).

[62] Vermont Castings/Borsumij Sport, Breda District Court 12 Nov. 1985, IER 1986, 33.

[63] Lift/Walvis, Amsterdam Court of Appeals 19 May 1988, BIE 1989, 264; Lift/V&D, Amsterdam District Court 29 Nov. 1989, AMI 1990, 141

2. *In Re* Screenoprints

Contrary to the abolishment of the slavish imitation action by article 14.5, the proposals with respect to design copyright led to vigorous scholarly debate.[51] Whatever its precise intent may have been, from the start, article 21 gave rise to discussion, especially with regard to the provision stating that in order to be protected by both copyright and design law, models need to demonstrate a "clearly artistic character."[52] In particular, it was unclear whether this requirement meant something other than "originality" in its traditional copyright meaning.

That question was answered by the Benelux Court of Justice in its 1987 *Screenoprints* judgment.[53] The Court held that normal copyright standards of originality apply to models.[54] The words "clearly artistic character" were explained as essentially intended to raise to "standard level" the earlier "zero level" of originality which used to apply to models in Belgium before the BDMA. The Court, however, pointed out that these words should also serve as a warning to courts that they should refuse protection when doubt about the object's originality exists.[55]

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[51] For an overview of the debate, see D.W.F. VERKADE, BESCHERMING VAN HET UITERLIJK VAN PRODUKTEN 147 (1985).

[52] *See* BDMA, *supra* note 2, art. 21.

[53] Screenoprints/Citroën, Benelux Court of Justice 22 May 1987, NJ 1987, 881 (Wichers Hoeth).

[54] *Id.* Except if the model's originality should merely lie in features which are necessary in order to reach a certain technical effect. *Id.* Such features are excluded from protection by virtue of article 2 of the BDMA. *See* BDMA, *supra* note 2, art. 2. It is doubtful, however, whether such technical features will ever be considered original, at least under prevailing copyright standards.

[55] *Screenoprints*, Benelux Court of Justice 22 May 1987, NJ 1987, 881

A major issue arose towards 1990, when the first registered models started running out of the 15 years maximum BDMA protection term.[44] It was argued that the unfair competition action, although not limited in duration by statute, should be considered subject to a similar limitation. However, in *Borsumij v. Stenman*,[45] The Netherlands Supreme Court ruled that since the unfair competition action is not primarily an action which protects product forms, but essentially an action directed against acts which needlessly confuse the public, the unfair competition action is not subject to the BDMA's time limits.[46] Although this reasoning was severely criticized by Verkade,[47] even today unfair competition actions remain fully available to pre-1975 product forms.

C. *Copyright*

1. BDMA Provisions On Copyright

If one wishes to provide for a Model Register which can give third-parties reasonable certainty as to whether or not product forms are protected, it is not enough to merely do away with unfair competition actions. The Benelux countries are Berne Convention members,[48] so copyright is acquired without meeting formality requirements. Consequently, the BDMA also had to face the impact of copyright protection for product design.

It is unclear whether the Benelux governments, when drafting the BDMA, considered abolishing design copyright entirely. If they did, they must have come to the conclusion that as a result of their

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[44] *See* BDMA, *supra* note 2, art. 12.

[45] HR 31 May 1991, NJ 1992, 391 (Verkade), BIE 1992, 50 (Steinhauser).

[46] *Id.*

[47] *Id.* at annotations.

[48] *See* Berne Convention, *supra* note 17.

were not established, such as the minute or mechanical copying of products or molds and the copying of an entire product range, implicitly suggesting that if these factors had been present they might have found for the plaintiffs.[37] Even the question of whether the *confusion* caused through the imitation can be considered a sufficient condition to justify a finding of infringement remains unclear. In some cases, additional factors, such as the fact that the product is destined for a small and specific market or a former relationship existed between the parties has been deemed sufficient to consider causing confusion a decisive factor.[38]

One rather remarkable decision challenged the overall validity of the *Prince* judgment. In *Kevin Nash v. Bruins*,[39] a case where a range of fishing bags for anglers had been copied, the 's-Hertogenbosch District Court found for the plaintiffs, pointing out that as they were a foreign (United Kingdom) company, one could not reasonably require a foreign company to always file in the Benelux, regardless of

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part of the copying and not actionable as such).

[37] *See* Plastic Designers/Induplast,'s-Hertogenbosch Appeals Court 12 Jan. 1993, BIE 1994, 46 (holding that where the plaintiffs failed in proving that the defendants developed their product by mechanically copying their molds, the action in slavish imitation cannot succeed); Powerflow/Jorc,'s-Hertogenbosch Appeals Court 9 Nov. 1994, BIE 1995, 312 (Verkade) (holding that the imitation as such is not actionable, and it had not been established that the defendants copied the plaintiff's whole product range); Stromeyer/Dorema, Zutphen District Court 4 June 1996, KG 1996, 219 (holding that the imitation as such is not actionable, and the plaintiffs had not argued that the defendants copied their whole product range).

[38] *See* VVC/Cosmani, Breda District Court 25 Apr. 1991, BIE 1991, 360 (granting an injunction on the ground that the defendant should have made such changes as were feasible so as to prevent confusion, now that the respective products (rain suits) were destined to a small, specific public (golf players)); WSM/Van der Plas, Breda District Court 21 Aug. 1992, BIE 1993, 195 (holding that being a former supplier of the plaintiff, the defendant should certainly make his products look as different as feasible in order to prevent confusion as much as possible).

imitations.[33] The case went up to the Dutch Supreme Court which asked the Benelux Court of Justice to clarify article 14.5.

After pointing out that this provision applies to all models which could have been effectively registered (but not to models which were no longer novel when the Act came into force on January 1, 1975), the Benelux Court of Justice went on to hold:

(a) actions in unfair competition which are merely based on "infringement of a design or model" in the sense of article 14.1 cannot be granted;

(b) actions in unfair competition which, in addition to being based on "infringement of a design or model" in the sense of article 14.1, are also based on other facts, can only be granted if those other facts would amount to unfair competition, without taking the infringing acts into consideration;

(c) an injunction or damages concerning the infringement may only be granted if considered the only adequate reaction to the acts of unfair competition.

In short, the Court stated the following:

> The mere copying of product designs which the plaintiff failed to register is not actionable as unfair competition. However, even if product imitation is disregarded and

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[33] As relevant "extras" Prince listed the following ten allegations: the defendants sold accurate copies of not just one, but three different Prince racket models; the type numbers had also been copied, as had been the type face; prices were far below the prices of the original Prince products, which also incited doubts with respect to the imitations' quality, while the public might believe them to be of Prince quality; tennis trainers had been selling the imitations as 'discount original Prince' products; after a promise to discontinue sales, the defendants started selling slightly altered models; Prince's trademark rights had been infringed as well; the lay-out of Prince's spare string packaging had been copied; and the defendant's sport bags infringed Prince's trademark rights. *Id.*

reasons for such untimely filing may vary. Even today, and even in Benelux, smaller companies are often insufficiently aware of the legal requirements for protecting models. They may even be unaware that, legally speaking, the product which they developed is a model which can, and perhaps should, be filed as such.

Not surprisingly, this is even more of a problem where foreign companies are involved. At first, foreign companies may not even consider marketing their products in the Benelux. When a product finds its way to the Benelux market, perhaps several years after its introduction in the country of origin, it will often be devoid of novelty.

Finally, for some products the system is simply too costly. Few manufacturers of fashion products can afford to register entire collections consisting of a large numbers of items and re-register every time the collection is altered to reflect new fashion trends. In some product categories, such alteration may be necessary as often as eight times a year. The extensive registration in the Benelux territory is required in addition to equally costly national registration systems elsewhere. Further, companies go through all this trouble without knowing which products from their collections will be a "hit" with customers, thus provoking imitation or counterfeiting.

Whatever the reasons for not filing, once the product has lost its novelty, model protection is no longer available. However, interested parties will then try to find alternatives, such as unfair competition, copyright, or trademark protection.

C. *Filing And Registration*

Protection is obtained as of the date of filing for registration.[25] Consequently, protection is available almost immediately. The ensuing registration procedure, although not exactly inexpensive, only addresses the formal aspects, since the Benelux Designs and Models Bureau ("BDMB") has no authority to check substantive requirements, including the design's novelty. Nor does the BDMA provide for third-party opposition. It therefore will be for the courts to assess the model rights' validity.

This lack of substantive examination may well seem questionable to those who are familiar with the U.S. system. It certainly has the disadvantage that neither the applicant nor third-parties can be certain of the registration's reliability. Where the applicants are concerned, this is but a minor problem, since they usually are well aware of their models' novelty (or lack thereof). If they wish, they can rather easily search the register themselves for possible earlier registrations of similar models. Moreover, because substantive examination is not required, the applicant saves both costs and time, since the protection can take effect as of the date of filing, a substantial advantage which in itself is likely to more than compensate for the disadvantages of less certainty.

The main disadvantage therefore will be for third-parties, who may at times have reason to doubt the model's novelty and would have liked the BDMB to establish its validity (or the absence thereof) at the applicant's expense. Instead, the third-party must bear the cost themselves. On the other hand, given the possibility that models, whether registered or not, may still be protected by copyright or unfair competition law,[26] it is doubtful whether third-parties really are much worse off.

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[25] *See* BDMA, *supra* note 2, art. 3.1.

[26] *See infra* section IV.

B. *Belgium*

In Belgium, pre-BDMA protection was almost entirely based on copyright protection. This occurred because Belgian copyright law, although requiring substantive originality for literary and artistic works in general, applied a lesser originality level to designs and models. In practice, this amounted to a mere novelty requirement. To put it differently, as a rule, skill, labor, and judgment--the mere sweat of a designer's brow--would suffice under this requirement.[18]

C. *Luxembourg*

Before the BDMA, the situation in Luxembourg parallelled that in the Netherlands. Pre-BDMA protection was based on copyright law if the model satisfied the standard originality requirement (the level of which may have been higher than it actually used to be in that country), and on unfair competition law for models which did not meet the copyright standards.[19]

III. THE UNIFORM BENELUX DESIGNS AND MODELS PROTECTION ACT (BDMA)

A. *In General*

Essentially, the BDMA provides for a system of protection through registration. Under Article 1, protection can be obtained for

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[18] *See* Supreme Court of Belgium 15 Mar. 1965, ING. CONS. 1966, 85 ("the natural marble case") (holding that "a personal interpretation of the natural marble is not required, nor a craftsman's modeling, but the originality and novelty which may result from applying technical methods"); *see also* A. BRAUN AND J.J. EVRARD, DROIT DES DESSINS ET MODÈLES AU BENELUX 202 (1975).

[19] *See* BRAUN, *supra* note 18, at 212.

free for all to use; therefore, only copying that is both unnecessary and confusing is actionable.

The *Karry Krane* Doctrine (or "Slavish Imitation Doctrine") caused considerable debate, and as a legal precedent it still stands; however, its impact was greatly reduced by the BDMA. Today it still has considerable importance, both for pre-1975 products, as discussed below, and for subject matter which falls outside the BDMA's scope, such as trade-dress.

The *Karry Krane* Doctrine was refined in a number of later decisions. In the "ash-tray" case,[12] the doctrine was held to apply to non-industrial products, while the further requirement that a product must at least be sufficiently distinctive if it is to enjoy protection against slavish imitation was enunciated in the *Scrabble* case.[13] *Scrabble* made clear that manufacturers are not obliged to make their products look different from existing products in every non-functional respect, but simply must make them sufficiently different to avoid confusion. In the *Tomado* case,[14] the concept of functionality was applied not only to technical requirements, but to marketplace demands for standardization as well.[15]

Under the Slavish Imitation Doctrine, no formalities such as registration of the object is required, or even possible, since there is no authority with which an application could be filed.

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[12] *See* Borneo Sumatra/Lion, HR 21 Dec. 1956, NJ 1960, 414 (Hijmans van den Bergh).

[13] Spear & Sons/Hausemann en Hötte, HR 8 Jan. 1960, NJ 415 (Hijmans van den Bergh).

[14] Tomado/Hazenveld, HR 12 June 1970, NJ 434 (Hijmans van den Bergh).

wish to obtain model protection to file before marketing a product, the BDMA provides that at the time of filing the model must be novel and largely bans other protection regimes for models and designs. Experience, however, shows that legal practice has found ample ways to circumvent model protection, precisely because the novelty requirement proved too restrictive.

II. PRE-BDMA NATIONAL PROTECTION REGIMES

In order to better understand the impact of the novelty requirement of Benelux design law, we first must deal briefly with design protection as it had evolved prior to 1975, when the BDMA came into force. At that time, protection was essentially a matter of national law in each of the three Benelux countries.

A. *The Netherlands*

1. In General

Essentially, until the BDMA came into force on January 1, 1975, the Netherlands had two regimes for protecting product design: non-statutory protection under unfair competition rules on the basis of the so-called slavish imitation doctrine; and copyright protection for designs which qualify as "artistic works" under the Copyright Act.

2. The Slavish Imitation Doctrine

In a 1953 landmark judgment, The Netherlands Supreme Court (the Hoge Raad, or "HR") laid out the foundations with respect to protection against slavish imitation.[4] Oregon-based Hyster Company and their Dutch distributors brought suit against Thole NV on the ground that the "Elephant" brand crane which the defendants marketed had been copied to a high degree from Hyster's "Karry

[4] HR 26 June 1953, NJ 1954, 90 (Houwing).

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the mere filing of a claim by an applicant. Copyright-like protection for a more limited period might equally respond to the Commission's concerns about underprotection of designs, without unleashing the potential creative suppressant of drive-through monopoly rights. This more limited scope of rights would allow second-comers to regulate their own conduct without threatening the ability of a producer to obtain recourse against the misappropriation of its design.

Difficulties will likely arise also from the co-existence of the new Community-level rights with the many forms of design protection that are available in different Member States. The Directive seeks to harmonize only the provisions of registered design regimes at the Member State level, leaving untouched the protections under national copyright law, trademark law, unfair competition law, and utility model law. This enables the circumvention of limitations included in the Commission's proposals, because Member States may offer protection under regimes other than their registered design law without regard to those limitations. Not only will this upset the balance between creating suitable incentives and ensuring fair competition that the Commission has fashioned, but it may also encourage continued resort to aberrant national regimes that reflect a less balanced philosophy. The prospect of continued resort to national systems reduces the positive impact of creating E.U.-wide rights and suggests that the barriers to the free movement of goods wrought by territorial protection are likely to fall less expeditiously than the Commission would like.

Despite these difficulties, this proposed legislation warrants close attention. It does much to create a system of design protection that will offer effective protection to the most valuable aspects of modern industrial design. While the Commission might err on the side of overprotection, the legislation does treat the appropriate universe of designs because the Commission has been willing to confront the difficult questions that arise from protecting functional designs. The debate must (and will) continue within Europe and internationally regarding the balance that needs to be struck between

enhance the level of protection for designs in one of the world's most significant markets, and make an important contribution to the international debate regarding how best in the future to deal with the age-old problem of design protection. The nature of the legislative process in the E.U. might, however, lead to less than perfect solutions, often born of pragmatic consensus-building rather than fidelity to a pristine set of fundamental principles.[284] This is not to say that intellectual property laws in the United States do not also bear the imprint of legislative compromise, but rather that measuring the E.U. proposals against an utopian ideal may lead to the detection of deficiencies that are real but at the same time unavoidable in a diverse economic and political community.[285] It is in this light that the Commission's design initiative must be considered.

The Commission's proposals represent a commendable effort to provide effective protection for modern industrial design throughout a unified market. The creation of E.U.-wide rights should reduce the costs and complexities of securing protection in the many countries of the European Union; the introduction of unregistered rights against unauthorized reproduction should prove highly valuable in many fast-changing design environments; and the inclusion of functional designs within the protective regime recognizes the need to protect the most valuable product of the modern design enterprise, namely designs integrating form and

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[284] *See* Posner, *supra* note 68, at 3-4 ("The necessity to provide legislative solutions for 15 Member States with often very different legal traditions and legal developments make the successful search for viable compromises the most important skill of Community legislators, more important than the strict observance of what is hitherto being considered the gospel in one or other area of the law.").

[285] In this, the E.U. legislative machinery serves as a microcosm of the process of negotiating and concluding international agreements, although the pressures to reach ultimate agreement in the two scenarios may differ. It is therefore not simply nationalistic (or supranationalistic) hubris that drives the E.U. to offer its solutions as the international norm, but rather recognition of the fact that its solutions often already accommodate the myriad of economic and cultural interests that are replicated at the

Moreover, without tackling these issues, the reforms that are about to be enacted will further crowd an already quite congested field of protective regimes. In the United Kingdom, for example, designs might be protected by copyright, U.K. Registered Design Rights, Community Registered Design Rights, U.K. Unregistered Design Rights, Community Unregistered Design Rights, and (if recent trademark reforms are given any breadth of interpretation by the U.K. courts) the trademark laws of the U.K. and the E.U.[282] The situation

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[282] Member States are now obliged by the E.U. Trademark Directive to provide registered trademark protection for product shapes under national law. *See* Trademark Directive, *supra* note 62, art. 2 (definition of trademark); *see also* Trademarks Act 1994, § 1(1) (c.26) (U.K.). The E.U. Trademark Regulation, establishing E.U.-wide trademark registration on similar principles, came into effect on January 1, 1996. *See* Trademark Regulation, *supra* note 10, art. 4 (definition of trademark). The United Kingdom did not provide for the registration of product shapes before the enactment of the European instruments. *See In re* Coca-Cola Co., 1986 R.P.C. 421 (H.L.) (affirming denial of registration to shape of Coke bottle). The first shape-based registration applications under the new United Kingdom law were for containers of products. *See* Robert Rice, *Big Boost For Branding*, FIN. TIMES, Apr. 13, 1995, at 15 (listing recent applications under the U.K. Act for the following shapes: Coca Cola bottle; the Dimple Haig whisky bottle, and the shape of the Lifesaver mint); *see also* Robert Rice, *Coke Registers First 3-D Shape*, FIN. TIMES, Sept. 11, 1995, at 8. However, some applications have now been made to register the design of products, such as the shape of the classic Morgan sports car. *See id.* Compare Ferrari S.p.A. Esercizio v. Roberts, 944 F.2d 1235, 20 U.S.P.Q.2d (BNA) 1001 (6th Cir. 1991).

Both the Directive and the Regulation offer plenty of opportunities for the examiner seeking to construe strictly the requirements of trademark law. The product shape must be distinctive and it must be non-functional. And the functionality exclusion contained in the legislation would appear broader than the functionality exclusion now operating in U.S. trademark law. *See* Trademark Directive, *supra* note 62, art. 3.1(e) (absolutely barring the registration of signs which consist exclusively of: the shape which results from the nature of the goods themselves; the shape of goods which is necessary to obtain a technical result; or the shape which gives substantial value to the goods); *see also* Trademarks Act, 1994, ch. 26, § 3(2) (U.K.) (implementing exclusions from protection); Trademark Regulation, *supra* note 10, art. 7.1(e). At least in the U.K., where product shapes were previously unregisterable, it would appear that, despite the broad language of the exclusions, the legislation will provide broader protection

producers may turn in preference to the sui generis design system. The Commission's harmonization efforts have been limited to approximating national registered design laws.

The harmonization that the Directive would effect is of a limited nature because while the Commission believed agreement on a design law feasible,[277] consensus regarding the appropriate rules of copyright and unfair competition protection was thought unlikely.[278] Although disappointing, the Commission's conclusion is to some extent unsurprising. Throughout the course of the twentieth century, even minimal international agreement has been impossible on the level of copyright protection conferred on works of applied art or industrial design.[279] Despite these difficulties, the Commission's proposals suffer from its decision to avoid dealing with both cumulation and broader harmonization.

The deficiencies that flow from failing to address either the question of cumulation or more extensive harmonization are neatly highlighted by the protection that will be available for spare parts after the enactment of this legislation. Even if agreement is reached to include some must-match provision--either the establishment of a

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[277] *See id.* ¶ 3.8.3-3.8.7.

[278] *See id.* ¶ 3.8.7 ("It would be very difficult, even under the rule of the qualified majority, to find common solutions in the foreseeable future for approximating copyright legislation relating to the conditions under which a design can be protected as a work of applied art and consequently on a common rule on the 'cumulation' of protection under a registered design and the general copyright law. Harmonization of unfair competition rules could also better be dealt with separately under a general approach in relation to the needs of the functioning of the internal market, and not specifically for the case of design.")

[279] *See* Griffiths, *supra* note 13, at 369; Green Paper, *supra* note 6, ¶ 4.2.7. *But see* Bently, *supra* note 180, at 86 ("[I]t is by no means clear that issues relating to copyright in industrial designs are more likely to be successfully resolved in the context of an overhaul of copyright, than they are in the context of a project specifically devoted to the needs of designers.")

evasion of limitations included in the Community laws under the Regulation and introduced into national registered designs law by the Directive, because Member States may offer protection under other regimes without regard to those limitations. The level of protection set by the proposed legislation should not merely establish a floor for a producer's rights; it needs to represent some sort of ceiling, because

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currently make provision to exclude the application of copyright to designs, France intentionally offers significant protection to product designs under copyright law and the position of the Benelux courts has recently begun to resemble that of France. *See* Firth, *supra* note 14, at 44 (suggesting that Benelux has a system of full cumulation as a result of the broad interpretation given by the court in *Screenoprints* to the requirement of a marked artistic character); *cf.* Reichman, *supra* note 92, at 2465 (1994) (characterizing the U.K. unregistered design right as "copyright-like" protection). Other countries, such as Germany, avoid application of copyright to designs by raising the threshold for protection beyond the simple originality requirement applied to other literary and artistic works. Despite the Commission's reluctance to tackle broad-based copyright harmonization, the initial proposals provided that Member States would not be permitted to deny copyright on the basis that the functional elements of the designs were not separable from the artistic elements or that the design had been applied industrially to a certain number of articles. These provisions were aimed at Italy and the U.K.: Italy excludes designs from copyright by application of the rule of separability, and the United Kingdom now achieves the same by a combination of rules that focus on the industrial application of a design to articles of fifty or more. *See* Italian Copyright Law (1941), *as amended by* Decree No. 195, January 8, 1979, art. 2(4); Copyright, Designs & Patents Act, 1988, ch. 48, §§ 51-53, 236. The Commission rejected the number of products to which the design is applied as of any relevance in determining the availability of protection:

> There is no valid reason for accepting that the fact than an article is produced in a very limited number of copies, or even in certain cases, in one copy only (as might occur in the case of high-fashion dresses, jewellery, tombstones or crystal vases) should have any impact on the economic need for protecting the value that the designer and the producer have put into it.

Green Paper, *supra* note 6, ¶ 5.4.12.2. In the Amended version of the Directive, however, the Commission has agreed not to force Italy or the United Kingdom to surrender these exclusionary provisions. *See*

only national protection.[268] In many ways, the Commission's stratagem merely follows the methodology it adopted in enacting reforms of trademark law. The need for retaining national trademark rights is stronger, however: dealing with acquired design rights would be easier because, whereas trademark protection may be perpetual, in most countries of the Union, existing design rights would expire within the next twenty-five years.[269] Moreover, while the linguistic differences among Member States accord greater importance to national marks, design is much more a *lingua franca* throughout Europe.[270] Perhaps most persuasive, therefore, is

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[268] The continued existence of the varied national forms of design protection might be expected to precipitate the need to referee inevitable conflicts that will occur between Community and national rights. The Commission appears to have relied upon the fact that (in most cases) the universal, time-unlimited nature of the novelty and individual character determinations will ensure that protection under the national law of a Member State will prevent protection as a Community design, or as a registered design under the newly-harmonized national laws. One express provision on "conflict resolution" is worthy of mention, however. Several Member States provide the option of maintaining the secrecy of a design registration in various circumstances. Such "unpublished" designs will not destroy the novelty or individual character of any later design seeking protection as a Community Design because they are not "made available to the public." Yet, the secrecy provisions of national laws would be rendered meaningless if these earlier national registrations were superseded by the Community rights. Accordingly, the Community rights will be invalid as against the holder of such a national registration in the country of that registration, but not as against third parties or in other countries of the Union. *See* Amended Proposed Directive, *supra* note 75, art. 11(1)(h); Proposed Regulation, *supra* note 58, art. 27(2); *see also* Regulation Memorandum, *supra* note 66, at 23-24.

[269] At one time, Portugal offered the possibility of perpetual protection. *But see* Monteiro, *supra* note 250, at 391 (discussing reform of Portuguese design law, effective June 1, 1995, providing 25 years protection.).

[270] *See* PETER GROVES, TONY MARTINO, CLAIRE MISKIN AND JOHN RICHARDS, INTELLECTUAL PROPERTY AND THE INTERNAL MARKET OF THE EUROPEAN COMMUNITY 128 (1993). Groves suggests that at the moment, national systems are essential to the operation of the Hague Agreement. *See id.* The Commission has, however, indicated an intent to link the Community Design to the Hague Agreement in much the way that the Community Trademark has been linked to the Madrid Protocol. *See* Regulation Memorandum, *supra* note 67, at 6.

Commission have acknowledged,[264] a design registration is a substantial deterrent to competitors seeking to enter the market with a similar product. It is not the concept of non-examined registrations as such that presents problems, however. If the rights that the registrant possessed were merely to prevent rivals from copying, a competitor could more easily independently adjudge whether its behavior falls afoul of the registrant's rights. The advent in these proposals of unregistered rights (and hence protection without examination) is an important step toward ensuring effective protection for producers; but those rights are of a lesser scope and duration and do not carry the weight of administrative certification. Long-term monopoly rights should be dispensed less freely. The creative and competitive environment is significantly chilled by monopoly rights that flow from the mere assertion of a claim.[265]

V. PROTECTING THE INTEGRITY OF THE PROPOSALS: PREEMPTION, NONCUMULATION, AND HARMONIZATION

The Commission has spent more than five years struggling to craft legislation that strikes the appropriate balance between creating suitable incentives and ensuring fair competition. Yet, it has made no effort to ensure that the balance upon which it finally settles is not disrupted by aberrant national regimes that reflect a different balance or no balance at all. The integrity of the proposed legislation can thus easily be compromised. The Commission could have ensured the ascendancy of the principles embodied in the legislation in any of three ways: by preempting national laws protecting designs ("preemption"); by providing for registered design laws, which *will*

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[264] *See* Posner, *supra* note 93, at 7 ("Far too often competitors are intimidated by the existence of a design registration.").

[265] The proposals make some efforts to address these concerns. The Regulation reserves the right of the Commission to challenge a Registered Community Design before the European Court of Justice if it believes that it does not meet the standards of protectability. *See* Proposed Regulation, *supra* note 58, art. 56. It would also create an Advisory Committee on Designs to be set up by the Commission to monitor whether such action need be taken. *See* Regulation Memorandum, *supra* note 67, at 34.

inappropriate subject matter and formal deficiencies.[257] Indeed, over the course of the evolution of these proposals, the abolition of substantive examinations appears to have become a priority in the thinking of the Commission.[258]

The use of passive registration mirrors the nature of the examination under design laws currently in place in several countries of the European Union,[259] but arguably the grant of monopoly rights

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[257] *See* Proposed Regulation, *supra* note 58, art. 48. The Community Design Office will be the same institution established to deal with trademark applications under the Trademark Regulation, and the procedural mechanisms thus bear strong similarity to those under which the Trademark Office in Alicante has been working since January 1, 1996. For example, an application for design registration may be filed at the Community Design Office or at the central industrial property office of a Member State. *See id.* art. 37. In most countries of the E.U., the registration of the design leads to its publication, and that will be generally be the case under the design proposals. Provision is made, however, for the possibility of deferred publication in order to maintain the secrecy of the design.

[258] *See* Posner, *supra* note 93, at 7 ("In an international context, [the] Commission is going to strive for the abolition of examination procedures where they exist . They constitute real and important barriers to market access . . . [and] the only major hindrance for a truly international registration system."). The current version of the Hague Agreement, the international agreement facilitating acquisition of design registrations in multiple countries, is not tailored to accommodate systems that perform extensive substantive examinations. *See* Hague Agreement concerning the deposit of industrial designs (Hague Text, 1960) art. 8(1) (requiring member counties to issue rejection within six months). The process of revising the Hague Agreement to permit the involvement of countries that, among other things, subject design registration applications to substantive examination is ongoing. *See* François Churchod, *Revision of The Hague Agreement on International Deposit of Industrial Designs*, 24 A.I.P.L.A. Q.J. 599 (1997); *see generally* Maugue, *supra* note 253; William T. Fryer, III, *International Industrial Design law Developments*, 4 FORD. INTELL. PROP. MEDIA & ENT. L.J. 373 (1993).

[259] For example, the registration proceedings in the Benelux countries do not involve substantive examination, nor do those in France, Italy and Spain. *See* Firth, *supra* note 14, at 45-47. The United Kingdom authorities do examine for substantive compliance with the requirements of the Act.

The wide variations in need that exist motivated some industries to suggest a use-based duration for the design right, rather like the means for determining the duration of trademark protection.[252] Such an approach--which conceals potential for perpetual protection--is inconsistent with one of the fundamental tenets of an incentive-based system of intellectual property, namely the eventual delivery of the design to the public domain once the producer is assumed to have recouped its investment in the design.[253] Otherwise, if others cannot build upon the work of the first producer (and compete with that producer after it has secured a recovery on its investment through a limited period of exclusive rights) the intellectual property rights may serve as a barrier to further progress, rather than a stimulus to innovative activity.

In this context, the important decision to protect aesthetic and functional designs without differentiation raises difficult questions. Designs which are purely aesthetic have as solid a claim to protection for the life of the creator plus seventy years as do the many aesthetic works that are protected for that period of time under copyright law.[254] Many designs protected by these proposals are not, however, purely aesthetic in nature. Although design rights only protect the appearance of a product, the protection of the appearance of

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[252] *See id.*

[253] A use-based duration might also raise problems under the Paris Convention if implementation of the E.U. proposals formed the basis for Member States' compliance with Article 5*quinquies* of the Paris Convention. *See* Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, art. 5(B) (prohibiting the subjection of industrial design protection to forfeiture by reason of "failure to work"); Pierre Maugue, *The International Protection of Industrial Designs Under The International Conventions*, 19 BALT. L. REV. 393, 394 (1989) (interpreting the "failure to work " clause of 5(B) as a failure to manufacture products embodying the design, but noting that signatories are free to define what they understand by that term).

[254] In the case of employee-created works for hire, that protection will likely be seventy-five years from the date upon which the work is made available to the public. *See* Term Directive, *supra* note 4, art. 1(4).

current U.K. unregistered design scheme).[248] And this insight should also inform analysis under the equivalent E.U. regime.[249]

[248] *See* Amoena Ltd. v. Trulife Ltd., Ch. 1992 A No. 9955 (Ch. D. May 25, 195) at 4 (opinion on file with author) *available in* LEXIS, INTLAW library, ENGCAS file (refusing to infer copying of plaintiff's unregistered (functional) design because the similarities between plaintiff's and defendant's product were capable of being explained on the basis that two designers of the prostheses in question, pursuing the same objectives and subject to the same design constraints, were "quite likely to arrive at designs which have a great deal in common.").

[249] This is not to suggest that copying should only be provable directly; it should remain possible to prove copying of a design circumstantially from access and similarity. That evidentiary calculation should, however, take account of the greater possibility that similar functional designs were in fact independently developed. U.S. courts already recognize that the force of a defendant's claim of independent creation of a similar work might vary depending upon the type of works involved and the resultant scope for radical and comprehensive deviation from other similar copyrighted works. *See* Herbert Rosenthal Jewelry Corp. v. Kalpakian, 446 F.2d 738, 741, 170 U.S.P.Q. 557 (9th Cir. 1971) ("Any inference of copying based upon similar appearance lost much of its strength because both pins were lifelike representations of a natural creature"); Computer Assocs. v. Altai, Inc., 982 F.2d 693, 708 (2d Cir. 1992) ("Under [the circumstance that programmers are trying to create the most efficient programs possible], the fact that two programs contain the same efficient structure may as likely lead to an inference of independent creation as it does to one of copying"); *see also* MELVILLE NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT ¶ 13.02[B] at 13.24-25 ("Even if there is a very striking similarity between the two works, copying may not be inferred without proof of access . . . if the identity between the two works may arise from identical functional

offer more than simply anti-copying rights to designs,[242] these differences with the regime from which the Commission's proposals draw primary inspiration support the suggestion that even the registered design right owner should receive merely anti-copying protection, perhaps with some evidentiary presumptions flowing from registration in order to encourage a registry of claims.[243]

Although the unregistered rights provide only anti-copying protection, for many products that will be sufficient. One commentator has argued that the monopoly rights granted the registration owner merely obviate the need to prove copying,[244] and if the courts take as expansive a view of the proof of copying as they have in determining copyright infringement, this might prove to be a less than significant difference. Applying without modification the copyright rule that copying might be inferred from access and substantial similarity,[245] a widely available unregistered design will likely receive effective protection against any similar designs absent affirmative proof of independent creation on the part of the second-comer. Thus, although as a matter of principle the rights granted by these proposals should arguably be restricted to prevent copying, that would not in itself hugely alter the enforcement of exclusive rights

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[242] *See* Firth, *supra* note 14, at 43 ("[I]n most jurisdictions an absolute monopoly is conferred [by a design registration]") (listing the Benelux Countries, Italy, Spain and the U.K. as providing absolute monopoly protection).

[243] Any attack on the validity of the registered design will almost always necessarily assail the unregistered variant of the protection also. In certain circumstances, however, the registration alone might be attacked successfully on the ground that the application was filed later than 12 months after the design was first made available to the public. *See* Proposed Regulation, *supra* note 58, art. 8 (providing that disclosures by the designer within 12 months do not prejudice the novelty or individual character of the design).

[244] *See supra* note 230.

[245] *See* Arnstein v. Porter, 154 F.2d 464 (2d Cir.), *cert. denied*, 330 U.S. 851

attributed to the second-comer, rather than the thresholds that the design has had to exceed in order to secure protection.[232]

Although the holder of the design registration receives rights largely coterminous with those of a U.S. patent holder,[233] there are significant differences between patented matter and designs protected under the Community proposals. Most importantly, the threshold of individual character is not as severe as that encountered by the design patent applicant in the United States. Incremental improvements in design can receive design protection, but would be less likely to attract design patent protection in the U.S. by virtue of the nonobviousness requirement.[234] Moreover, the patent applicant undergoes a substantive examination before receiving the significant *in terrorem* value of a prima facie monopoly right; the design accorded registered status under the E.U. proposals will be subjected to no such examination.[235]

Similarly, while the difference in scope of protection for registered and unregistered designs would appear to parallel the regime introduced in the United Kingdom in 1988, which provides monopoly rights only to owners of registrations, that correspondence

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[232] See *supra* notes 123-24. The differential in rights flowing from the registered and unregistered rights also contributes to the attractiveness of the registered form of the protection--which is an objective of the Commission. *See supra* note 230.

[233] *See* Ohlgart, *supra* note 186, at 128-29 (noting slight differences with scope of protection under the Community Patent Convention); *see also id.* at 137 ("Both the Green Paper and the Explanatory Memorandum emphasize the parallel between the monopoly granted to the owner of a patent and to the holder of a registered Community design.").

[234] *See supra* text accompanying note 137.

[235] *See infra* text accompanying notes 256-65. Such an approach is by no means alien in Europe. Several Member States of the E.U. offer monopoly-type protection under their design laws without substantive examination. *See supra* notes 26, 32 and accompanying text.

the design right holder will, however, vary with the degree of authorial creativity displayed by the designer.[227] This notion is consistent with existing approaches in several different intellectual property regimes that consider the extent by which the work clears the relevant threshold in determining the strength of the rights obtained.[228] Application of this principle minimizes the risk of anticompetitive effects at the margins of protection, by reducing the consequences of designs falling barely on one side of the line or the other.

France as "relative," in that they afford a defense to a non-copying defendant. *See id.* at 45-46.

[227] *See* Amended Proposed Directive, *supra* note 75, art. 9(2) ("In order to assess the scope of protection, the degree of freedom of the designer in developing his design shall be taken into consideration.").

[228] Copyright law has developed the notion of a "thin" copyright to address the situation where the level of protectable expression in a work is minimal, such as factual compilations. Where a copyright is thin, protection is obtained only against almost identical or verbatim reproduction. *See, e.g.*, Key Pubs., Inc. v. Chinatown Enters., Inc., 945 F.2d 509, 20 U.S.P.Q.2d (BNA) 1122 (2d Cir. 1991) (finding no substantial similarity of selection, coordination and arrangement of factual compilations); Landsberg v. Scrabble Crossword Game Players, Inc., 736 F.2d 485, 488, 221 U.S.P.Q. (BNA) 1140, 1143 (9th Cir. 1984) ("[T]he scope of copyright protection increases with the extent expression differs from the idea"), *cert. denied*, 469 U.S. 1037 (1984); *cf. supra* note 123 (discussing connection between established threshold and scope of rights). Similarly, the strength of a trademark affects the scope of protection its owner obtains. *See* McGregor-Doniger, Inc. v. Drizzle Inc., 599 F.2d 1126, 1131, 202 U.S.P.Q. (BNA) 81, 86 (2d Cir. 1979) (degree of distinctiveness taken into account in determining infringement); *see also* Federal Trademark Dilution Act of 1995, Pub. L. No. 104-98, 109 Stat. 985 (1996) (famous marks given protection even against non-confusing uses); Mostert, *supra* note 123, at 116 ("[T]he higher the degree of reputation or commercial

evaluating the market for parts of complex products generally.[222] Despite this informational lacuna, failure to address the spare parts issue in some form would create a significant barrier to the free movement of goods within the E.U. because the level of protection for spare parts varies from country to country. The U.K. legislation excludes spare parts from protection entirely,[223] but the position in

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[222] *See* Canon Kabushiki Kaisha v. Green Cartridge Co., [1997] 3 W.L.R. 13, 20 (Apr. 30, 1997) (Privy Council) ("The question of whether it is contrary to the public interest for a manufacturer to be able to exercise monopoly control over the aftermarket cannot usually be answered without some inquiry into the relevant market") (declining to extend the "spare parts exception" recognized for car parts in *British Leyland* to parts for printer cartridges). For that reason, the Amended Proposed Directive required the Commission five years after implementation to submit an analysis of the impact of the provision on the industrial sectors most affected, and specifically mentions car spare parts. *See* Amended Proposed Directive, *supra* note 75, art. 14(5); *see also* REPORT OF THE PARLIAMENTARY COMMITTEE ON LEGAL AFFAIRS AND CITIZENS' RIGHTS ON THE PROPOSAL FOR A EUROPEAN PARLIAMENT AND COUNCIL DIRECTIVE ON THE LEGAL PROTECTION OF DESIGNS, Doc. EN\RR\282\282295 at 13 (Sept. 19, 1995). The Common Position adopted by the Council replaced the repair clause but retained this factfinding obligation, although without express reference to the automobile market. *See* Common Position, *supra* note 203, art. 18a.

[223] Must-match parts are denied protection in the U.K. as registered or unregistered designs. *See* Registered Designs Act, 1949, 12, 13, & 14 Geo. 6, ch. 88, § 1(1)(b)(i); Copyright, Designs & Patents Act, 1988, ch. 48, § 213(3)(b)(ii). The U.K. unregistered design scheme also expressly precludes protection for must-fit parts, Copyright, Designs & Patents Act, 1988, ch. 48, § 213(3)(b)(i), and the Registered Designs Act effectively imposes that exclusion through its "eye-appeal" requirement and the absence of protection for features dictated solely by function. *See* Registered Design Act 1949, § 1(1)(b)(i). To support the exclusion of parts from protection under the Registered Designs Act, one might also rely on the definition of "article," to which the design must be applied, found in the U.K. statute. The House of Lords has upheld the denial of registration under the Registered Designs Act of car body panels on the basis that the designs were not applied to an "article." *See* R. v. Registered Designs Appeal Tribunal, *ex parte* Ford Motor Co. [1995] 1 W.L.R. 18 (holding that component parts do not qualify for U.K. registered design protection because they do not represent an "article" with an independent life as an item of commerce).

that this important debate about the scope of protection for a variety of products may become "auto-centric".[217] The proposed design regime is intended to apply across *all* product markets. The automobile market may be the one most obviously affected, but the general applicability of this provision (as currently drafted) should not be overlooked.[218] Finally, any economic data regarding the car spare parts market that we might seek to interpret may be skewed by

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industries to the disadvantage of other industries. It is improper to create Community law this way.").

The purity of Professor Beier's argument is appealing, but ultimately inconsistent with the realities of the legislative process. *Cf. infra* note 275 (discussing compromises necessary in the E.U. legislative process). His message that we should not focus too intensely on the automobile parts market is, however, a valid one, not simply because of its refreshing idealism but because it highlights the danger of constructing a generally-applicable design law on the basis of an assessment of one (albeit important) industry. *See infra* text accompanying note 219.

[217] *See* FELLNER, *supra* note 7, at 379 (noting criticism of the U.K. must-match provision denying protection to spare parts as "being the result of a government obsession with the motor industry and its particular problems"); Franzosi, *supra* note 119, at 49 (criticizing "neurosis" with automobile industry in formulating E.U. proposals). If the exception is intended solely to apply to car spare parts, it should be framed in those terms. Other aspects of the proposals have attracted similar commentary. *See* James Lahore, *The Protection of Functional Designs--The Amended Proposal For a European Design Directive*, [1997] I.P.Q. 128, 130 (1997) (noting that the "visibility" provision in Article 3(3) of the Directive, *see supra* text accompanying notes 182-83, is explained by the Commission as "relevant for the automotive industry but the implications are much wider" and may result in the deprivation of protection for "large areas of genuine design endeavor").

[218] *See* FELLNER, *supra* note 7, at 379 (commenting that the must-match provision in U.K. law "will undoubtedly encompass numerous types of outer casing [other than car body panels], for example computers"); Ohlgart, *supra* note 186, at 151 (arguing that the interests of other manufacturers of "complex products" have to be taken into account) (listing electronic components, furnishings and household appliances as examples); *id.* at 155 n.215 (reporting concerns that the first version of this provision--reducing exclusive protection to three years--"would seriously undermine all component industries (*i.e.*, household appliances, ship

market, but on the broader parts market.[211] Alternatively, if the Commission's conclusion regarding the need for licensed competition reflects an analysis only of the aftermarket for car parts, then the repair clause should be restricted to that market. This does not represent acquiescence in the abuse of intellectual property rights. Even where the empirical basis has not been developed for legislated market-wide restrictions on the enforcement of design rights, individualized application of competition law principles is available to address anticompetitive consequences that flow from particular market activities of isolated market participants.

iii. The nature of the debate: "autocentrism"

The resolution of this particular debate also presents a dilemma about the narrowness of the legislative focus. The primary interests doing battle over the repair provision are car manufacturers (who have argued for design right protection) and independent parts manufacturers and automobile insurance companies (who have championed free copying of automobile spare parts).[212] These are the same protagonists who contested the issue when the United Kingdom enacted its must-match exception[213] and when design right proposals were last considered by the U.S. Congress.[214] Against this historical backdrop, the range of legislative vision and reasoned argument has been unduly restricted. Indeed, some participants in the debate have

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[211] *See* Posner, *supra* note 93, at 11 (noting that exercises to evaluate appropriate length of rights in spare parts by calculating the point in time at which competitors would enter the market for car spare parts "however interesting, were not decisive because a solution of a general character . . . was the target"); *see also infra* text accompanying note 218.

[212] Insurance companies may insist on the use of non-original parts in cars where those parts are cheaper than those available from the original manufacturer.

[213] *Cf.* Fellner, *supra* note 7, at 379 (noting that the must-match exception is aimed "primarily (in politics if not in law) at car body panels").

[214] *See supra* note 181.

A priori, if the Commission concludes that effective competition requires not only the working of the design by the owner but also licensed competition in the parts market between the owner and others, that would justify the legislative adoption of a compulsory license scheme. While such a scheme creates administrative costs, it would be preferable for the legislature to set out the contours of such a scheme, rather than have the courts devise and monitor such arrangements.[209] If the policy conclusion cannot be reached that licensed alternatives will be necessary for competition in the market for parts of complex products, such a requirement should not be imposed by the design legislation. Instead, the Directive should delineate only the other preconditions to fair competition identified by the Commission, and leave the accommodation of design right and competition law principles to the courts through fact-sensitive application of more general principles.

Articles 85-86, then it is worthy of promulgation because it can only streamline the inquiry of a court and ensure fuller implementation of legislative intention. The proposed revision of the spare parts provision from a three-year exclusive right, *see supra* text accompanying note 193, represented a recognition of the need for a more targeted solution, expressly indicating that the level of investment of the producer was a consideration to be taken into account in setting the appropriate balance on this issue. The need for a flexible standard in this context must be emphasized, however, lest the Commission implement a rule that sets the balance appropriately for car spare parts, but precludes consideration of other factors appropriate to that balance-setting exercise in other sectors of the economy. *But see infra* text accompanying notes 211-12, 217 (suggesting that if determination can only be made with respect to cars, then the provision should extend no further).

[209] *Cf.* Canon Kabushiki Kaisha v. Green Cartridge Co., [1997] 3 W.L.R. 13, 20 (Privy Council, Apr. 30, 1997) ("[The question] whether the existence of copyright is capable of giving the plaintiff such economic power in the aftermarket as to be anticompetitive and contrary to the public interest . . . is a complicated one which cannot be solved by broad generalization. The courts are ill-equipped to pronounce upon such matters, which involve questions of economic policy and are generally left to bodies such as the Monopolies and Mergers Commission"); Jimena López-Menchero & Elisabetta Racca, *Comment on Hella v. Hueck*, 19 EUR. INTELL. PROP. REV. D-17 (1997) (criticizing decision of Italian Supreme Court not to offer design protection to spare parts because the court "based their decision on antitrust, consumer protection, legal politics and economic considerations").

Amended Proposal.[203] In the Common Position, the Member States abandoned efforts at (apparently impossible-to-reach) compromise and mandated no special provision for spare parts.[204] Instead, the limit of provision on spare parts is the imposition of an obligation upon the Commission, five years after implementation of the Directive, to prepare an analysis of the effect of the Directive on competition.[205]

If this is the final outcome of the legislative process, the attempted enforcement of exclusive rights in spare parts might precipitate an independent challenge to the exercise of those rights under the competition provisions of the Treaty of Rome.[206] Indeed, in

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[203] *See* Common Position (EC) No. __/97 Adopted By The Council With A View to Adopting Directive __/__ EC Of The European Parliament and Of The Council On The Legal Protection of Designs, Doc. No. 6401/97 [hereinafter Common Position] (copy on file with author). Other alternatives that had been floated prior to the March, 1997 Common Position included transitional provisions that would allow Member States to delay implementation of whatever form of repair clause was finally agreed upon. *See* Posner, *supra* note 68, at 7.

[204] *See* Common Position, *supra* note 203, art. 14a.

[205] *See id.* art. 18a.

[206] *See* EC Treaty, *supra* note 12, arts. 85-86 (competition rules). For an evaluation of the principles upon which the European Court of Justice might decide such a challenge, *see* Beier, *supra* note 146, at 849-50, 860-63; *see also* THE MONOPOLIES AND MERGERS COMMISSION, FORD MOTOR COMPANY LTD.: A REPORT ON THE POLICY AND PRACTICE OF THE FORD MOTOR COMPANY LTD. OF NOT GRANTING LICENCES TO MANUFACTURE OR SELL IN THE UNITED KINGDOM CERTAIN REPLACEMENT BODY PARTS FOR FORD VEHICLES (Cmnd. 9437) (1985) [hereinafter FORD REPORT]; *cf.* Fitzpatrick, *supra* note 191, at 266 (suggesting in response to proposed legislation in the U.S. that a tie-in between the market for cars and the sale of car parts might raise "serious antitrust concerns" under U.S. law). Some commentators have suggested that all of these questions of competitive balance should be resolved by application of the general competition principles of Community law to the exercise and enforcement by car parts manufacturers of their intellectual property rights. *See supra* notes 146-48, and accompanying text. Different, and arguably more limited, challenges

of the remuneration right[196] would vary primarily in relation to the investment made in the development of the relevant design.[197]

That alternative did not, however, attract the support of the qualified majority of Member States necessary to enact the Directive (let alone the unanimity required to enact the Regulation).[198] Indeed, both of the primary factions debating the merit of the 1993 version of the clause found fault with this new scheme.[199] Car manufacturers

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[196] Article 14 of the Amended Proposed Directive imposes upon the user of the design pursuant to the repair clause the positive obligation "to inform the public as to the origin of the product used for repair by the use of an indelible marking, such as trademark or trade name, or in another appropriate form." Amended Proposed Directive, *supra* note 75, art. 14(c); *see also* Proposed Regulation, *supra* note 58, art 23(c).; *cf.* Trademark Directive, *supra* note 62, art. 6(1)(c) (trademark rights shall not prevent use of the trademark, where necessary, to "indicate the intended purpose of a product or service, in particular as accessories or spare parts"). Some commentators have interpreted this obligation to require the spare part manufacturer not only to make affirmative representations that it was the source of the part, but also to prevent any confusion as to its status as an "authorized" manufacturer of these parts. *See* Ohlgart, *supra* note 186, at 160. This interpretation is consistent with the breadth of most modern trademark and unfair competition laws, which extend beyond confusion as to source and treat also confusion as to affiliation. Commentators have also hewed close to established trademark principles in concluding that a violation of Article 14 would occur upon there being a likelihood of confusion, and that no instances of actual confusion need be demonstrated. *See id.* at 161 ("activity should be prohibited in cases where there is an established danger of misleading the public").

