

The Nexus Between Creativity and Innovation: A Comparative Approach to Copyright and Industrial Design Protection

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I. INTRODUCTION

A. *The Hybrid Between Patent and Copyright Paradigms*

The justification for intellectual property rights (IPR) is well-known,¹ and its objective has been widely established to be the provision of incentives for

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innovation and creativity, which are beneficial to society.² This system of exclusive rights granted by intellectual property (IP) regimes appears to be divided into “two hermetically[-]sealed compartments separated by a common line of demarcation[:]”³ that of literary and artistic property rights, on one hand, and industrial property rights, on the other.⁴ The division is embodied in the “Great Conventions” of IP: the Berne Convention⁵ and

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1. An economic analysis justifies IPR as a necessary tool to address market failures, which include unbridled market power, asymmetry of information, certain externalities, and the strong inducement to free riders because of the inherent characteristics of public goods. By providing a limited monopoly of exclusive rights with a specific duration, upon the expiration of the monopoly, there can be competition. See ROBERT COOTER & THOMAS ULEN, *LAW AND ECONOMICS* 30-38, 42-49, & 116-42 (5th ed. 2008) (noting that when IPR are effectively enforced, the creator is rewarded by the price that can be extracted from its users, which results in more innovations and faster growth — a form of “dynamic efficiency.” IPR can also increase dissemination, for otherwise the innovator may choose to keep the innovation a secret in order to profit from it.) & Nuno Pires de Carvalho, *Toward a Unified Theory of Intellectual Property: The Differentiating Capacity (and Function) as the Thread That Unites All its Components*, 15 J. WORLD INTELL. PROP. 251, 270 (2012). Nuno Pires de Carvalho stressed that

[t]he role of intellectual property [(IP)] is that of organizing the allocation of resources to the creation and preservation of differentiating intangible assets: the reputation, the knowledge, etc., everything that differentiates one business from another. That is why [IP] is so fundamentally important to a competitive economy. Without [IP,] there are no differences or, when there are, they are quickly absorbed by less-efficient imitators.

de Carvalho, *supra* note 1, at 270.

2. See de Carvalho, *supra* note 1, at 254.
3. Jerome H. Reichman, *Charting the Collapse of the Patent-Copyright Dichotomy: Premises for a Restructured International Intellectual Property System*, 13 CARDOZO ARTS & ENT. L.J. 475, 480 (1995) [hereinafter Reichman, *Charting the Collapse*].
4. *Id.*
5. Berne Convention for the Protection of Literary and Artistic Works, *opened for signature* Sep. 9, 1886, 828 U.N.T.S 221 [hereinafter Berne Convention]. As of 22 January 2018, the Berne Convention has 176 Contracting Parties. World Intellectual Property Organization, WIPO-Administered Treaties, Contracting Parties > Berne Convention, *available at* http://www.wipo.int/treaties/en/ShowResults.jsp?lang=en&treaty_id=15 (last accessed May 4, 2018).

the Paris Convention.⁶ The literary and artistic property rights segment is primarily associated with copyright protection under the Berne Convention, its features of automatic and mandatory protection,⁷ and the idea-expression dichotomy.⁸ Copyright protection is granted to the works entitled to it, as determined by national laws, via a “generous but relatively soft form of protection against copying only that lasts a long period of time.”⁹ Meanwhile, the industrial property segment is embodied in the Paris Convention, which enumerates the objects of industrial property as “patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellations of origin, and the repression of unfair competition.”¹⁰ Industrial property is often associated with the patent paradigm and its variants, which normally have stringent requirements for eligibility of protection and relatively shorter periods of protection as opposed to the copyright paradigm.¹¹

In the middle of the copyright and patent paradigms lies design. Definitions of designs vary, but they generally connote the appearance of an object.¹² The locus of designs within the copyright-patent interface is anything but clear. On one hand, designs may be in the form of industrial

6. Paris Convention for the Protection of Industrial Property, *opened for signature* Mar. 20, 1883, 828 U.N.T.S. 305 [hereinafter Paris Convention]. As of 22 January 2018, the Paris Convention has 195 Contracting Parties. World Intellectual Property Organization, WIPO-Administered Treaties, Contracting Parties > Paris Convention > Stockholm Act (1967), *available at* http://www.wipo.int/treaties/en/ActResults.jsp?act_id=31 (last accessed May 4, 2018).

7. Berne Convention, *supra* note 5, art. 5 (2).

8. *Id.* art. 2 (1).

9. Reichman, *Charting the Collapse*, *supra* note 3, at 481.

10. Paris Convention, *supra* note 6, art. 1 (2).

11. Reichman, *Charting the Collapse*, *supra* note 3, at 481-82.

12. Orit Fischman Afori, *Reconceptualizing Property in Designs*, 25 CARDOZO ARTS & ENT. L.J. 1105, 1107 (2008). Orit Fischman Afori said,

The character of a design [] is concerned with external appearance of articles. In emphasizing a product's appearance as the goal of design, aesthetic[,] rather than technical and functional[,] goals are stressed. It is clear, therefore, that a design is a creation of similar nature to artistic works in general, whose boundary lines are hard to draw. Nevertheless, design has a different nature from a pure imaginary work of art, since it is also dictated by features stemming from function, technology and fashion.

designs or ornamental designs for objects of manufacture, the registration and substantive requirements of which bring it closer to the patent paradigm.¹³ It has also been stated that patent law is relevant to designs because of instances where aesthetic and utilitarian qualities merge, which may result in a novel, technological idea for the function of the article.¹⁴ On the other hand, designs may also be in the form of works of applied art in useful articles, the non-utilitarian aspects of which are protected under copyright law.¹⁵ These characteristics have led to an overlapping of the patent and copyright paradigms, and, in certain jurisdictions, have also led to the adoption of *sui generis* protection regimes, whether for industrial designs in general, or for specific forms of designs in relation to particular industries. Thus, in light of its peculiar nature as lying somewhere in between copyright and patent protection, designs have been largely characterized as a hybrid of the patent and copyright paradigms.¹⁶

However, this does not mean that designs are limited to protection under the patent and copyright paradigms. Other forms of IPR protection are provided for by different jurisdictions, such as under unfair competition law, trademark law, and *sui generis* industrial design laws for specific industries. Under common law principles of unfair competition, producers may be protected against the deceptive use of product design features which may be either inherently distinctive, or have acquired secondary meaning.¹⁷ Elements of such protection regimes have been adopted in both the United States (US) and the European Community (EC), under trade dress protection and the unregistered design right.¹⁸ Trademark protection is

Id.

13. See Reichman, *Charting the Collapse*, *supra* note 3, at 500.

14. See Afori, *supra* note 12, at 1116-17.

15. Reichman, *Charting the Collapse*, *supra* note 3, at 502-03.

16. Afori, *supra* note 12, at 1107-08. Afori describes designs as being “at the crossroads of art, technology, and the entire industry dedicated to attracting the consumer’s attention.” *Id.* at 1107. The hybrid nature of designs lies in its commonality with copyright, patent, as well as trademark laws, but at the same time, the fact that it does not exactly fit in any one of them. *Id.* at 1107-08. See also Reichman, *Charting the Collapse*, *supra* note 3, at 500-03.

17. See generally Graeme B. Dinwoodie, *Reconceptualizing the Inherent Distinctiveness of Product Design Trade Dress*, 75 N.C. L. REV. 471 (1997).

18. See Lena Schickl, *Protection of Industrial Design in the United States and in the EU: Different Concepts or Different Labels?*, 16 J. WORLD INTELL. PROP. 15, 18-24 (2013).

likewise possible under the Community Trademark Regulations¹⁹ and the Lanham Act of the US.²⁰ This Article, however, limits its focus to the classic IP paradigms of copyright and patents in its approach, and how elements of these paradigms have been adopted in the two jurisdictions.

B. International Regimes of Copyright and Design Protection

Although the major international instruments on IPR say little about designs in their texts, it is precisely because of its controversial place in the IP system that little consensus can be reached between countries as to their protection. As early as 1908, during the Berlin Revision Conference of the Berne Convention, the European Union (EU) countries mentioned the category of “works of applied art applied to industr[ial purposes]” for the first time, but declined to grant ornamental designs of useful articles full protection in the law of literary and artistic property.²¹ But by 1948, the text of the Brussels

19. Council Regulation 207/2009 of Feb. 26, 2009 on the Community trade mark, 2009 O.J. (L 78) 1 (EC).

20. An Act to Provide for the Registration and Protection of Trademarks used in Commerce, to Carry Out the Provisions of Certain International Conventions, and for Other Purposes, 15 U.S.C. § 1051, ch. 22 (2016) (as amended) (U.S.) (otherwise known as the Lanham Act).

21. 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, 1145 (1983) [hereinafter Reichman, *Design Protection*] (citing STEPHEN P. LADAS, PATENTS, TRADEMARKS, AND RELATED RIGHTS: NATIONAL AND INTERNATIONAL PROTECTION 828-37 (1975 ed.)). Jerome H. Reichman noted that

[t]he Berlin Revision Conference of [13 November] 1908, declined to add works of applied art to the protectable subject matter in [A]rticle 2, [P]aragraph 1 of the Berne Convention ... but in [A]rticle 2, [P]aragraph 4, this category was mentioned as follows — ‘Works of art applied to industrial purposes shall be protected so far as the domestic legislation of each country allows.’ ... As a result, member countries were not obliged to protect works of applied art in domestic copyright laws, ‘but if they did, they were required to give the same protection to works of applied art originating in other member countries, even though these latter countries did not give any protection to such works.’

Reichman, *Design Protection*, *supra* note 21, at 1146 n. 8 (citing LADAS, *supra* note 21, at 833-36 & Wladimir Duchemin, *La protection des arts appliqués dans la perspective d’un dépôt communautaire en matière de dessins et modèles industriels*, 97 REVUE INTERNATIONALE DU DROIT D’AUTEUR 4, 10-11 (1978)).

Revision of the Convention had included “works of applied art” within the meaning of “literary and artistic works.”²² Despite such express grant of protection, the Convention had largely left it to the Union countries to provide via national legislations for the following:

- (1) the extent of application of their laws to works of applied art and industrial designs and models;²³
- (2) the conditions for their protection;²⁴ and,
- (3) the term of protection for works of applied art in so far as they are protected as artistic works, subject to a minimum period of [25] years from the making of such work.²⁵

With the express recognition of the copyrightability of works of applied art in the Berne Convention, one would think that the proponents of the copyright approach had won a resounding victory and quieted the opposition. On the contrary, this resulted to renewed attention to *sui generis* design laws, which was seen as a possible solution to fears of the possible overprotection and excessive restraints of trade of the copyright approach, thereby providing legal safeguards lacking in copyright protection.²⁶

22. Reichman, *Design Protection*, *supra* note 21, at 1161–64. According to Reichman, the debate on the recognition of the eligibility of works of applied art for copyright protection was fueled by the philosophies of “Unity of Art” adopted in France, and “Duality of Art” then typified by Italy, as well as the German position of conceding copyright protection only to a number of exceptional designs. Because of the lack of consensus regarding the French perspective during the Brussels Revision, the result was an “awkward compromise” where the Convention legitimated protection for applied art but subject to reservations, including the limitation of “the duration of copyrights in applied art[, and the authority of national governments] to define the applied art to be protected, ... and to distinguish between this category of applied art and a subcategory of ‘designs and models’ that could be subjected to more restrictive regimes.” *Id.* at 1162–63. Reichman notes that “the 1948 text of the Berne Convention admitted applied art to full standing as copyrightable subject matter but authorized — or indeed invited — members to curb the excesses of the copyright approach by recourse to the kind of subsidiary legal framework that the Paris Convention ... had long recognized.” *Id.* at 1163–64.

23. Berne Convention, *supra* note 5, art. 2 (7).

24. *Id.*

25. *Id.* art. 7 (4).

26. Reichman, *Design Protection*, *supra* note 21, at 1164. Reichman notes that after the Brussels Revision,

Come 1958, the Lisbon Revision of the Paris Convention adopted a new Article stating that “industrial designs shall be protected in all the countries of the Union.”²⁷ The Paris Convention provided that the protection of industrial property had, as one of its objects, industrial designs.²⁸ Without more, the determination of the nature and subject matter of, and the conditions for the protection of industrial designs were once again left to the national legislation of the members of the Union.²⁹ In the midst of this movement, the Hague Agreement³⁰ sought to facilitate the international protection of industrial designs by establishing a system of obtaining protection in a number of States through a single international application filed centrally.³¹ The object of the Hague Agreement is merely the procedure for lodging an industrial design application on an international platform, while leaving any substantive aspect of the protection entirely to the domestic legislation of each designated Contracting Party. Thus, it has had little effect on the unification of national legislation, but it contributed to the modernization of laws on design protection at the international level.³²

[t]he growing economic importance of design, the high costs of development and promotion, and the enormous losses from misappropriation in a field in which ‘counterfeiting is endemic’ elicited pressures for more effective protection in every country, pressures that partly account for the spread of the copyright approach in the first [place].

Id.

27. Paris Convention, *supra* note 6, art. 5.

28. *Id.* art. 1 (2).

29. Reichman, *Design Protection*, *supra* note 21, at 1165.

30. Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs, *adopted* July 2, 1999, 2279 U.N.T.S. 3. As of 15 January 2018, the Agreement has 67 Contracting Parties, with 53 Parties to the Geneva Act. World Intellectual Property Organization, Contracting Parties: Hague Agreement Concerning the International Registration of Industrial Designs, *available at* www.wipo.int/export/sites/www/treaties/en/documents/pdf/hague.pdf (last accessed May 4, 2018).

31. World Intellectual Property Organization, Hague Guide for Users (Briefer for the Hague Agreement Concerning the International Registration of Industrial Design) at 11-14, *available at* http://www.wipo.int/export/sites/www/hague/en/guide/pdf/hague_guide.pdf (last accessed May 4, 2018).

32. Reichman, *Design Protection*, *supra* note 21, at 1164-67.

By 1994, the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement)³³ had weighed in on the protection of designs by incorporating the provisions of the Berne Convention and the Paris Convention, both of which expressly provided protection for works of applied art, as well as industrial designs. In contrast to the preceding international instruments, the TRIPS Agreement provided more guidance on the requirements for the protection of industrial designs, stating that “[m]embers shall provide for the protection of independently created industrial designs that are new or original.”³⁴ The TRIPS Agreement also indicated possible standards of novelty or originality, and permitted the exclusion of designs “dictated essentially by technical or functional considerations” from protection.³⁵ The scope of protection was also mandated in the TRIPS Agreement, extending to the prevention of the making, selling, or importing of articles embodying a design which is a copy, or a substantial copy, of a protected design.³⁶ However, the scope of protection was conditioned on the use of such acts for commercial purposes.³⁷

In 2002, at the request of various Member States of the World Intellectual Property Organization (WIPO), the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) began its study of the protection of industrial designs and its relation to other forms of IP.³⁸ This led to the drafting of a Proposed Design Law Treaty,

33. Agreement on Trade-Related Aspects of Intellectual Property Rights, *opened for signature* Apr. 15, 1994, 1869 U.N.T.S. 299 [hereinafter TRIPS Agreement]. As of 29 July 2016, the World Trade Organization has 164 Member States. World Trade Organization, Members and Observers, *available at* https://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm (last accessed May 4, 2018).

34. TRIPS Agreement, *supra* note 33, art. 25, ¶ 1.

35. *Id.*

36. *Id.* art. 26, ¶ 1.

37. *Id.*

38. *See generally* World Intellectual Property Organization, *Report of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications*, SCT/8/7 (Nov. 14, 2002). Particularly, there were requests from the members of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) to have more information on the protection of industrial designs, as well as its link to three-dimensional marks, traditional knowledge, and geographical indications. *See, e.g., Report of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications*,

which embodied areas of convergence in industrial design law practice among WIPO Member States.³⁹ Although the treaty has not yet been finalized, the Proposed Design Law Treaty reflects the continuing international effort to pursue a uniform and modern practice in the protection of industrial designs.⁴⁰

Having laid down the theoretical and international legal framework of the protection of designs, the succeeding sections of this Article will seek to answer the following query — in instances where multiple forms of protection are available for designs, what are the issues that arise in providing for one form of protection, in comparison with other forms? In particular, this Article will seek to analyze in which cases copyright offers less protection than the design right.

Part II builds on the theoretical framework established in the Introduction concerning the hybrid nature of industrial designs. Part II.A discusses the requirements of eligibility for protection under the copyright paradigm, which are available for designs both in the US and EC. It illustrates how there may be low standards for copyright protection, which makes it appear extremely attractive for design owners, as protection is subject to minimal formalities, is more immediate, and is oftentimes less costly. However, a closer look reveals that this might be a case of “fatal attraction,” as the judicial treatment of the separability requirement relating to protectable aesthetic and unprotectable utilitarian features has been inconsistent and almost contradictory. In some jurisdictions involving individual judges in the EC, case law has shown the alarming development of determining copyright protection on the basis of the artistic sensibilities of the individual judges, making it highly subjective and largely unpredictable.

supra note 38, ¶¶ 171, 179, & 182. Pursuant to this request, the Secretariat prepared a study on “Industrial Designs and their relation with Works of Applied Art and Three-Dimensional Marks,” which paved the way for the Committee’s work on the harmonization of design registration formalities and procedures beginning in 2005 during the SCT’s 15th session. See World Intellectual Property Organization Secretariat, *Industrial Designs and Their Relation with Works of Applied Art and Three-Dimensional Marks*, SCT/9/6 (Oct. 1, 2002) & World Intellectual Property Organization Secretariat, *Compilation of Proposals for Future Work of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications*, SCT/15/2 (Sep. 28, 2005).

39. See World Intellectual Property Organization Secretariat, *Industrial Design Law and Practice — Draft Articles*, SCT/30/3 (Aug. 5, 2013).

40. *Id.*

Part II.B then explores the patent-like approach to designs adopted in the US and the market-based approach in the EC. Part II.B.1 presents the high threshold of inventiveness, which characterizes the adoption of the patent paradigm in the US, having the effect of making design patent protection virtually inaccessible for most designs. Part II.B.2 explores the adoption of a market-based design approach under the EC Design Directive and the Community Design Regulation, and examines the two-tiered system of registered and unregistered designs, purportedly crafted based on the needs of the design industry.

Part III then focuses on the scope of protection that these various approaches or paradigms offer once protection is attained, exploring the judicially-developed tests of infringement in the US and the EC, including the inescapable issue of invalidity. Of particular interest in cases of infringement is the status of improvements or additions to former works or designs, either by the same author or designer, or by a third party.

Part III.A explores the concept of derivative and transformative works under the US Copyright Law, and the phenomenon of composite works under certain jurisdictions in the EC. In Part III.B, the judicially-established standards for the determination of infringement under the patents approach in the US and the market-based approach in the EC will be compared, focusing on such improvements or additions, and whether these acts constitute infringement or are entitled to separate protection.

In the course of these discussions, the most poignant issues that plague the different forms of protection for designs in these two jurisdictions will be highlighted, and shall form the basis for a practical analysis of the overlapping protection regimes of copyright and patents in industrial designs. In the final analysis, this Article argues that an appropriate protection regime for industrial designs must carefully consider the nuances and intricacies of designs, which starkly differentiate them from the traditional objects of protection under the two great paradigms of the IP system. Moreover, such protection system should adequately address the most pressing concerns of the design industry, namely that of incremental innovation and the use of marginal variations of existing designs to satisfy consumer preferences. Most importantly, any approach to design protection should be attuned with the overall objectives of the IP system and its delicate balancing act of providing incentives for innovation, while preserving fair competition.

II. ELIGIBILITY FOR PROTECTION

The development of the international instruments outlined in the Introduction shows the movement towards crafting “special regimes of design protection without unduly derogating from the general principles of copyright law.”⁴¹ It illustrates the struggle to achieve a median between what some authors have dubbed the “chronic underprotection” of the patent system for ornamental designs, and the “chronic overprotection” under copyright law.⁴² The struggle continues to ensue, as will be seen in the following discussions of the current protection regimes adopted by the US as compared to the EC.

A. Requirements for Copyright Protection

1. The Shifting Standard of Separability under US Copyright Law

The US Copyright Law⁴³ grants copyright protection over two-dimensional and three-dimensional works of applied art under “pictorial, graphic, and sculptural works.”⁴⁴ However, such protection is limited to “works of artistic craftsmanship [in so far] as their form[,] but not their mechanical or utilitarian aspects[,] are concerned.”⁴⁵ Designs of useful articles are also protected under this category, but “if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.”⁴⁶ To be eligible for copyright protection,

41. Reichman, *Design Protection*, *supra* note 21, at 1167.

42. Jerome H. Reichman, *Design Protection and the Legislative Agenda*, 55 L. & CONTEMP. PROBS. 281, 287 (1992) [hereinafter Reichman, *Legislative Agenda*]. According to Reichman, there is a “cyclical pattern” beginning from underprotection of ornamental designs under the full patent paradigm, due to the difficulty of satisfying substantive and procedural requirements under patent systems. Thereafter, the tendency is for proponents of reform to stress the eligibility for copyright protection on account of the artistic nature of the design, which leads to overprotection and the resulting anti-competitive effects on the general products market. As copyright protection contracts, the tendency is to breed further instances of underprotection through *sui generis* laws based on modified patent principles, or overprotection under unfair competition laws relating to misappropriation. *Id.* at 286-88.

43. Copyrights, 17 U.S.C. (2016) (U.S.).

44. *Id.* § 102 (a) (5).

45. *Id.* § 101.

46. *Id.*

the design should be on a material that falls within the definition of a useful article, as “an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.”⁴⁷ The Federal Regulations provides for a further requirement of protection, in that the pictorial, graphic, or sculptural work “must embody some creative authorship in its delineation or form.”⁴⁸ More importantly, the Federal Regulations expressly states that eligibility for copyright protection is “not affected by the intention of the author as to the use of the work or the number of copies reproduced[,]” and that “[t]he availability of ... [design patent] protection ... will not affect the [copyright] ... claim in [such] original work[.]”⁴⁹

Consistent with the Berne Convention, as incorporated in the TRIPS Agreement, the enjoyment of exclusive rights granted by copyright protection in the foregoing creations “shall not be subject to any formality[.]”⁵⁰ For this reason, there seems to be a perception that the “automatic protection” conferred by copyright laws makes it easier to obtain the same as a form of IP right on designs. However, as evidenced by the various conditions on separate identification, independent existence, and intrinsic utilitarian function of the material object of the design, this may not be completely accurate.⁵¹

An analysis of the US Copyright Law and its regulations on the protection of designs of useful articles under the category of pictorial, graphic, and sculptural works reveals a three-step inquiry for the

47. *Id.* § 101.

48. Patents, Trademarks, and Copyrights, 37 C.F.R. § 202.10 (a) (2017) (U.S.).

49. *Id.*

50. Berne Convention, *supra* note 5, art. 5 (2).

51. Richard G. Frenkel, *Intellectual Property in the Balance: Proposals for Improving Industrial Design Protection in the Post-TRIPS Era*, 32 LOY. L.A. L. REV. 531, 534 (1999). Richard G. Frenkel comments that

[t]here is a perception that copyright laws protect industrial design; however, the protection comes with a ‘catch.’ That catch is the requirement of conceptual separability. Because copyright law protects only the aesthetic and creative expression of authors, the protected features of design — the parts that would be created by an artist or author — must be physically or conceptually separable from the product’s functional features. This conceptual separability requirement has degenerated into a multitude of inconsistent tests that provide only limited and inadequate protection for industrial design.

determination of copyrightability.⁵² First, it must be determined whether the subject matter falls within the category of pictorial, graphic, and sculptural works, which include two-dimensional and three-dimensional works of applied art.⁵³ If so, the second inquiry is whether the work is applied to a “useful article,” which is defined in the negative as “having an intrinsic utilitarian function that is not merely to portray its appearance or to convey information.”⁵⁴ The third and most difficult inquiry deals with the requirement of “separability[.]” which states that the design of a useful article will only be protected if it “incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.”⁵⁵ If the design complies with all three inquiries, then it is protected by copyright, but only to the extent of its non-mechanical or non-utilitarian aspect.⁵⁶

Dealing with the third inquiry has proven to be the most difficult threshold to overcome in copyright protection of the designs of useful articles. Prior to the 1976 Act of the US Copyright Law, the American judiciary had upheld the copyrightability of ornamental designs embodied in useful articles in the case of *Mazer v. Stein*.⁵⁷ The case involved the copyrightability of statuettes initially registered with the Copyright Office but later on manufactured as lamp bases to be made and sold in substantial quantities.⁵⁸ The US Supreme Court held that the statuettes were eligible for copyright protection, and rejected the petitioner’s argument that the overlapping of patent and copyright protection should not be permitted.⁵⁹ Thus, for the first time, the protectability of applied art in US copyright law

Id.

