

RECONCEPTUALIZING PROPERTY IN DESIGNS

ORIT FISCHMAN AFORI*

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* Visiting Scholar, Boalt Hall School of Law, University of California, Berkeley; Assistant Professor, The College of Management Academic Studies Law School, Israel. LL.B. (1996), Ph.D. (2003), Hebrew University of Jerusalem. The author wishes to thank Peter Menell, Pam Samuelson, Kenneth Bamberger, Meir Noam and Tamir Afori for their comments. ©2008 Orit Fischman Afori.

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1. INTRODUCTION

Over the last decade the significance of design has grown immensely across the world. Design has become a highly conspicuous part of visual culture. Design consultancies have become an essential part of the manufacturing process and, as a result, a variety of industries are making huge investments in designs. Individual designers, such as Phillip Starck and Gianni Versace, have become business and cultural superstars.¹ Design has become much more than superficial styling concerned with surface appearance, but rather integrates technology, aesthetics and social values, and affects industrial objects, images, and even services.² Thus, design has become the new art of industrial and

¹ See Australian Law Reform Commission, *supra* note 1, § 2.15.

² Richard Buchanan & Victor Margolin, *Introduction*, in *DISCOVERING DESIGN, EXPLORATIONS IN DESIGN STUDIES* xvi-xvii (Richard Buchanan & Victor Margolin eds.,

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technological culture. Nevertheless, in the United States, industrial design law is completely stagnate, while other intellectual property fields are constantly developing to adapt to ongoing technological and cultural developments.³ This article aims to bring industrial design back into legal discourse by proposing a new dynamic and a scheme relatively easy to implement, while offering design protection that corresponds to their nature.

A design is hard to define but is easily described. A simple description of a design would be the aspects of a product's appearance.⁴ The character of a design, then, is concerned with external *appearance* of articles. In emphasizing a product's *appearance* as the goal of design, aesthetic rather than technical and functional goals are stressed.⁵ It is clear, therefore, that a design is a creation of similar nature to artistic works in general, whose boundary lines are hard to draw.⁶ Nevertheless, design has a different nature from a pure imaginary work of art, since it is also dictated by features stemming from function, technology and fashion.⁷ This difference raises several questions. How should designs be treated: as artistic works or as technological innovations? Should, and on what grounds, we differentiate between types of functional-artistic works? These questions demonstrate the yet unresolved nexus of art and industry in the intellectual property world.

Industrial design is situated at the crossroads of art, technology, and the entire industry dedicated to attracting the consumer's attention. Thus, legally speaking, design suffers from a hybrid nature since it has much in common with the three major

Univ. of Chicago Press 1995) [hereinafter Buchanan & Margolin – *Introduction*].

³ See, e.g., The Digital Millennium Copyright Act of 1998 and The Patent Reform Act of 2007.

⁴ See Buchanan & Margolin – *Introduction*, *supra* note 2, at x (indicating designers would define design as the “conception and planning” of all the products made by human beings).

⁵ Design is concerned with what an article looks like and not with how the article performs its function. See KEVIN GARNETT ET AL., *COPINGER AND SKONE JAMES ON COPYRIGHT* 713 (2005), [hereinafter *COPINGER*]; JOHN HESKETT, *INDUSTRIAL DESIGN* 177 (1993) (“Following the widespread development of mass-production, purely visual aspects of design came to predominate as the means of attracting consumers.”).

⁶ See STEPHEN P. LADAS, II *PATENTS, TRADEMARKS, AND RELATED RIGHTS: NATIONAL AND INTERNATIONAL PROTECTION* 829 (Harvard Univ. Press 1975). Defining artistic or creative activity involves multidisciplinary inquiries into areas such as psychology, sociology and philosophy, and is thus beyond the scope of this article. Here, I shall refer to the dichotomy between artistic-creative activity versus scientific-inventive as is common in the legal intellectual property (“IP”) realm.

⁷ See *COPINGER*, *supra* note 5, at 713; HESKETT, *supra* note 5, at 10 (“[I]ndustrial design is a process of creation, invention and definition separated from the means of production, involving an eventual synthesis of contributory and often conflicting factors into a concept of three-dimensional form, and its material reality, capable of multiple reproduction by mechanical means.”).

intellectual property paradigms – copyright, patent and trademark laws – yet it does not exactly fit any one of them. This mixture of characteristics has caused many difficulties and much debate with respect to the proper treatment of industrial designs⁸. The outcome is a legal zone in the broad intellectual property field, which is poorly regulated as part of the patent paradigm, with an ongoing departure from its basic essence.

This article will re-open the industrial design discourse discussing its exact nature and consequently its proper location in the field of intellectual property. After deciding on the appropriate location for designs in the intellectual property field, I will suggest the exact scheme appropriate for designs, *inter alia*, by setting a concrete differentiating mechanism from other intellectual property modes of protection.

In Section Two of the article, I will address the definition and function of a design, stressing its important role in enhancing market efficiencies. Throughout this section, I will analyze some contemporary insights with respect to the essence of design. This section will be concluded by the need to acknowledge a right protecting designs from imitation *per se*, thus encouraging investments in designing activity.

In Section Three, I set down the doctrinal basis for my principal analysis by describing the triple protection designs enjoy in the U.S., through all three major intellectual property disciplines: copyright, patent and trademark. A closer inspection reveals that designs enjoy very limited protection by means of these three disciplines, since they do not fit exactly within each realm. The outcome is inappropriate and inadequate protection for designs. A review of the protection of design in international law reveals that the protection in the international law suffers from the same basic problem with respect to national design law: since there are difficulties in locating the subject matter in the intellectual property world, there is no international consensus with respect to the appropriate treatment of design.

Sections Four and Five comprise the heart of the article. In these sections, I begin a detailed analysis of design's appropriate position on the intellectual property map. This analysis promotes a better understanding of design's nature, and consequently, a design's market needs. My conclusion is that design does not fit the patent paradigm; instead, its appropriate location is with the copyright paradigm, although not with positive copyright law. Designs should enjoy a specially accorded law – a *sui generis* law –

⁸ See COPINGER, *supra* note 5, at 713-15; JAMES LAHORE, COPYRIGHT AND DESIGNS § 64,005 (1996).

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that has some important deviations from the copyright scheme. The idea of enacting a *sui generis* copyright law for design is not new.⁹ However, there is still a need to accurately define the subject matter of this specially tailored law, and to sketch the mechanism for its separation from copyright law. Thus, I further discuss the applied art/industrial design nexus, proposing both a doctrine and reasoning for a clear separation of designs from copyrighted works. According to the proposed unity of design doctrine, all applied art and industrial designs should be moved to the new *sui generis* regime. This proposed model is logical, coherent, easy to implement, and permitted by all international law standards.¹⁰ Nevertheless, there are some complexities in tailoring the divorce of design from copyright law. The most profound complexity involves the common scenario in which a copyrighted work or elements of such a work are later employed in industrial applied art. The question that arises is whether such later industrial manufacture of products surrenders the copyright protection. For example, the derivative merchandised industry reflects this phenomenon. The derivative merchandised industry employs elements from copyrighted works, such as figures from books and movies, into applied articles.¹¹ This process is the core problem of the applied art/industrial design nexus. According to my proposition, a proper and dynamic solution for such cases is to recognize the subject matter as either work-protected by copyright, or as design, protected by a *sui generis* design right on an *ex-post* basis according to the alleged infringing act. Specifically, the nature of infringing copies will determine whether the protection will be invoked either by copyright or by design right. Such a model will be presented below in more detail.

Finally, in a Concluding Section, I stress that developments over the last thirty years in the intellectual property field in U.S. law have paved the way for making feasible a tailored industrial

⁹ There were several attempts in the past to enact such a law in the United States. Briggs claims that various types of design legislation have been introduced in Congress at least 88 times since 1914. See Briggs, *supra* note 1, at 201 n.202.

¹⁰ The relevant international standards are the Paris Convention for the Protection of Industrial Property of 1883, July 14, 1967, 21 U.S.T. 1583 [hereinafter Paris Convention]; the Berne Convention for the Protection of Literary and Artistic Works, July 24, 1971, 25 U.S.T. 1341 [hereinafter Berne Convention]; the Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, Legal Instruments – Results of the Uruguay Round, 33 I.L.M. 81 (1994) [hereinafter TRIPS Agreement].

¹¹ For example, the "Popeye The Sailor" figure was first created as part of an advertisement, which is a copyrighted work, and only later on, after realizing its attraction, was commercialized into dolls and other useful objects. See *King Features Syndicate, Inc. v. O & M Kleeman Ltd.*, [1941] A.C. 417 (H.L.) (U.K.).

design law.

2. WHAT IS A DESIGN, AND WHAT FUNCTIONS DOES IT SERVE?

In the vast mass of scholarly writings in the realm of intellectual property, there is a remarkable absence of a significant discourse with respect to design law.¹² This lack of scholarly work does not mean that designs do not have tremendous value to industries; on the contrary, enormous amounts of money are invested in industrial design,¹³ it plays a major role in industry,¹⁴ and design presents and affects current social and cultural values.¹⁵

In order to present my insights with respect to the appropriate legal treatment of designs, I briefly describe what a design is and what functions it serves. Industrial designs first emerged in the nineteenth century, with the Industrial Revolution.¹⁶ As the costs of production of goods dropped, the foundations of the current “consumer society” were laid: supply grew, competition was created, and producers had to attract consumers by improving the quality and appeal of their merchandise.¹⁷ This historical process led to the development of a new profession, that of “art-workers,” whose job it was to adapt the artistic skills of the old-world fine-arts realm into the service of modern consumer society, including the artistic shaping of industrialized merchandise.¹⁸ In the twentieth century there were further developments in conceptualizing designs, as art and industry merged, and the designer began to be seen as an artist in his own right.¹⁹ In response, social definitions strengthened the differentiation between implicitly lower-class artisans and implicitly upper-class artists, with the former in charge of utility

¹² For a similar insight, see Tobias U. Braegger, *An Economic Analysis of Overlapping Protection for Product Configuration Trade Dresses – Applied to the Legal Systems of the United States of America, the European Union, Germany, and Switzerland* 27 (Nov. 11, 2006) (unpublished J.D. dissertation, University of St. Gallen).

¹³ PAUL TORREMANS, *INTELLECTUAL PROPERTY LAW* 361 (Butterworths 3d ed. 2001).

¹⁴ See Braegger, *supra* note 12, at 23.

¹⁵ JULES STUYCK, *PRODUCT DIFFERENTIATION IN TERMS OF PACKAGING PRESENTATION, ADVERTISING, TRADE MARKS* 6-7, 10-11 (Kluwer 1983).

¹⁶ UMA SUTHERSANEN, *DESIGN IN EUROPE* 6 (Sweet & Maxwell 2000); Braegger, *supra* note 12, at 22.

¹⁷ Gianfranco Zaccai, *Art and Technology, Aesthetic Redefined*, in *DISCOVERING DESIGN: EXPLORATIONS IN DESIGN STUDIES* 3, 6-7 (Richard Buchanan & Victor Margolin eds., Univ. of Chicago Press 1995) (explaining that, historically, producers initially focused on the technological aspects of production, but soon recruited other specialists from the arts, sales, and finance to participate in the product development process); SUTHERSANEN, *supra* note 16, at 6.

¹⁸ See SUTHERSANEN, *supra* note 16, at 7.

¹⁹ See *id.* at 12.

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and the latter in control of beauty, or art for art's sake.²⁰ Oscar Wilde captured this insight by stating: "[a]ll art is quite useless."²¹ Wilde's view dominated the nineteenth century, and ran counter to a tradition established much earlier by Horace that good art is "*dulce et utile*," or instructive and pleasant.²² The utilitarian emphasis allied craftsmanship, and later mass production techniques, with diminished artistic worth, and these social practices were reflected and enshrined in legislation. The cross-fertilization of high art and design in the past hundred years led to the present questioning of this rationale.²³ Yet the development of a body of law pertaining to design was a long and essentially random process.²⁴ The problem of defining designed products has remained relevant because the question of whether designs are industrial or artistic property remains unresolved.²⁵ Even without assigning an appropriate classification on design, there are many utilitarian justifications for commodification of designs and acknowledging their proprietary character, *per se*.

Investment in product design increases attractiveness and furthers market competition, which enhance the market's efficiency.²⁶ Investment in product design furthers efficiency by serving customers' benefit in terms of both quality and the aesthetic appearance of the product.²⁷ By furthering a product's aesthetic appearance, design makes a positive contribution to market efficiency because the product increases the consumer's aesthetic pleasure, aside from its utility. Furthering enjoyment by aesthetic products has a positive value, *per se*, which enhances public welfare,²⁸ even if such investment might make the product more expensive.²⁹ This benefit stemming from advancing design

²⁰ See HESKETT, *supra* note 5, at 11, 20; BARBARA BLOEMINK, DESIGN • ART: FUNCTIONAL OBJECTS FROM DONALD JUDD TO RACHEL WHITEREAD (2004), 15-19.

²¹ OSCAR WILDE, *Preface to THE PICTURE OF DORIAN GRAY* (1891).

²² HORACE, *ARS POETICA* II, 343-44 (meaning "useful and sweet").

²³ See HESKETT, *supra* note 5, at 20, 23.

²⁴ See LADAS, *supra* note 6, at 829-31.

²⁵ See SUTHERSANEN, *supra* note 16, at 13.

²⁶ See *id.* at 1-3; Australian Law Reform Commission, *supra* note 1, § 3.2. See also William M Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 297 (1987).

²⁷ See SUTHERSANEN, *supra* note 16, at 1-3; *Gorham Mfg. Co. v. White*, 81 U.S. 511, 524-26 (1872).

²⁸ This function could be described by the following example: if a customer chooses to pay \$1,000 for an ornamental belt buckle, it is not because of its function – to hold one's pants up – but because of other values served by the product. See PAUL GOLDSTEIN, *COPYRIGHT, PRINCIPLES, LAW AND PRACTICE* § 2.5.3(c) (Little, Brown and Co. 1989).

²⁹ It has also been argued that the investment in industrial design does not further public welfare since it results in a shift of costs to end-customers. For the presentation of such argument, see J.H. Reichman, *Design Protection and the Legislative Agenda*, 55 L. & CONTEMP. PROBS. 281, 282 (1992). See also Robert C. Denicola, *Applied Art and Industrial Design: A Suggested Approach to Copyright in Useful Articles*, 67 MINN. L. REV. 707, 722-23 (1983). This argument is not supported by contemporary microeconomic and price-

is also rooted in a socio-economic context which encourages personal preferences of taste, style, etc. As there is room for different flavors of the same foodstuff to suit consumers' likes and dislikes, the same logic applies to other products, such as furniture and fashion.³⁰ In today's consumer society, consumption of goods no longer depends only on necessity, but has multiple sociological and psychological functions. Consumption symbolizes a certain life-style and socio-economic status, but it also serves various goals, such as social equalization, self-identification, etc.³¹ Consumers are divided into varied subgroups which enables the formation of market segments (sometimes accompanied with price discrimination mechanisms) according to potential profits from the differences in their needs and preferences.³² Design in this context serves as a means to communicate information, such as cultural values (of taste and style), social values (of environmental impact and equal availability), and also more "objective" attributes (of ease of use and durability).³³

Opponents of making design rights proprietary contend that the only beneficiary of design protection is whoever commissions the design, not the end-customer.³⁴ The end-user does not benefit because the principle economic function of applied or industrial design is to increase product competitiveness to increase returns. Design rights, so goes the argument, are not justified from a utilitarian point of view.³⁵ The industrial designer's role, it is

theory doctrines. These doctrines support the hypothesis that investment in a product's features to further its competitiveness does not necessarily increase the product's prices in the long run, due to competition in the market. See EDGAR K. BROWNING & MARK A. ZUPAN, MICROECONOMICS, THEORY AND APPLICATIONS 238-47 (John Wiley & Sons 8th ed. 2004); STEVEN E. LANDSBURG, PRICE THEORY AND APPLICATIONS 107, 189, 195, 202 (South-Western 2005); PAUL A. SAMUELSON & WILLIAM D. NORDHAUS, MICROECONOMICS 152 (McGraw-Hill Irwin 2005). Therefore, investment which serves other social and human functions does further public welfare.

³⁰ See STUYCK, *supra* note 15, at 4.

³¹ See *id.* at 6-7, 10-11; MARIEKE J. DE MOOIJ, CONSUMER BEHAVIOR AND CULTURE: CONSEQUENCES FOR GLOBAL MARKETING AND ADVERTISING 100 (2004); DEL I. HAWKINS, DAVID L. MOTHERSBAUGH & ROGER J. BEST, CONSUMER BEHAVIOR: BUILDING MARKETING STRATEGY 422 (2007). Another question is whether the "obsolescence policy," under which designs are changed rapidly in order to make old models seem outdated to increase sales, should be subject to consumer protection regulation. Obsolescence policy is prevalent in fashion and automobile industries and is beyond the scope of this article. See STUYCK, *supra* note 15, at 11.

³² See STUYCK, *supra* note 15, at 10. For an analysis of the price discrimination mechanism in Intellectual Property markets, see Michael J. Meurer, *Price Discrimination, Personal Use and Piracy: Copyright Protection of Digital Works*, 45 BUFF. L. REV. 845, 870-71 (1997); Julie E. Cohen, *Copyright and the Perfect Curve*, 53 VAND. L. REV. 1799, 1803 (2000).

³³ See Australian Law Reform Commission, *supra* note 1, § 2.13.

³⁴ For the presentation of such view, see Denicola, *supra* note 29, at 722-23. See also Annette Kur, *The Green Paper's "Design Approach" – What's Wrong With It?*, 10 EUR. INTEL. PROP. REV. 374, 376 (1993); Eric Setliff, *Copyright and Industrial Design: An "Alternative Design" Alternative*, 30 COLUM. J.L. & ARTS 49, 63 (2006).

³⁵ See *Id.*

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claimed, is to introduce false distinctions among identical products in order to artificially increase sales.³⁶ Therefore, even if a competitor copies a design, it would not significantly alter the first producer's incentive to further invest in product design since he must maintain the product's attractiveness to remain competitive.³⁷ Furthermore, if copying the design will cause customers to confuse the products of two producers, a cause of action already exists under trademark's tort law.³⁸ This, as I claim below, confuses design as a category with designs that have indeed been made into trademarks.³⁹ Thus, according to the opposing line of reasoning, there is no justification for the commodification of designs, and trademark torts satisfactorily deal with cases of improper use.⁴⁰

Notably, the opposition to design as a proprietary right fails to consider the role of aesthetics from promoting the product's competitiveness and economic efficiency. In fact, the contrary is true: aesthetics is part of an efficient consumption process, which is aimed to fulfill customers' needs, expectations, etc.⁴¹ In this respect, one of the most insightful redefinitions of design's aesthetic is that:

[A]esthetics is not simply a visual exercise, but rather the appropriate and harmonious balancing of all user needs and wants within technical and social constraints. The designer must successfully integrate all the requirements that balance the rational, sensory, and emotional expectations of the individual user and of society as a whole.⁴²

Furthermore, the information communicated through the product's design is much more than the origin of the goods, as it is with respect to trademarks.⁴³ Communication of all the various

³⁶ See STUYCK, *supra* note 15, at 1-8. Differentiation may be done between products of the same producer, and thus promote price discrimination, which enhances returns. *Id.* at 3. Differentiation between products of different producers, however, enhances competitiveness. *Id.* at 3. See also Setliff, *supra* note 35, at 63.

³⁷ See Denicola, *supra* note 29, at 722-23; Gerard N. Magliocca, *Ornamental Design and Incremental Innovation*, 86 MARQ. L. REV. 845, 880 (2003). A complementary argument is that a design functions as a means to attract customers usually for a short period of time, therefore the lead-time of the first producer might satisfy the needed incentive to invest in the design, and might also defect competitors' initial incentive to copy the design initially. See Denicola, *supra* note 29, at 724.

³⁸ See Denicola, *supra* note 29, at 724.

³⁹ See WILLIAM CORNISH & DAVID LLEWLYN, *INTELLECTUAL PROPERTY: PATENTS, COPYRIGHT, TRADE MARKS, AND ALLIED RIGHTS* 535 (2003); J. THOMAS MCCARTHY, I MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 6.3, 7.25, 7.91 (2006). For more on the location of designs in the different Intellectual Property paradigms, including trademarks, see *infra*, note 55. For the overlap protection of designs through trademark, see *infra* notes 123-132 and accompanying text.

⁴⁰ See Magliocca, *supra* note 37, at 870-74, for such an approach.

⁴¹ See Landes & Posner, *supra* note 26, at 297.

⁴² See Zaccai, *supra* note 17, at 3, 6.

⁴³ See MCCARTHY, *supra* note 39, § 3:5 (explaining economic justification of

elements of information—from cultural and social values to “objective” attributes—through the product’s appearance—increases market efficiency since it enhances market segmentation and makes the consuming process short and satisfactory. The social, cultural and political impact of design on consumer society is well known and hard to overstate.⁴⁴ There is vast scholarly research on consumer behavior and the sociological effects of consumption on self-concept and cultural identity, which in turn further both market efficiency and other cultural goals.⁴⁵

As to product quality, the role of design in furthering the public’s welfare is profound since the differentiation of products involves the physical and intrinsic change of their appearance, in matters such as size, weight, form, and material, which might have as goals comfort and suitability to meet personal needs and individual requirements.⁴⁶ The differentiation accomplished by design to increase sales may also increase the product’s functional quality, beyond just appealing to buyers’ personal aesthetic preferences.⁴⁷ Nevertheless, the aesthetic pleasure in a product is in and of itself a utilitarian value, and hovers between objective, functional benefit and non-objective, personal sensory benefit. Thus, the dichotomy between the two qualities, the functional and the aesthetic, soon breaks down and is further challengeable, since functional, utilitarian features are themselves subject to a dynamic socio-economic and cultural context. Design asks first for whom the product is intended, then determines the appropriate features for his or her socio-economic cohort.⁴⁸ In other words,

trademarks). *See also* Landes & Posner, *supra* note 26.

⁴⁴ *See* HESKETT, *supra* note 5, at 176, 182.

⁴⁵ *See, e.g.*, MOOIJ, *supra* note 31, at 100-02, 111-12; JEAN BAUDRILLARD, *THE CONSUMER SOCIETY: MYTHS AND STRUCTURES* 57-66 (1998); HAWKINS, *supra* note 31, at 422; CELIA LURY, *CONSUMER CULTURE* 1 (1996); Rochelle Cooper Dreyfuss, *Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397 (1990); Landes & Posner, *supra* note 26, at 271.

⁴⁶ *See* Australian Law Reform Commission, *supra* note 1, § 2.8; IDSA Report, *supra* note 1, at 1-5.

⁴⁷ *See* HESKETT, *supra* note 5, at 176; STUYCK, *supra* note 15, at 10. The Industrial Designers Society of America’s website contains the following definition of industrial design: “Industrial design (ID) is the professional service of creating and developing concepts and specifications that optimize the function, value and appearance of products and systems for the mutual benefit of both user and manufacturer.” *See* ID Defined, <http://216.169.150.18/webmodules/articles/anmviewer.asp?a=89&z=23> (last visited December 10, 2007).

⁴⁸ For example, a Japanese dining table will not appear the same as an American dining table in terms of “objective” comfort features. Similarly, an American dining table designed for a mid-Western family will be different from an American dining table designed for a student living in a studio apartment. While all have the same function, the tables are likely to reflect different quality and aesthetic designs. As was summarized in the IDSA Report:

Industrial designers determine the form and interaction qualities of manufactured products, packaging and digital media systems. They study people at work, at home and in motion to create satisfying experiences with

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the utilitarian justification for design as an incentive to invest in a product's appearance is concerned with furthering both quality and aesthetics equally.

To conclude, design satisfies the needs and desires of heterogeneous consumers. Accordingly, design may be defined as both a result of human imaginative endeavor in contrast to the purely mechanistic, but guided also by certain imminent features, such as technology, function, and fashion.

Design provides benefits similar to those derived from other forms of creative and intellectual effort. Like these forms of effort, design deserves the protection given to intellectual property in general. The legal explanations justifying the protection afforded to other forms of effort apply equally to design. It is broadly accepted that there is a need to create incentives to invest in innovative intangible values, and a complementary need to avoid parasitic behavior, which undermines incentive to investments.⁴⁹ However, along with the basic justification for proprietary rights, design law suffers from the general problem of intellectual property rights, which is the need to fine-tune the right's scope to prevent superfluous incentives and to balance competing interests.⁵⁰ Therefore, we must now look at how current positive law protects design, and whether such protection is appropriate.

products from the kitchen and the office to the hospital and the warehouse, shaping these to fit their customers and to make effective use of industrial processes.

See IDSA Report, *supra* note 1, at 1.

⁴⁹ See Reichman, *supra* note 29, at 282-83; MCCARTHY, *supra* note 39, § 7.9; Australian Law Reform Commission, *supra* note 1, § 3.3-3.5.

⁵⁰ For the limits of economic analysis of intellectual property laws and the difficulties to set the accurate "optimum" standard of protection, see James Boyle, *A Theory of Law and Information: Copyright, Spleens, Blackmail, and Insider Trading*, 80 CAL. L. REV. 1413, 1453 (1992); Wendy J. Gordon, *An Inquiry into the Merits of Copyright: The Challenges of Consistency, Consent, and Encouragement Theory*, 41 STAN. L. REV. 1343, 1438 (1989); Glynn S. Lunney, Jr., *Reexamining Copyright's Incentives: Access Paradigm*, 49 VAND. L. REV. 483, 606 (1996); Jeremy Waldron, *From Authors to Copiers: Individual Rights and Social Values in Intellectual Property*, 68 CHI.-KENT L. REV. 841, 866-67 (1993). One of the arguments against enactment of a design law in the U.S. is that there is no need to interfere with the current legal situation since the design industry seems to be prosperous. See Kal Raustiala & Christopher Sprigman, *The Piracy Paradox: Innovation and Intellectual Property in Fashion Design*, 92 VA. L. REV. 1687, 1693, 1699 (2006); *A Bill to Provide Protection for Fashion Design: Hearing Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary*, 109th Cong. 87 (2006) (statement of Christopher Sprigman, Law Professor). Sprigman's argument is rhetorical, since in measuring the optimal standard of protection, the loss from free-riding should be included in the calculus.

