

# A MANIFESTO ON INDUSTRIAL DESIGN PROTECTION: RESURRECTING THE DESIGN REGISTRATION LEAGUE\*

## EXECUTIVE SUMMARY\*\*

As aptly put in a paper published a decade ago, detailing nearly a century of earnest but unsuccessful attempts to implement industrial design legislation, proponents of copyright-based protection for the useful arts have traveled down “a long and winding road”.<sup>1</sup> It began in 1914 when a group called the Design Registration League, representing the interests of a range of businesses and manufacturers, went before Congress to propose amending the copyright statute to protect industrial designs using a registration system.<sup>2</sup> Even though Congress generally supported the bill, it ultimately failed.<sup>3</sup> But it laid the foundation for subsequent lobbying attempts to pass similar legislation that have traversed the course of the 20th-century.<sup>4</sup>

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\*\* A more detailed analysis begins on p. 4, *infra*.

<sup>1</sup> David Goldenberg, *The Long and Winding Road, A History of the Fight Over Industrial Design Protection in the United States*, 45 J. COPYRIGHT SOC'Y U.S.A. 21 (1997).

<sup>2</sup> Members of the Design Registration League included stove manufacturers, Eli Lilly & Co., Meinecke & Co., Cadillac Motor Car Co., and pocket watch, lace and embroidery manufacturers. *Id.* at 28.

<sup>3</sup> Goldenberg, *supra* note 1, at 31.

<sup>4</sup> Some of the bills garnished support in Committee but never made it to the floor. The Vestal bills (1924-1930) nearly passed but its chief supporter died. As part of the extensive revisions to the copyright laws, Title II on industrial designs was amended out of the bill at the last minute to secure passage of the Copyright Law of 1976, and in 1988 another bill met stiff opposition resulting in part from elimination of the “ornamental” requirement for design protection. Goldenberg, *supra* note 1, at 27-56.

One scholar has characterized the seemingly intractable problem of protecting industrial designs as, “the world’s oldest intellectual property dilemma.”<sup>5</sup> Great minds have given great thought to solving this problem by drafting and introducing legislation, organizing *ad hoc* coalitions, and testifying before Congress, including: Hon. Giles S. Rich, Alan Latman, Henry D. Williams, Pasquale J. Federico, Cooper Woodring, Senator Herman Talmadge, Congressman Carlos Moorhead, and several Registers of Copyright (e.g. Thorvald Solberg, Arthur Fisher, Barbara Ringer, and Ralph Oman).<sup>6</sup>

A series of hearings in 1990 marked the last time *sui generis* industrial design legislation was introduced to Congress.<sup>7</sup> Despite strong support from the automotive and allied industries, it too failed, largely because of politically powerful opposition by automobile spare parts manufacturers, their insurance company allies, and discount retailers.

However, since 1990, circumstances have drastically changed. The three traditional legal tools for protecting designs - design patent, trade dress, and copyright - have been rendered almost impotent, mainly as a result of unduly restrictive court decisions handed down since 1995.<sup>8</sup>

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<sup>5</sup> Graeme B. Dinwoodie, *Federalized Functionalism: The Future of Design Protection in the European Union*, 24 AIPLA Q.J. 611, 618 (1996).

<sup>6</sup> Goldenberg, *supra* note 1, at 45, 55.

<sup>7</sup> *Industrial Design Protection: Hearings on H.R. 902, H.R. 3017 and H.R. 3499 Before the Subcomm. on Courts, Intellectual Property, and the Administration of Justice of the House Comm. on the Judiciary*, 101st Cong., 2d Sess. (1990) [hereinafter the 1990 Hearings].

<sup>8</sup> Perry J. Saidman, *The Crisis of the Law in Designs*, J. PAT. & TRADEMARK OFF. SOC’Y (forthcoming 2007).

Ironically, concurrent with this precipitous decline in legal ability to halt knock-offs, corporate America has increasingly become enamored with the value that industrial design brings to the bottom line. Rapid globalization has resulted in great demand for readily available consumer products whose only differentiating characteristic is their design, i.e., their outward appearance. As recognition grew that the product's design was the consumer's primary purchasing criteria, so too did the copying of that attribute.

