

May 13, 2015

Dr. Kwang Hwee Seah
Acting Deputy Director
Intellectual Property Office of Singapore
51 Bras Basah Road #01-01, Manulife Centre
Singapore 189554

SEAH_Kwang_Hwee@ipos.gov.sg

Re: Response to Request for Comments on US Design Protection

Dear Dr. Seah:

The American Intellectual Property Law Association (AIPLA) is pleased to have the opportunity to respond to the survey of the Intellectual Property Office of Singapore (IPOS) regarding industrial design protection in the United States.

AIPLA is a national bar association of approximately 15,000 members who are primarily lawyers in private and corporate practice, government service, and the academic community. AIPLA's members represent a wide and diverse spectrum of individuals, companies, and institutions and are involved directly or indirectly in the practice of patent, trademark, copyright, trade secret, and unfair competition law, as well as other fields of law affecting intellectual property rights. Our members represent both owners and users of intellectual property in the United States and throughout the world.

AIPLA is pleased that IPOS is considering the implications of changes in the rapidly developing area of design law. With regard to the specific questions IPOS asks, AIPLA provides its comments below to these questions.

AIPLA's responses are based on member input and are necessarily general, due to our role as an individual-member-based association. In many cases, the answer to each of the questions will differ for US companies and/or design rights holders. We would, however, be willing to assist in providing more detailed information, if needed.

COMMENTS

Designs protection and business strategy

- In general, why do US companies file for design patents or registered designs? What is the value, to the companies, of these IP rights?

US companies file design patents in the US and abroad for multiple reasons. For example, US companies with very innovative designs often see their designs immediately copied abroad, and design patents are a first line of defense against copyists. Other US companies seek design patents as part of a larger procurement process for maintaining the ability to enforce rights as needed, and sometimes US companies seek design patents for marketing or other reasons.

Design patents are valuable to many US companies. Although some commentators believe that design patents have a “narrower” scope of protection than utility patents, damages for design patent infringement in the US can be greater than damages for utility patent infringement due to a design-patent-only statute that allows recovery of an infringer’s “total profit.” This statute, for example, led to a substantial award of design patent damages in the *Apple v. Samsung* case regarding smartphones (currently on appeal).

- What are the business/commercial considerations in US companies’ decisions of where to file for design protection for particular products? How do they affect their decision of whether to file for registered designs in Singapore (e.g., small market size in Singapore)?

Many US companies seek to file for design protection in their home market (*i.e.*, the US) and their largest commercial markets. In general, the most popular large commercial market outside the US is Europe, which is covered by design rights such as the Registered Community Design. Canada is a popular jurisdiction in which design rights are pursued due to geographic proximity, similar requirements (*e.g.*, design patent figures often require very few expensive modifications) and a one-year grace period (like the US).

Other US companies may want to file design patents to cover the designs in their place of manufacture. China is a very popular jurisdiction for US companies in this regard. However, China’s absolute novelty requirement can chill the number of filings.

Relevant to Singapore, some US companies also pursue design patents in jurisdictions having strategic supply chain implications. Customs interception of infringing or counterfeit products at transshipment points such as Singapore can be very effective, especially when compared to the relative lack of customs enforcement in some manufacturing jurisdictions.

Infringement/enforcement (in US and Singapore)

- What are US companies’ experiences with enforcing design rights in the US and in Singapore? Are they costly and time-consuming? Do US companies find it worthwhile to pursue infringement cases?

Apple is probably the most well-known enforcer of design rights in the US at this time due to the *Apple v. Samsung* case mentioned above. Many other US companies enforce design rights as well. Indeed, there is a rise in both the obtaining of US design patents and in lawsuits filed enforcing US design patents. This would tend to suggest that US companies are in favor of both obtaining and enforcing their US design rights.

Enforcement of design rights by US companies occurs abroad as well, and takes the form of outright court cases or else Customs-assisted anticounterfeiting measures. It is hard to quantify the exact value of such actions to US companies, but there are plenty of ongoing matters that indicate interest at least from some US companies.

- Is there any difficulty in determining infringement of design rights?

US design infringement case law dates to a famous US Supreme Court case in the 1800s that involved silverware, *Gorham v. White*. The *Gorham* “ordinary observer” test continues to be applied, although it has been effectively modified in practice through recent cases such as *Egyptian Goddess v. Swisa*. A recent trend is to “factor out” functional portions of design patents as well, leading to some uncertainty as to the scope of US design rights. But longstanding practices have made some things clear.

Specific issues

- Should the scope of design protection be widened? Are there any criteria for design patentability in the US that US companies find too stringent or unnecessary?

We understand that Singapore is moving toward expanding the eligible subject matter of SG designs to include Graphical User Interfaces and icons (On November 19, 2014, AIPLA provided comments to IPOS regarding GUI design protection). In the US, design patent applications relating to GUIs are growing at an exponential rate, and thus there seems to be industry demand for this widening of the eligible subject matter scope of SG design protection.

In part because articles embodying designs go through many variations until the final article is offered for sale, the ability to claim portions of designs is very desirable to US companies seeking design patent protection because nuances of articles can change. Looking at things the other way, there seems to be limited reasons why only entire articles of manufacture should be protected, other than what we see as the overstated threat of “over-protection” (see next answer below).

US companies are used to unity requirements that are more stringent than in Europe and other jurisdictions. In the US, two designs must be “patentably indistinct” to remain in the same design application as separate embodiments. In Europe, we understand that the requirement is that two designs that are not “patentably indistinct” under US law may remain in the same application provided they hail from the same Locarno Class. Thus, a dissimilar-appearing hammer and screwdriver could appear in the same application and be registered together.

On balance, most US companies would probably prefer the less restrictive unity requirements of Europe.

