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A DEFENSE OF INDUSTRIAL DESIGN RIGHTS IN THE UNITED STATES

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The protection of industrial design in the United States has been criticized for its ill-aligned functionality doctrines, as an inefficient incentive scheme, as well as for its costly and prolonged rights acquisition periods. This note explores the scope of U.S. industrial design protection in copyright, trademark and design patent, concluding that design patent provides the strongest basis to rebut these criticisms. Not only does the positive enforcement of design patents speak to the protection's strength, but the normative scope of the right is calibrated to incentivize innovative designs. A wholesale reform of U.S. industrial design is not required to address cost and time criticisms; compliance with certain national and international obligations is sufficient.

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INTRODUCTION

Coined the "patent trial of the century,"[1] the litigation between Apple and Samsung brought the importance of industrial design to the attention of the mainstream media and intellectual property professionals alike. Over the course of three years,[2] Apple asserted ten utility patents, eight design patents and twenty-two

[1] Ashby Jones & Jessica E. Vascellaro, *Apple v. Samsung: The Patent Trial of the Century*, WSJ.COM (Jul. 24, 2012, 1:01 PM), http://www.wsj.com/articles/SB10000872396390443295404577543221814648592.

[2] Apple's first complaint was brought on April 15, 2011, re-trial concluded in November 2013 and the Federal Circuit issued an appeal decision on May 18, 2015. *See* Complaint for Patent Infringement, Apple, Inc. v. Samsung Elecs. Co., Ltd., No. CV-11-1846-LB (N.D. Cal. Apr. 15, 2011); Apple, Inc. v. Samsung Elecs. Co., Ltd., 920 F. Supp. 2d 1079 (N.D. Cal. 2013) and Apple, Inc. v. Samsung Elecs. Co., Ltd., 786 F.3d 983 (Fed. Cir. 2015).

forms of trade dress and trademarks in the United States against Samsung.[3] The U.S. Court of Appeals for the Federal Circuit (the Federal Circuit) ultimately affirmed Apple's claims of infringement, with design rights securing the majority of the $548 million damages award.[4] Apple's industrial design was a central issue in several of the nine other countries where suits were filed,[5] but no other case resulted in such a sweeping victory for Apple's design rights. The *Apple v. Samsung* litigation is just one example of the strength of U.S. industrial design protection, particularly as compared to the EU's Community design right, which is frequently touted as the Holy Grail of design protection.[6] Part I of this note provides a background on industrial design and presents the relevant criticisms of U.S. industrial design protection. Part II describes the EU's system of industrial design protection and its comparative benefits. Part III defends the U.S. system of industrial design protection, particularly design patents. This section also discusses the inherent flaws in the EU's regime. The results of the *Apple v. Samsung* litigation across various jurisdictions stand as one example of the United States'

[3] US Patent No. 7,469,381 (filed Dec. 14, 2007); U.S. Patent No. 7,844,915 (filed Jan. 7, 2007); U.S. Patent No. 7,864,163 (filed Sep. 4, 2007); U.S. Patent No. 6,493,002 (filed Mar. 20, 1997); U.S. Patent No. 7,812,828 (filed Feb. 22, 2007); U.S. Patent No. 7,669,134 (filed May 2, 2003); U.S. Patent No. 7,853,891 (filed Feb. 1, 2008); U.S. Patent No. 7,863,533 (filed Sep. 26, 2008); U.S. Patent No. 7,663,607 (filed May 6, 2004); U.S. Patent No. 7,920,129 (filed Jan. 3, 2007); U.S. Patent No. D'627,790 (filed Aug. 20, 2007); U.S. Patent No. D'618,677 (filed Nov. 18, 2008); U.S. Patent No. D'593,087 (filed Jul. 30, 2007); U.S. Patent No. D'504,889 (filed Mar. 17, 2004); U.S. Patent No. D'604,305 (filed Jun. 23, 2007); U.S. Patent No. D'617,334 (filed Jul. 15, 2008); U.S. Patent No. D'622,270 (filed Oct. 1, 2009). Apple initially asserted twenty-two registered, unregistered and pending applications for US trademark and trade dress. *See* Apple, Inc. v. Samsung Elecs. Co., Ltd., No. CV-11-1846-LB (N.D. Cal. Apr. 15, 2011), *and* Amended Complaint for Federal False Designation of Origin and Unfair Competition, Apple, Inc. v. Samsung Elecs. Co. Ltd., No. 11-CV-01846-LHK (N.D. Cal. Jun. 16, 2011).

[4] The District Court basis of liability was three design patents, two forms of trade dress protection and three utility patents. Amended Jury Verdict, Apple, Inc. v. Samsung Elecs., Co., Ltd., No. 11-CV-01846-LHK (N.D. Cal. Aug. 24, 2012). The Federal Circuit rejected the trade dress claims and affirmed the design and utility patent claims. Apple, Inc. v. Samsung Elecs. Co., Ltd., 786 F.3d 983 (Fed. Cir. 2015). *See also* Jason J. Du Mont & Mark D. Janis, *The Origins of American Design Patent Protection*, 88 IND. L.J. 837, 840 (2013) (suggesting the size of Apple's verdict was largely driven by the presence of design patents).

[5] Suits were filed by either Apple or Samsung in Australia, France, Germany, Italy, Japan, the Netherlands, the United Kingdom, South Korea and Spain. Initial Joint Case Management Conference Statement - Correct Version at 13-14, Apple, Inc. v. Samsung Elecs. Co., Ltd., 909 F. Supp.2d 1147 (N.D. Cal. 2012) (No. 11-1846-LHK) (listing all related cases except filings at the OHIM); OHIM, Decision of the Invalidity Division, Samsung Elecs. Co., Ltd. v. Apple Inc. (May 7, 2011) (No. ICD 8539) (OHIM determination of Apple's RCD validity).

[6] *See* references cited *infra* note 129.

comparative advantage over the EU system. Turning to a broader analysis, I argue that the U.S.'s superior protection is based on the breadth of the design patent's exclusionary scope. Concluding that a wholesale reform of the U.S. system is neither desirable nor necessary, in Part IV I suggest certain modifications that the U.S. ought to consider in light of the increasing economic importance of industrial design and the potential for abuse.

I
INDUSTRIAL DESIGN IN THE U.S.

A. What is Industrial Design?

The Industrial Design Society of America defines industrial design as "products and systems that optimize *function*, *value* and *appearance* for the mutual benefit of both user and manufacturer."[7] This definition demonstrates that industrial designs are functional articles with both utilitarian purposes and creative designs. Protecting industrial design therefore challenges intellectual property traditions, which divide functional and creative articles into separate legal frameworks. Because of this, attempts to place industrial design into pre-existing legal frameworks ultimately result in theoretical incongruity.[8] Commentators argue that such placements create a protection deficit.[9]

This intellectual property challenge is not unique to the United States. Evidence of the world's puzzlement over industrial design protection is seen in the efforts of the World Intellectual Property Organization (WIPO) to distinguish industrial design subject matter from patentable subject matter. WIPO states that industrial design covers the "appearance or aesthetic features of a product, whereas a patent protects an invention that offers a new technical solution to a problem."[10] WIPO implicitly strips the functional aspects from industrial design protection, but includes inherently functional products such as furniture, lighting, and electric devices as examples of eligible products for industrial design protection.[11] Such

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[7] INDUSTRIAL DESIGN SOCIETY OF AMERICA, *What is Industrial Design?*, ISDA.ORG (2014), http://www.idsa.org/education/what-is-industrial-design (emphasis added).

[8] Susanna Monseau, *The Challenge of Protecting Industrial Design in a Global Economy*, 20 TEX. INTELL. PROP. L.J. 495, 538 (2012).

[9] *Id.* at 538-539; 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, 533-34 (1999); Parchomovsky & Siegelman, *Towards an Integrated Theory of Intellectual Property*, FORDHAM L. & ECON. RESEARCH PAPER No. 18, 1 (2002).

[10] WIPO, *Frequently Asked Questions: Industrial Designs*, WIPO.INT, http://www.wipo.int/designs/en/faq_industrialdesigns.html.

[11] *Id.*

examples demonstrate that only aesthetic aspects of products should be protected under industrial design, and functional aspects left to patents. However, implementation of industrial design protection is totalitarian, which results in effective protection over the entire object including its functional aspects.[12] Difficulties drawing precise boundaries on industrial design protection and enforcement exist on a global scale. As the industry becomes more economically significant, these issues are becoming harder to ignore.[13]

B. Industrial Design Protection in the U.S.

In the U.S., industrial design protection is accomplished through copyright, trade dress, and design patents.[14] Of the three, trade dress and design patents offer the most protection of the three. Each regime is detailed and compared below for clarity.

Copyright offers protection for "pictorial, graphic and sculptural" elements of useful articles so long as they can be "identified separately" from the utilitarian aspects.[15] The language "identified separately" gives rise to the separability doctrine, which attempts to separate the creative and protectable elements of a design from its ineligible functional elements.[16] However, the doctrine is so

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[12] *See, e.g.*, European Community design protection which exempts only those features or appearances of a product that are "solely dictated by its technical-function." Directive 98/71/EC, Art. 7, of the European Parliament and of the Council of 13 October 1998 on the Legal Protection of Designs, 1998 O.J. (L 289) 28; Council Regulation (EC) 6/2002, of 12 December 2001 on Community Designs, 2002 O.J. (L 3/1), 8. *See also* U.S. design patents which similarly limit protection of functional aspects only if they are "solely dictated by functionality." Rosco v. Mirror Lite, 304 F.3d 1373, 1378 (Fed. Cir. 2002).

[13] WIPO, WORLD INTELL. PROP. INDICATORS 2014 at 98 (2014), *available at* http://www.wipo.int/edocs/pubdocs/en/wipo_pub_941_2014.pdf (noting a larger than 50% growth rate in industrial design applications globally since 2009); Monseau, *supra* note 8, at 496 ("Design-led companies have produced dramatically better share-price performance for their investors.") (quoting Design Council, The Impact of Design on Stock Market Performance, DESIGN COUNCIL (2005), http://www.designcouncil.org.uk/knowledge-resources/report/impact-office-design-business-performance).

[14] Susan Scafidi et al., *Panel II: The Global Contours of IP Protection for Trade Dress, Industrial Design, Applied Art, and Product Configuration*, 20 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 783, 786 (2010); *see also* Daniel H. Brean, Note, *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, 328-332 (2008) (describing the protection of designs under patents, copyright and trademark, respectively).

[15] 17 U.S.C. § 101 (2010).

[16] *Id.*

unwieldy that it is regarded as "impossible to carry out."[17] As a result, copyright affords little protection to industrial design, which inherently involves the convergence of functional and aesthetic elements.[18] For those few products that can survive the test,[19] copyright offers protection for a term of the author's life plus seventy years.[20] Protection attaches once the creative work is fixed in a tangible medium, and the right is enforceable upon registration.[21]

Trademark law provides protection for design through trade dress. Product design, a category of trade dress, is the primary form of trademark protection available for industrial design. The U.S. Supreme Court announced in 1992 that trade dress was eligible for trademark protection,[22] and in 2000 it divided trade dress into two categories: product design and product packaging.[23] In order for product design to be eligible for trademark protection it must have acquired distinctiveness.[24] A mark must be distinctive as to the source of a product, and can either be inherently distinctive or acquire distinctiveness through consumer recognition.[25] Inherently distinctive marks are those so unique they are unlikely to be used by multiple producers. Fanciful and arbitrary marks comprise the category of inherently distinctive marks.[26] Suggestive and descriptive marks must acquire distinctiveness in order to be protected under trademark law. These marks must establish that consumers identify the mark with the source of the product.[27] A higher showing of consumer association is required because such marks may be more common and thus pose a greater risk of harm to consumers and competitors if removed from the public domain.[28] Unlike copyright and design patents, product

[17] Scafidi, s*upra* note 14, at 787 (identifying the challenges in applying the separability doctrine).

[18] *See* Brandir Int'l v. Cascade Pac. Lumber Co., 834 F.2d 1142, 1147-48 (2d Cir. 1987) (denying copyright protection to a bicycle rack because the aesthetic elements were not conceptually, or physically, separable from the functional aspects of the rack).

[19] *See* Mazer v. Stein, 347 U.S. 201 (1954).

[20] 17 U.S.C. § 302 (2012).

[21] 17 U.S.C. § 102 (2012) ("original works of authorship fixed in any tangible medium of expression.").

[22] *See* Two Pesos, Inc. v. Taco Cabana, Inc, 505 U.S. 763 (1992).

[23] *See* Wal-Mart Stores, Inc. v. Samara Bros, Inc., 529 U.S. 205 (2000).

[24] *Id.* at 212 ("It seems to us that design, like color, is not inherently distinctive.").

[25] *See* Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4 (2d Cir. 1976).