Responding to this, the European Union federalized its design laws by enacting in 1998 its Community Design scheme that protects both registered and unregistered designs, unencumbered by an expensive and lengthy examination process.<sup>9</sup> In addition, the 1994 TRIPS Agreement requires signatory nations to provide a minimal level of protection for "new or original" industrial designs.<sup>10</sup> This standard impliedly excludes the onerous and outmoded non-obviousness requirement of the US design patent laws.<sup>11</sup>

Given these far-reaching national and international changes, the time has come to resurrect the Design Registration League and lobby Congress to implement long overdue *sui generis* industrial design legislation. Such a law would not only strengthen our national economy, but also harmonize our laws with international

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<sup>9</sup> <http://oami.europa.eu/en/design/default.htm>

<sup>10</sup> Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods, art. 25, Apr. 15, 1994 [hereinafter TRIPS Agreement]. See also, JULIE E. COHEN ET AL., COPYRIGHT IN A GLOBAL INFORMATION ECONOMY 227 (2d ed. 2006).

<sup>11</sup> A design is not patentable unless the differences between the design and the prior art would have been non-obvious to a designer of ordinary skill. See *In re Nalbandian*, 661 F.2d 1214 (C.C.P.A. 1981).

design protection systems such as found, for example, in the model enacted by the European Union. In addition, by recognizing the creativity of industrial designers, it would treat them as a national resource, as do other nations.

## ANALYSIS

At the 1990 Congressional Hearings for “Industrial Design Protection” (hereinafter “the 1990 Hearings”), the opposition argued that the current laws of trade dress, copyright and design patents provided sufficient protection for industrial designs.<sup>12</sup> This is unquestionably no longer the case. Since then, the laws that safeguarded designs have proven to be limited, and in some instances have all but eroded.<sup>13</sup> Trade dress provides great protection, but only for famous, non-functional designs, such as the McDonalds® arches, or the Absolute® vodka bottle; the vast majority of industrial designs need not apply. Copyright law protects useful articles only if their aesthetic features are adjudged to be “separable” from their utilitarian features, a road so narrow that only a handful of designs can pass.<sup>14</sup> Further, the separability requirement inherently discriminates against the ethos of modern design that ideally melds of form and function.<sup>15</sup>

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<sup>12</sup> The 1990 Hearings, *supra* note 7, at 193-209. (Statement of Rhonda J. Parish, Corporate Counsel, Wal-Mart Stores, Inc., on behalf of the International Mass Retail Association, Inc.)

<sup>13</sup> Saidman, *supra* note 8.

<sup>14</sup> 17 U.S.C. § 101.

<sup>15</sup> *See, e.g., Brandir Int'l v. Cascade Pac. Lumber Co.*, 834 F.2d 1142 (2d Cir. 1987).

Design patents, the last and at least aptly named scheme, in addition to costing too much and taking too long to get, are weighed down with doctrinal case law that in many instances makes no sense. As one example, a design patent is said to be invalid if the design is primarily functional rather than primarily ornamental. Since a good industrial design ideally inseparably blends form and function, the designer is penalized because her design embodies functional qualities. In this paradoxical situation, the design patent must play a blind eye to the inherent blended functional attributes of the product. As another example, the perversity of requiring a design patent claim to be “construed” as to its “meaning and scope” prior to determining infringement has been well documented.<sup>16</sup> This claim construction requirement gives a judge the rather impossible task of “verbalizing” the design, i.e., reducing the drawings of a design patent into words. Design patent infringement is then decided by focusing on the words rather than on the illustrated design.

The bottom line is that this country has been bereft for a long time of any law specifically drafted to protect industrial designs, and the shoehorning of design protection into trade dress, copyright, and design patent laws has proven itself to be a bad fit.