52. Barton R. Keyes, *Alive and Well: The (Still) Ongoing Debate Surrounding Conceptual Separability in American Copyright Law*, 69 OHIO ST. L.J. 109, 114-15 (2008). See also Darren H. Hick, *Conceptual Problems of Conceptual Separability and the Non-Usefulness of the Useful Articles Distinction*, 57 J. COPYRIGHT SOC’Y U.S.A. 37, 39 (2009). Darren H. Hick noted a “two-prong test” for determining the copyrightability of useful articles. Hick, *supra* note 52, at 39.

53. Keyes, *supra* note 52, at 114.

54. *Id.* (citing Copyrights, § 101 (2000) (U.S.)).

55. Keyes, *supra* note 52, at 114-15 n. 28 (citing Copyrights, § 101) (emphasis omitted).

56. Keyes, *supra* note 52, at 115.

57. *Mazer v. Stein*, 347 U.S. 201, 217-19 (1954).

58. *Id.* at 202-03.

59. *Id.* at 216-17.

was established in the US Supreme Court's holding that "the patentability of the statuettes, fitted as lamps or unfitted, does not bar copyright as works of art."⁶⁰ More importantly, the US Supreme Court in *Mazer* gave its stamp of approval to the Regulations issued by the Copyright Office which allowed copyright protection only "in so far as their form but not [in so far as] their mechanical or utilitarian aspects are concerned[.]"⁶¹

In the later case of *Esquire, Inc. v. Ringer*,⁶² the ruling in *Mazer* once again came into light, when the Copyright Office refused copyright protection over "artistic designs for lighting fixtures."⁶³ The Register of Copyrights denied registration for the lighting fixtures, holding that the Copyright Office regulations "preclude registration of the design of a utilitarian article, such as lighting fixtures, 'when all of the design elements ... are directly related to the useful functions of the article[.]'"⁶⁴ The regulations in question provided that if the sole intrinsic function of an article is its utility, it would not qualify as a work of art regardless of its uniqueness and attractive shape.⁶⁵ However, if the shape of the article incorporates artistic elements which can be "identified separately and are capable of existing

60. *Id.* at 217. *But see* Reichman, *Design Protection*, *supra* note 21, at 1171. According to Reichman, the Court in *Mazer v. Stein* "opened the very question of cumulation left unresolved in the Brussels [Revision of the Berne Convention]." Although it acknowledged that copyright protection for applied art can co-exist with patent protection for ornamental designs, the United States (US) still had no *sui generis* design law as adopted in other countries. This left the implications of the *Mazer* ruling unclear, as

[t]he decision could have been construed to put the [US] on a number of paths: first, broadly protecting industrial art under copyright law; second, permitting only narrow access to copyright law, with state unfair competition law a possible alternative for noncopyrightable designs; third, permitting similarly narrow access to copyright law, while protecting the bulk of ornamental designs in a new, [*sui generis*] design law.

Reichman, *Design Protection*, *supra* note 21, at 1171-72.

61. *Mazer*, 347 U.S. at 212 (citing Patents, Trademarks, and Copyrights, § 202.8 (1949) (U.S.)).

62. *Esquire, Inc. v. Ringer*, 591 F.2d 796, 800-04 (D.C. Cir. 1978) (U.S.) (citing Patents, Trademarks, and Copyrights, § 202.10 (c) (1976)).

63. *Esquire, Inc.*, 591 F.2d at 798 & 806.

64. *Id.* at 798.

65. *Id.* at 800 (citing Patents, Trademarks, and Copyrights, § 202.10 (c) (1976) (U.S.)).

independently as a work of art[.]” then it will be eligible for copyright protection.⁶⁶ To this, the applicant Esquire, Inc. argued that the regulations allowed “copyright registration for the overall shape or design of utilitarian articles as long as the shape or design satisfies the requirements appurtenant to works of art [—] originality and creativity.”⁶⁷ In the first instance, the District Court upheld copyright protection, citing the *Mazer* decision.⁶⁸ It reasoned that a denial of the copyrightability of the Esquire lights, despite the upholding of copyrightability of the lamp bases in *Mazer*, “would amount to affording certain copyright privileges to traditional works of art, but not to abstract, modern art forms.”⁶⁹ Nevertheless, in ruling in favor of the Register of Copyrights, the US Court of Appeals noted that the Copyright Office’s regulations attempted “to define the boundaries between copyrightable ‘works of art’ and non-copyrightable industrial designs.”⁷⁰ It then held as reasonable the Copyright Office’s interpretation that “copyright registration of the overall shape or configuration of a utilitarian article, no matter how aesthetically pleasing that shape or configuration may be[.]” shall be barred.⁷¹

These two cases reveal the difficulties surrounding the separability requirement in copyright protection under US law. Although both cases involved designs of useful articles, the decisions of the courts were starkly opposite as to their results. It has been pointed out that the difficulty in *Esquire, Inc.* might have been that the subject of copyright protection was embodied in the article itself, i.e., the housing of the lamp, while the statuettes in *Mazer* were merely combined with the useful article.⁷² Nevertheless, as later cases show, the saga of the separability requirement continues to plague the eligibility for protection of designs in useful articles. Various tests have been developed by the US judiciary in this matter, among which are the following:

66. *Esquire, Inc.*, 591 F.2d at 800-04.

67. *Id.* at 800 (citing 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT, § 10, at 32 (1976)).

68. *Esquire, Inc.*, 591 F.2d at 799.

69. *Id.*

70. *Id.* at 801.

71. *Id.* at 800.

72. Keyes, *supra* note 52, at 119.

- (1) *Physical Separability*, where if some part of the item can be physically separated from such item's utilitarian function, that separable part may be granted copyright protection;⁷³
- (2) *Conceptual Separability*, where it is required that the features not be mandated by the article's utilitarian functions, and can be conceived of as having been added to the useful article;⁷⁴
- (3) *Separate Marketability*, where it is proposed that "conceptual separability exists where there is [any] substantial likelihood that, even if the article had no utilitarian [function], it would still be marketable to some significant segment of the community simply because of its aesthetic qualities[;]"⁷⁵ and
- (4) *Denicola Test*, which provides that "where design elements can be identified as reflecting the designer's artistic judgment exercised independently of functional influences, conceptual separability exists[.]"⁷⁶

This is by no means an exhaustive list of jurisprudentially-developed tests for separability, and authors continue to propose various tests that seek to

73. *Id.* See also *Mazer*, 347 U.S. & *Hick*, *supra* note 52, at 39-40.

74. *Keyes*, *supra* note 52, at 125. See also *Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989 (2d Cir. 1980) (U.S.) & *Carol Barnhart, Inc. v. Economy Cover Corporation*, 773 F.2d 411 (2d Cir. 1985) (U.S.). In his dissenting opinion, Judge Jon. O. Newman proposes that

[f]or the design features to be 'conceptually separate' from the utilitarian aspects of the useful article that embodies the design, the article must stimulate in the mind of the beholder a concept that is separate from the concept evoked by its utilitarian function. The test turns on what may reasonably be understood to be occurring in the mind of the beholder or, as some might say, in the 'mind's eye' of the beholder.

Carol Barnhart, Inc., 773 F.2d at 422 (J. Newman, dissenting opinion).

75. *Galiano v. Harrah's Operating Company, Inc.*, 416 F.3d 411, 419 (5th Cir. 2005) (U.S.) (citing 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT, § 2.08 (B) (3), at 2-93-95 (2005)). See also *Carol Barnhart, Inc.*, 773 F.2d at 421-22 (J. Newman, dissenting opinion) (citing 1 NIMMER & NIMMER, *supra* note 75, § 2.08 (B), at 2-96).

76. *Brandir International, Inc. v. Cascade Pacific Lumber Co.*, 834 F.2d 1142, 1145 (2d Cir. 1987) (U.S.) (citing Robert C. Denicola, *Applied Art and Industrial Design: A Suggested Approach to Copyright in Useful Articles*, 67 MINN. L. REV. 707, 739-45 (1983)).

provide some predictability to copyright protection for designs of useful articles.⁷⁷

Despite all this, the problem of separability rages on, as there is yet no controlling determinative test, whether by the US judiciary or legislature. The result is that copyright protection for the designs of useful articles may be available, but it is by no means easy. The hurdle of the separability requirement is one that designers must overcome in order to be able to rely on copyright protection for their designs. If American jurisprudence has any say in the matter, the results of the application of these various tests have been far from consistent or predictable in determining the eligibility of designs for copyright protection.

2. The Crisis of Cumulation in the European Community

Although there is substantial harmonization in certain aspects pertaining to the copyright laws of Member States of the EC,⁷⁸ the matter of copyright

77. See Keyes, *supra* note 52 & Hick, *supra* note 52. Barton R. Keyes notes that “[i]f designers can feel confident in advance that their works will receive copyright protection, they will be more likely to create artistically-influenced useful articles, which benefits the public by ensuring that a wide variety of designs for useful articles is available.” Keyes, *supra* note 52, at 112.

78. See, e.g., Directive 2009/24/EC of the European Parliament and of the Council of Apr. 23, 2009 on the Legal Protection of Computer Programs, 2009 O.J. (L 111) 16 (EC) [hereinafter Software Directive]; Directive 96/9/EC of the European Parliament and of the Council of Mar. 11, 1996 on the Legal Protection of Databases, 1996 O.J. (L 77) 20 (EC) [hereinafter Database Directive]; Directive 2001/29/EC of the European Parliament and of the Council of May, 22 2001 on the Harmonization of Certain Aspects of Copyright and Related Rights in the Information Society, 2001 O.J. (L 167) 10 (EC) [hereinafter Harmonization Directive]; Directive 2006/115/EC of the European Parliament and of the Council of Dec. 12, 2006 on Rental Right and Lending Right and on Certain Rights Related to Copyright in the Field of Intellectual Property, 2006 O.J. (L 376) 28 (EC); Directive 2011/77/EU of the European Parliament and of the Council of Sep. 27, 2011 Amending Directive 2006/116/EC on the Term of Protection of Copyright and Certain Related Rights, 2011 O.J. (L 265) 1 (EC); Council Directive 93/83/EEC of Sep. 27, 1993 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) 15 (EC); & Directive 2001/84/EC of the European Parliament and of the Council of Sep. 27, 2001 on the Resale Right for the Benefit of the Author of an Original Work of Art, 2001 O.J. (L 272) 32 (EC).

protection for designs is largely the province of national laws. In the realm of industrial designs, two Community issuances govern the harmonization of Member States' laws: the Design Directive⁷⁹ and the Community Design Regulation.⁸⁰ These will be dealt with in more detail in Part II.B, but in the matter of the interface of designs and copyright, the Design Directive and the Community Design Regulation provide little guidance save for the provision on cumulation of protection.⁸¹ With the establishment of the

79. Directive 98/71/EC of the European Parliament and of the Council of Oct. 13, 1998 on the Legal Protection of Designs, 1998 O.J. (L 289) 28 (EC) [hereinafter Design Directive]. The Design Directive set harmonized standards for eligibility and protection of most types of registered designs. *Id.* whereas cl. 8.

80. Council Regulation No. 6/2002 of Dec. 12, 2001 on Community Designs, 2002 O.J. (L 3) 1 (EC) (as amended) [hereinafter Community Designs]. Council Regulation No. 6/2002 was issued on 12 December 2001 and took effect on 5 January 2002. The Community Designs Regulation introduced a unified system of industrial design rights, called Community designs, throughout the European Union. The system, which included both unregistered and registered design rights, operated in addition to national systems of protection in each Member State. The Regulation was later amended to give effect to the accession of the European Community (EC) to the Geneva Act of the Hague Agreement concerning the international registration of industrial designs. *Id.* whereas cls. 1 & 17 & Council Regulation No. 1891/2006 of Dec. 18, 2006 Amending Regulations (EC) No. 6/2002 and (EC) No. 40/94 to Give Effect to the Accession of the European Community to the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs, 2006 O.J. (L 386) 14 (EC).

81. Design Directive, *supra* note 79, art. 17. Article 17 of the Design Directive provides that

[a] design protected by a design right registered in[,] or in respect of a Member State in accordance with this Directive[,] shall also be eligible for protection under the law of copyright of that State as from the date on which the design was created or fixed in any form. The extent to which, and the conditions under which, such a protection is conferred, including the level of originality required, shall be determined by each Member State.

Id. The eighth Whereas Clause of the Design Directive acknowledges that in the absence of [harmonization] of copyright law, it is important to establish the principle of cumulation of protection under specific registered design protection law and under copyright law, whilst leaving Member States free to establish the extent of copyright protection and the conditions under which such protection is conferred[.]

Community Design framework, its proponents argued that the adoption of a new “design approach[,]” with emphasis on the “notion of design as a marketing tool[,]” would effectively “avoid the fruitless patent-versus-copyright-dilemma” despite the requirement of registration.⁸² The argument was that registration was required to confer a monopoly, but the alternative means of an unregistered design right was available against imitation only for industries with a short life cycle.⁸³ This argument has been criticized,⁸⁴ and it has been pointed out that the harmonization of design laws without the harmonization of copyright laws “would not resolve the inequalities that would arise.”⁸⁵ Nevertheless, the result is that aside from the availability of

Id. whereas cl. 8. Community Designs substantially reproduces the Directive’s provisions on cumulation of protection, stating that

[a] design protected by a Community design shall also be eligible for protection under the law of copyright of Member States as from the date on which the design was created or fixed in any form. The extent to which, and the conditions under which, such a protection is conferred, including the level of originality required, shall be determined by each Member State.

Community Designs, *supra* note 80, art. 96, ¶ 2. *See also* Community Designs, *supra* note 80, whereas cl. 32.

82. UMA SUTHERSANEN, DESIGN LAW IN EUROPE: AN ANALYSIS OF ARTISTIC, INDUSTRIAL AND FUNCTIONAL DESIGNS UNDER COPYRIGHT, DESIGN, UNFAIR COMPETITION AND UTILITY MODEL LAWS IN EUROPE 75 (2000 ed.). Uma Suthersanen noted that

the reason for the lack of harmonization on the copyright/design interface in the EC issuances is the sentiment that copyright cannot be harmonized with design legislation. It was also the result of a political compromise, as such harmonization would be a ‘formidable task’ that may have delayed the introduction of the Community design right.

Id.

83. *Id.*

84. *Id.* at 79. Suthersanen argues that the “demise of copyright protection” in the wake of the unregistered community design mechanism may not be as predicted. She points out that the tests of novelty and individual character “may be applied by the Community Design Courts at a much higher level than the copyright criterion of *de minimis* originality, or the *droit d’auteur* test of author’s own individual character. The duration of protection for the unregistered designs is also much shorter than copyright protection. *Id.*

85. *Id.* (citing M.A. Perot-Morel, *Prospect for unification of the law on design and models in the EC*, 1984 EUR. INTELL. PROP. REV. 129 (1984)).

cumulation of copyright and industrial design protection,⁸⁶ copyrightability of designs is left to the passage of national laws by Member States.⁸⁷

In the overlap of copyright and design laws within Europe, national laws have adopted different schemes of protection as to the convergence of these rights, resulting in diverging principles of cumulation.⁸⁸ In general, the trend has been to adopt one of the following variations:

- (1) *Full Cumulative Protection*, where a patent approach in *sui generis* design laws is applied unconditionally together with the copyright law;
- (2) *Non-Cumulative Protection*, where the registered design law is deemed to be the only protection for designs, while copyright protection is barred or severely restricted; and
- (3) *Partially Cumulative Protection*, where the registered design law is applied together with the copyright law, but only to a certain extent and subject to specific conditions, such as the fulfillment of a higher threshold of originality or the demonstration of some aesthetic character in the design.⁸⁹

86. "Cumulation" refers to the availability of concurrent protection for ornamental designs of useful articles in copyright and special design law. Reichman, *Design Protection*, *supra* note 21, at 1168 (citing LADAS, *supra* note 21, at 840; MARIE-ANGÈLE PEROT-MOREL, *LES PRINCIPES DE PROTECTION DES DESSINS ET MODÈLES DANS LES PAYS DU MARCHÉ COMMUN* 30 (1968 ed.); & Cohen H. Jehoram, *Design Laws in Continental Europe and Their Relation to Copyright Law*, 8 EUR. INTELL. PROP. REV. 235, 236 (1981)).

87. Design Directive, *supra* note 79, art. 17. *See also* Design Directive, *supra* note 79, whereas cl. 8.

88. *See* Reichman, *Design Protection*, *supra* note 21, at 1168-69. Behind this system of cumulation of copyright and design protection is the tendency of designers to rely on copyright protection for industrial art, due to less incentives to make use of a special design law in instances when copyright protection is easier to obtain. Reichman observes that

[t]he true scope and effectiveness of any given design law will therefore depend on the extent to which the scope of protection it affords, and the conditions it imposes, are undermined by the concurrent availability of copyright protection for industrial art. At the same time, measures needed to limit concurrent protection are likely to derogate from general principles of copyright law.

Id. at 1168. *See also* SUTHERSANEN, *supra* note 82, at 109-112.

89. SUTHERSANEN, *supra* note 82, at 109-112.

Full cumulative protection is generally associated with the French system of *l'unité de l'art*, or the theory of unity of art.⁹⁰ This theory espouses an ideological conception of art, in the sense that it is “impossible and even unjustifiable to distinguish one form of creative effort from another.”⁹¹ Under this doctrine, “[t]he copyright approach to industrial art rests on the notion that ornamental designs of useful articles should not be denied protection as artistic works merely because of their industrial character.”⁹² The result is that even the most modest creations are granted “a generous bundle of economic and moral rights” for a prolonged duration of 70 years *post mortem auctoris*, without any formalities or requirement of notice, registration, or deposit.⁹³ The advantage of the French system is the simultaneous protection of copyright and industrial design laws, without any subjective criteria of being “artistic” which may be left to judicial interpretation.⁹⁴ However, disadvantages also arise in the strict rules on the transfer of rights under copyright,⁹⁵ aside from the difficulty of determining the subject matter and scope of copyright protection, including the long duration of protection.

Even under the unity of art theory, however, French copyright law similarly imposes two limitations: (1) a requirement that the work must bear the author’s personality, “irrespective of its genre, form of expression, merit[,] or its purpose[.]” and (2) a statutory barrier on purely functional articles under the “patentability exclusion.”⁹⁶ Functional works have been

90. See SUTHERSANEN, *supra* note 82, at 137 (citing M.A. Pérot-Morel, *Report of an International Symposium, Amsterdam, 1975*, in MONOGRAPHS ON INDUSTRIAL PROPERTY AND COPYRIGHT LAW 46-47 (Herman Cohen Jehoram ed., 1976)).

91. SUTHERSANEN, *supra* note 82, at 137 (citing Pérot-Morel, *supra* note 90, at 46-47). The doctrine of *l'unité de l'art* reflects the influence of Eugène Pouillet. From this perspective, art is “dedicated to unity in its most diverse manifestations, that it can be defined neither by beauty not even by the aesthetic feeling it tends to arouse.” *Id.*

92. Reichman, *Design Protection*, *supra* note 21, at 1153.

93. *Id.* at 1157.

94. SUTHERSANEN, *supra* note 82, at 138.

95. This is based on the philosophy of *droit d'auteur*, which underlies French copyright law. See Cheryl Swack, *Safeguarding Artistic Creation and the Cultural Heritage: A Comparison of Droit Moral Between France and the United States*, 22 COLUM.-VLAJ.L. & ARTS 361 (1998).

96. SUTHERSANEN, *supra* note 82, at 138. Suthersanen also notes the criticism that the dual approach may reward copyright protection for highly functional designs. Although there is a patentability exclusion in French law for the more

denied copyright protection under French law on the basis of lack of originality or creative choice, in that functional works do not reflect the author's personality.⁹⁷ A second basis for denial is the provision that if the same article can be considered as both "a new industrial design and a patentable invention[,] and where the elements constituting the novelty of the design may not be separated from those of the invention,"⁹⁸ the same may only be protected as inventions.⁹⁹ Thus, once again, the question of separability confronts the designer in seeking copyright protection for his or her design, but, this time, the focus is on the functional aspects of the work in terms of patentability.¹⁰⁰

At the other end of the spectrum is the non-cumulative protection regime, typified by the previous Italian approach of *inscindibilità concettuale*, which espoused the duality of art doctrine. Under this doctrine, works applied to industrial products are subject to copyright protection only "if their artistic value is distinct from the industrial character of the product with which they are associated[.]"¹⁰¹ The separability criterion was complied with if "the form or combination of lines or [colors] is conceivable or can be perceived, and can be aesthetically assessed, even without the industrial product to which it has been applied."¹⁰² Under this criterion, the design

extreme instances of functional products, the problem is in the determination of the scope of such exclusion. *Id.*

97. *Id.* at 141.

98. *Id.* Two sets of inquiry have been adopted in implementing the patentability exclusion: first, "can the design be considered a patentable invention (patentability test)," and second, "are the elements of the design inseparable from those of the invention (separability test)." SUTHERSANEN, *supra* note 82, at 141.

99. *Id.*

100. *Id.* at 142. The determination of the degree of inseparability between the design and the invention entails an examination of facts, which has resulted in general uncertainty because of the differences of approach and opinions in applying the test. "In the few instances where the Supreme Court has intervened, it has held that a design can be protected under patent, copyright, and design laws, as long as there is no 'indissoluble relationship' between the functional and ornamental elements of the work." *Id.*

101. Law for the Protection of Copyright and Neighboring Rights, Law No. 633, art. 2 (4) (1941) (as amended) (Italy).

102. SUTHERSANEN, *supra* note 82, at 209 (citing Franco Benussi, *Protection of Industrial Designs in Italian and Comparative European Law*, 25 INDUS. PROP. 61 (1986) & PIERGAETANO MARCHETTI & LUIGI CARLO UBERTAZZI,

must be capable of being “identified separately” and of “exist[ing] independently” from the functional aspects of the product in which it is embodied. This means that the design must be such that the viewer can conceptually “dissociate” the design from the product in which it is embodied.¹⁰³ In determining separability, two theories have been advanced, that of “physical separability” and “conceptual separability”. The theory of physical separability espouses the notion that the design is a mere addition or ornamentation of a utilitarian article, and can be physically separated from it.¹⁰⁴ On the other hand, the much preferred conceptual separability theory applies an abstraction method to the examination, and promotes copyright protection as a work of art if the subject can be perceived as such, irrespective of its utilitarian function.¹⁰⁵

Previously, the Italian design law expressly stated that the provisions of copyright law shall not apply to industrial designs.¹⁰⁶ However, this was repealed by later legislation aimed at complying with the Design Directive, and now provides that “works of industrial design” are to be protected by copyright law.¹⁰⁷ Despite the removal of the “separability” requirement, Italian copyright law still required industrial designs to possess in themselves creative character and artistic value. The case of *Flos SpA v. Semeraro Casa e Famiglia SpA*¹⁰⁸ put before the European Court of Justice (ECJ) the matter of Italian copyright law’s compliance with the Design Directive, and the proceedings in the Milano court thereafter discussed the requirement of

COMMENTARIO BREVE ALLA LEGISLAZIONE SULLA PROPRIETÀ INDUSTRIALE É INTELLETTUALE 432-33 (1987 ed.)).

103. *Industrial Designs and their Relation with Works of Applied Art and Three-Dimensional Marks*, *supra* note 38, Annex, ¶ 29.

104. SUTHERSANEN, *supra* note 82, at 210 (citing EUROPEAN DESIGN PROTECTION, COMMENTARY TO DIRECTIVE AND REGULATION PROPOSALS (Mario Franzosi ed., 1996)).

105. SUTHERSANEN, *supra* note 82, at 210 (citing PIERRE-BAPTISTE GREFFE & FRANCOIS GREFFE, TRAITÉ DES DESSINS ET MODÈLES 1481 (1994 ed.)).

106. Legislative Provisions on Industrial Model Patents, Royal Decree No. 1411 (1940) (as amended) (Italy).

107. Implementing the Directive No. 98/71/EC on the Legal Protection of Designs, Legislative Decree No. 95 (2001) (Italy). The decree removed the requirement of “separability” and added to the categories of protectable subject matter, “industrial designs which possess in themselves creative character and artistic value.” *Id.*

108. *Flos SpA v. Semeraro Casa e Famiglia SpA*, Judgment, Case C-168/09, ECLI:EU:C:2011:29 (CJEU Jan. 27, 2011).

artistic value under the new law.¹⁰⁹ The case involved the Flos “Arco” lamp which had been designed in the 1960s, but had not been registered as a design.¹¹⁰ Flos alleged infringement by Semeraro, and among the latter’s defenses was the lack of “inherent artistic value” that would entitle the design to copyright protection.¹¹¹ In resolving the case, the ECJ ruled that Article 17 of the Design Directive, which provided for cumulative protection, only referred to registered designs which had not fallen within the public domain on the date of entry into force of the national legislation implementing the Directive.¹¹² Even more interesting is the decision rendered by the Court of Milan, endorsing the ECJ’s ruling. The Milano court applied the ECJ’s pronouncements and held that unregistered designs could still be protected by Italian copyright law, under the condition that they are creative, and have “inherent artistic value.”¹¹³ In assessing inherent artistic value, the court cited the widespread appreciation of the design in the cultural and institutional sector, which in this case was evidenced by testimonies from members of the cultural elite and recognition in art museums.¹¹⁴ Interestingly, the development of Italian copyright law shows a movement from non-cumulation to partially cumulative protection in the aftermath of the Design Directive.¹¹⁵ The requirement of inherent artistic value ensured copyright protection for designs, but only for those which meet the higher threshold of artistic merit. The difficulty lies in the determination of artistic merit, for which objective standards have yet to be established.

