

# Industrial Property

Published monthly  
Annual subscription:  
180 Swiss francs  
Each monthly issue:  
23 Swiss francs

30th Year - No. 5  
May 1991

Monthly Review of the  
World Intellectual Property Organization

---

## Contents

### NOTIFICATIONS CONCERNING TREATIES

Madrid Agreement (Marks). Madrid Protocol (1989). Ratification: Spain . . . . .	219
Budapest Treaty. Change of Address of an International Depository Authority: Korean Collection for Type Cultures (KCTC) (Republic of Korea) . . . . .	219

### STUDIES

Design Protection and the New Technologies: The United States Experience in a Transnational Perspective (Part One), by <i>J.H. Reichman</i> . . . . .	220
---	-----

### NEWS ITEMS

Malawi . . . . .	241
Soviet Union . . . . .	241

CALENDAR OF MEETINGS . . . . .	242
--------------------------------	-----

## INDUSTRIAL PROPERTY LAWS AND TREATIES (INSERT)

Editor's Note

### AUSTRALIA

Patents Act 1990 (No. 83 of 1990, amended by the Industry, Technology and Commerce Legislation Amendment Bill 1991) (Section 176 to end) . . . . .	Text 2-001
--	------------

### FRANCE

Law on Trademarks and Service Marks (No. 91-7 of January 4, 1991) . . . . .	Text 3-002
---	------------

---

WIPO 1991

Any reproduction of official notes or reports, articles and translations of laws or agreements published in this review is authorized only with the prior consent of WIPO.

ISSN 0019-8625

---



## Notifications Concerning Treaties

### Madrid Agreement (Marks)

#### Madrid Protocol (1989)

##### Ratification

##### SPAIN

The Government of Spain deposited, on April 17, 1991, its instrument of ratification of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, adopted at Madrid on June 27, 1989 ("Madrid Protocol (1989)").

The date of entry into force of the said Protocol will be notified when the required number of ratifications, acceptances, approvals, or accessions is reached in accordance with Article 14(4) of the said Protocol.

*Madrid (Marks) Notification No. 47, of April 22, 1991.*

### Budapest Treaty

#### Change of Address

##### KOREAN COLLECTION FOR TYPE CULTURES (KCTC)

##### (Republic of Korea)

The Government of the Republic of Korea has informed the Director General of WIPO by a communication of April 17, 1991, which was received on April 19, 1991, that the new address of the Korean Collection for Type Cultures (KCTC), an international depositary authority under the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure, is as follows:

Genetic Engineering Research Institute  
Korea Institute of Science and Technology  
05-333, 1 Oun-Dong  
Yusong-Gu  
Taejon  
Republic of Korea  
Telephone: (8242) 829-4144  
E-Mail: DIALCOM 142: CDT0366  
Telefax: (8242) 861-1759.

*Budapest Communication No. 70 (this Communication is the subject of Budapest Notification No. 98, of April 26, 1991).*

## Studies

### Design Protection and the New Technologies: The United States Experience in a Transnational Perspective

(Part One)

J.H. REICHMAN\*

#### I. Introduction and Scope of the Study

##### A. *Contrasting Destinies of Industrial Art and Industrial Literature*

Because industrial design partakes of both art and industry, it sits astride the Berne Convention for the Protection of Literary and Artistic Works of 1886 and the Paris Convention for the Protection of Industrial Property of 1883, which otherwise purport to subdivide the world's intellectual property system into mutually exclusive spheres dominated by the copyright and patent paradigms. Empirically, ornamental designs of useful articles (or "appearance designs" as they are called today) seldom behave like the subject matter that either of these paradigms typically governs. Viewed as industrial property, appearance designs seek protection under design patent laws<sup>1</sup> or *sui generis* design laws that traditionally operate on modified patent principles.<sup>2</sup> In

practice, relatively few designs meet the formal and substantive prerequisites these laws normally impose. Viewed as copyrightable works of applied art, appearance designs become embodied in mass-produced useful articles whose sales are not confined to the specialized markets for literary and artistic works. With the notable exception of France, courts and legislators in the industrialized countries limit copyright protection of three-dimensional appearance designs in order to defend the capacity of their industrial property systems to mediate between innovation and competition on the general products market.<sup>3</sup> Trapped between the patent and copy-

December 18, 1986, and July 1, 1988 (reprinted in *German Industrial Property, Copyright and Antitrust Laws* 82-89 (F.-K. Beier, G. Schricker and W. Fikentscher (eds.), 2d ed. 1989) [hereinafter cited as "*German Laws*"]; Decree No. 1411 on Models and Designs [Italy] of August 25, 1940, as amended May 23, 1977, June 27, 1979 (Decree No. 338), and February 14, 1987 (No. 60) [hereinafter "*Italian Design Law*"]; Nordic Design Laws, reprinted in *Industrial Property*, 1971 pp. 223-40 (English version) (effective in 1970 in Denmark, Norway and Sweden, and in 1971 in Finland). For citations to, and summary descriptions of, other foreign design laws, see A.M. Greene, *Designs and Utility Models Throughout the World* (1989).

<sup>3</sup> For recent comparative surveys, see, e.g., Pérot-Morel, "*Les enseignements du droit comparé européen et les perspectives communautaires*" [hereinafter "*Les enseignements*"], in *Les dessins et modèles en question: Le droit et la pratique* 147-230 (A. Françon and M.-A. Pérot-Morel (eds.), 1986) [hereinafter "*Les dessins et modèles en question*"]; Benussi, "Protection of Industrial Designs in Italian and Comparative European Law," *Industrial Property*, 1986 pp. 55 at p. 61; Duchemin, "General Report—The Protection of Designs and Models" [hereinafter "General Report"] in *ALAI, The Protection of Designs and Models* (proceedings of the Symposium held at Paris, April 5 and 6, 1984) 47-79 (1985) [hereinafter "*ALAI 1984*"]; H. Cohen Jehoram, "Protection of Industrial Design Between Copyright and Design Laws: A Comparative Study" [hereinafter "Comparative Study"] in *ALAI, Congress of the Aegean Sea* (proceedings of the Congress held in Greece on April 13 to 20, 1983) 77-104 (1984) [hereinafter "*ALAI 1983*"]. See most recently *Disegno Industriale e Protezione Europea* (1989) (proceedings of the International Conference held at Treviso, Italy, on October 12 and 13, 1988). For earlier comparative studies that remain authoritative, see generally *Design Protection* (H. Cohen Jehoram (ed.), 1976); F. Perret, *L'autonomie du régime de protection des dessins et modèles* (1974); M.-A. Pérot-Morel, *Les principes de protection des dessins et modèles dans les pays du Marché commun* (1968) [hereinafter M.-A. Pérot-Morel, "*Les principes*"]; Duchemin, "*La protection des arts appliqués dans la perspective d'un dépôt communautaire en matière de dessins et modèles industriels*," 97 *Revue internationale du droit d'auteur (RIDA)* 4 (1978) [hereinafter "Duchemin"] (1978).

\* Professor of Law, Vanderbilt University School of Law, Nashville, Tennessee.

This study was submitted for publication in December 1990 and, therefore, does not take into account any legal developments that may have occurred on this subject since that date.

The second part of this study will be published in the June 1991 issue of *Industrial Property*.

<sup>1</sup> A prototypical example is the United States Design Patent Act of 1842, see *infra* note 10. For examples of other design laws shaped by the full patent paradigm, see the Registered Designs Act of 1949 [United Kingdom], amended by the Copyright, Designs and Patents Act of 1988, Part IV (see *Industrial Property Laws and Treaties*, UNITED KINGDOM – Text 4-002); Industrial and Commercial Property (Protection) Act, 1927 (Part III, Designs) [Ireland]; Industrial Designs Act, R.S.C. 1970, c. 1-8 [Canada]. See generally R. Merkin, *Richards Butler on Copyright, Designs and Patents: The New Law* 308-26 (1989); I. Morris and B. Quest, *Design—The Modern Law and Practice* 10-59 (1987); C. Fellner, *The Future of Legal Protection for Industrial Design* 11-20 (1985). The Japanese Design Law also follows the patent model. See Law No. 125 of April 13, 1959 (Design Law of Japan), as revised through 1975, reprinted in *Japanese Laws Relating to Industrial Property* (Japanese Patent Office (JPO) rev. ed. 1979).

<sup>2</sup> See, e.g., Uniform Benelux Designs Law, annexed to the Benelux Designs Convention, signed at Brussels on October 25, 1966, effective January 1, 1975, reprinted in *Industrial Property Laws and Treaties*, MULTILATERAL TREATIES – Text 4-003; Act Concerning Copyright in Designs [Design Act, Federal Republic of Germany] of January 11, 1876, last amended

right paradigms, yet ill-served by both, industrial design constitutes a legal hybrid<sup>4</sup> whose cyclical path through history still destabilizes the world's intellectual property system despite some 200 years of regulatory action.

Although the United States of America has never enacted a *sui generis* design protection law like those adopted abroad and did not recognize works of applied art until 1954, its intellectual property system registers the same disruptive tendencies attributable to the design phenomenon that other industrialized countries have long experienced. Historically opposed to copyright protection of industrial art under the French "unity of art" doctrine,<sup>5</sup> this country's intellectual property authorities struggled to exclude commercial designs from the Copyright Act of 1909 while petitioning Congress to enact an innovative design protection law built on modified copyright principles.<sup>6</sup> Between 1955 and 1976, the United States of America thus seemed committed to a noncumulationist solution that combined the criterion of "separability" familiar from Italian copyright law with an American regime of special design protection that aimed to be a model to the world.<sup>7</sup>

When, in 1976, Congress passed the General Revision of Copyright Law after some two decades of lacerating deliberations, the accumulated tensions surrounding the treatment of borderline utilitarian works issued in two contradictory sets of provisions. At one extreme, Congress appeared to reject a "unity of art" heresy brewing in the federal district courts by codifying the criterion of separability as the sole basis for distinguishing copyrightable works of applied art from noncopyrightable industrial designs. The new definitions of "pictorial, graphic and sculptural works" and of "useful articles" set out in Section 101 effectively denied copyright protection to most three-dimensional, modern designs of useful

articles.<sup>8</sup> The proposed *sui generis* design bill, however, still pending in early 1976 as Title II of the General Revision Bill, was deleted at the last minute by the vote of a closely divided House Subcommittee, and that bill was never restored to the final Act signed into law on October 19, 1976.

At the other extreme, Congress proceeded to codify language, pending since 1964 in the very same section of the Copyright Act, which in effect instituted a "unity of literature" approach to computer programs.<sup>9</sup> In so doing, Congress declined to treat computer programs as "useful articles," and it did not carry over to industrial literature any of the doctrinal limitations it had just imposed on applied art, including the highly exclusionary criterion of separability. When Congress further enacted the Software Protection Act of 1980, it confirmed the liberal dispositions concerning the copyrightability of industrial literature as codified in 1976, without any clarification of the restrictive and altogether contradictory dispositions concerning industrial art that were adopted—without a special design law—in the General Revision of 1976.

### B. Noncumulation Without a Design Law

The provisions codified in 1976 shunted most three-dimensional designs of useful articles to the Design Patent Act of 1842.<sup>10</sup> But few commercial designers could satisfy the high standards of patentability under the best of circumstances; while judicial hostility to this institution had rendered even issued design patents so vulnerable to invalidation in the past that some authorities deemed them hardly

<sup>8</sup> See 17 U.S.C. 101 (1988) (stating that "the design of a useful article ... shall be considered a pictorial, graphic, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article" (emphasis added). A "useful article" was defined as "an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information." *Id.*

<sup>9</sup> The definition of "literary works" in 17 U.S.C. 101 (1988) was devised to include computer programs, while the definition of "useful articles," *supra* note 8, excluded computer programs because they are works that "convey information." There is no test of separability for industrial literature built into the definition of literary works. See generally Reichman, "Computer Programs as Applied Scientific Know-How: Implications of Copyright Protection for Commercialized University Research," 42 *Vanderbilt L. Rev.* 641, 690-96 (1989) [hereinafter Reichman, "Programs as Know-How"]; Samuelson, "CONTU Revisited: The Case Against Copyright Protection for Computer Programs in Machine-Readable Form," 1984 *Duke L.J.* 663, 727-49.

<sup>10</sup> Act of August 29, 1842 [U.S.A.], as amended through 1982 and codified as amended at 35 U.S.C. 171, 172, 173, 289 (1988). See generally 1 D. Chisum, *Patents* 1.04[1] (1988) [hereinafter "D. Chisum"]. In 1982, Congress eliminated the possibility of paying lesser fees for shorter periods of protection and made all design patents issue for a period of 14 years.

<sup>4</sup> M.-A. Pérot-Morel, *Les principes*, *supra* note 3, at 16.

<sup>5</sup> For the "Unity of Art" doctrine, see Gaubiac, "La théorie de l'unité de l'art," 111 *RIDA* 2 (1982); Desbois, "Le système français: La théorie de l'unité de l'art," reprinted in "Les perspectives d'un droit communautaire en matière de dessins et modèles industriels" 74 (CUERP1 (ed.), 1977) [hereinafter "Les perspectives"].

<sup>6</sup> See generally 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, 1174-82, 1186-1213, 1223-49 [hereinafter cited as Reichman, "Designs Before 1976"]; 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, 298-324, 350-66 (1984) [hereinafter cited as Reichman, "Designs After 1976"]. See also Reichman, "Design Protection and the New Technologies: The United States Experience in a Transnational Perspective," 19 *U. Baltimore Law Review* 6-153 (winter 1990) (unabridged version of the present monograph containing full citations omitted herein for reasons of space).

<sup>7</sup> See generally Fabiani, "La protezione dell'arte applicata e dell'industriale design in Italia e negli USA," 57 *Il Diritto di Autore* 414 (1986); Reichman, "Designs Before 1976," *supra* note 6, at 1181-1200, 1213-23 (citing authorities).

worth the cost and effort to obtain. The Copyright Act of 1976 thus appeared to consign the bulk of the commercially most valuable appearance designs to the public domain, notwithstanding this country's obligation to protect industrial designs under Article 5quinquies of the Paris Convention.

