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UNITED STATES LEGISLATIVE ACTIVITY FOR ALTERNATIVE INDUSTRIAL DESIGN PROTECTION

Rosemarie G. Bowie†

The inclusion of designs in the United States patent law seems to have been more by chance than anything else. In his 1841 report to Congress, the first Commissioner of Patents, Henry L. Ellsworth, called attention to the fact that no protection existed for new or original designs. At that time, there was no central copyright office, although there was a central Patent Office. Commissioner Ellsworth suggested that a convenient way of providing protection for designs would be to authorize the Commissioner to issue patents for designs under the same limitations and conditions that govern other patents.¹ Congress responded by passing the Act of August 29, 1842, which provided that, "[A]ny citizen . . . who by his, her, or their own industry, genius, efforts, and expense, may have invented or produced any new and original design" may apply for a design patent.²

The 1842 Act was amended by the Act of July 8, 1870, which required that the design be "useful."³ This was in turn amended by the Act of May 9, 1902,⁴ which replaced "useful" with "ornamental."⁵ Moreover, a bill was introduced in 1898 to give copyright protection to artistic designs which were intended to be used in connection with articles of trade or commerce.⁶ The report stated:

The law should recognize and reward by protection the artistic conception, irrespective of whether the ultimate purpose of the artist or proprietor is to execute and multiply the conception for purposes of decoration as a work of fine arts or to associate it with some article of manufacture in trade or commerce.⁷

However, it was not until 1914 that the first bill providing sui generis protection for designs was introduced by Representative Oldfield.⁸

Mr. Oldfield's bill would have provided copyright-type protection for original designs for terms of three to twenty years.⁹ At hearings held from April 22 to May 27, 1914, the chief opponents of the bill were the

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1. 2 S. LADAS, PATENTS, TRADEMARKS, AND RELATED RIGHTS: NATIONAL AND INTERNATIONAL PROTECTION 830 (1975).

2. Act of Aug. 29, 1842, ch. 263, § 3, 5 Stat. 543.

3. Act of July 8, 1870, ch. 230, § 24, 16 Stat. 198, 201.

4. Act of May 9, 1902, ch. 783, § 4929, 32 Stat. 193.

5. S. REP. NO. 1139, 57th Cong., 1st Sess. (1902).

6. H.R. 8620, 55th Cong., 2d Sess. (1898).

7. H.R. REP. NO. 691, 55th Cong., 2d Sess. 2 (1898).

8. H.R. 11321, 63d Cong., 2d Sess. (1914).

9. *Id.* § 13.

businesses that furnished repair parts to machines and devices which had been manufactured by others. These businesses were chiefly foundries that sold repair parts for stoves and agricultural equipment.¹⁰

One witness, Mr. George Morris of the John B. Morris Foundry Co., testified: "We believe that this bill is designed principally and backed by the National Stove Manufacturers' Association, for the purpose of putting stove repair men out of business. . . . This bill would give manufacturers of stoves the privilege of registering every part [of a stove]. . . . The stove manufacturer could then sell his stove to you for any price . . . , relying upon the future business of repairs for his profits."¹¹ Mr. Morris further stated, "there is no limit to what [the stove manufacturer] would charge [for such repairs]."¹²

Most of the other bills introduced before 1957 had provisions such as, "nothing in this act shall be construed to affect or lessen the present legal right of anyone to make, use, or sell parts of manufactured articles protected hereunder when said parts are made, used, or sold as repairs."¹³ Otherwise their scope was limited to such things as textiles, furniture, lamps, shoes, and jewelry.¹⁴

A rather innovative bill, introduced by Representative Peyser in 1934, declared that design piracy was an unfair method of competition.¹⁵ The bill required each industry's trade association to define design piracy and establish a bureau for the registration of its members' designs.¹⁶ It also made the patent law's penalties and remedies applicable to anyone who made use of a design without the registrant's written consent.¹⁷

The efforts to establish an alternative system of design protection became much more intense after the Supreme Court's landmark decision in *Mazer v. Stein*.¹⁸ The holding in *Mazer*, that use in industry of an article eligible for copyright protection did not bar copyright protection nor invalidate its registration, settled the question of copyright protection for such things as fabric designs.¹⁹ Designs for furniture, office equipment, and household appliances, to name just a few, however, could not meet the Copyright Office's requirement that the design be separable from the useful article. Consequently, the present effort to provide copyright-type protection for designs began.

10. *Registration of Designs: Hearings on H.R. 11321 Before the House Comm. on Patents*, 63d Cong., 2d Sess. (1914).

11. *Id.* at 43.

12. *Id.* at 46-47.

13. S. 6925, 64th Cong., 1st Sess. (1916).

14. S. REP. NO. 1627, 71st Cong., 3d Sess. I (1931).

15. H.R. 7359, 73d Cong., 2d Sess. (1934).

16. *Id.*

17. *Id.*

18. 347 U.S. 201 (1954).

