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This Supplement is intended for use in connection with the book TRADE DRESS AND DESIGN LAW (Aspen 2010). It includes cases decided through August 2014.

Trade dress and design law has been the subject of extraordinary developments in the past four years, especially in U.S. design patent law. The law of trade dress functionality has also developed rapidly. In addition, the law on designs in Europe, particularly under the Community Design system, has evolved significantly.

We have attempted to capture these developments in this supplement. We have added several new main cases to the design patent chapter, while being more selective in our additions to the trade dress and copyright chapters. We have substantially rearranged and expanded our coverage of European cases. Chapter 8 in this Supplement is intended to replace entirely Section 8(A) of the 2010 casebook. Instructors who have an interest in comparative design law will find these materials sufficiently detailed to support several class sessions on European law.

We have also included images of the pertinent designs in every excerpted opinion in the Supplement. In many cases, the images were not included in the original opinion; in those instances, the image is taken from elsewhere in the court records of the case.

We also welcome our colleague Jason Du Mont as a co-author on these materials. In addition to contributing substantially to this Supplement, Jason has spearheaded the development of a new website to be used in connection with the main book and this Supplement. The website includes an extensive database of resources on design law, keyed to the book and Supplement. More details can be found at designlawbook.org.

We have many people to thank for their contributions to this project. We are especially grateful for the tremendous research assistance of Natalie Jones, Manuel Kleinemenke, Yiyun (Eve) Jiang, and Wenkai Tzeng. We also thank Alka for efforts bordering on the superhuman.

While we have labeled this new set of materials a “supplement,” it substantially expands the text of the original book, allowing interested instructors to use the materials to support a full three-credit-hour course, or to select from among these new materials to enhance two-credit-hour courses.

G.B.D.
M.D.J.
PART

TRADE DRESS
At p. 67, before heading 3, add the following new case:

**AMAZING SPACES, INC. v. METRO MINI STORAGE**

608 F.3d 225 (5th Cir. 2010)

KING, Circuit Judge:

Amazing Spaces, Inc., and Metro Mini Storage are rival self-storage businesses in Houston, Texas. Amazing Spaces brought this action against Metro ... alleging infringement of a star design that it claims as a service mark.

The district court concluded that the design was not a legally protectable mark and dismissed Amazing Spaces’s claims on summary judgment. We agree that the design was not legally protectable, and we affirm the judgment dismissing Amazing Spaces’s service mark infringement claims. However, we also conclude that the district court erred in dismissing Amazing Spaces’s claims relating to infringement of its trade dress, and we reverse and remand for further proceedings.

I. BACKGROUND

Amazing Spaces and Metro compete directly with each other in providing self-storage services in Houston, Texas ... Amazing Spaces claims, in connection with providing storage services, exclusive use rights in a design consisting of a raised, five-pointed star set within a circle (the “Star Symbol”). ... Metro uses a similar star design on its buildings...

Amazing Spaces was founded in 1998 by Scott and Kathy Tautenhahn, and it currently operates three storage facilities in the greater Houston area ... Landmark [Construction] was hired to build each of these facilities and, at Amazing Spaces’s
request, installed the Star Symbol under the peaks of the facilities’ gabled roofs. Amazing Spaces has used the Star Symbol in its facilities’ architecture and in its advertising, and it claims to have done so since at least April 1998. One trade magazine has recognized Amazing Spaces for its storage services, and the magazine displayed the Star Symbol in connection with the accompanying article. Amazing Spaces has also used the Star Symbol to designate the locations of its facilities on maps, and it claims to have directed customers—through telephone advertisements—to “look for the star.”

The Star Symbol is registered as a service mark with the United States Patent and Trademark Office. Prior to applying for registration, Amazing Spaces engaged a company to perform a database search to determine whether other storage companies had registered a similar star mark; the search revealed no such registrations. …

Landmark has also constructed self-storage facilities for Metro; these facilities feature a similar five-pointed-star-in-a-circle design (but not raised) on their gables. Despite Amazing Spaces’s demand that Metro cease its use of a star, Metro continued to use its design and remodeled existing facilities to include the design. According to Amazing Spaces, this has caused confusion among its customers, who mistook Metro’s facilities for new Amazing Spaces facilities. According to Kathy Tautenhahn, existing or prospective customers have inquired about whether new Amazing Spaces facilities had opened where Metro facilities were located. The record also includes a declaration from a customer to similar effect.

Metro moved for summary judgment on the ground that the Star Symbol was not a valid service mark. It argued primarily that the Star Symbol was not inherently distinctive and that Amazing Spaces could not establish that it had acquired secondary meaning. It supported this contention by presenting evidence that the same or a similar five-pointed star was used in commerce “in at least 63 different industries and businesses on buildings, property, and as part of logos” and on the buildings of “at least 28 other self-storage locations.” [cit.] The court concluded that “[t]he ubiquitous nature of the five-pointed star set within a circle precludes a finding that it is inherently distinctive or that it can serve as an indicator of origin for a particular business,” and that “the record [did] not raise a fact issue material to determining whether the star mark has acquired distinctiveness through a secondary meaning.”

III. DISCUSSION

A. The Star Symbol

2. Inherent Distinctiveness.

[“A] mark is inherently distinctive if ‘its intrinsic nature serves to identify a particular source.’” [Wal-Mart Stores, Inc. v. Samara Bros., Inc., 529 U.S. 205, 210 (2000)]
Inherent distinctiveness is attributable to a mark when the mark “almost automatically tells a customer that it refers to a brand and ... immediately signals a brand or a product source.” *Id.* at 212 (alterations and internal quotation marks omitted) (quoting [*Qualitex Co. v. Jacobson Prods. Co.*], 514 U.S. 159, 162-63)). The parties disagree over not only the answer to whether the Star Symbol is inherently distinctive but also over the proper method for conducting the inquiry. Metro urges that the familiar *Abercrombie* test cannot be used to categorize the Star Symbol and instead asks that we apply the *Seabrook Foods* test to determine that the Star Symbol is not inherently distinctive. Amazing Spaces, by contrast, presses the application of the *Abercrombie* test, under which it claims the Star Symbol is inherently distinctive, and it argues alternatively that the Star Symbol is inherently distinctive under the *Seabrook Foods* test.

a. *Abercrombie*

... We agree with Metro that the Star Symbol resists categorization under the *Abercrombie* test, and we consequently do not rely on a rote application of its categories in determining whether the Star Symbol is inherently distinctive....

As the district court discovered, the challenge of placing the Star Symbol into *Abercrombie*’s constellation of categories is a futile endeavor. ...

The district court briefly probed the utility of applying the *Abercrombie* test and concluded that the Star Symbol did not fit as a generic, descriptive, or suggestive mark. [*cit.*] The district court first rejected the notion that the Star Symbol was generic because “[a] five-pointed star within a circle does not refer to a product or service provided by a self-storage company” and “[t]he evidence of widespread use of a five-point star or a five-point star set within a circle by many diverse businesses and government offices supports the conclusion that the star mark is not related to or a generic symbol for self-storage goods or services.” It next determined that the Star Symbol was not descriptive because “[i]t does not identify a characteristic or quality of self-storage service, such as its function or quality.” Nor was the Star Symbol suggestive, according to the district court, because “[t]here is no basis to conclude that a five-pointed star set within a circle suggests an attribute of self-storage services.” We discern no flaws in the district court’s analysis with respect to these three categories. However, the logical extension of the district court’s analysis is the conclusion that the Star Symbol is arbitrary or fanciful, which under the *Abercrombie* test would render it inherently distinctive and thus entitled to protection. Yet the district court refused to so conclude, stating that “the star mark cannot be classified as arbitrary or fanciful unless it is inherently distinctive so as to serve as a source identifier for Amazing Spaces.” It then turned to the *Seabrook Foods* test in conducting its inquiry into the Star Symbol’s inherent distinctiveness.

We agree that the Star Symbol—indeed, any mark—lacks inherent distinctiveness if its intrinsic nature does not serve to identify its source. [*cit.*] Furthermore, as we have
already indicated, we approve the district court’s decision to apply a test other than Abercrombie in this case. However, we disagree somewhat with the district court’s reasoning that a mark cannot be categorized as arbitrary or fanciful unless it is inherently distinctive. Under the Abercrombie test, it is the categorization of a mark that dictates its inherent distinctiveness, not the other way around. A rote application of the Abercrombie test yields the conclusion that the Star Symbol is an arbitrary or fanciful mark because it “bear[s] no relationship to the products or services to which [it is] applied.” [Pebble Beach Co. v. Tour 18 I Ltd., 155 F.3d 526, 540 (5th Cir. 1998)] (quoting Zatarains, 698 F.2d at 791).\(^1\) Were we to apply the Abercrombie test mechanically to the Star Symbol, without an eye to the question the test seeks to answer, we would be left with the conclusion that the Star Symbol is inherently distinctive. The district court, aware of that result, proceeded to apply the Seabrook Foods test.

Both the Supreme Court and scholars have questioned the applicability of the Abercrombie test to marks other than words. See Wal-Mart Stores, 529 U.S. at 210-13 (noting that the Abercrombie test was developed and applied “[i]n the context of word marks” and declining to apply it to a mark consisting of product design); Qualitex, 514 U.S. at 162-63 (referring to the Abercrombie test but not applying it to a mark consisting of a shade of color); RESTATEMENT § 13 cmt. d, at 107 (“[U]nless the symbol or design is striking, unusual, or otherwise likely to differentiate the products of a particular producer, the designation is not inherently distinctive.”); [cit.]; 2 [McCARTHY ON TRADEMARKS AND UNFAIR COMPETITION] § 11:2, at 11-7 (“Use of the spectrum of descriptive, suggestive, arbitrary and fanciful is largely confined to word marks. It is usually not suitable for nonword designations such as shapes and images making up trade dress.”).

We do not go so far as to hold that the Abercrombie test is eclipsed every time a mark other than a word is at issue. Instead, we hold that the Abercrombie test fails to illuminate the fundamental inquiry in this case: whether the Star Symbol’s “‘intrinsic nature serves to identify’” Amazing Spaces and its storage services. [cit.] For the answer to that question, we now turn to the Seabrook Foods test employed by the district court.

\(^1\) One commentator has noted that marks consisting of symbols and designs are typically arbitrary with respect to their associated goods and services where the marks are “nonrepresentational”:

Nonverbal and nonrepresentational designs and figures are perfectly acceptable as trademarks. Indeed, they have the advantage of being totally arbitrary, and so cannot be descriptive of the goods or services. The only problem which may be encountered is the question of whether such designs or figures are regarded by the public as identifying indicia or merely as decorations. Especially is this true of such simple figures as rectangles, diamonds, circles, triangles, or lines.

LOUIS ALTMAN & MALLA POLLACK, 3 CALLMAN ON UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES § 18:24 (4th ed. 2010) (footnotes omitted). Under this reasoning, nonverbal marks—even though “arbitrary”—must still be shown to serve as identifying indicia. Professor McCarthy appears to share the view that such marks are arbitrary when they are nonrepresentational. See 1 McCARTHY ON TRADEMARKS § 7:36, at 7-91 (“A picture that is merely a representation of the goods themselves is regarded as merely descriptive of the goods.”).
b. Seabrook Foods

In contrast to the Abercrombie test, the Seabrook Foods test, articulated by the U.S. Court of Customs and Patent Appeals in 1977, applies expressly to marks consisting of symbols and designs:

In determining whether a design is arbitrary or distinctive this court has looked to [1] whether it was a “common” basic shape or design, [2] whether it was unique or unusual in a particular field, [3] whether it was a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for the goods, or [4] whether it was capable of creating a commercial impression distinct from the accompanying words.

Seabrook Foods, 568 F.2d at 1344 (foots omitted).2 The first three of the Seabrook Foods “questions are merely different ways to ask whether the design, shape or combination of elements is so unique, unusual or unexpected in this market that one can assume without proof that it will automatically be perceived by customers as an indicator of origin—a trademark.” I.P. Lund Trading ApS v. Kohler Co., 163 F.3d 27, 40 (1st Cir. 1998) (quoting 1 McCarthy on Trademarks § 8:13, at 8-58.5). As is true of the Abercrombie test, the Seabrook Foods test seeks an answer to the question whether a mark’s “‘intrinsic nature serves to identify a particular source.’” [cit.]

We agree with the assessment of the I.P. Lund Trading court and Professor McCarthy that the Seabrook Foods factors are variations on a theme rather than discrete inquiries. In Star Industries v. Bacardi & Co., the Second Circuit d that “[c]ommon basic shapes’ or letters are, as a matter of law, not inherently distinctive … [but] stylized shapes or letters may qualify, provided the design is not commonplace but rather unique or unusual in the relevant market.” 412 F.3d 373, 382 (2d Cir. 2005) (citing Seabrook Foods, 568 F.2d at 1344); [cit.]. This statement, turning on whether the symbol or design is “common,” comprises, essentially, the first two Seabrook Foods factors. However, the third Seabrook Foods factor similarly asks whether a symbol or design is “common” in the sense that it is likely to be perceived by the public as ornamentation rather than a mark. See Wiley v. Am. Greetings Corp., 762 F.2d 139, 142 (1st Cir. 1985) (equating a red heart shape on a teddy bear to “an ordinary geometric shape” because it “carrie[d] no distinctive message of origin to the consumer, … given the heart shape’s widespread use as decoration for any number of products put out by many different companies”). A “common” symbol or design—lacking inherent distinctiveness—is the antithesis of a symbol or design that “‘is so unique, unusual or unexpected in this market that one can assume without proof that it will automatically be perceived by customers as an indicator of origin—a trademark.’” I.P. Lund Trading, 163 F.3d at 40 (quoting 1 McCarthy on

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2 [T]he district court omitted discussion of the fourth factor, which by its terms applies only when a party seeks trademark protection for a background design typically accompanied by words. [cit.] Similarly, we will not consider the fourth Seabrook Foods factor.
The district court determined that the Star Symbol was “not a plain five-pointed star” but was instead “shaded and set within a circle,” rendering it “sufficient[ly] styliz[ed]” to be “more than a common geometric shape. It then proceeded to conclude that the Star Symbol “[wa]s not inherently distinctive and [id] not act as an indicator of origin for any self-storage business, including Amazing Spaces.” It supported this assertion with a discussion of “[t]he ubiquitous nature of the five-pointed star set within a circle” in Texas, specifically its “use[ ] as a decoration or ornamentation on innumerable buildings, signs, roads, and products.” The court concluded that this ubiquity—including use of the same or a similar star design in 63 industries businesses and 28 other self-storage locations—”pr[eced]e[d] a finding that [the Star Symbol was] inherently distinctive or that it c[ould] serve as an indicator of origin for a particular business.”

Undoubtedly, the Star Symbol is stylized relative to an unshaded five-pointed star design not set within a circle. However, we disagree that the issue of stylization revolves around comparing a design’s actual appearance to its corresponding platonic form. Instead, as discussed above, asking whether a shape is stylized is merely another way of asking whether the design is “commonplace” or “unique or unusual in the relevant market,” Star Indus., 412 F.3d at 382, or whether it is “a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a immediately signal a brand or a product source.” [cit.] Because the Star Symbol does not, by “‘its intrinsic nature[,] serve[ ] to identify a particular source,’” it is not inherently distinctive, and it can be protected only upon a showing of secondary meaning.


The parties disagree over whether the Star Symbol has acquired distinctiveness through secondary meaning. …

In the context of trade dress, we have articulated seven factors to consider in determining whether secondary meaning has been shown:

(1) length and manner of use of the mark or trade dress, (2) volume of sales, (3) amount and manner of advertising, (4) nature of use of the mark or trade dress in newspapers and magazines, (5) consumer-survey evidence, (6) direct consumer testimony, and (7) the defendant’s intent in copying the trade dress.

Smack Apparel, 550 F.3d at 476 (quoting Pebble Beach, 155 F.3d at 541). “In considering this evidence, the focus is on how it demonstrates that the meaning of the mark or trade dress has been altered in the minds of consumers.” Pebble Beach, 155 F.3d at 541 (citing Zatarains, 698 F.2d at 795); accord Zatarains, 698 F.2d at 795 (“‘[T]he question is not the extent of promotional efforts, but their effectiveness in altering the
meaning of the term to the consuming public.”” (alteration omitted) (quoting Aloe Creme Labs., Inc. v. Milsan, Inc., 423 F.2d 845, 850 (5th Cir. 1970))). We have consistently expressed a preference for “an objective survey of the public’s perception of” the mark at issue. [cit.]

The district court considered the following evidence that Amazing Spaces claimed raise a fact issue regarding secondary meaning: (1) the Star Symbol was used for ten years; (2) Amazing Spaces had spent nearly $725,000 in advertising and promoting the Star Symbol; (3) Amazing Spaces had realized over $11.5 million in revenue since it first began using the Star Symbol; (4) Kathy Tautenhahn’s statement in her declaration that the Star Symbol identifies Amazing Spaces’s self-storage services; and (5) declarations of a customer and an alarm technician about confusion when seeing rival self-storage facilities (Metro and Community) that displayed symbols similar to the Star Symbol. The district court concluded that no fact issue was raised. It based this conclusion partly on the absence of survey evidence, but primarily on its determination that the remaining evidence was not probative regarding secondary meaning: the advertisements did not prominently display the Star Symbol but instead prominently featured the Peaks and Sky Symbol, and the declarations described confusion only in reference to the overall architecture of the facilities.

We agree with the district court that no fact issue has been raised regarding the existence of secondary meaning. [A]mazing Spaces’s use of the Star Symbol has been primarily decorative and ornamental. Moreover, the record discloses that the Star Symbol was almost invariably used not as a stand-alone mark but was rather, as Amazing Spaces states in its brief, “an integral part of several marks that Amazing Spaces uses—indeed it is the one common element across its non-word marks.” While this argument might support secondary meaning as to those other marks, it does not support secondary meaning as to the Star Symbol. Cf. Taco Cabana Int’l, Inc. v. Two Pesos, Inc., 932 F.2d 1113, 1120 (5th Cir. 1991) (“[C]ompetitors may use individual elements in Taco Cabana’s trade dress, but the law protects the distinctive totality.”), aff’d, 505 U.S. 763. This logic extends to the advertising present in the record. While the Star Symbol (or a variation thereof) constitutes a minor piece of the Peaks and Sky Symbol, marks Amazing Spaces’s locations on a map, or replaces the bullet in a bulleted list, it is virtually absent as a stand-alone mark from Amazing Spaces’s advertising in the record. This predominant advertising use belies the force Amazing Spaces would attribute to its telephonic advertising directing customers to “look for the star.” Nor does Amazing Spaces’s volume of sales—to the extent that it applies to a service mark rather than a trademark, trade dress, or product design—reveal secondary meaning: the advertising attempted to attract customers using marks other than the Star Symbol.

We also agree with the district court’s assessment that the two declarations evidencing consumer confusion do not bear on the secondary meaning of the Star Symbol. Shane Flores averred that he was confused by the appearance of a Metro facility’s “use of a star logo in conjunction with the similarity in the architectural features and designs” and
believed it to be an Amazing Spaces facility. Glen Gilmore averred similarly with respect to a [use by a third party that had since ceased]. While these instances of confusion may bear on Amazing Spaces’s trade dress claims, they do not have relevance as to the secondary meaning of the Star Symbol itself. Amazing Spaces also claims that intentional copying has been shown because Metro constructed a facility that incorporated a star design after this lawsuit had been filed. But this chronology does not bear on whether Metro’s use of a common design was intentional copying of Amazing Spaces’s design. Amazing Spaces also contends that the district court placed undue emphasis on the lack of a survey. We have already noted this court’s preference for survey evidence as proof of secondary meaning, and we also note that the other factors do not weigh in Amazing Spaces’s favor. As Professor McCarthy has stated, “in a borderline case where it is not at all obvious that [a] designation has been used as a mark, survey evidence may be necessary to prove trademark perception.” 1 Mccarthy on Trademarks § 3.3, at 3-8.

In conclusion, we agree with the district court’s assessment that Amazing Spaces has failed to raise a fact issue regarding the existence of secondary meaning with respect to the Star Symbol. In light of the overwhelming evidence that the Star Symbol is not distinctive, we hold that it does not serve “to identify and distinguish the services of” Amazing Spaces.

…

B. Trade Dress Claims

Having concluded that the district court correctly held that the Star Symbol is not protectable as a mark, we next address whether the district court correctly dismissed Amazing Spaces’s causes of action relating to its trade dress and facility design. Amazing Spaces asserts that [these] causes of action were improperly dismissed because they do not “rest entirely on whether the Star Logo is entitled to trademark protection.” …

In addition to its claim that Metro had infringed its Star Symbol service mark, Amazing Spaces also brought claims for trade dress infringement under § 43(a) of the Lanham Act and Texas common law. See Blue Bell Bio-Med. v. Cin-Bad, Inc., 864 F.2d 1253, 1256 (5th Cir. 1989) (“The Lanham Act creates a cause of action for trade dress infringement. This action is analogous to the common law tort of unfair competition.” (citing cases)). “Trade dress refers to the total image and overall appearance of a product and may include features such as the size, shape, color, color combinations, textures, graphics, and even sales techniques that characterize a particular product.” …

Amazing Spaces is correct that, to protect the overall appearance of its facilities as trade dress, it need not establish that the Star Symbol is legally protectable. Amazing Spaces’s claimed trade dress, unlike the Star Symbol, consists of the entirety of the facilities’ design, including placement of the Star Symbol under the roof peaks. See Taco Cabana Int’l, 932 F.2d at 1120 (“[T]he existence of [non-distinctive] elements does not eliminate the possibility of inherent distinctiveness in the trade dress as a whole.”). The district court limited discovery to the issue of the trademarkability of the Star Symbol,
and Amazing Spaces was therefore unable to present its trade dress and unfair competition claims. We therefore reverse the dismissal of those claims and remand for further proceedings.

NOTES AND QUESTIONS

At 96, add the following new note:

2A. Product packaging … or design … or … ? Distinguishing between packaging and design may be particularly challenging when the alleged trade dress is used in connection with services. How would you classify the mark depicted below for “adult entertainment services, namely exotic dancing for women”? See In re Chippendales, 622 F.3d 1346 (Fed. Cir. 2010). Should the Wal-Mart test even apply to this mark, or is it more akin to a logo mark for which the Seabrook analysis applies?

At p. 105, Note 4, add the following:

See also Keurig v. Strum Foods, 769 F. Supp. 2d 699 (D. Del. 2011) (dismissing trade dress claim for failure to show a consistent overall look on packaging of single serve coffee cartridges).
CHAPTER 3

FUNCTIONALITY

At p. 156, after Fuji Kogyo, add the following new cases:

**Jay Franco & Sons, Inc. v. Franek**

615 F.3d 855 (7th Cir. 2010)

Easterbrook, Chief Judge:

The same year Huey Lewis and the News informed America that it’s “Hip To Be Square”, Clemens Franek sought to trademark the circular beach towel. His company, CLM Design, Inc., pitched the towel as a fashion statement—”the most radical beach fashion item since the bikini,” declared one advertisement. “Bound to be round! Don’t be square!” proclaimed another. CLM also targeted lazy sunbathers: “The round shape eliminates the need to constantly get up and move your towel as the sun moves across the sky. Instead merely reposition yourself.”

The product enjoyed some initial success. Buoyed by an investment and promotional help from the actor Woody Harrelson (then a bartender on the TV show Cheers), CLM had sold more than 30,000 round beach towels in 32 states by the end of 1987. To secure its status as the premier circular-towel maker, the company in 1986 applied for a trademark on the towel’s round design. The Patent and Trademark Office registered the “configuration of a round beach towel” as trademark No. 1,502,261 in 1988.

But this was not enough to save CLM: Six years later it dissolved. The mark was assigned to Franek, who continues to sell circular towels.
In 2006 Franek discovered that Jay Franco & Sons, a distributor of bath, bedding, and beach accessories, was selling round beach towels. After settlement negotiations failed … Franco sued … Franek to invalidate his mark. … The district judge … granted summary judgment in Jay Franco’s favor, and … Franek appeals from that judgment … .

One way to void a trademark is to challenge its distinctiveness … But this type of invalidation is unavailable to Jay Franco. Franek (and before him CLM) has continuously used the round-towel mark since its 1988 registration. That makes the mark “incontestable,” 15 U.S.C. § 1065, a status that eliminates the need for a mark’s owner in an infringement suit to show that his mark is distinctive. See 15 U.S.C. § 1115(b); Park ‘N Fly, Inc. v. Dollar Park and Fly, Inc., 469 U.S. 189 (1985).

Unfortunately for Franek, incontestable marks are not invincible. The Lanham Act lists a number of affirmative defenses an alleged infringer can parry with; one is a showing that the mark is “functional.” See § 1115(b)(8); Specialized Seating, Inc. v. Greenwich Industries, L.P., 616 F.3d 722, 724 (7th Cir. 2010) (discussing functionality and other ways to defeat incontestable marks). As our companion opinion in Specialized Seating explains, patent law alone protects useful designs from mimicry; the functionality doctrine polices the division of responsibilities between patent and trademark law by invalidating marks on useful designs. This was the route Jay Franco pursued. The district judge agreed, finding Franek’s mark “functional” under the definition the Supreme Court gave that concept in TrafFix Devices, Inc. v. Marketing Displays, Inc., 532 U.S. 23, 32-35 (2001). The judge got it right.

TrafFix says that a design is functional when it is “essential to the use or purpose of the device or when it affects the cost or quality of the device;” 532 U.S. at 33, a definition cribbed from Inwood Laboratories, Inc. v. Ives Laboratories, Inc., 456 U.S. 844, 850 n.10 (1982). So if a design enables a product to operate, or improves on a substitute design in some way (such as by making the product cheaper, faster, lighter, or stronger), then the design cannot be trademarked; it is functional because consumers would pay to have it rather than be indifferent toward or pay to avoid it. A qualification is that any pleasure a customer derives from the design’s identification of the product’s source—the joy of buying a marked good over an identical generic version because the consumer prefers the status conferred by the mark—doesn’t count. That broad a theory of functionality would penalize companies for developing brands with cachet to distinguish themselves from competitors, which is the very purpose of trademark law. In short, a design that produces a benefit other than source identification is functional.

Figuring out which designs meet this criterion can be tricky. Utility patents serve as excellent cheat sheets because any design claimed in a patent is supposed to be useful. [cit.] For this reason, TrafFix held that expired utility patents provide “strong evidence that the features therein claimed are functional.” [cit.] The parties in this case wrangle over the relevance of a handful of utility patents that claim circular towels. We need discuss only one (No. 4,794,029), which describes a round beach towel laced with
drawstrings that can be pulled to turn the towel into a satchel. This patent’s first two claims are:

1. A towel-bag construction comprising:
   a non-rectangular towel;
   a casing formed at the perimeter of said towel;
   a cord threaded through said casing; and
   a section of relatively non-stretchable fabric of a shape geometrically similar to that of said towel attached with its edges equidistant from the edges of said towel.

2. A towel-bag construction as set forth in claim 1 wherein said towel is circular in shape, whereby a user while sunbathing may reposition his or her body towards the changing angle of the sun while the towel remains stationary.

Claim 2 sounds like Franek’s advertisements, which we quoted above. The patent’s specification also reiterates, in both the summary and the detailed description, that a circular towel is central to the invention because of its benefit to lazy sunbathers.

Franek argues that claim 2 does not trigger the TrafFix presumption of functionality because his towel does not infringe the ‘029 patent. He notes that claim 2 incorporates claim 1 (in patent parlance, claim 1 is “independent” and claim 2 “dependent,” see 35 U.S.C. § 112) with the added condition that the towel be circular. An item can infringe a dependent claim only if it also violates the independent claim incorporated by the dependent claim. [cit.] Franek reasons that because his towel lacks a perimeter casing, drawstring, and non-stretchable section of fabric, it does not infringe claim 1, and thus cannot infringe claim 2. Even if his towel could infringe claim 2, Franek maintains that the claim is invalid because the towel-to-bag patent was sought in 1987, two years after Franek started selling a round beach towel, and thus too late to claim its invention. See 35 U.S.C. § 102(b); [cit.].

Proving patent infringement can be sufficient to show that a trademarked design is useful, as it means that the infringing design is quite similar to a useful invention. See Raytheon Co. v. Roper Corp., 724 F.2d 951, 959 (Fed. Cir. 1983). But such proof is unnecessary. Functionality is determined by a feature’s usefulness, not its patentability or its infringement of a patent. TrafFix’s ruling that an expired patent (which by definition can no longer be infringed) may evince a design’s functionality demonstrates that proof of infringement is unnecessary. If an invention is too useless to be patentable, or too dissimilar to a design to shed light on its functions, then the lack of proof of patent infringement is meaningful. Otherwise it is irrelevant. A design may not infringe a patented invention because the invention is obvious or taught by prior art, see 35 U.S.C. §§ 102(a), 103(a), but those and other disqualifiers do not mean that the design is not useful. Just so here: Franek’s towel may lack some of the components in claim 1 necessary to infringe claim 2, but claim 2’s coverage of a circular beach towel for sunbathing is enough to signal that a round-towel design is useful for sunbathers. Each claim in a patent is evaluated individually, [cit.], each must be substantially different,
[cit.], and each is presumed valid, 35 U.S.C. § 282. We must therefore presume that the unique component in claim 2—the round shape of the towel—is useful.

Nor does it matter that the ‘029 patent application was filed two years after Franek began selling round towels. As we’ve explained, a patent’s invalidity for a reason other than uselessness says nothing about the claimed design’s functionality. And a design patented yesterday can be as good evidence of a mark’s functionality as a design patented 50 years ago. Indeed, more recent patents are often better evidence because technological change can render designs that were functional years ago no longer so. See Eco Manufacturing LLC v. Honeywell International Inc., 357 F.3d 649, 653 (7th Cir. 2003). The Court in TrafFix may have dealt only with expired utility patents, but the logic it employed is not limited to them.

To put things another way, a trademark holder cannot block innovation by appropriating designs that under-gird further improvements. Patent holders can do this, but a patent’s life is short; trademarks can last forever, so granting trademark holders this power could permanently stifle product development. If we found Franek’s trademark nonfunctional, then inventors seeking to build an improved round beach towel would be out of luck. They’d have to license Franek’s mark or quell their inventiveness. That result does not jibe with the purposes of patent or trademark law.

This “strong evidence” of the round towel’s functionality is bolstered by Franek’s own advertisements, which highlight two functional aspects of the round beach towel’s design. One, also discussed in the ‘029 patent, is that roundness enables heliotropic sunbathers—tanners who swivel their bodies in unison with the sun’s apparent motion in order to maintain an even tan—to remain on their towels as they rotate rather than exert the energy to stand up and reposition their towels every so often, as conventional rectangular towels require.

Franek responds that whatever its shape (golden-ratio rectangle, square, nonagon) any towel can satisfy a heliotropic tanner if it has enough surface area—the issue is size, not shape. That’s true, and it is enough to keep the roundness of his towel from being functional under the first prong of TrafFix’s definition (“essential to the use or purpose of the device”) but not the second. For heliotropic sunbathers, a circle surpasses other shapes because it provides the most rotational space without waste. Any non-circle polygon will either limit full rotations (spinning on a normal beach towel leads to sandy hair and feet) or not use all the surface area (a 6’ tall person swiveling on a 6’ by 6’ square towel won’t touch the corners). Compared to other shapes that permit full rotations, the round towel requires less material, which makes it easier to fold and carry. That’s evidence that the towel’s circularity “affects the … quality of the device.” (The reduction in needed material also suggests that round towels are cheaper to produce than other-shaped towels, though Franek contends that cutting and hemming expenses make them costlier. We express no view on the matter.)

But let us suppose with Franek—who opposed summary judgment and who is thus entitled to all reasonable inferences—that round towels are not measurably better for
spinning with the sun. After all, other shapes (squircles, regular icosagons) are similar enough to circles that any qualitative difference may be lost on tanners. Plus, the ability to rotate 180 degrees may be an undesired luxury. Few lie out from dawn ‘til dusk (if only to avoid skin cancer) and the daily change in the sun’s declination means it will rise due east and set due west just twice a year, during the vernal and autumnal equinoxes. A towel shaped like a curved hourglass that allows only 150 or 120 degrees of rotation (or even fewer) may be all a heliotropic tanner wants. No matter. Franek’s mark still is functional.


The chief difficulty is distinguishing between designs that are fashionable enough to be functional and those that are merely pleasing. Only the latter group can be protected, because trademark law would be a cruel joke if it limited companies to tepid or repugnant brands that discourage customers from buying the marked wares. We discussed this problem at length in Keene. [cit.] The Supreme Court broached the subject in Qualitex when it discussed the functionality of the green-gold color of a dry cleaning pad. Unwilling to say that the pad required a green-gold hue or was improved by it, the Court still thought that the color would be functional if its exclusive use by a single designer “would put competitors at a significant non-reputation-related disadvantage.” [cit.] This is a problem for Franek’s round-towel mark.

Franek wants a trademark on the circle. Granting a producer the exclusive use of a basic element of design (shape, material, color, and so forth) impoverishes other designers’ palettes. See, e.g., Brunswick Corp., v. British Seagull Ltd., 35 F.3d 1527 (Fed. Cir. 1994) (black color of boat engines is functional because it is compatible with boats of many different colors). Qualitex’s determination that “color alone, at least sometimes, can meet the basic legal requirements for use as a trademark” means that there is no per se rule against this practice. See also Thomas & Betts Corp. v. Panduit Corp., 138 F.3d 277, 299 (7th Cir. 1998). The composition of the relevant market matters. But the more rudimentary and general the element—all six-sided shapes rather than an irregular, perforated hexagon; all labels made from tin rather than a specific tin label; all shades of the color purple rather than a single shade—the more likely it is that restricting its use will significantly impair competition. See, e.g., Keene, 778 F.2d at 343; [cit.]. Franek’s
towel is of this ilk. He has trademarked the “configuration of a round beach towel.” Every other beach towel manufacturer is barred from using the entire shape as well as any other design similar enough that consumers are likely to confuse it with Franek’s circle (most regular polygons, for example).

Contrast Franek’s mark with the irregular hexagon at issue in Keene or the green-gold hue in Qualitex. Those marks restrict few design options for competitors. Indeed, they are so distinctive that competitors’ only reason to copy them would be to trade on the goodwill of the original designer. Cf. Service Ideas, Inc. v. Traex Corp., 846 F.2d 1118, 1123-24 (7th Cir. 1988) (purposeful copying of a beverage server’s arbitrary design indicated a lack of aesthetic functionality). That’s not so here. A circle is the kind of basic design that a producer like Jay Franco adopts because alternatives are scarce and some consumers want the shape regardless of who manufactures it. There are only so many geometric shapes; few are both attractive and simple enough to fabricate cheaply. Cf. Qualitex, 514 U.S. at 168-69 (functionality doctrine invalidates marks that would create color scarcity in a particular market). And some consumers crave round towels—beachgoers who prefer curved edges to sharp corners, those who don’t want to be “square,” and those who relish the circle’s simplicity. A producer barred from selling such towels loses a profitable portion of the market. The record does not divulge much on these matters, but any holes in the evidence are filled by the TrafFix presumption that Franek’s mark is functional, a presumption he has failed to rebut.

Franek chose to pursue a trademark, not a design patent, to protect the stylish circularity of his beach towel. Cf. Kohler Co. v. Moen Inc., 12 F.3d 632, 647 (7th Cir. 1993) (Cudahy, J., dissenting) (calling Franek’s mark a “horrible example[ ]” of a registered trademark that should have been a design patent). He must live with that choice. We cannot permit him to keep the indefinite competitive advantage in producing beach towels this trademark creates.

If Franek is worried that consumers will confuse Jay Franco’s round beach towels with his, he can imprint a distinctive verbal or pictorial mark on his towels. [cit.] That will enable him to reap the benefits of his brand while still permitting healthy competition in the beach towel market.

Affirmed.

IN RE BECTON, DICKINSON & CO.

675 F.3d 1368 (Fed. Cir. 2012)

CLEVENGER, Circuit Judge:

Becton, Dickinson and Company (“BD”) appeals from the final decision of the Trademark Trial and Appeal Board (“Board”) affirming the examining attorney’s refusal to register BD’s design of a closure cap for blood collection tubes as a trademark on the ground that the design is functional … [W]e affirm the Board’s conclusion that the mark as a whole is functional.
BD applied to register with the United States Patent and Trademark Office ("PTO") the following mark on the Principal Register for "closures for medical collection tubes":

U.S. Trademark Application Serial No. 77/254,637 (filed August 14, 2007). The application asserts acquired distinctiveness based on five years of substantially exclusive and continuous use in commerce. The required description of the mark, as amended, reads as follows:

The mark consists of the configuration of a closure cap that has [1] an overall streamlined exterior wherein the top of the cap is slimmer than at the bottom and the cap features [2] vertically elongated ribs set out in combination sets of numerous slim ribs bordered by fatter ribs around most of the cap circumference, where [3] a smooth area separates sets of ribs. [4] The slim ribs taper at their top to form triangular shapes which intersect and blend together at a point where [5] a smooth surface area rings the top of the cap above the ribs, thus [6] extending the cap’s vertical profile. At the bottom, [7] a flanged lip rings the cap and protrudes from the sides in two circumferential segments with the bottom-most segment having [8] a slightly curved contour. The matter in dotted lines is not claimed as a feature of the mark, but shows the tube on which the closure is positioned.

The numbers in brackets in the description above are not part of the trademark application, but were used by BD in conjunction with the following illustration to illustrate key features of the mark:
The examining attorney refused registration under Section 1052(e)(5) on the basis [inter alia] that the cap design is functional ….

… In response to an initial office action, BD submitted several of its utility and design patents, including U.S. Patent No. 4,741,446 (filed Dec. 29, 1986) (“the ‘446 patent”), samples of advertising materials, and copies of website printouts showing medical closure caps manufactured by other entities.] BD also submitted numerous advertising samples for its VACUTAINER® collection tubes with HEMOGARD™ closure—the brand name of the closure cap for which BD seeks registration. …

[On appeal, the] Board found that the proposed mark is a configuration of the outer shell portion of BD’s HEMOGARD™ collection tube closure caps. [cit.] BD argued that its amended mark description and a numbered illustration in its reply brief set out the features of the cap design, but the Board explained that the features described in the amended description do not embody the mark in its entirety. [cit.] The Board saw additional elements not recited in the mark description, including the circular opening on the top of the cap. [cit.] Thus, the Board concluded that the proposed mark included all elements shown in the drawing except the tube, which was shown in dotted lines. [cit.]

The Board considered the four factors from In re Morton-Norwich Prods., Inc., 671 F.2d 1332 (C.C.P.A. 1982), in finding that the cap design, considered in its entirety, is functional. …

In conducting the analysis, the Board gave less weight to less prominent features, such as the exact spacing or shape of the ribs, because it found them to be incidental to the overall adoption of those features and hardly discernible when viewing the mark. [cit.] In this regard, the Board relied on Textron, Inc. v. International Trade Commission, 753 F.2d 1019, 1025 (Fed. Cir. 1985), for the proposition that presence of non-functional features in a mark would not affect the functionality decision where the evidence shows the overall design to be functional. The Board concluded that the overall design is dictated by utilitarian concerns and that the “’overall composite design’ engendered by [BD’s] proposed mark is functional.” [cit.] …
II.

The functionality of a proposed mark is a question of fact. In re Bose Corp., 476 F.3d 1331, 1334 (Fed. Cir. 2007); Valu Eng’g, Inc. v. Rexnord Corp., 278 F.3d 1268, 1273 (Fed. Cir. 2002); [cit.] …

Legal conclusions of the Board are reviewed de novo, but the factual findings of the Board are upheld unless they are unsupported by substantial evidence. [cit.] Evidence is substantial if a “reasonable person might find that the evidentiary record supports the agency’s conclusion.” [cit.] The possibility that two inconsistent conclusions may be drawn from the evidence does not preclude a Board finding from being supported by substantial evidence. [cit.] …

III.

BD presents two challenges to the Board’s conclusion that the mark as a whole is functional. Its lead argument posits legal error by the Board in its determination that certain features of the mark, which are admittedly non-functional, will not serve to remove the mark as a whole from the realm of functionality. BD asserts that the elongated shape of the closure cap, the spacing of the ribs and their particular shapes, as well as the design relationship of those features to the whole of the closure cap are the design embraced by the mark. As such, BD asserts that the scope of its mark is “extremely modest and limited.” [cit.] BD does not contest that the ribs themselves are functional, as is the opening in the top of the closure cap. These prominent and important functional features, which are common to the closure caps made by BD’s competitors, led the Board to conclude that admitted non-functional features could not save the mark from being deemed overall functional. BD contends that the Board committed reversible error by discounting the significance of the non-functional elements.

BD’s secondary argument is that the Board’s analysis of the Morton-Norwich factors is unsupported by substantial evidence. BD appreciates the more deferential standard of review we apply to its second argument.

A.

BD’s first argument fails to recognize that one object of the Morton-Norwich inquiry is to weigh the elements of a mark against one another to develop an understanding of whether the mark as a whole is essentially functional and thus non-registrable. Whenever a proposed mark includes both functional and non-functional features, as in this case, the critical question is the degree of utility present in the overall design of the mark. This court recognized as much in Morton-Norwich, where Judge Rich harked back to the design in In re Deister Concentrator Co., 289 F.2d 496, 506 (C.C.P.A. 1961), in which the design was judged “in essence utilitarian.” In In re R.M. Smith, Inc., 734 F.2d 1482, 1484 (Fed. Cir. 1984), this court reiterated the importance of the “degree of utility”
proposition, and explained how the distinction between de facto and de jure functionality gives shape to a court’s inquiry into a mark’s “degree of utility.”

De facto functionality simply means that a design has a function, like the closure cap in this case. Such functionality is irrelevant to the question of whether a mark as a whole is functional so as to be ineligible for trademark protection. De jure functionality “means that the product is in its particular shape because it works better in this shape.” [cit.] Further, as the Board recognized in this case, Textron instructs that where a mark is composed of functional and non-functional features, whether “an overall design is functional should be based on the superiority of the design as a whole, rather than on whether each design feature is ‘useful’ or ‘serves a utilitarian purpose.’” [cit.] Textron cited as an example the Coca-Cola® bottle, noting that the bottle’s significant overall non-functional shape would not lose trademark protection simply because “the shape of an insignificant element of the design, such as the lip of the bottle, is arguably functional.” [cit.] Likewise, a mark possessed of significant functional features should not qualify for trademark protection where insignificant elements of the design are non-functional.

The foregoing authority makes clear that the Board committed no legal error by weighing the functional and non-functional features of BD’s mark against each other. Our functionality precedent indeed mandates that the Board conduct such an assessment as part of its determination of whether a mark in its entirety is overall de jure functional. As the court explained in Morton-Norwich, “we must strike a balance between the ‘right to copy’ and the right to protect one's method of trade identification.” [cit.] To decide as a matter of fact “whether the ‘consuming public’ has an interest in making use of [one’s design], superior to [one’s] interest in being [its] sole vendor,” we are guided by the Morton-Norwich factors. [cit.]

B.

BD challenges the Board’s ultimate factual determination that the mark as a whole is functional by homing in on the Board’s Morton-Norwich analysis, arguing that the Board’s analysis lacks substantial evidence support. As to the first Morton-Norwich factor, the Board did not err in finding that this factor weighs in favor of finding functionality. In TrafFix Devices, Inc. v. Marketing Displays, Inc., 532 U.S. 23, 31 (2001), the Supreme Court stated that “the disclosure of a feature in the claims of a utility patent constitutes strong evidence of functionality.” As discussed by the Board, claim 4 of the ‘446 patent shows the utilitarian nature of at least two prominent features of BD’s mark: (1) the two concentric circles at the top of the closure cap, which allow a needle to be inserted, and (2) the ribs, which serve as a gripping surface.

BD does not contest the Board’s finding that the ‘446 patent teaches the functional benefits of two important features of its proposed mark. Rather it argues that those features, while disclosed in the ‘446 patent, were not themselves claimed in that patent.
BD’s argument lacks merit. *TrafFix* does not require that a patent claim the exact configuration for which trademark protection is sought in order to undermine an applicant’s assertion that an applied-for mark is not de jure functional. Indeed, *TrafFix* teaches that statements in a patent’s specification illuminating the purpose served by a design may constitute equally strong evidence of functionality. See *TrafFix*, 532 U.S. at 32-33, 34-35. The Board correctly read the ‘446 patent to indicate that at least two of the important elements of the proposed mark were functional.

BD argues that its design patents are persuasive evidence of the non-functionality of the closure caps’ overall design. However, while evidence of a design patent may be some evidence of non-functionality under *Morton-Norwich*, “the fact that a device is or was the subject of a design patent does not, without more, bestow upon said device the aura of distinctiveness or recognition as a trademark.” *R.M. Smith*, 734 F.2d at 1485 (citation omitted). Furthermore, the design patents BD claims as evidence of non-functionality do not reflect the specific design for which trademark protection is sought. Our law recognizes that the existence of a design patent for the very design for which trademark protection is sought “presumptively ... indicates that the design is *not de jure* functional.” *Morton-Norwich*, 671 F.2d at 1342 n.3. Absent identity between the design patent and the proposed mark, the presumption loses force, and the “similar” design patents lack sufficient evidentiary value to overcome the strong conclusion in this case that BD’s utility patents underscore the functionality of significant elements of the proposed mark.

As to the second *Morton-Norwich* factor, substantial evidence supports the Board’s assessment of BD’s advertising. BD’s advertising touts the utilitarian advantages of the prominent features of the mark, such as the top’s circular opening (which maximizes the possible useful area of the opening), the side’s ribs, and the bottom’s flanged lip. The advertisements emphasize that the “ridges on the outer surface permit for a more secure grip,” and praise the “enhanced handling features” that are “inherent in the design.” The advertisements explain that the top’s “plastic shield” is an “important design innovation that keeps the blood safely contained within the closure” and “encourages safer opening—discourages use of the thumb roll technique, which can result in spattering of the specimen,” and that the “hooded feature of closure reduces the possibility of catching glove between stopper and tube on reclosing.” Against this substantial evidence of functionality, BD offers two explanations, each of which we reject. First, BD argues that the designs shown in the advertisements are not exactly the same as the proposed mark’s design. For purposes of an overall functionality assessment, this distinction is without a difference. While the spire-like tops of the ribs may not be shown in the advertisements, the arrangement of the ribs along the side of the top and the shape of the opening are sufficiently like the features of the claimed mark to show an identity of functionality between the articles shown in the advertising and the proposed mark’s prominent features. Second, BD would characterize the advertisements as “look for” advertising—the kind that pulls out of an overall article a few features to catch the viewer’s attention.
Thus BD argues that its advertisements were not really intended to tout functional aspects of its design, but merely to cause the viewer to look at one part of a design in particular. This argument fails. Nothing in the text of the advertisements underscores this “look for” concept. Instead the advertisements taken as a whole are more than substantial evidence that the proposed mark as a whole is functional. Indeed, the enlarged photographs of parts of the device actually highlight the functional aspects of the mark.

As to the third factor, if functionality is found based on other considerations, there is “no need to consider the availability of alternative designs, because the feature cannot be given trade dress protection merely because there are alternative designs available.” Valu Eng’g, 278 F.3d at 1276. Thus, since the patent and advertising evidence established functionality, the Board did not need to analyze whether alternative designs exist. Nonetheless, the Board did conduct this analysis and found that one of the proposed designs was irrelevant and the other two could not be characterized as alternative designs because they shared the same utilitarian features of BD’s design. BD has not shown that this finding is unsupported by substantial evidence.

Finally, as to the fourth factor, there was little record evidence before the Board to establish whether the cap design results from a comparatively simple or inexpensive method of manufacture. The sole evidence in the record on this factor consists of the declarations of Jaeger and Newby, two BD witnesses, who both averred that the design features did not lower the cost of manufacture. Given this scarce evidence, the Board did not err in refusing to weigh this factor in its analysis.

In New England Butt Co. v. International Trade Commission, 756 F.2d 874 (Fed. Cir. 1985), we explained that the public policy underlying the rule that de jure functional designs cannot be protected as trademarks is “not the right to slavishly copy articles which are not protected by patent or copyright, but the need to copy those articles, which is more properly termed the right to compete effectively.” Id. at 877 (citing Morton-Norwich, 671 F.2d at 1339). The record in this case shows that BD’s competitors in the closure cap industry also feature ribs for sure gripping and similar functional openings on their products. The Board thus concluded that the record failed to establish that there are meaningful alternative designs for collection tube closure caps. [cit.] Substantial evidence supports this conclusion, which underscores the competitive need to copy the functional features of BD’s proposed mark.

Because the Board committed no legal error in its assessment of the functionality of BD’s proposed mark, and because substantial evidence supports the Board’s findings of fact under the Morton-Norwich factors, we affirm the final decision of the Board.

LINN, Circuit Judge, dissenting.

Because the [Board] incorrectly applied the legal standards in assessing the functionality of the trademark of [BD], and because substantial evidence does not support the Board’s conclusion of functionality, I respectfully dissent.
It is undisputed that certain individual features of BD’s closure cap design are functional, but the evidence falls short in supporting a conclusion that the mark, as a whole and as shown in the drawing, is in essence utilitarian, and thus de jure functional. While various individual features of a mark may be de facto functional if they are directed to the performance of certain identified functions, In re Morton-Norwich Prods., Inc., 671 F.2d 1332, 1337 (C.C.P.A. 1982), de jure functionality is directed to the appearance of the design (not the thing itself) and is concerned with whether the design is “made in the form it must be made if it is to accomplish its purpose”—in other words, whether the appearance is dictated by function. Morton-Norwich, 671 F.2d at 1338-39 (internal citation omitted); see TrafFix Devices, Inc. v. Mktg. Displays, Inc., 532 U.S. 23, 33 (2001) (“[A] feature is ... functional when it is essential to the use or purpose of the device or when it affects the cost or quality of the device.”) [(citing Qualitex and Inwood).]

I agree with the majority that the degree of design utility must be considered in determining de jure functionality. [cit.] I part company with the majority, however, when it approves the Board’s “weigh[ing] the elements of a mark against one another to develop an understanding of whether the mark as a whole is essentially functional and thus non-registrable.” [cit.] The presence of functional features may be relevant, but not in the sense of comparing dissociated functional features against non-functional features. The proper inquiry is to examine the degree to which the mark as a whole is dictated by utilitarian concerns (functional or economic superiority) or is arbitrary (“without complete deference to utility”). See Morton-Norwich, 671 F.2d at 1338-39, 1342-43.

Weighing individual elements of a mark against each other is analytically contrary to the consideration of the mark as a whole. As this court has previously held, “[s]imply dissecting appellant’s alleged trademark into its design features and attributing to each a proven or commonly known utility is not, without more, conclusive that the design, considered as a whole, is de jure functional and not registrable.” In re Teledyne Indus., Inc., 696 F.2d 968, 971 (Fed. Cir. 1982).

This court’s decision in Morton-Norwich is instructive … The examining attorney [in that case] rejected the mark on the basis that the design “is no more than a non-distinctive purely functional container for the goods plus a purely functional spray trigger controlled closure … essentially utilitarian and non-arbitrary.” Id. at 1335. The Board similarly concluded that the mark “is dictated primarily by functional (utilitarian) considerations, and is therefore unregistrable.” Id. (original emphasis omitted).

Our predecessor court reversed finding that the applicant sought to register “no single design feature or component but the overall composite design comprising both bottle and spray top.” Id. at 1342. Thus, the degree of design utility was analyzed for the whole mark, not the dissociated functional elements. Although the bottle and spray top each served a function, there was a complete absence of evidence to show that the shape of the bottle and spray top were required to look as they did to serve those functions. [cit.] Indeed, the evidence before the Board established that the bottle and spray top could take
a number of diverse forms, equally as suitable from a functional standpoint. [cit.] The court concluded that there would be no injury to competition if Morton-Norwich were entitled to protection of this particular design; competitors could obtain the functions of the container without copying the trade dress. Id. at 1342-43. In sum, the evidence failed to prove that the overall design was “the best or one of a few superior designs available.” Id. at 1341.

The facts in the present case are very much like those in Morton-Norwich … As in Morton-Norwich, there is no evidence that the overall design of the BD closure cap is required to look the way it does or that the design is “the best or one of a few superior designs available.” [cit.] The Board and the majority place principal focus on the function served by certain features of the mark, including, inter alia, the top’s opening (to allow for the insertion of a needle), the ribs on the side of the cap (to allow for increased grip), and the bottom’s flanged lip (to allow for a safer opening). These considerations relate to the de facto functionality of individual product features and not the de jure functionality of the overall design—whether the design as a whole must look this way to serve some identified function. In focusing on the functional attributes of individual components, the Board and the majority overlook the arbitrary nature of BD’s overall design.

Even under the improper analysis accepted by the majority, if the individual attributes with recognized functions are examined, there is no support for the proposition that the form of those components was dictated by their function. There is no evidence that: (1) the hole in the top must be that particular shape and size for a needle to pass through the opening; (2) the side of the cap must possess horizontally spaced ribs in the precise shape, size, and spacing depicted in BD’s design to provide for increased grip; or (3) the bottom lip must be flanged and tapered in the precise manner depicted to avoid being unsafe.

While the proposed mark must be examined as a whole, evidentiary concerns allow the [PTO] to establish a prima facie case of functionality by analyzing de facto functional features of a design. Teledyne, 696 F.2d at 971; [cit.]. The burden then shifts to the applicant to rebut the prima facie case of functionality. Teledyne, 696 F.2d at 971 (“Determination that the design as a whole is not de jure functional may well be possible only in light of evidence more readily available to, or uniquely in the possession of, the applicant.”). However, the ultimate determination of de jure functionality still requires a consideration of the design as a whole. Id.; Textron, 753 F.2d at 1026 (following Teledyne, 696 F.2d at 971).

Here, the examiner focused on functional features to establish a prima facie basis for the rejection and BD, in turn, submitted evidence on functionality to rebut that rejection. While the Board and the majority correctly cite the Morton-Norwich factors to determine the functionality of the overall design based on the evidence presented, [cit.], both the Board and the majority fail to consider the design as a whole in analyzing these factors. [cit.]

First, while the Board and the majority put great weight in the existence of a utility patent, [the '446 Patent], that patent fails to illuminate the functionality inquiry. The
Supreme Court recognized that “[a] utility patent is strong evidence that the features therein claimed are functional.” *TrafFix*, 532 U.S. at 29. However, the ‘446 Patent claims none of the features of BD’s design mark. Specifically, the claims of the ‘446 Patent do not cover the appearance or pattern of the ridges, the flanged lip, or the top opening of BD’s design. *See* ’446 Patent col.8 ll.23-29 (“(f) a flexible cap body for mounting on said stopper body; (g) said cap body having an open end and a substantially closed end; … (i) said closed end having a needle receiving bore in the top surface thereof … ”).

Second, the majority correctly notes that the advertisements tout the features of BD’s design that serve a functional purpose, which weighs against a finding of non-functionality. [cit.] However, the advertisements do support the finding of non-functionality based on the third Morton-Norwich factor: the presence of alternative designs. While the majority finds no relevance in the fact that the designs featured in BD’s advertisements were not exactly the same as the current mark, [cit.], this fact indicates the existence of alternative designs that are nonetheless functionally identical.

Addressing the third Morton-Norwich factor, the Board and the majority discounted the most probative evidence submitted in this case—the design patents and evidence of alternative designs. Because “the effect upon competition is really the crux of the matter, it is, of course, significant that there are other alternatives available.” *Morton-Norwich*, 671 F.2d at 1341 (internal quotation omitted). The three design patents noted by the majority are not identical to the specific design for which trademark protection is sought. [cit.] However, the fact that three distinct design patents were granted on similar, but not identical, designs performing the same overall function as the current design at issue suggests that the current design is not “made in the form it must be made if it is to accomplish its purpose.” *Morton-Norwich*, 671 F.2d at 1339 (internal citation omitted). If a design patent can show that one design in a group of functionally identical alternative designs is non-functional, the entire class of arbitrary alternative designs is likely nonfunctional.

Further, the Board and the majority wholly disregarded the evidence submitted by BD of alternative designs utilized by BD’s competitors. The majority is correct that there is no need to consider alternative designs when functionality has been established, [cit.;] however, “that does not mean that the availability of alternative designs cannot be a legitimate source of evidence to determine whether a feature is functional in the first place.” *Valu Eng’g*, 278 F.3d at 1276. In this case, the Board disregarded two alternative designs—designs actually used by BD’s competitors—because it found that they shared the same utilitarian features and were therefore not “alternative designs.” [cit.] The disqualification of an alternative design because it shares the same utilitarian features is unsupported by law. *See* *Morton-Norwich*, 671 F.2d at 1342 (“[C]ompetitors may even copy and enjoy all of [the design’s] functions without copying the external appearance of appellant’s spray top.” (emphasis added)). In fact, this evidence strongly suggests that BD’s design is not functional because BD faces competition from products with similar
functionality, yet differing designs. As in Morton-Norwich, BD’s “[c]ompetitors have apparently had no need to simulate” BD’s product design “in order to enjoy all of the functional aspects” of a closure cap. Id. at 1342 (emphasis in original). Any concern that BD will unfairly assert its mark against these competitors rings hollow when BD, in seeking protection of this mark, has already distinguished those designs of its competitors.

Finally, the Board may not ignore the fourth Morton-Norwich factor—whether the design results from a less expensive method of manufacture—when evidence was presented on it. There were undisputed statements from BD indicating that the design did not result from reduced costs of manufacture. This uncontroverted evidence should have been taken into consideration in the Board’s weighing of the factors. While the majority characterizes this as “little record evidence,” [cit.], it is evidence that must be considered nonetheless.

Because the Board committed legal error in failing to analyze the functionality of BD’s mark as a whole and lacked substantial evidence for its findings, I would reverse the Board’s decision on functionality. On the functionality determination, I therefore respectfully dissent. …

**Groeneveld Transport Efficiency v. Lubecore Int’l**

730 F.3d 494 (6th Cir. 2013)

GILMAN, Circuit Judge:

The key issue in this case is whether a company can use trade-dress law to protect its functional product design from competition with a “copycat” design made by another company where there is no reasonable likelihood that consumers would confuse the two companies’ products as emanating from a single source. We hold that it cannot. In so holding, we reaffirm that trademark law is designed to promote brand recognition, not to insulate product manufacturers from lawful competition.

…

**I. BACKGROUND**

**A. Factual background**

This case, like many trademark cases before it, is a contest between an oldtimer and a newcomer. Their battle is over a relatively obscure product—the grease pump used in an automated lubrication system (ALS) for commercial trucks. An ALS, as the name implies, is a system for delivering a controlled amount of lubricant to different parts of a machine (in this case a commercial truck) while the machine is in operation. Automated lubrication saves time, increases operational efficiency, and minimizes corrosion by obviating the need for frequent manual lubrication. The primary component of an ALS is a grease pump that forces grease through injectors and hoses to targeted areas at timed intervals.
Groeneveld is the American branch of a Dutch company that has been in the ALS business for over 40 years. It began marketing the grease pump at issue in the present case—designated by Groeneveld as its EP0 pump—in the 1980s. The Groeneveld family of companies employs thousands of people and has a well-established international presence.

Lubecore, by contrast, is the new kid on the block. It was founded in 2007 by Jan Eisses, who had previously sold another company of his to Groeneveld and had been a Groeneveld employee for approximately three years. Lubecore is located in Canada, is owned by Eisses and his wife, and employed 12 people at the time of pretrial discovery. It designed the grease pump at issue in this case in December 2007 and began selling it first in Canada (starting in April 2008) and then in the United States (starting in March 2009). The two companies’ competing grease pumps are shown below:

B. Procedural background

Groeneveld sued Lubecore, claiming that Lubecore’s automotive grease pump is a “virtually identical” copy of Groeneveld’s automotive grease pump. The complaint asserted violations of Lanham Act § 43(a), along with other claims. The judge sent trade dress claim to the jury, requesting that the jury make determinations as to functionality, distinctiveness, and likelihood of confusion. The jury found for Groeneveld on all of the questions and awarded $1,225,000 in damages. The trial
court entered judgment in accordance with the jury verdict, and denied Lubecore’s motion to set aside the verdict. Lubecore appealed.]

II. ANALYSIS OF LUBERCORE’S APPEAL

...

C. Nonfunctionality

Groeneveld does not dispute that its grease pump is a functional device designed to automatically lubricate commercial trucks. Nor does Groeneveld attempt to protect the individual component parts of its pump. Rather, the question is whether the “overall shape” of the grease pump (such shape being the trade dress claimed by Groeneveld) “is essential to the use or purpose of the article or ... affects the cost or quality of the article.” See Inwood Labs., 456 U.S. at 850 n. 10.

Groeneveld’s pump, in its overall shape, consists of a black base topped by a clear reservoir. The base is made of cast aluminum and contains the pump mechanism, which is connected by wires and hoses to the rest of the ALS; the reservoir is made of plastic and holds the grease. Both components clearly serve a function essential to the product’s operation.

Trial testimony by two Groeneveld witnesses, Willem van der Hulst and Cornelius Wapenaar, makes clear that not only the basic manufacture of the grease pump’s components, but also their size and shape, are closely linked to the grease-pumping function. The shape of the base is functionally determined because it minimizes the amount of material needed in construction. And the volume of the reservoir is functionally dictated by the amount of grease that the vehicle needs during each servicing interval. The use of clear material in the reservoir is also functional because it allows one to easily see how much grease is left in the pump.

Because the volume of the reservoir (like that of any cylinder) is the algebraic product of its surface area times its height, and because the surface area and the volume of the reservoir are both functionally determined (the former by the necessity of fitting into the base and the latter by the necessity of holding a predetermined amount of grease), the height is also functionally determined. The overall design of the grease pump is therefore functional. As the magistrate judge found when denying Groeneveld’s motion for a preliminary injunction, “all the elements of Groeneveld’s pump are there for some practical benefit or reason ... Groeneveld has not presented its pump as in any way the equivalent of an automotive tail fin—a purely ornamental feature that contributes no demonstrable benefit to the operation or efficiency of the designed product.”

Because Groeneveld presented no evidence showing that the individual components of its grease pump or their overall configuration are nonfunctional, it failed to carry its burden of creating a triable issue of fact with respect to nonfunctionality. See Antioch Co. v. W. Trimming Corp., 347 F.3d 150, 158 (6th Cir. 2003) (“[I]n order to receive trade dress protection for the overall combination of functional features, those features must be
configured in an arbitrary, fanciful, or distinctive way ... In other words, where individual functional components are combined in a nonarbitrary manner to perform an overall function, the producer cannot claim that the overall trade dress is nonfunctional.”) (citing TrafFix Devices, Inc. v. Mktg. Displays, Inc., 532 U.S. 23, 34 (2001)); Leatherman Tool Grp., Inc. v. Cooper Indus., Inc., 199 F.3d 1009, 1013 (9th Cir. 1999) (reversing the jury’s finding of trade-dress infringement, granting judgment as a matter of law for the defendant, and holding that “where the whole is nothing other than the assemblage of functional parts, and where even the arrangement and combination of the parts is designed to result in superior performance, it is semantic trickery to say that there is still some sort of separate ‘overall appearance’ which is non-functional”).

Groeneveld nonetheless argues that the design of its pump is nonfunctional because the particular design is not necessary for effective competition in the ALS business. This is shown, according to Groeneveld’s opening brief, by the fact that none of Groeneveld’s competitors other than Lubecore makes a similar-looking pump:

Several products compete with Groeneveld’s EP0, but none comes anywhere close to Groeneveld’s trade dress, other than the Lubecore, that looks like an exact copy of it[.]

All these products have the same purpose—to pump grease—yet no other competitor found it necessary to copy Groeneveld’s trade dress.

We reject Groeneveld’s argument because adopting it would result in a reversion to the very standard that the Supreme Court unanimously rejected in TrafFix Devices. That case concerned the trade dress of a “dual-spring design” employed in the base of outdoor signs in order to keep them upright in strong wind conditions. Our circuit reversed the district court’s determination that the dual-spring design was functional, reasoning that “[i]t takes little imagination” to conceive of alternative workable designs. Mktg. Displays, Inc. v. TrafFix Devices, Inc., 200 F.3d 929, 940 (6th Cir. 1999). This court instead held that “[t]he appropriate question is whether the particular product configuration is a competitive necessity.” Id.

But competitive necessity is an appropriate avenue of inquiry, the Supreme Court held, only in cases of “esthetic functionality,” not in cases of utilitarian functionality where a design is essential to the use or purpose of a device. TrafFix Devices, 532 U.S. at 33. The Supreme Court then reversed this court’s decision regarding the dual-spring design, holding that the proper measure of functionality is the previously quoted “essential to the use or purpose” standard, not the competitive-necessity test ... Because the dual-spring design in TrafFix Devices accomplished the function of keeping the signs upright in strong winds, the Supreme Court held that our circuit had erred in requiring competitors to explore alternative designs (such as using three or four springs) and in finding the design to be nonfunctional. Id. at 33-34.

TrafFix Devices makes clear that Groeneveld’s argument about the availability of alternative grease-pump designs is misguided. The issue is not whether Lubecore could have designed a grease pump with a different appearance; the issue is whether Groeneveld’s design “is essential to the use or purpose of the article or if it affects the
cost or quality of the article.” Inwood Labs., 456 U.S. at 850 n. 10. In other words, the
question is whether the overall shape of Groeneveld’s grease pump was substantially
influenced by functional imperatives or preferences. See Antioch, 347 F.3d at
158 (framing the inquiry as whether “engineering necessity influenced the configuration
of the functional components”). We accordingly reject Groeneveld’s invitation to drift
back into the error of inquiring about possible alternative designs. See id. at 157 (holding
that, in light of TrafFix Devices, the district court properly rejected evidence concerning
the availability of alternative scrapbook-album designs where the plaintiff’s “dual strap
hinge” design was functional because it held the album together and permitted the pages
to lie flat).

Groeneveld next points to the testimony of Willem van der Hulst, its Vice President
of Design and Production, who was involved in designing the EP0 grease pump. Van der
Hulst testified that Groeneveld did not “have to make its pump look this way on the
inside because of the way it works on the outside.” For the reasons stated above, this
testimony is insufficient to create a triable issue of fact under TrafFix Devices because it
improperly focuses on the possibility of alternative designs.

Moreover, van der Hulst’s testimony was entirely conclusory—he simply asserted
that Groeneveld was not limited to any particular design, but he did not explain why
the chosen design was nonfunctional, and certainly did not speak with any particularity about
the functional considerations that, as outlined above, apparently dictated the pump’s
design. The same goes for van der Hulst’s bald assertion that the pump’s design did not
Ltd., 668 F.3d 677, 684 (9th Cir. 2012) (holding that the plaintiff’s evidence of
nonfunctionality was insufficient as a matter of law where, “[e]xcept for conclusory, self-
serving statements, [the plaintiff] provide[d] no other evidence of fanciful design or
arbitrariness”).

Groeneveld further relies on van der Hulst’s testimony to the effect that Groeneveld’s
“commercial people” “have a finger in the pot” and “have the most power in the group.”
The record is unclear as to what this testimony means and why it is relevant to the issue
of nonfunctionality. There are multiple references in van der Hulst’s testimony to the so-
called “commercial people,” but Groeneveld never explained the meaning of the phrase.
If, as the literal meaning of the word “commercial” suggests, the “commercial people”
were business executives in charge of evaluating the pump’s commercial viability, then
the involvement of such individuals in developing the product design says nothing about
whether or not the design is nonfunctional. The same is true if “commercial people”
means managers generally. And even if “commercial people” means those in the
marketing or design department, the testimony would still be unhelpful to Groeneveld.
Every viable mass-market product is presumably designed with marketing considerations
in mind, and this unremarkable fact says nothing about whether the product design is
nonfunctional.
Finally, Groeneveld points to van der Hulst’s testimony that the other grease pumps on the market look “terrible,” and that Groeneveld’s founder was “different from the really old-fashioned mechanical people” in that “he had very good choice” and “like[d] nice things,” such as “a nice office, nice cars, nice people.” Van der Hulst also testified that Groeneveld has not switched to alternative grease-pump designs, even though they might be cheaper, because the current pump is “a very nice pump” and “[e]verybody knows this pump.”

But these statements fail to Meaningfully address the issue of nonfunctionality. The fact that Mr. Groeneveld has good taste does nothing to prove that the grease pump’s design is nonfunctional. And to the extent that van der Hulst’s testimony was intended to show that less attractive or cheaper grease-pump designs were also possible, such a showing plainly falls short under TrafFix Devices because courts should not inquire into alternative designs when the design at issue is substantially influenced by functional considerations. See TrafFix Devices, 532 U.S. at 33-34 (“There is no need … to engage, as did the Court of Appeals, in speculation about other design possibilities … . Here, the functionality of the spring design means that competitors need not explore whether other spring juxtapositions might be used. The dual-spring design is not an arbitrary flourish in the configuration of MDI’s product; it is the reason the device works. Other designs need not be attempted.” (internal citation omitted)).

In short, Groeneveld’s evidence was insufficient to enable a reasonable jury to find that the grease pump’s design is nonfunctional. And Groeneveld’s proof of nonfunctionality is rendered even more wanting by the fact that Lubecore has pointed to the testimony of van der Hulst and Wapenaar, Groeneveld’s own witnesses, to show that the pump’s volume, shape, and materials are all essentially influenced by the dictates of function.

This result is consonant with the public policy underlying the functionality doctrine, which is to channel the legal protection of useful designs from the realm of trademark to that of patent. Such channeling ensures that the high public costs of monopoly are not imposed without an assurance that the design satisfies the rigorous requirements of patentability, including novelty and nonobviousness, and is protected for only a limited period of time. …

Groeneveld has no patent on the design of its grease pump. That is why it has pursued a trade-dress claim under the Lanham Act. But nonfunctionality is an indispensable element of a trade-dress claim, so Groeneveld’s failure to raise a triable issue as to whether its product design is nonfunctional is alone sufficient to require judgment in favor of Lubecore on this claim. We will nevertheless proceed to discuss the likelihood-of-confusion element of a trade-dress claim because it bears upon Groeneveld’s cross-appeal and further supports our resolution of this case in light of the important public-policy issues involved. …

[Reversed.]
WHITE, Circuit Judge, dissenting.

The majority’s articulation of the “key issue” presented—“whether a company can use trade-dress law to protect its functional product design from competition with a ‘copycat’ design made by another company where there is no reasonable likelihood that consumers would confuse the two companies’ products as emanating from a single source,” Maj. Op. 500 (emphasis added)—frames this appeal in a manner that assumes the very issues to be considered—whether the trade dress is functional and whether there is a reasonable likelihood of confusion—without any acknowledgment that reasonable inferences to the contrary not only exist but were accepted by a jury and the district court.

I respectfully dissent because I do not agree that Groeneveld presented insufficient evidence for a reasonable jury to find in its favor on its trade-dress infringement claim. Moreover, although I agree with the majority as to the basic legal standards governing copyright, patent, trademark, and trade-dress law, my reading of the relevant precedents does not fully comport with the majority’s interpretation and application of the law.

I.

Groeneveld’s trade dress is the external shape and appearance of its EP0 grease pump (the Groeneveld pump), including its logo and color. Groeneveld was the exclusive manufacturer of this style pump for decades, until Lubecore began selling a similar-shaped pump. The differences between the two pumps are the company logos and plates, and bands of color. Although there was ample evidence to support a verdict for either party on Groeneveld’s trade-dress infringement claim, the jury—after listening to testimony during a seven-day trial and considering numerous exhibits—found for Groeneveld. Lubecore appeals, seeking reversal on the basis that Groeneveld failed to present sufficient evidence for a reasonable jury to find in its favor and that the district court abused its discretion in denying its motion for a new trial and upholding the damages award.

A.

Lubecore first attacks the district court’s decision to deny its motion for judgment as a matter of law and a new trial on the basis that Groeneveld failed to prove non-functionality. Whether a product feature is functional is a question of fact reviewed for clear error. *Fuji Kogyo Co. v. Pac. Bay Int’l, Inc.*, 461 F.3d 675, 681 (6th Cir. 2006). The appropriate focus is the overall trade dress rather than each dissected component. *See Tools USA and Equip. Co. v. Champ Frame Straightening Equip. Inc.*, 87 F.3d 654, 658 (4th Cir. 1996) (“[T]he critical functionality inquiry is not whether each individual component of the trade dress is functional, but rather whether the trade dress as a whole is functional.” (collecting case-law from the Second, Ninth, Tenth, and Eleventh Circuits for the same proposition)); cf. *Antioch Co. v. W. Trimming Corp.*, 347 F.3d 150, 157 (6th Cir. 2003) (recognizing that “the district court was perhaps too
categorical in summarily rejecting [the plaintiff]’s argument that the court had to consider whether the overall configuration of the album was functional, rather than focusing exclusively on its component parts”).

Under TrafFix, the possibility of alternative designs cannot render a trade dress non-functional where it is otherwise functional under Inwood. Id. at 33. The majority has morphed this simple principle into a holding that evidence regarding the possibility of alternative designs is irrelevant to the determination whether a design is functional. TrafFix does not so hold.¹

To be sure, “a court is not required to examine alternative designs when applying the traditional Inwood test for functionality” because “if a product is clearly functional under Inwood, a court need not apply the competitive-necessity test and its related inquiry concerning the availability of alternative designs.” Antioch Co., 347 F.3d at 156. Post-TrafFix, however, both this court and other courts have continued to consider the possibility, or lack thereof, of alternative, functionally equivalent designs as one of several factors in determining functionality. See Fuji Kogyo Co., 461 F.3d at 685-86 (considering testimony that alternative designs would not be acceptable to consumers); see also Georgia-Pacific Consumer Prods. LP v. Kimberly-Clark Corp., 647 F.3d 723, 727-28 (7th Cir. 2011); id. at 731 (considering argument about the availability of alternative designs, but concluding that the possibility of alternative designs cannot, on its own, render a design nonfunctional); Au-Tomotive Gold, Inc. v. Volkswagen of Am., 457 F.3d 1062, 1072 n. 8 (9th Cir. 2006) (noting that, following TrafFix, the court of appeals has reiterated that the possibility of alternative designs, among other factors, is a legitimate consideration in determining whether a product feature is functional); Valu Eng’g Inc. v. Rexnord Corp., 278 F.3d 1268, 1276 (Fed. Cir. 2002) (“Nothing in TrafFix suggests that consideration of alternative designs is not properly part of the overall mix, and we do not read the Court’s observations in TrafFix as rendering the availability of alternative designs irrelevant. Rather, we conclude that the Court merely noted that once a product feature is found functional based on other considerations, there is no need to consider the availability of alternative designs, because the feature cannot be given trade dress protection merely because there are alternative designs available.” (internal footnote omitted)). Thus, I do not read TrafFix as standing for the unqualified proposition that inquiring about possible alternative designs is error under the Inwood formulation, although (as the district court properly instructed the jury) the mere possibility of alternative designs does not render a design non-functional. Gen. Motors Corp., 468 F.3d at 417.²

¹ Nor does TrafFix hold that consideration of alternative designs is appropriate only in cases of “esthetic functionality.”

² As one commentator has reasoned:

I cannot believe that the Supreme Court in TrafFix meant, in [a] back-handed way, to overrule decades of precedent which has used alternatives as another source of evidence to resolve the difficult puzzle of functionality. I think that, as a matter of policy, consideration of alternatives can
Applying the Inwood formulation, I disagree with the majority’s conclusion that Groeneveld presented “no evidence” that its pump’s overall design is non-functional. Groeneveld’s vice president of design and production, Willem van der Hulst, agreed that the base optimized the amount of material in the pump for its internal workings. However, he did not say (as the majority infers) that the irregular shape of the base was necessitated based on the pump’s internal components. Rather, he testified that the base was not “form fitted” around the internal parts, and he clarified that it is the weight of aluminum in the base that affects the cost. Van der Hulst added that the same amount of aluminum, if molded to a different shape, probably would not affect the cost of the aluminum but could affect “the cost of production to work the body,” i.e., the “machine part” of the device. The appropriate inference to be drawn from this testimony is that the volume of aluminum or arrangement of the internal parts could impact the pump’s function, but the irregular shape of the base is not essential to the pump’s functioning and does not affect the cost of the device. As van der Hulst made clear, the pump would cost the same even with a different shape. Further, although the “inside volume” of the upper cylinder reservoir is determined by “something other than human design” because the reservoir volume affects the amount of grease the pump can hold, it is not apparent that the cylinder’s shape is the reason the device works.

In any event, the non-functional configuration of otherwise functional components does not compel a finding that a product’s overall trade dress is functional as matter of law, and the majority’s equation of such components adding up to an overall functional design is not the law. Rather, “in order to receive trade dress protection for the overall combination of functional features, those features must be configured in an arbitrary, fanciful, or distinctive way.” Antioch Co., 347 F.3d at 158 (emphasis added). The evidence supports a finding that the pump’s overall configuration was designed to look distinctive in the industry rather than due to functional concerns.

First, evidence that the pump’s outer appearance was not dictated by its internal functioning is sufficient. Whether a product’s design is “essential to the use or purpose of the article” or “affects the cost or quality of the article,” TrafFix, 532 U.S. at 32-33 (emphasis added), is the appropriate inquiry. In TrafFix, the Court emphasized that “[t]he point is that the springs are necessary to the operation of the device,” “the dual-spring design provides a unique and useful mechanism to resist the force of the wind,” and “[t]he dual-spring design is not an arbitrary flourish in the configuration of [the] product;

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1 McCarthy, supra, § 7:75 (capitalization of internal case names altered). Here, there is no utility patent that touts the utilitarian advantages of the Groeneveld pump’s design.
it is the reason the device works.” *Id.* at 30, 33, 34, *accord Antioch Co.*, 347 F.3d at 158 (explaining that “where engineering necessity influence[s] the configuration of the functional components,” the resulting design is functional).

In *General Motors Corp.*, we concluded that the trade dress of a Hummer/Humvee vehicle—“the exterior appearance and styling of the vehicle design which includes the grille, slanted and raised hood, split windshield, rectangular doors, [and] squared edges”—was non-functional. 468 F.3d at 417. Of course, a vehicle’s grille, hood, windshield, doors and exterior edges serve particular functions as individual components of the vehicle, but their individualized designs on the Hummer/Humvee did not. Here too, the Groeneveld pump’s external appearance—the round and cylindrical shape of the clear reservoir, the grooves on the top and bottom of the reservoir, the particular placement of the product label and other features, and the irregular shape of the base—perform no inherently functional purpose. That its individual components (or inside volume of those components) have functional qualities does not compel a finding that the trade dress is functional.