[26] *Id.* at 11. A fanciful mark is one that had no pre-existing meaning such as "Kodak." An arbitrary mark is word that had a pre-existing meaning but is applied in a novel context such as "Apple" for computers.

[27] *Id.* at 10.

[28] *Id.* at 11.

designs do not need to be registered in order to establish or enforce rights.[29] Product designs are protected so long as the right-holder can establish that consumers identify the product design as a designation of source. This indefinite term is highly desirable for industrial design. However, establishing acquired distinctiveness can be expensive and may involve a prolonged rights acquisition period, diminishing the effective protection of trade dress for industrial design.[30] Product design also requires that the design be non-functional, similar to copyright and design patent.[31]

Design patents were the U.S. solution to the intellectual property needs of industrial designers. At the time of the regime's inception, copyright and utility patent standards failed to cover industrial design.[32] Design patents, however, cover the ornamental design of an article of manufacture and tolerate a greater amount of functionality.[33] Only if a design element is "solely dictated by functionality" is it removed from design patent protection.[34] This greater functionality tolerance makes design patents ideal for industrial design articles. Design patents currently protect design patents resulting from applications filed on or after May 13, 2015 for fifteen years from the date of the patent's grant.[35] The estimated acquisition period is fifteen months from time of application.[36] This long acquisition period undermines the value of design patents to industries rapidly innovating or with short product development lifecycles.

One explanation for the protection of industrial design under a patent regime lies in the origins of its protection. In the mid-19th century, cast-iron stove

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[29] *See* 15 U.S.C. § 1125(a) (2012), which does not require registration for protection of marks.

[30] Sebastian M. Torres Rodriquez, *The Convergence of Design Patent Law, Trademark Law and Copyright Law for Better Protection of Intellectual Property for Commercial Designs*, 5 NO. 2 U. PUERTO RICO BUS. L.J. 122 (2014).

[31] 15 U.S.C. § 1064(3) (2012).

[32] Du Mont & Janis, *supra* note 4, at 850-52 (detailing the nineteenth century cast-iron makers manufacturing developments which allowed for increased design elements in mass manufacturing, the state of intellectual property law at the time and the corresponding need for protection of design on articles of manufacture.) *But see* STEPHEN P. LADAS, II PATENTS, TRADEMARKS, AND RELATED RIGHTS: NATIONAL AND INTERNATIONAL PROTECTION 830 (1975) (asserting design patents as historical accidents).

[33] 35 U.S.C. § 171(a) (2012).

[34] Rosco v. Mirror Lite, 304 F.3d 1373, 1378 (Fed. Cir. 2002).

[35] 35 U.S.C. § 173 (2012). *See* sources cited *infra* notes 232-33 and accompanying text.

[36] USPTO, DESIGN PATENTS REPORT: JANUARY 1990 – DECEMBER 2014 at 1 (2014), *available at* http://www.uspto.gov/web/offices/ac/ido/oeip/taf/design.pdf.

manufacturers complained to Congress that because they had no legal protection for their designs, competitors were ruinously copying their designs.[37] Recent advancements in molding techniques had enabled manufacturers to add decorative elements to their cast-iron stoves which resulted in greater sales of their products. According to the manufacturers, the competitors' copies were limiting the "salable value" of their products.[38] Henry Ellsworth, the Commissioner of Patents at the time, urged Congress to enact the 1842 Patent Act[39] to create design rights and provide the financial incentives necessary for increasing manufacturer design output and quality.[40] Utility patent protection is based on a similar incentive rationale, suggesting one reason for placing industrial design protection under a patent regime.[41]

Of copyright, trademark, and design patent, the latter two offer the most substantive protection for industrial design. Copyright's separability doctrine renders it nearly useless for design. Consider a bicycle: all functional aspects thereof are precluded from copyright, but are instead regulated by utility patents. A design patent protects the overall ornamentation, or external appearance of the bicycle. Trademarks protect aspects that have come to identify source. Trademark and design patent thus provide overlapping protection for an aspect if it is both a part of the ornamentation and a source identifier.[42] Utility patents and design patents may also coexist; however, the utility patent is intended to cover only functional aspects and the design patent only ornamental aspects.[43] In practice, it is

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[37] Du Mont & Janis, *supra* note 4, at 850.

[38] ARTHUR J. PULOS, AMERICAN DESIGN ETHIC: A HISTORY OF INDUSTRIAL DESIGN TO 1940, at 9 (1983)0; Gorham Co. v. White, 81 U.S. 511, 525 (1871) ("The law manifestly contemplates that giving certain new and original appearances to a manufactured article may enhance its salable value ….") *quoted in* Du Mont & Janis, *supra* note 4, at 850-51. The "salable value" rationale for design protection is much more akin to the justification for trademarks protection which is founded on the selling power of a mark. Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 821-24 (1927).

[39] Act of Aug. 29, 1842, ch. 263, § 3, 5 Stat. 543 (1842).

[40] Thomas B. Hudson, *A Brief History of the Development of Design Patent Protection in the United States*, 30 J. PAT. & TRADEMARK OFF. SOC'Y 380, 380-81 (1948). *But see* Du Mont & Janis, *supra* note 4, at 864-73 (advancing new legislative history in support of extrinsic political rationales for design patents and Ellsworth's self-serving incentives).

[41] Du Mont & Janis, *supra* note 4, at 845.

[42] TMEP, § 1202.02(a)(v)(A) (Jan. 2015); Ellie B. Atkins, *Unchecked Monopolies: The Questionable Constitutionality of Design Patent and Product Design Trade Dress Overlap in Light of* Egyptian Goddess, Inc. v. Swisa, Inc., 4 INTELL. PROP. BRIEF 57 (2013), *available at* http://digitalcommons.wcl.american.edu/cgi/viewcontent.cgi?article=1087&context=ipbrief.

[43] *See generally* Apple, Inc. v. Samsung Elecs. Co., Ltd., 920 F. Supp. 2d 1079 (N.D. Cal. 2013) (finding the iPhone covered by both design patents and utility patents). Interestingly,

not clear that these aspects are mutually exclusive.[44] This overlapping protection has both been praised for providing flexibility for designers,[45] and also used as a basis for criticism.

C. Criticisms of U.S. Industrial Design Protection

Over the past decade and a half, the U.S. industrial design regime has been criticized for various inadequacies.[46] This note will focus on three primary complaints. The first is that the functionality doctrine found in copyright, trademark, and design patent limits the scope of industrial design protection.[47] From this follows the second criticism that as a result of diminished protection, competitors are able to copy the design, which deprives innovators of profits and source distinctiveness. Critics state that the lack of protection decreases innovation and its corresponding public benefit, because financial incentives are no longer driving innovators to design.[48] The third and final criticism that this note addresses is the costs and time of obtaining design protection.[49] If costs are too high, or right acquisition takes too long, then smaller design companies and rapidly innovating industries are greatly disadvantaged.

1. Functionality Criticism

The basis of the functionality doctrines is to remove from other regimes what ought to be protected by utility patent law.[50] Utility patents delicately balance incentivizing innovation and ensuring public benefit with the disclosure of such

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trademark protection is essentially prohibited for trade dress with a parallel utility patent. TMEP § 1202.02(a)(v)(A); TrafFix Devices, Inc. v. Mktg. Displays, Inc., 532 U.S. 23, 29 (2001) (clarifying *Morton-Norwich* factors).

[44] *See* Int'l Seaway Trading Corp. v. Walgreen, 589 F.3d 1233 (Fed. Cir. 2008) (identifying internal protrusions and grooves as part of protected ornamentation, despite not being externally visible and thus not a part of the overall external appearance).

[45] Tiffany Mahmood, Note, *Design Law in the United States as Compared to the European Community Design System: What do we Need to Fix?*, 24 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 555, 581 (2014).

[46] *See* sources cited *supra* note 9.

[47] Orit Fischman Afori, *The Role of the Non-Functionality Requirement in Design Law*, 20 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 847 (2010); Lena Schickl, *Protection of Industrial Design in the US and in the EU: Different Concepts or Different Labels?*, 16 J. WORLD INTELL. PROP. 15 (2012).

[48] Monseau, *supra* note 8; Hemphill & Suk, *infra* note 79.

[49] Schickl, *supra* note 47.

[50] Afori, *supra* note 47, at 849; Jason J. Du Mont & Mark D. Janis, *Functionality in Design Protection Systems,* 19 J. INTELL. PROP. L. 261, 262 (Symposium) (2012).

innovative knowledge.[51] In order to receive the utility patent's monopoly, an innovation must meet the regime's high patentability standards. Removing functional aspects from all other IP regimes safeguards the public from unjustified monopolies.[52] Functionality exists in copyright under the separability doctrine,[53] in trademark as either utilitarian functionality or aesthetic functionality,[54] and in design patent under a rather watered-down standard, which prohibits only articles solely dictated by functionality.[55]

Industrial design protection does not seek to "encourage the development of new technologies, but rather to encourage the development of their external appearance."[56] Thus industrial design protection is only concerned with the product as visible to the consumer, not its internal functioning.[57] The functionality criticism states that putting industrial design into any of the three primary categories of IP protection diminishes the right because the various functionality doctrines are not properly calibrated to the development of external appearances. If industrial design is the harmonization of functional tools with external aesthetics, a regime must incentivize innovation in external appearance and provide no protection for the functional internal aspects. Overinclusive functionality tests, such as copyright's separability doctrine, remove protection from innovative external appearances because there is some functionality. Underinclusive functionality tests, which arguably include design patent law, allow protection for internally functional aspects in addition to the external appearance. The application of this criticism to each regime is explored below.

U.S. copyright's functionality doctrine, encompassed in the separability doctrine, is quite broad. Nearly any functionality meets its low standard, thereby preventing copyright protection. As a result, copyright's functionality does not just limit industrial design protection, but practically bulldozes industrial design protection entirely. The functionality standard was first articulated in *Mazer v. Stein*, in which a lamp with a statute for a base was found sufficiently utilitarian to

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[51] Afori, *supra* note 47.

[52] *Id.*

[53] 17 U.S.C. § 101 (2012).

[54] TrafFix Devices, Inc. v. Mktg. Displays, Inc., 532 U.S. 23, 33 (2000) (clarifying the distinction between the two doctrines).

[55] Rosco, Inc. v. Mirror Lite Co., 304 F.3d 1373, 1378 (Fed. Cir. 2002).

[56] Afori, *supra* note 47, at 849.

[57] *In re* Webb, 916 F.2d 1553, 1558 (Fed. Cir. 1990) (finding a hip replacement to meet the ornamentally requirement because it was, "clearly intended to be noticed during the process of sale and equally clearly intended to be completely hidden from view in the final use."). *But see* Int'l Seaway Trading Corp. v. Walgreens Corp., 589 F.3d 1233, 1241 (Fed. Cir. 2009).

trigger the separability doctrine.[58] Once an aspect is found functional, protection for the non-functional aspects is dependent on the court's ability to physically separate or conceptually separate the functional aspect from the other aspects.[59] Physical separation is satisfied in situations such as the lamp base in *Mazer*, which the court found could be physically separated from the lighting apparatus.[60] Under conceptual separability, if there is a potential aesthetic purpose for the design separate from the functional one, as with a belt buckle worn as jewelry, then the aesthetic aspects are copyrightable.[61]

Although conceptual separability offers protection for the entirety of the product and only withholds protection for certain uses, the doctrine does not align with industrial design protection's objective. Copyright will protect external appearances and therefore incentivize innovation, but industrial designs are by definition products with functional uses. Offering protection for an artistic bottle opener only when it is used as a decorative element misses the purpose of industrial design entirely. Industrial design is intended to be used not just viewed. The doctrine is also unworkable in practice, resulting in minimal use for industrial design protection.[62]

U.S. trademark law has two forms of functionality: aesthetic functionality and utilitarian functionality.[63] Determining which doctrine applies can be challenging. Generally, analysis aligns with a product's predominate purpose; however, a combined analysis has been applied when a disputed product had a mixed purpose.[64] Under aesthetic functionality, only those trade dresses which would put competitors at a "non-reputation-related disadvantage" are excluded

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[58] Because the lamp also contained a sculpture on the base which is a "pictorial, graphic, or sculptural feature," that aspect could be protected only if it could be separated from and exist independently of the utilitarian aspects. Mazer v. Stein, 347 U.S. 201, 213-14 (1959).

[59] Pivot Point Int'l, Inc. v. Charlene Prods., Inc., 372 F.3d 913, 922 (7th Cir. 2004).

[60] *Mazer*, 347 U.S. at 204-05; *see also* Esquire, Inc. v. Ringer, 591 F.2d 796, 803-05 (D.C. Cir. 1978).

[61] Kieselstein-Cord v. Accessories by Pearl, Inc., 632 F.2d 989, 993 (2d Cir. 1980).