This result satisfied those who opposed *sui generis* legislation on the grounds that the case for exempting industrial designs from free competition had not been established. It contrasts with the view prevailing abroad, however, which assigns design protection an important role in world trade, and it ignored the past tendencies of foreign courts to expand copyright and unfair competition laws in order to compensate for a lack of *sui generis* design protection. If, in short, Congress intended to maintain healthy competition in the design industries, it had neglected to indicate just how the United States of America could accomplish this result without an operative design law when the other industrialized countries had failed.

### 1. Early Judicial Responses: 1976-82

That the federal appellate courts in this country were no more disposed to tolerate systematic design piracy than their foreign counterparts became increasingly evident in the period between 1978, when the new copyright law took effect, and 1982, when a specialized appellate tribunal began to hear patent appeals. As these early trends gathered momentum, comparative analysis revealed striking affinities between the different responses to the design problem emerging in domestic law and the conflicting approaches to the same problem that have long prevented the Berne Union countries from reaching a consensus concerning applied art and industrial designs.

Three orthodox positions are still recognized in foreign and international law. At one extreme, partisans of the "unity of art" doctrine codified in France advocate full and cumulative copyright protection for all industrial art, regardless of any protection otherwise available from *sui generis* design laws operating under the aegis of the Paris Convention. At the opposite extreme, partisans of noncumulation as codified in Italy oppose copyright protection of industrial designs and look to *sui generis* design laws governed by the Paris Convention. Partisans of a third position, which the High Court of Germany has implemented since the turn of the century, prefer a regime of partial cumulation to either of these extremes. This school allows full copyright protection to a few exceptional designs of useful articles under a case-by-case test of artistic achievement while relegating most commercial designs to a *sui generis* regime. Although individual member States sometimes change their affiliations, the Berne Union

countries as a whole remain divided into irreconcilable camps along these lines.<sup>11</sup>

After 1976, United States courts and administrators increasingly succumbed to the same divisive tendencies that had long plagued the Berne Union. For example, the United States Courts of Appeals for the Eleventh and District of Columbia Circuits appeared to align themselves with the neo-Italian regime of noncumulation that the Copyright Office had formally endorsed since 1958. In contrast, the United States Court of Appeals for the Second Circuit pursued a regime of partial cumulation closely resembling that of the Federal Republic of Germany. Some federal appellate courts, including the Second Circuit, also began to treat product and container configurations as unregistered trademarks protectable within the federal unfair competition law developing around Section 43(a) of the Lanham Act (see *Industrial Property Laws and Treaties*, UNITED STATES OF AMERICA - Text 3-001). These courts displayed the same protectionist bias that had induced Netherlands courts to shelter industrial designs in unfair competition law until the Uniform Benelux Designs Act took effect in 1975. Meanwhile, individual judges in all relevant courts openly endorsed the view of the late Professor Melville Nimmer, whose influential treatise downplayed the codification of separability in 1976 and continued to advocate broad copyright protection of industrial designs in keeping with the unity of art thesis established in France.

### 2. Current Trends and the Quest for a Universal Solution

That it took the federal appellate courts only a few years to recapitulate on these shores the chequered history of design protection law abroad testifies to the universality of the phenomena under investigation. Viewed prospectively, moreover, comparative analysis made it plausible to advance three predictions concerning the future evolution of design protection law in the United States of America on the basis of past developments abroad.

The first prediction was that the Court of Appeals for the Federal Circuit, which took office in 1982, would dismantle the judge-made barriers to design patent protection inherited from the past and thereby enable the Design Patent Act to implement its original goals. A second prediction was that efforts to fashion a regime of partial cumulation between copyright law and the design patent law would falter under pressure from judges and commentators who refused to compromise with the principle of nondiscrimination. A third prediction was that the federal

<sup>11</sup> See, e.g., S. Ricketson, "The Berne Convention for the Protection of Literary and Artistic Works: 1886-1986" 267-82 (1987); see further authorities cited *supra* notes 3 and 5. The situation today is thus no clearer than it was in 1948.

courts would aggressively expand trademark and unfair competition law in order to prevent imitators from appropriating innovative commercial designs that found no haven in positive intellectual property law.<sup>12</sup>

These predictions are borne out by a survey of the empirical data for the period 1983-90. Part II of the present monograph accordingly describes the evolution of United States design protection law after 1982, with a view to demonstrating both the accuracy of these predictions and the amplitude of their fulfillment.

Part III considers why comparative analysis could predict legal outcomes so different from those Congress ostensibly meant to obtain when it jettisoned the *sui generis* design bill in 1976. This inquiry will show that the behavior of industrial designs under domestic law has followed a cyclical pattern that oscillates between states of chronic underprotection and states of chronic overprotection. When this behavior is compared with that of industrial designs under foreign intellectual property laws, the same cyclical pattern emerges as a common characteristic of the design phenomenon in all relevant legal environments.

The study then examines the underlying causes of, and potential cures for, this cyclical behavior pattern that has so singularly disrupted the world's intellectual property system. Departing from the observation that industrial design is the oldest legal hybrid falling between the patent and copyright systems, the study finds that past regulatory action was distorted by an ingrained tendency to analyze the design problem in terms of either "art" or "inventions," that is to say, in terms of false premises suggested by the dominant legal paradigms. In contrast, recent difficulties in securing adequate legal protection for new technologies, such as semiconductor chip designs and computer programs, suggest that it is more fruitful to view industrial design as a precursor of the many legal hybrids that world intellectual property law would struggle to accommodate in the latter half of the 20th century.

The study recommends that those seeking to harmonize the design laws of the European Communities should focus their attentions on a modified copyright approach not unlike that which the United States Congress neglected to enact in 1976. Such a model, once implemented by leading industrialized countries, could then influence the future course of design protection in the United States of America. It could also facilitate the elaboration of a *sui generis* law capable of dealing with advanced technological know-how on its own terms without the excesses of under- and overprotection that recur whenever incre-

mental innovation is squeezed into legal paradigms devised for the regulation of art and inventions.

## II. Morphology of Current United States Design Protection Law

### A. A New Court Revives an Old Design Law

Although the Design Patent Act of 1842 recognized ornamental designs of useful articles as patentable subject matter, it did nothing to soften the formal and substantive prerequisites of the full patent paradigm in the interests of promoting the decorative arts.<sup>13</sup> This law still requires patentable designs to meet the same tests of semi-absolute novelty and of nonobviousness that are applied to utility patents and to undergo the same procedural ordeal of an examination at the United States Patent and Trademark Office (USPTO) based on a search of the prior art.<sup>14</sup> Over time, moreover, strict standards of nonfunctionality and of inventive height exposed even design patents that the USPTO had issued after full examination of the prior art to a high risk of judicial invalidation in the course of actions for infringement.

#### 1. Three Decades of Suspended Animation: 1952-82

##### (a) Novelty and Nonobviousness Compared

Ironically, most foreign design laws impose a more lethal standard of novelty than that found in the United States Design Patent Act. For example, the novelty standard in some foreign laws displays a more absolute character as regards antecedent designs in prior use, although there is a recent tendency to limit the field of prior art both in temporal and geographical terms. Foreign laws may also insist on more quantitative distance between a candidate design and the prior art than the novelty standard customarily requires in this country. Apart from Japan and, lately, the Federal Republic of Germany, moreover, the novelty standard present in

<sup>13</sup> The Design Patent Act, *supra* note 10, 171 provides that whoever "invents any new, original, and ornamental design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this title." It adds that the "provisions of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided." *Id.*

<sup>14</sup> See 35 U.S.C. 102 (novelty), 103 (nonobviousness), 171 (quoted *supra* note 13) (1988); W.T. Fryer III, "Industrial Design Protection in the United States of America—Present Situation and Plans for Revision," *Industrial Property*, 1988, pp. 115 at p. 118. A quirk of the general novelty requirement is that "its absolute barrier extends only to publications, whereas prior use of either an invention or a design outside the United States does not of itself defeat novelty." D. Chisum, *supra* note 10, 1.04[2].

<sup>12</sup> See generally Reichman, "Designs After 1976," *supra* note 6, at 283-97, 335-36, 362-65, 379-82.

most foreign design laws lacks any grace period whatsoever.<sup>15</sup>

The lack of a grace period means that even proprietors who commercialize very creative designs without first meeting the costly deposit and registration requirements will destroy their own novelty and forfeit protection. What limits the availability of design protection in foreign law, therefore, is not just a cumbersome set of formal prerequisites or stiff standards of nonfunctionality and qualitative originality.<sup>16</sup> Often a major handicap is the inability of proprietors to test-market designs in order to pre-select a few that are worth the cost of registration from the many that are not.

The situation under the United States Design Patent Act was just the opposite. The federal courts flexibly interpret the novelty requirement so as to disqualify only those designs that, viewed as a whole, do not differ from pre-existing designs in the eyes of an ordinary observer. More to the point, Section 102(b) of the Patent Act of 1952 (see *Industrial Property Laws and Treaties*, UNITED STATES OF AMERICA – Text 2-001) provides a one-year novelty grace period for utility patents, which the provisions applicable to ornamental designs incorporate by reference. Designers in this country thus obtain some opportunity to test the market before incurring the expense of patent prosecution.

If the American design law, as an integral part of the patent law, thus benefits from a workable novelty standard, the major disadvantage of this same linkage is that it brings into play all the formal and substantive prerequisites applicable to utility patents, including the requirement of nonobviousness.<sup>17</sup> That the United States of America still requires protectable designs to undergo a search of the prior art and a qualifying examination, in addition to the obligations of deposit and registration, means that design protection here is slower and costlier to obtain than in many other industrialized countries. These procedural requirements are unsuited to the

fast-moving but short-lived product cycle characteristic of today's market for mass-produced consumer goods.

Nevertheless, it was primarily the nonobviousness requirement that limited the availability of statutory design protection in this country from the 1920s on. Although, the United States patent authorities issued some 88,000 design patents between 1959 and 1983,<sup>18</sup> the patentees whose designs met the substantive prerequisites according to the examiners seldom benefited from the statutory monopoly when seeking to enforce their rights. On the contrary, the federal courts routinely invalidated design patents in the course of litigation by applying a stricter nonobviousness standard than that of the examiners and by superimposing rigid requirements of ornamentality and nonfunctionality that could eliminate any design that happened to survive these other ordeals.

The traditional hostility of the federal judiciary to this particular branch of the domestic intellectual property system has been statistically demonstrated, with one survey reporting an invalidation rate of 100% at the appellate level for the period 1968-72. As will be seen from data examined later in this monograph, the rate of appellate invalidation tended to decrease from 1974 to 1983, and it has dramatically decreased since the establishment of the United States Court of Appeals for the Federal Circuit in 1982. The fact remains that relatively few industrial designs could promise their creators sufficient commercial rewards as to justify the expense of obtaining and defending a patent under the best of circumstances, while the prospects for enforcing issued design patents prior to the 1980s were at times so bleak that, in the words of Judge Giles S. Rich, "many felt it was not worth the effort and the protection [was] illusory."

#### (b) *Nonobviousness Means What It Says*

In voting against a *sui generis* design law in 1976, some legislators seemed to believe that the federal courts could make the existing Design Patent Act more workable. If so, the standard of nonobviousness remained the logical place to start. In regard to utility patents, courts administered this standard by asking whether a given achievement would have been obvious at the time of invention to "a worker with ordinary skill in the art who had full knowledge of the prior art." In the case of designs, courts had likewise conjured up a fictitious "designer with ordinary skills in the pertinent art," who could better detect preexisting influences underlying a candidate

<sup>15</sup> See Design Law of Japan, *supra* note 1, Articles 3(1), 4(2); T. Doi, *The Intellectual Property Law of Japan* 100, 103-04 (1980). For the Federal Republic of Germany, see Loschelder, "The New German Model and Design Act," 19 *I.J.C.* 622, 629-30 (1988) (as amended in 1986, Section 7(a) of the Design Act introduced a six-month novelty grace period). See generally Duchemin, "General Report," *supra* note 3, at 65 (noting that with the exception of France and now the Federal Republic of Germany, "all the countries require that the model not be disclosed before it is deposited").

<sup>16</sup> The fundamental substantive prerequisite under foreign design laws is objective novelty, which may be absolute or relative depending on the different domestic approaches. See, e.g., Duchemin, "General Report," *supra* note 3, at 63. Most design laws also superimpose some qualitative standard cast in terms of "originality" or as a subset of the general novelty requirement. See, e.g., *id.* at 63-64.

<sup>17</sup> See 35 U.S.C. 102, 103, 171 (1988); Nimetz, "Design Protection," 15 *Copyright L. Symposium* (ASCAP) 79, 80 n.1 (1967).

<sup>18</sup> See Lindgren, "The Sanctity of the Design Patent: Illusion or Reality?" 10 *Oklahoma City L. Rev.* 195, 204-07 (1985). About 16.5% of these were granted to foreign inventors; the percentage of design patents granted to foreign inventors increased to 23% in the period 1973-1983. *Id.* Altogether some 272,000 design patents reportedly issued between 1842 and 1983. *Id.*

design than an ordinary purchaser who might succumb to the charm of a less original visual effect.<sup>19</sup>

Given this test, there were only two logical explanations for the practice of routinely invalidating issued design patents at the appellate level. Either the nonobviousness standard as imported from the domain of utility patents inherently lay beyond the reach of even the most gifted designers; or courts had artificially elevated the standard of nonobviousness applicable to designs in order to avoid undue restraints on trade. If the former was true, then less biased courts could reinterpret the standard so as to implement the original policies behind the Design Patent Act of 1842. If the latter explanation proved correct, then courts could undo much of the mischief they had caused by a more evenhanded application of the general nonobviousness standard as conventionally formulated.

From a comparative perspective, foreign courts that administered *sui generis* design laws built on the patent model had faced similar dilemmas without elevating the requirements of novelty and qualitative originality to unattainable heights. Italian courts, in particular, working with a rigid design patent law rather like that of the United States of America, had deliberately softened the statutory test of intrinsic novelty—akin to nonobviousness—on the theory that the strict standards applicable to both utility patents and utility models would not serve to promote the decorative arts.<sup>20</sup>

In 1966, the United States Court of Customs and Patent Appeals (C.C.P.A.) introduced a lower standard of nonobviousness for ornamental designs that paralleled prior developments in Italian law. In the case of *In re Laverne*,<sup>21</sup> the C.C.P.A. devised a new test for obviousness based on the “ordinary intelligent man,” who would assess the visual impact of a candidate design with less technical refinement than “the designer of ordinary skill in the art.” The goal was to enable competent designers to protect at least some of their work as distinct from that of merely routine designers. But this strategy failed in the United States of America because the other appellate courts, with one exception, refused to follow the C.C.P.A. and rejected what they viewed as a move “to equate obviousness with novelty in the case of design patents” without an express legislative mandate.