Second, van der Hulst’s testimony—asserting that Groeneveld did not have to design its pump in the unique way it did—was not a bare denial as characterized by the majority:

Q. Did Groeneveld have to make its pump look this way on the outside because of the way it works on the inside?
A. No, no, of course not. No, no.

Q. Well, again, you say of course not—
A. You can’t—the pump wasn’t made in this way but you can put the valves inside. You can make out of the pistons horizontal or vertical, make it horizontal. You can change the shape of the reservoir round you can make also reservoirs which are square. So you can change very easily the same pump [would] function[ ] the same way.

A. You see the reservoir on top? This is a reservoir on top, yeah. That is the container of the [grease]. The reservoir you can make in several dimensions, yeah. You can make them in two kilos, three. We’re speaking kilos, okay. This one which you see on the table [is a] six kilo grease container, and this has to do with the time you want to [ ]come for the next … filling… .

Q. So the sizes of reservoir of ALS pumps vary then?
A. Yes, vary a lot, yeah.

Q. Does the shape or outline of the pump affect the way the thing performs, the way it delivers grease throughout the system?
A. No.

Q. Explain this to the jury. It might be obvious, but I’m sorry. I’ll ask you to explain.
A. It’s like a car. No? The car go from A to B and they’re all different. The shape
has nothing to do with the function of the [car] moving from A to B, and it's the same as the lubrication system. The only thing we have to do is create energy and that there is an outlet where grease is coming out, how you do that, you can do it in many, many, many ways.

Third, I disagree with the majority’s rejection of van der Hulst’s reference to the “commercial people.” English is not van der Hulst’s first language, which I believe the jury could have reasonably taken into account in assessing his testimony. Van der Hulst explained that the commercial people provide “information of what the market wants.” The implication is that this company division is involved in design decisions from an aesthetic, rather than a functional, standpoint. He further testified:

Q. Were the commercial people and the sales people at Groeneveld involved in the design of the EP-0 Groeneveld pump?

A. Of course. We make—we make art impression at that time. We make some sketches. How it would look like. I think we made even another model to show the pump to the people to management because there was money involved, and we needed to show what we are going to do. So they had an idea of the shape and the function is only—yeah, telling how it will function. That’s not too easy, but the shape we have to show it, yeah.

A jury could infer that the design of the pump was a separate consideration from its internal functioning.

Fourth, van der Hulst explained in detail why the pump design is based on branding considerations and that the pump has a unique look in the marketplace:

A. … [W]e were sure that this was the only possibility to make a pump which looks completely different than the other pumps at that time which were available because a lot of pumps were made with mechanical parts with bolts and screws and piece of steel, so on, and plastic. We wanted to make it different. One piece worked and finished.

Q. Why did you want to make your pump different looking than everybody else’s that was on the market?

A. Yeah. It’s just a challenge. It’s a challenge of designer and each-let’s say you want to make something different than everybody else …

So we want to give it a groove look. So this has to be our pump for many, many years and has to be good and nice.

Q. And was the Groeneveld EP-0 pump different looking than everybody else’s on the market?

A. At that time, yes. Yes, of course.

Q. And what about over the last 30 years?

A. We had a lot of success with this pump. Groeneveld went all over the world with this pump. We created a lot of distributors everywhere, and we were very
successful with this pneumatic system, and we still are.

Q. Over the last 30 years, did anybody else’s ALS pump look like Groeneveld’s, other than what we have here on the table now?

[108x671]…

[A.] No, no.

Q. Did new products come on the market, ALS pumps over the last 30 years?

A. Yes, there is a lot of produce of lubrication pumps, lubrication system, Japanese, Chinese, also Europe, different producers, smaller ones, but they all have their own systems in a way, and they look all different, all different.

Q. You said that the Echo or the Sterk pump we were just looking at is a terrible pump. What’s terrible about it?

A. Yeah, only the look. I have nothing to say about the quality because probably is a perfect pump, and so it’s only the look which I mention, yeah.

Q. Was that—was that important to you or a factor in the way you chose to engineer the Groeneveld pump way back in the way it looked, and not looking terrible and all those things you just described?

[A.] Yeah, I think so because the Groeneveld was—at that time, a very young company with young managers. Mr. Groeneveld, especially, he had very good choice. He like nice things. We had a nice office, nice cost, nice people. So we were different than the really old mechanical people. Let’s say it in this way. We were a sales company, we did a lot of promotion, and there’s a reason why we wanted to do something else[.]

Q. Do you know this is a grease jockey pump?

A. A grease jockey pump.

Q. Meaning Exhibit 42?

A. Yeah.

Q. Would you have wanted to design and create, make something that looks like this?

A. No, they[’d] fire me probably.

(Laughter.)

Q. And why, if it works, what does anybody care what it looks like?

A. You see nowadays the cars, even trucks, nowadays, new truck is nicer than a personal car inside. The shape on the cars, the wheels, the tire protection, the tanks, the air tanks, it’s unbelievable nice. Not only a car would go from A to B. No, they want also to make something nice. So when you put something on a chassis of an owner of a truck with truck for a lot of money, he bought all kinds of chrome insulation, lights and nice things, and then you put this on the chassis. It’s
terrible, huh?

Although the pump’s trade dress is not an ornamental feature per se like certain components of luxury cars, an ALS pump can be a visible component of a truck. And for the consumer, its unique look causes immediate brand recognition. Van der Hulst testified that, although it costs more to manufacture nowadays, the pump’s overall appearance has remained the same since it was first produced in the 1980s because the industry associates it with Groeneveld.

*Leatherman Tool Group v. Cooper Industries*, 199 F.3d 1009 (9th Cir. 1999), does not support the majority’s result. In Leatherman, the Ninth Circuit concluded that a competitor was entitled to judgment as a matter of law on Leatherman’s trade-dress claim because the overall appearance of Leatherman’s Pocket Survival Tool (PST) was functional. Applying the principle “that[,] in a product configuration case[,,] there must be some aspect to the configuration which is nonfunctional,” *ibid.* at 1013 n. 6, the Ninth Circuit reasoned:

… [T]here is no evidence in the record which supports the jury’s conclusion that the overall appearance of the PST is protectable trade dress. To be sure, the PST has an appearance, as every physical object must. There is no evidence, however, that anything about that appearance (other than the Leatherman name) exists for any non-functional purpose. Rather, every physical part of the Leatherman is de jure functional. No witness pointed to any feature of, or marking on, the PST (other than the Leatherman name) which was ornamental or intended to identify its source. Rather, the evidence showed … that the product is in its particular shape because it works better in this shape. Indeed, the designer of the PST repeatedly testified as to his belief in the truth of Leatherman’s claims as to the superiority of the PST design.

… [Although the] trade dress must be viewed as a whole, … where the whole is nothing other than the assemblage of functional parts, and where even the arrangement and combination of the parts is designed to result in superior performance, it is semantic trickery to say that there is still some sort of separate “overall appearance” which is non-functional.

*Id.* at 1013 (internal citation, quotation marks, and emphasis omitted). The Ninth Circuit also noted that “the evidence here was unequivocal that none of the alternative[ ] [designs] offered the same functionality as the PST.” *Id.*

Unlike *Leatherman*, there was ample evidence that the Groeneveld pump’s design was intended to identify its manufacturer and does in fact identify its manufacturer in the marketplace. Moreover, as discussed supra, van der Hulst’s testimony supports a finding that the pump’s design was based on aesthetic considerations, the shape does not dictate the pump’s function, other designs would result in the same function, and the design does not result in superior performance or cost effectiveness.

In sum, although the jury might have decided otherwise, there was sufficient evidence to support a finding that the Groeneveld pump’s trade dress is not based on engineering
or cost concerns, but was “selected for [its] distinctiveness.” *Ferrari S.P.A. v. Roberts*, 944 F.2d 1235, 1247 (6th Cir. 1991).

B.

Lubecore also asserts that there was insufficient evidence to submit the issue of secondary meaning to the jury. …

Except for consumer surveys, Groeneveld presented evidence supporting all the remaining factors that, if believed, support a jury's finding of secondary meaning. Consumer testimony established that the Groeneveld pump has been recognized by its appearance for many years. Even Lubecore’s founder, Jan Eisses, conceded that the pump is recognizable by its shape, although he qualified that it “also” can be recognized by the name and label. There is no dispute that Groeneveld exclusively used its unique design for decades before Lubecore made a similar-shaped pump. As to advertising, the Groeneveld pump is “displayed clearly on all of [its] promotional materials” and “it is a predominant part of [the company’s] corporate image.” (testimony of Gail Wilson, Groeneveld’s chief financial officer); (Wilson explaining the investment in advertising that incorporates images of the pump); (evidence establishing the company’s significant trade show attendance). The revenue from the sale of the Groeneveld pump is significant. There is no dispute that Groeneveld is an industry leader (and has been for quite some time), or that its pump is well known in this industry.

Finally, as the majority acknowledges, “[t]he similarities in the two pumps’ appearance (excluding the labels), the fact that other manufacturers’ pumps do not have a similar look, and the fact that Lubecore’s founder used to be a Groeneveld employee constitute circumstantial evidence of an intent to copy.” This evidence is strong; it is implausible that Lubecore’s pump, by sheer coincidence, just happened to be manufactured with an identical shape as the Groeneveld pump. Evidence of intentional copying “is especially helpful to establishing secondary meaning because there is no logical reason for the precise copying save an attempt to realize upon a secondary meaning that is in existence.” [cit.]

The record amply supports a finding that “the unique exterior design and shape of” the Groeneveld pump constitutes its trade dress and has acquired a secondary meaning, which makes it distinguishable from other ALS pumps. [cit.]
DUNCAN, Circuit Judge:

...  

I.  

A.  

McAirlaids produces “airlaid,” a textile-like material composed of cellulose fiber. Airlaid is used in a wide variety of absorbent goods, including medical supplies, hygiene products, and food packages. To make airlaid, cellulose fiber is shredded into “fluff pulp,” which is arranged into loosely formed sheets. In contrast to most of its competitors, McAirlaids fuses these fluff pulp sheets through an embossing process that does not require glue or binders.

McAirlaids patented its pressure-fusion process, U.S. Patent No. 6,675,702 (filed Nov. 16, 1998) (“702 Patent”), and the resulting product, U.S. Patent No. 8,343,612 (filed May 22, 2009) (“612 Patent”). In this process, sheets of fluff pulp pass at very high pressures between steel rollers printed with a raised pattern. The rollers leave an embossing pattern on the resulting material, and the high-pressure areas bond the fiber layers into a textile-like product. In order for McAirlaids’s fusion process to adequately hold together the airlaid, the embossed design must fall within certain general size and spacing parameters.

McAirlaids has chosen a “pixel” pattern for its absorbent products: the high-pressure areas form rows of pinpoint-like dots on the material. McAirlaids registered this pattern as trade dress with the U.S. Patent and Trademark Office (“PTO”) with the following description: “the mark is a [three dimensional] repeating pattern of embossed dots” used in various types of absorbent pads.

U.S. Trademark Registration No. 4,104,123.
B.

McAirlaids initiated this lawsuit against Kimberly-Clark in the Western District of Virginia after Kimberly-Clark began using a similar dot pattern on its GoodNites bed mats, an absorbent product manufactured in a manner different from McAirlaids’s pads. … [The district court granted summary judgment in favor of Kimberly-Clark on the ground that McAirlaids’s trade dress was functional.] McAirlaids appeals.

III.

Trademark law indefinitely protects designs that “identify a product with its manufacturer or source.” TrafFix Devices, Inc. v. Marketing Displays, Inc., 532 U.S. 23, 28 (2001). Patent law, on the other hand, “encourage[s] invention by granting inventors a monopoly over new product designs or functions for a limited time.” Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159, 164 (1995). The so-called “functionality doctrine prevents trademark law, which seeks to promote competition by protecting a firm’s reputation, from instead inhibiting legitimate competition by allowing a producer to control a useful product feature.” Id. Therefore, when a company wants to protect a functional feature of a product design, it must turn to patent law rather than trademark law. Rosetta Stone Ltd. v. Google, Inc., 676 F.3d 144, 161 (4th Cir. 2012). It also follows that proof of a design element’s functionality is a complete defense in a trademark-infringement action. Shakespeare Co. v. Silstar Corp. of Am., 9 F.3d 1091, 1102 (4th Cir. 1993). Although the functionality doctrine originated in the common law, it has now been incorporated into the Lanham Act, which prohibits registration of trade dress that is “as a whole … functional.” 15 U.S.C. § 1052(e).

A product feature is functional—and therefore not protectable as a trademark or trade dress—“if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.” Qualitex, 514 U.S. at 165 (citation and internal quotation marks omitted). In other words, a feature is functional if “it is the reason the device works,” or its exclusive use “would put competitors at a significant non-reputation-related disadvantage.” TrafFix, 532 U.S. at 34 (citations and internal quotation marks omitted).

On appeal, the parties agree that the pressurized bonding points are themselves functional because these areas actually fuse the layers of fluff pulp into a textile-like material. The parties, however, dispute whether McAirlaids’s chosen embossing pattern is functional. McAirlaids argues that the district court erred by misapprehending the significance of its utility patents under TrafFix and by failing to consider the facts in the light most favorable to McAirlaids, the nonmoving party. We address each contention in turn.
A.

In TrafFix, the Supreme Court emphasized that a “utility patent is strong evidence that the features therein claimed are functional.” 532 U.S. at 29. In that case, Marketing Displays, Inc. (“MDI”) created a mechanism to hold outdoor signs upright in windy conditions, and MDI brought suit for trademark infringement against TrafFix Devices, a competitor that copied its signs’ “dual-spring design.” Id. at 25-26. MDI’s dual-spring mechanism was the “central advance” of several expired utility patents, which were of “vital significance in resolving the trade dress claim.” Id. at 29-30. Given the utility patents and other evidence of functionality, the Court concluded that the dual-spring mechanism was functional rather than “an arbitrary flourish.” Id. at 34. The Court then held that it need not “speculat[e] about other design possibilities” because it had already established that the design feature “is the reason the device works.” Id. at 33-34.

The parties dispute the proper application of TrafFix to the present case. Kimberly-Clark argues that McAirlaids’s pixel pattern is analogous to the dual-spring mechanism in TrafFix, and thus not protectable as trade dress. McAirlaids, however, argues that TrafFix is inapplicable. Although TrafFix is certainly instructive, we agree with McAirlaids that it can be distinguished on two grounds.

First, the burden of proof is different. In TrafFix, the dual-spring mechanism in question was not registered as trade dress with the PTO. Therefore, under the Lanham Act, MDI had the “burden of proving that the matter sought to be protected [wa]s not functional.” 15 U.S.C. § 1125(a)(3). In this case, however, McAirlaids’s pixel pattern was properly registered as trade dress. Its registration serves as prima facie evidence that the trade dress is valid, and therefore nonfunctional. 15 U.S.C. § 1057(b); Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, 696 F.3d 206, 224 (2d Cir. 2012). The presumption of validity that accompanies registered trade dress “has a burden-shifting effect, requiring the party challenging the registered mark to produce sufficient evidence” to show that the trade dress is invalid by a preponderance of the evidence. Retail Servs., Inc. v. Freebies Publishing, 364 F.3d 535, 542 (4th Cir. 2004). Therefore, Kimberly-Clark—the party challenging a registered mark—has the burden of showing functionality by a preponderance of the evidence in this case, whereas in TrafFix, MDI—the party seeking protection of an unregistered mark—had the burden of proving nonfunctionality.

Second, the utility patents in TrafFix protected the dual-spring mechanism, which was the same feature for which MDI sought trade-dress protection. See TrafFix, 532 U.S. at 30. In contrast, McAirlaids’s utility patents cover a process and a material, but do not mention a particular embossing pattern as a protected element. The Court in TrafFix acknowledged that “a different result might obtain” when “a manufacturer seeks to protect arbitrary, incidental, or ornamental aspects of features of a product found in the patent claims, such as arbitrary curves in the legs or an ornamental pattern painted on the springs.” TrafFix, 532 U.S. at 34. In such a case, the court must “examin[e] the patent
and its prosecution history to see if the feature in question is shown as a useful part of the
invention.” Id.

Here, McAirlaids’s patents cover a production process and a material, while the trade
dress claimed is a particular pattern on the material that results from the process. Unlike
in TrafFix, therefore, the pattern is not the “central advance” of any utility patent. See 532
U.S. at 30. Neither of McAirlaids’s patents refer to a particular embossing pattern. Both
patents reference line-shaped as well as point- or dot-shaped pressure areas, but the
patents also directly acknowledge that embossing studs of different shapes can be used,
including lines, pyramids, cubes, truncated cones, cylinders, and parallelepipeds. In fact,
the diagrams of the 702 Patent show hexagonal shapes rather than circles. Therefore,
while McAirlaids’s patents do provide evidence of the dots’ functionality, they are not
the same “strong evidence” as the patents in TrafFix. See 532 U.S. at 29.

Because the facts of this case are different from those presented to the Supreme Court
in TrafFix, TrafFix’s holding about alternative designs is inapplicable here. As we have
noted, TrafFix instructed that courts need not consider the availability of design
alternatives after the functionality of a design element has been established. 532 U.S. at
33-34. As the Federal Circuit has observed, however, TrafFix did not hold that “the
availability of alternative designs cannot be a legitimate source of evidence to determine
whether a feature is functional in the first place.” Valu Engineering, Inc. v. Rexnord
Corp., 278 F.3d 1268, 1276 (Fed. Cir. 2002). Thus, TrafFix did not alter our precedents
that look to the availability of alternative designs when considering, as an initial matter,
whether a design affects product quality or is merely ornamental. See, e.g., Tools USA &
Equipment Co. v. Champ Frame Straightening Equipment Inc., 87 F.3d 654, 659 (4th Cir.
1996). Therefore, when we address the alleged factual disputes below, we consider
evidence of alternative designs.

B.

Next, McAirlaids argues that the district court improperly weighed the evidence in the
record when it determined that the pixel pattern is functional. Kimberly-Clark contends
that the record clearly indicates that McAirlaids selected its pixel pattern due to
functional considerations and that the embossing design affects the pads’ strength,
absorbency, and elongation (i.e., stretchiness). McAirlaids counters that it has presented
sufficient evidence to create a genuine factual question as to whether their selection of a
pattern was a purely aesthetic choice among many alternatives. We agree.

When assessing a design element’s functionality, courts often look at (1) the existence
of utility patents, (2) advertising focusing on the utilitarian advantages of a design, (3) the
availability of “functionally equivalent designs,” and (4) the effect of the design on
manufacturing. Valu Engineering, 278 F.3d at 1274 (citing In re Morton-Norwich Prods.,
Inc., 671 F.2d 1332, 1340-41 (C.C.P.A.1982)). We thus review the evidence relating to
these factors, taken in the light most favorable to McAirlaids, as the nonmoving party,
noting at the outset that the PTO already determined that McAirlaids’s embossing pattern
is not functional by registering it as trade dress.

McAirlaids’s fiber-fusion process and resulting material are patented; however, as we have pointed out, the patents do not extend to any specific embossing pattern or the shapes used therein. Patents for other nonwoven products specify that dot-shaped patterns are preferred for embossed bonding, but such patents also indicate that many designs can also be used.

McAirlaids officials, including the engineer who selected the company’s pixel pattern, have stated under oath that the pattern was chosen “[b]ecause it looked nice” and “[w]e liked it.” Yet the company has arguably touted the pattern’s functional attributes. In one marketing presentation, McAirlaids described its pads’ “unique bonding pattern” as increasing absorbency, and images of McAirlaids’s pixel pattern appeared on an advertisement referring to “German engineering.”

McAirlaids executives and both parties’ experts testified that the company could have used many shapes for the high pressure areas that fuse the fibrous layers together: squares, triangles, wavy or straight lines, hearts, flowers, and so on. In fact, McAirlaids formerly produced airlaid imprinted with an embossing design of intersecting diagonal lines, known as the “Harschur” pattern. During the three-year period when it produced airlaid with both the pixel and the Harschur patterns, McAirlaids conducted quality control tests on each type of absorbent pad, measuring their weight, thickness, tensile strength, and elongation. The pads’ performance tests for three measures—weight, thickness, and tensile strength—were nearly identical. Although the elongation figures varied, both measurements were within the normal range for absorbent pads.

Despite the wide variety of available shapes and patterns, the parties agree that any embossing design would be “[s]ubject to the suitable matching of cellulose fiber length, compression elements spacing, and sufficient compression forces to cause [ ]fiber fusion.” In other words, an embossing design must meet general size and spacing specifications to successfully bond the layers of fluff pulp.

In light of the foregoing, we determine that McAirlaids has presented sufficient evidence to raise a genuine issue of material fact regarding the functionality of its pixel pattern. In this particular case, deciding whether McAirlaids’s embossing pattern affects the quality of its pads requires weighing evidence and making credibility determinations. These are functions for a jury, not the judge. See Liberty Lobby, 477 U.S. at 255. In sum, there remains a dispute of material fact as to whether a specific embossing pattern is “the reason the device works” or “merely an ornamental, incidental, or arbitrary aspect of the device.” TrafFix, 532 U.S. at 34, 30. Therefore, summary judgment was inappropriate.

[Vacated and remanded.]

At pp. 156-57, Note 2, add the following:

Does Becton Dickinson help clarify the role of alternative designs evidence (and the Morton-Norwich factors more generally) in post-TrafFix functionality analysis? What about Groeneveld? For other post-TrafFix decisions that invoke the factors, including the
alternative designs factor, see Georgia-Pacific Consumer Prods. LP v. Kimberly-Clark Corp., 647 F.3d 723, 727-28 (7th Cir. 2011) (“In TrafFix, the Supreme Court found that a design is functional ‘if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.’ Courts look to several factors to determine whether a design is functional: ‘(1) the existence of a utility patent, expired or unexpired, that involves or describes the functionality of an item’s design element; (2) the utilitarian properties of the item’s unpatented design elements; (3) advertising of the item that touts the utilitarian advantages of the item’s design elements; (4) the dearth of, or difficulty in creating, alternative designs for the item’s purpose; (5) the effect of the design feature on an item’s quality or cost.’”) (internal citations omitted); see also Secalt S.A. v. Wuxi Shenxi Constr. Mach. Co., 668 F.3d 677 (9th Cir. 2012).

At pp. 157-58, Note 4, add the following:

In cases not involving features of product design, two courts were initially receptive to the argument that the focus of the functionality analysis should be on the defendant’s mark. Thus, in Fleischer Studios, Inc. v. A.V.E.L.A., Inc., 636 F.3d 1115 (9th Cir. 2011), withdrawn on other grounds, 654 F.3d 958 (9th Cir. 2011), a cartoon character merchandising case, the Ninth Circuit held inter alia that because the defendant was “not using Betty Boop as a trademark, but instead as a functional product”, no trademark claim could lie. Likewise, in Rosetta Stone Ltd. v. Google, Inc., 730 F. Supp. 2d 531 (E.D. Va. 2010), aff’d in part, vacated in part, 676 F.3d 144 (4th Cir. 2012), a case involving liability for keyword advertising, a district court held that “because Google uses Rosetta Stone’s trademark to identify relevant information to users searching on those trademarks, the use is a functional and non-infringing one.” Neither conclusion of “functionality of defendant’s use” caused the invalidation of the plaintiff’s mark. Rather, it provided a defense to the third party user in the particular case. However, the Ninth Circuit withdrew its initial opinion in Fleischer and superseded it with an opinion that did not address that argument. And the Rosetta Stone decision was vacated by the Court of Appeal for the Fourth Circuit. It is arguably unhelpful (and confusing) to describe these new cases as “functionality cases.”

At p. 158, Note 7, add the following:

In Georgia-Pacific Consumer Prods. LP v. Kimberly-Clark Corp., 647 F.3d 723 (7th Cir. 2011), the plaintiff claimed trade dress rights in the quilted design of its toilet paper.
The design had been the subject of several utility patents. The Seventh Circuit gave effect to the inference of functionality based on *TrafFix*, reasoning as follows:

The parties agree that the essential feature of the trademarks is the Quilted Diamond Design, which is embossed on the toilet paper, giving it a quilt-like appearance. [cit.] Therefore, the question is whether the Quilted Diamond Design is also the “central advance” claimed in any of the utility patents. Unfortunately for [the plaintiff], all five utility patents disclose a diamond lattice design filled with signature bosses and claim the benefits of this design as the “central advance.”…. Each of the patents discusses the benefits of the Quilted Diamond Design. [Defendant] argues that this language is strong evidence of functionality. We agree.

[Plaintiff] argues, however, that the Quilted Diamond Design is merely “incidental” under *TrafFix*. Accordingly, we will “[go] beyond” the patent claims to the specifications. See *TrafFix*, 532 U.S. at 34. The abstracts for the ′639 and ′156 patents state that “[t]he perceived softness of embossed tissue can be increased greatly while avoiding nesting when a particular pattern is embossed into the tissue.” (Emphasis added.) The ′776 abstract describes that patent as “[a]n embossed tissue having improved bulk and puffiness while being non-nesting by having a lattice pattern and at least two signature bosses.” (Emphasis added.) And the ′057 patent states that “[t]his invention relates to the discovery that perceived softness of embossed tissue can be increased greatly while avoiding prior art nesting problems if a particular pattern is embossed into the tissue.” (Emphasis added.) So [plaintiff’s] argument fares no better here; these abstracts all refer to the Quilted Diamond Design’s utilitarian benefits of softness, bulk, and non-nesting.

Moreover, the patents claim the Quilted Diamond Design as the “most preferred embodiment.” (The preferred embodiment of the ′057 patent is a lattice pattern of diamond cells filled with signature debossments; the most preferred embodiment for the ′639 patent is a lattice comprised of “diamond shaped” cells filled with a “signature boss.”) And while the preferred embodiment alone is not definitive of functionality, the language [plaintiff] uses in the preferred embodiment (a lattice pattern filled with hearts and flowers) matches the language in the claims (a
lattice structure and diamond-shaped cells). As with the language in the specifications, the consistency in language between the preferred embodiment and the claims is evidence of functionality.

Thus, reading the language of the patents, we find that the “central advance” claimed in the utility patents is embossing a quilt-like diamond lattice filled with signature designs that improves (perceived) softness and bulk, and reduces nesting and ridging. This is the same “essential feature” claimed in the trademarks. Thus, the language of the patents—the claims, abstracts, and preferred embodiment—is “strong evidence” that the Quilted Diamond Design is functional, and [plaintiff] has failed to offer evidence that the design is merely incidental.

Is this analysis consistent with how the TrafFix Court intended lower courts to use patents? Is this a successful effort to incorporate patent doctrine into trademark law—or does it reflect a dubious understanding of patent doctrine?

At p. 159, Note 11, add the following:

*Cf. Secalt S.A. v. Wuxi Shenxi Constr. Mach. Co.*, 668 F.3d 677 (9th Cir. 2012) (emphasizing that the existence of a design patent on the feature for which trade dress protection is sought will not of itself overcome a presumption of functionality).

At p. 160, add the following new note:

15. *Derivative functionality.* In *Georgia-Pacific Consumer Prods. LP v. Kimberly-Clark Corp.*, 647 F.3d 723 (7th Cir. 2011), the plaintiff argued that even if the design of its toilet paper was functional as used on toilet paper, it was not functional when depicted on packaging. The Court of Appeals for the Seventh Circuit rejected that argument, stating that if a product design is found to be functional, the accurate depiction of that product design on packaging is also deemed to be functional.

At p. 169, add the following new case:

**CHRISTIAN LOUBOUTIN S.A. v. YVES SAINT LAURENT AM., INC.**

696 F.3d 206 (2d Cir. 2012)

CABRANES, Circuit Judge:

…

**BACKGROUND**

… [A designer of high-fashion women’s footwear and accessories, Christian] Louboutin is best known for his emphasis upon the otherwise-largely-ignored outsole of
the shoe. Since their development in 1992, Louboutin’s shoes have been characterized by their most striking feature: a bright, lacquered red outsole, which nearly always contrasts sharply with the color of the rest of the shoe.

Christian Louboutin introduced his signature footwear to the fashion market in 1992. Since then, his shoes have grown in popularity, appearing regularly on various celebrities and fashion icons. The District Court concluded ... that “Louboutin [had] invested substantial amounts of capital building a reputation and good will, as well as promoting and protecting Louboutin’s claim to exclusive ownership of the mark as its signature in women’s high fashion footwear.” ... As a result of Louboutin’s marketing efforts, the District Court found, the “flash of a red sole” is today “instantly” recognizable, to “those in the know,” as Louboutin’s handiwork.

On the strength of the fashion world’s asserted recognition of the red sole, Louboutin on March 27, 2007 filed an application with the PTO to protect his mark (the “Red Sole Mark” or the “Mark”). The trademark was granted in January 2008, and stated: “The color(s) red is/are claimed as a feature of the mark. The mark consists of a lacquered red sole on footwear.” Id. at 449 (capitalization altered). The written description was accompanied by a diagram indicating the placement of the color:

In 2011, [Yves Saint-Laurent America (YSL)] prepared to market a line of “monochrome” shoes in purple, green, yellow, and red. YSL shoes in the monochrome style feature the same color on the entire shoe, so that the red version is all red, including a red insole, heel, upper, and outsole. This was not the first time that YSL had designed a monochrome footwear line, or even a line of footwear with red soles; indeed, YSL maintains that since the 1970s it had sold such shoes in red and other colors.

... [L]ouboutin filed this action on April 7, 2011, asserting [inter alia] claims under the
Lanham Act for (1) trademark infringement and counterfeiting, (2) false designation of origin and unfair competition, and (3) trademark dilution, … Louboutin also sought a preliminary injunction preventing YSL from marketing, during the pendency of the action, any shoes, including red monochrome shoes, bearing outsoles in a shade of red identical to the Red Sole Mark, or in any shade which so resembles the Red Sole Mark as to cause confusion among consumers.

[In response, YSL asserted counterclaims including one seeking cancellation of the Red Sole Mark on the grounds inter alia that it is (1) not “distinctive,” but instead merely “ornamental” and [2] functional.]

…

[T]he District Court held that, in the fashion industry, single-color marks are inherently “functional” and that any such registered trademark would likely be held invalid. The Court therefore held that Louboutin was unlikely to be able to prove that the Red Sole Mark was eligible for trademark protection, and denied Louboutin’s motion for a preliminary injunction. This appeal followed.

…

DISCUSSION

…

III. The “Functionality” Defense

[T]wo forms of the functionality doctrine are relevant to us today: “traditional” or “utilitarian” functionality, and “aesthetic” functionality. Both forms serve as an affirmative defense to a trademark infringement claim.

A. “Traditional” or “Utilitarian” Functionality

According to our traditional understanding of functionality, a product feature is considered to be “functional” in a utilitarian sense if it is (1) “essential to the use or purpose of the article,” or if it (2) “affects the cost or quality of the article.” Inwood Labs., 456 U.S. at 850 n. 10. A feature is essential “if [it] is dictated by the functions to be performed” by the article. LeSportsac, Inc. v. K mart Corp., 754 F.2d 71, 76 (2d Cir. 1985) (quoting Warner Bros. Inc. v. Gay Toys Inc., 724 F.2d 327, 331 (2d Cir. 1983)).

12 An issue on appeal in Inwood was whether the color of a name-brand prescription pill was functional, and therefore available for use by manufacturers of the drug’s generic equivalent, because the color assisted pharmacists in dispensing the correct prescription. See Inwood, 456 U.S. at 847, 849-51; but see id. at 857 n. 20 (declining to rule on the functionality of the color).

13 In LeSportsac, K Mart challenged the trade dress of a backpack composed of “parachute nylon and trimmed in cotton carpet tape with matching cotton-webbing straps. The zippers used to open and close the bags [we]re color coordinated with the bags themselves, and usually [we]re pulled with hollow rectangular metal sliders.” LeSportsac, 754 F.2d at 74.
manufactured at a lower cost’ or ‘constitutes an improvement in the operation of the goods.””\textsuperscript{14} Id. (quoting \textit{Warner Bros., Inc.}, 724 F.2d at 331). A finding that a product feature is functional according to the \textit{Inwood} test will ordinarily render the feature ineligible for trademark protection.

B. “Aesthetic Functionality”

Generally, “[w]here [a product’s] design is functional under the \textit{Inwood} formulation there is no need to proceed further.” \textit{TrafFix Devices, Inc. v. Marketing Displays, Inc.}, 532 U.S. 23, 33 (2001) ("\textit{TrafFix}"). Nevertheless, as the Supreme Court had held in 1995 in \textit{Qualitex}, when the aesthetic design of a product is itself the mark for which protection is sought, we may also deem the mark functional if giving the markholder the right to use it exclusively “would put competitors at a significant non-reputation-related disadvantage,” \textit{Qualitex}, 514 U.S. at 165. This remains true even if there is “no indication that [the mark has] any bearing on the use or purpose of the product or its cost or quality.” \textit{TrafFix}, 532 U.S. at 33; see \textit{Landscape Forms, Inc. v. Colum. Cascade Co.}, 70 F.3d 251, 253 (2d Cir. 1995) (when evaluating design trademarks we consider whether “certain features of the design are essential to effective competition in [the] particular market”).

As set forth below, the test for aesthetic functionality is threefold: At the start, we address the two prongs of the \textit{Inwood} test, asking whether the design feature is either “essential to the use or purpose” or “affects the cost or quality” of the product at issue. Next, if necessary, we turn to a third prong, which is the competition inquiry set forth in \textit{Qualitex}. In other words, if a design feature would, from a traditional utilitarian perspective, be considered “essential to the use or purpose” of the article, or to affect its cost or quality, then the design feature is functional under \textit{Inwood} and our inquiry ends. But if the design feature is not “functional” from a traditional perspective, it must still pass the fact-intensive \textit{Qualitex} test and be shown not to have a significant effect on competition in order to receive trademark protection.

i. The Development of the Aesthetic Functionality Doctrine

... 

Despite its apparent counterintuitiveness (how can the purely aesthetic be deemed functional, one might ask?), our Court has long accepted the doctrine of aesthetic functionality. \textit{See, e.g., Warner Bros., Inc.}, 724 F.2d at 329-32 (distinctive color and

\textsuperscript{14} In \textit{Warner Brothers}, we cited as examples \textit{Kellogg Co. v. National Biscuit Co.}, 305 U.S. 111, 122 (1938), in which the pillow shape of a shredded wheat biscuit was deemed functional because the cost of the cereal would be increased and its quality lessened by any other form, and \textit{Fisher Stoves Inc. v. All Nighter Stove Works, Inc.}, 626 F.2d 193, 195 (1st Cir. 1980), in which a two-tier woodstove design was deemed functional because it improved the operation of the stove. \textit{See Warner Bros., Inc.}, 724 F.2d at 331.
symbols on toy car were not functional, and so were protectable as trade dress).\(^{17}\) We have rejected, however, the circular “important ingredient” test formulated by the Pagliero court, which inevitably penalized markholders for their success in promoting their product. Instead, we have concluded that “Lanham Act protection does not extend to configurations of ornamental features which would significantly limit the range of competitive designs available.” Coach Leatherware Co. v. AnnTaylor, Inc., 933 F.2d 162, 171 (2d Cir. 1991) (emphasis added). Accordingly, we have held that the doctrine of aesthetic functionality bars protection of a mark that is “necessary to compete in the [relevant] market.” Villeroy & Boch Keramische Werke K.G. v. THC Sys., Inc., 999 F.2d 619, 622 (2d Cir. 1993).

ii. A Modern Formulation of the Aesthetic Functionality Doctrine

In 1995, the Supreme Court in Qualitex gave its imprimatur to the aesthetic functionality doctrine, holding that “[t]he ultimate test of aesthetic functionality … is whether the recognition of trademark rights [in an aesthetic design feature] would significantly hinder competition.” … Six years later, reiterating its Qualitex analysis, the Supreme Court in TrafFix declared that where “[a]esthetic functionality [is] the central question,” courts must “inquire” as to whether recognizing the trademark “would put competitors at a significant non-reputation-related disadvantage.” TrafFix, 532 U.S. at 32-33.

Although we have not recently had occasion to apply the doctrine of aesthetic functionality thus enunciated by the Supreme Court, it is clear that the combined effect of Qualitex and TrafFix was to validate the aesthetic functionality doctrine as it had already been developed by this Court in cases including Wallace International Silversmiths, Stormy Clime, and LeSportsac. See Yurman Design, Inc. v. PAJ, Inc., 262 F.3d 101, 116 (2d Cir. 2001) (confirming, five months after the TrafFix decision, that a putative design trademark is “aesthetic[ally] functional[ ],” and therefore barred from trademark protection, if granting “the right to use [the mark] exclusively ‘would put competitors at a significant non-reputation-related disadvantage’” (quoting TrafFix, 532 U.S. at 32)).

On the one hand, “[w]here an ornamental feature is claimed as a trademark and trademark protection would significantly hinder competition by limiting the range of

\(^{17}\) The doctrine of aesthetic functionality remains controversial in our sister circuits, which have applied the doctrine in varying ways (and some not at all). For example, the Seventh Circuit has applied the doctrine of aesthetic functionality liberally, holding that “[f]ashion is a form of function.” See Jay Franco & Sons, Inc. v. Franek, 615 F.3d 855, 860 (7th Cir. 2010). The Sixth Circuit recently discussed the doctrine, but made clear that it has not yet decided whether or not to adopt it. See Maker’s Mark Distillery, Inc. v. Diageo N. Am., Inc., 679 F.3d 410, 417-19 (6th Cir. 2012). The Ninth Circuit has applied the doctrine inconsistently. See 1 MCCARTHY ON TRADEMARKS § 7:80 (4th ed.) (collecting cases). The Fifth Circuit rejects the doctrine of aesthetic functionality entirely. Bd. of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co., 550 F.3d 465, 487-88 (5th Cir. 2008) (arguing that the Supreme Court has recognized the aesthetic functionality doctrine only in dicta, and that therefore the Fifth Circuit’s long-standing rejection of the doctrine was not abrogated by Qualitex and TrafFix).
adequate alternative designs, the aesthetic functionality doctrine denies such protection.’’ Forschner Grp., Inc. v. Arrow Trading Co., 124 F.3d 402, 409-10 (2d Cir. 1997) (quoting Wallace Int’l Silversmiths, Inc., 916 F.2d at 81). But on the other hand, “‘distinctive and arbitrary arrangements of predominantly ornamental features that do not hinder potential competitors from entering the same market with differently dressed versions of the product are non-functional[,] and [are] hence eligible for [trademark protection].’” Fabrication Enters., Inc., 64 F.3d at 59 (quoting Stormy Clime, 809 F.2d at 977) (emphasis added).

In short, a mark is aesthetically functional, and therefore ineligible for protection under the Lanham Act, where protection of the mark significantly undermines competitors’ ability to compete in the relevant market. See Knitwaves, Inc. v. Lollytogs Ltd., 71 F.3d 996, 1006 (2d Cir. 1995) (linking aesthetic functionality to availability of alternative designs for children’s fall-themed sweaters); Landscape Forms, Inc., 70 F.3d at 253 (holding that “in order for a court to find a product design functional, it must first find that certain features of the design are essential to effective competition in a particular market”). In making this determination, courts must carefully weigh “the competitive benefits of protecting the source-identifying aspects” of a mark against the “competitive costs of precluding competitors from using the feature.” Fabrication Enters., Inc., 64 F.3d at 59.

Finally, we note that a product feature’s successful source indication can sometimes be difficult to distinguish from the feature’s aesthetic function, if any. See, e.g., Jay Franco & Sons, Inc. v. Franek, 615 F.3d 855, 857 (7th Cir. 2010) (noting that “[f]iguring out which designs [produce a benefit other than source identification] can be tricky”). Therefore, in determining whether a mark has an aesthetic function so as to preclude trademark protection, we take care to ensure that the mark’s very success in denoting (and promoting) its source does not itself defeat the markholder’s right to protect that mark. See Wallace Int’l Silversmiths, Inc., 916 F.2d at 80 (rejecting argument that “the commercial success of an aesthetic feature automatically destroys all of the originator’s trademark interest in it, notwithstanding the feature’s secondary meaning and the lack of any evidence that competitors cannot develop non-infringing, attractive patterns”).

Because aesthetic function and branding success can sometimes be difficult to distinguish, the aesthetic functionality analysis is highly fact-specific. In conducting this inquiry, courts must consider both the markholder’s right to enjoy the benefits of its effort to distinguish its product and the public’s right to the “vigorously competitive market [ ]” protected by the Lanham Act, which an overly broad trademark might hinder. Yurman Design, Inc., 262 F.3d at 115 (internal quotation mark omitted). In sum, courts must avoid jumping to the conclusion that an aesthetic feature is functional merely because it denotes the product’s desirable source. Cf. Pagliero, 198 F.2d at 343.

iii. Aesthetic Functionality in the Fashion Industry

We now turn to the per se rule of functionality for color marks in the fashion industry
adopted by the District Court—a rule that would effectively deny trademark protection to any deployment of a single color in an item of apparel. [The] Supreme Court specifically forbade the implementation of a per se rule that would deny protection for the use of a single color as a trademark in a particular industrial context. Qualitex requires an individualized, fact-based inquiry into the nature of the trademark, and cannot be read to sanction an industry-based per se rule. The District Court created just such a rule, on the theory that “there is something unique about the fashion world that militates against extending trademark protection to a single color.”

Even if Qualitex could be read to permit an industry-specific per se rule of functionality (a reading we think doubtful), such a rule would be neither necessary nor appropriate here. We readily acknowledge that the fashion industry, like other industries, has special concerns in the operation of trademark law; it has been argued forcefully that United States law does not protect fashion design adequately. Indeed, the case on appeal is particularly difficult precisely because, as the District Court well noted, in the fashion industry, color can serve as a tool in the palette of a designer, rather than as mere ornamentation.

Nevertheless, the functionality defense does not guarantee a competitor “the greatest range for [his] creative outlet,” [as the District Court suggested], but only the ability to fairly compete within a given market. See Wallace Int’l Silversmiths, Inc., 916 F.2d at 81 (“It is a first principle of trademark law that an owner may not use the mark as a means of excluding competitors from a … market.” (emphasis added)). The purpose of the functionality defense “is to prevent advances in functional design from being monopolized by the owner of [the mark] … in order to encourage competition and the broadest dissemination of useful design features.” Fabrication Enters., Inc., 64 F.3d at 58

19 The intellectual property protection of fashion design has been for years a subject of controversy among commentators. Some have proposed working within the confines of the current intellectual property system, while others have advocated that fashion design may be an appropriate area for sui generis statutory protection. See generally C. Scott Hemphill & Jeannie Suk, The Law, Culture, and Economics of Fashion, 61 STAN. L. REV. 1147 (2009); see also id. at 1184-90. (Indeed, suggested legislation creating such protection has been considered several times by Congress, although not adopted. See, e.g., Design Piracy Prohibition Act, H.R. 2033, 110th Cong. § 2(c) (2007); Design Piracy Prohibition Act, S.1957, 110th Cong. § 2(c) (2007).) Still other commentators have suggested that intellectual property protection of fashion design would be damaging to the industry and should be avoided. See Kal Raustiala & Christopher Sprigman, The Piracy Paradox: Innovation and Intellectual Property in Fashion Design, 92 VA. L. REV. 1687, 1775-77 (2006). It is arguable that, in the particular circumstances of this case, the more appropriate vehicle for the protection of the Red Sole Mark would have been copyright rather than trademark. See generally Kieselstein-Cord v. Accessories by Pearl, Inc., 632 F.2d 989, 993-94 (2d Cir. 1980) (addressing the broad issue of aesthetically functional copyrights and holding that decorative belt buckles that were used principally for ornamentation could be copyrighted because the primary ornamental aspect of the buckles was conceptually separate from their subsidiary utilitarian function); Laura A. Heymann, The Trademark/Copyright Divide, 60 SMU L. REV. 55 (2007). However, because Louboutin has chosen to rely on the law of trademarks to protect his intellectual property, we necessarily limit our review to that body of law and do not further address the broad and complex issue of fashion design protection.
In short, “[b]y focusing upon hindrances to legitimate competition, the [aesthetic] functionality test, carefully applied, can accommodate consumers’ somewhat conflicting interests in being assured enough product differentiation to avoid confusion as to source and in being afforded the benefits of competition among producers.” Stormy Clime, 809 F.2d at 978-79.

IV. The Red Sole Mark

Having determined that no per se rule governs the protection of single-color marks in the fashion industry, any more than it can do so in any other industry, we turn our attention to the Red Sole Mark. As we have explained, we analyze a trademark infringement claim in two stages, asking first whether the mark “merits protection” and, second, whether the allegedly infringing use of the mark (or a similar mark) is “likely to cause consumer confusion.” [cit.] The functionality defense (including the tripartite aesthetic functionality test) is an affirmative defense that we consider at the second stage of this analysis. Stormy Clime, Ltd., 809 F.2d at 974.

A. Distinctiveness

Although a single color, standing alone, can almost never be inherently distinctive because it does not “almost automatically tell a customer that [it] refer[s] to a brand,” Qualitex, 514 U.S. at 162-63, a color as used here is certainly capable of acquiring secondary meaning. As the Qualitex Court put it,

… over time, customers may come to treat a particular color on a product or its packaging (say, a color that in context seems unusual, such as pink on a firm’s insulating material or red on the head of a large industrial bolt) as signifying a brand. And, if so, that color would have come to identify and distinguish the goods—i.e., “to indicate” their “source”—much in the way that descriptive words on a product … can come to indicate a product’s origin.

Id. at 163 (emphasis added). In the case of a single-color mark, therefore, distinctiveness must generally be proved by demonstrating that the mark has acquired secondary meaning. Id. at 165-66.

We see no reason why a single-color mark in the specific context of the fashion industry could not acquire secondary meaning—and therefore serve as a brand or source identifier—if it is used so consistently and prominently by a particular designer that it becomes a symbol, “the primary significance” of which is “to identify the source of the product rather than the product itself.” Inwood Labs., 456 U.S. at 851 n. 11; [cit.].

“The crucial question in a case involving secondary meaning always is whether the public is moved in any degree to buy an article because of its source.” Genesee Brewing
Co., 124 F.3d at 143 n. 4. …

The record before the District Court included extensive evidence of Louboutin’s advertising expenditures, media coverage, and sales success, demonstrating both that Louboutin has created a “symbol” within the meaning of Qualitex, and that the symbol has gained secondary meaning that causes it to be “uniquely” associated with the Louboutin brand. [cit.] There is no dispute that Louboutin originated this particular commercial use of the lacquered red color over twenty years ago. As the District Court determined, in findings of fact that are supported by the record and not clearly erroneous, “Louboutin invested substantial amounts of capital building a reputation and good will, as well as promoting and protecting Louboutin’s claim to exclusive ownership of the mark as its signature in women’s high fashion footwear.” And there is no dispute that Louboutin’s efforts were successful “to the point where, in the high-stakes commercial markets and social circles in which these things matter a great deal, the red outsole became closely associated with Louboutin,” and where unsolicited media attention to that red sole became rampant. …

In light of the evidence in the record, including extensive consumer surveys submitted by both parties during the preliminary injunction proceedings, and of the factual findings of the District Court, we think it plain that Louboutin’s marketing efforts have created what the able district judge described as “a … brand with worldwide recognition.” By placing the color red “in [a] context [that] seems unusual,” Qualitex, 514 U.S. at 162, and deliberately tying that color to his product, Louboutin has created an identifying mark firmly associated with his brand which, “to those in the know,” “instantly” denotes his shoes’ source. These findings of fact by the District Court in addressing a motion for a preliminary injunction are not clearly erroneous. We hold that the lacquered red outsole, as applied to a shoe with an “upper” of a different color, has “come to identify and distinguish” the Louboutin brand, and is therefore a distinctive symbol that qualifies for trademark protection.

We further hold that the record fails to demonstrate that the secondary meaning of the Red Sole Mark extends to uses in which the sole does not contrast with the upper—in other words, when a red sole is used on a monochromatic red shoe. As the District Court observed, “[w]hen Hollywood starlets cross red carpets and high fashion models strut down runways, and heads turn and eyes drop to the celebrities’ feet, lacquered red outsoles on high-heeled, black shoes flaunt a glamorous statement that pops out at once.” Louboutin, 778 F. Supp. 2d at 448 (emphasis added). As clearly suggested by the District Court, it is the contrast between the sole and the upper that causes the sole to “pop,” and to distinguish its creator.

The evidentiary record further demonstrates that the Louboutin mark is closely associated with contrast … Of the hundreds of pictures of Louboutin shoes submitted to the District Court, only four were monochrome red. [cit.] And Louboutin’s own consumer surveys show that when consumers were shown the YSL monochrome red shoe, of those consumers who misidentified the pictured shoes as Louboutin-made,
nearly every one cited the red sole of the shoe, rather than its general red color. We conclude, based upon the record before us, that Louboutin has not established secondary meaning in an application of a red sole to a red shoe, but only where the red sole contrasts with the “upper” of the shoe. The use of a red lacquer on the outsole of a red shoe of the same color is not a use of the Red Sole Mark.

Because we conclude that the secondary meaning of the mark held by Louboutin extends only to the use of a lacquered red outsole that contrasts with the adjoining portion of the shoe, we modify the Red Sole Mark, pursuant to Section 37 of the Lanham Act, 15 U.S.C. § 1119, insofar as it is sought to be applied to any shoe bearing the same color “upper” as the outsole. We therefore instruct the Director of the Patent and Trade Office to limit the registration of the Red Sole Mark to only those situations in which the red lacquered outsole contrasts in color with the adjoining “upper” of the shoe.

In sum, we hold that the Red Sole Mark is valid and enforceable as modified. This holding disposes of the Lanham Act claims brought by both Louboutin and YSL because the red sole on YSL’s monochrome shoes is neither a use of, nor confusingly similar to, the Red Sole Mark. We therefore affirm the denial of the preliminary injunction insofar as Louboutin could not have shown a likelihood of success on the merits in the absence of an infringing use of the Red Sole Mark by YSL.

B. Likelihood of Confusion and Functionality

Having limited the Red Sole Mark as described above, and having established that the red sole used by YSL is not a use of the Red Sole Mark, it is axiomatic that we need not—and should not—address either the likelihood of consumer confusion or whether the modified Mark is functional.

CONCLUSION

To summarize:

We hold that the District Court’s conclusion that a single color can never serve as a trademark in the fashion industry was based on an incorrect understanding of the doctrine of aesthetic functionality and was therefore error. We further hold that the District Court’s holding, that Louboutin’s trademark has developed “secondary meaning” in the public eye, was firmly rooted in the evidence of record and was not clearly erroneous, and that the Red Sole Mark is therefore a valid and enforceable trademark. We limit the Red Sole Mark pursuant to Section 37 of the Lanham Act, 15 U.S.C. § 1119, to a red lacquered outsole that contrasts with the color of the adjoining “upper.”

Accordingly, we (1) affirm in part the order of the District Court, insofar as it declined to enjoin the use of a red lacquered outsole as applied to a monochrome red shoe; (2) reverse in part the order of the District Court insofar as it purported to deny trademark protection to Louboutin’s use of contrasting red lacquered outsoles; and (3) enter judgment accordingly.

We remand for further proceedings with regard to YSL’s counterclaims. …
At p. 252, after the Versa case, add the following new case:

**GROENEVELD TRANSPORT EFFICIENCY V. LUBECORE INT’L**

730 F.3d 494 (6th Cir. 2013)

GILMAN, Circuit Judge:

[The facts of the case, and the discussion of the functionality issue, can be found in this Supplement, Chapter 3.]

D. The likelihood of confusion

Another element that Groeneveld must prove in order to prevail on its trade-dress claim is that an ordinary consumer of grease pumps would likely be confused into thinking that the two pumps at issue were manufactured by the same company or were associated or affiliated with the same company. See Abercrombie & Fitch Stores, Inc. v. Am. Eagle Outfitters, Inc., 280 F.3d 619, 645 (6th Cir. 2002); Daddy’s Junky Music Stores, Inc. v. Big Daddy’s Family Music Ctr., 109 F.3d 275, 280 (6th Cir. 1997). The appropriate benchmark for assessing the likelihood of confusion is the ordinary consumer who would consider buying the product at issue. Frisch’s Restaurant, Inc. v. Shoney’s, Inc., 759 F.2d 1261, 1266 (6th Cir. 1985) (“In assessing the similarity of two marks, it is the effect upon prospective purchasers that is important.” (brackets and internal quotation marks omitted)). And the focus is on “the typical buyer exercising ordinary caution,” Daddy’s Junky Music, 109 F.3d at 285, not “the most obtuse consumer,” Abercrombie, 280 F.3d at 648 (internal quotation marks omitted).

This court has enumerated eight factors to consider in determining whether the trade dresses of competing products present a sufficient likelihood of confusion: “(1) strength of the plaintiff’s [trade dress]; (2) relatedness of the goods; (3) similarity of the [trade dresses]; (4) evidence of actual confusion; (5) marketing channels used; (6) likely degree of purchaser care; (7) defendant’s intent in selecting the [trade dress]; (8) likelihood of expansion of the product lines.” Frisch’s, 759 F.2d at 1264. To create a triable issue of fact, the plaintiff’s “burden is to identify a disputed factor or set of factors whose resolution would necessarily be dispositive on the likelihood of confusion issue.” Abercrombie, 280 F.3d at 646 (internal quotation marks omitted).

These factors are helpful guides rather than rigid requirements, Daddy’s Junky Music, 109 F.3d at 280, with “[t]he ultimate question remain [ing] whether relevant
consumers are likely to believe that the products or services offered by the parties are affiliated in some way.” Id. The Frisch factors are therefore not always weighed consistently in this court’s caselaw, and a particular factor might receive a greater or lesser weight depending on the circumstances. Accordingly, this court has sometimes resolved the question of confusion by reference to only one or a few of these factors, without inquiring into the rest. See Abercrombie, 280 F.3d at 646-47 (considering “only one of the eight factors,” namely, the similarity of the parties’ trade dresses in light of their different logos and brands, and ruling for the defendant on that basis).

In the present case, Groeneveld’s and Lubecore’s logos and trademarks appearing on their respective product designs are unmistakably different, as shown in the product photos at the beginning of this opinion. The former is green with a large “G” mark and says “GROENEVELD”; the latter is red with a maple-leaf mark and says “lubecore.” And the evidence is undisputed that the same logos appear on the parties’ sales and marketing literature. In light of such a stark visual difference in branding, no reasonable consumer would think that the two grease pumps belong to the same company. See Abercrombie, 280 F.3d at 647 (holding that, because the trademarks of Abercrombie & Fitch and American Eagle were displayed throughout their clothing catalogs, the catalogs’ trade dresses were, “as a matter of law, not similar”); Frisch’s, 759 F.2d at 1265 (holding that Shoney’s use of the phrase “Big Boy” in the name of its restaurants did not render the phrase confusingly similar to Frisch’s own Big Boy restaurants, in part because “[b]y emphasizing ‘Shoney’s Big Boy Restaurants,’ as it did in its advertising, Shoney’s has identified itself as the source of the services”) (emphases in original); Antioch, 347 F.3d at 160 (“Westrim’s use of its own distinctive logo, scrollwork, stickers, and face sheet provide sufficient signals to scrapbook buyers that its albums are not made by Antioch, and Antioch has not contended otherwise.”); AutoZone, Inc. v. Tandy Corp., 373 F.3d 786, 797 (6th Cir. 2004) (holding that the parties’ use of their respective “house marks” in proximity to the challenged mark “reduces the likelihood of confusion from any similarity that does exist”); see also Daddy’s Junky Music, 109 F.3d at 283 (“Similarity of marks is a factor of considerable weight.”).

This conclusion is reinforced by the fact that, at about $2,500 apiece, ALS systems are expensive industrial products that are not likely to be purchased without substantial care and research. [cit.]

Groeneveld does not dispute that potential purchasers of grease pumps are knowledgeable and sophisticated people. Such purchasers are therefore not likely to ignore the stark difference in labeling and mistakenly purchase a Lubecore ALS when they intend to purchase a Groeneveld ALS. As this court has stated,

when a buyer has expertise or is otherwise more sophisticated with respect to the purchase of the services at issue, a higher standard [of consumer confusion] is proper. Similarly, when services are expensive or unusual, the buyer can be expected to exercise greater care in her purchases. When services are sold to such buyers, other things being equal, there is less likelihood of confusion.
Daddy’s Junky Music, 109 F.3d at 285; accord Versa Prods. Co., Inc. v. Bifold Co. (Mfg.) Ltd., 50 F.3d 189, 213 (3d Cir. 1995) (“In the case of a relatively high-priced, single-purchase article, there is hardly likelihood of confusion or palming off when the name of the manufacturer is clearly displayed.” (internal quotation marks and ellipsis omitted)).

Groeneveld argues, however, that the two pumps’ starkly different labeling would not distinguish the pumps in the eyes of their sophisticated consumers because “(1) labels are not the predominant brand identifiers in the industry; (2) corporate mergers and acquisitions are frequent, so competitor affiliations are constantly changing; (3) many pumps bear multiple company names; (4) a pump’s label does not identify who made it or where it was manufactured; (5) LubeCore is a newcomer and has no independent brand recognition; and (6) witnesses who saw the LubeCores were still confused, notwithstanding the LubeCore label.” We find none of these arguments persuasive.

Points (2) and (5) simply have no bearing on the issue of whether the pumps’ different labels are sufficient to tell them apart. Point (1) is similarly irrelevant and, in any event, is not supported by the record evidence cited by Groeneveld. The most that the cited testimony shows is that certain witnesses were able to distinguish Groeneveld’s pumps from pumps other than LubeCore’s without even looking at the labels, which says nothing about whether a consumer would be able to distinguish a Groeneveld pump from a LubeCore pump with the labels. Points (3) and (4), on the other hand, plainly do not apply to the labels at issue in the present case. Finally, point (6), which is really Groeneveld’s only relevant argument on this issue, will be discussed below under the “actual confusion” factor. The upshot is that Groeneveld has at most identified possible reasons why—hypothetically—differential branding might not be sufficient to distinguish the sources of competing products, but it did not present any evidence to show that any of those hypothetical reasons actually applies in the present case.

We therefore conclude that the starkly different branding of the two grease pumps and the high degree of care presumably exercised by the pumps’ sophisticated consumers—factors 3 and 6 of the Frisch factors—compel the conclusion that, as a matter of law, Groeneveld has failed to carry its burden of raising a triable issue regarding the likelihood of confusion. Nevertheless, in order to give Groeneveld the benefit of all favorable inferences, we will proceed to analyze all of the Frisch factors to see whether, taken together, they would enable a reasonable jury to find for Groeneveld on this issue.

1. LubeCore’s intent in selecting the trade dress.

Because Groeneveld makes LubeCore’s intent the centerpiece of its likelihood-of-confusion analysis, we will start with this factor and then proceed to the other Frisch factors. Groeneveld argues that LubeCore intended to copy Groeneveld’s trade dress (minus the label) and that this “bad intent,” for which LubeCore has offered “no innocent explanation whatsoever,” is sufficient to prove the likelihood of confusion.

The similarities in the two pumps’ appearance (excluding the labels), the fact that other manufacturers’ pumps do not have a similar look, and the fact that LubeCore’s
founder used to be a Groeneveld employee constitute circumstantial evidence of an intent to copy. But Groeneveld is mistaken about the legal significance of such copying. In particular, its assertion that the intentional copying of its trade dress constitutes “bad intent” that creates a “presumption of confusing similarity” indicates a fundamental misapprehension of the purposes of trademark law.

Groeneveld’s argument fails to appreciate that trademark law does not prohibit copying as such; that is the province of copyrights and patents. See TrafFix Devices, Inc. v. Mktg. Displays, Inc., 532 U.S. 23, 34 (2001) (“The Lanham Act does not exist to reward manufacturers for their innovation in creating a particular device; that is the purpose of the patent law and its period of exclusivity.”); Fuji Kogyo Co. v. Pac. Bay Int’l, Inc., 461 F.3d 675, 686 (6th Cir. 2006) (“Trademark law cannot properly make an end run around the strict requirements of utility patent law by giving equivalent rights to exclude.”) (brackets and internal quotation marks omitted)).

A manufacturer who desires protection against copying must satisfy the requirements of protectability under the copyright or patent regimes and must also submit itself to the limited time periods of protection afforded under those regimes. Those requirements and their attendant restrictions incentivize valuable artistic and scientific creations while ensuring that the social costs of monopoly are contained within reasonable bounds. See U.S. Const. art. I, § 8, cl. 8 (the Copyright and Patent Clause) (“The Congress shall have Power ... To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”); Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 146-51 (1989) (explicating the policies and tradeoffs of the patent system); Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417 (1984) (explicating the policies and tradeoffs of copyright law).

Trademark law’s likelihood-of-confusion requirement, in contrast, is designed to promote informational integrity in the marketplace. By ensuring that consumers are not confused about what they are buying, trademark law allows them to allocate their capital efficiently to the brands that they find most deserving. This, in turn, incentivizes manufacturers to create robust brand recognition by consistently offering good products and good services, which results in more consumer satisfaction. That is the virtuous cycle envisioned by trademark law, including its trade-dress branch.

Such an incentive structure would of course be disrupted if a manufacturer’s hard-won brand recognition were open to appropriation by other manufacturers who confused consumers into believing that the two brands are affiliated or are one and the same. If manufacturers’ qualitative efforts were subject to such skimming off, they would have less incentive to improve their offerings and build a robust brand in the first place.

No harm is done to this incentive structure, however, by the copying of a product design that does not confuse consumers as to the product’s source. As long as a consumer
can easily identify the source based on the trademark, the consumer will still be able to allocate his or her capital freely and efficiently, and manufacturers will retain the incentive to improve their offerings and solidify their brands. So trademark law, like the law of unfair competition of which it is a part, focuses not on copying per se but on confusion. …

That is why, in the absence of consumer confusion, and in the absence of any copyright or patent protection, copying is perfectly legal. Indeed, such copying is more than just legal; it is often beneficial. …

The same principle has been affirmed repeatedly by this court. [cit.]

The clear import of the twin principles that copying in the absence of copyright or patent protection often serves useful purposes, and that the concern of trademark law is not about copying per se but about copying that engenders consumer confusion, is that the appropriate “intent” to focus on is not the intent to copy but rather the intent to deceive or confuse. [cit.]

If the law were otherwise, an act that is not only legal but also often beneficial would be transformed into evidence—or worse, as Groeneveld suggests, a “presumption”—of unlawfulness. Such an interpretation would contravene TrafFix Devices and the other decisions cited above and would subvert the fundamental purposes of trademark law. We recognize that the intent to copy might be probative in proving secondary meaning, see, e.g., Abercrombie, 280 F.3d at 639, but such intent standing alone has no bearing on the likelihood-of-confusion issue.

The principle that copying can have salutary effects is illustrated by the circumstances of the present case. Contrary to Groeneveld’s protestation that Lubecore’s copying of Groeneveld’s design (minus the logo) has “no innocent explanation,” the similarity serves the procompetitive purpose of signaling the existence of a competitive alternative by alerting potential consumers that the pumps might work the same because they look the same.

By making the appearance of its pump essentially the same as Groeneveld’s (other than the label), Lubecore has specifically targeted consumers who are familiar with the Groeneveld pump and offered them a competitive option. The Supreme Court has unanimously confirmed that using a functional product’s look to promote a competitive offering is a procompetitive practice. See TrafFix Devices, 532 U.S. at 34 (“If buyers are assured the product serves its purpose by seeing the operative mechanism[,] that in itself serves an important market need.”).

Lubecore’s targeting of Groeneveld’s customers would of course be unfair and anticompetitive if Lubecore masqueraded as Groeneveld and confused them about the product they were buying. But Lubecore has in fact scrupulously avoided such confusion by choosing a starkly different logo that it prominently displays on its pumps and on all its sales and marketing literature. That is why the differential labeling is critical—it transforms a practice that would otherwise be anticompetitive into one that is procompetitive. And by specifically targeting Groeneveld customers, Lubecore focuses
its competitive activity on those who are most interested in such competition, thereby
decreasing the consumers’ search costs and intensifying competition where it matters
most. None of this is to say, of course, that consumers should switch from Groeneveld to
Lubecore or that Lubecore makes a better pump. The point, rather, is that the state of
affairs where consumers are aggressively courted and offered competitive options is
beneficial as a matter of public policy.

These points are borne out by one of Groeneveld’s witnesses, Dean Osborn, who
testified that he likes the way the Groeneveld pump works but does not particularly care
who manufactures it. Therefore, when Lubecore offered him its pump as an alternative to
the Groeneveld pump, he considered and ultimately bought the Lubecore pump. Osborn
tested that he has been satisfied with both the Groeneveld and the Lubecore pumps that
he has owned, and that he has never been confused between the two brands:

[Osborn:] [W]hat I would think is if you just, if you took off the top half of the
thing and you took all the labels off of these things, take the red thing off and the
black one and you take the label off here and you put that base with this off and
that off and you look at the bases, to me I would not tell the difference. And to me
that means I’m comfortable with the product. If it be whose product it is, I don’t
care. I have a good experience with it. So I’m very comfortable with it. Whatever
labels you put on it or sticker, you know, I mean it doesn’t matter. I’m looking at
the mechanism that functions the grease to go to the spots where the greasing,
that’s all I’m—that’s all I care about.

[Groeneveld’s Counsel:] Sir, would you have considered or bought the Lubecores
if the pump didn’t look so much like the Groeneveld pump?

[Osborn:] It made me very comfortable when it—when that looks like a
Groeneveld … The Lubecore, the comfort zone of knowing that it looks identical
to it and it probably operates the same thing, they, you know, in the literature they
have the blocks of where the main grease goes to the different blocks and then it
goes out. Everything to me resembles the same, you know what I mean. The
Lubecore and Groeneveld, they look like sister machines, okay. They look like
twins. And for me making my decision on buying a greaser, that’s easy. I like
these two systems. Who owns it doesn’t matter to me. I just want the grease to go
to the places to where [it should go] and I want a place here to service it.

[Lubecore’s Counsel:] … When you bought the four Lubecore systems, it was
clear to you that you were buying Lubecore systems, not Groeneveld systems,
correct?

[Osborn:] Correct.

[Lubecore’s Counsel:] Garvin [an independent distributor through which both
parties sold their ALS systems] has told you as much himself?
[Osborn:] Um-hum, yes.

[Lubecore’s Counsel:] And the product has got Lubecore’s label on it more than one place, right?

[Osborn:] Yes.

[Lubecore’s Counsel:] And you said you were given some Lubecore marketing materials?

[Osborn:] Yes.

[Lubecore’s Counsel:] So there was no confusion on your part about whose product you were buying?

[Groeneveld’s Counsel:] Objection.

[Osborn:] Correct.

Groeneveld objects to Lubecore’s targeted competition, arguing that Lubecore’s pumps are of “diminish[ed] … quality,” have been subject to recalls, and “have been seen leaking grease.” It also points to Lubecore’s practice of offering to extend Groeneveld’s warranty and to replace Groeneveld pumps and parts with Lubecore products.

These allegations, however, do not strengthen Groeneveld’s trade-dress claim or make Lubecore’s competition unfair. If Lubecore’s pumps are in fact inferior, all the better for Groeneveld: Consumers would soon realize the difference in quality on the clearly labeled pumps and flock to Groeneveld. But that is a business judgment to be made by consumers as they see fit, not a legal judgment to be dictated by trade-dress law. The free market, not the courts, should pick winners and losers in the business world. As stated in TrafFix Devices, 532 U.S. at 28, “protection for trade dress exists to promote competition,” not to hinder it.

Groeneveld’s protestations against slavish copying admittedly have a certain emotional appeal and presumably swayed the jury. After all, people generally dislike copycats. But, as the foregoing discussion demonstrates, the proper application of trademark law requires us to focus our analysis not on the intent to copy the product design, but on the likelihood of consumer confusion. Evidence of Lubecore’s intent to copy Groeneveld’s product design is therefore of no help to Groeneveld. Such evidence, if anything, shows the procompetitive benefits of Lubecore’s practices and cautions against allowing the issue to go to the jury. See Wal-Mart Stores, Inc. v. Samara Bros., 529 U.S. 205, 214 (2000) (discussing the desirability of “summary disposition of an anticompetitive strike suit” in the trade-dress context).

2. **Strength of Groeneveld’s trade dress.**

This factor “focuses on the distinctiveness of a mark and its recognition among the public.” Maker’s Mark Distillery, Inc. v. Diageo N. Am., Inc., 679 F.3d 410, 419 (6th Cir. 2012) (internal quotation marks omitted). Groeneveld submitted evidence of its prominence and pedigree in the industry, its extensive advertising, and, most importantly,
witnesses who testified that they recognized the pump’s design and associated it with Groeneveld. This evidence is sufficient to support a factual finding that Groeneveld’s trade dress is strong. But such a finding is of no help to Groeneveld in the absence of any evidence that consumers are likely to confuse the source of the competing grease pumps.

3. Relatedness of the goods.

The parties do not dispute that Groeneveld’s and Lubecore’s grease pumps perform the same function and directly compete in the industry. So this factor would also favor Groeneveld if it had any proof of the likelihood of confusion.

4. Similarity of the marks.

As discussed above, the starkly different labels and trademarks on the competing products serve to dispel any likelihood of confusion between the two pumps. This factor weighs heavily against Groeneveld.

5. Evidence of actual confusion.

Nothing shows the likelihood of confusion more than the fact of actual confusion. So evidence of actual consumer confusion, though not necessary, would be immensely helpful to Groeneveld. See Frisch’s Restaurant, Inc. v. Shoney’s, Inc., 759 F.2d 1261, 1267 (6th Cir. 1985) (noting that evidence of actual confusion “is not necessary,” but “it is obviously the most probative proof of likelihood of confusion”); [cit.].

But Groeneveld submitted no surveys showing whether a sample of the relevant consumer population was actually confused as between the parties’ products. See Frisch’s, 759 F.2d at 1267-69, and General Motors Corp. v. Lanard Toys, Inc., 468 F.3d 405, 414 (6th Cir. 2006), which discuss the significance of consumer surveys in showing the likelihood of confusion. Groeneveld instead offered the testimony a single customer, Dean Osborn, in support of its actual-confusion claim. Osborn, however, unequivocally testified on cross-examination that he was not confused as to the origin of the pumps, as reflected in the transcript quoted above.

Groeneveld also cites the testimony of some of its own employees and affiliates professing “shock” and “surprise” that Lubecore’s pump “looks the same” as Groeneveld’s, saying that it “looks like a Groeneveld with a Lubecore sticker on it.” None of these witnesses, however, were consumers, and none of them were actually confused as to the origin of the two pumps. Indeed, Groeneveld admitted at oral argument that it had no evidence of actual confusion:

[Judge Gilman:] Do you have any evidence that anybody thought they were buying your client’s product when they were actually buying Lubecore’s?

[Groeneveld’s Counsel:] I don’t.

In sum, there is simply no evidence of actual confusion in the record.
6. **Marketing channels used.**

The record contains evidence that both parties often attended the same industry trade shows, that they marketed their products over the Internet, and that certain distributors sold both parties’ ALS systems. Such evidence is sufficient to show that there is a commonality in how the ALS systems are marketed. But, again, this evidence would be helpful to Groeneveld only if there were any showing of the likelihood of confusion.

7. **Likely degree of purchaser care.**

As previously discussed, consumers of grease pumps are knowledgeable and sophisticated about the market, and they are unlikely to buy an expensive ALS system without exercising a substantial degree of care. This factor strongly favors Lubecore, especially when coupled with the stark dissimilarity in labeling.

8. **Likelihood of market expansion.**

The only evidence regarding the likelihood of market expansion with respect to either company was the testimony of Eisses, Lubecore’s founder, that he “really would like to move into the United States,” but could not do so because of the lawsuit. This factor, however, does not alter our analysis in the absence of any evidence of confusing similarity.

9. **Summary of the Frisch factors.**

The upshot of the likelihood-of-confusion analysis is that (1) the overall trade dresses of the two pumps are dissimilar because they are distinguished by starkly different logos, (2) the sophisticated purchasers of the expensive ALS systems presumably exercise a high degree of care in making their purchases, (3) there is no evidence of actual confusion, and (4) the intent and effect of Lubecore’s choice of design is procompetitive. These Frisch factors all weigh in Lubecore’s favor. By contrast, the factors that weigh in Groeneveld’s favor (giving it the benefit of all reasonable inferences) are that (1) Groeneveld’s trade dress is strong, (2) the parties’ products are related, and (3) the parties use similar marketing channels. But these latter factors standing alone do not raise a triable issue of fact regarding the likelihood of confusion in the absence of any evidence showing that a potential consumer exercising ordinary care would confuse the grease pumps in question. In sum, no reasonable jury could conclude on the basis of the evidence before it that Groeneveld has met its burden of proving the likelihood of confusion.

**WHITE, Circuit Judge, dissenting.**

[Judge White’s discussion of the functionality issue appears in Chapter 3.]

…
C.

… [T]he majority concludes that Groeneveld failed to prove likelihood of confusion.

Although the ultimate determination whether a set of facts establishes a likelihood of confusion is a legal conclusion subject to our de novo review, we have held that the issue of confusion is more appropriately resolved by the fact-finder, rather than by the court as a matter of law, when a case presents a factually-intensive close call and the factors are balanced. *Innovation Ventures, LLC v. N.V.E., Inc.*, 694 F.3d 723, 731, 733 (6th Cir. 2012).

The majority concludes that the “different branding of the two grease pumps and the high degree of care presumably exercised by the pumps’ sophisticated consumers … compel the conclusion that, as a matter of law, Groeneveld has failed to carry its burden of raising a triable issue regarding the likelihood of confusion.” Maj. Op. 511. The majority begins its analysis with a side-by-side comparison of the pumps: “The former is green with a large ‘G’ mark and says ‘GROENEVELD’; the latter is red with a maple-leaf mark and says ‘lubecore.’ ” *Id.* at 509-10. Because of the label/branding differences that appear on the pumps and in advertising, the majority finds that “no reasonable consumer would think that the two grease pumps belong to the same company.” *Id.*

The similarity factor, however, “entails more than a simple side-by-side comparison of the [trade dresses] in question.” *Therma-Scan, Inc. v. Thermoscan, Inc.*, 295 F.3d 623, 633 (6th Cir. 2002). *Accord Homeowners Grp., Inc. v. Home Mktg. Specialists, Inc.*, 931 F.2d 1100, 1109 (6th Cir. 1991) (“[I]t is axiomatic in trademark law that side-by-side comparison is not the test.” (internal quotation marks omitted)). Instead, the trade dresses “must be viewed in their entirety and in context. A court must determine, in the light of what occurs in the marketplace, whether the [trade dress] will be confusing to the public when singly presented.” *Homeowners Grp.*, 931 F.2d at 1109 (internal quotation marks and alterations omitted). This rule is “to account for the possibility that sufficiently similar [trade dresses] may confuse consumers who do not have both [trade dresses] before them but who may have a general, vague, or even hazy, impression or recollection of the other party’s [trade dress].” *Daddy’s Junky Music Stores v. Big Daddy’s Family Music Ctr.*, 109 F.3d 275, 283 (6th Cir. 1997) (internal quotation marks omitted); see *AutoZone, Inc. v. Tandy Corp.*, 373 F.3d 786, 795 (6th Cir. 2004)(confirming the “anti-dissection rule”). Record evidence supports a finding that the pumps look similar despite the different labels. PID 4393-94 (consumer testimony: “Q. Does anything about that label tell you that it was manufactured at a facility different than where Groeneveld has its factory? A. No. It could be manufactured at the same place. I mean you look at the base and everything is pretty much the same.”).

*Abercrombie & Fitch Stores v. American Eagle Outfitters*, 280 F.3d 619 (6th Cir. 2002), does not compel a different result. In *Abercrombie*, we affirmed the district court’s grant of summary judgment for American Eagle Outfitters (AE) on Abercrombie &
Fitch’s (A & F) trade-dress claim related to its catalog design, reasoning that AE’s catalog was, as a matter of law, not confusingly similar to the A & F Quarterly. We summarized the following differences between the two catalogs: 1) although A & F and AE use similar formats to display their goods, AE “puts significantly fewer garments on each page than A & F does and presents its clothes in a spare, as opposed to dense, fashion”; 2) AE “uses colorbars and design bars underneath almost all its garments, while A & F does so occasionally”; 3) “[t]he most striking visual difference between the catalogs lies in the photographs,” given that “A & F makes extensive use of photographs depicting apparently college-aged people in often erotic or homoerotic poses,” whereas AE’s photographs presented “people of various ages in non-suggestive, often family-oriented situations”; 4) absent from AE’s catalog “is the sort of campy sketchwork that dominates much of A & F’s editorial content”; 5) AE’s “makes sparing use of lifestyle editorial content,” and its editorial subjects are “often radically different” from A & F’s; and 6) each company displays its name and mark on nearly every page of its catalog. Id. at 646-47.

Given these differences, we reasoned that “[n]o rational trier of fact could conclude that the overall appearances created by the configuration of the two catalogs are similar” because they “contain too many significant dissimilarities, in terms of both style, layout, and content, along with the ubiquitousness of the producers’ respective trademarks constantly indicating—on practically every page—the catalog’s origin[.]” Id. at 647-48. Abercrombie thus does not hold that a distinction in labeling alone makes a competitor’s trade dress, as a matter of law, not confusingly similar where it is otherwise an identical copy of the plaintiff’s trade dress. Rather, Abercrombie reaffirms that we must examine the appearance of two products as a whole and in context.