As aptly put by Judge Giles S. Rich in the 1987 Senate hearings during the last big push for a *sui generis* industrial design law: “The main purpose of the bills before you is to create a more equitable, practical and workable law for the protection of

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<sup>16</sup> Perry J. Saidman & Allison Singh, *The Death of Gorham Co. v. White: Killing It Softly With Markman*, 86 J. PAT. & TRADEMARK OFF. SOC’Y 792 (2004).

ornamental designs than the inequitable conglomerate we now have, namely, inadequate patents, overprotective copyright and a great middle ground still inadequately provided for.”<sup>17</sup>

“Good design is good business,” proclaimed Tom Watson, Jr., the former chairman of IBM, at a lecture he gave to the Wharton Business School in 1973.<sup>18</sup> In the years since the 1990 Hearings, corporate America and consumers in general have become hip to good design. Two ubiquitous accouterments of modern daily life, Apple’s iPod® (in its many permutations) and Motorola’s RAZR® cell phone<sup>19</sup>, exemplify the fact that consumers respond to good design. Corporate America has embraced valuing good design. Since 1980, *Business Week* and the Industrial Designers Society of America have co-sponsored the annual Industrial Design Excellence Award (IDEA™) that “is dedicated to fostering business and public understanding of the importance of industrial design excellence to the quality of life and economy.”<sup>20</sup>

A growing body of scholarship has confirmed Tom Watson’s intuition about the beneficial relationship between good design and good business. Since the 1990

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<sup>17</sup> *The Industrial Innovation and Technology Act: Hearings on S. 791 Before the Subcomm. on Patents, Copyrights and Trademarks of the Senate Comm. on the Judiciary*. 100th Cong., 1st Sess. 22 (1987) [hereinafter 1987 Senate Hearings] (statement of Hon. Giles S. Rich, U.S. Court of Appeals, Federal Circuit, Washington, DC. Citing to his Dec. 12, 1963 statement before Congress on H.R. 323, H.R. 769, H.R. 5523. Attachment A).

<sup>18</sup> JESSIE SCANLON, THE FORGOTTEN PIONEER OF CORPORATE DESIGN, BUSINESS WEEK ONLINE, Jan. 29, 2007, [http://www.businessweek.com/print/innovate/content/jan2007/id20070129\\_164109.htm](http://www.businessweek.com/print/innovate/content/jan2007/id20070129_164109.htm).

<sup>19</sup> In 2006, the designers of the Motorola RAZR® were awarded the Industrial Design Inventor of the Year award by the Intellectual Property Owners Association (IPO), the first time in the 20+ year history of the award that it was bestowed to designers rather than engineers or scientists. In addition, the 2005 IDEA Gold Winners included Motorola’s Razr® V3 Mobile Phone and the iPod® Shuffle. See <http://www.idsa.org/idea/idea2005/consumer.htm>

<sup>20</sup> See [http://en.wikipedia.org/wiki/Industrial\\_Design\\_Excellence\\_Awards](http://en.wikipedia.org/wiki/Industrial_Design_Excellence_Awards).

Hearings, scientific studies have demonstrated a statistically significant correlation between good product design and corporate profits.<sup>21</sup> Studies have shown that consumers are willing to pay more for well-designed products.<sup>22</sup> When “design conscious” companies were compared to “non-design conscious” companies, those companies that emphasized good design enjoyed statistically significant greater profit margins and sales.<sup>23</sup> Moreover, companies that invest in industrial design do better than those that do not.<sup>24</sup> Despite the greater appreciation for the value that good design brings to the bottom line, it remains a sad fact that American companies lose millions of dollars annually to knock-offs.

The enormous creativity of industrial designers who sell their work in the United States finally deserves to be recognized by implementing a law that effectively protects their work from knock-off artists. The designs of luminaries such as Ray and Charles Eames, Phillippe Stark, Michael Graves, Raymond Loewy, Jonathan Ive, Henry Dreyfuss, Norman del Geddes, Alvin Lustig and Karim Rashid are deserving of responsive design laws. These, and other oftentimes nameless and faceless designers, improve our lives immeasurably by making a product easier to use and aesthetically pleasing. Unlike France, which has a longstanding history of valuing the individual