<sup>19</sup> See D. Chisum, *supra* note 10, 1.04[2] (citing cases) and 5.04[1].

<sup>20</sup> See, e.g., Benussi, *supra* note 3, at 64-65; Fabiani, “*I Modelli e Disegni Industriali*” [hereinafter “Fabiani (1988)”] in 2 *Diritti Industriale-Invenzioni e Modelli Industriali* 213, 240-43 (T. Rava, M. Fabiani and P. Spada (eds.), 1988).

<sup>21</sup> *In re Laverne*, 365 F.2d 1003 (C.C.P.A. 1966). See, e.g., Michaelson, “Design Patents and Obviousness—Obviousness to Whom?,” 53 *J. Pat. Off. Soc’y* 620 (1970); Comment, “Design Protection—Time to Replace the Design Patent,” 52 *Minn. L. Rev.* 942 (1967).

In 1981, the C.C.P.A. ended the *Laverne* experiment and, in *In re Nalbandian*, closed the split in the Circuits it had opened in 1966.<sup>22</sup> Henceforth the C.C.P.A. agreed to measure obviousness in terms of a “designer of ordinary capability who designs articles of the type presented in the application.” The Court, however, would allow applicants to demonstrate their attainment of this standard more objectively than in the past through the use of expert testimony by designers working in the pertinent field.

This return to an orthodox doctrinal formulation did not mean that the C.C.P.A. had acquiesced in the practice of exaggerating the degree of nonobviousness required of design innovation. In a series of opinions posterior to *In re Nalbandian*, panels of the C.C.P.A. attacked the tendency of sister courts to disassemble patented designs into their component parts and then to subject these parts to piecemeal evaluation against the prior art, usually with 20-20 hindsight and without regard to commercial success. The correct approach, as the C.C.P.A. now saw it, required a patented design challenged for obviousness to be tested as a visual whole against existing references pertinent to the ensemble without piecemeal dissection of its component parts. The Court hinted, moreover, that secondary considerations, especially copying and commercial success, were respectable indicia of nonobviousness in the design environment, a point it had not made in *Nalbandian*.

The C.C.P.A. thus ended its days by bequeathing a more workable set of binding doctrinal tools to its successor—the Court of Appeals for the Federal Circuit<sup>23</sup>—than had previously been available, even though the C.C.P.A. validated very few design patents in this period. At the same time, other federal courts had begun to conclude that blind opposition to the design patent was counterproductive. Between 1974 and 1982, a number of decisions at both the appellate and district court levels upheld and enforced design patents under a more flexible reading of the nonobviousness standard than was customary during the preceding half century.

## 2. Transitional Holding Patterns: 1982-86

By 1982, when the Court of Appeals for the Federal Circuit began to implement the Congressional call for a specialized tribunal that would develop a uniform and more rational patent system, there were many portents heralding “the end of the

<sup>22</sup> *In re Nalbandian*, 661 F.2d 1214, 1216 (C.C.P.A. 1981).

<sup>23</sup> The Federal Circuit was formed through a merger of the former Court of Customs and Patent Appeals and the Court of Claims. The new court has declared that all decisions of the predecessor courts rendered before the close of business on September 30, 1982, will be considered binding. See, e.g., *South Corp. v. United States*, 690 F.2d 1368, 1370 (Fed. Cir. 1982).

antipatent era."<sup>24</sup> Not the least of these were the Supreme Court's ground-breaking decisions concerning microbiology and computer programs,<sup>25</sup> which may indirectly have improved the outlook for industrial designs. Any lasting improvement in the climate for design patents, however, depended on the willingness of the Federal Circuit to undertake a searching reevaluation of the nonobviousness requirement in general, with a view to preventing issued *utility patents* from succumbing to facile judicial invalidation.

The steps taken by the Court of Appeals for the Federal Circuit to overhaul prior jurisprudence and enhance the value of utility patents in recent years are largely beyond the scope of this monograph. Nevertheless, the emphasis this Court has placed on the role of secondary considerations in the evaluation of nonobviousness generally is of overriding importance for an understanding of current trends in design patent law.

#### (a) *The Emerging Role of Secondary Considerations*

As early as 1966, the United States Supreme Court, in *Graham v. John Deere Co.*,<sup>26</sup> had included secondary considerations among the various subtests it allowed lower courts to apply when evaluating utility patents challenged for obviousness. The federal appellate courts could therefore assess such nontechnical, objective factors as commercial success, fulfillment of a long-felt need in the trade, and copying by an alleged infringer at the same time as they subjectively measured the inventive height of a given innovation in terms of the routine skill of an ordinary engineer familiar with the prior art.

In the past, however, courts tended to apply the *Deere* tests of nonobviousness in such a restrictive fashion that appeals to secondary considerations did little to prevent judicial invalidation of a large proportion of the utility patents litigated in the period 1966-82. In contrast, the Court of Appeals for the Federal Circuit held that the secondary considerations constituted one of four basic subtests applicable to all utility patents challenged for obviousness under Section 103 of the Patent Act. The federal district courts must accordingly evaluate objective factors, including commercial success, in every relevant case, and these so-called "secondary considerations" may

greatly affect the final outcome of patent litigation.<sup>27</sup> The Federal Circuit has also insisted that district courts assess nonobviousness as of the time the invention was made, that they avoid all recourse to hindsight, and that they respect the presumption of validity that the statute confers upon every patentee.

Any resolute rehabilitation of secondary considerations in the realm of utility patents should then logically extend to the judicial evaluation of design patents as well. Without some countervailing doctrinal limitations, however, implementing this logic could produce a still more protective environment than has so far emerged in the realm of utility patents. Consider, for example, that only the commercially successful appearance designs attract imitators, while the market for mass-produced consumer goods moves at a rapid pace that makes close copying the typical mode of infringement. Yet, both "commercial success" and "copying" constitute secondary factors entitled to considerable weight in the evaluation of utility patents. Routine reliance on commercial success and copying would therefore significantly narrow the opportunities to invalidate patented designs if the Court of Appeals for the Federal Circuit was prepared to make a radical break with the past.

#### (b) *Even-Handed Tests of Nonobviousness*

During the period 1982-86,<sup>28</sup> the evidence suggests that the Court of Appeals for the Federal Circuit began cautiously to disentangle the design patent law from past judicial encumbrances without formulating a comprehensive policy concerning the proper role of the Design Patent Act in the absence of legislative reform. For its opening move, the Court insisted that design patents challenged for obviousness were entitled to a genuine presumption of validity that saddled the challenger with the twin burdens of going forward and of overcoming the examiner's findings by clear and convincing proof. The Federal Circuit then proceeded to ratify the same standard of obviousness that the C.C.P.A. had applied to design patents between 1979 and 1982. Both the district courts and the examiners would accordingly continue to test the inventive height of an ornamental design by reference to the skill of an ordinary designer working in the relevant field of endeavor and not by reference to the impression it

<sup>24</sup> Adelman, "The New World of Patents Created by the Court of Appeals for the Federal Circuit," 20 *U. Mich. J. Law Reform* 979, 981-83 (1987).

<sup>25</sup> See *Diamond v. Diehr*, 450 U.S. 175 (1981); *Diamond v. Chakrabaty*, 447 U.S. 303 (1980); see also *Dawson Chem. Co. v. Rohm & Haas Co.*, 448 U.S. 176, 201-02 (1980) (allowing patent law to create monopoly in unpatented product that had no other substantial commercial use).

<sup>26</sup> *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966).

<sup>27</sup> See, e.g., *Panduit Corp. v. Dennison Manufacturing Co.*, 774 F.2d 1082, 1099-1100 (Fed. Cir. 1985); *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1538-40 (Fed. Cir. 1983); Merges, "Commercial Success and Patent Standards: Economic Perspectives on Innovation," 76 *Calif. L. Rev.* 803, 814 (1988).

<sup>28</sup> In point of fact, the period under review in this subsection extends from 1982 to 1985, with one decision in the first quarter of 1986 assimilated to the discussion of functionality characteristic of this transitional period. That decision was *Unette Corp. v. Unit Pack Co.*, 785 F.2d 1026 (Fed. Cir. 1986). See *infra* notes 36-38 and accompanying text.

made upon an ordinary observer unskilled in the art.<sup>29</sup>

At the same time, the Federal Circuit endorsed the C.C.P.A.'s last strictures against piecemeal decomposition of candidate designs either at the prosecution stage or for purposes of invalidating issued design patents. A finding of obviousness would thus continue to depend on references to comparable art and not merely to bits and pieces of unrelated design solutions. The Court also stressed the need to measure obviousness against the level of prior art existing at the time a design was created, and it strictly forbade devaluation through hindsight. The Federal Circuit then broke new ground by holding that all the subtests currently used to determine the nonobviousness of utility patents, including the secondary considerations, should apply to design patents as well.<sup>30</sup>

Although the Court appeared not to relish the consequences of its own logic, the treatment it afforded ornamental designs challenged for obviousness during the period under review appears evenhanded and, on the whole benign, especially in light of the judicial bias against design patents that used to prevail outside the C.C.P.A. Of eight cases concerning the validity of design patents known to have reached the Federal Circuit between 1982 and the first quarter of 1986,<sup>31</sup> only one actually resulted in a decision to invalidate for obviousness.<sup>32</sup> Of the remainder, one was found invalid for lack of ornamentality; another lacked novelty under the "on sale" bar of Section 102(b); while five of the eight patents in question were upheld on appeal. This represented an invalidation rate of some 38%, as compared with an invalidation rate of from 75% to 100% for the federal appellate courts only a few years earlier.

### (c) Uncertain Standard of Functionality

Courts hostile to design patents in the past often suspected manufacturers of trying to use this institu-

tion to circumvent the stringent requirements governing utility patents. On its face, the Design Patent Act protects only the decorative features or appearance of a useful article and not its functional aspects. But modern industrial design blurs this legal distinction by programmatically avoiding the separation of form and function. The more perfectly a designer integrates the two in a patented creation, the more likely it becomes that his legal monopoly of form will yield indirect control over functional components of the underlying product that have not met the tests of novelty and nonobviousness.

From a worldwide perspective, however, the industrialized countries seem increasingly disposed to protect even functional designs that fail to meet the standards of patentability. For example, the Federal Republic of Germany, Italy and Japan provide direct protection of functional designs under utility model laws in addition to *sui generis* protection of appearance designs. Although utility model laws, which are growing in popularity, operate with a stricter legal discipline than that of the design laws, they weaken the standards nominally supposed to govern a mature patent system in subtle and indirect ways. Some countries that remain unwilling to protect utility models nonetheless tolerate a rather high degree of functional content in appearance designs protectable under *sui generis* design laws.<sup>33</sup> Most industrialized countries, following the lead of the United States of America, have also begun to protect integrated circuit designs in special laws embodying modified copyright principles. One country, the United Kingdom, has just enacted a *sui generis* law conferring copyright-like protection on both functional and aesthetic designs that are not subject to either a registration requirement or statutory prerequisites of novelty and inventive merit.<sup>34</sup>

Formally, the United States of America has never considered adopting a utility model law like those enacted in Italy, Japan or the Federal Republic of Germany. The Semiconductor Chip Protection Act of 1984 (see *Industrial Property Laws and Treaties, UNITED STATES OF AMERICA* - Text 1-001) does protect a single class of functional designs, however, without insisting on either novelty or nonobviousness. For this and other reasons, the Chip

<sup>29</sup> See, e.g., *Litton Systems, Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1443 (Fed. Cir. 1984); *Trans-World Manufacturing Corp. v. Al Nyman & Sons, Inc.*, 750 F.2d 1552 (Fed. Cir. 1984) (burden on challenger); *Shelcore, Inc. v. Durham Indus., Inc.*, 745 F.2d 621 (Fed. Cir. 1984).

<sup>30</sup> See, e.g., *Litton*, 728 F.2d at 1440-41; *Fiberglass in Motion v. Albert Hindelang*, Appeal No. 83-1266 (Fed. Cir. 1984) (unpublished, available on Lexis).

<sup>31</sup> I.e., *Shelcore*; *Litton*; *Nyman*; *Fiberglass*; *Petersen Manufacturing Co. v. Central Purchasing, Inc.*, 740 F.2d 1541 (Fed. Cir. 1984); *Feuling v. Wood*, Appeal Nos. 84-543 and 84-662 (Fed. Cir. 1984) (unpublished, available on Lexis); *Interpart Corp. v. Italia, S.p.A.*, 777 F.2d 678 (Fed. Cir. 1985), disapproved in nonrelevant part in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 109 S.Ct. 971 (1989); *Unette Corp. v. Unit Pack Co.*, 785 F.2d 1026 (Fed. Cir. 1986).

<sup>32</sup> See *Petersen Manufacturing Co., Inc. v. Central Purchasing, Inc.*, 740 F.2d 1541 (Fed. Cir. 1984) (design for "locking plier-type wrenches and other 'hand tools'" invalid for obviousness; summary judgment below affirmed).

<sup>33</sup> See, e.g., Levin, "Recent Developments in Nordic Design Protection," 19 *I.I.C.* 606, 607-08 (1988) [hereinafter cited as "Recent Developments"] (stating that a certain tolerance of functional designs has been decisive for the Nordic countries' *sui generis* design system and its limits).

<sup>34</sup> Copyright, Designs and Patents Act 1988 [United Kingdom], ch. 48, 213-264 (November 15, 1988), see *Industrial Property Laws and Treaties, UNITED KINGDOM* - Text 4-001. See, e.g., R. Merkin, *supra* note 1, at 297-98; W.R. Cornish, *Intellectual Property: Patents, Copyrights, Trade Marks and Allied Rights* 384-91 (2d ed. 1989); Fellner, "The New U.K. Industrial Design Law," 19 *U. Baltimore L. Rev.* 369 (winter 1990) [hereinafter cited as "New U.K. Law"]. According to Fellner, the precise level of "originality" to be required under this law has been left to the determination of courts.