[197] *See* Amended Proposed Directive, *supra* note 75, art. 14. Professor Franzosi has argued that investment for this purpose should include expenditures not just on the adopted designs but also on unsuccessful or unsatisfactory designs that were abandoned. *See* Franzosi, *supra* note 119, at 168.

[198] *See* Posner, *supra* note 68, at 7.

[199] *See* Phillips, *supra* note 173, at 165 (noting that the compulsory license alternative has been criticized by both the European Automobile Manufacturer's Association and the European Campaign for The Freedom Of The Automotive Parts And Repair Market); *cf.* Franzosi, *supra* note 119, at 165 (expressing hesitation in providing commentary on the proposal

scope of protection for the design of such parts.[191] Each of these provisions has afforded a right to third parties at some point in time to copy the design of the part in order to repair the complex product upon whose appearance the design is dependent--but only for that purpose, and not to construct a new product.

The initial approach of the Commission was to place a limit of three years (from the first marketing of the product) on the exclusive rights of the design owner as against any person using the design to repair the complex product so as to restore its original appearance.[192] Opposition to *any* period of exclusive rights was fierce, however, and the Commission accepted that a lesser scope of protection might be appropriate. In the Amended Proposal, the Commission settled on a remuneration right for the design owner,[193] notwithstanding the complications that that concept would have introduced to the operation of the design regime.[194] The rights of the design owner

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[191] *See* Copyright, Designs & Patents Act, 1988, ch. 48, § 213(3)(b)(ii); Registered Designs Act, 1949, 12, 13, & 14 Geo. 6, ch. 88, § 1(1)(b)(ii). Professor Beier maintains that the United Kingdom is the only country in the E.U. that does not protect the design of spare parts. *See* Beier, *supra* note 146, at 845-48. *But cf.* James F. Fitzpatrick, *Industrial Design Protection And Competition in Automobile Replacement Parts--Back To Monopoly Rights*, 19 U. BALT. L. REV. 233, 260 (1989) (suggesting that "[b]eyond the letter of the law, the fact is that for many years auto crash parts have been widely available in Europe. In some cases, no manufacturers bothered to secure and enforce industrial design protection; in other cases, as a practical matter, European laws simply are considered irrelevant to the crash parts problem").

[192] *See* Proposed Directive, *supra* note 61, art. 14; Proposed Regulation, *supra* note 58, art. 23.

[193] Article 14(2) of the Amended Directive would extend the remuneration obligation not only to third party manufacturers in the E.U., but also to importers of protected parts manufactured abroad. *See* Amended Proposed Directive, *supra* note 75, art. 74.

[194] *Cf.* J.H. Reichman & Pamela Samuelson, *Intellectual Property Rights in Data*, 50 VAND. L. REV. 51, 148 (1997) ("While experience with compulsory licenses that undermine strong exclusive right regimes, notably patents,

c. *The sticking point: the repair clause ("must-match" exclusion)*

i. Current proposals

Finally, there is the question of so-called "must-match" designs, i.e., designs where "the product incorporating the design or to which the design is applied is a component part of a complex product upon whose appearance the protected design is dependent."[186] Must-match designs require visual, rather than mechanical, correlation.[187] The most commonly cited example of a must-match design, which has also occasioned the greatest controversy, is the design of car body panels.

The argument for an exclusion of protection for must-match designs is not quite as compelling as with must-fit designs, because it appears to target aesthetic rather than functional limitations upon design. While the development of both types of design appears

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right includes "any aspect of shape or configuration (whether internal or external) of the whole or part of an article").

[186] *See* Proposed Regulation, *supra* note 58, art. 23; Amended Proposed Directive, *supra* note 75, art. 14. It is not entirely clear what is meant by a "complex product," other than automobiles. *See* Horton, *supra* note 121 at 55 ("[T]his term could lead to disagreement and ultimately litigation as to whether a product is or is not complex."). One commentator has suggested, on the basis of an equivalent provision in the U.K. legislation, that this concept does not extend to items that are intended to be made as a set. *See* Dietrich C. Ohlgart, *Commentary*, in EUROPEAN DESIGN PROTECTION, *supra* note 68, at 150, 153-54 (citing W. CORNISH, INTELLECTUAL PROPERTY 385 (2d ed. 1989)). Moreover, in order to constitute a "must-match" design, the design must be "dependent upon the appearance" of the complex product. *See* Proposed Regulation, *supra* note 58, art. 23. The interpretation of "dependency" is not free from doubt. *See* Ohlgart, *supra* at 154-55 (rehearsing different interpretations of "dependent"); *see also* Phillips, *supra* note 173, at 164 (suggesting that "[i]n respect of a motor vehicle, the door panels would be covered [by the spare parts provision] but not such non-integral or possibly ornamental accessories for cars as wing mirrors or steering wheels.").

[187] *See* Phillips, *supra* note 173, at 163 n.226.

a. *"Under The Hood" exclusion*

The exclusion of interconnections effected by the must-fit provision will avoid protection for many mechanical parts. For example, it is essential that an exhaust pipe fit the specifications of the relevant opening in the body of the vehicle into which it is inserted, and thus the design of the pipe will likely be denied protection under the must-fit exclusion. The definition of "designs" protected by the legislation will further ensure the free copying of *certain internal* parts of machinery. Article 3(3) of the Directive provides that:

> A design of a product which constitutes a component part of a complex product shall only be considered to be new and have individual character [*i.e.* will be protected]:
>
> > (a) if the component part, when incorporated into the complex product, remains visible during normal use of the latter.

This exception was first suggested by the European Parliament, and attracted no significant opposition even from the most vocal advocates of spare parts protection, car manufacturers.[182] In essence, this exclusion prevents protection being asserted for parts that are

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[182] *See* Posner, *supra* note 68, at 7 ("The inspiration to this idea came from car manufacturers themselves who declared that they were not interested in protecting parts under the bonnet"); *cf.* Kenneth Enborg, *Industrial Design Protection In The Automobile Industry*, 19 U. BALT. L. REV. 227, 229 (1989) ("[General Motors] believes that such things as batteries, spark plugs, tail pipes, mufflers, windshields, and the like should not be covered by industrial design protection.") (arguing for protection for body panels in equivalent U.S. proposals in 1989). Posner suggests, however, that the lack of opposition to the exclusion of "under the hood" parts might have been based upon a belief that a quid pro quo was in the offing, namely full protection for body parts. *See* Posner, *supra* note 68, at 7; *cf.* Enborg, *supra*, at 229 (supporting clarification of U.S. proposals to protect body panels

Parliament, and conforms closely to the equivalent exclusion from United Kingdom unregistered design protection.[179] Although no such exclusion appears in the U.K. Registered Designs Act 1949, courts and commentators have interpreted the broader exclusion of features "dictated solely by function" contained in that statute--and construed broadly by the U.K. courts--as encompassing so-called "must-fit" designs.[180]

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[179] *See* Copyright, Designs & Patents Act, 1988, ch. 48, § 213 (design right does not subsist in "features of shape or configuration of an article which enable the article to be connected to, or placed in, around or against another article so that either article may perform its function"). The majority of U.K. courts have interpreted the "must-fit" exclusion broadly. *See, e.g.*, Ocular Sciences v. Aspect Vision Care Ltd., (Ch. D. Nov. 11, 1996) ("There is . . . nothing in the provision which requires the feature to be the only one which would achieve the proper interface."), *available in* LEXIS, INTLAW library, ENGCAS file; Parker v. Tidball, Ch. 1995 P. No. 6168 (Ch. D. Jan. 24, 1997) at 23-24 (opinion on file with author) (following *Ocular Sciences* and and rejecting argument that "must-fit" provision excludes only designs that represent the sole means of performing a particular function). This approach appears to adhere to legislative intent. *See* FELLNER, *supra* note 7, at ¶ 2.239 (noting rejection of proposed amendment that would have limited "must-fit" exclusion to where a particular design is "absolutely unavoidable and essential"); *cf.* Amoena ltd. v. Trulife ltd., Ch. 1992 A No. 9955 (Ch. D. May 25, 1995) at 6 (opinion on file with author), *available in* LEXIS, INTLAW library, ENGCAS file (rejecting the application of the 'must-fit" exclusion from protection under the U.K. unregistered design scheme where the shape of the bra would *influence* the profile *but not determine* the details of the breast prosthesis for whcih design protection was sought).

[180] *See* R v. Registered Designs Appeal Tribunal, *ex parte* Ford Motor Co., [1993] R.P.C. 399 (Ch. 1993) (U.K.) ("[the effect of the exclusion of features dictated solely by function] is to prevent the reproduction of 'must fit' features being relied upon in infringement proceedings."), *aff'd*, [1994] R.P.C. 545 (C.A.), *aff'd on other grounds*, [1995] 1 W.L.R. 18 (H.L.); *see also* Lionel Bently, *The Shape of Things To Come, in* EUROPEAN INITIATIVES IN INTELLECTUAL PROPERTY 63, 80 n.108 (Paul Coughlan ed. 1993) (noting that the must-fit exception was thought unnecessary in the U.K. Registered Designs Act because of the broad reading given to the exclusion of designs dictated by function); *cf.* Bently & Coulthard, *supra* note 121, at 11 ("The effect of *Ocular* and *Parker* appears to be that the notion of 'enablement' [in the must-fit definition] bears some similarity to the idea of certain features being 'dictated' by function in the registered design regime."). In

Regulation create an exclusion for mechanical interconnections, defined as:

> features of the appearance of a product which must necessarily be reproduced in their exact form and dimensions in order to permit the product in which the design is incorporated or to which it is applied to be mechanically connected or placed in, around or against another product so that either product may perform its function.

The exclusion of protection for interconnections reveals the continuing conviction of the Commission that interoperability and standardization will enhance the competitive environment;[174] concerns surrounding interoperability also attracted the Commission's attention in crafting an appropriate level of copyright protection for software.[175] Other commentators have suggested that this exclusion

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[174] The Green Paper makes the case for this exception:

> Consumers should, for example, be able to replace a vacuum cleaner hose of a given make by another hose which fits into the vacuum cleaner. In principle, the design of the vacuum cleaner hoses qualify for design protection just as does the design of the vacuum cleaner itself. To ensure interoperability and competition in the spare parts after market in respect of a wide range of household articles, motor vehicles, consumer electronics etc., it appears advisable to exclude from protection those features of a design which would have to be reproduced necessarily in their exact form and dimensions in order for the component part to fit into the complex product for which it is intended.

See Green Paper, *supra* note 6, ¶ 5.4.10.1

[175] *See* Software Directive, *supra* note 10, art. 6 (interoperability exclusion); *see generally* BRIDGET CZARNOTA AND ROBERT J. HART, LEGAL PROTECTION OF COMPUTER PROGRAMS IN EUROPE: A GUIDE TO THE EC DIRECTIVE (1991). Again, just as U.S. courts have implemented the exclusion of features dictated by functional efficiency in the protection afforded software, *see*

the successive grant of design rights in those respective possibilities to a small number of producers. A more flexible interpretation might consider whether there are a sufficient number of designs to permit competition or, in the philosophy of the Commission, to require more than minimal creative choices on the part of the designer. This reading of Article 7(1) would avoid the problem of "design depletion," a concern implicitly recognized by Lord Morris when the House of Lords interpreted broadly the exclusion of designs "dictated solely by function" from United Kingdom registered design protection.[168] A less mathematical approach has also been adopted by courts in other countries of the European Union already incorporating this exclusion in their design laws.[169] And further parallels can be drawn to judicial interpretation of the idea/expression dichotomy in copyright law, to which the Commission expressly likens this exclusion.[170] Where there is only one way of expressing the idea, that expression will be treated as having merged with the idea and will be unprotectable by

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[168] *See* Amp v. Utilux, [1972] R.P.C. 103, 110, 114 (Lord Morris) (noting that if provision required consideration only of whether alternative shapes existed "the designer could register a separate design in respect of each different shape"); *see also supra* note 162 (suggesting reasons for interpretation of provision in *Amp*); Firth, *supra* note 14, at 44 ("[In Italy and Spain], a design may be regarded as functional even if is one of a number of possible solutions to a design problem.").

[169] *See, e.g.*, Bernhard Posner, *Protection of Car Designs And Component And Spare Part Designs Under Future Community Law*, 22 INT. BUS. LAW. 108, 110-111 (1994) (noting split of opinion in France as to whether exclusion applies only where there is a single form in which the product could be made and still function); *see also* Pérot-Morel, *supra* note 19, at 72 (discussing the tempting but narrow nature of the multiplicity of forms test in French law).

[170] *See* Green Paper, *supra* note 6, ¶ 5.4.6.2. This analysis would more closely resemble the trademark functionality doctrine. That doctrine denies trade dress protection for features to which in theory there are alternatives, but which are the best or most efficient means of performing a function, or which have become the industry standard. *See supra* note

dictated by the technical function of the product. Such a test has analogues in many intellectual property regimes, including U.S. trade

> meant is in reality that if there is no choice when designing a product with a given effect, there is no personal creativity displayed and consequently nothing to protect--at least under copyright or design law.

Id. This exclusion could be based not only on the lack of creativity (which is by no means self-evident if the problem to which there is but a single solution still needs to be solved), but on the basis of a countervailing policy concern surrounding the incidental grant of monopoly in a function

argument that if the design is dictated by the function of the product, the creative choices exercised by the designer are necessarily minimized (or even non-existent). Such an exclusion might also be justified, however, by recognition of the countervailing competitive concerns that are implicated by the protection of functional designs on standards less demanding than those imposed by patent law.

Courts that have considered this question have struggled with whether the term "dictated" is causative or mandatory (i.e., whether the term connotes that functional concerns explain the design or necessitate the design).[158] Although this provision is an essential bulwark against design rights for functional designs circumventing the rigors of the utility patent system, it must not be construed too broadly (i.e., as merely causative). The mere fact that a design is influenced by functional considerations should not disqualify it from protection.[159] Otherwise, the innovation of these proposals--the elimination of the threshold distinction between aesthetics and function--will prove illusory and functionalist design will remain

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a similar safety-valve in delineating the scope of copyright protection for perhaps the most important functional design of the late twentieth century, the computer program. *See* Computer Assocs. Int'l v. Altai, Inc., 982 F.2d 693, 708-10 (2d Cir. 1992) (excluding from protection elements of the computer program dictated by concerns for efficiently effectuating the program's function).

[158] *See, e.g.*, Amp Inc. v. Utilux Proprietary Ltd., [1972] R.P.C. 103, 109-10. (holding that "if the shape is there solely . . . to make the article work [it falls within the exclusion from protection]"); *see also* Bently, *supra* note 125, at 26 ("The House of Lords [in *Amp*] took the exlcusions [of designs dictated by function] to cover any features whose shape was 'prompted by' the function it was intended to perform"). For a summary of the differing interpretations of the provision offered by the members of the *Amp* court, *see* FELLNER, *supra* note 7, at ¶¶ 2.036-2.038.

[159] *But cf.* Brandir Int'l, Inc. v. Cascade Pac. Lumber, 834 F.2d 1142, 1145 (2d Cir. 1987) (excluding from copyright protection elements of the design of a useful article that are the product of functional, as opposed to aesthetic, considerations) (interpreting the "separability" precondition to the protection of the design of useful articles under the U.S. Copyright Act).

direction in determining the appropriate balance between incentive and competition in other instances.[154]

The decision of the Commission to address the appropriate balance is, therefore, to be commended. It may make obtaining agreement more difficult--witness the last remaining dispute with the Council--but the long-term worth of the system will be enhanced. Indeed, it is these limits on protection, the safety valves as it were, that enable the E.U. to open the doors to protection more widely and allow the protection of some functional designs. It is these exclusions that--if properly constructed--could assuage concerns of over-

[154] For example, protecting a design that embodies the only way in which a product can perform its intended function would create a monopoly right in that function and circumvent the utility patent system. It thus behooves policy-makers to incorporate an exclusion from protection for such designs in the legislation, rather than to rely on competition law principles to resolve that issue in litigation. There may be other instances, however, where protection of a design piques competitive concerns, notwithstanding that alternative designs would permit a product to perform its function. One could rely on courts to develop further exceptions to accommodate these concerns through the application of the competition rules contained in Articles 85 and 86 of the EC Treaty. Alternatively, if policy-makers can define precisely a competitive consideration to which courts should devote attention, it makes sense to provide guidance to the courts (and industry) on how to implement that concern. If a more precise instrument than Articles 85 and 86 can be constructed to ensure the appropriate balance of incentive and competition, the legislature should provide that instrument to the courts (and that guidance to industry) rather than ask the courts to construct such a regime by first-impression examination of the competing objectives of intellectual property law and competition law. The degree to which this approach runs the risk of being "insensitive to the very nuances that may reveal the wise solution," Fox, *supra* note 153, depends upon the degree of specificity with which the standard is written. The adoption of an appropriately flexible standard will provide guidance to the courts and to industry without affecting the ability of courts on a case-by-case basis to address the nuances of particular situations. A modicum of certainty and efficiency is not inconsistent with the fact-sensitive inquiries of which

> no blocking of a secondary market by the exercise of intellectual property rights in the primary market, as arguably happened in *Magill*, what is the justification for withdrawing from a designer his finite term of protection?[148]

Instead, the Commission opted to address the competitive concerns directly in the construction of the design regime.[149] The Commission's approach is preferable for several reasons. First, the creation of knowingly overbroad monopoly rights, to be derogated from later on a case by case basis, would lead at least in the interim to the establishment of unjustified monopolies.[150] An ounce of prevention is worth a pound of cure; the prophylactic route is better than the remedial. Second, exclusive reliance on individual enforcement of competition laws, either by private litigation or Commission proceedings, promotes a series of expensive and time-consuming activities. Recurring competitive dilemmas could be resolved more efficiently by prospective legislative choices. Finally, as a fundamental proposition, new intellectual property rights--particularly those in the nature of monopoly rights--should not be

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[148] Horton, *supra* note 121, at 54; *cf.* Lemley, *supra* note 123, at 1041-42 (arguing that the allegedly greater market power of patent over copyright protection does not justify different patent and copyright rules as regards "improvements" because antitrust law and misuse doctrines already take account of this difference). Horton appears to accept the exclusion of designs dictated solely by function (although she was writing about the earlier draft, which embodied that exclusion in different language).

[149] Addressing the competitive balance in the rights-conferring legislation is the approach followed by the Commission in at least one of its previous forays into intellectual property protection. *See* Software Directive, *supra* note 10, art. 6 (decompilation exception for the purpose of achieving interoperability). *But see* W.R. Cornish, *1996 European Community Directive on Database Protection*, 21 COLUM.-VLA J.L. & ARTS 1, 11 (1996) (discussing deletion of "sole-source" compulsory license provision from final text of Database Directive).

[150] *Cf. supra* notes 143-45 and accompanying text (noting potential for grant of de facto rights in a function)

justifies, there exists the *potential* that this form of protection might be anticompetitive and offer overbroad protection to functional items.[145]

[145] Absent properly formulated exclusions from protection, courts might develop alternative responses to the fear that protecting functional designs on conditions softer than patent could incidentally accord the design owner exclusive rights in a function. One such response would be to interpret more strictly the thresholds for protection. An analogous phenomenon can be detected in the treatment afforded designs under copyright law. Historically, as the scope of copyrightable works was broadened and courts were faced with the prospect of protecting the "small change" of copyright, the thresholds of protection frequently became the watchdogs against over-protection, causing judicial elevation of those standards. *Cf.* Reichman, *From Berne to 1976*, *supra* note 105, at 1238 (noting that "the courts of the United States, like many of their foreign counterparts, later reacted [to the protection of designs within copyright] by elevating the threshold standards of creativity and originality in copyright law"). One might expect, therefore, that merely bringing functional designs within the reach of design protection might have a similar effect. *Cf.* Burr, *supra* note 133, at 203 (noting that easing the subject-matter test in patent protection of software puts greater pressure on thresholds of novelty and nonobviousness to protect against inappropriate patents). Indeed, the prospect of that phenomenon--that the range of works protected might affect the interpretation of thresholds--might better explain the Commission settling on a threshold that is higher than originality. *Cf.* Horton, *supra* note 121, at 53 ("The overall restricting of protectability is probably in response to industry opposition . . . to functional designs being accorded registered design protection, that is a patent-like monopoly to exclude others"). Other variables should, however, also affect the pressure on courts to construe thresholds strictly. Under the corollary of the theory that the scope of protection varies proportionately with the threshold for protection, *see supra* notes 123-24, the scope of rights available may be expected to affect where courts set the thresholds. This would counsel that less upward pressure is likely to be exerted upon the threshold for regimes according only anti-copying protection. For example, courts should have been less likely to raise the threshold for protecting functional designs in the United Kingdom because such designs can be protected only by the unregistered design right, which merely provides the design right owner with the right to prevent copying. (It is still unclear whether this prediction of likely judicial response in the U.K. will prove accurate. *See* C&H Engineering v. F. Klucznik & Sons, 19 F.S.R. 421, 428 (Ch. D. 1992)) Providing only anti-copying rights to functional designs under the E.U. proposals would thus arguably release *some* of the pressure to heighten the thresholds for protection. However, because the Community-level unregistered protection is made dependent upon satisfying the same conditions as is

initiatives. And the discrepancies that flow from such an ungrounded standard will likely be exacerbated by the assorted philosophies of judges in diverse Member States.[140] The Commission's general acceptance of the necessary connection between the thresholds for protection and the scope of protection could be beneficial in this regard, notwithstanding the Commission's departure from that principle in protecting registered and unregistered designs on the same conditions despite offering each a different level of protection.[141] If a determination of "individual character" influences the degree of difference required to escape infringement, the two concepts would operate as a control on each other. Minimizing the extent of difference required to demonstrate individual character might permit the protection of a greater number of designs, but it also should inform (i.e., lessen) the degree of distinction required to avoid infringement. The proposals would benefit from this concept receiving more affirmative endorsement by the Commission because such a concept could serve as an important restraint on widely

[140] Authoritative interpretations by the European Court of Justice will, to some extent, assist in establishing a common understanding of the thresholds. That standardizing influence will, however, only be felt periodically, and in a non-examining system there will be fewer *administrative* determinations from which to forge a collective sense of these concepts. Under the E.U. proposals, the primary administrative proceeding in which such a sense could be developed would be actions for declarations of invalidity, for which the Community Design Office will have primary, but not exclusive, jurisdiction. *See* Proposed Regulation, *supra* note 58, art. 56 (conferring jurisdiction on Community Office), art. 85 (conferring jurisdiction on national courts designated as Community Design courts to adjudicate counterclaims seeking declaration of invalidity of registered Community Design, and to adjudicate direct actions for declaration of invalidity of unregistered Community Design); *see also* Regulation Memorandum, *supra* note 67, at 33 (application for declaration of invalidity filed with the Community Office should be the basic instrument for removing design from Register).

[141] *See supra* notes 123-24 and accompanying text.

The current text sets a lower threshold than the prior version of the legislation, which would have required that the design create a "*significantly* different overall impression."[135] Either standard would appear to create a threshold somewhere between copyright's subjective originality and patent's novelty/nonobviousness standard.[136] All explanations of the concept tendered by the Commission suggest, however, the clear intent to bring within the scope of protection incremental improvements upon prior designs: such designs arguably possess individual character if they *are* different, even if that difference might have been an obvious one to develop.[137] Individual character does not connote a flash of genius; it

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explains that "the intention of this provision is to avoid the situation where design rights can be invalidated by infringers claiming that antecedents can be found in remote places or museums." Amended Directive Memorandum, *supra* note 103, at 7. The Parliament and the Commission were apparently influenced to make these amendments by the textile industry, which feared that third-country competitors could produce false design registrations to invalidate design rights. *See* Posner, *supra* note 93, ¶ 3.4.

[135] The Commission has taken the view that the change does not "unduly lower the threshold." Amended Directive Memorandum, *supra* note 103, at 6. Mario Franzosi, who had expressed the opinion that the earlier language "seems to be halfway between less strict and stricter standards adopted in the Community for the protection of design [and indeed] was closer to the less strict," Franzosi, *supra* note 119, at 58, appears concerned that the change may affect the type of designs that might now receive protection. *See id.* at 62-63. The lowering of this threshold was compensated for by the enlargement of the prior art to be considered in assessing individual character. *See* Amended Directive Memorandum, *supra* note 103, at 6; *see also supra* note 132 (discussing change in prior art provision).

[136] *See* Regulation Memorandum, *supra* note 67, at 12; *cf.* Green Paper, *supra* note 6, ¶ 5.5.9 (suggesting the Commission's desire to avoid patent standards).

[137] This threshold differs from the requirement of non-obviousness that has limited the effectiveness of U.S. design patent protection. Nonobviousness permits a qualitative as well as a quantitative assessment. Individual character is merely a quantitative measure: is the design different, only slightly different, or very different from what has gone

vu.[128] Second, that impression is to be judged by a new legal *persona*, the "informed user," who may often be (but is not necessarily) the end consumer.[129] The Commission has expressly indicated that such a person is not to be equated with a design expert.[130] Beyond that, however, this fictional character is no more fully developed by the Commission than are her siblings such as the "ordinary observer" or "a person having ordinary skill in the art."[131] Finally, the prior art to

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[128] *See* Regulation Memorandum, *supra* note 67, at 12.

[129] *See id.*

[130] *See* Regulation Memorandum, *supra* note 67, at 12; compare *id.* with 35 U.S.C. § 103 (1994) (obviousness of design determined by reference to person "having ordinary skill in the art"), *and In re* Nalbandian, 661 F.2d 1214, 1216, 211 U.S.P.Q. (BNA) 782, 784 (C.C.P.A. 1981) (obviousness of designs to be determined by reference to "the designer of ordinary capability who designs articles of the type presented in the application."). Nor, however, is an informed user merely a "reckless consumer." *See* Franzosi, *supra* note 119, at 60.

[131] Where the threshold determination is to be adjudged by reference to the perspective of someone other than an expert in the field, questions regarding the evidentiary process inevitably arise. How is one to prove the effect that a design would have on an "informed user" as opposed to an expert in the field? One commentator, although conceding that "the criterion is probably more complicated to apply objectively in practice than theory," has suggested that a judge should be "able to disguise himself as the 'informed user' in many cases" with some expert evidence to assist his determination in "specialized cases" in order that the judge is truly "informed." *See* Levin, *supra* note 123, at 70-71. Indirect support for this interpretation can be found in the Green Paper, where the Commission suggested that (in applying the threshold of "distinctiveness in the eyes of the ordinary consumer" proposed in the Green Paper) the judge "can easily put himself in the place of the ordinary consumer." Green Paper, *supra* note 6, ¶ 5.5.7. The standard calls to mind, however, the difficulties encountered in the U.S. with the concept of the ordinary observer that, for a period of fifteen years, determined (in some courts) the nonobviousness of a design seeking design patent protection. *See Nalbandian*, 661 F.2d at 1217, 211 U.S.P.Q. (BNA) at 785 (preferring perspective of ordinary designer because, among other things, as a practical matter "no affiant can be qualified as an expert ordinary observer"); *cf.* LB Plastics v. Swish Prods., [1979] R.P.C. 551, 622 (Lord Wilberforce) (noting the evidentiary difficulties of assessing the effect of

of the scope of originality-based rights.[124] It surmised that stronger rights were necessary in order to "make the Registered Design attractive and to avoid extensive litigation."[125] Accordingly, the more

[124] *See* Green Paper, *supra* note 6, ¶ 4.3.12, ¶ 5.5.3.2 (rights conferred would be required to be limited to a prohibition against copying if originality were the threshold); Regulation Memorandum, *supra* note 67, at 12 (noting that the counterpart of broader protection is a higher threshold). In other parts of the Commission's scheme, the connection between threshold and scope received clear affirmation. *See, e.g.*, Amended Proposed Directive, *supra* note 75, arts. 5(2), 9(2) (degree of freedom of designer to be taken into account in assessing individual character and also in determining scope of rights). Despite the historical link between thresholds and scope of protection, however, the proposals ultimately set the scope of protection by reference to the existence of registration rather than the thresholds for protection (which are the same for registered and unregistered rights). *See* Green Paper, *supra* note 6, ¶ 4.3.9. To the U.S. observer, this seems particularly strange because the nature of the proposed registration examination is clearly unlike that to which a patent application is subjected. It appears instead to be a close relative of the passive (and permissive) system of copyright registration in the U.S. *See infra* text accompanying notes 256-65 (discussing registration procedures). An application for trademark registration in the United States probably entails greater examination of the merits of a claim, yet the *scope and duration* of rights granted a registered mark under U.S. law are no greater than those granted the owner of an unregistered mark, subject to procedural advantages that only are truly significant after five years. *See* Qualitex Co. v. Jacobsen Prods. Co., 115 S. Ct. 1300, 1306, 34 U.S.P.Q.2d (BNA) 1161, 1165-66 (1995) (identifying advantages of registration).

[125] *See* Green Paper, *supra* note 6, ¶ 5.5.3.2. The Commission also felt it important to prevent the possibility of simultaneous protection of identical designs by different designers. *See Id.* The co-incidental identity or similarity of independently created designs is probably more likely with functional designs than in the beaux-artes. *See* Kur, *supra* note 26, at 376 (suggesting that the "more 'functional' a product is, and the more weight has to be given to technical considerations, the higher will be the probability for two or more people to arrive at the same form," but also noting that that probability will vary depending on the kind of design); Lionel Bently, *Requiem For Registration? Reflections on the History of the United Kingdom Registered Designs System*, *in* 1 PERSPECTIVES ON INTELLECTUAL PROPERTY: PREHISTORY AND DEVELOPMENT OF INTELLECTUAL PROPERTY SYSTEMS 3, 40 (James Lahore, ed., 1996) ("[T]he . . . economic, functional, ergonomic, social and environmental . . . constraints on the designer's freedom mean that it is not unlikely that a later designer would

articulate a standard of originality acceptable to all Member States, however, the Commission wished to avoid the perception that it was attempting to harmonize the level of protection to be offered to copyrightable works of applied art.[122] And apparently the

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the design field in question at the time of its creation"). The Notes on Clauses distributed to interested parties in order to elaborate upon the intention of the U.K. Government (but not necessarily the legislature) suggested that "original was to be understood in the copyright sense of "not [being] . . . a copy, but not necessarily novel." However, the inclusion of the "commonplace" exclusion led commentators to suggest that the courts "might choose to consider the registered design 'nonobvious' originality test, or perhaps even something like the registered design novelty test, which inquires whether the proposed design differs from an existing one only in immaterial details or in features which are common trade variants." FELLNER, *supra* note 7, at 378. In the first case to address the issue, the provision was interpreted by the U.K. courts as imposing a requirement of objective novelty (similar to the test of registered design protection) as a precondition to unregistered design right. *See* C&H Engineering v. F. Klucznik & Sons, 19 F.S.R. 421, 428 (Ch. D. 1992) (certain features of pig fender design commonplace while others were not). The *C&H Engineering* interpretation has not been without its critics. *See, e.g.*, Audrey Horton, *European Design Law And The Spare Parts Dilemma: The Proposed Regulation And Directive*, 16 EUR. INTELL. PROP. REV. 51, 52 (1994) ("Bearing in mind the rationale for the unregistered design right to provide immediate transitional protection pending registration, or shorter protection for more transient designs, such a high standard of novelty seems questionable in this context."). And later courts have not insisted upon that higher standard. *See, e.g.*, Amoena Ltd. v. Trulife Ltd., Ch. 1992 A No. 9955 at 5 (Ch. D. May 25, 1995) (opinion on file with the author), *available in* LEXIS, INTLAW library, ENGCAS file, at 3 ("It would have been easy enough for the draftsman to insist on novelty for unregistered designs if that had been intended."); *see also* Lionel Bently & Alan Coulthard, *From the Commonplace to the Interface: Five Cases on Unregistered Design Right*, to be published at 19 EUR. INTELL. PROP. REV. 401 (forthcoming 1997) ("The recent case law seems to have avoided some of the disadvantages that might have resulted from construing the requirement that a design be not commonplace as requiring the design be novel. If such a test had been adopted, it would have been necessary to consider what the relevant prior art would have been when assessing whether a design was new . . . ").

[122] *See* Green Paper, *supra* note 6, ¶ 5.5.3.1. The countries of Europe have long struggled to reconcile their differing treatments of works of applied art. *See* Reichman, *From Berne to 1976*, *supra* note 105, at 1164 (discussing the compromise approach adopted by the Berne Union members in the

and there is variance on the point of view from which novelty is to be adjudged.[114] For the purpose of the E.U. proposals, novelty consists of no identical design or immaterially different design previously having been made available to the public.[115] The novelty standard is universal, not local, and no time limit will restrict the designs that might be regarded as prior art.[116] The proposals do not identify from whose perspective the novelty question has to be considered, whereas they do apply a point-of-view component to the requirement of individual character.[117] The implication may be that the question of identity is so narrow (and so objective) that persons of differing expertise will not differ in their perception of whether a given design is new.[118]

The Commission intends that novelty for design purposes be a much less difficult standard than the patent requirement of the same

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[114] For example, German law embodies a relative local standard. *See* Firth, *supra* note 14, at 42-3 ("Germany relates the requirement of novelty to the knowledge of relevant German trade circles at the material time.").

[115] *See* Amended Directive, *supra* note 75, art. 4. In the case of an application for registration of the design, the novelty is adjudged at the date of the filing of the application; with the unregistered right, novelty will be decided by reference to the date of claimed priority (the date upon which the design was made available to the public). *See id.*

[116] Novelty analysis that is based upon novelty "from the beginning of time" prevents protection (subject to the safeguard clause discussed *infra* at text accompanying note 76) for reproduction pieces which a designer brings back to the market. Trademark protection may be available for such designs in certain circumstances. *Cf.* Graeme B. Dinwoodie, *Reconceptualizing the Inherent Distinctiveness of Product Design Trade Dress*, 75 N.C. L. REV. 471, 482 n.35 (1997) (discussing trade dress protection under U.S. law for reproduction design).

[117] *See infra* text accompanying notes 129-31.

[118] Compare this approach with Schnading Corp. v. Gaines Mfg., 494 F.2d 383, 389 (6th Cir. 1974) (stating that a design is considered new if it differs

Modern industrial design is an efficient and fully integrated blend of form and function.[108] The proposals advanced by the Commission would protect the external appearance of a product whether that appearance is pure decoration, has no aesthetic content, or is a combination of functional and aesthetic elements.[109] There is no intention to restrict these new protections to designs that appeal to the eye.[110]

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[108] *See* Green Paper, *supra* note 6, ¶ 5.4.3.4 ("Design industry usually considers that design is the result of three elements: a functional improvement or technical innovation in the product, a creative contribution of aesthetic nature by the designer, and an investment by the manufacturer to develop the two preceding elements.").

[109] *See id.* ¶ 5.4.4.2; *see also id.* ¶ 5.4.5 ("From various national sets of rules it seems to emerge that a design, to get specific protection, must show a certain 'aesthetic effect'. This criterion is however of very little help, as it is just as difficult to define what aesthetic effect means as to define the notion of 'artistic work' in copyright law.").

[110] *See id.* ¶ 5.4.8.2. The reforms of U.K. law enacted in 1988 that are, in some respects, clear antecedents of the E.U. proposals, do distinguish between aesthetic and functional designs: Functional designs can only be protected as unregistered designs because registered design protection requires that the design "appeal to the eye." *See* FELLNER, *supra* note 7, at 370, 377. Furthermore, the E.U. proposals protects designs *as such.* That is to say, the design is protected against reproduction across the market, not just in or on particular products. This contrasts with the approach taken, for example, under the current U.K. Registered Designs Act, where the applicant must identify the article or set of articles to which the design is applied. *See* Registered Designs Act, 1949, 12, 13, & 14 Geo. 6, ch. 88, § 1(2) (U.K.). The Community design regime will not, however, protect the design of computer software; the Commission is relying instead on the Software Directive to delineate the scope of protection available to those works. *See* Amended Proposed Directive, *supra* note 75, art. 1(b); *see also* Software Directive, *supra* note 10 (protecting software under copyright law). Professor Reichman argues that the problems that face industrial design and those that confront software possess sufficient similarities as to warrant treatment by a common regime of intellectual property protection rather than a set of separately-tailored laws. *See* Reichman, *supra* note 92, at 2511-19 (describing common problems of industrial designs and software in receiving appropriate protection under patent and copyright paradigms); *see also* Pamela Samuelson, Randall Davis, Mitchell Kapor, & J.H. Reichman, *A Manifesto Concerning the Legal Protection of*

the most important contribution that the proposals make to the advancement of design protection laws. In repudiating the functional/aesthetic dichotomy, the Commission boldly has grasped the nettle of functionalism, which must be done if the problem of design protection is to be resolved.[105]

Commission accepts that designs which meet all three requirements are undoubtedly deserving of protection.") During the evolution of the proposals, Professor Reichman detected what he thought a retreat to the protection only of appearance designs. *See* J. H. Reichman, Industrial Designs and Utility Models Under the European Communities Proposed Initiatives: A Critical Appraisal, Address at the Third Annual Fordham Conference on Int'l Intellectual Property Law and Policy 13-15 (Apr. 1995) (paper on file with the author) (discussing conflicting signals communicated by Commission in late 1994, and claiming basis in original 1993 proposals for exclusion of functional designs). Regardless of whether the Commission was considering whether to restrict the proposals to aesthetic design in late 1994, it is now clear that no such restriction is envisaged.

[105] Others have sought to eradicate this historical distinction. *See* H.R. 1790, 102d Cong. § 1001 (1991) (bill providing registered design protection, lasting 10 years, for original designs including functional designs) (introduced by Rep. Gephardt); Copyright, Designs & Patents Act, 1988, ch. 48, § 213 (U.K.) (unregistered design right in the U.K., which omits the "eye-appeal" requirement that exists for U.K. registered design protection). Professor Reichman, who has expressed significant reservations about the E.U. design proposals and its U.K. antecedent, *see* Reichman, *supra* note 92, at 2464 ("The United Kingdom's unregistered design right has thus established the broadest derogation from free-market principles in the history of intellectual property law, and it threatens to influence European Community Law."); *see also id.* at 2490 ("[T]he [E.U.] unregistered right, which could burden virtually every product sold on the general products market with exclusive intellectual property rights, raises troubling questions that sectorial lobbying prefers to minimize."), has acknowledged that the question of functional designs needs to be addressed if the design question is truly to be tackled. *See* J.H. Reichman, *Design Protection and the New Technologies: The United States Experience in a Transnational Perspective*, 19 BALT. L. REV. 6, 150 (1989) [hereinafter Reichman, *New Technologies*] ("In the long run, an international intellectual property regime seriously concerned about advanced technological know-how would have to accommodate both aesthetic and functional designs within a common universe of discourse."). Moreover, Professor Reichman has commented favorably upon certain carefully tailored parallel systems of protection for aesthetic and functional designs, which is what the E.U. design proposals

address three different rights: the Registered Community Design Right and the Unregistered Community Design Right proposed in the Regulation, both of which would exist at the Community level and provide unitary protection throughout the Union; and the registered design rights that must exist under the laws of each Member State once the Member State implements the provisions of the Directive.[99] The main body of substantive provisions in the Directive and Regulation governs all three of these types of rights.[100]

B. *Dealing With Form And Function: Definition Of Design*

Each instrument defines design similarly: "the outwardly visible appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation."[101] This definition includes both two and three-dimensional design,[102] and reflects the Commission's intent to protect

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[99] In addition, because the proposals permit cumulation, there will be other existing rights under Member States' copyright or unfair competition laws that may remain relevant to the protection of designs. The Amended Proposed Directive has eliminated whatever minimal efforts were made in the original proposal to address these other forms of design protection. *See infra* note 273. *Compare* Proposed Regulation, *supra* note 58, art. 100 *and* Proposed Directive, *supra* note 61, art. 18, *with* Amended Proposed Directive, *supra* note 75, art. 18.

[100] The conditions for protection of the registered and unregistered rights are the same; the primary differences relate to the date of commencement of protection, and the term and scope of protection obtained.

[101] Amended Proposed Directive, *supra* note 75, art. 1(a); Proposed Regulation, *supra* note 58, art. 3. Compare this definition with 2 STEPHEN P. LADAS, PATENTS, TRADEMARKS AND RELATED RIGHTS: NATIONAL AND INTERNATIONAL PROTECTION 829 (1975) (defining "industrial design" as "an ensemble of lines, surfaces, volumes, and profiles connected with each other in subtle or unique ways so as to give a characteristic external appearance to an article").

[102] *See* Green Paper, *supra* note 6, ¶ 5.4.11.3 ("For the purpose of this Green Paper the Commission will use the notion of 'design' as meaning both

concerns of greater uncertainty by granting more limited protection to the owner of unregistered rights.[94]

Assertion of rights under the Unregistered Community Design system will not prevent application for a Community Registered Design.[95] The two forms of protection are granted on the same conditions and are subject to the same exclusions; any design that could be registered will be entitled to unregistered design protection.[96] Indeed, one of the benefits that the Commission foresees from this structure is the ability of the producer to "test" the design in the marketplace with the protection offered by the unregistered design right and, if the design proves successful, within a year to seek registration of that design.[97]

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[94] *See infra* notes 230-31, 255 and accompanying text (unregistered design protection available only against copying and endures for a period of three years from first commercialization). Member States currently offering protection for designs through copyright or unfair competition tolerate a degree of uncertainty. And, the scope of rights offered by those systems are typically of a lesser magnitude than those accorded under registration-based systems such as patent or registered design laws. As I argue below, any increased scope of protection should flow not merely from registration (especially an unexamined registration), but rather should also reflect the more stringent conditions for obtaining protection under patent or registered design systems.

[95] Registration would, however, have to be sought within one year of commercialization of the design. *See infra* note 97.

[96] The inverse might not be true if the design owner delays in seeking registration, *see infra* note 97, but the owner of unregistered design protection would otherwise be entitled to seek registered protection.

[97] Comments tendered by industry prior to the publication of the Green Paper indicated a strong concern that any registration system avoid one of the primary deficiencies common to many existing national regimes, namely that the disclosure of the design by the producer prior to registration may defeat the producer's claim of novelty. *See* Green Paper, *supra* note 6, ¶ 4.3.2. Indeed, this is a prominent example of a provision that, because of variation from state to state, can have seriously adverse effects on the producer's protection on an E.U.-wide basis. *See id.* ¶ 4.3.3:

features of their products argued for the broader deployment of copyright protection in aid of design.[88] The interests of competitors and the public persuaded the Commission that, despite the attraction of its automatic nature, copyright was not the best solution. The Commission was reluctant to provide full copyright protection to what it termed "sometimes fairly banal products."[89] Especially where the product has a practical function, as will be the case with many of the designs newly admitted to the E.U. regime, the Commission suggested that there is less freedom for the designer to be creative, and that there may well be a limit on the number of ways in which a product can be designed and still function. These factors, allied to the long duration of copyright protection, cautioned against use of copyright.[90]

The Commission sought to devise a system that possessed what made copyright protection attractive--an absence of formalities, leading to a reduction in costs and complexities--but endeavored to find alternative means by which those benefits could be garnered.[91] Instead of copyright protection, therefore, the Commission proposed an unregistered design right. Like copyright, it will provide softer

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[88] *See* Green Paper, *supra* note 6, ¶ 4.2.1. Those industries arguing for a harmonization of copyright as the vehicle for protecting designs suggested that there be harmonization of the originality requirement at its lowest level. *See id.* ¶ 4.2.6. Such a suggestion was consistent with most exercises in harmonization, which tend to harmonize at the level of greatest protection. *See, e.g.*, Term Directive, *supra* note 4 (harmonizing general term of copyright protection at seventy years *post mortem auctoris*).

[89] *See* Green Paper, *supra* note 6, ¶ 4.2.7.

[90] The Commission also balked at copyright because of the difficulties of harmonizing the originality requirement. *See* Green Paper, *supra* note 6, ¶ 5.5.3.1.

[91] *See id.* ¶ 4.2.7.

step toward enactment. The repair clause had previously met with the approval of both the Parliament and the Commission, and Commission representatives have suggested that the Common Position omitting the clause may not represent the final legislative text.[82]

III. QUESTIONS OF SUBSTANCE

A. Providing A Menu Of Options: Registered And Unregistered Rights

The Regulation[83] provides a producer with two separate, but related, E.U.-wide rights with which to protect its design: a Registered Community Design right, obtained by application to the Community Design Office, with an initial term of five years (renewable up to twenty-five years); and an Unregistered Community Design right that endures for a period of three years after the design is made available to the public.[84] Most Member States have some form of registered design protection at present, but the introduction of the unregistered

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[82] *See Internal Market Council: Ministers Reach Agreement on Industrial Designs and Models*, EUR. REP., Mar. 15, 1997, § 2207 (reporting observations of Mario Monti, European Commissioner For The Internal Market, to the effect that "this is not the end of the affair, for the proposal has still to go through the Parliament's second-reading opinion under the co-decision procedure"); *id.* (noting that "the Parliament is very likely to retable its amendment in favour of the clause, so a Parliament/Council conciliation procedure is no doubt on the cards").

[83] Comments in this Article are based upon the latest amended proposal for the Directive adopted by the Commission on February 21, 1996, and upon the Common Position on the Directive adopted by the Council on March 13, 1997. The Regulation will almost certainly eventually be amended to conform to the final agreed text of the Directive. *See* Posner, *supra* note 68, at 6 ("Though the [February 21, 1996] amendment[s] formally relate to the Directive only it goes without saying that the same amendments will have to be introduced in the Regulation.").

[84] *See* Proposed Regulation, *supra* note 58, art. 12 (term of Unregistered Community Design Right), art. 13 (initial term of Community Design

After the receipt of an opinion from the European Parliament,[74] in February 1996 the Commission submitted an Amended Proposal for a Directive that reflected all but one of the Parliament's suggested amendments.[75] Most importantly, the Commission's Amended Directive incorporated a revised "repair clause" suggested by the Parliament.[76] The proposals stalled in the legislative machinery of the E.U. for over one year largely as a result of disagreement over that clause,[77] and when the Council finally agreed on a Common Position

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[74] *See* Opinion of the European Parliament on the Proposal for a European Parliament and Council Directive on the Legal Protection of Designs, 1995 O.J. (C 287); *see also* Report of the Parliamentary Comm. on Legal Affairs and Citizens' Rights on the Proposal for a European Parliament and Council Directive on the Legal Protection of Designs, Doc. EN\RR\282\282295 (Sept. 19, 1995). Opinions were also received from the Economic and Social Committee ("ECOSOC"), an independent body of experts that plays an advisory role in the E.C. legislative process. *See* Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Directive on the Legal Protection of Designs, 1994 O.J. (C 388) 9; Additional Opinion of the Economic and Social Committee on the Proposal for a European Parliament and Council Directive on the Legal Protection for Designs, 1995 O.J. (C 110) 12; *see also* EC Treaty, *supra* note 12, arts. 193-98 (provisions relating to ECOSOC).

[75] *See* Amended Proposal for a European Parliament and Council Directive, 1996 O.J. (C 142/05) [hereinafter Amended Proposed Directive or Amended Directive].

[76] Although the Proposed Regulation was not amended at the same time, it is understood by both the Commission and the Council that the two final instruments will be identical in substance and that the Regulation will be revised to conform with the final agreed text of the Directive. *See* Posner, *supra* note 68, at 7 ("Discussions within Council have been based on the amended proposal for a Directive being understood that solutions agreed upon in this context would find application also within the context of the Regulation.").

[77] *See* Posner, *supra* note 68, at 7 (suggesting that the "repair clause" is "in reality the only major obstacle for a fairly rapid common position with regard to the Directive"). The November, 1996, Internal Market Council Meeting had been expected to produce a Common Position on the Directive. *See id.* However, agreement on the repair clause, *see infra* Part III.D. 3.c., could not be not reached. *See* Emma Tucker, *Brussels Firm on Car Parts Market*, FIN. TIMES, Nov. 28, 1996, at 3. For an insightful discussion of the deliberations at the November 1996 and March 1997 Meetings, see

the codecision procedure, although it has exercised that prerogative only rarely.[66]

Initially, the Commission grounded the submission of both the Proposed Directive and the Proposed Regulation on Article 100a.[67] After the Commission submitted its design proposals, however, the Member States suggested (and the Commission agreed[68]) that the proper legal basis for adoption of the Regulation was Article 235 of the E.C. Treaty.[69] Article 235 (the "necessary and appropriate" clause of the Treaty of Rome) provides for the consideration of legislation pursuant to the more straightforward "consultation" procedure, which

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[66] In 1995, Parliament used its powers under the codecision procedure to block enactment of the Biotechnology Patent Directive. *See* Decision on the Joint Text Approved by the Conciliation Comm. for a European Parliament and Council Directive on the Legal Protection of Biotechnological Inventions, 1995 O.J. (C 068) 26 (rejecting legislation protecting biotechnological innovation); *see also Defeat of European Draft Directive Clouds Animal Patenting Issue Europe: European Parliament Votes Against Final Draft of Legal Protection of Biological Inventions*, GENETIC ENGINEERING NEWS, April 15, 1995, at 1. A revised version of the rejected Biotechnology Directive has been introduced by the Commission. *See* Margaret Llewelyn, *The Legal Protection of Biotechnological Inventions: An Alternative Approach*, 19 EUR. INTELL. PROP. REV. 115, 115 (1997).

[67] *See* Explanatory Memorandum Accompanying the Proposal for a European Parliament and Council Regulation on the Community Design, COM(93)342 final-COD 463 at 2-3 (Dec. 3, 1993) [hereinafter Regulation Memorandum]; Explanatory Memorandum Accompanying the Proposal For a European Parliament And Council Directive, COM(93)344 final-COD 464 at 3 (Dec. 3, 1993) [hereinafter Directive Memorandum].