3. DESIGN PROTECTION IN CURRENT LAW

A. *The Location of Design in the Intellectual Property Realm*

The different intellectual property laws are distributed over what could be called three main axes: protection of inventions, protection of works, and protection of trademarks.⁵¹ These axes could also be described according to the basic protected subject matter: the protection of novel technological ideas; the protection of original expressions; and the protection of reputation.⁵²

At the head of the ideas–inventions axis stands patent law; at the head of the expressions–works axis stands copyright law; and at the head of the trademarks–reputation axis stands trademark law. There are other intellectual property laws that might be located on these three axes, according to the protected subject matter and the kind of right conferred.⁵³ These three axes of the intellectual property field reflect different underpinnings, different legal mechanisms, and different rationales.⁵⁴

Where exactly in the intellectual property field is design law located and where should it be located? Should overlapping protection be allowed? These questions result from design law standing at the meeting point of all three intellectual property paradigms.⁵⁵ Design is connected to copyright law because designs are concerned with form and external appearance or shape. It is clear, therefore, that a design is a creation of a similar nature to that of artistic works in general, which are protected by copyright. And design nowadays is already acknowledged as art,

⁵¹ See MCCARTHY, *supra* note 39, § 6.6 (providing a simplified chart of the three major Intellectual Property paradigms.) Reichman describes the intellectual property field as a bipolar system, divided between copyright and patent paradigms, while the trademark branch is located with patents because traditionally it was regarded as industrial property, since the launching of the Paris Convention, *supra* note 10. Yet, according to Reichman, the third paradigm of intellectual property law should be identified with trade-secrets law. See J.H. Reichman, *Legal Hybrids Between the Patent and Copyright Paradigms*, 94 COLUM. L. REV. 2432, 2436 (1994). In my view, trademarks reflect a completely distinct paradigm from patents, even if parceled together in the Paris Convention. As expressed, these laws reflect different underpinnings, different legal mechanisms and different rationales. See *infra* note 54. Nevertheless, it is clear that trade-secrets reflect a distinct paradigm, a fourth axis; however, this issue is not relevant for this article.

⁵² See *id.*

⁵³ See *supra* note 51.

⁵⁴ See ROBERT P. MERGES, PETER S. MENELL & MARK A. LEMLEY, *INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE* 28-30 (2006); PETER DRAHOS, *A PHILOSOPHY OF INTELLECTUAL PROPERTY* 22-32 (1996) (discussing copyright); MCCARTHY, *supra* note 39, § 6.3.

⁵⁵ See CORNISH & LLEWLYN, *supra* note 39, at 535; MERGES ET AL., *supra* note 54, at 357; DONALD S. CHISUM, *CHISUM ON PATENTS* §§ 1.04(5)-(6) (2005); JEROME GILSON, *TRADEMARK PROTECTION AND PRACTICE* § 2A.10 (2007).

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since its boundary lines are notoriously hard to define.⁵⁶ Patent law affects design because in certain cases, aesthetic and utilitarian qualities merge, which results in a novel, technological idea for the function of the device or article.⁵⁷ Finally, design is related to trademark law, because in certain cases, the form of the product is a means for identifying the source of goods and distinguishes the original producer from competitors. This function of design is becoming more important today.⁵⁸ It belongs to the branch of trademark law that deals with “get-up” or “trade dress,” where a product’s physical configuration functions as a trademark.⁵⁹ Accordingly, countries have adopted various legal means to protect designs.⁶⁰ As I will explain below, international law embodies the entire spectrum of design protection,⁶¹ which entails a disharmonious international standard, resulting in an even more complicated field of law.⁶²

The intellectual property field is characterized as extremely dynamic and subject to constant expansion. A repeating juridical mechanism may be observed here: new subject-matter arises, which initially eludes existing legal categorizations. The new subject-matter is made to assume a position under the jurisdiction of one of the major intellectual property laws. As time passes and more cases accumulate, it is realized both on the national and the international levels, that the initial choice of law now poses various encumbrances on major law. At this point a new legal hybrid comes into being, usually ending with new *sui generis* legislation situated on the axis of the major law from which it was transferred.⁶³ This development of intellectual property law, based on hybrids of hybrids of laws, may be viewed as an excessive division of law into pigeonholes, which creates distinctions between essentially similar things.⁶⁴ However, I believe design demands a distinct pigeonhole. At present, design fits almost all paradigms, but none perfectly. The majority of hybrids being created in intellectual property law are aimed to fill the lacunae between copyright and patent protection, and to strengthen the

⁵⁶ See *supra* note 6 and accompanying text. See also MCCARTHY, *supra* note 39, § 6.3; Setliff, *supra* note 35, at 61-63.

⁵⁷ See Kur, *supra* note 35, at 376.

⁵⁸ Cornish & Llewlyn conclude that “there is no easy borderline to be drawn between design and trade mark rights.” CORNISH & LLEWLYN, *supra* note 39, at 535. See also MCCARTHY, *supra* note 39, §§ 6.3, 7.25, 7.91; GILSON, *supra* note 55, § 2A.10.

⁵⁹ DAVID KITCHIN ET AL., KERLY’S LAW OF TRADE MARKS AND TRADE NAMES 508-12 (2005); CHISUM, *supra* note 55, § 1.04(6)(e); MCCARTHY, *supra* note 39, § 8.1.

⁶⁰ See *infra* chapter C. The International “No Standard”

⁶¹ See *infra* Section 3.C (discussing the lack of international standard for designs).

⁶² See CORNISH & LLEWLYN, *supra* note 39, at 536.

⁶³ See Reichman, *supra* note 52, at 2436-37.

⁶⁴ See LADAS, *supra* note 6, at 837.

focus on underlying principles.⁶⁵ This approach can reduce reliance on complex rules within the major laws. The segmentation and restructuring of intellectual property law to channel design-related legislation into a legal hybrid will eventually clarify and simplify the law.

My proposition, accordingly, which will be explained further in Section Four, is that design law should be located on the copyright axis, albeit by a special *sui generis* law. In order to support this conclusion, I will briefly outline current design protection in the United States.

B. *Current Design Protection in the United States*

In the United States, there are currently three major legal paths for protecting industrial designs: copyright law,⁶⁶ patent law⁶⁷ and trademark law.⁶⁸ The Unfair Competition Tort may have been invoked as well; however, it is significantly barred due to relations between federal and state protections and the preemption rule.⁶⁹ While it seems that this triple protection creates excessive protection for designs, as I will explain, each of these paths only partially protects designs. The outcome is that some designs do not have any protection, and since I claim there is an incentive for creating designs, this outcome is inappropriate, resulting in an inadequate level of protection. Such inappropriate legal treatment for designs in U.S. legislation has been described as “extreme” and “irregular.”⁷⁰

(1) Copyright Protection

To understand the complicated path of copyright protection for designs in current American law, its legal history must be tracked. One of the results, in the nineteenth century, of the debate about whether designs are industrial or artistic property was the acceptance in American legal discourse that art should be separated from utility.⁷¹ It was not until 1903 that the Supreme

⁶⁵ See Australian Law Reform Commission, *supra* note 1, § 3.63.

⁶⁶ 17 U.S.C. § 102(a)(5) (2008).

⁶⁷ 35 U.S.C. §§ 102-103, 171 (2008).

⁶⁸ Lanham Act of 1946 §§ 32, 43, 15 U.S.C. §§ 1114, 1125 (2008).

⁶⁹ See *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964); *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964). See also CHISUM, *supra* note 55, § 1.04(6)(b); Ralph S. Brown, *Design Protection: An Overview*, 34 UCLA L. REV. 1341, 1358-59 (1987).

⁷⁰ See Reichman, *supra* note 29, at 282. See also WILLIAM F. PATRY, PATRY ON COPYRIGHT § 3:124 (2006).

⁷¹ The separation of “beauty” from “utility” in the American legal discourse was at that time an axiom rooted in Enlightenment ideals. J.H. Reichman, *Design Protection in Domestic and Foreign Copyright Law: From the Berne Revision of 1948 to The Copyright Act of 1976*, 1983 DUKE L.J. 1143, 1145 (1983).

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Court handed down its seminal decision in *Bleistein v. Donaldson Lithographing Co.*, which upheld the copyrightability of a circus poster.⁷² The court held that art and utility are not in contradiction, and prohibited discrimination on the basis of merit.⁷³ By extending copyright to three-dimensional models, the 1909 Copyright Act adopted this new approach, and abandoned the distinction between fine and applied art.⁷⁴ As a matter of practice, the Copyright Office maintained the distinction between fine and applied art until 1949.⁷⁵ In 1948 and 1949, the Copyright Office changed its attitude and accepted many three-dimensional works of applied art for registration, “in so far as their form but not their mechanical or utilitarian aspects are concerned.”⁷⁶

Another milestone was the Supreme Court’s 1954 landmark decision in *Mazer v. Stein*, validating the lower court’s decision to copyright dancing figures despite their industrial use as lamp bases.⁷⁷ Yet the *Mazer* holding left the definition of applied art incomplete. Although the court clarified that the use or merit of the “work of art” is irrelevant for its copyrightability, the bounds of this statutory classification remained uncertain.⁷⁸ Thus, while a dancing figure qualified for copyright protection as a “work of art” even when used as a lamp-base, the question remained whether items, such as hairbrushes, belt buckles, and toasters also fell within the realm of “works of art.” Soon after the *Mazer* holding, the Copyright Office adopted new regulations that launched the “separability” measurement into American copyright law.⁷⁹ According to these guidelines, the standard for copyrighting applied art was whether “the shape of a utilitarian article incorporates features such as artistic sculpture, carving or pictorial representation, *which can be identified separately and are capable of existing independently as a work of art.*”⁸⁰ This is the “separability” requirement, which the Copyright Office based on a then-current, Italian approach.⁸¹

⁷² 188 U.S. 239 (1903) (upholding the copyrightability of a circus poster).

⁷³ *Id.* at 251.

⁷⁴ Copyright Act of 1909, Pub. L. No. 60-349, 35 Stat. 1075, 1077, *superseded by* 17 U.S.C. §§ 101-914 (1982); *see also* Carol Barnhart Inc. v. Econ. Cover Corp., 773 F.2d 411, 415 (2d Cir. 1985); Denicola, *supra* note 29, at 710; Reichman, *supra* note 71, at 1148-49.

⁷⁵ *See* GOLDSTEIN, *supra* note 28, § 2.5.3; Denicola, *supra* note 29, at 710-11; Reichman, *supra* note 71, at 1148-49.

⁷⁶ *See* Denicola, *supra* note 29, at 711; Reichman, *supra* note 71, at 1149-50.

⁷⁷ 347 U.S. 201 (1954).

⁷⁸ *See* Denicola, *supra* note 29, at 712.

⁷⁹ 37 C.F.R. § 202 (1959).

⁸⁰ 37 C.F.R. § 202.10(c) (1959) (emphasis added); *see* Denicola, *supra* note 29, at 715.

⁸¹ *See* SUTHERSANEN, *supra* note 16, at 208-10 (describing the Italian separability criterion for protecting applied art). *See also* J.H. Reichman, *Design Protection after the Copyright Act of 1976: A Comparative View of the Emerging Interim Models*, 31 J. COPYRIGHT SOC’Y U.S.A. 267, 350-65 (1983).

Despite the *Mazer* holding, the Copyright Office believed that on principle, copyright should not be extended to commercial industrial design.⁸² The Office made intensive attempts to introduce such opinions into the legislative agenda, both by influencing the proposed new copyright legislation and by promoting a *sui generis* legislation for design protection.⁸³ The guidelines that the Copyright Office adopted were aimed to read the *Mazer* holding very narrowly in order to prevent the “flood” of copyrighting of applied art which, according to the Office’s ideology, would hinder the enactment of a “proper” special design law.⁸⁴ Accordingly, on the eve of the 1976 Copyright Act there was an attempt to legislate a *sui generis* law in the United States.⁸⁵ Under this proposed *sui generis* law, a limited and short-time protection would be offered to industrial designs, based in part on copyright principles.⁸⁶ This law, however, was withdrawn at the last minute.⁸⁷ Instead of a separate *sui generis* law for designs, a narrow codification of the *Mazer* holding was enacted.⁸⁸

From recent research tracking the legislative history of the 1976 Copyright Law, it seems that the last-minute shelving of the *sui generis* initiative was totally accidental.⁸⁹ The reason for that accidental shelving is connected to the District Court opinion in *Esquire v. Ringer*,⁹⁰ which was later reversed on appeal.⁹¹ The decision was handed down during the House of Representatives’ sessions, and stated that the Copyright Office’s ideology of limiting the registration of applied art until Congress had passed the *sui generis* design legislation was rejected.⁹² As a result, the

⁸² See Denicola, *supra* note 29, at 717-21. See also PATRY, *supra* note 70, §§ 3:124-135.

⁸³ See PATRY, *supra* note 70, §§ 3:124-135 (describing the Copyright Office’s pivotal role in the development of design law).

⁸⁴ The Copyright Office conduct was even called *ultra vires*, since it promoted its own independent ideology that contradicted the Supreme Court holding. PATRY, *supra* note 70, § 3:132.

⁸⁵ See Protection of Ornamental Designs of Useful Articles, S. 22, 94th Cong. (1976).

⁸⁶ See *id.* See also *Carol Barnhart Inc. v. Econ. Cover Corp.*, 773 F.2d 411 (2d Cir. 1985) (reviewing the history of this bill); GOLDSTEIN, *supra* note 28, § 2.5.3 n.72; MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 2.08(B)(3) n.117 (2005); Reichman, *supra* note 81, at 370; Setliff, *supra* note 35, at 60-61.

⁸⁷ See Protection of Ornamental Designs of Useful Articles, S. 22, 94th Cong. (1976). This design legislation was deleted from the final Copyright Act by the House of Representatives. See H.R. CONF. REP. NO. 1476, at 82. See also *Carol Barnhart Inc. v. Econ. Cover Corp.*, 773 F.2d 411, 416-418 (2d Cir. 1985) (reviewing the history of this bill); GOLDSTEIN, *supra* note 28, § 2.5.3 n.72; NIMMER, *supra* note 87 at § 2.08(B)(3) n.117 (2005); Reichman, *supra* note 81, at 370; Setliff, *supra* note 35, at 60-61.

⁸⁸ See PATRY, *supra* note 70, § 3:134 (describing the legislative history of the initiative for a *sui generis* design act and the ultimate shelving of the 1976 enactment). See also Denicola, *supra* note 29, at 720-21; *Carol Barnhart Inc.*, 773 F.2d at 411 (reviewing the historical development of design law in the United States).

⁸⁹ See PATRY, *supra* note 70, § 3:134.

⁹⁰ 414 F. Supp. 939 (D.C. 1976).

⁹¹ 591 F.2d 796 (D.C. Cir. 1978).

⁹² *Esquire, Inc. v. Ringer*, 414 F. Supp. 939, 940 (D.C. 1976).

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House deleted Title II of the Copyright Bill, which introduced the *sui generis* design law, and amended the definition of applied art in copyright law.⁹³ This change at the “last minute” was made to ensure that design legislation would be treated separately from copyright legislation, after a more profound examination of policy consideration.⁹⁴ Namely, the House decided to eliminate the treatment of designs from copyright legislation to prevent debate and to allow the main copyright scheme to pass more smoothly.⁹⁵ This outcome was recently described as a means to assist the Copyright Office on a specific case, but at the “sacrifice of long-term implications for the law.”⁹⁶ In my view, this outcome is both an example and a parable of the accidental development of design law. Congress compromised and decided that works of art, which are incorporated into the design of useful articles but are capable of the “separability” standard, would be copyrightable.⁹⁷ This outcome has not been reviewed since.

Scholars often criticize the “separability” criterion for being unclear, impossible to carry out, arbitrary, and subject to manipulation.⁹⁸ The “separability” measurement led courts to develop two tests for its application, the physical and conceptual tests, which measure the separation between “art” and “utility” features.⁹⁹ While the physical separation test reflects a narrow, literal interpretation of the statute, the conceptual separation test is broader and it has enabled the courts to circumvent Congress’s intent to withhold copyright protection from industrial designs.¹⁰⁰ The “separability” criterion is problematic from both the practical and theoretical points of view. The “separability” measurement, *de facto*, preserves the nineteenth-century distinction between “beauty” and “utility,” refusing to recognize industrial design as a form of art.

Fashions change in all things. Design is no exception. Today, the design philosophy of functionalism is dominant.¹⁰¹ According to functionalism, the best designs are those in which

⁹³ See definition of “applied art” at 17 U.S.C. § 101.

⁹⁴ See PATRY, *supra* note 70, § 3:134.

⁹⁵ See *id.*

⁹⁶ *Id.*

⁹⁷ 17 U.S.C. § 102(a)(5) (1976).

⁹⁸ See GOLDSTEIN, *supra* note 28, § 2.5.3(b)-(c); NIMMER, *supra* note 87, § 2.08(B)(3); Michael Davis-Hall, *Copyright and the Design of Useful Articles: A Functional Analysis of Separability*, 50 COPYRIGHT L. SYMP. (ASCAP) 37 (1997); Shira Perlmutter, *Conceptual Separability and Copyright in the Designs of Useful Articles*, 37 J. COPYRIGHT SOC’Y. U.S.A. 339 (1990); Reichman, *supra* note 81; Setliff, *supra* note 35, at 57-60 (providing a more recent critique).

⁹⁹ For the physical test, see *Esquire, Inc.*, 591 F.2d 796; For the conceptual test, see *Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989 (2d Cir. 1980).

¹⁰⁰ See *supra* note 98.

¹⁰¹ See Setliff, *supra* note 35, at 62.

“the appearance springs truly from the structure, and is a logical expression of it.”¹⁰² This functionalistic approach is reflected in the known aphorism “form follows function.”¹⁰³ However, achieving a visual effect by eliminating ornamentation must not be confused with failing to consider visual effect entirely. Specifically, functionalism is concerned with aesthetic appearance.¹⁰⁴ Even a flexible application of the “separability” criterion prevents most of the more up-to-date designs from receiving copyright protection.¹⁰⁵ Consequently, in its more extreme phrasings, the “separability” criterion in the United States preserves the theoretical aesthetic perceptions of the Victorian era, in which decoration means additional external embellishment attached to objects.¹⁰⁶

(2) Patent Protection

Since 1842, patent law may also protect designs.¹⁰⁷ A patent is a right given with respect to invention, subject to registration; and invention, normatively speaking, is a technological idea.¹⁰⁸ In addition to being useful, a patentable invention must meet high thresholds of novelty and non-obviousness on a global level.¹⁰⁹ This begs the question of how to patent a design, since design is based on the aesthetic appearance of a product and not a technological invention.

The historical development of a design patent right in the United States reveals that its purpose was to fill the gap between copyright and patent protection, with the legislative intent of encouraging the decorative arts.¹¹⁰ To this end, an additional requirement was added to a design patent right, which is “ornamentality” that is not dictated by functional considerations,¹¹¹ while the utility requirement that is compulsory with respect to

¹⁰² Denicola, *supra* note 30, at 740 n.157 (quoting WILLIAM DENNIS CAIN, *ENGINEERING PRODUCT DESIGN* 157 (Business Books 1969)). *See also id.* at 740 n.158; GOLDSTEIN, *supra* note 28, § 2.5.3(b); Setliff, *supra* note 35, at 62.

¹⁰³ LOUIS H. SULLIVAN, *THE AUTOBIOGRAPHY OF AN IDEA* 258 (1956).

¹⁰⁴ *See* Australian Law Reform Commission, *supra* note 1, § 2.12.

¹⁰⁵ *See* NIMMER, *supra* note 87, § 2.08(B)(3) (reviewing the complexities stemming from the conceptual “separability” test, employed by courts).

¹⁰⁶ *See* PATRY, *supra* note 70, § 3:141 n.16 (offering a somewhat similar critique).

¹⁰⁷ This statement excludes the the ramifications of the art-industry nexus in U.S. copyright law. *See* CHISUM, *supra* note 55, § 1.04(1). *See also* Wallace R. Burke, *Evolution of the Unobviousness Standard: 35 U.S.C. § 103 for Design Patents*, 19 U. BALT. L. REV. 324, 324-25 (1991) (tracing the history of design patents in the United States).

¹⁰⁸ 35 U.S.C. § 101 (2008).

¹⁰⁹ *Id.* at §§ 101-03.

¹¹⁰ *See* CHISUM, *supra* note 55, § 1: 1.04(1); MERGES ET AL., *supra* note 54, at 357.

¹¹¹ 35 U.S.C. § 171; Chisum, *supra* note 55, at § 1.04.[2].

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patents was dropped.¹¹² Thus, in contrast to “regular” inventions, a patent covering design consists of purely aesthetic features, such as surface ornamentation,¹¹³ although most other patentability requirements are maintained, such as novelty and non-obviousness.¹¹⁴ The outcome is an industrial property scheme for design, accompanied by all the characteristics attached to the patent scheme: high standard requirements for eligibility;¹¹⁵ a long and expensive process of registration as a pre-condition for protection;¹¹⁶ and a strong monopolistic right for a short period (fourteen years).¹¹⁷

Design patents protect only the ornamental aspects of the patented design, and not the functional aspects.¹¹⁸ This outcome poses the same problems as the “separability” measurement in copyright law: it is difficult for courts to distinguish the protectable ornamental aspects from the unprotectable functional aspects of a design product that incorporates both.¹¹⁹ Consequently, patent design protection does not offer full protection for many contemporary designs, whether due to the inappropriate eligibility requirement, the unsuitable process of registration, or lack of adequate protection for aesthetics merged with function.¹²⁰

Since there are two main routes for protecting designs—patent and copyright—the question remains whether protection is cumulative, or whether the designer must choose one of the options. The *Mazer v. Stein* holding did not answer this question, which led to contradictory decisions in lower courts.¹²¹ Nevertheless, in practice the availability of patent protection for

¹¹² This might be explained by the fact that “pure aesthetics” and “utility” contradict. See *supra* note 57 and accompanying text.

¹¹³ 35 U.S.C. § 101 (stating that “[w]hoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefore, subject to the conditions and requirements of this title . . .”). See also *MERGES ET AL.*, *supra* note 54, at 357.

¹¹⁴ 35 U.S.C. § 171.

¹¹⁵ See *supra* note 85 and accompanying text.

¹¹⁶ 35 U.S.C. Ch. 11-12. According to the U.S. Patent Office website, the average patent application pendency is 24.6 months. See <http://www.uspto.gov/main/faq/index.html> (last visited Nov. 10, 2007). Furthermore, the U.S. Patent Office strongly recommends that all prospective applicants retain the services of a registered patent attorney or patent agent to prepare and prosecute their applications. See *id.*

¹¹⁷ 35 U.S.C. § 173.

¹¹⁸ 35 U.S.C. § 289; *L.A. Gear, Inc. v. Thorn McAn Shoe Co.*, 988 F.2d 1117 (Fed. Cir. 1993); *CHISUM*, *supra* note 55, § 1.04(1); *MERGES ET AL.*, *supra* note 54, at 357.

¹¹⁹ Such as a design which follows the functionalist approach. See Brown, *supra* note 69, at 1356-57; Keebaugh, *supra* note 1, at 261-62; Shyh-Jen Wang, *The Flow Chart of Design Patent Infringement*, 87 J. PAT. & TRADEMARK OFF. SOC'Y 761, 766 (2005).

¹²⁰ See Briggs, *supra* note 1; Brown, *supra* note 69, at 1356-57; 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, 555-58 (1999); Keebaugh, *supra* note 1, at 260-63 (providing a similar opinion).

¹²¹ See *CHISUM*, *supra* note 55, § 1.04(5)(b).

design does not preclude copyright protection; thus, presumably, protection could be received under both statutes.¹²²

(3) Trademark Protection

The third path for protecting designs is through trademark law, or a trade dress claim. Courts approve trademark protection if the design acquires sufficient distinctiveness (secondary meaning) in order to function as a trademark; namely, the design must function as a means to identify the origin of goods.¹²³ Another important requirement for a design's protection as a trademark is that it does not contain functional elements.¹²⁴ Discussions concerning these two requirements show that when a product's design becomes distinctive and non-functional, the use of this third path has become increasingly popular.¹²⁵ However, some complications have arisen with the operation of these two requirements with respect to product design and have posed barriers to successful trade dress actions.¹²⁶ Moreover, trade dress action will not always be available, since the United States Supreme Court has interpreted the term "origin of goods" in the trademark statute (Lanham Act) as referring to the producer of the designed *tangible goods*, and not the producer of the (potentially) copyrightable or patentable *designs* that cover or are adhered to the goods.¹²⁷ Therefore, designers are barred from claiming trade dress protection independently of the tangible

¹²² See GOLDSTEIN, *supra* note 28, § 2.5.3 n.73.

¹²³ See *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 212 (2000); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 775 (1992); CHISUM, *supra* note 55, § 1.04(6); GILSON, *supra* note 55, § 2A.10(2); MCCARTHY, *supra* note 39, § 7.25. See also Braegger, *supra* note 12, at 10-12 (discussing recent research on overlapping protection on product configuration).

¹²⁴ *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164 (1995). See also GILSON, *supra* note 55, § 2A.10.

¹²⁵ See Graeme B. Dinwoodie, *Reconceptualizing the Inherent Distinctiveness of Product Design Trade Dress*, 75 N.C. L. REV. 471 (1997) (thoroughly reviewing these two arguments). See also Braegger, *supra* note 12, at 109-27; Graeme B. Dinwoodie, *The Death of Ontology: A Teleological Approach to Trademark Law*, 84 IOWA L. REV. 611 (1999); Judith Beth Prowda, *The Trouble With Trade Dress Protection of Product Design*, 61 ALB. L. REV. 1309 (1998).