Act has been treated as a "neighboring right," allied to and collocated with the Copyright Act of 1976, and the protection of foreign chip designs is in effect conditioned upon a showing of material reciprocity. Moreover, the *sui generis* design bills currently before Congress would seem to provide copyright-like protection of functional designs without regard to their aesthetic content and without requiring either objective novelty or nonobviousness as conditions of eligibility.<sup>35</sup>

Against this background, the federal judiciary's traditional concern to limit the functionality of patented designs may be viewed as an unwillingness to countenance the protection of utility models in disguise without an express Congressional mandate to this effect. On the one hand, too indulgent a standard of functionality might mean that competitors could not make use of a patented design component they needed in order to match or improve upon an originator's performance, efficiency, or manufacturing costs. On the other hand, too stringent a standard would defeat the very purpose of a law enacted to protect ornamental designs of useful articles.

During the transitional period under review, the Federal Circuit struggled with this problem without elaborating a fully coherent doctrinal framework for resolving it. On the positive side, the Court declared that utility and design patents constituted two different species, serving different but equally valid statutory goals, that were quite capable of peaceful coexistence when the occasion so required.<sup>36</sup> That the Federal Circuit was prepared to tolerate a denser admixture of functional features in patentable designs than the federal appellate courts had condoned in the past then appeared from decisions upholding the designs of an eye-glass display rack, of fiberglass camper shells, and, early in 1986, of a container for dispensing liquids.<sup>37</sup>

On the negative side, the Federal Circuit skirted the issue of functionality in one difficult case by tacitly linking it with the general tests of nonobviousness. In *Petersen Manufacturing Co., Inc. v. Central Purchasing, Inc.*,<sup>38</sup> the Court hinted at one point that the design of a handtool was functionally dictated, while invalidating it for obviousness in the end. The *Petersen* decision was thus inconsistent with the Court's overall approach. It also failed to rationalize a doctrine of functionality that would

enable the practicing bar to operate efficiently within a regime willing to tolerate a high degree of functionality in other designs upheld in the same period.

In retrospect, the methodological inelegance of *Petersen* seems a temporary aberration that did not prevent the Federal Circuit from maintaining a fairly tolerant approach to functionality throughout the transitional period under review. Of eight cases concerning the validity of design patents known to have reached the Court between 1982 and the first quarter of 1986, only one was actually invalidated for functionality,<sup>39</sup> while the only design invalidated for obviousness in the same period—i.e., the *Petersen* design of a handtool—was, by the Court's own admission, too functional to pass muster. If, in short, the Court of Appeals for the Federal Circuit remained perturbed by functionality (an issue it would soon address more comprehensively), it was not disposed to encourage wholesale invalidation of design patents on this or any other ground during the period under review.

#### (d) Infringement—The New Outcard

The Federal Circuit's ambivalent view of design patents surfaced most clearly in cases that reached the issue of infringement. The usual test for infringement, handed down from *Gorham v. White*,<sup>40</sup> required the accused design to bear such similarities to the protected design as to deceive an ordinary observer into purchasing the former supposing it to be the latter. This emphasis on elements of confusion or deception, which distorts some foreign design laws, too, benefits competitors who appropriate the commercially valuable features of patented designs while artfully varying them to avoid slavish imitation.

The Court of Appeals for the Federal Circuit, which applied the *Gorham* test unswervingly in this period, did not hesitate to exploit its ambiguities by allowing modest dissimilarities to avoid liability when the judges felt little inclined to enforce the patent at hand. At the same time, the Court took pains to develop and refine a second prong of its infringement doctrine, known as the "point of novelty" test, which focused on the nature of the matter that a defendant had appropriated as distinct from the issue of similarity.<sup>41</sup> Under the "point of novelty" test, a plaintiff must show that any actionable similarities pertain to the novel matter claimed to distinguish the patented design from the prior art. When the sole point of similarity is not a

<sup>35</sup> See *infra* note 117 and accompanying text.

<sup>36</sup> See, e.g., *Shelcore, Inc. v. Durham Indus., Inc.*, 745 F.2d 621, 628 (Fed. Cir. 1984); *Carman Indus., Inc. v. Wahl*, 724 F.2d 932, 939 (Fed. Cir. 1983).

<sup>37</sup> See *Trans-World Manufacturing Corp. v. Al Nyman & Sons, Inc.*, 750 F.2d 1552 (Fed. Cir. 1984) (eye-glass display rack); *Fiberglass in Motion v. Albert Hindelang*, Appeal No. 83-1266 (Fed. Cir. 1984) (unpublished, available on Lexis) (fiberglass camper shells); *Unette Corp. v. Unit Pack Co.*, 785 F.2d 1026 (Fed. Cir. 1986) (container for liquids).

<sup>38</sup> *Petersen Manufacturing Co., Inc. v. Central Purchasing, Inc.*, 740 F.2d 1541 (Fed. Cir. 1984).

<sup>39</sup> *Feuling v. Wood* (Fed. Cir. 1984) (unpublished).

<sup>40</sup> *Gorham Manufacturing Co. v. White*, 81 U.S. (14 Wall.) 511, 526-28 (1871).

<sup>41</sup> See, e.g., *Unette Corp. v. Unit Pack Co.*, 785 F.2d 1026, 1028-29 (Fed. Cir. 1986); *Litton Systems, Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1444 (Fed. Cir. 1984); see also Thompson, "Industrial Design Protection in the U.S.," 3 *Canadian Intell. Prop. Rev.* 155, 195 (1987).

novel feature that bore on the threshold claims to eligibility in the first instance, no basis exists for a finding of infringement.

The point of novelty test enabled the Federal Circuit to probe two issues that lie on opposite sides of the same coin. One concerns the protectibility of the matter allegedly taken from the plaintiff's design; the other asks whether the similarities shown to exist actually amount to illicit similarities at all. Combining these inquiries permits defendants to excuse even a showing of strong similarities by demonstrating the extent to which they borrowed only commonplace or generic ideas, functional features, or other nonprotectable matter while adding sufficient dissimilarities and variations of their own within the range of otherwise protectable matter. These tests provided, in short, a functional equivalent in design patent law of the bifurcated test of copyright infringement that the Second, Seventh and Ninth Circuits had been forging during much of the same period.

The elaboration of this two-pronged test of infringement plays a critical role in the new approach to design protection law that the Court of Appeals for the Federal Circuit has begun to develop. A review of the cases in which this test figured prominently suggests that the Federal Circuit found it especially helpful when the patented design combined decorative and very functional features in an integrated whole that enjoyed considerable commercial success. An hypothesis worth examining, in short, is that the ambivalence and uncertainty characterizing the infringement doctrine during this transitional period is directly related to the Court's larger, unresolved quandary about functionality. That quandary, in turn, stemmed from the Court's growing realization that greater latitude in admitting functionally influenced designs to patent protection was needed under modern economic conditions notwithstanding the federal judiciary's traditional reluctance to allow design patent law to protect utility models in disguise.

If the above-mentioned hypothesis proved accurate, then the elaboration of a more refined functionality doctrine—noticeably lacking in this period—could itself allow decisions for or against infringement to assume a more neutral and predictable configuration than was true between 1982 and the first quarter of 1986. The cases decided from mid-1986 to the time of writing appear to verify both of these hypotheses.

### 3. *The New Synthesis: Functionality, Point of Novelty, Illicit Appropriation*

The later cases suggest that the Court of Appeals for the Federal Circuit has shed its initial reserve and is systematically fashioning a more workable design protection law on the foundations of the preexisting legislation. Notable in this regard is a more resolute

determination to apply all the *Graham v. Deere* criteria of nonobviousness to industrial designs and the elaboration of an overarching doctrine of functionality that affects every phase of the infringement action. The evidence further suggests that the clearer signals emitted by the Federal Circuit in this period have begun to influence the way federal district courts approach design patent cases, too, even though a statistical analysis to detect trends at the district court level remains premature.

#### (a) *Unreserved Application of Secondary Factors*

On the surface, the Federal Circuit's recent pronouncements concerning the statutory presumption of validity and the weight to be given the *Deere* criteria—including secondary considerations—appear to carry forward the doctrinal framework established during the transitional phase. In reality, the Court has added a new dimension to its earlier work by stressing the extent to which the patenting of aesthetic achievements promotes progress in industrial design.<sup>42</sup> The Federal Circuit has thus jettisoned the anti-monopolistic cant employed against design patents for the past 20 years or more, and it seems keenly aware of the role that industrial design plays in stimulating competition under modern economic conditions.

With these policies in mind, the Court has allowed the secondary considerations, including commercial success and copying, their full weight in the assessment of validity throughout the period under review. Although it insists on proof of a nexus between commercial success and the claimed design innovation,<sup>43</sup> the Federal Circuit has applied these objective tests in a manner consistent with its treatment of utility patents and without the guarded restraint that characterized the transitional period. At the same time, the Court has shaped the motion for summary judgment into a tool that lower courts can be expected to use more liberally when determining issues of either validity or infringement in design patent cases.

#### (b) *Non-Functionality as a "Multiplicity of Forms"*

In more recent decisions, the Court of Appeals for the Federal Circuit has managed to combine its flexible treatment of nonobviousness with a mature doctrine of functionality premised on the net separa-

<sup>42</sup> See, e.g., *Avia Group Int'l v. L.A. Gear, Calif.*, 853 F.2d 1557, 1563-64 (Fed. Cir. 1988) (discussing obviousness); *Pacific Furniture Manufacturing Co. v. Preview Furniture Corp.*, 800 F.2d 1111 (Fed. Cir. 1986). Cf. *Gorham v. White*, 81 U.S. (14 Wall.) 511 (1871) (stating that purpose of the statute is "to give encouragement to the decorative arts"). But see *Chrysler Motors Corp. v. Autobody Panels of Ohio, Inc.*, 908 F.2d 951 (Fed. Cir. 1990) (affirming denial of preliminary injunction against copying of patented fender design despite presumption of validity).

<sup>43</sup> See, e.g., *Neo-Art Inc. v. Hawkeye Distilled Products Co.*, 12 U.S.P.Q.2d (BNA) 1572 (Fed. Cir. 1989) (unpublished).

tion of the two issues. As a result, the Court will normally not allow considerations of functionality to influence the test of nonobviousness,<sup>44</sup> a practice that had sometimes clouded its elaboration of both doctrines during the transitional phase.

This gambit served to flush the problem of functionality out into the open where the Federal Circuit now proceeded to deal with it on its own terms. At one extreme, the Court showed it would not hesitate to exclude all designs that are dictated by function, in keeping with the older case law. At the opposite extreme, the Court foresaw that purely decorative designs, altogether separable from the functional features of the products that embodied them, would pose no problem. It recognized nonetheless that most cases fell between these extremes because functional considerations significantly affect the bulk of the designs that figured in litigation today. If the commercially most valuable designs that are both efficient and attractive were to be denied eligibility merely because of their functional components, the old doctrinal formula barring functionally dictated designs could become an instrument for depriving the design patent law of any stimulatory effect in the drive for domestic economic growth.

In a formative opinion handed down in *Avia Group International v. L.A. Gear California*,<sup>45</sup> the Federal Circuit demonstrated the liberality with which it would allow designs that combined functional and aesthetic features to survive the threshold tests of eligibility. In so doing, the Court turned away from rigid tests of separability that seek to distinguish form and function, with their built-in bias towards 19th century kitsch, in favor of a "multiplicity of forms" approach familiar from foreign design law.<sup>46</sup> Under this approach, a given design feature, though functionally significant, need not be excluded if competitors can obtain comparable technical yields by using an aesthetically different shape. Only a design feature that failed this test would automatically be barred at the threshold of eligibility, lest design patent law allow a manufacturer to control important mechanical functions or

perhaps to monopolize features determined by market expectations.<sup>47</sup>

This left a gray area in which the "multiplicity of forms" test would not of itself invalidate a functional design that also embodied strong aesthetic components. Methodologically, the Federal Circuit believed it could isolate the pertinent aesthetic features in such cases by piecemeal decomposition of the design as a whole, a technique the Court expressly authorized the lower courts to use for purposes of its refined functionality analysis, but not for purposes of testing either obviousness or infringement. When this analysis persuades the district courts that a given design as a whole amounts to a utility model in disguise, they should invoke the "primarily functional" rule to invalidate it, in part because such designs "do not promote the decorative arts."<sup>48</sup> But the Federal Circuit will not allow the rule against primarily functional designs to exclude *a priori* all the heavily functional designs falling within this gray area as might have occurred in the past. On the contrary, when functional features are combined with strongly marked aesthetic features, as often occurs, and the design as a whole does not fail the "multiplicity of forms" criterion, the Federal Circuit may allow it to survive the functionality hurdle in order to evaluate the nature of the taking under the two-pronged test for infringement it has carefully elaborated.<sup>49</sup>

It follows that "design patents may in some cases embody functional features,"<sup>50</sup> precisely because—as one federal district court recently deduced—"we are concerned not with ornamentation in the conventional sense, but with industrial design." In this environment, the Federal Circuit warned, courts must either learn to distinguish the functionality of an *article* from the functionality of a particular *design*

<sup>44</sup> See, e.g., *Avia*, 853 F.2d at 1563; *Lee v. Dayton-Hudson Corp.*, 838 F.2d 1186 (Fed. Cir. 1988); *In re Cho*, 813 F.2d 378, 382 (Fed. Cir. 1987); *Power Controls Corp. v. Hybrinetics, Inc.*, 806 F.2d 234, 239 (Fed. Cir. 1986). But see *Neo-Art Inc. v. Hawkeye Distilled Products Co.*, 12 U.S.P.Q.2d (BNA) 1572 (Fed. Cir. 1989) (unpublished) (invalidating the design of a liquid dispenser because its overall appearance was "suggested by the combination of references considered by the [lower] court").

<sup>45</sup> *Avia Group Int'l v. L.A. Gear, Calif.*, 833 F.2d 1557 (Fed. Cir. 1988).