[68] No formal modification of the legal basis for the Regulation has yet occurred, but the likely amendment was communicated to the Parliament. *See* Bernhard Posner, *Introduction, in* EUROPEAN DESIGN PROTECTION: COMMENTARY TO DIRECTIVE AND REGULATION PROPOSALS 1, 5 (Mario Franzosi ed., 1996).

[69] It is not clear whether the Council is empowered by the E.C. Treaty unilaterally (but unanimously) to amend the legal basis of a proposal submitted by the Commission and thus minimize the role of the Parliament. *See* Hans-Joachim Glaesner, *Formulation of Objectives and Decision-Making Procedure in the European Union*, 18 FORDHAM INT'L L.J. 765, 775-76 (1995).

uniformity of design protection throughout the Union.[60] The enactment of the Community Design Regulation will therefore be supplemented by the introduction of a Directive (the Proposed Directive on The Legal Protection of Designs),[61] containing provisions substantially identical to the Regulation that would harmonize the registered design laws of the Member States with the substantive provisions of the E.U.-wide system of protection. The national systems of the Member States will, therefore, co-exist with the Community-level protections.[62]

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[60] If the laws of the Member States are to remain operative after the introduction of the Community level system, the availability of widely-differing laws would encourage a producer to shop among the several laws (national and Community) to find that most favorably disposed to its claim, clearly defeating the Commission's objectives. The harmonization Directive--if it truly harmonized all the applicable laws among the Member States, as well as with the Community level law--would minimize such conduct. *See infra* notes 271-81 and accompanying text (discussing whether extent of harmonization is sufficient to prevent circumvention of Commission initiative). The combination of the Directive and the Regulation thus is important. *See* Griffiths, *supra* note 13, at 367.

[61] *See* Proposal for a European Parliament and Council Directive on the Legal Protection of Designs, COM(93)344 final (Dec. 3, 1993), 1993 O.J. (C 345/14) [hereinafter Proposed Directive]. A directive is a legislative instrument of the European Community, but is not directly applicable in the Member States. Its provisions normally require positive implementation in the domestic laws of the Member States, although certain provisions of directives may be treated as directly creating rights in Member States under the doctrine of "direct effect." *See* EC Treaty, *supra* note 12, art. 189 ("A Directive shall be binding as to the result to be achieved . . . but shall leave to the national authorities the choice of form and methods."); *see also* 5 SMIT & HERZOG, *supra* note 58, §§ 189.11, 189.14; MATHIJSEN, *supra* note 58, at 90. The strategy of enacting a directive and a regulation that are substantively identical follows that adopted in connection with the reform of trademark law.

[62] This is the approach that has been adopted in other instruments introducing or proposing the introduction of Community-level legislation, such as the Community Trademark or the Community Patent. *See* Trademark Regulation, *supra* note 10; First Council Directive 89/104 to Approximate the Laws of the Member States Relating to Trade Marks, 1989 O.J. (L 40/1) [hereinafter Trademark Directive].

the Commission perceived a Community interest in protecting that increasingly-valuable form of design against misappropriation.[53]

Realization of the Commission's first two objectives--the removal of territorial obstacles to the efficient working of the internal market, and easing the burden of seeking several separate registrations in order to secure Community-wide protection--requires the creation of a single right valid throughout the Community.[54] The alternative of harmonizing Member States' laws (which had been used in eradicating differences in national protection accorded computer software, databases, and semiconductor topographies) would be inadequate in this context. Harmonization in itself would not preclude the partitioning of markets that territorial protection creates. And where registered rights are involved, unlike the rights by which databases or software are protected, harmonization would not substantially reduce the costs involved in applying for rights separately in each country.[55] Strategically, the Commission found exclusive reliance on a harmonization Directive unappealing because approximation of the many different national systems of copyright and unfair competition under which designs are protected looked infeasible,[56] and the Commission believed that the negotiation of a

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[53] The Commission did acknowledge that, with the possible exception of Spain, Portugal, Italy and Greece, industry was not left "entirely exposed to unauthorized reproduction." *Id.* at 15-16.

[54] *Id.* at 3. The internal market is "an area without internal frontiers in which the free movement of goods, persons, services, and capital is ensured in accordance with the provisions" of the EC Treaty. *See* EC Treaty, *supra* note 12, art. 7a.

[55] The use of a Directive—which requires transposition into Member States' laws by the enactment of implementing legislation—also puts more distance (and more actors) between the objectives of the legislation and the text enacted in Member States. The greater number of intermediaries clearly heightens the possibility that the objectives of the legislation might not so fully be implemented.

[56] *See* Green Paper, *supra* note 6, ¶ 3.8.4. This may be the biggest (yet most understandable) failure of the initiative. Indeed, the success of the

attribute a significant portion of a product's success, and thus allocate a substantial portion of investment in product development, to design.[47] "Design is no longer a luxury, . . . it is a necessity."[48] And the commercial significance (and necessity) of industrial design is likely only to grow. As the world consumer product market integrates, the consumer is faced with a larger array of relatively standardized products. Discrimination among these similar products will depend increasingly upon design innovation: in the era of product proliferation, superior design is one of the primary means by which consumers will differentiate products.[49]

More idealistically, to the extent that society is experiencing the indiscriminate expansion of product availability, the consequent "variable banality" can be overcome only by meaningful product innovation rather than superficial variation imposed as a decorative afterthought.[50] Lack of protection for those who assume risk and

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[47] A study conducted by the Gallup Organization in 1985 revealed that senior U.S. business executives attributed 60% of the success of a new product to industrial design. *See Hearings on S. 791 Before the Subcomm. on Patents, Copyrights and Trademarks of the Senate Comm. on the Judiciary*, 100th Cong. 32 (1987) (statement of Cooper C. Woodring, Chairman of the Board, Industrial Designers Society of America).

[48] LORENZ, *supra* note 37, at 4.

[49] *See id.* ("One of the few hopes companies have to stand out from the crowd is to produce superiorly designed products for their target markets.") (citation omitted).

[50] Cristina Morozzi, *E' Possibile la bellezza?*, 154 MODO 16, 17 (1994) ("To counter standardization and the pointless multiplicity of styles, there is no point going back to the basics: radical innovation is necessary. . . . Avant-garde has to become a permanent, rather than a temporary condition.") (translated by publisher at 4). *See also* LORENZ, *supra* note 37, at 24 ("As the new corporate design converts have learned in recent years, it is in helping to achieve *real* differentiation that industrial design can play such a valuable part. To do that, . . . [r]ather than just tinkering around with the product's wrapping, he or she must start with the complete product as it

the consideration and application of aesthetic design features as an integral part of the overall product development process.

Industrial design in this modern sense--which might, with some over-generalization, be called "functionalist" design--began to figure prominently in the priorities of management in Europe by the late 1950s.[40] Although U.S. industry had deployed industrial design since the 1920s,[41] the conversion of U.S. industry to fully integrated functionalism occurred later than in Europe.[42] Until the latter half of the twentieth century, industrial design in the United States still consisted of efforts to "stylize" the appearance of a product in a supplementary (almost obsolete) fashion that resonated more in the fields of advertising or sales than in the development of the product's

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[40] Although it was not until the 1950s that management wholeheartedly adopted industrial design as a priority, examples of design in the functionalist style are common before then, such as the London Underground Tube Stock of 1937. *See* HESKETT, *supra* note 37, at 134.

[41] "Furniture and textiles, their usefulness taken for granted, had long sold on design. Now it was the turn of washing machines, furnaces, switchboards, and locomotives." LORENZ, *supra* note 37, at 14 (citation omitted).

[42] The [1985 launch of the Ford Taurus and Mercury Sable] marked the conversion of the world's second largest motor company to a strategy of competing through adventurous, aerodynamic product design. Gone was the traditional policy, common to all American motor manufacturers, of cladding a lackluster and unimaginative vehicle in an unwieldy, boxy, battering-ram shape, garnished with all sorts of ritzy, angular radiator grilles, tail fins and chromium strips. In its place was a policy of integral design, in which the car's uncluttered shape was heavily influenced by the need to reduce wind drag in order to improve its fuel consumption.

might affect the protectability of the coffee-maker's design.[34] All this makes E.U.-wide design protection unduly expensive. The Commission concluded that these costs and complexities distort competition within the Community by creating significant barriers to the market entry of small or medium sized firms,[35] and stand as obstacles to the improvement of the competitive position of European business in relation to its external trading partners.[36]

The Commission was also influenced to submit its proposals by a concern that sufficient protection be provided for designs that reflected both functional and aesthetic influences. As first understood, "industrial design" described the form given to products, quite distinct from their function.[37] Design was an essentially

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[34] *See, e.g.*, Nelo Möbel AB v. Skippers Møbler A/S, Swedish Supreme Court, June 2 *reported at* 17 EUR. INTELL. PROP. REV. D-161-162 (1995) (finding for plaintiff designer of Kroken armchair against conscious and deliberate imitation of design, under Swedish Marketing Practices Act). Under the Trademark Directive, product shapes may be registered as trademarks--but only if they act as source-identifiers. *See infra* note 282; *see also infra* note 283 (discussing utility model protection).

[35] *See* Green Paper, *supra* note 6, ¶ 3.3.2. The Commission noted that the costly and cumbersome process of obtaining, maintaining, and enforcing different sets of rights in each country of the Union might be manageable for very large industries, but was a particularly acute problem for small or medium-sized businesses which are often at the heart of innovative activity. *See id.* ¶ 3.3.3.

[36] *See* Green Paper, *supra* note 6, ¶ 3.4 ("Unifying European legislations would . . . facilitate the efforts of the European industry . . . to consolidate and develop the position of European design in the world market."); *id.* at 2 ("Superior design is an important instrument for European industries in their competition with industries from third countries with lower production costs. It is the design which in many cases is decisive for the commercial success of products thus allowing European enterprises investing heavily in the development of designs to prosper.").

[37] *See* CHRISTOPHER LORENZ, THE DESIGN DIMENSION 10 (1986). The origin of modern industrial design can be traced to late nineteenth and early twentieth century England and, paradoxically, to the Arts and Crafts movement, which sprung from a *dissatisfaction* with manufactured goods

terminology may mask significant differences. Novelty is far from a unitary concept. Some Member States judge the novelty of a design quite subjectively, affording it a meaning almost analogous to copyright originality; others conduct more objective measurements.[27] Different Member States cast their scrutiny of prior designs more or less broadly in time and space in determining whether the design in question is novel.[28] Indeed, marketing of the coffee-maker in one country in reliance upon the copyright protection available there might destroy the novelty required for design protection in other Member States.[29]

Moreover, some Member States impose additional requirements above novelty that purport, in their own unique ways, to determine whether the design is sufficiently different from what has preceded it to warrant protection.[30] Further discrepancies occur with respect to the duration of rights obtained[31] and the nature of the

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[27] *See* Green Paper, *supra* note 6, ¶ 2.3.7

[28] Hugh Griffiths has summarized the problems of determining the appropriate prior art as follows:

> In Ireland, Benelux and the United Kingdom, there are limitations in space; the design has to be new in the State concerned. In Denmark and Portugal, there is a time criterion; the design is deemed to be new if no identical form has been used or protected since a certain point in the past. In Benelux and Germany, a design is not new if it is known to the national circles specialized in the relevant sector. . . .

Griffiths, *supra* note 13, at 362.

[29] *See* Green Paper, *supra* note 6, ¶ 4.3.3.

[30] *See* Green Paper, *supra* note 6, ¶ 2.3.8 (discussing the additional requirements).

[31] *See infra* note 250 (listing different durations).

however, provide incomplete protection elsewhere in Europe. Italian law provides protection for the full term of copyright if the design passes the dissociability test of Italian law;[20] but this is unlikely given the intentional blending of form and function.[21] German[22] and Spanish[23] law might offer copyright protection, but only if the design displays a "marked artistic character"--a requirement that operates in practice to exclude most functionalist designs from copyright. And since 1988, U.K. law limits the application of copyright proper to

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(July 1995) (confirming scope of Article 2 of the law of July 14, 1909). Benelux protection contains a not dissimilar exclusion; *cf. Jehoram, supra* note 14, at 86 (noting, in discussing the *Screenoprints* decision of the Benelux Court of Justice recognizing cumulative copyright and design law protection, that "if one kind of protection is excluded for 'technical shapes' then the other one should be also"). *Screenoprints* in effect extended the same restriction of Benelux design law--denying protection to designs that are necessary for obtaining a technical effect--to copyright. *See id.*

[20] *See* Firth, *supra* note 14, at 44 ("In Italy, the availability of copyright protection for a design depends upon its dissociability from the product in question."); *see also* Green Paper, *supra* note 6, ¶ 2.4.8.; Royal Decree of 21 July 1940, as amended on 23 May 1977 and 24 June 1979.

[21] *See* Mario Franzosi, *News Section (Italy)*, 16 EUR. INTELL. PROP. REV. D-311 (1994) ("While Italy is a country where industrial design is particularly important, the legal protection of design is unsatisfactory. The courts have a tendency to deny protection unless there is a registration for an ornamental model. Copyright protection or protection against unfair competition is rarely applied.").

[22] *See* Firth, *supra* note 14, at 46 (German law); *see also* Green Paper, *supra* note 6, ¶¶ 2.3.8-9 (identifying Germany, Spain, Portugal, and Denmark as Member States following this approach).

[23] "Spain continues with the system of partial cumulative protection" of copyright and registered design rights for industrial design. Comment, 17 EUR. INTELL. PROP. REV. D-207 (1995); *cf.* Luís Gimeno, *Copyright Subject-Matter in Spain*, 18 EUR. INTELL. PROP. REV. 352, 354 (1996) (discussing competing views that, either there is absolute cumulation, or there is cumulation with respect only to "artistic models," and concluding that the Spanish copyright system "continues within the restrictive cumulation system of design protection" by offering copyright protection only to designs of "a higher standard of artistic achievement").

multinational producer of kitchen appliances. Our putative producer seeks to design a coffee-maker and market it throughout Europe. The design of the coffee-maker embodies the highest ideals of modern functionalism, reflecting (without clear demarcation) aesthetic, functional, ergonomic, safety, cultural, and other concerns. Patent law might protect any technical advance made by the coffee-maker that is truly novel and inventive. But what protection do the laws currently in place in the countries of the E.U. offer to this paradigm of functionalism against imitation of its appearance by second-comers?[14]

The cheapest form of protection to obtain is copyright, which is available without the need to comply with formalities.[15] In some

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in Europe on Industrial Design Protection, 4 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 359, 360 (1993) ("[T]he actual disparate nature of the laws is greater in design area than it has been in virtually any of the other areas [of intellectual property protection]."); Green Paper, *supra* note 6, at 29 ("[O]ne could hardly find another field of intellectual property legislation where differences are more marked among Member States than in the field of the protection of designs."). The differences that the Working Group found to be so extensive in 1962 were only exacerbated by the admission of the United Kingdom to the European Communities in 1972. For a discussion of the U.K. approach to design protection, see generally FELLNER, *supra* note 7; Christine Fellner, *The New United Kingdom Industrial Design Law*, 19 U. BALT. L. REV. 369 (1989-90).

[14] For a very precise summary of the different protection available to design in many of the countries of the E.U. see Alison Firth, *Aspects of Design Protection in Europe*, 15 EUR. INTELL. PROP. REV. 42 (1993). *See also* CHRISTINE FELLNER, THE FUTURE OF LEGAL PROTECTION FOR INDUSTRIAL DESIGN 89-162 (1985); Herman Cohen Jehoram, *Cumulative Design Protection, A System For The EC?*, 11 EUR. INTELL. PROP. REV. 83, 83-84 (1989) (summarizing forms of protection in Greece, Italy, Germany, Denmark, Spain, the U.K., France, and the Benelux countries, and grouping approaches into six categories).

[15] In 1991, the Green Paper suggested that the Member States could be divided into two groups insofar as their copyright treatment of designs was concerned: France, Benelux, Greece, and the U.K. applied broad copyright protection, while Italy, Germany, Spain, Ireland, Portugal, and Denmark adopted a more restrictive approach. *See* Green Paper, *supra* note 6, at ¶ 11.3.5.5.

than is contemplated, any balance that the proposals might strike will be imperilled by aberrant national systems.

In these design proposals, the E.U. has tackled one of the most difficult issues in intellectual property law, a problem that has defied even minimal international consensus and that has been heightened in importance by the preeminence of functionalism in modern industrial design. The consultative and legislative process through which the proposals have been developed has provided valuable insights into what form of design protection best serves the needs of producers, competitors, and the public. In this alone, the exercise has proved to be a valuable intellectual and political endeavor. But the current manifestation of the proposals is overprotective, and would further confuse, rather than rationalize, the nature and extent of protection for designs in Europe. The European Union's initiative suggests that a solution to the world's oldest intellectual property dilemma is not out of reach, but it is not yet at hand.

II. QUESTIONS OF FORM: A REGULATION AND A DIRECTIVE

Impetus for the Commission's design proposals came from several sources. Consistent with the motivation for many of its recent reform efforts in the field of intellectual property law,[10] the territorial

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[10] Although the protection of industrial designs had been on the Commission's agenda since the early days of the European Community, *see* Green Paper, *supra* note 6, at 8, other intellectual property issues quickly became the object of the Commission's attention. Over the last five years, the European Community has enacted several significant intellectual property measures, including legislation dealing with software protection, rental rights, trademark law, databases, satellite and cable broadcasting, and the term of copyright protection. *See* Term Directive, *supra* note 4; Council Directive 92/100/EEC of 19 November 1992 On Rental Right And Lending Right and On Certain Rights Related To Copyright In The Field of Intellectual Property, 1992 O.J. (L 346); Council Regulation 40/94 of 20 December 1993 on The Community Trademark, 1994 O.J. (L 11) [hereinafter Trademark Regulation]; Council Directive 91/250/EEC of 14 May 1991 on The Legal Protection of Computer Programs, 1991 O.J. (L 122) [hereinafter Software Directive]; Database Directive, *supra* note 4; Council Directive 93/83/EEC of 27 September 1993

accords an appropriate level of protection to functionalist design (i.e., design features that conform to the prevailing ethos of modern industrial design, namely, that form follows function).[8] The Commission was, however, also alert to the more immediate difficulties spawned by the territorial nature of the rights protecting designs within Europe (i.e., the increased costs and complexities of obtaining protection, and intellectual property rights acting as barriers to the free movement of goods). These latter concerns compelled the proposal for unitary E.U.-wide design rights contained in the Proposed Regulation on Community Design, rather than exclusive reliance on a harmonizing Directive.

Parts III and IV of the Article explain the constituent elements of the proposed E.U. scheme: the breadth of its application, the prerequisites to and exclusions from protection, and the strength of rights it accords. By federalizing[9] design protection, the legislation holds out the prospect of an applicant gaining design rights throughout the E.U. with a single registration application; it protects aesthetic and functional designs within the same regime of intellectual property and on the same conditions; and it introduces a short period of protection for all designs, including functional designs, without the need for registration. Each of these features of the E.U. legislation

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[8] *See infra* text accompanying notes 103-08.

[9] Some commentators--especially those in Europe, where mere reference to "federalism" might of itself provoke reflexive opposition--would likely take issue with the characterization of the Community-level laws as federal in nature. *See, e.g.*, Dieter Kugelmann, *The Maastricht Treaty and The Design of a European Federal State*, 8 TEMP. INT'L & COMP. L.J. 335, 348 (1994) (arguing that the Maastricht Treaty "shifts the Community toward a federal nation-state, but it does not constitute a federal state"). *But see* George A. Bermann, *Taking Subsidiarity Seriously: Federalism In The European Community And The United States*, 94 COLUM. L. REV. 331, 455 (1994) ("The European Community . . . is basically a young federal system in search of enduring constitutional foundations."). Given the current public antipathy in some large European countries (such as the U.K. and increasingly, although to a lesser extent, France) towards centralizing initiatives, it is unsurprising that the Commission does not describe the rights it seeks to create as federal.

the world community generally and in the United States in particular.[4] And the climate in which the design proposals have been advanced is ideally suited for such extended influence: a void exists internationally,[5] the European Commission (the "Commission") has intimated that enactment of these proposals would strengthen its

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[4] Compare, as a pending example, Directive 96/9/EC of The European Parliament and of The Council of 11 March, 1996, on the Legal Protection of Databases, 1996 O.J. (L 77) [hereinafter Database Directive] with Draft Treaty on Intellectual Property in Respect of Databases (that was intended to be discussed during the WIPO Diplomatic Conference in Geneva from December 2-20) and Database Investment and Intellectual Property Antipiracy Act of 1996, H.R. REP. NO. 3531, 104th Cong., 2d Sess. (1996). As another example of influence, also as-yet unresolved, compare Council Directive 98/98/EEC of 29 October 1993 Harmonizing The Term of Protection of Copyright And Other Related Rights, 1993 O.J. (L 290) [hereinafter Term Directive] with S. 483, H.R. 989, 104th Cong., 1st Sess. (1995) (proposing term extension). *See also* Hugh Hansen, *Developments in EEC Copyright Law, in* 1 INTERNATIONAL INTELLECTUAL PROPERTY LAW AND POLICY ix (H. Hansen ed., 1996) (discussing global impact of developments in E.C. intellectual property law); *cf.* J. H. Reichman, *The Duration of Copyright And The Limits of Cultural Policy*, 14 CARDOZO. ARTS & ENT. L.J. 625, 653 (1996) (suggesting the need for independent congressional investigation of the limits of cultural policy so as "to free U.S. innovation law from the grip of unelected foreign bureaucrats who have surrendered to sectoral protectionist demands.").

[5] *See* Graeme B. Dinwoodie, *Addressing Functionalism: The Lessons of the EC Proposals For Design Legislation*, at 1 (paper presented to Fifth Annual Fordham Conference on International Intellectual Property Law & Policy). To the extent that current design patent law does not fulfill the obligations imposed on the United States by Article 25 of the TRIPS Agreement, see J. H. Reichman, *Universal Minimum Standards of Intellectual Property Protection Under the TRIPS Component of the WTO Agreement*, 29 INT'L LAW. 345, 375-77 (1995) (outlining argument of non-compliance), the influence of the EU propsals upon the shape of any TRIPS compliance-motivated U.S. design law is likely to be still greater. *See id.*, at 376-77 ("[C]urrent efforts to harmonize the design laws of the European Union could influence the direction of reform in the United States if it became necessary to enact a *sui generis* regime by dint of Article 25."); Reichman, *supra* note 4, at 652 ("Unless Congress begins actively to investigate these problems [of subpatentable innovation such as design], the odds are high that the winds of over-protection blowing from the E.U., . . . will lead to a proliferation of equally ill-conceived legislative initiatives here.").

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activity in industrial design registration to ensure that the revised system would be a viable and attractive one.[39]

(13) Provisions will also be included in the administrative and final clauses regulating the relations between States that are party to the various Acts of the Hague Agreement (again, provided that the new Act takes the form of a revision of the Hague Agreement). In essence, they will provide for two States to apply between themselves the latest Act to which both are party.[40]

V. CONCLUSION

In conclusion, the new draft attempts to reconcile the two conflicting objectives of the revision of the Hague Agreement: attracting into the system countries with Examining Offices, such as the United States and Japan, while offering to applicants a simple, quick, and affordable means of obtaining protection for their designs abroad. Hopefully, the new draft will achieve the desired results.

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[39] INDUS. PROP. 1993, *supra* note 1, at 398.

[40] *Id.*

thirty months by a Contracting Party whose Office examines applications as to substance.[32] However, the possible grounds for refusal are limited.

(8) In order to accommodate differing national (or regional) approaches to the stage at which protection commences, Contracting Parties must recognize an international registration as having two different effects, which may commence at different times. First, from the date of international registration, each designated Contracting Party must recognize an international registration as having the same effect, including prior art effect, as a regularly-filed application for the grant of protection. Second, the international registration must be recognized by each designated Contracting Party as having the same effect as a grant of protection under its applicable law as of a date no later than the expiration of the period allowed to communicate a refusal (assuming that a refusal has not been communicated by the concerned Contracting Party).[33]

(9) The provisions on fees contain two features designed to attract wider participation in the revised system:

(a) The first feature is designed to ensure that Contracting Parties whose Offices examine applications as to substance are adequately compensated for the work involved in the examination of an international registration. It allows Contracting Parties to replace the standard designation fee payable to each Contracting Party by an individual designation fee, the amount of which is determined, subject to certain limits, by the Contracting Party.[34]

(b) The second feature is designed to make the revised system attractive to applicants seeking deferment of publication in order, inter alia, to determine whether or not to proceed with the

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[32] *Id.*

[33] *Id.*

[34] *Id.*

international application when Contracting Parties having those requirements are designated. These additional requirements are limited to those imposed by the Contracting Party, in addition to the requirements in the first category, for the grant of a filing date in a national (or regional) application received by that Party's Office. In addition, these requirements are only applicable with respect to Contracting Parties whose Offices examine applications as to substance and who impose them at the time that they enter into the treaty. In the interest of keeping the international system as simple as possible, the list of those additional requirements is limited in the new Act itself.[27]

(c) The third category covers certain additional requirements that must be satisfied in certain Contracting Party States in order to ensure that the international registration is given the effect of a national (or regional) registration. They are not, however, mandatory requirements for the purposes of the international application. An international registration may be obtained with respect to all Contracting Parties on the basis of an international application that does not satisfy these requirements (assuming, of course, that the requirements of the first and, where appropriate, second categories are satisfied). Rather, the requirements in the third category correspond to requirements under the national (or regional) law of the designated Contracting Parties that must be satisfied, not for the purpose of obtaining a filing date, but for the purpose of the grant of protection. Failure to satisfy any such requirements in the international application may form the basis for a refusal, on the part of the concerned designated Contracting Party, to recognize the effect of the international registration. These additional requirements will be specified in the Regulations under the new Act as optional requirements that the applicant may wish to fulfill in the international application in order to avoid unnecessary refusals from the Offices of Contracting Parties having such requirements.[28]

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[27] *Id.*

[28] *Id.* at 397

(2) The title of the Hague Agreement would be changed so that the words "international deposit" are replaced by the words "international registration." Similarly, throughout the draft new Act, the term "international registration" is used instead of the term "international deposit."[19]

(3) Subject to any requirements concerning security clearance in the applicable national or regional law, applicants may file an international application, at their option, either directly with the International Bureau or indirectly through the intermediary of the Office of a Contracting Party.[20] The international application would be accorded a filing date, which would be the date of its receipt by the International Bureau, when the international application is filed with the International Bureau. When the international application is filed indirectly, the filing date would be that of its receipt by the intermediary filing Office, provided that the Office transmits the international application to the International Bureau within one month of its receipt by the Office.[21] The revised system does not envisage any role on the part of an intermediary filing Office in checking the formalities of the international application.[22] Rather, the formal examination would be undertaken by the International Bureau in the case of applications filed either directly or indirectly.[23] However, if at the time a Contracting Party becomes bound by the new Act its law requires the review of applications for the purpose of granting security clearance, the Office of such a Contracting Party, when serving as an intermediary filing Office for an international application, would not transmit applications to the International Bureau before the application has first been reviewed for this

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[19] *Id.*

[20] *Id.*

[21] *Id.*

[22] *Id.*

[23] *Id.*

layer to the procedure under the 1960 Act of the Hague Agreement.[8] This further layer would apply only where an applicant seeks protection in a Contracting Party whose law requires the examination of applications as to substance.[9] The adoption of this approach is based on an understanding that the purpose of an international registration treaty, such as the Hague Agreement, is to facilitate, through one centralized procedure, the procurement of protection in all the Contracting Parties rather than to harmonize the legislation of those Contracting Parties.[10] It is to be noted that this approach was contested in previous sessions of the Committee of Experts on the ground that it allows nationals of countries having relatively complicated national systems easy access to design protection in countries having simpler systems (based upon a mere deposit), without any reciprocal concession on the part of the former countries.[11]

III. THE TWO-CHAPTER SYSTEM

The new draft maintains this approach but, in accordance with the discussions that took place during the fifth session of the Committee of Experts, it consists, apart from two introductory provisions, of two Chapters.[12] Chapter I provides for a simple and quick system of protection of industrial designs desired by future Contracting Parties that do not have, or do not intend to maintain, a substantive examination system.[13] Chapter II contains additional requirements, some or all of which would have to be complied with

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[8] Hague Agreement, *supra* note 2.

[9] INDUS. PROP. 1993, *supra* note 1, at 396.

[10] INDUS. PROP. 1994, *supra* note 1, at 179 (observation of U.S. delegate).

[11] *See, e.g., id.* at 180-81 (comments from other countries).

[12] INDUS. PROP. 1995, *supra* note 1, at 272.

[13] *Id.*

I. INTRODUCTION

The Program of the World Intellectual Property Organization ("WIPO") for the 1996-97 biennium provides that "the International Bureau will prepare, convene and service in 1996 a session of a committee of experts on the preparation of a new treaty on the international registration, with WIPO, of industrial designs."[1] The new treaty may take the form of a revision of the Hague Agreement Concerning the International Deposit of Industrial Designs.[2]

The question of whether the new treaty should take the form of a revision of the Hague Agreement or of an independent treaty will be decided at a later stage. While the present document has been drafted on the assumption that the new treaty would constitute a new Act of the Hague Agreement, no final decision has been made.

Five sessions of the Committee of Experts have been held, the first in April 1991, the second in April 1992, the third in April 1993, the fourth in January and February 1994, and the fifth in June 1995.[3] It is

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[1] *See Committee of Experts on the Development of the Hague Agreement Concerning the International Deposit of Industrial Designs: Fifth Session*, 1 INDUSTRIAL PROPERTY & COPYRIGHT 271 (1995) [hereinafter INDUS. PROP. 1995]; *Committee of Experts on the Development of the Hague Agreement Concerning the International Deposit of Industrial Designs: Fourth Session*, 33 INDUSTRIAL PROPERTY 178 (1994) [hereinafter INDUS. PROP. 1994]; *Committee of Experts on the Development of the Hague Agreement Concerning the International Deposit of Industrial Designs: Third Session*, 32 INDUSTRIAL PROPERTY 240 (1993) [hereinafter INDUS. PROP. 1993]; *Committee of Experts on the Development of the Hague Agreement Concerning the International Deposit of Industrial Designs: Second Session*, 31 INDUSTRIAL PROPERTY 184 (1992) [hereinafter INDUS. PROP. 1992]; *Committee of Experts on the Development of the Hague Agreement Concerning the International Deposit of Industrial Designs: First Session*, 30 INDUSTRIAL PROPERTY 246 (1991) [hereinafter INDUS. PROP. 1991].

[2] Agreement Concerning the International Deposit of Industrial Designs, Nov. 6, 1925, 74 L.N.T.S. 343, *revised* London, June 2, 1934, 205 L.N.T.S. 179, *revised* The Hague, Nov. 28, 1960; Draft New Act of the Hague Agreement Concerning the International Deposit of Industrial Designs, WIPO Doc. H/CE/VI/2 [hereinafter Hague Agreement].

[3] *See* INDUS. PROP. 1993, *supra* note 1, at 395.

tempted to grant too broad relief.[573] If relief is restricted to serving the goal of trade symbol protection, namely providing reliable shorthand product identifiers, courts can avoid conflict with patent policy.[574] Where necessary to preserve the balance of policy, nothing should preclude remedies of limited duration, giving a product configuration innovator some "lead time" in which to enjoy the fruits of a distinctive collection of product features, while precluding protection that might resemble the windfall of a perpetual patent.[575] By tailoring remedies with equitable care, and, where necessary, with some creativity,[576] courts can advance the goals of both patent and trade symbol policy. They do not have to distort well-understood existing legal doctrine or create sweeping new rules that try to cut the Gordian knot.

[573] *See supra* text accompanying note 67-81, 536-49.

[574] *See supra* text accompanying note 81-99, 549-56.

[575] *See supra* text accompanying notes 546-56.

[576] It bears repeating that district courts are no more bound to grant injunctive relief prescribed by one of the parties than they are to grant the exact amount of damages that a party specifies is proper. *See supra* text

Of those product configurations that survive filtration on the basis of distinctiveness, a further significant fraction should be eliminated by the functionality requirement.[562] That requirement will serve well as an additional screen if it is properly interpreted as invariably denying protection for patented features only after the patents expire[563] and, for unpatented features, conditioning protection upon a relatively large number of unconstrained and competitively viable alternatives,[564] while allowing unclaimed patent disclosures to preclude trade dress protection through estoppel or evidentiary doctrines.[565] In this manner, the requirements for inherent distinctiveness and nonfunctionality should serve as screening devices, much like the analogous doctrine of *scenes à faire* for copyrighted works generally[566] or the abstraction-filtration-comparison process for analyzing copyrighted computer programs.[567]

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[562] *See generally supra* text accompanying notes 246-423.

[563] *See supra* text accompanying notes 325-57.

[564] *See supra* text accompanying notes 265-75, 357-423.

[565] *See supra* text accompanying notes 397-406.

[566] Under that doctrine, copyright protection does not apply to aspects of copyrighted works that are commonplace, ordinary, or expected in a particular context. *See* See v. Durang, 711 F.2d 141, 143, 219 U.S.P.Q. (BNA) 771, 772 (9th Cir. 1983). The paradigm is a scene in a German beer hall in a movie about Nazi Germany. *See* Hoehling v. Universal City Studios, Inc., 618 F.2d 972, 979, 205 U.S.P.Q. (BNA) 681, 687 (2d Cir. 1980) (a scene in German beer hall, "Heil Hitler" greetings, and singing of German national anthem were not protectable by copyright). Properly applied, a trade dress analog to the *scenes à faire* doctrine would preclude, for example, any claim that the Grecian urn planter in *Duraco* was inherently distinctive. *See supra* text accompanying notes 515-18.

[567] *See generally* Computer Assocs. Int'l, Inc. v. Altai, Inc., 982 F.2d 693, 23 U.S.P.Q.2d (BNA) 1241 (2d Cir. 1992). The first step in the analysis is abstracting various aspects of the program in a process akin to conceptual reverse engineering. *See id.* at 707, 23 U.S.P.Q.2d (BNA) at 1253. The second step involves filtering out those aspects of the program identified in the first step that are unprotectable because they are ideas or processes or are constrained by such things as industry design standards or practices, or compatibility with hardware or other software. *See id.* at 708-

copyist. This may be all the remedy that the competitive ethos underlying United States economic law[554] allows.[555]

Any of these three solutions would satisfy the demands of both patent and trade symbol policy. Each, of course, would preclude perpetual patent-like protection and eventually would allow the defendant to enter the market for the product unprotected by patent on the same footing as the plaintiff. Each would also satisfy the demands of trade symbol policy, at least to the extent that patent policy seems to allow, for each would allow the plaintiff to preserve its reputation as the design's originator, while at the same time serving the patent policy of allowing producers to supply consumers with cheap copies of unpatented products. Those consumers who wanted the original product (presumably of higher quality) could get it, and those who cared less about originality and quality and more about price could get what they wanted as well, after the copyist had paid for and/or ceased its trading on the originator's good will.

V. CONCLUSION

The foregoing analysis should serve to underscore three points. First, no great changes in existing trade dress doctrine are required in order to accommodate product configurations as trade dress. There is no need for an abrupt tightening of the evolving standards for inherent distinctiveness,[556] nor is it necessary to deny trade dress

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[554] *See supra* text accompanying notes 46-54.

[555] *See* Badger Meter, Inc. v. Grinnell Corp., 13 F.3d 1145, 1155, 29 U.S.P.Q.2d (BNA) 1507, 1515 (7th Cir. 1994) ("Competitors are generally privileged to copy one another's products, . . . because consumers benefit from the option to buy a copy that has 'some added premium (*e.g.*, faster delivery, cheaper pricing)' provided by the competitor.") (citing *Sears*, 376 U.S. at 231, 140 U.S.P.Q. (BNA) at 527-28)); Hypertherm, Inc. v. Precision Prods., Inc., 832 F.2d 697, 700, 4 U.S.P.Q.2d (BNA) 1799, 1802 (1st Cir. 1987); *see also* Dratler, *Trademark Protection*, *supra* note 7, at 973-75.

[556] See supra text accompanying notes 158-246.

confusion[549] necessarily centered on the similarity of the product configurations.

Even in such tough cases, however, tailoring an appropriate remedy offers the possibility of avoiding a collision between patent and trade symbol policy. Three separate solutions may be possible. First, the defendant could be enjoined from marketing the knock-off for a limited period of time, sufficient for plaintiff to establish its reputation as the design's originator.[550] Second, the defendant could be permitted to continue marketing its knock-off but could be required, for a limited time, to do so in a second-best form, for example, with a prominent marking of origin, a disclaimer of originality, or both.[551] Third, the defendant could be permitted to continue marketing its knock-off but could be required to publish corrective advertising identifying the plaintiff as the design's originator and itself as a copyist, and to disclaim any affiliation with

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[549] *See supra* text accompanying notes 438-54.

[550] A temporally limited injunction against all production would give the plaintiff the chance to say to the public through its advertising "Cheap copies may be coming, but remember who made it first and makes it best."

If such an injunction is granted, its duration ought not to depend on the time that the design innovator (plaintiff) would take to recover investment in innovation, for encouragement of innovation is only a subsidiary purpose of trade symbol protection. *See supra* text accompanying notes 121-23 and note 122. Rather, it should depend upon the time required for the plaintiff, with reasonable advertising effort, to establish its reputation in the marketplace as the originator and first source of the design at issue. The defendant would be entitled to argue, based on the circumstances of the case, that the plaintiff already had done so by the time of trial, and that therefore no such injunction should issue.

[551] Prominent and permanent labeling of the product would encourage the consumer to notice the existence of alternate suppliers, and mandatory identification of the defendant as a copyist (for example, in advertising, packaging or instructions) would encourage a consumer so inclined to investigate the alternative source further. The best means of corrective labeling would depend upon the nature of the product and the other facts of the case.

therefore patent policy presumably freed it for unfettered copying in the interests of free competition.[540]

Nor could the usual remedial techniques (labeling, disclaimers, and the like[541]) easily resolve the conflict of policy. Part of the design's appeal was its slim, clean, unspoiled look; labels might have impaired its visual effect. No doubt for this reason, the plaintiff marked its lamps with trademarks and identifying information only on the undersides of their bases,[542] thus putting far more emphasis on their trade dress as an indicator of source, especially[543] in the post-sale context.[544]

Nothing in trade symbol law should prevent a producer from choosing which trade symbols to emphasize in this way, particularly when there appear to be valid marketing reasons for the choice.[545] A

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for a design patent within the one-year bar period specified in 35 U.S.C. § 102(b). *See PAF*, 712 F. Supp. at 406 n.15, 12 U.S.P.Q.2d (BNA) at 1171 n.15 (describing confusion caused by Italian principle of *preuso*, which *protects* new designs already on market for over one year).

[540] *See supra* text accompanying notes 67-81, 102-04, 117-28, 246-50, 256-62, 299-300; *see also* Thomas & Betts Corp. v. Panduit Corp., 65 F.3d 654, 657, 36 U.S.P.Q.2d (BNA) 1065, 1068 (7th Cir. 1995) ("Copying is not only good, it is a federal right--a necessary component to the patent system's grant of limited monopolies."), *cert. denied*, 116 S. Ct. 1044 (1996).

[541] *See supra* text accompanying notes 466-72, 481-85.

[542] *See PAF*, 712 F. Supp. at 397, 12 U.S.P.Q.2d (BNA) at 1162.

[543] In this case, confusion was equally likely at the point of sale, because "retail lighting stores always display lamps for sale without the box." *Id.* at 410, 12 U.S.P.Q.2d (BNA) at 1174 (citing transcript of record).

[544] For discussion of the rule that post-sale confusion counts for purposes of trade symbol protection, see *supra* text accompanying notes 487-89, 491-92 and notes 488, 489, 492.

[545] This is not the only such case. Obtrusive or conspicuous logos might be equally inappropriate on a $230,000 automobile. *See* Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts, 944 F.2d 1235, 1247, 20

refusing the lamp's trade dress legal protection.[531] Finding strong evidence of a likelihood of confusion,[532] based in part on the defendant's deliberate copying,[533] the court granted the plaintiff a permanent injunction against the distribution of the defendant's lamp or any lamp like it in specified respects.[534] Because the defendant had

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[531] The only basis on which protection might have been refused was aesthetic functionality. The design, which had enjoyed immense sales success from the outset, *see supra* note 523 and *supra* text accompanying note 525-26, might have been viewed by some consumers as simply a desirable aesthetic feature in itself, although testimony of retailers indicated that many of them saw it as a source identifier. *See* PAF, 712 F. Supp. at 404, 12 U.S.P.Q.2d (BNA) at 1168-69. However, the lamp was highly unusual, and there were many alternatives even for achieving the same general design effect, *i.e.*, that of a small halogen lamp gracefully balanced at the end of a long supporting beam, let alone for achieving the bare useful function of a halogen desk lamp assembly. *See id.* at 401-02, 12 U.S.P.Q.2d (BNA) at 1167. Because of the apparent plenitude of alternatives, it would be difficult to find the lamp's design either not inherently distinctive or functional under the analysis proposed here. *See supra* text accompanying notes 190-246 (proposing alternatives test as objective measure, not dependent upon intent, for inherent distinctiveness); *supra* text accompanying notes 405-23 (proposing alternatives test as test for functionality of unpatented but patentable designs). A broader test for aesthetic functionality, which disqualifies designs merely because their aesthetic appeal (as distinguished from their identification of source) is an important factor in their commercial success, had been discredited. *See supra* note 265.

[532] *See PAF*, 712 F. Supp. at 408-10, 12 U.S.P.Q.2d (BNA) at 1172-74. The court based this finding in part on the fact that the defendant's copies were cheaper and of demonstrably lower quality than the plaintiff's originals. *See id.* at 408-09, 12 U.S.P.Q.2d (BNA) at 1173 (Defendant's memo to its supplier said, "We have serious, and I mean serious quality problems with this item.").

[533] *See id.* at 405-06, 408, 12 U.S.P.Q.2d (BNA) at 1170, 1173. The defendant importer had virtually admitted deliberate copying in letter ordering copies from its Taiwanese supplier. *See id.* at 398-99, 12 U.S.P.Q.2d (BNA) at 1164 (quoted *supra* note 527).

[534] The court enjoined the defendant from importing, making or marketing defendant's lamp or "any lamp resembling [it] which includes the following features: (1) curvilinear struts of the kind resembling those used in [plaintiff's lamp]; (2) a long flat arm with the shape or dimensions of

developed a strikingly unique design for a free-standing halogen desk lamp,[523] in which a small lamp-cum-shade assembly hung gracefully from a flat suspension beam, part of which also served as a counterweight, and which was supported on a small, solid base by two tapered wire struts.[524] The lamp's design was oddly suggestive of a bird rising in flight; it was accordingly called the "Dove".[525]

The design had won "numerous international awards[,]"[526] and there was no question of its distinctiveness[527] or nonfunctionality.[528]

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[523] By the time of trial, the plaintiff's lamp had become the second best-selling lamp in the world and had earned its two designers more than $1 million in royalties; its design had won international competitions and had been praised in and noted by museums and trade journals worldwide. *See PAF*, 712 F. Supp. at 397-98, 12 U.S.P.Q.2d (BNA) at 1163.

Interestingly, both *Sears* and *Compco* involved lighting fixtures too. *See supra* text note 103.

[524] *See PAF*, 712 F. Supp. at 397, 415, 12 U.S.P.Q.2d (BNA) at 1162-63, 1178 (describing lamp and providing drawing of lamp's silhouette).

[525] *See id.* at 397, 12 U.S.P.Q.2d (BNA) at 1162-63.

[526] *Id.* at 398, 12 U.S.P.Q.2d (BNA) at 1163.

[527] On the basis of the lamp's stupendous sales success, the critical acclaim and unsolicited media coverage that the design had received for over four years, and the defendant's acts of intentional copying, *inter alia*, the court concluded that the design had acquired secondary meaning. *See id.* at 402-08, 12 U.S.P.Q.2d (BNA) at 1167-72; *see also id.* at 398-99, 12 U.S.P.Q.2d (BNA) at 1164 (*defendant's* president had sent a letter to his supplier saying that an "elite, sophisticated market" would pay "a high price--more for the design aspect of the lamp than for the functional aspect" and had complimented his supplier on its "excellent reproduction" of copies).

The court did not address the issue of inherent distinctiveness because precedent in the Second Circuit at that time required secondary meaning to protect trade dress, regardless of inherent distinctiveness. *See id.* at 403, 12 U.S.P.Q.2d (BNA) at 1168 (citation omitted); *id.* at 412 n.19, 12 U.S.P.Q.2d (BNA) at 1176 n.19 (reasoning that secondary meaning requirement of federal law helped avoid conflict with patent system). *Two*

meets the requirements of distinctiveness[510] and nonfunctionality.[511] It also meets the requirement for *some* remedy because by hypothesis, at least in the post-sale context, there are either no labels or inadequate labels to avoid a likelihood of confusion. The question therefore is what remedy best advances the goals of both trade symbol protection and patent law.

Hard cases like this are relatively rare. While the *Kohler*[512] case may qualify, so far the court has decided only that trademark registration of the faucet configuration at issue was lawful;[513] any decision on infringement lies in the future. The *Duraco*[514] and *Vornado*[515] cases hardly pushed the envelope. The plastic planter in the form of a Grecian urn in *Duraco*[516] could have been held nondistinctive--without conjuring up a new test for distinctiveness[517] on several grounds.[518] Although the spiral grill in *Vornado* may not in

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[510] *See supra* text accompanying notes 139-246.

[511] *See supra* text accompanying note 246-423.

[512] Kohler Co. v. Moen Inc., 12 F.3d 632, 29 U.S.P.Q.2d (BNA) 1241 (7th Cir. 1993).

[513] *See id.* at 633, 644, 29 U.S.P.Q.2d (BNA) at 1241, 1251.

[514] Duraco Prods., Inc. v. Joy Plastic Enters., Ltd., 40 F.3d 1431, 32 U.S.P.Q.2d (BNA) 1724 (3d Cir. 1994) (discussed *supra* text accompanying notes 164-65, 175-81 and notes 165, 177-78).

[515] Vornado Air Circulation Sys. v. Duracraft Corp., 58 F.3d 1498, 35 U.S.P.Q.2d (BNA) 1332 (10th Cir. 1995), *cert. denied*, 116 S. Ct. 753 (1996) (discussed *supra* text accompanying 335-57, 399-404 and note 337).

[516] *See Duraco*, 40 F.3d at 1434, 32 U.S.P.Q.2d (BNA) at 1725-26.

[517] *See supra* note 165.

[518] The court could have found a planter in the form of a Grecian urn a common (if not to say trite) device and held it not inherently distinctive on that ground. *See supra* text accompanying notes 144-49. Or the court could have held it at best descriptive, and probably generic, for lack of sufficient viable alternatives. *See Duraco*, 40 F.3d at 1436, 32 U.S.P.Q.2d (BNA) at

In any event, the most powerful feature of trade symbol law that judges may use in order to accommodate patent policy is their inherent discretion to tailor injunctive relief.[505] Exercising that discretion with caution, rather than twisting and turning black-letter doctrine, has several theoretical and practical advantages. From a theoretical perspective, it focuses courts' attention on the fundamental goal of trade symbol protection--insuring reliable shorthand product identification in the marketplace.[506] At the same time, it helps avoid the Hobson's choice of granting no remedy at all, and thereby undermining that goal, or granting a no-distribution remedy and risking a conflict with patent policy.

A tailored remedy has practical benefits, too. If a plaintiff legitimately complains of "dirty tricks" in copying a distinctive product configuration, a tailored remedy can provide relief from the "dirty tricks" at a minimum cost to the integrity of the patent system. On the other hand, if what a plaintiff seeks is a perpetual patent, a tailored remedy will properly deny that windfall. Once competitors understand these rules, the generally high expense of trade symbol litigation will no doubt relieve the courts of much of the flood of product configuration litigation now plaguing them.[507]

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[505] *See supra* text accompanying notes 492-94 and notes 493, 494; *see also* Badger Meter, Inc. v. Grinnell Corp., 13 F.3d 1145, 1153-54, 29 U.S.P.Q.2d (BNA) 1507, 1513-14 (7th Cir. 1994) (declining to expand injunction to protect internal configuration of plaintiff's water meters, despite argument that "buyers examine water meters inside and out" because "[t]he proper method of protecting the internal parts of plaintiff's measuring chamber is by patent[,]" but refusing to rule as matter of law that internal configuration could never constitute protectable trade dress).

[506] *See supra* text accompanying notes 50-58.

[507] The *Duraco* court feared that applying traditional trade dress doctrine to product configurations would have a "snowballing effect" as more and more producers, encouraged by judicial protection of product configuration, sought to take advantage of it in their product design, marketing, and litigation strategy:

> [H]ow courts resolve the inherent distinctiveness

amount of damages than that which a plaintiff requests, so may it award a "smaller" or more limited injunction.[494] For example, if a plaintiff asks for a cutoff of distribution in a product configuration case, the court instead may order the prominent use of trademarks, house marks, or other distinguishing features to alleviate the likelihood of confusion.[495] *Sears* and *Compco*,[496] the pair of cases on which most courts refusing any relief rely, explicitly invite this result.[497]

[plaintiff] had initially claimed constituted [defendant's] infringement," which was affirmed on appeal); Abbott Labs. v. Mead Johnson & Co., 971 F.2d 6, 22, 23 U.S.P.Q.2d (BNA) 1663, 1675-76 (7th Cir. 1992) (district courts retain great discretion in fashioning preliminary relief and need not limit themselves to all-or-nothing remedies proposed by zealous advocates).