19. I M. NIMMER & D. NIMMER, *NIMMER ON COPYRIGHT*, § 2.08[H][2] (1990).

A designs coordinating committee was set up by the National Council of Patent Law Associations with Giles S. Rich as chairman. Albert C. Johnston, Phillip T. Dalsimer, and George E. Frost were members of the drafting committee; P.J. Federico and Barbara A. Ringer were technical advisors.²⁰ The committee worked for almost three years to draft the bill which was later introduced by Edwin Willis, then-Chairman of the Subcommittee on Patents, Trademarks and Copyrights, on July 23, 1957 (Willis Bill).²¹

The Willis Bill would have provided protection against unauthorized copying of ornamental designs of useful articles for a term of five years, renewable for an additional five years.²² Protection would begin on the date the design was made known with the design notice or on the application filing date, whichever was earlier.²³ Protection would be lost if, before registration was issued, the design was made known without the design notice or if the application for protection was not properly filed within six months of the design being made known.²⁴

In order to be protected under the Willis Bill, a design would have to have been intended to give the article an attractive, artistic, or distinctive appearance.²⁵ Designs which were merely utilitarian or functional in purpose would not have been protected. The bill would have also required that the design be executed in the article or in a full-size prototype before application for registration.²⁶ Designs in the public domain were the only ones specifically excluded.²⁷ Additionally, the bill provided that an article normally part of a useful article would itself be deemed a useful article.²⁸

Infringement would have consisted of making, having made, importing, or selling an article which copies or imitates a protected design without the consent of the proprietor.²⁹ Sellers and distributors were excluded from liability if they revealed their sources.³⁰ Civil remedies included injunctions, damages and destruction of molds and the like.³¹ Penalties were provided for fraudulently obtaining a registration, falsely marking an article to indicate that the design was protected, and making false representations in order to obtain a registration.³²

Between 1957 and 1976, five design protection bills passed with Sen-

20. Letter requesting comments on the draft bill from Giles S. Rich (June 24, 1957).

21. H.R. 8873, 85th Cong., 1st Sess. (1957).

22. *Id.* § 5(a).

23. *Id.* § 4(a).

24. *Id.* § 6(a).

25. *Id.* § 1(b).

26. *Id.* § 6(b).

27. *Id.* § 2.

28. *Id.* § 1(b)(2).

29. *Id.* § 9.

30. *Id.*

31. *Id.* §§ 22-23.

32. *Id.* §§ 25-27.

ate approval.³³ In 1976, design protection was Title II of the Copyright Revision Bills,³⁴ and although Title II was in the bill originally passed by the Senate, it was deleted by the House. In its report, the House Committee on the Judiciary explained that "the Committee believes that it will be necessary to reconsider the question of design protection in new legislation during the 95th Congress. At that time more complete hearings on the subject may be held"³⁵

No design protection bills were introduced in the 95th Congress. A number of design bills were introduced in the 96th, 97th, 98th, 99th and 100th Congresses,³⁶ but it was not until 1987 that hearings were held. The Senate Subcommittee on Patents, Copyrights and Trademarks held hearings on S. 791 on March 26, 1987.³⁷ Subsequently, the House Subcommittee on Courts, Civil Liberties, and the Administration of Justice held a hearing on H.R. 1179, the companion bill to S. 791, on June 23, 1988.³⁸

These two bills were very similar to the Willis Bill. The main differences were that the term of protection would have been for a single ten-year term,³⁹ and protection would have been unavailable if an application to register the design was not filed within one year from the date the design was made public.⁴⁰ Additionally, staple and commonplace designs were excluded from protection, as were three-dimensional shapes and surfaces of apparel.⁴¹ Also, a court could have increased damages to \$50,000 or one dollar per copy, whichever was greater, or alternatively, awarded the profits resulting from the sale of the infringing articles.⁴²

The testimony in opposition to the bills was reminiscent of the 1914

33. S. 1884, 87th Cong., 1st Sess. (1961); S. 776, 88th Cong., 1st Sess. (1963); S. 1237, 89th Cong., 1st Sess. (1965); S. 1361, 93d Cong., 2d Sess. (1974); S. 22, 94th Cong., 1st Sess. (1975).

34. S. 22, 94th Cong., 1st Sess. (1975); H.R. 2223, 94th Cong., 1st Sess. (1975).

35. H.R. REP. NO. 1476, 94th Cong., 2d Sess. 50 (1976).

36. H.R. 2706, 96th Cong., 1st Sess. (1979); H.R. 4530, 96th Cong., 1st Sess. (1979); H.R. 20, 97th Cong., 1st Sess. (1981); H.R. 2985, 98th Cong., 1st Sess. (1983); H.R. 1900, 99th Cong., 1st Sess. (1985); H.R. 3776, 99th Cong., 1st Sess. (1985); S. 791, 100th Cong., 1st Sess. (1987); H.R. 379, 100th Cong., 1st Sess. (1987); H.R. 1179, 100th Cong., 1st Sess. (1987); H.R. 1603, 100th Cong., 1st Sess. (1987).