The third approach to cumulation is partially cumulative protection, which has been adopted in Germany. Here, copyright protection for designs

109. *Id.* ¶¶ 15–16.

110. *Id.* ¶ 30.

111. *Id.* ¶¶ 20–21.

112. *Id.* ¶¶ 32–33. Incidentally, the European Court of Justice also held that copyright protection may also be available for such unregistered designs under other Directives concerning copyright, particularly the Information Society Directive 2001/29, if the conditions for protection are met. *Id.*

113. Antonella Barbieri & Federica De Santis, Copyright Protection of Design: Approach of Italian Courts and Italian Law after ECJ’s Decision in Flos vs Semeraro, available at <http://www.portolano.it/2012/10/copyright-protection-of-design-approach-of-italian-courts-and-italian-law-after-ecjs-decision-in-flos-vs-semeraro> (last accessed May 4, 2018).

114. *Id.*

115. *Id.*

and models is possible only if there is “manifest exceptional creativity,” much like the “inherent artistic value” in post-Design Directive Italian copyright law. Under German copyright law, a distinction is made between non-utilitarian graphic or pure art that only requires a minimal degree of creative effort, and applied art in relation to industrially-manufactured and utilitarian works, which require “a certain degree of creative content that lifts it above that which is simply average or simply the routine work of a craftsman.”¹¹⁶ Under this framework, partially cumulative protection regimes “attempt to relegate most industrial art to special design laws despite general principles of copyright law that prohibit legal discrimination on the basis of artistic merit.”¹¹⁷ As found in the version of Italian copyright law, the criticism against partially cumulative protection systems is focused on the standard of artistic value required to be eligible for copyright protection.¹¹⁸ On one hand, courts have endeavored to adopt an “objective standard” by referring to the opinion of experts in art and artistic accomplishments, but this has, again, the potential of producing different results, reminiscent of the inconsistency and unpredictability that characterize the American predicament of applying the different standards of separability.¹¹⁹ Worse, some commentators have seen this requirement “as allowing the judges to decide without, or even against, expert testimony as to whether the product has a sufficiently high level of artistry,”¹²⁰ a pronouncement that can lead to disastrous results for designers who rely on copyright protection for their designs.

As would be readily apparent from the foregoing discussions, the current legal framework for the eligibility of designs for copyright protection is a minefield of statutory exclusions and judicially-determined standards of eligibility. The lack of harmonization among the national laws of European Member States makes it more difficult to maneuver copyright protection in the EC, and, even on the national level, protection is subject to diverging results in judicial pronouncements as to the extent of copyright protection for designs.

116. SUTHERSANEN, *supra* note 82, at 178.

117. Reichman, *Design Protection*, *supra* note 21, at 1169.

118. *Id.*

119. See Reichman, *Design Protection*, *supra* note 21, at 1167-70.

120. SUTHERSANEN, *supra* note 82, at 179.

B. Requirements for Industrial Design Protection

1. The “Impossible” Standard of Inventiveness Under the US Patents Act

The US Patents Act¹²¹ provides for a “patent approach” to industrial designs, stating that “[w]hoever invents any new, original[,] and ornamental design for an article of manufacture may obtain a patent therefor[.]”¹²² A design is defined by the United States Patent and Trademark Office (USPTO) as consisting of “the visual characteristics embodied in, or applied to, an article[,]” which may relate to the configuration or shape of an article, the surface ornamentation applied to an article, or to the combination of both.¹²³ The US Patents Act also states that, as a general rule, the provisions relating to patents for inventions shall apply to patents for designs.¹²⁴ The term of

121. Patents, 35 U.S.C. §§ 102, 103, 112, 132, 171-173, 289, & 381-390 (2016) (as amended) (U.S.) (otherwise known as the US Patents Act). On 18 December 2012, the Patent Law Treaties Implementation Act of 2012 (PLTIA) was enacted (Pub. Law 112-211), which added Part V (entitled “The Hague Agreement Concerning International Registration of Industrial Designs”) to the U.S. Patents Act. As a result of the amendment, Chapter 38, containing Sections 381 to 390, was added to Title 35 of the US Code, to govern international design applications. Under Section 103 of the PLTIA, with respect to the Geneva Act of the Hague Agreement, the amendments will take effect either one year after the enactment of the Act, or the date of entry into force of the Treaty with respect to the US, whichever is later. Ladas & Parry, U.S. IMPLEMENTATION OF THE HAGUE AGREEMENT, *available at* <https://ladas.com/education-center/u-s-implementation-of-the-hague-agreement> (last accessed May 4, 2018).

122. Patents, § 171 (a).

123. United States Patent and Trademark Office, 1502 Definition of a Design [R-07.2015], *available at* <https://www.uspto.gov/web/offices/pac/mpep/s1502.html> (last accessed May 4, 2018).

124. *See* Patents, Trademarks, and Copyrights, §§ 1.151-1.155 (2013) (as amended) (U.S.). The Code of Federal Regulations (CFR) is the codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the US Federal Government. The US Patent and Trademark Office issued the subject regulations concerning design patents which are found in Title 37 of the CFR, to serve as general procedures related to obtaining and enforcing design patents. The latest amendment took effect on 3 May 2013. *See* World Intellectual Property Organization, United States of America Rules of Practice in Patent Cases, 37 C.F.R. 1 (Consolidated Patent Rules as of December 2009), *available at* www.wipo.int/wipolex/en/details.jsp?id=5400 (last accessed May 4, 2018).

protection is, however, much shorter for design patents, as protection is granted only for 15 years from the date of grant.¹²⁵ Thus, in sum, the general requirements for eligibility for design patent protection in the US are: (1) invention;¹²⁶ (2) novelty;¹²⁷ (3) nonobviousness;¹²⁸ (4) originality;¹²⁹ (5) ornamentation;¹³⁰ and (6) reference to an article of manufacture.¹³¹

As to the requirement of reference to an article of manufacture, the emphasis is on the appearance of the article, which is the manifestation of the design, and not the article itself.¹³² It is only the appearance of the article that is protected by the design patent, and not its structural or utilitarian features. Moreover, design is deemed “inseparable from the article to which it is applied, and cannot exist alone merely as a scheme of surface ornamentation. It must be a definite[,] preconceived thing, capable of reproduction, and not merely the chance result of a method” or of “a combination of functional elements.”¹³³ “What constitutes an article of manufacture has been broadly construed by courts to include ‘anything made ‘by the hands of man’ from raw materials, whether literally by hand or by machinery or by art.”¹³⁴

125. *Compare* Patents, § 173 *with* Patents, § 154 (Section 154 provides that patents are protected, in general, for 20 years from the filing date of the application.). Note that patents issued from design applications filed on or after 13 May 2015 are granted a term of 15 years from the date of grant, while patents issued from design applications filed before 13 May 2015 have a 14-year term from the date of grant. See United States Patent and Trademark Office, 1505 Term of Design Patent [R-08.2017], *available at* <https://www.uspto.gov/web/offices/pac/mpep/s1505.html> (last accessed May 4, 2018).

126. Patents, § 171.

127. *Id.* § 102.

128. *Id.* § 103.

129. *Id.* § 171.

130. *Id.*

131. *Id.*

132. United States Patent and Trademark Office, Manual of Patent Examining Procedure, August 2012 Revision, ch. 1502 (Aug. 2012) (citing *Ex Parte Cady*, 232 O.G. 621 (Comm’r Pat. 1916) (U.S.)).

133. United States Patent and Trademark Office, Manual of Patent Examining Procedure, ch. 1504.01, ¶ 15.44 (citing Patents, §§ 171 & 112 (a) & (b)).

134. Daniel Harris Brean, *Enough is Enough: Time to Eliminate Design Patents and Rely on More Appropriate Copyright and Trademark Protection for Product Designs*, 16 TEX. INTELL. PROP. L.J. 325, 336 (citing *In re Hruby*, 373 F.2d 997, 1000 (C.C.P.A. 1967) (U.S.)).

Early interpretations of the ornamentality requirement equated the same with aesthetic appeal or artistic beauty, while other decisions referred to visibility.¹³⁵ Modern design patent cases have, however, interpreted ornamentality as the inverse of functionality. Thus, reminiscent of the separability requirement delineating the utilitarian and aesthetic aspects of a design under copyright law, a design must not be dictated solely by the function of the article of manufacture in order to be protectable.¹³⁶ Just like its copyright counterpart, a clear concept of non-functionality has eluded definitive judicial determination.¹³⁷ On one hand, it has been held that in determining non-functionality, “the claimed design is viewed in its entirety, for the ultimate question is not the functional or decorative aspect of each

135. Mark D. Janis & Jason J. Du Mont, *Functionality in Design Protection Systems*, 19 J. INTEL. PROP. L. 261, 265-66 (2012). Mark D. Janis and Jason J. Du Mont said that the equation of the ornamentality requirement as calling for either an assessment of the designer’s subjective intent, or an analysis of whether a purchaser would have been motivated to purchase the article on account of the aesthetic appeal of the design, was a rather thin disguise for the exercise of raw artistic judgments on aesthetic appeal by the bench. On the other hand, the equation with visibility under the “Matter of Concern Test” does “virtually nothing other than reiterate the conventional meaning of what constitutes ‘design’ for design patent purposes.” *Id.* at 264-71.

136. Ryan G. Vacca, *Design Patents: An Alternative When the Low Standards of Copyright are Too High?*, 31 S. ILL. U. L.J. 325, 348 (2007). A distinction must be made between the functionality of the article of manufacture and the functionality of the particular design of the article of manufacture, otherwise it would be impossible to obtain a design patent on utilitarian articles of manufacture, which is clearly not the case. *Id.*

137. Perry J. Saidman, *Functionality and Design Patent Validity and Infringement*, 91 J. PAT. & TRADEMARK OFF. SOC’Y 313, 314 (2009). It was provided —

At various times[,] courts have used tests that ask whether a claimed design is ‘primarily functional’ or ‘solely functional[,]’ which are ostensibly different standards. Another formulation says that a claimed design is impermissibly functional if it is ‘dictated by’ functional considerations. More frequently than not, these facially different tests are used rather interchangeably by the courts.

Id. (citing *Power Controls Corp. v. Hybrinetics, Inc.*, 806 F.2d 234 (Fed. Cir. 1986) (U.S.); *In re Carletti*, 328 F.2d 1020, 1022 (C.C.P.A. 1964) (U.S.); *Rosco, Inc. v. Mirror Life Co.*, 304 F.3d 1373, 1378 (Fed. Cir. 2002) (U.S.); & *Eldon Indus, Inc. v. Vanier Mfg., Inc.*, 923 F.2d 869 (Fed. Cir. 1990) (U.S.)).

separate feature, but the overall appearance of the article[.]”¹³⁸ On the other hand, it has been noted that courts continue to use an “elemental approach” to functionality determinations, assessing individual design components or particular aspects of the design, while, in the same breath, harping on the importance of considering the design as a whole.¹³⁹ This has been deemed to run counter to the pronouncement in *Egyptian Goddess, Inc. v. Swisa, Inc.*,¹⁴⁰ which discarded the previous “point of novelty” test on the basis that such test had placed undue emphasis on individual design features, as opposed to the proper inquiry of the appropriation of the claimed design as a whole.¹⁴¹

Courts have also held that, in determining whether a design is functional, “the purposes of the particular elements of the design necessarily must be considered.”¹⁴² Interestingly, the USPTO requires that ornamentality of the design must be the result of a conscious act of the designer, relating the requirement to the concept of “whoever *invents*” under Section 171 of the US Patents Act.¹⁴³ But in determining the intentions of the designer, the existence of “alternative designs” has resulted in the inconsistent judicial pronouncements on the degree of influence that functionality has on the design. In this regard, the USPTO requires that the design must be *primarily* ornamental.¹⁴⁴ As noted by some commentators, courts appear to have been oscillating “between a balancing test and a categorical test.”¹⁴⁵ In some cases, the balancing test has been manifested in decisions stating that a design is unpatentable if it is “*primarily* functional,” while in other cases, it has adopted a “dictated by” standard under which a

138. United States Patent and Trademark Office, Manual of Patent Examining Procedure, 1504.01 (c) (citing *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1123 (Fed. Cir. 1993) (U.S.)).

139. See *Janis & Du Mont*, *supra* note 135, at 271-81.

140. *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665 (Fed. Cir. 2008) (U.S.).

141. *Janis & Du Mont*, *supra* note 135, at 278. (citing *Egyptian Goddess, Inc.*, 543 F.3d).

142. Takashi Saito, *Dressing Design Patent: A Proposal for Amending the Design Patent in Light of Trade Dress*, 89 J. PAT. & TRADEMARK OFF. SOC'Y 682, 685 (citing *Power Controls Corp.*, 806 F.2d at 240).

143. United States Patent and Trademark Office, Manual of Patent Examining Procedure, ch. 1504.01 (c). This states that, in order to be considered ornamental within the requirements of the Patents Act, the design must be created for the purpose of ornamenting. *Id.*

144. *Id.* ch. 1504.01 (c) (citing *L.A. Gear Inc.*, 988 F.2d at 1123).

145. See *Janis & Du Mont*, *supra* note 135, at 281.

design is unpatentable “only if the design is dictated *solely* by the use or purpose of the article.”¹⁴⁶

In general, the patent approach adopted in the US has been much criticized for being too costly and time-consuming because of the substantive requirements that must be complied with in order to be eligible for the grant of a design patent.¹⁴⁷ In addition to such practical disadvantages, conceptual problems also arise from the application of the traditional traits of the patent approach to designs. Traditionally, patents provide a strong monopoly¹⁴⁸ for a relatively short period of time (as compared to copyright), requiring a sufficient degree of novelty and a disclosure of the methods adopted in relation to the invention, in order to enable others to practice the same once the period of monopoly has expired.¹⁴⁹ In contrast, industrial designs are

146. Janis & Du Mont, *supra* note 135, at 281 (emphasis supplied). See also Craig Zieminski, *A Function for Markman Claim Construction in Design Patents*, 90 J. PAT. & TRADEMARK OFF. SOC'Y 326, 330. The work noted that the Federal Circuit has espoused seemingly different thresholds in the same breath, as exemplified in the case of *Lee v. Dayton-Hudson Corp.* where the court explained that, “if the patented design is primarily functional rather than ornamental, the patent is invalid[.]” but in the next paragraph states that it is patentable if it has “an unobvious appearance distinct from that dictated *solely* by functional considerations[.]” and again in the following paragraph states that “when a configuration is the result of functional considerations *only*, the resulting design is not patentable[.]” *Id.* (citing *Lee v. Dayton-Hudson Corp.*, 838 F.2d 1186, 1188 (Fed. Cir. 1988) (U.S.)).

147. Sussana Monseau, *The Challenge of Protecting Industrial Design in a Global Economy*, 20 TEX. INTELL. PROP. L.J. 495, 529–31 (2012). It was noted that the disclosure of the new design through the publication of a design patent application has posed significant disadvantages to design owners because they “tend to make incremental and aesthetic changes to product design which can be easily communicated to the competition for copying[.]” *Id.* at 530.

148. Brean, *supra* note 134, at 326. According to Daniel H. Brean,

[p]atent protection is a very strong form of [IP] protection because it grants the patentee the broad right to exclude others from making, using, offering for sale, selling, or importing the claimed subject matter without permission. Proof of copying or consumer confusion is not required to infringe a patent, unlike copyright infringement and trademark infringement, respectively. Copyright and trademark rights are also qualified, for example, by their respective doctrines of fair use.

Id. at 327 (citing Commerce and Trade, 15 U.S.C. § 1115 (b) (4) (2006) (U.S.); Copyrights, § 107 (2006) (U.S.); & Patents, § 271 (a) (2006) (U.S.)).

149. See Monseau, *supra* note 147, at 513–17.

largely about incremental or aesthetic improvements to already existing products, which may not easily qualify as truly new and inventive designs.¹⁵⁰ The strong monopoly that is the result of a delicate balance of incentives and disclosures under patents for inventions also poses anti-competitive effects when applied to primarily aesthetic designs.¹⁵¹ The requirements of novelty, inventiveness, nonobviousness, and originality exemplify this high threshold of inventiveness or creativity required by patentable designs. Consequently, they embody the significant hurdles that design owners must overcome in order to obtain a design patent.

The US Patents Act excludes the usefulness or utility requirement to distinguish design patents from utility patents, and, instead, requires originality.¹⁵² The requirement of originality dates back to the first design patent law of 1842, and its purpose has been surmised to incorporate the copyright concept of originality, “requiring that the work be original [as to] the author[.]”¹⁵³ In design patents, originality has been used synonymously with the requirement of invention — that no patent shall issue if the prospective patentee “did not himself [or herself] invent the subject matter sought to be patented” under Section 102 (f) of the US Patents Act.¹⁵⁴ Courts have stated that, “[although] it is difficult to characterize the inventive features necessary to a valid design patent, it is clear that there must be originality which is born of inventive genius. In other words, there must be more than mere mechanical skill and the completed article must rise above the ordinary.”¹⁵⁵

150. *Id.* at 516. See also Sussana Monseau, *European Design Rights: A Model for the Protection of All Designers from Piracy*, 48 AM. BUS. L.J. 27, 48 (2011). Copyright protection poses the problem of requiring that the design element be separable from the functional elements, something which is the antithesis of much modern functional design. Meanwhile, design patents provide only limited protection for industrial designs because, among other disadvantages, they focus on protecting a level of innovation that is not present in many original and aesthetically appealing industrial designs. Monseau, *supra* note 150 at 48.

151. Monseau, *supra* note 147, at 513-14.

152. *International Seaway Trading Corp. v. Walgreens Corp.*, 589 F.3d 1233, 1238 (Fed. Cir. 2009) (U.S.).

153. *Id.* (citing 1 NIMMER & NIMMER, *supra* note 75, § 2.01).

154. Patents, § 102 (f).

155. *Jaybee Mfg. Corp. v. Ajax Hardware Mfg. Corp.*, 287 F.2d 228, 229-30 (9th Cir. 1961) (U.S.).

The standard for determining novelty in design patents has been stated as “the impact of the design upon the ordinary observer”¹⁵⁶ and “[t]he degree of difference [from the prior art] ... when the average observer takes the new design for a different, and not a modified, already-existing design.”¹⁵⁷ The factual inquiry as to anticipation over a prior art reference is that such reference “must be identical in all material respects.”¹⁵⁸ An examiner of a design patent application is thus permitted to

reject a design as anticipated where he or she is able to find a single prior art reference which[,] by itself[,] shows a design which, although it may be shown on an entirely different article, looks substantially like the design on which a patent is being sought, in all important details.¹⁵⁹

The US Supreme Court has interpreted the standard of novelty as to require that the design “embodies a new impression or effect[,] produced by an arrangement or configuration of lines[,] which introduces new elements

156. *Contico International, Inc. v. Rubbermaid Commercial Products, Inc.*, 665 F.2d 820, 823 (8th Cir. 1981) (U.S.).

157. *In re Application of Angelo E. Bartlett and Elwood J. Fletcher*, 300 F.2d 942, 943 (C.C.P.A. 1962) (U.S.) (citing *In re Application of Johnson*, 175 F.2d 791 (C.C.P.A. 1949) (U.S.)). In determining the patentability of the applicant’s “ornamental design for a Plastic Floor Tile” in the *Application of Angelo E. Bartlett and Elwood J. Fletcher* case, the then US Court of Customs and Patent Appeals held that the subject design was “easily distinguished by the practiced eye” and “ma[d]e different overall impressions so that purchasers might very well have preferences for one over the other.” *In re Application Angelo E. Bartlett and Elwood J. Fletcher*, 300 F.2d at 943.

158. *Hupp v. Siroflex of America, Inc.*, 122 F.3d 1456, 1461 (Fed. Cir. 1997) (U.S.). The Court held that the jury’s finding of anticipation was not supported on the ground that the ceramic floor tile advertised in the newspaper advertisement was not identical to Hupp’s mold for a concrete walkway. *Id.*

159. *INDUSTRIAL DESIGN RIGHTS: AN INTERNATIONAL PERSPECTIVE* (Brian W. Gray & Effie Bouzalas eds., 2001) (citing *In re Application of Andrew Glavas*, 230 F.2d 447 (C.C.P.A. 1956) (U.S.)). In the *Glavas* case, the Court held that while

[i]t is true that the use to which an article is to be put has no bearing on its patentability as a design and that if the prior art discloses any article of substantially the same appearance as that of an applicant, it is immaterial what the use of such article is. Accordingly, so far as anticipation by a single prior art disclosure is concerned, there can be no question as to nonanalogous art in design cases.

Glavas, 230 F.2d at 450 (citing *In re Albert Sadacca*, 56 F.2d 1085 (C.C.P.A. 1932) (U.S.) & *In re Campbell*, 104 F.2d 394 (C.C.P.A. 1939) (U.S.)).

of color or form.”¹⁶⁰ Stated another way, “the design viewed as a whole must produce a new impression upon the eye.”¹⁶¹ Such standard of novelty is likewise the test of infringement, should the patent be subsequently granted.¹⁶²

Whether the phrase “whoever *invents*” in Section 171 of the US Patent Act refers to a separate requirement of inventiveness for designs as applied to patentable inventions, or to the application of the nonobviousness or originality standards, remains unsettled under US jurisprudence.¹⁶³ Although US courts have long required something more than mere novelty for patentable designs, this requirement, sometimes referred to as “invention” or “inventive genius,” has been inconsistently described and applied.¹⁶⁴ The inventiveness standard applicable to patentable inventions began with the US Supreme Court decision in the case of *Hotchkiss v. Greenwood*,¹⁶⁵ where the Court held that the substitution of a particular material for an old method of doorknob construction was “destitute of ingenuity or invention[.]” which is the “essential element of every invention.”¹⁶⁶ For patentable designs, the US Supreme Court held, in the case of *Smith v. Whitman Saddle Co.*,¹⁶⁷ that “the

160. *New York Belting & Packing Co. v. New Jersey Car-Spring & Rubber Co.*, 137 U.S. 445, 449 (1890).

161. *Vacca*, *supra* note 136, at 348 (citing *Horwitt v. Longines Wittnauer Watch Co.*, 388 F.Supp. 1257, 1260 (S.D.N.Y. 1975) (U.S.)).

162. *Brean*, *supra* note 134, at 337. According to *Brean*,

[t]he difference between anticipation and infringement is timing — ‘that which infringes, if later, would anticipate, if earlier.’ ... ‘Two designs are substantially the same if their resemblance is deceptive to the extent that it would induce an ordinary observer, giving such attention as a purchaser usually gives, to purchase an article having one design supposing it to be the other.’ In other words, designs are patentable only to the extent that they would not lead an ordinary observer to be confused as to the source of the design.

Id. (citing *Peters v. Active Mfg. Co.*, 129 U.S. 530, 537 (1889) & *Door-Master Corp. v. Yorktowne, Inc.*, 256 F.3d 1308, 1313 (Fed. Cir. 2001) (U.S.)).

163. *See Sarah Burstein*, *Visual Invention*, 16 LEWIS & CLARK L. REV. 169, 174 n. 26 (2012) (citing Patents, § 171).

164. *Burstein*, *supra* note 163, at 176.

165. *Hotchkiss v. Greenwood*, 52 U.S. 248 (1850).

166. *Burstein*, *supra* note 163, at 177 (citing *Hotchkiss*, 52 U.S. at 266-67).

167. *Smith v. Whitman Saddle Co.*, 148 U.S. 674 (1893).

exercise of the inventive or originaive faculty is required,”¹⁶⁸ but courts have struggled to articulate a sufficient test for the requisite “invention.”¹⁶⁹ Some courts have endeavored to establish minimum requirements, eliminating designs that are “commonplace” or require the mere application of “mechanical skill,”¹⁷⁰ while some cases considered the commercial success of the design, although to varying degrees of conclusiveness.¹⁷¹

When the US Congress introduced the nonobviousness standard in 1952, the US Supreme Court first considered the then new requirement in the case of *Graham v. John Deere Co.*,¹⁷² holding that it did not change “the general level of innovation necessary to sustain patentability[.]”¹⁷³ and it characterized the nonobviousness requirement as “a codification of the principle announced in *Hotchkiss*,”¹⁷⁴ which referred to inventiveness. The requirement of nonobviousness states that a patent shall not be granted when “the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.”¹⁷⁵ Thus, the requirement inquires “whether the claimed design would have been obvious to a designer of ordinary skill who designs articles of the type involved.”¹⁷⁶ As to the combination of prior art references, akin to patentable inventions or utility models, a design patent issues unless “there [is] some teaching or suggestion whereby it would have been obvious to a designer of ordinary skill to make

168. Burstein, *supra* note 163, at 177 (citing *Smith*, 148 U.S. at 679).

169. Burstein, *supra* note 163, at 177.

170. *Id.* at 178 & *Krem-Ko Co. v. R.G. Miller & Sons, Inc.*, 68 F.2d 872, 873 (2d Cir. 1934) (U.S.).