¹²⁶ The most significant obstacle for trade dress action is that product design does not enjoy inherent distinctiveness, and therefore it should be proven that such quality was gained by actual use in the course of time; that is the "secondary meaning" requirement. See *Wal-Mart*, 529 U.S. at 214; Braegger, *supra* note 12, at 116-19. Another significant obstacle for trade dress action was the "aesthetic functionality" approach. Under this approach, when goods are bought largely for their aesthetic value, their features may be functional because they contribute to their value and aid the performance of an objective for which the goods are intended. See *Pagliero v. Wallace China Co.*, 198 F.2d 339, 343 (9th Cir. 1952); RESTATEMENT (FIRST) OF TORTS § 742 cmt. a (1938); Braegger, *supra* note 12, at 127-29. However, recently the Supreme Court narrowed this doctrine by holding that the aesthetic and the utilitarian functionality must be distinguished. *Traffix Devices, Inc.*, 532 U.S. at 23.

¹²⁷ *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 37 (2003).

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goods' producer, and consequently trade dress protection does not function as a full substitute for design right protection. Trade dress remains unchanged: protection against misleading customers and not prevention of imitation *per se*.¹²⁸

Case law demonstrates that, given the optional overlapping of trademark, copyright, and patent protection, trademark protection for design is not precluded, provided the requirements of non-functionality and distinctiveness are met.¹²⁹ In these cases, the overlap does not undermine the balance of design's protection through patent or copyright. The design's protection is not undermined because the purpose is not to tailor the appropriate incentive for creation, as it is in patent and copyright, but rather to protect customers.¹³⁰ This latter purpose also underlies trademark law, and protection through trademark should be allowed as long as the design is sufficiently distinct and there is a possible misleading use of trade dress.¹³¹ Although cumulative protection of design and trademark law is permissible on both theoretical and doctrinal grounds, a series of United States Supreme Court decisions warned against use of trademark law as a broad catch-all federal protection whenever other intellectual property rights are not in force or are unenforceable.¹³² Trade dress, to conclude, is not the best alternative for design protection, and its excessive use (or rather misuse) only supports the need for a specially tailored solution for designs that would bar imitation *per se*.

¹²⁸ *Id.*

¹²⁹ See CHISUM, *supra* note 55, § 1.04(6)(a)(e); see also Setliff, *supra* note 35, at 71-73.

¹³⁰ See GILSON, *supra* note 55, § 2A.10; MCCARTHY, *supra* note 39, § 6.3. See also *Dastar Corp.*, 539 U.S. at 33-34. However, some opine that such overlap might be problematic, since the reputation of the design right owner is free of competition during the term of the design registration, and then allowed unlimited trademark protection after expiration, thus unreasonably limiting development of the relevant art or industry. See DANIEL GERVAIS & ELIZABETH F. JUDGE, *INTELLECTUAL PROPERTY: THE LAW IN CANADA* 602 (Carswell 2005); Michael S. Perez, *Reconciling the Patent Act and the Lanham Act: Should Product Configurations be Entitled to Trade Dress Protection after the Expiration of a Utility or Design Patent?*, 4 TEX. INTELL. PROP. L.J. 383, 400-08 (1996). Such an opinion was rejected recently by the Canadian court, on the basis of both statutory language and rationale for trademark protection. See *WCC Containers Sales Ltd. v. Haul-All Equip. Ltd.*, [2003] F.C. 962. See also GERVAIS & JUDGE, *supra*.

¹³¹ See *In re Mogen David Wine Corp.*, 328 F.2d 925, 930 (C.C.P.A. 1964).

¹³² See *Dastar Corp.*, 539 U.S. at 37; *Traffix Devices, Inc.*, 532 U.S. at 23; *Wal-Mart Stores, Inc.*, 529 U.S. at 214-215. See also GILSON, *supra* note 55, § 2A.10.

(4) *Sui Generis* Protection: Vessel Hulls and Semi-Conductor Chips

A significant change in design protection in United States legislation is found in the Vessel Hull Design Protection Act of 1988 ("VHDPA").¹³³ The VHDPA defines originality to meet the threshold of creative endeavor, based on copyright doctrines,¹³⁴ and protects "an original design of a useful article which makes the article attractive or distinctive in appearance to the purchasing or using public"¹³⁵ Clearly, this enactment confers a form of *sui generis* design protection, limited to the realm of boat hulls.¹³⁶

The VHDPA was a response to *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*,¹³⁷ in which the Supreme Court criticized the ineffectual federal protection of designs,¹³⁸ while striking down a state law protecting the design of boat hulls on the constitutional grounds of pre-emption. Congress responded to the *Bonito Boats* holding with an enactment addressing boat hulls, but left the rest of the design realm untouched.¹³⁹ Nevertheless, the VHDPA can be seen as pilot legislation for the change required in U.S. design law,¹⁴⁰ since it incorporates a *sui generis* law for designs, tailored after the copyright paradigm, by requiring some kind of registration and setting a short term of protection.¹⁴¹ The hull registration is to be

¹³³ Vessel Hull Design Protection Act, Pub. L. No. 105-304, 112 Stat. 2860 (1998) (codified at 17 U.S.C. § 1301).

¹³⁴ 17 U.S.C. § 1301(b)(1) (2008). For more on the originality requirement in copyright law, see *infra*, Section 4(B).

¹³⁵ 17 U.S.C. § 1301(a)(1).

¹³⁶ See NIMMER, *supra* note 87, § 8(A)(13).

¹³⁷ *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989).

¹³⁸ *Id.* at 167-68.

¹³⁹ It was suggested that the VHDPA language could easily be broadened to include other types of useful articles, and thus to provide the type of design scheme that has been proposed for years in the United States. See CHISUM, *supra* note 55, § 23.06(3). However, such broadening is unwarranted since Congress's clear intent was to overturn the *Bonito Boats, Inc.* holding and to codify a rule relating only to boat hulls. See NIMMER, *supra* note 87, § 8(A)(13)(14).

¹⁴⁰ Initially, the VHDPA was enacted to remain in effect for only two years, since it was experimental legislation; Later, its "sunset" mechanism was abolished and it became permanent protection. See NIMMER, *supra* note 87, § 8A.17(E). Nimmer criticized the fact that Congress's intent to thoroughly examine the effect of the legislation prior to its full acceptance was undermined. *Id.* In 2003, a report on the impact of the VHDPA on industry was submitted to Congress, but the report was not conclusive. U.S. COPYRIGHT OFFICE AND U.S. PATENT AND TRADEMARK OFFICE, THE VESSEL HULL DESIGN PROTECTION ACT: OVERVIEW AND ANALYSIS 10 (2003) [hereinafter U.S. REPORT VESSEL HULL]. For example, it stated that, "[w]hile registrations have been made, the results of efforts to prevent infringement are unknown." *Id.* at 10. Furthermore, the report concluded that it was too soon to tell whether the Act had a significant overall effect on the boat building industry. *Id.* at 20.

¹⁴¹ The VHDPA excludes protection from designs in accordance with copyright doctrines, denying protection to "not original" designs or designs that are entirely dictated by utilitarian functions. See 17 U.S.C. §§ 1302(1)-(4) (2008). A further requirement is that registration should take place within two years of the design's

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made at the Copyright Office, and it appears to be more of a deposit than a registration which includes examination. The Copyright Office must determine only whether the application “relates to a design which on its face appears to be subject to protection” under the VHDPA.¹⁴² The Copyright Office is not obliged to compare the design with other registered and known designs.¹⁴³ Finally, the statute explicitly states that dual protection by design patent and under the VHDPA is foreclosed.¹⁴⁴ However, a different provision leaves open the possibility of cumulative protection on other bases, such as trademark and unfair competition laws.¹⁴⁵ These developments, with respect to boat hulls, may be the beginning of a trend creating a quick, low-formality and exclusive copyright kind of protection.¹⁴⁶ This, as will be explained in more detail below, should be levered into a comprehensive new *sui generis* design law for *all* designs in the United States.¹⁴⁷

Aside from the VHDPA there is one more *sui generis* form of protection incorporated into the Copyright Act, which is the Semiconductor Chip Protection Act of 1984.¹⁴⁸ This legislation could demonstrate the intellectual property expansion mechanism described above by sub-division into a patchwork of hybrid laws.¹⁴⁹ However, the subject matter referred to in this special provision is slightly different, since although it deals with industrialized articles, it pertains to their functional typeface, or typography, rather than aesthetic appearance.¹⁵⁰ While the VHDPA remains the major model for future design legislation, the special

publication, whether in the U.S. or abroad. *See id.* at §§ 1302(3)-(11). The total term of protection is ten years. *See id.* at § 1305.

¹⁴² *See id.* at § 1313(a).

¹⁴³ *See* NIMMER, *supra* note 87, § 8(A)(15)(3); H.R. REP. No. 105-436, at 18 (1998).

¹⁴⁴ *See* 17 U.S.C. § 1329; NIMMER, *supra* note 87, § 8(A)(21).

¹⁴⁵ *See* 17 U.S.C. § 1330(2); NIMMER, *supra* note 87, § 8(A)(21).

¹⁴⁶ But there are other ways to implement this kind of protection, such as with unfair competition law. *See, e.g.,* William T. Freyer, *An Overview of Industrial Design Law Global Development*, 10 U. BALT. INTELL. PROP. L.J. 63, 66 (2002).

¹⁴⁷ For a similar opinion, see Keebaugh, *supra* note 1, at 275-77. The Copyright Office has also recently expressed a similar opinion, according to which the VHDPA “was written in such a way that it could later be amended to cover designs of useful articles in general Alternatively, it could be amended to cover additional specific types of useful articles” *See Hearing on H.R. 5055 Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary*, 109th Cong. 195, 205 (2006) (statement of the United States Copyright Office) [hereinafter Copyright Office Opinion].

¹⁴⁸ For protection of integrated circuits in the U.S., *see* 17 U.S.C. §§ 901-914; NIMMER, *supra* note 87, § 8(A)(1).

¹⁴⁹ *See supra* note 63 and accompanying text.

¹⁵⁰ In U.S. legislation, the integrated circuit is called “mask work,” and refers to semiconductor chips. For the definition, *see* 17 U.S.C. § 902. What he calls the “definition” doesn’t really define “mask work.” It defines the protections extended to such works. *See also* NIMMER, *supra* note 87, §§ 8(A)(1)-(12) (explaining the content and scope of this special protection).

protection given to semiconductor chips should be borne in mind in modeling any future design scheme, since it raises the question of protection of functional designs that will have clear and immediate implications on various markets, as in the production of spare parts for mechanical and electrical products, and in the location of such designs in the intellectual property realm.¹⁵¹

C. *The International "No Standard"*

On the international level, the three significant instruments, the Berne Convention for Protection of Literary and Artistic Works,¹⁵² the Paris Convention of Industrial Property¹⁵³ and the Agreement on Trade-Related Aspects of Intellectual Property ("TRIPS Agreement"),¹⁵⁴ do not compel a paradigm for protection of industrial designs, besides the mere necessity to acknowledge some protection.¹⁵⁵ The legal history of each of these international instruments reveals the basic conflict with respect to designs: the difficulty of locating them in the intellectual property realm. The outcome is that there is no compelling international standard, and there exists a disharmonious protection over designs around the globe.¹⁵⁶

During various conferences that followed and amended the 1886 Berne Convention, there was an ongoing debate with respect to designs and their possible location within the copyright branch of intellectual property.¹⁵⁷ The result was a decision not to decide,

¹⁵¹ The legal attitude to "spare parts" deserves a separate and thorough discussion. Although highly related to industrial designs, their legal status remains beyond the scope of this article. See CHISUM, *supra* note 55, § 14.03(4) (discussing protection of spare parts via different legal means, such as utility models or "petty patent" in other countries); see also MARTIN HOWE & A.D. RUSSELL-CLARKE, RUSSELL-CLARKE ON INDUSTRIAL DESIGNS 84-87, 257-58 (Sweet & Maxwell 2005); Klaus-Jürgen Michaeli, *Protection of Industrial Designs: An Overview of German Law*, in INDUSTRIAL DESIGN RIGHTS: AN INTERNATIONAL PERSPECTIVE 121, 124 (Brian W. Gray & Effie Bouzalas, eds., Kluwer Law International 2001); Joseph Straus, *Design Protection for Spare Parts Gone in Europe? Proposed Changes to the EC Directive: The Commission's Mandate and its Doubtful Execution*, 27 EUR. INTELL. PROP. REV. 391 (2005) (Eng). For more on "spare parts," see *infra* notes 364-366 and accompanying text.

¹⁵² Berne Convention, *supra* note 10.

¹⁵³ Paris Convention, *supra* note 10.

¹⁵⁴ TRIPS Agreement, *supra* note 10.

¹⁵⁵ Article 2 (7) of the Berne Convention, *supra* note 10; Article 5(5) of the Paris Convention, *supra* note 51; Article 25 (1) of the TRIPS Agreement, *supra* note 10.

¹⁵⁶ For a review of the different schemes for designs' protection in different countries, see ANNE MARIE GREENE, DESIGNS AND UTILITY MODELS THROUGHOUT THE WORLD (2007).

¹⁵⁷ The French delegates stressed the French doctrine of full acceptance of copyright protection for designs, while the English delegates promoted the English doctrine of full separation between designs and copyright, resulting in no substantive agreement. See SAM RICKETSON, THE BERNE CONVENTION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS: 1886-1986, at 271-73 (1987).

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and to allow member states full freedom on the subject.¹⁵⁸ Only in 1948 did the parties reach what seems to be the only possible agreement, according to which works of applied art were added to the enumeration of protected works in Article 2(1), and a new article (now Article 2(7)) was adopted, leaving member states the freedom to choose the scope and kind of protection given to applied art. This was the last attempt to introduce harmonized doctrine into the Berne Convention, and the question has not been re-examined since.¹⁵⁹ Accordingly, there are different modes for protecting designs in member countries, all in accord with the flexible Berne Convention formula.¹⁶⁰

The debate over the legal paradigm appropriate for designs was also reflected in the Paris Convention launched, similarly to the Berne Convention, at the end of the nineteenth century. The Paris Convention deals with industrial property, mainly patents and trademarks, and establishes international regulation with respect to national registration of intellectual property rights. At the Convention, there was a long debate as to whether designs should be included in this instrument.¹⁶¹ This debate was partly resolved in 1958, when Article 5(5) of the Paris Convention was adopted, according to which “Industrial Designs shall be protected in all the countries of the Union.” Notably, the parties agreed only on the obligation to protect designs, without setting any standard with respect to the eligibility or scope of design protection.¹⁶² Therefore, once something is identified as an industrial design according to a member state’s law, it is protected. However, such protection can be achieved by a wide spectrum of legal means, from copyright, to special design laws assimilated into patent law, to unfair competition law.¹⁶³ All methods, of course, comply with the Paris Convention’s lack of standardization. There are thus two international conventions regulating designs – the Berne and Paris Conventions – and this well-established legal situation shows no sign of changing in the foreseeable future.¹⁶⁴

The TRIPS Agreement also defers the decision concerning

¹⁵⁸ See *id.* at 271-73.

¹⁵⁹ See *id.* at 280.

¹⁶⁰ See *id.* at 282.

¹⁶¹ See G.H.C. BODENHAUSEN, PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY 86 (1968).

¹⁶² There have been different attempts to define what a design is, to establish a mechanism for evaluating the novelty of designs, and to mandate a minimal period of protection. All of these proposals were rejected due to lack of consensus, and therefore these issues remain under the sole jurisdiction of the member states. See *id.* at 86.

¹⁶³ See *id.* at 86. See also COPYRIGHT AND DESIGNS LAW, REPORT OF THE COMMITTEE TO CONSIDER THE LAW ON COPYRIGHT AND DESIGNS, 1977, Cmnd. 6732, at 32 [hereinafter WHITFORD REPORT].

¹⁶⁴ For a similar conclusion, see RICKETSON, *supra* note 158, at 282.

the scheme of design protection to the individual states, though it does show a slight movement in the direction of harmonization. According to the TRIPS Agreement, member states “shall provide for the protection of independently created industrial designs that are new or original.”¹⁶⁵ The wording “new or original” reflects an agreement to include both originality from the copyright realm and novelty from the industrial property field as requirements.¹⁶⁶ Therefore, again, the TRIPS Agreement does not oblige any standard of protection, and the spectrum of acceptable rights allowed by the Paris Convention was preserved.¹⁶⁷ Even a specific article in the TRIPS Agreement, setting special requirements for textile designs in terms of cost and duration of obtaining protection, is not a deviation from the “no standard” in international law since it stipulates that members are free to meet this obligation through either copyright or industrial design law.¹⁶⁸ Finally, the only compelling minimum standard adopted by the TRIPS Agreement concerns the term of protection, which should be at least ten years.¹⁶⁹ This means that the only international harmonization that exists with respect to design protection relates to the minimum duration of protection, and nothing more than that.

Another international instrument that should be mentioned is the Hague Agreement Concerning International Registration of Industrial Designs,¹⁷⁰ which establishes an international system for the registration of designs. However, the Hague Agreement says that contracting parties should comply with the provisions of the Paris Convention concerning industrial designs.¹⁷¹ Moreover, the provisions of the Hague Agreement do not effect any greater

¹⁶⁵ TRIPS Agreement, *supra* note 10, art. 25(1) (permitting members to legislate different requirements with respect to eligibility).

¹⁶⁶ See DANIEL GERVAIS, *THE TRIPS AGREEMENT DRAFTING HISTORY AND ANALYSIS* 212-13 (Sweet & Maxwell 2003). According to one commentator's view, TRIPS art. 25(1) does not permit accumulation of requirements and the eligibility standard should be one *or* the other, either *new* or *original*. Nevertheless, it is clear that both the copyright and patent standards are permitted with no preference for one system over the other. See NUNO PIRES DE CARVALHO, *THE TRIPS REGIME OF TRADEMARKS AND DESIGNS* 402 (Kluwer Law International 2006).

¹⁶⁷ See GERVAIS, *supra* note 167, at 212-13; DE CARVALHO, *supra* note 167, at 395-405.

¹⁶⁸ TRIPS Agreement, *supra* note 10, art. 25(2). This Article addresses the need of the textiles industry to protect designs quickly given the short time of profits from creation until end of potential marketing. Therefore, usually in cases when designs are protected with a patent-like kind of legislation, the industry's needs are not fulfilled. See GERVAIS, *supra* note 167, at 213-14.

¹⁶⁹ TRIPS Agreement, *supra* note 10, art. 26(3).

¹⁷⁰ Geneva Act of the Hague Agreement [of 6 November 1925] Concerning the International Registration of Industrial Designs art. 14(1), July 2, 1999 (extending the Hague Agreement Concerning the Deposit of Industrial Designs of 1934, amended in 1960) [hereinafter Hague Agreement, Geneva Act].

¹⁷¹ *Id.* art. 2(2).

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protection afforded by the laws of contracting parties, or protection accorded to applied art by international copyright treaties, or the protection accorded by the TRIPS Agreement.¹⁷² Thus, the Hague Agreement's purpose is not to harmonize international protection over designs nor set a standard of protection, but only to establish an international system of registration which will make the process of national registration more efficient.¹⁷³ It has had some success in this area (see below, Section 4.1.(c).(ii)).¹⁷⁴

It should be noted in this respect that E.U. legislation is similarly entangled in the problems and tendencies of the inability to reach a consensus. The European Commission has stressed the need for a harmonized mode of protection for designs, and has made a gesture towards defining such protection.¹⁷⁵ The European Parliament and Council adopted the E.C. Design Directive in 1998.¹⁷⁶ Under the directive, a design holder is entitled to two design rights: first, an unregistered Community quasi-copyright protection given for a period of three years automatically upon the first marketing of the design; and second, a registered Community quasi-patent protection, for a period of up to twenty-five years. In order to reduce the cost and time usually associated with a registration system, all that is required for this latter form of protection is a *deposit*, and not any examination. However, the eligibility requirement for both modes of protection – unregistered and registered Community design rights – is *novelty* and *individual character*.¹⁷⁷ As a matter of policy, the Design Directive does not interfere with any national intellectual property rights for designs,¹⁷⁸ including national copyright protection,¹⁷⁹ and therefore all Community design rights may be cumulative to other national modes of protection, according to national

¹⁷² *Id.* art. 2(1).

¹⁷³ See WILLIAM T. FREYER III, THE GENEVA ACT (1999) OF THE HAGUE AGREEMENT CONCERNING THE INTERNATIONAL REGISTRATION OF INDUSTRIAL DESIGNS: DRAFTING HISTORY AND ANALYSIS 23-33 (2005) (thoroughly describing the Hague Agreement and its formation).

¹⁷⁴ Hague Agreement, Geneva Act, *supra* note 170, art. 14(1); Freyer III, *supra* note 173, at 23-33.

¹⁷⁵ See SUTHERSANEN, *supra* note 16, at 23; *Commission Green Paper on the Legal Protection of Industrial Design*, (June 1991). For a thorough review of the different design protection regimes in European nations, see SUTHERSANEN, *supra* note 16, at 113. See also Robyn Durie, *European Community Design Law*, in INDUSTRIAL DESIGN RIGHT, AN INTERNATIONAL PERSPECTIVE 75, 86 (Brian W. Gray & Effie Bouzalas eds., 2001).

¹⁷⁶ Council Directive 98/71, Legal Protection of Designs, art. 100a, 1998 O.J. (L 289) 28 (EC) [hereinafter E.C. Design Directive].

¹⁷⁷ *Id.* arts. 2-5, 9-12; see also SUTHERSANEN, *supra* note 16, at 26-27; RUSSELL-CLARKE, *supra* note 151, at 4-5.

¹⁷⁸ E.C. Design Directive, *supra* note 177, art. 16.

¹⁷⁹ *Id.* art. 17.

choice.¹⁸⁰ It is clear, therefore, that the European Design Directive reflects the spirit of compromise.¹⁸¹ It was described as the fruit of non-consent, which led to an eclectic result, further complicating the legal protection of designs.¹⁸²

4. THE PRINCIPAL QUESTION OF PATENT OR COPYRIGHT PARADIGM

After the long detour into the labyrinth of positive design law comes the principal question: which paradigm of law is more suitable to the design realm – patent or copyright? Furthermore, should designs be protected by existing copyright and patent schemes or should they enjoy a *sui generis* law, based on the preferred paradigm? I will deal with these questions below. The question of protection under trademark will not be dealt with here since, as stressed above, my assumption is that certain proprietary rights *per se* should be acknowledged with respect to designs in order to encourage investment in their creation,¹⁸³ and trademark protection can in any case be supplementary to the main path elected for protecting designs against imitation *per se*.¹⁸⁴

A. *The Deficiencies of the Patent Paradigm and Compatibility with the Copyright Paradigm*

An ongoing dilemma in this niche of intellectual property law concerns the apt paradigm for designs. I suggest that the copyright paradigm is much more apt for the design realm, however positive copyright law as it stands is not entirely suitable. Therefore, the optimal legal regime is a *sui generis* law based on the copyright paradigm. The arguments for rejecting the patent paradigm and favoring the copyright paradigm for design are many and varied, from theoretical to practical:

(1) Designing is a Creative not an Inventive Activity - Equal Treatment for Creations

One of the basic differences between copyright and patent lies in the scope of protection: copyright is mainly an anti-copying right¹⁸⁵ and patent is a monopolistic right enabling the holder to

¹⁸⁰ For the four design rights applicable in the U.K., see RUSSELL-CLARKE, *supra* note 151, at 4-5.

¹⁸¹ See SUTHERSANEN, *supra* note 16, at 25.

¹⁸² See CORNISH & LLEWLYN, *supra* note 39, at 536. See also RUSSELL-CLARKE, *supra* note 151, at 1, 23-24; SUTHERSANEN, *supra* note 16, at 14.

¹⁸³ See *supra* Section 2.

¹⁸⁴ See *supra* notes 123-132 and accompanying text.

¹⁸⁵ See 17 U.S.C. § 106(1) (2008).

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exclude use of the subject matter, even when not copied.¹⁸⁶ The questions of the appropriate scope for the different intellectual property rights and what degree of exclusivity is to be vested in them is beyond the scope of this article,¹⁸⁷ but as long as the common differentiation continues between artistic works and technological inventions in terms of the applicable right's strength, consistency must be kept. Therefore, as I will argue, since designs should be assimilated to artistic works, the scope of exclusivity should be attached to the works' expression of ideas on the *subject matter axis* of the intellectual property zone; otherwise, anomaly is created.¹⁸⁸ Why should designs be assimilated to the work's subject matter? The answer lies in the justification for acknowledging an intellectual property right with respect to designs, which is to encourage the development of the *aesthetic appearance* of useful articles.¹⁸⁹ Namely, the fundamental element of incentive to *create* lies at the basis of the design right.¹⁹⁰ Designing is an activity of human imagination and is of a different order than inventing a technical device or achieving a scientific outcome.¹⁹¹ Therefore, legally speaking, designing activity should be assimilated to creative endeavors. In this respect, it should be borne in mind that designs are artistic works with some special

¹⁸⁶ See 35 U.S.C. § 271(a) (2008).