[62] *See* Brandir Int'l, Inc. v. Cascade Pac. Lumber Co., 834 F.2d 1142, 1147-48 (2d Cir. 1987); *see also infra* notes 125-27 (discussing the sui generis regimes under copyright that afford some protection to specific types of industrial design).

[63] The functionality exception was enacted into legislation in 1998 in 15 U.S.C. § 1064(3) (2012).

[64] *See, e.g.*, Christian Louboutin S.A. v. Yves Saint Laurent Am. Holding, Inc., 696 F.3d 206, 219-220 (2d Cir. 2012) (applying a combined analysis of utilitarian and aesthetic functionality analysis to the red under sole of a women's high heel).

from protection.[65] This analysis is sometimes referred to as a competitive needs evaluation—aesthetic trade dress which a competitor needs to compete in the market cannot be protected under U.S. trademark law. The existence of alternative designs is highly probative that a trade dress is not functional.[66]

Utilitarian functionality prohibits protection of trade dress when it is "essential to the use or purpose of the device, or when it affects the cost or quality of the device."[67] This language has been interpreted far more narrowly than aesthetic functionality's competitive needs test,[68] and explicitly excludes protection for features which have an expired utility patent.[69]

Compared to utilitarian functionality, the aesthetic functionality doctrine offers protection to a broader scope of eligible product designs. However, aesthetic functionality is not calibrated to industrial design objectives and may permit protection for more than external appearance alone. Trademarks protect designations of source by preventing others from marketing or selling products which may confuse the consumer. If a product design is protected, competitors cannot market any design which causes consumer confusion. Exact replicas of the product, as well as products having confusingly similar designs, would be prohibited. Thus, aesthetic functionality protects not only external appearances that differ from the intended design, but also internal aspects. Conversely, when industrial design is seen as primarily utilitarian it may receive too little protection because a utilitarian patent will prevent protection for the entire trade dress, not just the external aspects. Even absent a utility patent, some courts applying the utilitarian functionality doctrine, such as the Fifth Circuit in *Eppendorf v. Ritter*, have found the entire trade dress precluded from protection rather than simply precluding functional aspects of the design.[70] In *Eppendorf* the design of laboratory

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[65] Qualitex Co. v. Jacobsen Prods. Co., 514 US 159, 165 (1995) (quoting Inwood Labs., Inc. v. Ives Labs., Inc, 456 U.S. 844, 850, n.10 (1982)).

[66] *See In re* Morton-Norwich Prods., Inc., 671 F.2d 1332, 1340-41 (C.C.P.A. 1982) (setting out four factors of functionality, the third of which is the availability of alternative designs); Wallace Int'l Silversmiths v. Godinger Silver Art Co., 916 F.2d 76, 81 (2d Cir. 1990) (embracing the availability of alternative designs in the aesthetic functionality context).

[67] TrafFix Devices, Inc. v. Mktg. Displays, Inc., 532 U.S. 23, 32-33 (2000).

[68] *See* Eppendorf-Netheler-Hinz GmBH v. Ritter GmBH, 289 F.3d 351, 357-58 (5th Cir. 2002) (finding previously non-functional aspect of a trade dress functional after applying newly articulated *TrafFix* standard). *But see* Valu Eng'g, Inc. v. Rexnord, Corp., 278 F.3d 1268, 1276 (Fed. Cir. 2002) (finding alternative designs can still be evaluated under the *Morton-Norwich* Factor 3); TMEP § 1202.02(a)(v)(C) (Jan. 2015) (indicating an "examining attorney should request information about alternative designs" in determining trade dress functionality).

[69] *TrafFix*, 532 U.S. at 23-24.

[70] *Eppendorf*, 289 F.3d at 351-52.

pipette tips were found to be unentitled to trade dress protection because various elements thereof were functional.[71] A superior result would be protection for the overall external appearance of the pipette tips, leaving functional aspects subject to utility patent standards.[72] Thus, within trademark the functionality doctrine creates conflicting schemes improperly calibrated to incentivize the innovation of external appearances of functional objects.

Design patents have the highest functionality tolerance of all U.S. regimes. Design patent functionality only prohibits aspects which are solely dictated by functionality.[73] All other ornamental aspects are protected.[74] Design patents, by definition, do not cover utilitarian aspects of the design.[75] Critics suggest this creates the same problem as copyright's separability, forcing a dissection of aesthetic and utilitarian aspects which risks becoming unworkable.[76]

Functionality doctrines pose several issues to industrial design, including incongruence across regimes and variable protection.[77] When the protection is too great, it may unjustifiably extend a utility patent monopoly. When protection is too low, innovation is stymied and the public is harmed by decreased industrial design innovation.[78]

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[71] *Id.* at 358. Plaintiff, Eppendorf, alleged eight elements of trade dress and carried the burden of proving non-functionality. Such procedural mechanisms may also account for the all-or-none protection.

[72] *Cf.* Apple, Inc. v. Samsung Elecs. Co., 678 F.3d 1314, 1333 (Fed. Cir. 2012) (finding Apple's registered and unregistered trade dress utilitarian functional and therefore unprotectable, but finding aspects of Apple's design patent functional and refusing to remove them from infringement analysis).

[73] Rosco, Inc. v. Mirror Lite Co., 304 F.3d 1373, 1378 (Fed. Cir. 2002).

[74] There was a period where the Federal Circuit cut back on this broad ornamental protection. *See* Graeme B. Dinwoodie, *The Protection of Designs Under U.S. Law*, 4/2008 IPRINFO 1, 10 (2008) ("[I]n a recent case, PHG Technologies LLC v. St. John Cos. Inc., the Federal Circuit arguably tightened the functionality requirement…appear[ing] to revive an older, stricter test that looks at a number of factors, including 'whether alternative designs would adversely affect the utility of the specified article.'")

[75] Because a design patent does not require a showing of utility, utilitarian aspects of the covered product are not covered by the design patent. Afori, *supra* note 47, at 853-54.

[76] *Id.* at 854.

[77] *Id.* at 859-60.

[78] Query who is actually being harmed under this rationale. Industrial design is a manufacturer driven doctrine. It benefits the "saleability" of articles of manufacture. For a critique of IP protection as a net harm to the public because it functions as a sumptuary code see

2. Effects of Decreased Protection Criticism

The second criticism is a logical extension of the first; critics argue that an inadequate amount of protection results in an increased amount of otherwise actionable infringement. If the innovator cannot prevent the copying, their incentives to innovate are reduced because their monopoly right is limited, resulting in less overall innovation.[79]

This argument has been relied on domestically in the context of fashion design copying.[80] Because of the high rates of innovation and copying in the industry, fashion designers are particularly vulnerable. Fashion designers produce new designs continually for a series of collections throughout major cities across the globe each year.[81] The entire industry accounts for $1,306 billion, or 2.1% of the global gross domestic product (GDP).[82] The U.S. market, valued at $338 billion in 2012, is second only to the European market.[83] Copyists have kept up with the rapid pace of fashion innovation. With the instantaneous transmission of runway styles over the internet and low-cost, large-scale manufacturers located overseas,[84] copyists such as Zara, Topshop and Forever 21 are able to bring runway designs to market in weeks.[85] Fashion lobbyists have used the economic importance of

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Barton Beebe's article Intellectual Property Law and the Sumptuary Code. 123 HARV. L. REV. 809 (2010).

[79] C. Scott Hemphill & Jeanie Suk, *The Law, Culture, and Economics of Fashion*, 61 STAN. L. REV. 1147, 1174 ("Mass copyist undermine the market for the copied good. Copies reduce the profitability of originals, thus reducing the prospective incentive to develop new designs in the first place. The predicted results, a reduced *amount* of innovation is familiar from copying in [creative industries other than fashion], such as file sharing of copyrighted music and films." (emphasis in original)).

[80] *See id.*; Monseau, *supra* note 8, at 538-39.

[81] *See* Kal Raustialia & Christopher Sprigman, *The Piracy Paradox: Innovation and Intellectual Property in Fashion Design*, 92 VIRGINIA L. REV. 1687, 1693 (2006); Eveline Van Keymeulen & Louise Nash, *Fashionably Late*, INTELL. PROP. MAGAZINE 53 (2012), http://www.cov.com/files/Publication/8fc11e54-27e2-4da3-9323-0663dd0a5746/Presentation/PublicationAttachment/45a27275-df92-475b-9e11-11154b0c1061/Fashionably Late.pdf.

[82] Keymeulen & Nash, *supra* note 81, at 1.

[83] *Id.*; Mike King, *US Apparel Industry Reached a Value of $338 Billion in 2012*, COMPANIESANDMARKETS.COM (Mar. 17, 2015), http://www.companiesandmarkets.com/News/Textiles-and-Clothing/US-apparel-industry-reached-a-value-of-338-billion-in-2012/NI8084.

[84] Monseau, *supra* note 8, at 508-10; Hemphill & Suk, *supra* note 79, at 1173.

[85] *Copycat Designers Poised to Pounce on Paris Fashion*, NEW YORK DAILY NEWS (Sep. 22, 2014, 1:56 PM), http://www.nydailynews.com/life-style/fashion/copycat-designers-poised-pounce-paris-fashion-article-1.1948443. As of 2006, Zara took only four to five weeks to deliver copied design. *See* Hemphill & Suk, note 79, at 1173 n.91.

fashion and the high rate of copying to argue for increased design protection.[86] They argue that because copyists are able to bring knockoffs to market so rapidly, the designers enjoy only a margin of the profits they once did and thus are less likely to continue innovating.[87]

Interestingly, these complaints arose over a decade ago,[88] and the apparel market has since seen a steady increase in profitability despite copyists' continual growth.[89] Professors Raustialia and Sprigman suggest that an explanation for this continued growth is the so-called piracy paradox. They argue that copying is actually beneficial to fashion's innovators.[90] Once copyists start mass-producing designs, the designs lose desirability to those in the know—the cognoscenti of fashion. Innovators must then create new designs to satisfy the void of desirable items.[91] This cycle perpetuates the continued sales of innovative designs despite rampant copying.[92] While this domestic example may be limited in its broad applicability across all industrial design sectors, it highlights the fact that innovation in U.S. industrial design is robust, despite theoretical shortcoming in IP protection.[93]

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[86] *See* H.R. 5055, 109th Cong. (2006); H.R. 2196, 111th Cong. (2009); S.3728, 111th Cong. (2010); H.R. 2511, 112th Cong. (2011); Katherine Boyle, *Fashion Industry Testifies in Favor Design Copyright Protection (Again)*, WASHINGTONPOST.COM (Jul. 18, 2011, 11:47 AM), http://www.washingtonpost.com/blogs/style-blog/post/fashion-industry-testifies-in-favor-of-design-copyright-protections-again/2011/07/18/gIQAd2MuLI_blog.html.

[87] *Id.*

[88] *See* H.R. 5055, 109th Cong. (2006).

[89] *Compare* $196 billion annual sales in 2007, Hemphill & Suk, *supra* note 79, at 1148 n.1, *with* $338 billion annual sales in 2012, King, *supra* note 83. Forbes reports Forever 21's revenue at $3.85 billion as of October 2014 which is a 4.1% increase in yearly revenue. *Company Profile: Forever 21*, FORBES.COM (last visited Mar. 17, 2015), http://www.forbes.com/companies/forever-21/.

[90] Raustialia & Sprigman, *supra* note 81, at 1717-34.

[91] *Id.*

[92] Several commentators have argued against this piracy paradox, most notably Professors Hemphill & Suk. *Supra* note 79, at 1180-83 (arguing a variety of counterarguments to the piracy paradox including a lack of designed initiated induced-obsolescence and incongruence in trademark law); *see also* Keymeulen & Nash, *supra* note 81, at 55 (offering evidence against the piracy paradox including the European Community's increased market share of apparel sales, and increased "cheapchic" design around, as a result of their greater industrial design protection).

[93] *See also* BrandZ, TOP 100 MOST VALUABLE GLOBAL BRANDS, 24 (2013), *available at* http://www.wpp.com/wpp/marketing/brandz/brandz-2013/ (finding that of the top ten global brands, nine are U.S. brands). Of those nine at least six rely on industrial design protection to protect their innovation, i.e., Apple, Google, IBM, Coca-Cola, AT&T and Microsoft.

The Intellectual Property Clause of the U.S. Constitution bases copyright and patent rights on a rationale that the exclusive right will incentivize "the Progress of Science and useful Arts."[94] Internationally, some countries such as France base their artistic rights on a moral rights theory, not an incentivization theory.[95] Regardless, the European Community relied on the criticism that inadequate protection de-incentivized innovation in their formation and adoption of the Community design right. The Commission of the European Communities identified a Community "wish to promote investment in design development" as a primary concern in considering industrial design protection.[96] The Commission continued that a more unified and robust system of design protection would address the increasing concern of piracy both within the then European Community, and across the globe.[97] In the press release announcing the first registered Community design, the Office for Harmonization in the Internal Market (OHIM) articulated the regime's purpose as addressing counterfeiters and thus relieving industrial designer reluctance to innovate.[98]

Support for this criticism both nationally and internationally, and across various IP regimes, suggests that it is a weighty concern. But in order for this criticism to hold, the premise must be true—U.S. industrial design protection must actually be inadequate. Part III.B and III.C will provide a response to this and the functionality criticism.