171. Burstein, *supra* note 163, at 178 (citing *Glen Raven Knitting Mills, Inc. v. Sanson Hosiery Mills, Inc.*, 189 F.2d 845, 853 (4th Cir. 1951) (U.S.); *Phoenix Knitting Works v. Rich*, 194 F. 708, 716 (C.C.N.D. Ohio 1911) (U.S.); & *Payne Metal Enterprises, Ltd. v. McPhee*, 382 F.2d 541, 546 n. 7 (9th Cir. 1967) (U.S.)).

172. *Graham v. John Deere, Co.*, 383 U.S. 1 (1966).

173. Burstein, *supra* note 163, at 181 (citing *Graham*, 383 U.S. at 3-4).

174. *Id.*

175. Burstein, *supra* note 163, at 176 n. 131 (citing *Patents*, § 103 (a) (2006) (U.S.)) (emphasis omitted).

176. *Durling v. Spectrum Furniture Co.*, 101 F.3d 100, 103 (Fed. Cir. 1996) (U.S.).

the particular selection and combination made by the patentee.”¹⁷⁷ In general, the basic factual inquiries guiding the evaluation of obviousness, as outlined in *Graham*, are applicable to the evaluation of design patentability, namely: (1) determination of the scope and content of the prior art; (2) ascertaining the differences between the claimed invention and the prior art; (3) resolving the level of ordinary skill in the art; and (4) evaluating any subjective evidence on nonobviousness, i.e., the so-called “secondary considerations.”¹⁷⁸

The nonobviousness requirement has been dubbed as the most difficult requirement and a major hurdle to the grant of design patents because it is normative and necessarily subjective.¹⁷⁹ Since its incorporation by reference from the utility patents regime to the design patent statute, courts have grappled with the “impossible issue” of whether or not and how to determine nonobviousness, developing a body of jurisprudence that is widely disparate, inconsistent, and erratic.¹⁸⁰ Beginning with the case of *Gorham Company v. White*¹⁸¹ in 1871, concerning handles of spoons and forks, the US Supreme Court emphasized the resulting appearance of the design and not the manner of arriving at or inventing such design.¹⁸² The US Supreme Court held that

177. Zieminski, *supra* note 146, at 329 n. 19 (citing *L.A. Gear, Inc.*, 988 F.2d at 1124). The Court in *L.A. Gear, Inc.*, said that “‘not only the individual elements, but the ornamental quality of the combination must be suggested in the prior art’ to invalidate for obviousness.” *Id.*

178. United States Patent and Trademark Office, Manual of Patent Examining Procedure, ch. 1504.03, § I.

179. See Brean, *supra* note 134, at 338. Brean stated that, “[a]s a result, it can be ‘exceedingly difficult’ for designers to prove nonobviousness unless their designs are truly extraordinary, outstanding, or remarkable.” Brean, *supra* note 134, at 338 (citing *G.B. Lewis Co. v. Gould Products, Inc.*, 436 F.2d 1176, 1178 (2d Cir. 1971) (U.S.)). See also Jason J. Du Mont, *A Non-Obvious Design: Reexamining the Origins of the Design Patent Standard*, 45 GONZ. L. REV. 531, 532-36 (2009).

180. See Janice M. Mueller & Daniel Harris Brean, *Overcoming the “Impossible Issue” of Nonobviousness in Design Patents*, 99 KY. L.J. 419, 468-516 (2010).

181. *Gorham Company v. White*, 81 U.S. 511 (1871).

182. *Id.* at 525, 528, & 531. The US Supreme Court said, “[i]t is the appearance itself which attracts attention and calls out favor or dislike. It is the appearance itself, therefore, no matter by what agency caused, that constitutes mainly, if not entirely, the contribution to the public which the law deems worthy of recompense.” *Id.* at 528.

[t]he appearance may be the result of peculiarity of configuration, or of ornament alone, or of both conjointly, but, in whatever way produced, it is the new thing, or product, which the patent law regards. To speak of the invention as a combination or process, or to treat it as such, is to overlook its peculiarities.¹⁸³

In stating the same, the US Supreme Court in *Gorham Company* underscored that the proper focus of inquiry was the appeal to the eye of the finished product, or “the visual impression created by the design’s end appearance[.]”¹⁸⁴ instead of “the mode in which those appearances are produced[.]”¹⁸⁵ It has thus been noted that, “[b]y focusing on the visual end result as opposed to the mechanical construction of the designed product, *Gorham [Company]* correctly avoided any insistence on ‘invention’ for designs.”¹⁸⁶

Although the subsequent case of *Smith* initially acknowledged the *Gorham Company*’s emphasis on the resultant appearance of the design rather than the creative process involved therein, it quickly departed from such tenet when it made the sweeping pronouncement that “the law applicable to design patents ‘does not materially differ from that in cases of mechanical patents, and ‘all the regulations and provisions which apply to the obtaining or protection of patents or discoveries ... shall apply to patents for designs.’”¹⁸⁷ In invalidating the subject improved design for saddles, the court in *Smith* held that “[m]ere mechanical skill is insufficient. There must be something akin to genius — an effort of the brain as well as the hand.”¹⁸⁸ But in stressing the lack of invention on account of the mere combination of design features in the prior art “in the exercise of the ordinary skill of workmen of the trade, and in the way and manner ordinarily done[.]”¹⁸⁹ the court ignored the “visual impression created by the design’s end appearance” established by the *Gorham Company* decision.¹⁹⁰ Instead, *Smith* focused on “the mechanical simplicity and predictability of the construction of the

183. *Id.* at 525.

184. Mueller & Brean, *supra* note 180, at 472.

185. *Id.* (citing *Gorham Company*, 81 U.S. at 525).

186. Mueller & Brean, *supra* note 180, at 472.

187. *Smith*, 148 U.S. at 679 (citing *Northup v. Adams*, 18 F.Cas. 374 (E.D. Michigan Cir. 1877) (U.S.)).

188. Mueller & Brean, *supra* note 180, at 475 (citing *Smith*, 148 U.S. at 679).

189. Mueller & Brean, *supra* note 180, at 476 (citing *Smith*, 148 U.S. at 681).

190. Mueller & Brean, *supra* note 180, at 472.

saddle,”¹⁹¹ or, in other words, on the creative process which went into producing the saddle design (that of combining certain elements from prior art), in stark departure from the *Gorham Company* dicta.¹⁹²

Since then, courts have found it extremely difficult to reconcile the contradictory pronouncements in the *Gorham Company* and *Smith* cases, a problem that subsists even after more than 100 years of subsequent design patent jurisprudence.¹⁹³ In the case of *In re Faustmann*,¹⁹⁴ involving the design of the keyboard of a typewriter, the then Court of Customs and Patent Appeals (CCPA) admitted that the Patent Office and the courts have found it difficult to comply with the statute applying the principles of utility patents to design patents, with “the greatest difficulty [] encountered in determining the [] existence of invention.”¹⁹⁵ Although it cited that the ruling in *Gorham Company* established principles relevant to Congress’ intention to encourage “the decorative arts,” inexplicably, the Court applied the *Smith* requirement of inventiveness in ruling that the design patent was invalid because it was merely a combination and adaptation of the prior art, and as such, “the inventive faculty was not exercised in producing appellant’s keyboard.”¹⁹⁶

The inherent subjectivity of the inventiveness standard, and the difficulty in transposing such standard from mechanical patents to design, is further highlighted in the cases of *Application of Jennings*¹⁹⁷ and *Matter of the Application of Andrew Glavas*.¹⁹⁸ As applied to mechanical patents, nonobviousness has been determined upon a comparison of the claimed invention with multiple prior art references and inquiring as to whether it was obvious to combine the teachings of such references to arrive at the invention.¹⁹⁹ The problem lies in applying the same doctrine to designs, which, as jurisprudence shows, has resulted in an inescapable subjectivity.²⁰⁰

191. *Id.* at 476.

192. *Id.*

193. *Id.* at 477.

194. *Id.* at 483 (citing *In re Faustmann*, 155 F.2d 388 (C.C.P.A. 1946) (U.S.)).

195. *In re Faustmann*, 155 F.2d at 392.

196. *Id.* at 394.

197. *Application of Jennings*, 182 F.2d 207 (C.C.P.A. 1950) (U.S.).

198. *Matter of the Application of Andrew Glavas*, 230 F.2d 447 (C.C.P.A. 1956) (U.S.).

199. Mueller & Brean, *supra* note 180, at 485-86.

200. *Id.*

For example, in *Application of Jennings*, concerning the design of a vacuum condenser, the court upheld the patentability of the design and ruled that

the appearance of the design must be viewed as a whole, as shown by the drawing, or drawings, and compared with something in existence — not with something that might be brought into existence by selecting individual features from prior art and combining them, particularly where combining them would require modification of every individual feature, as would be required here.²⁰¹

Thus, the *Application of Jennings* ruling of comparison “with something in existence” moved the analysis towards a more objective standard of inquiring as to the resultant appearance of the design as a whole, rather than the subjective standard of obviousness in the mechanical combination of design elements.²⁰²

However, the court again departed from this precedent in the case of *Matter of Application of Andrew Glavas*, where it allowed the combination of prior art references to be cited against designs in certain circumstances.²⁰³ The Court in *Matter of Application of Andrew Glavas* adopted two different approaches, one for anticipation by a single prior art disclosure, and another for the combination of prior art references, even if it involves material modifications.²⁰⁴ For single prior art disclosures, the non-analogous arts doctrine applies in that “the use to which an article is to be put has no bearing on its patentability as a design ... [and] if the prior art discloses any article of substantially the same appearance as that of an applicant, it is immaterial what the use of such article is.”²⁰⁵ On the other hand, for combinations of prior art references, *Matter of Application of Andrew Glavas* ruled that “a different situation is presented[,]” and the principle of non-analogous arts cannot be applied to designs in exactly the same manner as to mechanical cases.²⁰⁶ Instead, for designs, the question is “not whether the references sought to be combined are in analogous arts in the mechanical sense, but whether they are so related that the appearance of certain ornamental features in one would suggest the application of those features to the other.”²⁰⁷ But in its application of the “so related [as to] suggest”²⁰⁸

201. *Id.* at 486 (citing *Jennings*, 182 F.2d at 208).

202. Mueller & Brean, *supra* note 180, at 486.

203. *Id.* at 487.

204. *Id.* at 487–88 (citing *Glavas*, 230 F.2d at 450).

205. *Glavas*, 230 F.2d at 450 (*Sadacca*, 56 F.2d & *Campbell*, 104 F.2d).

206. *Glavas*, 230 F.2d at 450.

207. *Id.*

approach for combinations of prior art references, the court in *Matter of Application of Andrew Glavas* failed to explain how the presence of a design element in a particular design could “suggest the adaptation of that element” to another design.²⁰⁹ It has been pointed out that the requirement of being “related” would necessarily refer to the mechanical and functional sense of the products in question, instead of focusing on the ornamentality and resultant appearance that is the essence of designs.²¹⁰ Even if being “related” is determined on the similarity of appearances, it has been posited that the requirement of suggesting the combination of features would necessarily refer to the functionality of the underlying articles.²¹¹

Adding to the confusion, later decisions have also grappled with the relevant perspective as to the standard of suggestion, defining who is the “person having ordinary skill in the art.”²¹² In the case of utility patents, it is possible to distinguish between an “ordinary mechanic” who undertakes routine work from an “inventor” of unobvious innovations.²¹³ However, it is not as easy in designs, and it must be determined whether this refers to the “competent designer,” the “ordinary designer,” or finally, the “ordinary observer.”²¹⁴ Again, this reflects the struggle of the courts to delineate the bounds between mechanical inventions and designs under an overarching patent system.²¹⁵ Although the statute mandates the general application of the principles of utility patents to design patents, the courts have labored to undertake the daunting task of making sense of this mandate.²¹⁶ In particular, the requirement of inventiveness has been shown to be greatly at odds with the inherent ornamental characteristics of designs and the creative process that occurs behind them.²¹⁷ The fact is that

208. *Id.*

209. Burstein, *supra* note 163, at 184.

210. Mueller & Brean, *supra* note 180, at 488-89.

211. *Id.*

212. See Mueller & Brean, *supra* note 180, at 494-95 & 520-21.

213. *Id.* at 494.

214. See Mueller & Brean, *supra* note 180, at 493-500 (citing *In re Application of Laverne*, 356 F.2d 1003 (C.C.P.A. 1966) (U.S.) & *In re Nalbandian*, 661 F.2d 1214 (C.C.P.A. 1981) (U.S.)).

215. *Id.*

216. *Id.*

217. Du Mont, *supra* note 179, at 609. Jason J. Du Mont said that, “[u]ntil the nonobviousness requirement and its utility patent precedent are decoupled from

[v]ery few designs ever qualify for protection under a full patent approach because patent law imposes a nonobviousness standard, whereas commercial designs normally partake of small variations upon themes already known to the prior art. Such variations, though commercially valuable, seldom constitute an ‘inventive step’ away from the prior art.²¹⁸

In sum, the state of design protection under the US patent approach greatly suffers from the sweeping application of utility invention principles to ornamental designs — an inescapable effect of solely applying the patent paradigm and ignoring the hybrid nature of designs. The result is the adoption of “impossible” requirements for eligibility for protection, rendering the system incapable of protecting a majority of the designs which the statute is intended to recompense. Thus, “[u]ltimately, for many products, design patents simply are not the solution to the need for the protection of industrial design.”²¹⁹

2. The Market-Based Approach to Designs in the European Community

In the realm of industrial designs, two Community issuances govern the harmonization of the Member States’ laws: the Design Directive and the Community Design Regulation. The enactment of these Community legislations was based on the recognition that harmonized IP laws facilitate competition and the free movement of goods within the community, and that superior design was a competitive advantage of European industries.²²⁰ The common purpose of the Design Directive and Community Design Regulation was to address the great degree of heterogeneity among the

design patent law, it will continue to afford too little or too much protection, and[,] in doing so, will hold applicants and industries hostage to its erratic protection.” *Id.*

218. Jerome H. Reichman, *Past and Current Trends in the Evolution of Design Protection Law — A Comment*, 4 *FORDHAM INTELL. PROP. MEDIA & ENT. L.J.* 387, 388 (1993) [hereinafter Reichman, *Past and Current*].

219. Regan E. Keebaugh, *Intellectual Property and the Protection of Industrial Design: Are Sui Generis Protection Measures the Answer to Vocal Opponents and a Reluctant Congress?*, 13 *J. INTELL. PROP. L.* 255, 263 (2005).

220. See Design Directive, *supra* note 79, whereas cls. 1 & 2 & Community Designs, *supra* note 80, whereas cls. 3-5. See also Commission of the European Communities, Green Paper on the Legal Protection of Industrial Designs (Working document of the services of the Commission) ¶¶ 3.1.1-3.5.2, available at http://aei.pitt.edu/1785/1/design_gp_1.pdf (last accessed May 4, 2018).

national legislations of Member States in protecting designs.²²¹ It was noted that the territorial character of the rights granted on a national level presented problems in obtaining the appropriate protection everywhere, became an obstacle to the free flow of goods, and resulted in distorted competition among undertakings.²²² To address these issues, a Green Paper issued by the European Commission proposed an approach that emulated the existing European and Community Patent system and the then proposed Community trademarks.²²³ The proposal was to adopt a parallel system of “a Community-wide right [which] would coexist with nationally-limited rights, the choice being left to the applicant for the right.”²²⁴ On one hand, the Design Directive sought to approximate national legislations in order to neutralize the impact of the diverging national protection systems on the functioning of the internal market.²²⁵ On the other hand, the Design Directive was perceived as insufficient to address the problems of the free movement of goods, since the territoriality principle would still apply, and firms which own similar designs in two different Member States may prevent one another from entering their respective markets.²²⁶ Thus, the Community Design Regulation was an integral component of the EC design regime, which provided for a unitary protection system valid for all the Member States of the Community.²²⁷

As a result, the Community Design system in the EC, as governed by the Community Design Regulation, offers a two-tiered mechanism in the form of registered designs²²⁸ and unregistered designs.²²⁹ This system exists

221. Commission of the European Communities, *supra* note 220, ¶ 3.1.1. The Commission of the European Communities noted, “one could hardly find another field of [IP] legislation where differences are more marked among Member States than in the field of the protection of designs.” *Id.*

222. *Id.* ¶¶ 3.6.1-3.6.2.

223. *Id.* ¶¶ 3.6.1-3.6.7.

224. *Id.* ¶ 3.6.6.

225. *Id.* ¶ 3.8.1. However, the fifth Whereas Clause of the Directive makes it clear that a full-scale approximation of national design laws was unnecessary, and that approximation is limited to those provisions directly affecting the functioning of the internal market. Commission of the European Communities, *supra* note 220, whereas cl. 5.

226. *See* Commission of the European Communities, *supra* note 220, ¶ 3.8.7.

227. *Id.* ¶¶ 3.9.1-3.9.5.

228. Community Designs, *supra* note 80, whereas cl. 16. The 16th paragraph of the Whereas Clause (or recital) provides, “there are sectors of industry which value the advantages of registration for the greater legal certainty it provides and

in parallel with, and separate from, the national systems of each Member State, which have been the subject of the harmonization initiative under the Design Directive. For Registered Community Designs (RCD), registration is administered by the now now European Union Intellectual Property Office (EUIPO) (previously the Office for Harmonisation in the Internal Market (Trade Marks and Designs)).²³⁰ The examination procedure for RCDs is kept to a minimum, its scope being limited mainly to the examination of formalities.²³¹ Nevertheless, the EUIPO also examines the grounds for non-registrability pursuant to Article 47 of the Community Design Regulation, namely:

- (1) conformity with the definition of a design under Article 3 (a) of the Regulation; and
- (2) subject matter is contrary to public policy or to accepted principles of morality, as provided in Article 9 of the Regulation.²³²

Upon registration, the term of protection of an RCD is an initial period of five years from the date of filing of the application, renewable for periods of five years each, for a total term of 25 years from filing.²³³ For Unregistered Community Designs (UCDs), the term of protection is considerably less, owing to the fact that some industries tend to produce designs for products with shorter life cycles, in which case it would be impractical to require

which require the possibility of a longer term of protection corresponding to the foreseeable market life of their products.” *Id.*

229. *Id.* The 16th paragraph of the Whereas Clause (or recital) also provides, “[s]ome ... sectors produce large numbers of designs for products frequently having a short market life where protection without the burden of registration formalities is an advantage and the duration of protection is of lesser significance.” *Id.*

230. European Union, Office for Harmonisation in the Internal Market (Trade Marks and Designs), available at https://europa.eu/european-union/about-eu/agencies/ohim_en (last accessed May 4, 2018).

231. See Community Designs, *supra* note 80, art. 45 & Office for Harmonisation in the Internal Market, The Manual Concerning Proceedings Before the Office for Harmonization in the Internal Market (Trade Marks and Designs): Registered Community Designs: Examination of Applications at 8, available at https://euiipo.europa.eu/tunnel-web/secure/webdav/guest/document_library/contentPdfs/law_and_practice/designs_practice_manual/examination_of_applications_for_registered_community_designs_en.pdf (last accessed May 4, 2018).

232. Office for Harmonisation in the Internal Market, *supra* note 231, at 8–9.

233. Community Designs, *supra* note 80, art. 12.

registration.²³⁴ As earlier stated, the adoption of the UCD right was based on the rationale that registration was required to confer a monopoly, but the alternative means of an unregistered design right was available against imitation only for industries with a short life cycle.²³⁵ Thus, the period of protection provided for unregistered designs was provided as only three years from the date when the design was first made available to the public within the EC.²³⁶

The subject matter of protection under the Community Design Regulation, both as to the RCD and UCD, and the Design Directive, is designs defined as “the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, [colors], shape, texture[,] and/or materials of the product itself and/or its ornamentation[.]”²³⁷ The product to which the design must refer to is defined as “any industrial or handicraft item, including[,] [inter alia,] parts intended to be assembled into a complex product, packaging, get-up, graphic symbols[,] and typographic typefaces, but excluding computer programs[.]”²³⁸

The above definitions show that the emphasis is on the “appearance of the whole or part of the product[.]”²³⁹ Proceeding from the approach to

234. Commission of the European Communities, *supra* note 220, ¶¶ 5.2.2–5.2.3.

235. SUTHERSANEN, *supra* note 82, at 75.

236. Article 11 of the Council Regulation No. 6/2002 on the Community Designs, as amended, states that

a design shall be deemed to have been made available to the public within the Community if it has been published, exhibited, used in trade[,] or otherwise disclosed in such a way that, in the normal course of business, these events could reasonably have become known to the circles [specialized] in the sector concerned, operating within the Community. The design shall not, however, be deemed to have been made available to the public for the sole reason that it has been disclosed to a third person under explicit or implicit conditions of confidentiality.

Community Designs, *supra* note 80, art. 11, ¶ 2.

237. Design Directive, *supra* note 79, art. 1 (a) & Community Designs, *supra* note 80, § 1, art. 3 (a).

238. Design Directive, *supra* note 79, art. 1 (b) & Community Designs, *supra* note 80, § 1, art. 3 (b) (emphasis omitted).

239. SUTHERSANEN, *supra* note 82, at 29.

design as a “marketing tool,”²⁴⁰ the intention was to provide a definition that was “as broad as possible, in order to cover in principle any economic value attached to the appearance of a product.”²⁴¹ It is also obvious that there is no requirement of artistic merit or aesthetic quality in order to be eligible for design protection.²⁴² It has thus been cautioned that “courts should resist the temptation to view the design as a visual add-on to the physical product, divorced from the initial creation and subsequent manufacture of the product as a whole.”²⁴³

To be eligible for protection, both Community legislations require that a design: (1) is new; and (2) has individual character.²⁴⁴ Novelty exists if no identical design has been made available to the public before the date of application or priority date for RCDs, or before the date the claimed design was first made available to the public for UCDs.²⁴⁵ Identity exists when the designs differ from previously available designs only in immaterial details.²⁴⁶ It has been suggested that novelty entails an objective test involving a comparison of the claimed design with the antecedent designs in the prior art, by considering the design in its entirety and not through a feature-by-feature comparison.²⁴⁷ In assessing novelty, factors such as “the degree of the designer’s freedom in developing the design; the existence of a crowded

240. Commission of the European Communities, *supra* note 220, ¶ 5.4.1. It provides that

[t]he improvement of a shape[,] in order to make the product to which it is applied more suitable for the function it is intended to play[,] is an obvious requirement for increased competitiveness in the marketplace. Manufacturers of goods are aware of the advantage that functional innovation brings with it[,] and they usually insist in this aspect when advertising new products ... Industrial design has developed into one of the most powerful instruments for the marketing of industrial products.

Id.

241. *Id.* at 61, ¶ 5.4.7.1.

242. SUTHERSANEN, *supra* note 82, at 29.

243. *Id.*

244. Design Directive, *supra* note 79, art. 3, ¶ 2 & Community Designs, *supra* note 80, art. 4, ¶ 1.

245. Design Directive, *supra* note 79, art. 4 & Community Designs, *supra* note 80, art. 5, ¶ 1.

246. Design Directive, *supra* note 79, art. 4 & Community Designs, *supra* note 80, art. 5, ¶ 2.

247. SUTHERSANEN, *supra* note 82, at 37.

prior art; the application of a known design to a new product or medium; and the fact that the design is the result of a novel arrangement or configuration of known design features” are considered.²⁴⁸

Meanwhile, the second requirement of individual character requires that the overall impression produced by the claimed design on the informed user differs from the overall impression produced on such a user by any prior design, considering the degree of freedom of the designer in developing such design.²⁴⁹ According to case law, the term “informed user” refers to “a person who is particularly observant and has some awareness of the state of the prior art, that is to say, the previous designs relating to the product in question that had been disclosed on the date of filing of the design concerned.”²⁵⁰ In another case, it was said,

The qualifier ‘informed’ suggests[,] in addition, that, without being a designer or a technical expert, the user knows the various designs which exist in the sector concerned, possesses a certain degree of knowledge with regard to the features which those designs normally include, and, as a result of his [or her] interest in the products concerned, shows a relatively high degree of attention when he [or she] uses them.²⁵¹

In the case of *PepsiCo, Inc. v. Grupo Promer Mon Graphic SA*,²⁵² the ECJ held that the concept of the informed user refers to a concept in between the average consumer applicable in trademarks and the sectoral expert with detailed technical expertise. Thus, “the concept of the informed user may be understood as referring[,] not to a user of average attention, but to a particularly observant one, either because of his [or her] personal experience or his [or her] extensive knowledge of the sector in question.”²⁵³

A factor in determining the individual character of the design is the degree of freedom of the designer. The rule is that “the greater the designer’s freedom in developing a design ... the more likely ... that [insignificant]

248. *Id.* at 37-38.