The majority’s second basis for discarding the jury verdict is the “high degree of care presumably exercised by” consumers of ALS pumps due to the price of such pumps. Maj. Op. 511 (emphasis added). Even when combined with label differences, this presumed fact does not compel, as a matter of law, the conclusion that there can be no likelihood of confusion. In Maker’s Mark Distillery, Inc. v. Diageo North America, Inc., we affirmed the district court’s judgment in favor of the Bourbon-distiller plaintiff in an infringement case where its competitor used a similar trade-dress element—a red dripping wax seal—on its tequila bottles. 679 F.3d 410, 414 (6th Cir. 2012). With respect to likelihood of confusion, we upheld the district court’s finding that the similarity factor narrowly favored the plaintiff and should be given considerable weight, despite the fact that the competitor’s product included a house mark, i.e., a product label “identifying the name of the manufacturer.” Id. at 422-23. We approved the district court’s finding that such label differences are not dispositive and rejected the proposition that our case-law “stand[s] for the proposition that the presence of a house mark always has significant weight in the similarity analysis[.]” Id. at 422; see Therma-Scan, Inc., 295 F.3d at 634 (“The presence of [a] label on [a competitor’s product] … does not eliminate the similarity between the [trade dresses]. Instead, this labeling diminishes the likelihood of
confusion created by the comparable [trade dresses] and reduces the importance of this factor.”). Further, we emphasized that the district court’s finding was also supported by its reasoning that: (1) “testimony in the record indicate[d] that many consumers are unaware of the affiliations between brands of distilled spirits, and that some companies produce multiple types of distilled spirits”; and (2) unlike a claim based on a simple palming-off theory, “when the two products are related enough … one might associate with or sponsor the other and still use their own house mark.” 679 F.3d at 422.

Moreover, we held that even though the factor of consumer care clearly favored the competitor, this factor was “not dispositive” to override the district court’s findings because “[c]onfusingly similar marks may lead a purchaser who is extremely careful and knowledgeable … to assume nonetheless that the seller is affiliated with or identical to the other party.” Id. at 423 (internal quotation marks omitted). We summarized that the plaintiff’s mark was “extremely strong”; the “most important Frisch factors” are similarity and strength of the mark; and the degree of consumer care, even though given substantial weight, could not overcome the strength of the plaintiff’s mark and the similarity (despite apparent labeling differences). Id. at 422, 424; see 4 McCarthy on Trademarks and Unfair Competition § 23:53 (“The majority view is that labeling or use of a word mark does not avoid what would otherwise be an infringing trade dress.”).

Here, in denying Lubecore’s motion, the district court found:

[Although] Lubecore’s label and color are different than Groeneveld’s, there is sufficient evidence from which the jury could have concluded that the products were confusingly similar despite the difference in markings given the testimony regarding corporate mergers and acquisitions in the industry; the fact that many pumps bear multiple company names; and, the fact that labels may not be the brand identifiers relied on in this industry.


The majority rejects these points (which are reiterated by Groeneveld on appeal) as irrelevant. To the contrary, facts that undermine presumed consumer care in differentiating between products are relevant to the overall analysis, and dissimilarities in the trade dresses based on labeling have less weight in the context of such industry-specific evidence. See Maker’s Mark Distillery, 679 F.3d at 422.

Moreover, the majority errs in its conclusion that the record does not support a finding that labels are not the primary brand identifiers in the industry. (“[M]y last thing that I would say that I could tell them [i.e., different pump models, namely the Bijur, Grease Jockey or EcoStar] all apart is the label.”) (“Q. There w[ere] questions about the labels and my question to you is how do you recognize the different pumps that are in your market? A. They all look much different than ours, than the Groeneveld pump. Q. Do you rely on the label to make that assessment? A. No.”) (“Q. Do you identify it based on the label or some other feature that is visible to you? A. No. As far as the label, no, I wouldn’t. The—it’s more of the—it’s just more of the design of it again.”); (“The core
element of the brand identification is the design of the product itself and then it’s [sic] labeling and the green color and the identification plate.”).  

Like the majority, I now turn to consider all of the Frisch factors to conduct an overall assessment.

1. Lubecore’s intent in copying Groeneveld’s trade dress.

I agree with the majority insofar as it holds that “[i]ntentional copying … is not actionable under the Lanham Act absent evidence that the copying was done with the intent to derive a benefit from the reputation of another.” Ferrari S.P.A., 944 F.2d at 1243 (internal quotation marks omitted).

[However, if a party chooses a mark with the intent of causing confusion, that fact alone may be sufficient to justify an inference of confusing similarity. Intent is relevant because purposeful copying indicates that the alleged infringer, who has at least as much knowledge as the trier of fact regarding the likelihood of confusion, believes that his copying may divert some business from the senior user. Direct evidence of intentional copying is not necessary to prove intent.]

Daddy’s Junky Music Stores, 109 F.3d at 286 (internal quotation marks and citations omitted); see Larsen v. Terk Techs. Corp., 151 F.3d 140, 149 (4th Cir. 1998) (“[C]ourts have almost unanimously presumed a likelihood of confusion upon a showing that the defendant intentionally copied the plaintiff’s trademark or trade dress.”); Frisch’s Rest., 670 F.2d at 648 (explaining that “[t]he intent of [a party] in adopting [another’s trade dress] is a critical factor” (internal quotation marks omitted)); Ferrari S.P.A., 944

5 The majority opines that the “most that the cited testimony shows is that certain witnesses were able to distinguish Groeneveld’s pumps from pumps other than Lubecore’s without even looking at the labels, which says nothing about whether a consumer would be able to distinguish a Groeneveld pump from a Lubecore pump with the labels.” Maj. Op. 511. But evidence that ALS pumps are identified based on the overall design rather than the label does, indeed, say something about whether consumers would be able to distinguish a Groeneveld pump from a Lubecore pump based on the labels alone where they are otherwise similar; it supports the inference that labels are not necessarily indicative of the product’s manufacturer as the consumer’s focus in this industry is on the design.

Lubecore is a new company with a minimal brand recognition in the United States. This fact is relevant because it undercuts the weight placed on the different brand labeling; even a sophisticated consumer cannot be expected to recognize brands that have little name recognition or have been in existence only a short time. PID 8129-30 (testimony of independent distributor about his first encounter with a Lubecore pump: “I really didn’t know what was going on. I was shocked to see that it looked that close. Again, it looked to me like they had taken a decal of the Lubecore and put it over the top of a Groeneveld pump, and I’ve known these pumps for a long time and I mean looking at it, it was identical. … I didn’t know there was such a thing as Lubecore, and this looked like the Groeneveld product.”). Further, the lack of brand recognition undermines the weight the majority accords to the lack of evidence of actual confusion. See Maker’s Mark Distillery, 679 F.3d at 423 (placing little weight on the lack of evidence of actual confusion where the competitor’s product was sold for a short time and in limited quantities).
F.2d at 1243 (placing weight on the “presumption of likelihood of confusion that follows from intentional copying”).

I also agree with the majority that copying is not per se illegal and that evidence of intentional copying is not necessarily dispositive of the likelihood-of-confusion analysis. For example, we have held that a plaintiff could not rely this factor where the plaintiff’s mark was not strong and the competitor’s alleged copy was not very similar to the plaintiff’s trade dress. Gray v. Meijer, Inc., 295 F.3d 641, 650-51 (6th Cir. 2002). Although “a presumption of intent to confuse arises when evidence of copying is presented,” courts “recognize that if there is no real issue of a likelihood of confusion [due to the lack of evidence supporting other factors], evidence of copying is of no import.” Id. at 651 (internal quotation marks omitted).

However, unlike the majority, I do not read these precedents—or the broader policy implications underlying the roles of copyright and patent law versus trademark law—to mean that Lubecore’s intent to copy is “of no help” to Groeneveld. Eisses’s testimony established that: 1) he instructed Martin Vermeulen (another former Groeneveld employee) to make a pump for Lubecore, and told him what he “like[d] about the Groeneveld pump and other pumps in the industry”; 2) the Lubecore pump looks similar to the Groeneveld pump; 3) “Groeneveld is recognized” in the industry and certain versions of its pump have a good reputation; 4) he would prefer that the Lubecore pump not look like the pump of a company with a bad reputation; 5) the Lubecore website says it takes twenty years to build a reputation and that it would matter to him if the Lubecore pump looked like a Groeneveld pump if Groeneveld had a bad reputation;and 6) he could identify a Groeneveld pump by the shape of it, but then qualified “also because the name and the labeling on it.”

Eisses further testified on cross-examination:

Q. So, sir, you wanted it to look like the Groeneveld because you knew about Groeneveld’s reputation, market presence, and place in the industry, didn’t you?

A. I have no objection with it looking like a Groeneveld.

Q. In fact, you like that, and you like enjoying the benefits of that, don’t you?

A. It’s a good pump.

Q. Otherwise, you would make it differently, wouldn’t you?

A. It would have been up to Martin.

Eisses’s answers on cross-examination are compelling circumstantial evidence that Lubecore intentionally copied the Groeneveld pump to benefit from Groeneveld’s established reputation, which under our case-law supports the inference that Lubecore sought to confuse consumers. In addition, Lubecore’s extended warranty program also specifically targets Groeneveld customers and products, offering that “Lubecore will extend your current Groeneveld grease warranty from five years to the Lubecore six years” and that “Lubecore will honor the replacement of parts under the Groeneveld
warranty from the original date of purchase.” Lubecore represents to Groeneveld consumers that if they use Lubecore grease, Lubecore will extend the warranty on the Groeneveld pump. (Eisses testified that Lubecore would typically replace the Groeneveld pump with a Lubecore pump if something went wrong with a component of the Groeneveld pump). Groeneveld is the only competitor targeted by Lubecore’s warranty program. Drawing all inferences in Groeneveld’s favor, Lubecore’s marketing practices also support the inference of its intent to cause confusion among consumers in associating the two pumps, as an unaffiliated company normally does not (and cannot) extend another company’s warranty.

In any event, even if the record were devoid of evidence supporting the intent factor, the majority incorrectly concludes that the absence of intent “cautions against allowing the issue [of confusion] to go to the jury” and “weigh[s] in Lubecore’s favor.” Maj. Op. 516, 520. Our case-law instructs:

[E]ven if the [d]istrict [c]ourt correctly had ruled as a matter of law that defendant did not copy plaintiff’s marks intentionally, the [d]istrict [c]ourt misunderstood the legal significance of this lack of intent by finding that it decreased the likelihood of consumer confusion. As noted, the presence of intent can constitute strong evidence of confusion. The converse of this proposition, however, is not true: the lack of intent by a defendant is largely irrelevant in determining if consumers likely will be confused as to source. Intent therefore is an issue whose resolution may benefit only the cause of a senior user, not of an alleged infringer.

*Daddy’s Junky Music Stores*, 109 F.3d at 287 (internal quotation marks and citations omitted).

2. **Strength of Groeneveld’s trade dress.**

The majority acknowledges that “th[e] evidence is sufficient to support a factual finding that Groeneveld’s trade dress is strong.” Maj. Op. 516. The majority, however, opines that “such a finding is of no help to Groeneveld in the absence of any evidence that consumers are likely to confuse the source of the competing grease pumps.” *Id.* But a finding that Groeneveld’s trade dress is strong is evidence that bears on the overall likelihood-of-confusion assessment. Our precedents instruct that the strength of Groeneveld’s trade dress is significant to that assessment. *See Maker’s Mark Distillery*, 679 F.3d at 424 (“[W]e have said that the ‘most important Frisch factors’ are similarity and strength of the mark[.]” (quoting *Gray*, 295 F.3d at 646)).

3. **Relatedness of the goods.**

The majority also acknowledges that “[t]he parties do not dispute that Groeneveld’s and Lubecore’s grease pumps perform the same function and directly compete in the industry.” Maj. Op. 516-17. But once again, the majority repeats its error by stating “[s]o this factor would also favor Groeneveld if it had any proof of the likelihood of
confusion.” *Id.* To the contrary, under *Frisch*, this factor bears on the overall assessment whether there is a likelihood of confusion.

4. *Similarity of the trade dresses.*

Despite the fact that the shapes of the two pumps are virtually identical, the majority finds that this factor weighs “heavily” against Groeneveld because of the different labels. As discussed supra, there is no clear error in the district court’s finding that different labels did not render the products dissimilar given other industry-specific evidence. This factor, at minimum, narrowly favors Groeneveld.

5. *Evidence of actual confusion.*

The majority acknowledges that the lack of evidence of actual confusion is not dispositive to this analysis. *See Maker’s Mark Distillery*, 679 F.3d at 422 (explaining that a lack of evidence of actual confusion “is rarely significant,” and upholding the district court’s finding that the lack of such evidence was non-determinative); *Frisch’s Rest., Inc.*, 759 F.2d at 1267 (explaining that “proof of actual confusion is not necessary”). Thus, a reasonable jury could find for Groeneveld in the absence of this factor, depending on the evidence, or lack thereof, supporting the other factors.

6. *Marketing channels used.*

I agree with the majority that “[t]he record contains evidence that both parties often attended the same industry trade shows, that they marketed their products over the Internet, and that certain distributors sold both parties’ ALS systems. Such evidence is sufficient to show that there is a commonality in how the ALS systems are marketed.” Maj. Op. 517. Unlike the majority, however, I do not consider such evidence inconsequential, especially in conjunction with the visual similarity of the trade dresses and weight of the other factors. *See Homeowners Grp., Inc.*, 931 F.2d at 1110 (explaining that “[t]his factor is very significant in illuminating what actually happens in the marketplace and, where other factors are not particularly probative, is of special importance,” but that other facts, such as dissimilarities, may lessen the possibility of confusion).

7. *Likely degree of purchaser care.*

I cannot agree with the majority’s assessment that this factor “strongly favors Lubecore” because, as discussed supra, Groeneveld presented evidence that undermines the presumption of consumer care. Drawing inferences in Groeneveld’s favor, this factor, at most, only slightly favors Lubecore. In any event, as already discussed, this factor is not dispositive.
8. **Likelihood of market expansion.**

We have explained:

A strong possibility that either party will expand [its] business to compete with the other or be marketed to the same consumers will weigh in favor of finding that the present use is infringing. A geographic expansion or an increase in the types of products or services offered can be relevant. A finding that the parties will not expand their markets significantly, however, does not address the ultimate issue of likelihood of confusion.

_Daddy’s Junky Music Stores_, 109 F.3d at 287 (internal quotation marks, citations, and alteration brackets omitted).

Witnesses for both parties testified that there was potential for growth in the United States. (Jennifer Wolfe, IP lawyer and consultant), (Eisses: “[W]e have plans to move into the United States and to build a company. It’s a big opportunity. The market is ten times as large as Canada.”).

9. **Summary.**

Except for the lack of evidence of actual confusion, and even weighing the consumer-care factor in Lubecore’s favor, the remaining factors either favor Groeneveld or are neutral. Moreover, even under the majority’s weighing of the factors, there is a three-to-four split which militates in favor of a jury determination rather than a ruling as a matter of law. _Innovation Ventures_, 694 F.3d at 733 (“[W]hen the factors, as found by the district court, were so evenly balanced—a 4 to 3 split, with the eighth factor not at issue in this case—precedent counsels in favor of not granting summary judgment.”). On this record, a reasonable jury could find that the Lubecore pump is likely to confuse consumers.
PART III

DESIGN PATENTS
At p. 298, after the Hudson citation, add the following:

Our research has demonstrated that efforts to enact design protection legislation in the U.S. originated with others before Ellsworth took up the cause. Jason J. Du Mont & Mark D. Janis, The Origins of American Design Patent Protection, 88 IND. L.J. 837 (2013). The earliest proposals blended copyright and patent principles, arguably with a greater focus on the former.

At p. 300, at the end of entry (A) regarding patent term, add the following:

After the implementation of the Hague Agreement, the term of a U.S. design patent will be fifteen years measured from the date of grant. As of the time of this writing, the U.S. had not yet implemented the Agreement.

At p. 300, after entry (J), add the following new paragraph:

In addition, design patent applications can qualify for expedited examination if the applicant conducts a preliminary search, files an information disclosure statement, and pays the requisite fees. 37 C.F.R. § 1.155. The PTO has also implemented other mechanisms for reducing application pendency time, including “accelerated examination” and “prioritized examination” procedures. Design patent applications can be filed under the accelerated examination procedures if certain filing requirements are met. They cannot be accepted into the prioritized examination process. See 37 C.F.R. § 1.102 (providing regulatory basis for the procedures); MPEP §§ 708.08(a)-(b) (instructing examiners on implementation of those processes); USPTO, Fast Exam Table (2013) (USPTO document briefly comparing the elements of the respective processes).

At p. 301, before heading A, add the following:

The Patent Treaties Implementation Act of 2012 added a new Chapter 38 to Title 35 U.S.C. (§§ 381-390) to implement the Hague Agreement Concerning International Registration of Industrial Designs. At the time of this writing, it appeared that the relevant provisions would go into effect in the U.S. no earlier than 2015.

The Hague Agreement is roughly comparable to the Madrid Protocol for trademarks and the Patent Cooperation Treaty for patents. Under the provisions implementing the Hague Agreement, a designer will be able to file a design patent application at the
USPTO and (by paying fees and complying with specified procedures) have the application automatically submitted to the granting offices of other Hague member countries, as the applicant designates, via the World Intellectual Property Organization (WIPO). 35 U.S.C. §§ 382-83. The offices of those designated countries will still apply their own substantive rules for deciding whether to grant protection, see, e.g., 35 U.S.C. § 389(b), but will accord the application its U.S. filing date, and the U.S. will do the same for Hague applications filed elsewhere designating the United States. 35 U.S.C. §§ 384-85; see also 35 U.S.C. § 386 (specifying that a Hague application can serve as the basis for a claim to foreign or domestic priority). No new filing in the designated countries is required—so, for example, a U.S. designer’s original filing in the U.S., in English, will not need to be translated for purposes of examination or registration in any designated countries.

Unlike standalone U.S. design patent applications, Hague applications designating the U.S. will be published, 35 U.S.C. § 390, although provisional rights will attach for any infringing activities occurring between publication and issuance. Hague applications that mature into U.S. design patents will also be subject to the payment of maintenance fees; regular standalone U.S. design patents are not. Should the U.S. amend design patent law to provide that all design patent applications be published? For an argument along these lines, see Gary L. Griswold, Publishing Design Patent Applications: Time to Act, Patently-O (Aug. 24, 2014).

As noted above, the legislation implementing the Hague Agreement also amends 35 U.S.C. § 173 to provide that the term of a U.S. design patent will be fifteen years measured from the date of grant. For further information about the operation of the Hague Agreement, see WIPO, The Hague Agreement Concerning the International Registration of Industrial Designs: Main Features and Advantages (2012).

At pp. 309-310, add the following to Note 7:

See also Sarah Burstein, Not (Necessarily) Narrower: Rethinking the Relative Scope of Copyright Protection for Designs, 3 IP THEORY 114 (2013) (additional reflections on design patent versus copyright protection).

At p. 312, add the following to Problem 5-1:

Design patent protection for computer-generated icons—and for the elements of graphical user interfaces more generally—has become a major enterprise. For an examination of the relevant law and an empirical study of U.S. design patent prosecution for graphical user interface designs, see Jason J. Du Mont and Mark D. Janis, Virtual Designs, 17 STAN. TECH. L. REV. 107 (2014).

At p. 316, add the following:

3A. Proving “matter of concern.” Should survey evidence be required as a means of
proving that consumers do not regard a particular design as a “matter of concern”? Should survey evidence at least be strongly encouraged—as it is in proving secondary meaning in trademark cases involving word marks, for example? See Static Control Components, Inc. v. Lexmark Intern., Inc., 697 F.3d 387, 422 (6th Cir. 2012).

At p. 331, add the following:

10. **The problem of compatible goods.** If one product \( A \) is intended to mate with another product \( Z \), is the design of \( A \) functional for design patent purposes, even under the relatively strict “dictated by” standard? The Best Lock majority and dissent clash on this point, although, in view of the preceding note, query whether it is accurate to frame the case in these simple terms. The problem of compatible goods—of goods that “must fit” or “must match” in appearance—has been a robust one worldwide in the design protection area. The debate was especially intense in Europe. See Chapter 8A (discussing the Community Design system). See also Static Control Components, Inc. v. Lexmark Intern., Inc., 697 F.3d 387, 422 (6th Cir. 2012) (invalidating design patent claims to toner cartridges on the basis of functionality because “[t]heir design is dictated solely by the printer with which they are compatible.”)

At p. 333, Note 6, add the following:

The tension between analyzing the design “as a whole” and analyzing individual design features continues to plague the newer design patent functionality cases. See Richardson v. Stanley Works, excerpted in Chapter 6, and cf. High Point Design LLC v. Buyers Direct, Inc., discussed in the notes following Richardson.

At p. 339, add the following:

1A. **Section 102 after the America Invents Act.** Note 1 refers to Section 102 as it existed prior to the America Invents Act (AIA) (2011). In the AIA, Congress made significant amendments to Section 102, effective for patents filed on or after March 16, 2013. The amendments eliminated the “first-to-invent” subsections of Section 102 (such as Section 102(a), quoted in Note 1), and restructured the remaining subsections. Under the post-AIA version of Section 102, Section 102(a)(1) is the main provision defining what qualifies as prior art, and Section 102(b)(1) supplies corresponding exceptions. Section 102(a)(2), and exceptions 102(b)(2) serve the same function, but they are likely to be more rarely invoked and we need not focus on them here. See the excerpts below.


A person shall be entitled to a patent unless—

(1) the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention; ...

Exceptions—

(1) A disclosure made 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under subsection (a)(1) if—

(A) the disclosure was made by the inventor or joint inventor or by another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or

(B) the subject matter disclosed had, before such disclosure, been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.

At p. 340, add the following:

2A. Importance of the drawings in defining design patent claim scope. The Door-Master case provides a reminder of the importance of accounting for all of the views shown in the design patent drawings when analyzing design patent claims, whether as a predicate for an anticipation analysis or for some other analysis (e.g., infringement). In Apple, Inc. v. Samsung Elec. Co., Ltd., 678 F.3d 1314 (Fed. Cir. 2012), Apple’s Design Patent D593,087 showed both a perspective view and partial side views of the claimed phone design:

![Design Patent Drawing](image)

The district court had held that there was a substantial question about whether the claimed design was anticipated by a Japanese prior art reference. According to the Federal Circuit, this was error. The district court had only considered the perspective view showing the front side of the phone, and had therefore overlooked the differences between the “perfectly flat” shape of the claimed design and the “arched, convex” shape of the allegedly anticipating design, as the court highlighted in the drawings reproduced below (in which the prior art design is shown at right). Id. at 1326. We return to this case in our discussion of the nonobviousness requirement.
At pp. 354-355, after the quoted language from Section 103, add the following:

As of the passage of the America Invents Act, the language of Section 103 changed slightly to refer to the “claimed invention” rather than the “invention.”

At p. 359, before the Notes and Questions, add the following new cases:

**APPLE, INC. V. SAMSUNG ELEC. CO., LTD.**

678 F.3d 1314 (Fed. Cir. 2012)

BRYSON, Circuit Judge:

... 

I.

A.

Apple, Inc., is the owner of several design and utility patents pertaining to smartphones and tablet computers. ... [After discussing several other patents, the court turned to Apple’s U.S. Design Patent D504,889.]
Apple also owns U.S. Design Patent No. D504,889 (“the D’889 patent”), which is directed to the design of a tablet computer. The patent depicts a rectangular tablet with a polished reflective surface extending to the edge of the front side of the device. Within that surface, broken lines delineate a slightly smaller rectangular display area. The front face of the patented design has rounded corners, and a thin bezel surrounds the front surface along its perimeter. The front surface has no ornamentation, buttons, speaker slots, holes, or raised surfaces. The back and sides of the design are also claimed; the figures depict a flat, unadorned back transitioning into the sides through a rounded-over edge. Apple claims that its iPad tablet computer embodies the design of the D’889 patent. A figure representing the claimed design shows the following:

![D’889 Patent](image)

... [Apple had alleged that Samsung’s Galaxy Tab 10.1 tablet, which was released in June 2011, infringed the D’889 patent, and Apple had moved for a preliminary injunction.]

E.

... At the outset of its obviousness analysis, the [District] court characterized the visual impression of the patented design as a “broad, simple design that gives the overall visual impression of a rectangular shape with four evenly rounded corners, a flat glass-like surface without any ornamentation[, a rim surrounding the front surface, ... [a] flat [back] panel that rounds up near the edges[, and an] overall design [that] creates a thin form factor.” According to the court, the design created basically the same visual impression as a prototype tablet developed in 1994 by Roger Fidler. Although the Fidler tablet lacked a “flat glass-like surface,” the court found that difference not to “detract from the fact that the ‘overall visual impression’ created by the D’889 patent is the same as the 1994 Fidler[] tablet.” Accordingly, the court used Fidler as a primary reference in
its obviousness analysis. For the flat glass screen, the court turned to the 2002 Hewlett-Packard Compaq Tablet TC1000, which “contains a flat glass screen that covers the top surface of the tablet and a thin rim that surrounds the front face of the device.”

The court found that the combination of Fidler and the TC1000 would likely render the D’889 patent obvious. The court rejected Apple’s secondary consideration evidence, including evidence of industry skepticism and the unexpected commercial success of the iPad, because the court found the evidence of skepticism to be inconclusive and the evidence of commercial success not to show “the requisite nexus between the patented design and the success of the iPad.” Accordingly, the court concluded that Apple’s secondary consideration evidence failed to overcome the substantial questions of invalidity and that Apple had not established that it is “likely to succeed at trial against Samsung’s challenge to the validity of the D’889 patent.”

The D’889 Patent

In addressing the D’889 patent, the tablet computer design patent, the district court concluded that Apple had shown that it was likely to suffer irreparable harm from Samsung's alleged infringement. However, the court denied injunctive relief because it found that Apple had failed to establish a likelihood of success on the merits. In particular, it found that Samsung had raised a substantial question as to the validity of the D’889 patent. We sustain the court's finding of a likelihood of irreparable harm, but we hold that the court erred in its analysis of the validity issue.

With respect to irreparable harm, the district court considered the relevant factors, properly weighed them, and concluded that Apple had shown that it was likely to suffer irreparable harm from the sales of Samsung's infringing tablets. The factors included the relative market share of Apple and Samsung and the absence of other competitors in the relevant market. The court also determined, based on evidence submitted by the parties, that design mattered more to customers in making tablet purchases, which helped Apple establish the requisite nexus. The fact that Apple had claimed all views of the patented device and the fact that it was prompt in asserting its patent rights were also properly accorded weight by the court. Given our deferential standard of review, we cannot say that the court abused its discretion when it found that Apple demonstrated a likelihood of irreparable harm.

We disagree with the district court, however, in its conclusion that Apple had failed to show that it was likely to succeed on the merits. The district court concluded that the validity of the D’889 patent was subject to a substantial challenge based on two prior art references: the 1994 Fidler reference and the TC1000 tablet.
In addressing a claim of obviousness in a design patent, “the ultimate inquiry … is whether the claimed design would have been obvious to a designer of ordinary skill who designs articles of the type involved.” *Titan Tire*, 566 F.3d at 1375, quoting *Durling v. Spectrum Furniture Co.*, 101 F.3d 100, 103 (Fed. Cir. 1996). To determine whether “one of ordinary skill would have combined teachings of the prior art to create the same overall visual appearance as the claimed design,” *Id.* at 1381, the finder of fact must employ a two-step process. First, “one must find a single reference, ‘a something in existence, the design characteristics of which are basically the same as the claimed design.’ ” *Durling*, 101 F.3d at 103, quoting *In re Rosen*, 673 F.2d 388, 391 (CCPA 1982). Second, “other references may be used to modify [the primary reference] to create a design that has the same overall visual appearance as the claimed design.” *Id.* However, the “secondary references may only be used to modify the primary reference if they are ‘so related to the primary reference that the appearance of certain ornamental features in one would suggest the application of those features to the other.’ ” *Id.*, quoting *In re Borden*, 90 F.3d 1570, 1575 (Fed. Cir. 1996).

The district court began its obviousness analysis by finding that the Fidler reference “creates basically the same visual impression as the D’889 patent” because both are rectangular tablets with four evenly rounded corners and a flat reflective surface for the front screen surrounded by a rim on all four sides. The court characterized the back of the Fidler reference as being “essentially flat.” It then concluded that although the Fidler reference did not have a flat glass surface, that did not prevent it from creating the same overall visual impression as the D’889 design. The court looked to the TC1000 tablet to supply the missing flat glass screen and the thin rim that surrounds the front face of the device. The court also relied on the testimony of Samsung’s expert, who concluded that “a designer of ordinary skill … would have found it obvious to create the D’889 tablet consisting of a rectangular design with four evenly rounded corners, a relatively thin depth, a smooth back that curves up … and a flat, clear front surface that extended beyond the edges of the display.”

We hold that the district court erred in finding that the Fidler tablet created the same
visual impression as the D’889 patent. A side-by-side comparison of the two designs shows substantial differences in the overall visual appearance between the patented design and the Fidler reference:

First, the Fidler tablet is not symmetrical: The bottom edge is noticeably wider than the others. More importantly, the frame of the Fidler tablet creates a very different impression from the “unframed” D’889 design. In the Fidler tablet, the frame surrounding the screen contrasts sharply with the screen itself. The Fidler screen appears to sink into the frame, creating a “picture frame” effect and breaking the continuity between the frame and the screen embedded within it. The transparent glass-like front surface of the D’889 patent, however, covers essentially the entire front face of the patented design without any breaks or interruptions. As a result, the D’889 design creates the visual impression of an unbroken slab of glass extending from edge to edge on the front side of the tablet. The Fidler reference does not create such an impression.5

There are other noticeable differences between the Fidler tablet and the D’889 patent that contribute to the distinct visual appearance of the two designs. Unlike the D’889 patent, the Fidler reference contains no thin bezel surrounding the edge of the front side. Additionally, one corner of the frame in the Fidler reference contains multiple perforations. Also in contrast to the D’889 patent, the sides of the Fidler reference are neither smooth nor symmetrical; it has two card-like projections extending out from its

5 By its use of oblique lines, the D’889 patent indicates that the front surface of the device is reflective and glass-like. See Manual of Patent Examining Procedure § 1503.02 (8th ed. 2006) (“Oblique line shading must be used to show transparent, translucent and highly polished or reflective surfaces ….”).
top edge and an indentation in one of its sides. And the back of the Fidler reference also conveys a visual impression different from that of the D’889 design.

In design patent obviousness analysis, a primary reference must be “something in existence, the design characteristics of which are basically the same as the claimed design in order to support a holding of obviousness.” In re Rosen, 673 F.2d at 391 (concluding that two glass coffee tables were “significantly different in concept” because the primary reference “does not give the same visual impression of lightness and suspension in space conveyed by appellant's table”). Based on the differences between the Fidler tablet and the D’889 design, we hold that the Fidler tablet does not give the same visual impression as the D’889 patent, and therefore the district court erred in looking to Fidler as the primary reference against the D’889 patent.

Even assuming that Fidler qualified as a primary reference, the TC1000 secondary reference could not bridge the gap between Fidler and the D’889 design. First, while the TC1000 has a flat glass front, the screen area of that device is surrounded by a gray area that frames the screen. In addition, the perimeter of the TC1000 is encircled by a wide rounded-over metallic rim. And the screen area contains indicator lights in several places, unlike the minimalist design claimed in the D’889 patent. “[T]he teachings of prior art designs may be combined only when the designs are ‘so related that the appearance of certain ornamental features in one [design] would suggest the application of those features to the other.’ ” In re Borden, 90 F.3d at 1575, quoting In re Glavas, 230 F.2d 447, 450 (C.C.P.A. 1956). The TC1000 is so different in visual appearance from the Fidler reference that it does not qualify as a comparison reference under that standard. See In re Rosen, 673 F.2d at 391 (rejecting the primary reference where “modifications of [it] necessary to achieve [the patented] design would destroy the fundamental characteristics” of that reference).

Samsung contends that the district court properly focused on overall visual appearance rather than on the “design concepts” highlighted by Apple. In our assessment, however, the district court’s error was to view the various designs from too high a level of abstraction. Fidler does not qualify as a primary reference simply by disclosing a rectangular tablet with four evenly rounded corners and a flat back. See Durling, 101 F.3d at 104 (“The error in the district court’s approach is that it construed [the] claimed design too broadly.”). Rather than looking to the “general concept” of a tablet, the district court should have focused on the distinctive “visual appearances” of the reference and the claimed design. Id. When those visual impressions are compared, it becomes apparent that the Fidler reference, with or without the TC1000, cannot serve to render the D’889 patent invalid for obviousness.

In the alternative, Samsung urges us to consider several other tablet and tablet-like designs as suitable primary references. All of those references consist of rectangular designs with rounded corners dominated by a display area. But those designs all suffer from the same problems as the Fidler reference, because all of them show either a thick surrounding frame in which a display is embedded or contain extensive ornamentation on the front of the tablet. The offered designs do not create the same visual impression as Apple’s claimed design and thus do not qualify as primary references. In the absence of a
qualifying primary reference, we hold that the district court erred in concluding that there is likely to be a substantial question as to the validity of the D’889 patent. See Durling, 101 F.3d at 105.

Because the district court found that there is a substantial question as to the validity of the D’889 patent, it did not make any findings with regard to the remaining two questions bearing on whether to issue a preliminary injunction—the balance of hardships and the public interest.

Remanded.

**HIGH POINT DESIGN LLC v. BUYERS DIRECT, INC.**

730 F.3d 1301 (Fed. Cir. 2013)

SCHALL, Circuit Judge:

... 

**BACKGROUND**

I. BDI AND THE ’183 PATENT

BDI is the owner of U.S. Design Patent No. D598,183 (the “’183 patent”) and the manufacturer of slippers known as SNOOZIES®. An exemplary pair of SNOOZIES® slippers is shown below:

![Snoozies slippers](image1)

The ’183 patent recites one claim, for “the ornamental design for a slipper, as shown and described.” Two of the drawings included in the ’183 patent are shown below:

![Snoozies slippers drawings](image2)
As additional design features, the ’183 patent discloses two different soles: a smooth bottom (as shown in Figure 8) and a sole with two groups of raised dots (as shown in Figure 7):

BDI alleges that SNOOZIES® are an embodiment of the design disclosed in the ’183 patent.

II. THE RELATIONSHIP BETWEEN THE PARTIES

High Point Design LLC (“High Point”) manufactures and distributes the accused FUZZY BABBA® slippers, which are sold through various retailers, including appellees Meijer, Inc., Sears Holdings Corporation, and Wal-Mart Stores, Inc. (collectively, the “Retail Entities”). An exemplary pair of FUZZY BABBA® slippers is shown below:

… [High Point filed a declaratory judgment action alleging that the ‘183 patent was invalid and/or unenforceable and not infringed. BDI counterclaimed for design patent infringement and trade dress infringement.]

III. THE DISTRICT COURT PROCEEDINGS

[The district court granted High Point’s motion for summary judgment, holding that the ‘183 patent was invalid on grounds of obviousness and functionality. Regarding the
obviousness ruling, the court identified two primary prior art references as shown below—specifically, two different models of footwear (the “Penta” and “Laurel Hill” models) sold by Woolrich, and thus referred to in the opinion collectively as the “Woolrich Prior Art.”

![Penta](image1)

![Laurel Hill](image2)

The district court also identified two secondary references—U.S. Design Patent Nos. D566,934 and D540,517 (collectively, the “Secondary References”)—that disclose “slippers with a patterns of dots on the bottom surface.”

![D566,934](image3)

![D540,517](image4)
DISCUSSION

... 

II. INVALIDITY BASED ON OBVIOUSNESS

A.

When assessing the potential obviousness of a design patent, a finder of fact employs two distinct steps: first, “one must find a single reference, a something in existence, the design characteristics of which are basically the same as the claimed design”; second, “[o]nce this primary reference is found, other references may be used to modify it to create a design that has the same overall visual appearance as the claimed design.” *Durling v. Spectrum Furniture Co.*, 101 F.3d 100, 103 (Fed. Cir. 1996) (internal quotations omitted); see also *Apple, Inc. v. Samsung Elecs. Co.*, 678 F.3d 1314, 1329 (Fed. Cir. 2012).

Under the first step, a court must both “(1) discern the correct visual impression created by the patented design as a whole; and (2) determine whether there is a single reference that creates ‘basically the same’ visual impression.” *Durling*, 101 F.3d at 103. The ultimate inquiry in an obviousness analysis is “whether the claimed design would have been obvious to a designer of ordinary skill who designs articles of the type involved.” *Id.*, quoted in *Apple*, 678 F.3d at 1329.

B.

BDI asserts that the district court erred by using the Woolrich Prior Art as primary references because their design characteristics are not “basically the same as the claimed design,” as required under the first step set forth in *Durling*. Specifically, BDI relies on the Rake Declaration to argue that various design features distinguish the ’183 patent from the Woolrich Prior Art, including differences in (1) the fleece collars, (2) the height of the side-walls, and (3) the thickness of the soles. According to BDI, these alleged differences create genuine issues of material facts as to whether the Woolrich Prior Art can properly serve as primary references.

Next, BDI asserts that the district court identified no motivation to modify the Woolrich Prior Art to achieve the “same overall visual appearance as the claimed design,” as required under the second step set forth in *Durling*. According to BDI, the court erred by ignoring the design features that distinguish the ’183 patent from the Woolrich Prior Art, and finding that the only differences relate to the soles.

BDI also argues that the district court failed to perform a proper obviousness analysis. First, BDI asserts that the court erred by applying an “ordinary observer” standard, because this court’s case law requires application of an “ordinary designer” standard in an obviousness analysis relating to a design patent. See *Final Decision*, 2012 WL 1820565, at *4 (“To an ordinary observer, they are the same slippers.”); see also id. at *5 (rejecting the Rake Declaration because it “does not get [BDI] over the hurdle of the ordinary observer test”). Second, BDI argues that the district court
failed to properly communicate its reasoning in either step of the obviousness analysis. Finally, BDI asserts that the court erred by not addressing secondary considerations, including copying and commercial sales.

In response, High Point and the Retail Entities (collectively, the “Appellees”) assert that either the Penta or the Laurel Hill could act as the primary reference for the obviousness analysis because they are both “basically the same as the claimed design,” which, according to the Appellees, is all that is required under the first step. The Appellees assert that BDI seeks to apply a “virtual identity” standard in the first step, rather than the proper standard, which allows for minor differences. According to the Appellees, under this court’s case law, a district court can assess the “overall visual appearance,” as required by the second step under Durling, without expert testimony and “almost instinctively.”

The Appellees also argue that the district court properly discounted the Rake Declaration because obviousness should be assessed from the vantage point of the ordinary observer, not an ordinary designer such as Mr. Rake. According to the Appellees, the district court properly applied the ordinary observer standard to find obviousness based on the combination of either the Penta or the Laurel Hill with the Secondary References.

As to secondary considerations, the Appellees argue that BDI failed to show the nexus necessary to demonstrate that either the alleged copying or the commercial sale of SNOOZIES® support the nonobviousness of the ’183 patent. Specifically, the Appellees assert that BDI has not established that SNOOZIES® actually embody the ’183 patent, as is necessary to support BDI’s nonobviousness arguments.

C.

We first address the standard applied by the district court here. The use of an “ordinary observer” standard to assess the potential obviousness of a design patent runs contrary to the precedent of this court and our predecessor court, under which the obviousness of a design patent must, instead, be assessed from the viewpoint of an ordinary designer. See Apple, 678 F.3d at 1329 (“In addressing a claim of obviousness in a design patent, ‘the ultimate inquiry ... is whether the claimed design would have been obvious to a designer of ordinary skill who designs articles of the type involved.’”) (quoting Durling, 101 F.3d at 103); Titan Tire Corp. v. Case New Holland, Inc., 566 F.3d 1372, 1380-81 (Fed. Cir. 2009) (same); In re Borden, 90 F.3d 1570, 1574 (Fed. Cir. 1996) (“The central inquiry in analyzing an ornamental design for obviousness is whether the design would have been obvious to ‘a designer of ordinary skill who designs articles of the type involved.’”) (quoting Avia Grp. Int’l, Inc. v. L.A. Gear Cal., Inc., 853 F.2d 1557, 1564 (Fed. Cir. 1988), abrogated on other grounds by Egyptian Goddess, Inc. v. Swisa, Inc., 543 F.3d 665 (Fed. Cir. 2008) (en banc)); In re Nalbandian, 661 F.2d 1214, 1216 (CCPA 1981) (explicitly rejecting the “ordinary observer” standard for assessing the obviousness of design patents, as set forth in In re Laverne, 356 F.2d 1003 (CCPA 1966), and holding: “In design [patent] cases we will
consider the fictitious person identified in § 103 as ‘one of ordinary skill in the art’ to be the designer of ordinary capability who designs articles of the type presented in the application.”); see also L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1124 (Fed. Cir. 1993) (“In applying the law of § 103 to the particular facts pertinent to the patented design, obviousness vel non is reviewed from the viewpoint of a designer of ordinary skill or capability in the field to which the design pertains.”) (citing Nalbandian, 661 F.2d at 1216). Given this precedent, the district court erred in applying the ordinary observer standard to assess the obviousness of the design patent at issue.2

Although obviousness is assessed from the vantage point of an ordinary designer in the art, “an expert’s opinion on the legal conclusion of obviousness is neither necessary nor controlling.” Avia Grp., 853 F.2d at 1564. That said, an expert’s opinion may be relevant to the factual aspects of the analysis leading to that legal conclusion. See Peterson Mfg. Co. v. Cent. Publ’g, Inc., 740 F.2d 1541, 1547 (Fed. Cir. 1984), abrogated on other grounds by Beatrice Foods Co. v. New England Printing and Lithographing Co., 899 F.2d 1171, 1177-78 (Fed. Cir. 1990) (“In civil litigation involving a design [patent], an expert’s testimony is most helpful, as in the determination of obviousness with respect to any other type of invention, to explain the technology, the scope and content of the prior art, the differences between the prior art and the invention, and the level of skill in the art.”). For that reason, the district court erred by categorically disregarding the Rake Declaration.

We now turn to what we conclude were additional errors in the district court’s application of the two-step analysis set forth in Durling. As to the first part of the first step—“discern[ing] the correct visual impression created by the patented design as a whole”—the district court erred by failing to translate the design of the ’183 patent into a verbal description. See Durling, 101 F.3d at 103 (“From this translation, the parties and appellate courts can discern the internal reasoning employed by the trial court to reach its decision as to whether or not a prior art design is basically the same as the claimed design.”). The closest to the necessary description was the court’s comment characterizing the design in the ’183 patent as “slippers with an opening for a foot that can contain a fuzzy (fleece) lining and have a smooth outer surface.” Final Decision, 2012 WL 1820565, at *1; see also id. at *2 (“The slipper shown has a smooth exterior and a fuzzy interior.”). This, however, represents “too high a level of abstraction” by failing to focus “on the distinctive visual appearances of the reference and the claimed design.” Apple, 678 F.3d at 1331-32; see also Durling, 101 F.3d at 104 (“The error in the district court’s approach is that it construed [the] claimed design too broadly. The district court’s verbal description of [the] claimed design does not evoke

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2 We do not believe our decision in International Seaway Trading Corp. v. Walgreens Corp., 589 F.3d 1233, 1240 (Fed. Cir. 2009), cited by the district court, compels a contrary conclusion. The International Seaway court may in fact have had the “designer of ordinary skill” standard in mind when it used the term “ordinary observer.” In any event, the court could not rewrite precedent setting forth the designer of ordinary skill standard. See Vas Cath, Inc. v. Maharkar, 935 F.2d 1555, 1563 (Fed. Cir. 1991); Newell Cos., Inc. v. Kenney Mfg. Co., 864 F.3d 757, 765 (Fed. Cir. 1998).
a visual image consonant with the claimed design. Instead, the district court’s description merely represents the general concept of a sectional sofa with integrated end tables.”). On remand, the district court should add sufficient detail to its verbal description of the claimed design to evoke a visual image consonant with that design. See Durling, 101 F.3d at 103-04 (describing the necessary process).

As to the second part of the first step—“determin[ing] whether there is a single reference that creates ‘basically the same’ visual impression”—the court erred by failing to provide its reasoning, as required under this court’s precedent. See id. at 103 (“[T]he judge must communicate the reasoning behind the decision. This explanation affords the parties a basis upon which to challenge, and also aids the appellate court in reviewing, the judge’s ultimate decision.”). Absent such reasoning, we cannot discern how the district court concluded that the Woolrich Prior Art was “basically the same as the claimed design,” so that either design could act as a primary reference. On remand, the district court should do a side-by-side comparison of the two designs to determine if they create the same visual impression. See, e.g., Apple, 678 F.3d at 1330 (comparing images of the claimed design to images of the asserted primary references); Titan Tire, 566 F.3d at 1375, 1382-83 (same); Durling, 101 F.3d at 102 (same); Borden, 90 F.3d at 1572-73 (same); In re Harvey, 12 F.3d 1061, 1067-68 (Fed. Cir. 1993) (same); In re Rosen, 673 F.2d 388, 389 (CCPA 1982) (same); Nalbian, 661 F.2d at 1215 (same).

In addition, based on the record before us, there appear to be genuine issues of material fact as to whether the Woolrich Prior Art are, in fact, proper primary references. For this additional reason, summary judgment must be reversed. See Durling, 101 F.3d at 105 (“Without … a primary reference, it is improper to invalidate a design patent on grounds of obviousness.”).

To the extent that the obviousness of the ’183 patent remains at issue on remand, the district court will, after properly completing the first step under Durling, be in a better position to assess whether or not the Woolrich Prior Art, modified by the Secondary References, provide a design with the “same overall visual appearance as the claimed design,” as required under the second step of Durling. See Durling, 101 F.3d at 103.

Finally, we turn to secondary considerations, which the district court did not address in the Final Decision. This court has held that “evidence rising out of the so-called ‘secondary considerations’ must always when present be considered en route to a determination of obviousness.” Stratoflex, Inc. v. Aeroquip Corp., 713 F.2d 1530, 1538 (Fed. Cir. 1983); see also Hupp v. Siroflex of Am., Inc., 122 F.3d 1456, 1462 (Fed. Cir. 1997) (“Invalidity based on obviousness of a patented design is determined on factual criteria similar to those that have been developed as analytical tools for reviewing the validity of a utility patent under § 103, that is, on application of the Graham factors.”). Here, BDI alleged both commercial success of the claimed design as well as copying. To the extent that the obviousness of the ’183 patent remains at issue on remand, the district court should address any evidence of secondary considerations.
[The court’s analysis of functionality is addressed in Chapter 6 of this supplement in the notes following Richardson.]
[Reversed-in-part and remanded.]

**MRC INNOVATIONS, INC. v. HUNTER MFG., LLP**

747 F.3d 1326 (Fed. Cir. 2014)

PROST, Circuit Judge:

**BACKGROUND**

MRC is the owner by assignment of both patents-in-suit. The ‘488 patent claims an ornamental design for a football jersey for a dog, while the ‘487 patent does the same for a baseball jersey, as shown below:

Mark Cohen is the named inventor of both patents; he is the principal shareholder of
MRC and assigned his rights in both patents to that company. Appellee Hunter Manufacturing, LLP, is a retailer of licensed sports consumer products, including pet jerseys. Prior to September 9, 2009, Hunter purchased pet jerseys for dogs from Mark Cohen through companies with which he was affiliated. For example, Cohen supplied Hunter with a “V2” football jersey through the Stephen Gould Corporation and through Fun-in-Games, Inc. (“FiG”). Similarly, Cohen supplied Hunter, through FiG, with a green pet jersey bearing a Philadelphia Eagles logo, which Hunter then sold through third-party retailers such as Wal-Mart and PetSmart prior to July 30, 2009. The V2 and Eagles jerseys are depicted below:

Cohen asserts that in 2009 he designed another pet jersey, known as the “V3” jersey, which would later become the subject of the ‘488 patent. Hunter began purchasing the V3 jersey from FiG sometime after September 8, 2009. On September 8, 2010, Cohen filed a patent application for both the V3 jersey and the baseball equivalent that would later become the subject of the ‘487 patent.

In December 2010, Cohen informed Hunter that he no longer intended to do business with Hunter because Hunter was having difficulty making payments. Hunter then sought proposals from other companies to manufacture and supply it with pet jerseys like the V3. Ultimately, Hunter contracted with another supplier, appellee CDI International, Inc., to supply Hunter with pet jerseys.
Both patents-in-suit eventually issued on March 15, 2011.

MRC filed suit against both Hunter and CDI for willful infringement of both patents. [The district court granted summary judgment in favor of the defendants that the patents in-suit were invalid for obviousness. MRC appealed.]

DISCUSSION

I. The ‘488 Patent

In the context of design patents, “‘the ultimate inquiry under section 103 is whether the claimed design would have been obvious to a designer of ordinary skill who designs articles of the type involved.’” Titan Tire Corp. v. Case New Holland, Inc., 566 F.3d 1372, 1380-81 (Fed. Cir. 2009) (quoting Durling v. Spectrum Furniture Co., 101 F.3d 100, 103 (Fed. Cir. 1996)). To answer this question, a court must first determine “whether one of ordinary skill would have combined teachings of the prior art to create the same overall visual appearance as the claimed design.” Durling, 101 F.3d at 103. That inquiry involves a two-step process. First, the court must identify “a single reference, ‘a something in existence, the design characteristics of which are basically the same as the claimed design.’” Id. (quoting In re Rosen, 673 F.2d 388, 391 (CCPA 1982)). The “basically the same” test requires consideration of the “visual impression created by the patented design as a whole.” Id. We have noted that “the trial court judge may determine almost instinctively whether the two designs create basically the same visual impression,” but “must communicate the reasoning behind that decision.” Id.

Once the primary reference is found, other “secondary” references “may be used to modify it to create a design that has the same overall visual appearance as the claimed design.” Id. These secondary references must be “so related [to the primary reference] that the appearance of certain ornamental features in one would suggest the application of those features to the other.” Id. (quoting In re Borden, 90 F.3d 1570, 1575 (Fed. Cir. 1996) (alteration in original)).

A. Primary Reference

The district court used the “Eagles” pet jersey as the “primary reference” under step one of the Durling analysis. MRC, 921 F. Supp. 2d at 809. MRC argues that this was legally erroneous because there are significant differences between the Eagles jersey and the patented design of the ‘488 patent. Specifically, there are three differences: (1) the patented design has a V-neck collar where the Eagles jersey has a round neck; (2) the patented design contains an interlock fabric panel on the side portion of the design rather than mesh; and (3) the patented design contains additional ornamental surge stitching on the rear portion of the jersey. MRC argues that the district court overlooked these differences by focusing on the claimed design at “too high a level of abstraction.” High Point Design LLC v. Buyers Direct, Inc., 730 F.3d 1301, 1314 (Fed. Cir. 2013) (citing...
Apple, Inc. v. Samsung Elecs. Co., Ltd., 678 F.3d 1314, 1331 (Fed. Cir. 2012)). If the district court had translated the claimed design into a verbal description as required by High Point, MRC insists, it would have concluded that neither the Eagles jersey nor any other prior art reference contained design characteristics that were “basically the same” as the claimed design.

As an initial matter, it is true that the district court did not expressly undertake to translate the claimed design into a verbal description. However, High Point makes clear that the purpose of requiring district courts to describe the claimed design in words is so that the parties and appellate courts can discern the trial court’s reasoning in identifying a primary reference. See id. (citing Durling, 101 F.3d at 103). It is entirely clear from the district court’s opinion what it considered to be the relevant design characteristics of the '488 patented design.

First, the district court pointed out three key similarities between the claimed design and the Eagles jersey: an opening at the collar portion for the head, two openings and sleeves stitched to the body of the jersey for limbs, and a body portion on which a football logo is applied. MRC, 921 F. Supp. 2d at 809. If the district court’s analysis had ended there, it might indeed have failed to meet the High Point verbal description requirement. However, the district court went on to point out two additional similarities between the two designs: first, the Eagles jersey is made “primarily of a mesh and interlock fabric”; and second, it contains at least some ornamental surge stitching—both features found in the ‘488 claimed design. Id. The district court also went on to acknowledge the three major differences between the two designs that are enumerated above. See id. Taking all of those things together (the at least five design characteristics that the claimed design shares with the Eagles jersey and three design characteristics that differ from it), the district court painted a clear picture of the claimed design. The district court did far more than merely ask whether the Eagles jersey disclosed the “general concept” of a pet jersey; it thoroughly considered the “distinctive ‘visual appearances’ of the reference and the claimed design.” Apple, 678 F.3d at 1332 (quoting Durling, 101 F.3d at 104). Thus, the district court did not err by failing to provide an express verbal description of the claimed design; rather, it described the claimed design in the context of comparing it to the prior art.

Nor did the district court err in finding that the design characteristics of the ‘488 design created “basically the same” overall visual impression as the Eagles jersey prior art reference. As the district court noted, both designs contain the same overall shape, similar fabric, and ornamental surge stitching. That there are slight differences in the precise placement of the interlock fabric and the ornamental stitching does not defeat a claim of obviousness; if the designs were identical, no obviousness analysis would be required.1 Indeed, we have permitted prior art designs to serve as “primary references”

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1 This conclusion is not inconsistent with the law of this circuit on design patent infringement. In that context, we have often noted that design patents have “almost no scope” beyond the precise images shown in the drawings. In re Mann, 861 F.2d 1581, 1582 (Fed. Cir. 1988). However, in practice, our focus on the “overall visual appearance” of a claimed design rather than on individual features has led us
when their differences are as great or greater than the differences in this case. See Jore Corp. v. Kouvato, Inc., 117 Fed. Appx. 761, 763 (Fed. Cir. 2005) (finding prior art drill bit to be a primary reference despite containing a smooth cylindrical shaft rather than the grooved hexagonal shaft of the claimed design); In re Nalbandian, 661 F.2d 1214, 1217-18 (CCPA 1981) (finding tweezer design obvious in light of prior art reference that contained vertical rather than horizontal fluting and straight rather than curved pincers).2

Apple, 678 F.3d 1314, on which MRC relies, is not to the contrary. There, we faulted the district court for finding that the prior art Fidler tablet could serve as a primary reference to the patented tablet design. Id. at 1330-31. However, in that case we noted “substantial differences in the overall visual appearance between the patented design and the Fidler reference,” and described no fewer than six differences between the two products. Id. Among other things, the Fidler tablet was asymmetrical where the patented tablet was symmetrical; it contained a sunken screen that created a “picture frame” effect rather than the visual impression of “an unbroken slab of glass extending from edge to edge on the front side of the [patented] tablet”; and it contained two card-like projections and an indentation on its sides rather than the smooth sides of the claimed design. Id. These differences rendered the Fidler tablet significantly different in overall visual appearance from the patented design; the same cannot be said of the ’488 patented design and the Eagles jersey, which we agree are “basically the same.”3

B. Secondary References

After concluding that the Eagles jersey could be a “primary reference,” the district court determined that the V2 jersey and another reference known as the “Sporty K9” jersey were “so related to the primary reference” that they could serve as “secondary references to find products infringing despite differences in specific ornamental features. For example, in Crocs, Inc. v. International Trade Commission, 598 F.3d 1294 (Fed. Cir. 2010), we concluded that all of the accused products infringed the asserted design patents despite the fact that two of the infringing products (the Groovy DAWGSTM shoes and Big DAWGSTM shoes) contained a wider shoe front with an additional row of holes, and another infringing product (the Effervescent Waldies AT shoe) contained square holes on the top of the shoe rather than round ones. Id. at 1303-06.

2 The relatively few other cases in which we evaluated whether a prior art design can serve as a “primary reference” are unhelpful, as they either conclude that a reference that is more similar to the claimed design than we have in this case can serve as a primary reference, see, e.g., Titan Tire Corp., 566 F.3d at 1380-82; In re Borden, 90 F.3d at 1575, or that a less similar reference cannot, see, e.g., Durling, 101 F.3d at 103-04; Rosen, 673 F.2d at 391.

3 Alternatively, the district court could have relied on the V2 jersey as the primary reference. The only differences between the V2 jersey and the claimed design are: (1) that the V2 jersey does not contain an “interlock” fabric panel; (2) it has “drop” sleeves while the claimed jersey has “raglan-style” sleeves; and (3) the V2 jersey lacks any ornamental surge stitching. MRC, 921 F. Supp. 2d at 807. A side-by-side comparison of the two designs demonstrates that of those three differences, only the ornamental surge stitching truly alters the “overall visual appearance” of the design. Moreover, the ornamental stitching on the claimed design is suggested by the seam lines on the V2 jersey, further minimizing the difference in overall appearance. Thus, either the “Eagles” jersey or the V2 jersey could have served as a “primary reference” for purposes of the obviousness analysis.
references” that would motivate the skilled artisan to make the claimed design. MRC, 921 F. Supp. 2d at 809.

The district court found that both jerseys suggested the use of a V-neck pattern and non-mesh fabric on the side panels—the first two differences described above. MRC argues that the district court erred by failing to explain why a skilled artisan would have chosen to incorporate those features of the V2 and Sporty K9 jerseys with the Eagles jersey.

We disagree. It is true that “[i]n order for secondary references to be considered, … there must be some suggestion in the prior art to modify the basic design with features from the secondary references.” In re Borden, 90 F.3d at 1574. However, we have explained this requirement to mean that “the teachings of prior art designs may be combined only when the designs are ‘so related that the appearance of certain ornamental features in one would suggest the application of those features to the other.’ ” Id. at 1575 (quoting In re Glavas, 43 CCPA 797, 230 F.2d 447, 450 (1956)). In other words, it is the mere similarity in appearance that itself provides the suggestion that one should apply certain features to another design.4

In re Borden also discussed what is required for a reference to be considered sufficiently “related” for that test to apply. There, we noted that the secondary references were “closely akin” to the claimed design, and relied heavily on the fact that “the two missing design elements [were] not taken from unrelated references, but [were] found in other dual-chamber containers.” Id. Thus, those references could be used “to bridge the small gap between the [primary] container and Borden’s claimed design.” Id. So too, here, the secondary references that the district court relied on were not furniture, or drapes, or dresses, or even human football jerseys; they were football jerseys designed to be worn by dogs. Moreover, as discussed above, the V2 could easily have served as a primary reference itself, so similar is its overall visual appearance to that of the claimed design and the Eagles jersey. See supra n. 3. We therefore agree that those references were “so related” to the Eagles jersey that the striking similarity in appearance across all three jerseys would have motivated a skilled designer to combine features from one with features of another.

With respect to the only remaining difference between the Eagles jersey and the ‘488 claimed design—the presence of additional ornamental surge stitching running down the

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4 MRC argues that this conclusion is “clearly improper” in light of our recent decision in High Point, 730 F.3d 1301. However, that case is not on point. There, we faulted the district court for failing to explain the reasoning behind its determination that a given “primary reference” was “basically the same as the claimed design,” and so we remanded for the district court to do a side-by-side comparison of the designs and determine if they create the same visual impression. Id. at 1314. The district court here did exactly that, when it listed five specific features that rendered the Eagles jersey “basically the same” as the patented design and explained that the three minor differences did not defeat the similarity in overall visual appearance. See supra Section I.A. High Point did not address the situation presented here, where the district court relied on the visual similarity between the patented design and the various secondary references to conclude that the secondary references would have suggested particular design modifications to a skilled designer.
rear of the jersey—the district court acknowledged that no prior art reference contained exactly that same stitching on the rear of the jersey, but nevertheless concluded that this was not a “substantial” difference that created a patentably distinct design, but rather was a “de minimis change[] which would be well within the skill of an ordinary designer in the art.” MRC, 921 F. Supp. 2d at 809 (citing In re Carter, 673 F.2d 1378, 1380 (CCPA 1982)).

MRC argues that adding any ornamental feature to a primary reference that is not suggested by the prior art is, by definition, more than de minimis. But our case law plainly contradicts that position; on numerous occasions we have invalidated design patents despite the inclusion of ornamental features that were entirely absent from prior art designs. See, e.g., In re Nalbandian, 661 F.2d at 1217 (different shape of fluting on finger grips and different shape of pincers were de minimis differences in design for tweezers); In re Carter, 673 F.2d at 1380 (modifications to the waistband of an infant garment were “de minimis changes which would be well within the skill of an ordinary designer in the art”); In re Chung, No. 00-1148, 2000 WL 1476861, at *3 (Fed. Cir. Oct. 4, 2000) (two small depressions in the design of a cigarette package were de minimis changes); In re Cooper, 480 F.2d 900, 901-02 (CCPA 1973) (affirming Board’s conclusion that numerous changes to the design of a prior art building—including a single rather than double door and the addition of windows—were de minimis because the overall impression was still a building that looked like a barrel).

Here, the Eagles jersey had already disclosed the use of ornamental surge stitching. The only additional step needed was to extend the stitching down the sides of the rear of the jersey. Moreover, the V2 jersey plainly suggested the addition of vertical lines down the rear of the jersey through the use of the seams between the two types of fabric. We agree with the district court that adding ornamental surge stitching on top of a preexisting seam was an insubstantial change that would have been obvious to a skilled designer.6

C. Secondary Considerations

In support of the non-obviousness of its patents, MRC submitted evidence relating to commercial success, copying, and acceptance by others. First, with respect to commercial success, MRC argued that the sales of the V3 jersey (which embodied the patented design) were more successful than sales of the V2 design it replaced. Second, MRC alleged that Hunter and CDI chose to copy the patented V3 design rather than other

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5 Alternatively, MRC argues that, at the very least, the differences between the prior art and the claimed design are not insignificant as a matter of law, but rather give rise to a genuine issue of material fact as to how the designs would be viewed by an ordinary designer. However, as explained below, we believe that, even construing the evidence in the light most favorable to MRC, no reasonable fact-finder could find in MRC’s favor on this issue. See supra at 1335.

6 To be clear, we do not intend to suggest that merely because one prior art reference used ornamental surge stitching, any use of such stitching would have been a de minimis change. Rather, the addition of the surge stitching in this case was de minimis because it merely followed the visual lines created by the seams of the V2 jersey; in other words, it served only to highlight a design feature that had already existed in the V2 prior art jersey.
available non-patented designs. And third, MRC points out that it has granted a license on the '488 patent.

The district court noted that the only evidence in support of these secondary considerations was the testimony of the inventor himself, which was “unpersuasive to demonstrate a genuine dispute” of fact sufficient to defeat summary judgment of obviousness. MRC, 921 F. Supp. 2d at 810. MRC argues that in so doing, the district court effectively dismissed the uncontroverted secondary considerations evidence as if it did not exist, rather than construing the evidence in the favor of the non-moving party—in this case, MRC. MRC also points out that Hunter and CDI failed to provide any evidence of another explanation for those secondary considerations besides a nexus with the claimed design.

Here, however, MRC has the standard backwards. As the patentee, it was MRC’s burden of production to demonstrate a nexus between the claimed design and the secondary considerations. See Crocs, 598 F.3d at 1311. MRC presented no evidence whatsoever that the commercial success and copying were related to the merits of the claimed invention. Merely stating—with no supporting figures or data—that the V3 was more successful than the V2 is insufficient on its own to establish that the V3 has been a “commercial success” and that its success was attributable to the claimed design features. Moreover, the only license MRC produced was between MRC and FiG, a company that is at least partially owned by Mark Cohen, who also owns MRC.

Thus, although the district court’s analysis of secondary considerations was admittedly somewhat cursory, we do not believe that the evidence of record before the district court created a genuine dispute of material fact; to the contrary, even construing the evidence in the light most favorable to MRC, MRC had not established a nexus between the secondary considerations and the claimed design that was sufficient to overcome the other evidence of obviousness.

Because we affirm the invalidity of the ‘488 patent on obviousness grounds, we need not reach Hunter’s alternative argument that the patent is invalid under 35 U.S.C. § 112. Nor would it be appropriate for us to do so, as a denial of a motion for summary judgment is not a final appealable decision. See Lermer Ger. GmbH v. Lermer Corp., 94 F.3d 1575, 1576 (Fed. Cir. 1996) (“The final judgment rule prohibits a party from appealing a district court’s denial of a motion for summary judgment.”).

II. The ‘487 Patent

A similar analysis applies to the ‘487 patent. The district court also found the ‘487 patent obvious, relying on the baseball version of the Sporty K9 jersey as the “primary reference,” and the V2 and Eagles football jerseys as the secondary references. MRC, 921 F. Supp. 2d at 811-12. A side-by-side comparison of the ‘487 design and the Sporty K9 baseball jersey is depicted below:
MRC again argues that there are several major differences between the Sporty K9 baseball jersey and the design claimed in the ‘487 patent, and that the district court erred by failing to translate the patented design into a verbal description and instead focusing only on high-level similarities between the two designs.

As with the ‘488 patent, although the district court did not expressly undertake to translate the patented design by itself, a description can easily be seen from the court’s discussion of the similarities and differences between the Sporty K9 baseball jersey and the patented design. Specifically, the court noted that the patented design has a V-shaped collar, two openings for sleeves with cuffs for the front limbs, a banded opening at the bottom for the hind portion of the pet, and four buttons extending vertically down the front of the jersey. Id. at 811. In pointing out the differences between the two designs, the court noted that the patented design contains a mesh fabric not found in the Sporty K9 jersey, that it is less “tubular” in shape than the Sporty K9 jersey, and that it lacks the “faux t-shirt” collar portion of the Sporty K9 jersey. Id. at 811-12. Thus, the district court sufficiently described the patented design so as to “evoke a visual image consonant with the claimed design.” Durling, 101 F.3d at 104.

Moreover, we agree with the district court that the overall visual impression of the Sporty K9 baseball jersey is “basically the same” as the ‘487 patented design. Indeed, of the several minor differences the district court pointed out between the two products, only the less tubular shape of the ‘487 design truly affects the overall visual impression of the design as a whole. As to that difference, Hunter provided evidence that the Sporty K9 jersey more closely resembles the patented design when actually worn by a pet, rather
than when depicted in plan view; an image from the Sporty K9 brochure reveals that a garment (there, a dog sports jacket) which appears quite tubular in plan view (just like the Sporty K9 baseball jersey) actually appears much shorter in the front when worn by a dog. Thus, the Sporty K9 baseball jersey can reasonably be considered a “primary reference” for purposes of the obviousness analysis.

Additionally, once the Sporty K9 baseball jersey is identified as the primary reference, the secondary references would easily have led an ordinary designer to make the claimed design. The district court relied on both the V2 and Eagles football jerseys to demonstrate that the use of mesh and a less “tubular” shape were well known in the prior art for pet jerseys. MRC, 921 F. Supp. 2d at 812. For the same reasons as discussed above, we have no trouble concluding that those jerseys are “so related” to the claimed design that the mere similarity in visual appearance would suggest the combination of those features to create the claimed design.

We therefore affirm the district court’s grant of summary judgment of invalidity of the ‘487 patent.

[Affirmed.]

At p. 359, add the following:

1A. Origins and evolution of the obviousness requirement for design patents. The leading study on the history of the obviousness criterion as it was adapted for use in the design patent system is Jason J. Du Mont, A Non-Obvious Design: Reexamining the Origins of the Design Patent Standard, 45 GONZ. L. REV. 531 (2009).

At p. 360, add the following at the end of Note 4:

In Apple v. Samsung, the court applied these concepts—specifically, the requirement from Durling (derived from Rosen) that in order to qualify as a primary reference in an obviousness combination, the reference must display characteristics “which are basically the same as the claimed design.” Do you agree that the Fidler reference was not a proper primary reference as against the D’889 patent under that test? Do you agree with the MRC case that the asserted references there properly qualified as primary references? Do the analyses in Apple and MRC persuade you that the court’s current approach to obviousness in the design patent area is in keeping with trends in the jurisprudence of utility patent obviousness? Or do these cases reinforce concerns that the approach to design patent obviousness is inflexible, and hence out of step with utility patent law?

At p. 361, add the following at the end of Note 5:

The court in Apple v. Samsung ruled that even if the Fidler reference were a proper primary reference, the TC100 reference is so different from the Fidler reference that the two cannot properly be combined for obviousness purposes. Do you agree? Has the
court avoided the two errors noted in *KSR* (and mentioned in Note 5)? What do you make of the statement in *MRC* that “mere similarity in appearance that itself provides the suggestion that one should apply certain features to another design”? Does this bring the design patent obviousness analysis closer to that of *KSR*? Does it place *MRC* in tension with *High Point*, or are the two cases distinguishable, as the court suggests in *MRC* note 16?

**At p. 363, add the following at the end of Note 10:**

In its obviousness analysis in *International Seaway*, the court explicitly limited the role of the person of ordinary skill in the art to determining whether to modify a reference or whether to combine multiple references. Apart from those inquiries, obviousness is to be a matter for the ordinary observer, according to the court. But the court in *High Point* backed away from this approach, asserting that these passages from *International Seaway* may not have been intended to change the frame of reference for obviousness. Is it a good idea to incorporate both perspectives into the obviousness analysis as the *International Seaway* court suggested? Is doing so consistent with the statute? With precedent?

**At p. 364, add the following new problem:**

**PROBLEM 5-4A: PRIMARY REFERENCES UNDER DURLING**

Suppose that a design patent application claims the following design for a datacard:

Suppose that the following two designs—disclosed in separate prior art references—are alleged to each qualify as primary references under the *Durling* test:
The claimed design includes a hole in the lower right corner; neither prior art reference includes such a hole. Does the absence of a hole disqualify either prior art reference from serving as a primary reference? Or, would it be proper under Durling to consider either reference as a primary reference that could be combined with a secondary reference or otherwise modified to include a hole? See Vanguard Id. Sys., Inc. v. Bank of America Corp., 2010 WL 1064484 (B.P.A.I. Mar 23, 2010); aff’d sub nom. Vanguard Id. Sys. v. Kappos, 2011 WL 201501 (Fed. Cir. Jan. 24, 2011) (summary affirmance of Board decision).

At p. 364, before Problem 5-5, add a new section: D. ADEQUATE DISCLOSURE and insert the following new case:

**IN RE OWENS**

710 F.3d 1362 (Fed. Cir. 2013)

PROST, Circuit Judge:


I.

The ‘172 application, which is the subject of this appeal, is a continuation of U.S. Design Patent Application No. 29/219,709 (filed Dec. 21, 2004) (“‘709 application”). The ‘709 application claimed a design for a bottle with boundaries set forth in the figures below:
Fig. 1

Fig. 2

Fig. 3


Owens then filed the ‘172 application in 2006, seeking the benefit of the ‘709 application’s 2004 priority date under 35 U.S.C. § 120. Owens conceded during prosecution that, if denied the earlier effective filing date, the ‘172 application would be unpatentable because he had sold bottles embodying his design more than one year before filing his continuation.

The ‘172 application claimed certain design elements found on the top and side portions of the original bottle, as depicted in Figures 1 through 3:
‘172 application Figs. 1-3 (as amended Oct. 29, 2008). In particular, the ‘172 application claimed three design elements: (1) the small crescent-shaped area on the front and back of the bottle near the cap; (2) the narrow triangular areas along the bottle’s “shoulders;” and (3) an upper portion of the bottle’s pentagonal center panel. To indicate what portion of the center area was claimed, Owens bisected the top of his pentagonal panel with a broken line.

The examiner rejected the ‘172 application. The basis for the rejection was the addition of the broken line, which the examiner understood as defining an entirely new “trapezoidal”-shaped surface that was considered new matter:

The examiner found no evidence that Owens originally possessed such a trapezoidal region in the ‘709 application. As such, the examiner rejected the ‘172 application for lack of written description under 35 U.S.C. § 112, ¶ 1, and furthermore rejected the application as unpatently obvious in view of the earlier-sold bottles under 35 U.S.C. § 103(a).

Owens appealed to the Board, which noted at the outset that the correctness of the examiner’s § 103(a) rejection depended on whether the ‘172 application was entitled to the benefit of the ‘709 application’s filing date. That issue, in turn, hinged on whether the ‘709 application contained a written description sufficient to convey to an ordinary designer that Owens possessed the subject matter of the ‘172 application as of the earlier filing date. Id. at 4.

Addressing the latter question, the Board focused upon the difference between the parent and the continuation’s front panels—namely, the continuation’s introduction of a broken line bisecting the parent’s pentagonal front panel. Board Op. at 11. Like the examiner, the Board understood this to indicate that Owens had claimed previously
undisclosed “trapezoidal sections occupying part, but not all, of the surface area of the front and back panels.” Id. Accordingly, the Board affirmed the examiner’s rejections.

Owens timely appealed, and we have jurisdiction under 28 U.S.C. § 1295(a)(4)(A) and 35 U.S.C. § 141.

II.

The statutory provision governing the effective filing date of the subject matter of continuing applications, 35 U.S.C. § 120, applies generally to design patents as well as utility patents. See 35 U.S.C. § 171 (“The provisions of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided.”). Entitlement to priority under § 120 is a matter of law which we review de novo. In re Daniels, 144 F.3d 1452, 1455 (Fed. Cir. 1998) [cit.].

To be entitled to a parent’s effective filing date, a continuation must comply with the written description requirement of 35 U.S.C. § 112, ¶ 1. 35 U.S.C. § 120; Daniels, 144 F.3d at 1456. Whether a claimed invention is supported by an adequate written description under § 112, ¶ 1, is a question of fact that we review for substantial evidence. Ariad Pharm., Inc. v. Eli Lilly & Co., 598 F.3d 1336, 1351 (Fed. Cir. 2010) (en banc).

The test for sufficiency of the written description, which is the same for either a design or a utility patent, has been expressed as “whether the disclosure of the application relied upon reasonably conveys to those skilled in the art that the inventor had possession of the claimed subject matter as of the filing date.” Id. In the context of design patents, the drawings provide the written description of the invention. Daniels, 144 F.3d at 1456; In re Klein, 987 F.2d 1569, 1571 (Fed. Cir. 1993) (“[U]sual[ly] in design applications, there is no description other than the drawings.”). Thus, when an issue of priority arises under § 120 in the context of design patent prosecution, one looks to the drawings of the earlier application for disclosure of the subject matter claimed in the later application. Daniels, 144 F.3d at 1456; see also Vas-Cath Inc. v. Mahurkar, 935 F.2d 1555, 1563 (Fed. Cir. 1991).

III.

The subject of this appeal is the broken line that Owens introduced in his continuation application. The parties agree that the parent application discloses no boundary that corresponds (either explicitly or implicitly) to this newly-added broken line. However, the parties also agree that a design patentee may, under certain circumstances, introduce via amendment a straight broken line without adding new matter, even “[w]here no [corresponding] boundary line is shown in a design application as originally filed.” MPEP § 1503.02.

The parties refer to these broken-line boundaries as “unclaimed boundary” lines because the lines are “not intended to form part of the claimed design” and do “not exist in reality in the article embodying the design.” Id. Rather, when an unclaimed boundary line is introduced via amendment or continuation, it is “understood that the claimed design extends to the [unclaimed] boundary but does not include the [unclaimed]
boundary.” *Id.*

In other words, when an unclaimed boundary line divides a previously claimed area, it indicates that the applicant has disclaimed the portion beyond the boundary while claiming the area within it. Where permissible, unclaimed boundary lines allow the patentee to adjust his patent coverage and encompass embodiments that differ slightly but insignificantly from the originally-filed design. However, like all amendments made during prosecution, these lines must comply with the written description requirement to receive the benefit of priority under § 120.¹

IV.

Bearing all of this in mind, we turn to the merits of Owens’s case. The Board rejected the ‘172 application because it believed that, as a prerequisite to patentability, Owens needed to demonstrate prior possession of a bottle with a trapezoidal section occupying part, but not all, of the surface area of the center-front panel. Owens made no such showing before the Board, nor does he do so on appeal.

Instead, Owens attacks the very notion that his continuation claims a trapezoidal-shaped area at all. Owens insists that in order to claim a new design element, one must first claim a new boundary. Yet his newly introduced broken line is, as all parties agree, “unclaimed.” Accordingly, he believes the Board applied the wrong written description test to his case, one which erroneously treated his unclaimed boundary as though it was claimed.

Owens suggests a more relaxed written description test for these circumstances based upon his interpretation of *In re Daniels*. In that case, we held that a continuation application claiming a design for a container was entitled to the effective filing date of its parent application, which claimed the same container decorated with an ornamental floral design. *Daniels*, 144 F.3d at 1454-55. We reasoned that the underlying container claimed in the continuation was “clearly visible in the earlier design application, demonstrating to the artisan viewing that application that Mr. Daniels had possession at that time of the later claimed design of that article.” *Id.* at 1456-57.

Owens believes his amendment satisfies the *Daniels* test because all portions of his pentagonal front panel were “clearly visible” in the ‘709 application. His argument is premised on the notion that an applicant who has possession of an entire area in a parent application must likewise possess all parts of the area. He therefore believes he should now be permitted to disclaim any portion of his original design in a continuation and still survive the written description test.

Owens misconstrues our holding in *Daniels*. The patentee in *Daniels* did not introduce any new unclaimed lines, he removed an entire design element. It does not follow from *Daniels* that an applicant, having been granted a claim to a particular design

¹ In initial design applications, it is appropriate to disclaim certain design elements using broken lines, provided the application makes clear what has been claimed. See *In re Zahn*, 617 F.2d 261, 266-67 (CCPA 1980); *In re Blum*, 374 F.2d 904, 907 (1967). These so-called “environmental” lines are not at issue in this case, because they do not implicate § 120.
element, may proceed to subdivide that element in subsequent continuations however he pleases.

Moreover, the written description question does not turn upon what has been disclaimed, but instead upon whether the original disclosure “clearly allow[es] persons of ordinary skill in the art to recognize that [the inventor] invented what is claimed.” Ariad, 598 F.3d at 1351 (second alternation in original) (emphasis added) (internal quotation marks omitted); Daniels, 144 F.3d at 1456 (“The [written description] inquiry is simply to determine whether the inventor had possession at the earlier date of what was claimed at the later date.”). In this case, Owens’s parent application discloses a design for a bottle with an undivided pentagonal center-front panel, whereas the continuation claims only the trapezoidal top portion of that center-front panel. Therefore, the question for written description purposes is whether a skilled artisan would recognize upon reading the parent’s disclosure that the trapezoidal top portion of the front panel might be claimed separately from the remainder of that area. Ariad, 598 F.3d at 1351.

The Board answered this factual question in the negative, finding that nothing in the parent application’s disclosure suggested anything uniquely patentable about the top portion of the bottle’s front panel. This finding is supported by substantial evidence because the parent disclosure does not distinguish the now-claimed top trapezoidal portion of the panel from the rest of the pentagon in any way. Indeed, Owens did not argue to the contrary before the Board, nor does he do so on appeal. Accordingly, we must affirm the Board’s decision.

V.

Lastly, we turn to a question raised implicitly in Owens’s appeal and explicitly in amicus briefing—whether, and under what circumstances, Owens could introduce an unclaimed boundary line on his center-front panel and still receive the benefit of § 120.