[494] District courts have broad discretion in tailoring the relief that they grant. *See, e.g., Badger Meter*, 13 F.3d at 1153, 29 U.S.P.Q.2d (BNA) at 1513 ("A trial judge has considerable discretion in fashioning an injunction in response to trademark or trade dress infringement.") (citing Soltex Polymer Corp. v. Fortex Indus., Inc., 832 F.2d 1325, 1329, 4 U.S.P.Q.2d (BNA) 1785, 1788 (2d Cir. 1987)); *George Basch*, 968 F.2d at 1542, 23 U.S.P.Q.2d (BNA) at 1359 ("It is axiomatic that the contours of an injunction are shaped by the sound discretion of the trial judge and, barring an abuse of that discretion, they will not be altered on appeal.") (citation omitted).

Injunctive relief in trade symbol cases can be quite creative. *See* International Kennel Club of Chicago, Inc. v. Mighty Star, Inc., 846 F.2d 1079, 1083, 1092, 1094, 6 U.S.P.Q.2d (BNA) 1977, 1980, 1987, 1989 (7th Cir. 1988) (upholding portion of preliminary injunction below that allowed defendant to continue selling infringing toy dogs through Christmas season upon payment into escrow of "licensing fee" of fifty cents per dog in case plaintiff won lawsuit).

[495] *See supra* the text accompanying notes 466-72, 481-84.

[496] Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 140 U.S.P.Q. (BNA) 524 (1964); Compco Corp. v. Day-Bright Lighting, Inc., 376 U.S. 234, 140 U.S.P.Q. (BNA) 531 (1964). *See generally supra* text accompanying notes 99-139.

[497] *See supra* notes 126-127.

cases of private labeling,[490] or where there is evidence of intent to

inadequate consideration to post-sale confusion in weighing preliminary injunctive relief); *Ferrari*, 944 F.2d at 1245, 20 U.S.P.Q.2d (BNA) at 1010 ("Since Congress intended to protect the reputation of the manufacturer as well as to protect purchasers, the Act's protection is not limited to confusion at the point of sale."). Indeed, the classic case on post-sale confusion, *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, involved trade dress (arcuate stitching on blue jeans), although the trade dress at issue had been registered. 799 F.2d 867, 872-73, 230 U.S.P.Q. (BNA) 831, 835 (2d Cir. 1986). *But see Ferrari*, 944 F.2d at 1249, 20 U.S.P.Q.2d (BNA) at 1013 (Kennedy, J., dissenting) (arguing majority erred by looking for confusion among broader, more indefinite "public," rather than purchasers).

For a list of pre-1988 decisions recognizing post-sale confusion, see Dratler, *Trademark Protection*, *supra* note 7, at 969-70 n.423.

[489] *See, e.g.*, Imagineering, Inc. v. Van Klassens, Inc., 53 F.3d 1260, 1265, 34 U.S.P.Q.2d (BNA) 1526, 1530 (Fed. Cir. 1995) (plaintiff "quite reasonably may have feared," based on record evidence of defendant's inferior quality, "that consumers would attribute any perceived 'drastically lower' quality of [defendant's] products to [plaintiff's], thus damaging [plaintiff's] reputation and image"), *cert. denied* 116 S.Ct. 277 (1995) (citation omitted); Computer Care v. Service Sys. Enters., Inc., 982 F.2d 1063, 1069-70, 25 U.S.P.Q.2d (BNA) 1020, 1024-25 (7th Cir. 1992) (affirming finding of likelihood of confusion below, based in part upon "slavish" copying of plaintiff's trade dress and defendant's bad faith, as exchange of documents by customers for automobile service center reminder system could result in post-sale confusion, or potential customer not quite succumbing to plaintiff's sales pitch could respond to similar pitch of defendant later, based upon similarity of trade dress); *Ferrari*, 944 F.2d at 1245, 20 U.S.P.Q.2d (BNA) at 1010 ("Even if a person seeing one of [defendant's Ferrari] replicas driving down the road is not confused, Ferrari's exclusive association with this design has been diluted and eroded. If the replica . . . looks cheap or in disrepair, Ferrari's reputation for rarity and quality could be damaged.") (quoting opinion of district court); *see also Insty*Bit*, 95 F.3d at 671, 39 U.S.P.Q.2d (BNA) at 1967 (portion of survey exposing consumers to unpackaged products was "probative on the likelihood of confusion issue, because the Lanham Act protects post-sale as well as point-of-sale confusion") (citations omitted).

[490] *See, e.g.*, Cadbury Beverages, Inc. v. Cott Corp., 73 F.3d 474, 476, 481, 37 U.S.P.Q.2d (BNA) 1508, 1509, 1514, 1516 (2d Cir. 1996) (refusing to decide by summary judgment whether distributor's use of trademark in wholesale soft-drink market for retailers' private labeling would be likely to cause confusion with plaintiff's use of same mark for soft drinks at retail level); Tone Bros., Inc. v. Sysco Corp., 28 F.3d 1192, 1204, 1207, 31

Labelling, however, is no panacea.[486] Although proper

U.S.P.Q.2d (BNA) 1830, 1831 (C.D. Cal. 1987) (consumer confusion was unlikely "given the overall differences in appearance and the highly visible individual names of each of the brands of shoes."); Black & Decker, Inc. v. North Am. Philips Corp., 632 F. Supp. 185, 193, 228 U.S.P.Q. (BNA) 659, 663-64 (D. Conn. 1986) (conspicuous use of "well-known" Norelco trademark on a twenty to forty dollar vacuum cleaner was evidence of no likelihood of confusion); *see also* Tough Traveler, Ltd. v. Outbound Prods., Inc., 60 F.3d 964, 971, 35 U.S.P.Q.2d (BNA) 1617, 1622 (2d Cir. 1995) (Jacobs, J., concurring) (concurring in decision to vacate preliminary injunction, in part on ground that labels avoided confusion between competing baby carriers, most features of which were functional); Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts, 944 F.2d 1235, 1250, 20 U.S.P.Q.2d (BNA) 1001, 1014 (6th Cir. 1991) (Kennedy, J., dissenting); *cf.* Amstar Corp. v. Domino's Pizza, Inc., 615 F.2d 252, 260-61, 205 U.S.P.Q. (BNA) 969, 976-77 (5th Cir. 1980) (use of marks with different trade dress and descriptions of different products reduced likelihood of confusion).

[486] *See Bristol-Myers*, 973 F.2d at 1047, 24 U.S.P.Q.2d (BNA) at 1171:

> We do not mean to intimate that the distinctive elements of any trade dress may be freely appropriated as long as the junior user clearly identifies the source of the goods. In many cases, the distinctive elements of a trade dress may themselves be eligible for trademark protection. In other cases the trade name may be a less dominant feature of the entire trade dress and thus have less force in countering other similarities between two trade dresses. Also, the junior user's trade name may less strongly identify a particular source than the 'Tylenol' name at issue here.

See also Fun-Damental Too Ltd. v. Gemmy Indus. Corp., 111 F.3d 993, 42 U.S.P.Q.2d (BNA) 1348, 1356 (2d Cir. 1997) (where trade names were relatively new names for impulse novelty items, and not well-known brand names like "Tylenol" or "Excedrin," consumers were "more likely to remember the [product's] packaging than its name"); Badger Meter, Inc. v. Grinnell Corp., 13 F.3d 1145, 1152, 29 U.S.P.Q.2d (BNA) 1507, 1512 (7th Cir. 1994) (defendant's past practice of private labeling of others' products permitted inference that consumers might attribute poor quality of defendant's water meters to plaintiff, despite clear labeling); L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1133, 25 U.S.P.Q.2d (BNA) 1913, 1924-25 (Fed. Cir. 1993) ("A copier must not only attempt to avoid likelihood of confusion; it must succeed in doing so. Thus when there is a source-indicating label, the label must be effective to make consumer

This point has an important corollary. Where proper labeling of products is sufficient to avoid confusion,[482] no stronger remedy should be required.[483] Thus, courts often stop at remedies involving the use, design, form, and prominence of labels and tags, without

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[482] *See* Litton Sys. v. Whirlpool Corp., 728 F.2d 1423, 1446, 221 U.S.P.Q. (BNA) 97, 111 (Fed. Cir. 1984) ("The most common and effective means of apprising intending purchasers of the source of goods is a prominent disclosure . . . of the manufacturer's or trader's name [and when] that is done, there is no basis for the charge of unfair competition.") (citation omitted); Bose Corp. v. Linear Design Labs., 467 F.2d 304, 310, 175 U.S.P.Q. (BNA) 385, 390 (2d Cir. 1972) ("There is hardly likelihood of confusion or palming off when the name of the manufacturer is clearly displayed.") (footnote omitted).

[483] The Third Circuit has stated this as a general rule for product configurations. *See Versa Prods.*, 50 F.3d at 204, 33 U.S.P.Q.2d (BNA) at 1812:

> [O]ne expects a consumer exercising ordinary care to ascertain the source of a product to rely much more on packaging, trademarks, and advertising, which if not deceptive tend to reveal the product's source unambiguously, than on the product configuration, which usually does not contain an explicit statement of the producer's identity. While it might be shown that consumers *in fact rely* on a particular products' configuration to identify its source, such deviation from the normal pattern (i.e., from reliance on trademarks, packaging and advertising) would be rare.

Cf. International Jensen, Inc. v. Metrosound U.S.A., Inc., 4 F.3d 819, 825, 28 U.S.P.Q.2d (BNA) 1287, 1291 (9th Cir. 1993) ("[F]or the limited purpose of a preliminary injunction motion, the differences in the labels are sufficient for a finding of no likelihood of confusion.") (quoting First Brands Corp. v. Fred Meyer, Inc., 809 F.2d 1378, 1384, 1 U.S.P.Q.2d (BNA) 1779, 1783 (9th Cir. 1987)) (other citation omitted).

There is no need, however, to state this as a general rule. If labels are the chief source identifiers in the individual case, the traditional multifaceted test for likelihood of confusion is sufficiently flexible so as to recognize that much--as a matter of fact in the individual case. To generalize prematurely only curtails courts' flexibility in handling cases in which, as a matter of fact, the generalization is not so.

Not only can courts do this; they *should* do it.[475] Trademark policy dictates that they do at least this much. If a likelihood of confusion can be eliminated by some such expedient, failing to eradicate it would subvert the primary goal of trade symbol protection--providing a reliable and effective shorthand means of product identification.[476] At the same time, failure to provide any remedy would subvert the subsidiary policies of trademark protection[477] by allowing consumer confusion, failing to protect producers' legitimate good will associated with their symbols, and, in at least some cases, permitting unscrupulous producers to profit from their "dirty tricks."

On the other hand, patent policy dictates that courts do no more.[478] Once courts have eliminated the likelihood of confusion, they

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[475] *See* Gemveto Jewelry Co., Inc. v. Jeff Cooper, Inc., 800 F.2d 256, 259, 230 U.S.P.Q. (BNA) 876, 878 (Fed. Cir. 1986) (district court should tailor injunctive relief narrowly to fit specific legal violations shown); *see also supra* note 474.

[476] *See supra* text accompanying notes 50-58.

[477] *See supra* text accompanying notes 43-46. These are: avoiding confusion among consumers, protecting producers' investments in good will, and keeping the commercial marketplace clear of "dirty tricks." *See* Badger Meter, Inc. v. Grinnell Corp., 13 F.3d 1145, 1155, 29 U.S.P.Q.2d (BNA) 1507, 1515 (7th Cir. 1994) (citations omitted):

> In general, protection from copying is extended only when competitors' freedom to copy would in some way harm consumers. In the case of trade dress, copying protectible trade dress interferes with consumers' ability to identify the source of goods by their appearance and packaging and therefore interferes with consumers' ability to reward or punish a manufacturer by seeking a superior product or shunning an inferior one.

[478] *See supra* note 474; Versa Prods. Co. v. Bifold Co., 50 F.3d 189, 207, 33 U.S.P.Q.2d (BNA) 1801, 1814 (3d Cir. 1995) ("*Unless very narrowly tailored,* deterrents to copying of product designs--as opposed to product packaging or trademarks--would inhibit even fair competition, thus

adjustment of existing modifiers or disclaimers.[470] They may order the use of house marks, better-known trademarks, or trade names along with the contested symbol.[471] They also may require changes in packaging or product appearance.[472] Finally, courts may provide for

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F.2d 33, 35-36, 132 U.S.P.Q. (BNA) 475, 476-77 (2d Cir. 1962) (trademark case allowing use of "Dior" name on copycat fashions and in television advertising where inconspicuous disclaimer appeared only on labels). *But see, e.g.*, International Kennel Club of Chicago, Inc. v. Mighty Star, Inc., 846 F.2d 1079, 1093, 6 U.S.P.Q.2d (BNA) 1977, 1988 (7th Cir. 1988) (rejecting disclaimer as means of curing likelihood of confusion as to sponsorship where infringement involved verbatim copying of plaintiff's name); Charles of the Ritz Group Ltd. v. Quality King Distribs., Inc., 832 F.2d 1317, 1319-20, 1322, 1324, 4 U.S.P.Q. 2d (BNA) 1778, 1780-81, 1782, 1784 (2d Cir. 1987) (enjoining use of slogan containing plaintiff's trademark where disclaimer appeared in inconspicuous places); Home Box Office v. Showtime/The Movie Channel, Inc., 832 F.2d 1311, 1316, 4 U.S.P.Q. 2d (BNA) 1789, 1792-93 (2d Cir. 1987) (refusing to rely on disclaimer for fear of misinterpretation).

[470] *Cf.* August Storck K.G. v. Nabisco, Inc., 59 F.3d 616, 617-18, 35 U.S.P.Q.2d (BNA) 1211, 1212 (7th Cir. 1995) (injunction to require trademark designation and disclaimer of affiliation in comparative advertising on candy packaging was not necessary when defendant planned to use both and its corporate policy required both; injunction only "hamper[ed] a form of competition highly beneficial to consumers").

[471] Proper, prominent, and permanent labeling of products is one of the best ways to avoid a successful action for trade dress infringement based on similar product configuration. *See infra* note 485; *see also* Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts, 944 F.2d 1235, 1250, 20 U.S.P.Q.2d (BNA) 1001, 1014 (6th Cir. 1991) (Kennedy, J., dissenting) ("[C]ases conclude that the proper remedy is to require identification of the source of the replica, not prohibit copying of the product.") (citations omitted).

[472] *See* Abbott Labs. v. Mead Johnson & Co., 971 F.2d 6, 22, 23 U.S.P.Q.2d (BNA) 1663, 1675 (7th Cir. 1992) (granting injunction on trade dress grounds would not necessarily drive defendant from market, as court could "order it to print new labels and/or develop a non-square bottle as soon as commercially feasible") (citiations omitted); *George Basch*, 968 F.2d at 1541-42, 23 U.S.P.Q.2d (BNA) at 1359-60 (affirming injunction authorizing continued sales of product with same trade dress in United States only if color of can were changed, but permitting sale of existing inventory and allowing use of trade dress without modification outside of United States); Ideal Indus. v. GardnerBender, Inc., 612 F.2d 1018, 1026-27

supervening considerations of public health or safety.[463] As a result, patent remedies are like binary switches: they are either on or off.

In contrast, trademark remedies[464] are like the volume control on a stereo system; they have an infinite range of variability.

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[463] *See* Vitamin Technologists, Inc. v. Wisconsin Alumni Research Found., 146 F.2d 941, 946-47, 956, 63 U.S.P.Q. (BNA) 262, 269, 276 (9th Cir. 1945) (refusing permanent injunctive relief for alleged infringement of patent on process for infusing oleomargarine with Vitamin D, on ground that patent was invalid, but noting alternative ground of protecting public health); Milwaukee v. Activated Sludge, Inc., 69 F.2d 577, 593 (7th Cir. 1934) (denying permanent injunction that would have resulted in pollution of Lake Michigan); *cf.* E. I. Du Pont de Nemours & Co. v. Phillips Petroleum Co., 835 F.2d 277, 278, 5 U.S.P.Q.2d (BNA) 1109, 1110 (Fed. Cir. 1987) (granting stay of injunction pending appeal in order to preserve defendant's right to challenge validity of patent, where patentee did not seek to enforce exclusivity but to grant license, and injunction would have forced defendant to take license and discontinue challenge).

[464] This discussion focuses on injunctive relief because it is the most common remedy for civil trade symbol offenses. Monetary recoveries are less common in trade symbol cases because damages require a higher standard of proof--actual confusion rather than likelihood of confusion--and recovery of the infringer's profits requires a showing of equitable entitlement, which the Second Circuit equates to the infringer's "willful deception." *See* George Basch Co. v. Blue Coral, Inc., 968 F.2d 1532, 1537, 23 U.S.P.Q.2d (BNA) 1351, 1355-56 (2d Cir. 1992) ("[I]t is well settled that in order for a Lanham Act plaintiff to receive an award of *damages* the plaintiff must prove either 'actual consumer confusion or deception resulting from the violation,' . . . or that the defendant's actions were intentionally deceptive thus giving rise to a rebuttable presumption of consumer confusion.") (quoting Getty Petroleum Corp. v. Island Transp. Corp., 878 F.2d 650, 655, 11 U.S.P.Q.2d (BNA) 1334, 1338 (2d Cir. 1989) (other citations omitted)); DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, §§ 12.02[1][e], 12.04[5]; *see also George Basch*, 968 F.2d at 1534, 23 U.S.P.Q.2d (BNA) at 1353 ("[W]e hold that in order to justify an award of profits, a plaintiff must establish that the defendant engaged in willful deception."); *id.* at 1541, 23 U.S.P.Q.2d (BNA) at 1359 (accounting of profits was error in absence of evidence of both sales diversion and bad faith infringement).

Both actual confusion and willful deception are unlikely, although not impossible, in a trade dress case in which the competing products are prominently and distinctly labeled, at least at the point of sale. Accordingly, in the ordinary case, litigation revolves around the remedy of injunctive relief.

perpetual patent.[456] If a utility patent's claims or a design patent's drawings fairly describe or depict a product feature, no one may use that feature during the patent's term without the patentee's permission.[457] If the same product feature enjoys trade dress protection, however, there are a million circumstances under which others may use that feature without fear of infringement liability under the law of trade symbols.[458] To paraphrase the *Kewanee* Court's analysis of trade secret law:[459] whereas patent law acts as a barrier, trade symbol law functions relatively as a sieve.

The second consequence of this great divergence in infringement doctrine is even more important. Because infringement remedies are intended to redress infringement, they must and do reflect the wide doctrinal gulf between patent and trade symbol law. An accused product either infringes a patent or it does not; there is no middle ground. If it is found to infringe after trial, complete injunctive relief is a standard remedy.[460] Under the current statute,

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[456] *See supra* text accompanying note 81-99.

[457] *See* 35 U.S.C. § 154(a)(1)(1994) ("Every patent shall contain . . . a grant to the patentee, his heirs or assigns, of the right to exclude others from making, using, offering for sale, or selling the invention throughout the United States or importing the invention into the United States"); 35 U.S.C. § 271(a) (defining infringement similarly); 35 U.S.C. § 283 (authority for injunctive relief).

[458] *See supra* text accompanying notes 446-54; *infra* text accompanying notes 463-74.

[459] *See* Kewanee Oil Co. v. Bicron Corp., 416 U.S. 470, 490, 181 U.S.P.Q. (BNA) 673, 681 (1974); *see supra* text accompanying notes 84-85.

[460] *See, e.g.*, W.L. Gore & Assoc., Inc. v. Garlock, Inc., 842 F.2d 1275, 1281, 6 U.S.P.Q.2d (BNA) 1277, 1283 (Fed. Cir. 1988) ("[A]n injunction should issue once infringement has been established unless there is a sufficient reason for denying it.") (citations omitted); Windsurfing Int'l, Inc. v. AMF, Inc., 782 F.2d 995, 1003 & n.12; 228 U.S.P.Q. (BNA) 562, 568 & n.12 (Fed. Cir. 1986) (where plaintiff and one defendant were both small companies whose primary business was producing patented products, failure to enjoin defendant's production upon finding infringement was abuse of

different channels, to different markets, or in different ways.[450] And they can do so because the nature of the products or the customers, or both, leads the court to believe that more than ordinary care will be exercised in relying on trade symbols as the basis of product identification.[451] Indeed, black-letter trademark doctrine *requires* courts to refuse protection to product configurations, as well as other forms of trade symbols, unless their unauthorized use would likely cause confusion among consumers.[452] Regardless of whether or not the other requirements for trade dress protection are met, a

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[450] *See, e.g.*, Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc., 718 F.2d 1201, 1207, 220 U.S.P.Q. (BNA) 786 (1st Cir. 1983) (confusion in trademark case was less likely where hospital laboratories bought defendant's expensive blood analyzers, while different departments bought plaintiff's anesthetics and syringes); Amstar Corp. v. Domino's Pizza, Inc., 615 F.2d 252, 262, 205 U.S.P.Q. (BNA) 969 (5th Cir. 1980) (likelihood of confusion in trademark case was reduced where defendant distributed its pizzas directly to narrow segment of consumers, primarily young single males, through fast food outlets, while plaintiff's sugar and other condiments were sold in grocery stores, chiefly to "middle-aged housewives", and to restaurant owners, but only indirectly to fast-food consumers); American Express Co. v. Vibra Approved Labs., 10 U.S.P.Q. 2d (BNA) 2006, 2010-11 (S.D.N.Y. 1989) (genuine American Express card and novelty look-alike condom card had different clientele); *cf.* Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts, 944 F.2d 1235, 1250, 20 U.S.P.Q.2d (BNA) 1001, 1013-14 (6th Cir. 1991) (Kennedy, J., dissenting).

[451] *See, e.g., L.A. Gear*, 988 F.2d at 1134, 25 U.S.P.Q.2d (BNA) at 1926 ("Purchasers in discount stores are sufficiently sophisticated, we believe, to know whether they are buying the cheaper copies or the expensive originals."); Blue Bell Bio-Medical Co. v. Cin-Bad, Inc., 864 F.2d 1253, 1260-61, 9 U.S.P.Q.2d (BNA) 1870, 1876 (5th Cir. 1989) (finding that hospital purchasers were likely to use sufficient care to avoid confusion due to similar trade dress); *cf. Ferrari*, 944 F.2d at 1250, 20 U.S.P.Q.2d (BNA) at 1013-14 (Kennedy, J., dissenting) (arguing against likelihood of confusion in light of defendant's logo "R" on parking lenses and vent windows of Ferrari replicas, absence of Ferrari logos, defendant's informing customers that replicas were not genuine, high degree of care and sophistication involved in $230,000 purchase, and "distinctly different marketing channels").

[452] *See supra* text accompanying notes 74-76 and note 76; text

the plaintiff's and defendant's products with which the symbols are used; (4) the similarities of the parties' customers, channels of distribution, advertising and promotion; (5) the presence or absence of evidence of actual confusion, such as misplaced customer inquiries, customer surveys, and the like; (6) evidence of the defendant's intention to exploit the good will of the plaintiff's trade symbols for the defendant's own benefit, or, conversely, evidence of the defendant's good faith in adopting a similar symbol independently for other reasons; and (7) the sophistication of customers and the likely degree of care that they would exercise in relying on the "shorthand" for product identification that trade symbols provide. Because each

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dress, the presence of a generic word alone cannot support an inference of likelihood of confusion in the presence of prominent source identifiers and wholly dissimilar logos."), *cert. denied*, 115 S. Ct. 1252 (1995); *cf.* Stuart Hall Co. v. Ampad Corp., 51 F.3d 780, 790, 34 U.S.P.Q.2d (BNA) 1428, 1435 (8th Cir. 1995) ("Although the strictly functional aspects of forms are not protected, nonfunctional aspects of forms may be.") (citation omitted); *id.*, 34 U.S.P.Q.2d (BNA) at 1435-36 ("individual format and design" of plaintiff's executive planners could be found primarily nonfunctional on remand, "even if such elements as lines on which to write appointments throughout the day are not.").

Thus, unprotected aspects and elements of product design and other trade dress should be abstracted and filtered out before the comparison that constitutes the test for infringement, in much the same way as functional elements and unprotected "ideas" are abstracted and filtered out in copyright cases. *See* Computer Assocs. Int'l, Inc. v. Altai, Inc., 982 F.2d 693, 706, 23 U.S.P.Q.2d (BNA) 1241, 1252-56 (2d Cir. 1992) (propounding abstraction, filtration, and comparison test for determining substantial similarity of computer programs under copyright law) (discussed further *infra* note 567). The analogy to copyright law is not complete, however, because copyright law compares only the protected subject matter (the copyrighted work) and the allegedly infringing work, whereas trade symbol law considers the entire commercial context in which the protected subject matter (trade symbol) is used. *Cf.* Abbott Labs. v. Mead Johnson & Co., 971 F.2d 6, 21, 23 U.S.P.Q.2d (BNA) 1663, 1674 (7th Cir. 1992) ("[A]ny decision regarding the functionality of [plaintiff's] trade dress must also take into account the many features the two labels have in

is unidimensional: it focuses solely on the aspects of the product shown in the drawings contained in the design patent and no more.[438]

Infringement assessments under patent law thus demand a focused examination of the allegedly infringing product alone, in light of the claims of the relevant utility patent or the drawings of the relevant design patent. Circumstances in the marketplace--in particular, the details of presentation, "dress", and marketing of the plaintiff's products--are not considered.

In contrast, the assessment of infringement under the likelihood-of-confusion standard in trade symbol law is one of the most far-ranging and fact-intensive examinations in all of the law.[439] Every circumstance in the marketplace is subject to consideration, and all relevant facts must be considered.[440] Moreover, where trade dress

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[438] *See* Kohler Co. v. Moen Inc., 12 F.3d 632, 638 n.8, 29 U.S.P.Q.2d (BNA) 1241, 1246 n.8 (7th Cir. 1993) (test for design patent infringement differs from test for trademark infringement because latter is multi-factor test in which similarity of appearance is only one factor).

Where trade dress is patented, however, and where the test for trade symbol infringement focuses primarily on similarities in the trade dress itself, evidence of trade symbol infringement may be probative evidence of design patent infringement. *See L.A. Gear*, 988 F.2d at 1125-26, 25 U.S.P.Q.2d (BNA) at 1918-19 (it was not error for district court to consider finding of likelihood of confusion for trade dress purposes in considering design patent infringement, where finding was based on substantial similarity in design and there was no argument patented design differed from its commercial embodiment).

[439] *See* DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, § 10.01[2] ("There is perhaps no standard in all the law that is so fact dependent, and whose application so inevitably proceeds on a case-by-case basis, as the standard of likelihood of confusion in trademark law.") (footnote omitted).

[440] The same sorts of factors are considered whether trade dress or another type of trade symbol is at issue. *See* Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc., 973 F.2d 1033, 1043, 24 U.S.P.Q.2d (BNA) 1161, 1168 (2d Cir. 1992) ("We have . . . held that [the *Polaroid*] factors are appropriately considered when examining the likelihood of confusion between two competing products.") (citation omitted). For a citation to the *Polaroid* case and additional authority, see *supra* note 14.

important from a practical perspective, courts interpret the claims as a matter of law, without the assistance of juries, in part in order to insure their uniform interpretation.[432] In short, in patent cases everything depends on what is written in the patent; what the plaintiff and its product do in the marketplace is virtually irrelevant.

Although design patents differ somewhat from utility patents in this respect, similar conclusions apply to them. The scope of a design patent is determined primarily by its drawings, which are normally referenced by a single formal claim.[433] Although the test for infringement relies upon the viewpoint of an ordinary observer,[434] it focuses on the similarities between the design depicted in the drawing,[435] considered as a whole,[436] and the design of the defendants'

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[432] *See Markman*, 116 S. Ct. at 1387, 1396, 38 U.S.P.Q. (BNA) at 1463, 1471. Juries may have the power, in effect, to broaden or narrow the claims a bit by applying the doctrine of equivalents or its reverse, *see supra* note 430, but any such power is restricted by the court's duty to construe the claims in the first place, as well as by the prior art and the doctrine of prosecution history estoppel. *See* DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, at § 2.05[3][b][i] (discussing doctrine of equivalents and its limitations).

[433] *See* L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1122, 25 U.S.P.Q.2d (BNA) 1913, 1916 (Fed. Cir. 1993) ("A patented design is ordinarily claimed 'as shown', that is, by its drawing . . . . The title of the design must designate the particular article. No description, other than a reference to the drawing, is ordinarily required.") (citation omitted); 37 C.F.R. 1.153(a).

[434] *See* Gorham Co. v. White, 81 U.S. (14 Wall.) 511, 528 (1872) (The test for design patent infringement is whether, "in the eye of an ordinary observer, giving such attention as a purchaser usually gives, [the] two designs are substantially the same . . . [and] the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other."); *L.A. Gear*, 988 F.2d at 1124, 25 U.S.P.Q.2d (BNA) at 1918 ("Design patent infringement requires a showing that the accused design is substantially the same as the claimed design. The criterion is deception of the ordinary observer, such that one design would be confused with the other.").

[435] *See, e.g.*, Keystone Retaining Wall Sys. v. Westrock, Inc., 997 F.2d 1444, 1450, 27 U.S.P.Q.2d (BNA) 1297, 1302 (Fed. Cir. 1993) ("The test for [design patent] infringement begins with an examination of the overall similarity

features be similar, but the products on which they are used and the circumstances of their actual use in the marketplace must be sufficiently similar to generate a likelihood of confusion[427] among the purchasing public under all the circumstances of that use in the real world.[428]

The contrast between trade symbol protection and patent protection in this regard deserves some emphasis. A utility patent's scope of protection depends upon its formal verbal claims. Although courts construe patent claims in light of the rest of the patent specification, the prosecution history of the patent, and the prior art

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[427] *See infra* text accompanying notes 438-46. A mere possibility of confusion is not enough. *See* DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, § 10.01[1][a]; *see also* August Storck K.G. v. Nabisco, Inc., 59 F.3d 616, 618, 35 U.S.P.Q.2d (BNA) 1211, 1213 (7th Cir. 1995) (Mere possibility of confusion was insufficient to support injunction against comparative advertising on package, as "[m]any consumers are ignorant or inattentive, so some are bound to misunderstand no matter how careful a producer is . . . . If such a possibility created a trademark problem, then all comparative references would be forbidden, and consumers as a whole would be worse off.") (citation omitted).

[428] *See, e.g.*, Tools USA and Equip. Co. v. Champ Frame Straightening Equip., Inc., 87 F.3d 654, 660-62, 39 U.S.P.Q.2d (BNA) 1355, 1361-62 (4th Cir. 1996) (applying ordinary multi-factor test for likelihood of confusion to case involving trade dress of equipment catalog); George Basch Co. v. Blue Coral, Inc., 968 F.2d 1532, 1534, 1535, 23 U.S.P.Q.2d (BNA) 1351, 1354 (2d Cir. 1992) ("Under § 43(a), in order to establish a defendant's liability for infringing upon an inherently distinctive trade dress, a plaintiff now need only prove that the defendant's trade dress will likely mislead consumers as to the source of the goods.") (citation omitted). *See also supra* note 14 (noting different versions of multi-factor test in trade dress cases).

In applying this test, trade dress or product configuration is viewed as a whole. *See* Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc., 973 F.2d 1033, 1042, 24 U.S.P.Q.2d (BNA) 1161, 1167 (2d Cir. 1992)(emphasis in original):

> In examining trade dress the focus is on the *entire* look of the product or packaging. Individual aspects of a trade dress may be eligible for trademark protection in their own right, but in an action for trade dress infringement each aspect should be viewed in relation

Although the issue here is not one of preemption,[416] similar difficulties would attend treating the category of unpatented but patentable product features differently from the category of unpatented and unpatentable subject matter[417] for purposes of trade dress protection. Yet there is a way to achieve the desired differentiation without requiring a mini-trial of putative patentability. For present purposes, the distinction between unpatented matter that is unpatentable and that which is patentable turns not so much upon precise application of the criteria for patent protection as on sensitive application of an alternatives test.

The reason for wishing to distinguish the two subcategories is that unpatentable designs for a particular product may be a dime a dozen,[418] and it makes no sense to preclude trade symbol protection for one of many alternatives--at the risk of consumer confusion and consequent impairment of competition--when commercially viable alternatives are ready at hand.[419] Patentable designs, on the other hand, may be so unique or attractive that perpetual protection for them might seriously impair competition and undermine the integrity of the patent system.[420] In order to address this distinction, however, a court need not decide in precise doctrinal detail whether a particular product feature is actually patentable.[421] It is enough for the court to decide whether the design is so unique and unusual that its owner's

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[416] *See supra* text accompanying notes 102-17.

[417] *See supra* text accompanying notes 360-406.

[418] *See supra* note 88 and text accompanying note 377-78.

[419] *See supra* text accompanying notes 376-80.

[420] This assumes that protection under trade dress law necessarily would be perpetual, an assumption that proper tailoring of remedies can refute. *See infra* text accompanying notes 546-56.

[421] This might be particularly difficult in the case of utility patents, because an unpatented design intended to serve the purpose of product differentiation would have no patent claims against which to measure its patentability.

persons other than the trade dress plaintiff or its privies.[405] Among other things, this would avoid the windfall of success in a massive *post-facto* patent search serving as valid justification for deliberate trade dress infringement.

b. *Unpatented but patentable features*

As in the case of trade secret protection,[406] the most difficult category[407] to handle comprises patentable subject matter for which the producer seeks an alternate form of protection. If a design, for example, is patentable, a rule that allowed it to be claimed as trade dress would give the producer two options. First, under the rules of *Kellogg* and *Singer* discussed above,[408] the producer could patent the design and claim protection for it under both patent law and trade symbol law during the term of the patent, and no protection of either kind thereafter. Alternatively, the producer could forego patent protection, seek to develop the design as a source indicator through advertising and promotion, and claim it as trade dress, potentially forever.

Would giving producers this option impermissibly undermine the patent policy of leaving in the public domain things that belong there, including the subject matter of patent protection voluntarily

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[405] If estoppel were the basis of the rule, then someone not in privity with the patentee would not be estopped to deny functionality. There is some merit in this result. For example, a person other than the patentee who had used an element of a patent claim not separately claimed as a source identifier, and who had used it other than for its function, would not be estopped to deny functionality and to claim the element so used as trade dress.

[406] *See* Kewanee Oil Co. v. Bicron Corp., 416 U.S. 470, 489-92, 181 U.S.P.Q. (BNA) 673, 681-82 (1974) (struggling to justify nonpreemption of trade secret protection for inventions believed to be patentable, and discussing, but rejecting, proposal for partial preemption that would exclude them).

[407] *See supra* text accompanying notes 315-18.

[408] *See supra* text accompanying notes 326-57.

decision[401] than its *per se* ruling that anything disclosed in a patent is ineligible for trade dress protection.[402]

As compared to the Seventh Circuit's rigid *per se* rule, the use of estoppel in this manner would give courts flexibility in two ways. First, it would recognize the wide variety of disclosures that may

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[401] In *Vornado*, three points might have created an estoppel or provided evidence of functionality. First, the plaintiff had included the spiral-grill feature at issue "as an element of its [original] patent claims and [had] described the configuration as providing 'an optimum air flow.'" Vornado Air Circulation Sys. v. Duracraft Corp., 58 F.3d 1498, 1510, 35 U.S.P.Q.2d (BNA) 1332, 1342 (10th Cir. 1995), *cert. denied*, 116 S. Ct. 753 (1996). Second, the plaintiff "sought and received a reissue patent that expanded its claims with respect to the grill." *Id.* Finally, the plaintiff advertised the grill as efficient, safe, ergonomic and functional and continued to advertise its functional benefits even after finding evidence that the grill did *not* provide optimal air flow. *See id.* at 1500, 1510, 35 U.S.P.Q.2d (BNA) at 1333, 1342.

Because only patents, not advertisements, are public documents affected with a public interest, examined by a federal agency, and designed to provide constructive notice of their claims, only the first two points--the claims of the original and reissue patent--should have estopped the plaintiff to deny the grill's functionality. In contrast, the advertising should have provided only *evidence* of functionality, capable of rebuttal by contrary proof. *Cf. id.* (discounting advertising and relying on representations in patents to conclude that grill was "significant inventive component" ineligible for trade dress protection under rule court itself created). Even if it does not create an estoppel, advertising of this kind may provide powerful evidence of functionality by proving indirectly that consumers see the feature not as a source identifier but as desirable for its utility or ornamentation.

[402] *See supra* note 337.

Similarly, a trade dress owner's advertising, while perhaps not creating an estoppel, could be cited as evidence of a product design's functionality. *See* Epic Metals Corp. v. Souliere, 99 F.3d 1034, 1040-41, 40 U.S.P.Q.2d (BNA) 1705, 1709-10 (11th Cir. 1996) (despite plaintiff's small market share, its design for steel deck was functional where its own advertising stressed its product's functional advantages, three other manufacturers had marketed similarly designed products, and its brochures claimed that no other product could match its product's performance); *supra* note 401 (advertising as additional evidence of functionality in *Vornado* case).

producers' search costs in "clearing" their proposed new products against potential future intellectual property claims is, at best, an unsubstantiated conjecture.

At a minimum, it seems inappropriate to support a special rule for trade dress protection on such a thin reed. Rather, it seems preferable to apply the same alternatives test--one sensitive both to the current marketplace and to the need to build on existing products in the future[396]--to all kinds of unpatented and unpatentable features, whether disclosed in patents but unclaimed or not. The result in *Kewanee* is in accord on this point: the Supreme Court was content to allow the states to provide trade secret protection for *all* unpatentable inventions because, in so doing, they could "encourage invention in areas where patent law does not reach[.]"[397]

This does not mean, however, that disclosure of and failure to claim a product feature in a patent should be irrelevant to trade dress protection. It simply means that disclosure without claiming should not *ipso facto* invalidate trade dress protection. While patent claims are formal, stylized legal provisions, drafted with infinite care,[398] patent disclosures may be made in a million ways. An indirect, incidental reference to a product feature in a patent (particularly a third party's patent) should not automatically disqualify that feature from trade dress protection, if it is distinctive and nonfunctional as used in the marketplace, any more than "Apple" should be automatically disqualified as an arbitrary trademark for computers just because it is a common word.

On the other hand, where the particular mode of disclosure at issue indicates that a product feature serves as a utilitarian or design

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[396] *See supra* text accompanying note 371-76.

[397] Kewanee Oil Co. v. Bicron Corp., 416 U.S. 470, 498, 181 U.S.P.Q. (BNA) 673, 680 (1974).

[398] They are drafted this way because they define the invention. *See infra* text accompanying note 428-33.

costs for "clearing" new products against putative future intellectual property claims by third parties. The repository of millions of patents in the Patent and Trademark Office (PTO) is supposed to provide a cornucopia of fruitful technology and designs on which modern designers can build.[387] Designers should be able to build on anything, the argument goes, that is disclosed *or* claimed in an expired patent,[388] or that is disclosed *but not* claimed in a patent still in force.[389] By allowing producers to rely upon a search of the patent files for trade-dress as well as patent liability purposes, a rule denying trade dress protection for any matter disclosed but not claimed in a patent would reduce producers' search costs in determining what is free to be copied. It therefore arguably would increase the efficiency of competition, with benefits to the consumer.

But is this true in the real world? In order to qualify for trade dress protection in the first place, a product feature must be available in the marketplace (i.e., used in commerce)[390] or be the subject of an application for federal trademark registration on the basis of intent to use.[391] Is it easier and less costly to search the PTO's files for patents on designs that resemble the feature at issue (as well as for utility patents that may disclose or claim a similar product feature) than to search the marketplace for similar products and the PTO's trademark files for similar pending applications? Although the answer no doubt requires empirical research well beyond the scope of this article, it is far from obvious that empirical research would yield an affirmative

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[387] *See supra* note 73.

[388] *See id; supra* text accompanying notes 326-35, 380-82.

[389] *See supra* text accompanying notes 380-81 and note 381. This putative rule would be rule is subject to broadening of the patent's claims on reissue within two years. *See supra* note 382.

[390] *See supra* note 304 and accompanying text.

[391] *See id.*; Lanham Act § 7(c), 15 U.S.C. § 1057(c) (1994) (providing nationwide constructive priority of use at time of filing of intent-to-use application, subject to eventual issuance of registration and exceptions for prior users).

Should a different analysis apply if the product feature at issue is disclosed in a patent specification but not claimed? Patent law has a black-letter rule that all disclosed but unclaimed features are dedicated to the public,[381] subject to the possibility of broadening the claims on reissue within two years.[382] Should this rule obviate trade dress protection for anything disclosed but unclaimed in a patent unless the patent's claims are broadened in reissue within two years to cover it?[383] In other words, should disclosure of matter in a patent without claiming it dedicate that matter to the public for purposes of trade dress protection, as well as for purposes of patent protection, thereby making it *ipso facto* generic as a source identifier?

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[381] *See, e.g.*, Miller v. Bridgeport Brass Co., 104 U.S. 350, 352 (1881) ("The claim of a specific device or combination, and an omission to claim other devices or combinations apparent on the face of the patent, are, in law, a dedication to the public of that which is not claimed."); Maxwell v. J. Baker, Inc., Nos. 95-1292, 95-1293 and 95-1355, 1996 U.S. App. LEXIS 14143 at *14 (Fed. Cir. June 11, 1996) (stating that matter so dedicated cannot be recovered, whether under claim of literal infringement or under the doctrine of equivalents); Unique Concepts, Inc. v. Brown, 939 F.2d 1558, 1562-63, 19 U.S.P.Q.2d (BNA) 1500, 1504 (Fed. Cir. 1991).

[382] *See* 35 U.S.C. § 251 (1994) (allowing claims of issued patent to be narrowed or broadened upon reissue, but prohibiting "enlarging the scope of the claims of the original patent unless [reissue is] applied for within two years from the grant of the original patent"). *See also Maxwell*, 1996 U.S. App. LEXIS 14143 at *15 & n.2.

[383] *See supra* text accompanying note 334-57 (matter covered by patent

In any event, the patent policy of keeping things in the public domain that belong there[372] is not an end in itself. Rather, it serves two other and more fundamental goals: (1) promoting free competition in unpatented matters; and (2) insuring that unpatented matter, especially the subject matter of expired patents, is available as a building block for further advances.[373] The alternatives test[374] for functionality adequately serves both of these goals. If a product feature has ample alternatives that serve the same useful purpose (in the case of a utility patent) or provide the same general ornamental impression (in the case of a design patent), then competition within the same product market is unimpeded by trade dress protection .[375] The goal of providing building blocks for future innovation will also be adequately served, as long as the alternatives test is applied with sensitivity to the need to maintain access to those building blocks. That is, as long as trade dress protection does not foreclose future development of useful features or ornamental designs that build upon the feature claimed as trade dress (or alternative features like it), protection will not appreciably reduce consumers' choices or producers' supply options. Thus the alternatives test, if applied sensitively with an eye on these goals of patent policy, should avoid

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[372] *See supra* text accompanying notes 299-300, 311-12.

[373] *See supra* note 73.

[374] *See supra* text accompanying notes 265-75.

[375] *See* L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1130, 25 U.S.P.Q.2d (BNA) 1913, 1922 (Fed. Cir. 1993) (outlined *supra* note 269).

> So long as in any industry there is . . . no shortage of supply in alternative designs, design protection engenders competition in bringing new product designs to market. Competition in product design furthers the social interest in maximizing consumer choice. This furtherance of consumer choice is compatible with the consumer interest in price competition so long as no producer corners the market on attractive designs.

features that are unpatented and unpatentable,[359] and those that are unpatented but patentable.[360]

a. *Unpatented and unpatentable features*

Unpatented and unpatentable features are those that, by virtue of their lack of novelty, obviousness, or both, in light of prior art, cannot enjoy patent protection.[361] Because these features do not meet the stiff requirements for patent protection, any legal protection for them--let alone the potentially perpetual protection of trade symbol law--would contravene to some extent the patent policy of leaving unpatented matter in the public domain.[362] It is therefore tempting to create a bright-line rule that such features are *per se* functional and ineligible for trade symbol protection.[363]

Such a rule, however, would ignore the fact that trade symbol protection has no similar policy, like that of patent law, against taking things from the public domain. The vast majority of protected trade symbols are taken from the common language, or from common elements of packaging and product features and arranged in distinctive--but not novel or unobvious--ways[364] to serve as source identifiers. The person who made "Apple" a trademark for computers, for example, hardly coined the word; nor could he or she patent it! The Supreme Court struck down the first federal trademark statute, adopted under the Copyright Clause, precisely because most trademarks are drawn from public-domain material and could not

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[359] *See infra* text accompanying notes 360-406.

[360] *See infra* text accompanying notes 405-23.

[361] *See supra* text accompanying notes 73-74, 303-05.

[362] *See supra* text accompanying notes 67-81, 246-50, 256-61, 299-300.

[363] *See* Kohler Co. v. Moen Inc., 12 F.3d 632, 645, 29 U.S.P.Q.2d (BNA) 1241, 1252 (7th Cir. 1993) (Cudahy, J., dissenting) (quoted *infra* note 386).

[364] *See supra* text accompanying notes 76-77 and note 77.

easily precluded by resort to the alternatives test for functionality.[352] If there are only a few ways for a product feature to induce a particular useful result (in the case of a utility patent) or a particular ornamental impression (in the case of a design patent), then the alternatives test would render each of those ways unprotectable as trade dress. If there are many commercially viable ways to invent around the patent, then allowing the plaintiff to appropriate one of them, during the patent's term, would do no harm to competition. It might, however, prevent unjust deprivation of the patentee's good will, as well as the loss of a shorthand source identifier needed for effective and informed competition between the patented invention and substitutes produced by inventing around the patent. Accordingly, there should be no legal impediment to joint trade dress and patent protection during the patent's term,[353] as long as the

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U.S.P.Q.2d (BNA) 1641, 1646 (Fed. Cir. 1995) (*in banc*), *rev'd on other grounds*, 117 S. Ct. 1040, 41 U.S.P.Q.2d (BNA) 1865 (1997):

> The ability of the public successfully to design around--to use the patent disclosure to design a product or process that does not infringe, but like the claimed invention, is an improvement over the prior art--is one of the important public benefits that justify awarding the patent owner exclusive rights to his invention.

[352] *See supra* text accompanying notes 265-75.

[353] The Court of Customs and Patent Appeals and the Copyright Office have reached the same conclusion with respect to joint design patent and copyright protection. *See In re* Yardley, 493 F.2d 1389, 1394-96, 181 U.S.P.Q. (BNA) 331, 335-36 (C.C.P.A. 1974) (holding copyrighted "Spiro Agnew" watch face eligible for design patent protection); 37 C.F.R. § 202.10(a), *as amended by* 60 Fed. Reg. 15605, 15606 (March 24, 1995) ("The availability of protection or grant of protection under the law for a utility or design patent will not affect the registrability of a claim in an original work of pictorial, graphic, or sculptural authorship."); *see also* Selchow & Righter Co. v. Goldex Corp., 612 F. Supp. 19, 21, 25, 225 U.S.P.Q. (BNA) 815, 818-19 (S.D. Fla. 1985) (finding design patent and copyright for "Trivial Pursuit" board game simultaneously infringed). The Supreme Court, however, has never decided the issue. *See* Mazer v. Stein, 347 U.S. 201, 217, 100 U.S.P.Q. (BNA) 325, 333 (1954) (declining to hold that "because a thing is patent*able* it may not be copyrighted[,]" but refusing to

thereby avoiding patent infringement while visually defrauding purchasers.[345]

Joint protection may have some difficulties. Protecting a patented product feature as trade dress during the patent's term might encourage the producer to rely on that feature as a sole means of source identification and to neglect other, more certain means of distinction, such as labels and trademarks.[346] Choosing appropriate trade symbols is of course a producer's prerogative, but heavy reliance on product features might cause consumer confusion after the patent expired (or if the patent was invalidated), the feature fell into the public domain, and others began to copy it.

In my view, however, these objections are not enough to upset the analysis implied by *Singer*. Any producer who relied upon a patent-claimed feature of the product as trade dress during the patent's term would have a strong incentive to develop alternative trade symbols as the patent neared expiration.[347] Similarly, a producer whose patent was weak and subject to invalidation would be foolish to rely for source identification solely on a patented feature that, at any moment, might fall into the public domain.[348] More important, a rule precluding trade symbol protection for patented features during the patent's term would permit precisely the sort of consumer fraud perpetrated in *Singer*: duplication of a patented

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[345] *See supra* notes 330, 335, and text accompanying notes 337-38.

[346] *Cf.* Singer Mfg. Co. v. June Mfg. Co., 163 U.S. 169, 173-74 (1896) (plaintiff had neglected to use surname "Singer" consistently as trademark and started to do so, as well as to adopt other trademarks and distinctive trade dress, only as basic patents were about to expire).

[347] Indeed, this appears to be what happened in *Singer*. *See id.*

[348] The risk of invalidation of weak patents is especially acute after the Court's decision in Lear, Inc. v. Adkins, 395 U.S. 653, 670-71, 162 U.S.P.Q. (BNA) 1, 8 (1969), which encouraged licensees to challenge invalid patents. For a general discussion of the effects of *Lear*, see DRATLER, LICENSING, *supra* note 39, § 2.02[1].

facto disqualifies a product feature from trade symbol protection, even during the patent's term.[337] In both cases, the patent at issue was not infringed: in *Singer* because the defendant's "dummy" screw served no useful purpose besides making the defendant's machines look like the plaintiff's,[338] and in *Vornado* because the defendant had simulated features of the plaintiff's product in such a way as to avoid patent infringement.[339]

There is, however, a point of distinction between the two decisions. In *Singer* the adjustment screw was apparently the very object of the unexpired patent,[340] while in *Vornado* the spiral grill at issue was apparently just an *element* of a patent claim, protected only

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Where matter is claimed in a patent or indispensable to practicing its teaching, trademark registration should be unavailable even during the patent's term, in order to prevent encroachment upon the public domain after its expiration. *See supra* text accompanying notes 332-34. In *Singer*, however, trademark regisration of the feature at issue--a tensioning screw--was not at issue.