249. Design Directive, *supra* note 79, art. 5 & Community Designs, *supra* note 80, art. 6.

250. *Antrax It Srl v. Office for Harmonisation in the Internal Market*, Judgment, Joined Cases T-83/11 & T-84/11, EU:T:2012:592, ¶ 36 (CJEU Nov. 13, 2012).

251. *Shenzhen Taiden Industrial Co. Ltd. v. Office for Harmonisation in the Internal Market*, Judgment, Case T-153/08, EU:T:2010:248, ¶ 47 (CJEU June 22, 2010).

252. *PepsiCo, Inc. v. Grupo Promer Mon Graphic SA*, Judgment, Case C-281/10 P, EU:C:2011:679 (CJEU Oct. 20, 2011).

253. *Id.* ¶ 53.

differences produce the [same] overall impression on an informed user.”²⁵⁴ In this regard, both the Design Directive and the Community Design Regulation exclude from protection the features of the appearance of a product which are *solely* dictated by its technical function, and those which must necessarily be reproduced in their exact form and dimensions in order to permit the product to be mechanically connected to or placed in, around, or against another product, so that either product may perform its function.²⁵⁵ In the initial legislative stages, there was already a recognition that the definition of “industrial designs” must reflect its more modern characteristic of being “less reliant on the notion of ‘decoration’ or ‘ornamentation’ applied to a product[,] and[,] instead[,] to have the most intimate merger of functionalism and aesthetic value as its purpose.”²⁵⁶ There was, thus, an acknowledgment that design merit is greatly increased by its symmetry with the intended function of the product to which it shall relate.²⁵⁷ However, the merger of functionalism and aesthetic value must be balanced with the interests of competition that will be adversely affected by a protection that is too “sweeping in scope and comprising equally all the function elements” of a product.²⁵⁸ The European Commission earlier noted that “[t]he grant of exclusive rights to design owners must be carefully weighed against other considerations in order to avoid unduly restrictive effects on legitimate competition[,]” and that such problem “particularly arises with functional designs in which case a technological innovation is very often involved.”²⁵⁹

The functionality inquiry is relevant in two stages in the determination of a design’s eligibility for protection — at the first stage of direct exclusions under Article 8, Paragraph 1 of the Community Design Regulation, and at the second stage of determining individual character, with regard to the freedom of the designer in developing the design. At the first stage, as a form

254. *Antrax It Srl*, EU:T:2012:592, ¶ 45 (citing *Kwang Yang Motor Co., Ltd. v. Office for Harmonisation in the Internal Market*, Judgment, Case T-11/08, EU:T:2015:828, ¶ 33 (CJEU Sep. 9, 2011)).

255. Design Directive, *supra* note 79, art. 7 & Community Designs, *supra* note 80, art. 8.

256. Commission of the European Communities, *supra* note 220, ¶ 5.4.1.

257. *Id.*

258. *Id.* at ¶ 5.4.3.1. It was thus cautioned that “[t]echnological improvements and enhanced designs of the first concept should not be prevented by a monopoly too wide in scope.” *Id.*

259. *Id.* ¶ 3.11.

of direct exclusion, Article 8, Paragraph 1 of the Community Design Regulation extends no protection to features of appearance which are “solely dictated by its technical function.”²⁶⁰ Two schools of thought²⁶¹ have emerged in this regard: (1) the “mandatory approach,” which excludes design features “whose technical function *mandates* its form,” which necessity is not present when there exists a “multiplicity of forms,” and the function can be achieved by alternative designs;²⁶² and (2) the “causative approach,” which “excludes design features that were *caused* by functional considerations in the sense that the designer was motivated only by technical constraints while designing the feature.”²⁶³ According to commentators, “[a]lthough a majority of Member States currently follow the mandatory approach, EUIPO has arguably endorsed a variant of the causative approach.”²⁶⁴

To illustrate, in the case of *Lindner Recyclingtech GmbH v. Franssons Verkstäder AB*,²⁶⁵ involving invalidation proceedings against the registration of a Community design for chaff cutters, the Boards of Appeal of the EUIPO acknowledged that the direct exclusion in Article 8, Paragraph 1 of the Regulation, and its corresponding Article 7, Paragraph 1 in the Design Directive, “is highly controversial.”²⁶⁶ The Boards of Appeal also acknowledged the two contrasting views contained in literature, namely: (1) the “mandatory approach,” or what the court dubbed as the “technical necessity” exception under the first school of thought, in relation to the “multiplicity of forms theory;” and (2) the “causative approach” under the second school of thought, which examines “if every feature of the design was determined by technical considerations.”²⁶⁷

The *Lindner Recyclingtech GmbH* decision cited the pronouncements of the Advocate General in the case of *Koninklijke Philips Electronics NV v.*

260. Community Designs, *supra* note 80, art. 8, ¶ 1.

261. See Janis & Du Mont, *supra* note 135, at 289.

262. *Id.* at 289 (citing LIONEL BENTLY & BRAD SHERMAN, INTELLECTUAL PROPERTY LAW 618 (2d ed. 2004) & Graeme Dinwoodie, *Federalized Functionalism: The Future of Design Protection in the European Union*, 24 AM. INTELL. PROP. L. ASS’N Q.J. 611, 670 (1996)).

263. *Id.*

264. Janis & Du Mont, *supra* note 135, at 289.

265. *Lindner Recyclingtech GmbH v. Franssons Verkstäder AB*, 2010 ECDR 1, ¶¶ 30–31 (2010) (E.U.).

266. *Id.* ¶ 28.

267. *Id.* ¶¶ 28–29 & 31.

Remington Consumer Products Ltd., but quickly dismissed the same as *obiter dictum* since the latter involved Community trademarks.²⁶⁸ Nevertheless, the Opinion of Advocate General Dámaso Ruiz-Jarabo Colomer provides a good starting point from which to clarify the scope of exclusion of functional shapes.²⁶⁹ According to the Opinion, the wording in the Designs Directive refers to exclusions of external features “which are solely *dictated* by its technical function,” while the Trade Marks Directive excludes “signs which consist exclusively of the shape of goods which is *necessary* to obtain a technical result.”²⁷⁰ He noted that

the level of ‘functionality’ must be greater in order to be able to assess the ground for refusal in the context of designs; the feature concerned must not only be *necessary* but *essential* in order to achieve a particular technical result [—] form follows function. This means that a functional design may, [nonetheless], be eligible for protection if it can be shown that the same technical function could be achieved by another different form.²⁷¹

The Opinion thus remarked that it was but “logical that the bar for assessing whether a ground for excluding a functional form applies is set higher for designs than for [trademarks.]”²⁷²

The Board in *Lindner Recyclingtech GmbH* expressly rejected the “multiplicity of forms theory,” fearing that if protection is merely hinged on the existence of alternative designs, it would be possible for a monopoly to be granted on each alternative design to a single person, “which would have the consequence that no one else would be able to manufacture a competing product capable of performing the same technical function.”²⁷³ Contrary to the Advocate General’s Opinion in *Koninklijke Philips Electronics NV*, the Boards adopted the “causative approach,” focusing on whether “the need to achieve the product’s technical function was the only relevant factor when

268. *Koninklijke Philips Electronics NV v. Remington Consumer Products Ltd.*, Opinion, Case C-299/99, EU:C:2001:52 (CJEU Jan. 23, 2001). See *Lindner Recyclingtech GmbH*, 2010 ECDR.

269. See generally *Koninklijke Philips Electronics NV*, EU:C:2001:52.

270. *Koninklijke Philips Electronics NV*, EU:C:2001:52, ¶ 34.

271. Janis & Du Mont, *supra* note 135, at 289 (citing *Koninklijke Philips Electronics NV*, EU:C:2001:52, ¶ 34).

272. *Koninklijke Philips Electronics NV*, EU:C:2001:52, ¶ 36.

273. *Lindner Recyclingtech GmbH*, 2010 ECDR, ¶ 30 (citing WILLIAM CORNISH, ET AL., *INTELLECTUAL PROPERTY: PATENTS, COPYRIGHTS, TRADEMARKS & ALLIED RIGHTS* 549 (5th ed.)).

the feature in question was selected.”²⁷⁴ The Boards went further and delved into the dangerous ground of artistic merit, holding that “[i]t is only when aesthetic considerations are completely irrelevant that the features of the design are solely dictated by the need to achieve a technical solution,” but it was quick to state that this did not amount to an additional requirement of aesthetic merit.²⁷⁵ It then concluded that Article 8, Paragraph 1 “denies protection to those features of a product’s appearance that were chosen exclusively for the purpose of designing a product that performs its function, as opposed to features that were chosen, at least to some degree, for the purpose of enhancing the product’s visual appearance.”²⁷⁶ Assessing functionality was then to be made from the standpoint of a “reasonable observer” who asks “whether anything other than purely functional considerations could have been relevant when a specific feature was chosen.”²⁷⁷

The *Lindner Recyclingtech GmbH* decision has been generally criticized, but two points are relevant here: *first*, the decision’s revival of the dichotomy between functional and aesthetic design innovation, which had already been rejected by the Green Paper that was the precursor to the Design Directive and the Community Design Regulation, due to the difficulty of applying such requirement consistently;²⁷⁸ and *second*, its adoption of the new creature of the hypothetical “reasonable observer,” contrary to the uniform standard of “informed user” provided in the Community legislation.²⁷⁹ It has been remarked that the Boards failed to provide any real guidance on the capacities of the “reasonable observer,” and its relation to the “informed user,” thereby creating an internal inconsistency in the application of the relevant standards in design law.²⁸⁰ It is thus expected that this inconsistency between the EUIPO’s adoption of the causative approach and the prevailing multiplicity of forms theory adopted by several Member States will lead to a case before the ECJ, which will hopefully rule on the matter definitively and lay the matter to rest.²⁸¹

274. *Lindner Recyclingtech GmbH*, 2010 ECDR, ¶ 32.

275. *Id.* ¶ 35.

276. *Id.* ¶ 36.

277. *Id.*

278. SUTHERSANEN, *supra* note 82, at 29.

279. Janis & Du Mont, *supra* note 135, at 291–92.

280. *Id.*

281. *Id.* at 293.

Aside from the first stage of direct exclusions under Article 8, Paragraph 1 of the Community Design Regulation, functionality is also relevant in the second stage of determining the eligibility for protection of a design, the requirement of individual character.²⁸² At this stage, the functionality inquiry is relevant in assessing the freedom of a designer and its impact on the overall impression produced on an informed user.

In this regard, the relation between the element of the freedom of the designer of a product and such product's intended functions has been the subject of extensive European case law. Nevertheless, there is yet no definitive test in order to determine the appropriate level of functionality that would render a design as non-protectable subject matter. To demonstrate, in the case of *Antrax It Srl v. Office for Harmonisation in the Internal Market*,²⁸³ concerning designs for thermosiphons which were intended for radiators for heating, the General Court held that the degree of freedom of design is

established, [inter alia], by the constraints of the features imposed by the technical function of the product or an element thereof, or by statutory requirements applicable to the product to which the design is applied. Those constraints result in a [standardization] of certain features, which will thus be common to the designs applied to the product concerned.²⁸⁴

Thus, the greater the designer's degree of freedom in developing a design, the less it is likely that minor differences would produce a different overall impression on an informed user.²⁸⁵ If the freedom of the designer is constricted by functional considerations, the informed user would most likely be more sensitive to minor differences between designs in forming his or her overall impression.

However, in the case of *Shenzhen Taiden Industrial Co. Ltd. v. Office for Harmonisation in the Internal Market*,²⁸⁶ the General Court held that the

282. Community Designs, *supra* note 80, art. 8, ¶ 1.

283. *Antrax It Srl v. Office for Harmonisation in the Internal Market*, Judgment, Joined Cases T-83/11 & T-84/11, EU:T:2012:592 (CJEU Nov. 13, 2012).

284. *Id.* ¶ 44 (citing *Grupo Promer Mon Graphic v. OHIM-PepsiCo*, Case T-9/07, 2010 ECR II-981, ¶ 67 & *Kwang Yang Motor Co., Ltd.*, EU:T:2015:828, ¶ 32) (emphasis omitted).

285. *Antrax It Srl*, EU:T:2012:592, ¶ 45 (citing *Kwang Yang Motor Co., Ltd.*, EU:T:2015:828, ¶ 32).

286. *Shenzhen Taiden Industrial Co. Ltd. v. Office for Harmonisation in the Internal Market*, Judgment, Case T-153/08, EU:T:2010:248 (CJEU June 22, 2010).

informed user would not be able to distinguish between design aspects dictated by function, and those which were merely aesthetic and arbitrarily adopted. In *Shenzhen Taiden Industrial Co. Ltd.*, the intervenor sought to invalidate the registration of a design for “communications equipment” in light of a previous international design registered for “units for conference systems.”²⁸⁷ The Invalidity Division of EUIPO upheld the registration, but on appeal, the Boards ruled that the contested design lacked individual character due to the “relatively wide degree of freedom in developing the design,” such that the differences between the designs were not sufficiently noticeable to produce a different overall impression on the informed user.²⁸⁸ Before the General Court, the Applicant argued that “in the information technology equipment sector, the freedom of the designer is restricted by the functionality of those devices[,] as well as a general trend [favoring] small, flat, rectangular devices, often including hinged elements.”²⁸⁹ According to the Applicant, the informed user is aware of these constraints and is more sensitive to the “aesthetic, arbitrary[,] or unusual”²⁹⁰ features of the product rather than to its functional elements. However, the court rejected such argument and held that the high degree of attention that characterizes the “informed user” *does not* imply that he or she “is able to distinguish, beyond the experience gained by using the product concerned,”²⁹¹ between the aspects of the appearance of the product which are dictated by the product’s technical function, from those elements which are arbitrary or aesthetic.²⁹² Thus, the court upheld the Boards’ finding that the degree of freedom of the designer of a conference unit was relatively wide, and therefore, the subject designs produced the same overall impression on the informed user, resulting in the lack of individual character of the claimed design.²⁹³ The decision in *Shenzhen Taiden Industrial Co. Ltd.* established the relevance of the functionality analysis in determining the freedom of the designer, providing that similarities relating to features which are compulsory as a result of functional considerations should not be considered in determining the differences in overall impressions on the informed user between two

287. *Id.* ¶¶ 1-3.

288. *Id.* ¶ 7.

289. *Id.* ¶ 33.

290. *Id.* ¶ 34.

291. *Id.* ¶¶ 46-48.

292. *Shenzhen Taiden Industrial Co. Ltd.*, EU:T:2010:248, ¶¶ 46-48.

293. *Id.* ¶ 75.

designs.²⁹⁴ This appears not to be wholly consistent with the *Antrax It Srl* pronouncement that the informed user would most likely be more sensitive to minor differences between designs in forming his overall impression.

Moreover, the *Antrax It Srl* court held that

a possible saturation of the state of the art, deriving from the alleged existence of other designs for thermostats or radiators[,] which have the same overall features as the designs at issue, was relevant, in so far as it could be capable of making the informed user more attentive to the differences in the internal proportions of those different designs.²⁹⁵

However, the General Court stated that the existence of a general design trend, or the consideration of the aesthetic quality of the claimed design, or the commercial success of the product in which the design is incorporated, are not factors relating to freedom of design, and should be excluded in the assessment of individual character.²⁹⁶ By these pronouncements, it appears that the hypothetical informed user is sensitive enough to be aware of the possible saturation of the state of the art, but he or she is insensitive to the distinctions between design aspects attributable to functional considerations from those which are arbitrary.

An analysis of the EC industrial design regime shows that, although it purports to adopt an approach which is more in tune with the commercial objectives of industrial design products, problems still arise in determining the eligibility of certain designs for protection. The EC market-based approach sought to employ a broad definition of protectable designs, in order to include any economic value attached to the appearance of a product. The system likewise sought to avoid the inherent flaws of a legal framework that require a determination of artistic merit for eligibility, such as that under the copyright paradigm. Such comprehensive coverage was intended to be counterbalanced by the appropriate standard of functionality,

294. See *Janis & Du Mont*, *supra* note 135, at 297. *Janis & Du Mont* said that,

[i]n areas where the designer's degree of freedom is limited because certain features must be included due to technical constraints, it is assumed in formulating an overall visual impression that the informed user will attach less weight to those characteristics — emphasizing the remaining features when determining whether the overall impression is unique enough to produce a different overall impression (i.e., individual character).

Janis & Du Mont, *supra* note 135, at 297.

295. *Antrax It Srl*, EU:T:2012:592, ¶ 89.

296. *Id.* ¶¶ 94–96 (citing *Shenzhen Taiden Industrial Co. Ltd.*, EU:T:2010:248, ¶ 58).

relevant in determining excluded functional designs and designs which lack the required individual character.

Three insights may be deduced in examining the EC industrial design framework. First, unlike the copyright approach to functionality, the EC design regime acknowledges the possibility of merging function and aesthetics in designs. As discussed in the previous Parts, protection under the copyright regime requires that the utilitarian or functional aspects of the design be separable from its aesthetic or ornamental aspects. Some European jurisdictions expressly exclude functional works from copyright protection, owing to the lack of originality or creativity. Under the EC design regime, however, protection is allowed in certain instances when the threshold of proportionality between aesthetics and utilitarian function is met, i.e., when the design is not solely functional. Notably, the exclusion of features solely dictated by functional considerations reflects the traditional demarcation of the patent approach relating to the functionality of inventions or utility models, and that of design.²⁹⁷ Perceiving that the freedom of the designer may be limited by the intended functions of such product, European legislators noted that the long-lasting protection offered under the copyright regime “may imply the creation of *de facto* monopolies in the market.”²⁹⁸

Second, the problems brought about by considerations of aesthetic or artistic merit, which plague the copyright approach, have been decisively eschewed by EC legislation.²⁹⁹ The EC system, thus, initially appears to have successfully avoided the problems of determining the relationship between functionality and aesthetic merit, by removing any standard of aesthetic merit altogether. However, developments in EUIPO case law have generated fears that a requirement of aesthetic merit is being revived in the issue of functional designs. This is directly related to the third insight — that what remains to be settled in the EC design system is the degree of influence of functionality on the design process. The issue on the exclusion of designs which are “mandated” by technical functions vis-à-vis those that are

297. SUTHERSANEN, *supra* note 82, at 33.

298. Commission of the European Communities, *supra* note 220, at 44.

299. Community Designs, *supra* note 80, whereas cl. 10. *See also* Janis & Du Mont, *supra* note 135, at 287. Janis and Du Mont said that Community legislators “expressly condemned the idea of including an aesthetic quality requirement in the Directive and Regulation’s [R]ecitals because they understood that antiquated ornamentality-based standards are prone to erratic application and outmoded for the protection of modern design.” Janis & Du Mont, *supra* note 135, at 287.

“caused” by functional considerations must be resolved towards harmonizing EUIPO policies and the Member States’ practice. It is likewise necessary to further develop the concept of an “informed user” and how his or her overall impression is influenced by aspects of a design dictated by the functions of the product to which it relates to. The capability of the hypothetical informed user to differentiate between functional and arbitrary design aspects must be definitively established, as this would determine those designs that are entitled to protection and those that would not possess individual character. Thus, while the EC solution to the appropriate approach to design protection may have its advantages, it is far from perfect. Much remains to be definitively established under case law, but the EC system appears to be a step in the right direction.

III. SCOPE OF PROTECTION

In Part II, the various approaches to design protection were explored, together with the different requirements of each jurisdiction in determining whether a particular design is eligible for protection. The discussion has shown the theoretical underpinnings of each approach, from copyright, to patent, and to the hybrid “market” approach, as well as the conceptual problems that arise in the course of applying these approaches. Particularly, Part II highlighted the efforts adopted by the relevant courts to demarcate the boundaries of technical functionality and aesthetic ornamentality. In analyzing these attempts at demarcation, the importance of recognizing the hybrid nature of designs, while balancing protection with the objective of maintaining fair competition between enterprises, which is one of the pillars of the IP system, was emphasized.

In this Part, the point of analysis will be the scope of protection that a design right grants to the design owner. A regime of industrial design protection, in order to be truly effective, must first consider the object of protection and the nuances of such subject matter. Part II established the hybrid characteristics of designs and how the legal systems of protection have endeavored to reconcile these unique characteristics within the parameters of the traditional paradigms of IPR. However, there is also a need to acknowledge that the design process itself plays an important role in the determination of an appropriate protection system. It has been said that “the designing process involves, to a large extent, the use of previous designs.”³⁰⁰ Effecting incremental “improvements” or slight modifications of existing designs, is, therefore, a predominant practice in the design industry. In fact,

300. Afori, *supra* note 12, at 1153.

“[i]nnovative industrial design typically concerns variations on known style trends that seldom take major strides beyond the prior art.”³⁰¹ A large number of designs, if not a majority thereof, would thus contain modifications or adaptations of already existing designs, and such previous designs could either be owned by the modifier himself or herself, or by another. Considering the concept of incremental innovations in designs, “[d]esign protection must strike a balance between sufficient protection against free-riding and encouragement of adequate financing for industrial design[,] on the one hand, and a certain degree of freedom for designers to use prior designs[,] on the other hand.”³⁰² In Part III, the Author analyzes this concept and how protection regimes should reconcile the exclusive rights granted to designs while allowing for further innovation that would facilitate greater competition within the market.

The approach for this concept will be from two scenarios: the first being instances when it is the previous design owner himself or herself who seeks to improve or offer varieties of the original design; and the second, instances when variations are undertaken by a third party. In the second instance, variations of previous designs could be undertaken either by a competitor of the original design owner, or the designer of a non-competing product or field. These two scenarios will be analyzed in the context of the different protection regimes explored in Part III, namely, the US and EC copyright approach, the US patent approach, and the EC market-based approach to industrial designs.

A. Copyright Infringement

1. Reproduction and Derivative Rights in the US Copyright System

The US Copyright Law³⁰³ grants copyright protection over two-dimensional and three-dimensional works of applied art under “pictorial, graphic, and sculptural works,” but the mechanical or utilitarian aspects thereof are not protectable subject matter.³⁰⁴ Copyright protection is further limited in scope, as the law does not afford “the owner of copyright[,] in a work that portrays a useful article as such, any greater or lesser rights with respect to the making, distribution, or display of the useful article so portrayed than those

301. Reichman, *Legislative Agenda*, *supra* note 42, at 291.

302. Afori, *supra* note 12, at 1153.

303. Copyrights, §§ 101-122.

304. *Id.* §§ 101-102.

afforded to such works under the law[.]”³⁰⁵ Nevertheless, should a design be eligible for copyright protection, Section 106 of the Copyright Law provides for the exclusive rights that may be exercised by the copyright owner.³⁰⁶ In the case of copyrightable designs, among such exclusive rights are the rights of reproduction and preparation of derivative works based upon the copyrighted work.³⁰⁷

As its name connotes, copyright protection’s emphasis is on copying, and “copyright law has operated principally by granting its holder the exclusive right to copy a creative work of authorship[.]”³⁰⁸ Nevertheless, the US Supreme Court has held that “not all copying [constitutes] copyright infringement.”³⁰⁹ To establish a case for copyright infringement, the courts have applied a two-pronged test wherein the copyright owner must essentially prove actual copying by the defendant, and that such copying was improper or wrongful, and, therefore, actionable.³¹⁰ The first prong of the infringement test is “[a]ctual copying,” which may be established by circumstantial evidence of the defendant’s access to the plaintiff’s work, and the existence of substantial similarity between the defendant’s and the plaintiff’s works.³¹¹ In this first prong, a court undertakes the step of “probative similarity” and examines the plaintiff’s work to identify copyrightable parts thereof, through a process of “dissection.”³¹² It then examines the defendant’s work and determines if such protected elements were indeed copied by the defendant from the plaintiff.³¹³ Only if the test of

305. *Id.* § 113 (b).

306. *Id.* § 106.

307. *Id.* § 106 (1) & (2).

308. Shyamkrishna Balganes, *The Normativity of Copying in Copyright Law*, 62 DUKE L.J. 203, 205 (2012) (emphasis omitted).

309. *Feist Publications, Inc. v. Rural Service Co.*, 499 U.S. 340, 361 (1991).

310. Balganes, *supra* note 308, at 206 (citing 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT, § 13.03 (a) (2012)).

311. *See* Ann Bartow, *Copyrights and Creative Copying*, 1 U. OTTAWA L. & TECH. J. 75, 81 (2003).

312. *Arnstein v. Porter*, 154 F.2d 464, 468 (2d Cir. 1946) (U.S.). *See also* Balganes, *supra* note 308, at 207.