<sup>46</sup> See, e.g., *Avia*, 853 F.2d at 1563; see also *Lee v. Dayton-Hudson Corp.*, 838 F.2d at 1188. Cf. R. Merkin, *supra* note 1, at 292 (discussing decision by United Kingdom's House of Lords in *AMP v. Utilux*, [1972] RPC 103, and warning that a "multiplicity of forms" test can become overprotective because there is no useful article whose "demands ... are such that only one design will suffice to meet them"); Gaubiac, "Autres problèmes de frontières," in *Les dessins et modèles en question*, *supra* note 3, at 57.

<sup>47</sup> See, e.g., *Power Controls Corp. v. Hybrinetics, Inc.*, 806 F.2d 234, 240 (Fed. Cir. 1986) (invalidating design of plastic packaging container for electrical components arranged to close like a clam shell around the components); *Litton Systems, Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1443 (Fed. Cir. 1984) (microwave oven door shared features in common with all prior oven doors).

<sup>48</sup> See *Power Controls*, 806 F.2d at 238; see also *Lee v. Dayton-Hudson Corp.*, 838 F.2d 1189 (Fed. Cir. 1988) (validity of design for massage device affirmed, "but a design patent is not a substitute for a utility patent").

<sup>49</sup> See, e.g., *Avia* (1988) (design for upper part and outer sole of athletic shoe, though containing functional parts, held valid and infringed below, on summary judgment; affirmed on appeal); *Lee v. Dayton-Hudson Corp.* (1988) (design for massage device, held valid below, affirmed); see also *FMC Corp. v. Hennessy Indus., Inc.*, 836 F.2d 521, 528 (Fed. Cir. 1987) (design of full-power, single-power-source changer for tubeless tires held valid below, affirmed). See most recently *Winner International Corp. v. Wolo Manufacturing Corp.*, 905 F.2d 375 (Fed. Cir. 1990) (now published) (design of steering wheel lock was not infringed under point of novelty test; finding of invalidity vacated).

<sup>50</sup> *Phlaphongphanich v. Fajancic*, No. 88-1128 (Fed. Cir. 1988) (unpublished, available on Lexis) (citing *Lee v. Dayton-Hudson Corp.*, 838 F.2d at 1563).

or it will "not be possible to obtain a design patent on a utilitarian article of manufacture."<sup>51</sup>

(c) *Relation Between Functionality and Infringement*

The price exacted for this liberality at the threshold to eligibility, however, is a stricter scrutiny at the infringement stage than the Federal Circuit would otherwise require if the design were less significantly influenced by functional features. This heightened scrutiny occurs along both facets of the two-pronged approach to infringement formulated during the transitional period.

From one angle, the Federal Circuit applies the "point of novelty" test, rather like the idea-expression test of copyright law, to exclude non-patentable features, including the prior art, and to focus the ordinary purchaser's attention on protectable aesthetic components of a patented design. This ensures that the broadened mix of decorative and utilitarian features allowed to escape invalidation under the Court's more relaxed tests of functionality and nonobviousness will not indiscriminately obtain protection through the back door in the infringement calculus.

From a second angle, the Federal Circuit seems likely to circumscribe the range of actionable similarities when applying the ordinary purchaser test of *Gorham v. White* to highly functional designs that have not been copied point for point. In such cases, the Court will first satisfy itself that the similarities claimed to infringe constitute illicit similarities—that is, an appropriation of the patented novelty—because a competitor does not infringe by copying unprotectable functional features. The presence of very functional features can then affect the degree of similarity that may be required to trigger infringement in either quantitative or qualitative terms. By demanding closer imitation within a narrower range of equivalents than would be necessary absent these functional influences, the Federal Circuit further ensures that only imitators who appropriate more than the unprotectable features will fall into the net of infringement.

In sum, when the patented design partakes of highly functional elements and a second-comer invests the time and expense to vary it, the Court may weigh his variations more favorably than if the patentee had claimed markedly aesthetic or decorative effects.<sup>52</sup> The more a given design elicits

strict scrutiny on account of its functionality, the less its actionable similarities are likely to "deceive" the ordinary purchaser in the Court's view. But when a second-comer is too lazy or in too much of a hurry to make any appreciable variations, his copy will infringe notwithstanding the presence of strong functional features in the overall design.<sup>53</sup> In this event, even though the imitator intended to exploit a different market segment and did not engage in direct competition with the originator, he will nonetheless infringe upon the protected design concept.

The Court of Appeals for the Federal Circuit has thus responded to criticism concerning the failure of design patent law to recognize the doctrine of equivalents by indicating that the scope of protection may extend beyond literal infringement in appropriate cases, even though the range of protectable equivalents will shrink as the incidence of functionality increases. Should this willingness to protect the patented design concept carry over to future decisions, it could eventually limit the deception rationale of *Gorham v. White* and further enhance the overall effectiveness of the existing design protection law.

#### 4. *Positive Evaluation of Current Law*

The foregoing survey of major cases handed down between the second quarter of 1986 and the second quarter of 1990 has confirmed that a broad range of highly functional designs may now qualify for patent protection, even if the Court of Appeals for the Federal Circuit rightly continues to stress that "[t]he great bulk of industrial design is simply not protectable by design patents."<sup>54</sup> As regards the substantive prerequisite of nonobviousness, the cases show that eligible designers usually benefit from the presumption of validity once their patents have issued and from the application of secondary or objective factors if validity is later challenged. Because the protection of markedly aesthetic designs better promotes the policies underlying the statute than the protection of very functional appearance designs, the former tend to receive more favorable treatment at the infringement stage when courts evaluate the nature of the taking. Alleged infringers of highly functional designs must still approach slavish imitation before incurring liability, lest the design patent law cover a range of equivalents that would unduly encroach upon the delicate frontier with utility patents.

<sup>51</sup> *Avia*, 853 F.2d at 156 (citing *Pacific Furniture Manufacturing v. Preview Furniture Corp.*, 800 F.2d 1111 (Fed. Cir. 1986) and *Carman Indus. v. Wahl*, 724 F.2d 932, 939 (Fed. Cir. 1983)).

<sup>52</sup> See most recently *Winner International Corp. v. Wolo Manufacturing Corp.* 905 F.2d 375 (Fed. Cir. 1990) (no reasonable jury could find design of steering wheel lock infringed owing to dissimilarities and to defendant's use of unpatented prior art); see also *Lee v. Dayton-Hudson Corp.*, 838 F.2d at 1190.

<sup>53</sup> See, e.g., *Avia* (1988); see also *Pacific Furniture Manufacturing Co. v. Preview Furniture Corp.*, 800 F.2d 1111, 1114 (Fed. Cir. 1986) (design for upholstered armchairs valid and willfully infringed).

<sup>54</sup> *Lee v. Dayton-Hudson Corp.*, 838 F.2d 1186, 1188 n.3 (Fed. Cir. 1988).

Despite these limitations, the cases emanating from the Federal Circuit reveal an impressive effort to reshape the United States Design Patent Act in conformity with its original goals. To be sure, a number of issues require further elaboration, especially the "multiplicity of forms" test of functionality, whose innate permissiveness has been judicially curtailed in both the United Kingdom and France.<sup>55</sup> Much also depends on the Court's continued willingness to emit the clearer signals it has been sending since 1986 and on the continuation of a favorable climate for utility patents as well. But none of these reservations detracts from the remarkable finding that, of 13 cases concerning ornamental designs of useful articles known to have reached the Federal Circuit during the period under review,<sup>56</sup> there are only two decisions invalidating patented designs for obviousness, both unpublished, and there is only one clear instance of invalidation for functionality.<sup>57</sup> Moreover, in two of the five cases in which the Federal Circuit applied the refined infringement analysis described above, the patented designs were found both valid and infringed.<sup>58</sup>

Even when cases from both the transitional and the more mature phases are examined together, the results are hardly less astonishing. Of some 22 relevant cases known to have reached the Court of Appeals between 1982 and the first half of 1990, there were only two instances of invalidation for

functionality. Of some 18 cases in which the inventive height was directly or indirectly challenged, there were only three instances of invalidation for obviousness. Of some 10 relevant cases known to have reached the decisive phase of an infringement action between 1983 and the first half of 1990, four concerned patented designs that were ultimately found valid and infringed.<sup>59</sup>

To anyone familiar with the dismal record of the past, these findings proclaim an altogether different message. They do not, of course, add up to a modern design protection law along the lines that reformers both here and abroad have sought to develop from the 1950s on. They do signify a major change of direction in United States design patent law, one that is more consonant with the spirit of the Supreme Court's early decision in *Gorham v. White*. By providing some exceptionally creative designs with a stronger and more effective form of protection, albeit on strict conditions, the Court of Appeals for the Federal Circuit has brought the domestic design protection law closer to the models operating abroad. In so doing, it has at long last enabled the United States of America to fulfill the obligation "to protect industrial designs" that Article *Squinquies* of the Paris Convention imposed on all member States.

#### B. Copyright Protection of Applied Art: the Retreat from Partial Cumulation

##### 1. Thirty Years After *Mazer v. Stein*: 1954-83

Because the federal appellate courts had virtually stopped enforcing issued design patents by the 1950s, the modern period of design protection in the United States of America really opened with the landmark case of *Mazer v. Stein* in 1954, in which the Supreme Court first upheld copyright protection for works of applied art.<sup>60</sup> Judicial recognition of applied art as statutory subject matter brought domestic law into line with the minimum standards prevailing under the international copyright conventions. But the Supreme Court neglected to provide any legal criterion for distinguishing commercial designs now eligible for protection as "works of applied art" from those that would qualify only as "ornamental designs of useful articles" under either the existing design patent law or any *sui generis* design law that might later be enacted.

<sup>55</sup> See, e.g., R. Merkin, *supra* note 1, at 292-94; Péroto-Morel, "Protection of Designs and How It Is Related to the Law on Patents in French Law," in *Design Protection*, *supra* note 3, 67, 71-74 [hereinafter "Protection of Designs"] (multiplicity of forms test under French Design Law of 1909 limited by modified separability or "contours" test, adopted by some courts to exclude elements of form that contribute to a practical result).

<sup>56</sup> Published cases include *Pacific Furniture* (1986); *Power Controls* (1986); *In re Cho* (1987); *FMC Corp.* (1987); *Lee v. Dayton* (1988) *Avia* (1988); *Winner International Corp.* (1990). Unpublished cases include *Batts v. S.O. Textiles Co.* (Fed. Cir. 1988) (affirming unpublished decision of the Southern District of Florida to invalidate under 35 U.S.C. 103); *Neo-Art Inc. v. Hawkeye Distilled Products Co.*, 12 U.S.P.Q.2d (BNA) 572 (Fed. Cir. 1989) (design of combined stand and container for storing liquids invalid for obviousness because it was "suggested by the combination of references"); plus four others of little importance. Rule 18 opinions designated as unpublished shall not be employed as precedent by the Federal Circuit, except in regard to a claim of *res judicata*, collateral estoppel, or law of the case.

<sup>57</sup> See *Neo-Art* (1989) and *Batts* (1988) (obviousness), *Power Controls* (1986) (functionality). Not included in these statistics is *Chrysler Motors Corp. v. Autobody Panels of Ohio, Inc.*, 908 F.2d 951 (Fed. Cir. 1990) (affirming denial of preliminary injunction on theory that presumption of validity had been sufficiently rebutted, especially in regard to functionality).

<sup>58</sup> Compare *Pacific Furniture* (1986) and *Avia* (1988) with *FMC Corp.* (1987) (in action for declaratory judgment by alleged infringer, design of single-power source tire changer held valid but not infringed below; affirmed) and *Lee v. Dayton* (1988) (design for massage implement valid but not infringed); *Winner International Corp. v. Wolo Manufacturing Corp.* (1990) (design of anti-theft bar type steering wheel lock not infringed under point of novelty test; district court's finding of invalidity vacated).

<sup>59</sup> Compare *Nyman* (1984) and *Fiberglass* (1984) (unpublished) and *Pacific Furniture* (1986) and *Avia* (1988), all holding design patents valid and infringed, with *Shelcore* (1984) and *Litton* (1984) and *Unette* (1986) and *FMC Corp.* (1987) and *Lee* (1988) and *Winner International Corp.* (1990) all holding design patents valid but not infringed.

<sup>60</sup> *Mazer v. Stein*, 347 U.S. 201 (1954) (holding that statuettes of male and female dancing figures were copyrightable despite their commercial use as lamp bases, notwithstanding the existence of the Design Patent Act of 1842).

The United States Copyright Office had traditionally opposed the "unity of art" doctrine championed by France and the principle of broad copyright protection for industrial designs to which it led. After an abortive experiment with a regime of partial cumulation like that in the Federal Republic of Germany,<sup>61</sup> the Register interpreted *Mazer v. Stein* as authority for establishing a neo-Italian regime of noncumulation, built around the criterion of separability, in regulations promulgated in 1958. These regulations served to exclude virtually all modern, three-dimensional designs from protection as works of applied art under the Copyright Act of 1909.

When, in 1976, Congress finally codified the criterion of separability in Section 101 of the new Copyright Act, it seemed to preclude further consideration of full copyright protection for industrial art in the name of *Mazer v. Stein*. But the Congressional decision not to enact a *sui generis* design bill, pending since the 1950s, also meant that the commercially most valuable appearance designs were relegated once again to the very design patent law whose ineffectiveness had initially triggered the movement for reform. Only when the Court of Appeals for the Federal Circuit later took steps to revitalize the design patent law would this codified criterion of separability actually begin to discharge its systemic function of shunting some noncopyrightable industrial designs into an operative design protection law. As the domestic design patent law began to revive after 1982, the corresponding provisions in copyright law became less incoherent than they had appeared in 1976.

#### (a) Separability Is Sometimes Conceptual

The treatment afforded works of applied art in domestic law nonetheless manifests numerous incongruities that defy systematic rationalization. This occurs in part because of ambiguities in the doctrine of separability itself and in part because certain traditional categories of applied art retained their privileged status under the 1976 Act, notwithstanding the restrictive definition of "pictorial, graphic and sculptural works" set out in Section 101.