37. *The Industrial Innovation and Technology Act: Hearings on S. 791 Before the Subcomm. on Patents, Copyrights and Trademarks of the Senate Comm. on the Judiciary*, 100th Cong., 1st Sess. 148 (1987).

38. *Protection of Industrial Designs of Useful Articles: Hearings on H.R. 1179 Before the Subcomm. on Courts, Civil Liberties, and the Administration of Justice of the House Comm. on the Judiciary*, 100th Cong., 2d Sess. 108 (1988).

39. H.R. 1179, 100th Cong., 2d Sess. § 1005 (1988); S. 791, 100th Cong., 1st Sess. § 1005 (1987).

40. H.R. 1179, 100th Cong., 2d Sess. § 1004 (1988); S. 791, 100th Cong., 1st Sess. § 1004 (1987).

41. H.R. 1179, 100th Cong., 2d Sess. § 1002 (1988); S. 791, 100th Cong., 1st Sess. § 1002 (1987).

42. H.R. 1179, 100th Cong., 2d Sess. § 1022 (1988); S. 791, 100th Cong., 1st Sess. § 1022 (1987).

testimony on Mr. Oldfield's bill. August P. Alegi, representing the National Association of Independent Insurers (NAII), said:

NAII is opposed to legislation that will effectively end all competition in the auto crash parts market. If adopted by the Congress, the demise of the competitive replacement parts industry is virtually assured, thereby reducing competition and restoring the [original equipment manufacturer's] monopoly. The cost to repair cars will rise, and so will insurance premiums. The person that's harmed is the policyholder to whom these costs will be passed.⁴³

One could simply substitute "replacement parts" with "stove parts" and feel as though it were 1914 again.

During this legislative process, the Department of Commerce has favored providing improved protection for designs. As far back as 1961, Assistant Commissioner Fay testified in favor of copyright protection for designs.⁴⁴ In 1975, Assistant Commissioner Tegtmeier also testified in favor of such protection.⁴⁵ At the 1975 hearing, the Department of Justice opposed any expansion of existing design protection and asserted that any such protection would create a new monopoly. Such a monopoly, argued the Department, had not been justified by a showing that the benefits would outweigh the disadvantages of removing such designs from free public use.⁴⁶

From 1968 through 1989, with the exception of 1976-77 and 1981-83, the Department of Commerce has also had design protection in its legislative program, either under study or as a draft bill. Thus far, none of its draft bills have made it through the interagency clearance process. Things may be more promising now, however, because of the growing recognition of the importance of protecting intellectual property. Nevertheless, some questions still need to be addressed.

Those unconvinced of the need for additional design protection tend to see the lack of such protection as beneficial to consumers. Their theory is that copiers sell their products at lower prices than originators, and that lower prices to consumers benefit society. They want to know specifically how additional design protection will benefit society in such a way as to offset the surmised higher prices to consumers.

43. *The Industrial Innovation and Technology Act: Hearing on S. 791 Before the Subcomm. on Patents, Copyrights and Trademarks of the Senate Comm. on the Judiciary*, 100th Cong., 1st Sess. 148 (1987) (statement of August P. Alegi, Vice President and Deputy General Counsel, GEICO).

44. *Design Protection: Hearings on S. 1884 Before the Subcomm. on Patents, Trademarks and Copyrights of the Senate Comm. on the Judiciary*, 87th Cong., 1st Sess. 138 (1961) (statement of Horace B. Fay, Jr., Assistant Commissioner of Patents).

45. *Copyright Law Revision: Hearings on H.R. 2223 Before the Subcomm. on Courts, Civil Liberties, and the Administration of Justice of the House Comm. on the Judiciary*, 94th Cong., 1st Sess. 163 (1975) (statement of Rene D. Tegtmeier, Assistant Commissioner for Patents).

46. H.R. REP. NO. 1476, 94th Cong., 2d Sess. 50 (1976).

Frequently asked questions include: Will new design protection increase investment in design for any types of products, and if so, what would the general amount of increase be for each type? What types of new designs can be expected from this increased investment that otherwise would not be created? What will be the extent of consumer benefit from these new designs? What manufacturers could be precluded from making what types of products as a result of new design protection, and what effect will it have on the prices consumers pay for these products? Does having a lower level of design protection in the United States as opposed to foreign countries benefit or harm consumers? Broad assertions will not answer these questions. Facts and figures, where obtainable, are needed. Where they are not obtainable, realistic estimates need to be made and supported by reasonable assumptions.