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[94] US Const. art. I, § 8, cl. 8.

[95] France's copyright system stems from a theory that artists have a moral right to their artistic expressions. Russell J. DaSilva, *Droit Moral and the Amoral Copyright: A Comparison of Artists' Rights in France and the United States*, 28 BULL. COPYRIGHT SOC'Y 1, 3 (1980).

[96] *Commission Green Paper on the Legal Protection of Industrial Design*, at 15, COM (1991) 111/F/5131/91-EN (July 1991), *available at* http://ec.europa.eu/internal_market/indprop/docs/design/green-paper-design_en.pdf. The Commission explicitly rejected a moral rights theory of protection for designs under the new regime. To the extent a design receives any morals rights they must derive from copyright law exclusively. *Id.* at 95-96.

[97] *Id.* at 33.

[98] Press Release, OHIM, The first registered designs are published (Apr. 1, 2003) (Alicante, Spain), *available at* http://ec.europa.eu/internal_market/indprop/docs/design/oami-pressrelease_en.pdf ("Indeed, the counterfeiting industry is more and more well organised and is the scourge that often paralyses the European industry. This is why the business would often feels so reluctant and frustrated; we create, they copy and gain the benefits of our investments and years of our effort. The aim of the Community design is to prevent that kind of abuse of a company's creation.").

3. Cost and Time Criticism

The third and final criticism this paper will address is the prohibitive nature of protective-acquisition delays and the associated costs of protection.

Prolonged acquisition periods can prohibit the use of industrial design protection in rapidly innovating industries for two reasons. First, delayed rights acquisition limits the effective monopoly period if a product has a limited window of profitability.[99] The monopoly right is also limited by delayed acquisition periods because counterfeiters can legally enter the market and establish a market share in the interim.[100] Fashion design provides an example of the latter issue.[101] Apparel is produced in less than a few months and copies are made within a matter of weeks.[102] Protection must be near simultaneous with public release in order to prevent copyists. Industries such as consumer electronics tend to be plagued by both issues.[103] If protection takes a year to acquire, it will be of no use to products that may be profitable for less than a year's period.[104] In addition, copyists may have established a market share during that time.

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[99] William T. Fryer, *Industrial Design Protection in the United States of America--Present Situation and Plans for Revision*, 19 J. PAT. & TRADEMARK OFF. SOC'Y 820, 834-35 (1988) ("Another factor decreasing the usefulness of the design patent system is the time it takes to obtain an average of almost 2.5 years according to current figures. During that time the application is pending there are no rights, and copiers can operate without risk." (citation omitted)).

[100] *Id.;* Perry J. Saidman, *The Crisis in the Law of Designs*, 89 J. PAT. & TRADEMARK OFF. SOC'Y 301, 331 (2007) ("By the time a design patent has issued, the product design may have been long supplanted in the marketplace.").

[101] Mahmood, *supra* note 45, at 582.

[102] *See* sources cited *supra* note 85.

[103] Sarah Burstein, *Moving Beyond the Standard Criticisms of Design Patents*, 17 STAN. TECH. L. REV. 305, 331 n. 147 (2013) (referencing *Hearings on H.R. 902, H.R. 3017, and H.R. 3499 Before the Subcomm. on Courts, Intellectual Prop., and the Admin. of Justice of the Comm. on the Judiciary*, 101st Cong. 165 (1990) (written testimony of Robert Drobeck, on behalf of the Industrial Designers Society of America) ("Today you need to recoup your investment in under two years if you are competing in the consumer electronics industry. Yet designs can be stolen in a matter of days. That hardly gives you time to spend the two to three years it takes to get a design patent.")).

[104] Christopher P. Bussert, *Copyright Law: A Review of the "Separability Test" and a Proposal for New Design Protection*, 10 RUTGERS COMPUT. & TECH. L.J. 59, 68 (1984) ("Immediate protection [of industrial design] ... was often crucial to an industry because of the relatively short successful commercial life enjoyed by many designs.").

Costs can create barriers to protection alongside prolonged acquisition periods.[105] If the costs of protection are too high, then a portion of the market that cannot afford the upfront costs is systematically excluded from protection. Higher costs tend to disadvantage smaller companies who cannot bear the costs as easily. Given that IP protection in the U.S. is meant to provide incentivizes to innovation, and that smaller companies have been known to produce the most disruptive and innovative designs,[106] a framework that disfavors small companies does not align with the policy objective of incentivizing innovation.

Copyright, trademark, and design patents have different costs and delays in rights acquisition. Ideally, the hurdles to protection should correspond with the extent of protection provided by the regime.[107] The stronger the protection granted, the more hurdles there should be to receiving protection. However, delays and costly hurdles may nullify any benefits or systematically bias certain innovators. Each regime's impact on design is explored below.

Copyright protection is nearly free and instantaneous.[108] The right begins as soon as the artistic expression is fixed in a tangible medium.[109] However, to enforce the copyright, it must be registered, which costs between $35 and $140 as of May 2014.[110] This cost is low enough that even a designer with limited resources can effectively enjoy copyright protection. However, unfortunately, as mentioned above, the separability doctrine eliminates nearly all industrial design from copyright eligibility.

Trademark protection for product designs is inherently biased toward large design companies.[111] Because of the current standards to establish rights, bigger

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[105] *Id.*

[106] *See* Martin Reeves, et al., *Lessons from Mavericks: Staying Big by Acting Small*, BCG PERSPECTIVES (June 17, 2013), https://www.bcgperspectives.com/content/articles/growth_business_unit_strategy_lessons_from_mavericks_staying_big_by_acting_small/ ("[M]any large corporations find themselves looking over their shoulders for the next disruption—the iPhone equivalent that could reshape their industry. In many cases, these disruptions come from *mavericks*—small outlier companies that think and act differently from incumbents.")

[107] *See* WILLIAM M. LANDES & RICHARD A. POSNER, THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW 294-96 (2003).

[108] Presumably there are costs associated with fixing a design, though minimal.

[109] 17 U.S.C. § 102 (2012).

[110] US COPYRIGHT OFF., FEE SCHEDULE (2014), http://copyright.gov/about/fees.html.

[111] *See e.g.*, Note, *The Devil Wears Trademark: How the Fashion Industry Has Expanded Trademark Doctrine to Its Detriment*, 127 HARV. L. REV. 995, 1013 (2014) (discussing the inherent bias in trademark law towards well-known, famous brand names over emerging designers in the context of fashion design which is considered to be product design).

companies receive rights faster and are better able to shoulder the financial burden. Product design, the primary vehicle for trademark industrial design protection, may but does not need to be registered in order to receive rights.[112] Registered or unregistered, product design requires a showing of acquired distinctiveness. In registering a product design, "[a]pplicants face a heavy burden in establishing [acquired] distinctiveness…."[113] Ordinarily, five years of exclusive use is sufficient to establish acquired distinctiveness; however, for trade dress five years of exclusive use is not sufficient, as an applicant must have "actual evidence" the mark is perceived as an indicator of source.[114] This has required showing up to twenty-four years of exclusive use.[115] Showing acquired distinctiveness during litigation is fact-intensive, requiring a multi-factor analysis.[116] Factors can include the amount and manner of advertising, the volume of sales, and costly consumer surveys.[117] Thus, costs of product design protection include any applicable registration fees plus the substantial and necessary costs of advertising, voluminous sales, and consumer surveys.

Bigger companies can meet these factors within a few hours of release. A company such as Apple releases a product on the market and acquires instantaneous secondary meaning.[118] A smaller company producing furniture in upstate New York will have a substantially harder time proving acquired distinctiveness through an analysis that looks to the volume of sales and the geographic extent of advertising. Bigger companies can also more readily afford the costly consumer surveys. Trademark protection lasts indefinitely and trade dress protection may be particularly harmful to competitors, providing possible justifications for this tremendous standard.[119] However, other potentially

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[112] 15 U.S.C. § 1125(a) (2012).

[113] TMEP § 1202.02(b)(i) (8th ed. 2011).

[114] 15 U.S.C. § 1052(f) (2012) (allowing five years of exclusive use as prima facie case of acquired distinctiveness; TMEP § 1212.05(a) (8th ed. 2011) (explicitly requiring a higher showing for product design).

[115] *In re* The Black & Decker Corp., 81 USPQ.2d 1841, 1844 (TTAB 2006).

[116] Frosty Treats, Inc. v. Sony Comput. Entm't Am., 426 F.3d 1001, 1003-06 (8th Cir. 2005).

[117] *Id.*

[118] Apple sold nine million iPhone 5s across the globe within three days of launch. *See* APPLE, *First Weekend iPhone Sales Top Nine Million, Sets New Record*, http://www.apple.com/pr/library/2013/09/23First-Weekend-iPhone-Sales-Top-Nine-Million-Sets-New-Record.html.

[119] The underlying justification for heightened showing of source distinctiveness in product design is routed in a competitive needs analysis, similar to functionality. Wal-mart Stores, Inc.v. Samara Bros., Inc., 529 U.S. 205, 206 (2000) ("With product design … consumers are aware of the reality … that [the] feature is intended … to render the product itself more useful or more appealing.")

competition-limiting trademarks, such as surnames, are not required to show "actual evidence" of acquired distinctiveness, suggesting such a costly and prolonged rights acquisition period is inconsistent and perhaps unwarranted.[120]

Design patents, which are the most fitting U.S. regime for industrial design protection, have significant costs, though less than trademark. Design patent registration fees range from about $1,000 to $2,000.[121] The primary issue with design patents is the examination period. Because design patents are within the same statutory framework as utility patents, they are subject to a regimented examination process that results in an average right acquisition period of fifteen months.[122] For consumer electronic companies like Apple and Samsung who are producing new models on an annual basis, receiving an exclusionary right fifteen months after release results in near-zero benefit. Designers can initiate registration before public release of their product. Design patents are not published, unlike utility patents, so competitors are not immediately tipped off to future designs.[123] However, if the product is being produced and released within a matter of months, the acquisition period will still overlap significantly with the sales period, rendering the design vulnerable to copying for the majority of the fifteen-month period.

Delays are harmful to industrial design protection because they question the usefulness of the current system for incentivizing innovation. Costs create a bias towards larger design businesses, disadvantaging an entire segment of innovation. These points fit into a larger criticism of how well U.S. industrial design protection achieves the policy objective of incentivizing external appearances while leaving the functional aspects to utility patent law.

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[120] TMEP § 1212.05(a) (8th ed. 2011) ("For most surnames, the statement of five years' use will be sufficient to establish acquired distinctiveness.")

[121] The USPTO maintains a variable fee schedule. Small entities and micro entities receive a substantially reduced fee schedule. A micro entity can receive a design patent for less than $1,000. USPTO, FEE SCHEDULE (Mar. 1, 2015), http://www.uspto.gov/learning-and-resources/fees-and-payment/uspto-fee-schedule - Patent Fees.

[122] *See* 35 U.S.C. § 171 (2012) (subjecting design patent rights to the same conditions and requirements as utility patents); USPTO, DESIGN PATENTS REPORT: JANUARY 1989 – DECEMBER 2014 at 1 (Mar. 2015), http://www.uspto.gov/web/offices/ac/ido/oeip/taf/design.pdf (indicating an average of fifteen-months from application to design patent grant).

[123] 35 U.S.C. § 122(b)(2) (2012).

II
ALTERNATIVE AVENUES OF INDUSTRIAL DESIGN PROTECTION

In asserting these three criticisms, commentators frequently suggest the U.S. adopt a *sui generis* regime for industrial design protection, which means that such protection would no longer fall into any of the three regimes exclusively, but would exist in some independent form.[124] This approach has been used in the U.S. for architecture,[125] boat hulls,[126] and semiconductors.[127] These industry-specific regimes are most similar to copyright protection with modifications to meet the specific needs of the industry. Reform adequate to meet the range of subject matter under industrial design would require a more significant shift. The European Community enacted legislation creating a uniform design right effective incrementally in 2002 and 2003.[128] This system is offered as an ideal model for U.S. industrial design protection because it would address variable functionality, the effects of inadequate protection, as well as our cost and time prohibitions.[129]

A. European Community Framework

In response to challenges enforcing design rights across the former European Community (now the European Union (EU)), the European Community enacted a Community-wide legal regime to protect industrial design and ensure investments in innovative designs.[130] At the time of enactment, member states had various

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[124] *See* Brean, *supra* note 14, at Section IX; Frenkel, *supra* note 9, Section VI; Mahmood, *supra* note 45; Monseau, *supra* note 8; J.H. Reichman, *Past and Current Trends in the Evolution of Design Protection Law—A Comment*, 4 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 387, 397 (1993); Eric Setliff, *Copyright and Industrial Design: An "Alternative Design" Alternative*, 30 COLUM. J.L. & ARTS 49, 71-76 (2006).