(1) *Established Categories of Applied Art.* For example, most two-dimensional designs, including fabric and textile designs, remain copyrightable even when subsequently embodied in useful articles, according to the official interpretation of separability

derived from *Mazer v. Stein*. A troublesome subcategory comprises "maps, globes, charts, diagrams, models, and technical drawings," which are expressly treated as pictorial, graphic and sculptural works within the broad definition codified by Section 101. Maps must sometimes satisfy a higher standard of creativity, while architectural works were in effect assimilated to designs of useful articles and subjected to a variant of the separability criterion.<sup>61a</sup>

Fortunately, copyright protection of blueprints or of other technical drawings as artistic works cannot normally extend to the useful articles they portray, owing to the codification, in 1976, of a line of precedents descending from the Supreme Court's 1879 decision in *Baker v. Selden*.<sup>62</sup> These precedents subordinate the exclusive reproduction right of copyright law to the traditional right of third parties to reverse engineer the ideas embodied in unpatented products of mechanical and technical skills. For this reason, a third party may freely imitate a dress, or unpatented automobile parts so long as he does not copy the two-dimensional plans from which these objects were initially made,<sup>63</sup> in contrast with the situation prevailing in the United Kingdom prior to the Copyright, Designs and Patents Act of 1988.

Some three-dimensional works of applied art have also survived codification of the separability test in 1976. For example, the creators of dolls, costume jewelry, figurines, some toys, and certain other three-dimensional objects still obtain copyright protection either because courts deem such items not to be useful articles at all or more typically because they qualify as separable works of sculpture even if embodied in useful articles.<sup>64</sup> These subject-matter categories thus fall within the shadow traditionally cast by *Mazer v. Stein*, and they often figure in litigation.

Most three-dimensional designs of useful articles remain unprotectible, of course, owing to the separability criterion in copyright law and to the nonobviousness requirement in design patent law.

<sup>61a</sup> Congress extended copyright protection to architectural works in 1990, with a view to fuller implementation of the Berne Convention. See Architectural Works Copyright Protection Act, Pub. L. No. 101-650, tit. VII, at 5133.

<sup>62</sup> See 17 U.S.C. 113(b) (1988), codifying in this respect *Baker v. Selden*, 101 U.S. 99 (1879) and its progeny; see generally Reichman, "Designs Before 1976," *supra* note 6, at 1229-32 (explaining evolution of 113(b)). See also 17 U.S.C. § 102(b) (1988).

<sup>63</sup> See, e.g., *House Report No. 94-1476* (1976), at 105; *Combustion Engineering, Inc. v. Murray Tube Works, Inc.*, 222 U.S.P.Q. (BNA) 239, 244 (E.D. Tenn. 1984); *Muller v. Triborough Bridge Authority*, 43 F. Supp. 298 (S.D.N.Y. 1942). See generally Reichman, "Programs as Know-How," *supra* note 9, at 693 n.288 (discussing implications of *Baker v. Selden* for the practice of reverse engineering).

<sup>64</sup> See generally I P. Goldstein, *Copyright—Principles, Law and Practice* 156-58 (1989).

<sup>61</sup> See generally, Reichman, "Designs Before 1976," *supra* note 6, at 1174-1182 (discussing Copyright Office Regulations of 1956 and judicial resistance to them in *Vacheron & Constantin-Le Coultre Watches, Inc. v. Benrus Watch Co.*, 260 F.2d 637 (2d Cir. 1958)). The Copyright Office's attempt to protect only an object that was "clearly a work of art in itself" in the period 1955-56 anticipated the "clearly marked artistic character" criterion formally incorporated into Article 21 of the Uniform Benelux Designs Law, *supra* note 2. The Office withdrew this regulation in 1958.

Between these two doctrinal barriers, however, lies an uncharted territory inhabited by exceptionally creative designs that might have qualified for design patent protection had their originators not neglected to file timely applications within the one-year novelty grace period that United States patent law generously provides. The question that sooner or later bedevils the highest tribunals in every country that has ever enacted a design protection law is how to deal with palpably superior designs of this kind when their penitent creators supplicate at the door to copyright law after having failed to comply with the burdensome prerequisites of any design law that happens to be in force.

(2) *Partial Cumulation in the Second Circuit.* Shortly after Congress codified separability as the criterion for distinguishing copyrightable works of applied art from noncopyrightable "industrial designs," the federal appellate courts denied copyright protection to the attractive, modern forms of an outdoor parking lamp and of a set of wire-spoked hubcaps. None of these designs could stand alone as a work of art when separated materially from the utilitarian articles they embellished.<sup>65</sup> As to an "isolated reference" to conceptual separability in the legislative history, these courts stressed that Congress did not intend by this notion to tolerate long-term copyright protection for the very designs to which it had just denied even short-term relief in a *sui generis* law. Rather, the legislative intent was to exclude copyright protection for the overall shape or configuration of a utilitarian article no matter how "aesthetically satisfying and valuable" it might be. On this interpretation, enactment of the separability criterion traded the ineligibility of modern designs as a class for the difficulties inherent in making judgments about art in specific cases.

These early decisions under the United States Copyright Act of 1976 reflected the same strategy that Italian courts used to avoid the ambiguities inherent in the theory of dissociation by holding three-dimensional designs of useful articles to be inseparable as a matter of law in nearly all cases. The theory of dissociation as elaborated in Italy, however, does recognize an exception to the general rule of separability for conceptually separable designs that can stand alone as works of art.<sup>66</sup> Strictly interpreted, the design of a useful article meets this conceptual separability test only if it

can be reproduced and applied to other material supports without sacrificing either its individuality or its existence as an artistic work independent of the object with which it is associated.<sup>67</sup> For example, the form of Cellini's saltcellar would qualify as a conceptually separable work of applied art on this approach, not because of its artistic intensity, but because one could apply the same shape to other material supports, such as an inkpot or a candy container, without diminishing its artistic integrity. Conversely, the tendency of today's most gifted designers to integrate form and function would inherently disqualify the bulk of their production.

This strict reading of the conceptual separability doctrine satisfies those commentators who believe that ornamental designs of useful articles are properly confined to industrial property law because copyright protection would unduly distort competition on the general products market. That Italian courts agree appears from recent decisions denying copyright protection to designers renowned for their artistry. Other writers contend, however, that conceptual separability should turn on the artistic intensity of the design in question, which sometimes transcends its material support and renders the useful article an object of contemplation in its own right.<sup>68</sup> Exponents of this view urge courts to assess the artistic impact of particular designs with a view to enabling Italy's most talented designers to qualify for copyright protection under the conceptual separability exception to the general rule of separability. In effect, this school prefers the case-by-case approach of regimes that allow partial cumulation between copyright and design laws, such as occurs in the Federal Republic of Germany, to the total exclusion of modern designs from copyright law under a strict regime of noncumulation as implemented in current Italian law.

The latter school of thought won an eminent convert to its cause when, in 1980, the United States Court of Appeals for the Second Circuit upheld copyright protection for two prize-winning belt-buckle designs that demonstrated "substantial originality" and that "rose to the level of creative art." On the authority of *Kieselstein-Cord v. Accessories by Pearl, Inc.*,<sup>69</sup> exceptionally creative designers could sometimes invoke the conceptual separability doctrine to prevent competitors from appropriating designs that might have met the nonobviousness standard of patent law if a timely

<sup>65</sup> See *Esquire, Inc. v. Ringer*, 591 F.2d 796, 800 (D.C. Cir. 1978), cert. denied, 440 U.S. 908 (1979) (modern design of outdoor lamp not copyrightable); *Norris Industries, Inc. v. IIT Corp.*, 696 F.2d 918 (11th Cir. 1983) (designs of wire-spoked automobile wheel covers not copyrightable); see also *Eltra Corp. v. Ringer*, 579 F.2d 294 (4th Cir. 1978) (typeface designs not works of art under Section 5(g) of the 1909 Act).

<sup>66</sup> See generally G. Sena, *I Diritti sulle Invenzioni e sui Modelli Industriali* 535-39 (1984); Fabiani (1988), *supra* note 20, at 231-36.

<sup>67</sup> See especially Auteri, "Industrial Design," in *Dizionario del Diritto Privato* 565, 577-82, 585-90 (N. Irti, ed. 1981). Professor Auteri contends that the economic value of the formal element must not depend on the utility of the material support. See also F. Perret, *supra* note 3, at 262-63.

<sup>68</sup> See, e.g., G. Sena, *supra* note 66, at 538-39 (citing Auletta, Greco and Vercellone, and Bonasi Benucci, among others); Benussi, *supra* note 3, at 63-64; see also Franzosi, "Arte e diritto," 26 *Rivista di Diritto Industriale* 285, 295 (1977).

<sup>69</sup> *Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989, 990-91 (2d Cir. 1980).

application had been filed. Rejecting the District of Columbia Circuit's thesis that such an exception to the general rule of separability contravened the overall Congressional policy against copyright protection of industrial designs, the Second Circuit declared that, "so long as the statute remains in its present form," it will "always be necessary to determine whether in a given case there is a physically or conceptually separable artistic sculpture or carving capable of existing independently as a work of art."

Wittingly or unwittingly, this influential American court had sided with those Italian writers who viewed conceptual separability as a test of artistic intensity or degree. In so doing, its unorthodox methodology closely tracked that of the Supreme Court in the Federal Republic of Germany, which affords copyright protection to a few highly creative designs whose "esthetic content ... is greater than that asked of objects that are mere designs and models."<sup>70</sup> Courts in numerous other countries have adopted similar techniques at various times to fashion what commentators term a regime of "partial cumulation."

Ironically, when the Copyright Office first expressed its preference for partial cumulation in 1956, it was the Second Circuit—in the well-known *Vacheron* case—that had balked at any digression from the principle of nondiscrimination.<sup>71</sup> Wiser by some 25 years of experience with the works of "applied art" that *Mazer v. Stein* had ushered in, the successors to this same court discovered—in *Kieselstein-Cord*—why so many of their foreign counterparts ultimately derogated from general principles of copyright law when adjudicating legal monopolies in borderline utilitarian works that appeal to both the copyright and the patent paradigms.

### (b) Conceptual Separability Reconsidered

To keep *Kieselstein-Cord* in perspective one must realize that the majority opinion actually upheld the Copyright Office's own decision to register the belt-buckle designs in question. The action of the Copyright Office, in turn, can be reconciled with its long-standing preference for a regime of partial cumulation. Comparative legal history teaches, however, that regimes of partial cumulation remain fully functional only so long as courts require objective evidence of exceptional

achievement as a precondition of copyrightability while confining ordinary commercial designs to whatever design protection laws happen to be in place. The admonition of the Supreme Court in the Federal Republic of Germany, for example, that the "line of demarcation between copyright protection and that of designs and models must not be [set] too low"<sup>72</sup> explains why partial cumulation in that country has stood the test of time.

When, in contrast, appellate tribunals balk at derogating continually from the copyright law's general principle of nondiscrimination, their very hesitation soon frustrates the goal of drawing principled distinctions between eligible and ineligible designs. As inconsistent decisions multiply over time, downward pressures on the criterion in force pull towards ever more expansive copyright protection of industrial art.<sup>73</sup> In the most recent example, "nostalgics of the copyright approach" have persuaded the Benelux Court of Justice to soften the "markedly artistic character" test of applied art adopted in a regional harmonization treaty, with the result that industrial designs in the Netherlands may yet obtain long-term copyright protection in a judge-made regime of total cumulation under the "unity of art" banner.<sup>74</sup>

The principle of nondiscrimination, which the United States Supreme Court upheld in *Bleistein v. Donaldson Lithographing Company*, is deeply ingrained in the American copyright tradition,<sup>75</sup> as the dissenting opinion in *Kieselstein-Cord* made plain. This worried the United States copyright authorities, who soon had reason to fear that judicial loyalty to *Bleistein* might deter courts following *Kieselstein-Cord* from limiting the conceptual separability doctrine to a few exceptionally creative designs. Rather than run this risk, the Copyright Office has recently repudiated its previous decision to register the belt-buckle designs in *Kieselstein-Cord* as a misinterpretation of the separability criterion itself.<sup>76</sup>

As the copyright authorities now see it, conceptual separability has nothing to do with aesthetic

<sup>70</sup> See Reimer, *supra* note 70.

<sup>71</sup> See, e.g., Desbois in "Les perspectives," *supra* note 5, at 74 (criticizing inconsistent decisions "discouraging for their subtlety" that plague regimes of partial cumulation).

<sup>72</sup> See, e.g., H. Cohen Jehoram, "Cumulative Design Protection—A System for the EC?" [hereinafter "Cumulative Protection"], in *Disegno Industriale e Protezione Europea*, *supra* note 3, at 55, 60-64 (discussing the *Screenoprints* decision by the Benelux Court of Justice on May 22, 1987, and the decision by the Netherlands Supreme Court concerning the same case on January 15, 1988).

<sup>73</sup> *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239 (1903).

<sup>74</sup> See Schrader [General Counsel, United States Copyright Office], "Copyright Office Registration of Industrial Designs," 19 *U. Baltimore L. Rev.* 445 (Symposium Issue on Design Protection, 1990); see further U.S. Copyright Office, *Compendium of Copyright Office Practices (II)*, § 505.05 (1984) [hereinafter cited as "Compendium II"].

<sup>70</sup> Reimer, "The Relations Between Copyright Protection and the Protection of Designs and Models in German Law," 98 *RIDA* 38, 40-42 (1978); accord, E. Ulmer, *Urheber- und Verlagsrecht* 147 (3rd ed. 1980). In effect, the German High Court (BGH) borrows the evaluative criteria of patent law to distinguish the few copyrightable designs of useful articles that make "an artistic contribution" from the great mass of designs whose fate depends on eligibility under a *sui generis* design law. See generally Kunz-Hallstein, "Design Protection in Germany," in *Disegno Industriale e Protezione Europea*, *supra* note 3, at 67, 76-77; Kruger, "Designs Between Copyright and Industrial Property Protection," 15 *I.I.C.* 168, 177-81 (1984).

