

Designs 2021



Publisher

Tom Barnes

tom.barnes@lbresearch.com

Subscriptions

Claire Bagnall

claire.bagnall@lbresearch.com

Senior business development manager

Adam Sargent

adam.sargent@gettingthedealthrough.com

Published by

Law Business Research Ltd

Meridian House, 34-35 Farringdon Street

London, EC4A 4HL, UK

The information provided in this publication is general and may not apply in a specific situation. Legal advice should always be sought before taking any legal action based on the information provided. This information is not intended to create, nor does receipt of it constitute, a lawyer-client relationship. The publishers and authors accept no responsibility for any acts or omissions contained herein. The information provided was verified between November and December 2020. Be advised that this is a developing area.

© Law Business Research Ltd 2020

No photocopying without a CLA licence.

First published 2020

First edition

Printed and distributed by

Encompass Print Solutions

Tel: 0844 2480 112



Designs 2021

Lexology Getting The Deal Through is delighted to publish the first edition of *Designs*, which is available in print and online at www.lexology.com/gtdt.

Lexology Getting The Deal Through provides international expert analysis in key areas of law, practice and regulation for corporate counsel, cross-border legal practitioners, and company directors and officers.

Throughout this edition, and following the unique Lexology Getting The Deal Through format, the same key questions are answered by leading practitioners in each of the jurisdictions featured.

Lexology Getting The Deal Through titles are published annually in print. Please ensure you are referring to the latest edition or to the online version at www.lexology.com/gtdt.

Every effort has been made to cover all matters of concern to readers. However, specific legal advice should always be sought from experienced local advisers.

Lexology Getting The Deal Through gratefully acknowledges the efforts of all the contributors to this volume, who were chosen for their recognised expertise.



London

December 2020

Reproduced with permission from Law Business Research Ltd

This article was first published in December 2020

For further information please contact editorial@gettingthedealthrough.com

United States

Robert S Katz and Alisa Abbott

Banner Witcoff

LEGAL FRAMEWORK

Relevant legislation

1 | What is the relevant legislation?

Because design patents are under the patent system in the United States, the relevant legislation governing design patents is Title 35 of the United States code, which governs patents. Certain sections of Title 35 are specific to design patents, including 35 USC Sections 171-173, 289 and 381-390.

Nature of system

2 | Are design rights considered to be distinct or treated as patent rights?

The US IP rights system includes statutory provisions setting forth distinct design patent rights. Under certain conditions, designs can potentially also be protected by copyright law, trademark law or even utility patent law. Each of these forms of IP right has different requirements, a different test for infringement and different remedies. Copyright, trademark and design patents are protected by separate governing statutes. Design patents share many of the same statutory provisions with utility patents, although there they have some specialised statutes, and some of the statutes and prosecution procedures are applied differently.

Agency

3 | Which agency is responsible for registration and grant of design rights?

The United States Patent and Trademark Office is responsible for the examination and grant of design patents and utility patents, as well as the registration and grant of federal trademarks. The United States Copyright Office is responsible for the registration of copyrights.

Overlap with other rights

4 | Is there any overlap between design rights and other rights?

Yes. Both copyright and trade dress protection may be available in addition to design patent protection. These rights are not mutually exclusive, particularly since they have different requirements and different policy goals.

Useful articles are not usually protectable by copyright. However, a design embodied in a useful article may be protected under the copyright laws where there is copyrightable subject matter (a pictorial, graphic or sculptural work) that is imaginable separately from the underlying useful article.

Trade dress must serve as a source identifier, be distinctive in the marketplace, be used in commerce, and be non-functional in a

trade dress sense (noting that functionality or lack of ornamentality is assessed differently for design patents).

UNREGISTERED DESIGNS

Protection

5 | What protection and rights are there for unregistered designs?

Unregistered design protection is not available in the United States. Copyright and trade dress, where applicable, may be used to protect unregistered designs.

Use requirements

6 | How much use is generally required to establish unregistered design rights?

Not applicable.

Exclusions

7 | What exclusions apply to unregistered design rights?

Not applicable.

REGISTERED DESIGNS

Ownership

8 | Who can apply for and own a design?

Any natural or legal jurisdictional person or persons may own a design patent. The inventor of a novel, original, non-obvious and ornamental design first owns that design. As such, any rights will initially vest with the inventor.

Scope

9 | What may and may not be protected?

Design patents protect the overall visual appearance of an article of manufacture. The type of protection needed for a design may depend on the goals of the client and the nature of the industry that is being served. A design patent may be directed to surface indicia or ornamentation (including colour), shape or a combination thereof. Design patents are used to protect the ornamental appearance of a vast range of different articles, including electronic devices, medical devices, graphical user interfaces, automobiles, furniture and fabric designs. Currently, there is no separate spare parts provision in the United States. As such, spare parts may be protected by design patents, and there is no special restriction limiting enforcement. Over the past decade a few different versions of an aftermarket-centred PARTS Bill have been introduced

to Congress to limit the enforcement rights for replacement parts, but none of these have passed into law.

