A BILL

To amend the copyright law, title 17 of the United States Code, to provide for protection of ornamental designs of useful articles.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Title 17, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER [9] 10—PROTECTION OF [ORNAMENTAL] DESIGNS OF USEFUL ARTICLES

"Sec.
"901. Designs protected.
"902. Designs not subject to protection.
"903. Revisions, adaptations, and rearrangements.
"904. Commencement of protection.
"905. Term of protection.
"906. The design notice.
"907. Effect of omission of notice.
"908. Infringement.
"909. Application for registration.
"910. Benefit of earlier filing date in foreign country.
"911. Oaths and acknowledgments.
"912. Examination of application and issue or refusal of registration.
"913. Certification of registration.
"914. Publication of announcements and indexes.
"915. Fees.
"916. Regulations.
"917. Copies of records.
"918. Correction of errors in certificates.
"919. Ownership and transfer.
"920. Remedy for infringement.
"921. Injunction.
"922. Recovery for infringement, and so forth.
"923. Power of court over registration.
"924. Liability for action on registration fraudulently obtained.
"925. Penalty for false marking.
"926. Penalty for false representation.
"927. Relation to copyright law.
"928. Relation to patent law.
"929. Common law and other rights unaffected.
"930. Administrator.
"931. Severability clause.
"932. Amendment of other statutes.
"933. Time of taking effect.
"934. No retroactive effect.
"935. Short title.

"DESIGNS PROTECTED

"SEC. 901. (a) The author or other proprietor of an original [ornamental] design of a useful article may secure the protection provided by this chapter upon complying with and subject to the provisions hereof.

"(b) For the purposes of this chapter—

"(1) A 'useful article' is an article which in

- Change to Chapter 10 because Chapter 9 has been taken for "Protection of Semiconductor Chip Products". In addition, change the first number of each section from "9" to "10" to be consistent with this change in Chapter number.
- Change "Ornamental" to "Industrial" because "ornamental" has a frivolous connotation and it is offensive to industrial designers who believe that their creativity generates more than a pretty product.
- Delete "ornamental" from this line to be consistent with the change in the title of the chapter and insert after "article", --, which design is intended to make the article attractive or distinct in appearance to the purchasing or using public, -- to incorporate language from (b)(3) of this section. The designs to be protected are thereby defined without the use of the term "ornamental".

normal use has an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information. An article which normally is a part of a useful article shall be deemed to be a useful article.

"(2) The 'design of a useful article', hereinafter referred to as a 'design', consists of those aspects or elements of the article, including its two-dimensional or three-dimensional features of shape and surface, which make up the appearance of the article. The design must be fixed in a useful article to be protectable under this chapter.

901(b)(3) is deleted and included in 901(a) as per item 3 above and the subsequent subsection (4) is renumbered to (3).

.["(3) A design is 'ornamental' if it is intended to make the article attractive or distinct in appearance to the purchasing or using public.]

["(4)]A design is 'original' if it is the independent creation of an author who did not copy it from another source.

"DESIGNS NOT SUBJECT TO PROTECTION

"SEC. 902. Protection under this chapter shall not be available for a design that is—

"(a) not original;

"(b) staple or commonplace, such as a standard geometric figure, familiar symbol, emblem, or motif, or other shape, pattern, or configuration which has become common, prevalent, or ordinary;

"(c) different from a design excluded by subparagraph (b) above only in insignificant details or in elements which are variants commonly used in the relevant trades;

"(d) dictated solely by a utilitarian function of the article that embodies it;[or]

Delete "or" at end of 902(d) because of insert as per item 6.

"(e) composed of three-dimensional features of shape and surface with respect to men's, women's, and

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Replace the period at end of 902(e) with --; or -- and add the following subsections:

-(f) a semiconductor chip product which is protected under Chapter 9 of this Title.

(g) In no case does protection for a design under this Chapter extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such design.--

Subsection (f) makes clear that design protection is not available for semiconductor chip products. Subsection (g), which is based on 102(b) of the copyright law and 902(c) of the chip law, introduces the copyright concept of functionality consistent with the copyright type protection provided by this Chapter. Subsection (g) complements 902(d) which is based on design patent court decisions.