[125] 17 U.S.C. § 102(a)(8) (2012).

[126] 17 U.S.C. § 1301 (2012).

[127] 17 U.S.C. §§ 901-914 (2012).

[128] Unregistered Community Design (UCD) became automatically protected across the EU as of March 6, 2002. Registered Community Design (RCD) could be applied for as of January 1, 2003. Christopher M. Aide, *The Community Design: European Union-Wide Protection for Your Design Portfolio*, 1 NW. J. TECH. & INTELL. PROP. 35-36 (2003), *available at* http://scholarly commons.law.northwestern.edu/njtip/vol1/iss1/2.

[129] *See* Brean, *supra* note 14, at 374-81; Frenkel, *supra* note 9, at 565-71; Mahmood, *supra* note 45, at 580-82; Monseau, *supra* note 8, at 537-43; Setliff, *supra* note 124, at 71-76.

[130] Aide, *supra* note 128; *see also Commission Proposal for Implementing the Community Lisbon Programme*, at 7, COM (2005) 488 final (Oct. 12, 2005) ("Most high-technology companies consider intellectual property (IP) to be their most valuable asset. Effective and efficient protection of IP is essential for research and innovation. . . . The EU therefore needs an

levels and qualities of industrial design protection, resulting in uncertain legal rights for designers.[131] To address these issues, the EU harmonized member states' laws and enacted a parallel uniform regime at the EU level.[132] Jurisdiction over Community Designs resides in the OHIM.[133]

EU's Community Design protection comes in two varieties: registered and unregistered. Designs are automatically protected at the time of their public release under the Unregistered Community Design (UCD). However, UCD protection lasts just three years from the date of the design's first disclosure in the EU, and only provides protection against intentional copying.[134] A Registered Community Design (RCD) is renewable up to twenty-five years from the date of filing and provides protection from both intentional and good-faith infringement.[135] A grace period is offered, such that designers have up to a year from initial disclosure within the EU to file for a RCD.[136] While the UCD is free, the RCD costs €350 per design with discount rates for multiple applications.[137]

Both UCD and RCD offer uniform protection throughout the EU and cover a broad scope of designs. Article 3 of the Design Regulation covers "[t]he appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation."[138] OHIM interprets this language to cover nearly all industrial designs except for computer programs. Examples of eligible designs include: product packaging, a product itself, parts of products, logos,

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affordable, legally secure and user-friendly system of IP protection if it is to attract high-technology companies.")

[131] Aide, *supra* note 128, at 35-36.

[132] 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 298) 28 [hereinafter "Design Directive"], *available at* https://oami.europa.eu/tunnel-web/secure/webdav/guest/document_library/contentPdfs/law_and_practice/cdr_legal_basis/EUR-Lex - 31998L0071_en.htm ; Council Regulation (EC) 6/2002, Dec. 12, 2001 on Community Designs, 2002 O.J. (L 3) 1 [hereinafter "Design Regulation"], *available at* https://oami.europa.eu/tunnel-web/secure/webdav/guest/document_library/contentPdfs/law_and_practice/cdr_legal_basis/62002_cv_en.pdf.

[133] The EU also offers Community Trademark protection, which OHIM also oversees. Similar to the U.S. trademark and design patent system, there are overlaps in coverage. This note will focus on the UCD/RCD system.

[134] OHIM, *Designs in the European Union: Protection* (last visited Mar. 18, 2015), https://oami.europa.eu/ohimportal/en/designs-in-the-european-union.

[135] *Id.*

[136] *Id.*

[137] *Id.*

[138] Design Regulation, *supra* note 132, art. 3.

computer icons, typeface, maps and "get-ups" such as store design.[139] The design must be new and possess individual character, but both parameters are defined favorably for the designer. Only identical or immaterially different designs are considered non-novel.[140] Individual character requires that the design must simply create a different overall impression on the "informed user"[141] from any single design previously disclosed.[142] Individual character also defines the scope of protection. A subsequent design is considered infringing if it produces the same overall impression on an "informed user."[143] Exceptions to protectable subject matter include computer designs, aspects of the product not seen during normal use, and those features "dictated solely by a technical function."[144]

B. The European Community Framework: A Solution to Design Rights

The EU's UCD/RCD system offers two primary benefits as compared to U.S. industrial design protection. The first is substantive. The broad scope of protection and uniform application throughout all member states reduces uncertainty over what subject matter the right covers and where the right can be enforced. Clarity and broader geographic enforcement produce a larger incentive to innovate.[145] The second advantage is procedural. The immediate protection assigned to any public design within the EU with the option to seek out a broader right under cheap and quick procedures removes the U.S. hurdles of prolonged acquisition periods and bias towards larger companies.[146]

Through creation of a uniform standard of design protection and more importantly a uniform definition of what is *not* covered, the issues associated with

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[139] OHIM, *Design Definition*, (last visited Mar. 18, 2015), https://oami.europa.eu/ohimportal/en/design-definition.

[140] Design Directive, *supra* note 132, art. 4; Design Regulation, *supra* note 132, art. 5.

[141] Design Directive, *supra* note 132, art. 5; Design Regulation, *supra* note 132, art. 6.

[142] Karen Millen Fashions Ltd. v. Dunnes Stores, [2014] E.C.D.R. (17) ¶ 35.

[143] Design Regulation, *supra* note 132, art. 10.

[144] Design Directive, *supra* note 132, art. 1 (defining "product" to cover a variety of designs, "but excluding computer programs"); *Id.* at art. 7(1) ("A design right shall not subsist in features of appearance of a product which are solely dictated by its technical function."). *See also id.* at art. 3(3)(a) (stating that "[c]omponent parts of a complex product which are not visible during normal use" are also excluded from protection); Design Regulation, *supra* note 132, arts. 3, 8, 4(2)(a).

[145] The OHIM indicates that design is responsible for €35 billion in annual turnover. OHIM, *Design Value* (last visited Mar. 18, 2015), https://oami.europa.eu/ohimportal/en/rcd-value.

[146] OHIM, *Registration Process* (last visited Mar. 19, 2015), https://oami.europa.eu/ohim portal/en/rcd-registration-process ("Most online filings are registered within a couple of days.").

varying functionality tests disappear. No longer must designers weigh the cost and benefits of various regimes, trying to squeeze their creation into an incongruent IP framework. Designers and copyist alike are clear on what is protected and the extent of that protection. Additionally, the narrow definition of functionality, "dictated solely by a technical function,"[147] increases the overall protection granted.

A uniform and clear level of protection also removes the effects of varying standards. Specifically, it increases the incentives to innovate. There is empirical evidence to suggest the EU's uniform protection is resulting in less copying, increased innovation, and increased investment. EU Customs has reported a decreasing number of confiscated counterfeit articles since 2007.[148] Between 2008 and 2013 there was a total decrease of over 160,000 confiscated articles.[149] This suggests there is less infringing conduct occurring within the EU, to the extent a measure of import and export is representative of internal activity. OHIM reports that registrations total about 80,000 each year.[150] The U.S. reported a total of 23,468 registered design patents in 2013.[151] While design registration may not be representative of total design innovation, it suggests the EU system is at least relied upon more heavily than the U.S. system, even after correcting for population differences.[152] Through the international system of design right registration established by the Hague Agreement, the EU is the most highly preferred place of registration.[153] The EU saw a 9.7% increase in Hague registration from 2011 to 2012, while the entire system saw only a 3.3% increase in registrations.[154] This suggests that the preferred venue of those designers seeking protection internationally is the EU. Because the Hague Agreement only provides a

[147] Design Directive, *supra* note 132, art. 7; Design Regulation, *supra* note 132, art. 8.

[148] EU COMM'N TAXATION AND CUSTOMS UNION, *Facts and Figures* (last visited Mar. 19, 2015), http://ec.europa.eu/taxation_customs/customs/customs_controls/counterfeit_piracy/statistics/.

[149] *Id.*

[150] OHIM, *Designs* (last visited Mar. 19, 2015), https://oami.europa.eu/ohimportal/en/designs ("At OHIM we register around 80 000 designs a year.")

[151] USPTO, *supra* note 122, at 3.

[152] At the time of writing, the US has a population of around 318 million. The EU's inhabitants total around 500 million. If U.S. registrations were proportional we would expect to see around 50,000 design patent registration. Because design rights are territorial and the U.S. has a significant, if not the most significant, consumer population, you would expect to see increased registration in the U.S. from international designers looking for design rights over products sold in the U.S.

[153] WIPO, 2013 HAGUE YEARLY REVIEW: INTERNATIONAL REGISTRATION OF INDUSTRIAL DESIGN 6 (2014), *available at* http://www.wipo.int/edocs/pubdocs/en/designs/930/wipo_pub_930_2013.pdf.

[154] *Id.*

procedural mechanism to register in multiple countries, the substantive rights of each nation where application is filed apply. Thus, these statistics demonstrate that the EU is receiving a disproportionate amount of innovation, and it can be inferred that this is due at least in part due to its substantive design rights.

Procedurally, the UCD/RCD system provides parity among designers. Because a baseline of protection is automatically granted upon a design's public disclosure, with a reasonable charge of €350 for additional rights,[155] small designers are not disadvantaged in rights acquisition. Automatic rights through the UCD and a one-year grace period for the RCD remove delays and allow rapidly innovating industries to actually benefit from the right. The OHIM also has limited examination procedures, so RCD application examination is significantly quicker than U.S. design patent examination.[156] An OHIM examiner only reviews an RCD application for compliance with the definition of a design and whether the design is against public policy or morality.[157] Evaluations of validity, e.g., novelty and individual character, occur only upon third-party initiation.[158] As a result, the average acquisition period for a RCD is a couple of days.[159]

The EU has succeeded in providing a uniform right for all forms of design, offering an expansive scope of protection both substantively and geographically. Because the definition of design is limited to only those aspects of a product seen during normal use, the regime is aligned with the policy objectives of incentivizing the innovation of external appearances and leaving internal functional innovation to patent law. The EU system has also greatly reduced hurdles to protection and provides some protection at zero cost. This allows all industries and designers of all sizes to enjoy the right.

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[155] OHIM, *supra* note 134.

[156] *See generally* OHIM, EXAMINATION OF APPLICATION FOR REGISTERED COMMUNITY DESIGNS §4 (Jan. 1, 2014), *available at* https://oami.europa.eu/tunnel-web/secure/webdav/guest/document_library/contentPdfs/law_and_practice/designs_practice_manual/WP/examination_of_applications_for_registered_community_designs_en.pdf (explaining the substantive requirements of examination).

[157] *Id.* at §§ 4.1-4.2. Examiners also determine if the application has met formal requirements by reproducing a proper image of the design and if it has provided identifying information. *Id.* at §§ 5, 6.

[158] *Id.* at § 13.3.

[159] OHIM, *supra* note 146 ("Most online filings are registered within a couple of days."). Compare to the U.S. examination period of fifteen-months. USPTO, *supra* note 122.

III
DEFENSE OF U.S. INDUSTRIAL DESIGN

The EU's substantive and procedural benefits appear to address the primary criticisms of the U.S. system. At first glance, the argument for U.S. adoption of an industrial design regime similar to the EU's regime appears worthy. Yet, a closer look at the positive state of protection and each system's theoretical underpinnings suggests that the U.S. system provides a broader right to designers. This note challenges the notion that U.S. industrial design protection is undermined by the functionality doctrine and asserts that the incentives to innovate are properly calibrated to both produce design innovation and maximize public benefit. Proceeding, this note will focus on the U.S. design patent as the basis for defending U.S. industrial design protection. Of the three regimes discussed, it is the most closely aligned with industrial design objectives. While trademark and copyright offer alternative routes to protection, design patent offers the greatest scope of protection and therefore supplies the strongest defense.

A. Enforcement is Definitive of IP Rights

The benefits of the EU's uniform industrial design rights are significant. However, a right is only as strong as the ability to enforce it. This is particularly true in IP, where the only right conferred is the ability to exclude others from using your invention, mark, or copyright. A limitation on the ability to effectively exclude others from using the protected IP is a limitation on the right. As applied to the UCD/RCD system, inconsistency in judicial application of the design right undermine its uniformity and geographic scope.

The initial litigation between Apple and Samsung provides a strong example of variable enforcement narrowing a broad right.[160] The litigation spanned ten different countries, six of which are members of the EU, but only Germany provided Apple with any relief.[161] A right that was supposed to be EU-wide was effectively diminished to a right in an area smaller than the state of Texas. This is due in large part to divided jurisdiction. Validity of community design claims can be adjudicated in any EU member states' Community design court or at the

[160] Suits were filed by either Apple or Samsung in Australia, France, Germany, Italy, Japan, the Netherlands, the United Kingdom, South Korea and Spain. *See* sources cited *supra* note 5.