313. Brean, *supra* note 134, at 348–51. Brean said that

[t]he more similar the allegedly infringing product is to the copyrighted design, the less important proof of access becomes, and vice versa. Evidence of coincidence, independent creation, or prior common source can be used by the defendant to negate an inference

actual copying is satisfied will the court proceed to the second prong of the infringement test, entailing a “substantial similarity analysis,” to determine if such copying was indeed actionable.³¹⁴ In this instance, the court will undertake “a subjective evaluation of the different parts of the two works[,] and of their relative contributions to the overall significance of the work, both as a quantitative and qualitative matter, in order to assess whether the copying amounted to a ‘wrong.’”³¹⁵

The determination of wrongful appropriation is from the perspective of an “ordinary observer,” who is a member of the “lay public” that is the audience of the work in question.³¹⁶ Applying the ordinary observer test in the case of designs, the inquiry pertains to whether the subject designs, in light of their overall appearance, would convey the same aesthetic appeal to an ordinary observer.³¹⁷ In making such determination, the intended uses of the design, in relation to the level of scrutiny that an ordinary observer will give to it while in use, should be considered.³¹⁸ Thus, even when there is no exact identity between two designs, but the same aesthetic appeal may be established, an actionable case of copying may exist, since an ordinary

of copying. However, evidence of a ‘striking similarity’ between the copyrighted work and the allegedly infringing works can rebut those defenses.

Id. (citing 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT, § 13.03 (d) (2006) & *Selle v. Gibb*, 741 F.2d 896, 904 (7th Cir. 1984) (U.S.)).

314. *Balganesh*, *supra* note 308, at 208 (citing *Amstein*, 154 F.2d at 468). According to the court in *Amstein*, “[i]f copying is established[,] then only does there arise the second issue, that of illicit copying (unlawful appropriation).” *Id.*

315. *Id.*

316. *Amstein*, 154 F.2d at 473. The case involved copyright infringement in relation to a musical composition; and the court held that expert testimony is relevant in the first prong of the test, but not in the second prong of substantial similarity, which involves an issue of fact that the jury is fitted to determine. *Id.*

317. *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.*, 274 F.2d 487, 489 (2d Cir. 1960) (U.S.). *See also* *Brean*, *supra* note 134, at 348–51. *Brean* noted that “[t]he standard for design copyright infringement asks whether the relevant audience of ordinary observers would find that an accused design is substantially similar to the copyrighted one, such that it amounts to an improper appropriation of the copyrighted features. This standard is similar to that for design patent infringement.” *Id.* at 349.

318. *Peter Pan Fabrics, Inc.*, 274 F.2d at 489.

observer would not usually intentionally set out to detect irrelevant variations between designs during the course of use.³¹⁹

Although it is without a doubt that copyright protection extends beyond literal or exact reproductions of a work, “the point at which the similarity between the accused and copyrighted works becomes substantial enough to infringe is concededly an arbitrary line[.]”³²⁰ The important question of degree of similarity is more pronounced in instances of overlap between the reproduction right and the exclusive right of the copyright owner to produce derivative works.³²¹ The reproduction right is generally premised on the principle of economic harm to the copyright owner, which may be produced when substitutes for the original work are available in the market.³²² However, the question of economic damage becomes not so clear-cut when the subject of the inquiry is a derivative work. It has been argued that, unlike the effects of literal copying, a secondary or derivative work is unlikely to serve as a market substitute for the original.³²³ The counterargument to this was that the US Congress precisely sought to expand the copyright owner’s monopoly even to secondary or peripheral

319. *Id.*

320. Brean, *supra* note 134, at 348-349 (citing *Peter Pan Fabrics, Inc.*, 274 F.2d at 489).

321. Daniel J. Gervais, *The Derivative Right, or Why Copyright Law Protects Foxes Better than Hedgehogs*, 15 VAND. J. ENT. & TECH. L. 785, 839-40 (2013). Daniel J. Gervais said,

[W]hile the rights of reproduction and derivation are joined at the hip, they differ normatively. In many cases, this is true operationally as well because some cases of derivation also amount to copying, but others do not. Conversely, most cases of reproduction do not trigger the derivative right. ... Congress saw the derivative right as an almost complete overlap with the notion of reproduction when it adopted the 1976 Act, but it is high time to revisit the nature and scope of the overlap.

Id.

322. Balganes, *supra* note 308, at 219. In fact, the “intended-audience approach” to substantial similarity “derives from the belief that copyright’s primary purpose lies in preventing copying only when it results in the creation of close substitutes that are in turn likely to divert demand away from the original.” *Id.*

323. Bartow, *supra* note 311, at 83. Instead, the question of substantial similarity, as applied in secondary works, refers to the requirement of securing the consent of the owner of the preexisting work, and the latter’s possible entitlement to royalties. *Id.*

markets.³²⁴ Nevertheless, when the owner of a previous work alleges a violation of his or her exclusive right to produce derivative works therefrom, courts have applied the same “substantial similarity” test of infringement.³²⁵

A “derivative work” refers to “a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgement, condensation, or any other form[,] in which a work may be recast, transformed, or adapted.”³²⁶ The separate copyright protection of the derivative work, as distinct from the copyright in the preexisting work, is subject to three limitations under Section 103 of the US Copyright Law. First, protection does not extend to any part of the preexisting work which was used unlawfully, pertaining to those aspects of the original design which were used without the consent of the previous design owner.³²⁷ Second, any protection of the derivative work is only as to the material which was contributed by the author of such derivative, as distinct from the material in the preexisting work.³²⁸ Lastly, to avoid any undue expansion of the rights granted to the previous work, copyright in the subsequent derivative work “is independent of, and does not affect or enlarge[,] the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material.”³²⁹

The term “based upon” in the definition of derivative works appears to suggest a broad range of actions that may result in a subsequent work being

324. See Pamela Samuelson, *The Quest for a Sound Conception of Copyright’s Derivative Work Right*, 101 GEO. L.J. 1505, 1509 (2013) & Gervais, *supra* note 321, at 840-41. Samuelson notes that some courts and commentators have interpreted the last clause of the definition of a derivative work as entitling the copyright owner to a monopoly in “all markets into which any emanation of the work might travel.” Samuelson, *supra* note 324, at 1509. Meanwhile, Gervais said that “[t]he notion of derivative work was described as targeting not types of uses as much as types of markets and a related desire by Congress to reserve derivative or peripheral markets to copyright holders.” Gervais, *supra* note 321, at 840-41.

325. Bartow, *supra* note 311, at 81 (citing Lydia P. Loren, *The Changing Nature of Derivative Works in the Face of New Technologies*, 4 J. SMALL & EMERGING BUS. L. 57, 62-63 (2000) & Michael Wurzer, *Infringement of the Exclusive Right to Prepare Derivative Works: Reducing Uncertainty*, 73 MINN. L. REV. 1521 (1989)).

326. Copyrights, § 101.

327. *Id.* § 103 (a).

328. *Id.* § 103 (b).

329. *Id.*

considered as a “derivation” of a preexisting work. Commentators have noted the chilling effect that such a broad construction may produce on the creative process, and have offered alternative approaches to limit the application of such right to close analogues of the nine examples provided in the definition.³³⁰ The initial problem tackled by literature on the subject is how to delineate the boundaries of the reproduction right and the derivative right. The attempt to delineate between these two rights is not merely a philosophical exercise, but one that goes into the heart of the scope of protection that the copyright regime provides to the right owner.³³¹ If the scope of protection of the derivative right of an author is construed too broadly, it would have a significantly detrimental effect on the allowable subsequent works that other authors may create.³³² This would, in turn, have a disastrous effect on the body of works that are made available to the public, which is the complete antithesis of the objectives of the IP system and its balancing of interests.

To this end, it has been proposed that the boundaries of the derivative right’s scope of protection lie in the question of originality.³³³ As an essential requisite for copyright protection, courts have decreed that the threshold is set considerably low, as “almost any creative contribution,” even a “scintilla,” would entitle copyright protection.³³⁴ However, this results in the phenomenon dubbed as the “Creativity Quantum Paradox” which has been described by Ann Bartow as the situation where “it takes very little creativity to engender an entitlement to copyright protection, but, at least rhetorically, seems to take much more creativity, effort[,] and ingenuity to

330. See, e.g., Samuelson, *supra* note 324 & Naomi A. Voegtli, *Rethinking Derivative Rights*, 63 BROOK. L. REV. 1213 (1997).

331. Gervais, *supra* note 321, at 788.

332. Bartow, *supra* note 311, at 88–89. Ann Bartow said,

Individuals who devote a substantial amount of time and energy into authoring new creative works in other fields or professions, however, may be painfully aware of their susceptibility to accusations of illicit copying. Apprehension about being accused of copyright-infringing copying may dissuade and discourage potential authors from productively building on [preexisting] creative works.

Id.

333. Gervais, *supra* note 321, at 845.

334. Bartow, *supra* note 311, at 89 (citing *Alfred Bell & Co., Ltd. v. Catalda Fine Arts*, 191 F.2d 99, 102–03 (2d Cir. 1951) (U.S.); *Burrow–Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 58 (1884); *Bleistein v. Donaldson Lithographic Co.*, 188 U.S. 239, 251–52 (1903); & *Feist Publications*, 499 U.S.).

avoid infringing another work.”³³⁵ The result is that, “[o]nce a work is vested with copyright, however, a later author who creates a similar work will not avoid copyright infringement liability by investing a scintilla of creative effort of [his or] her own.”³³⁶ In the context of an infringement of the author’s exclusive derivative right, “[o]riginality — rooted in creative choices made by the author of a primary work — is appropriated (and[,] thus[,] presumably worth taking) by a derivative user or author for the purpose of reworking those creative choices (often to create a new work).”³³⁷ The limit of derivative right protection should, therefore, be along the lines of “a reuse that alters the fundamental message of the primary work,” which should not be considered as an appropriation of the protected elements of such work.³³⁸ In this boundary of derivative rights lie transformative works and the question of fair use, which affects all of the copyright exclusive rights, including the derivative right.³³⁹

Section 107 of the Copyright Law provides courts with four factors to consider in determining whether a particular use of an existing work is within the ambit of fair use, and therefore, is non-infringing. These non-exclusive factors are:

- (1) the purpose and character of the use;
- (2) the nature of the [preexisting] copyrighted work;
- (3) the amount and substantiality of the portion used, in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market or value of the copyrighted work.³⁴⁰

Under the first factor, the point of inquiry is whether the subsequent work “merely ‘supersedes the objects’ of the original creation, or[,] instead[,] adds something new, with a further purpose or different character, altering

335. Bartow, *supra* note 311, at 88-92.

336. *Id.* at 89.

337. Gervais, *supra* note 321, at 845. Gervais observes that the reproduction right involves market impact and copying the primary work’s form of expression, while the derivative right deals with the appropriation of the elements that makes the preexisting work original, “for the purpose of transforming it, but not to the point of a fundamental alteration of the message.” *Id.* at 845-46.

338. *Id.* at 846.

339. *Id.* at 843.

340. Copyrights, § 107.

the first with new expression, meaning, or message[.]”³⁴¹ The importance of the “transformative nature” of a subsequent use has been highlighted by the courts, emphasizing that transformative uses “lie at the heart of the fair use doctrine’s guarantee of breathing space within the confines of copyright, and the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use.”³⁴² However, in evaluating transformativeness, the courts have focused on the “transformativeness of the defendant’s *purpose* in using the underlying work, rather than any transformation (or lack thereof) by the defendant of the *content* of the underlying work.”³⁴³ In fact, in several cases resolved by the US Circuit Courts, when the transformative purpose for the defendant’s use was uncertain, “the court[s] decided that transformativeness did not weigh in favor of fair use, regardless of whether the defendant did or did not alter the content of the plaintiff’s work within its four corners.”³⁴⁴

Applying the foregoing copyright principles to industrial designs that may be entitled to copyright protection, variations of preexisting designs may fall within the net of the derivative right if they are considered adaptations of such work. At this point, however, it is important to note the statutory limit on the scope of the derivative right as to copyright protection for designs of useful articles, under Section 113 (b) of the Copyright Law.³⁴⁵ It has been

341. R. Anthony Reese, *Transformativeness and the Derivative Work Right*, 31 COLUM. J.L. & ARTS 101, 102 (2008) (citing *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994)).

342. *Id.*

343. Reese, *supra* note 341, at 119 (citing Pierre N. Leval, *Toward A Fair Use Standard*, 103 HARV. L. REV. 1105, 1111 (1990)). R. Anthony Reese notes that, although the question of transformativeness could involve both an evaluation of the defendant’s purpose, as well as the alterations on the primary work’s content in the defendant’s subsequent work, “the circuit court cases suggest that it is the former, rather than the latter, that really matters.” In most cases, the courts have ruled that there was transformative use, and, therefore, fair use, in light of the defendant’s purpose, despite the lack of transformativeness in the actual content of the plaintiff’s work by the defendant. Reese, *supra* note 341, at 119.

344. *Id.* at 120.

345. Section 113 of the US Copyright Law provides that

- (a) Subject to the provisions of [S]ubsections (b) and (c) of this [S]ection, the exclusive right to reproduce a copyrighted pictorial, graphic, or sculptural work in copies under [S]ection 106 includes the right to reproduce the work in or on any kind of article, whether useful or otherwise.

argued that the manufacture of useful articles embodying designs depicted in drawings (and entitled to copyright protection) may be considered adaptations of the drawn design, but should not be considered as infringing derivative works.³⁴⁶ This argument may be based on the principle that copyright protection only involves the form of expression adopted by the work, but not the implementation of the teachings of such work.³⁴⁷ Construed in this light, Section 113 poses a significant limitation on the scope of protection for copyrightable designs. If copyright protection does not extend to the manufacturing of the design itself into useful articles, then the protection granted to the design owner may be of no practical use against third parties who misappropriate the design by producing competing products embodying the same ornamentation. Such construction of the scope of copyright protection for designs is, however, justified on the principle that “[c]ompetition and innovation are more likely to thrive if copyright law protects only the way that authors express themselves in words about or illustrations of the designs of useful articles. Legal protection for innovative designs of useful articles has been left to the rigors of the patent system.”³⁴⁸

Assuming *arguendo* that copyright protection extends to derivatives of the designs, by the production of variations of such design in useful articles, it is possible that a derivative work may be produced either by the owner of the preexisting design himself, or by a third party. In the case of derivative designs generated by the owner of the previous work, the derivative right guarantees to such owner the exclusive right to create derivative designs, provided that the derivative work is entitled to copyright protection in the first place, *i.e.*, if it possesses the requirement of originality of a work. As previously stated, the threshold of originality is easily overcome, because the

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- (b) This title does not afford, to the owner of copyright in a work that portrays a useful article as such, any greater or lesser rights with respect to the making, distribution, or display of the useful article so portrayed than those afforded to such works under the law, whether [T]itle 17 or the common law or statutes of a State, in effect on [31 December] 1977, as held applicable and construed by a court in an action brought under this [T]itle.

Copyrights, § 113 (a) & (b).

346. Samuelson, *supra* note 324, at 1534-35 (citing *Baker v. Selden*, 101 U.S. 99, 102 & 107 (1879) & *Jack Adelman, Inc. v. Sonners & Gordon, Inc.*, 112 F.Supp. 187, 188 (S.D.N.Y. 1934) (U.S.)).

347. *See Baker*, 101 U.S.

348. Samuelson, *supra* note 324, at 1535.

standard is substantially low. However, the statutory limitations under Section 103 provide that the copyright over the derivative work only covers the new additions in such secondary work. No “new” copyright is extended to the aspects of the preexisting work that were included in the derivative work.

On the other hand, when it is a third party who produces a derivative design without the consent of the copyright owner of the preexisting work, this gives rise to a cause of action for infringement, where the courts will also apply the substantial similarity test.³⁴⁹ Here, the important question of whether a subsequent design falls under the definition of a “derivative work,” as opposed to a substantial imitation of a previous work that would infringe the reproduction right, is highlighted by the plethora of advertised products that are “inspired” by other previous designs. The definition of a derivative work under the US Copyright Law is not at all helpful, because of its vulnerability to a broad construction that would encompass a large number of designs that, in principle, should not be infringing. Subsequent designers are, therefore, at the mercy of previous design owners who may sue them for infringement, even in cases where there are obviously no evidence of copying.

If one will apply the distinction, forwarded by some authors, that the reproduction right deals with market impact and economic harm to the prior work’s copyright owner, then any subsequent designer would be prohibited from generating follow-up designs because, inevitably, the latter may be preferred by consumers and may serve as substitutes for the products bearing the preexisting design. The defense of fair use would likewise be unavailing, since the fourth factor on the effect of the use upon the potential market or value of the copyrighted work would obviously be against the subsequent designer. As the subject matter covered by copyright protection over product designs is more creative than factual, the second factor of the nature of the preexisting work would also tend to weigh against fair use.³⁵⁰

The scenario is more alarming when one considers the breadth and scope of the derivative right as expanding the copyright owner’s monopoly, even to secondary or peripheral markets. In reality, the creative process behind crafting a design involves building up on the existing “state of the art,” and finding inspiration in a variety of mediums. Usually, “originality” is how an artist puts existing design themes together, and how he or she adopts

349. Bartow, *supra* note 311, at 81 (citing Loren, *supra* note 325, at 62–63 & Wurzer, *supra* note 325).

350. Brean, *supra* note 134, at 348–51.

the concept design to the product or useful article in a creative manner. In this case, if one adopts the principle that the derivative right involves the appropriation of what constitutes as the originality of the preexisting work, the adoption of similar themes or concepts by subsequent designs would be infringing, despite the exclusion of ideas and concepts from copyright protection.³⁵¹ Moreover, whether the reproduction right or the derivative right is allegedly violated, the test of infringement in both cases is whether the two designs possess the same aesthetic appeal of their copyrightable elements, as deemed by an ordinary observer of the targeted audience, who, in this case, should be the consumers of the products involved.³⁵² Applying this test to designs is easier said than done, as “the exact threshold at which similarity becomes substantial will still be in the eye of the beholder, as metaphysically channeled through the trier of fact.”³⁵³

In light of the foregoing, seen either from the perspective of the design owner or the creative public, copyright protection for industrial designs poses both practical and theoretical problems. For the design owner, the scope of protection is extremely limited by Section 113 (b), which provides that the manufacture of useful articles embodying designs depicted in drawings (and entitled to copyright protection) is not an infringement. It was said above that, since copyright protection does not extend to the manufacturing of the design itself into useful articles, the protection granted to the design owner may be of no practical use against third parties who misappropriate the design by producing competing products embodying the same ornamentation. Moreover, copyright protection is also subject to the defense of fair use if the courts determine that a subsequent design is sufficiently transformative.³⁵⁴ These doctrines, “in certain circumstances,

351. Berne Convention, *supra* note 6, art. 2 (1). This was as embodied in Section 102 (b) of the US Copyright Law, which provides that “[i]n no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.” Copyrights, § 102 (b).

352. *Peter Pan Fabrics, Inc.*, 274 F.2d. See also Bartow, *supra* note 311, at 92-93 & Brean, *supra* note 134, at 348-51.

353. Bartow, *supra* note 311, at 93.

354. Brean, *supra* note 134, at 350 (citing *Campbell*, 510 U.S. at 569). In *Campbell*, the court ruled that,

although such transformative use is not absolutely necessary for a finding of fair use, the goal of copyright, to promote science and the arts, is generally furthered by the creation of transformative works.

allow non-owners to use the material during the copyright term without the owner's authorization."³⁵⁵

On the part of subsequent designers, a broad construction of the exclusive rights of the copyright owner would have the disastrous effect of stifling creativity and depriving the consuming public of subsequent creative designs embodied in useful articles. The Creativity Quantum Paradox, which makes it relatively easy to be entitled to copyright protection, but extremely difficult to avoid liability for copyright infringement, presents an inherent problem in a broad construction of the scope of copyright protection. An untethered application of the reproduction and derivative rights would render subsequent variations of the preexisting design as infringing, posing a chilling effect on creativity. Subsequent designers may also not readily find refuge in the fair use doctrine, based on its application by the courts. As courts have emphasized that it is the transformativeness of the defendant's *purpose*, as opposed to the transformation of the content or appearance of the original work or design, that is the essential factor of transformativeness, few industrial designs would qualify as transformative works. Therefore, subsequent designers are extremely vulnerable to infringement litigation, and any designer acutely aware of this vulnerability would exert substantial effort in distancing his or her design from others. The result is a significant curtailment of the creativity and subsequent innovation that the IP system, in general, seeks to foster and promote.

2. Composite Works in the European Copyright Systems

Copyright protection for designs is largely the province of national laws, and has been relatively left untouched by the harmonization efforts in the EC.

Such works thus lie at the heart of the fair use doctrine's guarantee of breathing space within the confines of copyright.

Brean, *supra* note 134 n. 199 (citing *Campbell*, 510 U.S. at 569).

355. Brean, *supra* note 134, at 377. Brean stated that

[t]he policy behind the fair use doctrine is to promote creativity by allowing people to use the work of others in ways that do not undermine the prior artist's incentive to create in the first place. ... Preventing all uses of a design for the full [14]-year term could severely hinder another designer's ability to compete in the market. Even worse, such usage restrictions may prevent or discourage some designers from designing at all due to fear of being sued for patent infringement.

Id. at 377-78.

This is expressly recognized in the Design Directive and the Community Design Regulation, which provide for a compromise on the cumulation of copyright and design protection, acknowledging the absence of harmonization of copyright laws among Member States. Interestingly, however, the ECJ has extended the concept of originality, provided for in the Software Directive³⁵⁶ for computer programs, the Database Directive³⁵⁷ for databases, and the Copyright Term Directive³⁵⁸ for photographs, and even to other types of works, including industrial designs.³⁵⁹ In the case of *Flos SpA*, as previously discussed, the ECJ held that “it is conceivable that copyright protection for works which may be unregistered designs could arise under other directives concerning copyright, in particular Directive 2001/29 (Information Society Directive),³⁶⁰ if the conditions for that directive’s application are met, a matter which falls to be determined by the national court.”³⁶¹

A logical result of this extension of originality, which has been criticized as “harmonization through the back door” or “harmonization by stealth”³⁶² if applied to designs, is the application of the “no other criteria” clause that

356. Directive 2009/24/EC of the European Parliament and of the Council of Apr. 23, 2009 on the Legal Protection of Computer Programs, 2009 O.J. (L 111) 16 (EC).

357. Directive 96/9/EC of the European Parliament and of the Council of Mar. 11, 1996 on the Legal Protection of Databases, 1996 O.J. (L 77) 20 (EC).

358. Directive 2006/116/EC of the European Parliament and of the Council of Dec. 12, 2006, 2006 O.J. (L 372) 12 (EC) [hereinafter Copyright Term Directive].

359. See generally Stef van Gompel & Erlend Lavik, Quality, Merit, Aesthetics and Purpose: An Inquiry into EU Copyright Law’s Eschewal of Other Criteria than Originality at 1, available at https://www.ivir.nl/publicaties/download/RIDA_236.pdf (last accessed May 4, 2018).

360. *Flos SpA*, ECLI:EU:C:2011:29, ¶ 34. Directive 2001/29/EC on the harmonization of certain aspects of copyright and related rights in the information society provides in its 20th Whereas Clause thereof, that the Directive is “based on principles and rules already laid down in the Directives currently in force in this area,” including Directives 91/250/EEC (legal protection of computer programs, now Directive 2009/24/EC) Council Directive 93/98/EEC (harmonizing the term of protection of copyright and certain related rights, now Directive 2006/116/EC), and Council Directive 96/9/EC (on the legal protection of databases). Harmonization Directive, *supra* note 78, whereas cl. 20.

361. *Flos SpA*, ECLI:EU:C:2011:29, ¶ 34.

362. van Gompel & Lavik, *supra* note 359, at 2.

accompanies the originality concept in the abovementioned Directives. In establishing the standard of originality required for copyright protection of specific subject matter, the EU Directives have consistently provided that the threshold of originality is the “author’s own intellectual creation[,]” and that “no other criteria shall be applied to determine its eligibility for protection.”³⁶³ The Recitals contained in these Directives expressly provide that no tests as to the qualitative merits, aesthetic merits, or purpose shall be applied to determine the eligibility of a work for copyright protection.³⁶⁴ However, it has been pointed out that the application of such excluded criteria cannot be completely avoided in practice, and is especially relevant in design cases “where the courts attempt to demarcate the aesthetic domain of copyright law from the technical or functional domain of other [IP] rights.”³⁶⁵

Analyzing national case law of EC Member States, Stef van Gompel and Erlend Lavik note that qualitative or aesthetic considerations are still applied by courts in cases involving functional or technical works.³⁶⁶ Adopting principles of partial cumulation of copyright and design protection, German courts have imposed a higher threshold for copyright protection of works of applied art, as compared to “pure” artistic works.³⁶⁷ The threshold of artistic merit is determined from the perspective of the average observer, and whether such person would consider the object an artistic work.³⁶⁸ Nevertheless, courts have endeavored to avoid assessing the work’s inherent artistic quality, by merely inquiring whether “the required level of artistic creativity or originality (the so-called ‘*Schöpfungshöhe*’)” has been met.³⁶⁹

Similarly, Italian courts have applied tests referring to the artistic value of designs, using as basis the design’s acceptance or recognition in the cultural sector. Applying an “objective” test as to the work’s recognition in the art world, as opposed to the subjective evaluation by individual critics, courts look to evidence such as exposure in art exhibitions and inclusion in

363. Software Directive, *supra* note 356, art. 1, ¶ 3; Database Directive, *supra* note 357, art. 3, ¶ 1; & Copyright Term Directive, *supra* note 358, art. 6.