The Manual of Patent Examining Procedure (“MPEP”) provides some direction in this regard, saying that unclaimed boundary lines “may” be acceptable when “connecting the ends of existing full lines.” MPEP § 1503.02. Were this the rule, it might be acceptable for Owens to bisect his front panel with a broken line along the pentagon’s widest point. However, it seems that such a boundary would simply outline a larger trapezoidal area, and so the resulting claim would suffer from the same written description problems as the ‘172 application.

Prior PTO practice offers similarly ambiguous guidance. For instance, the amicus brief noted certain past allowances that seemingly contradict both the MPEP and the PTO’s rejection of the Owens continuation. Compare the ‘702 application, and the ‘172 application, with U.S. Patent No. D545,954 (issued July 3, 2007) (parent design patent claiming humidifier), and U.S. Patent No. D569,958 (issued May 27, 2008) (continuation allowed despite having areas of humidifier bisected with unclaimed boundary lines).

In our view, the best advice for future applicants was presented in the PTO’s brief, which argued that unclaimed boundary lines typically should satisfy the written description requirement only if they make explicit a boundary that already exists, but was
unclaimed, in the original disclosure. Although counsel for the PTO conceded at oral argument that he could not reconcile all past allowances under this standard, he maintained that all future applications will be evaluated according to it.

This rule comports with our understanding of how unclaimed boundary lines generally should affect entitlement to an earlier filing date under § 112, ¶ 1, and § 120. Its implications for Owens’s case should be obvious.

[Affirmed.]

NOTES AND QUESTIONS

1. Adequacy of disclosure requirements from utility patent law; enablement requirement. The Federal Circuit has construed 35 U.S.C. § 112 (a) (previously denominated 35 U.S.C. § 112, first paragraph) as imposing three adequacy-of-disclosure requirements: enablement; written description; and best mode. Owens debates the application of the second of these, the written description requirement.

2. Enablement requirement for design patents. There is little or no case law applying the enablement requirement to design patents. In contrast, the enablement requirement plays a significant role in utility patent law, particularly in the chemical and biotechnology areas. The enablement requirement calls for the applicant to provide a disclosure that enables a person of ordinary skill in the art to make and use the claimed invention. In a utility patent, the claims alone—claims reciting a pharmaceutical composition, for example—rarely provide enough information to teach an ordinary artisan how to make the claimed invention, much less to use it. Accordingly, a typical utility patent document may contain a rather lengthy written description that sets out reaction sequences for synthesizing illustrative compositions lying within the scope of the claims, examples demonstrating the use of the composition to achieve the intended therapeutic effect, and additional guidance for making and using the claimed compositions. Enablement issues usually arise when the claims are relatively broad in comparison to the teachings in the disclosure.

In a design patent, the design drawings frequently constitute the entirety of the written description, and the claims typically incorporate the drawings, so the problem of broad claims supported by a narrow disclosure cannot ordinarily arise. Said another way, the subject matter of a design patent is an object’s visual appearance, so as long as the patent’s drawings can be understood by a person of ordinary skill in the art, the drawings should be deemed sufficient to enable that person to recreate the claimed visual appearance, and thus should be held to satisfy Section 112(a)’s enablement requirement. If the drawings cannot be so understood—for example, if there are irreconcilable inconsistencies among different views—then the Section 112(a) enablement requirement is probably not satisfied, but neither is the separate requirement of Section 112(b) for definite claims. See MANUAL OF PATENT EXAMINING PROCEDURE 1504.04 (rev. 9 Aug. 2012) (noting the dual basis for rejection and advising examiners to analyze the Section 112(b) indefiniteness issue before addressing the enablement issue).
3. **The written description requirement for design patents.** In *Owens*, as in some prior cases (such as *Daniels*), the Federal Circuit applied the written description requirement to design patents. In general, how does the written description requirement assist in ensuring that design patent documents provide adequate disclosures? To what extent is that role already played by the enablement requirement? The overlap between the enablement and written description requirements has been extensively debated in utility patent law, and has been resolved (although hardly to universal acclaim) in favor of recognizing a separate written description requirement, even if its contours are ill-defined.

4. **Distinguishing Daniels.** Review the facts of *Daniels* (recited in the *Owens* opinion; see also Problem 5-5, which includes the drawings from *Daniels*.) There, the court found no written description requirement violation. How does the *Owens* court distinguish *Daniels*? Is the distinction plausible? If not, what do you think is motivating the court to find a written description violation in *Owens*?

5. **Future written description debates in design patent law.** Some observers predict that *Owens* will usher in an era of much more aggressive applications of the written description requirement by the courts and the USPTO. How, if at all, should patent lawyers change the way they draft design patent applications in view of the prospect of a more stringent written description requirement? What policy would be served by a more stringent requirement? Said another way, what problem would be solved by ratcheting up the written description requirement?
At p. 408, insert the following:

3A. When are accused and claimed designs “plainly dissimilar”? Under the Egyptian Goddess test, the court states that in some cases, the accused and claimed designs will be “sufficiently distinct that it will be clear without more” that the patentee has not met its burden of proving that the two designs are not substantially similar to the ordinary observer. That is, a court can avoid the complicated three-way comparison between the claimed design, accused design, and prior art by determining that the case is one in which the claimed and accused designs are plainly dissimilar. Is this a wise efficiency mechanism or an invitation to undue subjectivity? How can a court tell when dissimilarity is sufficiently plain? For example, compare the patented and accused designs for protective eyewear (shown below on the left and right, respectively). (The bottom figures show venting in the frames of the googles.) Would you find these designs to be plainly dissimilar? See Revision Military, Inc. v. Balboa Mfg. Co., 700 F.3d 524 (Fed. Cir. 2012).

At p. 410, insert the following:

9. Pleading design patent infringement. What should a design patent plaintiff be required to plead in order to avoid dismissal under the Twombly/Iqbal plausibility
standard? (See Bell Atl. Corp. v. Twombly, 550 U.S. 544 (2007) and Ashcroft v. Iqbal, 556 U.S. 662 (2009) for the Court’s recitation of the standard.) In Hall v. Bed Bath & Beyond, Inc., 705 F.3d 1357 (Fed. Cir. 2013), Hall’s complaint had compared the patented towel design to the accused towel design, alleging that the two were “virtually identical,” had “the same shape and almost the same dimensions” included the patented towel’s “unique zippered compartments and hanging loop,” and had an inseam that was “exactly the same length” as that of the patented towel. Id. at 1363. While the complaint did not provide a detailed written or visual comparison of the patented design and the alleged infringer, it did include exhibits containing images of both.

Relying on the complaint’s language quoted above and some images presented during the preliminary injunction hearing, the Federal Circuit held this was sufficient to satisfy Twombly/Iqbal. Id. at 1363 (images from hearing only).

The district court had ruled otherwise. It would have required the complaint to address questions such as “What is it about Plaintiff’s towel that he claims is ‘new, original and ornamental,’ meriting the protection of a design patent?”, apparently on the rationale that its answer was relevant to claim construction. Id. at 1362. The Federal
Circuit ruled that “claim construction is not an essential element of a patent infringement complaint.” *Id.* In a design patent case, should it be? In dissent, Judge Lourie offered a rather tepid defense of the district court’s analysis:

It is true that much of the [pleadings that the district court would have required] relate to validity rather than infringement, which is what the Amended Complaint alleged. And the court seemed to focus on particular aspects of the claimed design rather than the design as a whole … .

But the overall design of a design patent consists of the particular aspects of the design, and noting those aspects is not claim construction. How else does one describe a design except to the characteristic aspects of the design? Thus, I regard the district court’s analysis as not sufficiently faulty to justify vacation of its dismissal.

*Id.* at 1374 (Lourie, J., dissenting). Do you agree? Judge Lourie faulted the plaintiff for declining the district court’s invitation to replead the case, stating that the failure amounted to waiver. *Id.* When deciding whether the plaintiff met *Towmby/Iqbal* standard, should the Federal Circuit have relied on images that were not in the complaint?

**At p. 417, add the following after the Crocs case:**

**PACIFIC COAST MARINE WINDSHIELDS LTD. v. MALIBU BOATS, LLC**

739 F.3d 694 (Fed. Cir. 2014)

DYK, Circuit Judge:

**BACKGROUND**

Darren A. Bach, the owner and chief executive officer of Pacific Coast, filed a design patent application on April 27, 2006, claiming an “ornamental design of a marine windshield with a frame, a tapered corner post with vent holes and without said vent holes, and with a hatch and without said hatch, as shown and described.” The accompanying figures depicted various embodiments of the claimed design with different vent hole configurations. The drawings also showed designs that included and excluded a hatch on the front of the windshield. Shown below are submitted figures representative of the various embodiments.

![Fig. 1](image1)

![Fig. 7](image2)

![Fig. 8](image3)
The examiner determined that the multiple embodiments represented five “patentably distinct groups of designs” and issued a restriction requirement, identifying the five distinct groups of designs as windshields with: (1) four circular holes and a hatch (figure 1); (2) four circular or square holes and no hatch (figures 7 & 12); (3) no holes and a hatch (figure 8); (4) no holes and no hatch (figure 9); and (5) two oval or rectangular holes and a hatch (figures 10 & 11). The applicant was required to elect a single group for the pending application although the applicant was entitled to file additional applications for each of the remaining groups.

In response, the applicant elected “Group I, Embodiment 1,” corresponding to figure 1 above, depicting four vent holes and a hatch. He amended the claim to recite “the ornamental design of a marine windshield with a frame, and a pair of tapered corner posts[,] removing the original claim language stating “with vent holes and without said vent holes, and with a hatch and without said hatch.” (emphases removed). The applicant also cancelled figures 7-12, leaving only the embodiment with four circular holes on the corner post and a hatch on the front of the windshield. The amended application issued as the ′070 patent [(U.S. Patent No. D555,070)] on November 13, 2007. As issued, the ′070 patent claims “[t]he ornamental design for a marine windshield, as shown and described.” Figures 1-6 show alternate views of the four-hole embodiment. The inventor assigned all rights in the ′070 patent to his wholly owned company, Pacific Coast, in June, 2011. The inventor later obtained a patent for the design with no holes in the corner post as a divisional of the originally-filed application, but did not file another divisional application with respect to any of the other embodiments. See U.S. Patent No. D569,782.

In 2011, Pacific Coast brought suit in the Middle District of Florida, alleging, inter alia, that Malibu Boats manufactured and sold boat windshields with a design that infringed the ′070 patent. Pacific Coast also alleged that Malibu Boats induced others, including customers and distributors, to infringe the ′070 patent. The accused infringing design was in a boat windshield with three trapezoidal holes on the corner post, as shown below.
The district court granted Malibu Boats’ motion for partial summary judgment of non-infringement on the grounds of prosecution history estoppel. The district court found that, during prosecution, the applicant had surrendered the designs reflected in the canceled figures and amended the claim “in order to obtain the patent.” In holding that the patentee was estopped from asserting infringement against the accused design, the court recognized that “the accused design has one fewer vent hole than the embodiment,” but explained that “the accused design is still clearly within ‘the territory [surrendered] between the original claim and amended claim.’” (citing Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 535 U.S. 722, 740 (2002)). The court also found that the patentee failed to overcome the presumption of prosecution history estoppel. The court entered a judgment of non-infringement based on the finding of prosecution history estoppel, and certified the judgment for appeal. …

Pacific Coast appealed. …

DISCUSSION

I.

Although treatises and district court decisions going back to 1889 have recognized that the concept of prosecution history estoppel applies to design patents as well as utility patents, this issue is one of first impression for our court.

The doctrine of prosecution history estoppel is well established for utility patents. Utility patents may be infringed both literally and under the doctrine of equivalents. For doctrine of equivalents purposes, the accused and claimed elements are equivalent if there are only “insubstantial differences” between them. Warner-Jenkinson Co. v. Hilton

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See, e.g., Donald S. Chisum, Chisum on Patents § 23.05[7] (2013) (“Decisions confirm that a design patent’s prosecution history may limit its scope.”); 6 John G. Mills et al., Pat. L. Fundamentals § 20:50 (2d ed.) (2013) (“Where the Patent & Trademark Office required restriction among a plurality of embodiments proffered to the Office in a single design application, courts have held that the patentee is estopped from asserting that an accused design which corresponds to a nonelected embodiment infringes the elected embodiment ….”).
Davis Chem. Co., 520 U.S. 17, 39 (1997). An alternate formulation focuses on whether the “substitute element matches the function, way, and result of the claimed element.” Id. at 40. See also Graver Tank & Mfg. Co. v. Linde Air Prods. Co., 339 U.S. 605, 612 (1950) (finding equivalence when the “changes which avoid literal infringement are colorable only”).

With respect to utility patents, prosecution history estoppel limits a patentee’s ability to recover under the doctrine of equivalents, but does not limit literal infringement. The doctrine is founded on the public notice function of patents. The Supreme Court has recognized that “[t]here can be no denying that the doctrine of equivalents, when applied broadly, conflicts with the definitional and public-notice functions of the statutory claiming requirement.” Warner-Jenkinson, 520 U.S. at 29; see also Festo, 535 U.S. at 731 (“A patent holder should know what he owns, and the public should know what he does not.”). Consequently, prosecution history estoppel limits the bounds of what a patentee can claim as equivalent by “requiring that the claims of a patent be interpreted in light of the proceedings in the PTO during the application process.” Festo, 535 U.S. at 733. Where subject matter is surrendered during prosecution, prosecution history estoppel prevents the patentee from “recapturing in an infringement action the very subject matter surrendered as a condition of receiving the patent.” Id. at 734.

For design patents, the concepts of literal infringement and equivalents infringement are intertwined. Unlike the provisions defining infringement of a utility patent, the statutory provision on design patent infringement does not require literal identity, imposing liability on anyone who “without license of the owner, (1) applies the patented design, or any colorable imitation thereof, to any article of manufacture for the purpose of sale, or (2) sells or exposes for sale any article of manufacture to which such design or colorable imitation has been applied ….” 35 U.S.C. § 289 (emphases added).

Under the leading Supreme Court case of Gorham Mfg. Co. v. White, 81 U.S. 511 (1871), the test for design patent infringement is whether

in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other.

Id. at 528. The Court explained that, if the test for infringement required the accused design to reproduce all elements of the patented design, “[t]here never could be piracy of a patented design, for human ingenuity has never yet produced a design, in all its details, exactly like another, so like, that an expert could not distinguish them.” Id. at 527; see also Braun Inc. v. Dynamics Corp. of Am., 975 F.2d 815, 820 (Fed. Cir. 1992) (“[P]atent infringement can be found for a design that is not identical to the patented design.”).

Thus, the test for design patent infringement is not identity, but rather sufficient similarity—whether “the accused design could not reasonably be viewed as so similar to the claimed design that a purchaser familiar with the prior art would be deceived by the similarity between the claimed and accused designs, ‘inducing him to purchase one supposing it to be the other.’ “ Egyptian Goddess, Inc. v. Swisa, Inc., 543 F.3d 665, 683
We have held that the “colorable imitation” standard of the design patent statute involves the concept of equivalents. Although “the way/function/result test … is not directly transferable to design patents, it has long been recognized that the principles of equivalency are applicable.” Lee v. Dayton-Hudson Corp., 838 F.2d 1186, 1189 (Fed. Cir. 1988); see also Chisum on Patents § 23.05 (“[I]t can be questioned whether there is any need to apply to designs the general distinction between ‘literal’ infringement of a patent and infringement under the ‘doctrine of equivalents.’ ”). Indeed, Pacific Coast characterized the substantial similarity between the accused designs and the ’070 patent as the basis for an infringement claim “under the doctrine of equivalents.”

Pacific Coast, in its briefs, argued that prosecution history estoppel should not apply to design patents at all. But at oral argument, Pacific Coast conceded that a patentee should not be able to assert infringement against a particular design that was abandoned during prosecution for reasons of patentability. Oral Argument at 5:14-5:30, [cit.]. This concession is well taken. The same principles of public notice that underlie prosecution history estoppel apply to design patents as well as utility patents. Prosecution history estoppel in design patents promotes the “clarity [that] is essential to promote progress.” Festo, 535 U.S. at 730. Refusing to apply the principles of prosecution history estoppel to design patents would undermine the “definitional and public-notice functions of the statutory claiming requirement.” Warner-Jenkinson, 520 U.S. at 29. The fact that in design patents, unlike utility patents, the claimed scope is defined by drawings rather than language does not argue against application of prosecution history estoppel principles here. We conclude that the principles of prosecution history estoppel apply to design patents as well as utility patents.

II.

Having determined that the principles of prosecution history estoppel apply to design patents, we consider whether those principles bar the infringement claim in this case. This turns on the answers to three questions: (1) whether there was a surrender; (2) whether it was for reasons of patentability; and (3) whether the accused design is within the scope of the surrender.

A.

As to the first, we conclude that there was a surrender of claim scope during prosecution. Here, in determining the scope of the claimed design, “[i]t is the drawings of the design patent that provide the description of the invention.” In re Daniels, 144 F.3d 1452, 1456 (Fed. Cir. 1998) (citing In re Klein, 986 F.2d 1569, 1571 (Fed. Cir. 1993)); see also MPEP § 1503.1 ¶ 15.59(II) (8th ed. Rev.9, Aug. 2012) (“[A]s a rule the illustration in the drawing views is its own best description.”). Figures are required in design patent applications because they, not the textual claim, “constitute a complete disclosure of the appearance of the design.” 37 C.F.R. § 1.152. In short, while we look primarily to the wording of the claims in utility patents for the purpose of prosecution
history estoppel, we must look at the requisite drawings in design patents to determine whether a surrender has occurred.

Here, in response to the examiner’s restriction requirement, the applicant amended the claim by cancelling figures associated with all but one of the patentably distinct groups of designs identified by the examiner—the four-hole embodiment—and striking references to alternate configurations from the text. The PTO treated the response as “an election without traverse” and withdrew the unelected designs from consideration. Consequently, the issued ’070 patent claimed only “[t]he ornamental design for a marine windshield, as shown and described,” in figures that all depicted four circular vent holes on the corner post. By cancelling figures showing corner posts with two holes and no holes, the applicant surrendered such designs and conceded that the claim was limited to what the remaining figure showed—a windshield with four holes in the corner post—and colorable imitations thereof.

It does not matter that the surrender involved the cancellation of claims rather than amendment. In Honeywell Int’l Inc. v. Hamilton Sundstrand, 370 F.3d 1131, 1144 (Fed. Cir. 2004) (en banc), we held that prosecution history estoppel is not limited to narrowing amendments, but extends as well to claim surrender. See also Deering Precision Instruments, L.L.C. v. Vector Distrib. Sys., Inc., 347 F.3d 1314, 1325 (Fed. Cir. 2003) (the “addition of [an] independent claim … coupled with the clear surrender of the broader subject matter of the deleted original independent claim” narrowed claim scope for prosecution history estoppel purposes). By removing broad claim language referring to alternate configurations and cancelling the individual figures showing the unelected embodiments, the applicant narrowed the scope of his original application, and surrendered subject matter.

B.

As to the second question, we conclude that claim scope was surrendered in order to secure the patent, as required by the Supreme Court’s decision in Festo. Here, the surrender was not made to avoid prior art but because of a restriction requirement under 35 U.S.C. § 121. Thus, the surrender was not made for reasons of patentability (for example, anticipation, obviousness, or patentable subject matter). However, the surrender was made to secure the patent.

In contrast to utility patents, “a design patent application may only include a single claim.” MPEP § 1503.1 ¶ 15.61(III) (8th ed. Rev. 9, Aug. 2012); see also In re Rubinfield, 207 F.2d 391, 396 (CCPA 1959) (“We find no sound reason for disturbing the long-standing practice of the Patent Office, embodied in Rule 153, which limits design applications to a single claim.”). In light of that requirement, if an application for a design patent includes more than one patentable design, the PTO must require the applicant to restrict his claims to a single inventive design under 35 U.S.C. § 121. Thus, in design patents, unlike utility patents, restriction requirements cannot be a mere matter of administrative convenience. Here, the examiner imposed a restriction requirement on the ground that the different drawings showed “patently distinct groups of designs,”
contravening the requirement that design patents must claim only one design. The examiner identified the specific design groups and associated figures, giving the applicant the option to elect one group.

Pacific Coast argues, however, that only surrenders to avoid prior art are within the doctrine. We think that the doctrine is broader than that. The Court has held that “[e]stoppel arises when an amendment is made to secure the patent and the amendment narrows the patent’s scope,” expressly stating that “a narrowing amendment made to satisfy any requirement of the Patent Act may give rise to an estoppel.” Festo, 535 U.S. at 736 (emphasis added). In Festo, the Court explicitly addressed, and rejected, arguments similar to those raised by Pacific Coast here, explaining that the rationale behind prosecution history estoppel “does not cease simply because the narrowing amendment, submitted to secure a patent, was for some purpose other than avoiding prior art.” Id. at 736. Here, we think that, in the design patent context, the surrender resulting from a restriction requirement invokes prosecution history estoppel if the surrender was necessary, as in Festo, “to secure the patent.” Id. We express no opinion as to whether the same rule should apply with respect to utility patents, an issue not resolved by our prior cases. (footnote omitted).

C.

The final question is whether the accused design is within the scope of the surrender. Prosecution history estoppel only bars an infringement claim if the accused design fell within the scope of the surrendered subject matter. See Wang Labs., Inc. v. Mitsubishi Elecs. Am., Inc., 103 F.3d 1571, 1578 (Fed. Cir. 1997) (“Once prosecution history estoppel limits the scope of a patent, the patentee may not recover for infringement where infringement would require an equivalence between a claim element and an aspect of the accused item that falls within the estoppel.”). Determining the reach of prosecution history estoppel thus “requires an examination of the subject matter surrendered by the narrowing amendment.” Festo, 535 U.S. at 737.

Here, the surrendered designs included windshields with two holes on the corner post. The district court held that after “[c]omparing the Defendants’ accused design with the patented design and the canceled embodiments, it is clear that the accused design is within the territory between the original claim and the amended claim.” Although the accused design had a three-hole configuration and the originally-claimed design did not include a three-hole configuration, the court found that “the accused design is still clearly within the ‘territory between the original claim and the amended claim [,]’ “i.e., between the claimed four-hole embodiment and the surrendered two-hole embodiment. (quoting Festo, 535 U.S. at 740).

Malibu Boats similarly argues that by abandoning a design with two holes and obtaining patents on designs with four holes and no holes, the applicant abandoned the range between four and zero. See Biagro Western Sales, Inc. v. Grow More Inc., 423 F.3d 1296, 1306-07 (Fed. Cir. 2005) (prosecution history estoppel barred infringement claim against accused fertilizer with sixty percent concentration of phosphorous-containing
salts where thirty to forty percent concentration limitation was added to patent claim during prosecution). However, this range concept does not work in the context of design patents where ranges are not claimed, but rather individual designs. Claiming different designs does not necessarily suggest that the territory between those designs is also claimed. As the defendant conceded during oral argument, the record does not show that the submitted figures claimed “a design … that has zero to four holes.” … The applicant surrendered the claimed design with two holes on the windshield corner post, but neither submitted nor surrendered any three-hole design. The record only reflects the surrender of the two-hole embodiment.

We note that the defendant here did not argue that the scope of the surrendered two-hole embodiment extended to the three-hole embodiment because the threehole embodiment was not colorably different from the two-hole embodiment. At oral argument, the defendant disclaimed the theory that the three-hole design was a colorable imitation of the surrendered two-hole embodiment. Under these circumstances, we need not decide whether the scope of the surrender is measured by the colorable imitation standard. Since the patentee here does not argue that the accused design was within the scope of the surrendered two-hole embodiment, no presumption of prosecution history estoppel could arise. We hold that prosecution history estoppel principles do not bar Pacific Coast’s infringement claim, and remand for further proceedings.

[Reversed and remanded.]

NOTES AND QUESTIONS

1. No separate doctrine of equivalents? The court in Pacific Coast Marine appears to say that there is a recognized equivalency concept in design patent infringement law, but that this concept is subsumed within the Gorham/Egyptian Goddess standard for infringement because that standard calls for substantial similarity rather than exact identity. Do you agree with this ruling? Does it follow that there is no formal “doctrine of equivalents” in design patent law—and that utility patent concepts associated with the doctrine of equivalents should not automatically be transferred into design patent law? If so, shouldn’t the court have also said that there is no prosecution history estoppel in design patent law, since prosecution history estoppel is a utility patent concept associated with the doctrine of equivalents?

2. How much prosecution history estoppel law should be borrowed? In utility patent law, the core notion of prosecution history estoppel is that an inventor should not be able to recapture claim scope that he or she surrendered during the prosecution of the patent application. But the law of prosecution history estoppel is far more elaborate, requiring analysis of two separate presumptions and three prescribed potential rebuttal routes applicable to the second of the presumptions. See Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 535 U.S. 722 (2002) (setting out the Festo presumption and the three rebuttal routes); Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., 344 F.3d 1359 (Fed. Cir. 2003) (en banc) (explaining that a second presumption—the Warner-Jenkinson presumption—also applies). How much of this complicated legal construct did
the court borrow in *Pacific Coast Marine*? How much of it should courts borrow in the future?

3. **Prosecution disclaimer versus prosecution history estoppel.** Prosecution history estoppel is not the only doctrine in utility patent law that prohibits an inventor from attempting to recapture claim scope that he or she gave up during prosecution. The doctrine of prosecution disclaimer applies during claim construction (as contrasted with prosecution history estoppel, which limits the application of the doctrine of equivalents). Under the doctrine of prosecution disclaimer, a patent applicant whose statements during prosecution narrow the **literal scope** of a claim preclude the applicant from subsequently asserting that the claim language has a broader literal scope. See, e.g., *Trading Technologies Int'l, Inc. v. Open E Cry, LLC*, 728 F.3d 1309, 1322 (Fed. Cir. 2013). Two of us (Du Mont and Janis) have argued that the Federal Circuit would have been better advised to frame its *Pacific Coast Marine* analysis in terms of prosecution disclaimer. *See Square Pegs, Round Holes*, Patently-O (Jan. 13, 2014). Do you agree?

At p. 422, add the following after the *Richardson* case:

**NOTES AND QUESTIONS**

1. **Functionality revisited.** We studied the functionality doctrine in Chapter 5. In the cases presented there (*Best Lock*, for example), functionality was an element of the validity determination. That is, when the court in Best Lock ruled that the claimed designs at issue there were “functional,” the court was concluding that the design patents should not have been issued. In *Richardson*, the court also deploys the functionality doctrine, but uses it to alter the scope of the design patent rights for infringement purposes.

2. **Functionality applied to individual elements of a design.** In *High Point Design LLC v. Buyer’s Direct, Inc.*, 730 F.3d 1301 (Fed. Cir. 2013), the Federal Circuit criticized a trial court for undertaking a functionality analysis that asked whether the design’s primary features could perform functions, rather than asking whether the overall design was primarily functional. The trial court’s analysis contravened Federal Circuit precedent, said the court in *High Point*, quoting *Avia Group* for the proposition that “[a] distinction exists between the functionality of an article or features thereof and the functionality of the particular design of such article or features thereof that perform a function.” Is the Federal Circuit’s approach in *High Point* in harmony with its approach in *Richardson*? The Federal Circuit’s opinion in *High Point* does not cite *Richardson*.

3. **Applying Egyptian Goddess or undermining it?** The main thrust of the *Egyptian Goddess* decision is to discard the “point of novelty” test for infringement. Does the *Richardson* case effectively introduce a “point of non-functionality” test? If so, is the *Richardson* case in some tension with the holding *Egyptian Goddess*? Is it in tension with the holding but consistent with some of the dicta?

4. **A critique.** For a critique of the *Richardson* court’s analysis and a set of broader proposals for rethinking the functionality doctrine as applied to design patents, see Jason

At p. 429-430, delete Note 1 and substitute the following:

1. Examining the total profits rule. Does the 35 U.S.C. § 289 total profits rule overcompensate design patent owners when applied to multi-component products (such as mobile phones)? See Mark A. Lemley, A Rational System of Design Patent Remedies, 17 Stan. Tech. L. Rev. 219 (2014); but cf. Jason J. Du Mont and Mark D. Janis, Brief of Amici Curiae Jason J. Du Mont and Mark D. Janis in Support of Appellee Apple, No. 2014-1335 (Aug. 2014). Although the court in Nike stated that Section 289’s predecessor provision applied only to infringers who acted with knowledge, the analysis in our brief shows that the knowledge limitation applied only to retailers and end users, not to infringing manufacturers.

At p. 430, add the following:

5. Elaborating a theory of harm for design patent infringement. Stepping aside from the doctrinal technicalities of design patent infringement remedies (at least for a moment), how would you characterize the harm that occurs to a design patent owner when infringement occurs? In utility patent law, the harm from infringement might be said to result from the sheer loss of exclusivity. By contrast, in trademark law, the loss of exclusivity alone is not a cognizable harm unless it can be shown to impinge on the mark owner’s goodwill—depleting goodwill by sowing confusion among consumers or by diminishing the mark’s drawing power (as in the dilution cause of action). These discussions of harm may seem to reside primarily in the realm of theory, but they also have a practical aspect: in order to obtain injunctive relief, a design patent owner (or any patent owner) must show that he or she suffered irreparable harm. In Apple, Inc. v. Samsung Elec. Co., Ltd., 678 F.3d 1314, 1324 (Fed. Cir. 2012), the court ruled that in order to satisfy this requirement (in the context of a motion for a preliminary injunction), Apple was required to show “some causal nexus between Samsung’s infringement and the alleged harm to Apple.” The court made clear that establishing such a nexus would be no trivial matter:

Sales lost to an infringing product cannot irreparably harm a patentee if consumers buy that product for reasons other than the patented feature. If the patented feature does not drive the demand for the product, sales would be lost even if the offending feature were absent from the accused product. Thus, a likelihood of irreparable harm cannot be shown if sales would be lost regardless of the infringing conduct.

Id. at 1324. Moreover, a showing of mere “insubstantial” market share loss likewise would not satisfy the inquiry. Id. at 1324-25.
The Federal Circuit ruled that the district court had correctly applied these principles to Apple’s design patents directed to different aspects of its phones. While the evidence showed that the design of these elements—such as the phone’s bezel and face—had some effect on sales, according to the Federal Circuit, “there was considerable countervailing evidence indicating that it was not a determinative factor in consumer decisionmaking.” *Id.* at 1324. The court denied that it was imposing a general requirement for consumer survey evidence or other proof of consumer motivation as a part of the irreparable harm showing for design patent cases; it was merely ruling that Apple’s proofs were inadequate, the court said. *Id.* at 1324 n. 3.

Apple had argued that Samsung had caused harms other than loss of sales—specifically, harms in the form of erosion of “design distinctiveness” and “brand dilution.” The Federal Circuit concluded that Apple had not proven these harms, either, but it did not rule them out as potentially cognizable forms of harm in design patent cases. A “wholesale rejection of design dilution” as a theory of harm in design patent cases would have been improper, the Federal Circuit commented. *Id.* at 1325. Do you agree that design dilution is a type of harm that the design patent system should address? Do you believe that design patent infringement ever actually could cause design dilution? How would you prove that it was likely to occur (or had occurred)? Does “dilution” in this context mean the same thing as dilution in the context of the Lanham Act? See Chapter 4 for a discussion of trade dress dilution.

The Federal Circuit returned to the causal nexus issue in another *Apple v. Samsung* decision, this one involving Apple’s appeal from a denial of a permanent injunction against Samsung.

**APPLE, INC. v. SAMSUNG ELEC. CO., LTD.**

735 F.3d 1352 (Fed. Cir. 2013)

**PROST, Circuit Judge:**

[Apple had prevailed on utility patent infringement, design patent infringement, and trade dress dilution claims against Samsung, Apple sought a permanent injunction, which the District Court denied. Apple appealed.]

**BACKGROUND**

…

**B. Prior Appeals**

This court has previously issued two opinions in appeals involving these particular parties and the issue of injunctive relief. In *Apple Inc. v. Samsung Electronics Co.*, 678 F.3d 1314 (Fed. Cir. 2012), referred to here as *Apple I*, we resolved an appeal in this case arising from the district court’s denial of a preliminary injunction with respect to four Apple patents, including three patents that are at issue in the current appeal. We affirmed the district court’s denial of injunctive relief with respect to those three patents but
vacated the denial of injunctive relief with respect to the fourth patent on the ground that the patent was likely not invalid. See id. at 1333. …

In Apple Inc. v. Samsung Electronics Co., 695 F.3d 1370 (Fed. Cir. 2012), referred to here as Apple II, we resolved an appeal in a separate case that Apple filed in 2012, involving different patents but some of the same products. In Apple II, we reversed the district court’s grant of a preliminary injunction against Samsung’s Galaxy Nexus smartphone. See id. at 1372.

There is some overlap between the issues raised in Apple I and Apple II and the present appeal. However, whereas in our prior opinions we addressed Apple’s requests for preliminary injunctive relief, in the present appeal we are asked to address Apple's request for permanent injunctive relief.

[The design patents at issue included the D’677 and D’087 patents discussed in Apple I (excerpted in Chapter 5 of this Supplement), along with U.S. Design Patent No. 604,305 (“D’305 patent”).] The D’305 patent claims the ornamental design of the iPhone’s graphical user interface, including the arrangement of rows of square icons with rounded corners. A representative figure from the D’305 patent is shown below.

…

DISCUSSION

In accordance with the principles of equity, a plaintiff seeking a permanent injunction “must demonstrate: (1) that it has suffered an irreparable injury; (2) that remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (3) that, considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a
permanent injunction.” *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006). The Supreme Court has cautioned that “[a]n injunction is a drastic and extraordinary remedy, which should not be granted as a matter of course.” [cit.] Rather, “[i]f a less drastic remedy … [is] sufficient to redress [a plaintiff’s] injury, no recourse to the additional and extraordinary relief of an injunction [is] warranted.” [cit.]

…

A. Apple’s Request to Enjoin Samsung’s Patent Infringement

The district court analyzed the four principles of equity enumerated in *eBay* and then, weighing the factors, concluded that they did not support the issuance of an injunction against Samsung’s infringement of Apple’s patents. We find no reason to dislodge the district court’s conclusion that Apple failed to demonstrate irreparable harm from Samsung’s infringement of its design patents. Accordingly, we affirm the denial of injunctive relief with respect to those patents. However, with respect to Apple’s utility patents, we conclude that the district court abused its discretion in its analysis and consequently remand for further proceedings. As discussed below, we reach our conclusion by applying the *eBay* factors.

1. Irreparable Harm

The district court found that the irreparable harm factor weighed in favor of Samsung. The court began by acknowledging our precedent establishing that there is no presumption of irreparable harm upon a finding of patent infringement. *Robert Bosch LLC v. Pylon Mfg. Corp.*, 659 F.3d 1142, 1148 (Fed. Cir. 2011). The court also cited our statement in *Apple II* that “to satisfy the irreparable harm factor in a patent infringement suit, a patentee must establish both of the following requirements: 1) that absent an injunction, it will suffer irreparable harm, and 2) that a sufficiently strong causal nexus relates the alleged harm to the alleged infringement.” *Apple II*, 695 F.3d at 1374.

The district court then turned to Apple’s claim that it has suffered three types of irreparable harm as a result of Samsung’s patent infringement: (1) lost market share; (2) lost downstream and future sales; and (3) injury to Apple’s “ecosystem.” As an initial matter, the court found that “Apple and Samsung are direct competitors” that “compete for first-time smartphone buyers.” *Injunction Order*, 909 F. Supp. 2d at 1151. Regarding market share, Apple introduced unrefuted evidence that Samsung’s market share had grown substantially from 2010 to 2012, and that Samsung had an explicit strategy to increase its market share at Apple’s expense. Based on this evidence, the court found that “Apple has continued to lose market share to Samsung,” which it recognized “can support a finding of irreparable harm.” *Id.* at 1152. As for downstream sales, Apple introduced evidence regarding network compatibility and brand loyalty, from which the court concluded that “there were potentially long-term implications of an initial purchase, in the form of lost future sales of both future phone models and tag-along products like apps, desktop computers, laptops, and iPods.” *Id.* Accordingly, the court found that “Apple has suffered some irreparable harm in the form of loss of downstream
sales.” *Id.* Finally, with respect to harm to Apple’s ecosystem, the court concluded that any such harm would be included in lost downstream sales. These findings are not disputed on appeal.

After making its initial findings that Apple has suffered harm as a result of Samsung’s sales of smartphones and tablets, the district court considered whether Apple could demonstrate a causal nexus between that harm and Samsung’s patent infringement. As will be discussed in more detail below, the district court concluded that Apple’s evidence did not establish the requisite nexus for either its design patents or its utility patents. As a result, the court concluded that the irreparable harm factor did not support entry of an injunction.

On appeal, Apple challenges the district court’s irreparable harm analysis on two main grounds. First, Apple argues that the court erroneously adopted a causal nexus requirement in the permanent injunction context. Second, Apple argues, in the alternative, that it satisfied any reasonable causal nexus requirement with respect to both the design patents and the utility patents.

[The court gave its reasons for extending the causal nexus requirement to the context of permanent injunctions. The district court had been correct to extend that requirement, the Federal Circuit concluded, but “certain of the standards arguably articulated by the district court go too far.”] …

First, the district court appears to have required Apple to show that one of the patented features is the sole reason consumers purchased Samsung’s products. This is reflected in certain statements in the district court’s opinion indicating, for example, that Apple must “show that consumers buy the infringing product specifically because it is equipped with the patented feature,” or must provide “evidence that consumers will buy a Samsung phone instead of an Apple phone because it contains [the infringing] feature.” *Injunction Order*, 909 F. Supp. 2d at 1154, 1156. To the extent these statements reflect the view that Apple was necessarily required to show that a patented feature is the sole reason for consumers’ purchases, the court erred.

It is true that Apple must “show that the infringing feature drives consumer demand for the accused product.” *Apple II*, 695 F.3d at 1375. It is also true that this inquiry should focus on the importance of the claimed invention in the context of the accused product, and not just the importance, in general, of features of the same type as the claimed invention. See *id.* at 1376 (“To establish a sufficiently strong causal nexus, Apple must show that consumers buy the Galaxy Nexus because it is equipped with the apparatus claimed in the ‘604 patent—not because it can search in general, and not even because it has unified search.’”). However, these principles do not mean Apple must show that a patented feature is the one and only reason for consumer demand. Consumer preferences are too complex—and the principles of equity are too flexible—for that to be the correct standard. Indeed, such a rigid standard could, in practice, amount to a categorical rule barring injunctive relief in most cases involving multi-function products, in contravention of *eBay*. See *eBay*, 547 U.S. at 393 (rejecting “expansive principles suggesting that injunctive relief could not issue in a broad swath of cases”).
Thus, rather than show that a patented feature is the exclusive reason for consumer demand, Apple must show some connection between the patented feature and demand for Samsung’s products. There might be a variety of ways to make this required showing, for example, with evidence that a patented feature is one of several features that cause consumers to make their purchasing decisions. It might also be shown with evidence that the inclusion of a patented feature makes a product significantly more desirable. Conversely, it might be shown with evidence that the absence of a patented feature would make a product significantly less desirable.

To illustrate these points, it may be helpful to return to an example discussed in Apple II. There, we explained that a battery does not necessarily drive demand for a laptop computer simply because its removal would render the laptop ineffective as a portable computer. *See Apple II*, 695 F.3d at 1376. That is because consumers often do not choose a laptop based on its battery, and presumably at this point, no inventor has a patent covering all laptop batteries. Nevertheless, it is indisputable that the ability to carry around a computer without having to plug it in is one of the reasons people buy laptops. Thus, if the first person to invent a laptop battery had obtained a patent covering all laptop batteries, then it would be reasonable to say that the patented invention was a driver of demand for laptops. And if a particular patented laptop battery lasts significantly longer than any other battery on the market, then the replacement of that battery with a noninfringing battery might make a laptop less desirable. In that case, it might be reasonable to conclude that the patented battery is a driver of consumer demand for the laptop.

The second principle on which we disagree with the district court is its wholesale rejection of Apple’s attempt to aggregate patents for purposes of analyzing irreparable harm. Specifically, the district court stated:

Apple has not analyzed its alleged harm on a patent-by-patent basis, but rather has argued for harm from each group of intellectual property rights: design patents, utility patents, and trade dress. Apple has also argued that the combined harm from the patents and trade dress combined justifies an injunction. However, Apple has identified no law supporting its position that an injunction could issue on a finding of harm caused by Samsung in the aggregate. Rather, injunctions are authorized by statute for specific acts of infringement and dilution.

*Injunction Order*, 909 F. Supp. 2d at 1153.

While it is true that this court analyzed causal nexus on a patent-by-patent basis in *Apple I*, we did not mean to foreclose viewing patents in the aggregate. Rather, we believe there may be circumstances where it is logical and equitable to view patents in the aggregate. For example, it may make sense to view patents in the aggregate where they all relate to the same technology or where they combine to make a product significantly more valuable. To hold otherwise could lead to perverse situations such as a patentee being unable to obtain an injunction against the infringement of multiple patents covering different—but when combined, all—aspects of the same technology, even
though the technology as a whole drives demand for the infringing product. We leave it to the district court, however, to address this issue in the first instance on remand.

With these principles in mind, we turn to Apple’s alternative argument that even if some showing of a causal nexus is required, it made such a showing. We begin with Apple’s design patents and conclude with its utility patents.

a. Apple’s Design Patents

At the district court, Apple attempted to show a causal nexus for its design patents with evidence of the importance of smartphone design. For instance, Apple contended that its design patents “cover the iPhone’s most prominent design elements,” and it “presented significant evidence that design, as a general matter, is important in consumer choice” of smartphones. Id. at 1154. Apple also introduced evidence of quotations from Samsung consumer surveys and from an industry review praising specific elements of both Apple’s and Samsung’s phone designs, including some elements of Apple’s patented designs. See id.

The district court found Apple’s evidence inadequate. With respect to the evidence that design is important in consumer choice, the court noted that “the design of the phones includes elements of all three design patents, as well as a whole host of unprotectable, unpatented features,” and that Apple had “made no attempt to prove that any more specific element of the iPhone’s design, let alone one covered by one of Apple’s design patents, actually drives consumer demand.” Id. The court concluded that “even if design was clearly a driving factor,” and “[e]ven if the Court accepted as true Apple’s contentions that the patents cover the most central design features, it would not establish that any specific patented design is an important driver of consumer demand.” Id. In other words, the court found this evidence too “general” to establish a nexus. Id.

With respect to Apple’s evidence in the form of quotations, the district court found that they “refer[red] to such isolated characteristics as glossiness, reinforced glass, black color, metal edges, and reflective screen,” some of which (e.g., glossiness) are not even incorporated into the patented designs. Id. The court concluded that “[n]one of the consumer quotations considers more than one characteristic or discusses the way the characteristics are combined into a complete, patentable design.” Id. In addition, the court stated that “even if these quotations did specifically reference the precise designs covered by Apple’s patents, they do not begin to prove that those particular features drive consumer demand in any more than an anecdotal way.” Id. In sum, the court concluded that “while Apple has presented evidence that design, as a general matter, is important to consumers more broadly, Apple simply has not established a sufficient causal nexus between infringement of its design patents and irreparable harm.” Id. at 1154-55.

On appeal, Apple contends that its evidence shows that its patented designs drive consumer demand. The district court correctly noted, however, that evidence showing the importance of a general feature of the type covered by a patent is typically insufficient to establish a causal nexus. The district court was also correct that isolated, anecdotal
statements about single design elements do not establish that Apple’s broader patented designs are drivers of consumer demand. Having reviewed the evidence cited by Apple, we find no abuse of discretion in the court’s conclusion that Apple failed to establish a causal nexus.6

Apple contends that the district court’s opinion conflicts with Apple I, in which we affirmed the district court’s conclusion that Apple had established the requisite nexus for one of its design patents based on evidence showing that “design mattered ... to customers in making tablet purchases.” Apple I, 678 F.3d at 1328(emphasis added). However, as Samsung notes, we also relied on “[t]he fact that Apple had claimed all views of the patented device.” Id. Moreover, we are reviewing the district court for an abuse of discretion. While we might not reverse the entry of an injunction based on this evidence, under that deferential standard of review, we cannot say that the district court abused its discretion when it found that Apple failed to demonstrate a causal nexus between Samsung’s infringement of its design patents and Apple’s lost market share and downstream sales.

In conclusion, we find no abuse of discretion in the district court’s determination that Apple failed to demonstrate irreparable harm as a result of Samsung’s infringement of its design patents. As a result, we affirm the court’s denial of a permanent injunction with respect to the design patents, and we will not address those patents in our discussion of the remaining permanent injunction factors.

NOTES AND QUESTIONS

1. Injunctions for trade dress dilution. In Apple, the jury had found trade dress dilution in addition to design patent infringement. Recall from Chapter 4 that Section 43(c), which governs dilution, specifies that injunctive relief is the remedy for dilution. Does that mean that a trade dress plaintiff is guaranteed an injunction upon a showing of dilution? If not, does the trade dress plaintiff have to show entitlement to an injunction under the eBay factors? Does that in turn require a showing of causal nexus? In Apple, the court did not reach this issue.

6 In the previous section, we concluded that the district court arguably articulated two erroneous legal principles—i.e., that a patented feature must be the sole driver of demand to establish a causal nexus between Samsung’s infringement and Apple’s harm, and that irreparable harm must always be analyzed on a patent-by-patent basis. Nevertheless, having reviewed the district court’s discussion of irreparable harm and the evidence cited by Apple, we are satisfied that these erroneous principles did not affect the court’s analysis with respect to Apple’s design patents. Therefore, we can affirm the district court’s conclusion on irreparable harm with respect to the design patents, notwithstanding the errors identified above.
At p. 462, add the following new cases:

UNIVERSAL FURNITURE INT’L v. COLLEZIONE EUROPA USA
618 F.3d 417 (4th Cir. 2010)

PER CURIAM:
[Universal Furniture International, Incorporated (“Universal”) is a North Carolina-based business that designs, imports, and distributes furniture that is manufactured outside the United States. Universal maintains a design-service agreement with the Norman Heckler design firm. Steven Russell was the Heckler designer who created the two Universal collections that are the subject of this dispute: the Grand Inheritance Collection (the “GIC”) and the English Manor Collection (the “EMC”).

[Brief of Appellant-Plaintiff at 5, Universal Furntiure Int’l v. Collezione Europa USA, 07-2810(L) (4th Cir. 2009).] To design these lines Russell consulted public domain sources, such as furniture books and antiques magazines, and combined them with public domain elements to “create a different look than has been seen before.” Collezione
Europa USA, Incorporated ("Collezione") is a competitor of Universal’s with a reputation as a knock-off furniture company. As a result of a furniture purchaser seeking a cheaper alternative to the EMC and GIC lines, Collezione agreed to design furniture that would mimic those lines. Collezione introduced one collection (the “20000”) to imitate the GIC line and another collection (the “20200”) to imitate the EMC line.

Universal sued Collezione for, among other things, copyright infringement in regards to the GIC and EMC lines. In opposing the copyright claim, Collezione argued that the furniture at issue is not copyrightable. The district court concluded that Universal possessed valid copyrights in its furniture designs and that Collezione had infringed those copyrights. More specifically, the court found that the designs—but not the furniture itself—satisfied the necessary elements of originality and conceptual separability. Although the decorative elements of Universal’s designs were derived mostly from the public domain, the court concluded that Russell’s compilation of the elements was sufficiently unique to meet the test of originality. The court also found the decorative elements conceptually separable from the furniture’s utilitarian function. Collezione appealed.

III.

A. Collezione first challenges the district court’s conclusion that Universal possessed valid copyrights in the GIC and EMC furniture designs and that Collezione infringed those copyrights. In this regard, Collezione presents four appellate contentions. First, Collezione maintains that the court erred in ruling that Universal owned the copyrights. Second, Collezione insists that Universal’s designs on the GIC and EMC lines are not sufficiently original for copyright protection. Third, Collezione contends that the GIC and EMC designs are not conceptually separable from the furniture’s utilitarian aspects, and thus not entitled to copyright protection. And fourth, Collezione maintains that, even if the GIC and EMC designs are copyrightable, it did nothing that infringed those copyrights. We address these contentions in turn.

3. We turn now to a more vexing question in this case: whether Universal’s GIC and EMC designs are conceptually separable from the utilitarian aspects of such furniture. We must approach this inquiry mindful of the nebulous standard with which the court was obliged to grapple. See Masquerade Novelty, Inc. v. Unique Indus., Inc., 912 F.2d 663, 670 (3d Cir. 1990) (“Courts have twisted themselves in knots trying to create a test to effectively ascertain whether the artistic aspects of a useful article can be identified separately from and exist independently of the article’s utilitarian function.”); Bonazoli v.
R.S.V.P. Int'l, Inc., 353 F. Supp. 2d 218, 224 (D.R.I. 2005) (“[T]he [conceptual separability] analysis often sounds more like metaphysics than law …”); 1-2 Nimmer on Copyright, § 2.08 (describing conceptual separability as an “ethereal realm”). When we affirmed the denial of the preliminary injunction sought by Universal, we expressed concern that finding the GIC and EMC designs copyrightable would “potentially enlarge the law of copyright beyond its intended borders by extending copyright protection to two entire furniture collections based on their ‘ornate, opulent’ look alone.” [Universal Furniture v. Collezione Europa USA, Inc., 196 Fed. Appx. 166, 172 (4th Cir. 2006)]. With the benefit of a full record, however, we are confident that the district court correctly applied the conceptual separability test and did not expand the law to protect any useful article that might be deemed “aesthetically pleasing.” [Superior Form Builders v. Dan Chase Taxidermy Supply Co., 74 F.3d 488, 493 (4th Cir. 1996)].

Copyright protection extends to three-dimensional “sculptural works,” including some useful articles. 17 U.S.C. § 102(a)(5).6 “[T]he design of a useful article … shall be considered … a 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.” Id. § 101. Under this conceptual separability test, useful articles may qualify for copyright protection. Galiano v. Harrah’s Operating Co., 416 F.3d 411, 417 (5th Cir. 2005).

Congress enacted the current phrasing of the conceptual separability test in order to codify the Supreme Court’s holding in Mazer v. Stein, 347 U.S. 201 (1976). In Mazer, the Court held that china statuettes of dancing figures that appeared on the bases of table lamps merited copyright protection. 347 U.S. at 214. Although the term “conceptual separability” does not appear in the Mazer decision, the idea is embedded in the Court’s recognition that the statuettes were the “original … tangible expression of [the creator’s] ideas,” even though they appeared on an otherwise mundane utilitarian object. Id.

In a decision rendered soon after the amended language appeared in the 1976 Copyright Act, the Court of Appeals for the District of Columbia explained the underlying policy concern with which reviewing courts struggle: “If one manufacturer were given the copyright to the design of … [a useful] article, it could completely prevent others from producing the same article.” Esquire, Inc. v. Ringer, 591 F.2d 796, 801 n. 15 (D.C. Cir. 1978). Further, “consumer preference sometimes demands uniformity of shape for certain utilitarian articles” and thus “it would be unfair to grant a monopoly on the use of any particular such shape, no matter how aesthetically well it was integrated into a utilitarian article.” Id. Professor Nimmer, however, posits that “it is not entirely clear that the result is undesirable” because “[i]f copyright is to be accorded only to the nonfunctional form of a work, this would not inhibit competitors from making available to the public the utilitarian essence of an industrial product.” 1-2 Nimmer on Copyright §

6 A “useful article” is “an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.” 17 U.S.C. § 101. Universal’s furniture satisfies this definition. See Universal Furniture, 196 Fed. Appx. at 170.
Because the evolving iterations of the conceptual separability test are cogently charted in several cases, we need not retread the path here. See, e.g., Galiano, 416 F.3d at 417-19; Pivot Point Int’l, Inc. v. Charlene Prods., 372 F.3d 913, 920-30 (7th Cir. 2004). After an extensive analysis of the varying approaches, the Seventh Circuit concluded that courts had moved toward a “process-oriented” approach, distilling the conceptual separability test as follows:

Conceptual separability exists … when the artistic aspects of an article can be conceptualized as existing independently of their utilitarian function. This independence is necessarily informed by whether the design elements can be identified as reflecting the designer’s artistic judgment exercised independently of functional influences. If the elements do reflect the independent, artistic judgment of the designer, conceptual separability exists. Conversely, when the design of a useful article is as much the result of utilitarian pressures as aesthetic choices, the useful and aesthetic elements are not conceptually separable.

Pivot Point, 372 F.3d at 931 (internal quotations and citations omitted).

Our circuit has not elaborated extensively upon conceptual separability. In Superior Form Builders, we considered whether animal mannequins used to mount animal skins were copyrightable. 74 F.3d at 491. We held that the mannequins were not “useful articles” under the Copyright Act and therefore did not need to meet the test of conceptual separability. Id. at 494. However, because we went on to address conceptual separability “[t]o the extent that an argument can be made that the mannequins … perform a utilitarian function,” the decision provides some guidance here. Id. We observed, for example, that “the industrial design of a unique, aesthetically pleasing chair cannot be separated from the chair’s utilitarian function, and therefore, is not subject to copyright protection.” Id. at 493 (emphasis added). The industrial design of a chair is unlike the design of statuettes adorning lamp bases because the objective of the chair’s design is to “create a utilitarian object, albeit an aesthetically pleasing one,” whereas “the objective in creating a statue of a dancer is to express the idea of a dancer.” Id.

Superior Form’s example of the industrial design of a chair fails to directly address the category of designs at issue here: compilations of decorative elements adorning utilitarian furniture. In other words, Universal does not seek copyright protection for the purely “industrial” designs of its furniture, and the district court correctly recognized as much by explaining that the “shape of the furniture cannot be the subject of a copyright, no matter how aesthetically pleasing it may be,” but the “decorative elements that are separable from the furniture can be.” [cit.] Conceptual separability directs a reviewing court to answer whether protection extends to the “nonfunctional form of a work.” 1-2 Nimmer on Copyright § 2.08.

In Carol Barnhart Inc. v. Economy Cover Corp., 773 F.2d 411, 414 (2d Cir. 1985), the Second Circuit held that life-sized mannequins of human torsos used to display clothing had no “artistic or aesthetic features” that were “physically or conceptually separable from their utilitarian dimension.” The court thus rejected the designer’s
argument that the mannequins were akin to sculptures and could serve a decorative function apart from the utilitarian purpose of serving as a vehicle for clothing and accessories. *Id.* at 418. That the mannequins may have been “aesthetically satisfying” was not enough for copyright protection. *Id.* The Second Circuit distinguished that case from an earlier decision finding copyright protection in “belt buckles bearing sculptured designs cast in precious metals and principally used for decoration.” *Id.* (citing *Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989 (2d Cir. 1980)). The “highly ornamental” designs on the belt buckles were totally unlike the bare model of a human torso; the “unique artistic design” of the buckles “was wholly unnecessary to performance of the utilitarian function” of the belts. *Id.* at 419. In contrast, the sculpted anatomical elements on the torso mannequins, while perhaps aesthetically pleasing, were “inextricably intertwined with the utilitarian feature, the display of clothes.” *Id.*

Synthesizing these principles, we are compelled to reach the same conclusion as the district court: the decorative elements on Universal’s GIC and EMC are conceptually separable from the furniture’s utilitarian aspects. The GIC and EMC designs are highly ornate collections of furniture adorned with three-dimensional shells, acanthus leaves, columns, finials, rosettes, and other carvings. Steven Russell described the collections as “an ornamentation explosion,” and Universal’s expert Thomas Moser similarly described the EMC and GIC as “essentially vehicles for expressing ornament.” [cit.] These decorative compilations are not “industrial designs” of furniture. They are not like a bare human torso mannequin for which adornment is the very utilitarian purpose of the object. Like statuettes on a lamp base, the GIC and EMC design compilations are superfluous nonfunctional adornments for which the shape of the furniture (which is not copyrightable) serves as the vehicle. The designs can therefore be “identified separately from” the utilitarian aspects of the furniture. 17 U.S.C. § 101. Indeed, the designs are “wholly unnecessary” to the furniture’s utilitarian function. *Carol Barnhart*, 773 F.2d at 419. A carved scroll of leaves on a nightstand post, for example, does nothing to improve the utilitarian aspect thereof.

As in *Pivot Point*, Mr. Russell’s process reflects an “artistic judgment exercised independently of functional influences.” 372 F.3d at 931. To be sure, Russell was influenced by function in designing these decorative elements. After all, he explained, furniture “has got to function.” [cit.] But his objective in compiling these decorative elements onto the basic shapes of the furniture was not to improve the furniture’s utility but to “give [the pieces] a pretty face.” [cit.] He developed the shape of the furniture before turning to ornamentation. For many of the decorative elements on the furniture, such as carved shells and leaves, Russell’s purpose was entirely aesthetic. Moser similarly testified to the “exuberant” ornamentation on the GIC and EMC furniture and opined that “the ornamentation … has little or nothing to do with the function of these lines.” [cit.] In sum, Russell’s design and placement of these decorative elements was not “as much the result of utilitarian pressures as aesthetic choices.” *Pivot Point*, 372 F.3d at 931. Aesthetic choices were the dominant force at work in Russell’s design process.

However, the conceptual separability test is a conjunctive one: the decorative elements adorning the GIC and EMC lines must be capable of separate identification
from the utilitarian aspects of the furniture, and they must be capable of “existing independently of, the utilitarian aspects of the [furniture.]” 17 U.S.C. § 101. This poses somewhat of a metaphysical quandary for decorative elements on furniture. The elements serve no purpose divorced from the furniture—they become designs in space. But the test is conceptual separability, not physical separability. 1-2 Nimmer on Copyright, § 2.08. The House Committee that drafted the 1976 Copyright Act contemplated that the conceptual separability test could be satisfied in this very context:

[O]nly elements … which can be identified separately from the useful article as such are copyrightable. And, even if the three-dimensional design contains some such element (for example, a carving on the back of a chair or a floral relief design on silver flatware), copyright protection would extend only to that element, and would not cover the overall configuration of the utilitarian article as such.

H.R.Rep. No. 94-1476, at 55 (1976) (emphasis added). Like sculpted designs on belt buckles, the decorative elements adorning the GIC and EMC lines are “conceptually separable sculptural elements.” Kieselstein-Cord, 632 F.2d at 993. Their form is not “inextricably intertwined” with the function of furniture. Carol Barnhart, 773 F.2d at 419. They are “artistic and aesthetic features” that can “be conceived of as having been added to, or superimposed upon, an otherwise utilitarian article,” and they are therefore capable of existing independently of the furniture. Id.

Because the GIC and EMC designs are original and conceptually separable from the utilitarian aspects of the furniture, we agree with the district court that the compilation of design elements on the EMC and GIC lines are entitled to copyright protection.7

4.

We next assess whether Collezione infringed Universal’s copyrights. Assuming that the district court correctly applied the legal standard, its factual findings regarding the similarity between Universal’s GIC and EMC lines and Collezione’s 20200 and 20000 collections are entitled to considerable deference. [Roanoke Cement Co. v. Falk Corp., 413 F.3d 431, 433 (4th Cir. 2005); see also Taylor Corp. v. Four Seasons Greetings, LLC, 403 F.3d 958, 965 (8th Cir. 2005) (observing that most circuits apply a clearly erroneous standard of review to factual finding of substantial similarity even though credibility is not implicated). Collezione argues that the court incorrectly applied the legal standard for copyright infringement by comparing Universal and Collezione’s furniture as a whole, rather than comparing the compilations of design elements.

A successful claim of copyright infringement requires the plaintiff to prove that the

7 Collezione incorrectly asserts that the district court found Universal’s “furniture, as a whole, to be copyrightable, rather than the compilations of public domain designs on the furniture.” [cit.] The court was explicit that “[w]hile the shape of the furniture cannot be the subject of a copyright, no matter how aesthetically pleasing it may be, the decorative elements that are separable from the furniture can be.” [cit.] The court likewise concluded that Collezione “violated the Copyright Act by producing pieces of furniture displaying substantially similar types and arrangements of decorative elements as used in [Universal’s] furniture.” [cit.]
“defendant copied the original elements of that copyright.” Lyons P’ship v. Morris Costumes, Inc., 243 F.3d 789, 801 (4th Cir. 2001). “When the plaintiff possesses no direct evidence that the defendant copied its protected work, it may create a presumption of copying by indirect evidence establishing that the defendant had access to the copyrighted work and that the defendant’s work is ‘substantially similar’ to the protected material.” Id. (internal citation omitted). Substantial similarity is a two-pronged test. The plaintiff must show that the two works are (1) “extrinsically similar because they contain substantially similar ideas that are subject to copyright protection” and (2) “intrinsically similar in the sense that they express those ideas in a substantially similar manner from the perspective of the intended audience of the work.” Id. (internal citations and quotation marks omitted).

The extrinsic inquiry is an objective one on which expert testimony may be relevant. Dawson v. Hinshaw Music, Inc., 905 F.2d 731, 733 (4th Cir. 1990). The extrinsic analysis looks to “external criteria” of “substantial similarities in both ideas and expression.” Apple Computer Co. v. Microsoft Corp., 35 F.3d 1435, 1442 (9th Cir. 1994). The intrinsic inquiry, in contrast, implicates the perspective of the object’s intended observer. Dawson, 905 F.2d at 733. In assessing intrinsic similarity, the factfinder looks to the “total concept and feel of the works, but only as seen through the eyes of the … intended audience of the plaintiff’s work.” Lyons, 243 F.3d at 801. (internal citations and quotation marks omitted) (emphasis in original). Judge Learned Hand phrased the intrinsic test as whether “the ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them, and regard their aesthetic appeal as the same.” Peter Pan Fabrics, Inc. v. Martin Weiner Corp., 274 F.2d 487, 489 (2d Cir. 1960).

Collezione maintains that the district court incorrectly applied the substantial similarity test by comparing the noncopyrightable elements of the parties’ furniture collections. On the extrinsic prong, Collezione argues that the court’s comparison of the two furniture collections as a whole improperly factored in noncopyrightable features such as the furniture’s shape and color. On the intrinsic prong, Collezione argues that the court’s comparison of individual pieces of furniture within each collection also encompassed these noncopyrightable features.

In the furniture context, the external criteria of similar ideas and expressions will presumably be the collections’ historical themes and ornamentation. Cf. Taylor, 403 F.3d at 966 (concluding that district court correctly applied extrinsic test to holiday greeting card designs by considering the cards’ “similar holiday themes, paper stock and printing techniques”). “Idea” and “expression” are broad concepts, and the district court properly compared the ideas and expressions of Universal and Collezione’s collections by considering the furniture as a whole.

Still, substantial similarity asks whether a defendant copied the “original elements” of a copyright. Lyons, 243 F.3d at 801 (emphasis added). The district court’s extrinsic analysis briefly mentioned the furniture’s noncopyrightable features such as similarity of shape and color. And the court would have erred had it found similarity only in the collection’s noncopyrightable features. See Herzog v. Castle Rock Entm’t, 193 F.3d 1241, 1257 (11th Cir. 1999) (“A court may grant summary judgment for defendant as a matter
of law if the similarity between the two works concerns only noncopyrightable elements of the plaintiff’s work.”). But the court’s extrinsic analysis largely focused on the copyrightable aspects of Universal’s GIC and EMC: the ornamentation. The court determined that the collections shared a “highly decorative appearance with a traditional feel” and “very ornamental designs combined with basic styles that resemble furniture pieces from England in the 18th or 19th centuries.” In so finding, the court relied on Universal’s expert testimony, which is helpful to the extrinsic prong. 

In Thomas Moser’s view, Universal’s and Collezione’s collections shared a “great collection of ornamental detail, principally in the form of relief carvings” and were “similar in terms of placement, selection, arrangement, and most certainly execution.” Moser explained that Universal’s GIC had a “consistency in the application of the ornament, neither too much or too little,” and that Collezione’s 20000 collection shared this aesthetic “harmony.” He described the ornamentation on these collections as taking up the same amount of space on the furniture. In sum, the district court correctly applied the extrinsic prong by considering whether the protected aspects of Universal’s GIC and EMC lines were substantially similar in idea and expression to Collezione’s 20000 and 20200 collections. We thus find no clear error in the court’s determination of extrinsic similarity.

Collezione’s argument with respect to the intrinsic prong of substantial similarity is also unavailing because, as other circuits have observed, “analytic dissection” of protected and unprotected elements is inappropriate under the intrinsic prong, given that the ordinary observer does not make this distinction. Rather, the ordinary observer encounters the furniture as one object. The district court properly assessed whether the ordinary observer of individual pieces of furniture within the disputed collections would “see each piece the same, discounting any trivial differences.” The court made detailed comparisons of the ornamental designs on the individual pieces within the competing collections. Collezione resorts to selective references to the Liability Opinion to suggest that the intrinsic similarity analysis focused on noncopyrightable elements. Although the court again mentioned noncopyrightable features such as the furniture’s shape and color, it appropriately focused on whether the ordinary, reasonable observer would find the furniture lines, as a whole, to be substantially similar. Taylor, 403 F.3d at 966. Additionally, the court’s analysis clearly concentrated on the compilation of designs on the furniture. For example, it found that Collezione’s 20000 sideboards were “nearly identical” to Universal’s GIC sideboards because both had “decorative elements in the same places with carvings such as the rosette atop the pilasters and molding around the top railings,” as well as “matching inlays in the side doors bordered by matching carved moldings.” The court made similar detailed comparisons of the ornamentation on the other pieces in Collezione’s 20000 collection. Although the court’s comparison of
Collezione’s 20200 collection to Universal’s EMC was less detailed, the court did not clearly err by finding that the entire 20200 collection was substantially similar to the EMC. The court determined that Collezione “undertook significantly less effort with respect to redesigning the 20200 collection than it did with its 20000 collection” and that Collezione essentially copied the EMC. [cit.] The photographs in evidence show near exact similarity between these collections, as well as between most of Universal’s GIC and Collezione’s 20000 collections. Accordingly, the court did not err in determining that most of Collezione’s 20000 redesigns infringed Universal’s GIC copyright and that all of Collezione’s 20200 redesigns infringed Universal’s EMC copyright.

IV.

For these reasons, we affirm the district court’s judgment on liability and damages. Affirmed.

INHALE, INC. v. STARBUZZ TOBACCO, INC.
755 F.3d 1038 (9th Cir. 2014)

O’SCANNLAIN, Circuit Judge:

We must decide whether the shape of a hookah water container is entitled to copyright protection. [In a prior decision, a Ninth Circuit panel had affirmed a grant of summary judgment in favor of the alleged infringer. Considering a petition for rehearing en banc, the court amended its prior opinion, then denied the petition. The amended opinion follows.]

I.

Inhale, Inc. claims copyright protection in the shape of a hookah water container that it first published on August 29, 2008 and registered with the United States Copyright Office on April 21, 2011.

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8 We agree with the district court that Collezione’s 20000 chairs and rectangular tables are not intrinsically similar to Universal’s GIC chairs and rectangular tables. These pieces therefore do not infringe Universal’s copyrights.

1 A “hookah” is a device for smoking tobacco. It contains coals that cause the tobacco to smoke. A user’s inhalation through a tube causes the smoke to travel through water, which cools and filters the smoke, before it reaches the user. The water is held in a container at the base of the hookah.
At both the time of publication and the time of registration, the container included skull-and-crossbones images on the outside.

Less than a month after registration, Inhale sued Starbuzz Tobacco, Inc. and Wael Salim Elhalawani (collectively, “Starbuzz”) for copyright infringement. Inhale claimed that Starbuzz sold hookah water containers that were identical in shape to Inhale’s container. The allegedly infringing containers did not contain skull-and-crossbones images. After determining that the shape of the water container is not copyrightable, the district court granted summary judgment in favor of Starbuzz.

II.

Because “ownership of a valid copyright” is an element of copyright infringement, Feist Publ’ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 361, 111 S.Ct. 1282, 113 L.Ed.2d 358 (1991), summary judgment was appropriate if the shape of Inhale’s hookah water container is not copyrightable.

A.

The parties agree that Inhale’s hookah water container is a “useful article.” As “the design of a useful article,” the shape of the container is copyrightable “only if, and only to the extent that, [it] incorporates ... sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the” container. 17 U.S.C. § 101 (defining “[p]ictorial, graphic, and sculptural works”); id. § 102(a)(5) (granting copyright protection to “pictorial, graphic, and sculptural works”).

This statutory standard is satisfied by either physical or conceptual separability. See 1 Melville B. Nimmer & David Nimmer, Nimmer on Copyright § 2.08[B][3], at 2-99–2-100 (2011). Inhale does not argue that the container’s shape satisfies the requirements of physical separability. Thus, we consider only conceptual separability.
Relying on Poe v. Missing Persons, 745 F.2d 1238 (9th Cir. 1984), Inhale argues that conceptual separability is a question of fact. Inhale’s reliance on Poe is misplaced. Poe decided that whether an item is a useful article is a factual question. Id. at 1241-42. But usefulness is distinct from separability.

In Ets-Hokin v. Skyy Spirits, Inc., 225 F.3d 1068 (9th Cir. 2000), we ruled that the shape of a vodka bottle was not separable from its utilitarian features. Rather than treat separability as a question for the jury, we conducted our own analysis. See id. at 1080 (“[T]he district court did not identify any artistic features of the bottle that are separable from its utilitarian ones. We also find none.”). In Fabrica Inc. v. El Dorado Corp., 697 F.2d 890 (9th Cir. 1983), we affirmed a district court’s directed verdict in favor of a copyright defendant on the ground that the allegedly infringed work was not copyrightable. We assessed separability ourselves. See id. at 893 (“There is no element of the folders that can be separated out and exist independently of their utilitarian aspects.”).

Our precedent suggests that whether a useful article has conceptually separable features is a mixed question of law and fact. See Pullman-Standard v. Swint, 456 U.S. 273, 289 n. 19, 102 S.Ct. 1781, 72 L.Ed.2d 66 (1982) (describing mixed questions of law and fact as those “in which the historical facts are admitted or established, the rule of law is undisputed, and the issue is whether the facts satisfy the statutory standard”). Because both parties agree that the hookah water container is a useful article that holds water within its shape, all that is left is the application of the legal standard to those facts. Thus, whether the shape of the container is conceptually separable is a conclusion that we review de novo. See Mathews v. Chevron Corp., 362 F.3d 1172, 1180 (9th Cir. 2004) (“Mixed questions of law and fact are reviewed de novo; however, the underlying factual findings are reviewed for clear error.”).

Relying in part on Ets-Hokin, the district court ruled that the container’s shape is not conceptually separable from its utilitarian features. In Ets-Hokin, we held that the shape of a vodka “bottle without a distinctive shape” was not conceptually separable. See 225 F.3d at 1080. Attempting to distinguish this case from our precedent, however, Inhale emphasizes the distinctive shape of its hookah water container. Therefore, we must determine whether distinctiveness of shape affects separability.

When interpreting the Copyright Act, we defer to the Copyright Office’s interpretations in the appropriate circumstances. See Richlin v. Metro-Goldwyn-Mayer

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2 “Courts have twisted themselves into knots trying to create a test to effectively ascertain whether the artistic aspects of a useful article can be identified separately from and exist independently of the article’s utilitarian function.” Masquerade Novelty, Inc. v. Unique Indus., 912 F.2d 663, 670 (3d Cir. 1990). Under some interpretations of 17 U.S.C. § 101, distinctiveness of shape, alone, would be relevant if not “the product of industrial design,” thereby requiring the trier of fact to examine not only the object but also the “design process.” Brandir Int’l, Inc. v. Cascade Pac. Lumber Co., 834 F.2d 1142, 1145 (2d Cir. 1987) (asking whether “design elements can be identified as reflecting the designer’s artistic judgment exercised
Because Chevron deference does not apply to internal agency manuals or opinion letters, we defer to the Copyright Office’s views expressed in such materials only to the extent that those interpretations have the ‘power to persuade.’” See Christensen v. Harris Cnty., 529 U.S. 576, 587, 120 S.Ct. 1655, 146 L.Ed.2d 621 (2000).

In an opinion letter and an internal manual, the Copyright Office has determined that whether an item’s shape is distinctive does not affect separability. See Letter from Nanette Petruzzelli, Assoc. Register, U.S. Copyright Office, to Jeffrey H. Brown, attorney for MSRF, Inc., Re: Fanciful Ornamental Bottle Designs 1-9, Control No. 61-309-9525(S), April 9, 2008. That determination was based on the principle that “analogizing the general shape of a useful article to works of modern sculpture” is insufficient for conceptual separability. Compendium of Copyright Office Practices II (Compendium II) § 505.03. Although Inhale’s water container, like a piece of modern sculpture, has a distinctive shape, “[t]he shape of the alleged ‘artistic features’ and of the useful article are one and the same.” Id.

Because the Copyright Office’s reasoning is persuasive, we adopt it for this case. The shape of a container is not independent of the container’s utilitarian function—to hold the contents within its shape—insofar as the shape accomplishes the function. The district court correctly concluded that the shape of Inhale’s hookah water container is not copyrightable.3

In summary, we hold that any part of a container that merely accomplishes the containing is not copyrightable. We do not mean to suggest that, in some other case, no elements of a container “can be identified separately from, and are capable of existing independently of,” the container. 17 U.S.C. § 101. Here, though, Inhale does not argue in its opening brief that the exterior shape of the drooping ring is conceptually separable because the interior shape of the hookah does not protrude into the ring. Instead, its theory is that the hookah’s “outer skin,” from top to bottom, can be peeled away and analyzed separately. Therefore, its argument in the petition for rehearing, that the exterior shape of the drooping ring is uniquely separable, is waived. See Greenwood v. Fed. Aviation Admin., 28 F.3d 971, 977 (9th Cir. 1994). In addition, we emphasize that Inhale does not argue that the imagery on the container is copyrightable. Our opinion should not be understood to affect the copyrightability of “[p]ictorial, graphic, and sculptural works,” 17 U.S.C. § 101, that may be affixed to or made part of a container.

[Affirmed in relevant part.]

3 That the Copyright Office issued a certificate of registration to Inhale does not contradict this conclusion. Because Inhale’s application included skull-and-crossbones images on the container, the certificate of registration does not show that the Copyright Office considers the shape of the container copyrightable.
BEA, Circuit Judge, concurring in part:

I concur with the majority’s opinion, except for the part of Part II.C which discusses the level of deference owed to the Copyright Office’s interpretations of the Copyright Act. The text of 17 U.S.C. § 101 does not suggest that “distinctiveness” is an element of separability. Because the statute is not ambiguous in this respect, it is unnecessary to look to the Copyright Office for further guidance.

Once we start engrafting administrative interpretation to our opinions, there is a tendency to look elsewhere than the text of the enactments of Congress. This misplaces the power of enactment of laws from the legislative to the administrative branch and is contrary to my concept of the separation of powers.

At p. 464, add the following:

PROBLEM 7-1 APPLYING THE CONCEPTUAL SEPARABILITY ANALYSIS

Apply the conceptual separability analysis to the following subject matter.

(1) A pacifier holder that includes a small, fuzzy bear with a clip to affix to a child’s clothes and a colorful ribbon to serve as a tether to the pacifier that matches a simple ribbon bow for decoration. Consider also whether the ribbon bow and the overall arrangement of the ribbons and bear meet the low threshold of originality required for copyright protection.

See Baby Buddies, Inc. v. Toys “R” Us, Inc., 611 F.3d 1308 (11th Cir. 2010).

(2) The following elements of a Lego figurine:
   a. Two-dimensional drawings on the face and torso
   b. Studs in the base of the feet and other elements that facilitate attachment
   c. Cylindrical shape of head
   d. Curvature at top and bottom of head
e. Cylindrical neck, which is slightly narrower than the head
f. Trapezoidal shape of torso
g. Torso which is wider at the bottom and narrower at the top
h. Square, block-like set of shoulders
i. Arms extending from upper side of trunk, slightly below where shoulder starts
j. Arms slightly bent at the elbows
k. Straight legs
l. Square feet
m. Size and dimensions of elements c through l
n. Proportions of each of those features both standing alone and in relation to the figure as a whole


(3) The Batmobile. Specifically, the following elements of the Batmobile:
   a. Torpedo launchers
   b. Bat Scope
c. Anti-fire systems
d. Hubcaps containing a bat sculpted from metal
e. Bat-shaped phone
f. 1989 Batmobile: rear exaggerated, sculpted bat-fin and mandibular front
g. 1966 Batmobile: doors with red bat logo imprints
h. 1966 Batmobile: black and red color scheme
i. 1966 Batmobile: rear scalloped and intended to look like bat wings


(4) A tribal tattoo placed on the upper left side of Mike Tyson’s face.

At p. 474, add the following new case:

**MATTEL, INC. v. MGA ENT., INC.**

616 F.3d 904 (9th Cir. 2010)

KOZINSKI, Chief Judge:

Who owns Bratz?

Barbie was the unrivaled queen of the fashion-doll market throughout the latter half of the 20th Century. But 2001 saw the introduction of Bratz, “The Girls With a Passion for Fashion!” Unlike the relatively demure Barbie, the urban, multi-ethnic and trendy Bratz dolls have attitude. This spunk struck a chord, and Bratz became an overnight success. Mattel, which produces Barbie, didn’t relish the competition. And it was particularly unhappy when it learned that the man behind Bratz was its own former employee, Carter Bryant.

Bryant worked in the “Barbie Collectibles” department, where he designed fashion and hair styles for high-end Barbie dolls intended more for accumulation than for play. In August 2000, while he was still employed by Mattel, Bryant pitched his idea for the Bratz line of dolls to two employees of MGA Entertainment, one of Mattel’s competitors. Bryant was soon called back to see Isaac Larian, the CEO of MGA. Bryant brought some preliminary sketches, as well as a crude dummy constructed out of a doll head from a Mattel bin, a Barbie body and Ken (Barbie’s ex) boots. The Zoe, Lupe, Hallidae and Jade dolls in Bryant’s drawings eventually made it to market as Cloe, Yasmin, Sasha and Jade, the first generation of Bratz dolls.

![Jade Doll Configuration, Accessories & Packaging, MGA Ent., Copyright Reg. No. VA](image-url)
Bryant signed a consulting agreement with MGA on October 4, 2000, though it was dated September 18. Bryant gave Mattel two weeks’ notice on October 4 and continued working there until October 19. During this period, Bryant was also working with MGA to develop Bratz, even creating a preliminary Bratz sculpt. A sculpt is a mannequin-like plastic doll body without skin coloring, face paint, hair or clothing.