[161] This note will focus on the first round of lawsuits marked by Apple's April 15, 2011 complaint filed in the Northern District of California. Complaint for Patent Infringement, Apple, Inc. v. Samsung Elecs. Co., Ltd., No. CV-11-1846-LB (N.D. Cal. Apr. 15, 2011).

OHIM.[162] Each court is meant to apply the uniform EU law; however, each jurisdiction has its own body of developed case law which guides its application, as well as residual notions of design rights from pre-existing national design regimes.[163] The result is discrepancies across jurisdictions. Regardless of what may be said as to the validity of Apple's design rights, any conceptual advantage of the EU's Community-wide uniform standard is severely diminished when enforcement occurs in multiple independent jurisdictions.

In the EU, Apple registered the design of its iPad with the OHIM in May 2004.[164] By 2011, Apple and Samsung had brought claims against each other in six EU countries, but suits in only four of these countries concerned Apple's registered design right.[165] Those four countries were the Netherlands, Germany, the United Kingdom, and Spain.[166] The fact that Apple did not assert design rights in all EU jurisdictions immediately suggests that the design right is recognized as having varying strength across jurisdictions.[167] Each country's approach to design rights before adoption of the Community design right is one explanation for such a result. Germany, for example, has a history of strong design rights. Germany also enforced Apple's RCD to the greatest extent, initially issuing a EU-wide preliminary injunction.[168] The United Kingdom on the other hand, has not historically viewed design rights with much deference, which some professionals suggests is the reason for the ultimate finding of non-infringement in the English and Wales Court of Appeals.[169] Each country's pre-existing view on the proper strength of a design right limits the uniformity of the design right and undermines its enforcement.

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[162] Graeme B. Dinwoodie et al., TRADE DRESS & DESIGN LAW, 2014-15 SUPPLEMENT at 12 (2014), *available at* Ch 8 of http://www.designlawbook.org/warehouse/supplements/2014-15/2014-15 Supplement to Trade Dress %26 Design Law %28Aspen 2010%29.pdf.

[163] *Id.* at 11 (discussing continual national protection for unregistered rights).

[164] OHIM RCD No. 000181607-0001 (filed. May 24, 2004).

[165] Apple asserted its design right in the Netherlands, the United Kingdom and Germany. Samsung also challenged the RCD validity in the OHIM invalidity division located in Spain. OHIM, Decision of the Invalidity Division, Samsung Elecs. Co., Ltd. v. Apple Inc. (May 7, 2011) (No. ICD 8539)

[166] France and Italy where the two remaining EU countries where either party filed claims, but did not raise design rights.

[167] Dennis Crouch, *UK Appellate Court Confirms Pan-European Win for Samsung on iPad Community Design Charges*, PATENTLYO.COM (Oct. 18, 2012), http://patentlyo.com/patent/2012/10/apple-samsung-european-community-design.html.

[168] *See id.* (asserting German's stronger support for design rights as compared to the UK's support for design rights).

[169] *See generally* Samsung Elecs. Ltd. v. Apple Inc. [2013] ECDR 2 (CA).

The conflict between the United Kingdom's finding of non-infringement and the initial preliminary injunction issued by Germany highlights the additional hurdle of community-wide enforcement. Certain courts, designated by each EU country, and referred to as Community design courts enjoy jurisdiction over design right enforcement.[170] Jurisdiction exists in three successive tiers. Primary jurisdiction is given to a Community design court in a defendant's country of domicile or place of establishment. If a defendant does not have a domicile or an establishment in the EU, then jurisdiction exists in the country where the plaintiff is domiciled or has an establishment. If neither plaintiff nor defendant are domiciled, or have an establishment in the EU, then jurisdiction lies in Spain, where the OHIM is located.[171] Community design courts have EU-wide subject matter jurisdiction and therefore can issue EU-wide determinations.[172] While enforcement jurisdiction appears to be neatly defined, *any* court in the member state may have preliminary relief jurisdiction, such as over preliminary injunctions.[173] There is nothing in the Design Regulation to determine a hierarchy for preliminary injunction procedures and courts are free to apply national laws,[174] which may exacerbate effects of prior national jurisprudence on design laws. Despite the temporary nature of preliminary injunctions, they are quite powerful mechanisms. They give prevailing parties leverage in settlement negotiations,[175] and can result in relatively long-term exclusions of potentially infringing goods.[176] Thus, permitting concurrent jurisdiction over preliminary relief in design rights effectively permits conflicting results in design right enforcement. The litigation between Samsung and Apple showcases this dysfunction, in which enforcement of the design right is effectively limited.

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[170] Design Regulation, *supra* note 132, art. 80. If a country has not designated a Community design court, national courts that normally handle design cases will have jurisdiction over Community design claims. *Id.*

[171] *Id.* at art. 82.

[172] *Id.*

[173] *Id.* at art. 90.

[174] *See* Florian Mueller, *Galaxy Tab 10.1 Injunction Suspended for all EU Countries Except Germany*, FOSS PATENTS (Aug. 16, 2011), http://www.fosspatents.com/2011/08/galaxy-tab-101-injunction-suspended-for.html (discussing the Germany district court's temporary suspension of enforcement on the EU-wide Tab 10.1 injunction on Korean Samsung for lack of jurisdiction).

[175] PRACTICAL LAW CO., *Global Litigation Mapping* 5 (2012).

[176] In the Apple v. Samsung litigation, Samsung designed around country specific preliminary injunctions within a matter of months suggesting the preliminary injunction costs were substantial enough to justify a new design that otherwise would not be issued. *See* Florian Mueller, *Apple Won Preliminary Injunction in Germany Against Three Different Galaxy Tabs*, FOSS PATENTS (Nov. 29, 2011), http://www.fosspatents.com/2011/11/apple-won-preliminary-injunctions-in.html.

Compare the litigation in the U.S., where enforcement of the design rights was uniform nationwide. The Federal Circuit ultimately affirmed Samsung's infringement of Apple's three design patents and three utility patents.[177] The Court rejected Samsung's argument that functional aspects should be excluded from the right for purposes of infringement analysis and found Apple's exclusionary right to include the contested "rectangular form and rounded corners" as part of the design right.[178] The Federal Circuit's decision was binding not only on the trial court in the Northern District of California, but nationwide. While disputed designs in the U.S. surrounded the iPhone,[179] and the disputed designs in the EU regarded the iPad,[180] the litigations showcase comparative uniformity in enforcing design rights between the U.S. and the EU.[181]

The Community design right's uniformity throughout the EU may theoretically increase the scope of the right and its geographic enforceability; however, the right is limited by the institutions that enforce it. Independent and concurrent jurisdiction severely limits the proposed uniformity. It is only a matter of time before registrations both within the EU and through the Hague system

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[177] *See generally* Apple, Inc. v. Samsung Elecs. Co., Ltd., 786 F.3d 983 (Fed. Cir. 2015).

[178] *Id.* at 20.

[179] U.S. Patent No. D'618,677 (filed Nov. 18, 2008); U.S. Patent No. D'593,087 (filed Jul. 30, 2007); U.S. Patent No. D'604,305 (filed Jun. 23, 2007).

[180] OHIM RCD No. 000181607-0001 (filed. May 24, 2004).

[181] It is important to note that had complaints brought by Samsung against Apple in the International Trade Commission (ITC) been successful, Samsung could have effectuated a preliminary injunction on Apple products independent of the proceedings in the Northern District of California. However, only Samsung utility patents were at issue in the ITC proceeding. In the Matter of Certain Mobile Electronic Devices, investigation no. 337-TA-794 (2011). The ITC did find against Apple for infringing Samsung's patent. Two days before the order was implemented, the President exercised his veto power and prevented the injunction from taking effect. U.S. TRADE REPRESENTATIVE Letter to INTERNATIONAL TRADE COMMISSION (August 3, 2013), *available at* http://www.scribd.com/doc/157894184/13-08-03-USTR-Letter-Vetoing-ITC-794-Exclusion-Order. The ITC never made a determination on Apple's design rights, so enforcement of the design rights remained uniform within the U.S. Apple did file a separate claim against Samsung with the ITC. Seven days after President exercised his veto power, the ITC issues a preliminary injunction against Samsung phones on the basis of Apple utility patent rights. Apple did assert two design patents as well; however, no determination was made as to the design rights. INTERNATIONAL TRADE COMMISSION, Notice of Commission's Final Determination Finding a Violation of Section 337 (August 9, 2013) *available at* http://www.usitc.gov/secretary/fed_reg_notices/337/337_796_Notice08092013sgl.pdf. The ITC's reluctance to make a determination on design rights while the same rights were being adjudicated by an Article 3 court implies that through respect of Article 3 jurisdiction, enforcement of rights are channeled to a single body and uniform enforcement is ensured.

begin to reflect the limitations on enforcing the Community design right throughout the EU. The reputation of the EU's framework has benefited from theoretical arguments,[182] but the positive extent of the rights cannot be ignored.

B. The U.S.'s Broad Design Right

Not only is the EU's design enforcement limited as compared to the U.S.'s design patent enforcement, but the EU right is also substantively narrow. Community design rights are much akin to the narrow protection of copyright. Comparatively, the U.S. design patent grants rightholders broad exclusionary rights. I argue that due to the nature of designs and an inability to precisely define the bounds of a design right, any design right tends to be either narrow or quite broad.[183] The EU has chosen an easy-to-obtain but narrow right, while the U.S. has chosen a broad exclusionary right in exchange for a more significant innovation requirement. Even taking into account the portion of designs that functionality excludes from design patent protection, the overall scope of the design right in the U.S. is broad. Thus, the criticisms that U.S. design rights are too limited and effectively decrease incentives to innovate are greatly marginalized, if not rebutted, under this analysis.

Going forward, broad scope is used to refer to the scope of the right conferred, meaning the scope of subsequent designs that the right can be used to exclude. The following example may be illustrative: if design X is made up of five components, a narrow right protects only those five components in X's specific context. A broad right defines the design not just by those five components, but as a sum greater than those parts. In broad exclusionary rights, design X can prevent products that have less than those five components, but still maintain the same overall appearance. A broad exclusionary right can also prevent similar designs in an alternate context.

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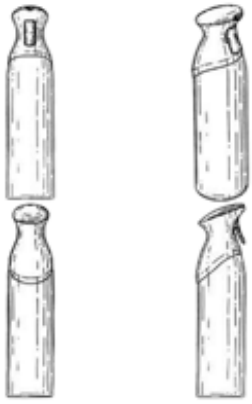
[182] *See* discussion *supra* Part II.

[183] *See* Annette Kur, *TRIPS and Design Protection*, *in* FROM GATT TO TRIPS: THE AGREEMENT ON TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS 141, 144-56 (Beier & Schricker eds., 1996), *quoted in* DINWOODIE ET AL., INTERNATIONAL INTELLECTUAL PROPERTY LAW & POLICY at 398 (2d ed. 2008) (describing three routes to design protection: (1) extending protection only to objects whose "raison d'être" is to be visually appealing, (2) extending protection for all designs unless they are improving a functionality, and (3) extending protection to all designs unless there is no other option to achieve a specific function).

1. Comparative Protection in the U.S. and the EU

In both the EU and the U.S., the respective IP regimes calibrate the breadth of a right to the rigorousness of the regime's standards.[184] Regimes that require a more rigorous showing of innovation tend to grant a broad right.[185] Those regimes that only require a *de minimis* showing of innovation confer a narrower right.[186] The EU's Community design right is automatic, attaching simultaneously with public disclosure.[187] The originality required to obtain a design right is marginal,[188] and procedures for registration are a similarly marginal hurdle to increased protection.[189] Logically then, a design right confers a narrow right. Only those designs that produce the same "overall impression…on the informed user" will be precluded.[190] While such language sounds rather broad, in practice the standard creates a narrow right. Below are two images. On the left is a "Febreze" sprayer protected by Procter & Gamble's RCD. The "Air Wick" sprayer on the right was accused of infringement. Applying EU Community design law, the English and Wales Court of Appeals found that the accused design did not infringe despite the noticeable similarities.[191]



P&G RCD 97969-0001

Non-infringing

[184] *See* discussion *supra* Part II.

[185] LANDES & POSNER, *supra* note 107.

[186] *Id.*

[187] OHIM, *supra* note 134.

[188] Novelty and individual character are required and are easily met. *See* sources cited *supra* notes 140-42.

[189] Only compliance with the definition of a design and public morality are evaluated. *See* OHIM, *supra* note 156.

[190] Design Regulation, *supra* note 132, at art. 10. A designer's degree of freedom is also considered; however, as discussed below this provides minimal limitations.