364. *Id.*

365. van Gompel & Lavik, *supra* note 359, at 3.

366. *Id.* at 24-29.

367. *Id.* at 25.

368. *Id.*

369. *Id.*

permanent collections of museums.³⁷⁰ Such approach has been criticized for its susceptibility to inconsistent results, owing, first, to the reality that “often it takes time before a work is recognized as art by the relevant art communities and, second, because the perception of what is art may change over time.”³⁷¹

Meanwhile, despite perpetuating the unity of art theory where works of applied art and industrial designs are protected equally as artistic works, French courts have examined the artistic value of a work under the rubric of originality. French jurisprudence decrees that a work must reflect the “stamp of the author’s personality” or “*l’empreinte de la personnalité d’auteur*” in order to be considered original and eligible for copyright protection.³⁷² However, the concept of originality is deemed dependent on the type and context of the subject work, and “[w]orks of a more artistic or cultural nature will be viewed more generously and will need to exhibit a minimal amount of the author’s personality or individuality; whereas works of a more utilitarian or industrial nature will need to exhibit originality on a more objective level.”³⁷³ In the realm of copyrightable designs, this requirement has been applied by determining “whether the work is the result of a selective process that bears the stamp of the creator’s personality, as opposed to a work which merely slavishly imitates existing works or nature.”³⁷⁴ Therefore, if a subsequent design is sufficiently original, even if the latter borrows from a preexisting work, it can be separately protected if it exhibits the subsequent author’s individuality or stamp of personality.³⁷⁵

The question of originality, and the application of the tests relating to qualitative or artistic merits and purpose, despite their express eschewal in the EU Directives, significantly bears upon the scope of protection of a design under the copyright regime. National case law, in this regard, shows the tendency to accord separate copyright protection for derivative works which draw from preexisting works, provided that the former exhibits sufficient originality. For example, the French right of reproduction appears to be an expansive right which includes the reproduction of the whole or

370. *Id.* at 27.

371. van Gompel & Lavik, *supra* note 359, at 27.

372. SUTHERSANEN, *supra* note 82, at 144.

373. *Id.* at 146.

374. *Id.* at 144.

375. *Id.*

part of a work, even if it has been transposed to a different medium.³⁷⁶ The rights of an author therefore extends

to all manifestations of the work, in respect of all manners of exploitation of the protected work, irrespective of the medium or process, irrespective of the change in context of the infringing work, irrespective of the purpose of the infringing work[,] and irrespective of whether the use of the work was incidental or not.³⁷⁷

Nevertheless, in determining the scope of protection in a particular work, courts have considered three factors:

- (1) the results of an objective assessment of the similarities found in the two works;
- (2) the perspective of the average observer or a purchaser of average attentiveness in determining infringement; and
- (3) the possibility of confusion by the ordinary consumer of average attention.³⁷⁸

The first consideration entails an objective assessment of the similarities between two designs, especially for derivative works, when the latter is “based on” or “inspired” by the preexisting copyrighted work.³⁷⁹ If the subsequent work constitutes “an intellectual creation in its own right [,] exhibiting its own individuality,”³⁸⁰ and the subsequent author “suffuses the derivative work with his [or her] stamp of personality,”³⁸¹ it has been held that the second work will be entitled to its own copyright protection, and shall not be deemed an infringing work.³⁸² However, an important limitation on the scope of protection under the French copyright law is the principle that only elements of a previous work that are original in the first place would be susceptible to infringement. Therefore, “the scope of protection necessarily depends on the degree of originality and intellectual contribution in the work.”³⁸³

376. *Id.* at 152.

377. *Id.*

378. SUTHERSANEN, *supra* note 82, at 153–54.

379. *Id.* at 153.

380. *Id.*

381. *Id.*

382. *Id.*

383. *Id.* at 154.

The same principle underlies the notion of “free utilization” under German law,³⁸⁴ where

an independent work[,] which is created by the free use of the work of another person[,] may be published and exploited without the owner’s consent. This provision primarily allows a subsequent author to [utilize] and transform a prior protected work into another independent work, especially where he [or she] takes unprotected elements.³⁸⁵

However, in order to be considered a separate independent work, the borrowed elements of the prior work “must fade in comparison to the unique character of the new work.”³⁸⁶ As such, the determination of free utilization involves an inquiry into the differences between the new work and the appropriated features of the prior work, the latter serving only as an incentive or inspiration to the creation of a sufficiently original new work.³⁸⁷

Therefore, under both French and German copyright laws, the requirement of originality informs the determination of whether a subsequent work will be entitled to separate copyright protection, and will not be considered infringing. The possibility of generating original subsequent works based on prior works, however, does not detract from the prior copyright owner’s right to create adaptations or derivative works. In fact, under German law, the right of adaptation is not a separate right, but is a component of the author’s right of reproduction.³⁸⁸ Hence, adaptations and transformations of a work can only be commercially exploited upon consent of the prior author.³⁸⁹

An interesting principle is, however, provided under French law with regard to “composite works.” Note that the expansive scope of the French right of reproduction extends to “all manifestations of the work,” including the translation, adaptation, transformation, arrangement, or reproduction of the work by any technique or process whatsoever.³⁹⁰ Nevertheless, when a derivative work incorporates a prior work without the collaboration of the prior work’s author, the French statute grants authorship of such composite

384. See SUTHERSANEN, *supra* note 82, at 173-207 (citing Act on Copyright and Neighboring Rights, ¶ 24 (1) (1965) (Ger.)).

385. SUTHERSANEN, *supra* note 82, at 186.

386. *Id.* at 187.

387. *Id.*

388. *Id.*

389. *Id.*

390. *Id.* at 152.

work upon the author who has produced the subsequent work.³⁹¹ An important limitation, however, is that the rights of the author of the composite work shall be subject to the rights of the preexisting work's author; and the composite work can only be commercially exploited with the consent of the author of the original, or at least upon the latter's lack of dissent.³⁹²

The French rule on composite works, therefore, presents a peculiar scenario where a subsequent work may be entitled to separate copyright protection, and, presumably, the pertinent exclusive rights appurtenant thereto, but such rights can only be exercised with the consent of another copyright owner. This scenario is a necessary consequence of the "principle of dependency," where a subsequent copyrighted work can be "dependent" upon an earlier copyrighted work. The principle is based upon the fact that copyrights provide a bundle of *negative* rights, including the right to exclude others from exercising certain acts that must pertain solely to the copyright owner. However, these exclusive rights do not automatically equate to exploitation and commercialization of the subject work because, as with any property right, statutes do not dwell on the commercial viability of the particular object of the right.

As a result, derivative works may be entitled to separate copyright protection, but the rights of the derivative author end at the point where the original author's rights to the prior work are infringed. For the bulk of copyrightable works, this principle offers great benefits to the public, as the creation of derivative works are encouraged, without lessening the incentive effects of the copyright system to the original author. In fact, for the primary copyrightable works such as books and other writings, the doctrine of allowable fair uses (e.g., private or personal use) balances the equation by allowing use without undue economic harm to the original author. Such derivatives would be entitled to separate copyrightability, but further exploitative uses are reserved for the prior author. This is an important balancing of copyright protection for such primary copyrightable works, as more derivative works can be produced and subjected to uses which do not infringe.

However, when applied to commercial designs intended for commercialization, the result is an impractical situation where a design owner may be granted protection for marginal innovations, but cannot actually commercialize the design and exploit the derivative work by

391. SUTHERSANEN, *supra* note 82, at 147.

392. *Id.* at 187.

introducing it into the market. The “encouragement for the creation of derivative works” component of the equation is therefore missing, because derivative designers would not find any practical use for mere statutory protection without allowable commercialization. The dreaded “chilling effect” on the design innovation market would therefore remain unaddressed, possibly resulting in a lessening of the body of available designs in the general market.

In order to prevent this effect, it is proposed that any protection regime for designs should adequately consider the innovative nature of industrial designs. A more preferable stance is to provide a narrower derivative right that allows for incremental innovation and its commercialization, without infringing on the rights granted to a prior design owner. Drawing from the preceding discussions on the US Copyright Law, a broad construction of the derivative right significantly diminishes the incentive to create design improvements that build up on prior existing designs. Because the building blocks of designs are shapes and forms, a broad derivative right paired with a very low threshold of originality, again, results in the phenomenon of the Creativity Quantum Paradox,³⁹³ where very little creativity is required to “fence-in” a certain design. However, it takes a considerable amount of effort and ingenuity in order not to trespass on such prior rights.

Hence, the same problematic result found in the US copyright system appears to plague the EC, despite balancing elements in European national laws. Taking into consideration again the scenario where a design owner produces marginal innovations based on his preexisting designs, because of the low threshold of originality, such innovations would be entitled to separate copyright protection, and may be deemed an exercise of the exclusive rights of derivation, in the form of transformation or adaptation of the prior work, of such author. However, if such innovations are undertaken by a third party or members of the “creative public,” they risk liability for infringement because, even in Europe, there is a tendency to provide overly broad derivative rights, whether or not they are subsumed under the reproduction right or granted as a separate right.

The result is, therefore, the same — an untethered application of the reproduction and derivative rights would render subsequent variations of the preexisting design as infringing, posing a chilling effect on creativity. As earlier pointed out, even if national statutes in the EC provide for separate copyright protection for marginally innovative designs, with the condition that they meet the (fairly easy) test of originality, this is of no practical

393. See generally Bartow, *supra* note 311, at 88–92.

applicability to industrial designs because of the statutory limitation on commercialization of such subsequent works.

B. Industrial Design Infringement

1. Prior Art and Infringement Under the US Design Patent System

As introduced in Part II.B.1, the general application of the principles of utility patents to US design patents is shown to be greatly at odds with the inherent ornamental characteristics of designs, and the creative process that occurs behind them.³⁹⁴ It is argued that, although the US Constitution clause on patents³⁹⁵ states that the system “reflects a balance between the need to encourage innovation and the avoidance of monopolies[,] which stifle competition without any concomitant advance in the ‘Progress of Science and useful Arts,’”³⁹⁶ this description of the patent system may not be completely in line with the nature of ornamental designs. The “impossible” nonobviousness standard imposed on designs appears counterintuitive in light of the large number of marginal innovations that are produced in subsequent designs.

Nevertheless, once a design overcomes the burdensome requirements for protection, the scope of such protection is the same as that of mechanical patents.³⁹⁷ A valid design patent may, therefore, be infringed by anyone who makes, uses, offers to sell, sells, or imports any patented design, or a colorable imitation thereof, in the US.³⁹⁸ In determining whether such exclusive rights

394. Du Mont, *supra* note 179, at 609. Du Mont said that, “[u]ntil the nonobviousness requirement and its utility patent precedent are decoupled from design patent law, it will continue to afford too little or too much protection, and[,] in doing so, will hold applicants and industries hostage to its erratic protection.” *Id.*

395. U.S. CONST. art. I, § 8, cl. 8.

396. Zieminski, *supra* note 146, at 345 (citing *Bonito Boats v. Thunder Craft Boats*, 489 U.S. 141, 146 (1989)).

397. Zieminski, *supra* note 146, at 329 n. 17. Section 171 of 35 U.S.C. provides in part that “[t]he provisions of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided.” Patents, § 271.

398. Patents, § 271. *See also* Patents, §§ 171 (in relation to Section 271) & 289 (on the remedy of recovering damages when a third party applies the patented design, or any colorable imitation thereof, to any article of manufacture for the purpose of sale, or sells or exposes for sale any article of manufacture to which such design or colorable imitation has been applied).

were infringed, courts have adopted the “ordinary observer test” enunciated in the case of *Gorham Company*.³⁹⁹ The test states that

if, 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 an observer, inducing him[or her] to purchase one supposing it to be the other, the first one patented is infringed by the other.⁴⁰⁰

The same standard is applied in determining the requirement of novelty for a design to be eligible for design patent protection — “that which infringes, if later, would anticipate, if earlier.”⁴⁰¹

In *Gorham Company*, the plaintiff held a design patent for a highly successful “cottage pattern” design for the handles of tablespoons and forks.⁴⁰² The defendant subsequently obtained patents for a resembling design.⁴⁰³ The plaintiff alleged infringement, and, in doing so, presented the testimonies of experts in the trade under consideration, namely jewelers and silver smiths.⁴⁰⁴ All such experts opined that the patterns were substantially alike as to mislead ordinary purchasers. However, the lower court considered that there was no infringement. Tackling the issue of who the “ordinary observer” is, the lower court held that “[t]he same principles [that] govern in determining the question of infringement in respect to a patent for an invention connected with the operation of machinery, must govern in determining the question of infringement in respect to a patent for a design.”⁴⁰⁵ The court then ruled that infringement is determined “in view of the observation of a person versed in the business of designs in the particular trade in question[.]”⁴⁰⁶ Therefore, the ordinary observer was “a person engaged in the manufacture or sale of articles containing such designs — of a person accustomed to compare such designs one with another, and who sees and examines the articles containing them side by side.”⁴⁰⁷ On appeal, the US Supreme Court reversed the lower court and held that the defendant was

399. *Gorham Company*, 81 U.S. at 528.

400. *Id.*

401. Brean, *supra* note 134, at 337 (citing *Peters*, 129 U.S. at 537).

402. *Gorham Company*, 81 U.S. at 528.

403. *Id.*

404. *Id.* at 530.

405. *Id.* at 523.

406. *Id.*

407. *Id.*

infringing the plaintiff's earlier design. The US Supreme Court expressly rejected the lower court's definition of the "ordinary observer" as experts in the industry. Instead, the Court ruled that the lower court's definition "would destroy all the protection [that] the act of Congress intended to give," as "[t]here never could be piracy of a patented design, for human ingenuity has never yet produced a design, in all its details, exactly like another, so like, that an expert could not distinguish them."⁴⁰⁸ Thus, the high court held that the ordinary observer test is to be applied from "the eyes of [persons,] generally, of observers of ordinary acuteness, bringing to the examination of the article upon which the design has been placed that degree of observation which [persons] of ordinary intelligence give."⁴⁰⁹ In decreeing such rule, the US Supreme Court acknowledged that minor differences in detail or in the manner by which the appearance is produced would be readily observable by experts, who are deemed "[extraordinary] observers."⁴¹⁰ Being experts, such observers would rarely be deceived by substantially similar designs, "making it virtually impossible for a design patent holder to prove design patent infringement."⁴¹¹ Meanwhile, an ordinary observer who buys and uses the articles bearing the design would be unable to distinguish such minute differences. Therefore, to give as much effect to the design patent law as possible, it is from

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 [or her] to purchase one supposing it to be the other, the first one patented is infringed by the other.⁴¹²

For more than a century thereafter, the *Gorham Company* ruling became the benchmark of design patent infringement cases based on the application of the ordinary observer test. However, in the 1984 case of *Litton Systems, Inc. v. Whirlpool Corporation*,⁴¹³ the Court of Appeals for the Federal Circuit articulated a new "point of novelty" test, which was to be applied separately

408. *Gorham Company*, 81 U.S. at 527.

409. *Id.* at 528.

410. Christopher V. Carani, The New "Extra-Ordinary" Observer Test For Design Patent Infringement—On a Crash Course With The Supreme Court's Precedent in *Gorham v. White*, 8 J. MARSHALL REV. INTEL. PROP. L. 345, 355 (2009) (citing *Gorham Company*, 81 U.S. at 527-28).

411. *Id.*

412. *Gorham Company*, 81 U.S. at 528.

413. *Litton Systems, Inc. v. Whirlpool Corporation*, 728 F.2d 1423 (Fed. Cir. 1984) (U.S.).

from the *Gorham* “ordinary observer test.”⁴¹⁴ In *Litton Systems, Inc.*, the plaintiff owned design patents on the appearance of microwave ovens and microwave oven doors, which it alleged was infringed by the defendant.⁴¹⁵ As a defense, the defendant assailed the validity of the plaintiff’s design patents, arguing that they pertained to obvious subject matter.⁴¹⁶ Ruling that there was no infringement due to the invalidity of the plaintiff’s design patent, the US Supreme Court held that, “[f]or a design patent to be infringed, however, no matter how similar two items look, ‘the accused device must appropriate the novelty in the patented device [that] distinguishes it from the prior art.’”⁴¹⁷ Hence, the “point of novelty” test required that any similarity between the subject designs must be considered in light of the distance between the patented design and the designs of the prior art.⁴¹⁸ The scope of protection of a design patent was, therefore, limited to its distance from the prior art, and where “a field is crowded with many references relating to the design of the same type of appliance, [the courts] must construe the range of equivalents very narrowly.”⁴¹⁹

In *Arminak and Associates v. Saint-Gobain Calmar*,⁴²⁰ the court outlined the process of determining whether there has been infringement of a design patent. According to the court, infringement of a design patent is determined through a two-step process: *first*, by court construction of the claims of the design patent in order to determine their meaning and scope;⁴²¹ and *second*, by comparison of the construed claims with the accused design.⁴²² The *Arminak and Associates* court applied the *Litton Systems, Inc.* “point of novelty” test, requiring “proof that the accused design appropriated the

414. *Id.* at 1444.

415. *Id.* at 1426.

416. *Id.* at 1427.

417. *Id.* at 1444 (citing *Sears, Roebuck & Co. v. Talge*, 140 F.2d 395, 396 (8th Cir.1944) (U.S.) & *Horwitt*, 388 F.Supp. at 1263).

418. *Litton Systems, Inc.*, 728 F.2d at 1444.

419. *Id.*

420. *Arminak and Associates v. Saint-Gobain Calmar*, 501 F.3d 1314 (Fed. Cir. 2007) (U.S.).

421. *Id.* at 1319 (citing *OddzOn Products, Inc., v. Just Toys, Inc.*, 122 F.3d 1396, 1404-05 (Fed. Cir. 1997) (U.S.)).

422. *Arminak and Associates*, 501 F.3d at 1320 (citing *Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571, 1577 (Fed. Cir. 1995) (U.S.)).

novelty which distinguishes the patented design from the prior art.”⁴²³ In ruling that the defendant did not appropriate the two points of novelty from the prior art of the plaintiff’s design for trigger sprayer shrouds, the court held that the inquiry is to be made on the basis of the figures or drawings of the patent as issued, and not by the words used by the patent owner to describe its design after the issuance of the patent.⁴²⁴ More importantly, *Arminak and Associates* held that the “ordinary observer” in this case was “the contract or industrial buyer for companies that purchase the stand-alone trigger sprayer devices, not the retail purchasers of the finished product.”⁴²⁵ Despite the court’s citation of the *Gorham Company* opinion, it rejected the patentee’s argument that the appropriate ordinary observer was the retail consumer who purchases the retail or finished product that incorporates the sprayer shroud.

In the 2008 case of *Egyptian Goddess, Inc.*, the court acknowledged the difficulties in applying the “point of novelty” test when it comes to designs having numerous features that can be considered points of novelty, or those designs that consist of a combination of features where multiple prior art references are in issue.⁴²⁶ Here, the court agreed with the plaintiff’s argument that the “point of novelty” test should not be applied as distinct from the ordinary observer test established in *Gorham Company*. The plaintiff pointed out that

if the ordinary observer test is performed from the perspective of an ordinary observer who is familiar with the prior art, there is no need for a separate ‘non-trivial advance’ test, because the attention of an ordinary observer familiar with prior art designs will naturally be drawn to the features of the claimed and accused designs that render them distinct from the prior art.⁴²⁷

The court thus decreed the abandonment of the “point of novelty” test, and held that

the point of novelty test, as a second and free-standing requirement for proof of design patent infringement, is inconsistent with the ordinary observer test laid down in *Gorham [Company]*, is not mandated by [*Smith*]

423. *Arminak and Associates*, 501 F.3d at 1320 (citing *Egyptian Goddess, Inc.*, 543 F.3d at 1357).

424. *Arminak and Associates*, 501 F.3d at 1327.

425. *Id.* at 1324.

426. *Egyptian Goddess, Inc.*, 543 F.3d.

427. *Id.* at 672.

or precedent from other courts, and is not needed to protect against unduly broad assertions of design patent rights.⁴²⁸

Instead, the court presented a modified “ordinary observer test,” which is to be applied “through the eyes of an observer [who is] familiar with the prior art,” and who is deemed to “attach importance to differences between the claimed design and the prior art depending on the overall effect of those differences on the design.”⁴²⁹

The *Egyptian Goddess, Inc.* pronouncement that “the ‘ordinary observer’ test should be the sole test for determining whether a design patent has been infringed”⁴³⁰ was similarly applied to the test of novelty and anticipation in the case of *International Seaway Trading Corp. v. Walgreens Corp.*⁴³¹ In this case, the court held that the “ordinary observer” test is likewise the sole test for anticipation and determination of novelty in issues of invalidity.⁴³²

Tracing this chronology of judicial pronouncements on the scope of protection of design patents, it appears that the scoreboard reflects a tie between the design patentee and the alleged infringers. In *Gorham Company*, the US Supreme Court scored a point in favor of the patentee when it lowered the standard of the ordinary observer and rejected the notion of an expert determining infringement. An expert, or one who is “versed in the trade” would “readily discern subtle and inconsequential variations or differences between similarly-design[ed] products[,]” and would rarely be deceived, thus making design patent infringement hard to prove.⁴³³ However, in the case of *Litton Systems, Inc.*, the court imposed a limitation on the scope of protection that is accorded to a design patent, ruling that protection against infringement is confined to the novel features of the patented design in relation to the prior art, “no matter how similar two items look.”⁴³⁴ The *Arminak and Associates* ruling further scored against the patentee and in favor of alleged infringers when it raised the standard of the ordinary observer to perceptions of “persons in the trade” or industrial and

428. *Id.*

429. *Id.* at 677.

430. *Id.* at 678.

431. *International Seaway Trading Corp. v. Walgreens Corp.*, 589 F.3d 1233 (Fed. Cir. 2009) (U.S.).

432. *Id.* at 1237.

433. Carani, *supra* note 410, at 355.

434. *Litton Systems, Inc.*, 728 F.2d (citing *Sears, Roebuck & Co.*, 140 F.2d at 396 & *Horwitt*, 388 F.Supp. at 1263).

contractual buyers. These persons have been deemed to refer to “trained professionals whose jobs depend on their ability to discern minor differences between products; rarely, if ever, will they be deceived by a design other than an exact copy.”⁴³⁵

Meanwhile, the *Egyptian Goddess, Inc.* ruling favored both design patentees and alleged infringers. On one hand, the decision abolished the “point of novelty” test, which previously diminished the scope of protection to specific novel features, as compared to the prior art. As a result, patent owners “are relieved of the burden of proving what the novel elements [of their designs] are, and that they are found in the accused design.”⁴³⁶ On the other hand, the ruling “essentially elevated *Gorham Company’s* ordinary observer to one who views the patented design and accused design within the context of, and presumably having familiarity with, the prior art,” akin to someone “versed in the trade.”⁴³⁷ Lastly, the ruling in *International Seaway Trading Corp.* also abolished the “point of novelty” test. It balanced the score between the patentee and alleged infringers, because in cases involving invalidity issues, there was no longer a need to compare the patented design with the alleged anticipatory reference to determine if the latter design appropriated the points of novelty of the prior art reference.⁴³⁸

As it now stands, in infringement cases, the sole test to be applied is the “ordinary observer” test, but the “ordinary observer” is now deemed a person versed in the trade, who is, at the same time, familiar with the prior art. It would thus appear that the concept of the “ordinary observer” has been returned to pre-*Gorham Company* standards. One reason for such elevation is because courts struggled to incorporate a consideration of the prior art in determining infringement, under the principle that the design patent should not be able to encompass the prior art.⁴³⁹ This reasoning is precisely what led to the development of the “point of novelty” test, i.e., “to prevent the *Gorham Company* test from allowing the design patentee to

435. Carani, *supra* note 410, at 356.

436. Perry J. Saidman, *Egyptian Goddess Exposed!: But Not in the Buff(er)...*, 20 J. PAT. & TRADEMARK OFF. SOC’Y 859, 885 (2008).

437. *Id.* at 870.

438. *International Seaway Trading Corp.*, 589 F.3d at 1237 (citing *Egyptian Goddess, Inc.*, 543 F.3d at 678).

439. Saidman, *supra* note 436, at 870.

extend his [or her] scope of coverage to include the prior art or to include a design that is deemed obvious in view of the prior art.”⁴⁴⁰

Analyzing these developments in the context of the overlap between patents and copyright, it would appear that the phenomenon of the Creativity Quantum Paradox found under copyright does not apply to the patent approach. As what was previously established, the low threshold of originality required for copyright protection, when coupled with the broad rights granted under such approach, presents a large disparity between the creativity required to be eligible for protection and the level of ingenuity required for avoiding infringement. It is, therefore, difficult to successfully create new or improved designs without being susceptible to copyright infringement litigation. As a result, some jurisdictions provide for composite works that render “dependent” works eligible for separate protection, although they might be infringing. Commercialization of such works is, of course, subject to the consent or lack of dissent of the original design’s holder.