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<sup>21</sup> Julie H. Hertenstein et al., *The Impact of Industrial Design Effectiveness on Corporate Financial Performance*, 22 THE JOURNAL OF PRODUCT INNOVATION MANAGEMENT 3, (2005) [hereinafter Hertenstein, 2005]; Gerda Gemser & Mark A. A. M. Leenders, *How integrating industrial design in the product development process impacts on company performance*, 18 THE JOURNAL OF PRODUCT INNOVATION MANAGEMENT 28 (2001); Julie H. Hertenstein, *Valuing design: Enhancing corporate performance through design effectiveness*, 12 DESIGN MANAGEMENT JOURNAL 10 (2001) [hereinafter Hertenstein 2001].

<sup>22</sup> Hertenstein (2005), *supra* note 10, at 6 (citing Robert W. Veryzer, *The Influence of Unity and Prototypicality on Aesthetic Responses to New Product Designs* (1993) (Ph.D. dissertation, University of Florida, Gainesville)).

<sup>23</sup> See, Hertenstein (2005), *supra* note 10, at 7.

<sup>24</sup> See generally, Gemser & Leenders, *supra* note 10.

creativity engaged in the useful arts, the United States has a tradition of refusing to reward the creativity involved in making useful articles. In the late 19th-century, Eugene Pouillet of France put forth the “unity of art” theory that recognized the value of all forms of creativity.<sup>25</sup> Under this expansive theory, all creative people deserve some form of copyright protection for their work: furniture makers, painters, sculptors, ceramicists, and product designers.<sup>26</sup> Intent on recognizing the legal rights of designers, in 1909 France passed a *sui generis* statute to protect industrial designs.<sup>27</sup>

The United States implicitly rejected of the “unity of art” principle the Supreme Court’s 1879 landmark decision in *Baker v. Selden* that refused to recognize a system of bookkeeping as copyrightable subject matter.<sup>28</sup> *Baker* held that new and original useful articles are not the appropriate subject matter for copyright.<sup>29</sup> Before the 1976 Copyright Act, the Copyright Office distinguished between “original designs of useful articles” which were not eligible for copyright protection, and works of “artistic craftsmanship,” such as tapestries, that were considered copyrightable subject matter.<sup>30</sup> However, in the 1976 Copyright Act, Congress codified the holding

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<sup>25</sup> J.H. Reichman, *Design Protection in Domestic and Foreign Copyright Law: From the Berne Revision of 1948 to the Copyright Act of 1976*, 1983 DUKE L.J. 1143, 1154-1156 (1983). Pouillet wrote, “... we have got it in our heads that art and industry, two things made to be allied and united, should be separated, and because we have dreamed of establishing a line of demarcation between them.”

<sup>26</sup> *Id.* at 1156.

<sup>27</sup> *Id.* at 1157-1158.

<sup>28</sup> *Baker v. Selden*, 101 U.S. 99 (1897).

<sup>29</sup> *Id.* at 102-103.

<sup>30</sup> Pamela Samuelson, *Freedom of Ideas and of Competition: The Story of Baker v. Selden: Sharpening the Distinction between Authorship and Invention in Intellectual Property Stories*, in INTELLECTUAL PROPERTY STORIES 181 (Jane C. Ginsburg & Rochelle Cooper Dreyfuss eds. 2006).

of *Mazer v. Stein* that provided copyright protection for useful articles only when the aesthetic elements were separable from the utilitarian features.<sup>31</sup> Even though the separability test grants copyright protection for the aesthetic features of some useful articles, it discriminates against an entire class of designs – modern designs that emphasize a minimalist aesthetic.<sup>32</sup> This test is simply too restrictive to protect the vast majority of industrial designs.

United States' industrial design protection laws lag significantly behind those of the European Union. In 1998, after extensive studies and deliberations, the European Union federalized its design laws by adopting *sui generis* design legislation.<sup>33</sup> The legislation serves as a model for how the United States could go about implementing an industrial design *sui generis* law through the copyright statute. The European Union's Community Design Regulation, implemented in 2001, solved many of the longstanding problems involved in protecting designs. First, it defined "design" in a way that would protect aesthetic and incidental functional features (inherent in all industrial designs), as follows: "the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, shape, texture and/or materials of the product itself and/or its ornamentation."<sup>34</sup> This definition overcomes the problems involved with protecting modern designs that aim at an ideal

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<sup>31</sup> *Mazer v. Stein*, 347 U.S. 201 (1954).