337 We hold that where a disputed product configuration is part of a claim in a utility patent, and the configuration is a described, significant inventive aspect of the invention, *see* 35 U.S.C. 112, so that without it the invention could not fairly be said to be the same invention, patent law prevents its protection as trade dress, even if the configuration is nonfunctional.

Vornado, 58 F.3d at 1510, 35 U.S.P.Q.2d (BNA) at 1342 (footnote omitted).

338 *See supra* note 335.

339 *See Vornado*, 58 F.3d at 1500-01, 35 U.S.P.Q.2d (BNA) at 1333-34. ("The grill on [defendant's] Fan incorporated a spiral vane structure that was copied from [plaintiff's] considerably more expensive fan models but was purposely designed not to infringe [plaintiff's] patent."). Ultimately, the parties agreed that the patent had not been infringed. *See id.* at 1501, 35 U.S.P.Q.2d (BNA) at 1334.

340 *See Singer*, 162 U.S. at 202; *see also supra* notes 330, 335.

registrations generally do not coincide, any trademark registration remaining on the books after a patent's expiration would undermine the public's access to matter that ought to be in the public domain.[333] The public should not be forced to make the effort, incur the expense, and suffer the delay of canceling a trademark registration in order to have access to that which the most basic patent policy decrees it should freely enjoy. The same reasoning should apply to matter that is indispensable in practicing a patent.

The foregoing remarks, however, apply only to product features *claimed* in a patent, i.e., those covered by the claims of a utlity patent or depicted in the drawing of a design patent. Product features disclosed *but not claimed* in a patent are in the public domain before the patent's expiration and therefore are best analyzed as unpatented and unpatentable matter.[334] They do not generally implicate the

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[333] *See* 35 U.S.C. § 154(a)(2) (term of utlity patent is twenty years from patent application date); 35 U.S.C. § 173 (term of design patent is 14 years from design patent issue date); 15 U.S.C. § 1058(a), 1059(a) (term of trademark registration is ten years and is renewable).

Post-expiration remanent trademark registrations would be particularly pernicious, as they would imply the sanction of an administrative body, the Patent and Trademark Office, for continued protection of matter that ought to be in the public domain. See *In re* Shakespeare Co., 289 F.2d 506, 508, 129 U.S.P.Q. (BNA) 323, 325 (C.C.P.A. 1961) ("When the patent expires, freedom to utilize that process and whatever advantages it may have is a public right which cannot be interfered with by alleged trademark rights."). Not only would trademark registration create economic barriers to using such matter, including the expense of litigating an action to cancel the registration. It would also create a public *perception* of barriers, thereby reducing the public's willingness to enjoy its right to the public domain.

[334] *See infra* text accompanying notes 360-406. Patents may be relevant to features of this sort in two ways. First, unless the features are claimed in another patent, *see infra* text accompanying notes 392-95, the patent in which they are disclosed will be conclusive evidence of their public-domain status. Second, features of this sort may be ineligible for trade dress protection if their use is necessary to practice the teaching of an expired patent, or if otherwise there are insufficient commerically viable alternatives to their use.

re Mogen David Wine Corp., 328 F.2d 925, 927, 932, 140 U.S.P.Q. (BNA) 575, 578, 581 (C.C.P.A. 1964) (*Mogen David I*) (reversing ruling that "use of the subject matter of a design patent during the life of the patent cannot properly be considered as trademark use" where patent was about to expire, and remanding for determination of secondary meaning); *In re* Mogen David Wine Corp., 372 F.2d 539, 540, 152 U.S.P.Q. (BNA) 593 (C.C.P.A. 1967) (*Mogen David II*) (adhering to earlier decision on this point of law); *id.*, at 542, 152 U.S.P.Q. (BNA) at 596 (Rich, J., concurring) (notwithstanding *Sears* and *Compco*, holding that "the existence of a design patent at one time does *not* automatically preclude appellant's right to register a device on the Principal Register."); *In re* Honeywell, Inc., 497 F.2d 1344, 1345 & n.2, 1348-49, 181 U.S.P.Q. (BNA) 821 (C.C.P.A. 1974) (holding that expired design patent, which had been in force when application for registration of trademark was filed, did not *ipso facto* preclude registration). The other line of decisions recognized something close to a *per se* rule against trademark registration for matter protected by expired *utility* patents. *See In re* Shakespeare Co., 289 F.2d 506, 508, 129 U.S.P.Q. (BNA) 323, 325 (C.C.P.A. 1961) (Spiral ridges on fishing rod, formed by patented manufacturing process, could not serve as trademark, although court refused to find them functional: "the controlling principle goes deeper [than mere functionality] and we prefer to rest our decision on the principle rather than on a mere label."); *cf. In re* Deister Concentrator Co., 289 F.2d 496, 504-05, 129 U.S.P.Q. (BNA) 314, 322 (C.C.P.A. 1961) (relying on disclosures of two patents, producer's advertising, and--"as a precautionary check"--standard texts in field of mineral dressing, to rule that rhomboidal shape of applicant's shaker table was functional and not entitled to registration).

The *Mogen David* line of decisions, however, is no longer valid authority on this point because it fails to reflect the Supreme Court's thinking. *Mogen David I* predated *Sears* and *Compco*, and *Mogen David II* failed to mention them, except in the concurring opinion of Judge Rich, who dismissed them as inapplicable to matters of federal law. *See Mogen David II*, 372 F.2d at 542-43, 152 U.S.P.Q. (BNA) at 596-97 (Rich, J., concurring). Yet the thrust of *Sears-Compco*--the potential for conflict between patent and trademark principles--is not so easily dismissed. *See supra* text accompanying notes 105-08.

More important, *all* the decisions in this line predated *Bonito Boats* and therefore failed to reflect its ringing endorsement, *see supra* note 103, of the "right to copy" the subject matter of expired patents. *See Mogen David I*, 328 F.2d at 930, 140 U.S.P.Q. (BNA) at 579 ("We know of no provision of patent law, statutory or otherwise, that guarantees to anyone an absolute right to copy the subject matter of any expired patent."); *In re* Honeywell, Inc., 497 F.2d 1344, 1347-48, 181 U.S.P.Q. (BNA) 821, 824-25 (C.C.P.A. 1974). This skepticism regarding the strength and significance of the

Singer Manufacturing Co. v. June Manufacturing Co.,[329] the Court similarly ruled that the physical configuration of a patented product

[329] 163 U.S. 169 (1896).

The *Singer* decision also deprived the well-known sewing-machine firm of the exclusive right to use the surname "Singer" after the basic patents on the machine had expired. *See id.* at 185-86. Dictum in the opinion hinted that losing exclusive rights in the surname might be an inevitable result of patent expiration. *Id.* at 186 ("[T]he right to use the name in every form passes to the public with the dedication resulting from the expiration of the patent.").

Such an interpretation, however, would be inaccurate. The Court's decision on this point was based on the fact that the name already had become a generic term for sewing machines. *See id.* at 179-80 (holding surname generic); *id.* at 184 (surname "ha[d] become during the monopoly, flowing from the patent, a generic description of [the] machine, and at the same time in a secondary and relative sense indicate[d] to the public the source of manufacture"); *id.* at 185 (public must enjoy "the generic designation of the thing which ha[d] arisen during the monopoly").

The surname already had been adjudicated generic in a previous decision. *See id.* at 188-89 (quoting Singer Mfg. Co. V. Larsen, 8 Bissell 151 (1878)). Although the *Singer* Court also quoted other decisions that had based similar results on broader ground, *see id.* at 188-90 (citations omitted), the *Singer* Court never endorsed the reasoning of these other courts in its own discussion. Moreover, it discussed the *Larsen* decision, which had held the surname generic, first and more extensively than the other decisions. The inescapable conclusion is that the Court did not endorse the idea that all trademarks for patented goods automatically expire upon the expiration of any patents covering those goods and instead rested its decision on the narrower ground that the surname at issue had become generic before the patents had expired.

Indeed, the Court took pains to avoid implying that inherently distinctive marks would suffer the same fate. *See id.* at 186 ("Nor is this right governed by different principles where the name which has become generic, *instead of being an arbitrary one*, is the surname of the patentee or original manufacturer.") (emphasis added). Even under the circumstances, the Court noted, the defendant had an obligation to the plaintiff and to the public to use the generic name without creating

In analyzing each of these classes of cases, it is helpful to keep in mind that a product configuration or feature may simultaneously serve three different purposes: (1) utilitarian; (2) ornamental; and (3) source-identifying. Suppose a configuration serves a utilitarian or useful purpose,[319] such as supporting the product, holding it together, reflecting light, repelling rain, etc. Since that purpose coincides with the utility requirement of utility patent law, the public-domain policy of patent law suggests that the configuration or feature ought to be protected only to the extent it is covered by an unexpired and valid utility patent. Only to that extent would protection of the utilitarian or useful aspects of the feature be consistent with the patent policy of keeping in the public domain what belongs there.[320]

The relationship between ornamentality and design patents is similar. If a product configuration's feature is attractive, aesthetic, and ornamental, and if it attracts consumers for that reason, and not by reason of its designation of the product's source, then it properly falls in the realm of design patent protection and should be protected, if at all, by design patents.[321] But this relationship, although parallel to the relationship between utility and utility patents,[322] is not entirely analogous. A trade symbol easily can avoid being useful or utilitarian in the utility-patent sense, for example, by being visually "arbitrary" and totally unrelated to the product's utilitarian function.[323] It is much more difficult to devise a trade symbol that performs well as a source

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[319] In this context, I use these terms instead of the word "functional" to avoid confusion with the legal doctrine in trade symbol law. Here the words "utilitarian" and "useful" refer to the useful function of the features as a factual and practical matter.

[320] *See supra* text accompanying notes 67-81; *see also supra* text accompanying notes 102-04, 117-33 (discussing "right to copy" arising from negative implication out of patent law).

[321] *See supra* text accompanying notes 256-61.

[322] *See supra* text accompanying notes 246-50, 318-20.

[323] *See supra* note 219.

analogous to the innovations known to be unpatentable that trade secret law may protect.[306] The *Kewanee* Court found protecting unpatentable minor innovations under trade secret law entirely consistent with patent policy[307] because, *inter alia*, that protection is less impenetrable than the protection that patent law provides.[308] Analogously, courts should find that protecting the minor innovations covered by trade symbol law--with a form of protection less impenetrable than patents[309]--should do no damage to patent policy.

As for disclosure, that policy is wholly consistent with trade symbol protection for a simple reason. Trade symbols must be disclosed or used in public commerce in order to enjoy any protection as such at all. In practice, they are indeed disclosed, either by registration or by use in commerce,[310] and those that are not inherently distinctive must have developed secondary meaning as a result of actual use.[311] Thus, there can be no conflict between trade symbol protection and the disclosure policy of patent law, as trade symbols by nature are disclosed.

Consequently, the most important possible source of conflict between trade symbol law and patent policy is the third patent policy

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ornamentality in the case of design patents. *See* 35 U.S.C. § 101 (1994) (patented inventions must be "useful"); 35 U.S.C. § 171 (patented designs must be "original and ornamental"); *see also* 35 U.S.C. § 171 ("The provisions of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided.").

[306] *See* Kewanee Oil Co. v. Bicron Corp., 416 U.S. 470, 485-87, 181 U.S.P.Q. (BNA) 673, 679-80 (1974).

[307] *See id.*

[308] *See supra* text accompanying notes 84-85.

[309] *See infra* text accompanying notes 456-74, 481-85.

[310] *See supra* note 304.

[311] *See supra* text accompanying notes 153-54.

would abandon something of substance by narrowing the focus of the inquiry to alternatives alone.

How, then, should courts determine the appropriate method of analysis? The *Kewanee*[294] decision, in which the Supreme Court ruled that patent policy does not preempt state trade secret protection,[295] is a good place to start. There is no better example of careful and thorough analysis of the potential for conflict between patent policy and another kind of intellectual property protection ultimately arising out of the common law than the Court's opinion in that case.[296]

The *Kewanee* approach was straightforward: it identified the policies at issue[297] and then compared them and the effects of relevant legal doctrine in a search for potential conflict.[298] The Court identified three fundamental policies of patent protection,[299] which it later summarized succinctly as follows: (1) encouraging innovation; (2) encouraging disclosure of innovation; and (3) denying protection for things that belong in the public domain.[300] These are the policies with

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[294] Kewanee Oil Co. v. Bicron Corp., 416 U.S. 470, 181 U.S.P.Q. (BNA) 673 (1974).

[295] *See id.* at 492-93, 181 U.S.P.Q. (BNA) at 682.

[296] The *Kewanee* Court devoted nearly thirteen pages in the United States Reports to a detailed, practical discussion of the potential for conflict, focusing on the purposes and likely effects of the two forms of protection. *See id.* at 480-92, 181 U.S.P.Q. (BNA) at 678-82.

[297] *See id.* at 480-81, 181 U.S.P.Q. (BNA) at 678.

[298] *See id.* at 482-92, 181 U.S.P.Q. (BNA) at 679-82.

[299] *See id.* at 480-81, 181 U.S.P.Q. (BNA) at 678.

[300] *See* Aronson v. Quick Point Pencil Co., 440 U.S. 257, 262, 201 U.S.P.Q. (BNA) 1, 4 (1979):

> First, patent law seeks to foster and reward invention;

nonfunctionality requirement, with its simple alternatives test, is a good place to start,[286] as more detailed analysis reveals.[287]

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[286] The alternatives test serves the policy goals of the broader "competition" test, but with less uncertainty and a greater focus on the facts. Consider, for example, the rule that general business ideas and concepts cannot be controlled through trade dress protection. *See, e.g.*, Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 868, 31 U.S.P.Q.2d (BNA) 1481, 1483 (8th Cir. 1994) (per curiam) ("[T]he mere method and style of doing business is not protectable. . . . Trade dress does not protect one from a competitor's imitation of one's marketing concept.") (citations omitted); Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc., 58 F.3d 27, 32, 35 U.S.P.Q.2d (BNA) 1284, 1288 (2d Cir. 1995)(citations omitted):

> [J]ust as copyright law does not protect ideas but only their concrete expression, neither does trade dress law protect an idea, a concept, or a generalized type of appearance. . . . Examples of ideas or concepts too general to warrant protection are the 'theme' of skeletons engaging in sexual activities, which plaintiff used in its t-shirt design, . . . and the 'generalized concept' of grotesque figures in toys.

Both rationales of functionality doctrine--that preempting a general idea would thwart competition, and that the idea is too broad to admit of sufficient alternatives--are valid grounds for rejecting such a trade dress claim. The alternatives test, however, has the advantage of providing a relatively precise gauge for the degree of constraint on competition, which is subject to proof in a courtroom. Like the merger doctrine of copyright law, see DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, § 5.01[2][d], the alternatives test precludes preemption even of the expression of a general idea when that idea admits of only a few alternative means of expression. It thus would provide a practical means of avoiding undue constraint on general concepts, and voluminous precedent from the field of copyright law could be borrowed by analogy. *See Milstein*, 58 F.3d at 33, 35 U.S.P.Q.2d (BNA) at 1288 ("[T]he concrete expression of an idea in a trade dress has received protection. . . . The line-drawing task is analytically no different than applying Learned Hand's 'abstractions' test in the copyright field.") (citation omitted).

[287] *See* sources cited *supra* note 217.

See generally Gleiberman, *supra* note 122, at 2066-67 (footnote omitted):

> In the past, courts have tried to label their functionality

functionality.[275]

There are thus four recognized variants of the doctrine of functionality: (1) avoiding conflict with utility patent policy;[276] (2) avoiding conflict with design patent policy;[277] (3) avoiding impairment of competition generally;[278] and (4) avoiding market foreclosure through preemption of constrained alternatives.[279] The mere statement of these variants illustrates their differences, and there is no doubt that courts often think they yeild different results. Two courts have unambiguously chosen the first over the fourth variant--one in a holding[280] and one in strong dictum[281]--and two vigorous dissents would have reached similar conclusions.[282]

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999 F.2d at 621, 27 U.S.P.Q.2d (BNA) at 1867 (rejecting aesthetic functionality defense where defendant could not show paucity of alternative chinaware designs).

[275] *See supra* text accompanying notes 256-57 and note 257.

[276] *See supra* text accompanying notes 247-50.

[277] *See supra* text accompanying notes 256-65.

[278] *See supra* text accompanying notes 251-55.

[279] *See supra* text accompanying notes 265-75; *infra* text accompanying notes 287-95.

[280] *See* Vornado Air Circulation Sys., Inc. v. Duracraft Corp., 58 F.3d 1498, 1510, 35 U.S.P.Q.2d (BNA) 1332, 1341-42 (10th Cir. 1995), *cert. denied*, 116 S. Ct. 753 (1996); *infra* text accompanying notes 333-57, 397-406, 498-99. Indeed, the *Vornado* court ruled that patent policy operated independently and in spite of the doctrine of functionality. *See infra* note 337.

[281] *See* Thomas & Betts Corp. v. Panduit Corp., 65 F.3d 654, 659, 36 U.S.P.Q.2d (BNA) 1065, 1069-70 (7th Cir. 1995) (no product feature disclosed in patent, whether or not claimed, is eligible for protection as trade dress, apparently regardless of alternatives), *cert. denied*, 116 S. Ct. 1044 (1996).

[282] *See* Kohler Co. v. Moen Inc., 12 F.3d 632, 649, 29 U.S.P.Q.2d (BNA)

a growing body of case law[271] endorse this approach;[272] and both the

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on latex exercise bands due to factual dispute over availability of alternatives); Villeroy & Boch Keramische Werke K.G. v. THC Sys., Inc., 999 F.2d 619, 621, 27 U.S.P.Q.2d (BNA) 1866, 1867-68 (2d Cir. 1993) (reversing summary judgment that relied on aesthetic functionality defense where defendant could not show paucity of alternative chinaware designs); *L.A. Gear*, 988 F.2d at 1130, 25 U.S.P.Q.2d (BNA) at 1922 (athletic shoe designs were nonfunctional where there was evidence of "many samples of athletic shoes . . . that did not embody the [plaintiff's] design, including athletic shoes presenting the same general fashion impression"); *Computer Care*, 982 F.2d at 1071, 25 U.S.P.Q.2d (BNA) at 1026 (refusing to find trade dress functional where plaintiff "presented evidence of 'service reports' used by other car service companies that [bore] little or no resemblance to [its] reports").

See also Fabrication Enters., 64 F.3d at 59, 35 U.S.P.Q.2d (BNA) at 1757 (combining alternatives test with other tests); Gifford, *supra* note 53, at 780-81:

> [I]f the design is significantly less costly to produce than alternatives, or if the design performs its function in a markedly superior way to alternative designs, then it is unprotectable. A design that is merely functional in the sense that it performs an intended utilitarian function, but not significantly better than alternative designs, is protectable.

[270] *See* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17 (1995) (emphasis added):

> [A] design is 'functional' . . . if the design affords benefits in the manufacturing, marketing, or use of the goods or services with which the design is used, apart from any benefits attributable to the design's significance as an indication of source, that are important to effective competition by others *and that are not practically available through the use of alternative designs.*

[271] *See supra* notes 266, 268-69. *Cf.* Fun-Damental Too Ltd. v. Gemmy Indus. Corp., 111 F.3d 993, 1002, 42 U.S.P.Q.2d (BNA) 1348, 1355 (2d Cir. 1997) (upholding finding of nonfunctionality based upon evidence of two alternative packaging designs, viable alternatives to certain specific features, and failure to show that protection of packaging design would

variant assess the number of unconstrained alternatives, in the real world of the practical marketplace, to using the allegedly protected trade symbol. If constraints (such as utility, aesthetics, custom, or convention)[267] limit the available alternatives so much that rivals will

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1063, 1071, 25 U.S.P.Q.2d (BNA) 1020, 1026 (7th Cir. 1992) ("Put another way, a functional feature is one that 'would be found in most or all brands of the product even if no producer had any desire to have his brand mistaken for that of another producer.'") (quoting Schwinn Bicycle Co. v. Ross Bicycles, Inc., 870 F.2d 1176, 1188, 10 U.S.P.Q.2d (BNA) 1001, 1011 (7th Cir. 1989)).

There are also tests for designs "dictated by" or "essential to" function. *See, e.g.*, Stuart Hall Co. v. Ampad Corp., 51 F.3d 780, 788, 34 U.S.P.Q.2d (BNA) 1428, 1434 (8th Cir. 1995) ("[A] product's trade dress is not the entire product itself, but specific features of the product; we find no difficulty in looking at a specific feature of a product and determining whether and to what degree that feature is dictated by the nature of the product."); *L.A. Gear*, 988 F.2d at 1129, 25 U.S.P.Q.2d (BNA) at 1922 ("If products having the same utility can not be made without duplicating the design, the product design is deemed essential to the function and is not protectable as a matter of trade dress."). *Cf. id.* at 1129-30, 25 U.S.P.Q.2d (BNA) at 1922 ("[A] design feature of a particular article is 'essential' only if the feature is dictated by the functions to be performed; a feature that merely accommodates a useful function is not enough.") (quoting Warner Brothers, Inc. v. Gay Toys, Inc., 724 F.2d 327, 331 (2d Cir. 1983) (citation omitted)). Both reflect a similar test in design patent law. *See L.A. Gear*, 988 F.2d at 1123, 25 U.S.P.Q.2d (BNA) at 1916 (citations omitted):

> [T]he 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. . . . If the particular design is essential to the use of the article, it can not be the subject of a design patent.

In any event, both are mere variants of the alternatives test--variants in which there is *no* viable alternative; if a design is "dictated by" or "essential to" its function, then no alternative would work as well.

[267] For detailed discussion of constraints involving product compatibility, see Dratler, *Trademark Protection*, *supra* note 7, at 962-67. For an analogy of constraints in trade dress law to similar constraints in copyright protection for computer programs, see *infra* text accompanying notes 565-67 and *infra* note 567.

of protection simply because they are aesthetically attractive, without investigating whether they in fact serve a source-identification function.[265]

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clover leaves, were functional without discussing alternatives to symbols or their manner of use); *Keene Corp.*, 653 F.2d at 827-28, 211 U.S.P.Q. (BNA) at 205 (finding lighting fixture design functional, although twelve to fifteen alternative designs were actually on market, without exploring what other alternatives had not yet been produced). For further critical analysis of these cases, see Dratler, TRADEMARK PROTECTION, *supra* note 7, at 954, 961-62.

[265] *See, e.g.*, Fabrication Enters. v. Hygenic Corp., 64 F.3d 53, 58-59, 35 U.S.P.Q.2d (BNA) 1753, 1756-57 (2d Cir. 1995) (disapproving variant of aesthetic functionality doctrine based on whether design is "important to the usefulness of the item" because such test did "not appear to acknowledge the possibility that a useful product feature may serve both source-identifying and utilitarian ends and that the competitive benefits of protecting the source-identifying aspects of the feature under the Lanham Act may outweigh the competitive cost of precluding competitors from using the feature"); Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 885, 31 U.S.P.Q.2d (BNA) 1481, 1497 (8th Cir. 1994) (per curiam) (Gibson, J., dissenting) (precedent supports a narrower reading of aesthetic functionality than "important ingredient" test; "[c]ourts and commentators alike have cautioned that a broad reading of this aesthetic functionality language would eviscerate the protection afforded by a trademark.") (citation omitted); Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts, 944 F.2d 1235, 1247, 20 U.S.P.Q.2d (BNA) 1001, 1011 (6th Cir. 1991) (precedent in Sixth Circuit "suggests that aesthetic functionality will not preclude a finding of nonfunctionality where the design also indicates source"); W.T. Rogers Co. v. Keene, 778 F.2d 334, 343, 228 U.S.P.Q. (BNA) 145, 148-49 (7th Cir. 1985); Krueger Int'l, Inc. v. Nightingale Inc., 915 F. Supp. 595, 606, 40 U.S.P.Q.2d (BNA) 1334, 1342 (S.D.N.Y. 1996) (disapproving doctrine of aesthetic functionality as it "denie[s] trade dress protection to design features whose only sin was to delight the senses"). *See also* 1 J. THOMAS MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 7:26[4][b](1984) (noting that, under the rule requiring little or no ornamentality, "the uglier and more repulsive the symbol, the less 'functional' it would be"); *see generally* Gleiberman, *supra* note 122, at 2046 ("In recent years, this expansive definition of aesthetic functionality has fallen out of favor. Courts and commentators alike have criticized it as overinclusive."). *But cf. Aromatique*, 28 F.3d at 873-74, 31 U.S.P.Q.2d (BNA) at 1488-89 (aspects of plaintiff's potpourri package that allowed fragrance of product to escape, plus its attractiveness, were "essential" to competition and therefore functional).

allowing courts to interpret trade symbol law in accordance with their varying views of unvarnished policy.[256]

A third, narrower variant of the doctrine precludes trade symbol protection for product features that ought to be protected by design patents. Known by the oxymoronic name of "aesthetic functionality,"[257] it is intended to ameliorate any residual conflict with patent policy--especially design patent policy--that the variant based upon utilitarian functionality itself does not relieve.[258] It differs from that part of the doctrine designed to preclude conflict with utility patents since, by law, design patents do not control utilitarian

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[256] At least two courts have cited both versions of the Supreme Court's statement of the functionality doctrine, *see supra* notes 249, 254 without apparently choosing between them. *See* Knitwaves, Inc. v. Lollytogs, Ltd., 71 F.3d 996, 1006, 36 U.S.P.Q.2d (BNA) 1737, 1744 (2d Cir. 1995); Landscape Forms, Inc. v. Columbia Cascade Co., 70 F.3d 251, 253, 36 U.S.P.Q.2d (BNA) 1790, 1792 (2d Cir. 1995).

For a discussion of pre-1988 variations of the doctrine of functionality and the wide range of verbal formulas that courts used for them, see Dratler, *Trademark Protection*, *supra* note 7, at 938-44.

[257] Although its name is oxymoronic, the doctrine makes sense when interpreted in light of the general policy of avoiding restraint on competition. *See Kohler*, 12 F.3d at 648, 29 U.S.P.Q.2d (BNA) at 1254 (Cudahy, J., dissenting) (The courts' struggle with aesthetic functionality reflects the "obvious fact that design features can be as essential to competition--'functional'--as utilitarian features."); Keystone Retaining Wall Sys., Inc. v. Westrock, Inc., 997 F.2d 1444, 1448, 27 U.S.P.Q.2d (BNA) 1297, 1300 (Fed. Cir. 1993) (approving, as not misleading in context, jury instruction that "where the appearance of a product is essential to its intended use, the appearance may itself be functional").

[258] *See Kohler*, 12 F.3d at 648, 29 U.S.P.Q.2d (BNA) at 1254-55 (Cudahy, J., dissenting):

> [T]here is no basis for treating the subject matter of design and utility patents differently: if functional matter not protected by a utility patent is available for all to copy, then it follows that ornamental or aesthetic designs not protected by design patents are also free for everyone to copy. Design and utility patents are created by the same law, 35 U.S.C. §§ 1-376 (1984),

The courts recognize four general variants of this requirement.[251] The second variant is a broader version, which passes over potential conflicts with patent policy and goes directly to the heart of the matter: free competition. Under this variant of the doctrine, a trade symbol is functional if its exclusive appropriation by the plaintiff would impair competition on the mertis, i.e., if its exclusive appropriation would impair competition between products and services other than by preserving a producer's right to identify them as coming from a single source.[252]

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[251] *See* Versa Prods. Co. v. Bifold Co., 50 F.3d 189, 198 & n.7, 199, 33 U.S.P.Q.2d (BNA) 1801, 1806 & n.7, 1807 (3d Cir.) (expressing "misgivings" about district court's use of three different standards for functionality, but refusing to resolve question of proper standard), *cert. denied*, 116 S. Ct. 54 (1995).

Some courts, apparently in the interest of thoroughness, mix and match the variants. *See, e.g., International Jensen*, 4 F.3d at 823, 28 U.S.P.Q.2d (BNA) at 1290 (factors to be considered in functionality inquiry include: "(1) whether a particular design yields a utilitarian advantage; (2) whether alternative designs are available in order to avoid hindering competition; and (3) whether the design achieves economies in manufacture or use") (citation omitted); *In re* Owens-Corning Fiberglas Corp., 774 F.2d 1116, 1121, 227 U.S.P.Q. (BNA) 417, 419-20 (Fed. Cir. 1985).

[252] *See* Qualitex Co. v. Jacobson Prods. Co., 115 S. Ct. 1300, 1304, 34 U.S.P.Q.2d 1161, 1163-64 (1995) (feature is functional if its "exclusive use . . . would put competitors at a significant non-reputation-related disadvantage"); *see also, e.g.*, Landscape Forms, Inc. v. Columbia Cascade Co., 70 F.3d 251, 253, 36 U.S.P.Q.2d (BNA) 1790, 1792 (2d Cir. 1995) ("[I]n order for a court to find a product design functional, it must first find that certain features of the design are essential to effective competition in a particular market.") (citations omitted); Fabrication Enters. v. Hygenic Corp., 64 F.3d 53, 55, 35 U.S.P.Q.2d (BNA) 1753, 1754 (2d Cir. 1995) ("If trade dress protection of product design goes too far, . . . the public may be deprived of the benefits of robust competition by precluding use of utilitarian product features. In consequence, the doctrine of functionality limits the extent of trade dress protection of product design."); Vornado Air Circulation Sys., Inc. v. Duracraft Corp., 58 F.3d 1498, 1507, 35 U.S.P.Q.2d (BNA) 1332, 1339 (10th Cir. 1995) ("If competitors need to be able to use a particular configuration in order to make an equally competitive product, it is functional, but if they do not, it may be nonfunctional."), *cert. denied*, 116 S. Ct. 753 (1996); Vaughan Mfg. v. Brikam

D. *The Requirement For Nonfunctionality*

Besides the requirement for distinctiveness,[247] any case involving product configuration must surmount a second hurdle before a real conflict with patent policy can arise. This is the requirement for nonfunctionality. Trade symbol protection is not available for product features that do (or assist in doing) something useful besides identifying the source of the product.[248] To the extent a product feature performs a useful function (other than product identification), such as reducing the cost or increasing the ease of manufacture, sale, or use of a product, it cannot be protected as a trade symbol.[249] In other words, designs that perform utilitarian

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[247] *See supra* text accompanying notes 139-247.

[248] *See* Qualitex Co. v. Jacobson Prods. Co., 115 S. Ct. 1300, 1304, 34 U.S.P.Q.2d (BNA) 1161, 1163 (1995) (nonfunctionality requirement for trade dress "prevents trademark law, which seeks to promote competition by protecting a firm's reputation, from instead inhibiting legitimate competition by allowing a producer to control a useful product feature."); *cf.* Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts, 944 F.2d 1235, 1246, 20 U.S.P.Q.2d (BNA) 1001, 1011 (6th Cir. 1991) (finding car body designs nonfunctional based upon evidence that producer "chose the exterior designs for beauty and distinctiveness, not utility").

[249] *See* Inwood Lab. v. Ives Lab., Inc., 456 U.S. 844, 850 n.10, 214 U.S.P.Q. (BNA) 1, 4 n.10 (1982) ("[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.") (quoted with approval in *Qualitex*, 119 S.Ct. at 1304, 34 U.S.P.Q.2d (BNA) at 1163-64 (unanimous court)); *see also, e.g.*, Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 874, 31 U.S.P.Q.2d (BNA) 1481, 1488 (8th Cir. 1994) (per curiam) (double bagging of potpourri was functional, as it provided protection from corrosive oils used for scent, increased shelf life, and protected label on outer surface, and in any event double bagging was incapable of functioning as source indicator); HWE, Inc. v. JB Research, Inc., 993 F.2d 694, 696, 26 U.S.P.Q.2d (BNA) 1967, 1968 (9th Cir. 1993) (alleged trade dress of massage table was functional where all elements claimed--rectangular shape, configuration of upper surface pad divided into rectangles, handles along edge, and controller at center edge--were functional because they were "essential to the use of the table"); L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1129, 25 U.S.P.Q.2d (BNA) 1913, 1922 (Fed. Cir. 1993) ("Applying Second Circuit law as we perceive it in this evolving area, an action for unfair competition under § 43(a) will

symbol is descriptive but secondary meaning is shown, the reasonable probability is demonstrated either directly by consumer surveys or indirectly by the type of circumstantial evidence that usually suffices to show secondary meaning.[237] Where the symbol is generic, the reasonable probability is *excluded* by inference, because rivals necessarily will be tempted (or forced by market constraints) to use the same symbol to identify their wares.[238] Finally, where the symbol is in fact the subject of widespread use by others, the probability is negated by direct evidence, for the very fact of widespread use by others precludes a reasonable probability that the symbol will serve as an unambiguous designation of source.[239]

Several salient points derive from the foregoing analysis. First, the thrust of the *Abercrombie* distinctiveness spectrum, as traditionally construed, is in essence a test for unconstrained alternatives,[240] which overlaps the similar test for functionality as applied to product configurations, but not completely.[241] Second, the alternatives test for distinctiveness is a means of demonstrating, sometimes by direct evidence and sometimes by inference, whether the symbol at issue has a reasonable probability of doing what trademarks are supposed to do: serving as a shorthand identifier of source.[242] Third, the distinctiveness spectrum does not exhaust the types of direct evidence

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[237] *See supra* notes 194-99, 210-11.

[238] *See supra* text accompanying notes 191-94, 208-10.

[239] *See supra* text accompanying notes 145-49; *see also* Miss World (UK), Ltd. v. Mrs. Am. Pageants, Inc., 856 F.2d 1445, 1449, 8 U.S.P.Q.2d (BNA) 1237, 1241 (9th Cir. 1988) (where there are many similar marks distinctiveness or "strength" of mark is weak).

[240] *See supra* text accompanying notes 190-222.

[241] *See supra* text accompanying notes 214-28.

that a trade dress does not preempt utilitarian or aesthetic alternatives, leaving rivals without practical options.[227] The distinctiveness doctrine demands more: it requires a reasonable probability that the symbol *in fact* functions as an unambiguous identifier of a single, perhaps anonymous, source.[228]

This brings us back to the second alternative test for distinctiveness of product configurations, involving the "likelihood" of the symbol serving as a shorthand source identifier.[229] If that test were interpreted narrowly, as requiring direct evidence of "likelihood" such as consumer surveys, it would threaten to duplicate the test for secondary meaning, as in the case of "intent" test discussed above.[230] Interpreted more broadly, however, as encompassing any demonstration of reasonable likelihood, whether by direct or circumstantial evidence, it subsumes all of the traditional distinctiveness doctrine, without change.[231] The "likelihood" test also

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[227] This follows from the fact that the most basic policy underlying the nonfunctionality requirement, in all its guises, is insuring that competition is not impaired. *See infra* text accompanying notes 246-75, 287-94.

[228] *See supra* text accompanying notes 203-07.

Consumers need not know the identity of the producer, as long as they recognize the trade symbol as a brand. *See* Lanham Act § 45, 15 U.S.C. § 1127 (1994) (definitions of "trademark" and "service mark"); Stuart Hall Co. v. Ampad Corp., 51 F.3d 780, 789-790, 34 U.S.P.Q.2d (BNA) 1428, 1434-35 (8th Cir. 1995) ("single source" required by definition of trademark "need not be known by name by consumers"; therefore district court's refusal to find secondary meaning unless consumers "think Stuart Hall" may have been error and required clarification on remand) (citation omitted); *cf. supra* note 142 (discussing source anonymity in connection with secondary meaning).

[229] *See supra* text accompanying notes 161-65, 181-85.

[230] *See supra* note 172.

as applied to product configurations, creating confusion between the two distinct requirements.[219]

This conceptual quirk is entirely natural, however, for it derives from the nature of the intellectual property at issue. Because product configurations do not say anything ("they just are"),[220] constraints upon their alternatives cannot derive from linguistic limitations. Instead, the constraints must derive from external limitations of technology, design, industry custom, and the like. To the extent they do so, they resemble, if not duplicate, the constraints upon alternatives that courts must consider in applying the doctrine of functionality.[221] Nothing about this should be a cause for concern, however, because both doctrines, in the final analysis, address the same end--insuring that trade symbols act as a reliable and efficient "shorthand" for consumers without limiting the prospects for effective competition on the merits of products and services.[222]

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[219] *See supra* n.107. This overlap appears in verbal formulations of the two doctrines. For example, trade dress has been called "nonfunctional" if "it is an arbitrary embellishment primarily adopted for purposes of identification and individuality." Insty*Bit, Inc. v. Poly-Tech Indus., 95 F.3d 663, 673, 39 U.S.P.Q.2d (BNA) 1961, 1968 (8th Cir. 1996) (quoting Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 873, 31 U.S.P.Q. (BNA) 1481, 1488 (8th Cir. 1994) (per curiam)); *cf.* Qualitex Co. v. Jacobson Prods. Co., 115 S. Ct. 1300, 1304, 34 U.S.P.Q.2d (BNA) 1161, 1163-64 (1995) (feature is functional "if exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage"). The word "arbitrary," however, is more frequently applied to the question of distinctiveness. *See supra* text accompanying notes 199-202, 211-12.

[220] *See supra* text accompanying notes 185-88.

[221] *See supra* note 217.

[222] Therefore it is not necessary to raise the bar or change the standard for finding inherent distinctiveness, as the *Duraco* court sought to do. *See* Duraco Prods., Inc. v. Joy Plastic Enters., 40 F.3d 1431, 1451, 32 U.S.P.Q.2d (BNA) 1724, 1740 (3d Cir. 1994):

> [I]f the consumer is likely to be motivated, in some more than incidental part, to buy a product because of

analogical approach.[214] In so doing, these courts have understood the essence of the distinctiveness spectrum: a search for unconstrained alternatives, not just the meanings of words.

Under this approach, the requirements for distinctiveness and nonfunctionality[215] have one thing in common as far as product configurations are concerned. The requirement for distinctiveness reflects a search for alternatives unconstrained, *inter alia*, by function and industry custom, rather than by the meanings of words.[216] The

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[214] *See* Duraco Prods., Inc. v. Joy Plastic Enters., 40 F.3d 1431, 1442, 32 U.S.P.Q.2d (BNA) 1724, 1732 (3d Cir. 1994) (endorsing alternatives tests *by analogy to* distinctiveness spectrum: "the rationales supporting the trademark distinctiveness taxonomy may sometimes be fruitfully applied to trade dress when speaking of the product itself"):

> What is 'generic' in trademark law is a word with so few alternatives (perhaps none) for describing the good that to allow someone to monopolize the word would debilitate competitors. A descriptive trademark is one that leaves a larger but finite set of equivalent alternatives, and therefore still can be protected (because there are adequate alternatives for competitors) but only if it has acquired secondary meaning (so that it demonstrably functions as a source indicium). Finally, the suggestive, arbitrary, or fanciful mark is entitled to automatic protection, as there exists a vast universe of equivalent alternatives (or, in the case of a suggestive mark, at least a vast number of passable alternatives) to choose from, and the consumer will reasonably immediately identify the mark for what it is--a source indicium and no more.

[215] *See infra* text accompanying notes 246-423.

[216] *See supra* the text accompanying notes 184-214.

In this regard, the Eighth Circuit's view is somewhat misleading. In its eyes, the traditional tests for distinctiveness focus on the relationship between the trade symbol and the product, not that between the product and consumers. *See* Stuart Hall Co. v. Ampad Corp., 51 F.3d 780, 786-87, 34 U.S.P.Q.2d (BNA) 1428, 1432 (8th Cir. 1995) (quoted *supra* note 206). This is true because inherent distinctiveness is only at issue if the trade

"generic" when constraints of function, design, or industry custom admitted of virtually no alternatives,[209] and therefore have denied protection without regard to secondary meaning.[210] Others have

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U.S.P.Q.2d (BNA) 1189, 1192-93 (2d Cir. 1993) (applying *Abercrombie* classifications to trade dress of ouzo bottle); Computer Care v. Service Sys. Enters., 982 F.2d 1063, 1069, 25 U.S.P.Q.2d (BNA) 1020, 1024 (7th Cir. 1992) ("In order to be inherently distinctive, the trade dress must be either arbitrary or suggestive, rather than generic or descriptive.") (citations omitted); Braun Inc. v. Dynamics Corp. of Am., 975 F.2d 815, 825 n.18, 24 U.S.P.Q.2d (BNA) 1121, 1129 n.18 (Fed. Cir. 1992) ("[A] trade dress is inherently distinctive if it is suggestive, arbitrary or fanciful, or, in other words, if it is brand identifying.").

[209] *See, e.g.*, Mana Prods., Inc. v. Columbia Cosmetics Mfg., 65 F.3d 1063, 1069-70, 36 U.S.P.Q.2d (BNA) 1176, 1180 (2d Cir. 1995); *Jeffrey Milstein, Inc.*, 58 F.3d at 33-34, 35 U.S.P.Q.2d (BNA) at 1288-89 (despite its novelty, idea of die-cut photographic greeting cards could not qualify for trade dress protection because it was generic, even though limited to greeting-card industry); *see also Paddington*, 996 F.2d at 583-84, 27 U.S.P.Q.2d (BNA) at 1193:

> [W]here it is the custom of an industry to package products in a particular manner, a trade dress in that style would be generic and therefore not inherently distinctive. For example, packaging lime-flavored soda in green twelve-ounce cans is so common in the soft drink industry that such packaging probably is not inherently distinctive, although without the industry practice green cans would be either suggestive or arbitrary and therefore inherently distinctive.

(One can take issue with the last sentence--the green cans more likely would be at best descriptive, even in the absence of industry practice--but not with the idea that industry usage can make trade dress generic.)

[210] *See also Jeffrey Milstein, Inc.*, 58 F.3d at 34, 35 U.S.P.Q.2d (BNA) at 1289 ("Since the features of [plaintiff's] trade dress for which it seeks protection can be considered 'generic,' even a showing of secondary meaning could not make that dress 'distinctive.'") (citation omitted); *cf. Paddington*, 996 F.2d at 588, 27 U.S.P.Q.2d (BNA) at 1196-97 (refusing to preclude defendant from using single-digit number as trademark for its ouzo: "were we to prevent [defendant] from using all of the integers already part of current ouzo producers' trademarks, or, as [plaintiff] urges, prevent them from using the numbers surrounding the numbers of current brands, such as "#11" or "#13" Ouzo, the number of low-digit integers available would quickly disappear").

with reasonable probability, *in fact* use the trade symbol as a reliable shorthand identifier.[207]

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[207] For elaboration of this point, see Dratler, *Trademark Protection*, *supra* note 7, at 950-62.

Of course, the range of alternatives will vary with the type of product, the feature or aspect that is claimed as trade dress, and perhaps even the manner and channels of marketing. This means that evidence of probable use as a source identifier, whether direct or circumstantial, must be judged with sensitivity to all the relevant facts in the marketplace. It does not mean, however, that product configurations as a class are so much less likely to serve as source identifiers that they should be subject to a divergent legal standard. Applying a different standard would be inconsistent with the traditional flexibility and fact-dependence of trade symbol law. *See infra* notes 438-54, 463-74.

Professor Dinwoodie argues that courts should not assess the distinctiveness of product configurations using an alternatives test because doing so would duplicate the test for functionality. *See* Dinwoodie, *supra* note 140, at 597-602. He agrees that courts in fact have used an alternatives test to assess the distinctiveness of trade dress. *See id.* at 597 ("courts and litigants habitually conflate arguments addressed to . . . these separate questions"); *id.* at 598-600 (examples). He also appears to agree that similar evidence, including the availability of alternatives, is relevant to both distinctiveness and functionality. *See* Dinwoodie, *supra* note 140, at 600. Finally, he and I agree that the distinctiveness and nonfunctionality requirements have different purposes and different conceptual foci. *See id.* at 600-02; Dratler, *supra* note 7, at 951-52; *infra* text accompanying notes 214-34. Where we appear to differ is on the effect of hypothetical alternative designs not yet in production.

Professor Dinwoodie argues that such designs should not be considered in assessing the inherent distinctiveness of product configurations. *See* Dinwoodie, *supra* note 140, at 601 (emphasis in original):

> The predictive calculation of inherent distinctiveness should not be affected by whether the same product *could* be manufactured and sold competitively in another or only the same shape. Unknown, as yet undeveloped or unmarketed, possible alternatives do not affect the likelihood that consumers will identify the shape with a specific source because consumers are probably unaware of those possiblities.

It would be hard, however, if not impossible, to assess the distinctiveness

identification will fail.[201] A wide range of alternatives permits a presumption, with reasonable probability, that those symbols function as unambiguous identifiers for the products of the first user.[202] Thus the entire *Abercrombie* distinctiveness spectrum, as traditionally applied, is nothing other than a categorization of the number of unconstrained alternatives, leading to reasonable inferences that symbols in fact serve as shorthand source identifiers.[203]

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[201] In general, the alternatives for product configurations will be more tightly constrained by such things as custom and utility than the alternatives for packaging:

> Since the choices that a producer has for packaging its products are, as the Fifth Circuit noted [in *Two Pesos*], almost unlimited, typically a trade dress will be arbitrary or fanciful and thus inherently distinctive, and the only real question for the courts will be whether there is a likelihood of confusion between the products, . . . provided, of course, the trade dress is not functional.

Paddington Corp. v. Attiki Importers & Distrib., Inc., 996 F.2d 577, 583, 27 U.S.P.Q.2d (BNA) 1189, 1193 (2d Cir. 1993) (citation omitted). This does not mean, however, that product configuration trade dress should be treated differently from packaging as a matter of law. Rather, it means that courts should be vigilant in exploring, as a factual matter, the real-world constraints that make product configuration less likely to be "arbitrary," "fanciful," or "suggestive." *Cf.* Dratler, *Trademark Protection*, *supra* note 7, at 956 (arguing that "suggestive" hue in traditional distinctiveness spectrum should not apply to product configurations because opportunities for "suggesting" product qualities through physical design features are limited).

[202] *See* Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 773, 23 U.S.P.Q.2d (BNA) 1081, 1085 (1992) ("[S]uggestive marks are eligible for protection without any proof of secondary meaning, since the connection between the mark and the source is presumed.") (citation omitted); *see also* Stuart Hall Co. V. Ampad corp. 51 F.3d 780, 786, 34 U.S.P.Q.2d (BNA) 1428, 1432 (8th Cir. 1995) ("[a]s discussed in *Two Pesos* and *Chevron*, source-identification is presumed when trade dress is suggestive or arbitrary or fanciful.").

[203] *See* Duraco Prods., Inc. v. Joy Plastic Enters., 40 F.3d 1431, 1442, 32 U.S.P.Q.2d (BNA) 1724, 1733 (3d Cir. 1994) ("Just as inherently distinctive trademarks are protected because presumptively they identify the product's source, inherently distinctive trade dress is protected because

Similarly, a descriptive mark requires a showing of secondary meaning for protection not simply because it connotes something about the product, but rather because there are only a few alternatives to using descriptive language in promotion and advertising.[195]

When alternatives are limited, courts are justified in presuming that: (1) rival producers will have a legitimate need to use the same or similar symbols; and (2) they likely will do so (or will have done so), thus rendering the plaintiff's use nonunique and therefore nondistinctive.[196] For descriptive marks, the alternatives to which are not *too* limited, a showing of secondary meaning refutes these presumptions and demonstrates that the symbol in fact serves an identification function.[197] In so doing, it demonstrates that the range of alternatives, under the circumstances, is not so small as to impair

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U.S.P.Q.2d (BNA) 1176, 1180 (2d Cir. 1995).

> [W]here it is the custom in a particular industry to package products in a similar manner, a trade dress done in that style is likely to be generic. In other words, when the possibilities of the ultimate trade dress for a product are limited and the trade dress is therefore in commonplace use, it is unlikely that consumers will view the trade dress as distinctive of the goods or services of a particular seller.

Id. (citation omitted)

[195] *See* Blau Plumbing, Inc. v. S.O.S. Fix-It, Inc., 781 F.2d 604, 609-10, 228 U.S.P.Q. (BNA) 519, 521 (7th Cir. 1986) (Plaintiff "cannot appropriate the English language, and by doing so render a competitor inarticulate.").

[196] *See Mana Prods.*, 65 F.3d at 1069-70, 36 U.S.P.Q.2d (BNA) at 1180.

[197] *See* Duraco Prods., Inc. v. Joy Plastic Enters., 40 F.3d 1431, 1442, 32 U.S.P.Q.2d (BNA) 1724, 1733 (3d Cir. 1994) ("[J]ust as descriptive trademarks, which are neither generic nor inherently distinctive, may be protected upon proof of secondary meaning, trade dress that is not functional (and thus leaves a satisfactory number of competitively viable alternatives . . .) but not inherently distinctive (and thus not a presumptive source indicium) may be protected, but only if secondary meaning is shown.") (citations omitted).

configuration[189] and consumers' motives for buying it[190] than in cases involving other types of trade symbols.

Yet the significance of this observation may have been overblown. The gist of the traditional distinctiveness spectrum is not

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[189] *See* Versa Prods. Co. v. Bifold Co., 50 F.3d 189, 201, 33 U.S.P.Q.2d (BNA) 1801, 1809 (3d Cir.) ("the general lack of legitimate reasons for copying a competitor's mark" does not apply to product configurations because copyist may be attempting to capitalize on goodwill of product's appearance or function, not its source), *cert. denied*, 116 S. Ct. 54 (1995).

