Guarding Against KNOCK OFFS

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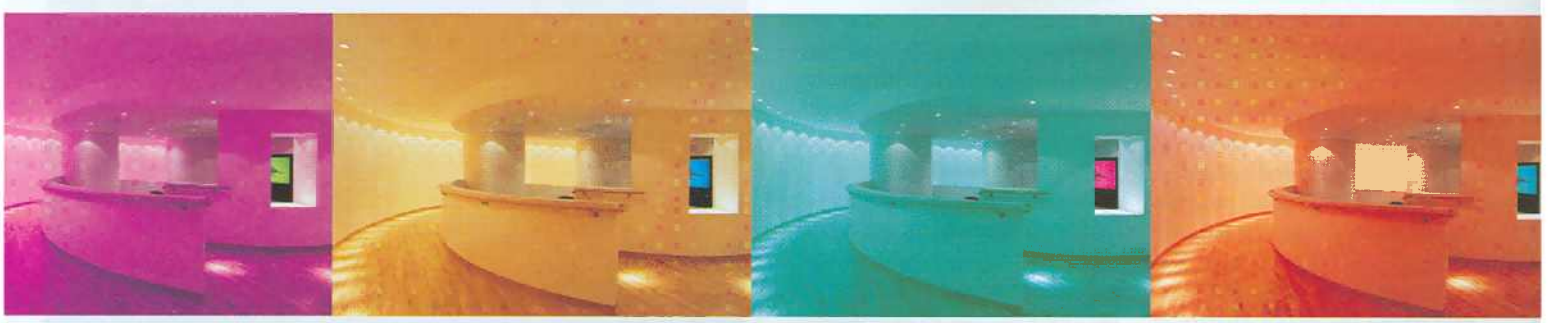
Protecting Your Blood, Sweat and Designs



Brenda put photographs of one of her award-winning projects on her firm's Web site in order to attract new clients. Some time later, she learned that another designer had copied her design for a project he did for another client. Elizabeth had completed remodeling the first three floors of an eight-story hotel when the company went bankrupt and canceled the remainder of the work. The hotel was subsequently purchased by a new company, which hired a contractor for much less to complete the work on the remaining floors by replicating Elizabeth's original designs.

Stories like these are, alas, quite common, which is why designers and manufacturers need to take steps in advance to protect their original work. Those who diligently and routinely protect their creative works before they are copied are usually much more successful in stopping unfair copying and/or seeking damages for copied work than those who address the problem after the copying has occurred.

Intellectual property law provides multiple and often overlapping methods for interior designers who create, promote, use and/or sell uniquely designed products and projects to protect their work. There are four main bodies of law that under certain circumstances provide varying degrees of protection to a designer's works: patent, copyright, trademark and contract law.

Protecting Novelty of Function or Design: Patents

Patents must be applied for to the United States Patent and Trademark Office (USPTO). A patent grants the holder the right to exclude others from making, using, selling, offering to sell or importing into the United States the patented item. Of the three types of patent protection available to applicants, two are relevant to the protection of interior design: utility patents and design patents.

Utility patents protect how something functions. For example, a utility patent could be granted for a new fire retardant composite to be applied to fabrics or for a new and improved loom. The most common type of patent, it is generally used to protect technology-related processes, machines, items that are manufactured and compositions.

For an invention to be eligible for a utility patent, the invention must be novel, useful, non-obvious and adequately described in the patent application. The inventor is usually presumed the owner. When an employee in the course of his or her employment creates the invention, his or her employer usually will own the patent rights. Utility patents have a maximum term of 20 years from application filing date; however, patent protection does not apply until the USPTO issues the patent.

Design patents protect the way something looks. These patents may be used to protect any new, original and ornamental design for an article of manufacture. They are often used to protect furniture, lighting and other accessories incorporating a new design element. (Designs that are solely functional—that is, those that are dictated solely by the performance of the article—are ineligible for design patent protection. This is rarely a problem in the interior design community.) As with utility patents, the design to be patented must be novel, non-obvious and supported by drawings depicting the design. The creator of a design is presumed to be the owner of the patent rights, and the employer usually owns an employee's inventions. The term of a design patent is 14 years from issuance.