To the extent SG implements a relatively quick design rights regime, it should consider allowing for deferment of publication during prosecution. This allows companies to be in control of when their designs are disclosed (*e.g.*, in a product launch). Of course, deferment can be limited to a particular period, and enforcement actions can be barred prior to the lifting of deferment.

- Do US companies have any views on the protection of partial designs? Are there any problems with that (for instance, does it lead to over-protection)?

Please see the prior response. “Over-protection” can be contained by, for example, novelty and other invalidity arguments that constrain the “breadth” of any design protection received. On the other side, due to the constant revising of articles in the design process and the fact that design rights are seen by some to be “narrow” in scope, not allowing claiming of portions will be a disincentive for companies to pursue design protection for major articles that undergo revisions (a large portion of the design market). So for US design filers, being able to claim portions is very important.

- What are US companies’ views on substantive examination? Do US companies find the additional assurance/certainty useful, even if the application process is made longer and costlier? What are US companies’ experiences with designs protection in countries without substantive examination, compared to that in the US? Would it prefer an optional or post-grant examination process instead? Should substantive examination be conducted for all applications? If not, which classes of design applications should be substantively examined?

There is substantial support for the US examination system by US companies, but US companies can have varying views on some of the underlying nuances. It is worth pointing out, however, that the vast majority of rejections of US design applications—despite being an examination system—are not on the typical examination ground of novelty or nonobviousness (i.e., inventive step), but rather on more technical grounds that, for example, the figures do not agree.

Registration systems are often quicker and cheaper through registration itself, and certainly the cost of obtaining, for example, a Registered Community Design (which is typically less than US design patent cost) makes filing in Europe more attractive. The Hague System for the International Registration of Industrial Designs, for which the US and Japan join in May 2015 is well suited to both examination and registration systems. We understand that many jurisdictions, *e.g.*, Brazil, offer optional examination as a prerequisite to design enforcement and such a system certainly has merits.

- Do US companies have any views on a “utility model” regime? Would it be good or useful to accord protection to features that are not purely aesthetic or ornamental (i.e. features that have some technical functions) that do not meet the bar for patentability (especially criteria of non-obviousness/inventive step)?

With the exception of the US copyright registration system, there are few if any registration-without-examination rights regimes under US federal law (of course, there are underlying common law trademark and copyright laws that at least for trademarks do not require any rights procurement procedures prior to enforcement). Thus, utility model protection might be more unfamiliar to US companies.

Sometimes, utility model protection is viewed as a “poor man’s” utility patent, and the US response to escalating patent procurement costs has been the implementation of reduced official fees for small entities and “micro-entities” rather than introduction of cheaper-to-procure rights systems. That being said, utility model protection might reach classes of subject matter that utility patents do not, and thus might be attractive to some US companies.

- Do US companies have any views on an unregistered designs regime? Would it benefit products with shorter life spans, especially in light of US’ substantive examination process which takes longer?

Please see the previous answer regarding the relative scarcity of US registration-without-examination rights regimes. That being said, unregistered designs can be attractive to certain US companies with short product lifespans.

- How do US companies’ filing strategies in Europe and US differ, given the availability of additional forms of IP protection in Europe (i.e. unregistered designs and utility model, the latter in some countries)? How do US companies use or manage the interactions between unregistered designs, registered designs, utility models and copyright in Europe (see also next question)?

We understand that unregistered community designs require first publication in Europe. Given that marketing drives disclosure locations more than legal means in most US companies, this often forecloses UCD protection for articles first disclosed in the US. Utility models are typically recommended by foreign counsel to US applicants and thus form an “exception” rather than the general rule, and thus are not widely implemented. Similarly regarding copyright, due to the separability doctrine, which limits copyright in industrial designs corresponding to “useful articles,” US companies can be a bit more skittish when it comes to procuring and enforcing registered copyrights abroad that would otherwise be unprotectable in the US.

- Do US companies have views on overlapping rights (in US and in general)? How has this affected US companies’ IP/filing strategies?
 - Examples of overlapping IP rights: design patent and utility patent, trade mark and design patent, copyright and design patent

Generally speaking, US law permits overlap of intellectual property rights. A common overlap that is relevant here is first seeking design patent protection for an article, and then acquiring trade dress protection (which can last beyond the 14-year term of a US design patent) as consumer goodwill materializes.

- Do US companies have any views on trade dress protection? Has it been useful for US companies?

Please see the preceding paragraph. Trade dress protection is a well-recognized aspect of US law, and has been featured prominently in US Supreme Court cases.

Others/Misc.

- Do US companies have any other views or comments on the designs protection regime in Singapore? For example, should the requirement for more than 50 articles be modified or removed? Are there other areas in which we can learn from other jurisdictions or enhance, to better support business needs?
- Are there any notable trends in design (e.g. 3D printing) that US companies feel are particularly significant? What are the implications for intellectual property (e.g. laws, strategies)?

The 50-article limit is something that most companies will not encounter. Those who do might want to move to a 100-article limit as exists with the Hague System.

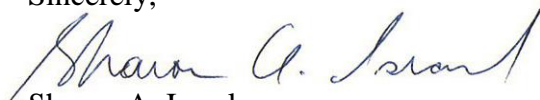
3D printing brings significant new issues to intellectual property law. Design protection is often seen as one of the best ways to try to protect designs from unlawful copying that 3D printing facilitates.

If helpful, we would be happy to set up an internal survey to obtain additional input to these questions.

* * * * *

AIPLA appreciates the opportunity to provide these comments in response to your survey. Please do not hesitate to ask for further information. AIPLA looks forward to continued dialogue with IPOS on this and other issues of interest to its members.

Sincerely,



Sharon A. Israel
President
American Intellectual Property Law Association