MGA kept Bryant’s involvement with the Bratz project secret, but Mattel eventually found out. This led to a flurry of lawsuits, which were consolidated in federal district court. Proceedings below were divided into two phases. Phase 1 dealt with claims relating to the ownership of Bratz; Phase 2 is pending and will deal with the remaining claims. This is an interlocutory appeal from the equitable orders entered at the conclusion of Phase 1.

During Phase 1, Mattel argued that Bryant violated his employment agreement by going to MGA with his Bratz idea instead of disclosing and assigning it to Mattel. Mattel claimed it was the rightful owner of Bryant’s preliminary sketches and sculpt, which it argued MGA’s subsequent Bratz dolls infringed. And it asserted that MGA wrongfully acquired the ideas for the names “Bratz” and “Jade,” so the Bratz trademarks should be transferred from MGA to Mattel.

Mattel won virtually every point below. The jury found that Bryant thought of the “Bratz” and “Jade” names, and created the preliminary sketches and sculpt, while he was employed by Mattel. It found that MGA committed three state-law violations relating to Bryant’s involvement with Bratz. And it issued a general verdict finding MGA liable for infringing Mattel’s copyrights in Bryant’s preliminary Bratz works. Mattel sought more than $1 billion in copyright damages but the jury awarded Mattel only $10 million, or about 1% of that amount, perhaps because it found only a small portion of the Bratz dolls infringing. [cit.]

The district court entered equitable relief based on the jury’s findings. As to the state-law violations, the district court imposed a constructive trust over all trademarks including the terms “Bratz” and “Jade,” essentially transferring the Bratz trademark portfolio to Mattel. The transfer prohibited MGA from marketing any Bratz-branded product, such as Bratz dolls (Bratz, Bratz Boyz, Lil’ Bratz, Bratz Lil’ Angelz, Bratz Petz, Bratz Babyz, Itsy Bitsy Bratz, etc.), doll accessories (Bratz World House, Bratz Cowgirlz Stable, Bratz Spring Break Pool, Bratz Babyz Ponyz Buggy Blitz, etc.), video games (“Bratz: Girlz Really Rock,” “Bratz: Forever Diamondz,” “Bratz: Rock Angelz,” etc.) and Bratz the movie.

As to the copyright claim, the district court issued an injunction prohibiting MGA

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1 The sculpt was actually crafted by a freelance sculptor with input from Bryant. The parties disputed below whether Bryant “created” it, and the jury found that Bryant did. This finding is not challenged on appeal.

2 Based on the finding that MGA wrongfully acquired the ideas for the names “Bratz” and “Jade,” the district court also entered a UCL injunction and a declaratory judgment concerning MGA’s right to the Bratz trademarks. For simplicity, we will refer only to the constructive trust to describe all equitable relief.
from producing or marketing virtually every Bratz female fashion doll, as well as any future dolls substantially similar to Mattel’s copyrighted Bratz works. The injunction covered not just the original four dolls, but also subsequent generations (e.g., “Bratz Slumber Party Sasha” and “Bratz Girlfriendz Nite Out Cloe”) and other doll characters (e.g., “Bratz Play Sportz Lilee” and “Bratz Twins Phoebe and Roxxi”). In effect, Barbie captured the Bratz. The Bratz appeal.

III.

Mattel also claimed ownership of Bryant’s preliminary Bratz drawings and sculpt under Bryant’s employment agreement, and that MGA’s subsequent Bratz dolls infringed its copyrights in those works. The drawings and sculpt clearly were “inventions” as that term is defined in Bryant’s employment agreement with Mattel. However, MGA argued that the employment agreement didn’t assign the items because Bryant created them outside the scope of his employment at Mattel, on his own time. At summary judgment, the district court held that the agreement assigned inventions even if they were not made during working hours, so long as they were created during the time period Bryant was employed by Mattel. So instructed, the jury found that Bryant made the drawings and sculpt while he was employed by Mattel, and the agreement therefore assigned them to Mattel. The jury was not asked to find whether Bryant made the drawings and sculpt during Mattel work hours, and it’s unclear whether the record contained any evidence on this point.

Once Mattel established ownership of Bryant’s preliminary sketches and sculpt, it pursued a copyright claim against MGA. The district court instructed the jury that any “substantially similar” Bratz doll infringed Mattel’s copyrights in the sketches and sculpt. During deliberations, the jury sent the judge a note asking if it could find infringement as to the first generation of Bratz dolls and no others. The judge said it could. The jury returned a general verdict finding MGA liable for copyright infringement, but awarded Mattel only $10 million in damages, a tiny fraction of the more than $1 billion to which Mattel claimed it was entitled. The district court thought it unclear which Bratz dolls, or how many dolls, the jury thought infringing, so it made its own infringement findings in determining whether Mattel was entitled to equitable relief. The district court found the vast majority of Bratz dolls infringing and enjoined MGA from producing them or any other substantially similar dolls.

B.

The district court’s error in construing the employment agreement is sufficient to vacate the copyright injunction. On remand, Mattel might well convince a properly instructed jury that the agreement assigns works created outside the scope of

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4 The jury also found that Bryant created the dummy doll, [cit.], while he was at Mattel. The dummy was thrown away long before this litigation ensued, and was so crude that no copyright claim is based on it.
employment, or that Bryant’s preliminary Bratz sketches and sculpt were created within the scope of his employment at Mattel. The district court would then once again have to decide whether to grant a copyright injunction. We therefore believe it prudent to address MGA’s appeal of the district court’s copyright rulings.

Mattel argued that MGA’s Bratz dolls infringed its copyrights in the sketches and sculpt. To win its copyright claim, Mattel had to establish three things. First, Mattel had to prove that it owned copyrights in the sketches and sculpt (it did). Second, it had to show that MGA had access to the sketches and sculpt (obviously). Third, it had to establish that MGA’s dolls infringe the sketches and sculpt (the kicker). See Aliotti v. R. Dakin & Co., 831 F.2d 898, 900 (9th Cir. 1987).

Assuming that Mattel owns Bryant’s preliminary drawings and sculpt, its copyrights in the works would cover only its particular expression of the bratty-doll idea, not the idea itself. See Herbert Rosenthal Jewelry Corp. v. Kalpakian, 446 F.2d 738, 742 (9th Cir. 1971). Otherwise, the first person to express any idea would have a monopoly over it. Degas can’t prohibit other artists from painting ballerinas, and Charlaine Harris can’t stop Stephenie Meyer from publishing Twilight just because Sookie came first. Similarly, MGA was free to look at Bryant’s sketches and say, “Good idea! We want to create bratty dolls too.”

Mattel, of course, argues that MGA went beyond this by copying Bryant’s unique expression of bratty dolls, not just the idea. To distinguish between permissible lifting of ideas and impermissible copying of expression, we have developed a two-part “extrinsic/intrinsic” test. See Apple Computer, Inc. v. Microsoft Corp., 35 F.3d 1435, 1442 (9th Cir. 1994). At the initial “extrinsic” stage, we examine the similarities between the copyrighted and challenged works and then determine whether the similar elements are protectable or unprotectable. See id. at 1442-43. For example, ideas, scenes a faire (standard features) and unoriginal components aren’t protectable. Id. at 1443-45. When the unprotectable elements are “filtered” out, what’s left is an author’s particular expression of an idea, which most definitely is protectable. Id.

Given that others may freely copy a work’s ideas (and other unprotectable elements), we start by determining the breadth of the possible expression of those ideas. If there’s a wide range of expression (for example, there are gazillions of ways to make an aliens-attack movie), then copyright protection is “broad” and a work will infringe if it’s “substantially similar” to the copyrighted work. See id. at 1439, 1446-47. If there’s only a narrow range of expression (for example, there are only so many ways to paint a red bouncy ball on blank canvas), then copyright protection is “thin” and a work must be “virtually identical” to infringe. See id.; Satava v. Lowry, 323 F.3d 805, 812 (9th Cir. 2003) (glass-in-glass jellyfish sculpture only entitled to thin protection against virtually identical copying due to the narrow range of expression).

The standard for infringement—substantially similar or virtually identical—determined at the “extrinsic” stage is applied at the “intrinsic” stage. See Apple Computer, 35 F.3d at 1443. There we ask, most often of juries, whether an ordinary reasonable observer would consider the copyrighted and challenged works substantially similar (or virtually identical). See id. at 1442. If the answer is yes, then the challenged
work is infringing.

The district court conducted an extrinsic analysis and determined that the following elements of Bryant’s sketches and sculpt were non-protectable:

1. The resemblance or similarity to human form and human physiology.
2. The mere presence of hair, heads, two eyes, eyebrows, lips, nose, chin, mouth, and other features that track human anatomy and physiology.
3. Human clothes, shoes, and accessories.
4. Age, race, ethnicity, and “urban” or “rural” appearances.
5. Common or standard anatomical features relative to others (doll nose and relatively thin, small bodies).
6. Scenes a faire, or common or standard treatments of the subject matter.

It found that the following elements were protectable:

1. Particularized, synergistic compilation and expression of the human form and anatomy that expresses a unique style and conveys a distinct look or attitude.
2. Particularized expression of the doll’s head, lips, eyes, eyebrows, eye features, nose, chin, hair style and breasts, including the accentuation or exaggeration of certain anatomical features relative to others (doll lips, eyes, eyebrows, and eye features) and de-emphasis of certain anatomical features relative to others (doll nose and thin, small doll bodies).
3. Particularized, non-functional doll clothes, doll shoes, and doll accessories that express aggressive, contemporary, youthful style.

Based on this determination, the district court decided that “substantial similarity” is the appropriate test for infringement. And, in determining whether Mattel was entitled to equitable relief, it found that the two Bratz sculpts and the overwhelming majority of the Bratz female fashion dolls were substantially similar to Mattel’s copyrighted works. The district court therefore entered an injunction prohibiting MGA from producing the infringing dolls or any future substantially similar dolls. We review de novo the district court’s determination as to the scope of copyright protection. See Ets-Hokin v. Skyy Spirits, Inc., 225 F.3d 1068, 1073 (9th Cir. 2000).

1. Doll Sculpt.

The district court enjoined MGA from marketing or producing any doll that incorporates the “core Bratz fashion doll production sculpt” or the “Bratz Movie sculpt” because it held they were substantially similar to Bryant’s preliminary sculpt.\(^8\) By adopting the “substantially similar” standard, the district court afforded Bryant’s sculpt broad copyright protection. [cit.] MGA argues that the district court should have given Bryant’s preliminary sculpt only thin protection against virtually identical works.

In order to determine the scope of protection for the sculpt, we must first filter out any unprotectable elements. Producing small plastic dolls that resemble young females is a

\(^8\) The district court’s analysis was brief, so we must infer this finding. It’s possible that the district court also thought MGA’s two sculpts were substantially similar to some of Bryant’s sketches of doll bodies. Even if this were so, it wouldn’t change our analysis because the sketches of doll bodies would be entitled to no more protection here than Bryant’s sculpt.
staple of the fashion doll market. To this basic concept, the Bratz dolls add exaggerated features, such as an oversized head and feet. But many fashion dolls have exaggerated features—take the oversized heads of the Blythe dolls and My Scene Barbies as examples. Moreover, women have often been depicted with exaggerated proportions similar to those of the Bratz dolls—from Betty Boop to characters in Japanese anime and Steve Madden ads. The concept of depicting a young, fashion-forward female with exaggerated features, including an oversized head and feet, is therefore unoriginal as well as an unprotectable idea. Cf. Rosenthal, 446 F.2d at 742 (“We think the production of jeweled bee pins is a larger private preserve than Congress intended to be set aside. ... A jeweled bee pin is therefore an ‘idea’ that defendants were free to copy.”).

Mattel argues that the sculpt was entitled to broad protection because there are many ways one can depict an exaggerated human figure. It’s true that there’s a broad range of expression for bodies with exaggerated features: One could make a fashion doll with a large nose instead of a small one, or a potbelly instead of a narrow waist. But fashion dolls that look like Patty and Selma Bouvier don’t express the idea behind Bratz. Dolls depicting young, fashion-forward females have to have somewhat idealized proportions—which means slightly larger heads, eyes and lips; slightly smaller noses and waists; and slightly longer limbs than those that appear routinely in nature. But these features can be exaggerated only so much: Make the head too large or the waist too small and the doll becomes freakish, not idealized.

The expression of an attractive young, female fashion doll with exaggerated proportions is thus highly constrained. Cf. Data East USA, Inc. v. Epyx, Inc., 862 F.2d 204, 209 (9th Cir. 1988) (“Because of these constraints, karate is not susceptible of a wholly fanciful presentation.”). Because of the narrow range of expression, the preliminary sculpt is entitled to only thin copyright protection against virtually identical copying. Cf. Ets-Hokin v. Skyy Spirits Inc., 323 F.3d 763, 766 (9th Cir. 2003) (photo of vodka bottle merits only thin protection because of limited range of expression); Satava, 323 F.3d at 812 (similar). The district court erred in affording broad protection against works substantially similar to the sculpt.

2. Bratz Sketches.

The district court also enjoined MGA from marketing or producing nearly every Bratz female fashion doll—not just the first generation of dolls, but also subsequent dolls like “Bratz Nighty-Nite Yasmin” and “Bratz Campfire Felicia”—because it held they were

* Applying this test doesn’t create a circuit split. Although other courts have invoked a “substantial similarity” test in cases involving dolls, they’ve used it to compare only the protectable features of the dolls, rather than the dolls overall. See, e.g., Susan Wakeen Doll Co. v. Ashton Drake Galleries, 272 F.3d 441, 451-52 (7th Cir. 2001); see also Aliotti, 831 F.2d at 901-02. When there are few protectable features not required by the underlying idea, applying the substantial similarity test to them is effectively the same as determining whether the dolls or doll sculpts are virtually identical overall.
substantially similar to Bryant’s preliminary sketches. MGA argues that the district court erred in failing to filter out the unprotectable elements of the dolls and by applying the substantial similarity standard.

Unlike the limited range of expression for the sculpt, there’s a wide range of expression for complete young, hip female fashion dolls with exaggerated features. Designers may vary the face paint, hair color and style, and the clothing and accessories, on top of making minor variations to the sculpt. One doll might have brown eyes with bronze eyeshadow, wavy auburn hair, leather boots, a blue plaid mini matched with a black button-down, silver knot earrings and a barrel bag. Another might have green eyes with pink eyeshadow, brown hair in a messy bun, gold wedges, dark skinny jeans matched with a purple halter, a turquoise cuff and a clutch, along with a slightly different body and facial structure. See JCW Invs. v. Novelty, Inc., 482 F.3d 910, 917 (7th Cir. 2007) (“Novelty could have created another plush doll of a middle-aged farting man that would seem nothing like Fred. He could, for example, have a blond mullet and wear flannel, have a nose that is drawn on rather than protruding substantially from the rest of the head, be standing rather than ensconced in an armchair, and be wearing shorts rather than blue pants.”). The district court didn’t err in affording the doll sketches broad copyright protection against substantially similar works.

The district court did err, however, in failing to filter out all the unprotectable elements of Bryant’s sketches. The only unprotectable elements the district court identified were: (1) the dolls’ resemblance to humans; (2) the presence of hair, head, two eyes and other human features; (3) human clothes, shoes and accessories; (4) age, race, ethnicity and “urban” or “rural” appearances; (5) standard features relative to others (like a thin body); and (6) other standard treatments of the subject matter. And it reasoned that the doll’s “[p]articularized, synergistic compilation and expression of the human form and anatomy that expresses a unique style and conveys a distinct look or attitude” is protectable, along with the doll fashions that expressed an “aggressive, contemporary, youthful style.” But Mattel can’t claim a monopoly over fashion dolls with a bratty look or attitude, or dolls sporting trendy clothing—these are all unprotectable ideas.

This error was significant. Although substantial similarity was the appropriate

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9 Infringement can occur even though the copyrighted work is done in a different medium than the challenged work. Meshwerks, Inc. v. Toyota Motor Sales U.S.A., Inc., 528 F.3d 1258, 1267-68 (10th Cir. 2008); see Blanch v. Koons, 467 F.3d 244, 252 (2d Cir. 2006).

11 MGA argues that doll clothes aren’t entitled to copyright protection. Copyright law doesn’t protect “useful articles” that have an “intrinsic utilitarian function” apart from their expression or appearance. See 17 U.S.C. §§ 101, 102(a)(5). Human clothing is considered utilitarian and unprotectable. See Poe v. Missing Persons, 745 F.2d 1238, 1242 (9th Cir. 1984). However, articles that are intended only to portray the appearance of clothing are protectable. Id. Dolls don’t feel cold or worry about modesty. The fashions they wear have no utilitarian function. Cf. Masquerade Novelty v. Unique Indus., 912 F.2d 663, 670-71 (3d Cir. 1990) (animal nose masks have no utilitarian function apart from portraying appearance of animal nose); Gay Toys, Inc. v. Buddy L Corp., 703 F.2d 970, 973 (6th Cir. 1983) (toy airplane merely portrays appearance of actual airplane and has no utilitarian function). Even if we were to defer to the letter from the Copyright Office saying that doll clothing isn’t protected, as MGA argues we should, the letter’s interpretation is obviously wrong.
standard, a finding of substantial similarity between two works can’t be based on similarities in unprotectable elements. See Data East, 862 F.2d at 209 (clear error for district court to determine substantial similarity existed based on unprotectable elements). When works of art share an idea, they’ll often be “similar” in the layman’s sense of the term. For example, the stuffed, cuddly dinosaurs at issue in Aliotti, 831 F.2d at 901, were similar in that they were all stuffed, cuddly dinosaurs—but that’s not the sort of similarity we look for in copyright law. “Substantial similarity” for copyright infringement requires a similarity of expression, not ideas. See id. The key question always is: Are the works substantially similar beyond the fact that they depict the same idea?

MGA’s Bratz dolls can’t be considered substantially similar to Bryant’s preliminary sketches simply because the dolls and sketches depict young, stylish girls with big heads and an attitude. Yet this appears to be how the district court reasoned:

> Especially important to the Court’s [substantial similarity finding] is the consistency of the particularized expression of the dolls’ heads, lips, eyes, eyebrows, eye features, noses, as well as the particularized expression of certain anatomical features relative to others … and de-emphasis of certain anatomical features (most notably the minimalized doll nose and thin, small doll bodies). Also important to the Court is the particularized, synergistic compilation and expression of the human form and anatomy that quite clearly expresses a unique style and conveys a distinct look or attitude … .

It might have been reasonable to hold that some of the Bratz dolls were substantially similar to Bryant’s sketches, especially those in the first generation. But we fail to see how the district court could have found the vast majority of Bratz dolls, such as “Bratz Funk ‘N’ Glow Jade” or “Bratz Wild Wild West Fianna,” substantially similar—even though their fashions and hair styles are nothing like anything Bryant drew—unless it was relying on similarities in ideas.

* * *

Bryant’s employment agreement may not have assigned his ideas for the names “Bratz” and “Jade” to Mattel at all, and the district court erred by holding that it did so unambiguously. Even if Bryant did assign his ideas, the district court abused its discretion in transferring the entire Bratz trademark portfolio to Mattel. We therefore vacate the constructive trust, UCL injunction and declaratory judgment concerning Mattel’s rights to the Bratz trademarks. The district court may impose a narrower constructive trust on remand only if there’s a proper determination that Mattel owns Bryant’s ideas.

The district court also erred in holding, at summary judgment, that the employment agreement assigned works created outside the scope of Bryant’s employment. We therefore vacate the copyright injunction. On remand, Mattel will have to convince a jury that the agreement assigned Bryant’s preliminary sketches and sculpt, either because the agreement assigns works made outside the scope of employment or because these works weren’t made outside of Bryant’s employment. And, in order to justify a copyright injunction, Mattel will have to show that the Bratz sculptures are virtually identical to
Bryant’s preliminary sculpt, or that the Bratz dolls are substantially similar to Bryant’s sketches disregarding similarities in unprotectable ideas.

Nothing we say here precludes the entry of equitable relief based on appropriate findings. Because several of the errors we have identified appeared in the jury instructions, it’s likely that a significant portion—if not all—of the jury verdict and damage award should be vacated, and the entire case will probably need to be retried. We express no opinion on this issue here, except to say that any further proceedings must be consistent with our decision.

America thrives on competition; Barbie, the all-American girl, will too.

[Vacated.]

At p. 490, Note 1, add the following:

Should an architectural work generally be treated as a compilation of architectural features deserving only thin (if any) copyright protection? In Zalewski v. Cicero Builder Dev., Inc., 754 F.3d 95 (2d Cir. 2014), the court addressed the question. It noted that the Eleventh Circuit had reasoned that in view of the similarity between the statutory definitions of “compilation” and “architectural work,” it made sense to treat architectural works as compilations of features in which the copyright protection, if any, extended only to the creative selection, arrangement, and coordination of those features. Intervest Construction, Inc. v. Canterbury Estate Homes, Inc., 554 F.3d 914, 919 (11th Cir. 2008) (holding that the defendant had copied only standard architectural features arranged in standard ways, and therefore had not infringed plaintiff’s copyrighted house designs). The Zalewski court disagreed with this reasoning. Architecture, the court asserted, should be treated “like every art form” for copyright purposes. As for the statutory definitions, the court concluded that “[a]lthough the statutory definitions of ‘compilations’ and ‘architectural works’ both speak of an ‘arrangement’ or ‘to arrange’ and refer to ‘standard features’ or ‘preexisting material,’ architectural works and compilations are not the only works that are defined with reference to their discrete—and perhaps uncopyrightable—elements.” Id. at 104. The court asserted that the statutory definitions of “architectural work” and “compilation” have “little else in common.” The court also invoked the legislative history, asserting that Congress “made clear that it wanted architectural works analyzed no differently than other works and differentiated between architectural works that present ‘original design elements’ and those that do not.” H.R.Rep. No. 101-735 (1990), reprinted in 1990 U.S.C.C.A.N. 6935, 6952. According to the Zalewski court, Intervest contravened Congressional intent “by treating architectural works differently than other works and failing to determine what in architecture—beyond mere arrangement—is copyrightable.” Id. at 104, n. 17. The court proceeded to note that

[L]abeling architecture a compilation obscures the real issue. Every work of art will have some standard elements, which taken in isolation are uncopyrightable, but many works will have original elements—or original arrangements of elements. The challenge in adjudicating copyright cases is not to
determine whether a work is a creative work, a derivative work, or a compilation, but to determine what in it originated with the author and what did not. Intervest fails to do this. It compares the floor plans of the two houses, “focusing only on the narrow arrangement and coordination” of what it deems “standard … features” and intuits that there was no copying of the arrangement. 554 F.3d at 921. But it fails to provide any analysis of what made a feature “standard” and unprotectable. Hence, we find it of little assistance here.

Courts should treat architectural copyrights no differently than other copyrights. This is what Congress envisioned, and it is an approach we have employed before. H.R Rep. No. 101-735 (1990), reprinted in 1990 U.S.C.C.A.N. 6935, 6951. …

Determining the boundaries of copyright protection in non-traditional areas of creative expression, like architecture, is not something new. A number of our cases have applied copyright doctrines in other unusual contexts. [The court referred to its decision in *Computer Associates International, Inc. v. Altai, Inc.*, 982 F.2d 693 (2d Cir. 1992), in which it applied the copyright doctrines of merger, public domain, and scènes-à-faire to software.] For example, we held that the merger doctrine would apply when “efficiency concerns … so narrow the practical range of [coding options] as to make only one or two forms of expression workable … .” *Id.* at 708. Similarly, we applied the doctrine of scènes-à-faire because “in many instances it is virtually impossible to write a program … without employing standard techniques.” *Id.* at 709 (internal quotation marks omitted). Consequently, we held that coding dictated by mechanical specifications, industry design standards, market demands, and usual programing practices also did not get copyright protection. *Id.* at 710.

All of these principles apply equally well to architecture. Efficiency is an important architectural concern. Any design elements attributable to building codes, topography, structures that already exist on the construction site, or engineering necessity should therefore get no protection.

There are scènes-à-faire in architecture. Neoclassical government buildings, colonial houses, and modern high-rise office buildings are all recognized styles from which architects draw. Elements taken from these styles should get no protection. Likewise, there are certain market expectations for homes or commercial buildings. Design features used by all architects, because of consumer demand, also get no protection.

Our prior architecture cases support this approach. In *Sparaco*, we held that there can be no copyright in a plan insofar as it merely represents the topography of a building site. 303 F.3d at 467. Topography is an un-copyrightable “fact.” In *Attia* we recognized that “generalized notions of where to place functional elements, how to route the flow of traffic, and … methods of construction” are un-protectable. 201 F.3d at 55. Architects cannot claim that good engineering is original to them—or at least can get no copyright protection for it. Finally, in *Gaito Architecture*, we held that there is no copyright in a building plan’s design parameters. 602 F.3d at 68. Constraints placed on an architect by the way her
client plans to use the building do not originate with the architect.

Id. at 103-06. The court elaborated on its comment about the lack of copyright protection for “topography”:

We do not doubt that topography will often inspire, or indeed require, original architectural solutions that will be worthy of copyright. Frank Lloyd Wright’s Fallingwater is a prominent example. There may also be original ways of representing existing topography. The topography itself, however, is uncopyrightable. If two architects submit competing bids for the same project, one cannot assert that the other’s design infringed his copyright because their designs include reference to the same topography or share similarities dictated by that topography. One expects competent architects to accurately represent a construction site.

We note that this only applies to existing topography, however, because existing topography is an uncopyrightable fact. An architect may be able to copyright his original proposals for alterations to the topography. On the other hand, such alterations may be dictated by good engineering practice or a customer requirement, in which case they may not be copyrightable. We leave exploration of these issues to future cases.

Id. at 105, n. 18. Does the Zalewski court have the better of the argument? Or would you adhere to the Intervest approach?

At p. 490, Note 2, add the following:

See also Miller’s Ale House, Inc. v. Boynton Carolina Ale House, LLC, 702 F.3d 1312 (11th Cir. 2012) (noting that copyright protection in architectural works is thin; because “there are only a limited number of ways to turn a rectangular building into a sports bar and restaurant,” similarities in general layout between the copyrighted and accused works were properly discounted, and modest dissimilarities were properly given great weight).

At p. 490, Note 3, add the following:

See also Gaylord v. U.S., 595 F.3d 1364 (Fed. Cir. 2010) (soldier sculptures in Korean War Memorial not an architectural work).

At p. 506, Note 1, add the following:

In Scholz Design, Inc. v. Sard Custom Homes, LLC, 691 F.3d 182, 188-92 (2d Cir. 2012), the Second Circuit critiqued the District Court for misunderstanding the relationship between the scope of protection for pictorial works and for architectural works under the Copyright Act. The District Court had decided “that because the drawings at issue were ‘architectural drawings,’ something more was required of them for copyright protection than would be required for any other ‘pictorial, graphic, or
sculptural work’ under section 102(a)(5).” The Second Circuit disagreed. Even before
the special architectural works provisions were enacted, the provisions protecting PGS
works applied to prevent the copying of architectural plans, even though the PGS
provisions do not prevent the construction of works based on those plans. There is no
requirement under the PGS provisions that the drawings contain sufficient detail to allow
for construction.

At p. 524, add the following new Problem:

PROBLEM 7-2: BROTHER BILLY’S SALVAGE YARD AND MUSEUM

Professor Janis’s Brother Billy owns a popular salvage yard in southern Indiana. Displayed at the entrance to the salvage yard is a Chevrolet pickup truck of uncertain vintage (but speculated to trace back to at least the early 1970s) painted with decorative murals depicting southern Indiana landscapes. The truck mounted atop a twenty-foot-tall pole so that it is visible from a nearby highway.

The local government cited Brother Billy several times for violating an ordinance banning junked vehicles. The city defines a “junked vehicle” as a vehicle that is self-propelled, inoperable, and:

(1) Does not have lawfully affixed to it both an unexpired license plate and a valid
motor vehicle safety inspection certificate;
(2) Is wrecked, dismantled, partially dismantled, or discarded; or
(3) Has remained inoperable for more than 45 consecutive days.

Brother Billy contested the violations and requested a hearing to determine whether his pickup truck falls within that definition. He argued that his pickup truck qualifies as a work of visual art and receives protection under the VARA. Should Brother Billy receive this protection? Does the pickup truck count as “promotional” material and thus excluded from protection under the VARA? See Kleinman v. City of San Marcos, 597 F.3d 323, 329 (5th Cir. 2010).

At p. 524, add the following new case:

KELLEY V. CHICAGO PARK DISTRICT

635 F.3d 290 (7th Cir. 2011)

SYKES, Circuit Judge:

Chapman Kelley is a nationally recognized artist known for his representational paintings of landscapes and flowers—in particular, romantic floral and woodland interpretations set within ellipses. In 1984 he received permission from the Chicago Park District to install an ambitious wildflower display at the north end of Grant Park, a prominent public space in the heart of downtown Chicago. “Wildflower Works” was thereafter planted: two enormous elliptical flower beds, each nearly as big as a football
field, featuring a variety of native wildflowers and edged with borders of gravel and steel. Promoted as “living art,” Wildflower Works received critical and popular acclaim, and for a while Kelley and a group of volunteers tended the vast garden, pruning and replanting as needed. But by 2004 Wildflower Works had deteriorated, and the City’s goals for Grant Park had changed. So the Park District dramatically modified the garden, substantially reducing its size, reconfiguring the oval flower beds into rectangles, and changing some of the planting material.

Kelley sued the Park District for violating his “right of integrity” under the Visual Artists Rights Act of 1990 (“VARA”), 17 U.S.C. § 106A, and also for breach of contract. The contract claim is insubstantial; the main event here is the VARA claim, which is novel and tests the boundaries of copyright law. Congress enacted this statute to comply with the nation’s obligations under the Berne Convention for the Protection of Literary and Artistic Works. VARA amended the Copyright Act, importing a limited version of the civil-law concept of the “moral rights of the artist” into our intellectual property law. In brief, for certain types of visual art—paintings, drawings, prints, sculptures, and exhibition photographs—VARA confers upon the artist certain rights of attribution and integrity. The latter include the right of the artist to prevent, during his lifetime, any distortion or modification of his work that would be “prejudicial to his … honor or reputation,” and to recover for any such intentional distortion or modification undertaken without his consent. See 17 U.S.C. § 106A(a)(3)(A).

The district court held a bench trial and entered a split judgment. The court rejected Kelley’s moral-rights claim for two reasons. First, the judge held that although Wildflower Works could be classified as both a painting and a sculpture and therefore a work of visual art under VARA, it lacked sufficient originality to be eligible for copyright, a foundational requirement in the statute. Second, following the First Circuit’s decision in Phillips v. Pembroke Real Estate, Inc., 459 F.3d 128 (1st Cir. 2006), the court concluded that site-specific art like Wildflower Works is categorically excluded from protection under VARA. The court then held for Kelley on the contract claim, but found his evidence of damages uncertain and entered a nominal award of $1. Both sides appealed.

We affirm in part and reverse in part. There is reason to doubt several of the district court’s conclusions: that Wildflower Works is a painting or sculpture; that it flunks the test for originality; and that all site-specific art is excluded from VARA. But the court was right to reject this claim; for reasons relating to copyright’s requirements of expressive authorship and fixation, a living garden like Wildflower Works is not copyrightable. …

I. BACKGROUND

Kelley is a painter noted for his use of bold, elliptical outlines to surround scenes of landscapes and flowers. In the late-1970s and 1980s, he moved from the canvas to the soil and created a series of large outdoor wildflower displays that resembled his paintings. He planted the first in 1976 alongside a runway at the Dallas-Fort Worth
International Airport and the second in 1982 outside the Dallas Museum of Natural History. The wildflower exhibit at the museum was temporary; the one at the airport just “gradually petered out.”

In 1983 Kelley accepted an invitation from Chicago-based oil executive John Swearingen and his wife, Bonnie—collectors of Kelley’s paintings—to come to Chicago to explore the possibility of creating a large outdoor wildflower display in the area. He scouted sites by land and by air and eventually settled on Grant Park, the city’s showcase public space running along Lake Michigan in the center of downtown Chicago. This location suited Kelley’s artistic, environmental, and educational mission; it also provided the best opportunity to reach a large audience. Kelley met with the Park District superintendent to present his proposal, and on June 19, 1984, the Park District Board of Commissioners granted him a permit to install a “permanent Wild Flower Floral Display” on a grassy area on top of the underground Monroe Street parking garage in Daley Bicentennial Plaza in Grant Park. Under the terms of the permit, Kelley was to install and maintain the exhibit at his own expense. The Park District reserved the right to terminate the installation by giving Kelley “a 90 day notice to remove the planting.”

Kelley named the project “Chicago Wildflower Works I.” The Park District issued a press release announcing that “a new form of ‘living’ art” was coming to Grant Park—“giant ovals of multicolored wildflowers” created by Kelley, a painter and “pioneer in the use of natural materials” who “attracted national prominence for his efforts to incorporate the landscape in artistic creation.” The announcement explained that “[o]nce the ovals mature, the results will be two breathtaking natural canvases of Kelley-designed color patterns.”

In the late summer of 1984, Kelley began installing the two large-scale elliptical flower beds at the Grant Park site; they spanned 1.5 acres of parkland and were set within gravel and steel borders. A gravel walkway bisected one of the ovals, and each flower bed also accommodated several large, preexisting air vents that were flush with the planting surface, providing ventilation to the parking garage below. For planting material Kelley selected between 48 and 60 species of self-sustaining wildflowers native to the region. The species were selected for various aesthetic, environmental, and cultural reasons, but also to increase the likelihood that the garden could withstand Chicago’s harsh winters and survive with minimal maintenance. Kelley designed the initial placement of the wildflowers so they would blossom sequentially, changing colors throughout the growing season and increasing in brightness towards the center of each ellipse. He purchased the initial planting material—between 200,000 and 300,000 wildflower plugs—at a cost of between $80,000 and $152,000. In September of 1984, a battery of volunteers planted the seedlings under Kelley’s direction.

When the wildflowers bloomed the following year, Wildflower Works was greeted with widespread acclaim. Chicago’s mayor, the Illinois Senate, and the Illinois Chapter of the American Society of Landscape Artists issued commendations. People flocked to see the lovely display—marketed by the Park District as “living landscape art”—and admiring articles appeared in national newspapers. Wildflower Works was a hit. Here’s a picture:
For the next several years, Kelley’s permit was renewed and he and his volunteers tended the impressive garden. They pruned and weeded and regularly planted new seeds, both to experiment with the garden’s composition and to fill in where initial specimen had not flourished. Of course, the forces of nature—the varying bloom periods of the plants; their spread habits, compatibility, and life cycles; and the weather—produced constant change. Some wildflowers naturally did better than others. Some spread aggressively and encroached on neighboring plants. Some withered and died. Unwanted plants sprung up from seeds brought in by birds and the wind. Insects, rabbits, and weeds settled in, eventually taking a toll. Four years after Wildflower Works was planted, the Park District decided to discontinue the exhibit. On June 3, 1988, the District gave Kelley a 90-day notice of termination.

Kelley responded by suing the Park District in federal court, claiming the termination of his permit violated the First Amendment. The parties quickly settled; in exchange for dismissal of the suit, the Park District agreed to extend Kelley’s permit for another year. On September 14, 1988, the Park District issued a “Temporary Permit” to Kelley and Chicago Wildflower Works, Inc., a nonprofit organization formed by his volunteers. This permit authorized them “to operate and maintain a two ellipse Wildflowers Garden Display ... at Daley Bicentennial Plaza in Grant Park” until September 1, 1989. The permit stipulated that Kelley “will have responsibility and control over matters relating to the aesthetic design and content of Wildflower Works I,” and Wildflower Works, Inc. “shall maintain the Wildflower Works I at no cost to the Chicago Park District including, without limitation, weeding and application of fertilizer.” Although it did not contain a notice-of-termination provision, the permit did state that “[t]he planting material is the
property of Mr. Chapman Kelley” and that Kelley “may remove the planting material” if
the permit was not extended. Finally, the permit provided that “[t]his agreement does not
create any proprietary interest for Chicago Wildflower Works, Inc., or Mr. Chapman
Kelley in continuing to operate and maintain the Wildflower Garden Display after
September 1, 1989.”

The Park District formally extended this permit each succeeding year through 1994.
After that point Kelley and his volunteers continued to cultivate Wildflower Works
without a permit, and the Park District took no action, adverse or otherwise, regarding the
garden’s future. In March 2004 Kelley and Jonathan Dedmon, president of Wildflower
Works, Inc., attended a luncheon to discuss the 20th anniversary of Wildflower Works.
At the luncheon Dedmon asked Park District Commissioner Margaret Burroughs if
Wildflower Works needed a new permit. Commissioner Burroughs responded, “You’re
still there, aren’t you? That’s all you need to do.”

Three months later, on June 10, 2004, Park District officials met with Kelley and
Dedmon to discuss problems relating to inadequate maintenance of the garden and
forthcoming changes to Grant Park necessitated by the construction of the adjacent
Millennium Park. The officials proposed reconfiguring Wildflower Works—decreasing
its size from approximately 66,000 square feet to just under 30,000 square feet and
remaking its elliptical flower beds into rectangles. The District’s director of development
invited Kelley’s views on this proposal but made it clear that the District planned to go
forward with the reconfiguration with or without Kelley’s approval. Kelley objected to
the proposed changes, but did not request an opportunity to remove his planting materi-
al before the reconfiguration took place. A week later the Park District proceeded with its
plan and reduced Wildflower Works to less than half its original size. The elliptical
borders became rectilinear, weeds were removed, surviving wildflowers were replanted
in the smaller-scale garden, and some new planting material was added. Dedmon sent a
letter of protest to the Park District.

Kelley then sued the Park District for violating his moral rights under VARA. He
claimed that Wildflower Works was both a painting and a sculpture and therefore a
“work of visual art” under VARA, and that the Park District’s reconfiguration of it was
an intentional “distortion, mutilation, or other modification” of his work and was
“prejudicial to his ... honor or reputation.” See 17 U.S.C. § 106A(a)(3)(A). He also
alleged breach of contract; he claimed that Commissioner Burroughs’s remark created an
implied contract that the Park District had breached when it altered Wildflower Works
without providing reasonable notice. On the VARA claim Kelley sought compensation
for the moral-rights violation, statutory damages, and attorney’s fees; on the contract
claim he sought the fair-market value of the planting material removed in the
reconfiguration. He later quantified his damages, estimating the value of the plants at
$1.5 million and requesting a staggering $25 million for the VARA violation.

The case proceeded to a bench trial, and the district court entered judgment for the
Park District on the VARA claim and for Kelley on the contract claim. See Kelley v. Chi.
Park Dist., No. 04 C 07715, 2008 WL 4449886 (N.D. Ill. Sept. 29, 2008). The judge first
concluded that Wildflower Works could be classified as both a painting and a sculpture
and therefore qualified as a work of visual art under VARA. Id. at *4-5. But he also held that Wildflower Works was insufficiently original for copyright, a prerequisite to moral-rights protection under VARA. Id. at *6. Alternatively, the judge concluded that Wildflower Works was site-specific art, and following the First Circuit’s decision in Phillips, held that VARA did not apply to this category of art. Id. at *6-7. On the contract claim the court construed the Chicago Park District Act, 70 Ill. Comp. Stat. 1505/7.01, to permit individual commissioners to enter into binding contracts on the Park District’s behalf. Id. at *7-8. The judge found that Commissioner Burroughs’s statement—“You’re still there, aren’t you? That’s all you need to do.”—created an implied contract that the Park District had breached by failing to give Kelley reasonable notice before altering Wildflower Works. Id. But the judge also concluded that Kelley had failed to prove damages to a reasonable certainty and awarded $1 in nominal damages. Id. at *9.

Kelley appealed, challenging the adverse judgment on the VARA claim and the district court’s treatment of the damages issue on the contract claim. The Park District cross-appealed from the judgment on the contract claim.

II. DISCUSSION

...  


1. A brief history of moral rights.

That artists have certain “moral rights” in their work is a doctrine long recognized in civil-law countries but only recently imported into the United States. Moral rights are generally grouped into two categories: rights of attribution and rights of integrity. “Rights of attribution” generally include the artist’s right to be recognized as the author of his work, to publish anonymously and pseudonymously, to prevent attribution of his name to works he did not create, and to prevent his work from being attributed to other artists. Carter v. Helmsley-Spear, Inc., 71 F.3d 77, 81 (2d Cir. 1995) (citing RALPH E. LERNER & JUDITH BRESLER, ART LAW 41-20 (1989)). “Rights of integrity” include the artist’s right to prevent the modification, mutilation, or distortion of his work, and in some cases (if the work is of recognized stature), to prevent its destruction. Id. at 81-82 (citing ART LAW at 420-21).

Originating in nineteenth-century France, moral rights—le droit moral—are understood as rights inhering in the artist’s personality, transcending property and contract rights and existing independently of the artist’s economic interest in his work. See 3 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 8D.01[A] (2010); 5 WILLIAM F. PATRY, PATRY ON COPYRIGHT §§ 16:1, 16:3 (2010); John Henry Merryman, The Refrigerator of Bernard Buffet, 27 HASTINGS L.J. 1023, 1023-28 (1976).

American copyright law, on the other hand, protects the economic interests of artists; Article I of the Constitution authorizes Congress “To Promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.” U.S. Const. art. 1, § 8, cl. 8. Unlike other intellectual property rights, moral rights are unrelated to the artist’s pecuniary interests and are grounded in philosophical ideas about the intrinsic nature and cultural value of art rather than natural-property or utility justifications.  

3 See Carter, 71 F.3d at 81 (describing moral rights as “rights of a spiritual, non-economic and personal nature [that] ... spring from a belief that an artist in the process of creation injects his spirit into the work and that the artist’s personality, as well as the integrity of the work, should therefore be protected and preserved”). VARA introduced a limited version of this European doctrine into American law, but it is not an easy fit.  

VARA was enacted as a consequence of the United States’ accession to the Berne Convention for the Protection of Literary and Artistic Works. After many years of resistance, the Senate ratified the treaty in 1988, bringing the United States into the Berne Union effective the following year. See 4 NIMMER § 17.01[C][2] (2010); 5 PATRY §§ 16:1, 16:3. The Berne Convention dates to 1886, when seven European nations (plus Haiti and Tunisia) joined together to extend copyright protection across their borders. See 4 NIMMER § 17.01[B][1] nn. 10 & 17 (2002). During the course of the next century, many other nations joined, and the treaty underwent periodic revisions, most notably for our purposes in 1928 when Article 6bis was added, incorporating the concept of moral rights. See 3 id. § 8D.01[B] (2004); 5 PATRY §§ 16:1, 16:3. Article 6bis provides:  

(1) Independently of the author’s economic rights, and even after the transfer of the said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his honor or reputation.  

...  

(3) The means of redress for safeguarding the rights granted by this Article shall be governed by the legislation of the country where protection is claimed.

Berne Convention for the Protection of Literary and Artistic Works, art. 6bis, Sept. 9, 1886.


When the United States joined the Berne Union in 1989, the concept of moral rights was largely unknown in American law. See Lee v. A.R.T. Co., 125 F.3d 580, 582 (7th Cir. 1997) (“[I]t was accepted wisdom [before VARA] that the United States did not enforce any claim of moral rights.”); see also Weinstein v. Univ. of Ill., 811 F.2d 1091, 1095 n. 3 (7th Cir. 1987) (The Continental principle of le droit moral is a doctrine that “no American jurisdiction follows as a general matter.”); Merryman, The Refrigerator of Bernard Buffet, 27 HASTINGS L.J. at 1035-36 (“The moral right of the artist, and in particular that component called the right of integrity of the work of art, simply does not exist in our law.”). Article 6bis was a major obstacle to Berne ratification. See Martin v. City of Indianapolis, 192 F.3d 608, 611 (7th Cir. 1999) (The treaty’s moral-rights concept “was controversial in this country” and was embraced post-Berne only “in a very limited way.”); Carter, 71 F.3d at 82-83 (“The issue of federal protection of moral rights was a prominent hurdle in the debate over whether the United States should join the Berne Convention... .”); see also 3 NIMMER § 8D.02[A]-[D] (2004); 5 PATRY §§ 16:1, 16:3; Roberta Rosenthal Kwall, How Fine Art Fares Post VARA, 1 MARQ. INTELL. PROP. L. REV. 1-4 (1997).

American unease with European moral-rights doctrine—more particularly, the obligations imposed by Article 6bis—persisted beyond Berne ratification. Indeed, Congress initially took the position that domestic law already captured the concept in existing copyright and common-law doctrines and in the statutory law of some states. See Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, §§ 2(2), (3), 102 Stat. 2853; 3 NIMMER § 8D.02[D][1] (2009); 5 PATRY § 16:3. This was seen as an implausible claim. See 3 NIMMER § 8D.02[D][1] (“Th[e] Congressional finding flies in the face of numerous judicial and scholarly pronouncements....”); 5 PATRY § 16:3 (The American position that existing federal and state laws satisfied minimum Berne obligations created “a web of fictional compliance.”). “[A] question of international credibility existed,” and “some Berne co-Unionists ... expressed doubts regarding the accuracy or sincerity of the U.S. declaration that its law already afforded a degree of moral rights protection equivalent to Berne standards.” Jane C. Ginsburg, Copyright in the 101st Congress: Commentary on the Visual Artists Rights Act and the Architectural Works Copyright Protection Act of 1990, 14 COLUM. J.L. & ARTS 477, 478-79 (1990). VARA was enacted to fill this perceived gap, but its moral-rights protection is quite a bit narrower than its European counterpart.

2. VARA’s scope.

VARA amended the Copyright Act and provides a measure of protection for a limited set of moral rights falling under the rubric of “rights of attribution” and “rights of integrity”—but only for artists who create specific types of visual art. 17 U.S.C. § 106A(a). The statutory coverage is limited to paintings, drawings, prints, sculptures, and photographs created for exhibition existing in a single copy or a limited edition of 200 or less. See id. § 101 (defining “work of visual art”). The rights conferred by the statute
exist independently of property rights; the artist retains them even after he no longer holds title to his work. \textit{Id.} § 106A(a).

More specifically, VARA’s attribution and integrity rights are as follows:

(a) Rights of attribution and integrity. Subject to section 107 and independent of the exclusive rights provided in section 106, \textit{the author of a work of visual art—}

(1) shall have the right—

(A) to claim authorship of that work, and

(B) to prevent the use of his or her name as the author of any work of visual art which he or she did not create;

(2) shall have the right to prevent the use of his or her name as the author of the work of visual art in the event of distortion, mutilation, or other modification of the work which would be prejudicial to his or her honor or reputation; and

(3) subject to the limitations set forth in section 113(d), \textit{shall have the right—}

(A) to prevent any intentional distortion, mutilation, or other modification of that work which would be prejudicial to his or her honor or reputation, and any intentional distortion, mutilation, or modification of that work is a violation of that right, and

(B) to prevent any destruction of a work of recognized stature, and any intentional or grossly negligent destruction of that work is a violation of that right.

\textit{17 U.S.C.} § 106A(a) (emphasis added). At issue here is the right of integrity conferred by subsection (a)(3)(A), which precludes any intentional modification or distortion of a work of visual art that “would be prejudicial to [the artist’s] honor or reputation.”

A qualifying “work of visual art” is defined as:

(1) \textit{a painting}, drawing, print, \textit{or sculpture}, existing in a single copy, in a limited edition of 200 or fewer that are signed and consecutively numbered by the author, or, in the case of a sculpture, in multiple cast, carved, or fabricated sculptures of 200 or fewer that are consecutively numbered by the author and bear the signature or other identifying mark of the author; or

(2) a still photographic image produced for exhibition purposes only, existing in a single copy that is signed by the author, or in a limited edition of 200 copies or fewer that are signed and consecutively number by the author.

\textit{Id.} § 101 (emphasis added). This definition also contains a number of specific exclusions: e.g., posters, maps, and globes; books, newspapers, magazines, and other periodicals; “motion picture[s] or other audiovisual work[s]”; merchandising and promotional materials; “any work made for hire”; and “any work not subject to copyright protection under this title.” \textit{Id.}

This last exclusion simply reinforces the point that VARA supplements general copyright protection; to qualify for moral rights under VARA, a work must first satisfy
basic copyright standards. Under the Copyright Act of 1976, copyright subsists in “original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated.” *Id.* § 102(a). “Works of authorship” include “pictorial, graphic, and sculptural works.” *Id.* § 102(a)(5). VARA’s definition of “work of visual art” is limited to a narrow subset of this broader universe of “pictorial, graphic, and sculptural works” that are otherwise eligible for copyright; only a select few categories of art get the extra protection provided by the moral-rights concept. 5 PATRY § 16:7 (2010) (“Protected ‘works of visual art’ is a narrower subcategory of ‘pictorial, graphic, and sculptural works,’ protected in section 102(a)(5).”).

Several exceptions limit the scope of the rights granted under the statute:

(c) Exceptions. (1) The modification of a work of visual art which is a result of the passage of time or the inherent nature of the materials is not a distortion, mutilation, or other modification described in subsection (a)(3)(A).

(2) The modification of a work of visual art which is the result of conservation, or of the public presentation, including lighting and placement, of the work is not a destruction, distortion, mutilation, or other modification described in subsection (a)(3) unless the modification is caused by gross negligence.

17 U.S.C. § 106A(c) (emphasis added). The second of these—the “public presentation” exception—is at issue here. Another exception invoked by the Park District is found in a different section of the Copyright Act that defines the scope of a copyright owner’s rights:

(d)(1) In a case in which—

(A) a work of visual art has been incorporated in or made part of a building in such a way that removing the work from the building will cause the destruction, distortion, mutilation, or other modification of the work as described in section 106A(a)(3), and

(B) the author consented to the installation of the work in the building either before the effective date set forth in section 610(a) of the Visual Artists Rights Act of 1990, or in a written instrument executed on or after such effective date that is signed by the owner of the building and the author and that specifies that installation of the work may subject the work to destruction, distortion, mutilation, or other modification, by reason of its removal,

then the rights conferred by paragraphs (2) and (3) of section 106A(a) shall not apply.

*Id.* § 113 (emphasis added). This is known as the “building exception.”

VARA rights cannot be transferred or assigned, but they can be waived in a writing signed by the artist and “specifically identify[ing] the work, and uses of that work, to which the waiver applies.” *Id.* § 106A(e)(1). Absent a written waiver, the artist retains VARA rights during his lifetime even if he transfers ownership of the work or assigns his
3. Is Wildflower Works a painting or sculpture?

The district court held that Wildflower Works was both a painting and a sculpture but was insufficiently original to qualify for copyright. Alternatively, the court concluded that it was site-specific art and held that all site-specific art is implicitly excluded from VARA. Other arguments—in particular, whether Wildflower Works satisfies additional threshold requirements for copyright and whether VARA’s public-presentation or building exceptions applied—were not reached.

On appeal Kelley contests the district court’s conclusions regarding originality and site-specific art. The Park District defends these holdings and also reiterates the other arguments it made in the district court, except one: The Park District has not challenged the district court’s conclusion that Wildflower Works is a painting and a sculpture.

This is an astonishing omission. VARA’s definition of “work of visual art” operates to narrow and focus the statute’s coverage; only a “painting, drawing, print, or sculpture,” or an exhibition photograph will qualify. These terms are not further defined, but the overall structure of the statutory scheme clearly illuminates the limiting effect of this definition. Copyright’s broad general coverage extends to “original works of authorship,” and this includes “pictorial, graphic, and sculptural works.” 17 U.S.C. § 102(a)(5). The use of the adjectives “pictorial” and “sculptural” suggests flexibility and breadth in application. In contrast VARA uses the specific nouns “painting” and “sculpture.” To qualify for moral-rights protection under VARA, Wildflower Works cannot just be “pictorial” or “sculptural” in some aspect or effect, it must actually be a “painting” or a “sculpture.” Not metaphorically or by analogy, but really.

That Kelley considered the garden to be both a painting and a sculpture—only rendered in living material—is not dispositive. He also characterized it as an experiment in environmental theory, telling a reporter he was trying to “figure out the economic and ecological impact of introducing wildflowers into cities.” In promoting Wildflower Works, Kelley variously described the project as a “living wildflower painting,” a “study on wildflower landscape and management,” and “a new vegetative management system that beautifies [the] landscape economically with low-maintenance wildflowers.”

Kelley’s expert, a professor of art history, reinforced his view that Wildflower Works was both a painting and a sculpture, but the district court largely disregarded her testimony as unhelpful.6 Kelley, 2008 WL 4449886, at *5. For its part the Park District

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5 VARA applies to works created after its effective date (June 1, 1991, six months after its December 1, 1990 date of enactment) and works created before its effective date “but title to which has not, as of such effective date, been transferred from the author.” Visual Artists Rights Act of 1990, Pub. L. No. 101-650, § 610, 104 Stat. 5132. Wildflower Works was created before VARA’s effective date, but the parties stipulated that Kelley owns the planting material. Kelley has not executed a written waiver of VARA rights.

6 Among other things, the expert testified that Wildflower Works was both a painting and a sculpture because “three dimensional objects become two dimensional paintings when viewed from airplanes,” an
initially marketed Wildflower Works as “living art,” but this adds little to the analysis. VARA plainly uses the terms “painting” and “sculpture” as words of limitation. Even assuming a generous stance on what qualifies, see 5 PATRY § 16:7 (suggesting a “liberal attitude toward what may be considered a painting, drawing, print, or sculpture”), the terms cannot be read coextensively with the broader categories of “pictorial” and “sculptural” works that are generally eligible for copyright under § 102(a)(5). If a living garden like Wildflower Works really counts as both a painting and a sculpture, then these terms do no limiting work at all.

The district judge worried about taking “too literalist an approach to determining whether a given object qualifies as a sculpture or painting.” Kelley, 2008 WL 4449886, at *4. His concern was the “tension between the law and the evolution of ideas in modern or avant garden art; the former requires legislatures to taxonomize artistic creations, whereas the latter is occupied with expanding the definition of what we accept to be art.” Id. We agree with this important insight. But there’s a big difference between avoiding a literalistic approach and embracing one that is infinitely malleable. The judge appears to have come down too close to the latter extreme.\footnote{The district court basically concluded that the term “sculpture” included any three-dimensional art form—that is, any “non-two dimensional” work that can be called “art.” Kelley, 2008 WL 4449886, at *5. As we have noted, this expansive approach fails to distinguish between “sculptural works,” included in the broad subject matter of copyright, and VARA’s use of the more limited term “sculpture.” As for “painting,” the judge consulted this verb definition for “paint”: “[1] to apply color, pigment, or paint to … [2] to produce in lines and colors on a surface by applying pigments, [3] to depict by such lines and colors, [4] to decorate, adorn, or variegate by applying lines and colors.” Id. (quoting Merriam-Webster’s Online Dictionary, [cit.]). The judge then characterized Wildflower Works as “[a]n exhibit that corrals the variegation of wildflowers into pleasing oval swatches” and concluded from this that the garden “could certainly fit within some of the[se] … definitions of a painting.” Id.}

As we have explained, however, VARA’s definition of a “work of visual art” uses nouns, not verbs. The noun “painting” is more precise than the verb “paint.” A “painting” is:

1.a. Painted matter; that which is painted; … a representation on a surface executed in paint or colours; a painted picture or likeness. b. The representing of a subject on a surface by the application of paint or colours; the art of making such representations; … the practice of applying paint to a canvas, etc., for any artistic purpose.

Painting Definition, Oxford English Dictionary, [cit.]. The noun “sculpture” means:

1.a. … the process or art of carving or engraving a hard material so as to produce designs or figures in relief, in intaglio, or in the round. In modern use, that branch of fine art which is concerned with the production of figures in the round or in relief, either by carving, by fashioning some plastic substance, or by making a mould for casting in metal; the practice of this art … 2. concr. a. The product of the sculptor’s art; that which is sculptured (or engraved); sculptured figures in general. b. In particularized sense: A work of sculpture; a sculptured (or engraved) figure or design.

Sculpture Definition, id., [cit.]. A living garden might be said to have “painterly” or “sculptural” attributes, but it’s hard to classify a garden as a “painting” or “sculpture” as these terms are commonly understood.
In short, this case raises serious questions about the meaning and application of VARA’s definition of qualifying works of visual art—questions with potentially decisive consequences for this and other moral-rights claims. But the Park District has not challenged this aspect of the district court’s decision, so we move directly to the question of copyrightability, which is actually where the analysis should start in the first place.

4. Is Wildflower Works copyrightable?

To merit copyright protection, Wildflower Works must be an “original work [ ] of authorship fixed in a[ ] tangible medium of expression ... from which [it] can be perceived, reproduced, or otherwise communicated.” 17 U.S.C. § 102(a). The district court held that although Wildflower Works was both a painting and a sculpture, it was ineligible for copyright because it lacked originality. There is a contradiction here. As we have explained, VARA supplements general copyright protection and applies only to artists who create the specific subcategories of art enumerated in the statute. VARA-eligible paintings and sculptures comprise a discrete subset of otherwise copyrightable pictorial and sculptural works; the statute designates these works of fine art as worthy of special protection. If a work is so lacking in originality that it cannot satisfy the basic requirements for copyright, then it can hardly qualify as a painting or sculpture eligible for extra protection under VARA. See Cronin, Dead on the Vine, 12 VAND. J. ENT. & TECH. L. at 239 (“[I]f a work does not evince sufficient original expression to be copyrightable, the work should belong in a category other than ‘visual art’ as this term is contemplated under VARA.”).

That point aside, the district court’s conclusion misunderstands the originality requirement. Originality is “the touchstone of copyright protection today,” an implicit constitutional and explicit statutory requirement. Feist Publ’ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 347, 346 (1991) (“Originality is a constitutional requirement.”); id. at 355 (The Copyright Act of 1976 made the originality requirement explicit.); see also Schrock, 586 F.3d at 518-19 (“As a constitutional and statutory matter, ‘[t]he sine qua non of copyright is originality.’ ” (quoting Feist, 499 U.S. at 345)). Despite its centrality in our copyright regime, the threshold for originality is minimal. See Feist, 499 U.S. at 345; Am. Dental Ass’n v. Delta Dental Plans Ass’n, 126 F.3d 977, 979 (7th Cir. 1997) (“The necessary degree of ‘originality’ is low... ”). The standard requires “only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity.” Feist, 499 U.S. at 345 (citation omitted). The “requisite level of creativity is extremely low; even a slight amount will suffice. The vast majority of works make the grade quite easily, as they possess some creative spark.” Id. (citation omitted).

The district court took the position that Wildflower Works was not original because Kelley was not “the first person to ever conceive of and express an arrangement of growing wildflowers in ellipse-shaped enclosed area [s].” Kelley, 2008 WL 4449886, at *6. This mistakenly equates originality with novelty; the law is clear that a work can be original even if it is not novel. Feist, 499 U.S. at 345 (“Originality does not signify
novelty; a work may be original even though it closely resembles other works so long as the similarity is fortuitous, not the result of copying.”). No one argues that Wildflower Works was copied; it plainly possesses more than a little creative spark.

The judge was also at a loss to discover “what about the exhibit is original. Is it the elliptical design? The size? The use of native instead of non-native plants? The environmentally-sustainable gardening method to which ‘vegetative management system’ apparently refers?” *Kelley, 2008 WL 4449886, at *6. It is true that common geometric shapes cannot be copyrighted. See U.S. Copyright Office, Compendium II: Copyright Office Practices § 503.02(a)-(b) (1984); 2 *PATRY § 4:17 (2010). And “[i]n no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such a work.” 17 U.S.C. § 102(b).

The Park District suggests that Wildflower Works is an uncopyrightable “method” or “system,” and is also ineligible because its design uses simple elliptical shapes. The first of these arguments is not well-developed; the second is misplaced. Although Wildflower Works was designed to be largely self-sustaining (at least initially), it’s not really a “method” or “system” at all. It’s a garden. And Kelley is seeking statutory protection for the garden itself, not any supposed “system” of vegetative management encompassed within it. Regarding the use of elliptical shapes, an author’s expressive combination or arrangement of otherwise noncopyrightable elements (like geometric shapes) may satisfy the originality requirement. *Roulo v. Russ Berrie & Co.*, 886 F.2d 931, 939 (7th Cir. 1989); 2 *PATRY § 4:17 (Geometric shapes or symbols cannot themselves be protected, but an original creative arrangement of them can be.).

The real impediment to copyright here is not that Wildflower Works fails the test for originality (understood as “not copied” and “possessing some creativity”) but that a living garden lacks the kind of authorship and stable fixation normally required to support copyright. Unlike originality, authorship and fixation are explicit constitutional requirements; the Copyright Clause empowers Congress to secure for “authors” exclusive rights in their “writings.” U.S. Const. art 1, § 8, cl. 8; see also 2 *PATRY § 3:20 (2010) (“[T]he Constitution uses the terms ‘writings’ and ‘authors;’ ‘originality’ is not used.”); *id. § 3:22 (2010); 1 NIMMER § 2.03[A]-[B] (2004). The originality requirement is implicit in these express limitations on the congressional copyright power. See *Feist*, 499 U.S. at 346 (The constitutional reference to “authors” and “writings” “presuppose[s] a degree of originality.”). The Supreme Court has “repeatedly construed all three terms in relation to one another [or] perhaps has collapsed them into a single concept”; therefore, “[w]ritings are what authors create, but for one to be an author, the writing has to be original.” 2 *PATRY § 3:20.

“Without fixation,” moreover, “there cannot be a ‘writing.’ ” *Id. § 3:22. The Nimmer treatise elaborates:

Fixation in tangible form is not merely a statutory condition to copyright. It is also a constitutional necessity. That is, unless a work is reduced to tangible form it
cannot be regarded as a “writing” within the meaning of the constitutional clause authorizing federal copyright legislation. Thus, certain works of conceptual art stand outside of copyright protection.

1 Nimmer § 2.03[B]. A work is “fixed” in a tangible medium of expression “when its embodiment in a copy or phonorecord ... is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.” 17 U.S.C. § 101. As William Patry explains:

Fixation serves two basic roles: (1) easing problems of proof of creation and infringement, and (2) providing the dividing line between state common law protection and protection under the federal Copyright Act, since works that are not fixed are ineligible for federal protection but may be protected under state law. The distinction between the intangible intellectual property (the work of authorship) and its fixation in a tangible medium of expression (the copy) is an old and fundamental and important one. The distinction may be understood by examples of multiple fixations of the same work: A musical composition may be embodied in sheet music, on an audio-tape, on a compact disc, on a computer hard drive or server, or as part of a motion picture soundtrack. In each of the fixations, the intangible property remains a musical composition.

2 Patry § 3:22 (internal quotation marks omitted).

Finally, “authorship is an entirely human endeavor.” Id. § 3:19 (2010). Authors of copyrightable works must be human; works owing their form to the forces of nature cannot be copyrighted. Id. § 3:19 n. 1; see also U.S. Copyright Office, Compendium II: Copyright Office Practices § 503.03(a) (“[A] work must be the product of human authorship” and not the forces of nature.) (1984); id. § 202.02(b).

Recognizing copyright in Wildflower Works presses too hard on these basic principles. We fully accept that the artistic community might classify Kelley’s garden as a work of postmodern conceptual art. We acknowledge as well that copyright’s prerequisites of authorship and fixation are broadly defined. But the law must have some limits; not all conceptual art may be copyrighted. In the ordinary copyright case, authorship and fixation are not contested; most works presented for copyright are unambiguously authored and unambiguously fixed. But this is not an ordinary case. A living garden like Wildflower Works is neither “authored” nor “fixed” in the senses required for copyright. See Toney v. L’Oreal USA, Inc., 406 F.3d 905, 910 (7th Cir. 2005) (“A person’s likeness—her persona—is not authored and it is not fixed.”); see also Cronin, Dead on the Vine, 12 Vand. J. Ent. & Tech. L. at 227-39.

Simply put, gardens are planted and cultivated, not authored. A garden’s constituent elements are alive and inherently changeable, not fixed. Most of what we see and experience in a garden—the colors, shapes, textures, and scents of the plants—originates in nature, not in the mind of the gardener. At any given moment in time, a garden owes most of its form and appearance to natural forces, though the gardener who plants and tends it obviously assists. All this is true of Wildflower Works, even though it was designed and planted by an artist.

Of course, a human “author”—whether an artist, a professional landscape designer, or
an amateur backyard gardener—determines the initial arrangement of the plants in a
garden. This is not the kind of authorship required for copyright. To the extent that seeds
or seedlings can be considered a “medium of expression,” they originate in nature, and
natural forces—not the intellect of the gardener—determine their form, growth, and
appearance. Moreover, a garden is simply too changeable to satisfy the primary purpose
of fixation; its appearance is too inherently variable to supply a baseline for determining
questions of copyright creation and infringement. If a garden can qualify as a “work of
authorship” sufficiently “embodied in a copy,” at what point has fixation occurred? When
the garden is newly planted? When its first blossoms appear? When it is in full bloom?
How—and at what point in time—is a court to determine whether infringing copying has
occurred?

In contrast, when a landscape designer conceives of a plan for a garden and puts it in
writing—records it in text, diagrams, or drawings on paper or on a digital-storage
device—we can say that his intangible intellectual property has been embodied in a fixed
and tangible “copy.” This writing is a sufficiently permanent and stable copy of the
designer’s intellectual expression and is vulnerable to infringing copying, giving rise to
the designer’s right to claim copyright. The same cannot be said of a garden, which is not
a fixed copy of the gardener’s intellectual property. Although the planting material is
tangible and can be perceived for more than a transitory duration, it is not stable or
permanent enough to be called “fixed.” Seeds and plants in a garden are naturally in a
state of perpetual change; they germinate, grow, bloom, become dormant, and eventually
die. This life cycle moves gradually, over days, weeks, and season to season, but the real
barrier to copyright here is not temporal but essential. The essence of a garden is its
vitality, not its fixedness. It may endure from season to season, but its nature is one of
dynamic change.

We are not suggesting that copyright attaches only to works that are static or fully
permanent (no medium of expression lasts forever), or that artists who incorporate natural
or living elements in their work can never claim copyright. Kelley compares Wildflower
Works to the Crown Fountain, a sculpture by Spanish artist Jaume Plensa that sits nearby
in Chicago’s Millennium Park. The surfaces of Plensa’s fountain are embedded with
LED screens that replay recorded video images of the faces of 1,000 Chicagoans. [cit.]
But the Copyright Act specifically contemplates works that incorporate or consist of
sounds or images that are broadcast or transmitted electronically, such as telecasts of
sporting events or other live performances, video games, and the like. See 17 U.S.C. §
101 (defining “fixed” as including a “work consisting of sounds, images, or both, that are
being transmitted ... if a fixation of the work is being made simultaneously with its
transmission”); see also Balt. Orioles, Inc. v. Major League Baseball Players Ass’n, 805
F.2d 663, 675 (7th Cir. 1986); Midway Mfg. Co. v. Artic Int’l, Inc., 704 F.2d 1009, 1013-
14 (7th Cir. 1983). Wildflower Works does not fit in this category; the Crown Fountain is
not analogous.

Though not addressing the requirement of fixation directly, the district court
compared Wildflower Works to “[t]he mobiles of Alexander Calder” and “Jeff Koons’
‘Puppy,’ a 43-foot flowering topiary.” Kelley, 2008 WL 4449886, at *4. These analogies

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are also inapt. Although the aesthetic effect of a Calder mobile is attributable in part to its subtle movement in response to air currents, [cit.], the mobile itself is obviously fixed and stable. In “Puppy” the artist assembled a huge metal frame in the shape of a puppy and covered it with thousands of blooming flowers sustained by an irrigation system within the frame. [cit.] This may be sufficient fixation for copyright (we venture no opinion on the question), but Wildflower Works is quite different. It is quintessentially a garden; “Puppy” is not.

In short, Wildflower Works presents serious problems of authorship and fixation that these and other examples of conceptual or kinetic art do not. Because Kelley’s garden is neither “authored” nor “fixed” in the senses required for basic copyright, it cannot qualify for moral-rights protection under VARA.

5. Site-specific art, and the public-presentation and building exceptions.

This case also raises some important questions about the application of VARA to site-specific art, as well as the statute’s public-presentation and building exceptions. Though we need not decide these questions, we do have a few words of caution about the district court’s treatment of the issue of VARA and site-specific art. The court classified Wildflower Works as a form of site-specific art; we see no reason to upset this factual finding. The court then adopted the First Circuit’s holding in Phillips that site-specific art is categorically excluded from VARA. This legal conclusion is open to question.

Phillips involved a VARA claim brought by artist David Phillips in a dispute over a display of 27 of his sculptures in Boston’s Eastport Park across from Boston Harbor. Phillips v. Pembroke Real Estate, Inc., 459 F.3d 128, 130 (1st Cir. 2006). A planned redesign of the park called for the removal and relocation of Phillips’s sculptures; he sought an injunction under VARA, claiming the removal of his sculptures would violate his right of integrity. Id. at 131. The district court held that although the sculptures qualified as a single integrated work of visual art, park administrators were entitled to remove them under VARA’s public-presentation exception. Id. at 138-39. The First Circuit affirmed on alternative grounds, holding that VARA does not apply to site-specific art.

The court based this holding on a perceived irreconcilable tension between the public-presentation exception and the purpose of site-specific art: “By definition, site-specific art integrates its location as one of its elements. Therefore, the removal of a site-specific work from its location necessarily destroys that work of art.” Id. at 140. Under the public-presentation exception, a modification of a work of visual art stemming from a change in its “public presentation, including lighting or placement,” is not actionable unless it is caused by gross negligence. If VARA applied to site-specific art, the First Circuit reasoned, then the statute would “purport[ ] to protect site-specific art” but also “permit its destruction by the application” of the public-presentation exception. Id. The court held that “VARA does not protect site-specific art and then permit its destruction by removal from its site pursuant to the statute’s public presentation exception. VARA does not apply to site-specific art at all.” Id. at 143.
There are a couple of reasons to question this interpretation of VARA. First, the term “site-specific art” appears nowhere in the statute. Nothing in the definition of a “work of visual art” either explicitly or by implication excludes this form of art from moral-rights protection. Nor does application of the public-presentation exception operate to eliminate every type of protection VARA grants to creators of site-specific art; the exception simply narrows the scope of the statute’s protection for all qualifying works of visual art. The exception basically provides a safe harbor for ordinary changes in the public presentation of VARA-qualifying artworks; the artist has no cause of action unless through gross negligence the work is modified, distorted, or destroyed in the process of changing its public presentation.

Second, Phillips’s all-or-nothing approach to site-specific art may be unwarranted. Site-specific art is not necessarily destroyed if moved; modified, yes, but not always utterly destroyed. Moreover, some of VARA’s protections are unaffected by the public-presentation exception. An artist’s right of integrity can be violated in ways that do not implicate the work’s location or manner of public presentation; site-specific art—like any other type of art—can be defaced and damaged in ways that do not relate to its public display. And the public-presentation exception does nothing to limit the right of attribution, which prevents an artist’s name from being misappropriated.

Then there is the matter of the building exception, which applies to works “incorporated in or made part of a building in such a way that removing the work from the building will cause the destruction, distortion, mutilation, or other modification of the work.” 17 U.S.C. § 113(d)(1)(A). These works do not get moral-rights protection if the artist: (1) consented to the installation of his work in the building (if pre-VARA); or (2) executed a written acknowledgment that removal of the work may subject it to destruction, distortion, mutilation, or modification (if post-VARA). Id. § 113(d)(1)(B). On its face this exception covers a particular kind of site-specific art. Its presence in the statute suggests that site-specific art is not categorically excluded from VARA.8

These observations are of course general and not dispositive. Because we are resolving the VARA claim on other grounds, we need not decide whether VARA is inapplicable to site-specific art.

...[Affirmed as to the VARA claim.]

8 The Park District argued that the building exception applied to Wildflower Works because the garden is located on top of the Monroe Street parking garage and accommodates the air vents that provide ventilation to the garage below. This strikes us as something of a reach. Wildflower Works is not “incorporated into” or “made part of” the parking garage; it is situated on top of it.
PART V

SUI GENERIS REGIMES
A. EUROPEAN DESIGN RIGHTS

1. INTRODUCTION


The EU legislation in combination addresses three different rights:

(1) The Registered Community Design Right;
(2) The Unregistered Community Design Right; and
(3) The national registered design rights that must exist under the laws of each member state once the member state implements the provisions of the Directive.

The basic principles underlying the Regulation and the Directive are the same and govern all three of these types of rights. The Regulation provides a producer with two separate, but related, EU-wide rights with which to protect its design: a Registered Community Design right, and an Unregistered Community Design right. The scope of the Directive, however, was less ambitious than that of the Regulation: although it sought to harmonize national registered design laws, it
neither required member states to introduce unregistered design right protection at the national level, nor obliged the United Kingdom to make amendments to its existing unregistered design law. Accordingly, differences may still exist between forms of unregistered protection that exist at the national level (including not only unregistered design rights proper, but protection afforded by “slavish imitation” doctrines or copyright law). Although this chapter focuses on the regime installed by the European legislation, it also includes several comparative references to these other forms of protection. In particular, we have noted several aspects of the UK unregistered design right, which differs in several respects from the Unregistered Community Design but is clearly one of its forerunners.

**RESPONSES TO THE COSTS OF REGISTRATION**

To accommodate the concerns of industry regarding the costs and delay of design registration, the Regulation contains two departures from a full-blown registration system. First, the Unregistered Design Right has been included as an integral part of the EU-wide solution. Most member states had some form of registered design protection already—and those that did not (e.g., Greece) were required by the parallel Design Directive to establish such protection. But the introduction of the Unregistered Community Design right was an innovation, if one that is based largely on a similar right first introduced in the United Kingdom in 1988. The purpose of providing protection without registration was to accommodate industries that develop large numbers of designs, only a few of which are commercially exploited and whose products are short lived. For these industries, such as fashion and textiles, almost any registration process will remain an overly expensive, unduly time-consuming, and not particularly helpful proposition. The registration process, particularly if it involves a substantive examination, ordinarily extends beyond the commercial life of the design. For these industries, some form of automatic short-term protection against unauthorized reproduction is necessary (and largely sufficient). Second, the registration system is a “passive” registration (or deposit) system. OHIM checks applications only for obviously inappropriate subject matter and formal deficiencies. See Official Commentary on Proposed Article 48, in Explanatory

* The use of passive registration mirrored the nature of the examination under design laws then in place in several countries of the European Union. For example, the registration proceedings in the Benelux countries did not involve substantive examination, nor did those in France, Italy, and Spain. The United Kingdom authorities did examine for substantive compliance with the requirements of their act. The concerns of industry regarding the costs and delay of design registration have largely been addressed in the regulation, where unregistered rights will be available and community-level registered rights will be granted after a relatively cursory examination. Accordingly, the directive did not compel member states (such as the United Kingdom) to dismantle any system of substantive examination used under their registered design laws.
Memorandum Accompanying the Proposal for a European Parliament and Council Regulation on the Community Design, COM(93) 342 final-COD 463 (Brussels, 3 Dec. 1993). Indeed, over the course of the evolution of the proposals, the abolition of substantive examinations appears to have become a priority in the thinking of the European Commission. An application for Community Design Registration may be filed at the Community Design Office or at the central industrial property office of a member state. See Regulation, art. 37. Generally, the registration of the design leads to its publication. Provision is made, however, for the possibility of deferred publication in order to maintain the secrecy of the design. See Regulation, arts. 49, 50.

**RELATIONSHIP BETWEEN REGISTERED & UNREGISTERED EU-WIDE RIGHTS**

Assertion of rights under the unregistered community design system does not prevent application for a Registered Community Design. The two forms of protection are granted on the same conditions and are subject to the same exclusions; as a general matter, any design that could be registered will be entitled to unregistered design protection. Indeed, one of the benefits of the structure put in place by the Regulation is the ability of the producer to test the design in the marketplace with the protection offered by the unregistered design right and, if the design proves successful, within one year (the applicable grace period) to seek registration of that design. See Regulation, art. 7(2) (grace period of one year relevant to assessing novelty and individual character in the case of a Registered Community Design application).

The substantive provisions governing eligibility for protection under the Regulation—in either unregistered or registered form—are intended to mirror those made applicable to national registered designs by the Directive. The primary differences between the registered and unregistered rights relate to the date of commencement of protection, and the term and scope of protection obtained. The unregistered protection subsists upon the design being made available to the public within the European Union, whereas registered protection runs from the date of the filing of an application for registration. See Regulation, arts. 12-13. Like most registered design laws, registration will confer upon the holder the exclusive right to use the design and to prevent the unauthorized third party use of the design or designs that do not produce “on the informed user a different overall impression.” Directive, arts. 9, 12. However, although the rights conferred by a design registration are in the nature of monopoly rights, the owner of the unregistered community design secures only the right to prevent the use in question if it results from copying the protected design. See Regulation, art. 19(2). That is to say, independent creation is a defense in an action for infringement of an unregistered, but not a registered, design. See Explanatory Memorandum Accompanying the Amended Proposal for a Council Regulation on Community Design, COM(2000)660 final/2 (Nov. 23, 2000) at 4. Unregistered protection lasts for
three years; however, because the conditions for protection do not vary as between registered and unregistered designs, each design protected for three years can, by timely registration, receive protection of a patent-like nature for up to twenty-five years. See Regulation, arts. 12-13.

**DEFINITION OF DESIGN**

For the purpose of both instruments, design is defined as “the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation.” Directive, art. 1(a); Regulation, art. 3(a); see also Regulation, art. 3(b) (defining “product” broadly and including “packaging” in that definition). The most important aspect of the definition of design, however, is what it does not include: it contains no reference to the aesthetic or the functional nature of the design. The United Kingdom had addressed this issue in 1988 in the enactment of its unregistered design legislation—which protected aesthetic and functional designs alike—but prior to the Directive UK law still did distinguish between aesthetic and functional designs by limiting registered protection to those designs that had “eye-appeal.” The EU instruments went further than the UK reforms by requiring the registered design laws of member states to protect the external appearance of a product whether that appearance is pure decoration, has no aesthetic content, or is a combination of functional and aesthetic elements. There was no intention to restrict these new protections to designs that appeal to the eye. Instead of confining protection by restricting the universe of protectable subject matter, the Directive required the registered design laws of member states to circumscribe protection through application of prescribed thresholds and exclusions.