To infringe a design patent, the accused article must bear a substantial similarity in the eye of the ordinary purchaser to the drawings contained in the issued patent, and the accused device must appropriate the point(s) of novelty, i.e., that element or those elements that the creator identifies as being unique and that set(s) the design of the article apart from the prior art. For instance, it may be the curve of the arm on a chair, or the apron adornment of a table, or whatever else the designer and the lawyer think sets the piece apart from what is already known.

One major limitation on both types of patent protection is that for an invention or design to be eligible for patenting, *it cannot have been publicly disclosed, offered for sale or sold for more than one year prior to the filing of the patent application.* This is a hard and fast rule. The inventor must come forward and file for protection on the invention within the one-year period in order to start the clock running on the monopoly. After that time, an application for patent cannot be filed. Sometimes this places a strain on designers, because often it is difficult to predict within a year which designs are going to be so successful in the market that they should be patented. Patent applications can be complex, costly and take years to get approved. Consult a qualified intellectual property attorney if you are considering applying for a patent.

Protecting Originality of Design Expression: Copyright

Copyright law is not about novelty, as is patent law, but originality. Copyright protection extends to the particular expression of an idea but not to the underlying concept itself. For example, a copyright can protect the rights to a particular floral wallpaper pattern but not to the idea of using floral patterns on wallpaper. Among the various types of subject matter protected by copyright law are pictorial, graphic and sculptural works and architectural works, including the building, its façade, its layout, its shape and the two-dimensional plans. As a matter of treaty, furniture shapes are not entitled to copyright protection; however, the design in the fabric covering a piece of furniture could be protected by copyright, as could original painting or inlaid design embellishing the furniture. These works would be considered separable from the furniture piece and as such could be protected, despite the inability to protect furniture by copyright.[1]

To be copyrightable a work must meet two major requirements: fixation and originality. To comply with the fixation requirement, a work has to be "fixed" in a tangible medium of expression, not just a concept. The originality requirement mandates that a work must be original to the author—that is, the author independently creates the work and it possesses some minimal degree of creativity.

The downside to copyright protection is that it does not extend to functional or useful articles unless the design of the useful article can be separated conceptually from the useful and functional aspects of the work. For example, a functional lamp (functional because it provides light) may only be protected by copyright law if the lamp has design features that are original and creative and could be considered apart from the lamp itself, i.e., the design feature is not dictated by the function and is not necessary for the light to function.

Those who diligently and routinely protect their creative works before they are copied are usually much more successful in stopping unfair copying and/or seeking damages for copied work than those who address the problem after the copying has occurred.

Copyright protection grants the copyright holder the exclusive rights to reproduce the work, distribute copies and make derivate works (e.g., to fashion handbags incorporating an original design created for a rug or other textile). The term of a copyright created by an individual not in the course of employment is the life of the creator plus 70 years. One unique aspect of copyright protection is that copyrights remain with the author, not the creation, unless a written assignment or contract states otherwise. Thus, the sale of a commissioned painting by an artist conveys only the right for the owner to possess the canvas and the oil work, not to make posters, note cards, tee shirts or anything else that uses the images on the canvas. The "copy" right to those images remains with the artist despite the sale of the painting.

The rights to a copyright are typically vested in the author of the work unless the work is considered a "work for hire." The work for hire doctrine applies in two situations: (1) where an employee is creating something within the scope of his employment, and (2) where a work is specially commissioned and there is a signed contract containing the words "work for hire." Copyright protection for a work for hire lasts 95 years from publication or 120 years from the year of creation, whichever first occurs, and thereafter is in the public domain. It often comes as a surprise to those in the interior design industry that independent contractors typically own the copyright to their works even when they are paid by someone else to create them. In such cases, the commissioning party receives only an implied license to possess and control the work for the particular purpose for which the work was commissioned.