<sup>32</sup> See generally, *Brandir*, *supra* note 15. Although the plaintiff's minimalist undulating modernist bike rack embodied the values and aesthetic of modern design it failed the separability test because its aesthetic features could not be separated from its utilitarian features.

<sup>33</sup> See generally, EU: Directive 98/71/EC. 13 October 1998.

<sup>34</sup> *Id.* at art. 1(a).

blending of form and function. It would also eliminate much of the uncertainty in the 1990 legislation brought about by the notable omission in that bill of the word “ornamental” when defining which types of designs are protectible<sup>35</sup>. Second, the EU Community Design law provides unregistered protection for three years after a product is introduced to the public. Third, the EU resolved the contentious issue over whether “must match” spare parts should be protected by conceding to an exemption: component parts used in the aftermarket for the purpose of repairing a complex product so as to restore its original appearance are excluded from protection.<sup>36</sup>

Since 1990, the United States has actually considered and enacted industry-specific *sui generis* laws to amend the copyright statute, thus showing a willingness to provide federal protection for certain designs. For example, in 1998 Congress enacted the Vessel Hull Design Protection Act, a *sui generis* piece of legislation within the Copyright Act, which provides protection for original designs of vessel hulls.<sup>37</sup> Thus far, only several hundred vessel hulls have been registered. However, given the relatively short period of time that the statute has been in effect, it is difficult to evaluate if it has been successful.<sup>38</sup> Similarly, in 2006 the so-called “Fashion Bill” was introduced to Congress as an amendment to the Vessel Hull Design Protection Act to

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<sup>35</sup> In U.S. design patent law, it is necessary for the design to be deemed “ornamental” to qualify for protection, yet there is no definition of “ornamental” in the statute except to infer that it is the opposite of “functional”. 35 U.S.C. §171.

<sup>36</sup> See, <http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/03/77&format=HTML&aged=1&language=EN&guiLanguage=en>

<sup>37</sup> 17 U.S.C. §§ 1301-1332. *Sui generis* design protection also exists for computer chips. See 17 U.S.C. §§ 901-914.

<sup>38</sup> See <http://www.copyright.gov/reports/vhdpa-report.pdf>

add apparel (defined, *inter alia*, as clothing, handbags, purses, belts, and eyeglass frames) under the definition of designs to be protected.<sup>39</sup> Although the bill did not come to the floor for a vote, it is expected to be reintroduced to Congress in 2007.

The United States' inadequate industrial design laws also arguably violate its international obligations under the TRIPS Agreement that requires signatory nations to provide a minimal amount of protection for industrial designs.<sup>40</sup> Article 25 of the TRIPS Agreement states:

1. Members shall provide for the *protection of independently created industrial designs that are new or original*. 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. Members may provide that such protection shall not extend to designs dictated essentially by technical or functional considerations.
2. ... Members shall be free to meet this obligation through industrial design law or through copyright law.<sup>41</sup> (emphasis added)

The first clause requires members of TRIPS to protect industrial designs that are "new or original". "Original", of course, is the copyright standard, but, as noted above, very few industrial designs meet the copyright laws' strict requirement of separability. "New" means novel, but even if a design is novel, it may not be protected by a U.S. design patent unless it is also "non-obvious" and "ornamental"

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<sup>39</sup> H.R. 5055, 109th Cong., 2d Sess. (2006).

<sup>40</sup> Cohen, *supra* note 10, at 227.

<sup>41</sup> TRIPS Agreement, *supra* note 10, at art. 25.

(i.e., non-functional). Thus, an argument can be advanced that existing U.S. copyright and design patent laws fail to satisfy TRIPS.<sup>42</sup>

A renewed effort to pass *sui generis* industrial design legislation will have to thoughtfully address and overcome the concerns of those industries that have historically opposed the legislation: the automobile repair parts manufacturers, their insurance company allies, and discount retailers.