**NOTES AND QUESTIONS**

1. *Two & three-dimensional ‘designs’.* The definition of design in the Design Directive and Regulation includes two- and three-dimensional designs. Thus, both EU-wide rights and national registered design rights can protect either form of design. In contrast, the 1988 UK reforms, on which to some extent the EU legislation was patterned, did make some distinction between two- and three-dimensional designs with respect to unregistered design protection. See Copyright, Designs & Patents Act 1988, §213(2) (defining “design” for purposes of UK unregistered design protection as the “design of any aspect of the shape or configuration (whether internal or external) of the whole or part of an article”) (emphasis added); id. at §213(3)(c) (excluding “surface decoration” from UK unregistered design right). Generally, three-dimensional designs are amenable to UK unregistered design right protection, and surface decoration can instead be protected by copyright law. See Dyson Ltd. v. Qualtex (UK) Ltd., [2006] EWCA Civ. 166 at ¶76. In the United States, the separability requirement makes two-
dimensional designs more apt to receive copyright protection than three-dimensional designs. Are there reasons to treat two- and three-dimensional designs differently?

2. Unregistered rights. If the Commission wished to create automatic short-term protection against unauthorized copying, what options were available to it? Why do you think it chose to introduce the (relatively new) concept of an unregistered design right? What dangers flow from granting industrial property rights without registration? Do these justify insisting on registration before protection?

3. Claiming an unregistered design. The definition of design in the European instruments encompasses the whole or part of a product; the part of the product whose design seeks protection need not have a commercial life of its own. This affords substantial latitude to the claimant to strategically define its design in numerous ways, including and excluding different parts of the product and combinations thereof. This is particularly useful in the context of unregistered design right, where the design is first identified in the context of litigation when the nature of the accused product is known. The UK courts have confirmed that (at least in the context of the original UK unregistered right, which protected any aspect of a part of a product) that it is acceptable for the plaintiff to define its design in this fashion. See A Fulton Co. v. Totes Isotoner, [2004] R.P.C. 16 (CA 2003) (UK); cf. Dyson Ltd. v. Qualtex (UK) Ltd., [2006] EWCA Civ. 166 at ¶22 (noting lack of similar flexibility in copyright law). While unregistered design regimes will always have some inherent public notice problems, the allowance of partial claiming compounds the regime’s potential for abuse. Indeed, the UK recently passed a bill that was intended to deal with this problem by amending its definition of an unregistered design. Compare Copyright, Designs & Patents Act, 1988, §51 (defining ‘design’ as “the design of any aspect of the shape or configuration (whether internal or external) of the whole or part of an article, other than surface decoration”), with Intellectual Property Act, c. 18, §1 (May 14, 2014) (omitting the terms “any aspect of” from Section 51 of the CDPA’s definition of an unregistered design). Should European courts incorporate such concerns into unregistered design right doctrine? See Dyson Ltd. v. Qualtex (UK) Ltd., [2006] EWCA Civ. 166 at ¶122 (“it will be important that the claimant should identify with precision each and every ‘design’ he relies upon. Just claiming design rights in parts, for instance, will not do—each aspect said to constitute a ‘design’ should be spelt out. This will focus minds from the outset. Well-advised claimants will confine themselves to their best case ‘designs.’”).

4. Grace period for registration. An important feature of the European regime is that the producer can market products embodying a design and make a decision whether to seek a Registered Community Design based on market response. Prior to filing for registered design protection, the producer can rely on Unregistered Community Design right. To make this work, the Regulation and Directive provide for a one-year grace period, which prevents the designer’s disclosure (or
their successor in title) from counting as prior art when determining whether the design meets the regime’s thresholds for protection. *See* Regulation, art. 7(2) (discussed in greater detail in the next section). As you’ll recall from Chapter 5, though it operates differently, US design patent law contains a grace period incorporated from US utility patent law. European utility patent law contains no such grace period. *See* European Patent Convention, arts. 54-55. Yet, European registered design law contains such a grace period. Why might European law treat utility patents differently from designs on this question, whereas US law recognizes no such distinction?

5. **Treatment of non-EU designers.** The UK government took the position that it could condition its (national) unregistered design right on reciprocal protection without violating its obligations under either the Paris or Berne Conventions. *See* CHRISTINE FELLNER, *INDUSTRIAL DESIGN LAW* 125-126 (1995) (explaining reasoning of the UK government); *see also* The Design Right (Reciprocal Protection) (No. 2) Order 1989, S.I. 1989, No. 1294 (not listing the United States or Japan as a country to whose nationals protection will be extended); Copyright, Designs & Patents Act 1988, §§217-220 (limiting availability of right by reference to nationality of designer or employer or commissioner or circumstances of first marketing); Intellectual Property Act 2014, §3 (simplifying §§217-220 of the CDPA and broadening the first marketing qualification by omitting the requirement that it be done with exclusive marketing rights in the UK). Although the TRIPS Agreement retained the exceptions to national treatment found in the Paris and Berne Conventions, *see* art. 3, commentators have suggested that the MFN obligations contained in Article 4 should void such conditions of material reciprocity. *See* J.H. Reichman, *Universal Minimum Standards of Intellectual Property Protection under the TRIPS Component of the WTO Agreement*, 29 INT’L LAW 345, 349 n.27 (1995). The spirit of the TRIPS Agreement (and the Paris Convention) would suggest that design rights should be available on a national treatment basis, and that is accepted in the EU-wide regime. Would you support conditioning the Community rights on reciprocity?

6. **Cumulation & copyright.** The relationship between copyright and industrial design has always been a tumultuous one. At the time when the Community Design Directive was passed, some member states denied industrial designs protection in copyright altogether, some allowed for protection under both copyright and design regimes, and others theoretically allowed for both but used restrictions that channeled designs out of copyright (e.g., term limits, production limitations, subject matter restrictions, and separability requirements). Instead of trying to limit industrial design protection to sui generis design regimes or trying to harmonize national copyright laws that protected design, the Commission left the issue open to member states in order to achieve its more practical goal of harmonizing registered design regimes (and the eventual implementation of a Community-wide design right). Indeed, this political imperative was enshrined in Recital 8 of the Directive:
In the absence of harmonisation of copyright law, it is important to establish the principle of cumulation of protection under specific registered design protection law and under copyright law, whilst leaving Member States free to establish the extent of copyright protection and the conditions under which such protection is conferred.

Design Directive, Recital 8 (emphasis added). See also Design Regulation, Recital 32 (almost identical). Nevertheless, some ambiguous wording in its implementing article has led to confusion in the EU about the relationship between national registered design and copyright regimes. According to Article 17 of the Directive:

A design protected by a design right registered in or in respect of a Member State in accordance with this Directive shall also be eligible for protection under the law of copyright of that State as from the date on which the design was created or fixed in any form. The extent to which, and the conditions under which, such a protection is conferred, including the level of originality required, shall be determined by each Member State.

Design Directive, art. 17 (emphasis added). See also Design Regulation, art. 96(2) (similar in substance). Ignoring a mountain of legislative history indicating that the Design Directive left the issue of cumulation of copyright and design right to member states, the Court of Justice in Flos Spa v. Semeraro Case e. Famiglia SpA, held that Article 17 should be interpreted as precluding member states from implementing legislation that excludes copyright protection from designs that meet the requirements for registered design protection under the Directive. [2011] ECDR 8 at ¶44 (ECJ 2011). See generally Lionel Bently, The Return of Industrial Copyright, 34 EIPR 654 (2012) (providing a more thorough account of the problems with the Court of Justice’s reasoning).

In Flos, the Court of Justice was faced with determining the permissibility of a series of amendments to Italian design and copyright laws. Assuming that Article 17 of the Design Directive demanded copyright protection for industrial designs, the Italian legislature: removed its separability requirement, extended protection retroactively to (newly) copyrightable designs that would still be under protection if separability was never required, but implemented a 10-year moratorium on their enforcement against firms that marketed or produced them while they were in the public domain. Id. at ¶15-17. In short, now that Flos’s famous Arco lamp* had been resurrected from the public domain, it was challenging the terms of the moratorium because it wanted to immediately enforce its new copyright against Semeraro and other third-party manufacturers.

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* The image comes from THE SOCIAL DESIGN MAGAZINE, and is available at: http://www.socialdesignmagazine.com (Creative Commons License 3.0) (last visited Jul. 2, 2014).
Before it could deal with the issue of the moratorium, however, the court needed to address the legality of two separate scenarios where copyright under the new Italian law could now be claimed in designs that were in the public domain when the Design Directive was passed: (1) designs that were never registered (such as the Arco lamp), and (2) designs that were once registered but had since fallen into the public domain.

Turning to the first scenario, the court acknowledged that Article 17 was silent about whether copyright protection must be extended to designs that were never registered under national design regimes before the Design Directive’s passage. See Design Directive, art. 17 (beginning with the condition, “A design protected by a design right registered …”). Relying on the InfoSoc Directive—which was largely intended to implement a series of WIPO treaties dealing with copyright issues on the internet, and did not address copyrightable subject-matter—the court reasoned:

[I]t is conceivable that copyright protection for works which may be unregistered designs could arise under other directives concerning copyright, in particular [(InfoSoc)] Directive 2001/29, if the conditions for that directive’s application are met, a matter which falls to be determined by the national court.

[2011] ECDR 8 at ¶34. Although the court did not elaborate, it appeared to rely on the InfoSoc Directive to support the argument that these unregistered designs could be protected if they met the member state’s requirements for copyright protection—including, most notably, subject-matter eligibility. See also InfoSoc Directive, art. 19 (“This Directive shall be without prejudice to provisions concerning in particular patent rights, trade marks, design rights, utility models …”). Its reliance on the InfoSoc Directive is puzzling, but the assumption here is that copyright protection can be granted to these unregistered designs whether or not they meet the substantive requirements for registered design protection under the Directive. Perhaps most surprising—and relevant to both scenarios—the court
never directly addressed the legality of retroactively extending copyright protection to works that were once in the public domain.

Turning to the second scenario, the court had to decide whether it was appropriate to extend copyright protection to designs whose registrations had lapsed (but were capable of meeting the requirements for protection under the Design Directive). The court acknowledged that the second sentence of Article 17 (see above) could be interpreted as reserving the choice for member states whether to protect designs through copyright altogether, but it felt the first sentence (see above) squarely pointed in the opposite direction:

[I]t is clear from the wording of Article 17 of Directive 98/71, and particularly from the use of the word ‘also’ in the first sentence thereof, that copyright protection must be conferred on all designs protected by a design right registered in or in respect of the Member State concerned.

Id. at ¶37. Given this reading, the court interpreted the second sentence in Article 17 as meaning that if the once registered design could meet the requirements for protection under the Design Directive, then it must be eligible for copyright protection just like any other copyrightable work. This conclusion was at odds with member state laws that made it uniquely difficult for industrial designs to obtain copyright protection, but it helped strengthen the argument that these designs in the public domain should now be protected by copyright—the assumption being, they should have always been protected.

Next, the court quickly dispensed with the argument that the second sentence of Article 17 (see above) could be used to limit a design’s new copyright term, holding that the term of protection was already determined by the EU’s Term Directive, which provides ‘literary and artistic works’ with a term of protection that runs for 70 years after the author’s life. Id. at ¶39. While the Term Directive did not address subject-matter eligibility, it does define ‘literary and artistic’ works through incorporation of the Berne Convention—which expressly includes works of applied art in its definition of protectable ‘literary and artistic’ works. Council Directive 93/98/EEC of 29 October 1993 on Harmonizing the Term of Protection of Copyright and Certain Related Rights, O.J. L 290 (Oct. 29, 1993). Nevertheless, the Court of Justice failed to acknowledge that the same article in the Berne Convention reserves the decision for member states to select whether even to protect works of applied art via copyright. Berne Convention For The Protection of Literary And Artistic Works, art. 2(7) (“it shall be a matter for legislation in the countries of the Union to determine the extent of the application of their laws to works of applied art and industrial designs and models …”); see also id. at 7(4).

Now that the court had decided that it was permissible to revive these works from the public domain under both scenarios, it was finally ready to determine the legality of Italy’s 10-year moratorium on the enforcement of the newly copyrightable designs against firms that marketed or produced them while they were in the public domain. Since the Design Directive is understandably silent
about the term and enforcement of national copyright protection for industrial designs, the court focused on whether the moratorium was disproportionally harsh on copyright holders, finding:

… 10 years does not appear to be justified by the need to safeguard the economic interests of third parties acting in good faith, since it is apparent that a shorter period would also allow the part of their business that is based on earlier use of those designs to be phased out and, even more so, their stock to be cleared.

[2011] ECDR 8 at §62. As a result, Italy had to amend its moratorium to something more narrowly tailored.

In response to the Court of Justice’s ruling in *Flos*, the UK recently amended its law. *Enterprise & Regulatory Reform Act, c. 24 §74* (Apr. 25, 2013) (repealing Section 52 of the CDPA which limited copyright protection in the UK to 25 years for certain types of mass-produced industrial designs). Do you think it should have? *Cf.* *Golan v. Holder*, 132 S. Ct. 873 (2012). Besides a longer term, what might national copyright protection offer designers that unregistered Community design protection does not?

7. Cumulation & other IPRs. In the wake of *Flos*, while some member states are questioning the relationship between their registered design and copyright regimes, there is no uncertainty about the other potential areas of overlap. According to Article 16 of the Design Directive:

> The provisions of this Directive shall be without prejudice to any provisions of Community law or of the law of the Member State concerned relating to unregistered design rights, trade marks or other distinctive signs, patents and utility models, typefaces, civil liability or unfair competition.

*See also* Design Directive, Recital 7. As a result, industrial design’s intricate web of potentially cumulative national intellectual property rights was left untouched. This has led to some rather odd results within sui generis design regimes. More specifically, because the Directive only mandated the harmonization of registered design regimes, member states’ unregistered design regimes still have autonomy. *See* Graeme B. Dinwoodie, *Federalized Functionalism: The Future of Design Protection in Europe*, 24 AM. INTELL. PROP. L. ASS’N Q.J. 611, 645 (1996). For example, in the UK, there are now unique substantive differences between their national registered and unregistered design regimes—covering different subject matter and applying different thresholds for protection. *Compare* 2001 No. 3949 Registered Designs Regulations 2001, §2, *with* Copyright, Designs & Patents Act, 1988, c. 48, §213. Do you think member states should be forced to harmonize all their forms of unregistered design protection? Now that Community-wide design rights are available, do we even need a national unregistered design regime (or a national registered design regime, for that matter)? Beyond the obvious political difficulties, are there other reasons why member states might want to tailor their
unregistered design regimes? CONSULTATION ON THE REFORM OF THE UK DESIGNS LEGAL FRAMEWORK 8 (2012). Has that changed after Flos?

8. OHIM. While OHIM has only accepted applications for a little over a decade, it is already one of the busiest design offices in the world. In 2012, only SIPO, KPO, USPTO and JPO received more applications. WORLD INTELLECTUAL PROPERTY INDICATORS 143 (WIPO Economics & Statistics Series 2013). Located in Alicante, Spain, OHIM handles applications for both Community designs and Community trademarks. By comparison with design patent examination at the USPTO, OHIM only examines its Community design applications to ensure they meet formal filing requirements, fit the Regulation’s definition of a ‘design’, and are not contrary to morality or public policy. See Design Regulation, arts. 45, 46 & 47. Once designs are registered, however, members of the public may challenge their validity on substantive grounds in Community design courts or at OHIM (substantive grounds are detailed in the following sections). Within OHIM, its Invalidity Division handles these applications for declarations of invalidity, and any subsequent appeals are heard by its Board of Appeals. See Design Regulation, arts. 55-60. The Community Design Regulation also further links OHIM’s internal appellate structure to the EU’s highest court of law—allowing for appeals to the General Court, and eventually to the Court of Justice of the European Union. See Design Regulation, art. 61; Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community, signed at Lisbon, 13 December 2007, arts. 2(A)(2) & 9(F).

9. Link to the Hague Agreement. As of January 3, 2008, a Registered Community Design can serve as the basis for an application under the Hague Agreement mentioned in Chapter 1. Likewise, applicants in other Hague countries—such as the United States—can designate the European Union as a territory in which protection is sought via the Hague mechanism. Cf. Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs, art. 27(1)(ii) (July 2, 1999).

2. Thresholds for Protection

The thresholds for Community design protection follow a common structural model: a two-step test that assesses (1) whether the design is different from other designs, and (2) whether the development of the design beyond prior designs involves more than minimal creativity on the part of the designer. More specifically, to obtain protection, a design must be new, and have individual character. See Directive, art. 3(2); Regulation, art. 4(1).

A design is novel if no identical design or immaterially different design has been previously made available to the public at the date of the filing of its application or, if priority is claimed, the date of priority (or the date the design was made available to the public, in the case of an unregistered design). See Directive,
art. 4; Regulation, art. 5; cf. Regulation, art. 11 (term of protection for unregistered right commences on date on which “design was first made available to the public in the Community”). Throughout the legislative process, the Commission intended for the novelty requirement to be a less difficult standard than the utility patent requirement of the same name. However, an absolute novelty standard—having regard to prior art anywhere—was ultimately enacted. See Directive, art. 6; Regulation, art. 7. Despite its breadth, the Directive and Regulation include a “safe-guard clause” that do not allow for the use of prior art that might be too obscure to a Community-based designer. Id. That clause is discussed in the Green Lane case, excerpted below.

To avoid protecting designs that differ only in small details from the prior art, a supplementary threshold was instituted. A design will be protected only if it possesses “individual character.” This is the concept that truly sets the outside parameters of prima facie protection. A design shall “be considered to have an individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design which has [previously] been made available to the public.” Directive, art. 5; Regulation, art. 6. Although the “individual character” standard is somewhat vague, the legislation explicitly mandates consideration of the degree of freedom that the designer enjoyed in developing the design. That is to say, in a crowded field a smaller advance from prior designs will more easily warrant the conclusion of individual character. See Directive, art. 5(2); Regulation, art. 6(2). Of course, the scope of protection that such designs receive will be correspondingly limited; if there is little room for exceptional creativity on the part of the first designer, he cannot be heard to complain if the same restrictions compel a later designer to create a design that bears a resemblance to his in some respect. See Directive, art. 9(2); Regulation, art. 10(2).

COMMUNITY DESIGN REGULATION

Article 5: Novelty

1. A design shall be considered to be new if no identical design has been made available to the public:

   …

2. Designs shall be deemed to be identical if their features differ only in immaterial details.

Article 6: Individual Character

1. A design shall be considered to have individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design which has been made available to the public:

   …
2. In assessing individual character, the degree of freedom of the designer in developing the design shall be taken into consideration.

**Article 7: Disclosure**

1. For the purpose of applying Articles 5 and 6, a design shall be deemed to have been made available to the public if it has been published following registration or otherwise, or exhibited, used in trade or otherwise disclosed, before …[its priority date], except where these events could not reasonably have become known in the normal course of business to the circles specialised in the sector concerned, operating within the Community. The design shall not, however, be deemed to have been made available to the public for the sole reason that it has been disclosed to a third person under explicit or implicit conditions of confidentiality.

...
(3) PMS marketed spiky plastic balls (made in China from a tool created for PMS) extensively in the EU from 2002. They were sold as massage balls, not as laundry balls. They look like this:

(4) In 2006 PMS decided to sell its balls (of exactly the same design as its massage balls) for other purposes too. One of these purposes is as a laundry ball, but other packages are marked “Massage, Hand Exerciser, Easy-Catch Toy, Dog Trainer.”

Green Lane says PMS will infringe its CRDs if they continue to sell their product for anything other than use as a massage ball. PMS says the CRDs are invalid by reason of their prior sale of their massage balls. Green Lane says: (a) that such prior art is irrelevant as a matter of law and (b) even if it is relevant, their CRDs are nonetheless valid. We are concerned only with the first of these points. …

Green Lane says that the extent of its rights under its CRDs [is] defined by Art. 10—any article, whatever its intended purpose, will infringe unless it does not produce on the informed user a different overall impression. The only reason why
continued sales by PMS of balls for massage purposes do not infringe is that such sales are protected by Art. 22. Even then such sales are protected only to the extent provided by that Article.

PMS says the design registrations are not “new” within the meaning of Art. 5 or do not have “individual character” within the meaning of Art. 6. They say this is so because of their own prior sales in the European Union of what, for all practical purposes, is the very design complained of. In short they say the design is old.

Now absent Art. 7 one would say that PMS are right: that a design cannot be “new” or have “individual character” if it is the same or practically the same as an article previously used in trade. But, say Green Lane, a design may be new or have individual character even if it is [in] fact old: Art. 7 says that a prior design is not taken to be made available to the public, even if it in reality was, where:

... [T]hese events [i.e., prior use in trade] could not reasonably have become known in the normal course of business to the circles specialised in the sector concerned, operating in the Community.

And, says Green Lane, the “sector concerned” means the sector for which the design was registered, not the sector of the alleged prior art.

Lewison J. rejected that submission. He ruled that:

1. ‘The sector concerned’ within the meaning of Article 7 of the Regulation is the sector that consists of or includes the sector of the alleged prior art.

2. ‘The circles specialised in the sector concerned, operating within the Community’ within the meaning of Article 7 of the Regulation are capable of consisting of all individuals who conduct trade in relation to products in the sector concerned, including those who design, make, advertise, market, distribute and sell such products in the course of trade in the Community.

I would uphold that ruling, ...

The Language of Article 7 Itself

I start first simply with the language of the first sentence of Art. 7 itself:

For the purpose of applying Articles 5 and 6, a design shall be deemed to have been made available to the public if it has been published following registration or otherwise, or exhibited, used in trade or otherwise disclosed, before ..., except where these events could not reasonably have become known in the normal course of business to the circles specialised in the sector concerned, operating within the Community.

As Ward L.J. observed during the course of oral argument, if that is read alone, the only “circles” which could be referred to are those of the prior art—those in which the design has been “exhibited, used in trade or otherwise disclosed”. One looks to see, therefore, whether the context or the purpose or the travaux indicate
any other meaning. I think they most certainly do not—that they are all confirmatory of the meaning when the sentence is read on its own.

The Context of the Language

[T]urning now to the requirements for protection, the basic rule is that a design must be “new” and have “individual character” (Art. 4(1)). Article 5 elaborates on what is meant by “new” and Art. 6 on what is meant by “individual character”. In both cases the test involves consideration of an earlier design, that is, a design which “has been made available to the public.”

This is a clear incorporation of a key concept and well-known language of patent law defining the prior art which may be used to attack validity of a patent. An invention is “new” if it is not part of the “state of the art”. The “… state of the art shall be held to comprise everything made available to the public by means of a written or oral description, by use, or in any other way before [the relevant date]” (see Art. 54 of the European Patent Convention). I shall use the expression conventionally used for this test: “absolute novelty.”

From time to time people have wondered whether the absolute novelty test in patent law is not a little harsh—it covers for instance a fanciful example I made up some time ago—a disclosure in a document written in Sanskrit and misplaced in the children’s section of Alice Springs’ public library is one which is “made available to the public.”

[However, a] bright-line workable rule … has served the test of time. Expensive investigation of not only whether a piece of prior art was known but how well known it was is obviated. The small price of the occasional harsh decision is well worth it for the sake of a cohesive and predictable system.

This clear rule, which so far as I am aware, is virtually standard for patent systems throughout the world, not only for identifying prior art available to attack novelty but also that for basing an obviousness attack. …

Both sides accept that “made available to the public” in the conventional patent law sense is also the basic rule for identifying prior art which may be considered for the purpose of attacking the validity of designs. The question is what is the meaning of the exception?

Before moving on it should be noted that the same rule and the same exception applies both to UDRs and CDRs. And of course that the same design can be the subject of both kinds of right is an important part of the architecture [of the Regulation].

I go back to the architecture. The next thing to consider is the basic scope of protection. This is provided by Art. 10(1): “any design which does not produce on the informed user a different overall impression.” The acts prevented (broadly commercial use) are set out in Art. 19(1). In the case of CDRs the right is a true monopoly, but in the case of UDRs the right is limited to cases of copying.
It is particularly important to realise that the scope of protection covers any use of the design for article [sic], whatever its intended purpose. The scope provision, unlike for instance the previous law of the United Kingdom (s. 7 of the Registered Designs Act 1949) does not limit infringement to “articles for which the design is registered” or anything like that. So if you register a design for a car you can stop use of the design for a brooch or a cake or a toy, or if you register a textile design you can stop its use on wallpaper, a shirt or a plate.

Having provided in effect that any commercial use will infringe, the Regulation goes on to provide exceptions. The Art. 20 exceptions are in part taken from similar exceptions to patent infringement set out in the (unimplemented) Community Patent Convention 1975. Article 21 provides for exhaustion of rights, corresponding to Art. 7 of Directive 89/104 to approximate the laws of the member states relating to trade marks [1989] OJ L40/1 (the Trade Marks Directive) and Art. 28 of the Community Patent Convention. Article 22 provides for a right of prior use.

UDRs are short term. They last for three years “as from the date on which the design was first made available to the public in the Community” (Art. 11). Note that the same expression “made available to the public” is used as in the test for identifying the prior art. The term of CDRs is much longer, a maximum of 25 years.

The point of the short-term protection for UDRs is twofold. The first is explicitly referred to in recital (16) — for products having a short market life there is no need to register. The second is as a result of Art. 7(2). This provides a “grace” period of 12 months. It works this way. If the designer markets his design and within a year thereafter applies to register it, his earlier disclosure of the design does not count as prior art. This has the benefit that he can see how his design is initially received by the market — if well he can go on to register it, if not he need not bother.

The next part of the architecture is the conditions for invalidity. Article 25 sets out the possible grounds of invalidity and says these are the only such grounds. …

The last part of the architecture which it is necessary to consider is some of Title IV, Application for a Registered Community Design. Article 36 sets out what the application “shall contain.” Besides what are clearly important but clearly only administrative matters such as requirements for an application, identification of the applicant and a representation of the design, Art. 36(2) says: “The application shall further contain an indication of the products in which the design is intended to be incorporated or to which it is intended to be applied.” A lot of the argument revolves around this provision.

Article 36 also specifies some optional matters to be included in the application. These include: “[3](d) the classification of the products in which the design is intended to be incorporated or to which it is intended to be applied according to class.”
It is necessary to explain what is meant by “classification … according to class.” There is an international agreement called the “Locarno Agreement Establishing an International Classification for Industrial Designs”, originally signed in 1968. The idea is to have a single internationally agreed classification for industrial designs by classes, subclasses, a detailed list of goods in which designs are incorporated and an indication of the classes and subclasses into which they fall. There is a similar, older, system for trade marks (the Nice Agreement).

Article 2(1) of Locarno says this:

Subject to the requirements prescribed by this Agreement, the international classification shall be solely of an administrative character. Nevertheless, each country may attribute to it the legal scope which it considers appropriate. In particular, the international classification shall not bind the countries of the Special Union as regards the nature and scope of the protection afforded to the design in those countries.

Article 36 contains further administrative matters (about fees and so on) and concludes with the following: “6. The information contained in the elements mentioned in paragraph 2 and in paragraph 3(a) and (d) shall not affect the scope of protection of the design as such.”

... 

The Recital (14) Argument*

[The] main argument [for the claimant] is that recital (14) compels one to the conclusion that the circles of the Art. 7 exception must be those for which the design was registered, or, in the case of a UDR, the circles into which the holder of the right sold his product …

What [counsel for claimant] submits is that the “individual character” test of Art. 6 is to be performed by the “informed user”. Recital (14) requires this notional person to consider “the existing design corpus”, “the nature of the product to which the design is applied”, “the industrial sector to which it belongs.” All these things, he submits, only make sense if the sector concerned is that for which the design is registered. As [counsel for claimants] put it: “the informed user cannot be expected to be informed across a whole myriad of different sectors.”

I accept that there are real difficulties about recital (14). But I think [counsel for defendants] is right and clearly so, in submitting that they do not arise so far as Art. 7 is concerned. The exception simply rules out certain prior art from being

* Ed. Note: The text of EU legislation contains a series of recitals by way of preamble. Recital 14 specifically states: “The assessment as to whether a design has individual character should be based on whether the overall impression produced on an informed user viewing the design clearly differs from that produced on him by the existing design corpus, taking into consideration the nature of the product to which the design is applied or in which it is incorporated, and in particular the industrial sector to which it belongs and the degree of freedom of the designer in developing the design.”
considered at all, either for the purposes of novelty (in relation to which the informed user plays no part) or for the purposes of “individual character”. Whatever the informed user should be considering and whatever his notional attributes is not material to the inquiry as to what prior art is to be excluded. The informed user only comes in once the prior art to be considered is identified.

I think this is confirmed by a series of considerations all going one way:

(i) Article 36 (the administrative provisions) both on its own and when considered in relation to the grounds of invalidity;
(ii) the travaux préparatoires in relation to Art. 7; and
(iii) the otherwise irrational results, results which are not obscure or unrealistic.

... The Travaux for Article 36(2)

I start with Art. 36(2). This provision is … crucial for Green Lane’s argument. An applicant has to indicate the products upon which he intends to apply his design. It is this indication which, it is submitted, tells you, or enables you to work out, what the “sector concerned” is. If there was no such indication the argument could not get off the ground—you simply would not be able to tell what the design is registered for—the designs in issue are of that sort. Even where you think you could work out what it is for, you could be wrong: suppose it looks a bit like a chair but the applicant intended it to be a toy or a brooch or a statue.

But I do not think Art. 36(2) is intended to affect legal rights at all, whether by way of the definition of scope of protection, or validity, which in a real sense is also part of scope of protection or otherwise. It comes in a title which has nothing to do with existence or extent of rights—“Application for Registered Community Designs”. It comes under a section whose heading is likewise nothing to do with either of these matters—“Filing of applications and the conditions which govern them”. Its own heading has nothing to do with them either—”Conditions with which applications must comply”. All the other matters in Art. 36 are obviously administrative, so it is stretching the imagination to think that Art. 36(2) is intended to have an effect on substantive rights.

Next there is no sanction for a mistaken or misstated Art. 36(2) declaration. An applicant can say what he likes about what he intends to apply his design to, but whether he gets it wrong, even deliberately wrong, does not in the end matter. There is no ground of revocation available if he does (see Art. 25 “only in the following cases”). If rights or their validity depended on the declaration, one would surely expect a sanction for a misstated declaration. Besides a designer may in some cases have a particular kind of article in mind only later to realise that he can exploit his design for other kinds of article.
Now it is true that the Art. 36(2) statement is compulsory, but this should be seen in the context that there is also an optional Locarno class declaration (Art. 36(3)(d)). The scheme is that the applicant should identify the product and may also say what class it is in. If he chooses not to do the latter, then the Office can do the job for him. That is the way I understand the scheme to work. The only purpose behind all of this is so that the classification system can be used for searching purposes. Everyone has an interest in the classification system working: people need to know whether registrations are valid or not and for that purpose it is helpful to be able to search in a structured system—hence the use of the classification system.

Article 36(6) confirms this. It says that both the compulsory and voluntary information “shall not affect the scope of protection of the design as such.” I think it wholly unrealistic to read this as limited to “scope” without including “validity”. An invalid registration has no scope.

Nor does the argument fit with the fact that the rule must be the same for UDRs. Necessarily these do not have a statement about intended use. The designer just puts his product on the market. [Counsel for Green Lane] says you work out what the sector is from that. But a man who puts a thing on the market will be happy to sell his product for any purpose. And he may, depending on the adaptability of the design, sell it for a variety of purposes. Why should he, having sold his article on the market for one purpose, find other possible uses foreclosed by some later UDR of someone else? Or suppose a man puts his article on the market for a particular use and, within the grace period, applies for a CDR specifying a different purpose? Is there to be different prior art for the two cases? The answer can rationally only be no.

More confirmation that Art. 36(2) is purely administrative comes from the fact that the Regulation must clearly be read in conjunction with the Directive. The idea is that you can get the same rights, governed by the same rules as to validity Community-wide as you can get nationwide via a national registration. The Directive came first. It contains no Art. 36—indeed no applications provisions at all. It was left to member states to decide whether the applicant should or should not specify the proposed use of his design. Doubtless many, if not all, member states used the Locarno Convention and may have required the applicant to specify the nature of his intended use or at least the class of this intended use. But the fact that there was no obligation in [the] Directive for this is a major pointer to the conclusion that any such statement could not affect validity in any way.

The Travaux for Article 7

Originally it was Green Lane which suggested that the travaux for Art. 7 supported its case. It pointed to the early Green Paper and the passage [to the effect that “a design, to obtain protection, should not already be known to the
specialists operating within the Community in the sector of marketable goods to which the design is intended to be applied”). But much water passed under the bridge thereafter and one cannot say that the final document was intended to implement that idea. Far from it.

First, following consultation, the first proposal actually dropped the idea said by Green Lane to be the intention. Absolute novelty was chosen. The explanatory memorandum said this: “Novelty is to be assessed at the world-wide level. If it has been registered or otherwise has been made available to the public anywhere in the world, it is not new.”

It is a fair inference that that is what the users wanted. So far as one can see there was never any further wide consultation which changed that general view. How then did the exception to absolute novelty come about? The travaux are clear about this. It came about by reason of a specific piece of lobbying by the textile industry. It was a concern about counterfeiting and nothing to do with an intention that prior art, obscure in the field of intended use, should be discounted.

The Economic and Social Committee (ESC) Opinion of 1994 said this when considering the novelty provision:

3.1.2 This provision, as worded, would be difficult to apply in many fields, and particularly in the textiles industry. Sellers of counterfeit products often obtain false certification stating that the disputed design had already been created in a third country.

3.1.3 In these circumstances, the aim should be dissemination to interested parties within the European Community before the date of reference.

3.1.4 In the light of the above considerations, Article 5(2) might be worded as follows:

A design shall be deemed to have been made available to the public if it has been published following registration, exhibited, used in trade or otherwise disclosed, unless this could not reasonably be known to specialist circles in the sector in question operating within the Community before the date of reference. …

This is clearly the forerunner of the exception in Art. 7. The ESC’s suggestion was taken up, extended also to the individual character test and became the law. It is worthwhile quoting the Commission’s explanation for the proposed exception contained in its [1996] Amended Proposal:

The Article [6] has furthermore been amended in accordance with the wishes of the European Parliament and the Economic and Social Committee through the introduction of what is commonly known as the ‘safeguard clause’. Its aim is to protect the design industry from claims that a design right is not valid because there was an earlier design in use somewhere in the world where the European industry could not possibly
have been aware of it. The intention of this provision is to avoid the situation where design rights can be invalidated by infringers claiming that antecedents can be found in remote places or museums.

As [counsel for defendant] observes for the exception to work as intended, the sector concerned had to be that of the cited prior art. His example demonstrates this: “If the CRD was in respect of a design for, say, teapots and the alleged prior art was for Columbian textiles, it would be the textiles circles in Europe who would be in a position to know whether the ‘certification’ was genuine. Ex hypothesi the teapot circles would never know.”

Moreover the exception was clearly conceived as narrow—it was aimed at obscure prior art only: it meant that forging this would not help an infringer.

Although there were further travaux before the ultimate Regulation, there was no significant relevant further change.

The only other thing to note is that at no time did anyone ever suggest there was any link between what became recital (14) and this proposal. Yet if the recital and this provision were linked as Mr Vaughan submits, there surely would have been. The same goes for the travaux leading to Art. 22. It cannot seriously be argued that because Art. 22 provides a limited defence of prior use, it follows that the Art. 7 exception is wide.

... The Absurd Consequence if Green Lane Were Right

Finally I turn to the absurd consequences if [counsel for claimants] were right. The judge identified some of these and I can do no better than borrow his description with gratitude:

[22] There are a number of potential consequences of Green Lane’s interpretation which suggest that it is wrong. First, consider the form of the application. Suppose a designer produces a design of a product which can be used for a multitude of purposes or products, each of which is in a different product class. Call the classes A, B, C and D; and assume that circles specialised in one class do not know about designs in the other classes. The design is both old and well-known in circles specialising in class D. If Dr Lawrence [counsel for defendant] is right, then the registration will be invalid if the applicant for registration specifies all four classes (or class D alone); but it will be valid if he only specifies class A. Yet once registered, the registration gives him a monopoly extending across all four classes. So the canny applicant will specify the products to which the design is intended to be applied in the narrowest possible way, so as to avoid exposing his design to prior art, confident in the expectation that once the design has been registered he will obtain the wide protection given to him by the registration.

[23] Second, consider the consequences of registration. The use of the design in class D is old and well-known. But upon registration of a design
specifying class A as the intended class of products, it becomes unlawful to use the design for products in class D without the consent of the holder of the registered design. It is common ground that the grant of intellectual property rights ought not to have the effect of making unlawful that which had previously been lawful. Dr Lawrence seeks to meet this by invoking Article 22. But Article 22 is very narrow. It protects a person who has himself begun use of a design before the filing date of the CRD or made serious and determined preparations to do so. So consider a person who operates within the field of Class D. He is well aware of the old design, but has not used or prepared to use it yet, although all his competitors have. Article 22 would not allow him to use it. But why should he not use an old and well-known design within his own field of operation?

[24] Take another example. A manufacturer of products within class D sells them through a distributor. Dr Lawrence would accept that the manufacturer can go on manufacturing and the distributor can go on distributing. But what if the manufacturer wants to change his distributor after the relevant date? The new distributor has not previously sold products to that design. Since the sale of products to the registered design is itself an infringement under Article 19 the new distributor cannot sell. He cannot bring himself within Article 22 because he has no prior use; and the manufacturer (who is probably within Article 22) is prohibited by Article 22.3 from granting the new distributor a licence to exploit the design. So if Dr. Lawrence is right, the pre-existing business arrangements are frozen.

[25] Third, consider the situation as the period of protection is coming to an end. The original registration specified class A as the class of products to which the design was intended to be applied. It is in fact capable of being applied to classes B, C and D as well (although it has not yet been applied to class C products). As the period of protection comes towards its end, the proprietor of the registered design applies to register it specifying class C as the class of products to which it is intended to be applied. Prior art within class A, on Dr Lawrence’s interpretation, does not count (assuming that the circles specialising in the respective classes do not know about each other’s designs); so the registration is successful. The proprietor of the registered design thus extends his protection within class A by registering his design for class C. Yet this is contrary to Article 12 which limits the ‘total term’ of a registered design to twenty five years.

There are other examples one can think of too. …

These examples are realistic. [Counsel for claimant] did not really contend otherwise. And he could not find any fault with them. His answer was to suggest that the alternative construction also produced absurd results. First it would involve difficult questions of searching and secondly that the right-holder might find his registration lost by reason of prior art which he could not reasonably learn
about because the validity of a design could be challenged on the basis of any prior art in any field unless it was obscure in its own field.

I do not accept either point as absurd. As to the practicalities of searching, it has always been the case that design searches are not easy—most prior designs are not registered and so not readily searchable as, for instance, patent literature is. Yet the system has worked well for a long time with absolute novelty in many countries, for instance under the prior UK system.

But of even more fundamental significance is this: the right gives a monopoly over any kind of goods according to the design. It makes complete sense that the prior art available for attacking novelty should also extend to all kinds of goods, subject only to the limited exception of prior art obscure even in the sector from which it comes.

…

Accordingly I would have dismissed the appeal … .

NOTES AND QUESTIONS

1. Prior art. The prior art considered in the analysis of individual character and novelty is determined universally. As Lord Justice Jacob notes in Green Lane, the Commission in its Green Paper had suggested that “a test of universal objective novelty cannot be fulfilled and therefore should not be imposed.” Why not? Why might a universal standard be inappropriate for designs? What dangers flow from the reversal of that policy? Are you persuaded by the reasons mentioned by Lord Justice Jacob in support of an absolute novelty standard? Does the safeguard clause in Article 6 of the directive and Article 7 of the Regulation undermine the benefits of absolute novelty? Is there anything left of the safeguard clause if the Green Lane decision is correct?

2. Absolute novelty and unregistered design protection. According to the Design Regulation, an unregistered design’s term of protection lasts “for a period of three years as from the date on which the design was first made available to the public within the Community.” Regulation, art. 11(1) (emphasis added). Similar to Article 7 of the Regulation, Article 11(2) goes on to define what’s available to the public within the Community, as including designs that are “published, exhibited, used in trade or otherwise disclosed in such a way that, in the normal course of business, these events could reasonably become known to the circles specialised in the sector concerned, operating within the Community.” Art. 11(2). Accordingly, based on the plain language of Article 11, it would appear that the term of an unregistered Community design is triggered whenever the design’s disclosure could have reasonably become known by others in the EU working in the same field. However, this is not how the Regulation has been interpreted.

In Case I ZR 126/06 Gebäckpresse II (Bundesgerichtshof 2008) (Ger.), Germany’s Federal Court of Justice—the highest court in Germany not dealing with constitutional questions—held that unregistered design protection required
actual (geographical) disclosure in the EU, denying a Hong Kong-based company’s design for a pastry press unregistered design protection because it had been published in a Chinese patent application prior to disclosure in the UK.

This conclusion was largely based on a comparative textual analysis of Articles 7 and 11 in the Regulation. As you’ll recall from Green Lane, Article 7 specifies which references qualify as prior art for use during the novelty and individual character analyses by defining what it means for a reference to be “made available to the public.” While Articles 7 and 11 both rely on this language, Article 11 further states that it be “made available to the public within the Community.” Based on this distinction, the court concluded that Article 11’s constant reference to events “within the Community” must have been intended as a territorial limitation—effectively tying unregistered design claims to terms that can only be triggered by events within the Community, and liberating (absolute) novelty from any such limitation. *Id.* at ¶17.

In addition, the court believed this reading of Article 11 was bolstered by an amendment to the Regulation in 2004. *Id.* at ¶18. As the number of EU member states grew, the Regulation was updated with a provision that specifically included them within the definition of “Community” found in Article 11. Art. 110(a)(5) (listing Bulgaria, the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Romania, Slovenia and Slovakia). By incorporation, it states that “a design which has not been made public within the territory of the Community shall not enjoy protection as an unregistered Community design.” *Id.* (emphasis added). For the court, this amendment wiped away any hesitancy that it had from relying solely on linguistic distinctions between Articles 7 and 11 to conclude that unregistered design rights can only germinate from (geographical) events within the Community. Case I ZR 126/06 at ¶18.

Next, it had to address whether disclosure outside of the Community would inhibit a party’s ability to later claim unregistered design rights. According to the court, the Commission’s adoption of an absolute novelty standard meant that if an earlier foreign disclosure was not shielded by the safeguard clause for obscure disclosures, that it could be used as prior art against any other Community design claim. *Id.* at 22. While its owner was free to register the design within the 12-month grace period, unregistered design rights were no longer possible because
once the design was eventually made available in the Community, their prior disclosure would destroy its novelty. See id. at ¶19. In other words, Article 7’s lack of an analogous geographical limitation meant that any prior non-Community disclosures could be used as prior art against a later unregistered design claim (that could only be made after disclosure in the Community). The court reasoned that since the plaintiff’s Chinese application was published in an important market, it could have become known to EU designers, and was therefore not protected by the safeguard—barring the Hong Kong company’s design because it lacked novelty. Id. at ¶23.

If the German court is correct in Gebückpresse II—which might be open to doubt—how might a designer who has first put products on the market outside the EU secure protection within the EU? For example, what might you do if your client is a fashion designer that wants to rely on unregistered design protection in the EU, but also wants to make sure that their design is first seen at New York City’s fashion week?

3. Grace period. Assuming that first disclosure occurs in the Community, Article 11 of the Regulation gives producers a 12 month grace period where they can test the market, while claiming unregistered design protection, before deciding whether to register. Regulation, art. 7(2)(a). While rare, there is at least one crucial caveat: unless improperly made available by a third-party, this grace period only applies to the designer’s disclosures (or the designer’s successor in title’s disclosures). Arts. 7(2)(a) & 7(3) (protecting disclosures made “as a consequence of an abuse”). As a result, if a third-party independently creates and discloses a similar design while the first producer is testing the market (i.e., after their initial disclosure), this design can be used as prior art against the first producer’s subsequent registration. If the disclosure is close enough to the first producer’s design—destroying its novelty or individual character—then the first producer will be limited to unregistered design protection only. However, because the third-party independently created the design, the initial producer will also be unable to recover anything from the third-party for infringement of the unregistered design. Art. 19(2). How often do you think independent creation of similar designs occurs? Why do you think the Commission adopted such a harsh rule? Do you think it will encourage producers to register more quickly?

4. The nature of the product. In Green Lane, Lord Justice Jacob wrestled with whether the design’s product or sector should have any impact on the prior art that is considered when determining whether it had novelty or individual character. Since the prior art and the registered design were essentially identical, the outcome hinged on whether the plaintiff could keep the court from considering the defendant’s products as disclosures under Article 7 of the Regulation. As a result, once the massage balls could be considered prior art, it did not matter whether the dryer balls were from a different design sector. While the court in Green Lane did not address it, the nature of the product could still impact the individual character analysis indirectly. According to the recitals:
The assessment as to whether a design has individual character should be based on whether the overall impression produced on an informed user viewing the design clearly differs from that produced on him by the existing design corpus, taking into consideration the nature of the product to which the design is applied or in which it is incorporated, and in particular the industrial sector to which it belongs and the degree of freedom of the designer in developing the design.

Design Regulation, Recital 14 (emphasis added). Although the Regulation’s article implementing the individual character analysis contains no such language, courts have imported it when fleshing out the identity of the informed user. In other words, under Green Lane, while the design’s nature will not impact the availability of a prior art reference for the one-to-one individual character analysis, the nature of the product could affect the overall impression left on the informed user by anchoring their expectations. This becomes important in cases when the designs are not as visually similar as they were in Green Lane, and courts are forced to identify the informed user with a class that might be different from that of the claimed design. Given its importance, how might you deduce the product’s nature? See Gimex International Groupe Import v. Chill Bag Company, [2012] ECDR 25 (PCC) (UK) (using a registered design’s class identification only as a starting point, refusing to accept evidence of market reaction, and instead, relying on registration’s images). What problems might arise from allowing judges to determine the design’s sector in this manner? See also Design Regulation, art. 36(6). Does their education and vocation isolate them from the general population, such that they should avoid making this determination themselves?

**PEPSICO INC. v. GRUPO PROMER MON GRAPHIC SA**

[2012] FSR 5 (ECJ 2011)

**JUDGMENT:**

...  

*Background to the dispute and the contested decision*

On 9 September 2003, PepsiCo filed an application for registration of a Community design at OHIM, based on Regulation No 6/2002. When the registration was applied for, priority was claimed for Spanish design No 157156, which had been filed on 23 July 2003 and the application for registration of which was published on 16 November 2003.

The Community design was registered by OHIM under number 74463-0001 for the following goods: ‘promotional item[s] for games’. It is represented as follows:
On 4 February 2004, Grupo Promer filed an application for a declaration of invalidity against design No 74463-0001 (‘the contested design’) pursuant to Article 52 of Regulation No 6/2002.

The application for a declaration of invalidity was based on registered Community design No 53186-0001 (‘the prior design’), which has a filing date of 17 July 2003 and in respect of which priority is claimed for Spanish design No 157098, which was filed on 8 July 2003 and the application for registration of which was published on 1 November 2003. [In other words, Grupo Promer’s Community design was filed with OHIM before PepsiCo’s Community design, and it claimed priority to a registered Spanish design that was filed and published before the registered Spanish design that PepsiCo claimed priority to.] The prior design is registered for ‘metal plate[s] for games’. It is represented as follows:

The grounds relied on in support of the application for a declaration of invalidity related to the lack of novelty and individual character … and to the existence of a prior right within the meaning of Article 25(1)(d) thereof. [Article 25(1)(d) of the Regulation allows for the invalidation of a Community design that is “in conflict with” an earlier registered design right, based on its priority date. Stated differently, if an earlier design is granted (and not subsequently invalidated), it may be asserted by its holder against a later conflicting Community design.]

By decision of 20 June 2005, the Invalidity Division of OHIM upheld the application for a declaration of invalidity of the contested design on the basis of Article 25(1)(d) of Regulation No 6/2002. [In this case, Grupo Promer had to rely
on Article 25(1)(d) in order to use its prior design against PepsiCo because neither Grupo Promer’s Spanish application, nor its Community design application, were published or otherwise available to the public at the time that PepsiCo filed for Community design protection. Put another way, the prior design could not be considered a ‘disclosure’, such that it could be used as prior art during an individual character or novelty assessment. Although it is not defined in the Design Regulation, the Invalidity Division interpreted the language “in conflict with”, under Article 25(1)(d), as requiring the subsequent design to fall within the scope of the earlier design. In concert with the individual character requirement for validity, Article 10 of the Regulation defines the scope of protection for a Community design as covering any designs that do not produce a different overall impression on an informed user. Following this reasoning, the Invalidity Division concluded that PepsiCo’s Community design was ‘in conflict with’ Grupo Promer’s design, under Article 25(1)(d), because it did not produce a different overall impression on the informed user.

On 18 August 2005, PepsiCo filed a notice of appeal with OHIM against that decision of the Invalidity Division … .

By the contested decision, the Third Board of Appeal of OHIM (‘the Board of Appeal’) annulled that decision of the Invalidity Division and dismissed the application for a declaration of invalidity. After rejecting Grupo Promer’s argument alleging bad faith on the part of PepsiCo, the Board of Appeal held, in essence, that the contested design was not in conflict with Grupo Promer’s prior right and that the conditions set out in Article 25(1)(d) of Regulation No 6/2002 had not therefore been fulfilled.

[The Board of Appeal began its analysis by explaining that “a conflict exists when the earlier design would, if it had been made available to the public before the filing date (or priority date) of the later design, have deprived the later design of individual character within the meaning of Article 6 CDR … [or] … if the two designs were identical within the meaning of Article 5 CDR [(novelty)].” Citing to the individual character requirement under Article 6—rather than the scope of protection under Article 10—next, it assessed whether the design produced a different overall impression on the informed user.]

In that connection, the Board of Appeal held that the goods covered by the designs at issue concerned a particular category of promotional items, namely [‘pogs,’] ‘tazos[,]’ or ‘rappers[,]’ … and that their informed user was 5 to 10 year old child (i.e., end-user) or a marketing manager that purchased them for inclusion in a product they were promoting (i.e., attempting to appeal to a 5 to 10 year old demographic).

Next, it assessed the designer’s degree of freedom in creating the pog. The Board of Appeal observed:

The paradigm for this type of product is a small flat or nearly flat disk on which coloured images can be printed. Often the disk will be curved
toward the centre, so that a noise will be made if a child’s finger presses the centre of the disk. A rapper that does not possess these characteristics is unlikely to be accepted in the marketplace.

As a result, it concluded that the designer’s degree of freedom was ‘severely constricted.’

Finally, the Board of Appeal carried out its assessment of the designs’ overall impression. It reasoned:

In determining whether two designs produce the same overall impression on the informed user it is obviously necessary to disregard elements that are totally banal and common to all examples of the type of product in issue. … The informed user will automatically discard such features when appraising the overall impression caused by two designs and will concentrate on features that are arbitrary or different from the norm.

Although the two designs shared several similarities, the Board of Appeal concluded that the difference in the profile of the designs at issue[, and the limited degree of freedom,] was sufficient for a finding that they produced a different overall impression on the informed user.

The proceedings before the General Court and the judgment under appeal

By application lodged at the Registry of the General Court on 9 January 2007, Grupo Promer brought an action against the contested decision, claiming that the decision should be annulled and OHIM and PepsiCo ordered to pay the costs.

In support of its action, Grupo Promer put forward three pleas in law, alleging, first, bad faith on the part of PepsiCo and a restrictive interpretation of Regulation No 6/2002, second, lack of novelty of the contested design and, third, breach of Article 25(1)(d) of Regulation No 6/2002.

By the judgment under appeal, the General Court rejected the first plea in law, upheld the third plea in law and therefore found that there was no need to consider the second plea in law.

[Before assessing the merits of the third plea, the General Court clarified that the terms “in conflict with,” under Article 25(1)(d), meant that the later Community design fell within the scope of protection of the prior design, as under Article 10 of the Regulation.

Then, the third plea in law was divided into four parts.

First, Grupo Promer contested the definition of the category of goods identified by the designs at issue as being that of ‘pogs’, ‘rappers’ or ‘tazos’, arguing that these were different goods. According to Grupo Promer, the Board of Appeal ought to have taken into consideration the general category of promotional items for games.

In this respect, … the General Court concluded that the Board of Appeal had properly found that the product in question belonged, within the broad category of
promotional items for games, to the particular category of game pieces known as ‘pogs’, ‘rappers’ or ‘tazos.’

Second, proceeding on the basis that the contested design relates to the general category of promotional items for games, Grupo Promer challenged the assessment made in the contested decision, according to which the freedom of the designer in developing the contested design had been ‘severely constricted’.

The General Court held, … that the Board of Appeal had been correct to find that, on the date of priority claimed for the contested design, the designer’s freedom had been ‘severely restricted’, inter alia since he had to incorporate the common features of the goods in question in his design.

Third, according to Grupo Promer, the informed user was a child in the approximate age range of 5 to 10, and not a marketing manager as was stated in the contested decision. Such a marketing manager working in the food industry is not an end user and has a higher degree of expertise than a simple user.

In that respect, the General Court … found that the Board of Appeal had been correct to find that, in the present case, it makes little difference whether the informed user is a child in the approximate age range of 5 to 10 or the marketing manager in a company that makes goods which are promoted by giving away ‘pogs’, ‘rappers’ or ‘tazos’, the important point being that both those categories of person are familiar with the phenomenon of ‘rappers’. The Court reasoned:

[The informed user is neither a manufacturer nor a seller of the products in which the designs at issue are intended to be incorporated or to which they are intended to be applied. The informed user is particularly observant and has some awareness of the state of the prior art, that is to say the previous designs relating to the product in question that had been disclosed on the date of filing of the contested design, or, as the case may be, on the date of priority claimed.]

Fourth, according to Grupo Promer, the designs at issue produced the same overall impression, since, contrary to the analysis carried out by the Board of Appeal in the contested decision, the differences in the profile of the designs at issue are not obvious, particular attention and careful observation of the disc being required in order to discover them.

[Before it could determine the overall impression, however, the General Court assessed the designer’s degree of freedom. It noted:

The designer’s degree of freedom in developing his design is established, inter alia, by the constraints of the features imposed by the technical function of the product or an element thereof, or by statutory requirements applicable to the product. Those constraints result in a standardisation of certain features, which will thus be common to the designs applied to the product concerned.

Based on this reasoning, and the Board of Appeal’s findings—concerning the pog industry’s demand for small flat circular shapes, concentric circular shapes that
produce noise, and the general need for inexpensive and safe promotional
designs—the General Court concluded that the designer’s degree of freedom was
‘severely restricted.’

Finally, it turned to the assessment the designs’ overall impression. On this
issue, … the General Court, taking into account the designer’s degree of freedom
in developing the contested design, found—in a similar way to the Board of
Appeal—that, in so far as similarities between the designs at issue relate to
common features, those similarities have only minor importance in the overall
impression produced by those designs on the informed user. In addition, the more
the designer’s freedom in developing the contested design is restricted, the more
likely it is that minor differences between the designs at issue will be sufficient to
produce a different overall impression on the informed user.

The General Court then went on … to identify five similarities between the
two designs in conflict. The two designs were discs that are almost flat, with a
concentric circle very close to the edge and a concentric circle approximately one
third of the way from the edge to the centre; the rounded edge of the disc is raised
in relation to the intermediate area of the disc between the edge and the raised
central area; and the respective dimensions of the raised central part and the
intermediate area of the disc, between the edge and the raised central part, are
similar.

Having found that the first similarity was a feature common to the designs for
the goods of the type of product at issue and that the second similarity might
constitute a constraint linked to the safety requirements to which the designer is
subject, the General Court held that those similarities would not be remembered
by the informed user in the overall impression of the designs at issue.

By contrast, with regard to the last three similarities, the General Court found
that these related to elements in respect of which the designer was free to develop
the contested design, and that they would, therefore, attract the informed user’s
attention, all the more so because the upper surfaces are, in the present case, the
most visible surfaces for that user.

As regards the differences between the designs at issue, the General Court …
found that, when viewed from above, the contested design has two additional
concentric circles compared with the prior design and that, in profile, the two
designs differ in that the contested design is more curved, though that curvature is
still very slight. [The General Court observed “that since the degree of curvature is
slight, and the discs are thin, that curvature will not be easily perceived by the
informed user, in particular when viewed from above, and this is borne out by the
goods actually marketed, as contained in OHIM’s file forwarded to the Court.”]

As a result, it … held that the differences observed by the Board of Appeal
were insufficient for the contested design to produce an overall impression on the
informed user that differed from that produced by the prior design. Consequently,
the General Court annulled the contested decision.
The appeal

In support of its appeal, PepsiCo relies on a single ground of appeal, alleging breach of Article 25(1) (d) of Regulation No 6/2002. This ground of appeal consists of five parts, the first four of which concern various errors allegedly committed by the General Court in relation to (i) the constraints on the designer’s freedom, (ii) the concept of the informed user and his attention level, (iii) the scope of the General Court’s power of review, and (iv) whether it was possible to compare the goods rather than the contested designs, while the last part of the ground concerns (v) an alleged distortion of the facts.

1. …[C]onstraints on the designer’s freedom

Arguments of the parties

PepsiCo submits that the three similarities observed by the General Court (central circular shape, raised edge, dimensions) are all due to the functions of and common to the products at issue, thereby limiting the designer’s freedom. The General Court, however, failed to take into account those constraints when comparing the designs at issue. Finding the designs at issue similar on account of those precise common features means nothing less than granting exclusive rights to Grupo Promer for those common features, which does not correspond to the objective pursued by Article 25(1)(d) of Regulation No 6/2002.

OHIM submits that, even if features such as the shape of the flat disc or the curved central area are not dictated by a function or by statutory requirements, they are, however, dictated by market constraints, thereby limiting the designer’s freedom.

The evidence on the file illustrates that the great majority—if not all—of the pogs existing on the date of priority of the contested design had a circular central bulge. The reason for this is that pogs with central bulges which are not circular could not be stacked with the vast majority of those having such a feature.

Grupo Promer contends that this part of the single ground of appeal is inadmissible in that it seeks to call into question findings of a factual nature made in the judgment under appeal.

Findings of the Court

It should be observed that, by the first part of its single ground of appeal, PepsiCo objects, essentially, that the General Court found that the central circular shape, the raised edge and the similar dimensions of the designs at issue were not the result of a constraint on the designer’s freedom, whereas in actual fact those elements of similarity are necessary if the goods at issue are to fulfil their function. According to PepsiCo, that led the General Court to assess incorrectly the overall impression produced by each of the designs in conflict.
PepsiCo thus seeks to call into question findings of a factual nature made by the General Court, without proving that those facts were distorted, and without disputing either the relevance of the criteria for establishing the designer’s degree of freedom in developing a design …—namely, inter alia, the constraints of the features imposed by the technical function of the product or an element thereof or by statutory requirements applicable to the product—or the inferences drawn from them by the General Court ….

It is, however, settled case-law that the General Court has exclusive jurisdiction to find the facts, save where a substantive inaccuracy in its findings is attributable to the documents submitted to it, and to appraise those facts. That appraisal of the facts thus does not, save where the clear sense of the evidence has been distorted, constitute a point of law which is subject, as such, to review by the Court of Justice in an appeal. [cit.]

It must therefore be held that the first part of the single ground of appeal is inadmissible.

2. …[T]he concept of the ‘informed user’ and his level of attention

Arguments of the parties

PepsiCo submits that the General Court applied incorrect criteria when denying that the designs at issue conveyed a different overall impression on the ‘informed user’. The ‘informed user’, it is argued, does not correspond to the average consumer who is reasonably well informed and reasonably observant and circumspect, as defined by trade mark law, or solely to the end user of the goods at issue.

In addition, the informed user must be assumed to be in a position to compare the designs side by side and, in contrast to the position in trade mark law, does not have to rely on an ‘imperfect recollection’.

Had the General Court applied the correct criteria, it would have found that the informed user easily distinguished the designs at issue by reason of the two most significant differences between them, that is to say, first, the two additional concentric circles clearly visible on the surface of the contested design, and, second, the curved shape of the contested design as opposed to the complete flatness (apart from the brim) of the prior design.

In addition, PepsiCo submits that the informed user will not only consider the ‘most visible surfaces’ of a design and focus on ‘easily perceived’ elements …, but will have a chance to consider the design as a whole in more detail, and compare it to earlier designs, taking into account the designer’s freedom.

OHIM also submits that the comparison should be based, not on the informed user’s imperfect recollection, but on a direct comparison of the designs.

Grupo Promer contends that this part of the single ground of appeal also concerns a question of fact. It further contends that the General Court did not
apply criteria concerning trade mark law such as the likelihood of confusion between the two conflicting designs at issue.

Findings of the Court

It should be noted, first, that Regulation No 6/2002 does not define the concept of the ‘informed user’. However, as the Advocate General correctly observed in … his Opinion, that concept must be understood as lying somewhere between that of the average consumer, applicable in trade mark matters, who need not have any specific knowledge and who, as a rule, makes no direct comparison between the trade marks in conflict, and the sectoral expert, who is an expert with detailed technical expertise. Thus, the concept of the informed user may be understood as referring, not to a user of average attention, but to a particularly observant one, either because of his personal experience or his extensive knowledge of the sector in question.

It must be held that it is indeed that intermediate formulation that was adopted by the General Court … . This is, moreover, illustrated by the conclusion drawn from that formulation by the General Court … , in identifying the informed user relevant in the present case as capable of being a child in the approximate age range of 5 to 10 or a marketing manager in a company that makes goods which are promoted by giving away ‘pogs’, ‘rappers’ or ‘tazos’.

Second, as the Advocate General observed … , it is true that the very nature of the informed user as defined above means that, when possible, he will make a direct comparison between the designs at issue. However, it cannot be ruled out that such a comparison may be impracticable or uncommon in the sector concerned, in particular because of specific circumstances or the characteristics of the devices which the designs at issue represent.

Therefore, the General Court cannot reasonably be criticised as having erred in law on the ground that it assessed the overall impression produced by the designs in conflict without starting from the premiss that an informed user would in all likelihood make a direct comparison of those designs.

That is true all the more so since, in the absence of any precise indications to that effect in the context of Regulation No 6/2002, the European Union legislature cannot be regarded as having intended to limit the assessment of potential designs to a direct comparison.

It follows that, even if the General Court’s formulation … that ‘that similarity would not be remembered by the informed user in the overall impression of the designs at issue’ might indicate, when taken out of context, that the General Court based its reasoning on an indirect method of comparison based on an imperfect recollection, it does not reveal any error on the General Court’s part.

Third, as regards the informed user’s level of attention, it should be noted that, although the informed user is not the well-informed and reasonably observant and circumspect average consumer who normally perceives a design as a whole and
does not proceed to analyse its various details (see, by analogy, Case C-342/97
Lloyd Schuhfabrik Meyer [1999] ECR I-3819, paragraphs 25 and 26), he is also
not an expert or specialist capable of observing in detail the minimal differences
that may exist between the designs in conflict. Thus, the qualifier ‘informed’
suggests that, without being a designer or a technical expert, the user knows the
various designs which exist in the sector concerned, possesses a certain degree of
knowledge with regard to the features which those designs normally include, and,
as a result of his interest in the products concerned, shows a relatively high degree
of attention when he uses them.

Thus, the use of the words ‘easily perceived’ in … the judgment under appeal
must be understood in a broader context as simply providing clarification as to the
greater degree of curvature displayed by the contested design. Since the General
Court adopted a correct approach in defining the informed user, it cannot be
inferred that the words … [‘easily perceived’], by themselves, mean that the
informed user’s level of attention had been incorrectly assessed by the General
Court.

In the light of the foregoing considerations, the second part of the single
ground of appeal must be rejected as unfounded.

3. …[T]he scope of review by the Courts

Arguments of the parties

PepsiCo, referring to a recent judgment of the Court concerning plant varieties
(Case C-38/09 P Schräd er v CPVO [2010] ECR I-3209, paragraph 771), submits
that the General Court’s minute examination of the differences and similarities
between the designs at issue went beyond its task under Article 61(2) of
Regulation No 6/2002.2 PepsiCo accordingly submits that the determination of
whether or not there is a similar overall impression must be left to the Board of
Appeal’s assessment.

OHIM also submits that, in refusing to restrict itself to a review of manifest
errors of assessment, the General Court went beyond what Article 61 of
Regulation No 6/2002 allows in Community design matters.

Grupo Promer contends that PepsiCo’s argument is unfounded. The Court’s
findings in Schräd er v CPVO, it argues, arose from the fact that that case

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1 Ed. Note: The determination of whether a plant variety has the requisite distinctiveness,
uniformity, and stability (“DUS”) for protection under the EU’s regulation is coordinated
between the Community Plant Variety Office (CPVO) and its examination offices located across
the member states. It is a highly technical examination that requires actually testing the claimed
variety against others. Like OHIM, the Court of Justice has exclusive jurisdiction over appeals
from the CPVO. Compare Design Regulation, art. 61, with Community Plant Variety Rights
Regulation No 2100/94, art 73 (similarly worded).

2 Ed. Note: Article 61 of the Regulation expressly grants the Court of Justice appellate
jurisdiction over OHIM’s Board of Appeals, but it is silent about the Court’s standard of review.
concerned a complex technical examination, whereas the present case concerns the simple examination of designs in order to determine whether the contested design lacks individual character.

Findings of the Court

In the present case, it is common ground that the General Court carried out an in-depth examination of the designs at issue before annulling the Board of Appeal’s decision.

In that context, it should be recalled that the General Court has jurisdiction to conduct a full review of the legality of OHIM’s assessment of the particulars submitted by an applicant. [cit.]

Admittedly, by analogy with the judgment in Schräder v CPVO, the General Court may afford OHIM some latitude, in particular where OHIM is called upon to perform highly technical assessments, and restrict itself, in terms of the scope of its review of the Board of Appeal’s decisions in industrial design matters, to an examination of manifest errors of assessment.

However, it must be observed that, in the specific circumstances of the present case, the General Court did not carry out a review of the contested decision which went beyond its power to alter decisions under Article 61 of Regulation No 6/2002.

Therefore, the third part of the single ground of appeal must be rejected as being unfounded.

4. … [Focusing] on the goods rather than on the designs at issue

Arguments of the parties

PepsiCo submits that it is mistaken to base the assessment of the designs in conflict on a comparison of samples of actual products submitted by the parties for illustration purposes. In particular, there is no need for OHIM, in such invalidity proceedings, to anticipate any potential parallel or future infringement actions based on the same earlier design and the more recent design as used in the marketplace.

Grupo Promer notes that the sample products were also examined by the Invalidity Division and by the Board of Appeal. Consequently, the General Court’s assessment of all the evidence already on the file is a question of fact which cannot be advanced as a ground of appeal before the Court of Justice.

Findings of the Court

It should be observed that … the General Court stated that its assessment of the degree of curvature of the designs at issue is ‘borne out by the goods actually marketed, as contained in OHIM’s file forwarded to the Court’.
However, since in design matters the person making the comparison is an informed user who is different from the ordinary average consumer, it is not mistaken, in the assessment of the overall impression of the designs at issue, to take account of the goods actually marketed which correspond to those designs.

In any event, it follows from the use of the verb ‘to bear out’ … that the General Court did indeed base its assessments on the designs in conflict as described and reproduced in the respective applications for registration, with the result that the comparison of the actual goods was used only for illustrative purposes in order to confirm the conclusions already drawn and cannot be regarded as forming the basis of the statement of reasons given in the judgment under appeal.

Accordingly, the fourth part of the single ground of appeal must be rejected as unfounded.

5. …[D]istortion of the facts

Arguments of the parties

PepsiCo, supported by OHIM, submits that there has been distortion of the facts by the General Court, since, in particular, it is unrealistic and contrary to general experience to assume that the informed user would limit his perceptions of the device at hand to the ‘view from above’. In addition, even when the designs at issue are examined flat from above, the differences between them are, it is submitted, immediately perceptible.

Grupo Promer contends that alleging distortion of the facts without mentioning distortion of the assessment of evidence is not admissible as an argument justifying an appeal to the Court of Justice. That assessment of the facts and the evidence does not, save where they have been distorted, constitute a point of law which is subject, as such, to review by the Court of Justice on appeal.

Findings of the Court

The Court has already held that, given the exceptional nature of a complaint that there has been a distortion of the facts … that an appellant must indicate precisely the evidence alleged to have been distorted by the General Court and show the errors of appraisal which, in its view, led to that distortion. [cit.]

Such distortion must be obvious from the documents on the Court’s file, without there being any need to carry out a new assessment of the facts and evidence. [cit.]

In the present case, PepsiCo complains, essentially, that the General Court distorted the facts by comparing the designs at issue only with regard to their view ‘from above’, thereby overlooking the differences which are obvious when those designs are viewed in profile. In so doing, PepsiCo fails to indicate precisely
which evidence was distorted by the General Court or to demonstrate the errors in analysis which, in its view, led to such distortion.

In those circumstances, it must be held that the arguments put forward by PepsiCo on this point do not satisfy the requirements laid down by the case-law referred to. The fifth part of the single ground of appeal must for that reason be rejected as being inadmissible.

Since PepsiCo has been unsuccessful in all the parts of its single ground of appeal, the appeal must be dismissed in its entirety.

…

NOTES AND QUESTIONS

1. The thresholds for protection. The Commission considered basing protection on a threshold of originality (the subjective notion of the design being original to the designer, and not copied, regardless of objective similarity to other designs). What arguments might have supported adoption of such a threshold? Why do you think that the Commission rejected that threshold? The Commission could also have adopted a modified copyright originality threshold, such as found in the Vessel Hull Design Protection Act, 17 U.S.C. §§1301(b), 1302(a)(2), the Semiconductor Chip Protection Act of 1984, 17 U.S.C. §§902(b) (1994) (protecting mask works that are original and that are not staple, commonplace, or familiar in the semiconductor industry), and in the UK’s unregistered design system. See Copyright, Designs & Patents Act 1988, §§213(1), 213(4) (providing unregistered design protection to designs that are “original” and not “commonplace in the design field in question at the time of its creation”); Farmers Build v. Carrier Bulk Materials, [1999] R.P.C. 461 (CA) (UK) (noting that original means “not copied” and that whether a design is “commonplace” requires an objective comparison of the design with earlier, well-known designs in the field). What are the advantages of each respective approach? JASON DU MONT, CREATIVITY IN DESIGN (forthcoming 2015). What difficulties might arise from adopting a new threshold falling between the relatively well-understood thresholds of patent and copyright? In light of the diverse approaches to protectability in member states prior to the enactment of the directive, what institutional forces might help establish common understanding of these terms in practice? Can the courts do anything that would help? See Graeme B. Dinwoodie, Federalized Functionalism: The Future of Design Protection in Europe, 24 AM. INTELL. PROP. L. ASS’N Q.J. 611, 662 (1996) (arguing that courts should link the showing of differences required to establish individual character with the showing of differences required to escape infringement).

2. Degree of freedom & overall impression. The degree of freedom analysis is treated along a sliding scale, in conjunction with the design’s overall impression. Generally speaking, when the designer’s freedom is limited, minor variations are often enough to produce a different overall impression that confers individual
character. In PepsiCo, Advocate General Mengozzi described it as follows:

The need to take account of the designer’s creative freedom arises because some features of the product to which the design relates are, so to speak, ‘compulsory’: as a result, the designer is not free to change them, and the fact that they bear similarities to the features of another design cannot be regarded as significant. To give an example, the fact that two kitchen table designs both envisage a table with four legs will not usually be a significant factor, because the fact of having four legs is a feature of the vast majority of standard kitchen tables. Where designs are characterised by significant constraints on the designer’s creative freedom, small differences may, generally, be sufficient to produce a different overall impression.

PepsiCo and OHIM v. Grupo Promer Mon Graphic SA, [2011] ECDR 12 at ¶29 (ECJ Advocate General 2011). Alternatively, when designers have a lot of freedom, greater differences are required to produce a different overall impression on the informed user. See Jason Du Mont & Mark Janis, Functionality in Design Protection Systems, 19 J. INTELL. PROP. L. 261, 296-299 (2012). While the degree of freedom analysis helps provide some context for the court’s comparison of the design and its prior art, do you think an informed user actually places less weight on the functional features of a design? While the Community design regime is relatively new, this assumption is analogous to antiquated conceptions of design as solely ornamentation or decoration. How does this perspective relate to the Federal Circuit’s treatment of design patent scope in Richardson? In the context of the individual character analysis, how is it different?

3. Constraints on the degree of freedom. What limits the designer’s freedom? In PepsiCo the Court Justice had an opportunity to decide whether market constraints should be considered during the degree of freedom analysis, but it avoided the issue by relying exclusively on the General Court’s analysis of the pog’s technical constraints. While the General Court endorsed the use of market constraints, Advocate General Mengozzi felt the analysis should be limited to technical constraints:

… [T]he constraints on creative freedom to be taken into consideration in accordance with the Regulation are exclusively those constraints which are dictated by the need for the goods to fulfil a certain function: in the case of “pogs”, for instance, the fact that they do not have sharp edges that could be dangerous for children.

On the other hand, any “standard” features which the market expects, but which are not technically necessary, cannot be regarded as constraints on the designer’s freedom. This is because of the purpose of the rules on designs. Those rules are, in fact, basically intended to reward the developers of innovative goods, by providing them with a system of protection. It is totally at odds with that aim to accept that mere market expectation can justify compulsory standardisation, certain features of a
design being considered mandatory.

The considerations set out in the preceding point are borne out by the travaux préparatoires, although, according to the established case law of the Court, conclusive inferences cannot be drawn from that source. In the Commission’s original proposal for a regulation, presented on December 3, 1993, the comments on art. 11—which corresponds to the current art. 10—state:

**Highly functional designs** where the designer must respect given parameters are likely to be more similar than designs in respect of which the designer enjoys total freedom. Therefore, paragraph 2 also establishes the principle that the freedom of the designer must be taken into consideration when the similarity between an earlier and a later design is being assessed (emphasis added).

The reference is, as we see, to functional designs, and the other language versions of the proposal have the same connotation.

*PepsiCo and OHIM v. Grupo Promer Mon Graphic SA*, [2011] ECDR 12 at ¶31-33 (ECJ Advocate General 2011). Do you think the Court of Justice should have adopted the Advocate General’s opinion that incorporating standard features into the analysis is at odds with the regime’s incentives rationale? What if it was the design itself that created consumer expectation? Can you think of any other limitations on the designer’s freedom that should be considered? *See, e.g., Procter & Gamble Co. v. Reckitt Benckiser (UK) Ltd*, [2007] EWCA Civ 936 at ¶31 (excerpted below). If the standardization of certain features impacts the informed user’s overall impression, does it matter whether they are considered in the degree of freedom analysis too? *See Cases T-83/11 & T84/11 Antrax It Srl v. The Heating Company and OHIM*, [2012] __ at ¶81 (GC 2012); *PepsiCo and OHIM v. Grupo Promer Mon Graphic SA*, [2011] ECDR 12 at ¶29 (ECJ Advocate General 2011)(arguing that the degree freedom analysis is limited by technical constraints but providing an example more in line with a standardization argument: “the fact that two kitchen table designs both envisage a table with four legs will not usually be a significant factor, because the fact of having four legs is a feature of the vast majority of standard kitchen tables.”). How might they be different?

**4. Direct or indirect comparisons.** In *PepsiCo*, the Court of Justice endorsed a method of indirect comparison, often referred to as imperfect recollection, for comparing the prior art and contested design when direct comparisons are impractical or uncommon in the design’s sector. C-281/10P *PepsiCo v. Grupo Promer Mon Graphic SA* and OHIM, [2012] FSR 5 at ¶55 (ECJ 2011); C-345/13 *Karen Millen Fashions v. Dunnes Stores*, [2014] ECDR 17 at ¶28 (ECJ 2014). Relying on the Advocate General’s opinion in *PepsiCo*, the Court of Justice also hinted that its appropriateness depends on the “specific circumstances or the characteristics of the devices.” *PepsiCo*, FSR 5 at ¶55. Which design sectors do you think these might be? This mode of analysis is roughly analogous to the
approach taken in EU trademark law. See C-281/10P PepsiCo v. Grupo Promer Mon Graphic SA and OHIM, [2011] ECDR 12 at ¶52 (ECJ Advocate General 2011) (“The very nature of the informed user means that, when possible, he will make a direct comparison between the goods; however, in cases where that is impossible or not very realistic, it will be necessary to envisage a comparison which, although not based exclusively on vague recollection, as in the field of trade marks, may none the less be made over a period of time and at different locations, so far as is required in the specific case.”). How do you think these two different perspectives might impact the analysis? See JASON DU MONT, CREATIVITY IN DESIGN (forthcoming 2015). Should they?

5. Reviewing OHIM. While Article 61 of the Regulation grants the Court of Justice exclusive appellate jurisdiction over appeals from OHIM, it is silent about the standard of review that should be applied. As you will recall from PepsiCo v. Grupo Promer Mon Graphic, both PepsiCo and OHIM argued that the Court of Justice’s review over questions of law that are based on technical assessments, like individual character, should be restricted to “manifest errors” committed by OHIM. Although the court was quick to brush aside the jurisdictional question, it never directly answered whether it should adopt a more deferential standard for reviewing aspects of the individual character analysis (or other Community design issues). Given the limitations of the record on appellate review, do you think some level of deference should be accorded to specialized agencies like OHIM when dealing with questions of law that are more factually intensive? Is it possible to review an individual character assessment on appeal without wading into questions of fact? Would it change your opinion if OHIM’s Board of Appeal does not grant deference to the appeals it hears? Design Regulation, art. 60(1); see also Case T-68/10 Sphere Time v. OHIM and Punch SAS, [2011] OJ C219/19 (GC 2011). Does your view of the Federal Circuit’s relationship with the USPTO color your opinion?