7. Following "to" in first line of 905(a), insert -- subsection(b) and --, change subsection (b) to (c) and add the following new subsection(b):

--(b) All terms of protection provided in this Section shall run to the end of the calendar year in which they would otherwise expire.-- This change, which is based on 904(c) of the chip law, is based on the rationale that since the design notice carries only the year of the date that design protection commences, it is appropriate to have the protection expire at the end of the calendar year.

children's apparel, including undergarments and outerwear[.]

"REVISIONS, ADAPTATIONS, AND REARRANGEMENTS

"SEC. 903. Protection for a design under this chapter shall be available notwithstanding the employment in the design of subject matter excluded from protection under section 902 (b) through (d), if the design is a substantial revision, adaptation, or rearrangement of said subject matter: *Provided*, That such protection shall be available to a design employing subject matter protected under chapters 1 through 8 of this title, or title 35 of the United States Code or this chapter, only if such protected subject matter is employed with the consent of the proprietor thereof. Such protection shall be independent of any subsisting protection in subject matter employed in the design, and shall not be construed as securing any right to subject matter excluded from protection or as extending any subsisting protection.

"COMMENCEMENT OF PROTECTION

"SEC. 904. The protection provided for a design under this chapter shall commence upon the date of publication of the registration pursuant to section 912(a) or the date the design is first made public as defined by section 909(b), whichever occurs first.

"TERM OF PROTECTION

"SEC. 905. (a) Subject to the provisions of this chapter, the protection herein provided for a design shall continue for a term of ten years from the date of the commencement of protection as provided in section 904.

[(b)] Upon expiration or termination of protection in a particular design as provided in this chapter all rights under this chapter in said design shall terminate, regardless of the number of different articles in which the design may have been utilized during the term of its protection.

"THE DESIGN NOTICE

"SEC. 906. (a) Whenever any design for which protection is sought under this chapter is made public as provided in section 909(b), the proprietor shall, subject to the provisions of section 907, mark it or have it marked legibly with a design notice consisting of the following three elements:

"(1) the words 'Protected Design', the abbreviation 'Prot'd Des.', or the letter 'D' with a circle thus Ⓓ;

"(2) the year of the date on which protection for the design commenced; and

"(3) the name of the proprietor, an abbreviation by which the name can be recognized, or a generally accepted alternative designation of the proprietor; any distinctive identification of the proprietor may be used if it has been approved and recorded by the Administrator before the design marked with such identification is registered.

After registration the registration number may be used instead of the elements specified in (2) and (3) hereof.

"(b) The notice shall be so located and applied as to give reasonable notice of design protection while the useful article embodying the design is passing through its normal channels of commerce. This requirement may be fulfilled, in the case of sheetlike or strip materials bearing repetitive or continuous designs, by application of the notice to each repetition, or to the margin, selvage, or reverse side of the material at reasonably frequent intervals; or to tags or labels affixed to the material at such intervals.

"(c) When the proprietor of a design has complied with the provisions of this section, protection under this chapter shall not be affected by the removal, destruction, or obliteration by others of the design notice on an article.

"EFFECT OF OMISSION OF NOTICE

"SEC. 907. The omission of the notice prescribed in section 906 shall not cause loss of the protection or prevent recovery for infringement against any person who, after written notice of the design protection, begins an undertaking leading to infringement: *Provided*, That such omission shall prevent any recovery under section 922 against a person who began an undertaking leading to infringement before receiving written notice of the design protection, and no injunction shall be had unless the proprietor of the design shall reimburse said person for any reasonable expenditure or contractual obligation in connection with such undertaking incurred

following D in a circle, insert --, or the symbol *D* -- This change recognizes that some typing and printing equipment is not able to provide the circle around the D, and provides an alternative that is more readily produced. The same solution is provided in the chip law.

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before written notice of design protection, as the court in its discretion shall direct. The burden of providing written notice shall be on the proprietor.

"INFRINGEMENT

"SEC. 908. (a) It shall be infringement of a design protection under this chapter for any person, without the consent of the proprietor of the design, within the United States or its territories or possessions and during the term of such protection, to—

"(1) make, have made, or import, for sale or for use in trade, any infringing article as defined in subsection (d) hereof; or

"(2) sell or distribute for sale or for use in trade any such infringement article: *Provided, however,* That a seller or distributor of any such article who did not make or import the same shall be deemed to be an infringer only if—

"(i) he induced or acted in collusion with a manufacturer to make, or an importer to import such article (merely purchasing or giving an order to purchase in the ordinary course of business shall not of itself constitute such inducement or collusion); or

"(ii) he refuses or fails upon the request of the proprietor of the design to make a prompt and full disclosure of his source of such article, and he orders or reorders such article after having received notice by registered or certified mail of the protection subsisting in the design.

