

IP FRONTIERS

The oft-forgotten importance of design rights

Whether it's a creative new accessory, trendy footwear, an elegant lamp, sleek coffee machine, or the appearance of a new phone, innovative design surrounds us. Given the significant time and money invested in innovative design, the potential economic and marketplace benefit, and the variety of laws available in the United States for protecting designs, design rights should not be ignored. And yet, for the most part, they are. Many innovative companies remain ambivalent towards design rights or, perhaps even worse, are deterred from adequately protecting their designs by frequent misperceptions that perpetuate the devaluation of design protection.

Design rights in the United States give protection against those who would copy the appearance of a successful product. More specifically, design protection gives the design owner exclusive rights in the aesthetic, visual design features of a product (i.e. shape, configuration, pattern or ornamentation). When appearance, in whole or in part, gives value to a product and/or is a source identifier, design rights are crucial to prevent misappropriation of the design of the product. This is particularly true given the ever growing online marketplace, which has made it easier for individuals, anywhere in the world, to source and sell imitation products without significant investment.

Traditionally, design rights have been used to protect innovative and/or original industrial designs, such as furniture, textiles, lighting, accessories, kitchen utensils and appliances,



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packaging, jewelry/watches, and containers for consumables. However, what remains underappreciated is the role design rights play in protecting the design features of digital technology, or virtual design, including software, websites, animations, mobile applications and other electronic products or displays, including the visual displays associated with graphical user interfaces (GUIs) and computer icons.

In the United States, three areas of intellectual property rights can potentially be used to protect designs, including virtual design, namely: copyright, design patents, and trade dress. Some of the benefits and differences between these three types of design rights are summarized below.

I. Design Patent

Design patents protect the novel, "ornamental design of a functional item" for 15 years. In other words, design patents protect the novel appearance of a product, or the way something "looks;" not its function. Generally speaking, design patents are quicker and cheaper to obtain than are the more traditionally desired utility patents. For example, the United States Patent and Trademark Office (USPTO) typically grants design patents within 8-18 months of

filing, while, by comparison, it can take three years or more to receive a utility patent grant. Furthermore, the cost of preparing a design application is comparatively less expensive.

Despite this, or perhaps because of this, design patents have a negative reputation as a "weak" form of protection, and it is commonly believed that any variation in appearance is enough to avoid infringing a design patent. These views unfairly depreciate the benefits of design patents, namely:

1. If a design patent only covers the identical appearance of a product without variation, as many argue, this failure is not due to the nature of design patents themselves, but rather the way in which the design patent was drafted. Drafted correctly, by focusing on the fundamental elements of a design and not claiming minor features that could be changed, a design patent will cover variations in appearance and can be quite broad in scope.

2. If the goal is to stop "look a-likes," then the way something looks necessarily is what needs to be protected.

3. For generic knock-offs that don't qualify as counterfeit products because an infringing trademark is not being used, a design patent is useful for blocking imitations at the U.S. border and preventing U.S. sales.

4. Design patents act as a deterrent to competitors entering the marketplace by allowing a product to be marked with "Patent Pending" and lat-

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er with the patent number.

5. Design patents have their own unique damages statute, which unlike the damages statute for utility patents, allows the patent holder to recover the infringer's total profits. See 35 U.S. Code § 289. The purpose of this statute is to discourage infringement and provide innovative designers the opportunity to recover their costs from those who did not invest in the creative design.

6. With technology and trends changing so quickly, a design patent, which lasts for 15 years and requires no additional government fees to keep it alive, may be a better fit for certain industries. In contrast, a utility patent requires periodic maintenance fees and expires 20 years after the filing date.

7. Given the uncertainty of obtaining utility patent protection for software following the Supreme Court's decision in *Alice Corp. v. CLS Bank International*, 134 S. Ct. 2347 (2014), software developers and e-commerce companies can consider design patents as an alternative or fall back protection for any novel developments.

Design patents are a complementary, economical tool for creating a robust IP portfolio, and a strong defense against those who seek to feed off a company's creative efforts and good will. In fact, given the comparatively minor effort it takes to obtain a design patent, procuring design patents for novel products to supplement a patent portfolio only makes sense. Design firms, including website designers and mobile app developers, should consider design patents early on in the design stage to determine if any novel design features should be protected.

II. Copyright

Many original and creative product designs also qualify as artistic works under the Copyright Act. Besides the traditionally perceived works of art, i.e. sculptures, paintings, and 2-D designs for textiles, copyright can be used to protect original and innovative product designs, as well as virtual designs

found in websites and mobile apps.

To qualify for copyright, a design must be:

1. Fixed in a tangible medium. It cannot be merely an idea.

2. Original. It cannot be copied from somewhere or someone else.

3. Creative. Only a modicum of creativity is required, and there is no requirement that the work of art be "novel."

4. Separable. When a functional product features a work of art, the artistic features must be separable from the useful article.

While many federal courts and the Copyright Office traditionally viewed the fourth requirement as limiting the availability for designers to seek copyright on product designs, the Supreme Court's recent decision in the *Star Athletica* case modified these prior, inconsistent interpretations of the Copyright Act and broadened the availability for copyright to protect product design.

In *Star Athletica*, the Supreme Court interpreted §101 of the Copyright Act to determine when a "pictorial, graphic, or sculpture feature" attached to a "useful" article is eligible for copyright protection. The court rejected numerous narrow tests from various circuits, and set forth the following two-part test: The artistic feature of a useful article is eligible for protection if the feature "(1) can be perceived as a 2- or 3-dimensional work of art separate from the useful article and (2) would qualify as a protectable pictorial, graphic, or sculptural work—either on its own or fixed in some other tangible medium of expression—if it were imagined separately from the useful article into which it is incorporated."