¹⁸⁷ Much has been written on the justification for patent right and copyright. With respect to copyright, see, for example, James Boyle, *A Theory of Law and Information: Copyright, Spleens, Blackmail and Insider Trading*, 80 CAL. L. REV. 1413 (1992); Zechariah Chafee, Jr., *Reflections on the Law of Copyright: I & II*, 45 COLUM. L. REV. 503, 519 (1945); Margaret Chon, *Postmodern "Progress": Reconsidering the Copyright and Patent Power*, 43 DEPAUL L. REV. 97 (1993); Julie E. Cohen, *Copyright and the Perfect Curve*, 53 VAND. L. REV. 1799 (2000); Wendy J. Gordon, *An Inquiry into the Merits of Copyright: The Challenges of Consistency, Consent, and Encouragement Theory*, 41 STAN. L. REV. 1343 (1989); William M. Landes & Richard A. Posner, *An Economic Analysis of Copyright Law*, 18 J. LEGAL STUD. 325 (1989); Mark A. Lemley, *The Economics of Improvement in Intellectual Property Law*, 75 TEX. L. REV. 989 (1997); Lunney, *supra* note 50, at 483; Stewart E. Sterk, *Rhetoric and Reality in Copyright Law*, 94 MICH. L. REV. 1197 (1996). With respect to patents, see Kenneth J. Arrow, *Economic Welfare and the Allocation of Resources for Invention*, in COLLECTED PAPERS OF KENNETH J. ARROW 5 (Belknap Press 1985); Michael A. Heller & Rebecca S. Eisenberg, *Can Patents Deter Innovation? The Anticommons in Biomedical Research*, 280 SCIENCE 698 (1998); Robert M. Hurt & Robert M. Schuchman, *The Economic Rationale of Copyright*, 56 AM. ECON. REV. 421 (1966); Edmund W. Kitch, *Property Rights in Inventions, Writings, and Marks*, 13 HARV. J.L. & PUB. POL'Y 119 (1990); Edmund W. Kitch, *The Nature and Function of the Patent System*, 20 J.L. & ECON. 265 (1977); Paul Klemperer, *How Broad Should the Scope of Patent Protection Be?*, 21 RAND J. ECON. 113 (1990); Robert P. Merges & Richard R. Nelson, *On The Complex Economics of Patent Scope*, 90 COLUM. L. REV. 839 (1990); Arnold Plant, *The Economic Aspects of Copyright in Books*, 1 ECONOMICA 167 (1934); Arnold Plant, *The Economic Theory Concerning Patents for Inventions*, 1 ECONOMICA 30 (1934).

¹⁸⁸ For a similar argument, see WHITFORD REPORT, *supra* note 164, at 37, 46.

¹⁸⁹ For a discussion of justification for designs, see *supra* Section 2.

¹⁹⁰ See COPINGER, *supra* note 5, at 713.

¹⁹¹ Herman Cohen Jehoram, *The EC Green Paper on the Legal Protection of Industrial Design: Half Way Down the Right Track – A View from the Benelux*, 14 EUR. INTELL. PROP. REV. 75, 76 (1992) (Eng). See also Setliff, *supra* note 35, at 61-62. For an opposing view, see Kur, *supra* note 35, at 376.

characteristics, such as their utilitarian functions and their industrial designations; however, designs' basic nature as works of the imagination is that of an *artistic work*.¹⁹² Accordingly, the usual considerations of time and money needed to create a design are taken to belong to the realm of works and not to that of inventions. Thus, consistency with the perception that an anti-copying right is necessary for encouraging creativity must lead to acknowledging the same right with respect to designs.¹⁹³ There is practical evidence that protection against copying is what is needed, and even in a system that favors monopolism, plaintiffs have succeeded in cases of evidential copying.¹⁹⁴

(2) Designing is a Creative Not an Inventive Activity – The Constitutional Argument

Aside from the simple logic of protecting similar subject matters with a similar right, a constitutional argument could be invoked. The Intellectual Property Clause of the Constitution empowers Congress to legislate copyright and patent laws “[t]o promote the [p]rogress of [s]cience and the useful [a]rts.”¹⁹⁵ The Supreme Court has interpreted this clause as a mandate to shape law according to utilitarian considerations.¹⁹⁶ Thus, according to a possible constitutional argument, as long as there is no good reason for conferring an excessive scope of protection for designs, in comparison with artistic works, such excessive protection does not comply with the constitutional mandate. In other words, inconsistency by favoring designs (i.e. by conferring a stronger monopolistic right than that of copyright) must be explained in economic or incentive terms. Without an explanation, excessive protection might be challenged as unconstitutional.¹⁹⁷ As I

¹⁹² See *supra* note 6 and accompanying text.

¹⁹³ Nevertheless, as will be explained below, the *quid pro quo* of lesser protection leads to a longer term of protection that should not be employed with respect to designs.

¹⁹⁴ See WHITFORD REPORT, *supra* note 164, at 37, 45.

¹⁹⁵ U.S. CONST. art. I, § 8, cl. 8 (“To promote the Progress of Science and useful Arts by securing for limited Times to Authors and Finnis Inventors the exclusive Right to their respective Writings and Discoveries”).

¹⁹⁶ See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 575 (1994); *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 349-50 (1991); *Sony Corp. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984) (discussing the objective of copyright monopoly which lies in public benefit from the labor of authors); see also NIMMER, *supra* note 87, § 1.03(A). But see Orit Fischman Afori, *Human Rights and Copyright: Introduction of Natural Law Considerations Into American Copyright Law*, 14 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 497, 546-54 (2004) (suggesting that the Intellectual Property Constitutional Clause of the Constitution is also rooted in natural law underpinnings).

¹⁹⁷ Not surprisingly, I found no such explanation in scholarly writings and legislative records. In contrast, for example, see the Constitutional rational explanation given by the Supreme Court in approving the extension of the copyright term of protection. *Eldred v. Ashcroft*, 537 U.S. 186, 206-207 (2003) (“In addition to international concerns,

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propose below, assimilating design law to the registered industrial property laws was the outcome of an accidental legal-historical process pushed through with the support of various interest groups.¹⁹⁸ I suggest that this legal accident should be fixed.

(3) Patent's Basic Features are Not Appropriate for Designs

Besides the basic economic and theoretical justification for electing an anti-copying right, rather than a strong monopolistic one for designs on the simple basis of consistency with protection over similar subject matter, the accompanying features of patent law are not suitable for the design subject matter. By this I refer both to the basic eligibility requirement of novelty and non-obviousness¹⁹⁹ and to the long and costly process of registration.²⁰⁰ Assimilating design protection to patents leads to a system of registration, based upon material examination (prosecution) of the qualification for registration. With respect to technological inventions, this is the basic "bargain": the law confers a strong monopolistic right and in exchange, the inventor reveals an invention that is novel and demonstrates an inventive step on a worldwide scale.²⁰¹ Thus, prior to registration of a patent right, a long and stringent examination takes place. Furthermore, this process of registering a patent is costly. Only professionals can write the patent claims and negotiate with the Registrar until final registration, and high registration fees are paid in order to cover the professional expenses of examination.²⁰² Are these conditions suitable to the designs realm? The answer is clearly negative.

(a) Novelty Standard is not Appropriate for Artistic Features

The high standard of novelty for patents is completely incompatible with design's subject matter. Although the novelty standard of patent law is much more objective than the originality

Congress passed the CTEA in light of demographic, economic, and technological changes, ...and rationally credited projections that longer terms would encourage copyright holders to invest in the restoration and public distribution of their works").

¹⁹⁸ See *infra*, Section 4.1. The Historical and Structural Reasons for Design's Semi-Patent Protection

¹⁹⁹ See 35 U.S.C. § 103 (2008).

²⁰⁰ For a description of the application process, see MERGES ET AL., *supra* note 54, at 159-64 (estimating that "[t]he 'average' prosecution takes approximately 2.77 years."). For the patent fees, see 35 U.S.C. § 41 (2008). It should be noted, however, that design fees are a little lower. See *id.* § 41(1)(C)(3). See also COPINGER, *supra* note 5, at 714 ("[M]onopolies are usually provided under a system of registration which is likely to be time-consuming, expensive and, for many types of design, impractical.").

²⁰¹ For the implicit contract in patent law between the inventor and society, see MERGES ET AL., *supra* note 54, at 159.

²⁰² See *supra* note 200.

standard of copyright law, it is nevertheless inappropriate for artistic features.²⁰³ Designs are concerned with the aesthetic appearance of products, and therefore designs are always based on parameters set by the product and prior knowledge.²⁰⁴ Furthermore, aesthetics are actually concerned with “art.”²⁰⁵ Novelty is an absolute criterion in the sense that a novel subject matter must not have been anticipated by anything previously in existence anywhere and at any time.²⁰⁶ Thus, a novelty threshold is irrelevant to the assessment of “art.” If the aim is to encourage the development of aesthetics in design, then the enforcement of a novelty threshold will mean non-protection over a vast number of designs. Such an outcome clearly misses the purpose of encouraging creative activity with respect to individuating product configuration.²⁰⁷ Accordingly, in those legal systems in which novelty is indeed a requisite for the eligibility of designs, then practically speaking, such a threshold is being maintained in a *subjective* manner.²⁰⁸

The subjectivity of the novelty requirement in the context of designs is expressed by different means, such as the interpretation given to the requirement of “non-obviousness” in U.S. law, which is part of the novelty assessment.²⁰⁹ The essence of design is the question of how to make an article more ornamental and attractive, and these qualifications are normative in character and thus more open-ended.²¹⁰ For example, how can one tell whether a chair with curved arms is or is not *legally* different enough from a chair with straight arms, such that it might be regarded as “new”? Any assessment of the obviousness of designs is necessarily

²⁰³ For a similar opinion, see CORNISH & LLEWLYN, *supra* note 39, at 565; LADAS, *supra* note 6, at 829; SUTHERSANEN, *supra* note 16, at 103-07; Reichman, *Legislative Agenda*, *supra* note 29, at 286-87, 291.

²⁰⁴ See Reichman, *Legislative Agenda*, *supra* note 29, at 286-87, 291; Australian Law Reform Commission, *supra* note 1, § 3.6-3.7. The Australian report also commented that 97% of the design technology Australia uses is not developed in Australia. *Id.* § 3.7.

²⁰⁵ The denotation of “aesthetic” is, *inter alia*, “the appreciation of the beautiful, esp. in the arts.” THE CONCISE OXFORD DICTIONARY OF CURRENT ENGLISH (Clarendon Press 1974).

²⁰⁶ See LADAS, *supra* note 6, at 865; SUTHERSANEN, *supra* note 16, at 165.

²⁰⁷ See Reichman, *Legislative Agenda*, *supra* note 29, at 286-87, 291; WHITFORD REPORT, *supra* note 164, at 44. See also Briggs, *supra* note 1, at 176-78 (examining the difficulties that the clothing industry encounters in applying the rigid patent standards of novelty and non-obviousness with respect to clothing designs).

²⁰⁸ For the subjective interpretation given to the novelty standard in the United States, see CHISUM, *supra* note 55, § 1:1.04(2)(f) n.104; JOHN GLADSTONE MILLS III, DONALD C. REILEY III & ROBERT C. HIGHLEY, PATENT LAW FUNDAMENTALS § 8:5 (2007); Burke, *supra* note 108, at 326. For a discussion of the novelty standard in France and Germany, see SUTHERSANEN, *supra* note 16, at 104, 165, 178.

²⁰⁹ The non-obviousness requirement also applies to design patents. See 35 U.S.C. § 103 (2008).

²¹⁰ See CHISUM, *supra* note 55, § 1:1.04(2)(f).

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subjective, since aesthetics have no intrinsic measurable value.²¹¹ Courts have openly admitted that this is the *de facto* reality.²¹² In other words, the assessment of the qualification of a design under a novelty threshold cannot truly determine its newness, since there is no objective tool for evaluating the differences between two compared ornamental features. Accordingly, *de facto*, the threshold which is being activated is the “substantial similarity” in the overall appearance between the design in question and the prior work(s) relied upon, to which it is being compared.²¹³ The term “substantial similarity” is borrowed from the copyright field, and is used for deciding when an alleged reproduction of a copyrighted work does indeed infringe. It has been shown that the *substantial similarity* measurement in copyright law²¹⁴ is based on a judge’s personal, subjective assessment.²¹⁵

The subjective nature of the interpretation of the novelty requirement for designs is also reflected in other jurisdictions. For example, in the United Kingdom, a “new” design is defined by law as that which differs from earlier designs in more than “immaterial details” or in features which are variants commonly used in trade.²¹⁶ This criterion of novelty works according to the

²¹¹ Alfred C. Yen, *Copyright Opinions and Aesthetic Theory*, 71 S. C. L. REV. 247, 247 (1998). (“[O]rthodox interpretations of copyright law leave little, if any, room for aesthetics. The reasons for this seem entirely plausible. First, the inherent ambiguity of aesthetics is considered incompatible with the supposedly objective rules and principles that govern judicial opinions. Judges run an unacceptably high risk of being arbitrary or wrong if aesthetic choices influence their decisions.”). See also *Bleistein v Donaldson Lithographing Co.*, 188 U.S. 239, 251 (1903) (“It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits.”).

²¹² *Id.* § 1:1.04(2)(f) n.104; MILLS, *supra* note 209, at § 8:5; *In re Leslie*, 547 F.2d 116, 121 (C.C.P.A. 1977); *Landes Mfg. Co. v. Chromodern Chair Co.*, 203 U.S.P.Q. 337, 339 (C.D. Cal. 1978).

²¹³ MILLS, *supra* note 209, at § 8:5; *Famolare, Inc. v. Edison Bros. Stores, Inc.*, 525 F. Supp. 940 (D.C. Cal. 1981). This *de facto* trend probably has led the Australians to try to redefine design eligibility as “new and distinctive,” in which “new” means “no identical design in prior art,” and “distinctive” means “no substantially similar design in prior art.” See Design Act, 2003, arts. 15-16 (Austl.). Being aware of the subjectivity of the “substantial similarity” threshold, the Australian Design Act adds a special article with detailed guidelines, including such instructions as “give more weight to similarities between the designs than to differences between them.” See *id.* art. 19. This outcome again shows that a semi-patent paradigm for designs is problematic.

²¹⁴ For the substantial similarity test in copyright law and its subjective nature, see GOLDSTEIN, *supra* note 28, § 7.1; NIMMER, *supra* note 87, §§ 13.03(B)(2)-(3); Laura G. Lape, *The Metaphysics of the Law: Bringing Substantial Similarity Down to Earth*, 27 INTELL. PROP. L. REV. 425, 430-43 (1995). See also *Shaw v. Lindheim*, 919 F.2d 1353, 1356 (9th Cir. 1990).

²¹⁵ It should be noted that the eligibility requirements for patent designs are “new, original and ornamental,” thus the originality requirement is included. 35 U.S.C. § 171. However, “new” is a higher standard and embraces originality. See MILLS, *supra* note 209, at § 8:6.

²¹⁶ This is the English threshold for design novelty. See RUSSELL-CLARKE, *supra* note 151, at 39, 127-31.

“eye of the judge” test,²¹⁷ which is far from being an objective or “clear cut” test.²¹⁸ The E.C. Design Directive establishes a similar criterion, requiring a design to have an “individual character,” in addition to the novelty requirement.²¹⁹ The E.C. Design Directive stipulates in a special provision that a design shall be considered to have an “individual character” if “the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design which has been made available to the public before,”²²⁰ and that “in assessing individual character, the degree of freedom of the designer in developing the design shall be taken into consideration.”²²¹ This test of “overall impression” is similar to the old English “eye of the judge” test.²²² However, it is refined so that the relevant eye is that of the “informed user.” This refinement means that the threshold is according to a more objective “person skilled in the art” standard, familiar in patent law.²²³ Nevertheless, even if the “eye test” is examined through an “informed user/customer” prism, the basic question still relates to the assessment of degree of *similarity* between *aesthetic or ornamental features*, which, as I argued above, cannot have a precise and definite resolution.

Another example for the subjectivity actually employed in assessing design eligibility under the novelty requirement is in the limited examination process prior to registration, which in some countries focuses on non-reassembles with prior *already registered* designs, and only on a *national level*.²²⁴ Such an examination is consequent to the acknowledgement that it is impossible to examine true novelty with respect to designs, and therefore, the examination is satisfied with *prima facie* novelty on a very formal level. Accordingly, the E.C. Design Directive, though adhering to a semi-patent paradigm for design, opted for a softer deposit system rather than registration after examination.²²⁵

²¹⁷ For the old English origins of this test see, RUSSELL-CLARKE, *supra* note 151, at 39.

²¹⁸ *Id.* at 127-31.

²¹⁹ E.C. Design Directive, *supra* note 177, art. 3(2) (“A design shall be protected by a design right to the extent that it is new and has individual character.”).

²²⁰ *Id.* art. 5(1).

²²¹ *Id.* art. 5(2).

²²² See RUSSELL-CLARKE, *supra* note 151, at 39.

²²³ *Id.* at 40. See also CHISUM, *supra* note 55, § 1:1.04(2)(f) (describing a similar standard for assessing novelty and non-obviousness in U.S. law); CHISUM, *supra* note 55, § 3:7.03(2) (explaining the “person skilled in the art” standard in patent law).

²²⁴ For the legal practice of registering designs in England before implementation of the E.C. Design Directive, see Register Design Act, 1949, c. 88, § 1B (Eng.) (stipulating that a design shall not be regarded as new if it is the same as an already *registered* design or the same as a design published *in the U.K.*) [hereinafter Register Design Act (Eng.)]. See also RUSSELL-CLARKE, *supra* note 151, at 105.

²²⁵ See *supra* note 177 and accompanying text; E.C. Design Directive, *supra* note 177, art. 11.

The inevitable conclusion is that the whole matter of designs fits into the work's originality assessment, which requires a non-copying threshold (in which high similarity functions as a circumstantial proof of subjective or actual copying), plus a minimal degree of minimal artistic creativity.²²⁶ Below, I further address the "originality" requirement with respect to designs.²²⁷ I also suggest that when the eligibility threshold is reduced, as a matter of consistency with the convention in the intellectual property realm, the scope of the right should be limited accordingly to prevent copying in contrast to full monopoly power.²²⁸

(b) Registration's Consequences are not Appropriate for Design Markets

Aside from the fact that the novelty requirement is incompatible with design eligibility, such a high requirement causes a long and costly process of registration, as with patents. However, the process is in itself not appropriate to designed products' markets, which are often dynamic in nature and characterized by a short life span of the product.²²⁹ Moreover, it has been noted that a significant number of designs are developed by small to medium scale firms.²³⁰ With respect to such businesses, compulsory registration might have a chilling effect due to lack of profitability in investing in the registration process *ex-ante*.²³¹ Such businesses may suffer from lack of sufficient legal awareness as to the need to register the design in order to enjoy protection. Therefore, such a rule will be inefficient for such businesses *ex-post*.²³²

More arguments against a design registration system could be invoked: with respect to registered monopoly-type rights, courts do not grant interim injunctions until the right is registered after examination.²³³ Thus, for a significant period of time the alleged owner of a right is "exposed" with no protection. During this period, competitors might exploit the subject matter (invention/design) and only after a grant of right can the

²²⁶ For the originality requirement in American copyright law, see NIMMER, *supra* note 87, § 3.03; *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340 (1991).

²²⁷ See *infra* Section 4.2.(a).

²²⁸ See NIMMER, *supra* note 87, § 1.2.01(A).

²²⁹ See Reichman, *Legislative Agenda*, *supra* note 29, at 283; SUTHERSANEN, *supra* note 16, at 103-07.

²³⁰ See Reichman, *Legislative Agenda*, *supra* note 29, at 283-6.

²³¹ See *id.* at 286.

²³² See *id.* at 283.

²³³ See 35 U.S.C. § 154(d) (2008) (stipulating that no injunctions are available until the grant of a patent right).

owner/patentee recover damages retroactively.²³⁴ This situation is especially unsuitable for the design market, in contrast to patents, because of its dynamic and short life span.²³⁵ Thus, for such markets, an automatic grant of right is crucial in order to obtain immediate injunctive relief.²³⁶ Without this remedy, competitors will enjoy the full period of a product's life, and build their own goodwill and clientele on the design owner's account. All the while, the only relevant relief available to the design owner from the court is retroactive damages. Moreover, assuming that the designs' market comprises mainly of small to medium-sized firms, an additional concern is that such competitors will not be able to pay adequate royalties and other monetary relief retroactively, due to solvency problems.²³⁷ Thus, for this kind of market, early preventive relief is crucial.

Other specific characteristics of design justify deviation from the semi-patent registration paradigm. For example, designs are easily copied, and thus registration accompanied by publication might actually harm instead of protect the right holder. This is a well-known phenomenon in the design market.²³⁸ Therefore, in some countries, a non-disclosure rule is adopted, according to which the confidentiality of the design "claims" is kept for a certain period of time, while only the "biographical" data of the respective design is published.²³⁹ In such a case the purpose of conducting open registration of rights – to increase flow of information in the market and to increase the market's efficiency

²³⁴ Since no injunctions are available until the grant of a patent right, in the period of examination competitors might exploit the invention, and only after the grant of a patent can the owner/patentee recover royalties retroactively. See MERGES ET AL., *supra* note 54, at 162.

²³⁵ See *supra* note 229.

²³⁶ See WHITFORD REPORT, *supra* note 164, at 41.

²³⁷ See *supra* note 231.

²³⁸ See SUTHERSANEN, *supra* note 16, at 106. For example, in the report concerning the effect of the VHDPA on industry, it was mentioned that one of the possible reasons for the low number of registrations in the years 1999-2003 was the fear that publication of the registered designs would "encourage copying by unscrupulous competitors." U.S. REPORT VESSEL HULL, *supra* note 140, at 11. Furthermore, this report mentioned that in the hearings "all of the industry witnesses opposed a requirement for detailed engineering drawings . . . for fear that including such information in the application may make it much easier for others to infringe the designs." *Id.* at 16. See also *id.* at 18 ("All the boat manufacturers who testified agreed that the requirement [publication of application] discourages registration. They were particularly concerned about publication on the Internet which they assert not only makes it easier to copy the design, but also makes it easier for people in other countries to infringe.").

²³⁹ For secrecy of certain designs commencing registration in English law, see Registered Design Act, 1949, c. 88, § 5 (Eng.) [hereinafter Registered Design Act]. In the United States, design applications are not published at all, and are thus kept secret, in contrast to patents. See 35 U.S.C. § 122(b)(2) (2008). However, publication is made upon registration. See 35 U.S.C. § 10, 122 (b) (2008). This was also the practice in Germany, at least in the past. See Paul Katzenberger, *Protection Of Industrial Designs in Germany*, in DESIGN PROTECTION 91, 96 (Herman Cohen Jehoram & Jehoram Sijthoff eds., 1976).

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by preventing competitors from investing time and money in developing the same design – are not achieved. In other words, the *quid pro quo* of patents is irrelevant to designs in such circumstances, and nevertheless registration is required.²⁴⁰ The main advantage of the design registration system is to function as a means to *prove* the time of creation, which in due time may serve as evidence to prove or rebut claims of non-originality.²⁴¹ Such a system, that provides proof of originality, is a welcome addition to the field of applied art. This is because in comparison to other artistic creations (i.e. copyrighted works), it is harder to prove the personal “touch” of the designer because the creation is dictated at least in part by impersonal utilitarian considerations.²⁴² Accepting this as the main purpose of a design registration system means that deposit rather than comprehensive examination suffices: there is no waste of resources, and the designer can market the design immediately after creating it; registration will serve as a means to prove originality, non-copying or prior use. If done under limited-time confidentiality, this will not function as a source for copiers.²⁴³ This scheme has been adopted by the E.U. registration system²⁴⁴ and by the Hague International Registration System.²⁴⁵ Furthermore, a deposit system in some jurisdictions is a *de facto* legal reality.²⁴⁶

(4) The Historical and Structural Reasons for Design’s Semi-Patent Protection

The many enumerated deficiencies of semi-patent protection for designs beg the question of how such a legal regime was chosen in so many jurisdictions over time. The answer is both historical and structural.

One commentator explains the decline of design law into the semi-patent paradigm, the process of adoption of various bodies of

²⁴⁰ See *supra* note 201 and accompanying text.

²⁴¹ DENIS COHEN, *THE INTERNATIONAL PROTECTION OF DESIGNS* 87 (2000); G. Finnis, *The Theory of “Unity of Art” and the Protection of Designs and Models in French Law*, 46 J. PAT. OFF. SOC’Y 615, 626 (1964).

²⁴² Finnis, *supra* note 241, at 626.

²⁴³ See LADAS, *supra* note 6, at 837-38; Finnis, *supra* note 242, at 627.

²⁴⁴ E.C. Design Directive, *supra* note 177, arts. 9-12. See also *supra* notes 175-181, and accompanying text.

²⁴⁵ Hague Agreement, Geneva Act, *supra* note 140, art. 10(1).

²⁴⁶ See Section 3.C. It was reported that the design registration system is infrequently used in the United Kingdom. See WHITFORD REPORT, *supra* note 164, at 30; CORNISH & LLEWLYN, *supra* note 39, at 565; JEREMY PHILLIPS & ALISON FIRTH, *INTRODUCTION TO INTELLECTUAL PROPERTY LAW* 371 (4th ed. 2001). Consequently, the capability to examine the novelty of a design is very restricted, and the Registry has practically stopped examining designs for novelty. See *id.* at 371. Thus, as a practical matter the design registration system shifts into a deposit registration system.

law in France, the United Kingdom and the United States as a “historical accident.”²⁴⁷ When the first patent law that included designs was enacted in the United States, there was no central registration of copyright, but there was a central patent office.²⁴⁸ Therefore, when the insufficient protection given to designs was acknowledged, and it was recognized that some form of registration was required to afford this protection, it was decided to transfer designs to the Patent Office authority.²⁴⁹ It is here that designs began to be treated like inventions, for reasons of administrative convenience.²⁵⁰ The same historical process of including designs in the patent scheme took place in France and in England: since it was decided that the protection of designs required a system of registration and deposit, and there was only the patent registration system, designs were transferred into the patent office’s mandate. The patent office thereafter assimilated designs to patents in terms of eligibility as well as scope of protection.²⁵¹

²⁴⁷ See LADAS, *supra* note 6, at 829-31.