<sup>71</sup> See *supra* note 61 and accompanying text; *Vacheron & Constantin-Le Coultre Watches v. Benrus Watch Co.*, 260 F.2d 637 (2d Cir. 1958).

value, or with the functionality of a design, or with the amount of effort that went into creating it. Nor does it matter that a particular useful object might be worn as jewelry, or that it was the product of a famous designer, or that it had earned prizes and other forms of recognition for artistic excellence. What matters officially is that the form or shape in question can be reproduced in a drawing or on other objects without sacrificing its integrity as an autonomous work of art. In other words, given a design that is "physically inseparable by ordinary means from the utilitarian item," the Copyright Office has determined that conceptual separability could only arise if its aesthetic features were "nevertheless clearly recognizable as a pictorial, graphic, or sculptural work which can be visualized on paper ... or as free standing sculpture ... independent of the shape of the useful article" with which it was associated.<sup>77</sup>

Under this reformulation of the criterion set out in Section 101 of the 1976 Act, the designs of the belt buckles in *Kieselstein-Cord* were never separable either physically or conceptually from the shapes of the buckles themselves. The Copyright Office today, according to its General Counsel, if faced with a similar application for registration, would therefore invoke *Esquire v. Ringer* and *Norris Industries v. ITT* to deny copyright protection as applied art<sup>78</sup> and would not follow the majority opinion in *Kieselstein-Cord* for which it was directly responsible! Indeed, the Office now views the belt-buckle designs exactly as the dissenting judge in *Kieselstein-Cord* argued they ought to have been viewed when he wrote that the "works sued on are, while admirable aesthetically pleasing examples of modern design, indubitably belt buckles and nothing else."

Remarkable as this may seem, it will not escape the attentive reader that the language now used by the United States copyright authorities to implement the conceptual separability doctrine parallels the approach to that same doctrine recommended by the strict constructionists in Italy, who have so far persuaded the Italian tribunals to heed their advice. It is, in short, the language of noncumulation preferred by Professors Auteri and Fabiani, rather than that of partial cumulation preferred by Professors Algardi, Benussi, Franzosi and Sena. In this manner, the United States Copyright Office has written off its historical predilection for regimes of partial cumulation as a lost cause, at least in the absence of a Congressional decision to enact a *sui generis* design law. And it has sided with those at home and abroad who would never allow a modern "high tech" design into copyright law no matter how "aesthetically satisfying and valuable" it might be.

These developments pose two rather intriguing questions. First, one may justifiably wonder how long the Copyright Office will adhere to its own official line, given its past record and the fact that the bulk of the designs qualified to enter copyright law under this doctrine will be less worthy of protection from either an artistic or a commercial standpoint than those likely to be excluded. Assuming the Office sticks to its revisionist line, the second question concerns the judicial response likely to ensue. Will the United States Court of Appeals for the Second Circuit, in particular, fall meekly into line with this administrative conversion to a strict noncumulationist regime? Or will its more protectionist members cling to the majority opinion in *Kieselstein-Cord* and maintain the regime of partial cumulation that the copyright authorities had themselves convinced the Court to establish in 1980?

## (2) Demise of the Neo-German Model?

### (a) Judicial Aversion to Noncumulation

The first major decision to probe these issues was *Carol Barnhart, Inc. v. Economy Cover Corporation*, which concerned two sets of life-sized human torsos used to display wearing apparel in retail clothing stores.<sup>79</sup> One male-and-female set of torsos wore sculpted shirts, the other was left unclad. All exhibited life-like and anatomically correct features, except that they lacked necks and arms and were hollowed out at the back to hold excess fabric when displaying garments. Since the defendant admitted copying both sets of mannequins, the case turned on the validity of the copyrights that the originator thought he had perfected when the Copyright Office agreed to register the forms as sculptural works.

The lower court disregarded the plaintiff's certificate of registration and denied copyrightability on the ground that the mannequins possessed no aesthetic features capable of independent existence when separated physically or conceptually from the utilitarian aspects of the forms. On appeal, the Second Circuit refused to honor the presumption of validity to which a certificate of copyright registration was nominally entitled, unlike the Court of Appeals for the Federal Circuit, which had strengthened the presumption of validity afforded to issued design patents. This conclusion followed, according to a majority of the panel, because the Copyright Office does not examine the prior art, nor do its officials need special expertise to decide whether to register a work or not. Hence, judges were as qualified as the Register to view the forms and determine their eligibility under the law, a point the Second Circuit had already stressed in *Kieselstein-Cord*.

<sup>77</sup> "Compendium II," *supra* note 76, § 505.03.

<sup>78</sup> See *supra* note 65 and accompanying text; Schrader, *supra* note 76.

<sup>79</sup> *Carol Barnhart, Inc. v. Economy Cover Corp.*, 773 F.2d 411 (2d Cir. 1985).

When it came to implementing this task, however, the Second Circuit and the Copyright Office turned out to be speaking two different languages. The Copyright Office had accepted the torso forms for registration because a string of precedents, derived from *Mazer v. Stein*, protected dolls, figurines, and other representational shapes applied to useful articles. The Office therefore regarded the human torso in any form as copyrightable subject matter. Viewed from the front, moreover, these particular torsos could stand alone as sculptured human figures, which brought them within the strict interpretation of separability set out in the 1984 revision of the *Compendium of Copyright Office Practices*.<sup>80</sup> The Copyright Office thus feared to deny eligibility lest it appear to have rejected the torso designs merely because they served a useful purpose, contrary to the United States Supreme Court's explicit holding in *Mazer v. Stein*. To the extent that *Mazer* rejected a "destination" or "purpose" test, in short, the authorities felt unable to exclude these mannequins without straying from that precedent and from the long-standing administrative practices built around it.

In contrast, the majority opinion in *Carol Barnhart* perceived the Copyright Office's decision to register these mannequins as illogical largely because the panel seemed unaware that the Office had repudiated its previous action in *Kieselstein-Cord*. In *Kieselstein-Cord*, the Office had implicitly asked the Court to validate belt buckle designs whose exceptional aesthetic qualities made them a museum piece. The mannequins used to display retail clothing were hardly creative achievements. Faithful to *Kieselstein-Cord*, the majority in *Carol Barnhart* rejected the proposition that the design of a useful article was entitled to a "lower level of scrutiny" in determining its eligibility "merely because ... [it] falls within a traditional art form." Admitting the torso designs to copyright law thus appeared inconsistent with both the legislative history, which denied protection to most aesthetically satisfying commercial designs, and with the Court's prior decision in *Kieselstein-Cord*, which had declared that "the vast majority of belt buckles" would not "rise to the level of creative art" under the tests of creativity and conceptual separability that the Second Circuit had laid down.

To complicate matters further, Judge Newman, the dissenting member of the *Barnhart* panel, flatly rejected any criterion of aesthetic achievement that derogated from the *Bleistein* principle of nondiscrimination. He thus indirectly attacked the majority opinion in *Kieselstein-Cord* at its most vulnerable

point, much as Judge Clark, dissenting in *Vacheron*, had attacked Register Fisher's "clearly a work of art in itself" test some 20 years earlier. The *Barnhart* dissent then proposed a new test, to be known as the "temporal displacement" test, that would characterize aesthetic features as conceptually separable if "the article stimulate[s] in the mind of the beholder a concept that is separate from the concept evoked by its utilitarian function" or "that can displace at least temporarily the utilitarian concept." Asked to apply his proposed test to the facts at hand, Judge Newman declared that one set of torsos indubitably satisfied the criterion of conceptual separability as thus defined, while his decision concerning the second set would require more evidence than the record contained!

A majority of the panel, led by Judge Oakes, dismissed this improvised test of conceptual separability as administratively unsound and as an "illusory standard" that led to the "bottomless pit" of copyright protection for industrial art of every kind. In other words, the proposed "temporal displacement" test appeared to be a thinly disguised formula for converting the exclusionary criterion of separability into an inclusionary formula inspired by the late Professor Melville Nimmer's "unity of art" leanings. The majority then ended the debate by denying copyright protection on the grounds that "the features claimed to be aesthetic or artistic, e.g., the life-size configuration of the breasts and the width of the shoulders, are inextricably intertwined with the utilitarian features, the display of clothes."

Nevertheless, the Second Circuit emerged from this fracas on a collision course with the Copyright Office for the first time since the *Vacheron* decision in 1958. Ironically, the two sides were now on opposite sides of the fence, with the Second Circuit rooting for partial cumulation and the Copyright Office penitently adhering to a strict noncumulationist line. Meanwhile, the scarecrow of nondiscrimination, raised by the dissent in *Carol Barnhart*, was about to paralyze the Court's ability to administer its own fledgling regime of partial cumulation.

#### (b) *Healing a Split in the Circuits*

These tensions came to a head in 1987, when *Brandir International, Inc. v. Cascade Pacific Lumber Co.*<sup>81</sup> reached the Second Circuit on appeal. This case concerned the modern design of a bicycle rack, made of bent tubing, which the designer had derived from an original wire sculpture that lacked any utilitarian purpose at the time he first created it. On the one hand, the case resembled *Kieselstein-Cord* in that considerable objective evidence established the superior artistic character of the design. On the other hand, the evidence also

<sup>80</sup> See "*Compendium II*," *supra* note 76, §§ 505.03-505.05. This interpretation did not require a separable work of applied art to retain its economic value when reproduced on different material supports, only its overall artistic integrity. *Id.* For the contrary view in regard to Italian law, see *supra* note 67 (view of Auteri).

<sup>81</sup> *Brandir International, Inc. v. Cascade Pacific Lumber Co.*, 834 F.2d 1142 (2d Cir. 1987).

showed that the designer had subsequently modified his original wire sculpture in order to make the design functionally more efficient for use as a bicycle rack, a use discovered *after* he created the form.

This time the Copyright Office had refused to register the design of the bicycle rack because it contained no element "capable of independent existence as a copyrightable pictorial, graphic or sculptural work apart from the shape of the useful article." The Office thus closed the very door to conceptual separability it had opened in *Kieselstein-Cord* and contemporaneously implemented the strict interpretation of separability to which it had converted in the revised *Compendium* of 1984.

A panel of the Court of Appeals for the Second Circuit, in contrast, formally declined to acquiesce in the Copyright Office's own retreat from partial cumulation. "'Conceptual separability' is ... alive and well, at least in this circuit," declared Judge Oakes, writing for the majority, "[t]he problem ... is determining exactly what it is and how it is to be applied." Unable to resolve the controversy over the proper line of demarcation that *Carol Barnhart* had rendered so acute, this panel, like its predecessors, then divided once again on the meaning of conceptual separability.

The majority ultimately agreed with the conclusion reached by the copyright authorities that the design of the bicycle rack could not qualify as applied art due to the designer's integration of form and function. In evaluating the conceptual separability exception to the general rule of separability, however, the majority pointedly declined to enquire whether the design in question displayed "substantial originality" and "rose to the level of creative art," as the majority in *Kieselstein-Cord* had done. Given the merger of form and function in this highly artistic design of a bicycle rack, that was the logical issue to pursue under the neo-German regime of partial cumulation that the Second Circuit had appeared to favor in 1980.

Such an analysis would have broken too openly with the principle of nondiscrimination that had surfaced in *Carol Barnhart*, however. Instead, a chastened majority, speaking through Judge Oakes, now joined with the Copyright Office in officially disavowing further attempts to measure conceptual separability in terms of artistic achievement because they had been "reminded ... by numerous ... opinions ... that we judges should not let our own views of styles of art interfere with the decisionmaking process in this area." In the Second Circuit as in the Copyright Office, in short, the *Bleistein* principle of nondiscrimination would formally restrict the legal criteria used to draw the line of demarcation between applied art and industrial designs once again.

The matter did not rest there, however, because the *Brandir* majority then declined to take the easy

way out by simply endorsing the Copyright Office's own revisionist interpretation of the separability criterion. On the contrary, the majority now professed to discover a new test of conceptual separability, launched by Professor Denicola in 1983, which distinguished between copyrightable works of applied art "whose origins lie outside the design process, despite the utilitarian environment in which they appear," and ordinary industrial designs that inhibit "the unconstrained perspective of the artist."<sup>82</sup> On this approach, which might be termed the "design process and nature of the work" test, conceptual separability would depend on "the extent to which the work requires artistic expression uninhibited by functional considerations."

Armed with this new key to the 200-year old mystery of how to collocate industrial designs within the framework of the world's intellectual property system, the *Brandir* majority inspected the design of the bicycle rack for elements that could "be identified as reflecting the designer's artistic judgment exercised independently of functional considerations." In so doing, it affirmed the belief that the shape of a telephone influenced by Arp, Brancusi or Moore would surely satisfy this new test of conceptual separability. To the dismay of the dissent, however, the bicycle rack in *Brandir* failed even this test because its form, as finally adopted, was significantly influenced by utilitarian concerns. Any plea that the design might qualify as minimalist art was therefore unavailing, as were the numerous awards it had garnered. Indeed, these very awards only served to establish that the designer of the bicycle rack had "achieved ... the highest goal of modern industrial design, that is, the harmonious fusion of function and aesthetics," which now made it uncopyrightable by definition!

### 3. Critical Evaluation of Current Law

The *Brandir* decision is the least persuasive of the cases applying the conceptual separability test after 1976. For example, the majority's exaggerated concern about violating the rule in *Mazer v. Stein* would have been justified under the regulations issued prior to 1976 because nothing in *Mazer* or the 1909 Act expressly supported the separability criterion that the Copyright Office had engrafted upon the Supreme Court's opinion. After the codification of 1976, however, Section 101 authorized courts to rule that even modern shapes analogous to abstract works of sculpture might forfeit eligibility *as works of applied art* if their forms were inseparably joined with a functional application in the *design of a useful article*. Doctrinally, this follows from the strict inter-

<sup>82</sup> *Brandir International, Inc. v. Cascade Pacific Lumber Co.*, 834 F.2d 1142, 1145 (2d Cir. 1987), quoting Denicola, "Applied Art and Industrial Design: A Suggested Approach to Copyright in Useful Articles," 67 *Minn. L. Rev.* 707, 741 (1983).

pretation of separability, which denies protection to shapes that cannot be reproduced on other material supports without loss of artistic integrity. In policy terms, this result serves to prevent the exclusive reproduction rights of copyright law from disrupting the application of design patent law to "high tech" designs that are sold on the products market rather than on the market for artistic works as such.

The *Brandir* majority complained that, under the Copyright Office's current interpretation of separability, a superior modern design of a bicycle rack could not enter copyright law while a telephone shaped like Mickey Mouse would pass muster. This unpalatable result might understandably have prompted the Second Circuit to stress the transcendental qualities of the bicycle rack *qua* art, as it had done for the belt buckles in *Kieselstein-Cord*. But the majority could neither bring itself to confirm that precedent, in deference to *Bleistein* and the principle of nondiscrimination, nor to affirm the strict version of separability now in favor at the Copyright Office. Rather, the majority tried to weasel out of its dilemma by stressing that the designer had not applied his sculpture to a useful object in the pure and unadulterated form with which it had come into being.

