

Design Protection Law and Policy: A Comparative Perspective Japan and US (*)

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Legal protection for design introduces a complexity that mandates a comparative perspective. The comparison encompasses the various regimes of intellectual property as well as the approaches of different nation states. This Paper assesses design protection in the United States and Japan across the legal regimes of design registration (Japan), design patent (United States), copyright (Japan and United States), and trademark (Japan and United States). Analysis focuses on how the two countries police the boundaries among these different legal regimes to avoid overlapping and excessive intellectual property rights and to avoid the improper use of design protection to create exclusive rights in functional features that should be the subject of a utility patent or utility model. In the United States, concerns over design protection have become salient because of the lack of a sui generis provision for design. Because design protection in the United States is piecemeal, courts, legislatures, and practitioners struggle over identifying the scope of legal rights in design. Recent litigation involving trade dress, fashion, and shape of smart phones illustrate the concerns. Although its design protection laws are in flux, Japan offers a potential model through sui generis protection and clear bright line rules.

I. Introduction

While many jurisdictions have adopted sui generis protection for design, the United States has declined to do so. Instead, design is protected through specialized rules within copyright, patent, and trademark statutes. This kaleidoscope of legal protection has led to controversies over the proper scope of the various legal doctrines. After percolating for several decades, these issues have come to the attention of the current Supreme Court during the 2016-2017 term: *Apple v. Samsung* which addresses remedies for design patent infringement and *Star Athletica v. Varsity Brands*, which deals with the standard for copyright protection for product designs. This Article examines the continuing controversies sparked by these two cases in the broader context of design protection. The approach is comparative between United States and Japan with the goal of identifying lessons from the Japanese experience to reform United States design protection. Although its design protection laws are in flux, Japan offers a potential model through sui generis protection and clear bright line rules.

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II. Meaning of Design

1. Industrial Design

The term design is associated with “industrial design protection,” the subject of the Paris Convention from the Nineteenth Century for the protection of industrial property such as patent and trademarks. Industrial design will be used in this paper to mean “applied design,” that is design as connected to a specific product that is produced and sold in mass quantities. Most often industrial design is the subject matter of patent law and trademark law.

2. Ornamental Design

By contrast, ornamental design refers to the aesthetic features of a work that serve a purely decorative function. Aesthetic design features can stand independently of the product and be a separate work of fine art on its own. Ornamental design is the subject matter of copyright as these features represent the originality of the creator. Like a work of fine art, ornamental design is not mass-produced and the subject of large scale commercial distribution, often sold in limited quantities.

3. Functional Design

Functional design refers to how a product is put together to serve a particular function or reach a specific goal. While industrial design and ornamental design refers to what a product looks like, function design refers to how a product works. Functional design is largely a question of engineering, whether mechanical, electrical, or chemical. Consequently, functional design is the subject matter of utility patent law or the law of utility models. Since ornamental design can exist independently of a product, it cannot overlap with any aspects of functional design. By contrast, industrial design may have some overlap with functional design. In other words, the shape of a product may reflect both what the product looks like and how the product works. For purposes of this Paper, functional design and its coverage under utility patent law will not be discussed.

III. Legal Regimes in Japan and United States

1. Japan

Design protection is covered by three areas with design registration covering industrial design and

trademark and copyright covering ornamental design.

(1) Design Registration

Japan law applies to shapes, colors, patterns, or combinations thereof that create an aesthetic sense visually. The design must be novel, not identical to design in previous application, and not prohibited by statute.

(2) Trademark

Design protection arises with respect to three dimensional trademarks that cover the shape of a product. As a result of rulings by the High Court, the law has become more favorable to trademark protection for three dimensional marks and designs.

(3) Copyright

Copyright attaches to design features that are works of fine art rather than works of applied art. Law is shifting to make the distinction between fine art and applied art less clear thereby expanding the scope of copyright protection for design.

2. United States

Three separate legal regimes protect industrial and ornamental design in the United States. However, there is no *sui generis* design system as there is in Japan. Instead, design is protected through a patchwork of specialized rules under patent, trademark, and copyright.

(1) Design Patent

A design patent protects novel, original, and ornamental design of an article of manufacture. While the statute refers to ornamental design, there is no requirement that the ornamental feature be separate from the article of manufacture. Instead, the ornamental design must be part of the article. Therefore, this provision serves as a form of industrial design protection, reflecting the origins of this provision in the Nineteenth Century.

(2) Trademark

Trademark protects design features that help consumers identify the manufacturer of a product. These design features, called “trade dress,” reflect the “look and feel” of a product and the associations created by the ornamental aspects of the product. As with any trademark, trade dress is attached to a specific product. Therefore, trade dress protection is an example of industrial design.

Case law adds two important dimensions to the scope of protection. First, trademark protection cannot extend to functional design. An expired utility patent, for example, can be evidence of functional design. Second, controversy arises as to whether the trademark owner must show acquired distinctiveness to obtain protection. Under United States law, product design, namely the way a product is put together, has trademark protection only upon a showing of acquired distinctiveness. Product packaging, namely the way a product looks, has protection through a showing of either acquired distinctiveness or inherent distinctiveness.

(3) Copyright

Copyright protects ornamental features of a work that are separated from a useful article. The test of separability is a controversial one. The Supreme Court has adopted a test of imagining the ornamental features as a separate work of art protected under copyright. This approach may work for two dimensional design (such as color or patterns) but may not be suitable for three dimensional design. Some commentators fear that the separability test will lead to protection of functional design under copyright, creating a conflict with utility patent law. Others reason that failure to separate defeats copyright protection thereby avoiding any conflict.