²⁴⁸ In 1842, Congress enacted the first design patent law, *see* Act of August 29, 1842, ch. 263, § 2, 5 Stat. 543; CHISUM, *supra* note 55, at §8.23.02; While, only in the copyright act of 1909 registration of copyright by deposit was required as a condition precedent to an infringement action, *see* 17 U.S.C. § 13 (1909 Act); NIMMER, *supra* note 87, at § 7.16 [B] [I][b] [i].

²⁴⁹ See LADAS, *supra* note 6, at 830-31.

²⁵⁰ See LADAS, *supra* note 6, at 830-31.

²⁵¹ In France, industrial designs were made a branch of industrial property by the law of 1806. See LADAS, *supra* note 75, at 829-30. This is the first industrial law, which was imitated all over the world. This law too has been described as “accidental”: the French law of 1806 was enacted after the manufacturers of Lyon asked Napoleon to remedy the insufficient protection and regulation of their industries. See *id.* at 829-830. According to this law the factories in Lyon could deposit and register their designs in the archive of the trade councils of each industry. These provisions were merely meant to supplement the law protecting artistic property, which was aimed at creating a mechanism for proving ownership and creation. However, French courts extended this regulation to all industrial designs and distinguished them from artistic designs. See LADAS, *supra* note 6, at 829-30; *see also* Marie-Angele Perot Morel, *Specific Protection of Designs and Its Relation to Protection by Copyright in French Law*, in DESIGN PROTECTION, *supra* note 240, at 45, 47-48. The theoretical separation of industrial designs and models from artistic property was thus accomplished, though in fact definite boundaries between the two fields have never been established. See LADAS, *supra* note 6, at 830. The development of design protection in the English law also reflects the somewhat “accidental” development of this branch of intellectual property. *Id.* at 829; WHITFORD REPORT, *supra* note 164, at 27. The development of English design law started at the end of the eighteenth century when Parliament enacted a series of acts aimed to enlarge the copyright protection entitled by the Copyright Act of 1709, known as the Queen Anne Act. See RUSSELL-CLARKE, *supra* note 152, at 7-11. Finally, the Design Act of 1842 was enacted, replacing most of the previous scattered legislation, but preserving the Board of Trade’s duties and powers in relation to designs’ deposit. See *id.* at 8-9. It was only in 1875 that a special act transferred these duties and powers of the Board of Trade to the Patent Office, since there was no copyright registration in England. See *id.* at 11. This transfer of regulatory duties to the Patent Office led to the process of assimilating designs to patents, because further design enactments were made part of patent legislation, gradually furthering the assimilation of design to patent subject matter until the enactment of an independent Design Act in 1949, establishing a full semi-patent paradigm for designs. See *id.* at 11-12.

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Designs, it turns out, were initially assimilated to patents because no other alternative presented itself at the time. The question remains how such an “accident” was preserved for so long. Part of the answer is that the different national patent offices will not willingly waive authority over such a large part of their preservation of powers. This tendency is supported by patent attorneys, since the inclusion of design under patent is a source of a clientele dependent on attorney’s professional services.²⁵² This kind of governmental and professional lobbying no doubt also reaches the representatives to the international institutes, who obstruct the abolishment of designs’ affiliation to the patent branch of intellectual property law on the international level.²⁵³

To conclude this point, designs do not fit the patent paradigm. Reichman has described the unsuitability of semi-patent protection for designs as causing a cyclical pattern of movements.²⁵⁴ According to this pattern, the patent paradigm of protection leads to under-protection because registration is long and expensive and the novelty requirement for eligibility prevents protection of many designs. Since there is no sufficient protection for designs, pressure is created to protect designs by other legal means. As a consequence, courts comply with the pressure to provide protection by various common law means, such as unfair competition and unjust enrichment doctrines. This common law protection creates the opposite effect of overprotection. The legislature is then alerted to avoid dual protection by common law means on a different basis (such as a rule stating that the legislated industrial property right should be an exclusive one). This in turn, leads us back to under-protection. Thus, there seems to be a constant oscillation between under-protection and overprotection of designs.²⁵⁵ Deserting the semi-patent paradigm for design law and adopting another paradigm based on copyright principles can stop this repeated pattern.²⁵⁶

²⁵² The strong Patent Office influence on intellectual property legislation is a known fact. For a description of the role of AIPLA—a national bar association consisting primarily of intellectual property lawyers in private practice—in fostering the industrial design registration system, see William T. Freyer III, *International Industrial Design Protection Improvement: The Hague Agreement Revision*, 2 U. BALT. INTELL. PROP. L.J. 37, 37 (1993). See also AM. INTELLECTUAL PROP. ASS’N, REPORT OF AIPLA INDUS. DESIGNS COMM. MEETING (OCT. 14, 2004), available at http://www.aipla.org/MSTemplate.cfm?Section=2004_Annual_Meeting1&Site=Industrial_Designs&Template=/ContentManagement/ContentDisplay.cfm&ContentID=7482.

²⁵³ For a description of WIPO efforts to maintain the international registration method within the Hague Agreement scheme, and to further national registration systems in order to foster the viability of the Hague scheme, see Freyer, *International Industrial Design*, *supra* note 253; Freyer, *An Overview*, *supra* note 146, at 64.

²⁵⁴ See Reichman, *Legislative Agenda*, *supra* note 29, at 287-91.

²⁵⁵ See *id.*

²⁵⁶ See *id.* at 291-93.

B. *Incompatibility with Copyright Law and the Need for a Sui Generis Law*

As concluded above, the copyright paradigm is much more suited to design subject matter. However, I further stress that positive copyright law in itself is not tailored to comply with the exact nature and characteristics of designs. Therefore, the optimal solution is a *sui generis* law for designs, based upon copyright principles. It should be noted that by referring to the need to tailor a separate legislation for designs, I do not necessarily mean that such legislation must be physically separated from the copyright title. Rather, conceptually, different rules should apply, wherever they are situated.

Why is positive copyright law incompatible for designs? Different copyright features, that I will discuss below, beyond those of the very basic principles relating to the subject matter (i.e. artistic work) and of the type of protection (i.e. non-copying), are not compatible with designs. Design is neither a scientific process nor exactly art-like,²⁵⁷ and thus asks for a methodology of its own.²⁵⁸ In other words, the design realm needs a fine-tuned copyright rule that acknowledges its special characteristics, which are a mixture of art and technology. The desired deviation from copyright legislation shall be demonstrated below with respect to five major issues: (1) the originality standard; (2) a term of protection; (3) the deposit system; (4) moral rights; and (5) the right to prepare derivative works.

(1) Originality Standard

One of the hardest questions with respect to the integration of designs into the copyright paradigm is: what standard of originality should be employed with respect to designs? This question is part of the larger nexus between applied art and industrial designs. The originality standard for copyrighted works in American law is in itself not on solid ground, but that is beyond my scope here. For our needs I shall summarize the general doctrine of originality as follows: originality entails independent creation of a work featuring a modicum of creativity.²⁵⁹ Independent creation requires only that the author has not

²⁵⁷ See *supra* note 42 and accompanying text (referring to Zaccai's redefinition of designers' role); Zaccai, *supra* note 17, at 6.

²⁵⁸ Braegger refers to a "new understanding" of design that emerged at the Chicago conference in 1990, in which Buchanan and Margolin presented their new theory with respect to the concept of designing, that asks for a "genuine methodology." Braegger, *supra* note 12, at 24. See also RICHARD BUCHANAN & VICTOR MARGOLIN, *DISCOVERING DESIGN: EXPLORATIONS IN DESIGN STUDIES* (Univ. of Chicago Press 1995).

²⁵⁹ See NIMMER, *supra* note 87, at § 2.01; See GOLDSTEIN, *supra* note 28, §2.2.1.2.

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copied the work from some other source.²⁶⁰ A more complicated question is the precise degree of creativity needed in order to satisfy the originality standard.²⁶¹ The traditional approach is that the level of creativity is low, and as long as a work possesses some creative spark, no matter how crude, humble or obvious, the requirement of originality is thereby fulfilled.²⁶² This threshold of creativity, or the *quantum* of originality necessary to support a copyright, is a question of degree.²⁶³ According to the traditional doctrine, any “distinguishable variation” from a prior work will constitute sufficient originality to support copyright if such variation is the product of the author’s independent efforts, and is more than merely trivial.²⁶⁴ In the seminal *Feist* decision, the U.S. Supreme Court stressed the need for some degree of creativity in order to attain copyright protection. The Court rejected the “sweat on the brow” doctrine, and thus more than just labor is required.²⁶⁵

It is not clear whether the *Feist* holding influenced the originality requirement for all applied art and industrial designs. Should the designs of teapots, hairbrushes and other everyday equipment fulfill the *Feist* originality measurement, and if so, can the every day designs cross this higher threshold?²⁶⁶ Without discussing the developments of the originality requirement, although it is highly relevant, I would advance the originality requirement adopted by the VHDP, which defines original design as “the result of the designer’s creative endeavor that provides a distinguishable variation over prior work pertaining to similar articles which is more than merely trivial and has not been copied from another source.”²⁶⁷ Such a definition of originality is appropriate for the design realm since it reflects both the need for encouraging investment in designing activity, and preventing exclusivity over trivial additions, which would have a chilling effect on the market. The difference between the VHDP standard of

²⁶⁰ See NIMMER, *supra* note 87, at § 2.01; MERGES ET AL., *supra* note 54, at 377 (“As developed by the courts, originality entails *independent creation* of a work featuring a *modicum of creativity*”).

²⁶¹ See NIMMER, *supra* note 87, at § 2.01(B).

²⁶² *Id.* at § 2.08(B)(2); *Alfred Bell & Co. v. Catalda Fine Arts*, Inc. 191 F. 2d 99, 103 (2d Cir. 1951).

²⁶³ See GOLDSTEIN, *supra* note 28, §2.2.1.2.

²⁶⁴ NIMMER, *supra* note 87, at § 2.01(B). This doctrine originates from *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239 (1903).

²⁶⁵ *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340 (1991).

²⁶⁶ Nimmer describes at length the ramifications of the “separability” measurement when employed in order to attain copyright for applied art with the originality requirement folded into such measurement, concluding that while it is indeed very problematic, it is better than conferring no protection for designs at all. See NIMMER, *supra* note 87, at § 2.08(B)(3).

²⁶⁷ 17 U.S.C. § 1301(b)(1) (2008).

originality and the standard that applies in copyright law, inasmuch as there is divergence in the content given to the “originality” threshold, is what causes and maintains the separation between the two fields. Nevertheless, in my view, even if the same originality standard were to be employed for designs and copyrighted works, it is still better for policy considerations to separate industrial design from copyright law protection. This prevents the imposition of a narrow interpretation of the originality requirement from within the copyright law framework in the future. Indeed, courts in various jurisdictions outside the U.S. adopt higher standards of copyright eligibility in cases of industrial designs in order to separate everyday designs from copyright law.²⁶⁸ Thus, the courts intuitively make the benchmark distinction between *artistic* quality and a merely *aesthetically pleasing product*.²⁶⁹ The courts’ apprehension is that the protection of design through copyright law would provide too strong a protection, with negative impact on market competitiveness, which is also a basis for attacks on the copyright system as a whole.²⁷⁰ Namely, the originality standard for copyright employed in relation to industrialized design will inevitably be interpreted in a different framework, since courts are apparently motivated to separate imaginative art from the combination of art and technical function. However, the selective application of the originality standard with respect to different kinds of work—such as with respect to a statue and a lamp with a crafted base—is difficult to employ and defend. Such application of the originality standard entails artistic assessment, often with rulings that are both arbitrary and incoherent.²⁷¹ Thus, a better policy would be to divorce designs from copyright, and create an originality threshold that will be developed free of the impulse to protect designs with a weaker right. It is to be hoped that over the course of time a different common law will develop for the originality requirement of industrial designs, one that will evolve independently from the idea of originality used within the copyright scheme.

²⁶⁸ For this development in Germany, see Adolf Dietz, *Germany*, in INTERNATIONAL COPYRIGHT LAW AND PRACTICE § 2(4)(C) (2006). In France, see Reichman, *Comparative View*, *supra* note 81, at 373; André Lucas, Pascal Kamina, & Robert Plaisant, *France*, in INTERNATIONAL COPYRIGHT LAW AND PRACTICE, *supra*, at § 2(4)(c). In Israel, see CA 513/89 Interlego A/S v. Exin-Lines Bros. S.A. [2001] IsrSC 48(4) 133.

²⁶⁹ For such a distinction made by courts in Germany, see Katzenberger, *supra* note 240, at 100.

²⁷⁰ See Dietz, *supra* note 269, at § 2(1)(b).

²⁷¹ Finnis, *supra* note 241, at 626. And, as I explained above, according to the Supreme Court, there should be no discrimination of applied art on the merits; see *Bleistein v. Donaldson Lithographing Co.* 188 U.S. 239, 251 (1903).

(2) Term of Protection

A basic reason for excluding industrial designs from copyright protection is to shorten the term of protection.²⁷² With respect to copyrighted works, the usual term of protection is the life of the author plus sixty-seven years.²⁷³ Though such a long period of protection was held to be in accord with the American Constitutional mandate,²⁷⁴ it is questionable whether such a long term fits the industrial designs realm. In this respect, it should be recalled that in international law the only consensual rule refers to a minimum standard of a ten year term of protection.²⁷⁵ Such a short term of protection is suggestive of the appropriate time-scale desired in the field. The two aspects of the design realm that have been treated thus far with a *sui generis* law in the United States, vessel hull designs and semiconductor chip designs,²⁷⁶ have both shortened the term of protection to ten years.²⁷⁷ Furthermore, the common term for protecting designs in different national laws, when a special semi-patent statute applies, is between fourteen years (in the U.S.)²⁷⁸ and twenty-five years (in the U.K.).²⁷⁹ These limitations also support a much shorter term of protection, appropriate to designs, despite the fact that the nature of the right conferred in such semi-patent legislations is a strong, monopolistic one. The basic argument usually brought up with respect to patents—that there is some tradeoff between (short) term of protection and (high) strength of right²⁸⁰—might be argued in this context too. Nevertheless, my contention is that a shorter term of protection for designs is apt regardless of the strength of right. In other words, even if only a “weaker” right against copying is adopted, a short term of protection is still adequate.

Fundamental characteristics of design’s subject matter are in line with a relatively short term of protection.²⁸¹ The major argument is that this market’s efficiency and competitiveness

²⁷² See COPINGER, *supra* note 5, at 714 (“even if an industrial design is deserving of protection, the need for competition in producing articles to perform the function of the article in question suggests that the period of protection for the design should be both shorter and more easily ascertainable than the period of protection which applies to works of fine art.”).

²⁷³ 17 U.S.C. § 304 (2008).

²⁷⁴ *Eldred v. Ashcroft*, 537 U.S. 186 (2003); NIMMER, *supra* note 87, § 1.10(c)(1).

²⁷⁵ See TRIPS Agreement, *supra* note 10, art. 26(3).

²⁷⁶ 17 U.S.C. §§ 901-914, 1301-1315.

²⁷⁷ §§ 904, 1305.

²⁷⁸ 35 U.S.C. § 173 (2008).

²⁷⁹ Copyright, Designs and Patent Act, 1988, c. 48, § 52(3) (Eng.); Register Design Act (Eng.), *supra* note 187, § 8.

²⁸⁰ MERGES ET AL., *supra* note 54, at 127.

²⁸¹ The Whitford Committee to consider the English law on designs has reached a similar conclusion. See WHITFORD REPORT, *supra* note 164, at 46-47.

entails a shorter term of protection than copyright grants.²⁸² Every design is based on a previous one, at least to some extent, and the contribution of an original or new design might be reflected in a slight change.²⁸³ Moreover, designs deal with the form and configuration of useful articles. Thus by definition protection is conferred on the combination of “shapes,” which are the basic elements of “forms.” Though those shapes, which are the upshot of a specific function, are not protected, the entire subject of protection of shapes might put constraints on future developments.²⁸⁴ Thus, a long period of protection poses severe obstacles for the market dynamic, prevents fast development, and defeats competition.²⁸⁵ This conclusion is uncontroversial, and the only question is the optimal length of such a term of protection. Since designs usually have a short lifespan in the market because their essence attracts customers by their aesthetic appearance, designs must be constantly redeveloped in order to keep up with fashion, and producers must constantly improve designs in order to keep a competitive edge.²⁸⁶ Thus, a long term of protection is usually unnecessary for designs. The need for a shorter term of protection is also reflected in positive law, by the ongoing debate concerning the cumulative protection of designs.²⁸⁷ Since there are significant gaps in the term of protection provided by the different laws, the apprehension is that the shorter term of protection will be circumvented.²⁸⁸ The only way to solve this problem is by unifying all terms of protection into the shorter term decided upon.²⁸⁹

(3) Deposit

One clear conclusion reached above is that there is no need for an examination system of registration with respect to designs.²⁹⁰ If the “originality” standard is employed, then it is clear that no examination is initially possible, as with copyright. The only advantage of the registration system lies in its probative function. Since designs are dictated by imminent guidelines, it is harder to prove non-copying with respect to them and thus, the

²⁸² See COPINGER, *supra* note 5, at 714.

²⁸³ See Reichman, *Legislative Agenda*, *supra* note 29, at 286-87, 291.

²⁸⁴ See GOLDSTEIN, *supra* note 28, § 2.5.3(c).

²⁸⁵ See COPINGER, *supra* note 5, at 714.

²⁸⁶ See *supra* notes 37-40, and accompanying text.

²⁸⁷ For a description of this ongoing debate, see RICKETSON, *supra* note 158, at 280-81.

²⁸⁸ See WHITFORD REPORT, *supra* note 164, at 30. See also *id.* at 33 (quoting from an Australian Design Law Review Committee under the chairmanship of Mr. Justice Franki, which issued a report in 1973).

²⁸⁹ Such a measure was taken in the U.K. See *infra* notes 442-443 and accompanying text.

²⁹⁰ See *supra* Section 4.1(c)(ii).

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personal “fingerprints” of the individual designer are less apparent.²⁹¹ Compulsory registration based on deposit does not exist in copyright law, since according to the Berne Convention there need be no required formalities in order to sustain protection.²⁹² Accordingly, compulsory copyright registration, which existed in the United States, was partly abolished after the U.S. joined the Berne Convention in 1989.²⁹³ Thus, if non-permissive deposit registration is accepted with regard to designs, then it must be legislated outside of copyright law.

The remaining question, therefore, is whether the deposit system should be a statutory requirement for protection, or if it should be voluntary. In this respect we must clarify the distinction between “deposit” and “registration,” which are separate though closely related.²⁹⁴ The function of registration is to create a written record of the subject matter’s ownership.²⁹⁵ Registration necessarily requires an accompanying deposit. Deposit, on the other hand, may be accomplished without an accompanying registration.²⁹⁶ The main function of deposit in this context is probative.²⁹⁷ Namely, in an infringement action permits a determination of whether the design that the owner claims that has been infringed is in fact the same design in which the right was originally claimed by deposit.²⁹⁸ Another possible function of deposit is archival. Namely, a deposit system that provides a database of all subject matter published within the country.²⁹⁹

²⁹¹ See *supra* note 246 and accompanying text.

²⁹² Berne Convention, *supra* note 10, art. 5(2) (stating that “[t]he enjoyment and the exercise of these rights shall be subject to no formality”).

²⁹³ See NIMMER, *supra* note 87, at § 2.7.16(B)(1)(b)(iii); Berne Convention Implementation Act of 1988, Pub L. No. 100-568, 102 Stat. 2853 (codified as amended in scattered sections of 17 U.S.C.).

²⁹⁴ See NIMMER, *supra* note 87, § 7.17(A).

²⁹⁵ See *id.* This is also the underpinning of the land registration scheme. See RICHARD R. POWELL, POWELL ON REAL PROPERTY § 83.02 (Michael Allen Wolf ed., 2007).

²⁹⁶ See NIMMER, *supra* note 87, § 7.17(A).

²⁹⁷ See *id.*; 17 U.S.C. § 411- 412. See also John B. Koegel, *Bamboozlement: The Repeal Of Copyright Registration Incentive*, 13 CARDOZO ARTS & ENT. L.J. 529, 533, 538 (1993); Eric Schwartz, *The Herbert Tenzer Memorial Conference: Copyright In The Twenty-First Century: The Role of the Copyright Office In The Age of Information*, 13 CARDOZO ARTS & ENT. L.J. 69, 72 (1994). For the pitfalls of the probative function of the copyright’s registration scheme, since it is done on an ex-parte basis with no examination, see THOMAS G. FIELD, JR., JUDICIAL REVIEW OF COPYRIGHT EXAMINATION 2 (2004), <http://www.piercelaw.edu/tfield/CpyrtRev.pdf>.

²⁹⁸ See NIMMER, *supra* note 87, § 7.17(A).

²⁹⁹ See *id.* See also Schwartz, *supra* note 298, at 72-74. An advisory committee to the Copyright Office on Copyright Registration and Deposit from 1993 concluded that a mandatory deposit system of copyrighted works is advisable, especially because of the potential for developing a comprehensive archive. It is to be hosted by the Library of Congress and it might function in the future as an electronic database, containing commercial information such as licenses and prices. See Robert Wedgeworth & Barbara Ringer, *Advisory Committee on Copyright Registration and Deposit, The Library of Congress, Report of the Co-Chairs* (1993), <http://www.loc.gov/today/pr/1993/93-115.html> [hereinafter ACCORD]; see Schwartz, *supra* note 298, at 72-74.

However, the latter function favors publication of or public access to the material deposited. This could undermine designs' protection by piracy.³⁰⁰ The archival function, even when used fairly, is ineffective without a deposit classification system.³⁰¹ However, operating such a classification system will necessarily make the deposit more expensive, and hence undermine the aim of lowering costs for obtaining a design right.³⁰² The remaining function is the probative one, which vests an advantage to the legal owner in court. In my view, it is not certain that compelling a right holder to attain such a procedural advantage is justified.³⁰³ Moreover, as explained above, the design market is dynamic, and composed of small-to-medium enterprises.³⁰⁴ A compulsory deposit system could therefore undermine their protection.³⁰⁵ The alternative is automatic protection with a voluntary deposit

³⁰⁰ See *supra* note 243 and accompanying text. It could also be argued that there is a difference between the general justification for a comprehensive database of copyrighted works, containing the whole "human knowledge," as recommended by the ACCORD, *supra* note 300, and an archive of works of applied art, which are a branch of the visual arts, characterized as a dynamic segment of the marketing discipline, see *supra* Chapter 2. What is a Design, and What Functions does it Serve?"

³⁰¹ See NIMMER, *supra* note 87, § 7.17(A). A diplomatic conference, to which the country-members of the Paris Convention for the Protection of Industrial Property were invited and which was held in Locarno (Switzerland), adopted, on October 8, 1968, the Locarno Agreement Establishing an International Classification for Industrial Designs (hereinafter "the Locarno Classification Agreement"). The Locarno Classification Agreement has been revised several times by a committee of experts. The present (eighth) edition of the the Locarno Classification Agreement incorporates all the revisions made in and before November 2002. In this most recent edition, the list consists of 32 classes and 223 subclasses. The Locarno Classification Agreement requires the industrial property office of each contracting country to "include in the official documents for the deposit or registration of [industrial] designs, and, if they are officially published, in the publications in question, the numbers of the classes and subclasses of the Locarno Classification Agreement into which the goods incorporating the [industrial] designs belong." Article 2(3). According to the information included on the WIPO website, 41 countries are party to the Locarno Classification Agreement. The United States is not a party to the Locarno Classification Agreement. See International Classification for Industrial Designs, <http://www.wipo.int/classifications/nivilo/locarno/index.htm#> (last visited 12 December, 2007).

³⁰² This was the conclusion of the Whitford Committee. See WHITFORD REPORT, *supra* note 164, at 45.

³⁰³ For a similar opinion according to which there should be no registration in the copyright field, see Shira Perlmutter, *Freeing Copyright from Formalities*, 13 CARDOZO ARTS & ENT. L.J. 565, 586 (1993) ("[I]t is inappropriate to take away rights of general application (including remedies), provided to implement substantive policies, solely because of a technicality. The availability of substantive rights and meaningful remedies should not turn on the failure to file a piece of paper in the correct form at the proper time"). For the pitfalls of the probative function of the copyright's registration scheme, since it is done on an ex-parte basis with no examination, see generally FIELD, *supra* note 298.

³⁰⁴ See *supra* note 230.

³⁰⁵ See also Perlmutter, *supra* note 304, at 586 ("It is not good policy for any legal regime to penalize the unwary, the less well-off, and the less sophisticated. The reality is that many individual authors fall into one or more of these categories when it comes to the technical requirements of copyright law. They have little legal expertise, either personally or readily available. We should not make the choice that conditions rights on such expertise").

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system.³⁰⁶ It should be noted that such a voluntary deposit system could enable the inclusion of design protection within the copyright scheme.

As mentioned above, two designs have been treated thus far with a *sui-generis* law in the U.S: vessel hull designs and semiconductor chip designs. With respect to the deposit question, both legislations—the VHDP and the Semiconductor Chip Protection Act of 1984—require registration through deposit (with no examination) as a requisite for protection, though only within two years of commencing publication or commercial exploitation.³⁰⁷ In this context it should be noted that U.S. copyright legislation has not entirely abolished the deposit requirement for copyright,³⁰⁸ thus explaining the prerequisite of registration through deposit with respect to these two designs. Especially with respect to the VHDP, which was explicitly a legal experiment,³⁰⁹ it could be argued that maintaining the deposit system stems from both a conservative legal approach and the intent to introduce a “mild” legal change.³¹⁰

(4) Moral Rights

Another issue that demonstrates the need to separate designs from copyright scheme refers to “moral rights.” Moral rights are a bundle of rights given to the author of a work, even if another owns the copyright that confers control over the economic exploitation of the work. Moral rights usually include the author’s right of attribution and the right of integrity of the work.³¹¹ The United States has acknowledged moral rights to a limited extent.³¹² Moral rights, as acknowledged in federal legislation, apply only to “visual art” works, such as paintings and sculptures, and explicitly

³⁰⁶ This too was concluded by the Whitford Committee. See WHITFORD REPORT, *supra* note 164, at 45.