[191] Procter & Gamble Co. v. Reckitt Benckiser Ltd., [2007] EWCA (Civ) 936 (Eng.).

Conversely, U.S. design patents provide a broad exclusionary right following a rather extensive examination procedure, lasting on average fifteen months.[192] The exclusionary right conferred by a design patent is gestaltist, covering a design's overall appearance and designs in novel contexts.[193] Design patent infringement is defined to include designs which "an ordinary observer" familiar with the prior art designs, would be deceived into purchasing thinking it is the same as the patented design.[194] Although the design right itself is limited to the drawings contained in the application, an infringing design need not be an exact replica,[195] nor in the original context.[196] The Federal Circuit, in *Egyptian Goddess v. Swisa*, specifically overruled an infringement analysis known as "point of novelty" because it was providing too much focus on the novel elements and not the overall design.[197] This infringement analysis has been applied to find a Crocs' design patent infringed by a shoe with overall similar external appearance but with different hole designs, hole arrangements, and toe shapes.[198] Reproduction of the Crocs design and the infringing product are shown below, as well as the Samsung graphical user interface (GUI) which was found to infringe Apple design patent.[199] It is clear from these examples that minor differences are not prohibitive of an infringement finding.

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[192] USPTO, *supra* note 121, at 1; MPEP § 1504 (detailing the elements of design patents examination which include evaluations on (1) statutory subject matter, (2) novelty, (3) nonobviousness, (4) definiteness, (5) general restrictions, (6) double patenting and (7) priority).

[193] Gestalt theory states the whole is greater than its parts, suggesting the totality of perception is something independent of the parts. ENCYCLOPEDIA BRITANNICA, *Gestalt Psychology* (Nov. 11, 2014), http://www.britannica.com/EBchecked/topic/232098/Gestalt-psychology.

[194] Gorham v. White, 81 U.S. (14 Wall.) 511, 524 (1872). The statutory provision on design patent infringement is the same as utility patent infringement. 35 U.S.C. § 271 (2012).

[195] OddzOn Prods., Inc. v. Just Toys, Inc., 122 F.3d 1396, 1406 (Fed. Cir. 1997) ("It is the appearance of a design as a whole which is controlling in determining infringement. There can be no infringement based on the similarity of specific features if the overall appearance of the designs are dissimilar.")

[196] MPEP § 1504.01(a) ("We do not see that the dependence of the existence of a design on something outside itself is a reason for holding it is not [patentable subject matter.]" (quoting *In re* Hruby, 373 F.2d 991, 1001, 153 USPQ 61, 66 (C.C.P.A. 1967)); *see also* William J. Seymour & Andrew W. Toorance, *(R)evolution in Design Patentable Subject Matter: The Shifting Meaning of "Article of Manufacture"*, 17 STAN. TECH. L. REV. 183, 209-10 (2013) (discussing CGIs design patent eligibility and their protection across different contexts).

[197] Egyptian Goddess, Inc. v. Swisa, Inc., 543 F.3d 655 (Fed. Cir. 2008).

[198] Int'l Seaway Trading Corp. v. Walgreens Corp., 589 F.3d 1233 (Fed. Cir. 2009).

[199] Apple, Inc. v. Samsung Elecs. Co., Ltd., 920 F. Supp.2d 1079 (N.D. Cal. 2013).

2. The Design Dichotomy

U.S. design patents tend to create broad exclusionary rights, while EU design rights create a narrow right. This dichotomy in high and low protection can be explained by the uniquely challenging nature of defining the parameters of design protection. If words are at times challenging for courts, illustrations of designs are even more difficult to define precisely.[200] Because of the difficulty in defining what is embodied in a visual depiction, and therefore to what extent other designs can be excluded, nuanced analysis of design infringement is futile. Either anything slightly different does not infringe, or some differences in other designs still constitute infringement.[201] Moving from no differences to some differences results in wide discretion for "the eye of an ordinary observer" to determine the scope of rights.[202] Drawing parameters on scope, such as by dictating that a one component deviation is permissible and a two component deviation is not, requires a specific definition of a component. Even the U.S. Supreme Court in *Egyptian Goddess v. Swisa* recognized the futility of such a task.[203] Design is inherently resistant to being broken into discrete parts, so a measure must either be true to the exact image or feature some deviation.[204]

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[200] *See generally* Rebecca Tushnet, *The Eye Alone is the Judge: Images and Design Patents*, 19 J. INTELL. PROP. L. 409 (2012) (discussing the challenges of reducing visual images to IP rights).

[201] *Cf.* Egyptian Goddess, 543 F.3d at 678 (allowing an infringement analysis "when the claimed and accused designs are not plainly dissimilar") *with* Procter & Gamble Co. v. Reckitt Benckiser Ltd., [2007] EWCA (Civ) 936 (Eng.).

[202] Gorham Co. v. White, 81 U.S. (14 Wall.) 511, 528 (1871).

[203] Egyptian Goddess, 543 F.3d at 679 (recognizing the challenges of defining design components because "a description would probably be intelligible without the illustration").

[204] Tushnet, *supra* note 200.

3. Rationale for Broad U.S. Design Right

Deciding to grant design patents some deviations in enforcement instead of a more discrete range is the result of U.S. innovation objectives.[205] Similar to the incentive scheme for utility patents, which views the patent monopoly as a prize for significant advancements in function, design patents reward design innovation with an exclusive right. Design patent's statutory placement in the utility patent framework confers on design law the same underlying objectives.[206] Both patent schemes ensure large steps in innovation by employing high standards for patentability. Namely, the high obviousness standard requires that a design be sufficiently innovative beyond prior designs to receive protection. The requirement that a design be novel as compared to a combination of several prior designs makes it harder to gain a design patent than if the design were compared to just a single prior design.[207] The rationale for the U.S.'s higher obviousness requirement can be traced back to the nation's Founders. Thomas Jefferson, Founding Father and former Secretary of State,[208] rejected the natural rights justification for patent monopolies, partly due to the Revolution which was catalyzed by a tea monopoly.[209] Justice Clark explained that a patent monopoly "was a reward, an inducement, to bring forth new knowledge … Jefferson did not believe in granting patents for small details [or] obvious improvements."[210] Congress, in implementing the Constitution and this underlying policy, has stuck to Jefferson's intent by requiring more than an obvious improvement.[211] Today there is empirical evidence to suggest that setting such high standards does result in a psychological drive to meet those higher standards, and thus in larger innovative steps.[212]

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[205] Though some may argue it is simply a historical accident that design rights require similarly high standards as utility patents. *See* text accompanying *supra* note 32.

[206] *See also In re* Borden, 90 F.3d 1570, 1574 (Fed. Cir. 1996) (asserting design patents are subject to the same patentability conditions as utility patents).

[207] The more prior art that is admissible, the more elements that can be combined, making it less likely any design will be novel in light of combinations.

[208] As Secretary of State in 1789, Jefferson was on the first U.S. patent review board. ROBERT PATRICK MERGES & JOHN FITZGERALD DUFFY, PATENT LAW AND POLICY: CASES AND MATERIALS 610 (6th ed. 2013). His views on patent in particular are considered influential for this reason.

[209] Graham v. John Deere Co., 383 U.S. 1, 9 (1966).

[210] *Id.*

[211] *Id.*

[212] *See generally* Christopher J. Buccafusco et al., *Experimental Tests of Intellectual Property Creativity Threshold*, 91 TEX. L. REV. 1922 (2014).

In contrast, the EU's "individual character" standard only requires an "informed user"[213] to form a different "overall impression" in light of just one previous design.[214] The individual character standard takes into account the designer's degree of freedom in developing the challenged design.[215] The greater the designer's freedom, the more impactful minor differences are on overall impression.[216] Because a designer's freedom is generally found to be great,[217] the individual character standard is so easy to pass that a slight variance in design, such as the angle of the seat on an otherwise identical chair renders a design eligible for the RCD right.[218] Likewise, a markedly similar cartoon character may be found to have individual character based on a different facial expression.[219] Such an easily achievable innovation standard results in many designs being eligible for protection, but each design only receives a minimal exclusionary right.

The suggestion that the U.S. adopt the EU's system would require the U.S. to provide less substantive rights to more designs. As it stands in the U.S., fewer designs receive a greater scope of protection. Requiring a greater showing of

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[213] An informed user is defined as more informed than an ordinary consumer used in trademark law, and less informed than the person having ordinary technical skills used in patent law. An informed user knows the various designs in the sector and show a "relatively high degree of attention when using them." David Stone, *Ten Years of EU Design Law*, WIPO MAGAZINE (Dec. 2013), http://www.wipo.int/wipo_magazine/en/2013/06/article_0006.html.

[214] Karen Millen Fashions Ltd. v. Dunnes Stores, [2014] E.C.D.R. (17). *But see generally* ERIC VON HIPPEL, THE SOURCES OF INNOVATION 131-207 (1988) (finding technical advances are frequently in relatively small increments which provides an argument for a more narrow right conferral), *quoted in* ROBERT PATRICK MERGES & JOHN FITZGERALD DUFFY, PATENT LAW AND POLICY: CASES AND MATERIALS 610 (6th ed. 2013)).

[215] Design Regulation, *supra* note 132, art. 6(2).

[216] OHIM, *Community Design Case Law*, Regional Industrial Design Conference power point (2013), http://sztnh.gov.hu/hirek/kapcsolodo/TeophileMargellos.pdf.

[217] *See, e.g.*, Case R-2194/2010-3, Sinochem Ningbo Ltd. v. DELTA-SPORT Handelskontor, 2012 CURIA ¶ 25 (finding a wide degree of freedom in designing the size, seat shape, construction and materials of a rocking chair); Case R-12451/2009-3 & Case R-1452/2009-3, ANTRAX IT v. The Heating Co., 2010 CURIA ¶ 33 (finding the design of heating radiators to have a large degree of design freedom). *But see* Case R-979/2011-3, Heijan Yu v. Leina-Werke, 2012 CURIA ¶ 19 (finding traffic safety signs limited by Regulation No. 27 of the United Nations Agreement concerning the Adoption of Uniform Technical Prescriptions for Wheeled Vehicles, Equipment and Parts which can be Fitted and/or be Used on Wheeled Vehicles and the Conditions for Reciprocal Recognition of Approvals Granted on the Basis of these Prescriptions).

[218] Case T-339/12, Gandia Blasco, SA v. OHIM, 2014 CURIA.

[219] Case C-101/11 P, Neuman v. OHIM, 2012 CURIA ¶¶ 20–22; Case C-102/11 P, Neuman v. OHIM, 2012 CURIA ¶¶ 53-58.

innovation to obtain a design right ensures that only a segment of all designs receive protection. Those designs receiving the monopoly must surpass existing innovative designs, and presumably represent those designs that would not exist absent the monopoly right's inducement.[220] As a result, more designs are left unprotected and in the public domain. Designs that are taken from the public are justified by the need to incentivize their creation.[221] In combination with a high obviousness standard, a high tolerance for functional designs works to create a broad design right in the U.S.

The breadth of the design right is balanced against a strong public interest. Such balancing comes to us from Jefferson's reluctance to create a patent system. However, the EU and its members do not share this fundamental view of IP rights. Policy objectives of the EU do not take into account what the inventor must give to the public in order to enjoy the right. The EU's single-sided evaluation of rightholder's interests has a tendency to push rights too far. One recent example comes from Spain's updating of copyright principles in the online context. Spain adopted stringent licensing requirements for third party, partial reproductions of copyrighted material, which resulted in Google refusing to service the country.[222] Rightholders' interests were expanded by providing more copyright protection, but without considering the potential detriment to the public interest of losing online search engine access. By balancing rightholders interests against public interests, the U.S. refrains from overextending them.

Not only does the U.S. industrial design system offer a broader right through more uniform enforcement, it also provides a conceptually broader right. Criticisms of U.S. industrial design based on the narrowness of the right are unjustified from both a positive and a normative view.

IV
SUGGESTIONS TO ADVANCE PARITY AND PREVENT ABUSE

Although this note has addressed the criticisms on the scope of industrial design rights and incentives to innovate, the criticism regarding delay in and costs of protection still stands. Additionally, the *Apple v. Samsung* litigation has brought

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[220] MERGES & DUFFY, *supra* note 208, at 608-09 (describing the inducement standard and its support by the Supreme Court and within the law and economics literature).

[221] *Id.*

[222] Emily Greenhouse, *The Spanish War Against Google*, BLOOMBERG.COM (Dec. 12, 2014, 5:33 PM), http://www.bloomberg.com/politics/features/2014-12-12/the-spanish-war-against-google.

to the forefront a broad design right which was presumed extinct.[223] The breadth of this right is only justified by the rigorous examination of eligibility. As a result of the design patent's long tenure in the shadows of utility patent and trademarks, the obviousness standard has been untended. Current case law is undisciplined in applying the standard and leaves the right vulnerable to abuse. Rejecting a complete overhaul of the U.S. industrial design system, this part focuses on both of these issues.