6. Conflicts with distinctive signs. Although trademarks can be used just like any other disclosure to invalidate a Community design (Article 25(1)(b)), the Regulation also contains a special provision for owners of distinctive signs—under national or Community law—to contest a Community design’s validity (Article 25(1)(e)). See C-101/11 & C-102/11 Neuman and Others v José Manuel Baena Grupo, [2013] ECDR 3 (ECJ 2012). Since invalidation under this provision depends on the scope of the distinctive sign, however, its analysis actually hinges on core issues of trademark law, such as whether the sign is distinctive or whether it has been used. See T-148/08 Beifa Group Co. Ltd. v. OHIM and Schwan-Stabilo Schwanhäußer GmbH, [2010] ECDR 9 (GC 2010). While the Regulation is silent on these issues, after determining whether the mark is valid, courts have also applied confusion-based analyses when determining whether a conflict exists between the mark and the Community design. Id. at ¶54 (“It should be borne in mind that the proprietor of an earlier mark—whether a Community mark or a mark registered in a Member State—has the right to prevent the use of a
subsequent Community design both where use is made in that design of a sign which is identical to the earlier mark and the goods or services covered by the design are identical to those covered by the earlier mark, and where use is made in the Community design of a sign bearing such similarity to the earlier mark that, in view also of the fact that the goods or services covered by the mark are identical or similar to those covered by the design, there is a likelihood of confusion on the part of the public”). Assuming your client is the owner of a distinctive sign, which route would you recommend she take in order to invalidate a competitor’s Community design (i.e., Article 25(1)(b) or (e))? What problems do you foresee with importing trademark law into design law?

**KAREN MILLEN FASHIONS LTD. v. DUNNES STORES**

*[2014] ECDR 17 (ECJ 2014)*

**JUDGMENT:**

…

In 2005 KMF designed and placed on sale in Ireland a striped shirt (in a blue and a stone brown version) and a black knit top (‘the KMF garments’).

Examples of the KMF garments were purchased by representatives of Dunnes from one of KMF’s Irish outlets. Dunnes subsequently had copies of the garments manufactured outside Ireland and put them on sale in its Irish stores in late 2006.

![KMF Garments](image1)

![Dunnes Garments](image2)
Asserting itself to be the holder of unregistered Community designs relating to the garments, on 2 January 2007, KMF commenced proceedings in the High Court [of Ireland] in which it claimed, inter alia, injunctions restraining Dunnes from using the designs, and damages.

The High Court upheld that action.

Dunnes brought an appeal against the judgment of the High Court before the Supreme Court [of Ireland].

That court states that Dunnes does not dispute that it copied the KMF garments and acknowledges that the unregistered Community designs of which KMF claims to be the holder are new designs.

However, it is clear from the order for reference that Dunnes disputes that KMF is the holder of an unregistered Community design for each of the KMF garments on the grounds, first, that the garments do not have individual character within the meaning of Regulation No 6/2002 and, secondly, that that regulation requires KMF to prove, as a matter of fact, that the garments have individual character.

It was in those circumstances that the Supreme Court decided to stay the proceedings and to refer two questions to the Court [of Justice] for a preliminary ruling:

1. In consideration of the individual character of a design which is claimed to be entitled to be protected as an unregistered Community design for the purposes of Regulation No 6/2002, is the overall impression it produces on the informed user, within the meaning of Article 6 of that Regulation, to be considered by reference to whether it differs from the overall impression produced on such a user by:
   a. any individual design which has previously been made available to the public, or
   b. any combination of known design features from more than one such earlier design?

2. Is a Community design court obliged to treat an unregistered Community design as valid for the purposes of Article 85(2) of Regulation No 6/2002 where the right holder merely indicates what constitutes the individual character of the design or is the right holder obliged to prove that the design has individual character in accordance with Article 6 of that Regulation?’

The questions referred

*The first question*

By its first question, the referring court asks, in essence, whether Article 6 of Regulation No 6/2002 must be interpreted as meaning that, in order for a design to
be considered to have individual character, the overall impression which that design produces on the informed user must be different from that produced on such a user by one or more earlier designs, taken individually, or by a combination of features taken in isolation and drawn from a number of earlier designs.

There is nothing in the wording of Article 6 of Regulation No 6/2002 to support the view that the overall impression referred to therein must be produced by such a combination.

The reference to the overall impression produced on the informed user by ‘any design’ which has been made available to the public indicates that Article 6 must be interpreted as meaning that the assessment as to whether a design has individual character must be conducted in relation to one or more specific, individualised, defined and identified designs from among all the designs which have been made available to the public previously.

As observed by the United Kingdom Government and the European Commission, that interpretation is in keeping with the case-law in which it has been held that, when possible, the informed user will make a direct comparison between the designs at issue (see judgment in PepsiCo v Grupo Promer Mon Graphic, C-281/10 P and Neuman and Others v José Manuel Baena Grupo, C-101/11 P and C-102/11 P¹), because that type of comparison actually relates to the impression produced on that user by earlier individualised and defined designs, as opposed to an amalgam of specific features or parts of earlier designs.

It is true that the Court also held that it cannot be ruled out that a direct comparison might be impracticable or uncommon in the sector concerned, in particular because of specific circumstances or the characteristics of the items which the earlier mark and the design at issue represent. It observed in that context that, in the absence of any precise indications to that effect in Regulation No 6/2002, the EU legislature cannot be regarded as having intended to limit the assessment of potential designs to a direct comparison (see PepsiCo v Grupo Promer Mon Graphic and Neuman and Others v José Manuel Baena Grupo).

It should be remembered, however, that although the Court acknowledged the possibility of an indirect comparison of the designs at issue, it went on to hold merely that the General Court had not erred in basing its reasoning on an imperfect recollection of the overall impression produced by those designs (see PepsiCo v Grupo Promer Mon Graphic and Neuman and Others v José Manuel Baena Grupo).

Moreover, and as observed by the Advocate General in ... [PepsiCo],² such an indirect comparison, which is based on an imperfect recollection, is not based on a

¹ Ed. Note: In Neuman and Others v. José Manuel Baena Grupo, the Court of Justice affirmed the use of a registered Community figurative mark as prior art when invalidating Baena Grupo’s (very) similar registered design on individual character grounds. C-101/11 & C-102/11, [2013] ECDR 3 (ECJ 2012).

² Ed. Note: In the cited paragraphs from PepsiCo, Advocate General Mengozzi states:
recollection of specific features from several different earlier designs but of specific designs.

The arguments put forward by Dunnes do not cast any doubt on the foregoing considerations.

Thus, regarding, first, the arguments based on recitals 14 and 19 in the preamble to Regulation No 6/2002, which use the expressions ‘the existing design corpus’ and ‘in comparison with other designs’, it should be borne in mind that the preamble to a Community act has no binding legal force and cannot be relied on either as a ground for derogating from the actual provisions of the act in question or for interpreting those provisions in a manner clearly contrary to their wording (Deutsches Milch-Kontor, C-136/04).

It should be noted in any event that although recital 14 in the preamble to Regulation No 6/2002 refers to the impression produced on an informed user by the ‘existing design corpus’, those terms are not used in any of the provisions of that regulation.

Moreover, neither the use of those terms nor of the wording ‘in comparison with other designs’ in recital 19 in the preamble to Regulation No 6/2002 means that the relevant impression for the purpose of the application of Article 6 of that regulation is the one produced not by one or more earlier designs, taken individually, but by a combination of features taken in isolation and drawn from a number of earlier designs.

Just as the General Court made no errors in identifying the relevant public, its findings concerning the type of comparison which the informed user may make between the designs at issue are not open to criticism.

I would first observe—as does OHIM, moreover—that the Regulation is silent on this point. Accordingly, the comparison could, in principle, be either an indirect comparison, based on recollection, as generally happens in the field of trade marks, or a direct comparison made by viewing the goods side by side.

In my view, both types of comparison are a legitimate possibility in the case of designs, and to require the systematic use of only one of them would unreasonably restrict OHIM’s powers and, in consequence, the actual protection accorded to the designs, and, in addition, would force the Regulation to say something which it does not actually say.


3 Ed. Note: Recitals 14 and 19 of the Regulation state the following:

(14) The assessment as to whether a design has individual character should be based on whether the overall impression produced on an informed user viewing the design clearly differs from that produced on him by the existing design corpus, taking into consideration the nature of the product to which the design is applied or in which it is incorporated, and in particular the industrial sector to which it belongs and the degree of freedom of the designer in developing the design.

(19) A Community design should not be upheld unless the design is new and unless it also possesses an individual character in comparison with other designs.
Furthermore, as regards the reference to ‘combinations of known design features’ in the second sentence of Article 25(1) of the TRIPS Agreement, it suffices to note that that provision is worded in optional terms and that, consequently, the parties to that agreement are not required to provide for the novel character or originality of a design to be assessed in comparison with such combinations.

In those circumstances, the answer to the first question is that Article 6 of Regulation No 6/2002 must be interpreted as meaning that, in order for a design to be considered to have individual character, the overall impression which that design produces on the informed user must be different from that produced on such a user not by a combination of features taken in isolation and drawn from a number of earlier designs, but by one or more earlier designs, taken individually.

The second question

By its second question, the referring court asks, in essence, whether Article 85(2) of Regulation No 6/2002 must be interpreted as meaning that, in order for a Community design court to treat an unregistered Community design as valid, the right holder of that design is required to prove that it has individual character within the meaning of Article 6 of that regulation, or need only indicate what constitutes the individual character of that design.

It is apparent from the very wording of Article 85(2) of Regulation No 6/2002 that, in order for an unregistered Community design to be treated as valid, the right holder of that design is required, first of all, to prove that the conditions laid down in Article 11 of that regulation have been met and, secondly, to indicate what constitutes the individual character of that design.

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4 Ed. Note: Because of the big differences in design regimes internationally, TRIPS is open ended about the model of protection that countries adopt. The Agreement on Trade-Related Aspects of Intellectual Property Rights Including Trade in Counterfeit Goods, opened for signature, April 15, 1994, 33 I.L.M. 81, art. 25(1) (hereinafter TRIPS). In the sentence referred to in the opinion above, Article 25(1) states: “Members may provide that designs are not new or original if they do not significantly differ from known designs or combinations of known design features.” This portion of Article 25 was added to appease countries, like the US, that adopted patent-like approaches to design protection. See JASON J. DU MONT, CREATIVITY IN DESIGN (forthcoming 2015) (describing these models and their impact on innovation).

5 Ed. Note: Article 85(2) of the Community Design Regulation states:

In proceedings in respect of an infringement action or an action for threatened infringement of an unregistered Community design, the Community design court shall treat the Community design as valid if the right holder produces proof that the conditions laid down in Article 11 have been met and indicates what constitutes the individual character of his Community design. However, the defendant may contest its validity by way of a plea or with a counterclaim for a declaration of invalidity.

(emphasis added). By comparison, registered Community designs start with a presumption of validity in infringement proceedings, and need not provide proof of when the design was made available to the public or what it is about the design that gives it individual character. See Art. 85(1); Case KG 04/1369 Starform BV v. Time Out Holland vof (Court of the Hague 2005).
Under Article 11(1) of Regulation No 6/2002, a design which meets the requirements under Section 1 of that regulation is to be protected by an unregistered Community design for a period of three years as from the date on which the design was first made available to the public within the European Union.

As indicated by the very heading of Article 85 of Regulation No 6/2002, paragraph 1 thereof establishes a presumption of validity of registered Community designs and, in paragraph 2, a presumption of validity of unregistered Community designs.

The implementation of that presumption of validity is, by its very nature, incompatible with the interpretation of Article 85(2) of Regulation No 6/2002 advocated by Dunnes, to the effect that the proof which the holder of a design must make out under that provision, namely that the conditions laid down in Article 11 of that regulation have been met, includes the proof that the design concerned also satisfies all of the conditions laid down in Section 1 of Title II of that regulation, that is to say, Articles 3 to 9 thereof, which define what a ‘design’ and ‘product’ are under the Regulation and mandate that it not be contrary to public policy or morality (covered in following section on exclusions).

Similarly, the interpretation of 85(2) of Regulation No 6/2002, read in conjunction with Article 11 of that regulation, as proposed by Dunnes, would have the effect of rendering meaningless and nugatory the second condition, laid down in Article 85(2), that the holder of a design must indicate what constitutes the individual character of that design.

Nor would that interpretation be compatible with the objective of simplicity and expeditiousness which, as evidenced by recitals 16 and 17 in the preamble to Regulation No 6/2002, underpins the idea of protection of unregistered Community designs.\(^6\)

In that context, it should be noted that the different procedures provided for in Article 85 of Regulation No 6/2002 with regard to a registered Community design and an unregistered Community design arise from the need to determine, with regard to the latter, the date as from which the design at issue is covered by the protection under that regulation and specifically what is covered, which, as there

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\(^6\) Ed. Note: These recitals in the Regulation emphasize the importance of providing protection for fast-paced sectors that cannot wait for registration before entering the market:

(16) Some of those sectors produce large numbers of designs for products frequently having a short market life where protection without the burden of registration formalities is an advantage and the duration of protection is of lesser significance. On the other hand, there are sectors of industry which value the advantages of registration for the greater legal certainty it provides and which require the possibility of a longer term of protection corresponding to the foreseeable market life of their products.

(17) This calls for two forms of protection, one being a short-term unregistered design and the other being a longer term registered design.
are no registration formalities, may be more difficult to identify in the case of an unregistered design than for a registered design.

Moreover, if Article 85(2) of Regulation No 6/2002 were to be interpreted as meaning that an unregistered Community design may be treated as valid only if its holder proves that all of the conditions laid down in Section 1 of Title II of that regulation have been met, the possibility for the defendant to contest the validity of that design by way of a plea or with a counterclaim for a declaration of invalidity, as provided for in the second sentence of Article 85(2), would be rendered largely meaningless and nugatory.

As regards the second condition set out in Article 85(2) of Regulation No 6/2002, suffice it to note that the wording of that provision, in merely requiring the holder of an unregistered Community design to indicate what constitutes the individual character of that design, is unambiguous and cannot be interpreted as entailing an obligation to prove that the design concerned has individual character.

Although, given the lack of registration formalities for this category of design, it is necessary for the holder of the design at issue to specify what he wants to have protected under that regulation, it is sufficient for him to identify the features of his design which give it individual character.

In those circumstances, the answer to the second question is that Article 85(2) of Regulation No 6/2002 must be interpreted as meaning that, in order for a Community design court to treat an unregistered Community design as valid, the right holder of that design is not required to prove that it has individual character within the meaning of Article 6 of that regulation, but need only indicate what constitutes the individual character of that design, that is to say, indicates what, in his view, are the element or elements of the design concerned which give it its individual character.

…

NOTES AND QUESTIONS

1. Multiple pieces of prior art. In Karen Millen Fashions, one of the central issues before the Court of Justice was whether it was appropriate to combine features from more than one prior art design when determining whether a design has individual character. See also Case T-153/08 Shenzhen Taiden Industrial Co. Ltd. v. Bosch Security Systems and OHIM, [2010] ECR II-2517 at ¶23 (GC 2010). While the court ultimately held that the comparison must be done individually, it never addressed whether additional designs could still impact the analysis indirectly. For example, the informed user’s overall impression is effected by their general familiarity with the design’s sector and the designer’s degree of freedom. As a result, the informed user may place less weight on common features and functional elements that are evidenced by the prior art when determining the design’s overall impression. See Samsung Electronics v. Apple, [2012] EWHC 1882 (Pat) at ¶52 (“The degree to which a feature is common in the design corpus
is a relevant consideration. At one extreme will be a unique feature not in the prior art at all, at the other extreme will be a banal feature found in every example of the type. In between there will be features which are fairly common but not ubiquitous or quite rare but not unheard of. These considerations go to the weight to be attached to the feature, always bearing in mind that the issue is all about what the items look like and that the appearance of features falling within a given descriptive phrase may well vary.

How might this form of analysis differ from the method of combination described in Karen Millen Fashions? How does the Court of Justice’s treatment of prior art during the individual character assessment differ from the Federal Circuit’s analysis of non-obviousness in design patent law studied in Chapter 5? Which do you prefer?

2. Presumption of validity. Were you surprised to find out in Karen Millen Fashions that registered Community designs were entitled to a presumption of validity despite lacking substantive examination? Design Regulation, art. 85(1); see also Design Regulation, art. 94 (applying in national courts). In practice, because this presumption can be rebutted by merely filing a counterclaim or pleading invalidity—less onerous than filing a counterclaim, a mere plea of invalidity is sufficient when the defendant owns a prior conflicting national design right or in cases for provisional measures, such as protective orders—it has not lead to an epidemic of preliminary injunctions for baseless claims that one might otherwise expect. See Design Regulation, arts. 85(1) & 90(2). Why do you think this is the case? Should registered Community designs even be entitled to a presumption of validity? Would it change your mind if Community trademarks were also entitled to a presumption of validity? See Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark, art. 99 (“The Community trade mark courts shall treat the Community trade mark as valid unless its validity is put in issue by the defendant with a counterclaim for revocation or for a declaration of invalidity.”).

3. Exclusions

There are three mandatory exclusions from design protection under the EU’s Directive and Regulation. The first two exclusions grapple with the role of functionality in design. Design Regulation, art. 8; Design Directive, art. 7. And, the third exclusion relates to designs that are contrary to morality or public policy. Design Regulation, art. 9; Design Directive, art. 8. We examine each of these exclusions below.

a. The Functionality Exclusion

When coupling the protection of functional designs to a validity threshold that does not reach the level required by utility patents, a design regime’s exclusions assume paramount importance. Protecting the appearance of a functional design
clearly raises the possibility of incidentally affecting the ability of others to practice that function. Thus, under the first functionality exclusion, any features of a design that are “solely dictated by the technical function [of the product]” are excluded from protection by Article 7(1) of the Directive. See also Regulation, art. 8(1). Similar exclusions are found in many design laws throughout the world. The Commission argued that if the design is dictated by the function of the product, the creative choices exercised by the designer are necessarily minimized (or even nonexistent). Such an exclusion might also be justified, however, by recognition of the countervailing competitive concerns that are implicated by the protection of functional designs on standards less demanding than those imposed by patent law.

The EU proposals initially contained two additional exclusions from protection that bear confusingly similar popular labels (which were taken from the debates leading to the 1988 UK reforms): “must-fit” and “must-match.” The must-fit exclusion deals with mechanical synchronicity, whereas the must-match provision deals with visual synchronicity. Ultimately, the EU, however, only passed a variant of the ‘must-fit’ exclusion, which bars features of a design that must be “reproduced in their exact form and dimensions in order to permit the product in which the design is incorporated … to be mechanically connected … [to] another product so that either product may perform its function.” Directive, art. 7(2); Regulation, art. 8(2). This exclusion for mechanical connectivity reveals the continuing conviction of the Commission that interoperability and standardization will enhance the competitive environment. As the Commission’s Green Paper explained:

Consumers should, for example, be able to replace a vacuum cleaner hose of a given make by another hose which fits into the vacuum cleaner. In principle, the design of the vacuum cleaner hoses qualifies for design protection just as does the design of the vacuum cleaner itself. To ensure interoperability and competition in the spare parts aftermarket in respect of a wide range of household articles, motor vehicles, consumer electronics etc., it appears advisable to exclude from protection those features of a design which would have to be reproduced necessarily in their exact form and dimensions in order for the component part to fit into the complex product for which it is intended.


The debate about must-match designs (initially defined as designs where “the product incorporating the design or to which the design is applied is a component part of a complex product upon whose appearance the protected design is dependent”) played out in the context of a proposed “repair clause.” In the different proposals prior to the adoption of the Directive, this clause addressed the scope of protection for the design of certain spare parts. The most commonly cited example of a must-match design, which also occasioned the greatest controversy, is the design of car body panels. Although there was broad agreement on the must-
fit exclusion, the adoption of a must-match exclusion resulted in stalemate among EU member states. Article 14 of the enacted Directive provided that:

Until such time as amendments to this Directive are adopted on a proposal from the Commission [as contemplated within four years by Article 18], Member States shall maintain in force their existing legal provisions relating to the use of the design of a component part used for the purpose of the repair of a complex product so as to restore its original appearance and shall introduce changes to those provisions only if the purpose is to liberalize the market for such parts [i.e., reduce protection].

See also Design Regulation, art. 110 (similarly worded); Registered Designs Act 1949, as amended, §7A(5) (UK) (providing that the “design of a component part … of a complex product … is not infringed by the use [of that design to repair the complex product so as to restore its original appearance]”); BMW v. Round & Metal Ltd., [2013] FSR 18 (characterizing Article 110 of the Design Regulation as a defense, and refusing to apply the repair clause to the sale of replica alloy wheels because, in the court’s eyes, replacement wheels of another design were a “perfectly realistic option” and did not ‘depend’ on matching the registered Community designs); cf. Copyright, Designs & Patents Act 1988, §213(3)(b)(ii) (excluding from the scope of UK unregistered design protection designs that “are dependent upon the appearance of another article of which the article is intended by the designer to form an integral part”). However, even before the directive was implemented, the Commission initiated a consultation exercise among interested parties (car parts manufacturers and insurance companies) in the hope of reaching a voluntary resolution of the dispute. The exercise has not yet produced an agreed amendment addressing spare parts. On December 12, 2007, the European Parliament approved a proposal that would ultimately deny protection to car spare parts by amending Article 14 of the Directive to include a harmonized repair clause. See Report on the Parliament on the Proposal for a Directive Amending Directive 98/71/EC on the Legal Protection for Designs, COM(2004)0582–C6-0119/2004-2204/0203 (COD), Nov. 22, 2007, proposed amended art. 14(1) (“protection as a design shall not exist for a design that is incorporated in or applied to a product which constitutes a component part of a complex product and is used within the meaning of Article 12(1) of this Directive for the sole purpose of the repair of that complex product so as to restore its original appearance”). However, those member states presently offering protection would be allowed to continue that protection for five years. See id., proposed art. 1A. In contrast, Article 110 of the Regulation already includes a provision along these lines and excludes protection for “designs which constitute a component part of a complex product used … for the purpose of the repair of that complex product so as to restore its original appearance”.

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COMMUNITY DESIGN REGULATION

Article 8: Designs dictated by their technical function and designs of interconnections

1. A Community design shall not subsist in features of appearance of a product which are solely dictated by its technical function.

2. A Community design shall not subsist in features of appearance of a product which must necessarily be reproduced in their exact form and dimensions in order to permit the product in which the design is incorporated or to which it is applied to be mechanically connected to or placed in, around or against another product so that either product may perform its function.

…

R 690/2007-3 LINDNER RECYCLINGTECH GMBH v. FRANSSONS VERKSTÄDER AB

[2010] ECDR 1 (OHIM 3rd BOA 2009)

THIRD BOARD OF APPEAL:

The respondent is the holder of Registered Community Design No 253778-0001 (‘the contested RCD’), which has a filing date of 15 November 2004. The contested RCD is registered for ‘chaff cutters’. It is represented as follows:

On 17 August 2006 the appellant filed an application for a declaration of invalidity against the contested RCD, pursuant to Article 52 of … [the Community Design Regulation]. The appellant argued that the contested RCD must be declared invalid in accordance with Article 25(1)(b) CDR [(“Community Design Regulation”)] because it did not fulfil the requirements of novelty and individual character under Articles 4 to 6 CDR and because it was solely dictated by its technical function within the meaning of Article 8(1) CDR.

On 3 April 2007 an Invalidity Division of the Office issued a decision (‘the contested decision’) rejecting the application for a declaration of invalidity. The appellant was ordered to bear the costs.

On 7 May 2007 the appellant filed a notice of appeal against the contested decision.

…
The appellant’s first submission: the contested RCD does not satisfy the requirement of visibility in normal use under Article 4(2) and (3) CDR

It is not disputed that the contested RCD concerns a component part of a complex product. Its validity therefore depends on its remaining visible during normal use of the complex product into which it is incorporated. The complex product in question is a machine for shredding used paper, cardboard, plastic, glass, and so forth, for recycling purposes. This is a large industrial machine for use by companies in the recycling business, not a small unit for domestic use by ecologically-minded individuals. The component part has been described as a chaff cutter and a step rotor. It is a metal cylinder, with knives attached, which rotates and thus cuts up the material that is fed into the shredder.

A shredder made by the appellant is shown here:

[S]hredders have a large, square collector unit, located in the upper part of the shredder. The material is fed into that collector and falls down on to the step rotor which spins round and shreds the material, which is then ejected somewhere at the side of the machine. It will be apparent that the step rotor will not be visible to the person operating such a machine if he or she is standing on the ground with feet at the same level as the base of the shredder. That is not contested by the respondent.

The respondent argues none the less that the requirement of visibility in normal use is satisfied, and must necessarily be satisfied, because the shredding process must, for technical reasons, be open for observation.

* Ed. Note: A component part of a complex product—defined in Article 3(c) as a product “composed of multiple components which can be replaced permitting disassembly and reassembly of the product”—such as the chaff cutter in Lindner Recyclingtech, can only be considered for protection, according to Article 4(2)(a), if it remains visible during normal use of the complex product that it’s incorporated into. While this provision does not require that every feature of the design remain visible, it does demand that those visible features alone be novel and have individual character. Art. 4(2)(a-b).
Although the matter is not absolutely free from doubt, the evidence suggests on balance that the step rotor will, at least to a limited degree, be visible in normal use. The respondent has argued convincingly that the step rotor needs to remain visible for observation during the shredding process and has demonstrated various methods of achieving that result, e.g. by mirrors, cameras or an observation platform.

The extent to which the step rotor remains visible is limited because, as becomes clear in the video film supplied by the respondent, the step rotor is largely covered much of the time by the material that is being shredded. The fact that the rotor is spinning also limits the extent to which its various features can be perceived.

The Board concludes none the less that the requirements of Article 4(2)(a) CDR are satisfied. That provision does not require a component part to be clearly visible in its entirety at every moment of use. It is sufficient if the whole of the component can be seen some of the time in such a way that all its essential features can be apprehended.

The appellant's second submission: all the features of the contested RCD’s appearance are solely dictated by the product’s technical function within the meaning of Article 8(1) CDR

The appellant identifies five characteristic features of the contested RCD:

- The rotor is in the form of a cylinder having grooves in planes perpendicular to the rotation axis of the cylinder, the grooves having essentially the same width as the elevations between the grooves (feature A);
- Knives are arranged along two parallel lines (feature B);
- The two parallel lines are V-shaped (feature C);
- The knives along one of the parallel lines are arranged within the grooves (feature D);
- The knives along the other parallel line are arranged on the elevations (feature E);

According to the appellant, all five of the aforesaid ‘characteristic features’ pursue a purely technical function. The V-shaped knives (feature C) ensure that the material introduced into the shredder is guided into the middle of the rotor.

They also ensure that material is shredded successively, and not all at the same time. This means that the shredder operates more quietly and thus complies more easily with government regulations which protect workers against excessive noise. The appellant attempts to explain the technical function of features A, B, D and E by means of the following sketch showing the cutting region of two different shredders:
Figures 1a and 1b show the cutting region of a first shredder having a rotor in the form of a cylinder without grooves, on which the knives are arranged in two parallel lines. Figures 2a and 2b show the cutting region of a second shredder in which the rotor displays features A, B, D and E of the contested RCD. Both shredders have a stationary knife (which the respondent prefers to call an ‘anvil steel’ or *Gegenstück* in German). The shredding takes place when the knives on the rotor are facing the stationary knife. This position is shown in figures 1a and 2a. Figures 1b and 2b show the rotors in a position in which they are approximately 90° (i.e. a quarter of a revolution) before reaching the position in which the knives of the rotor face the stationary knife. In the position shown in figures 1b and 2b a gap is present between the rotor and the stationary knife. Material which is smaller than the gap can fall through it, even if it has not been shredded to the intended size. … Owing to the smaller size of the gap in the second shredder and its labyrinth shape, only material having a size which is in the intended range can fall through the gap and larger pieces of material are shredded to the intended size. …

The respondent attempts to refute the appellant’s arguments about the technical function of the design by arguing as follows:

The RCD design has been chosen to tune with the relatively low speed rotation of the rotor; therefore the stretched out V-form has been chosen. The ‘larger’ pattern the better conception of it when [in] rotation. A zig-zag form has the same good technical function, but it is harder to identify when [in] rotation; one can also chose other angles of the V-form, for instance one that covers only 90 percent of the rotor surface. These alternatives offer a successive shredding ability and they are not significantly different as to the technical function when compared with a rotor wherein the V-shape covers 180 percent or a zig-zag shape. Lindners
apparently fails to realise, that non-successive shredding can be done only when the knives are arranged in a straight line. A 90-degree arrangement or a zig-zag shaped arrangement is not louder than the RCD V-shape arrangement.

Both parties have submitted various items of evidence to back up their assertions.

... The appellant also produces advertising material issued by two companies that are clearly competitors of it and the respondent. One of the advertised products is the Zerma GSL. The advertisement states as follows:

The V-shaped arrangement of the staggered rotor blades holds pre-cut material in the centre of the cutting chamber. This prevents material sticking to the side walls and considerably reduces wear on the grinding chamber walls when processing fibre and glass reinforced plastics. The staggered rotor blades means only one blade cuts at once thus increasing the cutting torque.

The respondent produces an affidavit by Mr Öster Gradin, an employee of Franssons Recycling AB. Mr Gradin states that the V-shaped knives on the contested RCD were chosen mainly for aesthetical reasons.

The interpretation of Article 8(1) CDR (and of the corresponding provision in Article 7(1) of Council Directive 98/71/EC on the legal protection of designs) is highly controversial. Similar provisions existed in the designs legislation of several Member States prior to harmonization of the law by Directive 98/71. The assumption has generally been made that the purpose of such provisions is to prevent design rights from being used to obtain monopolies over technical solutions without meeting the relatively stringent conditions laid down in patent law. Two contrasting views have been canvassed in the legal literature. One view holds that a technical necessity exception, such as that contained in Article 8(1) CDR applies only if the technical function cannot be achieved by any other configuration; if the designer has a choice between two or more configurations, the appearance of the product is not solely dictated by its technical function. That theory—known as the multiplicity-of-forms theory—is defended by some German authors (see, for example, P. Schramm, Der europaweite Schutz des Produktdesigns, Nomos Verlagsgesellschaft, Baden-Baden 2005, at p. 242 et seq., and U. Ruhl, Gemeinschaftsgeschmacksmuster: Kommentar, Carl Heymanns Verlag, Köln-Berlin-München 2007, at p. 169 et seq.) and was formerly followed by the French courts (see D. Cohen, Le droit des dessins et modèles, 2nd edition, Economica, Paris 2004, at p. 22). Advocate General Ruiz-Jarabo suggested in Philips v. Remington (Case C-299/99, [2002] ECR I-5475, at paragraph 34 of the Opinion) that Article 7(1) of the Designs Directive (and therefore obviously Article 8(1) CDR) should be interpreted in that maner. He stated:

... [A] functional design may, none the less, be eligible for protection if it
can be shown that the same technical function could be achieved by another different form.

The Advocate General’s comment is clearly an obiter dictum since Philips v. Remington was a case on the interpretation of Article 3(1)(e) of Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (‘TMD’). Article 3(1)(e) TMD excludes from trademark protection ‘signs which consist exclusively of the shape of goods which is necessary to obtain a technical result’.

The multiplicity-of-forms theory has been adopted by courts in the United Kingdom (see the judgment of 28 July 2006 of the Court of Appeal in Landor & Hawa International Ltd v. Azure Designs Ltd [2006] EWCA Civ 1285) and Spain (Juzgado de lo Mercantil PTO Número Uno de Alicante, Auto No 267/07, 20 November 2007, in Silverlit Toys Manufactory Ltd v. Ditro Ocio 2000 SL and others.

There is none the less a major flaw in the multiplicity-of-forms theory. If it is accepted that a feature of a product’s appearance is not ‘solely dictated by its function’ simply because an alternative product configuration could achieve the same function, Article 8(1) CDR will apply only in highly exceptional circumstances and its very purpose will be in danger of being frustrated. That purpose, as was noted above, is to prevent design law from being used to achieve monopolies over technical solutions, the assumption being that such monopolies are only justified if the more restrictive conditions imposed by patent law (and in some countries by the law of utility models) are complied with. If a technical solution can be achieved by two alternative methods, neither solution is, according to the multiplicity-of-forms theory, solely dictated by the function of the product in question. This would mean that both solutions could be the subject of a design registration, possibly held by the same person, which would have the consequence that no one else would be able to manufacture a competing product capable of performing the same technical function (see W. Cornish and D. Llewelyn, Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights, 5th edition, London, Sweet & Maxwell 2003, at p. 549). This leads to the conclusion that the multiplicity-of-forms theory cannot be correct.

The principal alternative, discussed by academic authors, to the multiplicity-of-forms theory has its origin in English case law. The case of Amp v. Utilux [1971] FR 572 concerned the interpretation of a provision of the Registered Designs Act 1949 which denied protection to the features of a design that were solely dictated by a product’s technical function. The House of Lords held that a product’s configuration was solely dictated by its technical function if every feature of the design was determined by technical considerations. The striking similarity between section 1(3) of the 1949 Act and Article 8(1) CDR does not of course mean that the approach of the House of Lords in Amp v. Utilux must necessarily be adopted in relation to the Community provision. Indeed, as was noted above in
paragraph 29, the multiplicity-of-forms theory has now been adopted by the English Court of Appeal in Landor & Hawa International v. Azure Designs. Thus the Court of Appeal must have thought that the approach taken in Amp v. Utilux was no longer valid, following harmonization, in spite of the similar wording of the Community provisions and the 1949 Act. The approach taken in Amp v. Utilux would, however, have the advantage of allowing the purpose of Article 8(1) CDR to be achieved. No one would be able to shut out competitors by registering as Community designs the handful of possible configurations that would allow the technical function to be realised. This may explain why the French courts, which formerly espoused the multiplicity-of-forms theory, began to abandon that theory at the beginning of the 21st century in favour of an interpretation which closely resembles the Amp v. Utilux approach (see the judgments cited by Cohen, op. cit., at pp. 23-24).

In addition to being supported by a teleological interpretation, the approach discussed in the previous paragraph is also supported by the wording of Article 8(1) CDR. That provision denies protection to features of a product’s appearance that are ‘solely dictated by its technical function’. Those words do not, on their natural meaning, imply that the feature in question must be the only means by which the product’s technical function can be achieved. On the contrary, they imply that the need to achieve the product’s technical function was the only relevant factor when the feature in question was selected.

Good design involves two fundamental elements: the product must perform its function and it should be pleasant to look at. In the case of some products, such as pictures and ornaments, their very function is to please the eye. In the case of other products, such as the internal working parts of a machine, the visual appearance is irrelevant. That is why the Community design legislation denies protection to component parts that are not visible in normal use. In the case of most products the designer will be concerned with both the functional and the aesthetic elements. That applies also to large items of industrial equipment, such as shredders for use in recycling plants. The shredder must, in the first place, perform its function effectively and safely and without creating excessive noise, but it is also desirable that the shredder should be pleasing to the eye and thus enhance the working environment of the people who operate it and see it in use. For that reason there is no objection in principle to granting design protection to industrial products whose overall appearance is determined largely, but not exclusively, by functional considerations.

It is often pointed out that the Community design legislation, unlike the old laws of some member states, does not lay down any requirement of aesthetic merit, artistic creativity or eye appeal. The absence of such a requirement is expressly mentioned in the 10th recital in the preamble of Regulation No 6/2002 and in the 14th recital in the preamble to Directive No 98/71. ** Some authors infer

** Ed. Note: The two recitals are essentially identical:
from this that purely functional designs are protectable. That is a false analysis. Community design law is concerned with the visual appearance of products. That is clear from the definition of ‘design’ in Article 3(a) CDR and from the requirement of visibility in normal use for component parts in Article 4(2)(b) CDR. Those parts of a product that cannot be seen are of no concern to the Community law of design because no one cares what they look like. All that matters is that such parts perform their function. If the law were intended to protect purely functional designs it would not be logical to exclude the non-visible aspects of design from protection.

The significance of limiting protection to the visual appearance of products is that aesthetic considerations are in principle capable of being relevant only when the designer is developing a product’s visual appearance. Most of the time the designer will be concerned with both elements of good design: functionality and eye appeal. In some cases functionality will be the dominant preoccupation of the designer. The need to make a product that works will be uppermost in the designer’s mind and will largely determine the appearance of the product. As long as functionality is not the only relevant factor, the design is in principle eligible for protection. It is only when aesthetic considerations are completely irrelevant that the features of the design are solely dictated by the need to achieve a technical solution. This is not, it must be stressed, tantamount to introducing a requirement of aesthetic merit into the legislation. It is simply recognition of the obvious fact that when aesthetics are totally irrelevant, in the sense that no one cares whether the product looks good, bad, ugly or pretty, and all that matters is that the product functions well, there is nothing to protect under the law of designs.

It follows from the above that Article 8(1) CDR denies protection to those features of a product’s appearance that were chosen exclusively for the purpose of designing a product that performs its function, as opposed to features that were chosen, at least to some degree, for the purpose of enhancing the product’s visual appearance. It goes without saying that these matters must be assessed objectively: it is not necessary to determine what actually went on in the designer’s mind when the design was being developed. The matter must be assessed from the standpoint of a reasonable observer who looks at the design and asks himself whether anything other than purely functional considerations could have been relevant when a specific feature was chosen.

(10) Technological innovation should not be hampered by granting design protection to features dictated solely by a technical function. It is understood that this does not entail that a design must have an aesthetic quality. Likewise, the interoperability of products of different makes should not be hindered by extending protection to the design of mechanical fittings. Consequently, those features of a design which are excluded from protection for those reasons should not be taken into consideration for the purpose of assessing whether other features of the design fulfil the requirements for protection.

Design Regulation, Recital 10 (emphasis added).
The fact that a particular feature of a product’s appearance is denied protection by Article 8(1) CDR does not mean that the whole design must be declared invalid, pursuant to Article 25(1)(b) CDR, on the ground that it does not ‘fulfil [one of] the requirements of Articles 4 to 9’. The last sentence of the 10th recital in the preamble to the Regulation makes it clear that the design as a whole may be valid even though certain features of the design are denied protection. The design as a whole will be invalid only if all the essential features of the appearance of the product in question were solely dictated by its technical function.

The appellant identified five characteristic features of the design ... . The respondent has not disputed that these are the most important features of the design. They could fairly be described as the essential features of the design. If all five of those features were solely dictated by the technical function of the step rotor, the design must be declared invalid, under Article 25(1)(b) in conjunction with Article 8(1) CDR.

The appellant gave a detailed, coherent and convincing explanation of the technical function of each of the five features ... and showed how each feature had been selected in such a way as to improve the shredding process. The respondent’s attempts to rebut those arguments can only be described as inadequate. In the passage quoted above ... the respondent recognizes that the design was chosen ‘to tune with the relatively low speed rotation of the rotor’. He goes on to state that a ‘zig-zag form has the same good technical function, but it is harder to identify when [in] rotation’. He then points out that certain alternative configurations could achieve the same technical result. The respondent’s own statements show that the design was chosen purely for technical reasons.

The affidavit by Mr Grdin ... does little to refute the view that the contested RCD was designed solely with a view to enhancing the technical performance of the shredder. The bold statement that the V-shape was chosen for mainly aesthetical reasons is scarcely credible. The statement that a zig-zag configuration would be more effective from a technical point of view is surprising: it is hard to believe that a technical advantage would be surrendered in favour of aesthetical considerations in the case of a piece of industrial equipment that might only be visible through a mirror or with the aid of a camera. In fact Mr Grdin concedes that the V-shape might have the advantage of centering the shredding process but claims that the downside of this is that more strain is put on the centrally placed teeth. What he appears to be saying is that the design represents an engineering compromise, which may well be true of most industrial designs. Something is gained, something is lost. The designer takes into account conflicting technical considerations and strives to come up with a product that has the best overall technical performance. The fact that the designer accepts a technical drawback (X) for the sake of a technical advantage (Y), knowing that he cannot have both X and Y, does not mean that the design has not been solely dictated by the technical function of the product. On the contrary, it strongly implies that nothing but the technical function of the product was relevant to the development of the design.
The respondent produces a declaration signed by Mr Jan Olsson of Bjerkens Patent Bureau KB. Mr Olsson refers to a commentary on the provision of Swedish law that implements Article 7(1) of Directive 98/71. He states that, according to this commentary, the law does not exclude ‘protection of a product that lacks any aesthetical quality’. Thus, argues Mr Olsson, it is possible to protect solely functional designs. He goes on to state that it is possible ‘that such details of the appearance of a product that are dictated solely by its technical function, together compose a design that [it] is possible to protect, although the particular details in themselves cannot be protected’.

The views expressed in Mr Olsson’s declaration are problematical. They could, if accepted, deprive Article 7(1) of the Directive and Article 8(1) CDR of any purpose and content. Those provisions might just as well be deleted from the legislation. It is true that there is no ban on the protection of designs that lack any aesthetic quality. Such a requirement is not imposed because it is notoriously difficult to make an objective evaluation of aesthetic merit. Article 7(1) of the Directive and Article 8(1) CDR deny protection to certain designs, not because they lack aesthetic merit but because aesthetic considerations play no part in the development of the designs, the sole imperative being the need to design a product that performs its function in the best possible manner. That may fairly be said of the contested RCD. No one cares whether such a product looks good, bad or indifferent because no one spends much time looking at it. All that matters is that the product performs its function properly. Every essential feature of the design has been chosen with a view to achieving the best possible technical performance. Those features were therefore solely dictated by the product’s technical function. It follows that the contested RCD must be declared invalid under Article 25(1)(b) in conjunction with Article 8(1) CDR.

NOTES AND QUESTIONS

1. Protection of functional designs. Why is it important that EU law makes no distinction between aesthetic and functional designs? What dangers does the inclusion of functional designs generate? Are the benefits received from their inclusion worth the costs or risks? How might those costs or risks be controlled or minimized? One writer has suggested that the definition of “design” in the Directive—and, in particular, the use of the term “appearance”—defeats the Commission’s stated objective of protecting modern functionalist industrial design. See Uma Suthersanen, Breaking Down the Intellectual Property Barriers, 2 INTELL. PROP. Q 267, 274-275 (1998); cf. 2 STEPHEN P. LADAS, PATENTS, TRADEMARKS AND RELATED RIGHTS 869 (1975) (suggesting broader conception of “appearance”). Review the definition of “design” in Article 1(a) in the Directive: What types of designs are excluded by the limitations built into the definition? Does it by its terms offer protection to functionalist design?
2. **The two functionality exclusions.** How do you think the two functionality exclusions relate to each other? See Graeme B. Dinwoodie, *Federalized Functionalism: The Future of Design Protection in Europe*, 24 AM. INTELL. PROP. L. ASS’N Q.J. 611, 677 (1996) (describing the mechanical connectivity exclusion as a more specific application of the first general exclusion for features solely dictated by function). Are these provisions redundant? See also Design Regulation, art. 8(3). Can you think of an example where a feature that is necessary for mechanical interoperability might not be solely dictated by function? In light of OHIM’s reasoning in *Lindner Recyclingtech*, what do you think might drive disparate outcomes?

3. **Designs solely dictated by function.** National courts needn’t follow OHIM’s examination guidelines or case law, but many have adopted *Lindner Recyclingtech*’s method of assessing whether a design is solely dictated by function. See, e.g., *Dyson Ltd. v. Vax Ltd*, [2012] FSR 4 at ¶31 (shifting from a mandatory approach to the causative approach outlined in *Lindner Recyclingtech*). While the Board claims to have adopted the causative approach from the UK’s *Amp* decision, its method of determining what ‘originated from purely functional consideration’ is arguably different. Jason Du Mont & Mark Janis, *Functionality in Design Protection Systems*, 19 J. INTELL. PROP. L. 261, 291-92 (2012). Instead of relying on the subjective-intent of the designer, the Board “assessed [functionality] from the standpoint of a reasonable observer who looks at the design and asks himself whether anything other than purely functional considerations could have been relevant when a specific feature was chosen.” Case R690/2007-3 *Lindner Recyclingtech* at ¶36. Why do you think it adopted the reasonable observer’s perspective over that of the informed user? In practice, do you think the Board’s approach is more objective than the House of Lords in *Amp*? It’s fairly common for Community design courts and OHIM to use technical (design) experts as decision-makers or party-neutral experts. Does this affect your decision?

4. **Defining function.** While it often goes unstated, regardless of which exclusion—or even, which design regime’s functionality doctrine—is applied, case outcomes often hinge on the specificity the court uses when defining the product’s function. For example, applying a mandatory approach, there is a big difference between requiring an alternative design for a hammer to simply hit a nail, and requiring it to hit a nail with the same efficiency. While design attorneys frequently maintain that this is where the case is won or lost, courts rarely provide any guidelines for making this determination. Can you think of any that courts might use? As we shift from design to trademark regimes, the product’s function is usually described in greater detail—requiring the same efficiency, at the same cost or quality. Compare similar functionality exclusions in trademark law (Chapter 3) and design patent law (Chapter 5). Which approach makes the most sense, and are they reconcilable?
5. **A feature-based approach.** An important ingredient of the EU’s functionality exclusions is that they are applied on feature-by-feature basis, meaning that applicants can still get design protection in the features that are not swallowed by the exclusions. Design Regulation, art. 8; Design Directive, art. 7. In order to obtain protection, however, only those remaining features can be assessed when determining whether the design is novel or has individual character. Design Regulation, Recital 10 (“Consequently, those features of a design which are excluded from protection for those reasons should not be taken into consideration for the purpose of assessing whether other features of the design fulfil the requirements for protection.”); see also Design Directive, Recital 12. What are the benefits and problems with applying the exclusions on a feature-by-feature basis? How does this approach relate to design patent law in the US? See Jason Du Mont & Mark Janis, *Functionality in Design Protection Systems*, 19 J. INTELL. PROP. L. 261, (2012) (providing an overview of functionality doctrines in the US and EU).

6. **Exclusions vs. degree of freedom.** By mandating the use of direct functionality exclusions and the individual character’s degree of freedom analysis (and scope, as we will see later), the EU has woven functionality concerns into the very fabric of its design laws. How do these two doctrines work together? Are they both necessary? Is there a difference between what might be considered functional?

7. **Modular products.** Article 8(3) of the Design Regulation contains an important exception to the exclusion of features necessary for mechanical connectivity: modular products. See also Design Directive, art. 7(3). According to this exception, the must-fit exclusion under Article 8(2) does not apply when “the conditions set out in Articles 5 and 6 [(i.e., novelty and individual character)] subsist in a design serving the purpose of allowing the multiple assembly or connection of mutually interchangeable products within a modular system.” Design Regulation, art. 8(3). Colloquially referred to as the LEGO exception because of political pressure from Denmark during negotiations, it is not clear from the text of Directive or Regulation exactly what distinguishes a ‘modular system’ from those that do not qualify under the exception. DAVID C. MUSKER, *THE DESIGN DIRECTIVE 64* at ¶7.58 (2001). While the unconnected elements of a design could always obtain protection without the LEGO provision, the exception’s explicit reference to the novelty and individual character provisions suggest that the inter-connected elements themselves are capable of protection if they are different enough from the prior art. See Annette Kur, *Industrial Design protection in Europe—Directive and Community Design, Trademarks, Management of Brand Names and Geographical indications: Recent Development*, ATRIP CONGRESS 2003 8 (Conference Proceedings, May 2003). If this is true, how might a court assess the individual character of an interface alone (e.g., LEGO bricks, modular shelving attachments, stackable chairs)? How should the degree of freedom analysis operate?
8. Must-match exclusions. Essential mechanical designs will, to a large extent, be caught by the must-fit exception or by the specific exclusion of so-called under the hood designs. See Directive, art. 3(3). Why should the protection of must-match designs—designs where “the product incorporating the design or to which the design is applied is a component part of a complex product upon whose appearance the protected design is dependent”—be restricted? Consider the prototypical case of car body panels. See Bernhard Posner, The Proposed EC Industrial Design Directive and Regulation: An Update and Analysis, 2 INT’L INTELL. PROP. L. & POL. at 46-10 (1998); see also British Leyland Motor Corp. v. Armstrong Patents Co., [1986] 1 All E.R. 850, 864 (1986) (Lord Templeman) (noting that if copyright gives exclusive rights in spare parts for cars “the purchaser of a BL car sells his soul to the company store”). Are there any costs to allowing free copying of the design of spare parts? What does the term “complex product,” with respect to which the must-match provision and its permission to copy in order to supply the repair market applies, mean? See Directive, art. 1(c). What products other than cars might be encompassed by this term? And what makes a design “dependent upon the appearance” of the complex product? In Dyson Ltd. v. Quatex (UK) Ltd., [2006] EWCA Civ. 166, the UK Court of Appeal analyzed in detail the must-match exclusion from UK unregistered design right in a case involving the design of parts of a vacuum cleaner. Section 213(3)(b)(ii) of the Copyright, Designs & Patents Act 1988 excludes protection for features of an article that “are dependent upon the appearance of another article of which the article is intended by the designer to form an integral part.” The court held that whether the exclusion applies turns in large part on the question of “dependency,” and that that question should be answered by considering whether the article upon which the design was alleged to be dependent would be “radically different in appearance” if the design for which protection was sought were different. See id. at ¶68. Moreover, if there was, as a practical matter, design freedom for the part, then there was likely no dependency. Id. at ¶63. In reaching this conclusion, the court rejected a broader reading of dependency, bearing in mind that the intention of the UK legislature (though expressed in tortuous language) had not been to deny protection for all spare parts. See id. at ¶64. Does the concept of dependency draw a useful line in terms of what designs can be protected? Cf. Registered Designs Act 1949, as amended, §7A(5) (UK).

b. The Morality & Public Policy Exclusion

According to Article 9 of the Regulation: “A Community design shall not subsist in a design which is contrary to public policy or to accepted principles of morality.” Design Regulation, art. 9; Design Directive, art. 8. This exclusion not only operates as a ground for invalidity, but is also a means of refusing registration altogether—making it one of the only grounds that examiners use to deny
registration, besides when applicants file improper subject-matter or fail to meet the formal filing requirements. Design Regulation, art. 47. While there is no definition of what is contrary to morality or public policy in the Regulation or Directive, OHIM’s website explains that it applies this provision to “[d]esigns that portray or promote violence or discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation will be refused.” OHIM’s examination guidelines also note that this determination is based on “the perception[s] of the public within the Community.” Nevertheless, they fail to answer more pragmatic things, like how the public’s perceptions are measured, whether it’s judged by the effected group or the Community en masse, and what share of this group must find the design offensive. Unfortunately, there also are not examples that practitioners can use to help understand the line between designs that are immoral or ‘contrary to public policy’ (excluded) and those that are simply of poor taste (allowed) because OHIM has never invalidated a registered design on these grounds, and it does not publish designs that have been refused. See David Stone, European Union Design Law: A Practitioner’s Guide 80 (2012).

On occasion, however, Community design courts and national design offices have applied this exclusion. For example, in a series of cases in 2003, the German Federal Court of Justice—the highest court in Germany not dealing with constitutional questions—upheld the German Patent and Trademark Office’s refusal to register several designs involving the application of currencies to various objects:

![Key-chains & Other Items](image)

Case I ZB 1/02 (Bundesgerichtshof 2003) (Geschmacksmusteranmeldung Nr. 498 12 024.4) (Ger.)

In all three cases the court relied, in part, on its national equivalent of the Directive’s Article 8 to deny protection to these designs for being ‘contrary to public policy.’ See also Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, art. 6ter. Citing only to a string of treatises, in each case the court broadly stated that the exclusion applies when a design “calls into question the essential premises of the social, public or economic life or fundamental principles of the legal system.”** While it’s clear that German courts will deny protection to designs that use currencies as ornamentation—on the grounds they are ‘contrary to public policy’—its sweeping definition provides little guidance.

Given the immense cultural diversity and social views of EU citizens, it is equally difficult to provide a firm definition of what might be considered immoral under the Directive and Regulation. This is, in large part, due to the fluidity and evolution of social mores. In a much publicized (or laughed about) case in Germany, its Federal Patent Court—which sits in the first, and second instance when handling appeals from the German Trademark and Patent Office—upheld the patent office’s refusal to register an applicant’s “penis whistle” design. 10 W (pat) 711/99 (Bundespatentgericht 1999). Applying its approach from an analogous exclusion in trademark law, the court stated:

The concept of “morality” is thus alterable/adaptable, as its content/Scope is determined by the applicable average moral views of the relevant public at the time of the decision. The views of particularly sensitive or “hard-bitten” characters must not be taken into account. However, it is sufficient that a significant part of the relevant public considers the subject a

** Translated from the following:

Das setzt voraus, daß durch das Muster die Grundlagen des staatlichen oder wirtschaftlichen Lebens oder die tragenden Grundsätze der Rechtsordnung in Frage gestellt warden.

Case I ZB 1/02 at ¶14 (Bundesgerichtshof 2003)(Ger.); Case I ZB 27/01 at ¶12 (Bundesgerichtshof 2003)(Ger.); Case I ZB 2/02 at ¶12 (Bundesgerichtshof 2003)(Ger.).
violation of their sense of shame and morality. This must not be the case for the majority of the relevant public.

*Id.* *at ¶9. Although the German court was quick to acknowledge that the design’s symbolism had become less taboo over the years—through advertising, parades, and, perhaps most notably, the Clinton-Lewinsky scandal in the US—it was still sufficiently embarrassing, distasteful, and immoral for the exclusion to apply. *Id.* *at ¶11. Only four years later, however, the same court refused to apply the exclusion to a couple of equally phallic sex toys. 10 W (pat) 714/01 (Bundespatentgericht 2003).

Acknowledging liberalization on the topic, the court held that a design could not be refused registration simply for being sexual in nature. *Id.* *at ¶7-9. In the court’s view, the sex toys were not only medical and therapeutic, but they were also capable of being used in a non-degrading or exploitative manner. *Id.* *at ¶9. In an attempt to distinguish the design from the whistle case, the court observed that the toys’ function not only necessitated their general shape, but that they were a far wittier allusion than the whistle. *Id* *at ¶10-11.*

4. INFRINGEMENT

The EU’s infringement and individual character analyses are opposite sides of the same coin. In theory, this framework provides the design with a scope of protection that is commensurate with the designer’s contribution to the art. See Graeme B. Dinwoodie, *Federalized Functionalism: The Future of Design Protection in Europe*, 24 AM. INTELL. PROP. L. ASS’N Q.J. 611, 662 (1996) (discussing relationship between thresholds and scope). Indeed, the two provisions are almost complete mirrors. Compare Design Regulation, art. 10, *with* Design Regulation, art. 6. Like the individual character analysis, after taking account of the designer’s degree of freedom, courts must determine whether the allegedly infringing design would produce a different overall impression on the informed user than the Community design. Design Regulation, art. 10. This redundancy ensures they share the same complicated inquiries too.

*** Translated from the following:

Bei dem Begriff der "guten Sitten" handelt es sich um eine Generalklausel, die der Rechtsanwendung einen gewissen Spielraum überläßt. Der Begriff der "guten Sitten" ist der sittlichen Auffassung, dem "Anstandsgefühl aller billig und gerecht Denkenden" zu entnehmen. Er ist wandelbar; sein Inhalt bestimmt sich daher nach den zum Zeitpunkt der Entscheidung jeweils geltenden durchschnittlichen sittlichen Anschauungen der in Betracht kommenden beteiligten Kreise; das Empfinden besonders feinfühliger oder abgebrühter Naturen ist dabei nicht zu berücksichtigen. Es genügt allerdings, daß sich ein beachtlicher Teil des Publikums in seinem Scham- und Sittlichkeitsgefühl verletzt fühlt; auf die Mehrheit ist nicht abzustellen.

*Id.* *at ¶9 (internal citations omitted).*

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If another product falls within the scope of a registered Community design, the defendant is strictly liable for infringement. Design Regulation, art. 19(1). However, holders of unregistered designs must also prove copying. Design Regulation, art. 19(2).

**COMMUNITY DESIGN REGULATION**

**Article 10: Scope of Protection**

1. The scope of the protection conferred by a Community design shall include any design which does not produce on the informed user a different overall impression.

2. In assessing the scope of protection, the degree of freedom of the designer in developing his design shall be taken into consideration.

**Article 19: Rights Conferred by a Community Design**

1. A registered Community design shall confer on its holder the exclusive right to use it and to prevent any third party not having his consent from using it. The aforementioned use shall cover, in particular, the making, offering, putting on the market, importing, exporting or using of a product in which the design is incorporated or to which it is applied, or stocking such a product for those purposes.

2. An unregistered Community design shall, however, confer on its holder the right to prevent the acts referred to in paragraph 1 only if the contested use results from copying the protected design.

**PROCTER & GAMBLE CO. v. RECKITT BENCKISER (UK) LTD**

[2007] EWCA Civ 936 (CA)

**JACOB L.J.:**

This is an appeal from a judgment of Lewison J. He held Procter & Gamble’s (P&G) registered Community design (RCD) No. 000097969-0001 valid and infringed. The indication of the products to which the design is intended to be applied is “sprayers”. P&G use it in a number of countries (but not yet here) for an air freshener product called “Febreze”. The Reckitt spray canister held to infringe is for their “Air Wick” room air conditioner.

**Evidence in Registered Design Cases**

The most important things in a case about registered designs are: (1) the registered design; (2) the accused object; and (3) the prior art.

And the most important thing about each of these is what they look like. Of course parties and judges have to try to put into words why they say a design has “individual character” or what the “overall impression produced on an informed user” is. But “it takes longer to say than to see” as I observed in Philips
Electronics NV v. Remington Consumer Products Ltd (No.1) [1998] R.P.C. 283 at 318. And words themselves are often insufficiently precise on their own.

It follows that a place for evidence is very limited indeed. By and large it should be possible to decide a registered design case in a few hours. The evidence of the designer, e.g. as to whether he/she was trying to make, or thought he/she had made, a breakthrough, is irrelevant. The evidence of experts, particularly about consumer products, is unlikely to be of much assistance: anyone can point out similarities and differences, though an educated eye can sometimes help a bit. Sometimes there may be a piece of technical evidence which is relevant—e.g. that design freedom is limited by certain constraints. But even so, that is usually more or less self-evident and certainly unlikely to be controversial to the point of a need for cross-examination, still less substantial cross-examination.

In Thermos Ltd v. Aladdin Sales & Marketing Ltd [2000] F.S.R. 402 at 404, I said:

Most registered designs are for consumer articles, objects bought or to be appreciated by ordinary members of the public. I observed in Isaac Oren v. Red Box Toy Factory Ltd [1999] F.S.R. 785, at 791, that ‘I do not think, generally speaking, that ‘expert’ evidence of this opinion sort, (i.e. as to what an ordinary consumer would see) in cases involving registered designs for consumer products is ever likely to be useful. … Much the most important matters in a registered design action are what the various designs look like. Everything else is secondary. It is, for instance, clear law that whether or not the defendant copied is irrelevant. … So it is irrelevant for the claimants’ witness to throw down a challenge that he thought the defendant copied, as was done here, and it is equally irrelevant for the defendant to prove or to give disclosure about how his design was arrived at. Similarly, it is irrelevant for the claimant to prove, if it be the case, that he spent a fortune in arriving at his design. It matters not whether he thought of it in the bath or by engaging the most prestigious design consultants in the world.’ …

Thermos was decided in relation to the then UK domestic law of registered designs. This case is the first to reach this Court concerning a Community design registration (CDR) granted pursuant to Regulation 6/2002 (the Regulation). But everything I said then applies also to actions about CDRs too.

It follows that the design history of the P&G design, and whether Reckitt copied … was irrelevant. Of more relevance (though even this is secondary) is the fact that the P&G design (in the form of its physical embodiment) received some independent accolade. The judge records this at:

[10] The Febreze product was well-received within the packaging community. At the end of 2004 it won the New Jersey Packaging Executives Package of the Year Award. In 2005 it won the Ameristar Award within the category of household products. The citation for the latter award said:
Febreze Air Effects is packaged in a uniquely shaped aerosol can that breaks category norms, stands out on the shelf, is easy to use and delivers a superb scent experience for consumers. Febreze redefines the difference a great product and a unique package can make in a customized container and actuator.

... 

The Registered Design (000097969-0001)

There are six representations shown.

The category of product is described as “sprayers”. I have reproduced all six pictures. The judge left out the top and bottom views. Rightly everyone ignored these as having any real significance. I reproduce them only so that readers can see that for themselves.

We also had physical embodiments of the design, both in plain white and in their actual Febreze get-up. It has long been the practice, where there is a physical embodiment of a registered design, for the court to look at that. Of course, one has to be very careful that the physical object is a true reproduction of the design. In the present case it was accepted that that was so, subject to some minor variation so trivial as to be hardly discoverable even on a close comparison between the registered design and the Febreze sprayer.
The Accused Design

The judge reproduced pictures of this at [19]:

Unlike the registered design (which has a slightly tapered top to the can which blends with the top), this has a top which fits on a standard cylindrical canister. …

The Informed User

By Art. 10(1), “… the scope of the protection conferred by a Community design shall include any design which does not produce on the informed user a different overall impression.”

The Regulation does not tell us much about the notional “informed user”. He/she is clearly not quite the same sort of person as the “person skilled in the art” of patent law. The equivalent to that person in the field of design would be some sort of average designer, not a user. Recital 14 assists a bit. It says:

(14) The assessment as to whether a design has individual character should be based on whether the overall impression produced on an informed user viewing the design clearly differs from that produced on him by the existing design corpus, taking into consideration the nature of the product to which the design is applied or in which it is incorporated, and in particular the industrial sector to which it belongs and the degree of freedom of the designer in developing the design.

The recital is actually framed around the requirement for registrability—whether the design has “individual character”—rather than the test for infringement. Curiously the reference to the “existing design corpus, taking into consideration the nature of the product to which the design is applied” is not expressly carried over into the text of any of the actual Articles of the Regulation. But self-evidently it is relevant to their interpretation. What it tells us is that for the purposes of registrability the notional informed user is to be taken as aware of other similar designs which form part of the “design corpus”. Further, the “overall
impression” to the “informed user” is also a key ingredient of the infringement test. So for that test too the notional informed user must be taken to be aware of the “existing design corpus.”

The recital uses another phrase not carried over into the Articles—“clearly differs”. Only if the “overall impression” “clearly differs” from that of the “existing design corpus” will the design have an “individual character”. Plainly that is relevant for registrability, even if Art. 6(1) does not expressly use “clearly differs”. Does the phrase also apply to the infringement test? Does an accused design escape infringement only if its overall impression “clearly differs” from the registered design? All Art. 10(1) says is “different overall impression”. Does that really mean “clearly different”—the word “clearly” requiring much blue water between the accused and registered design for non-infringement?

The judge thought it did. But I do not. Different policies are involved. It is one thing to restrict the grant of a monopoly right to designs which are shown “clearly” to differ from the existing design corpus. That makes sense—you need clear blue water between the registered design and the “prior art”, otherwise there is a real risk that design monopolies will or may interfere with routine, ordinary, minor, everyday design modifications—what patent lawyers call “mere workshop modifications”. But no such policy applies to the scope of protection. It is sufficient to avoid infringement if the accused product is of a design which produces a “different overall impression”. There is no policy requirement that the difference be “clear”. If a design differs, that is enough—an informed user can discriminate.

Actually the judge did not expressly, in his detailed consideration of infringement, import any requirement of “clearly differ”. It probably, however, underlay some of his reasoning.

I move on to mention another point. The right conferred applies to any sort of product even though the registration contains an indication of the type of article for which it is intended, see Art. 36(2). Where the alleged infringement is a quite different sort of product from that indicated as being the intended type, there may be problems about identifying the attributes of the informed user—is he a user of the kind of article such as the alleged infringement or a user of the kind of intended article? Or both? But none of that applies here.

Here the “design corpus” of which the informed user is taken [to] be aware are other sprayers generally known—not just sprayers for air fresheners or even those of the kind purchased by ordinary consumers. There was no dispute about this.

The “informed user” test makes sense: a user who has experience of other similar articles will be reasonably discriminatory—able to appreciate enough detail to decide whether a design creates an overall impression which has individual character and whether an alleged infringement produces a different overall impression.

It follows that the informed user is not the same as the “average consumer” of trade mark law. The ECJ describes the attributes of this notional figure in Lloyd

[25] the perception of marks in the mind of the average consumer of the category of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details . . .

[6] For the purposes of that global appreciation, the average consumer of the category of products concerned is deemed to be reasonably well-informed and reasonably observant and circumspect (see, to that effect, Case C-210/96 Gut Springenheide and Tusky [1998] ECR I-4657, paragraph 31). However, account should be taken of the fact that the average consumer only rarely has the chance to make a direct comparison between the different marks but must place his trust in the imperfect picture of them that he has kept in his mind. It should also be borne in mind that the average consumer’s level of attention is likely to vary according to the category of goods or services in question.

The informed user of design law is more discriminating. Whilst I do not say that imperfect recollection has no part to play in judging what the overall impression of design is, it cannot be decisive. The judge placed more emphasis than I think is right on an “imperfect recollection” test or something like it. He accepted Mr Wyand’s submission that, “the overall impression of a design is what sticks in the mind after [my emphasis] it has been carefully viewed”. I would say that what matters is what strikes the mind of the informed user when it is carefully viewed.

I think the Higher Provisional Court in Vienna, in holding that P&G’s design is not infringed by the Air Wick product (decision of December 6, 2006, overruling a lower court decision granting an interim injunction) was right when it said:

The ‘informed user’ will, in the view of the Appeals Court, have more extensive knowledge than an ‘average consumer in possession of average information, awareness and understanding’, in particular he will be open to design issues and will be fairly familiar with them (Bulling/Langöhrig/Hellwig, Gemeinschaftsgeschmackmuster [Community designs], Rz 56).

Policy considerations point the same way. The main point of protection of a trade mark is to prevent consumer confusion or deception. The possibility of imperfect recollection plays a significant part in that. The point of protecting a design is to protect that design as a design. So what matters is the overall impression created by it: will the user buy it, consider it or appreciate it for its individual design? That involves the user looking at the article, not half-remembering it. The motivation is different from purchasing or otherwise relying on a trade mark as a guarantee of origin.
So the informed user is alert to design issues and is better informed than the average consumer in trade mark law. Things which may infringe a registered trade mark may not infringe a corresponding registered design. I cannot think of any instance where the reverse might be so.

Another thing is also clear. Where shapes are, to some extent, required to be the way they are by reason of function, the informed user is taken to know that. That is what Art. 6(2) (for validity) and Art. 10(2) (for scope of protection) require. Take an aspect of this case. Both products have a trigger and something of a “pistol grip”. There is some constraint on design freedom for this—the product must be grippable so that the index finger can pull the trigger, the trigger must be shaped to fit the finger and have sufficient space behind it for it to be pulled. That is a given. The informed user must take those requirements into account when assessing overall impression.

Thus Art. 10(2) is a narrowing provision. Smaller differences will be enough to create a different overall impression where freedom of design is limited.

In this connection I have no doubt that the “freedom of the designer” referred to is not that of a particular party—it is the degree of choice a designer would have in creating his design, not particular constraints on a particular party. The judge so held. …

The judge considered the nature of the informed user at [paras. 30-41 of his opinion]. He considered a formulation by H.H. Judge Fysh in WoodHouse UK Plc v. Architectural Lighting Systems (t/a Aquila Design) [2006] R.P.C. 1 and several decisions of the invalidity division of OHIM. I set the passages out for convenience here, though in the end I do not think they are saying anything different from the Austrian Court or what I have concluded above:

Judge Fysh in Woodhouse:

First, this notional person must obviously be a user of articles of the sort which is the subject of the registered design—and I would think, a regular user at that. He could thus be a consumer or buyer or be otherwise familiar with the subject matter say, through use at work. The quality smacks of practical considerations. In my view the informed user is first, a person to whom the design is directed. Evidently he is not a manufacturer of the articles and both counsel roundly rejected the candidature of ‘the man in the street’. ‘Informed’ to my mind adds a notion of familiarity with the relevant rather more than what one might expect of the average consumer; it imports the notion of ‘what’s about in the market’ and ‘what has been about in the recent past?’ I do not think it requires an archival mind (or eye) or more than an average memory but it does, I think, demand some awareness of product trend and availability and some knowledge of basic technical considerations (if any). In connection with the latter, one must not forget that we are in the territory of designs and thus what matters most is the appearance of things; as Mr Davis reminded me, these are not petty patents. Therefore, focus on eye appeal seems more pertinent than familiarity with the underlying operational or manufacturing technology.
Eredu v. Arrmet (OHIM ref: ICD000000024; April 27, 2004, a bar stool):

(16) The degree of freedom of a designer is limited by the fact that stools of the type to which the CD relates necessarily comprise a base, a central column and a seat in order that the stool fulfils its function.

(17) The informed user is familiar with the basic features of stools. When assessing the overall impression of the design he/she takes into consideration the limitations to the freedom of the designer and weighs the various features consequently. He/she will pay more attention to similarities of non necessary features and dissimilarities of necessary ones.

(18) In particular, the informed user is aware of the prior art known in the normal course of business to the circles specialised in the sector concerned. Therefore, he knows that that type of stool usually has a foot rest and a back.

... The “Different Overall Impression” Test

Once one has identified the notional “informed user” correctly and what he would know about the design corpus, one asks whether the accused product produces “a different overall impression” to such a person.[4]

This test is inherently rather imprecise: an article may reasonably seem to one man to create “a different overall impression” and yet to another to do so. It is always so with the scope of rights in a visual work. You need to cover not only exact imitations, but also things which come “too close”. Whatever words you choose, you are bound to leave a considerable margin for the judgment of the tribunal. Thus, in copyright the test for infringement is doing a forbidden act “in relation to the work as a whole or any substantial part of it” (s. 16(3) of the Copyright, Designs and Patents Act 1988) and for infringement of a UK registered design the test used to be doing a forbidden act in respect of, “an article, to which [the registered design] or a design not substantially different from it has been applied”. The test of “substantiality” leaves just the same sort of margin as the “overall impression” test. Whether it is the same test or not I leave for others to consider. …

Having said that, however, there are some general observations that can be made:

i) For the reasons I have given above, the test is “different” not “clearly different.”

ii) The notional informed user is “fairly familiar” with design issues, as discussed above.

iii) Next is not a proposition of law but a statement about the way people (and thus the notional informed user) perceive things. It is simply that if a
new design is markedly different from anything that has gone before, it is likely to have a greater overall visual impact than if it is “surrounded by kindred prior art.” (HHJ Fysh’s pithy phrase in Woodhouse at [58]). It follows that the “overall impression” created by such a design will be more significant and the room for differences which do not create a substantially different overall impression is greater. So protection for a striking novel product will be correspondingly greater than for a product which is incrementally different from the prior art, though different enough to have its own individual character and thus be validly registered.

iv) On the other hand it does not follow, in a case of markedly new design (or indeed any design) that it is sufficient to ask “is the alleged infringement closer to the registered design or to the prior art”, if the former infringement, if the latter not. The test[] remains “is the over-all impression different?”

v) It is legitimate to compare the registered design and the alleged infringement with a reasonable degree of care. The court must “don the spectacles of the informed user” to adapt the hackneyed but convenient metaphor of patent law. The possibility of imperfect recollection has a limited part to play in this exercise.

vi) The court must identify the “overall impression” of the registered design with care. True it is that it is difficult to put into language, and it is helpful to use pictures as part of the identification, but the exercise must be done.

vii) In this exercise the level of generality to which the court must descend is important. Here, for instance, it would be too general to say that the overall impression of the registered design is “a canister fitted with a trigger spray device on the top.” The appropriate level of generality is that which would be taken by the notional informed user.

viii) The court should then do the same exercise for the alleged infringement.

ix) Finally the court should ask whether the overall impression of each is different. This is almost the equivalent to asking whether they are the same—the difference is nuanced, probably, involving a question of onus and no more.

Principles to Be Applied by the Court of Appeal

There was no dispute as to these. It must be shown that the judge has gone wrong in principle, see, e.g. Designers Guild Ltd v. Russell Williams (Textiles) Ltd [2001] F.S.R. 11 where Lord Hoffmann said, speaking of the closely analogous question of substantiality in relation to copyright infringement: “[B]ecause the decision involves the application of a not altogether precise legal standard to a combination of features of varying importance, I think that this falls within the class of case in which an appellate court should not reverse a judge’s decision unless he has erred in principle.”
The Outline of the Argument as to an Error of Principle

Mr Carr [counsel for defendant] contends that the judge did go wrong in principle: that he did so in the following way. He first correctly identified the overall impression of the P&G design. He also at some points identified the overall impression of the Air Wick product. But in the end he failed to compare the overall impression of the P&G design as he had found it to be, with the overall impression of the Air Wick product.

The judge having made that error, Mr Carr submits that we should form our own overall impression of the design and the accused sprayer and that we should conclude that the impressions are different.

Putting it another way, Mr Carr submits that on a proper analysis the judge actually found that the overall impression of each was different and he ought to have concluded that there was no infringement.

Before going on to consider this argument in detail, I should record that Mr Carr, under a little pressure from the Court, abandoned his point about decoration, rejected by the judge. He was right to do so. The registration is evidently for a shape. The proper comparison is with the shape of the alleged infringement. Graphics on that (or on the physical embodiment of the design) are irrelevant.

The Detailed Argument

The judge first described the design thus:

[8] The winning design was chosen because it had a very distinctive look. Important features which gave it that look were its narrowed neck; its angled and elliptical top; its integrated look, especially the way that the top blended in with the body of the container and its flowing lines. The ergonomic aspects of the design were also important. One of the reasons for the choice of the angled top was that it would signal to consumers the direction of flow of the spray exiting the nozzle. The top of the head of the spray was flared out more in later iterations. This had the advantages both of making the hand grip of the container easier and also provided a flange which helped in preventing the container from slipping through the user’s grip. It was also said that the flanged top helped to support the weight of the product, thus avoiding fatiguing the wrist; but since the product is lightweight and not held for prolonged periods, this did not seem to me to be a particularly important feature. The curves of the can and the head merge around the neck giving the product an integrated feel. The narrowed neck, as well as being more aesthetically pleasing, also made the container sit more easily in the hand. However, the fact that the container was not a simple cylinder meant that it would have to be custom made. The container was in fact manufactured from aluminium, rather than the conventional tinplate.

[9] Overall, the shape of the design had a smooth and dynamic feel,
flowing lines, and an elegant sense of movement.

I have already set out how the judge records that it was received with acclaim.

Mr Carr submits that this description fairly embodies the essence of the design, its overall impression. If he had applied that as the overall impression he would have found the Air Wick product to give a different impression.

The first time the judge refers to the impression created by the Air Wick design was at [para 20 of his judgment]. He said: “There were few kind words said about the Air Wick design. Ms Nelson said that she would have rejected the design out of hand, because it did not have a ‘light and airy’ feel. Mr Treeby, Reckitt Benckiser’s own expert said that it was ‘a common canister with a plastic cap stuck on top’; and that it was ‘not in the same league as regards quality’.”

If that is right … , then surely it creates a “different overall impression.”

Further, submits Mr Carr, when the judge came to consider the question of the overall impression he failed to apply his own earlier description. Instead he identified a list of features which were stated at too high a level of generality. The judge said:

[65] In my judgment the dominant features of the registered design are:

(i) The angled, elliptical, sloping top culminating in the spray nozzle;
(ii) The slightly curved trigger protruding from the angled underside of the top, but remaining within the footprint of the base;
(iii) The recessed ‘neck’ opposite and around the trigger;
(iv) The sloping shroud intersecting with the body of the canister and, in particular forming a curve at the rear;
(v) The cylindrical main body.

This, Mr Carr submits, does not capture the overall impression the judge had found at [paras 8-9 of his judgment]. The Air Wick product does not have a “smooth and dynamic feel” or an “elegant sense of movement”. Nor does it have “flowing lines”. There is no curved canister. The error the judge made was to generalise too much. So for instance, item (iv) was described in [para. 8] in more detail—enough to convey the impression made: “The curves of the can and the head merge around the neck giving the product an integrated feel.” Similarly at [para. 8] the judge referred to the “curves of the canister” but his item (v), said to be a “dominant feature” is just a cylindrical body—which would have seemed wholly unremarkable to an informed (indeed any) user.

So, submits, Mr Carr, it is not right to identify “dominant features” at such a level of generality that the overall impression is not captured.

The judge at [para. 67 of his judgment] identified differences between the registered design and the Air Wick Product but went on to say at [67]:

However, in my judgment these are relatively insignificant details; and do not detract from the same overall visual impression created by each of the two designs. The similarities between the two are overwhelmingly greater
than the differences. I accept that the registered design is of a far greater quality and more integrated than the Air Wick canister; but in my judgment that does not mean that it escapes infringement. If that were so then a poor quality imitation would escape infringement, despite creating the same visual impression.

In saying that “the registered design is of far greater quality and more integrated”, Mr Carr submits that the judge was in fact finding that there was a different overall impression. And that he should have so held.

Mr Carr further submits that the judge was wrong about item (ii). It is not a dominant feature of the design that the trigger is within the footprint of the base—if you just look at the design pictures that is not a thing that sticks out at all. Moreover being within the footprint is a true technical consideration—if it sticks out there will be problems about packing the canister in a box. So it is an aspect which the informed user would discount when deciding what the overall impression is.

Mr Carr further submitted that there were real, significant differences between the Air Wick product and the registered design. Most importantly:

(i) The Air Wick product has something of a “hammer head”. The top “lozenge” has depth. It is shaped something like a Foreign Legionnaire’s kepi. You could not say the same about the top of the registered design. As the Austrian court put it: “The shape of head too is different: while the head of the Febreze sprayer—to draw a comparison from the animal kingdom—is reminiscent of a snake’s head, the shape of the Airwick sprayer head is like a lizard’s head.”

(ii) The registered design has a much thinner, more elegant, “neck”. That is indeed so, particularly in the front or back views.

(iii) The registered design top ellipse is significantly larger than that of the Air Wick product.

(iv) The triggers, given the design constraint that they have to be triggers, could hardly be more different.

(v) The “cape” of the registered design flows elegantly over the curved top of the canister. That of the Air Wick product just sits on the top and is cut off at much the same level as the front. There is no integration.

Moreover, he submitted, there were elements of functionality which the judge failed to consider:

(i) I have already commented on the trigger/footprint point.

(ii) Once you have decided on a trigger mechanism you will need some sort of flaring so that the trigger can be gripped without the product slipping from the hand. Both the design and Air Wick have flared necks which achieve this, although the Air Wick does not do it as well. One should, for functional reasons, concentrate on the detail rather than the existence
of the flare. If one does that, the flares are different—that of the Air-Wick product being significantly less marked.