The knock-off repair parts industry has consistently opposed industrial design legislation. In 1916, the National Repair Association contested the legislation because their businesses could not afford to design their own repair parts.<sup>43</sup> Later, the automobile repair parts industry denounced the legislation by arguing that automobile manufacturers would gain an unwarranted monopoly over the spare parts industry that would cause prices to rise. Insurance companies joined the opposition, maintaining that a monopoly would cause insurance premiums to rise.

At the 1990 Hearings, the automobile repair parts lobby submitted a one-hundred and sixty page cost-benefit analysis to bolster its case against implementing the industrial design legislation.<sup>44</sup> The study analyzed whether the benefit of a monopoly on repair parts would outweigh the costs and limited choices to

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<sup>42</sup> The United States' possible non-compliance with the TRIPS Agreement would allow the government of a signatory nation to bring a cause of action against the United States government for its failure to provide adequate industrial design protection. For example, suppose a German electronics manufacturer creates a design of a stereo with a new and original but "obvious" exterior (i.e., unprotectible by a U.S. design patent) that is, however, protected under German law. Germany could sue the United States for the failure of its law to comply with TRIPS and provide a minimal level of protection for this new and original design.

<sup>43</sup> Goldenberg, *supra* note 1, at 28.

<sup>44</sup> The 1990 Hearings, *supra* note 12, at 690-854. ("Industrial Design Protection and Automobile Repair Parts: Balancing Competition and Monopoly at Home and Abroad" by Claude E. Barfield & Cynthia A. Beltz)

consumers.<sup>45</sup> The paper concluded that benefits of a monopoly did not outweigh “the inevitable social losses from higher parts prices, reduced repair choices, and added costs of administration.”<sup>46</sup>

One way to possibly address the concerns of the spare parts manufacturers is to consider how the EU dealt with the same problem. The Community Design legislation, adopted in 1998, provided that component parts that were used for the purpose of repairing a complex product so as to restore its original appearance (i.e., so-called “must match” repair parts) were excluded from protection.<sup>47</sup>

Initially, the various member states of the EC were allowed to deal individually in their national laws with whether to protect must-match parts; some did, some did not.<sup>48</sup> In 2004, a study by the Commission of the European Communities comparing the costs of spare parts in member countries that protected spare parts to those that did not found that in countries providing design protection, spare parts cost up to 10% more than in those countries that did not.<sup>49</sup> Based on this finding, the Commission, after considering various options,<sup>50</sup> recommended that the national laws of member countries be changed to provide for an absolute exemption for component parts used

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<sup>45</sup> *Id.*

<sup>46</sup> *Id.* at 732.

<sup>47</sup> *See*, <http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/03/77&format=HTML&aged=1&language=EN&guiLanguage=en>

<sup>48</sup> *See, supra* note 33, at art. 14 and art. 18.

<sup>49</sup> [http://eur-lex.europa.eu/LexUriServ/site/en/com/2004/com2004\\_0582en01.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/com/2004/com2004_0582en01.pdf)

<sup>50</sup> For example, maintaining the status quo; no protection of spare parts; short term protection for spare parts; a remuneration system for use of protected spare parts; and a combination of short term protection with remuneration thereafter. *See* [http://eur-lex.europa.eu/LexUriServ/site/en/com/2004/com2004\\_0582en01.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/com/2004/com2004_0582en01.pdf)

for the repair of a complex product so as to restore its original appearance.<sup>51</sup>

Legislation to implement the Commission's recommendation is pending. In order for the U.S. to pass industrial design legislation this time around, careful consideration must be given to how to handle "must-match" repair parts.

