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AIPLA Comments on Design Patents

The American Intellectual Property Law Association (AIPLA) is pleased to present its views on the issues raised at the Town Hall Meeting on the Protection of Industrial Designs hosted by the United States Patent and Trademark Office on June 16 in Alexandria, Virginia.

AIPLA is a national bar association of more than 16,000 members engaged in private and corporate practice, in government service, and in the academic community. AIPLA represents a diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property.

Background on Design Protection

The United States has long recognized that patent protection is a necessary incentive to foster the investment in and development of innovative new designs to enhance the attractiveness and appeal of products. Congress enacted the first design patent law in 1842. Some thirty years later, the U.S. Supreme Court acknowledged the important role design patents play in innovation:

“The acts of Congress which authorize the grant of patents for designs were plainly intended to give encouragement to the decorative arts.... The law manifestly contemplates that giving certain protection to certain new and original appearances to a manufactured article may enhance its salable value, may enlarge the demand for it, and may be a meritorious service to the public.”

(*Gorham Co. v. White*, 81 U.S. 511, 525 (1871).)

Over the years, design protection has been applied to a wide variety of products, including athletic shoes, furniture, cell phones, and household appliances to mention a few. Predictable design protection plays an increasingly important role in the nation's dynamic economy. With the advent of new tools and technologies, such as computer-aided design, computer-aided manufacturing, and computer-aided engineering, the process of designing, engineering, and manufacturing new products of all kinds has been greatly accelerated. But this same capability that can be employed to develop innovative new designs can also be employed to copy such designs cheaply and rapidly. We now see fashion designs appropriated by copyists and placed in stores only days after the first runway model was captured in multiple-angle photographs.

Without strong design patent protection, these modern tools of reproduction would be used to copy the designs of cameras, musical instruments, athletic gear, cell phones, washing machines and many other consumer goods developed at great expense and effort. Accordingly, strong protection of designs is ever more important. U.S. design patent has stood the test of time and has played a critical role in protecting American industry against domestic and foreign imitators.

H.R. 5638

In the notice of the Town Hall Meeting, reference was made to legislation that would amend title 35 of the United States Code to create an exception from infringement for certain component parts used to repair another article. H.R. 5638 would exempt from infringement any component of an article of manufacture if the "sole purpose of the component part" is to make a repair that restores the article's original appearance.

This legislation was introduced partly in response to a recent International Trade Court (ITC) decision that an American automaker could assert its patents on the ornamental and cosmetic features of exterior vehicle parts to prevent the importation of foreign manufactured copies (See ITC Investigation No. 337-TA-557 Ford Global Technologies, LLC v. Keystone Automotive Industries, Inc. et al.

([http://info.usitc.gov/ouii/public/337inv.nsf/RemOrd/557/\\$File/337-ta-557.pdf?OpenElement](http://info.usitc.gov/ouii/public/337inv.nsf/RemOrd/557/$File/337-ta-557.pdf?OpenElement)) In

that case, the Commission issued a general exclusion order prohibiting the unlicensed importation of various automotive parts that infringed Ford's valid design patents.

A number of questions have been raised about the legislation: has a sufficient need been demonstrated; will it have a negative impact on design patent protection; will it have an unintended negative impact on utility patents; and, what will its impact be on sectors of the economy other than the automobile industry?

No Demonstrated Need for Legislation

There has yet to be offered any compelling justification for this legislation. There is no evidence or compelling policy argument that the design patent law is not functioning exactly the way Congress intended or that the law has been abused by any overreaching design patent owners.

In addition, the legislation departs from the long and well-established doctrine that patent infringement, as with other types of IP infringement, does not depend on the intention of the infringer. Liability is determined simply on the basis of the alleged acts, with the issue of intent arising only to determine willfulness or enhanced damages. Consideration of the "sole purpose of the component" introduces confusion into any infringement analysis that has the potential of muddling the careful determinations required in this area of the law.

Negative Impact on Design Patent Protection

Although a consumer benefit rationale has been asserted by some proponents of the legislation, that same rationale could be used in an overly simplistic manner to justify extinguishing any patent protection. The competitor who is permitted to freely copy a patented product is able to avoid the need to recoup any R&D investment, and thus will always be able to provide consumers with the immediate, short-term gain of lower prices. Such an approach obviously would have a detrimental impact on future innovation, harming consumers in the long run.

Negative Impact on Utility Patents

This legislation as drafted is vague and ambiguous. The bill attempts to target design patent infringement by referring to the restoration of original appearance as the “sole purpose of the component part,” but that formulation would excuse the infringement of components covered by utility patents as well.

As a point of reference, it must be remembered that the protection provided by a U.S. design patent is quantitatively different from the protection provided by a U.S. utility patent. A design patent provides protection for the ornamental aspects of a product. A utility patent provides protection for the innovative, functional aspects of a product as embodied in the structure and/or operation of the product. Those functional aspects are protected because of the novel and nonobvious contribution of the inventors, which may be included in a wide variety of embodiments, and not limited to a single design.

Under the bill, however, where the function claimed in a utility patent is directly related to the appearance of the component, utility patent infringement would be excused for any component made to restore an article’s original appearance. For example, a utility patent may have been granted on a headlight lens with superior strength or refractive capability directly attributable to the shape of the lens. Currently, the making, using, offering to sell, selling or importing that headlight lens without a license would be a direct infringement of the utility patent. Under H.R. 5638, infringement of that lens utility patent could be permitted if the sole purpose of using the infringing component was to restore the original appearance of an automobile.

Therefore, although the bill’s drafters may have intended to limit the bill to design patents, its broad language could bring some utility patents within its scope.

Negative Impact on Infringement Determinations

In addition, H.R. 5638 introduces an exemption test that would be impossible or exceedingly difficult to administer. In the ITC case referenced above, for example, how would the

patent owner determine the “purpose” of the imported parts that are otherwise protected by its patented design? While some might be for the purpose of restoring the original appearance of a product, others might be intended for use in manufacturing an infringing product. How would the ITC or a court be able to administer such a subjective standard?

Finally, although much of the public discourse has focused on “protecting” consumers from higher costs of automotive replacement parts, there is nothing in the text of the bill that limits its exception to patent infringement to automobile replacement parts. The language of the bill is broader and could affect patent owners in multiple industries.

Current Law Permits “Repair”

AIPLA believes judicial precedent has appropriately differentiated between the repair and the reconstruction of patented items. The U.S. Supreme Court has carefully differentiated between the permissible repair and the impermissible reconstruction of patented articles. See *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476 (1964). Thus, the repair of a patented article of manufacture is permitted, so long as the parts used for repair are not covered by other separate design or utility patents. To exclude from infringement the manufacture, use or sale of a patented article of manufacture where it is used to repair another article of manufacture to restore its appearance could have unintended consequences on this settled body of law.

Conclusion

Design patents provide important and necessary protection which fosters innovation in creative new designs. The system works for the benefit of creators and consumers. It should be maintained without modification.