# THE STATE OF THE INTERIOR DESIGN PROFESSION

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FAIRCHILD BOOKS
NEW YORK

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Library of Congress Catalog Card Number: 2009931526
ISBN: 978-1-56367-920-9
GST R 133004424

Printed in the United States of America

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> What are the keys to responsible practice and avoiding negligence (e.g., best practice)?

SUSAN E. FARLEY

# WHEN IS AN IMITATION AN ILLEGAL KNOCKOFF?

When an imitative product or design[1] triggers a mental connection to the product it imitates, it is often called a *knockoff*. The critical question is whether the knockoff is illegal. Volumes of legal treatises recite the legal standards used to answer this question. The relevant volume depends largely on the type of product imitated and the protection sought: namely, whether the original product is protected by a design patent, a trademark and its subsidiary law governing trade dress, or a copyright. Any one product may be subject to one or more areas of intellectual property law. Consequently, it can be a challenge for the non-lawyer to predict whether an imitation is illegal.

Having seen thousands of knockoffs and examining the facts surrounding their creation and marketing, certain trends predict the answer to whether a knockoff is illegal. These trends are not universal truths because there are exceptions to every rule. But, for the non-lawyer who cannot examine in detail the legal standards for three or more relevant areas of law, the following list of universal trends points to an illegal knockoff.

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## THE ORIGINAL IS THE TEMPLATE FOR THE IMITATION

Although there are exceptions, if the imitation is created using the original as a template, there is an obvious question as to its legality. Two questions should be asked and answered by a lawyer: (1) why was the original needed? and (2) why wasn't the product created as an original work using the imitator's own creativity? The answer to these questions may reveal some of the additional trends identified in the following sections.

## THERE IS NO SUCH THING AS THE 10% RULE

There is a popular urban legend that if an original design is changed by 10%, then it is not an infringement. This is a fantasy. There is no such rule, and in practice, a 10% change in a distinctive or unique product or design may be inconsequential. This assumes for a moment that changes can be so quantified and tallied into percentages. This is another fantasy. Even if a 10% design change could be quantified, in some instances it may be more than enough to avoid illegality. This would occur if, for example, the field of the prior art was very crowded or the change affected the one distinguishing feature of the original over the prior art. On the other hand, one can imagine a scenario where a hefty percentage is changed, and the imitation still looks very much like the original. Rather than a percentage test, the law provides that if an imitator attempts to design around the original, it must follow these legal standards to avoid liability:

1. If patent infringement is to be avoided, the imitation must not be substantially similar to the eye of the ordinary observer, giving such attention to detail as an ordinary observer would give. In making this determination, the prior art must be kept in mind. Employing this standard, the ordinary observer is not the professional interior designer who notices subtle differences. Instead, it is the typical end-purchaser. One way to look at this is if the imitation looks closer to the patented piece than it does to any of the prior art, it is probably an infringement.
2. If copyright infringement is to be avoided, the imitation must not be copied. If copying is denied, it is presumed to have occurred despite the denial if the imitation is substantially similar to the original and the imitator had access to the original. Access is presumed if the original is subject to a filed copyright application.
3. If trade dress infringement is to be avoided, the imitation must not be confusingly similar to the original, and the original must either be distinctive (if it is something other than a product), or it must be very famous such that relevant consumers recognize the product from its appearance as coming from a single source, even if they are not sure of the name of the source. In other words, it must be an icon.

## THE PRODUCT IS MARKED

Frequently patented products are marked with a patent number or a patent pending warning. Similarly, copyrighted works are often marked with a notice. If the imitator sees either marking, and nonetheless proceeds to use the product or work as inspiration without advice of counsel, then the imitation is highly suspect. Sometimes, emboldened imitators actually remove the notice or otherwise obliterate it to obtain the assistance of unwitting third parties, who are also liable, despite their lack of knowledge. One cannot rely on a lack of marking. In most, if not all trade dress infringement cases, there is no marking. Also, liability exists in both copyright law and patent law in the absence of marking. Only the size of the monetary award is affected by a lack of marking.

## THE SAVVY IMITATOR TURNS A BLIND EYE

Incredibly, all too often, an illegal knockoff is marketed by an entity that has its own design protection portfolio, and sometimes has taken measures to enforce it, including conducting lawsuits against others. These imitators are highly sophisticated in the area of design protection, so it seems incomprehensible that they would blatantly imitate that which is not theirs and not know it is a problem. This behavior can be only explained as willfully turning the blind eye. If the imitator fails to ask for an opinion of counsel prior to the product launch, if the imitator is aware of the original and yet does not question its proximity to it, if the imitation is marketed in the same channels trade because of the known desire for the product, the prediction is the eye has been blinded intentionally. The most plausible explanation is that the imitator believes the knockoff is illegal. Turning a blind eye is strong evidence of the imitator's state of mind. Consequently, if the imitator suspects that the imitation may be illegal yet chooses not to find out, then it is most likely illegal. After the willful blind eye is established, if the knockoff is illegal, the damages can be increased exponentially.

## THE IMITATOR HOPES TO REAP WHERE IT HAS NOT SOWN

If the imitator was motivated to create an imitation to take advantage of the status, goodwill, and/or reputation of the original, then the imitation may be illegal. Further predictors of illegality can be found if the imitation was created in an unreasonably short period of time with minimal or less than reasonable amount of expense, trial, and error. Additional predictors exist if, after the imitation hits the market, it succeeds sooner than is reasonably expected without the same level of marketing and advertising as the original. A plausible explanation of this overnight success is that the imitation unfairly benefited from the original. Because our legal system is based in equity and fairness, judges and juries typically do not like it when an imitator unfairly reaps from the labor and investment of others. They typically find this good fortune to be illegal.