Costs

10 | What are the costs involved in registration?

The United States has a formal examination system and is not merely a registration system. The average cost from the preparation and filing of a new design patent application to its issuance is about \$5,000 to \$8,000, but much depends on whether the United States Patent and Trademark Office has objections or rejections and the extent of them. The cost of responding to office actions during design patent prosecution can vary considerably, depending on the issues involved. There are no renewal or annuity fees due in the United States for design patents.

Grace period

11 | Is there a grace period for filings?

The United States patent statutes provide a one-year grace period from a design's first public disclosure in which to file a design patent application. The grace period can also apply to non-public commercial activity, such as sales and offers for sales. The one-year grace period is tracked from the design patent application's earliest effective filing date, which may be based on a non-US filed priority design application.

PROCEDURES

Application

12 | What is the application process?

Applicants file their application with the United States Patent and Trademark Office (USPTO). The USPTO will then examine the applications, generally in order of their filing date, noting that it is possible to request expedited examination.

Examination and appeals

13 | How are the examination and appeals procedures conducted?

The examination process includes a review of the application's adherence to technical and substantive requirements. This review includes examining the completeness of the drawings and disclosure and comparing the claimed subject matter to the prior art. Prior art consists of issued patents and published materials. Bases for rejection include incomplete disclosure and the presence of the design in the prior art (in a single reference or a combination of references). The examiner will then deliver an office action to the applicant describing any technical deficiencies (rejections) and substantive deficiencies affecting patentability. The office action may further include the examiner's recommendations for amendments to the application to put it in form for allowance. If the claimed subject matter is found to be patentable, the applicant will receive a design patent covering the claimed design on payment of an issue fee.

An applicant may file an appeal with the Patent Trial and Appeal Board (PTAB) after having been given a final rejection or after the claim has been rejected twice. If the applicant is dissatisfied with the outcome before the PTAB:

- the applicant may have remedy by civil action against the Director of the USPTO in the United States District Court of the Eastern District of Virginia; or
- the applicant may appeal the PTAB's decision to the United States Court of Appeals for the Federal Circuit (Federal Circuit).

Opposition

14 | What are the opposition rules?

While a granted design patent may be challenged, a pending design patent application cannot be opposed. Even though there is no formal procedure for opposing a pending design patent application, just as for a pending utility patent application, a third party may submit published patent applications, patents or other printed publication for the USPTO to consider during prosecution in a given application (see 35 USC Section 122(e); 37 CFR 1.290; Manual for Patent Examining Procedure 1134). However, given that design patent applications are not open to the public, and thus the nature of the pending design is unknown, the procedure is rarely, if ever, used for pending design patent applications.

Registration time frame

15 | What are the registration time frames?

As of August 2020, the USPTO reports average pendency of a design patent application as 21.6 months.

Removal from register

16 | In what instances does removal from the register occur?

Not applicable.

ENFORCEMENT

Grounds for a claim

17 | What are the key causes of action?

A design patent can be enforced before a district court and before the international trade commission (ITC) where a design patent holder would assert that its design patent is infringed.

Procedures

18 | What enforcement procedures are available?

A court may grant injunctive and monetary relief.

Remedies

19 | What remedies are available?

Two mutually exclusive avenues of monetary recovery exist for infringement of a design patent. Under Section 284, a design patent owner may recover typical patent infringement damages, including reasonable royalties and lost profits. Alternatively, under Section 289, a design patent owner may elect to recover a disgorgement of the total profit of the accused infringer's sales of an infringing product. Section 289 damages are a remedy available to design patent owners that are not available to utility patent owners. Damages under Section 284 can be increased up to three times if wilfulness is proven.

Enforcement time frame

20 | What are the time frames for the resolution of enforcement actions for registered and unregistered rights?

A typical patent infringement case takes several years to reach final judgment in district court. IP rights typically take 18 months from filing to completion (excluding appeals to the Federal Circuit). ITC investigations typically reach final determination in under 15 months from institution.

Recent cases**21 | What key cases from the past 18 months should rights holders be aware of?**

In *Curver Luxembourg SARL v Home Expressions Inc*, the United States Court of Appeals for the Federal Circuit held that the amendment of the claim language (eg, the title) can limit the scope of a design patent under the theory of prosecution history estoppel.

In *Campbell Soup Co v Gamon Plus Inc*, the Federal Circuit reversed a finding that a prior art reference was not a proper primary reference for assessing obviousness, even though the prior art reference lacked a material part of the design claim. On remand, the Patent Trial and Appeal Board again found that the claimed design was patentable over the prior art, relying on secondary considerations of non-obviousness.