³⁰⁷ See 17 U.S.C. §§ 904, 908, 1310 (2008). See also NIMMER, *supra* note 87, § 8A.03(c).

³⁰⁸ See 17 U.S.C. § 411(a) (stating that “no action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title”). See also NIMMER, *supra* note 87, § 7.16(B).

³⁰⁹ See *supra* note 140.

³¹⁰ In contrast to the “mild” American pilot scheme, the English Whitford Committee recommended acknowledging copyright with respect to designs, *without the formality of registration or deposit*. See WHITFORD REPORT, *supra* note 164, at 47. Eventually such right was indeed acknowledged in the 1988 legislation of unregistered design right. See Copyright, Designs and Patent Act, 1988, art. 213; see also *infra* Chapter 5.B.(2) (c)(iii) Improvement on the Unregistered Design Right Introduced in the U.K.”.

³¹¹ See NIMMER, *supra* note 87, § 8D.06(C)(1); Henry Hansmann & Marina Santilli, *Authors’ and Artists’ Moral Rights: A Comparative Legal and Economic Analysis*, 26 J. LEGAL STUD. 95, 99 (1997).

³¹² Visual Artists Rights Act of 1990, Pub. L. No. 101-650, 104 Stat. 5089, 5128-5133 (1990).

exempt *applied art* from its definition.³¹³ Furthermore, moral rights are acknowledged only with respect to works not made within a “work for hire” scheme.³¹⁴ Such a scheme refers to works produced in the course of employment, as well as various ordered or commissioned works that the parties agreed, in writing, to include in such a scheme.³¹⁵ Thus it is clear that in the United States, positive copyright law moral rights are not relevant to industrial designs.

Nevertheless, theoretically speaking, there still remains the question of whether these moral rights, even if acknowledged more broadly according to the Berne Convention standard,³¹⁶ are suitable with respect to industrial designs. My contention is that moral rights, in any event, are not suited to the industrial design realm. With respect to designs that were made in the course of employment or under a work for hire scheme, there is much reason to refuse to acknowledge their designer’s moral rights.³¹⁷ It would be absurd for a designer’s name to appear on each hairbrush handle, lamp base, etc. Because a design’s purpose is to enhance marketability, it is subject to the employer/commissioner’s needs. For this reason, it would be impossible to allow a designer to object to modification of a commissioned industrial design. Moreover, even with respect to designs that were made independently, and not under a work for hire scheme, it should still be noted that it is problematic to reconcile issues of the industrial design realm with moral rights perceptions.³¹⁸ This is not to say that there is no personal bond at all between the designer and the design.³¹⁹ Rather, a design is attached to a utilitarian object purchased by customers in the open market, and that customer’s proprietary interest in the

³¹³ 17 U.S.C. §§ 101, 106.

³¹⁴ 17 U.S.C. §§ 101.

³¹⁵ 17 U.S.C. §§ 101, 106.

³¹⁶ Berne Convention, *supra* note 10, art. 6 *bis*. For the higher moral right standard compelled by the Berne convention, see RICKETSON, *supra* note 158, at 462.

³¹⁷ This is in comparison to other fields of creation. For a critique of the limited scope of moral rights for employees, see Catherine L. Fisk, *Credit Where It's Due: The Law and Norms of Attribution*, 95 GEO. L.J. 49 (2006).

³¹⁸ For a similar opinion, see Kur, *supra* note 35, at 377.

³¹⁹ Nevertheless, even in France, homeland of moral rights, it was noted that courts stress the link between the utilitarian nature of a work and enforcement of moral rights, since with respect to a creation that was dictated by functional and economic consideration there is a less personal bond between the creator and his work, and thus different modification of the work should be allowed. See Carolyn McColley, *Limitations on Moral Rights in French Droit d'Auteur*, 41 COPYRIGHT L. SYMP. (ASCAP) 423, 447-53 (1998). It also should be noted that for the very same reason computer programs are exempted from moral rights in various countries, including the U.K. and France. See Copyright, Designs, and Patents Act, 1988, ch. 48, §§ 79(2)(a)-(c) [hereinafter Copyright, Designs, and Patents Act (Eng.)]; Code de Propriete Intellectuelle, Law No. 121-7 (10 May 1994, Act No. 94-361, art. 2 Official Journal, 11 May 1994).

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material utilitarian object must prevail.³²⁰ Limitation of moral rights with respect to industrially designed objects might also be concluded from the *implied consent* doctrine.³²¹ As a matter of policy, the application of the implied consent doctrine encourages the free flow of goods in the market with no intellectual property encumbrances since it might lead to the conclusion that the designer agreed to the different modifications done with respect to the designed object, whether by the producer or by the buyer.³²² Therefore, even if moral rights were broadly acknowledged in the United States, with no prejudice with respect to certain kind of works, there is still much justification and logic for excluding moral rights from industrial designs. In sum, moral rights are another reason for the incompatibility of industrial designs within the general copyright scheme.

(5) The Right to Prepare Derivative Works

The last and most troublesome question is whether it is appropriate to acknowledge the right to prepare derivative works from industrial designs. As already explained, the designing process involves, to a large extent, the use of previous designs.³²³ Therefore, encouraging design innovation is not simply a matter of granting exclusive legal rights to all design activity. Design protection must strike a balance between sufficient protection against free-riding and encouragement of adequate financing for industrial design on the one hand, and a certain degree of freedom for designers to use prior designs on the other hand.

³²⁰ By the same logic, in many countries "moral right" is limited with respect to architectural works, and thus modification done by the owner of a building in order to suit his needs cannot be prevented. See, e.g., Copyright Act, 1968, § 195AT (Austl.) [hereinafter Copyright Act (Austl.)]. Thus, it follows that other modifications of artworks attached to buildings are permitted. For an example in American law, see 17 U.S.C. §§ 113, 120(b), (d). For an Australian example, see Copyright Act (Austl.) § 195AT(2). Even in France and Germany, where the "integrity right" is interpreted very broadly, it is restricted by courts with respect to various utilitarian works, such as architectural works. See McColley, *supra* note 320, at 445-49; Adolf Dietz, *The Artist's Right of Integrity Under Copyright Law: A Comparative Approach*, 25 INT'L REV. L. INDUS. PROP. & COPYRIGHT L. 177, 187-89 (1994). This is because the proprietor's interest must be taken into account, and the creator, being aware of the fact that his work will serve a utilitarian function, is thus subject to limitation with respect to modifications done in order to suit the user's needs. See *id.*

³²¹ For the potential of the implied consent doctrine in the intellectual property field, see *Foad Consulting Group, Inc. v. Musil Govan Azzalino*, 270 F.3d 821, 832 (9th Cir. 2001) ("But there is another type of implied contract, one that is 'created otherwise than by assent and without any words or conduct that are interpreted as promissory.' Such an implied contract is not a contract at all; it is a legal obligation the law imposes between certain parties where there is no actual agreement between them".)

³²² For more on implied consent doctrine and tangible assets incorporating intellectual property rights, see Orit Fischman Afori, *Copyright Infringement Without Copying: Reflections on the Thérberge Case*, 39 OTTAWA L. REV. (forthcoming 2008).

³²³ See *supra* notes 204, 283-284 and accompanying text.

Therefore, design rights must not be too restrictive so as to act as a barrier to further innovation in the field. The main restrictive right that bars further use of creations is the exclusive right to prepare derivative works.³²⁴ A “derivative work” is a work based on a previous work, that has an original addition, such as a cinematographic work (movie) based on a novel, translation, musical arrangement, etc.³²⁵ Therefore, the right to prepare derivative works is that which restricts further use of a work for the preparation of a work based upon it. With respect to low-originality works, usually utilitarian ones, there is authority to claim that the copyright conferred is “thinner” in that it prevents mere copying, in contrast to adaptation.³²⁶ There are many explanations for this tendency, based upon the basic rule that ideas, including purely functional elements, are not protected.³²⁷ Vast protection of utilitarian works might end with protection over functional elements, which should be left in the public domain.³²⁸ In order to prevent a chilling effect on the design innovation market, and taking into account that design’s building blocks are shapes and forms, it is appropriate to acknowledge a narrower derivative right.³²⁹ Actually, the broad reproduction right, assessed by the substantial similarity standard, might supply sufficient protection for designs.³³⁰ Therefore, also in this final and important respect, there is much support for an industrial design scheme separate from the copyright scheme.

³²⁴ 17 U.S.C. §§ 101, 106.

³²⁵ *Id.* § 101.

³²⁶ See GOLDSTEIN, *supra* note 28, §§ 8.4.2, 8.5.2.1; Paul Goldstein, *Derivative Rights and Derivative Works in Copyright*, 30 J. COPYRIGHT SOC’Y U.S.A. 209, 218-26 (1983) [hereinafter Goldstein – *Derivative Rights*]. For such doctrine in English law, see W.R. CORNISH & DAVID LLEWELYN, *INTELLECTUAL PROPERTY: PATENTS, COPYRIGHT, TRADEMARKS AND ALLIED RIGHTS* 420-21 (1999); HUGH LADDIE ET AL., *THE MODERN LAW OF COPYRIGHT AND DESIGNS* 215 (2000).

³²⁷ See *Baker v. Selden*, 101 U.S. 99 (1879) (dismissing copyright infringement in case of accounting tables’ copying since such tables reflect the underlying unprotected accounting method and, thus, are functional). See also *Kenrick & Co. v. Lawrence & Co.*, (1890) 25 Q.B.D. 99, 102 (holding that a basic drawing will enjoy protection only against from literal copying).

³²⁸ See GOLDSTEIN, *supra* note 28, §§ 8.4.2, 8.5.2.1; Goldstein – *Derivative Rights*, *supra* note 327, at 218-26; Jane C. Ginsburg, *Creation and Commercial Value: Copyright Protection of Works of Information*, 90 COLUM. L. REV. 1865, 1918 (1990).

³²⁹ For a similar opinion, see Kur, *supra* note 35, at 377. This approach is the answer to opposition to a design right based on the fear that a design proprietary right would bar further innovation. See Magliocca, *supra* note 37, at 862.

³³⁰ Anyway, some commentators hold the view that the broad reproduction right includes within its scheme the derivative right. See NIMMER, *supra* note 87, §§ 3.01, 8.09(A); Sterk, *supra* note 188, at 1218.

5. THE APPLIED ART AND INDUSTRIAL DESIGN NEXUS AND THE RECONCILING OF THE “UNITY OF DESIGN” DOCTRINE

A. *The Impossible Divorce of Applied Art from Industrial Design*

After concluding that design law should be located on the copyright axis in the intellectual property realm, and treated within a special *sui generis* law, we still have not resolved the main problem of design law, namely, what is the exact subject matter to be protected by the recommended *sui generis* law, and how exactly should the borderline between copyright law and such a *sui generis* law be formed. The reconciliation of all the tensions of design law and its proper location in the intellectual property realm await answers. The idea of enacting a *sui generis* copyright law for design is not a new one, and it enjoys some scholarly advocacy.³³¹ However, the phrase “*sui generis*” is not magic, and the mere proposal of such a law does not resolve the problems. The next stage must be to define the subject matter of this hybrid law, and to sketch the mechanism for its separation from copyright law.

In the modern post-industrial revolution era, art is reflected in most designs, since the attractiveness of a product is a major selling point, aside from its functionality.³³² Many bona-fide artists seek to create works that will be a commercial success, specifically those that will be produced on an industrial scale. Thus the borderline between the categories of applied art and industrial design are blurred.³³³ Further blurring of the line between industrial design and aesthetic appeal are creations which are admitted to be artistic but were intended originally for practical purposes, or were incorporated in functional articles.³³⁴ Consequently, some hold the view that a clear definition of works of applied art is not possible.³³⁵ The difficulty stems both from the

³³¹ There were several attempts in the past to enact such a law in the U.S. Briggs claims that various types of design legislation have been introduced in Congress at least 88 times since 1914. See Briggs, *supra* note 1, at 201 n.202. Furthermore, there is scholarly support for such an enactment. See, e.g., Reichman, *Legislative Agenda*, *supra* note 29, at 291-93; Keebaugh, *supra* note 1; Frenkel, *supra* note 120, at 575-79; Brown, *supra* note 69; Steve W. Ackerman, *Protection of the Design of Useful Articles: Current Inadequacies and Proposed Solutions*, 11 HOFSTRA L. REV. 1043, 1068-71 (1983). As to the current Copyright Office position, it seems as though it takes no position with respect to the merits of extending design protection (explicitly for fashion design). However, if such enactment is approved then the VHDPA should serve as its model. See Copyright Office Opinion, *supra* note 148, at 208-09.

³³² See *supra* notes 27-42 and accompanying text. See also LADAS, *supra* note 6, at 831.

³³³ See GOLDSTEIN, *supra* note 28, § 2.5.3 n.71 and accompanying text.

³³⁴ For example, this phenomenon is reflected in the “ready-made” trend, inaugurated in 1917 when Marcel Duchamp exhibited a discarded urinal under the title “Fountain.” See J. Alex Ward, *Copyrighting Context: Law for Plumbing’s Sake*, 17 COLUM.-VLA J.L. & ARTS 159, 159 (1993); NIMMER, *supra* note 87, § 2.08(B)(3).

³³⁵ See LADAS, *supra* note 6, at 833.

grounds of logic justifying the distinction between the categories of art and industrial designs,³³⁶ and from the limits of legal language in expressing a line that will effectively separate different intellectual property policies.³³⁷

In this context, the French approach must be presented. From its inception, the French system acknowledged a separate industrial design regime and did not reject a cumulative protection over designs by copyright law.³³⁸ The reasoning behind this cumulation was the “unity of art” doctrine, which was widely accepted in French legal discourse.³³⁹ According to this doctrine there should be no discrimination between useful art and “pure” art. Art should get the fullest protection even if it is integrated in an industrial product. There is no basis for distinction between different types of art, and it is not possible to segregate between minor and major art.³⁴⁰ Art has no limits, no beginning and no end. Therefore, a clear-cut distinction between art and industry is not possible, by definition.³⁴¹ Since such a distinction is impossible, any segregating rule would have to be subjective and arbitrary, and finally the many necessary exceptions would undermine the validity of the rule.³⁴² The unity of art doctrine was legislated within French copyright law, protecting as a matter of principle any work, whatever its genre, form of expression, merit, or intended purpose.³⁴³ And, indeed, the merit of the French rule, according to which all designs irrespective of their purpose or mode of production are copyrighted, is that it has provided an

³³⁶ See GOLDSTEIN, *supra* note 28, § 2.5.3 n.81 and accompanying text. The Whitford Committee reported that one of the major arguments raised in the hearings and papers submitted was that “there is no difference in principle between the ‘industrial’ exploitation of artistic works and, for example, the printing of books or pictures and the production in numbers of decorative sculptures. It is difficult in principle to justify on the one hand refusing to give copyright to a chair or carpet design and on the other hand giving it to a street directory or a fixture list . . .” See WHITFORD REPORT, *supra* note 164, at 37.

³³⁷ See GOLDSTEIN, *supra* note 28, § 2.5.3.

³³⁸ See Finnis, *supra* note 242, at 620; Lucas et al., *supra* note 269, at § 2(1)(b)(ii)(D); RICKETSON, *supra* note 158, at 269.

³³⁹ See Finnis, *supra* note 242, at 620.

³⁴⁰ See Finnis, *supra* note 242, at 620; Lucas et al., *supra* note 269, at § 2(1)(b)(ii)(D); RICKETSON, *supra* note 158, at 269. A similar philosophy may be found in the Weimar Bauhaus school of thought, which attempted to harmonize between art, craft and industry by removing the demarcation between art and industry. See SUTHERSANEN, *supra* note 16, at 12. See also Braegger, *supra* note 12, at 22-23.

³⁴¹ This idea is ascribed to Pouillet. See Morel, *supra* note 252, at 45, 47 (referring to C.F. Pouillet, *Traité Théorique et Pratique des Dessins et Modèles*, 1911).

³⁴² See Morel, *supra* note 252, at 45.

³⁴³ See Code de Propriété Intellectuelle, Law No. 92-597 of July 1, 1992, Art. L. 112-1-2, http://www.wipo.int/clea/docs_new/en/fr/fr062en.html. Article 112-2(10) enumerates “works of applied art” in the list of protected works and Article 112-2(14) enumerates “creations of the seasonal industries of dress and articles of fashion” in that list (Act No. 94-361 of May 10, 1994, art. 2 Official Journal of May 11, 1994). See also Morel, *supra* note 252, at 49; Lucas et al., *supra* note 269, at §§ 2(1)(b)(ii)(D), 2(4)(c).

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unambiguous model that is easy to operate.³⁴⁴ However, there is one major restriction to this liberal approach: if the form of expression of the work is not separable from its function, protection will be denied, not because the work must be deprived of copyright for its *utilitarian* purpose, but rather for reasons arising out of limits to copyright protection and the originality requirement of originality.³⁴⁵ Thus far, the French courts have left unresolved the issue of the proper criterion for disentangling copyright-protected forms from functional features in cases of designs; nevertheless, the general exemption is robust: a form which is dictated solely by its function is deprived of copyright protection.³⁴⁶ In the pre-1976 Act in the U.S. there was a certain flourishing of the “unity of art” thesis.³⁴⁷ The climax of this movement is manifested in the seminal *Mazer v. Stein* holding of 1954, which stated that a statue enjoys copyright protection even though it was used “merely” as a lamp-stand.³⁴⁸ In fact, the United States Supreme Court adopted the French “unity of art” theory in *Mazer v. Stein*.³⁴⁹ However, after the 1976 Act and the adoption of the “separability” doctrine this position became irrelevant.³⁵⁰

The current situation, with its varied makeshift positive solutions for the applied art/industrial design nexus, is not satisfactory. The American “separability” standard for copyrighting applied art³⁵¹ is highly flawed.³⁵² In Italy and in Germany, where the “separability” standard originated, this test has been abolished.³⁵³ The French “unity of art” perception

³⁴⁴ See RICKETSON, *supra* note 158, at 269-70.

³⁴⁵ See Lucas et al., *supra* note 269, at § 2(4)(c).

³⁴⁶ The major technique French courts use for concluding that form is separable from function is the theory of the “multiplicity of forms,” according to which, if there are several options to shape the form in order to achieve the same functional result, then the form is separate from the function and not dictated solely by it. See Lucas et al., *supra* note 269, at § 2(4)(c) nn.135-36. See also Morel, *supra* note 252, at 67, 71.

³⁴⁷ See Reichman, *Comparative View*, *supra* note 81, at 297-303.

³⁴⁸ *Mazer v. Stein*, 347 U.S. 201 (1954).

³⁴⁹ See Finnis, *supra* note 242, at 629.

³⁵⁰ See Reichman, *Comparative View*, *supra* note 81, at 308-21.

³⁵¹ 17 U.S.C. § 102(a)(5) (2008).

³⁵² See *supra* notes 98-106 and accompanying text.

³⁵³ At the same time that the French “unity of art” doctrine flourished, there were continental European attempts in Italy and Germany to develop a counter-thesis justifying the segregation of pure art from useful art. Such counter-theories adhered to the need to exclude copyright from low creativity productions, and from productions reflecting the customers’ taste and not the creator’s artistic self-expression. See Reichman, *Comparative View*, *supra* note 81, at 276-77, 280. “Artistic” quality was contrasted to a merely “aesthetically pleasing product.” See Katzenberger, *supra* note 240, at 100. These theories have supported the “skill effort” approach, according to which a separated special law should protect low artistic productions as a *sui generis* copyright law. See Reichman, *Comparative View*, *supra* note 81, at 279. Nevertheless, such a theory is denied currently both in Germany and in Italy; in Germany a system similar to the French one governs, according to which applied art can be copyrightable and enjoy cumulatively the registered design right. However, courts in Germany have sometimes imposed narrower standards

(ideally attaining full copyright for all applied art and industrial design) is also problematic precisely because it provides full copyright protection for everyday products, which leads French courts to deny protection through different court-made rules, such as lifting the originality threshold required with respect to applied art.³⁵⁴ This is similar to what occurs in the United States, that is, application of arbitrary and artificial legal tests.³⁵⁵ The question is where the boundary lies between applied art, which is protected through copyright, and industrial design, which is protected through a *sui generis* design right. I propose that the resolution to this central problem is what I will call the “unity of design” doctrine, which paraphrases the French doctrine.

B. *The “Unity of Design” Doctrine*

(1) The Proposed “Unity of Design” Doctrine

Under the proposed “Unity of Design” doctrine, there will be no discrimination between applied art and industrial designs; all will be protected under one *sui generis* semi-copyright law. The classical “unity of art” doctrine was aimed to draw industrial designs into the copyright realm, giving them “higher” status.³⁵⁶ However, as explained earlier, a solution via copyright law is not an appropriate scheme for everyday products, and some needed deviations from copyright law are needed.³⁵⁷ Instead, I propose the opposite: the Unity of Design doctrine will return applied art to the realm of a *sui generis* design regime on a noncumulative basis (i.e. with no additional protection by copyright or any other semi-patent right). In this manner no discrimination will be made between different designs according to their quality—an impossible procedure anyway—and all designs shall enjoy a sort of copyright, however for a shorter term.³⁵⁸ This proposal is

of copyright protection in cases of works of applied art than in cases of other works. See Dietz, *supra* note 269, at § 2(4)(c). Also, in Italy, since 2001, copyright protection may be conferred on works of industrial design “displaying creative character and *per se* artistic value,” on a cumulative basis with industrial design right. Alberto Musso & Mario Fabiani, *Italy*, in INTERNATIONAL COPYRIGHT LAW AND PRACTICE, *supra* note 269, at § 2(2)(10) n.15 (referring to the introduction of applied art into the Copyright Act by Decree No. 95 of Feb. 2, 2001). It has also been claimed that Italian law gives only partial solutions to problems rising due to inconsistencies in the exercise of the different rights accorded to designs. See *id.* § 2(4)(c). Altogether with this major change in the Italian approach, the old established separability requirement was deleted. See *id.* § 2(4)(c)(i) n.72 (referring to Legislative Decree No. 95 of Feb. 2, 2001).

³⁵⁴ See *supra* note 268 and accompanying text.

³⁵⁵ See *supra* notes 98 – 100 and accompanying text.

³⁵⁶ See *supra* notes 338 – 341 and accompanying text.

³⁵⁷ See *supra* chapter B. Incompatibility with Copyright Law and the Need for a *Sui Generis* Law.”

³⁵⁸ For reasons supporting a shorter term of protection for designs, see *supra* notes 273-

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compatible with all international standards.³⁵⁹ The proposed unity of design doctrine is based partially on the English approach, attempting to exclude designs from the copyright realm. However, as I shall explain shortly, the English approach is marred by complexities, which my model tries to circumvent.³⁶⁰

“Design” in the proposed doctrine shall include *all external appearance of shape, configuration or ornamentation of applied articles that are manufactured industrially*. Protection over designs will include all such external appearances, as long as such design is *original* under the test assured by the doctrine.³⁶¹ There is still a need to address the “minimum” and “maximum” boundaries of the unity of design doctrine, specifically, there is a need to sketch the mechanism for differentiating the design subject matter from all other subject matter scattered on the copyright axis.³⁶² As to the minimum boundary, *arguendo*, the proposed model might protect all designs, with no need to distinguish between their respective aesthetical merits. The only requirement will be originality and will provide no protection for ideas and mere functional features. That is, features that are *completely dictated* by their purposed function are not protected, in contrast to features that may have a pure functional purpose but whose design is not dictated completely by their function.³⁶³ I stress this holistic approach as *arguendo*, since there is an ongoing debate whether design law should protect pure mechanical and functional articles, such as spare parts, for example.³⁶⁴ The inclusion of such articles

284 and accompanying text.

³⁵⁹ See *supra* notes 152-173 and accompanying text.

³⁶⁰ See *infra* Section 5(2)(c)(iii).

³⁶¹ For the employed originality standard, see *supra* Section 4(B)(1) Originality Standard.

³⁶² See COPINGER, *supra* note 5, at 714 – 715 (“Given that designs vary from the purely technical to the almost purely artistic, a form and period of protection which is appropriate for one design may be wholly inappropriate for another. . . . Yet, if differing forms or degrees of protection are to be available for different types of design, the need to define clear boundaries between those different types of designs becomes vital. The law has long decided that industrial designs should have some form of protection but it is the drawing of these boundaries which has caused difficulties.”).

³⁶³ For a similar approach, according to which the idea/expression dichotomy, which denies protection of ideas, might bar protection of pure functional aspects of designs (since basic shapes are no doubt in the public domain), see GOLDSTEIN, *supra* note 28, § 2.5.3.1(b)-(c). Sometimes this threshold of “functional features” is examined through the question of “range of possibilities,” namely whether there are real options to design the article. If the designer had free choice between several possibilities then the design is not dictated solely by its function. See *infra* note 398 and accompanying text.