Registration with the United States Copyright Office is voluntary and not a prerequisite to copyright protection, which exists automatically as of creation. However, one cannot sue to enforce a copyright without registration, and the date of registration can have a significant impact on the amount of damages a copyright owner may receive for an infringement. For information on how to register, go to *www.copyright.gov*.

Before 1989, in order to prevent an original work from losing copyright protection and entering the public domain, the work had to have the © symbol marked on it when it was "published," that is, made public. Though this requirement was abolished in 1989, including the symbol is still a good way to provide notice to the world, and its use may lead to enhanced damages if the infringement is found to be willful. In order to prove copyright infringement where the defendant denies copying, the plaintiff must show that the defendant had access to the protected work and that there is a substantial similarity between the allegedly infringed and infringing works. Access is presumed when the copyright is registered before the copying occurred. Thus, in order to protect their designs, designers should mark photographs, drawings and other representations with the copyright notation "c" in a circle or the © symbol, the year of first publication, and the name of the copyright owner, and file an application for copyright registration within three months of the publication.

The Copyright Act provides for the imposition of statutory damages

for infringement of registered copyrights without regard to the amount the copyright holder was actually damaged, which is often very difficult to prove. Statutory damages can only be obtained if the work was registered before the infringement or three months after publication of the work. According to the judge's discretion, attorneys' fees may also be awarded to the prevailing party, whether it is the plaintiff or the defendant.

It often comes as a surprise to those in the interior design industry that independent contractors typically own the copyright to their works even when they are paid by someone else to create them.

Protecting Identity: Trademark

Trademarks identify the commercial source of goods or services and function to avoid consumer confusion and deception as to quality. A trademark may be of the traditional kind, such as a word(s), a phrase, a package, a symbol, an image, a logo, etc. However, trademarks may also include designer scents, colors, sounds, product shapes, packaging, restaurant floor plans, etc. Essentially, anything that sets apart either a good or service from other goods or services offered in the marketplace may function as a trademark. Color, as an example, is a protectible trademark if it is not functional, so for instance, Owens Corning has a trademark on pink in regard to fiberglass insulation. "Golden" arches is a trademark for McDonald's fast food restaurants. Presumably, purple pills are a trademark for the makers of Prilosec® and Nexium®.

Trademark rights originate from the use of a mark on products or in connection with the marketing of services. Protection begins when the mark has become famous[2] and is co-extensive with the owner's use, which means theoretically that a trademark could last forever, assuming the mark is used continuously on goods or services offered for sale in interstate commerce. The Federal Lanham Act and state unfair competition laws govern trademark law. As with copyright, registration is not required to establish a trademark, but registration provides a number of very beneficial and cost-cutting presumptions in litigation should one need to enforce its exclusive right to use the mark against another.

Traditional trademarks enjoy a wide spectrum of protection. Coined or arbitrary marks such as Pepsi® and Kodak® enjoy the strongest

Combating Copycats

BY KATE PREMO

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Christine Silva, director of National Upholstering Company, was flipping through a copy of a top fashion magazine when a photo of her company's barstools caught her eye. After pointing out the photo to a sales representative, she realized that the stools were not manufactured by National Upholstering after all, but instead were exact copies. Silva's company deals with about four such cases every year. Chasing down knockoff artists and working with lawyers has cost the company thousands of dollars in legal expenses and hundreds of hours in administrative, creative and manufacturing time as the cases are pursued.

When interior designers turn to small specialty shops to create less expensive versions of showroom products, they may be breaking the law without even realizing it. These knockoffs hurt original designers' brands and damage the home furnishing industry's reputation. Even if interior designers don't realize they are breaking the law, in many cases those who specify or commission copies of protected products could face stiff penalties of up to $150,000 per item, as well as legal fees and damages, since many designs are protected by intellectual property laws such as patents, trademarks and/or copyrights.