IV. Critical Concerns

1. Overlapping Regimes

With a multiplicity of legal regimes comes questions of the boundaries demarcating the scope of protection. These boundary questions are necessary in order to avoid possible double recovery by intellectual property plaintiffs and predictability by creators engaged in the design industries. Justice Thomas opened his majority opinion in *Star Athletica* with a clear statement of problem: “Congress has provided copyright protection for original works of art, but not for industrial design.” As I elaborate, protection for industrial design lies in design patent and trademark law. To complicate matters, industrial design is ornamental and can serve as a work of art, although one that is integrated with a product, such as decorative cutlery, clothing, or appliances. These complications lead to the problem addressed by the Court in its *Apple v. Samsung* decision: if the industrial design of a product is infringed, are damages measured by the full value of the product or the value of design component? The Court ruled that component was the property measure of damages, saving Samsung from having to compensate Apple for every iPhone whose design was infringed. How this valuation is to occur is a technical matter, but the need for separating value of the design from the value of the product highlights the complexity of design protection in the United States.

Simply stated, the various types of design protection under United States law reduce to straightforward propositions. Copyright protects elements of design that can stand-alone of the product. Design patent protects elements of design that are integrated, or inseparable, from the product. Trademark law protects design elements of a product that have secondary meaning as a source identifier among consumers. While these three regimes of design law suggest three borders that the law must police, there is an implicit fourth border between ornamental features and functional features, which are not protected by design law. These functional features are protected by utility patents if the features meet the statutory requirements. As the Apple decision indicates, there is even a fifth boundary, that between the design and the product, the latter protected under personal property law. Imagining the visual map of these legal regimes can be dizzying. But it can also pose a challenge, both entertaining and intellectual engaging. I take up that challenge in this Article by focusing on the borders among copyright, design patent, trademark, and utility patent.

2. Design and Function

(1) Functionality and Design Copyright: Some Case Law on Maps

Originating in the famous case of *Baker v. Selden*, 101 U.S. 99 (1879), the merger doctrine permitted the court to make two types of distinctions in copyright law. The first is the distinction between the domain of copyright and patent. Merger is found when protection is being sought for a process or system that is being expressed. For example, in accounting systems, the expression itself is the process and the process is itself the expression in a tabular form. Put another way, the merger doctrine arises when the creator is seeking protection for the expression of function. This interpretation of the merger doctrine is codified in § 102(b) of the Copyright Act which excludes from copyright protection, ideas, systems, processes, and other expressions of function.

The second distinction allowed by the merger doctrine is between permissible and impermissible copying. Also addressed by the Court in *Baker v. Selden*, this rationale allows the court to find for the copyright defendant when the case for infringement might be a close one or finding for the copyright plaintiff allows too broad a scope of protection for the expression.

(2) Separability in Design Copyright

Copyright protection for design may serve as a disguised form of utility patent protection if the separability test is not correctly applied. The Supreme Court has addressed this issue in *Traffix Devices v. Marketing Displays* by placing functionality limits on trade dress protection. Similar analysis should be extended to copyright protection for design. The Japan experience with design can offer some guidelines.

(3) Scholarly Comparison of Separability in United States and Japan

Japan copyright law rests on the distinction between applied art (which is not protected by copyright) and fine art (which is protected by copyright). The separability approach in the United States is an alternative approach to determining copyrightability of design. However, the Japanese approach has the advantage of focusing on the key question of creativity, which is the heart of copyright law, rather than the extraneous question of separating an aesthetic work from a useful article.

V. Lessons from Japan for United States

1. Sui Generis Protection

A sui generis regime, like Japan's design registration system, would allow more careful monitoring of design and separation among the various intellectual property systems. The United States has a narrow sui generis system applicable only to vessel hull designs. Commentators and advocates have recommended expanding this statutory scheme to include all design. One feature of the statute is the requirement that a party must elect between design patent and copyright for protection.

2. Applied versus Fine Art

In the area of copyright protection for design, Japan has worked with a distinction between applied and fine art. This distinction has been largely rejected in the United States because of the commercial underpinnings of copyright. Courts have accepted the proposition that distinguishing between fine and applied arts is not helpful for copyright because the law promotes commercialization in either are. But perhaps it is worth revisiting that distinction in the United States, especially in identifying separable ornamental features distinct from the underlying useful article. Such an approach might be desirable for three dimensional designs for which separation might be difficult, if not impossible. Under existing law, three dimensional designs may escape copyright protection for failure of separability. Those who advocate for more design protection might find the traditional approach of Japanese courts in design copyright cases to allow some protection for three dimensional design than what seems permissible under existing law. Furthermore, the distinction between fine arts and applied arts may help in honing a workable functionality standard. However, some Japanese courts have moved away from a strict distinction between fine and applied arts and have allowed copyright protection for designs that would be classified as industrial under traditional standards. So, the direction of influence seems to be from the United States to Japan rather than the reverse.

3. Designs and Trademark

Japan has been cautious in expanding trademark protection for design. In the United States, trademark has expanded largely because of litigation that has pushed the boundaries of federal trademark and unfair competition law. Registration has been more limited in Japan and design protection through trademarks for three dimensional works is limited to famous marks. There are lessons here for trade dress protection in the United States. But the contrast between Japan and United States may point to the greater role of litigation in shaping United States law.

VI. Conclusion

Japanese approach to design protection offers many lessons for the United States as it moves through the contemporary controversies with respect to design. At the same time, Japan may be moving towards a United States approach to copyright with the blurring of lines between fine and applied arts. Comparative research such as this Paper may help in shaping national laws to reach a better balance for design protection consistent with the goals of a multivalent intellectual property system.