³⁶⁴ This issue was much debated in English law. See TORREMANS, *supra* note 13, at 315-19, 344-46. The English Whitford Report recommended enacting two categories of designs: Category A includes designs whose aesthetic appearance influences a purchaser in making a purchase, and Category B includes designs in which the appearance of the article does not influence the purchaser. All the replacement parts of mechanical articles were meant to be included in this category. However, there was disagreement between the committee members on whether such Category B designs should enjoy even weak

in the design scheme involves different policy considerations, such as antitrust law and post-purchase tie-ins, which are beyond the scope of this article.³⁶⁵ Nevertheless, if such products do deserve some mode of protection, then there is no reason the proposed scheme cannot contain them as well. It accords a short term of protection, based on a semi-copyright framework, but with an independent originality requirement.³⁶⁶ In other words, the proposed scheme has the potential for hosting both applied art (transferred from the copyright realm), and other designed mechanical articles (transferred from other intellectual property schemes, or not protected at all).³⁶⁷

It should be stated at the outset that defining the maximum boundary of applied art—when the external appearance of an article will be regarded as applied art to be protected by a design right and when it will be regarded as a copyrighted work—the central problem of creating a design doctrine is a notoriously hard undertaking.³⁶⁸ Any definition might be rebutted as a self-contradiction to the “unity” of the unity of design doctrine, and as a result hypothetically *all* artistic works reflected in an “article,” including “pure” aesthetical artifacts, would be drawn to the design realm.³⁶⁹ However, this outcome is not realistic and can be avoided, since the justification for a separate law for designs is based on their unique character of mixture of art and *function*.³⁷⁰ Accordingly, the Berne Convention allows deprivation of copyright only from “*applied* art” (and industrial designs).³⁷¹ Practically speaking, this maximum boundary must be drawn, and there are two main possibilities for a differentiating rule-of-thumb: one on the basis of *usefulness* and the other on the basis of *industrialization*. Both pose difficulties. The *usefulness* measurement would define a potential subject matter for design protection according to whether the article has a *useful or functional purpose*.³⁷² Since the justification for segregating designs

protection. See WHITFORD REPORT, *supra* note 164, at 44, 50. Finally, the 1988 law reform in English design law chose not to protect spare parts at all. See *supra* note 151.

³⁶⁵ See *supra* note 151 and accompanying text.

³⁶⁶ For a similar opinion, see TORREMANS, *supra* note 13, at 361.

³⁶⁷ For example, the protection of integrated circuits, which are “functional designs,” could be incorporated into this inclusive design right. See *supra* note 150.

³⁶⁸ See *supra* notes 332-350 and accompanying text.

³⁶⁹ Since there is no comprehensive definition of useful art in contrast to pure aesthetic one, see *supra* notes 332-337 and accompanying text.

³⁷⁰ See *supra* Section 2.

³⁷¹ See *supra* note 159 and accompanying text.

³⁷² A “useful article” in current U.S. copyright law is defined as “an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information. An article that is normally a part of a useful article is considered a ‘useful article.’” 17 U.S.C. § 101 (2008). For the rule that the article at stake serves a *function* as a prerequisite for design patentability, see *Hupp v. Siroflex of America, Inc.*,

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from copyright stems from the fact that designs are art in the service of function and, therefore, are also dictated by imminent considerations, it is logical to incorporate the functional purpose of the article in the differentiating mechanism. The difficulties with this benchmark are clear. As I stressed, it is impossible to discriminate between arts according to an evaluation of their “intrinsic” functional or aesthetical goals, and it is hard to deduce objectively from the form itself.³⁷³ For example, one could claim that a sculpture, created only for aesthetic purposes, could be used as a paperweight, lampstand or, doll, that is for a useful purpose, just as it might be placed on a shelf for decoration, which is also a consumer-added value.³⁷⁴ Nevertheless, like other open-standard norms, the usefulness measurement can also be developed according to mechanisms such as *reasonability*, *significant character*, and *normative expected usage*.³⁷⁵ As an alternative, a totally clear segregation of *all* artistic works of form should be made, which will include them in the design realm; however, as explained earlier, this result is unwarranted.³⁷⁶ Another problem stemming from the usefulness measurement relates to singular designed objects. For example, unique chairs, dresses, or pieces of jewelry, which are no doubt useful, raise the question of whether they should be treated as designs or as copyrighted works. The second measurement answers this kind of difficulty by including as applied artistic articles only those designs that are manufactured or aimed for manufacture on an industrial scale, and thus have become *industrialized products*.³⁷⁷ Here, once again, the term “industrial

122 F.3d 1456 (1997); MILLS, *supra* note 209, at § 8:2.

³⁷³ For such an argument, see PATRY, *supra* note 70, § 3:134. This critique is actually another manifestation of the French “unity of art” doctrine. See *supra* notes 340-344 and accompanying text.

³⁷⁴ See GOLDSTEIN, *supra* note 28, § 2.5.3.

³⁷⁵ For the theoretical underpinnings of the reasonability standard in tort liability doctrines, mainly due to its relative objectivity, see Guy L. McClung, III, In Defense of Reasonableness: A Critical Analysis of Monolithic Theories of Tort Liability, 6-9, 97-99, (1982) (unpublished Ph.D. thesis, Rice University) (on file with author). The normative expected use standard is incorporated in the “three step test” for limiting copyright, codified at Article 9(2) of the Berne Convention, *supra* note 10, and Article 13 of the TRIPS Agreement, *supra* note 10. The three conditions for setting limitation to the rights are as follows: (1) the exception should be limited to certain special cases, (2) it does not conflict with normal exploitation of the work, and (3) it does not unreasonably prejudice the legitimate interests of the right-holder. These standards were interpreted by the World Trade Organization panel discussing Section 110(5) of the U.S. Copyright Act. For example, the panel interpreted the standard of “normal” as incorporating both the existing-empiric situation with the recommended one. See *id.* at 6.166. See also MARTIN SENFTLEBEN, COPYRIGHT, LIMITATIONS AND THE THREE-STEP TEST. AN ANALYSIS OF THE THREE-STEP TEST IN INTERNATIONAL AND EC COPYRIGHT LAW 193 (2004).

³⁷⁶ See *supra* notes 268–270, 354–355 and accompanying text, explaining why it is impossible to unify protection over all artistic objects and the fatals of the French “united” approach to designs.

³⁷⁷ This benchmark is the basic doctrine in English law. See Registered Design Act, *supra* note 240, art. 1 (defining registerable design as including requirement for

production/manufacture” could be employed by general interpretive tools.³⁷⁸ This second measurement could be supported by the fact that the entire project of justifying design right is to enhance market competitiveness and efficiency.³⁷⁹ However, when a design is not industrialized it does not function as a “product” in the marketplace but rather as a pure artifact, despite its usefulness.³⁸⁰ Nevertheless, industrialization will not necessarily surrender copyright. For example, a statue which is exhibited in the museum and its industrialized replicas sold in the museum shop should not lose their copyrightability. By the same token, industrialized tourists’ souvenir statues should maintain their copyrightability because of the additional usefulness measurement.

As we know, legal language has a limited ability to define all subject matters to be protected by intellectual property rights. The most remarkable example is the fact that the term “work” in copyright law is not defined.³⁸¹ Thus, the border between industrial designs, including applied art, and copyright law, cannot be hermetically closed, given that both copyrighted works and applied art are left as open standard norms. However, below I shall further try to tailor the distinction as clearly as possible with a mechanism that, in my view, solves much of this central problem.

manufacture in an industrial process). Furthermore, the old English exclusion rule of designs from copyright was based on this benchmark since, according to the old law, no copyright was applied to designs capable of being registered (under the then relevant law) except designs which, though capable of being registered, were not used or intended to be used as models or patterns to be multiplied by any industrial process. *See* Copyright Act, 1911, 1 & 2 Geo., c. 46, § 2(1) (Eng.) [hereinafter Copyright Act, 1911 (Eng.)]. The Patent Act in the U.S. also ties patent design to “article[s] of *manufacture*.” 35 U.S.C. § 171 (2008). However, this term has been liberally construed as requiring only a tangible object, with no necessary mass manufacture. *See* Application of Hruby, 373 F.2d 997 (C.C.P.A. 1967); *Ex Parte Strijland*, 26 U.S.P.Q. 2d 1259, 1263 (1992); MILLS, *supra* note 209, at § 8:2.

³⁷⁸ In English law there is an enacted presumption according to which a design is deemed to be multiplied by an industrial process when the design is reproduced or is intended to be reproduced in more than fifty single articles. *See* Designs Rules, 1920, art. 89. In Germany, a more open standard was preferred, requiring applicability in trade, commerce or industry for a design to qualify for registration. *See* German Design Law (GeschmG), art. 1(1). This requirement was interpreted by German case law as a requisite that the design will be reproducible and duplicable for *commercial exploitation*. *See* WILFREID STOCKMAIR, *THE PROTECTION OF TECHNICAL INNOVATIONS AND DESIGNS IN GERMANY* 218 (VCH Pub. 1994).

³⁷⁹ *See supra* Chapter 2. What is a Design, and What Functions does it Serve?”

³⁸⁰ For the justifications for design right, see *supra* Section 2.

³⁸¹ *See* 17 U.S.C. § 101 (2008).

(2) Exceptions to the “Unity of Designs” Doctrine

Although the advantage of the proposed unity of design doctrine is that it is a comprehensive approach in its attempt to define a simple rule applicable to almost all situations, legal reality is always much more complex. Especially in the intellectual property realm, the common and unavoidable legislation mechanism is made of rules accompanied by exceptions, aimed to fine tune the principal rule according to different competing interests, such as a public or sectorial interests.³⁸² Accordingly, I wish to introduce some exceptions to the rule of unity of design doctrine, each of which reflects a different kind of complexity. The most important exception pertains to pure artistic work later exploited for functional purposes. As will be explained, this exception recognizes the point where the parallelism of the differentiating rules of copyright and design breaks down, and the two merge. This will be discussed in some detail below. Two additional possible exceptions that will be mentioned briefly are two-dimensional designs and architectural designs, which deserve a thorough discussion elsewhere.

(a) Architectural Works

The first category of designs that might be excluded from the “unity of designs” doctrine, namely maintaining its copyrightability, refers to architectural works. The reason for such potential exclusion is both formal and material. According to the Berne Convention, architectural works are copyrightable, and thus they fall definitively outside the proposed *sui generis* protection.³⁸³ Moreover, materially, it could be argued that architectural works invoke special considerations in contrast to other designed products³⁸⁴ and thus justify full copyright.³⁸⁵

³⁸² See, e.g., LEON E. SELTZER, EXEMPTIONS AND FAIR USE IN COPYRIGHT: THE EXCLUSIVE RIGHTS TENSIONS IN THE 1976 COPYRIGHT ACT (Harvard Univ. Press 1978); J.A.L. STERLING, WORLD COPYRIGHT LAW 350 (Sweet & Maxwell 1998); STEPHEN M. STEWART, INTERNATIONAL COPYRIGHT AND NEIGHBOURING RIGHTS 5, 79 (Butterworths 1989).

³⁸³ Berne Convention, *supra* note 10, art. 2(1). For this very reason, in 1990 a special act was passed in the U.S. in order to set adequate copyright protection for architecture, as it was required in order to comply with the Berne Convention standard. See Act of Dec. 1, 1990, Pub. L. No. 101-650, §§ 701-06, 104 Stat. 5089; 17 U.S.C. § 101 (1990); NIMMER, *supra* note 87, at § 2.20(A). Moreover, for the same reason, Canadian law, which in principle excludes copyright protection from industrial designs, maintains the copyrightability of architectural works. See Copyright Act, R.S.C., ch. C 42, art. 64(3)(d) (1985) (Can.) [hereinafter Copyright Act (Can.)].

³⁸⁴ Arguably, architectural works reflect both high personal creative character and a significant investment of resources, and thus the proposed deviations from the copyright scheme are inappropriate. Namely, a longer term of protection might be needed in order to supply the basic incentive for creation; moral rights and derivative rights are relevant to architectural works, and finally a higher originality standard is apt. As it was said in

(b) Two-Dimensional Designs

Another category of designs which might be excluded from the “unity of designs” doctrine are two-dimensional designs. Generally speaking, there is much difference between two and three-dimensional designs. The three-dimensional design is reflected in an article or product which by *itself* serves some useful goal, while the two-dimensional design is reflected in a drawing or a surface appearance attached to the useful device, such a drawing pasted to dishes, tiles surfaces and wallpaper or tapestry decorations.³⁸⁶ In the category of two-dimensional design, more “products” could hypothetically be included, such as greeting cards, postcards, and even posters. Thus, it could be claimed that by definition, two-dimensional design is actually an artistic work, such as painting or drawing, which is attached to its “carrier,” however, the artistic work *per se* is not applied art and only the product, into or onto which the artistic work was incorporated, achieves a utilitarian function.³⁸⁷

The principal difference between two and three-dimensional design is reflected in many positive-doctrinaire rules. For example, the “separability” test is not problematic with respect to two-dimensional designs, such as graphic or fabric designs, since *the design itself is not intrinsically utilitarian*.³⁸⁸ Furthermore, with respect to registration of designs, the asymmetrical legal situation between two- and three-dimensional design is remarkable: in cases of two-dimensional designs, which are basically an artistic work, such as a drawing or painting used for decorating a variety of articles that have a functional purpose, it is pointless to compel owners to register each one of the articles independently in order to achieve effective protection.³⁸⁹ That is because the new or

Congress, “[T]he key to the art of architecture is the conviction and sensitivity with which technology and function are interpreted aesthetically, in solutions of a practical social purpose;” see Nimmer, *supra* note 87, at § 2.20 [A] at note 23, referring to H.R. Rep. No. 101-735, 101st Cong., 2d Sess. 18 (1990), quoting critic Ada Louise Huxtable. For the mass investment in designing architectural works, see Raleigh W. Newsam, II, *Architecture and Copyright - Separating the Poetic from the Prosaic*, 71 TUL. L. REV. 1073, 1082 - 1096 (1997) [hereinafter *Newsam*]; Raphael Winick, *Copyright Protection For Architecture After The Architectural Copyright Protection Act of 1990*, 41 DUKE L.J. 1598, 1604 (1992); Antoinette Vacca, *The Architectural Works Copyright Protection Act: Much Ado About Something?* 9 MARQ. INTELL. PROP. L. REV. 111, 130 (2005).

³⁸⁵ See Newsam, *supra* note 385, at 1082-96, 1100; Winick *supra* note 378, at 1604, 1606; Vacca *supra* note 378, at 130. Nevertheless, it is clear that the main fear is that too broad protection will bar subsequent architects' designs since “architecture resembles the computer software industry, which progresses by stepping-stone improvements - each innovation building on the past to produce a better product.”

³⁸⁶ RUSSELL-CLARKE, *supra* note 151, at 236 - 239.

³⁸⁷ See also RUSSELL-CLARKE, *supra* note 151, at 237.

³⁸⁸ See LADAS, *supra* note 6, at 838; Denicola, *supra* note 29, at 716; GOLDSTEIN, *supra* note 28, § 2.5.3.2.

³⁸⁹ See WHITFORD REPORT, *supra* note 164, at 41.

original element is only in the drawing *per se*, which has no intrinsic functional use, and whose sole merit is therefore artistic.³⁹⁰ Finally, the incommensurability of two-dimensional design to the industrial design scheme is acknowledged in current positive law, both in the U.K. and Canada: in the U.K., two-dimensional designs (“surface decoration”) are excluded from the unregistered design right scheme, which will be introduced further below, and thus enjoy only copyright.³⁹¹ Canadian law maintains copyrightability of graphic designs on the face of articles,³⁹² and of character merchandising,³⁹³ – namely of two-dimensional designs – although it adheres a non-cumulating regime which excludes copyright protection from (almost) all industrial designs.³⁹⁴ This exclusion is based on the apprehension that two-dimensional designs are artistic works attached to different three-dimensional forms, and thus should maintain their copyrightable nature. Nevertheless, I admit that this conclusion needs more review.

(c) Pure Artistic Work Exploited for Functional Purposes - The
“Popeye the Sailor Syndrome”

One of the hardest questions in tailoring the divorce of industrial designs from the copyright realm refers to a scenario in which a pure artistic work was initially created, and at a later stage it was exploited industrially, whether by its merchandising in derivatives (such as dolls, etc.) or by its mass reproduction. The question is whether such industrial exploitation surrenders or diminishes copyright and repositions the protection of such creation within the *sui-generis* design right, under the unity of design doctrine.

As explained above with respect to two-dimensional designs, the decoration remains two-dimensional (i.e. flat) even when is attached to three-dimensional functional forms, and thus should maintain its copyrightability. But what of the *transformation* of a drawing into a three-dimensional functional article, such as a cartoon character into a doll or toy? In such cases the design is indeed merged into the useful article itself, with no way of separating the aesthetic and utilitarian parts. Should these three-

³⁹⁰ *See id.*

³⁹¹ *See* Copyright, Designs, and Patents Act (Eng.), *supra* note 320, at § 213(3)(c). *See also* RUSSELL-CLARKE, *supra* note 151, at 77, 270.

³⁹² Copyright Act (Can.), *supra* note 384, art. 64(3)(a) (allowing copyright for “a graphic or photographic representation that is applied to the face of an article”).

³⁹³ *Id.* art. 64(3)(e) (allowing copyright for “a representation of real or fictitious being, event or place that is applied to article as feature of shape, configuration, pattern or ornament”).

³⁹⁴ *Id.* art. 64(2).

dimensional designs, based upon artistic work, be protected through copyright or through the proposed *sui generis* design right? This question might be coded as the “Popeye The Sailor Syndrome,” following the seminal English decision in *King Features*, in which a cartoon figure drawing was created initially for an advertisement, and only later was merchandised industrially through dolls and other objects.³⁹⁵ However, the question is much broader, and is in principle the same question that arises in all situations in which a “pure” artistic work is later exploited industrially through a useful object.³⁹⁶ This is the *Mazer v. Stein*³⁹⁷ dilemma again: what should be the law with respect to a statue initially created only for aesthetic merits that later on was used industrially as a useful article or as part of a useful article? Is copyright or rather design-right applicable (or even both)? A possible test aimed to solve this problem is the “intent of the creator,” which will be presented below, and rejected. I shall propose a different solution which I believe is much more coherent and workable.

(i) Separation According to the Intent of the Creator at Time of Creation

One of the ways of finding a definition of copyrightable subject matter has been to examine the process of creation rather than the final result.³⁹⁸ This test takes into consideration the creator’s intent at time of creation, whether the work was intended to be used industrially or not.³⁹⁹

This test suffers from some severe failures. Since the state of mind of a creator at the time of creation can never be established with exactitude, a test based on such criteria is doomed to end with subjective and arbitrary court decisions.⁴⁰⁰ It has happened

³⁹⁵ *King Features Syndicate, Inc.*, A.C. 417. For further discussion on this decision, see *infra* notes 405, 433 and accompanying text.

³⁹⁶ See, e.g., *Brandir Int’l v. Cascade Pac. Lumber Co.*, 834 F.2d 1142 (2d Cir. 1987) (holding that a bicycle rack made of bent tubing that was produced industrially originated from a purely sculptural work).

³⁹⁷ 347 U.S. 201 (1954).

³⁹⁸ See Denicola, *supra* note 29, at 741-42.

³⁹⁹ This test was furthered in American legal discourse by Denicola. *Id.* at 741-42. At least this is the way Denicola’s proposal was understood by court. See *Brandir Int’l*, 834 F.2d at 1145-46. However, this test had been used already in 1940 by the House of Lords holding in *King Features*, in which the court ruled that since the drawing of a figure was made with the intention at time of creation not to be used industrially but rather for artistic purposes (i.e. an advertisement), it is still copyrighted, even though dolls based upon that drawing were later commercialized. *King Features*, A.C. 417. Thus, copying of the dolls consisted of indirect copying of the drawing. *Id.*; see also RUSSELL-CLARKE, *supra* note 151, at 255-56.

⁴⁰⁰ For a similar critique, see Brown, *supra* note 69, at 1350.

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before.⁴⁰¹ The assumption that “the work itself will continue to give ‘mute testimony’ of its origins”⁴⁰² is unfounded, and it creates a vicious circle: since industrial design includes a wide spectrum of materials which combine functional and aesthetic aims, the “mute testimony” will not reveal whether the design is more functional or more aesthetic; it will reveal both aims.

Moreover, considering the creator’s *intent* with respect to the purpose of his work (i.e. artistic or utilitarian) at the very time of the creative process, as a criterion for deciding whether such creation will enjoy copyright or industrial design protection is completely arbitrary since it relies on a contractual element, non-intrinsic to the work itself, and which is totally occasional.⁴⁰³ In some instances the artist/designer is lucky enough to have a contract with an industrial entity already ordering the creation for utilitarian purposes, and sometimes the artist/designer creates with no specific purpose, only having the creation industrialized at some later point.⁴⁰⁴ Therefore, sorting the protection over creative works according to the question of whether the work was initially commissioned or not is illogical, and leads to subjective and arbitrary results.⁴⁰⁵ Thus, there is need for a simpler, clearer, more objective and more consistent benchmark rule for the scenario at stake.

(ii) The Proposed Test: Separation According to the Type of Use Alleged to be the Infringing Act

In order to resolve the problem of where to locate a copyrighted work which is later industrialized, I propose to sort rights according to the *alleged infringing use*. The decision where to locate the subject matter, in copyright law or in designs law, will be done according to the nature and purpose of exploitation of the subject matter alleged to be infringing. If the exploitation is made in order to produce industrialized useful articles then design law

⁴⁰¹ In *Brandir*, the court adopted Denicola’s test, explaining that it will not be too difficult to administer in practice, since “the parties will be required to present evidence relating to the design process and the nature of the work, with the trier of fact making the determination whether the aesthetic design elements are significantly influenced by functional considerations.” *Brandir Int’l*, 834 F.2d at 1145-46. However, this is exactly the problem – a benchmark rule based on long and complicated evidentiary process is indeed too hard to administer, too costly, inefficient, and finally arbitrary.

⁴⁰² *Brandir Int’l*, 834 F.2d at 1145-46.

⁴⁰³ See Finnis, *supra* note 242, at 620.

⁴⁰⁴ *Id.* For example, a designer might design an object as part of his studies and commercialize it on a later stage.

⁴⁰⁵ *Id.* at 620-21. See also PATRY, *supra* note 70, § 3:141. As explained, this “intent of the creator” test was employed by the House of Lords in *King Features*. See *supra* note 399. However, later on, the English legislature overturned the *King Features* rule since it was not practically workable. See *infra* note 433 and accompanying text.

will be enforced; if the exploitation is made in order to reproduce copyrightable materials, then copyright is to be enforced. This identification of the *applicable right* is not based on an *ex-ante* inspection of the intrinsic characteristics of the subject matter in a “sterile” environment; rather it is an *ex-post* inspection of the characteristics of the relevant exploitation of the subject matter in order to locate the specific issue at stake in the right legal scheme. For example, in the Popeye the Sailor case: if the alleged infringer copied the Popeye dolls in order to produce other industrialized dolls, then design right should be enforced; and if the alleged infringer copied Popeye in order to produce another comic strip, book or picture, then copyright should be enforced.

Admittedly, it could be argued that there is no difference in principle between a merchandised “Popeye” doll and a merchandised cup with a “Popeye” drawing attached to it. How can we defend such an outcome? Specifically for the case of cartoon characters and the like, this is indeed a “second best” solution: the very long term of protection in copyright law has no justification in such cases.⁴⁰⁶ But if this is the only flaw of the proposed model – dividing between copyright and design right, is that with respect to one group of subject matter (i.e. three-dimensional designs based on artistic work which is copied in order to make two-dimensional designs) – then it is not fatal. Another justification is that the proposed mechanism enables the creation of a *coherent, uniform and dynamic* rule. As an alternative it is possible to set a special exemption in both design and copyright legislation, which either takes all the merchandising industry into the copyright field, or into the design-right field. The Canadians chose the first option by maintaining character merchandising copyrightability, in whichever dimension it appears.⁴⁰⁷ Namely, all

⁴⁰⁶ The debate over the appropriate term for copyright protection is old as copyright law itself. See *Donaldson v. Beckett*, (1774) 1 Eng.Rep. 837. Many scholarly writings with respect to the deficiencies of a long copyright term were published following the enactment of the 1998 “Sonny Bono” Copyright Term Extension Act (codified at 17 U.S.C. §§ 108, 203, 301-04), which extended the copyright term of protection by twenty years, and following the Supreme Court’s holding in *Eldred v. Ashcroft*, 537 U.S. 186 (2003), approving such enactment. See, e.g., Qianwei Fu, *Eldred v. Ashcroft: Failure in Balancing Incentives and Access*, 38 U.C. DAVIS L. REV. 1755 (2005); Michael Jones, *Eldred v. Ashcroft: The Constitutionality of the Copyright Term Extension Act*, 19 BERKELEY TECH. L.J. 85 (2004); Symposium, *Mickey Mice? Potential Ramifications of Eldred v. Ashcroft*, 13 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 771 (2003). See also J.H. Reichman, *An Evaluation of the Copyright Extension Act Of 1995: The Duration of Copyright and the Limits of Cultural Policy*, 14 CARDOZO ARTS & ENT. L.J. 625 (1996). A known advocate of a shorter copyright is Lawrence Lessig, who stresses the importance of free knowledge for modern society. See LAWRENCE LESSIG, *THE FUTURE OF IDEAS: THE FATE OF THE COMMONS IN A CONNECTED WORLD* 252-53 (2001). For more advocacy for expanding the public domain, see Pamela Samuelson, *Enriching Discourse on Public Domains*, 55 DUKE L.J. 783 (2006).

⁴⁰⁷ Copyright Act (Can.), *supra* note 384, art. 64(3)(e).

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of the cartoon derivative market, including applied derivative works in two and three dimensions, is still protected through copyright. However, such a reconciling exception returns us to the basic question posed by the “unity of designs” doctrine: why favor character merchandising and discriminate against other applied art? A more coherent rule would be to either treat all applied art as copyrightable works (under a “unity of art doctrine”) or as designs (“unity of design doctrine”). But we must also be realistic – the powerful lobbies demand their compromise in the intellectual property field.⁴⁰⁸

The advantage of the proposed mechanism is that it answers the basic need to balance competing interests in the industrial design realm: if the action is in the applied art products’ market, then the exclusivity of designs will be the governing doctrine, whose purview is immediate redress and short-term protection.⁴⁰⁹ The proposed mechanism also introduces a uniform and dynamic mechanism, enabling us to reconcile the tension along the borderline of copyright and design field. The mechanism shifts the final identification of the cause of action to the court’s discretion, on an *ex-post* basis, however it does not deprive the plaintiff from protection, such as the “all or nothing” type of rule, since in any event once the system is in place there will be no formalities required in order to obtain both copyright and design right under the proposed model. The main difference, practically speaking, is with respect to the term of protection, namely the longer term of copyright protection or a shorter one applicable to designs. There are other examples in positive law in which different terms of protection are conferred with respect to the same work, according to the exploiting act.⁴¹⁰

⁴⁰⁸ For lobbyism in copyright legislation, see Jesscia D. Litman, *Copyright, Compromise, and Legislative History*, 72 CORNELL L. REV. 857, 870-82 (1987); Andrea K. Menescal, *Those Behind the TRIPS Agreement: The Influence of the ICC and the AIPPI on International Intellectual Property Decisions*, INTELL. PROP. Q. 2, 155 (2005); DAVID VAVER, COPYRIGHT LAW 296 (2000); Lunney, *supra* note 50, at 629 n.476.