A. International Obligations

In curating any IP right, one must first ensure compliance with international obligations. The U.S. is obligated to obey a series of international agreements on IP. Of those agreements, the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) and the Hague Agreement Concerning the International Registrations of Industrial Designs (the Hague Agreement) are most relevant for this note's purposes.

The TRIPS Agreement, adopted by the U.S. in 1996, created substantive minimum requirements for industrial design protection.[224] Substantive minimums for industrial design protection require a design to be "independently created" and "new or original."[225] Discretionary parameters of "new or original" include designs which "do not significantly differ from known designs or combinations of known design features."[226] TRIPS article 25(1) also provides a discretionary functionality standard of "dictated essentially by technical or functional considerations."[227] The scope of protection granted in Article 26 is an exclusionary right to prevent others from "making, selling or importing articles bearing or embodying a design which is a copy, or substantially a copy, of the protected design."[228] The functionality standard and the scope of protection, including its extension to designs that are substantially a copy, appear to align with the scope of the U.S. design patent. President Clinton had a similar view when the U.S. adopted the TRIPS Agreement,

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[223] *See, e.g.*, Brean, *supra* note 14.

[224] *See* Agreement on Trade-Related Aspects of Intellectual Property Rights art. 25-26, Apr. 15, 1994 [hereinafter TRIPS] (adding industrial design rights).

[225] *Id.*, art. 25(1).

[226] *Id.*

[227] *Id.*

[228] *Id.*, art. 26(1).

stating that existing intellectual property laws fulfilled TRIPS obligations for industrial design.[229]

The Hague Agreement, created in 1925, is the most relevant obligation for addressing cost and time issues with U.S. design rights. The Hague Agreement does not include any substantive rights for industrial design, but creates a centralized international forum for industrial design registration.[230] Aiming to ease the burdens of registering internationally, the Hague Agreement allows a single application with an International Bureau of WIPO to secure registration in multiple countries.[231] Terms of the Hague Agreement include fifteen years of protection and application determinations within six-to-twelve months from filing.[232] As of May 13, 2015 the U.S. accession to the Hague Agreement took effect, extending eligible design patent terms to fifteen years.[233] However, the U.S. has yet to modify examination procedures, suggesting the State may be in non-compliance with the six-to-twelve month registration timeline.

B. Cost and Time Issues

There is no defense for an IP regime that knowingly ignores entire industries or systematically prejudices smaller designers. Whereas the TRIPS Agreement specifically prohibits protection requirements that "unreasonably impair the opportunity" to obtain protection for textile designs in Article 25(2), it does not contain a provision on general rights acquisition.[234] The most relevant obligation for considering cost and time prohibitions is the Hague Agreement. Fully acceding to the Hague Agreement triggers limits on examination periods, but the upper limit of twelve months is still too long. It is preferable that the U.S. target the lower limit of six months, which would allow a designer to file for a design patent at the time of design conception. Because design patent applications are not published in the

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[229] Frenkel, *supra* note 9, at 533. *But see* DINWOODIE ET AL., INTERNATIONAL INTELLECTUAL PROPERTY LAW & POLICY 401 (2d ed. 2008) (citing sources which dispute U.S. compliance with TRIPS requirements).

[230] WIPO, *Summary of the Hague Agreement Concerning International Registration of Industrial Design*, http://www.wipo.int/treaties/en/registration/hague/summary_hague.html.

[231] *Id.*

[232] *Id.*; The Hague Agreement Concerning the International Registration of Industrial Designs art. 17(3)(c), Jul. 2, 1999, 2279 U.N.T.S 156 [hereinafter Hague Agreement].

[233] WIPO, HAGUE AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF INDUSTRIAL DESIGN 20 (Feb. 13, 2015), http://www.wipo.int/export/sites/www/treaties/en/documents/pdf/hague.pdf; USPTO, HAGUE AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF INDUSTRIAL DESIGN (last visited May 15, 2015) http://www.uspto.gov/patent/initiatives/hague-agreement-concerning-international-registration-industrial-designs.

[234] TRIPS, art. 25(2).

U.S., designers concerned about competitors can apply before products hit the market without giving up a competitive advantage. The average product development life cycle is twelve months, with extremes of six months and twenty-four months.[235] A six month acquisition period allows a greater share of designers to enjoy the right. Guaranteeing that short-term industrial designs can receive equal benefits from a design patent helps ensure parity across industries.

To achieve six-month processing, the USPTO must modify examination procedures. The Hague Agreement allows full discretion for substantive revisions in each member state's reviewing office so that any modification to substantive examination procedures is permissible within international obligation.[236] In the interest of maintaining high standards for patentability, examination factors should not be diminished. Rather, examination efficiency should be increased. One option is to hire more examiners.[237] Additional examiners will increase the number of man-hours and thus increase the rate of processing, but it will not result in a total cost savings. Alternatively, shifting the burden to the applicant could reduce the most time-consuming portion of the examination, namely, prior art searches. Applicants are not currently incentivized to seek out or disclose all relevant prior art. This is because the burden is on the examiner to survey the prior art landscape.[238] If the burden was shifted to the applicant, the total period of examination would be reduced. Currently, the USPTO permits expedited examination procedures for design patents, given an applicant submits their own prior art search, pays an additional fee, and meets other requirements.[239] The current use of such procedures suggests a burden shift is a viable strategy that

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[235] Neil Oliver, *Batteries for Wearables—Not Good Enough Yet*, MDDIONLINE.COM (Feb. 3, 2015), http://www.mddionline.com/article/batteries-wearable-medical-device—not-good-enough-yet.

[236] WIPO, *The Hague Agreement Concerning the International Registration of Industrial Design: Main Feature and Advantages*, WIPO Pub. No. 911(e) at 9 (2012), *available at*, http://www.wipo.int/edocs/pubdocs/en/designs/911/wipo_pub_911.pdf. The Hague Agreement prohibits Member States from requiring any additional formal requirements. Because obviousness is a substantive standard of protection, parameters on who must establish the substantive standard should fall into the discretion of member states, not the formal requirements established in the Hague Agreement.

[237] This option is often the first resort for the US Patent and Trademark Office. Between 1925 and 2013 the number of examiners has gone from about 500 examiners to 8000 with applications per patent examiner dropping from about 150 per examiner to 69 per examiner. USPTO, 1925 ANN. REP. OF THE COMM'R OF PATS. at iv (1925); USPTO, PERFORMANCE & ACCOUNTABILITY REP. FISCAL YEAR 2013 at 9 fig. 2 (2014).

[238] MPEP § 1504.03.

[239] MPEP § 1504.33; 37 C.F.R. 1.155 (2015).

could be quickly implemented. Under 37 C.F.R. § 1.155, design patent applicants can pay an additional $900 and provide a pre-examination prior art search for a five-month processing time.[240] A five-month examination period better suits the needs of rapidly innovating industries, but such a larger sticker price disadvantages smaller players. Ideally, widespread adoption of applicants conducting pre-examination prior art searches would reduce costs across the board for PTO examiners. Compliance with the Hague Agreement should increase the number of design patent applications, allowing the PTO to lower prices if the fixed costs of design patent examination can be spread out amongst an increasing number of applications.

Through more efficient examining procedures, the costs of design patents should be reduced. This would place small designers and larger designers on an equal playing field in their ability to obtain design rights. It is important to note that both cost reduction and delay reduction can be accomplished without creating an automatic right that sacrifices high patentability standards.

C. Obviousness Standard

Design patent's obviousness standard, which asks if the design would have been "obvious to a designer of ordinary skill who designs articles of the type" in question,[241] allows multiple prior art references to be combined for the evaluation. There is no apparent limit on the number of prior art references combined, which ought to make passing the evaluation significantly harder than the one-to-one comparisons seen in the EU.

Despite the conceptual rigor of the U.S. obviousness standard, its application has been dilutive. Courts have been undisciplined in applying the obviousness standard, allowing protection for designs that an ordinary observer would find obvious.[242] In part, this is a result of design patent's two-step obviousness evaluation. In design patents, unlike utility patents, there must be a single primary reference which has "basically the same" design as the claimed design when the visual impression of the design as a whole is evaluated.[243] Once a primary reference is established, additional secondary references may then be used "to

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[240] *Id.*

[241] 35 U.S.C. § 103 (2012).

[242] *See* Janice M. Mueller & Daniel H. Brean, *Overcoming the "Impossible Issue" of Nonobviousness in Design Patents*, 99 KY. L. J. 419 (2011) (arguing for a lower nonobviousness standard in design patents).

[243] MRC Innovations, Inc. v. Hunter Mfg., LLP, 747 F.3d 1326, 1331 (Fed. Cir. 2014) (quoting *In re* Rosen, 673 F.2d 388, 391 (C.C.P.A. 1982)).

modify [the primary reference] to create a design that has the same overall visual appearance."[244] However, not just any prior art can be used as a secondary references. A reference must "suggest application" or suggest modifying the primary reference with its features.[245] The "suggests application" test essentially requires that the prior art references are related.[246]

The U.S. Court of Customs and Patent Appeal, the predecessor to the Court of Appeals for the Federal Circuit, first articulated the rationale for this two-step test. The court relied on the need for a prior art reference to be "something in existence," in order to invalidate a design.[247] The Court feared that allowing multiple references to be combined would result in a comparison of a something that might be, not something that is.[248] However, they gave no further explanation of why a design patent must be compared to something in existence, and made no mention of the underlying policy objectives for design patents or how this rule may further them.[249] If the Court of Customs and Patent Appeals had evaluated the underlying objective of the obviousness standard, which is to ensure that the patented design is sufficiently inventive enough to justify the monopoly granted, it would have found its standard illogical. A design should be more innovative than what currently exists, and requiring it to be more innovative than a combination of what currently exists ensures that sufficient innovation is being rewarded. A standard should also ensure that some designs are left to the public domain.

Now that the world has seen the strength of the design right and the design patent's substantial damage awards through *Apple v. Samsung*, inconsistencies in design patentability may be exploited.[250] The diluted obviousness standard that has resulted from undisciplined application undermines the trade-off that our Founders emphasized between innovation and patent monopoly. To return design patentability to its rigorous standards, the two-step test ought to be deserted, and a cap on combinations should take its place. The two-step test makes it hard to find a design unprotectable. Designs should have to overcome combinations of prior art similar to utility patents. This would ensure designs are sufficiently innovative and encourage larger steps in design innovation. However, a limitation should be put on the number of prior art references that can be combined. Limiting obviousness

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[244] *Id.*
[245] *In re* Borden, 90 F.3d 1570, 1575 (Fed. Cir. 1996).
[246] *Id.*
[247] *In re* Rosen, 673 F.2d at 391 (C.C.P.A. 1982).
[248] *Id.* (quoting *In re* Jennings, 182 F.2d 207, 208 (C.C.P.A. 1950)).
[249] *Id.*
[250] Apple, Inc. v. Samsung Elecs. Co., Ltd., 786 F.3d 983, 990, 1002 (Fed. Cir. 2015).

analysis to three prior art references prevents obviousness analysis from becoming impossible to overcome and ensures protected designs are more innovative than mere combinations. Prior art from any context should also be permitted in obviousness analysis. Such a standard more accurately reflects design innovation, where designers draw inspiration from diverse fields. Requiring that prior art references come from a related field in order to combine them under the "suggests application" test allows designs which borrow ideas from other contexts to receive otherwise unjustified patent protection.

Such an alteration to the U.S. obviousness standards would be consistent with international obligations. TRIPS requires that "new or original" designs be given protection, where original is synonymous with non-obvious, but nowhere does TRIPS defines "original."[251] The result is large discretion in each member state's application of industrial design protection.[252]

CONCLUSION

Criticisms of U.S. industrial design, based on the narrowness of industrial design protection and corresponding limitations on incentives to innovate, are severely undermined in light of the broad exclusionary scope that the U.S. design patents grant and the limited functionality test within design patents. While the EU model of design protection appears to grant a right with a uniform scope across a large geographic area, pre-existing notions of design rights and concurrent jurisdiction over preliminary relief destabilize enforcement. The result is incongruent enforcement across the EU, thinning an already narrow right. The U.S. right is substantially broader and enjoys more uniform enforcement across the country. However, the U.S. cannot escape the criticism that the cost and time delay of acquiring a design right disproportionately affects some groups more than others. Rapidly innovating industries and small players are the most affected. To create parity across all designers, the U.S. ought to fully comply with the Hague Agreement's examination timeline and apply the obviousness standard more rigorously. A wholesale modification of U.S. industrial design protection to resemble the EU's Community design right is neither desirable nor necessary.

[251] TRIPS art. 25(1).
[252] Kur, *supra* note 183, at 397.