[190] Consumers may want a product with a particular configuration because of its intrinsic utility or aesthetics, rather than because of its connotation of a single source. *See* EFS Mktg., Inc. v. Russ Berrie & Co., 76 F.3d 487, 491, 37 U.S.P.Q.2d (BNA) 1646, 1649 (2d Cir. 1995) (referring to Knitwaves, Inc. v. Lollytogs, Ltd., 71 F.3d 996, 1007-08, 36 U.S.P.Q.2d (BNA) 1737, 1746 (2d Cir. 1995)) (citation omitted):

> In *Knitwaves* . . ., which involved a design on a sweater, we explained that product-configuration trade dresses are less likely than packaging-configuration dresses to serve the source-identification function that is a prerequisite to Lanham Act protection. We recognized that consumers do not associate the design of a product with a particular manufacturer as readily as they do a trademark or a product-packaging trade dress. They are more likely to be attracted to the product for the product's features, rather than for the source-identifying role the features might play.

This observation is undoubtedly valid, but it is no reason to adopt a whole new general rule for inherent distinctiveness of product configurations, especially one in the form of an untried and conceptually new test. Instead, it is a reason for vigilance in applying traditional tests, in recognizing as a *matter of fact, where true*, that consumers are aware of and responding to a product's utility and aesthetics rather than its identification of source. Whether consumers respond to utility and aesthetics *per se* or to their designation of source is a quintessentially factual question depending upon a million things that vary widely from case to case. To attempt to corral those wayward facts into a single stockade, particularly at this stage of development of trade dress law, is to deny the fundamental fact-dependence of trade symbol law and curtail the discretion that district courts need to respond to the countless variant fact patterns of the real world.

conclusion that secondary meaning is not required for inherently distinctive trade dress.[184]

The door to a broader interpretation can be opened by observing that the word "likelihood" does not necessarily require direct proof. If the word "likelihood" is interpreted as allowing, indeed inviting, indirect proof, a test based upon likelihood may have some merit. To show why, however, requires discussing the perception of a need for alternatives to the *Abercrombie* spectrum in the first place.

Judicial development of alternatives to the *Abercrombie* spectrum for product configurations[185] appears to have been motivated in part by a fundamental difference between product configurations and other trade symbols. The traditional distinctiveness spectrum does not apply as well to product configurations as to verbal trademarks,[186] and even product packaging, because product configurations do not "speak" or "communicate" in the same way that words do, or that even product packaging may.[187] As I once said myself, product configurations "do

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> as something that renders the product intrinsically more desirable regardless of the source of the product, or primarily as a signifier of the product's source.

Duraco, 40 F.3d at 1450, 32 U.S.P.Q.2d (BNA) at 1739 (footnote omitted).

[184] *See* Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 774-76, 23 U.S.P.Q.2d (BNA) 1081, 1086 (1992).

[185] *See supra* text accompanying notes 158-65.

[186] *See Duraco*, 40 F.3d at 1441, 32 U.S.P.Q.2d (BNA) at 1732 ("[W]e conclude that the [*Abercrombie*] trademark taxonomy, carefully and precisely crafted through a long succession of cases to accommodate the particularities of trademarks, does not fit the quite different considerations applicable to product configurations.") (footnote omitted).

[187] Packaging trade dress may be different in this regard, for some packaging designs may "speak." *See* Paddington Corp. v. Attiki Importers & Distrib., Inc., 996 F.2d 577, 584, 27 U.S.P.Q.2d (BNA) 1189, 1193 (2d Cir.

conceptual separability[177] that has wreaked judicial havoc in the field of copyright.[178] Second, it has no support whatsoever in the text of the Lanham Act.[179] Third, it is so starkly different from the test for inherent distinctiveness of other types of trade symbols that it would rupture the coherence between trade dress and other trade symbols that the *Two Pesos* court strove to preserve.[180] For these reasons,

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[177] *See* Duraco Prods., Inc. v. Joy Plastic Enters., 40 F.3d 1431, 1449, 32 U.S.P.Q.2d (BNA) 1724, 1739 (3d Cir. 1994) ("To be inherently distinctive, a product configuration must also be conceptually separable from the product, so that a consumer will recognize its symbolic (signifying) character."); *id.* at 1449-50, 32 U.S.P.Q.2d (BNA) at 1739 ("[T]he configuration for which protection is sought . . . [must] appear to the consumer to act as an independent *signifier* of origin rather than as a component of the good.") (emphasis in original).

[178] For an object lesson on the vanity of "conceptual separability" as a workable standard, see the dissenting opinion in Carol Barnhart, Inc. v. Economy Cover Corp., 773 F.2d 411, 422-26, 228 U.S.P.Q.2d (BNA) 385, 392-95 (2d Cir. 1985) (noting four different and highly abstract tests for conceptual separability proposed by courts and commentators and arguing for yet another abstract test, based upon whether "the design creates in the mind of the ordinary observer two different concepts that are not inevitably entertained simultaneously"). *See also* DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, § 5.02[3][a] (1991) (discussing generally the "conceptual separability" standard and its enigmatic treatment in the courts).

[179] *See* Knitwaves, Inc. v. Lollytogs, Ltd., 71 F.3d 996, 1009 n.6, 36 U.S.P.Q.2d (BNA) 1737, 1747 n.6 (2d Cir. 1995) (rejecting three-part test of *Duraco* as "not rooted in the language of the Lanham Act" and citing *Stuart Hall* as similarly rejecting *Duraco* test).

[180] *See supra* notes 141, 156. Indeed, the *Duraco* test would go far to resurrect for product configurations the requirement for secondary meaning that the *Two Pesos* Court disapproved as a prerequisite for all trade dress:

> If the configuration itself, separate from the product, is likely to serve some substantial purpose other than as a designation of origin--that is, besides to set it apart from other sources' products in consumers' minds--then it cannot be inherently distinctive, but must acquire secondary meaning before becoming entitled to

doctrine, in which little turns on intent.[171] Third and most important, because an intent test would practically duplicate the requirement for secondary meaning,[172] it, too, would clash with the thrust of the *Two Pesos* Court's "single concept" analysis of trade dress and trademarks.[173] Fourth, an intent test would be inconsistent with the fundamental goal of trademark law, for creating a workable "shorthand" requires focusing on consumers' perceptions, not producers' intent.[174] Finally, with respect to product configurations,

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[171] *See* DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, §§ 9.02[3][d], 10.01[3][g] (defendant's intent is relevant only to assessing secondary meaning and likelihood of confusion in trademark infringement cases and should not be decisive even on those points); *id.* § 1.07[2] (intent may be considered on these issues, but is not decisive; intent is important only as to certain remedies). *But cf. id.* §§ 12.04[5], 12.05[1][b][i], 12.06[3][b][i] (intent may be important in prescribing proper remedy).

[172] *See* Krueger Int'l, Inc. v. Nightingale Inc., 915 F. Supp. 595, 602, 40 U.S.P.Q.2d (BNA) 1334, 1339 (S.D.N.Y. 1996) (citation omitted):

> Inherent distinctiveness cannot hinge on how a producer intends to promote a design. If such were the case, the evidentiary requirements of inherent distinctiveness would be almost identical to those for secondary meaning, and there would be no point in having two categories. A producer could only prove 'intent' by producing evidence of how he or she has advertised (or positioned) the product, and by producing consumer surveys showing how well the advertising worked. This is precisely the kind of evidence required for a showing of secondary meaning.

See also supra note 169.

[173] *See supra* notes 141 and 156.

[174] This is not to say that a *defendant's* intent is irrelevant to the issue of liability. Intent bears on both the existence of secondary meaning and the likelihood of confusion. *See* DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, §§ 9.02[3][d], 10.01[3][g]. Insofar as inherent distinctiveness is concerned, however, intent is relevant only inferentially, and then only through a weak inference: where a defendant intends to trade upon the plaintiff's good will, there is an inference that there is good will worth trading upon, and hence some distinctiveness. This inference, however, duplicates a similar inference for secondary meaning and therefore

serving;[163] (3) those that depend upon the symbol owner's intent;[164] and (4) the three-part *Duraco* test.[165]

Three of these four tests can readily be eliminated as serious contenders for sensible law. The capability test sets far too low a threshold for inherent distinctiveness.[166] Every symbol--unless

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[163] *See, e.g.*, L. & J.G. Stickley, Inc. v. Canal Dover Furniture Co., 79 F.3d 258, 262, 38 U.S.P.Q.2d (BNA) 1202, 1205 (2d Cir. 1996) ("[A]n inherently distinctive trade dress is one that is 'likely to serve primarily as a designator of origin of the product,' . . . taking into account 'the nature of the [designation] and the context in which it is used.'") (quoting *Knitwaves*, 71 F.3d at 1008, 36 U.S.P.Q.2d (BNA) at 1746) (other citations omitted).

[164] *See Knitwaves*, 71 F.3d at 1009, 36 U.S.P.Q.2d (BNA) at 1747 (reversing judgment on trade dress claim for lack of inherent distinctiveness where plaintiff's "*objective* in the two sweater designs was primarily aesthetic, [and] the designs were not primarily *intended* as source identification") (emphasis added).

> Not only does the classification of marks into 'generic,' 'descriptive,' 'suggestive,' or 'arbitrary or fanciful' make little sense when applied to product features, but it would have the unwelcome, and likely unintended, result of treating a class of product features as 'inherently distinctive,' and thus eligible for trade dress protection, even though they were *never intended to serve a source-identifying function.*

Id. at 1007, 36 U.S.P.Q.2d (BNA) at 1745-46 (emphasis added); *see also Duraco*, 40 F.3d at 1450, 32 U.S.P.Q.2d (BNA) at 1739 (quoted *infra* note 180).

[165] *See Duraco*, 40 F.3d at 1434, 32 U.S.P.Q.2d (BNA) at 1725 ("[T]o be inherently distinctive, a product feature or a combination or arrangement of features, i.e, a product configuration, for which Lanham Act protection is sought must be (i) unusual and memorable; (ii) conceptually separable from the product; and (iii) likely to serve primarily as a designator of origin of the product.").

[166] *Id.* at 1447, 32 U.S.P.Q.2d (BNA) at 1737. A standard of inherent distinctiveness based upon the "capacity of the product's configuration to distinguish the plaintiff's goods from others" would be "grossly overinclusive. It [would also be] circular: clearly *any* perceptible product

Other federal circuits, however, have rejected the *Abercrombie* approach in assessing the distinctiveness of product configurations,[159] apparently fearing that the traditional approach is not strong enough to avoid conflict with patent policy in product configuration cases.[160] These courts have proposed various tests for inherent distinctiveness in product configurations, some of which are more statements of the question posed than answers to it.[161] Insofar as the tests have more

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[159] *See, e.g.*, Knitwaves, Inc. v. Lollytogs Ltd., 71 F.3d 996, 1007-08, 36 U.S.P.Q.2d (BNA) 1737, 1745-46 (2d Cir. 1995) (refusing to apply *Abercrombie* distinctiveness spectrum to trade dress consisting of product features, as distinguished from packaging) (quoted *infra* note 164); Duraco Prods., Inc. v. Joy Plastic Enters., 40 F.3d 1431, 1440-42, 32 U.S.P.Q.2d (BNA) 1724, 1731-32 (3d Cir. 1994) (quoted *infra* note 191); *see also* EFS Mktg., Inc. v. Russ Berrie & Co., 76 F.3d 487, 491, 37 U.S.P.Q.2d (BNA) 1646, 1649-50 (2d Cir. 1996) (adopting *Knitwaves* standard for inherent distinctiveness of product-configuration trade dress); Versa Prods. Co. v. Bifold Co., 50 F.3d 189, 193, 197, 199, 203, 33 U.S.P.Q.2d (BNA) 1801, 1802, 1806-07 (3d Cir.) (disapproving district court's reliance on *Abercrombie* classifications in finding trade dress of directional control valves inherently distinctive, but declining to decide case on that basis and instead declaring finding of likelihood of confusion below clearly erroneous), *cert. denied*, 116 S. Ct. 54 (1995).

[160] *See Knitwaves*, 71 F.3d at 1008, 36 U.S.P.Q.2d (BNA) at 1746 ("While 'arbitrary,' 'fanciful,' or 'suggestive' packaging of a product may be presumed to serve this source-identifying function, and thus may be deemed *per se* distinctive of the source, . . . the same presumption may not be made with regard to product features or designs whose primary purposes are likely to be functional or aesthetic.") (citation omitted).

[161] *See, e.g.*, Insty*Bit, Inc. v. Poly-Tech Indus., 95 F.3d 663, 673, 39 U.S.P.Q.2d (BNA) 1961, 1968 (8th Cir. 1996) ("[A] determination of inherent distinctiveness turns on 'whether or not the trade dress is of such a design that a buyer will immediately rely on it to differentiate the product from those of competing manufacturers.'") (quoting Tone Bros., Inc. v. Sysco Corp., 28 F.3d 1192, 1206, 31 U.S.P.Q.2d (BNA) 1321, 1331 (Fed Cir. 1994)); Imagineering, Inc. v. Van Klassens, Inc., 53 F.3d 1260, 1263-1264, 34 U.S.P.Q.2d (BNA) 1526, 1528 (Fed. Cir.) ("Trade dress is inherently distinctive when, by its 'intrinsic nature,' it identifies the particular source of a product.") (citation omitted), *cert. denied*, 116 S. Ct. 277 (1995).

Apart from evidence of actual consumer identification with a single

and their functionality.[152] As a result, the distinctiveness requirement of trade symbol law--the most basic requirement of all--often nonsuits plaintiffs in trade dress cases involving product configurations and thereby avoids any serious risk of conflict with patent policy.

The traditional method for assessing the distinctiveness of a trade symbol is to place it properly in the distinctiveness "spectrum" first fully described by Judge Friendly in the *Abercrombie* case.[153] That spectrum consists of four hues: arbitrary or fanciful symbols, suggestive symbols, descriptive symbols, and generic symbols. Symbols in the first two categories are inherently distinctive and enjoy protection without a showing of secondary meaning, while descriptive symbols require secondary meaning for protection and generic symbols cannot be protected even upon a showing of secondary meaning.[154]

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[151] *EFS Mktg.*, 76 F.3d at 490, 37 U.S.P.Q.2d (BNA) at 1649 ("In view of the district court's finding that 'both parties' dolls [are] virtually indistinguishable from the 1961 public domain doll,' . . . it is most unlikely that consumers would look to [plaintiff] as the sole producer of the troll dolls at issue.") (citation omitted).

[152] *See, e.g.*, August Storck K.G. v. Nabisco, Inc., 59 F.3d 616, 620, 35 U.S.P.Q.2d (BNA) 1211, 1214 (7th Cir. 1995); Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc., 58 F.3d 27, 33 n.4, 35 U.S.P.Q.2d (BNA) 1284, 1288 n.4 (2d Cir. 1995) (as functional elements, blank white interiors and cellophane wrapping for greeting cards did not increase distinctiveness of trade dress of die-cut photographic cards, "even considered as a whole"); Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 874, 31 U.S.P.Q.2d (BNA) 1481, 1488 (8th Cir. 1994) (per curiam) ("flowered" top of cellophane bag was "clearly the result of tying the cellophane closed (instead of, for example, stapling or sealing it), and must be one of the most common, and least arbitrary, shapes in packaging: every Christmas fruit basket and liquor bottle wrapped in cellophane or plastic that is tied closed has a similarly shaped 'flower'").

[153] Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9, 189 U.S.P.Q. (BNA) 759, 764 (2d Cir. 1976).

[154] *See generally* Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 768-69, 23 U.S.P.Q.2d (BNA) 1081, 1083-84 (1992) (describing *Abercrombie* distinctiveness

against a finding of secondary meaning.[146] Thus, although not with airtight certainty, well-established trade symbol doctrine--the requirement for distinctiveness--generally precludes patent-like protection for technical or design solutions that are commonplace or ordinary.[147]

Moreover, being ordinary or commonplace is not the only way in which a symbol can lack distinctiveness. Trade symbols can fail to meet this requirement for many reasons, including their conformity with industry custom,[148] their widespread third-party use,[149] their long

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[146] *See supra* note 145 and *infra* note 149.

[147] Conversely, trade dress that is unique or extraordinary normally qualifies as inherently distinctive. *See, e.g.*, Imagineering, Inc. v. Van Klassens, Inc., 53 F.3d 1260, 1264, 34 U.S.P.Q.2d (BNA) 1526, 1528-29 (Fed. Cir.), *cert. denied*, 116 S. Ct. 277 (1995) (outlined *infra* note 233); *Tone Bros.*, 28 F.3d at 1206, 31 U.S.P.Q.2d (BNA) at 1331 (evidence of inherent distinctiveness of trade dress was sufficient to survive summary judgment where it was apparently first of its kind and where third party said he had never before seen spice jar that was transparent or that had shape of plaintiff's jar in relevant trade channel); *Computer Care*, 982 F.2d at 1069, 25 U.S.P.Q.2d (BNA) at 1024 (evidence that trade dress of reminder sales brochure, reminder letters, and monthly reports for automobile service department reminder systems was unique in car services industry supported finding of inherent distinctiveness); *Paddington*, 996 F.2d at 584, 27 U.S.P.Q.2d (BNA) at 1193 (trade dress of ouzo bottle was inherently distinctive where record contained no evidence of any industry practice of using similar design); *see also* Insty*Bit, Inc. v. Poly-Tech Indus., 95 F.3d 663, 673, 39 U.S.P.Q.2d (BNA) 1961, 1968 (8th Cir. 1996) (evidence that design of quick-change drill products was "unique when introduced" bore on both inherent distinctiveness and secondary meaning, thereby precluding summary judgment for defendant).

[148] *See Mana Prods.*, 65 F.3d at 1069-70, 36 U.S.P.Q.2d (BNA) at 1180 (citation omitted).

> [W]here it is the custom in a particular industry to package products in a similar manner, a trade dress done in that style is likely to be generic. In other words, when the possibilities of the ultimate trade dress for a product are limited and the trade dress is therefore in commonplace use, it is unlikely that consumers will view the trade dress

If it is not sufficiently distinctive to identify the source of the products, it cannot be protected as a trade symbol.[143] In applying this requirement, courts view the asserted trade dress as a whole, not as a collection of individual features.[144]

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dress with a single producer or source rather than with the product itself.") (citation omitted); George Basch Co. v. Blue Coral, Inc., 968 F.2d 1532, 1534, 1536, 23 U.S.P.Q.2d (BNA) 1351, 1355 (2d Cir. 1992) ("A product's trade dress has acquired 'secondary meaning' when 'the purchasing public has come to associate [its constituent] words, symbols, collocations of colors and designs, or other advertising materials . . . with goods from a single source.'") (citation omitted).

In order to have secondary meaning, however, a trade symbol must enjoy more than just "an association" with a single source; the source must have "primary significance." *See, e.g.*, Qualitex Co. v. Jacobson Prods. Co., 115 S. Ct. 1300, 1303, 34 U.S.P.Q.2d (BNA) 1161, 1163 (1995); Inwood Lab. v. Ives Lab., Inc., 456 U.S. 844, 851 n.11, 214 U.S.P.Q. (BNA) 1, 4 n.11 (1982) ("To establish secondary meaning, a manufacturer must show that, in the minds of the public, the primary significance of a product feature or term is to identify the source of the product rather than the product itself."); Kellogg Co. v. National Biscuit Co., 305 U.S. 111, 118, 39 U.S.P.Q. (BNA) 296, 299 (1938) (origin of "primary significance" requirement).

[143] *L. & J.G. Stickley*, 79 F.3d at 262, 38 U.S.P.Q.2d (BNA) at 1205 (exact copies of antique furniture made according to designs abandoned for nearly seventy years could not "primarily designate" manufacturer; "[u]nless a consumer were to inquire, or turn a piece of furniture upside down and search for the trademark, [plaintiff's] reproduction would look just like an original [antique] piece that commands hundreds of thousands of dollars in the antiques marketplace") (citation omitted).

[144] *See, e.g., Mana Prods.*, 65 F.3d at 1069, 36 U.S.P.Q.2d (BNA) at 1180 ("[A] product's distinctiveness is based upon the way in which the trade dress, when viewed as a whole, appears to the observer, not on a single aspect of its design.") (citation omitted); *Duraco*, 40 F.3d at 1439, 32 U.S.P.Q.2d (BNA) at 1730 ("[A] product configuration may be distinctive although no particular individual element or feature would be considered distinctive in isolation."); Computer Care v. Service Sys. Enters., 982 F.2d 1063, 1069, 25 U.S.P.Q.2d (BNA) 1020, 1024 (7th Cir. 1992) (Although trade dress of reminder sales brochure, reminder letters, and monthly reports for automobile service department reminder systems had generic elements such as window envelopes and descriptive elements such as illustrations and titles, trade dress as a whole was protected where some features were suggestive and many were arbitrary); *Paddington*, 996 F.2d at 584, 27

product configuration, may be protected only if it is distinctive,[141]

[141] Before the Supreme Court's decision in *Two Pesos*, some courts had ruled that trade dress could be distinctive only if it had acquired secondary meaning. *See* Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 772-73, 23 U.S.P.Q.2d (BNA) 1081, 1085-86 (1992) (discussing, inter alia, the Second Circuit's decisions in Vibrant Sales, Inc. v. New Body Boutique, Inc., 652 F.2d 299, 303-04, 211 U.S.P.Q. (BNA) 297, 300-01 (2d Cir. 1981) and Stormy Clime Ltd. v. Progroup, Inc., 809 F.2d 971, 974, 1 U.S.P.Q.2d (BNA) 2026, 2028 (2d Cir. 1987)). The Supreme Court, however, disapproved this approach in *Two Pesos*, finding no textual basis in the Lanham Act, and no good reason in policy, for treating trade dress any differently than trademarks, which are protected upon a showing of *either* inherent distinctiveness *or* secondary meaning. 505 U.S. at 773, 23 U.S.P.Q.2d (BNA) at 1085-86; *see also* Mana Prods., Inc. v. Columbia Cosmetics Mfg., 65 F.3d 1063, 1069, 36 U.S.P.Q.2d (BNA) 1176, 1179 (2d Cir. 1995) (explaining effect of Court's decision in *Two Pesos*); Tone Bros., Inc. v. Sysco Corp., 28 F.3d 1192, 1205-06 & n.12, 31 U.S.P.Q.2d (BNA) 1321, 1330-31 & n.12 (Fed. Cir. 1994) (since trade dress may be protected if it is inherently distinctive or has acquired secondary meaning, summary judgment for defendant must be reversed if there are genuine issues of fact on either score), *cert. denied*, 115 S.Ct. 1356 (1995). In so doing, the Court created a unitary and coherent legal theory for both trademarks and trade dress. *See also infra* n.156

Whether that theory applies in the same way to trade dress in product configurations is a matter of dispute. *Compare* Stuart Hall Co. v. Ampad Corp., 51 F.3d 780, 787, 34 U.S.P.Q.2d (BNA) 1428, 1433 (8th Cir. 1995) ("We . . . read *Two Pesos* as resting on a presumption that 'trade dress' is a single concept that encompasses both product configuration and packaging, and find that its holding applies to trade dress as a whole, not merely to packaging."), *with* Landscape Forms, Inc. v. Columbia Cascade Co., 113 F.3d 373, 379-80, 42 U.S.P.Q.2d (BNA) 1641, 1645 (2d Cir. 1997) (*Landscape II*) (distinguishing product-configuration from product-packaging cases and applying "likely to serve as a source designator" standard of distinctiveness to former and *Abercrombie* classifications, *see infra* text accompanying notes 152-54, to latter), *and* Fun-Damental Too Ltd. v. Gemmy Indus. Corp., 111 F.3d 993, 42 U.S.P.Q.2d (BNA) 1348, 1353-54 (2d Cir. 1997) (distinction between product configuration and packaging is warranted by (1) precedent for applying *Abercrombie* classifcations to product packaging, (2) greater difficulty of applying them to product itself, and (3) greater likelihood that consumers will rely on packaging as indicator of source), *and* Duraco Prods., Inc. v. Joy Plastic Enters., 40 F.3d 1431, 1441, 32 U.S.P.Q.2d (BNA) 1724, 1732 (3d Cir. 1994) ("*Two Pesos* dealt with a restaurant's decor, more akin to product packaging than product configuration."). The thrust of the *Two Pesos* Court's rationale, however, was that there is no textual basis in the

Boats Court appeared to open even wider[135] the door that *Sears*[136] and *Compco* [137] had left ajar.

In any event, nothing in the holy trinity of preemption cases predetermines--much less forecloses--the analysis presented in this article. The three cases were preemption cases, striking down extreme remedies under state law (or, in *Bonito Boats*, striking down the state law on its face)[138] because of a direct and fairly obvious conflict with federal patent policy and the "right to copy" drawn by negative implication from explicit language of the Copyright Clause. They have little to say about how that same penumbral right should apply to federal legislation adopted under a separate and co-equal grant of federal constitutional authority and confirmed by clear indications of

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[135] *See Bonito Boats*, 489 U.S. at 154, 9 U.S.P.Q.2d (BNA) at 1853-54 (softening "preemptive sweep" of *Sears* and *Compco*); *id.* at 166, 9 U.S.P.Q.2d (BNA) at 1858 (noting Congress' approval of federal trade dress protection); *supra* note 113.

[136] *See* Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 232, 140 U.S.P.Q. (BNA) 524, 528 (1964) (footnote omitted):

> Doubtless a State may, in appropriate circumstances, require that goods, whether patented or unpatented, be labeled or that other precautionary steps be taken to prevent customers from being misled as to the source, just as it may protect businesses in the use of their trademarks, labels or distinctive dress in the packaging of goods so as to prevent others, by imitating such markings, from misleading purchasers as to the source of the goods.

[137] *See* Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234, 238, 140 U.S.P.Q. (BNA) 528, 531 (1964) (alternatives to protected design, nonfunctionality, secondary meaning, and confusion "may be relevant evidence in applying a State's law requiring such precautions as labeling."); *see also L.A. Gear*, 988 F.2d at 1131, 25 U.S.P.Q.2d (BNA) at 1923 ("[T]he Court in *Bonito Boats* reaffirmed the principle of *Sears* and *Compco*, and reiterated that the public has the right to copy the design of goods that are unprotected by patent or copyright, *absent consumer confusion or deception.*") (emphasis added).

[138] *See supra* text accompanying notes 130-31.

The final reason why the holy trinity of preemption cases has little to say about the subject of this article is that the remedies before the Court in those cases were extreme or nonexistent. In *Sears* and *Compco* the plaintiffs requested and received permanent injunctions of perpetual duration, prohibiting their competitors forever from producing and selling products identical or confusingly similar to their own products.[129] In addition to conflict with the patent laws, both injunctions would have raised questions of overbreadth under today's standards.[130] In *Bonito Boats*, no remedy was cited, as the state

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See also L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1131, 25 U.S.P.Q.2d (BNA) 1913, 1923 (Fed. Cir. 1993) ("The 1988 amendment of § 43(a) . . . provided reassurance that protection of distinctive trade dress was not eliminated by *Sears* and *Compco*, by codifying the common law protection against confusion and deception.") (citation omitted).

The fact that Congress repeatedly refused to adopt statutory protection for industrial designs through a simple registration system should be irrelevant. *See* Dratler, *Trademark Protection*, *supra* note 7, at 887, 904-05. Like the patent and copyright laws, such a design registration law would have had the purpose of encouraging innovation in designs through financial incentives. Trade symbol protection for design features, however, has different purposes. *See supra* text accompanying notes 41-46 and note 122. Therefore Congressional disfavor for design registration laws should not be imputed to trade dress protection, as the *Duraco* court appeared to do. *See* Duraco Prods., Inc. v. Joy Plastic Enters., 40 F.3d 1431, 1446, 32 U.S.P.Q.2d (BNA) 1724, 1737 (3d Cir. 1994) ("We believe that courts should exercise restraint so as not to undermine Congress's repeated determinations not to afford virtually perpetual protection to product configurations with an expansive construction of section 43(a).").

[129] *See* Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 227-28, 140 U.S.P.Q. (BNA) 524, 526 (1964) (injunction below had prohibited "selling or attempting to sell pole lamps identical to or confusingly similar to" plaintiff's); Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234, 236, 140 U.S.P.Q. (BNA) 528, 530 (1964) (injunction below had prohibited "sale or attempted sale of [products] identical to, or confusingly similar to" those of the plaintiff).

[130] *See* FED. R. CIV. P. 65(c) ("Every order granting an injunction . . . shall be specific in terms [and] shall describe in reasonable detail, and not by reference to the complaint or other documents, the act or acts sought to be restrained."); DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, § 13.01[3][a] (discussing breadth of injunctive relief in trade symbol cases generally).

addresses directly the preconditions necessary for robust, free competition in the marketplace.[123] As a result, it should not fall under the shadow of the penumbral right to copy that the holy trinity of preemption cases discerned in the Copyright Clause.[124]

More important, trade symbol law draws its constitutional authority from the Commerce Clause, not the Copyright Clause.[125] Certainly the penumbra of negative implications from the Copyright Clause falls less darkly over an independent and (in modern constitutional jurisprudence) central source of federal power than it falls over state laws explicitly designated by the Constitution as subordinate to federal power.[126] If the reverse were true, then federal laws prohibiting, for example, the duplication and marketing of unregistered stock certificates or the manufacture of new drugs that have not received regulatory pre-marketing approval would be subject to constitutional question for the same reason as trade symbol law.

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where radical innovation is unusual, no doubt in part due to the inherent conservatism of consumers' preferences for their morning meals. But to say that trade symbol protection has the incidental *effect* of providing such incentives is not to say that that is its purpose. Indeed, this article argues that trade dress protection should be "trimmed" to fit its primary purpose--providing shorthand identifiers of product source in a confusing and various marketplace. *See infra* text accompanying notes 474-507, 546-56.

[123] *See supra* text accompanying notes 50-58; *see also* Gleiberman, *supra* note 122, at 2056-57 ("[T]he essential difference" in purpose "between trademark law, on the one hand, and copyright and patent law, on the other" is "too often overlooked.").

[124] Thus, the conclusion drawn by Judge Cudahy in the *Kohler* case appears too broad. 12 F.3d at 647, 29 U.S.P.Q.2d (BNA) at 1254 (Cudahy, J., dissenting) ("[T]he constitutional right to copy after a patent expires or in the absence of a patent is the reciprocal of the constitutional right to prohibit copying for a limited term under the Patent Clause.").

[125] *See supra* text accompanying notes 33-36; *see also supra* note 34.

[126]

the holy trinity of preemption cases did not address that balancing process, they are irrelevant to the task.[117]

Of course, the balancing process might be skewed to the extent that the "right to copy" under *Sears*, *Compco*, and *Bonito Boats*[118] has constitutional stature. It has been suggested that such stature exists, and therefore that the right to copy should trump the policies underlying federal trade symbol law as neatly as supreme federal policy trumped state law in the three cases themselves.[119]

That approach, however, is much too facile. Nothing explicit in the Constitution creates the "right to copy" divined in *Sears*, *Compco*, and *Bonito Boats*. It is a right drawn by negative implication from

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[117] *Sears* and *Compco* are justly famous for their stark absolutism and the absence of any balancing. *See supra* notes 112-13. In contrast, even later cases on preemption, including *Bonito Boats*, treated the issue of conflict with much more sensitive analysis. *See* Kewanee Oil Co. v. Bicron Corp., 416 U.S. 470, 480-91, 181 U.S.P.Q. (BNA) 673, 678-82 (1974) (discussing patent policy and trade secret policy in depth and at length before deciding that state trade secret law was not pre-empted); Aronson v. Quick Point Pencil Co., 440 U.S. 257, 262-266, 201 U.S.P.Q. (BNA) 1, 4-6 (1979) (similarly detailed analysis and result for state contract law); *see also Bonito Boats*, 489 U.S. at 165, 9 U.S.P.Q.2d (BNA) at 1858 ("Our decisions since *Sears* and *Compco* have made it clear that the Patent and Copyright Clauses do not, by their own force or by negative implication, deprive the States of the power to adopt rules for the promotion of intellectual creation within their own jurisdictions.") (citations omitted); Goldstein v. California, 412 U.S. 546, 552-61, 178 U.S.P.Q. (BNA) 129, 135-39 (1973) (upholding California's criminal record-bootlegging prohibition against preemption challenge, prior to federal copyright protection for sound recordings); *cf. Bonito Boats*, 489 U.S. at 157-65, 167-68, 9 U.S.P.Q.2d (BNA) at 1854-57, 1858-59 (analyzing in some detail why Florida state law prohibiting copying of boat hulls by direct molding process conflicted with federal patent principles before holding it preempted).

[118] *See supra* text accompanying note 102-04.

[119] *See* Kohler Co. v. Moen Inc., 12 F.3d 632, 647, 29 U.S.P.Q.2d (BNA) 1241, 1253 (7th Cir. 1993) (Cudahy, J., dissenting) ("The conflict, then, is directly between a federal statutory scheme rooted in the Constitution and a federal codification of the common law.") (footnote omitted); *see also id.*

countervailing federal policies, or even to discuss them in detail.[109] Under the Supremacy Clause,[110] it does not matter what laudable state policy is put forward to justify a state law; the mere fact that it conflicts with federal policy is enough to strike it down. No balancing of policy is necessary or permitted, and certainly none was done in any of the holy trinity of cases.[111] Indeed, the rationales of *Sears* and *Compco* were expressed in such stark, "absolutist" terms,[112] that the

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[109] *Cf. Ferrari*, 944 F.2d at 1241, 20 U.S.P.Q.2d (BNA) at 1007 (trilogy of "cases involved only the preemption of state unfair competition law by federal patent law, not the scope of federal trademark or unfair competition law").

[110] U.S. CONST. art. VI, cl. 2.

> This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or the Laws of any State to the Contrary notwithstanding.

Id.

[111] *See supra* note 105.

[112] This is the *Bonito Boats* Court's own description. *See Bonito Boats*, 489 U.S. at 154, 9 U.S.P.Q.2d (BNA) at 1853, quoted *infra* note 113.. To verify it, see *Compco*, 376 U.S. at 238, 140 U.S.P.Q. (BNA) at 530-31 (citation omitted):

> A State of course has power to impose liability upon those who, knowing that the public is relying upon an original manufacturer's reputation for quality and integrity, deceive the public by palming off their copies as the original. 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

the designs under state law.[104] The supremacy of federal law was the basis for all three decisions.[105]

Although all three decisions are often cited in cases dealing with federal statutory protection for product designs,[106] they actually have little to say on the subject. Of course their mere reliance on federal preemption of state law does not totally remove them from consideration. They do indeed identify a potential for conflict between putatively perpetual protection for product configurations

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[104] In *Sears* and *Compco*, the law at issue was Illinois' common law of unfair competition. *Sears*, 376 U.S. at 226, 140 U.S.P.Q. (BNA) at 526; *Compco*, 376 U.S. at 235, 140 U.S.P.Q. (BNA) at 529. In *Bonito Boats*, it was a special Florida statute that prohibited copying of boat hull designs by direct molding processes. 489 U.S. at 144-45, 9 U.S.P.Q.2d (BNA) at 1849.

[105] *See Sears*, 376 U.S. at 232-33, 140 U.S.P.Q. (BNA) at 528 ("[B]ecause of the federal patent laws a State may not, when the article is unpatented and uncopyrighted, prohibit the copying of the article itself or award damages for such copying.") (citation omitted); *Compco*, 376 U.S. at 237, 140 U.S.P.Q. at 530 (applying rule from *Sears* that "when an article is unprotected by a patent or a copyright, state law may not forbid others to copy that article"); *Bonito Boats*, 489 U.S. at 168, 9 U.S.P.Q.2d (BNA) at 1859 ("We therefore agree with the majority of the Florida Supreme Court that the Florida statute is preempted by the Supremacy Clause.").

A commentator has argued that *Compco*, unlike *Sears*, was based on the constitutional right to copy arising by negative implication from the Copyright Clause, rather than the Supremacy Clause. *See* Theodore H. Davis, Jr., *Copying in the Shadow of the Constitution: The Rational Limits of Trade Dress Protection*, 80 MINN. L. REV. 595, 610-13 (1996). It is difficult, however, to escape the Supremacy Clause in a case whose result was invalidation of state law on the basis of a conflict with federal law.

[106] *See* Vornado Air Circulation Sys. v. Duracraft Corp., 58 F.3d 1498, 1504-05, 35 U.S.P.Q.2d (BNA) 1332, 1336-38 (10th Cir. 1995), *cert. denied*, 116 S. Ct. 753 (1996); Duraco Prods., Inc. v. Joy Plastic Enters., 40 F.3d 1431, 1442-43, 32 U.S.P.Q.2d (BNA) 1724, 1733 (3d Cir. 1994); Kohler Co. v. Moen Inc., 12 F.3d 632, 637-43, 29 U.S.P.Q.2d (BNA) 1241, 1245-50 (7th Cir. 1993); *id.* at 644-50, 29 U.S.P.Q.2d (BNA) at 1251-57 (Cudahy, J., dissenting); Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts, 944 F.2d 1235, 1241, 20 U.S.P.Q.2d (BNA) 1001, 1006 (6th Cir. 1991); *id.* at 1252-53, 20 U.S.P.Q.2d (BNA) at 1016 (Kennedy, J., dissenting).

conflicts with patent principles. The requirement of distinctiveness does so by insuring that protected trade symbols are likely to serve primarily as source identifiers and are therefore unlikely to affect competition on the merits with product substitutes.[96] The standard of infringement (likelihood of confusion under all the circumstances) does so by focusing attention away from the product and on the marketplace.[97] Finally, the flexibility of trade symbol relief helps insure that courts do not grant the undeserved equivalent of patent protection.[98] Only by examining all these aspects of trade dress protection can a court accurately assess whether protecting a product configuration will indeed undermine patent policy.[99]

B. *The "Holy Trinity" Of Preemption Cases:* Sears, Compco, *And* Bonito Boats

Before leaving the general subject of potential conflict with patent policy, some discussion of *Sears*,[100] *Compco*,[101] and *Bonito Boats*[102] is in order. In this "holy trinity" of decisions, the Supreme Court ruled

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[96] *See infra* text accompanying notes 181-215, 239-46.

[97] *See infra* text accompanying notes 439-54.

[98] *See infra* text accompanying notes 457-507, 546-56.

[99] *See* Kohler Co. v. Moen Inc., 12 F.3d 632, 642, 29 U.S.P.Q.2d (BNA) 1241, 1249 (7th Cir. 1993) (The *Two Pesos* Court's discussion of the Fifth Circuit's "approach to trade dress protection suggested that any conflicts between the patent laws and the Lanham Act should be resolved by a careful application of traditional bases for determining the propriety of trademark protection such as likelihood of confusion, functionality, and distinctiveness.").

[100] Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 140 U.S.P.Q. (BNA) 524 (1964).

[101] Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234, 140 U.S.P.Q. (BNA) 528 (1964).

[102] Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 9 U.S.P.Q.2d (BNA) 1847 (1989).

not generally preclude copying of products on their merits.[87] It is for this reason that monopolies, in the economic sense, are rarely if ever built upon the foundation of trade symbols,[88] even if those symbols constitute all or part of a product's configuration.[89] Trade symbol protection for a product's configuration of course has the potential to impair competition on the merits,[90] but it can do so only if no viable alternatives to the protected product are offered to consumers at competitive prices. If there are such alternatives, an economic monopoly cannot exist because producers will make, and consumers will buy, products with the alternative configurations whenever the producer of the protected product tries to raise prices or reduce

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[87] *See* DRATLER, LICENSING, *supra* note 39, § 2.02[1][b][iv] ("[A] decision to refuse a trademark license generally does not affect competition on the merits of products; it affects only marketing.").

[88] *See* Thomas & Betts Corp. v. Panduit Corp., 65 F.3d 654, 657, 36 U.S.P.Q.2d (BNA) 1065, 1067 (7th Cir. 1995), *cert. denied*, 116 S. Ct. 1044 (1996) (footnote omitted):

> Allowing a particular producer to monopolize a symbol in this way is no burden on competition, the theory goes, because symbols are a dime a dozen. The only value of the initially arbitrary symbol comes from its association with the producer's products and the good or bad will consumers feel toward that producer based on the quality of those products.

See also Kohler Co. v. Moen Inc., 12 F.3d 632, 643, 29 U.S.P.Q.2d (BNA) 1241, 1250 (7th Cir. 1993) ("[T]rademarks are not monopolies. Others can produce designs similar to the trademark so long as there is no likelihood of consumer confusion.").

[89] Monopolies in an antitrust or economic sense cannot exist where substitute products, i.e., commercially viable alternatives, are available at competitive prices.

[90] *See Thomas & Betts*, 65 F.3d at 657, 36 U.S.P.Q.2d (BNA) at 1068 ("when competitors are barred from duplicating features whose value to consumers is intrinsic and not exclusively as a signifier of source, competition is unduly hindered").

these unfortunate results,[80] and a few dissenters have objected to trade dress protection on the same ground.[81]

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[80] *See, e.g., Jeffrey Millstein, Inc.*, 58 F.3d at 29, 35 U.S.P.Q.2d (BNA) at 1285 (affirming denial of preliminary injunction because relief "would effectively grant [plaintiff] a monopoly in the idea of using die-cut photographs on greeting cards"); Stormy Clime Ltd. v. Progroup, Inc., 809 F.2d 971, 977-78, 1 U.S.P.Q.2d (BNA) 2026, 2031-32 (2d Cir. 1987); American Greetings Corp. v. Dan-Dee Imports, 807 F.2d 1136, 1141, 1 U.S.P.Q.2d (BNA) 1001, 1005 (3d Cir. 1986); W.T. Rogers Co. v. Keene, 778 F.2d 334, 338, 228 U.S.P.Q. (BNA) 145, 146, 153 (7th Cir. 1985); Keene Corp. v. Paraflex Indus., 653 F.2d 822, 824, 211 U.S.P.Q. (BNA) 201, 202-03, 206 (3d Cir. 1981); Fisher Stoves, Inc. v. All Nighter Stove Works, 626 F.2d 193, 195, 206 U.S.P.Q. (BNA) 961, 963-64 (1st Cir. 1980); *cf.* Thomas & Betts Corp. v. Panduit Corp., 65 F.3d 654, 660, 36 U.S.P.Q.2d (BNA) 1065, 1070 (7th Cir. 1995) ("In deciding unfair competition cases, '[o]ur natural inclination to disapprove of such conduct must give way to the public policy favoring competition, even by slavish copying.'") (quoting *Keene Corp.*, 653 F.2d at 824, 211 U.S.P.Q. (BNA) at 203), *cert. denied*, 116 S. Ct. 1044 (1996). *See also infra* note 485 (listing decisions granting no relief where labels were deemed sufficient to avoid confusion).

[81] Probably the clearest expression of the argument appears in Judge Cudahy's dissent in the *Kohler* case. Kohler Co. v. Moen Inc., 12 F.3d 632, 647-48, 29 U.S.P.Q.2d (BNA) 1241, 1254 (7th Cir. 1993) (Cudahy, J., dissenting).

> [Defendant] has provided some horrible examples of allowing federal trademark registration to substitute for the grant of a design patent. One example consists of what appears to be a simple white disc. This product is a round beach towel, which has been granted registration as a trademark on the Principal Register. The registrant presumably has a monopoly on the production of beach towels that are round. Other registrations (and monopolies) may follow for triangular beach towels, trapezoidal beach towels or whatever. As a result of the case now before us, only [plaintiff] will be legally entitled to supply replacement handles for [its] faucets. [Plaintiff] will have the equivalent of a perpetual design patent on its faucets and faucet handles -- in violation of the Constitution.

Id.; *see also* Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts, 944 F.2d 1235, 1248, 20 U.S.P.Q.2d (BNA) 1001, 1015-16 (6th Cir. 1991) (Kennedy, J., dissenting), quoted *supra* note 11; *infra* notes 108, 282.

Although the two sets of requirements are incomparable in many respects, there is no question that the requirements for patent protection are tougher to satisfy.[77] If the law of trade symbols provided complete protection for product configurations based on the weaker standards, producers could make an "end run" around the stronger patent requirements--and could receive perpetual protection to boot!--merely by invoking the trade symbol standards and ignoring the patent system altogether.[78] This result would undermine the

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erroneous); *Aromatique*, 28 F.3d at 874-75, 31 U.S.P.Q.2d (BNA) at 1489 (refusing to reach issue of likelihood of confusion where registered trade dress was neither distinctive nor nonfunctional); Keystone Retaining Wall Sys., Inc. v. Westrock, Inc., 997 F.2d 1444, 1448, 27 U.S.P.Q.2d (BNA) 1297, 1300 (Fed. Cir. 1993) (trade dress claim has three elements under Ninth Circuit law, and plaintiff must prevail on all to win); HWE, Inc. v. JB Research, Inc., 993 F.2d 694, 696, 26 U.S.P.Q.2d (BNA) 1967, 1968 (9th Cir. 1993) (affirming denial of injunction where trade dress was functional without investigating distinctiveness or likelihood of confusion); L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1130, 25 U.S.P.Q.2d (BNA) 1913, 1923 (Fed. Cir. 1993) ("Violation of § 43(a) requires, by statute, that there be a likelihood of confusion, mistake, or deception.").

[77] *See* The Trade-Mark Cases, 100 U.S. 82, 94, 99, (1879) (striking down first federal trademark statute as inadequately authorized by Copyright Clause because registration of trademark required "neither originality, invention, discovery, science, nor art"). In the language of that time, the term "invention" was equivalent to the concept of "nonobviousness" today. *See* Graham v. John Deere Co., 383 U.S. 1, 11-13, 17, 148 U.S.P.Q. 459, 464-66 (1966).

[78] The Supreme Court has made this abundantly clear as applied to protection of trade symbols under state law. *See* Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 231-32, 140 U.S.P.Q. (BNA) 524, 528.

> To allow a State by use of its law of unfair competition to prevent the copying of an article which represents too slight an advance to be patented would be to permit the State to block off from the public something which federal law has said belongs to the public. The result would be that while federal law grants only [a specified term of] protection to genuine inventions. . . . States could allow perpetual protection to articles too lacking in novelty to merit any patent at all under federal constitutional standards. This would be too great an encroachment on

available for widespread and unrestrained use after the patents expire.[73]

The second salient difference between the doctrines of patent and trade symbol law lies in the requirements for protection. A patent is not valid unless the invention or design that it covers is novel and nonobvious.[74] Trade symbols have different requirements: (1) inherent or acquired distinctiveness and (2) nonfunctionality for protection, plus (3) a showing of likelihood of confusion to win an

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[73] *See Bonito Boats*, 489 U.S. at 146, 9 U.S.P.Q.2d (BNA) at 1852 (citation omitted).

> [An inventor] may keep his invention secret and reap its fruits indefinitely. In consideration of its disclosure and the consequent benefit to the community, the patent is granted. An exclusive enjoyment is guaranteed him for [the patent term], but upon expiration of that period, the knowledge of the invention inures to the people, who are thus enabled without restriction to practice it and profit by its use.

Id.; *see also Vornado*, 58 F.3d at 1507, 35 U.S.P.Q.2d (BNA) at 1339 ("The 'centerpiece of federal patent policy' is its 'ultimate goal of public disclosure and use.'") (quoting *Bonito Boats*, 489 U.S. at 157, 9 U.S.P.Q.2d (BNA) at 1854) (other citations omitted).

[74] *See* 35 U.S.C. §§ 101-03 (1994) (novelty, details of novelty, and nonobviousness); 35 U.S.C. § 171 (same requirements "shall apply to patents for designs, except as otherwise provided"); *see also Bonito Boats*, 489 U.S. at 146, 9 U.S.P.Q.2d (BNA) at 1851-52 (describing nature and purposes of patent requirements); *see generally* DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, § 2.03[1]-[3]. For the additional utility and ornamentality requirements that apply to utility patents and design

The foregoing analysis does not mean to belittle the difficulty of making a judgment in the individual case. It does mean to suggest, however, that the judgment may be more informed and more reliable if it recognizes that both trade symbol protection and patent policy seek the same end--robust and fair competition. Trade symbol law seeks that end by specific and limited means, namely, protecting the reliability of shorthand source identifiers in the marketplace, while patent law seeks it by providing incentives for innovation--one of the mainsprings of competition in modern commerce.[65]

III. How Standard Trademark Doctrine Helps Protect The Integrity Of Patent Policy

Although the fundamental goal of trade symbol law is promoting competition,[66] protecting trade symbols may at times undermine that goal. In order to be sure that a trade symbol unambiguously and reliably identifies product source, persons other than its owner must be precluded from using it.[67] If the symbol is a product feature, such a prohibition may overlap with patent protection and perhaps conflict with it.

A. *The Potential For Conflict*

Two differences between patent law and trade symbol protection doctrine threaten to create such a conflict. First, patent protection lasts for a limited time only.[68] The limited duration of

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denied, 510 U.S. 908 (1993).

[65] *See generally* DRATLER, LICENSING, *supra* note 39, § 6.02[1].

[66] *See supra* text accompanying notes 41-65.

[67] *See supra* text accompanying notes 52-57.

[68] *See* 35 U.S.C. § 154(a)(2) (1994) (utility and plant patents have term of twenty years from application date); *id.* § 173 (design patents have term of

or trade dress generally.[59] Unless the symbol is distinctive, by definition it can serve no identifying function, and therefore it is not worthy of protection. Second, this analysis explains the standard for infringement of all forms of trade symbols--likelihood of confusion under all the circumstances.[60] If the use of a similar symbol is likely to confuse consumers as to the identity of a product or service, then allowing that use will prevent either the original symbol or the similar symbol from serving as an effective shorthand for a product's or service's identity. Only if no confusion is likely can the goal of quick and efficient product identification be served.