⁴⁰⁹ See *supra* Chapters 4 A (3) (b) Registration’s Consequences are not Appropriate for Design Markets” and 4 B (2) Term of Protection.”

⁴¹⁰ For example, a special problem exists with respect to films based upon literary works (derivative cinematographic works), since films are protected for a shorter period of time than literary works. See 17 U.S.C. § 302, 304. The outcome was called a “copyright ambush,” because while a film might fall into public domain its use is still not free since there are “hidden” exclusive rights with respect to the underlying literary work. See Francis M. Nevins, Jr., *The Doctrine of Copyright Ambush: Limitation on the Free Use of Public Domain Derivative Works*, 25 ST. LOUIS U. L.J. 58 (1981); Peter Jaszi, *When Works Collide: Derivative Motion Pictures, Underlying Rights, and the Public Interest*, 28 UCLA L. REV. 715, 717-42 (1981). See also *Stewart v. Abend*, 495 U.S. 207 (1990). Australian law has introduced an original solution for such “copyright ambush,” according to which if the term of protection over a film has expired, then causing the film to be “seen or heard” is allowed; however, its reproduction and broadcasting is still subject to the underlying work’s right. See Copyright Act (Austl.), *supra* note 321, art. 110(2). Thus, a spectrum of time period of

One of the main reasons for the complexity in detaching designs from copyright is the difficulty of differentiating between commercialized *derivative works* from industrial designs. All the merchandising industry of dolls, cups, key-holders and other accessories based upon copyrighted works, such as cartoon figures, is an industry of *applied art*. It should be clarified that I refer here to three-dimensional designs, in which the artistic work is merged with the useful object (for example a Popeye doll), in contrast to two-dimensional designs in which there is a "drawing" attached to an object (for example an ordinary cup with an applied drawing of "Popeye" on it). Why should there be a difference between all of these merchandised applied art and other kinds of applied art, initially designed for industrial mass production? For example, why there should there be a different legal protection for a statue designed to function as a basis of a lamp and a statue of Popeye functioning as a basis of a lamp, although the first is labeled industrial design and the second is regarded as a derivative work of applied art? Intrinsically, however, both are the same. Under the proposed model, the question of whether the Popeye statue functioning as a lamp-stand will enjoy copyright protection or design protection is to be decided according the alleged infringing act. If the copier produces Popeye statues for lamps, then the protection will be by *sui generis* design right, while if the copier produces another Popeye movie or book, then it will be protected by copyright. With respect to derivative applied art—the merchandising industry—there will be some limitation on the right to prepare derivative works, since it will prevent derivatives for a shorter period of time, assimilated to design right. This makes economic sense. From a copyright perspective, after the term of protection of a design has expired, the copyright holder can expect to have earned adequately, or if not, then a longer term will be unfair for competition.⁴¹¹ Thus, the incentive to create is fulfilled and there is no justification for further exclusiveness.⁴¹² Moreover and most importantly, trademark law

protection over films is created, according to the type of use of the film. With respect to public performance, the usual term of protection of fifty years applies from the day of publication. See *id.* art. 94. With respect to other actions, such as broadcasting and reproduction, the term might be longer. See *id.* art. 113(1). See also LAHORE, *supra* note 8, at § 42.

⁴¹¹ As one commentator has phrased it, at the heart of the controversy of protecting industrial designs "is how to balance two conflicting needs. On the one hand, the need to provide protection so as to reward human endeavour and creativity; on the other, the need to allow competition in the production of articles which fulfill a particular function or purpose". See COPINGER, *supra* note 5, at 713-714.

⁴¹² According to the basic utilitarian justification for copyright, its aim is to function as an adequate incentive for the creation of works; however, a superfluous incentive is not efficient since it represents the deadweight loss of the exclusive right, see Glynn. S.

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continues to apply and might prevent copying, in case of a goodwill acquired by the design, and the justification for further exclusiveness is transferred to another field of justification—avoiding customer confusion with respect to origin of goods, and from a proprietor perspective—maintenance of goodwill and the economic value of brands.⁴¹³ The proposition is logical since it re-locates each subject matter to its most accurate axis of intellectual property: the merchandising industry of copyrighted works is a branch of industrial applied art, and after a certain period of time, its main force of attraction is not with its unique quality of appearance but with its brand characteristic.⁴¹⁴ Therefore, it should be transferred into the appropriate “pigeonhole” law in the intellectual property realm.

(iii) Improvement on the Unregistered Design Right Introduced in the U.K.

The model proposes an improvement of the unregistered design right introduced in the U.K., one of five options for protecting designs in the U.K., introduced in a 1988 enactment.⁴¹⁵ This right is conferred with no formalities, commencing automatically from first marketing.⁴¹⁶ The eligibility requirement for unregistered design right is “originality.”⁴¹⁷ U.K. unregistered design right protects designs from copying, and thus is assimilated to copyright. However, there is a narrower definition of infringing copying.⁴¹⁸ The term of protection is up to ten years.⁴¹⁹ This unregistered design right is aimed to circumvent the inadequate

Lunney, Reexamining Copyright's Incentives – Access Paradigm, 49 VAND. L. REV. 483, 653 (1996); Stewart E. Sterk, *Rhetoric and Reality in Copyright Law*, 94 MICH. L. REV. 1197, 1209 (1996); MERGES ET AL., *supra* note 54, at 1710.

⁴¹³ For the protection of product's design as a trademark, see *supra* Chapter 3 B Trademark Protection.”

⁴¹⁴ For the three intellectual property axes, see *supra* Chapter 3 A. The Location of Design in the Intellectual Property Realm.”

⁴¹⁵ The second option contains two possibilities for protection through the European Community: registered or unregistered designs rights. See E.C. Design Directive, *supra* note 177, arts. 2-5, 9-12.; RUSSELL-CLARKE, *supra* note 151, at 4-5. The third option for protection is through a U.K. registered design right, which is conferred by a traditional industrial/quasi-patent law. See Register Design Act (Eng.), *supra* note 187; Copyright, Designs, and Patents Act (Eng.), *supra* note 320, at §§ 213-264. The fourth option is through copyright law, as explained below.

⁴¹⁶ Copyright, Designs, and Patents Act (Eng.), *supra* note 320, at § 213.

⁴¹⁷ *Id.* § 213(4). It is clarified by law that the threshold for design eligibility is above the “not-copied” requirement, since according to the law “a design is not ‘original’ . . . if it is commonplace in the design field in question at the time of its creation.” *Id.* See also RUSSELL-CLARKE, *supra* note 151, at 202, 204-05; PHILLIPS & FIRTH, *supra* note 247, at 382-83.

⁴¹⁸ Copyright, Designs, and Patents Act (Eng.), *supra* note 320, at § 226(2); RUSSELL-CLARKE, *supra* note 151, at 220-21.

⁴¹⁹ However, after five years it is subject to a compulsory license scheme. See Copyright, Designs, and Patents Act (Eng.), *supra* note 320, at § 216.

and costly protection conferred by the registered-based design right, and offers a solution to designers' desire to test-market profitability by marketing the design in a pilot period, before investing time and money in registration.⁴²⁰

Another possibility for protecting designs in the U.K. is through copyright law, which protects certain kinds of applied art.⁴²¹ It is therefore useful to see how English law treats the possible overlap between copyright and unregistered design right. This question is of great importance since English legislative history shows clearly that the crusade against copyright protection for designs has caused severe complications, and has finally failed. The English approach, adhered to since the Copyright Act of 1911, was to reject copyright for industrial designs and bar cumulating rights.⁴²² This approach produced an "all or nothing" effect with respect to the subsistence of copyright; if an applied work of art fell within the industrial design definition then no copyright could subsist in the artistic work, and in such a case the only method of protection was to register the design under the quasi-patent system.⁴²³ This rule of exclusion was preserved with some changes in the Copyright Act of 1956.⁴²⁴ Basically, the same rule currently applies in Canada.⁴²⁵

Many complexities stemmed from the English rule of exclusion, apart from the total deprivation of protection in cases of failure to register designs. One of the most significant complexities referred to the relation between the protection of two-dimensional drawings (i.e. a copyrighted work), and the protection of the three-dimensional product (i.e. an industrial design based on that drawing).⁴²⁶ If the producer can claim copyright infringement of the two-dimensional drawing with respect to an act of copying the three-dimensional industrial design, since it comprises an *indirect* copying of the drawing, then it is clear that the rejection of copyright protection for industrial designs is circumvented.⁴²⁷ And ever since the 1911 copyright

⁴²⁰ See CORNISH & LLEWLYN, *supra* note 39, at 553.

⁴²¹ "Artistic Works" are enumerated in the list of protected subject matter through copyright, and include "sculptures . . . irrespective of artistic quality" and "works of artistic craftsmanship." See Copyright, Designs, and Patents Act (Eng.), *supra* note 320, at §§ 1, 4.

⁴²² Copyright Act, 1911 (Eng.), *supra* note 378, § 22(1).

⁴²³ See RUSSELL-CLARKE, *supra* note 151, at 15.

⁴²⁴ Copyright Act, 1956, § 10 (Eng.) [hereinafter Copyright Act, 1956 (Eng.)]. See also RUSSELL-CLARKE, *supra* note 151, at 17-18.

⁴²⁵ Copyright Act (Can.), *supra* note 384, §§ 4, 6; Industrial Design Act, R.S.C., ch. I-9, § 2 (1985) (Can.). See also GERVAIS & JUDGE, *supra* note 130, at 590-97; JOHN S. MCKEOWN, FOX CANADIAN LAW OF COPYRIGHT AND INDUSTRIAL DESIGNS 205-06 (2000).

⁴²⁶ See COPINGER, *supra* note 5, at 722-723.

⁴²⁷ See also RUSSELL-CLARKE, *supra* note 151, at 16-17; See COPINGER, *supra* note 5, at 722-723.

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enactment, through the 1956 enactment and finally in the current 1988 Copyright Act, English law has attempted solve this problem, still without full success.⁴²⁸ The question of claiming copyright infringement of the two-dimensional drawing with respect to an act of copying the three-dimensional industrial design arose in the U.K. in two decisions of the House of Lords: the *King Features*⁴²⁹ holding of 1940 that dealt with copying Popeye the Sailor dolls; and the *British Leyland*⁴³⁰ holding of 1986 that dealt with the copying of car exhausts. In both cases the alleged infringer copied the three-dimensional product of industrial design, and since the design was not registered, the plaintiff claimed for copyright infringement via *indirect copying* of the two-dimensional drawing which was the basis for the production of the respective industrial design products. In *King Features*, the two-dimensional drawing was the cartoon figure created initially for advertisements; and in the *British Leyland* case the two-dimensional drawing was the technical sketch of a product created in order to enable industrial production.⁴³¹ In both decisions the House of Lords allowed the invocation of copyright protection.⁴³² Furthermore, in both cases Parliament reacted by overhauling the statutes, trying to seal the leak in the strict mutual exclusivity rules.⁴³³

⁴²⁸ See RUSSELL-CLARKE, *supra* note 151, at 14-21; See COPINGER, *supra* note 5, at 723-725.

⁴²⁹ *King Features Syndicate, Inc.*, A.C. 417.

⁴³⁰ *British Leyland Motor Corp. v. Armstrong Patents Co. Ltd.*, [1986] A.C. 577 (H.L.) (U.K.).

⁴³¹ *King Features Syndicate, Inc.*, A.C. 417; *British Leyland Motor Corp.*, A.C. 577.

⁴³² In *King Features*, the court ruled that although the three-dimensional dolls were not copyrighted, since they were capable of being registered as design. However, the drawing of the Popeye figure was made *with the intention at time of creation* not to be used industrially but rather for artistic purposes (i.e., an advertisement). *King Features*, A.C. at 417. Thus, it was held that the drawings are still copyrighted, even if the dolls based upon it were later industrialized, and the copying of the dolls consists of indirect copying of the drawings. *Id.*; RUSSELL-CLARKE, *supra* note 151, at 255-56. In *British Leyland*, the court once again upheld the doctrine that the copying of a functional industrial article constituted infringement of the artistic copyright of the design *drawings*, by reproducing those drawings in three dimensions (i.e., by indirect copying). *British Leyland*, A.C. at 577.

⁴³³ The subtler rule codified after the *King Features* holding at the Copyright Act of 1956 was aimed to overturn *King Features* and make the right in an artistic work no longer dependent upon author's *intention* at the time the work was made. Thus, the 1956 Act fostered the "all or nothing" principle by providing that copyright in a work cannot be invoked if the alleged act could have been also an infringement of a registered design right, had it been registered. Namely, the underlying drawing's copyright was effective only to prevent direct copying. See Copyright Act, 1956 (Eng.), § 10; RUSSELL-CLARKE, *supra* note 151, at 255-57. Furthermore, the Register Design Act was amended so that prior publication of designs created purely for artistic work should not diminish the novelty and originality claim of the design, and thus prevent its registration. Therefore, if an author was seeking to exploit his artistic work industrially, he had only one way for further enjoying exclusivity, and this was by registering a design. See RUSSELL-CLARKE, *supra* note 151, at 18. Nevertheless, the Copyright Act of 1956 had a fatal flaw in the provision opposing overlapping rights: the rejection of copyright was linked to subject matter capable of being registered as design; however, according to a basic principle in registered design law, only an article "appealing to the eye" could be registered. The anomalous result was that artistic copyright could be enforced with respect to designs with

The Copyright, Designs, and Patents Act of 1988, which is the current binding law, sought to fix all previous flaws in the basic principle of excluding copyright from industrial designs, as well as to provide a workable rule for distinguishing the new unregistered design right, assimilated to copyright, from “full” copyright.⁴³⁴ The tortuous principle of the current English rule might be summarized as follows:⁴³⁵

First, the law defines two terms: the first is a *new* one of “design document,” which means any two-dimensional record of the design, whether by drawing, written description, photograph, data storage in computer or other.⁴³⁶ The second term is “design” which for the purpose of the excluding rule means “the design of any aspect of the shape or configuration (whether internal or external) of the whole or part of an article, other than surface decoration.”⁴³⁷

Second, the law provides that it is not an infringement of copyright in a design document or in a design (*per se*), other than an artistic work, to copy the design or to make an article according to the design document.⁴³⁸ Namely, the *British Leyland* ruling is overturned and it is not a copyright infringement of the underlying drawing of a design to reproduce the three dimensional design.⁴³⁹ Moreover, the overlapping zones between copyright and design are restricted, since any applied art falling into the vast definition of a design is to be protected either by unregistered or registered design rights.⁴⁴⁰ In this respect one must bear in mind that the unregistered design right is actually a copyright restricted to a ten-year term of protection.

Nevertheless, and this is the new complexity of the English rule, the law provides that an “artistic work” will not be excluded from copyright protection.⁴⁴¹ The purpose of this exemption to the exclusion of designs from copyright protection is that a design

no aesthetic merit, such as electrical components, but no right could be enforced in highly artistic designs with great aesthetic merit which could not be registered. See RUSSELL-CLARKE, *supra* note 151, at 18-20. In *British Leyland*, once again, the court refused to exercise the basic principle of distinguishing industrial designs from artistic art. See RUSSELL-CLARKE, *supra* note 151, at 257-58; Canon Kabushiki Kaisha v. Green Cartridge Co. Ltd., [1997] volume F.S.R. 817 (P.C.). And the legislature once again restricted the court’s holding by the Copyright, Designs, and Patents Act. See Copyright, Designs, and Patents Act (Eng.), *supra* note 320, at § 51-52.

⁴³⁴ Copyright, Designs and Patents Act (Eng.), *supra* note 320, at § 51-52.

⁴³⁵ For a “road map” decoding the English law, see PHILLIPS & FIRTH, *supra* note 247, at 373-75.

⁴³⁶ Copyright, Designs, and Patents Act (Eng.), *supra* note 320, at § 51(3).

⁴³⁷ *Id.*

⁴³⁸ *Id.* § 51(1).

⁴³⁹ See RUSSELL-CLARKE, *supra* note 151, at 257.

⁴⁴⁰ See COPINGER, *supra* note 5, at 724.

⁴⁴¹ Copyright, Designs, and Patents Act (Eng.), *supra* note 320, at § 52.

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with *independent and inherent artistic characteristics* will enjoy the dual protection of both copyright and design right. This immediately raises the question of how to recognize these characteristics. Since the answer is bound to be subjective, this new law was criticized as leaving a penumbra of vagueness with respect to basic issues concerning the relation between applied art and industrial designs.⁴⁴² But if this artistic craftsmanship is multiplied industrially (i.e. more than fifty pieces) then the copyright term of protection is limited to twenty-five years from the date of marketing the design – in other words, the result – not the artist’s intent – is the determining test.⁴⁴³ The law further clarifies that if the artistic work, or part of it, is not exploited industrially, then full copyright term of protection subsists (i.e. life of the author plus seventy years). Only industrial exploitation shortens the term of protection of an artistic work, up to twenty-five years.⁴⁴⁴ In those cases in which English law accepts dual protection, the term of protection is unified into the shorter term held in registered design rights.⁴⁴⁵ It is also apparent that in those cases in which twenty-five years of copyright protection are conferred, the unregistered design right is “swallowed” into the copyright.⁴⁴⁶

It is apparent that the new English rule is tortuous, complicated to handle, and adds another complicating legal term – “design document” – in order to solve the already complicated problem at stake. My proposed model is simpler, and reaches a better result: *all* designs, whatever their aesthetic merit, that are manufactured industrially are protected through a *sui generis* design right, assimilated to copyright, with a shorter term of protection. In the case of an artistic work later on industrialized, then the term of protection will be determined by the nature of the alleged infringing act: if industrialized designs are reproduced, then a shorter term of protection will apply, and if copyrightable works are reproduced then a full copyright term will apply. The term “design document” in English law is redundant, since the type of infringement determines whether it is “art” or

⁴⁴² See CORNISH & LLEWLYN, *supra* note 39, at 554. Others have proposed a “probability test” between the artistic and functional merits of an article. See RUSSELL-CLARKE, *supra* note 151, at 268.

⁴⁴³ Copyright, Designs, and Patents Act (Eng.), *supra* note 320, at § 52(2).

⁴⁴⁴ *Id.* § 52(3); RUSSELL-CLARKE, *supra* note 151, at 273.

⁴⁴⁵ Copyright, Designs, and Patents Act (Eng.), *supra* note 320, at § 52(2).

⁴⁴⁶ See RUSSELL-CLARKE, *supra* note 151, at 258-59. This dual conferring of rights – unregistered design right and copyright – for the same subject matter, might cause serious failures when the two rights are owned by different persons, since they give the same powers. *Id.* at 218. Thus, law stipulates that where copyright subsists in a work which consists of a design in which an unregistered design right subsists, infringement of the copyright is not an infringement of the unregistered design right. See Copyright, Designs, and Patents Act (Eng.), *supra* note 320, at § 236.

“design.” Furthermore, in the proposed model there are only two potential modes of protection, with only two relevant terms of protection: long copyright or short design right.

C. *Concluding Remark - The Timeliness of the Proposed Design Scheme for American Law*

As already mentioned, on the eve of the 1976 Copyright Act there was an attempt to legislate a *sui generis* design law in the United States, however, at the last moment it was withdrawn with the intention of inspecting the whole issue in more depth.⁴⁴⁷ Thirty years have passed, and the time has come for enacting a design law in the United States. Many things have changed. The American legal discourse has become more internationalistic.⁴⁴⁸ Several profound developments have occurred in the theoretical and legal arenas in this time. In the theoretical arena, two major relevant developments should be noted: the first is the growing acknowledgement of the economic and sociological role of design, and consequentially the need for encouraging and protecting it.⁴⁴⁹ The second is the growing movement in favor of limiting the scope of intellectual property rights.⁴⁵⁰ As to the major legal developments: in 1984 the Semiconductor Chip Protection Act was enacted, protecting the visual appearance of semiconductor chips, which are pure functional designs.⁴⁵¹ In 1989, the U.S. joined the Berne Convention and consequentially introduced some amendments into copyright law, including some nullification of the registration requirement, and furthermore tacitly acknowledges that under the Berne Convention there is no obligation to protect industrial designs via copyright.⁴⁵² In 1993 the TRIPS Agreement was signed, presenting a loose standard for design protection.⁴⁵³ And in 1998 the VHDPA was enacted, the first experimental legislation for all industrial design.⁴⁵⁴

These developments indicate that the current atmosphere in American legal discourse could be receptive to a comprehensive *sui generis* design law, based on a copyright paradigm.⁴⁵⁵ The

⁴⁴⁷ See *supra* note 87.

⁴⁴⁸ Especially since the U.S. joined the Berne Convention on 1989, see *supra* notes 292-293 and accompanying text. See also Graeme B. Dinwoodie, *Symposium: Constitutional Challenges To Copyright: Copyright Lawmaking Authority: An (Inter)Nationalist Perspective on the Treaty Clause*, 30 COLUM. J.L. & ARTS 355, 358, 375-376, 385 - 389 (2007).

⁴⁴⁹ For a discussion with respect to justification for design's protection, see *supra* notes 27-48 and accompanying text.

⁴⁵⁰ See *supra* note 326 and accompanying text.

⁴⁵¹ See *supra* notes 148-150 and accompanying text.

⁴⁵² See *supra* notes 292-293 and accompanying text.

⁴⁵³ See *supra* notes 165-169 and accompanying text.

⁴⁵⁴ See *supra* notes 133-147 and accompanying text.

⁴⁵⁵ There are constant attempts to introduce a new enactment for fashion design, based on

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proposed scheme presents both a positive incentive to create designs *per se*, and at the same time limits the scope of the right in comparison to copyright. Thus, the proposed scheme answers both current theoretical trends – those of enhancing innovation for the benefit of consumer society, and of limiting intellectual property rights. Moreover, such a *sui generis* design law is permitted according to all international law standards, it fits the U.S. enactment trend thus far, and it is a logical and coherent scheme for resolving most of the issues in the seemingly never-ending applied art/industrial design nexus.

6. SUMMARY

The design of products is central to modern economy and its civil-cultural life, but nevertheless, the legal protection over designs in the U.S. has suffered from continuous neglect. One of the reasons for this is that design sits at the crossroads of copyright, patent and trademark, and was believed to enjoy the protection of all three. Yet in reality, although designs have some of the characteristics of all three major intellectual property disciplines, designs do not fit any of them entirely. The result is that designs suffer from inappropriate legal treatment, which is reflected by both under-protection for welcome designs and encumbrances of legal complexities in the three major intellectual property schemes. Therefore, there is an urgent need for a specially tailored, *sui generis* design law.

How should such *sui generis* design law be tailored? My clear conclusion is that it should be based on a copyright paradigm, since design is much closer to a creative than inventive endeavor. Design focuses on the appearance of useful products, and is aimed to please customers. Therefore, design is more like “work” than scientific “invention.” However, design is also guided by some imminent features, such as technology, function and fashion, and is based on previous work. The copyright scheme, while fitting some designs perfectly and constraining others greatly, is at best a partial solution, but a necessary model. Strict copyright rules are not appropriate for the design realm, from the long term of

the VHDPA model. See, e.g., Design Piracy Prohibition Act, H.R. 2033, 110th Cong. (2007). Though such an enactment is needed, in my view it is better policy to introduce a comprehensive design act and not to add additional subject matter on an accidental basis. The Copyright Office takes no position with respect to the merits of extending design protection to fashion designs, however, if such protection is accepted, then the VHDPA model is an appropriate one since it was initially legislated so as to include other subject matters. See Copyright Office Opinion, *supra* note 148. In my view, though such enactment is needed, it is a better policy to introduce a comprehensive design act and not to leak in additional subject matters on an accidental basis.

protection, to different doctrines such as moral rights or derivative rights.

To avoid the more restrictive aspects of copyright, then, we must ask how should such *sui generis* design law, based on the copyright paradigm, be segregated from copyright law subject matter? This is the most Gordian debate with respect to the applied art and industrial design nexus. My proposal is to cut through this complexity by adopting a unity of design doctrine, which suggests conferring *sui generis* design protection to both applied art and to industrial design. Namely all designs, whatever their merit or aesthetic quality, will be drawn into the specially tailored law. Such a mechanism is logical, is recommended by policy considerations, simplifies law, and is compatible with all international standards.

Nevertheless, some inevitable exceptions to this mechanism do exist, the most complex of which refers to copyrightable subject matter which was later on industrialized into applied products. This is the "Popeye the Sailor Syndrome,"⁴⁵⁶ in which, for example, characters from movies or books are later on merchandised with derivative applied products. Should all these derivative products be subject to copyright protection, as the original figure is, or to *sui generis* design protection? This is the heart of the difficulty in divorcing designs from the copyright realm. I propose to resolve this problem with a dynamic and simple rule, according to which the final differentiation between copyright enforcement or *sui generis* design right enforcement will be determined by courts, according to the nature of the alleged infringing act. If the alleged infringer has copied the subject matter in order to produce industrially applied articles, then design right will be enforced. However, if copyrighted works were reproduced, then copyright will be enforced. Practically speaking, the main difference lies in the term of protection, which will be shorter in cases of design protection. And, once again, such a mechanism is logical, is recommended by policy considerations, simplifies law, and is compatible with all international standards.

⁴⁵⁶ See *King Features Syndicate, Inc.*, A.C. 417.