(iii) The direction of the spray nozzle, angled up, is functional—if, as you naturally will, you hold the canister vertically you need the spray to go upwards. The general line needs to be angled up. So the fact of an upwards inclination should be discounted.

P&G’s Case

Mr Wyand [counsel for the claimant] emphasised the purpose of protection as set out in Recital 7:

Enhanced protection for industrial design not only promotes the contribution of individual designers to the sum of community excellence in the field, but also encourages innovation and development of new products and investment in their production.

He submitted that this showed an intention that the scope of protection should be wide. He gets that from the word “enhanced”. But I do not read it as referring to the scope of protection at all. It comes after a series of recitals about the patchwork nature of national design protection rules, the problems for free movement that creates and the need for an EU-wide system and before a recital about the need for a more accessible design-protection system. It is saying no more than that design protection is desirable for the reasons given. In fact, if design protection is too wide, even for a strikingly innovative design, you are likely to discourage innovation and investment. Different designs will be caught or under the threat of being caught. Merely drawing inspiration from prior designs will become dangerous.

Next, and this was Mr Wyand’s main point, he drew attention to how different the P&G design was from anything that had gone before. And he was right about that. The attempt to invalidate the design by reference to the prior art to my mind only served to emphasise just how innovative the P&G was. We decided to dismiss the appeal on validity without calling upon Mr Wyand. …

Mr Wyand went on to emphasise how little there was in reality of design restraint by reason of function. The very fact of the large difference between the registered design and anything in the prior art—the “existing design corpus” proved this. If all spray canisters had to have a generally similar appearance, it would not have been possible for the P&G design to be so different from anything that had gone before.

That too is right. A large departure from the prior design corpus is indeed an indication of design freedom. Where a departure is small that may be for two reasons: technical restraint or simply lack of imagination by prior designers. The present design is a case of the latter. Mr Carr’s points about design restraint for technical reasons are rather a long way from showing that a trigger-operated sprayer must have anything like the general appearance of the P&G design. They
are too general. Take, for instance, the point about the nozzle pointing upwards and being seen to do that. That in no way requires more than that the nozzle does in fact point up and that its housing should in some way indicate that. It need not be elliptical, or square, or any particular shape to do any of that. Similarly his point about the grip—any sort of grip will do. You could even have a shape like a real revolver.

Given all that freedom, Mr Wyand submitted that the scope of protection should be wide—that it should cover what gives a “slightly cheaper, or slightly coarser impression”. It followed, he submitted, that the judge cannot be faulted in his conclusion about same overall impression. And that is all the more so given the principles governing an appeal about that type of decision.

My Conclusion

I have come to the conclusion that the judge did err in principle, essentially for the reasons advanced by Mr Carr, excluding his submissions about functional design restraint. I think the judge erred in the following ways:

(i) in failing to apply the “overall impression” of the registered design he in effect had found at [8-9];
(ii) in failing to apply the overall impression of the accused product he had found (or summarised) at [20];
(iii) in failing, at the point where he was considering infringement, to state what the overall impression of the alleged infringement was;
(iv) in applying by implication a requirement that the accused product should give the informed user a clearly different impression;
(v) in applying a “stick in the mind” test rather than “what would impress now” test; and
(vi) in approaching the “dominant features” of the design at too general a level, a level such as not to convey in words the overall impression which would be given to an informed observer.

The judge was concerned about the possibility that “a poor quality imitation would escape infringement”. I am not so concerned. We are here considering monopolies in designs, not trade marks. A “poor quality” imitation if it does not convey the same impression as the “original” will fail on its own design merits, or rather the lack of them. If it conveys the “same impression” then it can hardly be a “poor quality imitation” and will succeed for the same reason as the “original”.

Accordingly, I am free to form my own view. I think the impression which would be given to the informed user by the Air Wick product is different from that of the registered design. I say that for the reasons advanced by Mr Carr which I need not repeat here. The Austrian Court put it well:

In reality, even though the same features are found in both, there are clear differences between the two sprayers resulting from the different mode of
their execution: the Febreze sprayer is smaller, has a slightly larger diameter and so looks more compact. The head of this sprayer is shallower but also broader, so that the Febreze sprayer fits the hand differently than the Airwick sprayer (with the Airwick sprayer, which has the considerably narrower head, there is a feeling that it could slip out of the user’s hand).

In contrast to the Airwick sprayer, the metal can of the Febreze sprayer tapers upwards, so that the waist begins lower down than in the Airwick sprayer. The ‘train’ goes down much further in the Febreze sprayer, so that the lower boundary of the plastic part echoes the angle of the head part far more markedly than in the Airwick sprayer. The shape of head too is different: while the head of the Febreze sprayer—to draw a comparison from the animal kingdom—is reminiscent of a snake’s head, the shape of the Airwick sprayer head is like a lizard’s head.

The similarities between the products are at too general a level for one fairly to say that they would produce on the informed user the same overall impression. On the contrary, that user would get a different overall impression.

Accordingly I would allow the appeal on infringement, but dismiss the appeal on validity.

NOTES AND QUESTIONS

1. Connection between thresholds and scope of protection. In Procter & Gamble, Lord Justice Jacob concluded that to demonstrate individual character a claimant must show that its design clearly differs from the prior art, whereas the defendant will escape liability by showing that its accused design produces a different overall impression (rather than a clearly different overall impression) from that of the claimant. Yet only a few years later in Dyson v. Vax, he acknowledged this statutory construction was a mistake:

   In P&G I drew attention to the difference between Recital 14 and Art. 6 of the Design Regulation (EC 6/2002). The former uses the expression “the design clearly differs” whereas the latter merely says “differs.” “Clearly” does not reappear. I thought the difference was deliberate and so had some significance. I was wrong, though that does not affect the main reasoning in P&G. The difference in wording is merely the result of sloppy drafting as has been pointed out by Dr Alexander von Mühldahl in Design Protection in Europe, 3rd Edn. (2009 at pp.232-3). The same of course applies to the identical wording in the Directive (Recital 13 and Art. 9).

[2011] EWCA Civ 1206 at ¶34. Do you prefer the two standards be parallel? What are the practical effects of tipping the model in the other direction? Which is better for a registration regime?

2. Scope of protection: comparison to trademark. How does the scope of protection offered by a registered or unregistered community design compare with that afforded trademarks (under US or EU law)? In Procter & Gamble, Lord Justice Jacob commented that “the informed user … is better informed than the
average consumer in trademark law. Things which may infringe a registered trade mark may not infringe a corresponding registered design. I cannot think of any instance where the reverse might be so.” Do you agree? Would the same proposition hold true under US law (with respect to trademark and design patent)? To what extent is the scope of trademark or design protection, respectively, a function of the awareness of the fictional person through whose eyes the comparison is made?

3. **Scope of protection: comparison to design patent.** Recall the *Egyptian Goddess* and *Gorham* standards from design patent law. To what extent does a finding of infringement under the Community regime depend on an inquiry into substantial similarity as viewed by an ordinary observer? Would the ordinary observer under *Egyptian Goddess* or *Gorham* be aware of the same prior art as the informed user under *Procter & Gamble*? See Lorna Brazell, *Egyptian Goddess v. Swisa, Inc.: Is Design Law in the US and EU Converging?*, 31 EUR. INTELL. PROP. REV. 576 (2009).

4. **Scope of protection: across products.** EU design protection extends to the incorporation of the design in any products, and is not restricted to those on which the designer used or intended to use the products. How does this scope of protection compare with that offered by trademark, design patent, and copyright law in the United States?

5. **Infringement and technical constraints.** Article 10(1) of the Regulation calls for infringement determinations to be based on the overall impression on an informed user. According to Lord Justice Jacob in *Procter & Gamble*, Article 10(2) requires the informed user to take into account the extent to which technical constraints limit the designer’s freedom. Is this a proper reading of Article 10? To what extent does Article 10(2) turn the informed user into someone akin to an expert? In US design patent law after *Egyptian Goddess*, does the “ordinary observer” also take into account the extent to which technical constraints limit the freedom of a designer?

6. **Proving infringement.** One of the few distinctions between a registered and unregistered Community design right is that the latter is dependent on proof of copying. In practice, how big a difference does this make, especially if courts assessing infringement of unregistered rights follow copyright jurisprudence and are willing to presume copying from access and probative similarity? Should courts indulge that presumption? Should it be modified when dealing with functional designs, and if so, in what ways? Why did the Commission wish to offer designers patent-like rights upon registration? Would producers’ legitimate concerns have been addressed by a lesser scope of rights? What justifies the broader scope of protection for registered rights? Do those justifications extend to the type of registration envisaged by the Regulation? For example, why does copyright offer a lesser scope of protection than patent? Is the registered nature of patent rights the sole reason?

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SAMSUNG ELEC. (UK) LTD. v. APPLE INC.

[2013] ECDR 2 (CA)

JACOB, L.J.:

…

[Apple appealed the High Court of Justice’s ruling—which is a court of first instance in the UK—that its Community design right was not infringed by Samsung’s line of Galaxy tablets (models 7.7, 8.9, or 10.1). In the most publicized portion of the decision, Judge Birss wrapped up his infringement analysis by noting:

From the front … [Samsung’s Galaxy tablets appear to] belong to the family which includes the Apple design; but the Samsung products are very thin, almost insubstantial members of that family with unusual details on the back. They do not have the same understated and extreme simplicity which is possessed by the Apple design. They are not as cool. The overall impression produced is different.

As a result, the opinion has become known as the “not cool” opinion.

While the full procedural history of the dispute between Apple and Samsung is remarkably complex and unnecessary for an understanding of the court’s infringement analysis, some background on a concurrent string of litigation in Germany is necessary.

At the time of the High Court’s ruling in the UK, a preliminary injunction had already been granted in Germany (only) against Samsung’s Galaxy tablet model 7.7. Both parties appealed the original German ruling—which granted a preliminary injunction on the 7.7 model, and denied it on other models—prior to the High Court’s determination on the merits in the UK. About two weeks after the High Court’s decision, the German court handling the appeal (i.e., the Oberlandesgericht in Düsseldorf) issued its decision upholding the lower German court’s ruling and extending, EU-wide, a preliminary injunction on the 7.7 model—placing it at odds with the UK judgment.

In the UK’s appeal, the subject of the present opinion, this conflict between decisions in the UK and Germany drew the ire of Lord Justice Jacob.]

The non-infringement appeal

The Community Design involved was registered on 24 May 2004—an aeon ago in terms of computers. It consists of seven views. The product in which the design is intended for incorporation is a “handheld computer”. … [Its front and back are pictured in Apple’s registration below:
Pictured from right to left, the Samsung 10.1, 8.9 and 7.7 are shown … below:

Samsung 10.1  Samsung 8.9  Samsung 7.7
Front  Front  Front

Back  Back  Back

The legal test for infringement—the scope of protection—is set out in art. 10 of the Community Design Regulation EC 6/2002:

Article 10: Scope of protection

1. The scope of the protection conferred by a Community design shall include any design which does not produce on the informed user a different overall impression.
2. In assessing the scope of protection, the degree of freedom of the designer in developing his design shall be taken into consideration.

The notional character whose attributes the court has to adopt is the “informed user.” The judge dealt with these attributes:

[33] The designs are assessed from the perspective of the informed user. The identity and attributes of the informed user have been discussed by the Court of Justice of the European Union in *PepsiCo* …

[34] Samsung submitted that the following summary characterises the informed user. I accept it …:

He (or she) is a user of the product in which the design is intended to be incorporated, not a designer, technical expert, manufacturer or seller.

However, unlike the average consumer of trade mark law, he is particularly observant;

He has knowledge of the design corpus and of the design features normally included in the designs existing in the sector concerned;

He is interested in the products concerned and shows a relatively high degree of attention when he uses them;

He conducts a direct comparison of the designs in issue unless there are specific circumstances or the devices have certain characteristics which make it impractical or uncommon to do so.

[35] I would add that the informed user neither (a) merely perceives the designs as a whole and does not analyse details, nor (b) observes in detail minimal differences which may exist.*

Subject to two minor criticisms to which I will come, Mr Silverleaf on behalf of Apple accepted this summary of the law. Note that it includes reference to the Grupo Promer/Pepsico [2012] F.S.R. 5 case, both before the General Court of the CJEU and before the CJEU itself (the case name is different but it is the same case). And note further that the CJEU expressly approved what the General Court had said about the informed user:

[53] It should be noted, first, that Regulation No 6/2002 does not define the concept of the ‘informed user’. However, as the Advocate General correctly observed … that concept must be understood as lying somewhere between that of the average consumer, applicable in trade mark matters, who need not have any specific knowledge and who, as a rule, makes no direct comparison between the trade marks in conflict, and the sectoral expert, who is an expert with detailed technical expertise. Thus, the concept of the informed user may be understood as referring, not to a user of average attention, but to a particularly observant one, either because of his personal experience or his extensive knowledge of the

* Ed. Note: parenthetical citations removed from the following quotations.
sector in question.

[54] It must be held that it is indeed that intermediate formulation that was adopted by the General Court … . This is, moreover, illustrated by the conclusion drawn from that formulation by the General Court … , in identifying the informed user relevant in the present case as capable of being a child in the approximate age range of 5 to 10 or a marketing manager in a company that makes goods which are promoted by giving away ‘pogs’, ‘rappers’ or ‘tazos’.

…

[56] Therefore, the General Court cannot reasonably be criticised as having erred in law on the ground that it assessed the overall impression produced by the designs in conflict without starting from the premise that an informed user would in all likelihood make a direct comparison of those designs.

I draw attention to this because, as will be seen below, one of the reasons the Dusseldörf Oberlandesgericht gave for disagreeing with Judge Birss was that the Grupo Promer [2010] E.C.D.R. 7 General Court judgment had been superseded by the decision in Pepsico [2012] F.S.R. 5, though the Oberlandesgericht did not say in what way. The implied suggestion was that H.H.J. Birss had applied the wrong test. I think the Oberlandesgericht was wrong: the CJEU endorsed the General Court. I note further that Apple did not before us suggest that the CJEU had altered the test as laid down by the General Court in Grupo Promer.

Apple’s first criticism of the judge’s approach in law was this: it submitted that the informed user, noting that the design was from 2004, would know and expect that advances in technology would make thinner tablets possible. Hence, it suggested, the informed user would give little significance to the thickness of the design as registered.

I do not agree for two reasons. First is that the scope of protection is for the design as registered, not some future, even if foreseeable, variant. Secondly is that Apple’s point cuts both ways: if the informed user could foresee thinner tablets, so could Apple whom the informed user would take to have the same prevision. Thus the informed user would take the thickness to be a deliberate design choice by Apple.

The second criticism was based on the fact that the judge took account of the fact that the Samsung products had the trade mark Samsung on both their fronts and backs. It was submitted that the informed user would disregard the trade mark altogether as being a mere conventional addition to the design of the accused product.

Actually what the judge said about the trade mark being on the front of the Samsung tablets was said in the context that Apple was contending that a feature of the registered design was “A flat transparent surface without any ornamentation covering the front face of the device up to the rim.” He said:
[113] All three tablets are the same as far as feature (ii) is concerned. The front of each Samsung tablet has a tiny speaker grille and a tiny camera hole near the top edge and the name Samsung along the bottom edge.

[114] The very low degree of ornamentation is notable. However a difference is the clearly visible camera hole, speaker grille and the name Samsung on the front face. Apple submitted that the presence of branding was irrelevant …. However in the case before me, the unornamented nature of the front face is a significant aspect of the Apple design. The Samsung design is not unornamented. It is like the LG Flatron [(pictured below)]. I find that the presence of writing on the front of the tablet is a feature which the informed user will notice (as well as the grille and camera hole). The fact that the writing happens to be a trade mark is irrelevant. It is ornamentation of some sort. The extent to which the writing gives the tablet an orientation is addressed below.

[115] The Samsung tablets look very close to the Apple design as far as this feature is concerned but they are not absolutely identical as a result of a small degree of ornamentation.

So what the judge was considering was the fact that unlike the design, the front face had some sort of ornamentation which happened to be a trade mark (plus speaker grill and camera hole). Little turned on it in his view, he called it “a small degree of ornamentation.” But it was a difference.

I think the judge was correct here. If an important feature of a design is no ornamentation, as Apple contended and was undisputed, the judge was right to say that a departure from no ornamentation would be taken into account by the informed user. Where you put a trade mark can influence the aesthetics of a design, particularly one whose virtue in part rests on simplicity and lack of ornamentation. The judge was right to say that an informed user would give it appropriate weight—which in the overall assessment was slight. If the only difference between the registered design and the Samsung products was the presence of the trade mark, then things would have been different.

Much the same goes for the Samsung trade mark on the back of the products. Apple had contended that a key feature was “a design of extreme simplicity without features which specify orientation.” Given that contention the judge can hardly have held that an informed user would completely disregard the trade marks both front and back which reduce simplicity a bit and do indicate orientation.

There was no error of law here—and in any event the point was not one on which the case turned as the judge made clear. The Oberlandesgericht said it disagreed with Judge Birss on this point. It said, erroneously in my view, that how the trade mark affected the appearance should be ignored altogether. Moreover it missed how minor a point it was in Judge Birss’s overall assessment (“small degree of ornamentation”).
There is one other point about how the informed user would assess the registered design, a point decided by the judge adversely to Samsung. ... There is a rectangular dotted line shown [in the registered design’s drawings of the tablet’s front (above)]. Apple submitted, and the judge accepted, that the dotted line indicated a frame *below* a glass face—of the kind now familiar on all sorts of touch-screen devices. Samsung ran a complicated point based on the guidelines for examination. It submitted these would lead the informed user to conclude that the dotted lines were there to indicate that a feature was not protected: thus the fact that the Samsung device does have a “frame” is to be disregarded.

This is faintly absurd: a bit like the notice-board reading “Ignore this notice.” For if there were no dotted rectangular line, the front face of the design as registered would be entirely plain. So it would then be for the informed user to form a judgment as to whether a tablet with a frame created a different overall impression. In short, on Samsung’s contention if there were no dotted lines the position would the same as if they were there.

The judge rejected the contention ... ** He was right to do so. The simplest explanation, obvious once one says it, was provided to us by Mr Silverleaf at the instigation of Mr Hacon. It is this: the drawings have hatching which clearly indicates a flat, shiny surface. This goes over the dotted line. So the latter is there to show a border below the shiny transparent surface.

Mr Silverleaf submitted further that the informed user would know about flat screens with “frames” under the glass. They were known and the frames had a known, technical purpose of providing space for the necessary electronics. This, the informed user would readily see, is what is being shown here, that with which

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** Ed. Note: Here, the court cited the following paragraphs from Judge Birss’s judgment:

Samsung submitted that the dotted lines ... also do not form a protected feature in the registration. Part of this submission relied on ... the OHIM Examination Guidelines which indicates that dotted lines may be used to indicate elements for which no protection is sought or elements which are not visible in a particular view. Apple submitted that the Guidelines were permissive and not mandatory and that in this case, the dotted lines around the screen would be understood to indicate the presence of a visible border on the screen. The border will be created by a difference in appearance between what lies under the glass on either side of the dotted line.

There is no mandatory rule that dotted lines must be interpreted in a particular way. The Guidelines are not determinative. No doubt in most cases dotted lines will be understood to have been used in accordance with them, but each registration must be understood on its own merits. On the facts of this case I accept Apple’s submission. Looking at the two images, the dotted lines would be understood as showing that there is an edge visible under the glass. It is obviously a border around the screen. In cross-examination Mr Ball expressed the view that the registration indicated that the border would only be visible when the screen was switched on but would be invisible when off. I disagree. There is nothing in the images to show that the border is only visible when the product is in a certain state. The border is visible all the time.

he is familiar. I agree. The point has repercussions, however, on the scope of protection.

Having got these minor skirmishes out of the way, I turn to the main question, was the judge wrong in his assessment of a different overall impression to the informed user?

Such an assessment will not be disturbed on appeal unless, as I said with the other members of the court concurring in Procter & Gamble Co v. Reckitt Benckiser (UK) Ltd [2007] EWCA Civ 936; [2008] E.C.D.R. 3:

[36] … the Judge has gone wrong in principle, see, e.g. Designers Guild v. Russell Williams [2001] F.S.R. 11 where Lord Hoffmann said, speaking of the closely analogous question of substantiality in relation to copyright infringement:

because the decision involves the application of a not altogether precise legal standard to a combination of features of varying importance, I think that this falls within the class of case in which an appellate court should not reverse a judge’s decision unless he has erred in principle.

It is noticeable that the Court of Justice adopted a similar, if not exactly the same, approach on the appeal to it in the Grupo Promer/Pepsico case … .

So did the judge go wrong in principle? Mr Silverleaf submitted he did: that he approached the design corpus wrongly and failed properly to consider the designs as a whole. The heart of the latter submission was that the judge went about the comparison exercise piecemeal, feature by feature, and failed to have regard to the overall impression of the registered design as compared with any of the items of prior art contained within the design corpus. Mr Silverleaf expressed it this way:

what you cannot do, in my submission, is pick out features from the prior art and say, ‘Those articles have that feature, these articles have this feature, those articles have a third feature and, therefore, those features do not really count.’ If you do that, you immediately see that what you end up with is a situation in which you cannot have a design that has individual character if it happens to be made up from a novel and unique combination of features which are all individually known in the prior art.

I accept that submission as a matter of law. But I do not think the judge remotely did that. The judge was entirely aware of the need to consider the overall impression of the design as it would strike the informed user bearing in mind both the design corpus and the extent of design freedom. He said so both at the outset and at his conclusion:

[31] I start by reminding myself that what really matters is what the court can see with its own eyes … . The most important things are the registered design, the accused object and the prior art and the most important thing about each of these is what they look like.
[32] I also remind myself that while the exercise is a visual one, judgments have to be written and reasons necessarily expressed in words. However I must bear in mind that it is the overall impression which counts and not a verbalised list of features ... As Mann J said [in Rolawn Ltd v. Turfmech Machinery, [2008] EWHC 989 (Pat)], ‘one of the problems with words is that it is hard to use them in this sphere in a way which avoids generalization. But what matters is visual appearance, and that is not really about generalities.’

And, when he came to consider the overall impression of the Apple design having considered the various features of the design:

[178] Having gone through the various features individually it is necessary to pull it all together and consider the overall impression of the Apple design on an informed user.

It is of course the case that, of necessity, the judge had to go through a “verbalised list of features.” Apple can hardly complain about that since the judge used the very list of seven features it had identified and invited him to use.

I do not think it worthwhile or correct to consider each feature in all the meticulous detail which the judge, of necessity, had to undertake. I shall concentrate on the most important.

However before I do so it should be noted that Samsung did not contend that any of these features were “dictated solely by function.” Such a feature is excluded from consideration by virtue of art. 81. It means a feature which is purely functional, not to some degree chosen for the purpose of enhancing the product’s visual appearance (see Lindner Recyclingtech GmbH v. Franssons Verkstader AB [2010] E.C.D.R. 1 and Arnold J. in Dyson v. Vax [2010] EWHC 1923 (Pat); [2010] F.S.R. 39 at [31].

However Samsung did submit, and the judge accepted, that in some respects there is only a limited degree of freedom for any designer of a tablet computer, particularly in relation to the appearance of the front and rather more for the back.

I turn to the front first. For it is obviously the most important feature of all, that which strikes the eye and would strike the eye of the informed user as most important. Its features are verbalised by the first four features identified by Apple:

(i) a rectangular, biaxially symmetrical slab with four evenly, slightly rounded corners;
(ii) a flat transparent surface without any ornamentation covering the entire front face of the device up to the rim;
(iii) a very thin rim of constant width, surrounding and flush with the front transparent surface;
(iv) a rectangular display screen surrounded by a plain border of generally constant width centred beneath the transparent surface.

I would add one other feature, that the edges of the front as shown on the representations are sharp. The sides are at 90° to the plane of the front face. So the
thin rim has only its side visible on a front view.

I propose to consider design restraint first. The Judge held that:

[104] The rectangular display screen is totally banal and determined solely by function. Apart from that there are some other design constraints applicable to this feature but they do not account for the identity between the Samsung tablets and the Apple design. These devices do not need to have biaxial symmetry nor be strictly rectangular. Nevertheless the significance of this identity is reduced by the fact that there are other designs in the design corpus which are very similar too.

So you could have a front face of somewhat different shape, but the general shape (rectangular with rounded edges) is not that significant. I do not see how that assessment can be criticised.

As to item (ii) (transparent and flat over the entire face with no ornamentation), the judge found that flatness was common and transparency essential. He held that there was a certain amount of design freedom (you could have a bezel or raised frame). Touch screen technology meant you did not need a raised frame to protect the screen. The degree of ornamentation of the front was a matter of designer choice.

As to the thin rim:

[119] As before, this aspect of the design is the product of trade offs by the designer which include functional considerations but also include aesthetics. The designer can choose to have a flush rim or a bezel, can choose the rim thickness and whether it is constant around the device. Within a general overall constraint, the designer has significant aesthetic design freedom.

And as to the border within the frame:

[126] I find that there is a degree of design constraint applicable here. The devices need some kind of border. The border need not be as described in feature (iv) but there are limits on design freedom.

The judge added this:

[127] Irrespective of the matter of design freedom, to my eye, feature (iv) would strike the informed user as a rather common feature.

All of this appears to be a proper assessment of the degree of design freedom. In overall terms for a hand-held tablet (1) you need a flat transparent screen, (2) rounded corners are unremarkable (and have some obvious functional value in a hand-held device), and (3) you need a border of some sort for functional reasons. There is some design freedom as regards ornamentation, the rim, the overall shape (rectangular or with some curved sides) but not a lot. And the main thing, the screen itself was something with which the informed user would be familiar as indeed Mr Silverleaf acknowledged when arguing the “dotted line” point.
The judge also cannot be faulted in his assessment of the design corpus in relation to the front of hand-held computers. Of particular relevance are the following:

The Flatron

We were shown a physical example of this. The front is very close to that of the registered design, save that it departs from lack of orientation by a little LG logo. The back is rather different, as I shall come to.


Bloomberg (A Community RD of 2003)
There was a debate, entirely sterile as far as I can see, about whether other Bloomberg publications showed the same thing or something similar. I do not go into it, for there was no suggestion that the appearance of the front of the registered design was commonplace. The fact remains that other items of the design corpus show fronts very close to the Apple design.

Mr Silverleaf complained that the judge referred to a “family” of designs having similar fronts. But I see no significance in that. He clearly recognised that fronts of this sort were not commonplace, and so, whether one called the above three designs a “family” is immaterial.

As to the sides, it is rather apparent that the Apple design has the 90° sharp edge to which I have referred. It matters because the informed user (indeed any user) would notice it. It gives the Apple design a sharp outline. The judge called it a “crisp edge.” The Samsung products are very different in relation to this and the sides generally. Before us Apple put in an exhibit (without complaint from Mr Carr) which illustrates this vividly because it has been enlarged and shows the side views of the registered design and the three accused products on the same scale:

By contrast with the crisp edge of the design, all three of the Samsung products have a side which curves a little outwards (so a bit bezel-like) before curving back in and under. And none of them have a vertical portion.

Apple’s features (v) and (vi) related to the back and sides of the design:

(v) A substantially flat rear surface which curves upwards at the sides and comes to meet the front surface at a crisp outer edge;
(vi) A thin profile, the impression of which is emphasised by (v) above.

The judge said of feature (v):

[150] There is one serious design constraint applicable to this feature. The back needs to be generally flat. Apart from that there is considerable design freedom. The sides are very similar but these kinds of sides for products are not unusual. The informed user would recognise the Apple design in this respect as belonging to a familiar class of products with somewhat curved sides and a fairly crisp edge. The Samsung tablets are
members of the same familiar class.

I cannot see how there could be any complaint about this. Actually to my eye what he said was if anything too favourable to Apple. For there is surely a real design difference between Apple’s sharp edge, vertical side followed by a nearly circular arc of rounding and each of Samsung’s products. Members of the same “family” perhaps, but cousins or second cousins at most.

As to the back, as the judge said it had to be flat. No complaint was made about that. But the design shows more: a pure flat surface without embellishment of any kind. The Samsung products are altogether busier in ways described by the judge … [ (see above):]

[13] The backs of Galaxy Tabs 10.1 and 8.9 have what Samsung call a clutch purse feature. The backs have two colours. There is a gray/black combination and a gray/white combination. In both cases the gray region forms a rim around the whole back surface and has a thicker part along one side. This thicker part carries the camera. The main part of the back is either black or white as the case may be.

[14] The back of the Galaxy Tab 7.7 has three zones. The zones at the two ends are a smooth silvery gray coloured plastic. The central zone is a silvery gray metal with a rougher texture.

The judge assessed the significance of these differences in a manner which I do not see can be bettered:

[173] The backs of the Galaxy tablets have prominent visual features. The Tab 10.1 and Tab 8.9 are the same. They have the so called ‘clutch purse’ feature. It is a unique feature which distinguishes those tablets from the Apple design and from the design corpus. To my eye the clutch purse feature is a little less visually prominent in the white and gray version than in the black and gray version.

[174] The back of the Tab 7.7 is different from the backs of the other two. The Tab 7.7 is has a two tone arrangement. There is a visible difference in texture between the two end zones and the central zone. This is also different from the Apple design. In my judgment the difference between the Tab 7.7 and Apple is less significant than the difference between the ‘clutch purse’ back designs on the other Samsung tablets and the Apple design. In other words the Tab 7.7 product is the closest to the Apple design.

As to Apple’s final feature, “Overall, a design of extreme simplicity without features which specify orientation”, the judge accepted that accurately applied to the registered design. As I have said he noted that the Samsung products did have features which specified orientation (notably the trade mark but also the camera and speaker) and the other matters which made them more complicated design-wise.
Mr Silverleaf had another complaint. He submitted that insofar as there were items of the design corpus which had fronts very similar to that of the registered design, those items had very different backs—nothing like the flat back and the sides of the registered design. So if you looked at the designs as whole—in the round—the design corpus products produced a very different impression whereas the impressions produced by the Samsung products and the registered design produced were much the same.

Thus, for instance, although the Flatron had a large front face looking very close to the design (and Samsung) the back was different. It looked like this:

![Flatron with stand](image)

The stand (shown in dark grey) could be optionally fitted to the silvered computer which could be hand-held. So it is irrelevant. But the lump on the back of the screen was integral with it. No doubt it contained functional electronics and the like. We were shown a physical example of the Flatron—it is much bigger than any of the Samsung products (or an iPad for that matter). Just about hand-holdable.

I do not accept Mr Silverleaf’s criticism for three reasons. First, whilst of course the statutory question requires the court to consider the reaction of the informed user to the “overall impression,” any sort of user, informed or not, would be apt notionally to consider the front and back rather separately. Secondly at least to my mind the Flatron in particular, looks very much like a two-part construction—like a large tablet with something stuck on to its back. And thirdly even if Mr Silverleaf were right, the implication is that the back matters rather a lot. Assuming that to be so it would lead the notional informed user to notice how different the backs of the Samsung products are as compared with the registered design (much thicker, even in the case of the 7.7, quite different curvatures, no sharp edge, and busier flat portion). True the Flatron is further away than the Samsung products because the Samsung products are proper tablets, but that does not mean that the Samsung products produce the same impression as the registered design, either as regards the backs or as a whole.

There is also this—a point I have touched on before and which the judge rightly thought important. The Samsung products are all significantly and
immediately noticeably thinner than the registered design. Even the 7.7 which, being the smallest is relatively thicker than the other two, is visually significantly thinner. Doubtless that is why it was contended, wrongly as I have said, that the informed user would pay little attention to thinness. I think the judge would have been wrong if he had not held that the informed user would consider the relative thinness of the product as forming a significant part of the overall impression.

Overall I cannot begin to see any material error by the judge. He may have been wrong about how many Bloombergs there were or how another piece of the design corpus, Stevenson was to be understood, but that in no way impairs his overall conclusion, arrived at by using his own eyes and taking into account both the design corpus and the extent to which there was design freedom:

[190] The informed user’s overall impression of each of the Samsung Galaxy Tablets is the following. From the front they belong to the family which includes the Apple design; but the Samsung products are very thin, almost insubstantial members of that family with unusual details on the back. They do not have the same understated and extreme simplicity which is possessed by the Apple design. They are not as cool. The overall impression produced is different.

I would add that even if I were forming my own view of the matter, I would have come to the same conclusion and for the same reasons. If the registered design has a scope as wide as Apple contends it would foreclose much of the market for tablet computers. Alterations in thickness, curvature of the sides, embellishment and so on would not escape its grasp. Legitimate competition by different designs would be stifled.

[The German Decision]

Finally I should say something about the 24th July decision of the Oberlandesgericht [(i.e., the German appellate decision] which held that the 7.7 infringed and granted a pan-EU injunction against SEC from selling it.

Firstly I cannot understand on what basis the Court thought it had jurisdiction to grant interim relief. I do not think it did for several reasons.

Firstly it is common ground that no German court was “first seized” of the claim for a declaration of non-infringement. Indeed given that Apple withdrew its claim for infringement in Germany, no German court appears even now to be seized of a claim for infringement. It is true that Samsung applied for declarations of non-infringement on the same day, 8th September 2011 in Spain, the Netherlands and England and Wales and there could be (but I think rather overtaken by events given that the trial and appeal are over here) a dispute about which case started first in point of time. After all there is now a Community-wide decision on the point, now affirmed on appeal. One would think that ought to put an end to all other litigation about it.
Secondly I cannot see any basis for an interim injunction. The UK court had already granted a final declaration. Moreover it was sitting not just as a UK court but as a Community Court. Interim injunctions are what you grant in urgent cases where there is not enough time to have a full trial on the merits. That was not this case. Lord Grabiner told us that the Oberlandesgericht [(i.e., the German appellate court)] had jurisdiction pursuant to Art. 31 of the Brussels Regulation EC/44/2001.*** But that relates to “provisional, including protective measures.” There was no room for “provisional” measures once Judge Birss, sitting as a Community Court had granted a final declaration of non-infringement.

Further Judge Birss was not sitting as a purely national court. He was sitting as a Community design court, see Arts. 80 and 81 of the Designs Regulation 44/2001.**** So his declaration of non-infringement was binding throughout the Community. It was not for a national court—particularly one not first seized—to interfere with this Community wide jurisdiction and declaration.

The Oberlandesgericht apparently also thought it had jurisdiction because the party before it was SEC [(i.e., Samsung Electronics Co.)] whereas the party before the English court was SEC’s UK subsidiary. With great respect that is quite unrealistic commercially—especially as I shall recount below, Apple at least took the view that SEC would be liable for the [(UK)] subsidiary’s actions. They were all one “undertaking”. I use the word of EU law for this sort of situation.

Finally I regret to say that I find the Oberlandesgericht’s reasoning on the merits sparse in the extreme. Firstly, for the reasons I have given, I think it was wrong to say that the General Court decision in Grupo Promer/Pepsico was “outdated” when the decision on appeal affirmed the General Court. Secondly the Court wrongly assumed that the trade mark point was critical to Judge Birss’s decision when it was not. And for the reasons I have given I think it was wrong in law to say that the positioning of a trade mark was irrelevant where it interfered with one of the key features of the design (simplicity and plainness).

What the Oberlandesgericht did not do was to consider Judge Birss’s decision in detail. It gave only meagre reasons for saying “The Court cannot concur with the interpretation of the High Court”. I regret that. In Grimme v Scott [2010] EWCA Civ 1110, this Court said:

[63] Broadly we think the principle in our courts—and indeed that in the courts of other member states—should be to try to follow the reasoning of

*** Ed. Note: Article 31 of the Brussels Regulation states:

Application may be made to the courts of a Member State for such provisional, including protective, measures as may be available under the law of that State, even if, under this Regulation, the courts of another Member State have jurisdiction as to the substance of the matter.

**** Ed. Note: These provisions deal broadly with the designation and jurisdiction of Community design courts to proceed over the validity and enforcement of Community designs, but neither deals with jurisdictional disputes between member states.
an important decision in another country. Only if the court of one state is convinced that the reasoning of a court in another member state is erroneous should it depart from a point that has been authoritatively decided there. Increasingly that has become the practice in a number of countries, particularly in the important patent countries of France, Germany, Holland and England and Wales. Nowadays we refer to each other’s decisions with a frequency which would have been hardly imaginable even twenty years ago. And we do try to be consistent where possible.

[64] The Judges of the patent courts of the various countries of Europe have thereby been able to create some degree of uniformity even though the European Commission and the politicians continue to struggle on the long, long road which one day will give Europe a common patent court.

That principle was not followed by the Oberlandesgericht. If courts around Europe simply say they do not agree with each other and give inconsistent decisions, Europe will be the poorer.

...
freedom is limited, minor variations over the prior art are often enough to warrant protection. When it comes to infringement, however, minor variations may also be enough to escape liability—especially when those variations occur in non-compulsory design elements. See Jason Du Mont & Mark Janis, *Functionality in Design Protection Systems*, 19 J. INTELL. PROP. L. 261, 296 (2012). Accordingly, the interplay between these doctrines is of paramount importance to litigants. How would you strategically approach this during litigation? Would your approach change under US design patent law?

4. Enforcement. Lord Justice Jacob’s comments in *Samsung* highlight what design litigation was like before the Community Design Regulation was passed. While it was not mentioned in the decision, Apple sought to enforce its registered Community design in Germany, by way of a preliminary injunction, before Samsung filed a declaration of non-infringement in the UK. See *Anor v. Apple*, [2012] EWHC 889. Does this change your opinion of the Oberlandesgericht’s actions? Given the diversity of legal systems in the EU, the capacity to obtain and enforce an EU-wide design right is truly profound. Nevertheless, forum shopping is still rampant. *See generally* Design Regulation, Recital 30. Why do think this is? What provisions in the Design Regulation and Directive leave the most latitude to member states?

**Kohler Mira Ltd. v. Bristan Group Ltd.**

[2013] EWPCC 2 (PCC)

BIRSS H.H.J.:

...  
[Kohler Mira (“Mira”) sought to enforce two registered Community designs—and an (UK) unregistered design, not included in the excerpt below—against the Bristan Group (“Bristan”).]

[RCD] 000578463-0002

Mira's better case on Community design right relates to RCD 0002 and I will start with that. RCD 0002 was applied for on 12th August 2006[, and is pictured below.]
The indication of the product is "water heaters (electric)". The product is obviously an electric shower unit.

The design is a rectangular shaped unit with relatively sharp edges and corners. There is a flat front face. The housing behind the front face has two regions, a wider part at the back and a recessed part behind the front face. The recess can be seen clearly in the side views (images 0002.3, 0002.4 and 0002.5). These side images also make clear that the front face has chamfered edges at both the front and the back. The front face extends beyond the wider perimeter of the rear unit (see image 0002.2). The unit has two circular knobs and a small power switch on the front. The knobs have small pointers. The knobs are aligned vertically. They are located in the middle horizontally and in the middle and lower half of the unit vertically. There are four round circles ("pips") near the corners of the front face (see 0002.2). There are two tiny screws on the top of the housing (see 0002.4) and at the bottom a single screw and a fitting, probably for the shower hose (see 0002.5). In fact image 0002.1 has omitted the power switch from the front face but that is plainly an accidental omission.

The issue of interpretation of RCD 0002 relates to the dashed lines. Dashed lines can be seen in image 0002.1. There is a pair on the left of the front face running vertically and on the bottom running horizontally. This pair of lines represents the rear chamfered edges of the front face. There is also a single dashed line running around the inside edge of the front face. It marks the place where edge of the recess meets the back of the front face. Dashed lines are also seen in image 0002.2. This has two parallel tracks of dashed lines running around the inside of the perimeter of the image. The inner one marks the bottom of the recess, where it meets the back surface of the front face. The outer one represents the top of the recess or, in other words, the outer perimeter of the rear unit. Dashed lines are also visible in side images 0002.3, 0002.4 and 0002.5. Here the lines indicate the axles of the knobs, and the inner parts of the power switch and pips, all of which extend through the front face to the rear unit.

The defendant submits that the front piece in design RCD 0002 is made of glass or some other transparent or translucent material and that this can be understood from the images. The dashed lines are there to show that the front slab is transparent. The claimant argues that the dashed lines indicate the opposite—the front face is not transparent, hence the need for dashed lines to show what lies beneath the front plate.
At the forefront of its case the defendant relies on the fact that the Mira Azora shower has a glass front face which is transparent or at least translucent. [The Mira Azora is pictured below:]

It is a very striking feature of that product and excited comment when it was introduced. The defendant contends that since one is entitled to consider the product to which the design relates in understanding the design under Community law, when one takes the Azora into account it is plain that the front face of this design is transparent. I do not accept this submission. On this issue, to take the Mira Azora product into account in interpreting the design registration is to prejudge the issue. Until you know whether the design is transparent, how can one say whether the Mira Azora is a product made to the design? Moreover I note on the evidence that Mira has at least a few other shower designs with a similar shape which are either opaque (Galena) or much less translucent (Alero). [Mira’s Galena and its Alero (white and black models) are pictured below:]

Paragraph 11.4 of the examination Guidelines for Community designs adopted by decision EX-03-09 of the President of OHIM of 9 December 2003 headed “Format of the Representation of the Design” provides:
The representation of a design should be limited to the features for which protection is sought. However, the representations may comprise other elements that help identify the features of a design for which protection is sought. In an application for registration of a Community design the following identifiers will be allowed:

1. Dotted lines may be used in a view either to indicate the elements for which no protection is sought or to indicate portions of the design which are not visible in that particular view, i.e. non-visible lines. Therefore, dotted lines identify elements which are not part of the view in which they are used.

Neither party submitted that it was mandatory to interpret dashed or dotted lines in only one of the two ways set out in paragraph 1. I agree. The Guidelines provide two possible interpretations for such lines and to that extent are helpful but they are not the only possible interpretations. The proper construction of the design must be decided by considering the design registration itself.

Mr Campbell points out that the scheme of the dashed lines showing what lies beneath the front plate is followed consistently throughout the images in RCD 0002. I agree. However I am not convinced that this helps. The fact that this element of the design registration is consistent as regards the front face is neutral.

Mr Cuddigan submits that the fact that the front face has chamfered edges shows it is made of glass. I disagree. The chamfered edge might be taken as an indication that the material from which the front face could be something which would have very sharp edges unless they were chamfered but that could be true of opaque material as well. It does not indicate any form of transparency.

Mr Cuddigan's better point is that if the dashed lines are supposed to indicate what lies beneath a part of the unit which is not transparent, they are not used consistently. If that approach were followed generally, the hose attachment visible in 0002.5 should appear in image 0002.4 in dashed lines. Moreover it seems to me that although there could be some logic to showing the outer edges of the recess in image 0002.2 with dashed lines even if the front face is opaque, because those edges are visible features when the object is viewed from a different angle, why bother to show the axles of the knobs in 0002.3 (as well as the equivalent parts of the power switch and pips) in the side images? Those axles are never visible on Mira's case. If dashed lines are being used to depict features which are always invisible, there are all kinds of other features to be shown.

Mr Campbell points out that there is a convention in engineering drawing to show invisible features in this way. I agree but I do not think it assists. In one sense these are technical drawings but their function is to show a design, bearing in mind that Art 3(a) of the Regulation defines "design" as the appearance of the whole or part of a product.

Mr Campbell also referred to the boxes in which the Bristan Glee, Joy and Smile products are sold. These include a drawing of the front of the product with dashed lines on the front face to mark the edge of the rear unit. Since the front of
the Bristan products is not transparent, these dashed lines therefore show features invisible from that angle. Mr Campbell is right but again I do not think it assists. The issue is the interpretation of the design registration. Dashed lines can be used to show features which are not visible but they are not necessarily used in that way in a given drawing.

In my judgment the dashed lines indicate that design RCD 0002 has a transparent or translucent front face. They show what is visible when looking at the article. The edges of the recess are visible through the front face. The rear chamfered edge of the front face is visible through the face from the front. The axles of the knobs (etc.) are visible through the front face material when viewed from the side. The axles are not visible inside the rear housing and that is why those dashed lines stop when they reach the rear unit. The hose attachment point is shown in 0002.5 and not shown with dashed lines in 0002.4 because it is visible in 0002.5 and invisible in 0002.4.

**Overall impression**

It was common ground that the informed user for both registered designs was a user of shower units. It was also common ground that in this field a side by side comparison was legitimate.

The defendant accepted that the Mira Azora design, including as it did a glass panel at the front, was a significant leap forward in design in relation to the prior design corpus of electric shower units. I agree. There was nothing remotely like it on the market prior to its launch. Most showers of this kind in the past were dull white boxes. They were often highly curved. The departure made by the design indicates that the design freedom actually available to designers in this field was very wide but that they had not been exercising that freedom before.

I would describe the overall impression produced by RCD 0002 as a striking one. It has a bold, design led, appearance with sharp straight edges and flat surfaces. The glass plate sits proud of the rear unit and the recess creates the impression that the plate floats in front of it. The transparency of the front face is very notable. The plate is held in place by the four pips. The simplicity of the overall shape is enhanced by the simple control knobs and power switch. They are vertically aligned, in the middle (looking from side to side) and in the lower half of the panel (looking up and down). The front view is the most important not least since in use the item is fixed to a wall.

Given my interpretation of RCD 0002 it is legitimate to use the Mira Azora product as an exemplar of the design. The glass is frosted from the front but clear on the edges. The knobs, power switch and pips are shiny metal or metallic silver. There are visible markings on the front but they are muted (temperature and flow markings and the name Mira Azora).

I would sum up the overall impression produced by RCD 0002 as a stylish design of shower unit with fairly sharp, straight edges, flat surfaces and a
prominent transparent plate standing proud of the rear unit. The front has a neat central vertical line of round simple controls.

... 

**Infringement**

The Bristan Glee, Joy and Smile products are shown … [below].

Each product can be either black or white.

The Glee product has a relatively thin opaque plate on the front. It extends beyond the rear unit but there is no recess. The extent of the plate outwards is to my eye rather less than the corresponding distance in RCD 0002. The corners of the front plate (and the rear unit) have a pronounced radius. The front plate is the same material as the rest of the unit. There are no pips. The front plate has a rounded front edge but a rather sharp rear edge. The unit has two round control knobs and a smaller round power switch aligned in the same way as RCD 0002 albeit that I think the knobs are a little higher, relatively, up the front face as compared to RCD 0002. The power and temperature knobs have clear markings. The two knobs consist of circular parts more or less flush with the front face and raised rectangular handles to grip. There is a pimple on the end of the rectangular handle. There is a trade mark at the top of the front face. When switched on the
Glee has a temperature display above the top knob. The front views [displayed above] … show the Glee with the power switched off and Joy with the power on.

There is no material difference between Joy and Glee.

The Smile unit is the same as Glee but has no temperature display and no power button.

Mr Cuddigan relied on the markings on the front panel (the temperature and flow markings around the knobs and the trade mark) as one of the material differences between the Bristan products and RCD 0002. I disagree. I think an informed user would expect markings of some kind on the front face even though they are not shown in the design. The actual Mira Azora product provides an example. To that extent design freedom is constrained by the need to have some sort of marking. There is no reason why the markings would have to be as muted as they appear in the Mira Azora. Perhaps very garish markings would make a bigger difference but these are not. They are conventional in form and I doubt the informed user would pay them any attention.

Other differences which I believe are minor and irrelevant are:

i) that the Bristan power button in Glee and Joy is larger than the one in RCD 0002, is concave rather than convex as in RCD 0002 and has no collar, unlike RCD 0002;

ii) that the edges of the front plate of the Bristan products have a rounded front and sharp back rather than the chamfered edges of the front plate in RCD 0002; and

iii) that the Bristan front plate extends less far beyond the perimeter of the rear unit than RCD 0002.

The important differences relied on by Bristan are:

i) The front panel in the Bristan designs is opaque, unlike the transparent panel in RCD 0002.

ii) The front panel in the Bristan designs is thinner than RCD 0002 and there is no recess.

iii) The rounded corners on the Bristan products as compared to the sharp corners in RCD 0002 (both front plate and rear unit).

iv) No pips in the Bristan products

v) In Glee and Joy, the presence of a prominent temperature display, unlike RCD 0002.

In terms of their overall impression, the three Bristan products are also a departure from the standard shower units as they existed in 2006. Their designs are based on a flat front plate which rests on a smaller rear unit. There is no visible bowing of the front plate and the only curve in the form of the units comes from the rounded corners. The three knobs are in the lower middle in a vertical line.
However without the striking transparent front panel, it is very hard to see how the Bristan designs can be argued to produce the same overall impression as RCD 0002. The transparent plate is what gives the design its striking individual character as compared to existing shower designs. A product without that feature simply does not create the same overall impression. Of the remaining points, I think (ii), (iii) and (iv) have some, albeit a lesser, significance. Point (vi) (different knobs) is a very weak point. I think the knobs contribute to a similarity with RCD 0002 albeit they are not identical.

Mr Campbell submitted that it was not legitimate to take into account point (v) (temperature display) since it was only visible in use. Mr Campbell took a point of law. He submitted that Art 3 (a) of the Regulation set out a limited list of things which give rise to the appearance of a product. The list is limiting because of the words "resulting from". The list of things which the appearance can result from (lines, contours, colours, shape, texture and/or materials) does not include an appearance caused by switching it on. Mr Cuddigan submitted it was legitimate to consider the display since the informed user experiences the product through use. I suspect Mr Cuddigan is right but I did not hear full argument on the point. Given the views I have formed without considering the display, it would not make any material difference either in relation to RCD 0002 or RCD 0001, so I will not decide the point.

At one point in the argument Mr Campbell submitted that a properly written statement of the overall impression of the design would also cover the Bristan products. As it happens I do not agree because the transparent plate is part of the overall impression produced by RCD 0002 but even without that point, I do not accept this is a legitimate approach. The Bristan product and the registered design are based on a flat front plate which rests on a smaller rear unit. However they still look different to my eye.

I reject the case of infringement of RCD 0002 by any of the Bristan products.

[RCD] 000578463-0001

RCD 0001 was also applied for on 12th August 2006. The indication of the product is also "water heaters (electric)" [, and is pictured below.]
Again the product is obviously an electric shower unit.

The shape of the object depicted in the images for RCD 0001 is exactly the same as for RCD 0002 (save that the power button was not mistakenly left off image 0001.1). There is an issue of interpretation of RCD 0001 which also relates to dashed lines.

None of the dashed lines in RCD 0002 appear in RCD 0001 and so those issues do not arise. In RCD 0001 the knobs and power button are marked with dashed lines. Mr Campbell submitted this meant they were an optional feature, not essential to the design. Mr Cuddigan submitted they were features for which no design protection is sought and referred to Sphere Time v. OHIM (GC T-68/10 2011). In that case the design was for a lanyard carrying a watch. The attachment clip and part of the watch face were shown in dashed lines and were held not to form part of the elements that are protected by the design. However Sphere Time is simply a case in which that conclusion was reached. It does not purport to lay down any general principle on the issue.

Mr Campbell characterised the issue as there being three options: first, no knobs; second, knobs present; or third, knobs may or may not be present. He said his case was the third option whereas Mr Cuddigan's was the first option. Mr Campbell also argued that the dashed lines would be understood to mean that it was the knobs depicted which were optional. In other words to employ the design one could use those very knobs, or have no knobs at all, but what one could not do was use other different knobs.

Mr Campbell also appeared to argue that the extent to which another product might fall within the scope of protection of the registration was to be considered by considering both options. So, for the prior cabinets he argued the point worked the following way. Mr Cuddigan submitted that on his construction of RCD 0001, the design is getting very close to these prior designs. Mr Campbell did not agree. He argued that whereas RCD 0001 had optional knobs, in the prior cabinet designs there was no such option. No optional knobs were disclosed in the prior cabinets. Moreover even if the prior cabinets were held to deprive the no-knob option of RCD 0001 of its individual character, that left unscathed the alternative option of RCD 0001, i.e. the version with the knobs intact.

I do not accept Mr Campbell's submissions on the dashed lines in RCD 0001. I am far from clear it is a tenable argument but even if it is tenable, I prefer Mr Cuddigan's submission. The dashed lines in RCD 0001 are not depicting a transparent part nor are they showing features which are not visible. The design registration would not be understood by an objective reader as attempting to cover
two distinct scopes of protection, one with knobs on and one without. An objective
member of the public looking at the register (or an informed user) would understand that these dashed lines are showing elements for which no protection is sought. Thus the scope of protection of RCD 0001 does not include consideration of the knobs on the front panel of a shower unit.

**Overall impression**

As compared to prior shower designs, RCD 0001 is unusual albeit it does not represent as great a departure as that represented by RCD 0002. Again it shows that the design freedom was in fact quite broad even though that breadth was not exercised much in the past.

RCD 0001 has sharp straight edges and flat surfaces. The front plate is not transparent. It has a degree of depth to it and sits proud of the rear unit. It has chamfered edges. The recess behind the plate creates the impression that the plate floats in front of the rear unit. The plate is held in place by the four pips. The front view is the most important not least since in use the item is fixed to a wall but the fact that no protection is sought for the knobs or the power switch makes the front very blank and draws more attention to the pips and the recessed sides.

I would sum up the overall impression produced by RCD 0001 as a stylish design of shower unit with fairly sharp, straight edges and flat surfaces and a prominent front plate standing proud of the rear unit with pips on the front and a recessed area between the plate and the rear unit.

... 

**Infringement**

Subject to the temperature display point (which I need not take into account) there is no difference between the Bristan Glee, Joy and Smile designs for this purpose.

I have described the Bristan designs already. For the purpose of infringement of RCD 0001 I should ignore the knobs and power switch.

The important similarities are that the Bristan designs are rectangular and have a flat front plate above a rear unit. The front plate extends beyond the perimeter of the rear unit. I do not think the difference in detail between the chamfered edges of the front plate of RCD 0001 and the edges of the front plate of the Bristan products is significant. The key differences are the lack of pips, the thin front plate with curved corners and the lack of a recess.

In my judgment the Bristan products produce a different overall impression from RCD 0001. The differences are too great. Although both Bristan and RCD 0001 have a front plate on a rear unit, beyond that the way in which the products are realised is very different. Without seeking protection for the knobs etc., the pips take on more significance on the front face of RCD 0001. They are absent. The shape of the front plate itself, mounted on a recess, is a key element in the
appearance of RCD 0001 but the Bristan products have a much thinner plate with curved corners and no recess at all.

I reject the infringement case over RCD 0001.

**Magmatic Ltd. v. PMS Int’l Ltd.**

[2014] EWCA Civ 181 (CA)

KITCHIN L.J.:

... 

[At trial, the court found that four animal and insect versions of PMS International’s (“PMS”) Kiddee Case infringed Magmatic’s Community registered design (CRD 43427-0001) pictured below:

Magmatic’s CRD is embodied in its Trunki-branded children’s luggage in the UK.]

Upon this appeal Mr Mark Vanhegan QC, who has appeared with Mr Chris Aikens on behalf of PMS, contends that the judge has erred in principle in approaching the matter as he did and that he was wrong to disregard all of the decoration on the Kiddee Case. The judge having made this error, it is, he says, open to this court to re-evaluate the matter for itself. Mr Michael Hicks, who has appeared with Mr Jonathan Moss on behalf of Magmatic, responds that the judge approached the matter entirely correctly and that there is no reason for this court to interfere with the conclusion to which he came.

In assessing Mr Vanhegan's submissions the starting point must involve the interpretation of the CRD and what it protects. As is well understood and subject to the provisions of the Regulation, a person may register as a Community design any aspect of the appearance of the whole or a part of a product resulting from its lines, contours, colour, shape, colour or texture or the materials of which it is made.

An application for a Community design must contain a representation of the design suitable for reproduction and an indication of the products in which the design is intended to be incorporated or to which it is intended to be applied. It may also include a description explaining the representation. But all this additional
information does not affect the scope of the design (see: Article 36(6) of the Regulation). At the end of the day, the scope of the design must be determined from the representation itself.

How then is this exercise of interpretation to be carried out? Some assistance may be derived from drafting conventions. A number are referred to in the OHIM Guidelines for Examination. Thus, for example, broken lines may be used to indicate elements for which no protection is sought or to indicate portions of the design which are not visible in that view. So also, boundaries may be used to surround features for which protection is sought; and colour shading and blurring may be used to indicate that certain features are excluded from protection. These are, however, simply illustrations of a broader principle which is that the scope of the protection must be discerned from the graphical representation and the information it conveys.

Colour presents further challenges. An application for a Community registered design may be filed in black and white (monochrome) or in colour. If colour forms no part of the design then it is conventional to file the design in black and white. Similarly, if a particular colour does form part of an aspect of a design then it may be filed wholly or partly in that colour. So also, if monochrome colours are a feature of the design, this can be shown by placing the design against a background of a uniform but different colour. Of course it becomes more difficult if particular colours are not a feature of the design but colour contrasts are. This is said to be such a case, as I shall explain.

These general principles are reflected in the decisions of the High Court and Court of Appeal in this jurisdiction. Thus in Procter & Gamble Co v. Reckitt Benckiser (UK) Ltd … it was alleged that a Community registered design comprising a series of monochrome line drawings of a spray canister was infringed by a product called “Air Wick”. The claimant argued that, in light of the registration, only the product shapes should be compared. The defendant responded that the correct comparator was the defendant's product as a whole, including its colour. Underpinning these rival contentions were two related issues, namely the scope of protection of the design and how the comparison should be carried out. As for the first, Lewison J (as he then was) explained that protection only extended to those aspects of the design which were depicted:

27. If a design passes these two tests, it is registered as a Community design. The form of the registration derives from the representation included in the application under Article 36. The definition of “design” is that it is the appearance of the whole or part of a product. Whether it is the whole of the product or only part of the product depends, in my judgment, on what is depicted in the application for registration. In the case of a monochrome line drawing, what is protected is likely to be the shape or contours of the product. Although the definition extends to colours and materials, if they are not depicted, they will not be protected. By the same token, if the registered design depicts only part of a product, it is only that
part that will be protected. It must be noted that although the applicant is required to identify the products to which his design will be applied, the scope of the protection in that respect is not limited by that: Article 36.6. This means, as both Mr Carr QC and Mr Wyand QC agreed, that if a design is registered for, say, an aerosol, it could be infringed by, say, a vase.

Turning to the second issue, Lewison J rejected the submission that he should take into account the colours and graphics on the Air Wick when comparing it with the registered design:

48. … The registration must, in my judgment, be the yardstick by which infringement is to be judged. The registration holder is entitled to choose the level of generality at which his design is to be considered. If he chooses too general a level, his design may be invalidated by prior art. If he chooses too specific a level he may not be protected against similar designs. But in my judgment to allow features that are not the subject-matter of the registration to play a part in the assessment of the overall impression would unduly restrict the scope of protection. This conclusion is, to some extent, supported by Russell-Clarke & Howe on *Industrial Designs* (7th ed) para 2-20 in which the editor/author says:

> Under the new EC harmonised law, there seems no reason why the design of the chair back cannot be registered by itself. In practice, this would be achieved by filing a representation which portrays only the chair back and does not portray the rest of the chair. This would mean that when it came to infringement, only the back of the defendant's chair would be compared with the registration and it would be irrelevant how different or similar, for example, the legs of the defendant's chair are to the design of the proprietor's own products on the market.

49. There is nothing in the registered Community design in the present case that limits the colours. It seems to me therefore, that if one does not eliminate colour from the alleged infringement, the practical effect of not claiming a colour would be to limit the scope of protection to the colour white. But that would defeat the purpose of not claiming a colour (or it might lead applications for registration of a particularly distinctive shape to claim all conceivable colours).

A little later, Lewison J considered the position on the basis contended for by the defendant:

71. Mr Carr asked me to record what my conclusion would have been if I had been of the view that the colours and graphics of the Air Wick canister had to be taken into account in making the comparison.

72. The predominant colour of the Air Wick canister is white. If I compare the Air Wick product with the Febreze product, the differences are not enlarged by the use of colour. Both have a predominantly white container,
and both have a bluish pastel top. But that is not the comparison that Mr Carr says I should make. He wants to compare the coloured Air Wick product with the colourless registered design.

73. The contrast (some might say clash) between the blue pastel top and the green band immediately below the junction between the top and the canister in the Air Wick product does accentuate the difference between the two parts of the aerosol. It leads to Mr Treeby's conclusion that the Air Wick design is a standard canister with a new top stuck on top. However, it still seems to me that the overall impression is formed by the distinctive shape of the registered design and the Air Wick product. I would not have come to a different conclusion if I had made the artificial comparison that Mr Carr urges.

On appeal to this court (Procter & Gamble Co v. Reckitt Benckiser (UK) Ltd [2007] EWCA Civ 936, [2008] FSR 8), the defendant abandoned the point, as recorded by Jacob LJ:

40. Before going on to consider this argument in detail, I should record that Mr Carr, under a little pressure from the Court, abandoned his point about decoration, rejected by the Judge at [71-73]. He was right to do so. The registration is evidently for a shape. The proper comparison is with the shape of the alleged infringement. Graphics on that (or on the physical embodiment of the design) are irrelevant.

If I might respectfully say so, this observation of Jacob LJ seems to me to be entirely right in the context in which it was made. Before carrying out any comparison of the registered design with an earlier design or with the design of an alleged infringement, it is necessary to ascertain which features are actually protected by the design and so are relevant to the comparison. If a registered design comprises line drawings in monochrome and colour is not a feature of it, then it cannot avail a defendant to say that he is using the same design but in a colour or in a number of colours. As Lewison J observed, were it otherwise, the practical effect of not claiming a colour would be to limit the scope of protection to the colour white, and that would defeat the purpose of not claiming a colour in the first place.

The second case to which I must refer, Samsung Electronics (UK) Ltd v. Apple Inc [2012] EWCA Civ 1339, [2013] FSR 9, concerned an allegation by Apple that Samsung’s “Galaxy” tablets infringed its Community registered design comprising a series of very simple line drawings in monochrome. At trial the judge dismissed the claim, finding that one of the points of difference was the presence on the Galaxy tablet of the Samsung trade mark. On appeal it was contended that he had fallen into error in so doing. In dismissing the appeal, Sir Robin Jacob explained
that Apple itself had contended that a feature of the registered design was that it had no ornamentation …*

It is important to note that it was a part of Apple's case that an absence of ornamentation was a feature of its design. Indeed, that was the one part of Apple's case with which Samsung took no issue, perhaps because it recognised this as a potential point of distinction. Nevertheless, I see no reason in principle to doubt the correctness of Apple's contention, and it was accepted by the court both at first instance and on appeal as an appropriate basis upon which to proceed. Nor does it seem to me to be in any way inconsistent with the decision in Procter & Gamble. All must depend upon the design in issue.

I come then to consider the application of these principles in the present case and, in particular, the scope of the CRD. As I have explained, the judge considered it is only for the shape of the suitcase and so the proper comparison was with the shape of the Kiddee Case. In carrying out an analysis of the overall impression created by each, all other material should, he thought, be disregarded.

I believe that in interpreting the CRD as he did the judge fell into error in two respects. The CRD consists of six monochrome representations of a suitcase. These representations are not simple line drawings, however. Rather, they are computer generated three dimensional images which show the suitcase from different perspectives and angles and show the effect of light upon its surfaces. Further and importantly, the suitcase looks like a horned animal with a nose and a tail, and it does so both because of its shape and because its flanks and front are not adorned with any other imagery which counteracts or interferes with the impression the shape creates. As Mr Vanhegan submits, the CRD is, in that sense, relatively uncluttered and it conveys a distinct visual message. Here then the first of the judge's errors can be seen: he failed to appreciate that this is a design for a suitcase which, considered as a whole, looks like a horned animal.

Second, I entirely agree with the judge that it is striking that the various representations are shown in monochrome, and so it must be concluded that this design is not limited to particular colours. Just as in the Procter & Gamble case, PMS cannot point to the colour of the Kiddee Case as being a point of distinction. That is not the end of the analysis, however, because each of the representations shows a distinct contrast in colour between the wheels and the strap, on the one hand, and the rest of the suitcase, on the other. I have given anxious consideration to whether this is simply an artefact of the computer generation process or a visual cue to indicate that the wheels and the strap are each separate components. However, I do not find either of these alternative explanations convincing. The clasps are also separately functioning components and they are not shown in a contrasting colour and it seems to me that the wheels could perfectly well have

* Ed. Note: The omitted block quote is included in the excerpted Samsung case above, beginning with: “The second criticism was based on the fact …” Samsung Electronics v. Apple, [2013] ECDR 2 (CA) at ¶15-19.
been shown and depicted as separate components in the same colour as the rest of
the body. Moreover, depicted as they are and standing as they do at the four
corners of the animal, the wheels are, to my eye, a rather striking aspect of the
design as a whole.

I come then to consider the comparison the judge carried out and begin by
observing that no criticism is made of the approach the judge adopted to the
informed user and his attributes. **

The judge then proceeded, again entirely correctly, to consider the design
corpus and the degree of design freedom, and so also the effect of both the
differences between the design corpus and the CRD and also the degree of design
freedom upon the scope of protection. So also he properly directed himself that
what matters is the overall impression produced upon the informed user by each
design having regard to those matters. As Jacob LJ observed in Procter & Gamble
at [2007] EWCA 936 at [3]:

The most important things in a case about registered designs are:

i) The registered design;

ii) The accused object;

iii) The prior art.

And the most important thing about each of these is what they look like.

I would add that the two designs must therefore be considered globally and, as
one would expect, the informed user will attach less significance to those features
which form part of the design corpus and correspondingly greater significance to
those features which do not. So also, the informed user will attach particular
importance to features in respect of which the designer had a great deal of design
freedom. The analysis is not limited to these considerations, however, for a global
assessment also requires the designs to be considered having regard to the way in
which the products to which the designs are intended to be applied are used, with
some features having greater prominence than others, perhaps because they are
more visible.

I therefore detect no error by the judge in his consideration of the principles
relevant to the comparison of the CRD with the designs of the accused products.
In my judgment the judge did, however, fall into error in the way he applied those
principles in the particular circumstances of the present case for I believe his
errors as to the proper characterisation of the CRD have carried through into the
comparison he actually carried out.

First and most importantly, it seems to me the judge failed to carry out a global
comparison having regard to the nature of the CRD and the fact that it is clearly
intended to create the impression of a horned animal. This is plainly one of its

** Ed. Note: The omitted block quote here is included in the excerpted Samsung case above,
beginning with: “The designs are assessed from the perspective of the informed user …”
essential features. … [Below is a comparison of the CRD, insect, and tiger versions of the Kiddee Case:] 

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<tr>
<th>CRD</th>
<th>Insect</th>
<th>Tiger</th>
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<tr>
<td><img src="image1" alt="CRD" /></td>
<td><img src="image2" alt="Insect" /></td>
<td><img src="image3" alt="Tiger" /></td>
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[A] global assessment of the CRD and the accused designs requires a consideration of the visual impression they each create and in so far as that impression is affected by the features appearing on their front and sides, it seems to me those other features must be taken into account. Thus taking the insect version of the Kiddee Case, I believe that the impression its shape creates is clearly influenced by the two tone colouring of the body and the spots on its flanks. As a result it looks like a ladybird and the handles on its forehead look like antennae. Overall the shape conveys a completely different impression from that of the CRD. It was, in my judgment, wrong for the judge to eliminate the decoration on the accused design from his consideration entirely because it significantly affects how the shape itself strikes the eye, and the overall impression it gives. At least in the case of this particular registered design, the global comparison necessarily requires account to be taken of the context in which the accused shape appears. Precisely the same considerations apply to the other version of the Kiddee Case. The stripes on its flanks and the whiskers on either side of its nose immediately convey to the informed user that this is a tiger with ears. It is plainly not a horned animal. Once again the accused design produces a very different impression from that of the CRD.

The second error concerns the colour contrast between the wheels and the body of the CRD. This is, as I have said, a fairly striking feature of the CRD and it is simply not present in the accused designs. In my view it was another matter which the judge ought to have taken into account in carrying out the global comparison.
The judge having made these various errors in his analysis of the CRD and in the way he carried out the global assessment, this court is free to form its own view and that is what I must now do. I also have well in mind the characteristics of the informed user and in particular that he is particularly observant, has knowledge of the design corpus and is able to carry out a direct comparison of the designs in issue.

I also take into account the judge's findings that the CRD represents a significant departure from the design corpus and that the designer had a substantial degree of design freedom with the result that, subject to the design of the Rodeo [(below)], the CRD is entitled to a relatively broad scope of protection.

Nevertheless, and as may perhaps be anticipated from the views I have expressed above, I think the impression conveyed to the informed user by the designs of the two versions of the Kiddee Case is very different from that of the CRD. There are, it must be acknowledged, some similarities at a general level. The Kiddee Case, in both of its versions, does look like an animal of one kind or another and it has clasps at the front and back. It also has handles at the top of the front where one would expect to see horns or antennae or ears, as the case may be. It has a rounded profile at the front and back, four wheels and a generally saddle shaped top. It also has a ridge running up the front and back of the case and the middle of the ridge contains a thin strip which stops for the clasps. I recognise too that the clasps are generally located in the middle of the ridge and slightly above the centre. There is a strap held by eyelets located in the ridge at the front and back. All of these somewhat generalised features are also to be found in the CRD.

However, there are many significant differences between the Kiddee Case and the CRD. The following seem to me to be particularly striking. The profile of the Kiddee Case is asymmetric and much more rounded than the CRD. The sides of the Kiddee Case do not have a ridge and there is no cutaway semi-circular shape
below the ridge, whereas the CRD has both of these features. The wheels of the Kiddee Case are covered by wheel arches whereas in the CRD they are not covered and are of a contrasting colour to the rest of the design. The CRD has a circular tab attached to the strap at the rear of the case whereas there is no such tab in the Kiddee Case. The straps, handles and clasps are very different in each of the designs. Finally, the CRD has what has been described as a projecting skirt or lip at the bottom of the front and the rear, a feature which is absent from the Kiddee Case.

Further, the overall impression created by the two designs is very different. The impression created by the CRD is that of a horned animal. It is a sleek and stylised design and, from the side, has a generally symmetrical appearance with a significant cut away semicircle below the ridge. By contrast the design of the Kiddee Case is softer and more rounded and evocative of an insect with antennae or an animal with floppy ears. At both a general and a detailed level the Kiddee Case conveys a very different impression.

It will be noted that in carrying out this comparison I have not focused on the design of the Rodeo which was deployed by PMS largely as a squeeze in the manner I have explained. The judge evidently felt that squeeze had some force and rightly so, for the Rodeo embodies Mr Law's initial concept of a children's travel case which is shaped like an animal and has four wheels, clasps at the front and back and dumb bell shaped projections at the top of the front which give the impression of ears or horns. Nevertheless the judge held that the CRD was both new and had individual character because it produced on the informed user a different overall impression from that produced by the Rodeo, noting in that regard that the ridge and horns of the CRD formed an important part of its appearance. There has been no appeal by PMS against that finding although Mr Vanhegan at one point indicated he would seek permission to raise this issue out of time should that be necessary. For my part, I do not believe it is necessary because, for all of the reasons I have given, I have come to the conclusion that the design of the Kiddee Case does produce on the informed user a different overall impression from that produced by the CRD.

I would therefore allow the appeal. I believe the judge ought to have found that the Kiddee Case does not infringe the CRD.

NOTES AND QUESTIONS

1. **Bright-line rules in infringement analysis.** How did your bright-line rule on the addition of ornamentation fare in Magmatic and Kohler? If PMS International only placed antennae and stripes on Magmatic’s design—to make it look like an insect—should this matter? Can you reconcile Lord Justice Jacob’s approach in Samsung with Lord Justice Kitchin’s in Magmatic?

2. **Drafting.** Magmatic, Samsung and Kohler all highlight the importance of careful drafting, and the woes of claim construction. While you might walk away
from *Magmatic* thinking the drafter should have included less detail in the design’s registration, it is equally plausible that *Samsung* would have turned out differently if the bezel in Apple’s registration actually looked like its commercial embodiment. Which way should you err? Would you consider using a picture or a CAD file? Why not? When construing an unregistered design claim, should courts take all of design’s details into account or should they treat the design as if it were claimed more abstractly, such as ignoring color, trademarks, and surface ornamentation? What broader policy rationales would your approach reinforce?

3. **Broken lines in RCD drawings.** In *Kohler*, Judge Birss interpreted one RCD as using broken lines to indicate claimed design elements that existed below a transparent plate (*i.e.*, like the frame in *Samsung*), and the second RCD as using broken lines to indicate knobs that were not claimed. Were you surprised by the court’s willingness to try and understand the drafter’s intent? Would Lord Justice Jacob have come to a different conclusion in *Samsung* if he had applied Judge Birss’s approach in *Kohler*? Do you think it would have come out differently under US design patent law? Also known as dashed, dotted, environmental, ghost, and phantom lines, the use of broken lines has increased over the years. Contrary to Lord Jacob’s views in *Samsung*, they are commonly used to depict unclaimed subject-matter. However, he’s also correct that they can be used to depict elements that are claimed, but invisible from a particular drawing’s view. See Guidelines for Examination in the OHIM on Registered Community Designs, § 5.3.1 (2014).

Today, it is common for product designs to be carved up into several registrations, each varying in specificity or focusing on a unique portion of the design—and often executed through the use of broken lines. For example, compare the scope of the four designs registered to Apple:

- RCD000620083-0001
- RCD000620083-0002
Arguably embodied in the Apple Shuffle, how do the registered designs’ scope differ? Can you understand from the drawings how Apple is using the broken lines?

Now, let’s move to a more complicated design. Can you discern the difference between these registrations to Dyson for its Canister line of vacuums?*

* Ed. Note: To see each design’s complete set of views, visit the casebook’s website: designlawbook.org.
As you might expect, Dyson also has registrations directed to other elements of the vacuum too, such as the handle, hose, and attachment tools. How might Dyson and Apple make their use of broken lines more clear? Are broken lines always necessary?

At the moment, this practice varies widely across jurisdictions. Although OHIM does not allow for the inclusion of a disclaimer—which could explain whether exclusive rights are claimed in a particular feature of an RCD’s drawings—many jurisdictions do. Compare Guidelines for Examination in the OHIM on Registered Community Designs, § 5.3 (2014) (“Use of a description, within the meaning of Article 36(3)(a) CDR, is not appropriate in this regard since a description ‘shall not affect the scope of protection of the design as such’ according to Article 36(6) CDR. Moreover, only an indication that a description has been filed is published, not the description as such (Article 14(2)(d) CDIR). Disclaimers must therefore be apparent from the representation of the design itself.”), with MPEP 1503.02 III (“Unclaimed subject matter may be shown in broken lines for the purpose of illustrating the environment in which the article embodying the design is used … [but they] must be described as forming no part of the claimed design or of a specified embodiment thereof.”). To deal with this problem, WIPO members are currently negotiating a treaty that contains several rules that would provide some harmonization on these issues. See WIPO DLT, SCT/31/3 at Rule 3 (Jan 20, 2014). In the meantime, how should national design offices deal with applications that claim priority to designs from jurisdictions that use broken lines differently? Why do you think OHIM does not allow for more open use of disclaimers?

4. Remedies. From the perspective of the rights-holder, the Design Directive is silent on the issue of remedies—providing member states with complete control over national registered design remedies. Indeed, the Design Regulation is only slightly better. According to Article 89, if a Community design is found infringed, the court “shall, unless there are special reasons for not doing so, order the following measures: (a) an order prohibiting the defendant from proceeding with the acts which have infringed or would infringe the Community design; (b) an order to seize the infringing products; (c) an order to seize materials and
implements predominantly used in order to manufacture the infringing goods, if their owner knew the effect for which such use was intended or if such effect would have been obvious in the circumstances; [and] (d) any order imposing other sanctions appropriate under the circumstances which are provided by the law of the Member State in which the acts of infringement or threatened infringement are committed, including its private international law.” While the Design Regulation expressly leaves provisional measures—such as preliminary injunctions—to member states, it is completely silent on the issue of damages. See Design Regulation, art. 90. This provides flexibility to member states, but it has also lead to a range of open questions when infringement occurs across jurisdictions. For example, if each jurisdiction has a different method of calculating damages, who’s method applies when there’s infringement in both? If the Community design is indeed an EU-wide right, how might these asymmetries lead to problems in the regime?

5. **Defenses.** According to Article 19(1) of the Design Regulation, Community design holders have the exclusive right to prevent the use of their design, which includes the “… using of a product in which the design is incorporated or to which it is applied … .” The Regulation, however, says nothing about whether the design must be used in the same manner, and its limitations contain no specific exceptions for expressive commercial uses. Regulation, art. 20 (limiting rights in cases where the acts were done (a) privately for non-commercial purposes, (b) for experimental purposes, or (c) for “making citations or of teaching, provided [they] … do not unduly prejudice the normal exploitation of the design, and that mention is made of the source.”). See Case I ZR 56/09, Deutsche Bahn AG v. Fraunhofer-Gesellschaft, [2012] GRUR 12/2011 (Bundesgerichtshof 2011) (Ger.) (ruling that a brochure containing actual photographs of a train that embodied a German design right, did not fall into the limitation for citations). In Plesner v. Louis Vuitton Malletier SA, Louis Vuitton sought to enforce its registered Community design for a pattern against a Dutch painter that had arguably incorporated it into a painting called Simple Living (which was later transposed en masse into another larger painting called Darfurnica). Case 3895261 KG ZA 11-294, [2011] ECDR 14. The painting depicted a malnourished African child holding a Chihuahua and a purse decorated with a slightly modified version of the Louis Vuitton pattern; in the author’s words, drawing attention to the juxtaposition between the media’s fascination with Paris Hilton and the social injustices in Darfur that receive no attention.
Relying on the European Convention on Human Rights (ECHR), the Hague court quashed the proceedings by ruling that Ms. Plesner’s fundamental freedom of expression trumped Louis Vuitton’s design rights. Do you think this is was the right instrument for this outcome? Would it change your opinion if Ms. Plesner sold t-shirts and other products that incorporated the \textit{Simple Living} painting? See id. at ¶6. What if she sold purses with the painting printed on them? Are there any EU design doctrines the court could have relied on instead? See Lionel Bently, \textit{Designs Untethered(?), The Future of Design Protection, THE FUTURE OF DESIGN LAW} (Conference Proceedings, Nov. 2012). In the US, design patent law also lacks a codified affirmative defense to infringement for expressive uses. How might it be adapted to allow for such uses? See Jason Du Mont & Mark Janis, \textit{Virtual Designs}, 17 STAN. TECH L. REV. 107, 171-73 (2013).