The growing problem of knockoffs in the design industry led three home furnishings manufacturers—Sally Sirkin Lewis of J. Robert Scott, Inc., Brad Stewart of Bradford Stewart & Company, and Michael Sorrentino of Donghia Furniture/Textiles Ltd.—to create the Foundation for Design Integrity (FDI) in 1994 as a means to help educate interior designers and product designers about how to protect themselves and their designs, fight unethical practices and promote original design.

Currently consisting of nearly 100 member companies, FDI fosters integrity in the specification and procurement of interior and architectural products. Membership in the organization is open to design professionals, students, educators and design associations.

"We want to help [interior designers] understand that protecting original design makes an important contribution toward the advancement of the entire design industry. When we value original design, our industry, our trade and our companies' bottom lines benefit," says Silva, who also serves as FDI president.

More information about FDI is available at www.ffdi.org.

trademark protection. On the other hand, merely descriptive marks (e.g., Futon World) acquire trademark protection only if the word or phrase has acquired a secondary meaning (also referred to as "acquired distinctiveness" or fame) in the marketplace. Generic marks (such as interior design services, designs by, carpets, sofas, etc.) are never entitled to protection.

Trademark law also embodies a type of law referred to as trade dress. The overall look and appearances of products, packages, services (such as restaurant floor plans), colors and Web sites may be protected by trade dress. For example, a sofa that a designer creates may be eligible for trade dress protection if the product shape has become very famous and identifiable with that particular manufacturer or designer.[3] Examples include the Eames Chair, certain Stickley® Furniture pieces, the Barcelona Chair, the Coke® bottle, an Airstream® Trailer, the Gateway® Computer Cow boxes, the Movado® watch, etc.

Designers should mark photographs, drawings and other representations with the copyright notation in a circle or the © symbol, the year of first publication, and the name of the copyright owner.

To infringe a trademark, the plaintiff must prove that there is consumer confusion as to the source of the goods or services and that the mark is not functional.

Protecting Agreements: Contracts

Protection of interior design by contract is seen most often in the context of employer/employee relationships. Even though under both patent and copyright law, intellectual property rights to employees' creations are usually granted to the employer, it is important to clarify in some type of employment contract who will own rights to inventions or designs created within the scope of employment.

An "assignment clause" in an employment contract typically requires an employee to assign all of his or her rights to intellectual property created within the scope of employment to the employer. A well-drafted employment contract will also specifically define the scope of employment. Where the creator of the work is not an employee, it is highly recommended that the ownership of the rights be addressed by written agreement before any money passes hands and before the work is even created.

Another type of contract clause used to protect intellectual property is a covenant not to compete. If an employee signs a contract incorporating this type of clause, he or she agrees not to practice in the employer's field of business for a specific period of time in a specific geographic area. This essentially protects the employer from competition from an employee using the skills and knowledge he or she gained in the employer/employee relationship. These agreements are enforceable only to the extent that the restrictions are reasonable and not overbroad.

Similar to a covenant not to compete is a non-solicitation clause. This type of clause prevents a departing employee from recruiting other employees to join in a new venture in the same line of business as the employer.

Deciding which type of intellectual property protection is right for your design or invention involves many additional considerations. To ensure what measures are best for you and your business, or if you believe your work may have been copied, consult a qualified intellectual property attorney.

Susan E. Farley, Esq., is a shareholder in the intellectual property firm of Heslin Rothenberg Farley & Mesiti, PC, in Albany, N.Y., and is advisory counsel to the Foundation for Design Integrity. Ms. Farley is indebted to law clerk Shanna K. O'Brien, who offered valuable assistance in the preparation of this article.

[1] *Patent and trademark laws can be used to protect furniture, however.*

[2] *Protection can also occur before the mark becomes famous if the mark is a traditional mark and is distinctive or "unusual" as compared with others in the same market.*

[3] *It is highly recommended that rather than risk the ability to prove a piece is famous, that a design patent be obtained within the first year of marketing, so that in the event sufficient fame is not achieved by the piece, the exclusionary rights may still be enjoyed by the creator, and knockoffs can be kept at bay.*