Under the US design patent system, because of the synchronized standards of novelty in determining eligibility, and the concept of the ordinary observer who is acquainted with the prior art in determining infringement, a secondary design eligible for protection would not be infringing. A second design that infringes would not be eligible for separate protection because the tests for novelty and infringement are the same. In determining the novelty of a design, the standard is “[t]he degree of difference [from the prior art] ... when the average observer takes the new design for a different, and not a modified, already-existing design.”⁴⁴¹ Such standard of novelty is likewise the test of infringement should the patent be subsequently granted.⁴⁴² Thus, a second design that does not create a

440. *Id.*

441. *In re Bartlett*, 300 F.2d at 943 (C.C.P.A. 162) (U.S.) (citing *In re Johnson*, 175 F.2d). The case of *In re Bartlett* was where, in determining the patentability of the applicant’s “ornamental design for a Plastic Floor Tile,” the then US Court of Customs and Patent Appeals held that the subject design was “easily distinguished by the practiced eye” and “ma[d]e different overall impressions so that purchasers might very well have preferences for one over the other.” *In re Bartlett*, 300 F.2d at 943.

442. Brean, *supra* note 134, at 337. Brean notes that

[t]he difference between anticipation and infringement is timing [—] ‘that which infringes, if later, would anticipate, if earlier’ ... ‘Two designs are substantially the same if their resemblance is deceptive to the extent that it would induce an ordinary observer, giving such

different impression upon the ordinary observer, who is deemed aware of the prior art, will not be entitled to a design patent. On the reverse, a design entitled to protection for being new will necessarily not infringe a prior design.

More importantly, the novelty inquiry examines prior art references, which “must be identical in all material respects”⁴⁴³ in order to destroy novelty of a claimed design. Stated another way, “the design viewed as a whole must produce a new impression upon the eye.”⁴⁴⁴ In *Elmer v. ICC Fabricating, Inc.*,⁴⁴⁵ the court espoused the “All Elements Rule” when it held that, “[u]nder [*Gorham Company*], the focus is on the overall ornamental appearance of the claimed design, not selected ornamental features.”⁴⁴⁶ In *Contessa Foods Products, Inc. v. Conagra, Inc.*,⁴⁴⁷ the court decreed that the scope of a claimed invention is its “overall ornamental visual impression” as opposed to the broader general design concept.⁴⁴⁸ Finally, in *OddzOn Products, Inc. v. Just Toys, Inc.*,⁴⁴⁹ it was held that there is “no infringement [] of specific features if the overall appearance of the designs are dissimilar[.]”⁴⁵⁰ Hence, if a second design incorporates a prior design, but in a manner which produces a different impression upon the ordinary observer, such as by the addition of other important elements, then the second design, taken as a whole, can be eligible for protection and should not be deemed

attention as a purchaser usually gives, to purchase an article having one design supposing it to be the other.’ In other words, designs are patentable only to the extent that they would not lead an ordinary observer to be confused as to the source of the design.

Id. (citing *Peters*, 129 U.S. & *Door-Master Corp.*, 256 F.3d).

443. *Hupp*, 122 F.3d. In the *Hupp* case, the court held that the jury’s finding of anticipation was not supported on the ground that the ceramic floor tile advertised in the newspaper advertisement was not identical to Hupp’s mold for a concrete walkway. *Id.*

444. *Vacca*, *supra* note 136, at 348 (citing *Horwitt*, 388 F.Supp. at 1260) (emphasis supplied).

445. *Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571 (Fed. Cir. 1995) (U.S.).

446. *Id.* at 1578.

447. *Contessa Foods Products, Inc. v. Conagra, Inc.*, 282 F.3d 1370 (Fed. Cir. 2002) (U.S.).

448. *Id.* at 1377.

449. *OddzOn Products, Inc., v. Just Toys, Inc.*, 122 F.3d 1396 (Fed. Cir. 1997) (U.S.).

450. *Id.* at 1405.

infringing.⁴⁵¹ The emphasis of this “holistic” approach is the consideration of the second design as a whole, despite the possibility of incorporating the entirety of a previous patented design.⁴⁵² The borderline question is how the second design presents a different *overall impression* from the prior design, and not whether the second design wholly incorporated the preexisting design.

From this line of reasoning, an initial interpretation may be that, because the requirements for eligibility as to novelty and prior art are commensurate with the scope of protection against infringement, design patents under the US system may be more receptive of further innovations on design. However, the reverse may be the case. It is true that the patent approach provides a “stronger” protection than the copyright approach — it protects against anyone who “makes, uses, offers to sell, sells, or imports any patented design, or a colorable imitation thereof,”⁴⁵³ while copyright in the US is limited as the law does not afford protection against the manufacture of useful articles embodying designs depicted in drawings.⁴⁵⁴ However, in exchange for this stronger protection are more restrictive requirements for eligibility, such as novelty and the “impossible” standard of nonobviousness. To be considered new, the design must convey a different impression to the ordinary observer, and should not be taken as merely a modified, already-existing design.⁴⁵⁵ When one considers incremental innovations in design, they may not qualify for protection because they are no longer novel. Unlike patentable inventions which also protect “any new and useful improvement” of such inventions,⁴⁵⁶ design patents may not allow protection of marginal innovations, whether by the owner of a prior design himself or herself, or by a third person, if they do not sufficiently provide a different impression upon the ordinary observer aware of the prior art. Although there is no principle of dependency, because such secondary designs would not be entitled to separate protection in the first place, that is precisely the problem with the design patent system — that it would not protect marginal innovations in the first place, excluding derivative designs entirely from protection. Whether improvements by the prior design owner or a third party, these aesthetic improvements may not be eligible for design patent protection because of

451. See *OddzOn Products, Inc.*, 122 F.3d at 1405.

452. *Id.*

453. Patents, §§ 271 & 289. See also Patents, § 171.

454. Copyrights, § 113 (b) & Samuelson, *supra* note 324, at 26 (citing *Baker*, 101 U.S. & *Jack Adelman, Inc.*, 112 F.Supp. at 188).

455. *In re Bartlett*, 300 F.2d at 943 (citing *In re Johnson*, 175 F.2d).

456. Patents, § 101.

the restrictive requirements of novelty and nonobviousness. Hence, the result is actually one of underprotection because very few designs in fact qualify for protection under the design patent regime.

2. Distinctive Character Under the European Design System

Providing a two-tiered mechanism of design protection, the EU Community Design system accords a different scope of protection for RCDs and UCDs. In general, the scope of protection conferred by Community Design rights includes “any design [that] does not produce on the informed user a different overall impression,” considering the degree of freedom of the designer in developing his or her design.⁴⁵⁷ This standard is in direct correlation with the eligibility requirement of individual character,⁴⁵⁸ whose assessment shall be based on the subject design’s overall impression upon the informed user. Such impression shall consider the existing design corpus, in light of “the nature of the product to which the design is applied or in which it is incorporated, and, in particular, the industrial sector to which belongs and the degree of freedom of the designer in developing the design.”⁴⁵⁹

For RCDs, the exclusive rights conferred to the design owner are the rights to use the design and to prevent any third party from using, making, offering, putting on the market, importing, exporting, or using of a product in which the design is incorporated or to which it is applied, or stocking such a product for those purposes.⁴⁶⁰ But the exclusive rights granted to UCD holders are limited to such acts, only if the contested use results from *copying* of the protected design, which will not be the case if the subsequent design is the result of independent creation by a designer who may be reasonably thought not to be familiar with the previous design.⁴⁶¹ The rationale for this difference in protection is the greater legal certainty that an RCD provides, because it would naturally have gone through an examination process before the EUIPO.⁴⁶²

457. Design Directive, *supra* note 79, art. 9 & Community Designs, *supra* note 80, art. 10.

458. Design Directive, *supra* note 79, art. 5 & Community Designs, *supra* note 80, art. 6.

459. Design Directive, *supra* note 79, whereas cl. 13 & Community Designs, *supra* note 80, whereas cl. 14.

460. Community Designs, *supra* note 80, art. 19, ¶ 1.

461. *Id.* art. 19, ¶ 2.

462. *See* Community Designs, *supra* note 80, whereas cl. 21.

In determining whether a design infringes on a prior registered design right, courts have described the notional character of the “informed user” as one who is *not* “a user of average attention, but to a particularly observant one, either because of his [or her] personal experience or his [or her] extensive knowledge of the sector in question.”⁴⁶³ Moreover, the informed user is deemed to undertake a direct comparison between the designs at issue, whenever the same is possible; although in some instances such comparison may be impracticable or uncommon in the concerned sector, in light of the specific circumstances or characteristics of the product involved.⁴⁶⁴ Described in the negative,

the informed user is not the well-informed and reasonably observant and circumspect average consumer who normally perceives a design as a whole and does not proceed to [analyze] its various details [H]e [or she] is also not an expert or specialist capable of observing in detail the minimal differences that may exist between the designs in conflict.⁴⁶⁵

In sum, the informed user is one who “knows the various designs [that] exist in the sector concerned, possesses a certain degree of knowledge with regard to the features which those designs normally include, and, as a result of his [or her] interest in the products concerned, shows a relatively high degree of attention when he [or she] uses them.”⁴⁶⁶

It may be noted that, like the US design patent system, the EU system adopts identical tests for determining eligibility under the requirement of individual character, and that of infringement. Both tests pertain to “any design which does not produce on the informed user a different overall impression,” considering the degree of freedom of the designer in developing his or her design.⁴⁶⁷ Two issues arise in this regard: *first*, whether the determination of individual character in light of prior art references should be examined in the context of *individual*/specific or *collective* prior art references, considering the reference to the “design corpus;” and *second*,

463. *PepsiCo, Inc.*, EU:C:2011:679, ¶ 53.

464. *Id.* ¶ 55.

465. *Id.* ¶ 59.

466. *Id.* ¶ 5 (citing Community Designs, *supra* note 80, art. 10).

467. Design Directive, *supra* note 79, art. 9 & Community Designs, *supra* note 80, art. 10.

whether the EU design system espouses the principle of dependency of designs found under the copyright and utility patent systems.⁴⁶⁸

The first question is relevant in determining the scope of protection of a claimed design because, as earlier mentioned, the scope of protection is in direct proportion to its eligibility for protection — that of individual character. Meanwhile, the second question is material in the analysis of whether the design protection systems facilitate incremental innovations in design — whether such designs can be protected separately and whether they will be considered an infringement of the earlier design.

Answering both questions require an analysis of the concept of “overall impression” adopted in the identical tests of eligibility and infringement. In the first question, the “overall impression” produced on an informed user must be distinct from the overall impression produced by the “design corpus.”⁴⁶⁹ In the context of prior art references, a design will possess individual character “in so far as it produces an impression of overall dissimilarity as compared to previously existing designs.”⁴⁷⁰ In determining novelty, a design shall be deemed identical to prior designs “if their features differ only in immaterial details.”⁴⁷¹ Much like the novelty/anticipation and inventive step/nonobviousness standards in the US design patent system, the first question inquires whether individual character is destroyed by reference to a single prior art which embodies all the aspects of the design, akin to the US principle of anticipation; or whether a gap between the prior art and the claimed design must exist for a claimed design to be protected, reminiscent of the US principle of nonobviousness. While the former seeks to assure that the public domain remains undisturbed, the latter demands that the claimed invention be sufficiently removed from the prior art, meaning in most cases that the design is an adequate leap forward.

The comparative approach to the prior art that would determine individual character for eligibility is not clearly set out in the text of the Design Directive or the Community Design Regulation. If anything, the wording of the text is the cause of the confusion —

468. See Arnaud Folliard-Monguiral & Mikas Miniotas, *Apple v Samsung: The Hoge Raad Legacy*, 8 J. INTEL. PROP. L. & PRAC. 925-31 (2013).

469. Design Directive, *supra* note 79, whereas cl. 13 & Community Designs, *supra* note 80, whereas cl. 14.

470. SUTHERSANEN, *supra* note 82, at 38.

471. *Id.* at 37.

The reference to ‘any’ preceding design suggests a one-for-one comparison with preceding designs [under the definition of individual character in Article 6 of the Design Directive], whereas the reference in Recital (13) [of the Directive] to ‘the existing design corpus’ is capable of meaning that the design has to differ from a composite view of the state of the art in the sector (but could mean the same as the Article).⁴⁷²

On one hand, it has been suggested that an individual comparison of each prior art reference is consistent with the notion that the informed user undertakes a direct comparison between the designs, when possible.⁴⁷³ This interpretation of correspondence between single prior art references and the claimed design coincides with the earlier insight on endeavoring to avoid an “inventiveness” standard, which has been adopted in the US design patent system. As earlier stated, the “impossible” standard of nonobviousness would remove from protection a great number of designs which normally partake of marginal innovations upon themes already known in the prior art. Such marginal variations, though commercially valuable, seldom constitute an “inventive step” away from the prior art.⁴⁷⁴ It would be unduly burdensome for design owners to prove that their claimed design, which may consist of a combination of known design features from multiple prior art references, is a sufficient step forward from the existing body of art. The result of such a collective examination of the prior art would be under-protection of designs, as very few designs would overcome such standard.

On the other hand, infringement is determined similarly from the “overall impression” conveyed to the informed user, but this time the comparison is between the impressions conveyed by the allegedly infringing design and the claimed prior design. The question is whether infringement is determined by the appropriation of the entirety of the prior design (focusing on the overall impression of the prior design), or whether the examination should be focused on the total appearance of the allegedly infringing design (focusing on the overall impression of the second design). The analysis is particularly relevant when other material elements are adopted in addition to the incorporated prior design. In short, the inquiry is whether the whole of two designs is compared, or whether just the corresponding part of the infringement can be considered.⁴⁷⁵

472. DAVID C. MUSKER, *THE DESIGN DIRECTIVE* 39 (2001) (citing Design Directive, *supra* note 79, art. 6).

473. Folliard-Monguiral & Miniotas, *supra* note 468, at 925-31.

474. Reichman, *Past and Current*, *supra* note 218, at 388.

475. MUSKER, *supra* note 472, at 71.

Compared to utility patents applications, designs do not require individual claims which may be useful in determining the scope of protection. Instead, it is the drawings that determine the scope of protection for an industrial design. Because there are no specific claims that would clearly define the “fenced-in” area of protection, the claims of a design must necessarily be construed in light of the overall impression of the design, *taken as a whole*. When determining novelty, it has been suggested that “the design must be considered in its entirety with reference to the representation of the design as filed, as opposed to a feature-by-feature comparison.”⁴⁷⁶ This holistic examination of the subject designs is reinforced by the “overall impression” standard of individual character. Thus, “[i]rrespective of the number of detailed differences which exist between the design under review and the prior design, if the overall impression is one of similarity, the subsequent design will not have individual character.”⁴⁷⁷ Stated otherwise, despite the number of detailed similarities between the prior design and the allegedly infringing design, if the overall impressions are different (e.g., the adoption of other elements design elements), the subsequent design may have individual character.

Another very important consideration is the freedom of design, as expressly provided in the test of infringement⁴⁷⁸ —

[I]f there is only a small degree of freedom, the later design may appear similar to the earlier to the untrained eye, but if the similarities are due to a lack of design freedom[,] then the differences will make the later design validly registered, and count against infringement.

On the other hand, in a field with considerable design freedom, similarities will not be accidental or unavoidable, and the threshold for protection will be higher; in this case, the scope of protection of the earlier design will be wide, and the later design will not be validly registered.⁴⁷⁹

Applying the test of design freedom in determining whether a later design conveys a different overall impression, it would appear that, if a later design is valid, it must then be sufficiently distanced from the earlier design

476. SUTHERSANEN, *supra* note 82, at 38.

477. *Id.* at 37.

478. Design Directive, *supra* note 79, art. 9 & Community Designs, *supra* note 80, art. 10.

479. MUSKER, *supra* note 472, at 70.

considering the degree of freedom possible in the relevant field; and as such, it does not seem to be possible for a valid design to infringe an earlier one.⁴⁸⁰

Answering the second question, it is submitted that the overall impression of the subsequent design must also be considered, and an infringement inquiry should not be hinged on whether or not a later design fully incorporated the entirety of a prior design. In determining infringement, it should be the entirety of the designs to be examined, and not just the infringing part. Thus, if a later design reproduces part or all of an earlier design with the addition of some feature giving it individual character, there should be no case of infringement if the later design conveys a different overall impression. To rule otherwise is to disregard the express adoption of the “overall impression” standard in determining the scope of protection.

This line of reasoning leads to the logical conclusion that the European design system does not espouse the principle of dependency present in the copyright and utility patents systems. In patent law, where a subsequent inventor claims an improvement of a prior invention, both the later and the earlier inventions can be patented, but use of the subsequent improvement may infringe the earlier patent. The same principle underlies the rule on composite copyrighted works, where derivative works may draw on preexisting copyrighted works and can be separately protected but cannot be commercialized without infringing the rights of the prior author. There is, thus, a relationship of dependency between the preexisting work or invention, and the subsequent one.

The legislative histories of the Design Directive and the Community Design Regulation show that the draft submitted by the Max Planck Institute initially suggested the possibility of dependent designs, but with the additional requirement of taking into account the *degree of individual character* of a claimed design.⁴⁸¹ This was, however, later substituted with the test of design freedom. The result is that, because the test for scope is the same as that for distinctiveness, “if the later design is distinctive (and hence registrable) over the earlier, it must produce a different overall impression and[,] hence[,] not infringe.”⁴⁸²

In the context of these two points of inquiry, it is proposed, that based on a reading of the relevant texts of design protection regimes in the EU, *first*, the requirement of individual character should be considered in light of

480. *Id.*

481. *Id.*

482. *Id.*

individual, single prior art references which must disclose the same overall impression that the claimed design conveys; and *second*, a valid design possessing the required different overall impression upon the informed user would not necessarily infringe a prior design, even if the later design incorporates the whole or part of the prior design. If these propositions are correct, it would appear that there is a resemblance between the US design patent system and the EU industrial design systems. In the EU, to be considered as possessing individual character, a subsequent design must convey a different overall impression to the informed user. This is the same standard of novelty under the US design patent system, albeit the fact that the notional character of the “ordinary observer” has been adopted.⁴⁸³ However, a stark difference between the two systems lies in the EU concept of “overall impression.” Subsequent designs may still be entitled to protection if they convey a different overall impression, without need of overcoming the impossible standard of inventive step by a collective comparison with the body of prior art. Marginal innovations, may, thus be entitled to separate protection, whether undertaken by the owner of a prior design himself or herself, or by a third person. The inapplicability of the principle of dependency is also a positive characteristic of the system, as there is separate eligibility for protection without the concomitant liability for infringement of a prior design.

At first blush, it may seem that these discussions present a great disadvantage for the prior design owner because subsequent designs may use his or her entire prior design without liability for infringement. However, it should be noted that the concept of “overall impression” does not permit any such wholesale misappropriation; it merely balances the equation by requiring further creativity from the subsequent designer, sufficient to avoid any similarity as to the overall impression of the prior design. On one hand, the prior design owner would be free to undertake his or her own improvements and variations of his or her prior design without its novelty being destroyed, unlike under the design patent regime. The prior design owner’s scope of protection against the manufacturing of the actual articles from the drawings of his or her designs is also preserved, unlike the significant statutory limitations under the copyright regime. On the other hand, these propositions also pose great benefits to incremental design innovators who may freely create marginal improvements of existing designs without the anxiety of vulnerability to litigation. In the final analysis, the EU industrial design protection regimes pose a great balancing act between the

483. *In re Bartlett*, 300 F.2d at 943 (citing *In re Johnson*, 175 F.2d).

interests of both the design owners and the public, including incremental design innovators.

IV. CONCLUSION

The principal reason for protecting industrial designs coincides with the essential objective of the entire IP system — to increase innovative and creative activities by providing incentives to develop such designs.⁴⁸⁴ In doing so, however, a careful balancing act must be undertaken in order to ensure that such objective is achieved rather than hindered. When there is too much protection, unduly expansive rights stifle further creativity and innovation. Moreover, when there is too little protection, statutory grants are rendered meaningless and impractical in light of the costs attendant to procuring such protection.

In no other object of IPR is this balancing act more imperative than in industrial designs. Because of the hybrid nature of designs susceptible of copyright, patent, trademark, unfair competition, and industrial design protection, countries have struggled with determining the appropriate form and degree of protection for designs. On one hand, legislatures have sought to establish this balancing act by granting certain rights while allowing particular instances of allowable use by third parties. However, it is an entirely different matter when it comes to the application and implementation of such laws by the judiciary in actual controversies. This Article has, therefore, explored the existing protection regimes for designs, analyzing the interplay between the legal texts and their judicial application.

More than an academic exercise, the implications for the design owner and the public are of extreme importance. There is a growing recognition that designs are increasingly becoming valuable and profitable. It is, therefore, of particular interest to design owners to establish sufficient protection for their investments by ensuring against free-riding and counterfeiting. Needless to say, predictability in judicial application of statutory rights is an important consideration. At the same time, there is a need to ensure that incremental innovation is not curtailed and the body of available designs is enriched by promoting the creation of marginal improvements.

Assessing the state of design protection under these different regimes, it appears that each approach presents different advantages and disadvantages to design owners, subsequent designers, and the public in general. When it

484. Keebaugh, *supra* note 219, at 260.

comes to the copyright approach, design owners must grapple with the shifting standards of what is copyrightable subject matter under the various tests of separability adopted in the US and EU. Although there is a low threshold of originality required to entitle a design to copyright protection, separability is a controversial issue that may subsequently impair the rights that a designer may rely on when enforcing his or her copyright. Even in the context of the EU principles of cumulation, there is a developing trend of judges assessing artistic value and aesthetic merit based on seemingly objective standards which, in truth, run counter to the tendencies of art appreciation. This is illustrated by the Italian judicial precedents of measuring artistic value by the acceptance of the art industry and renown in the art world. This practice has been criticized as running counter to the tendency of the art industry to recognize a work as art only after a significant lapse of time, and because of the fact that the perception of what art is may change over time.

On the part of the subsequent designer, the phenomenon of the Creativity Quantum Paradox presents a particularly disadvantageous situation wherein it takes very little originality for a work to be protected, but a substantial degree of creativity and ingenuity to avoid infringement. A broad derivative right coupled with a low threshold for protection, therefore, also becomes a disadvantage to the public in general, as it results in a chilling effect which significantly decreases the body of designs generated and available for public consumption. This predicament is no more improved by the concept of dependency, which allows creation without subsequent commercialization. Such compromise is actually impractical and meaningless in the realm of designs because, by its very nature, the commercialization of useful articles embodying the design is precisely the intention of the design owner.

In the patent approach, it has been established that a wholesale application of the principles that govern a utility patent is not desirable for designs. Any protection regime must adequately consider the nature of the object of protection, the creative process that precedes it, and the tendencies of the market for such objects. Undeniably, designs have the unique character of being built upon prior themes and concepts, and incremental improvements play a dominant role in the design industry. However, a strictly patent approach appears to be inconsistent with these unique characteristics. For the design owner, the inventive step or nonobviousness standard is a significant hurdle to claiming eligibility for design patent protection. Although such requirement is conceptually sound for inventions where the frontiers of technology are always moving forward, the same cannot be presumed for designs. In fact, the beauty of design is in its ability

to draw from different sources of inspiration, which may encompass past and future themes. However, because of the nonobviousness standard, a large number of designs may not be protectable because they are not “groundbreaking.” The result is that design owners are deprived of protection. There is no incentive to further create or innovate, thereby also depriving the public of a vibrant body of diverse designs.

It was said that considering the concept of incremental innovations in designs, the reality is that “[d]esign protection must strike a balance between sufficient protection against free-riding and encouragement of adequate financing for industrial design[,] on the one hand, and a certain degree of freedom for designers to use prior designs[,] on the other hand.”⁴⁸⁵ Analyzing the EU hybrid system of design protection, it appears that this approach is more flexible and consistent with the true nature of designs and the needs of the industry stakeholders. However, there is much room for improvement, particularly in the clarification of concepts which must be consistent with the objective of providing incentives and encouraging innovation. Lest it suffer from the same problems as the US design patent system, the requirement of individual character under the EU system must not be too restrictive as to develop a nonobviousness standard which considers the whole design corpus from a collective approach. The scope of protection of a claimed design must also be commensurate with its individual character, and must not be unduly broad so as to curtail further innovations. The emphasis should still be on the intentional adoption of an “overall impression” standard, which protects the entire impression conveyed by a design, and not from an elemental approach, which focuses on certain parts. By doing so, the rights of a design owner are preserved as to the overall impression of his or her design, guarding against free-riding and securing his or her investment. Nevertheless, there is sufficient room for subsequent innovations by other designers who may create marginal improvements that convey a distinct overall impression. Inevitably, this would be beneficial to the general public, as more design variations will be generated and made available.

485. Afori, *supra* note 12, at 1153.