Finally, this analysis explains why the relationship of patent and trade symbol policy has been so problematic. Unlike patent protection, which is an exception to the fundamental policy of free competition,[61] trade symbol protection is a necessary condition for robust competition itself.[62] If a consumer wants a particular product

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[59] *See* Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 768-69, 23 U.S.P.Q.2d (BNA) 1081, 1083-84 (1992) (describing rules for distinctiveness of trademarks); *id.* at 774-76 (ruling that same principles apply to trade dress and trademarks); *see also* L. & J.G. Stickley, Inc. v. Canal Dover Furniture Co., 79 F.3d 258, 262, 38 U.S.P.Q.2d (BNA) 1202, 1205 (2d Cir. 1996) ("[I]mitation or even complete duplication of another's product or packaging will not create a risk of confusion unless some aspect of the duplicated appearance is identified with a particular source.") (quoting Restatement (Third) of Unfair Competition § 16 cmt. a (1995)).

[60] *See infra* text accompanying notes 423-28, 438-54.

[61] *See supra* text accompanying notes 46-50 and notes 49, 50.

[62] *See supra* text accompanying notes 46-47, 50-54. *See also* Fabrication Enters. v. Hygenic Corp., 64 F.3d 53, 58, 35 U.S.P.Q.2d (BNA) 1753, 1756-57 (2d Cir. 1995).

> [T]o the extent that the product feature or design at issue enhances the distinctiveness of the product, there is a risk that failure to protect the feature or design will cause confusion and allow competitors to benefit unfairly from the original manufacturer's investment in its product's appearance. If such confusion occurs,

marketplace or in use, or a detailed study of the merits.[53] As Justice Frankfurter succinctly put it, "[t]he protection of trade-marks is the law's recognition of the psychological function of symbols[.]"[54]

This system of shorthand symbols works well, however, only if its use is regulated by law.[55] If pirates and cheats are allowed to use

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[53] *See* Daniel J. Gifford, *The Interplay of Product Definition, Design and Trade Dress*, 75 MINN. L. REV. 769, 773-74 (1991) ("The typical patron of a McDonald's restaurant has not inspected the meat or other ingredients, but he takes the McDonald's trademark as an indicator of a composite of service, all of the details of which he may not be able to recite, but with which he is, in varying degrees, familiar by reason of reputation or prior experience."); *cf.* August Storck K.G. v. Nabisco, Inc., 59 F.3d 616, 618, 35 U.S.P.Q.2d (BNA) 1211, 1212 (7th Cir. 1995) (Descriptive use of competitor's trademark in comparative advertising was "not just permissible in the sense that one firm is entitled to do everything within legal bounds to undermine a rival; it [was] beneficial to consumers[, who] learn at a glance what kind of product is for sale and how it differs from a known benchmark."). As one commentator put it:

> The means by which trademarks assist buyers to select satisfactory product variations involves a two-step process: First, trademarks enable buyers to identify packages of product characteristics that they have purchased previously or know of by reputation. Second, by identifying source, trademarks enable buyers to rely upon that source as a guarantor of quality, thus overcoming their own lack of complete information about the product variation's composition and about its entire range of characteristics.

Gifford, *supra*, at 774; *see also* Mana Prods., Inc. v. Columbia Cosmetics Mfg., 65 F.3d 1063, 1068, 36 U.S.P.Q.2d (BNA) 1176, 1178-79 (2d Cir. 1995) (Lanham Act was designed in part "to ensure that when consumers purchase a product they like, one that bears a familiar trademark, they may be confident the product they ask for is the one they will get. That is, a consumer may minimize his search.").

[54] Mishawaka Rubber & Woolen Mfg. v. S.S. Kresge Co., 316 U.S. 203, 205 (1942).

[55] *See* Thomas & Betts Corp. v. Panduit Corp., 65 F.3d 654, 657, 36 U.S.P.Q.2d (BNA) 1065, 1067 (7th Cir. 1995) ("Trademark law aims to aid

prohibition against monopolies in 1623.[49] The same relationship between patent law and fundamental economic policy exists today. As the Supreme Court has emphasized, the fundamental policy of free competition provides the baseline that makes the economic incentives provided by the patent system work.[50] Thus, while it may be surprising to those who think of trade symbol law as the "lightweight" of intellectual property--a poor cousin of the patent and copyright laws--the law of trade symbols directly advances the most basic economic policy of the United States, to which the patent and copyright laws are important exceptions.

The law of trade symbols promotes competition by insuring that conditions indispensable to competition exist, despite the great complexity of the modern marketplace. What appears as competition on the producer's part requires comparison shopping on the part of the consumer. True competition among products and services can exist only when consumers have the ability and means to compare the myriad of products and services in the marketplace on their merits, before they decide to buy. Yet the profusion of products and services

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[49] *See An Act concerning Monopolies and Dispensations with Penal Laws, and the Forfeitures thereof*, 21 JAC. I, ch. 3 (1623). This forerunner of both the antitrust laws and patent law had a general prohibition against monopolies, subject to an exception for "any letters patent and grants of privilege for the term of fourteen years or under, hereafter to be made of the sole working or making of any manner of new manufactures within this realm, to the true and first inventor and inventors of such manufactures." *Id.* ch. 3, art. VI.

[50] The Supreme Court has described the "bargain" of the patent system--the inventor's full disclosure of the invention in exchange for exclusive rights of limited duration--as follows:

> The attractiveness of such a bargain, and its effectiveness in inducing creative effort and disclosure of the results of that effort, depend almost entirely on a backdrop of free competition in the exploitation of unpatented designs and innovations.

Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 151, 9 U.S.P.Q.2d (BNA) 1847, 1852 (1989); *see also infra* note 70.

maintenance of quality by securing to the producer the benefits of good reputation."[45] Finally, it prevents "dirty tricks" in the competitive process by making unfair competition a federal tort.[46]

Although at first glance these four purposes may appear unconnected, they are closely interrelated. The second purpose, avoiding confusion and deception of consumers, advances the first purpose, fostering competition, for consumers can distinguish among competing producers only if they are not confused, misled, or deceived as to the sources of goods and services. The third purpose, encouraging producers to invest in quality by preserving the good

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1220, 4 U.S.P.Q.2d (BNA) 1541, 1543 (2d Cir. 1987) (act was intended "to prevent consumer confusion regarding a product's source") (citation omitted); HMH Publishing Co. v. Brincat, 504 F.2d 713, 716, 183 U.S.P.Q. (BNA) 141, 143 (9th Cir. 1974) (act "protect[s] consumers from being misled as to the enterprise, or enterprises, from which the goods or services emanate or with which they are associated").

[45] *Park 'N Fly*, 469 U.S. at 198, 224 U.S.P.Q. (BNA) at 331 (citation omitted). *See also id.* (act "secure(s) to the owner of the mark the goodwill of his business") (citation omitted).

[46] *See* 15 U.S.C. § 1127 (act serves "to protect persons engaged in [federally regulated] commerce against unfair competition"); S. Rep. No. 79-1333 (1946), *reprinted in* 1946 U.S.C.C.A.N. 1274, 1274 ("[W]here the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats. This is the well-established rule of law protecting both the public and the trade-mark owner.").

See also, e.g., Versa Prods. Co. v. Bifold Co., 50 F.3d 189, 207, 33 U.S.P.Q.2d (BNA) 1801, 1813-15 (3d Cir.) ("One primary purpose of the Lanham Act is to foster fair competition. . . . Indeed, we have said that prevention of unfair competition is the doctrinal basis for trade dress infringement suits under the Act.") (citations omitted), *cert. denied*, 116 S. Ct. 54 (1995); Scarves by Vera, Inc. v. Todo Imports, Ltd., 544 F.2d 1167, 1172, 192 U.S.P.Q. (BNA) 289, 293 (2d Cir. 1976) (trademark law protects "the good reputation associated with [a senior user's] mark from the possibility of being tarnished by inferior merchandise of the junior user"); Q-Tips, Inc. v. Johnson & Johnson, 206 F.2d 144, 145, 98 U.S.P.Q. (BNA) 86, 87 (3d Cir. 1953) (noting trend toward "increasingly higher standards of fairness or commercial morality in trade") (citation omitted).

conflict with patent policy, even in the hardest cases.[31] In the process, this article reveals how remedial aspects of trade dress protection, which are often neglected in analyzing issues of liability, are intimately related both to the substantive doctrines of trade dress protection and to the policies that it serves.

II. THE PURPOSES OF TRADE SYMBOL PROTECTION

One cannot understand the law of trade symbols[32] without appreciating why courts protect them in the first place.[33] Unlike patents and copyrights, trade symbols derive their federal protection[34] from the Commerce Clause,[35] not the Copyright Clause.[36] Therefore their protection has little to do with promoting "progress of Science and useful Arts" through financial incentives.[37] It does, however, have everything to do with the smooth and efficient operation of a free market in a complex and vigorous competitive economy--a fundamental purpose shared with patent law.[38] The divergence in purpose allows trade symbol law to reinforce the patent and

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[31] *See infra* text accompanying notes 546-56.

[32] *See supra* note 16.

[33] *See generally* DRATLER, INTELLECTUAL PROPERTY, *supra* note 1, § 9.02[1] (discussing policies underlying trade symbol protection).

[34] *See* The Trade-Mark Cases, 100 U.S. 82, 92, 99 (1879) (striking down the first federal trademark statute, Act of July 8, 1870, §§ 77-84, 16 Stat. 198 (1870), because it had been improperly based on the Copyright Clause).

[35] U.S. CONST. art. I, § 8, cl. 3.

[36] U.S. CONST. art. I, § 8, cl. 8 ("Congress shall have 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").

[37] *See infra* text accompanying notes 121-23; *see infra* note 122; *cf.* U.S. CONST. art. I, § 8, cl. 8.

[38] *See infra* text accompanying notes 46-58.

This article is an attempt to light a candle in the darkness. It focuses on two aspects of the puzzle that, in my view, have failed to receive sufficient emphasis. The first is the unique set of purposes served by the law of trade symbols,[16] which is both broader than and different from the purposes of patent law.[17] Proper appreciation of the differences and their consequences may help to avoid an exaggerated perception of a conflict between the two fields of law.

The second aspect of the puzzle that may deserve more attention is the question of remedies.[18] Patent remedies are clearly defined. If there is infringement, an injunction usually will issue, and the defendant's commerce in the infringing products will be halted.[19] Trade symbol remedies, however, are more subtle and flexible. Injunctive relief is standard, but it should and does have infinite gradations. It covers the gamut from plenary injunctions precluding the marketing of specified products in specified dress, to orders requiring the minutest changes in labeling or packaging.[20] Exploiting this vital difference between the two fields of law is perhaps the principal means by which courts can avoid conflicts between them.[21]

In elucidating these points, this article begins by discussing the purposes of trade symbol law, how they differ from those of patent

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[16] Throughout this article, the words "trade symbol" are used as a neutral and generic term for anything that may be eligible for protection under the law of trademarks or unfair competition. The term covers trademarks, service marks, trade names, and trade dress, including both product packaging and product configuration. In other words, I use this term when I intend to make no distinction between different forms of "shorthand" source identifiers. *See infra* text accompanying notes 50-58.

[17] *See infra* text accompanying notes 41-65.

[18] *See infra* text accompanying notes 454-92, 546-56.

[19] *See infra* text accompanying notes 456-57, 459-64.

[20] *See infra* text accompanying notes 457-58, 464-74.

[21] *See infra* text accompanying notes 474-507, 546-56.

cheap.[11] In short, the flowering of litigation that appears to some courts like a robust garden appears to others like a plague of weeds.

The dispute is not confined to matters of general policy. It infects virtually every element of trade dress doctrine. Indeed, with respect to trade dress protection for product configurations, the federal circuits are not so much split as splintered. They disagree on the standard for determining whether product features are inherently distinctive, thereby enjoying protection without a demonstration of secondary meaning.[12] They disagree on the standard for determining which product features are functional and consequently *not* entitled to protection in the absence of a patent.[13] Finally, they disagree on the

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[11] *See, e.g., Kohler*, 12 F.3d at 647-48, 29 U.S.P.Q.2d (BNA) at 1254 (Cudahy, J., dissenting, quoted in n.81 *infra*); Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts, 944 F.2d 1235, 1248, 20 U.S.P.Q.2d (BNA) 1001, 1013 (6th Cir. 1991) (Kennedy, J., dissenting) (Trade dress protection "provides defendant with absolute protection in perpetuity against copying its unpatented design."). *Cf.* Vornado Air Circulation Sys., Inc. v. Duracraft Corp., 58 F.3d 1498, 1500, 35 U.S.P.Q.2d (BNA) 1332, 1333 (10th Cir. 1995) (Decision below would have "effectively prevent[ed] defendant . . . from ever practicing the full invention embodied in the patented fans of plaintiff . . . after [plaintiff's] utility patents expire."), *cert. denied*, 116 S. Ct. 753 (1996) (footnote omitted).

[12] *See infra* text accompanying notes 153-65. For a definition of secondary meaning, see *infra* note 142.

[13] *See infra* text accompanying notes 250-75. Courts also disagree on who has the burden of proof on the issue of functionality. *Compare Knitwaves*, 71 F.3d 996, 1006, 36 U.S.P.Q.2d (BNA) 1737, 1745 (2d Cir. 1995) (defendant has burden) *and* Abbott Labs. v. Mead Johnson & Co., 971 F.2d 6, 20, 23 U.S.P.Q.2d (BNA) 1663, 1673 (7th Cir. 1992) (functionality is affirmative defense), *with* Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 869, 31 U.S.P.Q.2d (BNA) 1481, 1484 (8th Cir. 1994) (per curiam) (party who is asserting unregistered trade dress must prove that it is nonfunctional, although owner of registration "is entitled to the presumption that the marks are valid") (citations omitted), *and* HWE, Inc. v. JB Research, Inc., 993 F.2d 694, 696, 26 U.S.P.Q.2d (BNA) 1967, 1968 (9th Cir. 1993) (plaintiff has burden of proving nonfunctionality). *See also* Epic Metals Corp. v. Souliere, 99 F.3d 1034, 1038 n.11, 40 U.S.P.Q.2d (BNA) 1705, 1707-08 n.11 (11th Cir. 1996) (citing split in circuits but not deciding

implicitly acknowledged that ratification[5] and established the basic parameters for trade dress protection.[6] These two events, more than any others, helped the subterranean growth of trade dress protection for product configurations burst into the sun.[7]

(BNA) 1161, 1164 n.1 (2d Cir. 1992) ("[T]he intent of the new language [of section 43(a)] was to codify the interpretation [section 43(a)] has been given by the courts[;]" therefore "our precedents predating the new language remain in force.") (citations and internal quotation marks omitted).

[5] *See Two Pesos*, 505 U.S. at 768, 23 U.S.P.Q.2d (BNA) at 1083 ("[I]t is common ground that § 43(a) protects qualifying unregistered trademarks and that the general principles qualifying a mark for registration under § 2 of the Lanham Act are for the most part applicable in determining whether an unregistered mark is entitled to protection under § 43(a).") (citations omitted); *id.* at 774, 23 U.S.P.Q.2d (BNA) at 1086 (finding no "textual basis in § 43(a) for treating inherently distinctive verbal or symbolic trademarks differently from inherently distinctive trade dress").

[6] *See id.* at 768-69, 775-76, 23 U.S.P.Q.2d (BNA) at 1083, 1085-86 (holding that trade dress is to be treated like verbal trademarks and merits protection against likelihood of confusion if it possesses inherent or acquired distinctiveness and is nonfunctional). For these parameters, *see infra* text accompanying notes 74-76 and notes 75, 76; *infra* notes 141, 156.

In addition to setting these parameters, the *Two Pesos* Court established the principle that trademarks and trade dress are to be treated similarly under the Lanham Act. *See* 505 U.S. at 768-69, 775-76, 23 U.S.P.Q.2d (BNA) at 1085-86; *see also infra* note 156; International Jensen, 4 F.3d at 823, 28 U.S.P.Q.2d (BNA) at 1289 ("While the scope of trade dress has been said to exceed that of trademark, the analysis for trade dress and an *unregistered* trademark under section 43(a) of the Lanham Act is very similar.") (emphasis in original) (citation omitted); Vaughan Mfg. Co. v. Brikam Int'l Inc., 814 F.2d 346, 348 n.2, 1 U.S.P.Q.2d (BNA) 2067, 2069 n.2 (7th Cir. 1987) (courts look to trademark cases for guidance on trade dress and vice versa).

[7] For a brief history of the early evolution of trade dress protection from labels and packaging to product configurations, see Jay Dratler, Jr., *Trademark Protection for Industrial Designs*, 1988 U. ILL. L. REV. 887, 897-899 [hereinafter Dratler, *Trademark Protection*].

I. INTRODUCTION

During the past decade, legal protection[1] for trade dress[2] passed two important milestones. In 1988, Congress gave its imprimatur to the courts' freestyle development of the law up to that

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[1] Trade dress may be registered as a trademark. *See, e.g.*, Aromatique, Inc. v. Gold Seal, Inc., 28 F.3d 863, 868, 31 U.S.P.Q.2d (BNA) 1481, 1483 (8th Cir. 1994) (per curiam) ("[T]rade dress may now be registered on the Principal Register of the [Patent and Trademark Office]."); Kohler Co. v. Moen Inc., 12 F.3d 632, 633, 29 U.S.P.Q.2d (BNA) 1241, 1241 (7th Cir. 1993) (upholding registration of designs for faucets and faucet handles); *Ex parte* Haig & Haig Ltd., 118 U.S.P.Q. (BNA) 229, 230-31 (Comm'r Pat. 1958) (upholding registration of distinctive "pinch" bottle for scotch). Whether or not trade dress is registered, however, section 43(a) of the Lanham Act protects it from unlawful appropriation by others. *See* 15 U.S.C. § 1125(a) (1994); *see infra* notes 3-5, 141, 156; *see also Aromatique*, 28 F.3d at 868, 31 U.S.P.Q.2d (BNA) at 1483 ("The difference between trade dress and trademark is no longer of importance in determining whether trade dress is protected by federal law. Trade dress, regardless of whether it is registered, is protectable under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).") (citation ommitted); *see generally* JAY DRATLER, JR., INTELLECTUAL PROPERTY LAW: COMMERCIAL, CREATIVE, AND INDUSTRIAL PROPERTY § 9.01[2] (1991) [hereinafter DRATLER, INTELLECTUAL PROPERTY].

[2] "The term trade dress refers to how a product looks, its total image, or its overall appearance." Mana Prods., Inc. v. Columbia Cosmetics Mfg., 65 F.3d 1063, 1068, 36 U.S.P.Q.2d (BNA) 1176, 1179 (2d Cir. 1995). *See also id.* at 1069, 36 U.S.P.Q.2d (BNA) at 1180 ("[T]rade dress today encompasses a broad concept of how a product presented to the public looks, including its color, design, container, and all the elements that make up its total appearance.") (citation omitted); Vornado Air Circulation Sys. v. Duracraft Corp., 58 F.3d 1498, 1502, 35 U.S.P.Q.2d (BNA) 1332, 1335 (10th Cir. 1995) (besides packaging, trade dress "could also refer to the appearance of the product itself[,]" including "a single feature or a combination of features") (footnote omitted), *cert. denied*, 116 S. Ct. 753 (1996); International Jensen, Inc. v. Metrosound U.S.A., Inc., 4 F.3d 819, 822, 28 U.S.P.Q.2d (BNA) 1287, 1289 (9th Cir. 1993) ("In contrast to a trademark, 'trade dress' refers to the 'total image of a product' and may include features such as size, shape, color, color combinations, texture or graphics.") (citation omitted); L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1129, 25 U.S.P.Q.2d (BNA) 1913, 1922 (Fed. Cir. 1993) (Trade dress is "the overall combination and arrangement of design elements into the total image by which the

into compliance with the formal requirements of the Rules of Practice in Patent Cases.[30]

D. Upon response by applicant:

1. Approve entry of any amendments which have support in the original disclosure; and,

2. Review all arguments and the entire record, including any amendments, to determine whether the drawing, title, and specification clearly disclose a computer-generated icon embodied in a computer screen, monitor, other display panel, or portion thereof.[31]

E. If, by preponderance of the evidence,[32] the applicant has established that the computer-generated icon is embodied in a computer screen, monitor, other display panel, or portion thereof, withdraw the rejection under 35 U.S.C. § 171.[33]

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[30] *Id.*

[31] *Id.*

[32] *See In re* Oetiker, 24 U.S.P.Q.2d (BNA) 1443 (Fed. Cir. 1992) ("After evidence or argument is submitted by the applicant in response, patentability is determined on the totality of the record, by a preponderance of evidence with due consideration to persuasiveness of argument.").

[33] 61 Fed. Reg. 11,380, 11,382 (1996).

of manufacture under 35 U.S.C. § 171: "COMPUTER SCREEN WITH AN ICON" or "DISPLAY PANEL WITH A COMPUTER ICON" OR "PORTION OF A COMPUTER SCREEN WITH AN ICON IMAGE" "PORTION OF A DISPLAY PANEL WITH A COMPUTER ICON IMAGE" or "PORTION OF A MONITOR DISPLAYED WITH A COMPUTER ICON IMAGE."[25]

3. Review the specification to determine whether a characteristic feature statement is present. 37 C.F.R. § 1.71.[26]

B. If the drawing does *not* depict a computer-generated icon embodied in a computer screen, monitor, other display panel, or a portion thereof, in either solid or broken lines, reject the claimed design under 35 U.S.C. § 171 for failing to comply with the article of manufacture requirement.[27]

1. If the disclosure as a whole does *not* suggest or describe the claimed subject matter as a computer- generated icon embodied in a computer screen, monitor,

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[25] 61 Fed. Reg. 11,380, 11,381 n. 7 (1996) (emphasis added).

[26] If a characteristic feature statement is present, determine whether it describes the claimed subject matter as a computer-generated icon embodied in a computer screen, monitor, other display panel, or portion thereof. *See* McGredy v. Aspenglas Corp., 208 U.S.P.Q. (BNA) 242 (S.D.N.Y. 1980) (descriptive statement in design patent application narrows claim scope).

[27] 61 Fed. Reg. 11,380, 11,381-82 (1996) (emphasis added).

The factor which distinguishes design statutory subject matter from a mere picture or ornamentation, *per se* (i.e., abstract design), is the embodiment of the design in an article of manufacture.[16] Thus, consistent with the statutory language, case law, and PTO practice,[17] a design must be shown applied to an article of manufacture to be subject to patent protection.[18]

VI. GUIDELINES

Computer-generated icons, such as full screen displays and individual icons, are two-dimensional images which alone are surface ornamentation.[19]

The PTO considers designs for computer-generated icons embodied in articles of manufacture, however, to be statutory subject matter eligible for design patent protection.[20] Thus, if an application claims a computer-generated icon shown on a computer screen, monitor, other display panel, or a portion thereof, the claim complies with the "article of manufacture" requirement of 35 U.S.C. section 171.[21] Since the design statutory subject matter is inseparable from the object to which it is applied and cannot exist alone merely as a scheme of surface ornamentation, a computer-generated icon must be embodied in a computer screen, monitor, other display panel, or portion thereof, to satisfy 35 U.S.C. section 171.[22]

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[16] *Id.*

[17] *See* 37 C.F.R. 1.152 (1996).

[18] *Strijland*, 26 U.S.P.Q.2d (BNA) at 1261.

[19] *See id.* at 1265 (computer-generated icon alone is merely surface ornamentation).

[20] *Id.* at 1263.

[21] *Id.*

[22] *Id.*

icon has been adopted as a generic term used for all the pictures that sit on a GUI desktop.[6]

Another way in which a computer system communicates with a user is by means of indices. When a system is turned on or off, a light that indicates the status of the system is an index. Indices in the form of lights are used for alerting users that a disk drive is reading or writing and a bar of variable length can display a proportion of the time needed to complete an operation. Computer systems will also provide audible indices to alert the user of a completed operation or an error.

IV. BACKGROUND

In the early 1980s the Patent and Trademark Office ("PTO") issued several patents for computer generated icons.[7] In 1989, as a result of some questioning of the propriety of such action by the legal community and the desire to establish a test case, the PTO in 1989, began rejecting claims for computer icons *per se*, under 35 U.S.C. section 171, as being directed to non-statutory subject matter.[8] Several of these cases were appealed to the Board of Patent Appeals and Interferences, at which time action on all computer generated icon applications pending in the Group were suspended.[9] In 1992, an expanded panel of the Board of Patent Appeals and Interferences affirmed the examiner's rejection that computer generated icons, *per se*, did not constitute statutory subject matter under 35 U.S.C. section 171.[10] The Board of Patent Appeals and Interferences concluded,

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[6] *See* ILLUSTRATED DICTIONARY OF COMPUTING (Prentice Hall 1992).

[7] Michael J. Bell, *Patently Clear Icons*, LEGAL TIMES, Dec. 11, 1995, at 53.

[8] *Ex parte* Strijland, 26 U.S.P.Q.2d (BNA) 1259, 1265 (Bd. Pat. App. & Int. 1992)

[9] *See* Bell, *supra* note 7, at 53.

[10] *See id.*

I. INTRODUCTION

Charles S. Peirce, in a 1867, Proceedings of the American Academy of Arts and Sciences Series Paper "On a New List Of Categories", divided signs into three distinct categories: icons, indices, and symbols.[1] A sign is said to be iconic when there is an association between a signifier or sign and its denotation or meaning.[2] Icons are pictures that resemble the object they represent. That similarity between icon and object is fundamentally what sets icons apart from the other two kinds of signs. Indices do not have any similarity with their meanings, but have a cause and effect relationship. Symbols do not have any direct relationship with an object other than the meaning that is imposed or collectively agreed upon by a particular group of people.

Icons have become one of the most commonly used as well as one of the most misunderstood signs in our society today. This is because of the pictures identified as icons that are displayed on millions of computer screens around the world. These pictures are the core elements of the concept called graphical user interface ("GUI").[3] The graphical user interface is the computer industry's attempt to make personal computing user friendly. This virtual environment provides pictures that are generally familiar and allows users to interact directly with them by the movement of a mouse or a keyboard command.[4]

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[1] Charles S. Peirce, *On a New List of Categories, in* 1 COLLECTED PAPERS OF CHARLES SANDERS PEIRCE 287 (Charles Hatshorne & Paul Weiss eds., 1960).

[2] *Id.* at 295.

[3] Steven Schortgen, *"Dressing" Up Software Interface Protection: The Application Of Two Pesos To "Look And Feel"*, 80 CORNELL L. REV. 158, 159 (1994).

[4] John C. Phillips, *Sui Generis Intellectual Property Protection For Computer*

blue must be designated by horizontal striping; all shades of red must be designated by vertical striping; etc.[13] Therefore, this limited method of representation may not be adequate to indicate a design with multiple hues and tones of the same color.

In situations such as these, it may be preferable to request to retain the original color drawings or color photographs. This may be done by submitting a petition under 37 C.F.R. section 1.183,[14] to waive the last sentence of section 1.152 in order to accept color photographs or color drawings as formal drawings. Color photographs or color drawings submitted as formal drawings, however, must comply with all the requirements of 37 C.F.R. section 1.84.[15]

The parameters for color drawings and color photographs are set forth in 37 C.F.R. sections 1.84(a)(2)[16] and 1.84(b)(2),[17] respectively. Applicants should note that section 1.84(a)(2) requires a petition explaining why the color drawings are necessary.[18] In addition, applicants should note that even if color drawings or color

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[13] *Id.*

[14] Section 1.183 states:

> In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Commissioner or the Commissioner's designee, sua sponte, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(h).

37 C.F.R. § 1.183.

[15] MPEP, *supra* note 2, § 608.02, at 600-75 to 600-76.

[16] 37 C.F.R. § 1.84(a)(2).

[17] 37 C.F.R. § 1.84(b)(2).

[18] 37 C.F.R. § 1.84(a)(2).

requires either a black ink drawing or black and white photographs in compliance with 37 C.F.R. section 1.84(b)(1).[4] The last sentence of section 1.152 specifically interdicts color drawings and color photographs.[5]

This presents an interesting anomaly. Photographs, either color or black and white, have long been accepted as informal drawings in design patent applications so that applicants may meet the minimum requirements for a filing date.[6] For the last three years, however, black and white photographs have been acceptable in lieu of pen and ink drawings in design applications under section

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> complies with the requirements of § 1.84, and must contain a sufficient number of views to constitute a complete disclosure of the appearance of the article. Appropriate surface shading must be used to show the character or contour of the surfaces represented. Solid black surface shading is not permitted except when used to represent color contrast. Broken lines may be used to show visible environmental structure, but may not be used to show hidden planes and surfaces which cannot be seen through opaque materials. Alternate positions of a design component, illustrated by full and broken lines in the same view are not permitted in a design drawing. Photographs and ink drawings must not be combined in one application. Photographs submitted in lieu of ink drawings in design patent applications must comply with § 1.84(b) and must not disclose environmental structure but must be limited to the design for the article claimed. *Color drawings and color photographs are not permitted in design patent applications.*

Rules of Practice in Patent Cases, 37 C.F.R. § 1.152 (1996) (emphasis added).

[4] 37 C.F.R. § 1.84(b)(1).

[5] *Id.* § 1.152.

[6] MPEP, *supra* note 2, § 608.02, at 600-75.

access for a rather simple question of comparisons of external appearances of objects.

IV. CONCLUSION

A system having some or all of the elements mentioned above should significantly reduce the cost and increase the speed of the registration process. In many instances, examination would never take place. The design may never become commercial and may represent only a false start to an aborted or obsolete project. On the other hand, the design may be so distinctive and fresh that it will simply be recognized without the need for a challenge. In such cases the cost of design protection would be the cost of a formality review and publication of a very brief document. The clarity of the protection at least would equal the present system which has as its base the drawings to illustrate the protected designs. Nothing in a publication intellectual property system could deliver rights any quicker. Thus all our targeted values would be equalled or exceeded.

II) PATENTABILITY

A section would be added to "Chapter 16 Designs" of Title 35 defining the standard of invention in lieu of Section 103. Section 102 would be retained. The new standard could be "attractive and/or distinct" as contained in the sui generis legislation or "individual character" as has been proposed in Europe. Other standards appropriate to visual articles could be considered with the objective, of course, of getting the impossible burden of the unobviousness test off the backs of designers, as urged by Judge Rich.

III) BEST MODE

Another change to be added to Chapter 16 would be a provision customizing Section 112 to designs. In particular, the best mode requirement would be deleted in view of the narrow scope of design patents which as a practical matter do not permit one to describe one embodiment while covering a substantially different one. The claim and description requirements may also be eliminated and simply replaced with a requirement to supply a pictorial representation of the design subject to protection. This would not necessarily preclude adding some descriptive text, if desired, to clarify the drawings.

IV) SECURITY REQUIREMENTS

As previously mentioned, the security review and clearance process should be eliminated for designs.

V) DISCLOSURE OBLIGATIONS

Disclosure obligations would not apply to the registration phase when no examination has been requested or is taking place. If the obligation is to apply to the examination phase, it should reflect that typical

prosecution; and (3) make more efficient the examination process by making co-pending art available for consideration. The concern for preserving the trade secret option after eighteen months has considerably less force than for utility patents and cannot justify separate treatment for designs.

The proposal to accelerate early publication to the three or six month point does not appear to offer significant additional value to the design applicant. The early publication legislative proposal permits an applicant to request publication even earlier than eighteen months. A request concurrent with filing would be permitted, which should easily produce a publication with associated provisional rights by these early time periods. While this would not automatically occur on a systematic basis, but only by elective action, it would meet applicants' needs in situations where infringement issues exist. Therefore, it is doubtful that there would be a sufficient constituency to make the case for deviation from the utility patent proposal.

Perhaps there is greater value to the applicant when faced with an infringement situation, but stymied by a final rejection and slow moving appellate process, to be able to remove the case immediately to the courts. When the only adequate relief to infringement is an injunction this ability may in fact be critical to an applicant's ability to exploit the design. This feature is not apt to be viewed as simply transposing a well known copyright procedure into the design law. Rather it forces close examination of the nature of design examination philosophy. Professor Fryer's objective is to propose non-controversial changes that are achieveable given the present climate. This change, while clearly having value, does not seem to be a low profile change that is likely to meet the objective.

III. ANOTHER PROPOSAL

If we are to change the design protection system to a degree greater than simply extending the eighteen month publication and provisional rights system proposed for utility patents, it will entail full consideration and legislative effort. This runs the risk of generating the formidable opposition of those having a vested interest in perpetuating the current weak system. The effort seems worth it.

copyright office. In effect, when viewed from an encompassing national level that seemed capable of administering design protection, the patent system was the only game in town. The fact that designs are protected as a patent rather than copyright is more of an historical anomaly than due to any insightful analysis.

II) The sui generis design legislation proposals that have been before Congress have propsed different entities be the administering agency: some have indicated the Patent Office some have indicated the Copyright Office, and others in have left the issue open. The legislation neither requires nor excludes substantive examination on the part of the administering agency. More recent versions of the legislation have named the Copyright Office for fear the Patent Office would be more likely to evolve back in the direction of full examination and the unobviousness test which has proved so troublesome.

III) The mask work legislation adopted the format of the pending design legislation and has given legitimacy in our legal system to the concept of protecting appearance subject matter via a registration subject only to formalities examination.

IV) Most foreign countries have registration design systems and all new proposals are in that direction.

V) Max Plank Institute did a study on the ideal design protection system to assist Europe in proposing a Community-wide system. That system proposed was essentially a registration system.

VI) In many, if not most, categories of designs the relevant prior art is not available to the examiner for the examination process. Unlike utility patents, the most current and viable design disclosures are in ad

important consideration for designs, this very early publication would seem to have few downside effects. However, the problem with this aspect of the proposal is that it is difficult to make a compelling case for the need to deviate from the utility patent proposal. One could, after all, request publication early enough to obtain it on request even before three months if it were visualized that there was a need to do so.

Very early publications, inside six months, present the issue of obtaining necessary security clearances. Such clearances may be granted in most instances on the application filing receipt, which is early enough for these proposals. However, the clearance can be made a precondition to publication and, if not granted in certain instances, publication could be delayed. This, in essence, would be an exception to very early publication, but such delay would be required in very few instances and would not seriously degrade the proposal. Serious consideration should be given to eliminating the security review requirement for designs. Unlike utility patent inventions which often have much of their concept buried beneath the skin of an article, a design exists in an exterior shape and is completely visible to all who might see the design. There is no prohibition to putting a design on the market before filing--which in fact is quite likely for designs where some protection is sought for the marketplace to prevent copying. It is theoretically possible that a security clearance might pertain to the general subject matter and include potential design application subject matter. One conceivable past example is a spherical configuration of an atomic implosion chamber. Yet, absent the actual existence of an existing security classification covering the general subject matter, security review conducted by the Patent Office is ineffective, if not pointless. Design patent applications should be relieved of the burden of complying with this provision which, if it makes sense at all, does so only in the context of the general utility patent application.

Another aspect of the Fryer proposal is to permit a design applicant whose application has been finally rejected by the Patent Office to have standing to sue an infringer. In the process, the court could determine the validity of the patent. Professor Fryer indicates

viewed by many observers as an appropriate balance to a patent term that runs from the filing date since it assures that at least a modicum of rights will be available at an early date regardless of how protracted the prosecution might be. Others consider the publication of applications to be way to level the playing field with foreigners. Currently, most foreign countries see United States inventions filed in their countries published at eighteen months while their applications filed in the United States remain under secrecy for extended periods. Still others see it as needed transparency to avoid dislocating problems associated with the long-delayed or "submarine" patent. Its most important effect may be to simply make examination of applications more efficient by making available to an examiner earlier filed copending patent literature which is now set aside from consideration and left to deal with after the patent grant.

In addition, there is a definite concern that this change would compromise confidentiality of applications, particularly those applications which do not initially indicate they possess allowable subject matter at the time of publication. Thus, one not receiving patent protection or protection of a worthwhile scope would be precluded from reverting to trade secret protection for his or her idea, as it would already be in the public domain. Provisions were added to the proposed legislation to meet these concerns by permitting delay of publication in certain circumstances where it was clear that secrecy was being protected by the applicant so that the proposal under consideration had some flexibility.

Reflecting on the suitability of early publication and provisional rights for design patents, I agree with that part of the Fryer proposal that would provide for automatic publication of design applications consistent with the proposed change for utility patents. With the average prosecution time of design applications at eighteen months, half or more would be made public in that period regardless of the automatic publication. For such designs, there would be no negative impact if we were to consider only an eighteen month publication.

opposed by a well financed lobby representing the auto insurance interests. Such lobbyists have not only defeated legislation in the United States, but created a virtual standstill to similar initiatives in the European Community. The motivation of the auto insurance lobby is straightforward: by requiring an insured client to use cheaper offshore crash parts, the companies cut costs on replacement parts used to repair vehicles. Setting aside such questions concerning quality of the parts used and who benefits from the cost reduction, effective design protection is viewed as an impediment to this initiative. It is interesting to observe that there is nothing in the current design patent system which precludes granting protection to auto crash parts. Thus, this lobby obviously doesn't oppose design protection for crash parts--as long as it is the current ineffective design patent system. What they oppose is upgrading such protection to a system that might work. While this may be understandable from the insurance company's perspective, it represents a sad commentary on the state of our current design patent system.

II. 1996 AND FORWARD

The current design protection system is still in need of improvement. The Patent and Trademark Office may be processing applications a little faster and certain attorneys claim that they have been successful in enforcing design patents. These efforts do not, however, help to avoid the inappropriate baggage that the utility patent system bestows on designs. Moreover, our system's "uniqueness" makes it inadequate, and unlike the utility patent system, is not considered a good model for global harmonization.

Another reality is that the insurance lobby still exists and is a formidable obstacle to change. It is worthwhile to consider concepts for change that might be doable in the context of the present dynamics. One such proposal is suggested by Professor William T. Fryer, and is presented earlier in this volume. In this article, I will offer some comments to the Fryer proposal and add some thoughts of my own.

I. HISTORICAL BACKGROUND

The principal system for protecting designs in the United States is the design patent.[1] Admittedly, copyrights, trademarks, and unfair competition laws impinge on the periphery of the body of designs subject to protection. However, the non-patent protection systems which exist today were not created primarily to protect designs. As a result, except for very specialized categories, the number of designs protected by the copyright, trademark, or unfair competition laws are not economically significant.

The design patent system has been heavily criticized. Though the design patent law was first established in 1842, over 150 years ago, it is an old, but not well regarded system. The 1842 provisions were enacted as an amendment to the new modern patent law enacted a mere six years earlier in 1836. Assuming, at its creation, the 1842 patent protection for designs was an effective and viable system, design protection via the patent system has gone downhill ever since.

There are several reasons for this decline. One example involves the definition of patentability. As the definition of patentability, with its focus on utility patents, evolved to ever more precise dimensions, the patentability standard became more difficult to apply to the unique issue of designs. Utility patent concepts such as export licenses, best mode, automated searching, disclosure obligations, and others are difficult to apply to design applications and more difficult to rationalize. It is a fair observation that the low status of the design patent results in no small measure from the fact that it has been, over its history, an overlooked appendage of the utility patent. However, it does not follow that design protection titles are inherently few and of little significance. Quite the contrary; there is every reason to expect that a viable system for protecting designs could eclipse in volume the number of applications and patents realized in the utility patent system. Currently, the reason the design patent system lags in volume is that the potential using public, for the most part, ignores the system. The problem creates a

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[1] *See* 35 U.S.C. §§ 171-173 (1994).

Appendix

APPENDIX TABLE III
DESIGN PATENT STATISTICS
APPLICATION PENDENCY
FY 1984-1995

YEAR	APPLICATION PENDENCY AVERAGE (Months)	CHANGE FROM PRIOR YEAR	COMMENTS
1984	28.6		
1985	28.5	0	
1986	29.2	+2%	
1987	28.5	-2%	
1988	30.7	+7%	
1989	31.6	+2%	Maximum pendency in ten years prior to FY1995
1990	31.2	-1%	
1991	30.1	-3%	
1992	26.9	-10%	Beginning of major pendency reductions
1993	25.5	-5%	
1994	21.2	-16%	Continued reduction in pendency
1995	**17.9**	**-15%**	**Shortest pendency in ten years**

* FY - U.S. Government Fiscal Year (October 1 - September 30: the fiscal year identification is the year in which the period ends).

Resources: U.S. Patent and Trademark Office Annual Reports, FY 1984 - 1995.

Appendix

APPENDIX TABLE I
DESIGN PATENT APPLICATIONS FILED
FY 1975-1995

YEAR[+]	TOTAL DESIGN PATENTS	COMMENTS
1975	5,751	
1976*	6,838	
1977*	7,186	
1978	7,440	
1979	7,070	
1980	7,269	
1981	7,197	
1982	8,069	Steady increase
1983	8,256	
1984	8,446	
1985	9,508	
1986	9,792	
1987	10,766	
1988	11,114	
1989	11,975	
1990	11,140	Decrease
1991	10,368	Continued decrease
1992	12,907	Renewed increase
1993	13,546	
1994	15,431	Starts to level off
1995	**15,375**	167% increase since 1975; 8% average/year

[+] FY 1996 estimate from PTO that 15,500 design patent applications were filed.
*The transition quarter, July 1, 1976, to September 30, 1976, has been omitted.
Resource: U. S. PTO FY 1995 ANNUAL REPORT, p. 88

This flexibility would allow an applicant to alter the drawings after filing, to change previously disclosed features to background (dotted lines), or the reverse, thereby varying the scope of the drawing claim.[145] The basic disclosure would be in the first filed application. This procedure would be very difficult to apply and would raise many questions of interpretation for some designs. It does offer an interesting approach that needs to be studied, and current law permits this type of change. A provisional application with photos of the product could provide the initial application disclosure.

If written claims in a design application were permitted,[146] there would be the opportunity to define the scope of invention after the product design disclosure was filed. For example, a picture of the product showing all features could be filed, and word claims could be filed later to identify the combination of features claimed. This claiming procedure has some attractive features, one of which would be an effective interface with a provisional application.

Using one of the aforementioned flexible claiming approaches, a design owner could file a provisional application drawing showing all features, and the attorney could sort out what is novel after filing in the one year period to complete the design patent application. The provisional application would not be published. Only the completed application would receive early publication under the proposal articulated in this article.

In many cases, a provisional application design may turn out to be of insignificant value to justify obtaining a design patent, and the low cost provisional application would be the only expense incurred by the design owner. These possible advantages are strong incentives to study further the topics of drawing modification and use of word

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[145] *See supra* section VIII.E.

[146] *See id.*

Companies that manufactured replacement car parts were concerned that this added design protection would create barriers to their copying original parts, particularly external car parts that are involved in crashes. The car insurance companies were strong supporters of this opposition.[139]

For now, it is difficult to predict the likelihood that *sui generis* legislation would be passed. There is no general opposition to improving design patent system effectiveness. The proposals presented in this paper should not initiate opposition from the group that opposed *sui generis* protection, as the proposals are properly balanced and represent general improvements in intellectual property protection.

The European Union (EU) will have a feature in its Community Design law that gives product designs entry protection against copying for a short period of time.[140] This feature has wide support in the EU, and it has attracted interest in many countries. In Japan a new unfair competition law provides market entry design protection against copying for a limited period of time without any registration.[141]

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[139] *Id.*

[140] Proposal for a European Parliament and Council Regulation on the Community Design, art. 12 (commencement and term of unregistered protection), art. 20 (right to prevent copying), art. 48 (only formality examination), art. 51 (publication after formality examination), and art. 52 (deferment of publication), COM(93) 344-COD 464 (Dec. 3, 1993). This proposal has not been adopted as of June 25, 1997, but the basic structure created by the cited articles is not controversial, and enactment is expected with some modifications in 1997 or 1998. For a comment on the Community Design Proposal related to copyright protection, see Herman Cohen Jehoram, *Cumulation of Protection in the EC Design Proposals*, 12 E.I.P.R. 514 (1994).

[141] *Japan Revises Its Unfair Competition Prevention Law*, 7 World Intell. Prop. Rep. (BNA) 262 (1993).

invention, but it must be a limiting statement.[132] The statement cannot be in the alternative, and separate statements cannot be used to cover various feature combinations.

The principle of design patent law is that what you see in solid lines in the drawing is what is protected essentially, subject to limiting statements in the patent. If a portion of a product appearance is to be claimed, the applicant shows that portion with solid lines, and unclaimed, background features of the design invention are shown with dashed lines.[133] This practice corresponds to the procedure in U.S trademark registrations.

The inclusion of multiple claims of varying scope in a design patent would be a major change in U.S. practice. The fact that there can be no benefit of prior experience and no foreign system appears to use this practice makes it harder to advocate its use. Some countries require or permit a description of the invention. The impact on infringement scope from these descriptions needs to be studied.

The idea may have merit as a way to reduce design protection cost and obtain more effective protection. It would require the introduction of a basic, new approach to design patent law. Probably the main question is whether words can ever serve as an effective presentation of a design. Certainly, they can be used to clarify what a design drawing shows. It is a topic for study and careful preparation before implementation of such a change.

A related approach, now permitted, is to amend the original drawing claim and select the design features (in solid lines) for protection, that is, the claimed subject matter. While this technique does not allow multiple claims, it does allow claim amendment to obtain the proper claim scope. This procedure needs to be studied and refined to give design patent practice more versatility.

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[132] MPEP, *supra* note 16, § 1503.01.

Others have debated whether TRIPS requires the United States to eliminate the obviousness requirement.[127]

This change would have to include development of a new approach to novelty determination to determine how similar prior art designs would be applied. Foreign systems have approaches to this issue, as they primarily use a novelty standard and not an obviousness requirement.

More study is needed on this idea, but it has considerable merit in view of the experience of foreign design patent systems. In particular, a test that the claimed design is substantially different in overall appearance from a prior art design could suffice to set the bounds for novelty determination. Essentially, the same test would apply for infringement, thus providing a simple, common approach to these basic issues.

D. *More Than One Invention In A Design Patent Application*

U.S. patent law permits only one invention to be claimed in a patent, with some freedom to include species if a generic claim is patentable.[128] The one-invention principle is closely tied to utility patent practice. It would not be easy to convince the PTO or the patent bar to adopt another procedure.

A main reason for the one-invention policy was to make the examination process more efficient, especially the searching and

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[127] Annette Kur, *TRIPS and Design Protection, From GATT to TRIPS--The Agreement on Trade-Related Aspects of Intellectual Property Rights*, I.I.C. STUDIES 141, 151 (1996); Jerome H. Reichman, *The TRIPS Component of the GATT's Uruguay Round: Competitive Prospects for Intellectual Property Owners in an Integrated World Market*, FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 171, 245 (1993) (strongly argues for deletion, mandated by TRIPS).

[128] 35 U.S.C. § 121 (1994); MPEP, *supra* note 16, § 1504.05.

VIII. OTHER DESIGN PATENT SYSTEM CHANGES FOR MORE STUDY

A. *Introduction*

There have been several suggestions for revising the design patent system or providing a complementary system for early protection.

Topics on substantive law and procedure that have been mentioned from various sources include: (1) changing the design patent term to seventeen years from the U.S. filing date, (2) eliminating the obviousness standard, (3) including more than one invention in an application for examination, (4) using multiple claims to define different scope of protection in one application, (5) protecting product design color, (6) implementing a *sui generis* system to complement the design patent, providing protection immediately upon entry of the product into the market, and (7) adding a provisional application for design patents, paralleling the one now permitted for utility patents, along with complementary procedural changes. All of these topics are worth study.

A few comments on each of these topics will explain why they do not interface significantly with the structural changes proposed in this article. One or more of them may improve the design patent system, but they do not conflict or require implementation with the proposed changes. Many of these topics require careful evaluation because they would constitute major changes in the current design patent system.

B. *Design Patent Term Of Seventeen Years*

The idea of having a seventeen-year design patent term is logical. It parallels the recent change in term for utility patents from seventeen years from the date of issue to twenty years from application filing date, which arose from the Uruguay Round of the

4. An option should be provided for publication deferment, and the deferment period should end at the time of design patent issuance.[113] This step is needed for certain U.S. industries, and it is a necessary feature for U.S. compliance with the Hague Agreement design treaty draft revision.

5. A provisional right given for damages for the period from publication to design patent issuance, but should be enforceable only after the patent issues.[114]

6. The infringement provisional right should be limited to instances when the design as published is infringed and a substantially similar design is patented.[115]

7. Provisions of the law related to willful infringement should apply to a provisional right, so that copiers will have to examine the legal issues involved during this stage.[116]

8. Damages for infringement of a provisional right should be recoverable only from a suit filed within two years after design patent issuance in order to encourage prompt resolution of disputes.[117]

B. *Recommended Supporting Change--Addition Of An Appeal/Infringement Suit.*

The early publication recommendation is not dependent on adding a shorter route for seeking an appeal and bringing a suit for infringement. There is a need to accelerate appeals for rejected design

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[113] *See supra* section IV.C.

[114] *See supra* section IV.D.

[115] *See supra* note 48 and accompanying text.

[116] *See supra* section IV.E.

[117] *See supra* note 51 and accompanying text.

The continued trail blazing work on utility and plant patent application publication must be watched closely for guidance on how to present similar legislation for design patent applications. Utility and plant patent early publication legislation was re-introduced early in 1997.[109]

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52 Pat. Trademark & Copyright J. (BNA) 65 (May 16, 1996).