In *Columbia Sportswear North America Inc v Seirus Innovative Accessories Inc*, the Federal Circuit held that the lower court erred in granting summary judgment of infringement because it failed to consider a repeated interposed shape on the accused product (which was the accused infringer's logo) in its infringement analysis.

OWNERSHIP CHANGES AND RIGHTS TRANSFERS**Assignment and licensing****22 | What are the rules surrounding assignment and licensing of design rights?**

The inventor may freely assign or license his or her rights to a design patent. All assignments or transfers must be in writing and contain all the essential terms under US contract law (which varies from state to state). In certain situations, inventors may be obligated to assign their design rights *ab initio*, such as through an employment contract. Many companies will also require an explicit assignment from each inventor for each design application filed. Rights in a design patent may be owned jointly or may be assigned to a single entity. Patent owners should record their assignments with the United States Patent and Trademark Office as timely recordation affords presumptive rights in certain situations.

Licences of right**23 | Are licences of right available?**

Yes. Design patent rights can be licensed. An exclusive licensee can sue for infringement, as long as the exclusive licensee can show that it possesses all substantial rights in the design patent. A non-exclusive licensee may sue only as a co-plaintiff with the patentee.

UPDATE AND TRENDS**Key developments and future prospects****24 | What were the key judicial, legislative, regulatory and policy developments of the past year in relation to the protection and enforcement of designs? What are the prospects for future developments?**

There have been no key changes in relation to the protection and enforcement of design patents. However, the Counterfeit Goods Seizure Act 2019 was introduced in the US Senate to empower US Customs and Border Protection to enforce US design patents at the US border. That bill remains pending at time of writing.

**Robert S Katz**

rkatz@bannerwitcoff.com

Alisa Abbott

aabbott@bannerwitcoff.com

1100 13th Street NW
Suite 1200
Washington, DC 20005
United States
Tel: +1 202 824 3000
<https://bannerwitcoff.com/>

Other titles available in this series

Acquisition Finance	Distribution & Agency	Investment Treaty Arbitration	Public M&A
Advertising & Marketing	Domains & Domain Names	Islamic Finance & Markets	Public Procurement
Agribusiness	Dominance	Joint Ventures	Public-Private Partnerships
Air Transport	Drone Regulation	Labour & Employment	Rail Transport
Anti-Corruption Regulation	e-Commerce	Legal Privilege & Professional Secrecy	Real Estate
Anti-Money Laundering	Electricity Regulation	Licensing	Real Estate M&A
Appeals	Energy Disputes	Life Sciences	Renewable Energy
Arbitration	Enforcement of Foreign Judgments	Litigation Funding	Restructuring & Insolvency
Art Law	Environment & Climate Regulation	Loans & Secured Financing	Right of Publicity
Asset Recovery	Equity Derivatives	Luxury & Fashion	Risk & Compliance Management
Automotive	Executive Compensation & Employee Benefits	M&A Litigation	Securities Finance
Aviation Finance & Leasing	Financial Services Compliance	Mediation	Securities Litigation
Aviation Liability	Financial Services Litigation	Merger Control	Shareholder Activism & Engagement
Banking Regulation	Fintech	Mining	Ship Finance
Business & Human Rights	Foreign Investment Review	Oil Regulation	Shipbuilding
Cartel Regulation	Franchise	Partnerships	Shipping
Class Actions	Fund Management	Patents	Sovereign Immunity
Cloud Computing	Gaming	Pensions & Retirement Plans	Sports Law
Commercial Contracts	Gas Regulation	Pharma & Medical Device Regulation	State Aid
Competition Compliance	Government Investigations	Pharmaceutical Antitrust	Structured Finance & Securitisation
Complex Commercial Litigation	Government Relations	Ports & Terminals	Tax Controversy
Construction	Healthcare Enforcement & Litigation	Private Antitrust Litigation	Tax on Inbound Investment
Copyright	Healthcare M&A	Private Banking & Wealth Management	Technology M&A
Corporate Governance	High-Yield Debt	Private Client	Telecoms & Media
Corporate Immigration	Initial Public Offerings	Private Equity	Trade & Customs
Corporate Reorganisations	Insurance & Reinsurance	Private M&A	Trademarks
Cybersecurity	Insurance Litigation	Product Liability	Transfer Pricing
Data Protection & Privacy	Intellectual Property & Antitrust	Product Recall	Vertical Agreements
Debt Capital Markets		Project Finance	
Defence & Security			
Procurement			
Dispute Resolution			

Also available digitally

[lexology.com/gtdt](https://www.lexology.com/gtdt)