In other words, the majority refused to protect a sculptural form because the creator had subsequently altered its dimensions in order to increase its efficiency as a bicycle rack. By emphasizing the purpose of these posterior design modifications, however, the opinion allowed eligibility to turn fortuitously on the process or sequence of decisions taken by the designer, and it raised the spectre of a *de facto* destination test that did conflict with *Mazer v. Stein* as codified in 1976. Dissenting Judge Winter chided his brethren for this aberration, which he and Judge Newman had brought about by over-emphasizing the role of *Bleistein* in an industrial milieu; and the Copyright Office has distanced itself from the reasoning—but not the end result—in *Brandir*.

The *Brandir* majority's ruminations on aesthetic philosophy were even more disconcerting than its propensity to tinker with the venerable theory of dissociation. The opinion suggests that the pioneers of modern design would have sympathized with the "design process" test because the streamlined shape of a telephone "may be equally divorced from utilitarian influences as a telephone shaped like Disney's Mickey Mouse." In reality, Arp, Brancusi and Moore would have been appalled to learn that the modern design of a telephone they inspired might become copyrightable in the United States of America because courts deemed it "sufficiently divorced from utilitarian influences." They would insist that, in their telephones, art and utility had merged, that no "divorce" whatsoever was possible or desirable, and that the object had to be protected as a superior creative achievement for that very reason.

Whatever its merits, the Supreme Court in the Federal Republic of Germany could accommodate such an argument under that country's prototypical regime of partial cumulation, especially if expert testimony objectified the level of artistic achievement; and this had been the Second Circuit's approach in *Kieselstein-Cord*. In contrast, the Supreme Court of Italy, while capable of accommodating this argument without any theoretical difficulties, would decline to implement it in practice lest lower courts undermined the primacy of the *sui generis* design law through the vagaries of a case-by-case analysis of conceptual separability. In other words, both the Italian Supreme Court after 1957 and the United States Copyright Office after 1984 would apply the strict doctrine of separability to cases like *Brandir* on the grounds that their respective legislators had established design patent laws to promote the decorative arts without unduly burdening free competition.

Between these extremes, the *Brandir* majority implied that Professor Denicola's "design process" test enabled the Second Circuit to establish a new and more flexible approach to conceptual separability that would avoid the supposed anomalies of dissociation theory without derogating from the principle of nondiscrimination. Those familiar with the long history of foreign design law, however, will have reason to doubt that the "design process" test discovered in *Brandir* was very new at all. On the contrary, Denicola's test, like its Italian counterpart launched by Professor Franzosi in 1977,<sup>83</sup> bears marked affinities to similar tests that were used and discarded in France and other countries during the 19th and early 20th centuries.<sup>84</sup> It also evokes the "aesthetic surplus" or "prevalence" test, used for a time by the High Court of Germany after the First World War, which recognized a protectable work of applied art "when the extra aesthetic element added to the functionalism of the forms, whatever the artistic value, attains to such a degree that one can speak of art, taking into account generally accepted opinion."<sup>85</sup>

<sup>83</sup> See Franzosi, *supra* note 68, at 295 (proposing that a design should be deemed separable and protectable if the observer "appreciates the work more for its aesthetic value than for its utilitarian value. If the observer finds its artistic value more significant than its utilitarian value, or if indeed the artistic value should make one almost forget the utilitarian value," the separability test would be met). (Trans. J.H.R.)

<sup>84</sup> See, e.g., F. Perret, *supra* note 3, at 242; Gaubiac, *supra* note 5, at 46-47 (attributing the criterion based on the secondary or accessory character of the aesthetic features to E. Philippon, *Traité théorique et pratique de la propriété des dessins et des modèles industriels* (1880), who stressed the gratuitous nature of art "applied" to industrial objects as distinct from mere designs determined by the utilitarian object itself). In all, French courts and commentators struggled with at least five different criteria in seeking to determine the line of demarcation between industrial designs and applied art during the 19th century. The unity of art doctrine was adopted in exasperation with them all.

<sup>85</sup> Reimer, *supra* note 70, at 40-41. The Copyright Office reads Denicola's test this way. See Schrader, *supra* note 76.

If one bothers to ask why these and innumerable other tests that appear plausible on their face are always discarded sooner or later in this peculiar corner of the law, the answer is always the same: such tests inherently defy consistent administration on a case-by-case basis.<sup>86</sup> Over time, courts applying any of these tests will either succumb to protectionist pressures thrusting downwards towards the “unity of art” position—as seems to be occurring in the Benelux countries today—or they will tilt upwards towards an overt test of aesthetic accomplishment, as occurred in the Federal Republic of Germany after the Second World War. In effect, the Supreme Court in the Federal Republic of Germany allows copyright law to shelter ornamental designs of useful articles from competition on the products market only if they meet a *de facto* nonobviousness standard of aesthetic achievement borrowed from industrial property law for the specific purpose of defending the integrity of the design protection law in force.

That the “design process” test endorsed in *Brandir* suffers from these defects was later conceded by its originator, Professor Denicola, and by Professor Brown, who believes that it will “leave too much room for self-serving declarations of aesthetic aims.”<sup>87</sup> Perhaps the most ironic and instructive aspect of the *Brandir* opinion is that the majority, having discovered this test, may not actually have applied it in the end. Pressed by the dissent to follow *Kieselstein-Cord* to its logical conclusion, the majority was forced to acknowledge that the bicycle rack in question was just a “product of industrial design” whose “[f]orm and function [were] inextricably intertwined ... being as much the result of utilitarian pressures as aesthetic choices.” Like the outdoor lamp in *Esquire, Inc. v. Ringer*, the artistic elements of the bicycle rack, though “worthy of admiration,” were inseparable from the functional elements in which they merged, even if the form of the rack existed independently as a work of art in the minds of the experts. The *Brandir* majority thus ended by denying protection for much the same reason that the Register of Copyrights had refused to register the design in the first place, and a collision between the Court and the Copyright Office was narrowly averted at the last moment.

That the Second Circuit has tired of its experiment with partial cumulation can hardly be doubted after this decision, as Judge Winter’s dissent gleefully pointed out. If *Brandir*’s award-winning design of a bicycle rack, derived from an original wire sculpture, was not conceptually separable despite the

majority’s dicta about “design process,” then the operative test of separability in the Second Circuit resembled the test used in those other federal appellate courts that had excluded the designs of an outdoor lamp, of wire-spoked hubcaps, and of carpet display folders on grounds of inseparability. Weary of more bloody struggles in the name of nondiscrimination, Judge Oakes in particular may henceforth tend to view conceptual separability as a theoretical construct that, in practice, is seldom allowed to temper the policy of whatever design protection law happens to be in force.

If so, the Second Circuit’s approach to copyrightable applied art in the future will draw nearer to the neo-Italian construction of *Esquire v. Ringer*, and the split in the circuits, opened in 1980, could largely heal of its own accord. Meanwhile, one should not forget that both the majority and the dissent in *Brandir* quietly agreed to remand the design of the bicycle rack to the lower court with instructions to consider its eligibility for protection as “appearance trade dress” under Section 43(a) of the Lanham Act. Mindful of the growing opportunities to expand the protection of industrial designs under federal unfair competition law, which both the Second and Ninth Circuits had pioneered, the majority in *Brandir* may well have concluded that the struggle to install a measured regime of partial cumulation between the patent and copyright laws was no longer worth either the effort or the risks it entailed.

Nevertheless, the *Brandir* majority had gone on record as favoring a “design process” test of conceptual separability, while the dissenting judge in *Brandir* had sided with the *Carol Barnhart* dissent in advocating a “temporal displacement” test of conceptual separability. Either test could become highly protectionist over time if endorsed by the Second Circuit as a whole or by other circuits that have not yet pronounced upon these matters. Although the copyright authorities oppose both tests and have intensified their defense of the noncumulationist fortress, district courts in different jurisdictions seem increasingly inclined to cite the protectionist dissents in *Brandir* and *Carol Barnhart* rather than the orthodox formulation of *Compendium (II) of Copyright Office Practices*.

It remains to be seen, therefore, whether the experimental regime of partial cumulation operating, since 1980, in one United States federal appellate jurisdiction has really ended or is just temporarily suspended. If the latter, then—absent prompt and carefully contrived *sui generis* design legislation—there is still reason to fear that “nostalgics of the copyright approach” may yet overpower the partisans of noncumulation in this country as they appear to have done in the Netherlands only a short while ago.

<sup>86</sup> See, e.g., Gaubiac, *supra* note 5, at 46-47; Desbois, *supra* note 5, at 74.

<sup>87</sup> Brown, “Design Protection: An Overview,” 34 *UCLA L. Rev.* 1341, 1351, 1352-53 n.51 (1987) (reporting the later views of Denicola).

## News Items

### MALAWI

#### *Registrar General*

We have been informed that Mrs. A.S. Msosa has been appointed Registrar General.

### SOVIET UNION

#### *State Patent Agency of the USSR*

We have been informed that the title of the competent industrial property administration is now State Patent Agency of the USSR.

## Calendar of Meetings

### WIPO Meetings

(Not all WIPO meetings are listed. Dates are subject to possible change.)

1991

June 3 to 21 (The Hague)

**Diplomatic Conference for the Conclusion of a Treaty Supplementing the Paris Convention as Far as Patents Are Concerned (First Part)**

The Diplomatic Conference will discuss a treaty supplementing the Paris Convention as far as patents are concerned (patent law treaty).

*Invitations:* States members of the Paris Union, the European Patent Organisation and the Organisation africaine de la propriété intellectuelle and, as observers, States members of WIPO not members of the Paris Union and certain organizations.

June 19 to 21 (Paris)

**Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations: Intergovernmental Committee (Ordinary Session)** (convened jointly with ILO and Unesco)

The Committee will review the status of the international protection of neighboring rights under the Rome Convention.

*Invitations:* States members of the Intergovernmental Committee and, as observers, other States members of the United Nations and certain organizations.

July 1 to 4 (Geneva)

**WIPO Permanent Committee for Development Cooperation Related to Industrial Property (Fourteenth Session)**

The Committee will review and evaluate the activities undertaken under the WIPO Permanent Program for Development Cooperation Related to Industrial Property since the Committee's last session (May/June 1989) and make recommendations on the future orientation of the said Program.

*Invitations:* States members of the Committee and, as observers, States members of the United Nations not members of the Committee and certain organizations.

July 8 to 12 (Geneva)

**PCT Assembly (Extraordinary Session)**

The Assembly will hold an extraordinary session to adopt amendments to the Regulations under the Patent Cooperation Treaty.

*Invitations:* States members of the PCT Union and, as observers, States members of the Paris Union not members of the PCT Union and certain organizations.

September 2 to 6 (Geneva)

**Committee of Experts on the Settlement of Intellectual Property Disputes Between States (Third Session)**

The Committee will continue the preparations for a possible multilateral treaty.

*Invitations:* States members of the Paris Union, the Berne Union or WIPO or party to the Nairobi Treaty and, as observers, certain organizations.

September 23 to October 2 (Geneva)

**Governing Bodies of WIPO and the Unions Administered by WIPO (Twenty-Second Series of Meetings)**

All the Governing Bodies of WIPO and the Unions administered by WIPO meet in ordinary session every two years in odd-numbered years. In the 1991 sessions, the Governing Bodies will, *inter alia*, review and evaluate activities undertaken since July 1990, and consider and adopt the draft program and budget for the 1992-93 biennium.

*Invitations:* As members or observers (depending on the body), States members of WIPO or the Unions and, as observers, other States members of the United Nations and certain organizations.

November 4 to 8 (Geneva)

**Committee of Experts on a Possible Protocol to the Berne Convention (First Session)**

The Committee will examine whether the preparation of a protocol to the Berne Convention for the Protection of Literary and Artistic Works should start, and—if so—with what content.

*Invitations:* States members of the Berne Union and, as observers, States members of WIPO not members of the Berne Union and certain organizations.

**November 11 to 18 (Geneva)**

**Working Group on the Application of the Madrid Protocol of 1989 (Fourth Session)**

The Working Group will continue to study Regulations for the implementation of the Madrid Protocol.

*Invitations:* States members of the Madrid Union, States having signed or acceded to the Protocol, the European Communities and, as observers, other States members of the Paris Union expressing their interest in participating in the Working Group in such capacity and certain non-governmental organizations.

**December 2 to 5 (Geneva)**

**Committee of Experts on the International Protection of Geographical Indications (Second Session)**

The Committee will examine a preliminary draft of a treaty on the international protection of indications of source and appellations of origin.

*Invitations:* States members of the Paris Union and, as observers, certain organizations.

## UPOV Meetings

(Not all UPOV meetings are listed. Dates are subject to possible change.)

**1991**

**October 21 and 22 (Geneva)**

**Administrative and Legal Committee**

*Invitations:* Member States of UPOV and, as observers, certain non-member States and inter-governmental organizations.

**October 23 (Geneva)**

**Consultative Committee (Forty-Fourth Session)**

The Committee will prepare the twenty-fifth ordinary session of the Council.

*Invitations:* Member States of UPOV.

**October 24 and 25 (Geneva)**

**Council (Twenty-Fifth Ordinary Session)**

The Council will examine the reports on the activities of UPOV in 1990 and the first part of 1991 and approve the program and budget for the 1992-93 biennium.

*Invitations:* Member States of UPOV and, as observers, certain non-member States and inter-governmental organizations.

## Other Meetings Concerned with Industrial Property

**1991**

**September 15 to 20 (Lucerne)**

International Association for the Protection of Industrial Property (AIPPI): Council of Presidents

**September 30 to October 4 (Harrogate)**

International Federation of Industrial Property Attorneys (FICPI): Congress

**October 21 and 22 (New York)**

International League of Competition Law (LIDC): Study Days

**1992**

**March 16 to 20 (Innsbruck-Igls)**

International Federation of Industrial Property Attorneys (FICPI): Executive Committee

**October 7 to 10 (Amsterdam)**

International League of Competition Law (LIDC): Congress