Following the Supreme Court's decision, on June 1, the U.S. Copyright Office published an update to the Copyright Compendium, which reflects the Supreme Court's *Star Athletica* decision regarding the registrability of useful articles. The proposed compendium provides guidance for applications related to useful articles and identifies the "separable features of two-dimensional and three-dimensional useful articles"

as an example of copyrightable work. It also states that the "U.S. Copyright Office is developing updated guidance on the registration of pictorial, graphic, and sculptural features incorporated into the design of useful articles. The Compendium will be updated once this guidance is finalized."

These amendments, and the express acknowledgment that separable design features may exist in a product design, create a green light for companies to file more frequently for copyright protection in their designs.

While it is true that copyright arises once the above four elements are satisfied and there is no requirement for registration, relying on this oft-cited principle can be a critical mistake for companies. There are significant benefits, often overlooked, to promptly filing for and obtaining a copyright registration.

1. Although copyright automatically exists in a fixed creative work, in general, an author cannot take legal action or collect damages without a U.S. copyright registration. This is because, in most jurisdictions, one needs a registered copyright before you can assert your rights in federal court.

2. A copyright registration provides for statutory damages and attorneys' fees, if the application is filed within three months of first publication or before infringement begins. Statutory damages (up to \$150,000 per infringement) plus attorneys' fees can be significant, without the need to prove any actual damages.

3. Filing a copyright registration in a product design before it is published allows the author to file a single copyright application for an unpublished collection of works; all for one fee. Once published, the author needs to file separate copyright applications (each, with their own fees) for each individual work. In the simplest terms, "published" is defined under the Copyright Act as distributed, offered for sale, or sold.

Given the relatively inexpensive

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nature of a copyright application, the significant benefits a registration can provide if sought promptly, and the Supreme Court’s express confirmation that designs featured on useful articles are protectable under copyright law, every designer should reevaluate how they plan for and use copyright to protect their design rights and leverage their position in the marketplace.

Trade Dress

Trade dress protection may also be available for unique packaging, product configurations, or even software. Trade dress is defined as a product’s “total image” or “overall appearance” and “may include features such as size, shape, color or color combinations, texture, graphics or even certain sales techniques.” *John H. Harland Co. v. Clarke Checks, Inc.*, 771 F.2d 966, 980 (11th Cir. 1983), cited with approval in *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 112 S.Ct. 2753 (1992). In short, trade dress is a visual image that is capable of acting as a source identifier and type of trademark for a product or service. Trade dress depends on whether it is distinctive in a particular industry in which it is used (i.e. the goods or services), and does not depend on who first created it. As such, if a company takes a known type of packaging and uses it in a new, and distinct way for different goods, in theory the company can acquire trade dress protection in that packaging.

Trade dress has been used to protect the following designs, among many others: (1) the shape of wine and liquor bottles; (2) the shape and appearance of cosmetic containers and packaging; (3) the layout and appearance of a restaurant; (4) the shape of an automobile; and (5) the colors of a shoe.

Although it is often more difficult to obtain than the aforementioned rights, trade dress is a strong and powerful tool for packaging and/or products that remain successful in the marketplace after the expiration of a design patent or copyright, or if neither was ever sought. Indeed, as long as a product or packaging continues to be used in commerce, trade dress rights have the potential to

never expire.

Conclusion

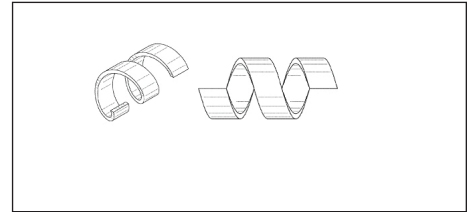
In general, the importance of protecting designs is often overlooked and underestimated, even though, (1) more often than not, the current marketplace prefers one product over another because of its aesthetic appearance, and (2) significant expense and effort is invested in the developing of unique and recognizable product designs, packaging, graphical symbols or icons, and graphical user interfaces (GUIs); and (3) each of these can be protected by one or more of copyright, design patents, and/or trade dress laws in the United States.

Regardless of industry or technology, the failure to invest in design rights is likely to weaken business opportunities, value and leverage in the marketplace. Every business, from candy shops to high tech companies, should evaluate the need and benefits of protecting their unique and creative designs and develop a comprehensive and strategic plan for using copyrights, patents and trade dress to do so.

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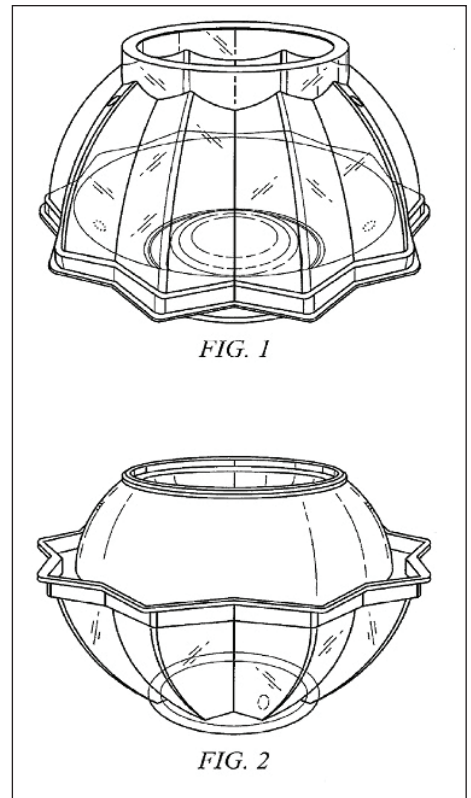
US Design Patent No. D668263 (iTunes Logo)



US Design Patent No. D762341 (McCain Curly Fry)



US Design Patent No 599372 (Google-Home Page)



US Design Patent No D660144 (NatureSweet – Product Packaging)