Discount retailers have also traditionally opposed industrial design legislation.<sup>52</sup> Dating back to 1926, retailers objected to a bill to protect industrial designs because it would burden their industry.<sup>53</sup> Retailers argued that it would be unfair to hold them liable for selling knock-off goods.<sup>54</sup> The House Committee responded by recommending that insurance or indemnification could adequately address these concerns.<sup>55</sup> During the 1990 Hearings, discount retailers again opposed the legislation because they believed it to be anti-competitive and would raise prices for consumers.<sup>56</sup> The retailers argued that the legislation was overly broad and would provide monopoly protection for virtually every imaginable consumer product including staplers, pencils, and salt and pepper shakers.<sup>57</sup> They also took issue with a

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<sup>51</sup> [http://eur-lex.europa.eu/LexUriServ/site/en/com/2004/com2004\\_0582en01.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/com/2004/com2004_0582en01.pdf). In other words, there is no protection available under the Community Design regime for so-called "must match" spare parts in the aftermarket.

<sup>52</sup> Goldenberg, *supra* note 1, at 34-35; the 1990 Hearings, *supra* note 12, at 193-209. (Statement of Rhonda J. Parish, Corporate Counsel, Wal-Mart Stores, Inc., on behalf of the International Mass Retail Association, Inc.)

<sup>53</sup> Goldenberg, *supra* note 1, at 34-35.

<sup>54</sup> *Id.*

<sup>55</sup> *Id.*

<sup>56</sup> The 1990 Hearings, *supra* note 12, at 194-195. (Statement of Rhonda J. Parish, Corporate Counsel, Wal-Mart Stores, Inc., on behalf of the International Mass Retail Association, Inc.)

<sup>57</sup> *Id.* at 199. (Statement of Rhonda J. Parish, Corporate Counsel, Wal-Mart Stores, Inc., on behalf of the International Mass Retail Association, Inc.)

provision of the bill that allowed designers to bring an infringement claim directly against a retailer who carried infringing products.<sup>58</sup>

Perhaps one answer to the retailers and repair parts lobbies can be found in the 1987 Senate testimony of Judge Giles S. Rich: “No law can be passed that is not against the private interest of someone. This law is definitely against the interests of “knock-off” artists, counterfeiters, and copyists generally who contribute nothing to improvement or innovation in the design of our manufactures. It is for the protection, and thus the stimulation, of those who pay the price for improving product design - which is only fair.”<sup>59</sup>

Perhaps the retail and repair parts industries feel they ought to be excepted from the new legislation. To this, Judge Rich noted: “...once you start this kind of thing going, where are you going to stop? Every group that doesn’t like the bill will ask to be excepted.”<sup>60</sup>

However, in order to address the practical concerns of retailers, a lesson may be learned from how similar interests were balanced in the 1984 Trademark Counterfeit Legislation. In that legislation, a successful plaintiff is required to prove that the defendant intentionally dealt with counterfeit goods and knew that the goods were counterfeit.<sup>61</sup>

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<sup>58</sup> *Id.* at 205-206. (Statement of Rhonda J. Parish, Corporate Counsel, Wal-Mart Stores, Inc., on behalf of the International Mass Retail Association, Inc.)

<sup>59</sup> 1987 Senate Hearings, *supra* note 17, at 15. (Statement of Hon. Giles S. Rich)

<sup>60</sup> 1987 Senate Hearings, *supra* note 17, at 29. (Statement of Hon. Giles S. Rich)

<sup>61</sup> J. THOMAS McCARTY, TRADEMARKS & UNFAIR COMPETITION § 30:94 fn. 2 (4th ed. 2006). 15 U.S.C. § 1117(b).

Judge Rich, in his 1987 testimony before the Senate, suspected that industrial design legislation failed in the past because industrial designers were a small and disparate group that were not politically well-organized and were probably unaware of the pending legislation.<sup>62</sup> Times have changed. For one thing, in 1990 the internet was virtually unknown. Today, the power of the internet to connect designers and design-oriented companies and associations can be harnessed to organize and mobilize the industrial design community.

Given the lessons of the past, the model established by the European Union Community Design Regulation, and the moral imperative to recognize the creativity of industrial designers – a renewed effort to implement *sui generis* legislation is now mandated, before this last bastion of American creativity is knocked-off out of existence.

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<sup>62</sup> 1987 Senate Hearings, *supra* note 17, at 14. (Statement of Hon. Giles S. Rich)