[109] H.R. 400, 105th Cong. (1997). On April 23, 1997, the House passed an amended version, after extensive, publicly televised debate. 143 Cong. Rec. H1612 (daily ed. Apr. 16, 1997). The utility patent application provision was amended to expand the early publication exceptions. Small business concerns and independent inventors could have publication withdrawn up to three months from the first office action on invention merits, within certain limits. The infringement test of substantially the same claimed subject matter for the published application and patent was retained. *Id.*; *Patent Legislation filed*, 53 Pat. Trademark & Copyright J. (BNA) 187, 197 (Jan. 16, 1997); *House hearing*, 53 Pat. Trademark & Copyright J. (BNA) 350 (Feb. 27, 1997); *House Judiciary Committee approved amended H. R. 400*, 53 Pat. Trademark & Copyright J. (BNA) 398 (Mar. 13 1997); *Legislation amended and passed by House*, 53 Pat. Trademark & Copyright J. (BNA) 539, 555 (Apr. 24, 1997).

S. 507, 105th Cong. (1997). On May 8, 1997, the Senate Judiciary Committee amended and approed legislation similar to H.R. 400. The early publication provision differed significantly from the House version. Any application who certified that the application would not be filed in a foreign country would have the option to prevent early publication. The early publication infringement test was the same as in the House passed H.R. 400. *S.507 filed*, 53 Pat. Trademark & Copyright J. (BNA) 444, 453 (Mar. 27, 1997); *Hearing on S.507*, 54 Pat. Trademark & Copyright J. (BNA) 22 (May 8, 1997); *Senate Judiciary Committee approved amended S.507*, 54 Trademark & Copyright J. (BNA) 83 (May 29, 1997).

These developments suggest that some exceptions to early publications will be permitted for utility applications. This recognition is a good sign that a carefully tailored provision with necessary exceptions to early

separately, requiring further review, due to the Hague Agreement revision work.[105]

The first legislation on patent application publication in the 104th Congress, after the aforementioned PTO hearing, was introduced at the request of the Clinton Administration.[106] This

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[105] *Hearing Set, Comments Requested on 18-Month Publication of Patents*, 49 Pat. Trademark & Copyright J. (BNA) 150, 175, 492, 415, 436 (Dec. 15, 1995); *PTO Holds Public Hearing on 18-Month Publication of Patent Applications*, 49 Pat. Trademark of Copyright J. (BNA) 492 (Feb. 23, 1995); *see* Statement by Professor William T. Fryer, III, in response to Notice of Public Hearing and Request for Comments on 18-Month Publication of Patent Applications, 59 Fed. Reg. 63, 966 (Feb. 15, 1996) (available from the PTO, Office of Legislation and International Affairs). For a discussion of Hague Agreement revision work, see sources cited *supra* note 34 and accompanying text.

[106] H.R. 1733, 103d Cong. (1995). This legislation differed from prior versions in that it provided a deferment from publication, on request and under certain conditions, until three months after the first office action. The applicant had to state that the application had not been filed and would not be filed in a foreign country. The option was available only to an independent inventor qualified under 35 U.S.C. § 41(h) (small business exception for reduced fees). Small business concerns and non-profit organizations entitled to the fee reduction were excluded from using the deferment option.

H.R. 1733 introduced for the first time the requirement that the published application claim must be "identical" to the invention claimed in the patent. *Id.* It was a significant change from "substantially identical" used in all prior legislation, representing a further limitation on the provisional right. In theory, the use of the "identical" test might eliminate any application of doctrine of equivalents in determining the provisional right. The "substantially identical" test would permit use of the doctrine of equivalents analysis.

Several hearings were held on this legislation. *Patent Term and Publication Bills Are Debated Before Energy Committee*, 52 Pat. Trademark & Copyright J. (BNA) 41 (May 9, 1996); *House Panel Examines bills on Patent Law Reforms*, 51 Pat. Trademark & Copyright J. (BNA) 50 (Nov. 9, 1995); *Panel Grills PTO Chief on Patent Law Concessions in 1994 U.S.-Japan Accords*, 51 Pat. Trademark & Copyright J. (BNA) 7 (Nov. 2, 1995); *House Subcommittee Considers Bills on Reexamination and Early Publication*, 50 Pat. Trademark & Copyright J. (BNA) 174 (June 15, 1995).

The Advisory Commission did not qualify its recommendation for the United States to publish utility patent applications on a package arrangement of changes in the laws of other major industrialized countries.[100] The Advisory Commission came to the conclusion that the proper balance for the U.S. patent system was to provide public access to patent rights through early application publication and patent issuance in less than two years for most patents. The Commission stressed that publication and provisional rights would take care of the applications taking longer to issue. The access to pending patent information and potential rights was cited as a strong benefit from application publication.

The issuance of the Advisory Commission's Report was followed by Congressional legislation on patent application publication. Such legislation has been refined over the last several years, but none has yet been enacted. Initially, a series of bills were introduced that mixed several patent law proposals with early patent application publication, including design patent applications.[101] The next round of legislation included several topics: early publication, provisional rights, and prior art effect.[102] In 1994, Congress reviewed

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[100] ADVISORY COMMISSION REPORT, *supra* note 95, at 61-63.

[101] S. 2605, 102d Cong. (1992); H.R. 4978, 102d Cong. (1992) (started the debate on patent law harmonization). These bills contained early publication of all types of patents, *id.* § 4, and provisional rights, *id.* § 6, with a package of several patent law changes. Also included was an accelerated examination option to allow determination of patentability and possible abandonment before mandatory publication. *Id.* § 5. A hearing was held on April 30, 1992 on these bills, *Patent System Harmonization Legislation is Debated in Joint Senate-House Hearing*, 44 Pat. Trademark & Copyright J. (BNA) 3 (May 7, 1992), where Commissioner Manbeck expressed concern at the hearing over the PTO cost of publication and the impact of accelerated examination on patent pendency.

[102] S. 1854, 103d Cong. (1994) (dealt with utility patent term (seventeen year minimum), application publication, and provisional rights, for all types of patents). The General Agreement on Tariff and Trade ("GATT") had been concluded and did not include application publication for any

Simply because most other countries use a particular feature for their patent systems does not mean that the United States will adopt it, especially without extensive debate and a strong showing of benefits to the United States. Early publication of utility patent applications has been the subject of U.S legislation, due in part to international pressures and in part to the conviction of some U.S. companies that it is now the right step.

B. *U.S. Legislative Activity*

Recent U.S. legislative experience suggests that in the near future utility patent and plant patent applications will be published eighteen months from their effective priority date.[93] Preparation for this event has already been made by the PTO.[94] This history contains valuable experience for evaluating whether design patent applications should be published in the United States and whether legislation on this topic will be successful.

In 1992, the Advisory Commission on Patent Law Reform was established to help the United States decide whether a major set of utility patent law changes should be adopted.[95] It came after an unsuccessful effort to harmonize U.S. and foreign utility patent laws.[96]

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[93] *See, e.g.*, H.R. 400, 105th Cong. (1977).

[94] PTO Proposed Changes to Implement 18-Month Publication of Patent Applications, 60 Fed. Reg. 42,352 (1995) (announcement of PTO hearing on procedures concerning possible publication of utility and plant patent applications).

[95] THE ADVISORY COMMISSION ON PATENT LAW REFORM, A REPORT TO THE SECRETARY OF COMMERCE (1992) [hereinafter ADVISORY COMMISSION REPORT].

[96] A World Intellectual Property Organization (WIPO) project developed a draft treaty on patent law harmonization that received mixed reaction in the United States. For comments related to early publication and provisional rights provisions at an interim stage of the treaty drafting, see William T. Fryer III, Patent Law Harmonization: The Current Situation and Alternatives Available, 72 J. PAT. & TRADEMARK OFF. SOC'Y 242, 251-52.

without a provisional right to compensation.[80] The United States is one of the few countries that keeps patent applications secret before issuance.

The widely adopted European Patent Convention ("EPC")[81] included utility patent application publication at eighteen months from the effective priority date.[82] A European patent application can be withdrawn from publication, if the notice is given in time.[83] There is no provision in the EPC for deferring publication of an application.

National laws in the countries designated in an EPC application for protection control whether compensation for a provisional right is obtained. At the least, a country with provisional rights for its national applications must provide reasonable compensation for infringement.[84] A country is not required to provide injunctive relief for a provisional right under the EPC. The requirement of enforcing a right no greater than granted in the patent prevents an immediate injunction in many countries.

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[80] *Id.* Jacobs, *supra* note 79 (Australia, Brazil, Peru, Poland and Portugal; total of five countries).

[81] The members of the European Patent Convention are: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Liechtenstein, Luxembourg, Monaco, Netherlands, Portugal, Spain, Sweden, Switzerland, and the United Kingdom (total of 18 countries). What is the European Union? <http://europa.eu.int/en/eu/states.htm>

[82] EPC, art. 93(1), *in* ROMUALD SINGER & MARGARETE SINGER, THE EUROPEAN PATENT CONVENTION 421 (Ralph Lunger, ed. & trans. 1995) [hereinafter SINGER & SINGER].

[83] *Id.* (EPC, art. 93(2)). If the notice of withdrawal is filed no later than 10 weeks of the 18 month publication date, there is a guarantee that the application will not be published. The deadline to withdraw an application from publication is 10 weeks before the application is scheduled for publication.

[84] *Id.* at 244 (EPC, art. 67(2)).

appears to allow dual suits, simultaneously, one for a review of the Copyright Office decision under section 701(d) and the other under section 411(a) for an appeal and infringement suit.[73] This strategy complicates judicial review. Different scopes of review may be applied, as suggested in *Oddzon Products, Inc. v. Oman*[74], with the section 411(a) review more in depth and less deferential to the Copyright Office decision than the section 701(d) review.[75] Judicial efficiency favors an election of one of these review avenues.

A significant consideration is that the copyright law has limited the infringement right to copying.[76] Design patents give a right against copying and independent creation.[77] This difference is significant, because copiers know they are infringing, and a suit is not a surprise in most cases. Design patent infringers may be innocent, however, having created the work independently. The competitive impact would be more balanced if a 411(a)-type infringement action as applied to design patents was limited to copying, a narrowing of the provisional right for only the section 411(a)-type judicial review. The design owner in a copying infringement action must prove the alleged infringer had access to the protected design and the designs were substantially identical.

Under section 411(a), the Register of Copyrights can be a party in the suit.[78] This feature may not be attractive to the design owner or the PTO in applying section 411(a) to design patent law. The PTO would be concerned about the impact on work load and ultimately on

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[73] *See, e.g.* Atari Games Corp. v. Oman, 888 F.2d 878, 811 & n.3, 12 U.S.P.Q.2d (BNA) 1791, 1793 & n.3 (D.C. Cir. 1989).

[74] 924 F.2d 346, 17 U.S.P.Q.2d (BNA) 1624 (D.C. Cir. 1991).

[75] *Id.; see supra* note 71 and accompanying text.

[76] 17 U.S.C. § 106 (1994).

[77] 35 U.S.C. § 271(a) (1994).

There was a significant exchange of views by the majority and concurring opinions in *Atari Games Corp. v. Oman*[67] on the role of the court in a section 701(d) review. The majority gave the Copyright Office guidance on how to apply the law.[68] The concurring opinion urged the court to give the Copyright Office the statutory freedom to make decisions, as long as the decisions did not constitute an abuse of discretion.[69] In another case, the same court, in dicta, contrasted section 411(a) judicial review with section 701(d) review.[70] It suggested that the section 411(a) court review of a copyright subject issue is with less deference to the Copyright Office decision than a section 701(d) review.[71]

While there is a continuing debate among scholars,[72] judges, and attorneys on the scope of judicial review under the APA, the courts in section 411(a) cases appear to have no particular difficulty with the scope of review issue. They have given Copyright Office decisions significant deference, but these courts have examined the law and facts carefully.

The copyright law experience with section 411(a) suggests it is a workable procedure.

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[67] Atari Games Corp. v. Oman, 888 F.2d 878, 12 U.S.P.Q.2d (BNA) 1791 (D.C. Cir. 1989).

[68] *Id.* at 879, 12 U.S.P.Q.2d (BNA) at 1791.

[69] *Id.* at 886-90, 12 U.S.P.Q.2d (BNA) at 1798-1800.

[70] Oddzon Prods., Inc. v. Oman, 924 F.2d 346, 347, 350, 17 U.S.P.Q.2d (BNA) 1624, 1625, 1627 (D.C. Cir. 1991).

[71] *Id.*

[72] ALFRED C. AMAN, JR. & WILLIAM T. MAYTON, ADMINISTRATIVE LAW, § 13.1-13.10.6, at 434 (1993); RICHARD J. PIERCE, JR., ET AL., ADMINISTRATIVE

> sixty days after such service, but the Register's failure to become a party shall not deprive the court of jurisdiction to determine the issue.[59]

In 1976, a revision to the Copyright Act revision added section 411(a) appeal/infringement route. A copyright owner can file an application for registration (a requirement for bringing a law suit for U.S. works),[60] accelerate the examination to completion in a few days,[61] receive a refusal, and file a law suit for infringement and review of the refusal under section 411(a). This provision is limited to situations where there is an infringement. Moreover, section 411(a) requires that the applicant exhaust the administrative review in the Copyright Office before an action can be filed.[62] The legislative history of section 411(a) does not indicate any significant opposition to this expedited enforcement process.[63]

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[59] 17 U.S.C. § 411(a) (1994).

[60] *Id.*

[61] COPYRIGHT OFFICE CIRCULAR 10, SPECIAL HANDLING (Nov. 1995).

[62] *Id.*

[63] ALAN LATMAN & JAMES F. LIGHTSTONE, THE KAMINSTEIN LEGISLATIVE HISTORY PROJECT: A COMPENDIUM AND ANALYTICAL INDEX OF MATERIALS LEADING TO THE COPYRIGHT ACT OF 1976, at 47-71 (1984).

need assistance as well. They can follow the current appellate route of appealing to the Board of Patent Appeals and Interferences ("the Board"),[54] which can take over a year. If still unsuccessful, they can take the next step of appealling, either to the Court of Appeals for the Federal Circuit based on the PTO record,[55] or to the District Court of the District of Columbia for a trial de novo.[56] Combining the two-stage appeals can take over two years, during which an infringer of the provisional rights cannot be stopped. If potential damages are not enough of a deterrent, an injunction is needed promptly.

PTO procedures now provide for expedited handling of design applications, where special situations exit, such as an infringement.[57] Even without infringement, expedited prosecution can be obtained. Both of these procedures require the person requesting this service to incur additional costs. These special cases are handled promptly, and often an applicant can obtain a patent within a year.

B. *Possible Solutions To The Appeal Delay*

One answer to enforcement delay of provisional rights is to accelerate the appeal process where there is infringement. Unfortunately, there are no formal procedures to reduce significantly the appeal pendency when an infringement exits.

Other alternatives would be to give the rejected applicant a right to file an infringement suit immediately after rejection or appeal refusal, wherein the rejection decision may be reversed. Figure 3 illustrates these alternatives. These proposals are faster routes for the design owner to determine whether a design patent can be obtained and enforced. Whether it is preferable to wait for the Board decision

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[54] *See* 35 U.S.C. § 134 (1994).

[55] 35 U.S.C. § 141.

[56] 35 U.S.C. § 145.

[57] *See supra* note 16 and accompanying text.

E. *Provisional Right And Willful Infringement*

When the provisional damage right is coupled with the possibility of willful infringement liability, it becomes a more valuable potential right.[53] A respected provisional right is needed--one that requires the competition to evaluate whether there is likely protection or whether it is advisable to create a non-infringing design.

The opportunity for willful infringement damages discourages intentional copying without seeking proper legal advice. Every company should make this determination and avoid conflicts. In most design validity and infringement evaluations, the answers come quickly. In a close decision it is best to err towards non-infringement, especially considering that non-infringing product designs are not that difficult to create.

From the point of view of potential infringers, there is less enthusiasm for enhanced damage enforcement from provisional rights. A major concern would be that applications could be filed for designs that may not be novel. They would argue that forcing the competition to evaluate rights that are not examined for novelty by the PTO is a significant burden.

When evaluating the level of damages, a court should take into consideration whether the claim scope applied to protect a product design in one or more design applications was reasonable. Competitors would have the advantage of citing pertinent prior art

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[53] *See* 35 U.S.C. § 284 (1994); *see, e.g.* The Read Corp. v. Portec Inc., 970 F.2d 816, 23 U.S.P.Q.2d (BNA) 1426 (Fed. Cir. 1992) (reversing award of damages for willful infringement and attorney fees) (The company consulted counsel at several points during product development for advice on whether the patent would be infringed.); Bolt v. Four Star Corp., 807 F.2d 1567, 1 U.S.P.Q.2d (BNA) 1210 (Fed. Cir. 1986) (affirming holding of willful infringement and attorney fees; and concluding, essentially that, when a potential infringer has actual notice of the patent rights, a duty exits to determine whether or not there is infringement).

some of the design owner's concerns will be alleviated. A copier would be on notice of an existing right and potential damages.

A provisional right to damages for infringement of a design patent must be restricted, however, to give competitors adequate notice of what can be used without likely infringement. The standard applied in utility patent systems with early publication requires infringement of a claim in the published application, and infringement of a claim for the same subject matter in the issued patent.[48] In other words, to maintain a successful infringement action, the invention claimed at the time of publication must be substantially identical to the invention claimed in the issued patent. This standard is a reasonable approach for design patents as well.

Implementation of the utility patent provisional right infringement test for design patents would not be difficult. It would require, first, a determination that the published design was infringed. Next, there would be a comparison of the infringed published design claim and the design patent claim. The claim of a design patent is the solid line drawing essentially, and it may change from filing to issue, when dotted lines replace the solid lines to broaden the claim, or vice versa. There may be changes to the drawing required to comply with PTO drawing guidelines, but these revisions should not change the scope of the drawing claim.

Another reason for a difference between publication and issued design patent scope could be the addition of descriptive statements during prosecution to highlight unique features. These statements function in the same way as amendments to a utility patent claim, and they may change the protection scope. The descriptive statements can only explain what is shown clearly in the drawing, however, or a new matter problem would result.

pendency, but federal trademark rights based on use can be enforced while the application is pending.[42]

C. *Need For Publication Deferment Option*

Several industries, especially fabric design, fashion, and car manufacturing, must prepare product designs long before the product is made public and must keep these designs secret during the interim. This need has been met in many foreign design protection systems by providing the option for a deferment from publication after enforceable design rights are obtained. The Hague Agreement recognized this need and included a one-year optional deferment.[43] This deferment option, however, has rarely been invoked by registrants.[44]

During the negotiations on the revised Hague Agreement, the issue of publication deferment has been a major topic and many countries are insisting on a period of non-publication.[45] The U.S. delegation has insisted that each country be able to decide for itself if there will be a deferment and points to the current period of secrecy during the U.S. examination, a pendency of approximately eighteen months on average.

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[42] Federal right to a trademark can be based on interstate use without registration under 35 U.S.C. § 1125(a) (1994). *See, e.g.* Tools USA and Equipment Comp. v. Champ Frame Straightening Equip., Inc., 87 F.3d 654, 39 U.S.P.Q.2d (BNA) 1355 (4th Cir. 1996) (affirming holding of trademark infringement of unregistered federal trademark right for catalog appearance (trade dress) under 15 U.S.C. § 1125(a)).

[43] *See supra*, note 35, The Hague Agreement, art. 6(4).

[44] WIPO International Designs Bulletin Statistics, Supplement to No. 1/1996 (only 12 International Registrations were sealed in 1995).

[45] Draft New Act of the Hague Agreement Concerning the International Deposit of Industrial Designs, art. 9, WIPO Doc. H/CE/VI/2 (English) (Sept. 6, 1996); Notes on the Draft New Act of the Hague Agreement Concerning the International Registration of Industrial Designs, notes on

The current Hague Agreement,[35] administered by the World Intellectual Property Organization ("WIPO") operates with approximately a three-month period from filing to publication and registration,[36] except where deferred publication is requested.[37] Registrations in designated countries, based on the International Registration, have this three-month publication schedule. Foreign systems that register designs without a novelty examination take varying times to publish the design registration, depending on the workload, but they are relatively prompt.

As an alternative, a six-month period from U.S. filing date to publication of a U.S. design application would be equally effective. This time frame would be well before the design patent grant. The average pendency goal for design patents is fifteen months.[38] This publication provision would give important notice of the pending design and a valuable provisional right.

Whatever period is selected for early publication, the likely implementation of this step for design patents will depend on the adoption of early publication for utility patents.

B. *Publication Content*

The design patent application publication content could take several forms. The content question was debated in connection with

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[35] The Hague Agreement Act of Nov. 28, 1960, WIPO Pub. No. 262(E), at 11 (1993)[hereinafter The Hague Agreement].

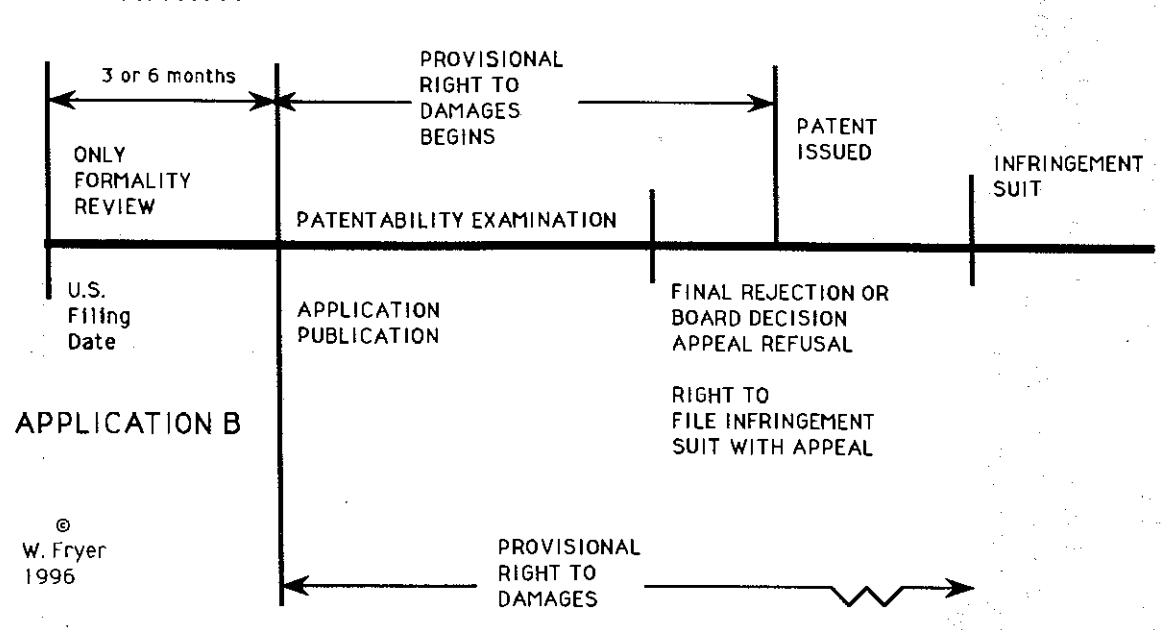
[36] Estimate by author, based on survey of International Registrations in WIPO International Designs Bulletin, during period 1991-1996.

[37] *See supra* note 35, art. 6(4) (permitting a maximum publication deferment of one year).

[38] Report by PTO Design Group director at non-public advisory meeting with attorneys and design examiners on June 12, 1996 (notes taken by

FIGURE 3

SHORTER ROUTES TO INFRINGEMENT SUIT - PROPOSED DESIGN PATENT SYSTEM STRUCTURAL CHANGE



In summary, it provides early publication of design patent applications, coupled with a provisional right to damages between publication and patent issuance. The primary benefits of this proposal are an early provisional right as well as public notice of pending rights. Either a three or six month time period from filing to publication should be instituted, the optimal being three months. There should also be a provision allowing a deferral of publication for a limited time.

Under this proposal, the provisional right would be for infringement damages only. No injunctive relief would be provided. These damages would be obtained in a suit after the patent issued, and injunctive relief could be obtained only at that time.

The proposal for early publication of design patent applications is very similar to legislation pending for early publication of utility patent applications.[29] Many of the reasons for early publication of design patent applications are the same as for utility patent applications. It should be noted, however, that some special circumstances involving industrial designs require tailoring the approach to meet the needs of design owners.

The proposed judicial review change for design patents is illustrated in Figure 3. It gives each design patent applicant the right to bring an infringement action and appeal the patent refusal in the same suit. The action could be filed immediately after either the PTO final rejection or review by the Board of Appeals and Interferences. This proposal provides a shorter route to infringement and patentability determination than that available under the current

inventions are public once the product is sold, considerations that dictate a long time before publication and protection for technology inventions do not exist for most design inventions.

A design owner's product usually goes into the market very soon after the invention is conceived. Protection is needed promptly, and this fact is driving design patent pendency down.[26] The average design patent pendency goal under consideration is fifteen months.[27] The special needs of design owners support a conclusion that most design patent applications should be published as soon as the PTO formal examination is completed.

A general policy of publishing most design applications at a specified time is better than merely giving design owners the right to publish early and keeping other applications secret. This regular access to most pending design applications helps to reduce potential conflicts and related litigation. The needs of certain industries, such as fashion and car manufacturing, that require design secrecy for a limited time, justify an exception to the publication policy.[28]

These concerns have motivated this review of design patent system structural changes so as to improve the system's usefulness. The proposed changes are realistic and they are based on experience. They should allow the design patent system to function effectively well into the twenty-first century.

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[26] *See supra* notes 14 and 15 and accompanying text.

[27] *See infra* note 38.

A useful comparison can be made between the PTO first office action and pendency goals for design patent applications and for trademark registration applications. The prompt need for design protection is more similar to trademark registrations than utility patents. Trademark owners must have prompt first office actions, and trademark application pendency must be relatively short, because successful marks are usually copied very soon after product introduction.

The PTO has worked hard to maintain an effective trademark registration system in the face of a five-fold increase in applications from 1975 to 1995.[20] The first office action in a trademark application in FY 1995 took an average of 5.3 months, and the pendency, from filing to notice of allowance, took an average of 16.4 months.[21] These FY 1995 numbers were higher than those for recent years due to a significant increase in filings. The corresponding figures for FY 1991 were 4.3 months and 13.3 months, respectively.[22]

The PTO design patent and trademark registration application processing performance goals should be substantially the same. Setting goals of about four to six months on first office actions, and twelve to fifteen months on pendency should be realistic for both design patent and trademark registration applications.

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[20] PTO Annual Report, *supra* note 10, at 99 (Table 17).

[21] *Id.* at 98 (Table 16).

[22] *Id.*

The design patent right does not commence until the patent issues. It is not reasonable, however, for a design owner to wait that long to obtain enforceable rights. PTO procedures address the pendency concern and, in certain situations, allow for special handling and expediting of the examination.[16] One of the circumstances under which a special handling can be obtained is when there is evidence of an infringement. The PTO rules require additional steps by the applicant to obtain the accelerated examination service, thereby increasing the cost of prosecution.[17]

Another important point in the design patent application review process occurs when the applicant receives the PTO letter indicating the results of the examination for novelty and obviousness--the first office action. This PTO statistic is reported as "the oldest new case not receiving a first office action." Over the years, this interval has remained relatively long. For example, in FY 1996, the average time for the oldest new case awaiting a first office action was nineteen months.[18] It is evident that progress has been made, however, when

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[16] U.S. PATENT AND TRADEMARK OFFICE, MANUAL OF PATENT EXAMINING PROCEDURE § 708.02 (1996) [hereinafter MPEP]. These procedures apply to all types of patents, unless otherwise provided.

[17] In general, the infringement exception requires filing a petition with a statement that there is infringement of a claim in the application. The MPEP states that the petition must show "that a rigid comparison of the alleged infringing device, product, or method with the claims of the application has been made and that, in his or her opinion, some of the claims are unquestionably infringed." *Id.* § 708.02(II). Another requirement is that a careful search of the prior art has been made, or the petition must state that the petitioner has good knowledge of the pertinent prior art. Copies of closely related prior art must be provided to the Patent and Trademark Office. *Id.*

Another more demanding approach used to expedite examination does not require a showing of infringement. *Id.* § 708.02(VIII). In addition to the prior art search and copies of references that must be submitted, this avenue requires a detailed analysis of the prior art and claims, in order to expedite examination. *Id.* § 708.02 (VIII)(c)-(e).

[18] *See* Chart IV - based on Appendix Table IV

The design patent system has its origin in the same patent law as the utility patent and plant patent systems.[12] The same patent law principles apply to all types of patents, unless otherwise stated in the statute.[13]

This design patent bond to general patent law creates a major challenge to keep current with new developments in design patent law. There are many more court decisions involving utility patents than design patents. This relationship also slows down any effort to change design patent law when a proposed change must be considered in light of its application to utility patents.

The major steps in the design patent process that determine how quickly enforceable rights are obtained include the application preparation, filing, and examination for novelty and obviousness. The administrative steps taken to set up files, send letters, and print the patent take significant time. The Patent and Trademark Office ("PTO") has set up a program to reduce the time it takes to complete these steps, and it appears that progress is being made.[14]

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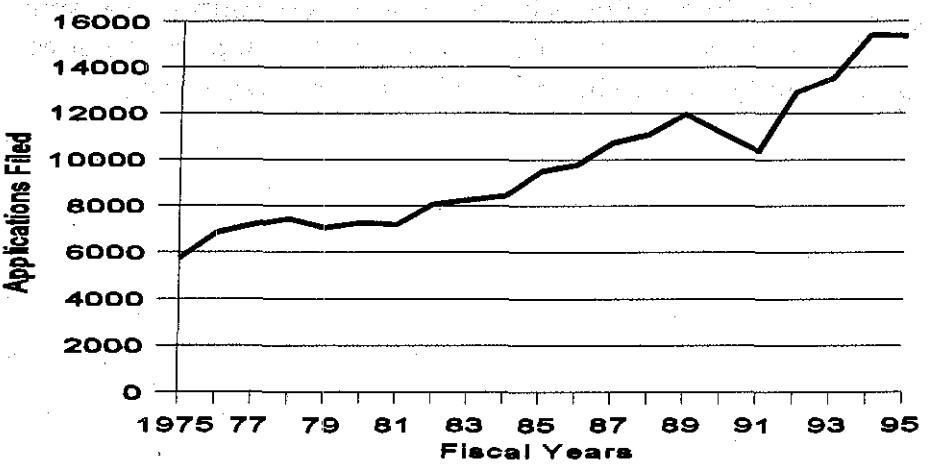
[12] 35 U.S.C. §§ 100-157 (1994) (utility and general patent provisions); 35 U.S.C. §§ 161-164 (1994) (plant patent provisions); 35 U.S.C. §§ 171-73 (1994) (design patent provisions).

[13] The design patent law states that "[t]he provisions of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided." 35 U.S.C. § 171, para. 2. An example of the application of the same patent law principle applying to design and utility patents is in the right of priority under 35 U.S.C. § 104. An example of patent law provisions specifically excluding design patents is the use of a provisional application as the basis for the filing date of an application under 35 U.S.C. §§ 111(b) and 172.

[14] In early 1996, the PTO set up Design Group 2900 as a model test operation to receive and process its own mail, including fees, amendments, and petitions. The group also prepares an allowed application for issue. This program is fully operation now, and indications are that this centralized operation has significantly reduced the administrative processing time. John Kittle, Director, Group 2900, Address at the American Intellectual Property Law Association National

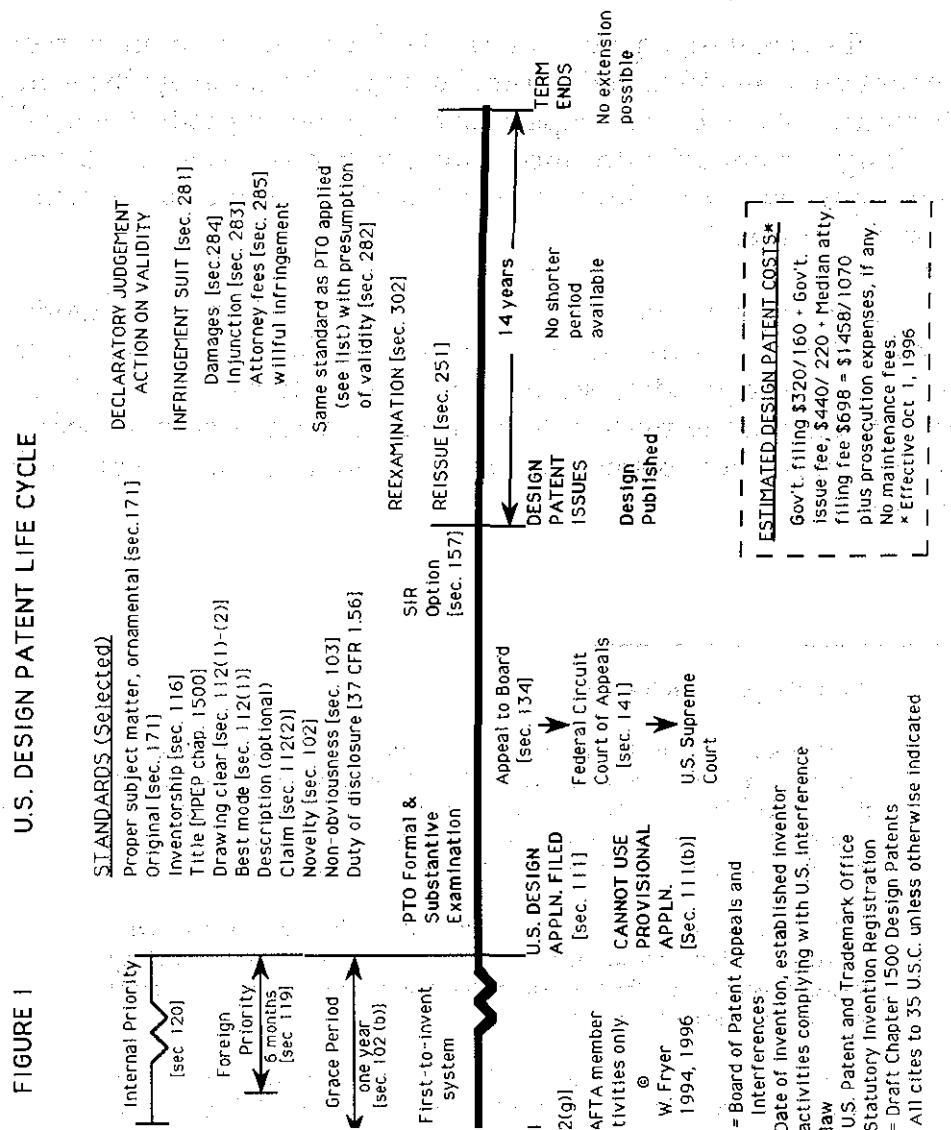
CHART I
DESIGN PATENT APPLICATIONS FILED
FY 1975-1995



Resource: U.S. PTO FY1995 ANNUAL REPORT, p. 88

II. THE CURRENT U.S. DESIGN PATENT SYSTEM

A diagram of the U.S. design patent system is shown in Figure 1. Features fully identified on that diagram will not be repeated here. Key questions to ask about the effectiveness of this system are what is the process for obtaining protection, and when can infringement be challenged.



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whole process will be handled on an examiner's desk top. I am quite proud of the work that John Kittle and his Design Group have done with regard to these changes. I look forward to their further work.

There is, of course, a worldwide interest in the protection of industrial designs. Designs are a marketing tool throughout the world, making the appearance of articles attractive, producing higher prices. A successful product most often depends on an excellent industrial design these days. Consequently, industrial design is now a high growth industry throughout the world, and with the growth activity, the demand for protection of designs is at an all-time high. The worldwide interest in improved design protection includes interest shown in even the least developed nations.

The World Intellectual Property Organization (WIPO) has advocated a system under which the difficulties of proceeding for industrial design protection in individual countries would be avoided. The system is the subject matter of the Hague Agreement, which promotes an international system for depositing industrial designs. To date, the U.S. has not acceded to the Hague Agreement despite having participated in five sessions of the Committee of Experts, held April 8 to 11, 1991, April 27 to 30, 1992, April 26 to 30, 1993, January 31 to February 4, 1994, and June 13 to 16, 1995. At those meetings, a draft New Act of the Hague Agreement Concerning the International Registration of Industrial Designs evolved, which the U.S. Delegation moved towards a system that conforms to the system for the protection of design patents rather than harmonize substantive law in the field of industrial designs. Current members of the Hague Agreement are supporters of having the current Agreement modified to attract the membership of examining countries like the United States and Japan. However, they would like to retain the simple and inexpensive attributes of the current system.

As a result of these two competing philosophies, the New Act of the Hague Agreement includes a number of new features to accommodate the requirements of potential contracting parties, such as the United States, that require the examination of applications as to substance. To accommodate the old guard, however, those "new

little supervision. We therefore see an advantage in having all of our employees inculcate the skills of college graduates.

Our PTO university now gives junior college degrees from Northern Virginia University. Eventually, the Program will bestow four-year college degrees. We may even find that some technical support staff members from our examining groups will obtain engineering and science degrees to become patent examiners themselves. Already some have graduated from the junior college program with Associate Degrees.

As you know, several new guidelines for patent examination have been issued by the PTO. For example, there are new guidelines related to utility patent protection of computer software and biotechnology and design patent protection of computer-generated icons. The purpose of the guidelines is to set the procedures and the choices available to an examiner in making determinations about patentability. In issuing guidelines to examiners, we are attempting to make the examination process more uniform within an examining group and throughout all of the examining groups.

When I recommended starting the JM program, I thought of examiners as judges--I called them "quasi judges." It later occurred to me that examiners are like jurors, too, or like special masters, in a very important way. They make factual determinations, and like jurors or special masters, they should be given instructions. The guidelines are the instructions; they tell examiners how they are to make factual determinations, including determinations of mixed fact and law. Examiners are expected to follow the guidelines like juries do in following judges' instructions. In doing so, examiners use the guidelines to improve the uniformity of their determinations.

The future for design patent examination will be brighter as a result of the training that our Design Group employees have received, both their educational backgrounds and from the PTO, and because of the guidance that they are given to perform their work. I think that the future will also be brightened by our re-engineering PTO operations, as piloted by the Design Group. Consistent with the nature of re-engineering, we are trying to change the paradigm of

In addition to the required training that our examiners undergo, scientists, engineers, attorneys, and law professors give lectures to examiners, as well as to patent practitioners and visiting foreign patent professionals in the Patent Academy, which serves as an on-campus classroom facility. Lectures are also given via our teleconferencing center located in the Patent Academy, which facilitates lectures to and from other facilities throughout the country and abroad. Recently, a Ford Motor Company engineer lectured about automotive technology to examiners located in the Patent Academy in Crystal City, Virginia, from the teleconferencing facility of the Patent and Trademark Office Depository Library in Detroit, Michigan. We plan to use our teleconferencing center more to bring the "field" into the PTO; however, we will continue to send examiners and other staff into the field--for example, on plant visits--as a part of their training. The Patent Academy classes cover a range of subject matter--for example, computer assisted data acquisition--that will help personnel in the Patents Cost Center do their jobs, and, when they know how to do their jobs, do their jobs better. Our examiners are well trained.

We have a law school assistance program for examiners, which, I might add, may be in jeopardy because of the budget cuts. The law school assistance program is a very expensive item on the Patents Cost Center budget. Under the program, Patent examiners enrolled as law students in evening programs of the several law schools in and around Washington, D.C., are reimbursed for tuition. While I see the PTO as benefitting from this program, I must say the bar is benefitted more directly, as a significant number of examiners receiving law degrees under this program leave the PTO for private practice. Notwithstanding the loss to the PTO of highly trained examiners, we recognize that ex-examiners prosecuting applications before the PTO make processing the applications easier, because the empathy that PTO employees and ex-examiners share prompts early resolution of prosecution issues. Hence, we have reason to support this program as best we can in the face of a budget crunch.

When I first came to the PTO as the President's nominee for the position of Assistant Commissioner for Patents, I discovered that

designs are not the products. Design patents neither protect appearances and shapes that result from purely functional considerations nor schemes of ornamentation that are not applied to specific articles of manufacture. Neither do design patents protect methods of making or using articles of manufacture.

III. STATISTICAL SURVEY OF THE PATENT AND TRADEMARK OFFICE AND DESIGN PATENTS

Let me now direct your attention to some statistics and other background, relative to the operations of the PTO and our Design Group. The PTO took in revenues to cover a budget planned for the entire PTO cost center for Fiscal Year 1997. The planned budget was for $716,723,000, a lot of money. The PTO is, after all, big business.

You may now know that Congress lowered the boom, cutting the budget by $54,000,000 and taking money, paid by the PTO users, as an offset against tax revenues to be used for other Congressional purposes. This left the PTO with a new budget of $662,723,000. We are reviewing our plans now to decide how we will allocate this lesser amount to the various cost centers of the PTO. We hope to do this while keeping, as much as is possible, patent and trademark application pendency down.

The "Patents Cost Center," the appellation for the organizational unit that processes applications as they are passed from incoming mail to published patents, has close to 4,000 employees. 2,266 are patent examiners. Over one quarter of them have full signatory authority, which empowers them to finally reject applications or allow them to issue as patents without direct supervision. A little under ten percent have partial signatory authority. The Design Group has about sixty examiners, of which four are managers.

You may find the breakdown of academic degrees among the design examiners interesting. For example, there are nine architects. I had an undergraduate major in architecture, and I appreciate their training in which aesthetics are wed to functional products (buildings). There are six examiners with degrees in fine arts, three

The Supreme Court held that the statuettes could be copyrighted notwithstanding the intended use of each as a part of a commercial product. The copyright law now says, in essence, that one can have a protectable artistic work that is wrapped up in a useful object, so that the work can be copyrighted.[5]

However one might use the trademark and copyright law as means of protecting design elements, the protections are incidental to the protection of industrial designs--that is, incidental to the protection of the designs of useful products. On the other hand, design patents are granted specifically to protect industrial designs.[6] The statutory grant for design patents reads in pertinent part:

> 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.[7]

Patents are presumed valid, which means that the party challenging the validity of a patent must prove invalidity by clear and convincing evidence.[8] In this regard, design patents are treated the same as utility patents. For example, in *Avia Group International, Inc. v. L.A. Gear California, Inc.*,[9] the court found that the plaintiff presented evidence that it held patents on certain designs and that, therefore, it was entitled to the presumption that its patents are valid.

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[5] *See* 17 U.S.C. § 113 (1994).

[6] 35 U.S.C. § 171 (1994).

[7] *Id.* (emphasis added).

[8] *Id.* § 282.

[9] 853 F.2d 1557, 1562, 7 U.S.P.Q.2d (BNA) 1548, 1552 (Fed. Cir. 1988) (at the early stage of the litigation the defendant had not seriously challenged

I. INTRODUCTION

Today, I will discuss several aspects of protecting designs, particularly industrial designs, as intellectual property. First, I will go over some basic legal concepts concerning designs as intellectual property. Please be assured that this is a review with no forthcoming test in mind; so relax and enjoy. Second, I will let you in on some statistics relative to the operations of the U. S. Patent and Trademark Office (the "PTO") and the background of our Design Group. Third and finally, I will take a peek into the twenty-first century to see what might be the future of Intellectual Property protection of designs.

II. BASIC DESIGN PROPERTY PROTECTION

Industrial designs are mainly protected in this country under trademark law, design patent law, and copyright law. Article I, Section 8, Clause 1 of the United States Constitution provides the basis for the patent and copyright laws, and the Commerce clause in the Constitution is the support for the federal trademark law.

Trademark law is sometimes overlooked as a basis for industrial design protection. It becomes more apparent as a protection, however, when consideration is given to the coincidental concern in both trademark law policy and design policy about confusion of purchasers of protected design elements in the marketplace.[1] Thus, a product package that is the subject matter of

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[1] Compare Gorham Mfg. Co. v. White, 81 U.S. (14 Wall.) 511, 528 (1872), in which the Court set forth the benchmark test for determining whether a product infringes a design patent by stating:

> [I]f, in 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 . . . .

with the court's conclusion of law in Vuitton et Fils S.A. v. J. Young Enterprises, Inc., 644 F.2d 769, 772, 212 U.S.P.Q. (BNA) 85, 86 (9th Cir. 1981) that:

The design community also agrees with the Harvard Business School's age-old adage that "[t]he key to long-term success, even survival, is the same as it has always been: to invest, innovate, lead, and to create value where none before existed."[10]

[10] Hays & Abernathy, *Managing Our Way to Economic Decline*, HARV. BUS.

Ten years ago, an exhaust pipe on the family car was so generic that it could be replaced by another produced by a different manufacturer without notice. Today exhaust pipes are high fashion design. They are an automobile's outward expression, communicating its heart and soul. Lexus may have started the trend toward high fashion design of exhaust pipes with its oval or elliptical pipes cut off at an inward-slanting angle. These pipes had function in that they lowered clearance height under the bumper while maintaining prior internal cross-sectional volume, but more important, they projected an image of power beneath the hood.

BMW did not want to be outdone, and introduced twin "soft-square" pipes. These pipes were also cut at an inward angle. Although these designs may have cost more to manufacture, they assured greater aftermarket business for the original equipment manufacturer. This greater aftermarket business is a result not only of possible patent protection, but also of the cost of tooling for a relatively small market.

In today's competitive world, where design has become a part of commodity goods, you either follow the desirable market design trends or die. Commodity goods are defined as those having no meaningful difference among brands. As a result, commodity goods are consistently under price pressure and are typically "on sale" every day. Examples are mattresses, pencils, tires, hot water heaters, light bulbs, coat hangers, and milk. In over 80% of commodity products purchases, consumers purchase such products in the first store in which they shopped. Design will render most commodity goods obsolete. People must remember that design is no longer a luxury or a novelty, it is a necessity. Design is a competitive weapon and a national resource.

The trend toward the design of previously generic commodity products will grow and expand until virtually no purely functional commodities remain. This trend will expand the number of design patent applications, make "crowded fields" of almost every classification of such products, and will dramatically increase the

Designers view ornamentation as superficial treatments which are usually used to hide a poorly conceived design.

Patent attorneys and patent examiners have a very different view of the term "ornamental." Patent attorneys and examiners often define "ornamental" as any part of a design that is not functional. Legally, if "there are several ways to achieve the function of an article of manufacture, the design of the article is more likely to serve a primarily ornamental purpose."[5] Ornamental features of a design are only its shape and proportion, and not its size, color, texture, gloss, graphics, or function.

A nut or bolt is almost purely functional, while a diamond brooch is almost purely ornamental. A key is both functional and ornamental. The portion of a key that enters a lock is functional because almost any change in its appearance will render the key inoperative. The other end is ornamental because it can have almost any appearance. Most designs are partially function, but are primarily ornamental because they can have several appearances.

I have developed a strategy for plaintiffs in trade dress litigation. Assume that defendant claims that its design had to look similar for functional reasons, and function is not protected by design patents. In response, the plaintiff provides a third version of the product in question, utilizing the same consumer benefits, sizes, volumes, materials, manufacturing methods, country of origin, etc., but with a completely different and distinctive appearance. The third design proves that the defendant's argument is without merit. Further, the third design serves as a benchmark, showing that the original two designs are twins, or at least kissing cousins. This strategy works even better if the judge or jury happens to prefer the third design to the first two. While beauty and desirability are not the issues at trial, they influence judges and juries.

I have never lost a trial using this strategy. I consistently prove that ornamentality exists, or can exist, in ways that the manufacturer

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[5] *Thom McAn*, 988 F.2d at 1123, 25 U.S.P.Q.2d (BNA) at 1917.

archaeologists and cultural anthropologists, gathered together on the East Coast of the Americas to investigate a culture that existed after the Industrial Revolution during a period called "The Nuclear Age." By removing layer after layer of industrial particulate, the artifacts of a wealthy civilization of people who surrounded themselves with unprecedented numbers of mass-produced objects is discovered.

Because there are no remaining records to explain this vanished culture, the only way to learn about the society is to examine its artifacts. These mass-produced objects tell us about this society's social traits and values, its religions, its political and economic systems, and most important, about its quality of life.

Future historians will call our period "The Century of the Common Man," because it is the first time the right to happiness and material well-being are obtainable for the average person. This right has been embraced by the international community, which has led to the improvement of health and quality of life.

Evidence of this trend is found in "Everyday Art:" art that infuses common objects with practicality, safety, convenience, comfort, affordability, and beauty. Historians will talk about the art of industrial design: an art form that embodies the true spirit of the twentieth century.

In our century, art is no longer created by the few or for the few. Rather, art has become integrated into our society's products, and art infuses our homes and lives with qualities once reserved for museums.

Industrial design, the design of the products used every day, has become a necessity, not a luxury or a novelty. Most nations consider their industrial designers to be a competitive weapon and a national resource. Industrial designers are educated in schools of fine arts. However, while the designer is an artist, the artist is not a designer. The artist does what he or she wants, but the designer wants what he or she does.

Union, Latin America, and the Benelux, are analyzed by Professor Dinwoodie, Dr. Rangel-Ortiz, and Professor Spoor, respectively.

Many persons contributed to this publication and the conference, too many to name and thank here. Overall, the leadership and support of the AIPLA boards, Presidents Armitage and Martens, and the AIPLA staff, made the project successful. The attendance of over 200 persons at the conference attested to the strong interest in industrial design law and practice, and the need to continue programs and publications focusing on this field. As always, the views expressed are solely those of the respective authors and should not be attributed to the American Intellectual Property Law Association or its members.

William T. Fryer, III
Chairman, AIPLA Industrial Design Committee

Joan E. Schaffner
Editor, *AIPLA Quarterly Journal*

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