## CONFUSION HAPPENS

If anyone along the chain of purchase or anyone after the purchase mistakes the imitation as being an original, or is induced to purchase it believing it is an original, or sponsored or affiliated by the maker of the original, then the imitation is almost certainly a knockoff. Two situations come to mind. The first is where the imitation is labeled with its own brand,[2] but looks virtually identical to the original. Courts have routinely held that labeling is not enough to overcome the confusion created by the virtual imitation. Perhaps the confusion was only used initially to attract one to the imitation. Such initial interest confusion is enough to establish illegality. Another situation is where the purchaser knows the imitation is a knockoff, but observers after the point of sale may be or are confused. Courts again have held this type of post-sale confusion is sufficient to establish illegality.

## BAIT AND SWITCH

Where a specifier or end user's agent requests an original product, and the imitator fills the order with its own look-alike product or "reinterpreted design," this is strong evidence of an illegal knockoff. This fact pattern occurs where the agent attaches to its purchase order a specification (i.e., spec) sheet for a product not made by the "custom manufacturer." Seldom, if ever, is there a follow-up inquiry to determine if the agent or purchaser wanted the original product as attached to the purchase order or if they really wanted a knockoff. Most of the time, it is understood. The agent wants the knockoff. It is impossible to know what the end user was told or wants. In some cases, the end user is willing to sign an affidavit that the agent (typically the purchasing agent, or site contractor for a commercial project or in limited situations in which the interior designer is specifying and selling the product directly to the end user) told or misled them to think they were buying the original. Sometimes the agent showed pictures of the original and made the sale based on that image, and sometimes they even charged the end user for the original and kept the difference. Even if the savings is passed on to the end user or the end user knows this is a "custom" imitation of an original, it is highly unethical. Sometimes a case of fraud can be made against the interior designer if they have acted as the agent. At a minimum, a case for copyright infringement of the specification sheets is actionable along with a case for patent and/or trade dress infringement if the protection exists. More than one manufacturer and agent have had their cases collapse after this evidence is uncovered. It should be a huge red flag.

Similarly, where an original work is specified in a bid package, identifying by name a design or product and/or its equal, this is not a license to knock it off. "Or equal" means the specification can be legally satisfied by another product of equivalent quality and a satisfactory albeit different design aesthetic. If the substitute is an illegal knockoff, not only is the manufacturer of the knockoff liable, but so is the party who approved it as an equal and anyone else in the chain of sale. If the product is patented or copyrighted, the end user is also independently liable. Interior designers have suffered significant embarrassment and liability when contacted after a project is completed by an end user charged with a claim of infringement under this scenario.

## THE IMITATION IS A KNOCK-DOWN, IT MAY BE A KNOCKOFF

The converse of this is an even more accurate predictor, namely if the imitation is a "knockup" such that its quality or its design is an improvement over the original, it is highly unlikely that it is an illegal knockoff. The purpose of an illegal knockoff is to take sales away from original, using the benefit of the original's market presence. This usually requires a comparatively smaller price, which often occurs when corners are cut and quality is less. If the imitation is higher in quality, it usually is not cheaper. In this instance, the imitation will stand on its own merit and will not unfairly or illegally gain from the original's goodwill, investment, and/or the talent of its designer. A big exception to this predictor is in the area of patent law, where an improved imitation may still infringe a patent if it contains all the elements of the patented invention, or its equivalent or, in the case of the design patent, where the imitation is substantially similar to the design as illustrated in the patent and less similar to what is already known in the prior art.

## IMITATOR ACTS ABOVE THE LAW IN OTHER MATTERS

After dealing with thousands of imitators over the past 25 years, it is my opinion that certain common characteristics have emerged. Frequently, the imitator exhibits a "rules don't apply to me" mentality, which can be identified in their personalities and in other areas of their business dealings. Although the relationship between those other areas and the motivation to sell illegal knockoffs may be unproven, its coexistence is undeniable. Therefore, it appears to be a predictor. Areas of concern include poor or nonexistent record keeping; noncompliance with discovery demands and other legal deadlines; chronic misrepresentations and blatant lying, in some cases amounting to perjury; avoidance or noncompliance with employment laws; tax evasion; bullying others, including the owner of the original for which protection is legally sought; a complete lack of empathy or recognition of the harm the illegal knockoff is causing; extreme arrogance; aggression; and denial.

## THE COMMON SENSE "DUCK" RULE

After looking at the original and the imitation, if there is no reason, other than those mentioned previously, for the two designs or products to be so undeniably similar *and* if the imitator provides none, while simultaneously denying any copying or imitation, then trust your instincts. Citing the old "duck" rule, if it looks like an illegal knockoff, sells like an illegal knockoff, and acts like an illegal knockoff, then probably it is an illegal knockoff.

## NOTES

1. For the purpose of this essay, a "product or design" includes any tangible design, such as two-dimensional works including fabrics, wallpaper, floor plans, and three-dimensional works such as furnishings, accessories and adornments, jewelry, silverware, toys, lighting, space designs, architectural works and details, and color schemes.
2. These situations are not to be confused with counterfeiting, which is where the virtually identical imitation carries the original's trademark label or brand without permission. Counterfeiting is illegal in all situations, whether or not confusion is established. Counterfeits are the most serious class of illegal knockoffs. Criminal sanctions are available against counterfeiters, but are not available against knockoff artists.