"(b) It shall not be infringement to make, have made, import, sell, or distribute, any article embodying a design created without knowledge of, and copying from, a protected design.

"(c) A person who incorporates into his own product of manufacture an infringing article acquired from others in the ordinary course of business, or who, without knowledge of the protected design, makes or processes an infringing article for the account of another person in the ordinary course of

dd the following subsection to 908:

f) It is not an infringement of the exclusive rights of a design owner for a person to reproduce the design in a useful article or in any other form solely for the purpose of teaching, analyzing, or evaluating the appearance, concepts, or techniques embodied in the design, or the function of the useful article embodying the design.-- This addition makes clear that the design bill does not impede certain limited uses of the design. This is consistent with the fair use concept of the copyright law and is found in 906(a)(1) of the chip law.

business, shall not be deemed an infringer except under the conditions of clauses (i) and (ii) of paragraph (a)(2) of this section. Accepting an order or reorder from the source of the infringing article shall be deemed ordering or reordering within the meaning of clause (ii) of paragraph (a)(2) of this section.

"(d) An 'infringing article' as used herein is any article, the design of which has been copied from the protected design, without the consent of the proprietor: *Provided, however,* That an illustration or picture of a protected design in an advertisement, book, periodical, newspaper, photograph, broadcast, motion picture, or similar medium shall not be deemed to be an infringing article. An article is not an infringing article if it embodies, in common with the protected design, only elements described in subsections (a) through (d) of section 902.

"(e) The party alleging rights in a design in any action or proceeding shall have the burden of affirmatively establishing its originality whenever the opposing party introduces an earlier work which is identical to such design, or so similar as to make a prima facie showing that such design was copied from such work.

Change the period of time allowed to register a design from "six months" to --one year--. The six month period is believed to be too short. 908(a) of the chip law allows for a two year period to register, but a one year period is believed more reasonable.

"APPLICATION FOR REGISTRATION

"SEC. 909. (a) Protection under this chapter shall be lost if application for registration of the design is not made within [six months] after the date on which the design was first made public.

"(b) A design is made public when, by the proprietor of the design or with his consent, an existing useful article embodying the design is anywhere publicly exhibited, publicly distributed, or offered for sale or sold to the public.

Delete "or renewal" from 909(c). There is no provision for renewal in this bill.

"(c) Application for registration [or renewal] may be made by the proprietor of the design.

"(d) The application for registration shall be made to the Administrator and shall state (1) the name and address of the author or authors of the design; (2) the name and address of the proprietor if different from the author; (3) the specific name of the article, indicating its utility; (4) the date, if any,

that the design was first made public, if such date was earlier than the date of application; (5) affirmation that the design has been fixed in a useful article; and (6) such other information as may be required by the Administrator. The application for registration may include a description setting forth the salient features of the design, but the absence of such a description shall not prevent registration under this chapter.

"(e) The application for registration shall be accompanied by a statement under oath by the applicant or his duly authorized agent or representative, setting forth that, to the best of his knowledge and belief (1) the design is original and was created by the author or authors named in the application; (2) the design has not previously been registered on behalf of the applicant or his predecessor in title; and (3) the applicant is the person entitled to protection and to registration under this chapter. If the design has been made public with the design notice prescribed in section 906, the statement shall also describe the exact form and position of the design notice.

"(f) Error in any statement or assertion as to the utility of the article named in the application, the design of which is sought to be registered shall not affect the protection secured under this chapter.

"(g) Errors in omitting a joint author or in naming an alleged joint author shall not affect the validity of the registration, or the actual ownership or the protection of the design: *Provided*, That it is shown that the error occurred without deceptive intent. Where the design was made within the regular scope of the author's employment and individual authorship of the design is difficult or impossible to ascribe and the application so states, the name and address of the employer for whom the design was made may be stated instead of that of the individual author.

"(h) The application for registration shall be accompanied by two copies of a drawing or other pictorial representation of the useful article having one or more views, adequate to show the design, in a form and style suitable for reproduction, which shall be deemed a part of the application.

"(i) Where the distinguishing elements of a design are in substantially the same form in a number of different useful articles, the design shall be protected as to all such articles when protected as to one of them, but not more than one registration shall be required.

"(j) More than one design may be included in the same application under such conditions as may be prescribed by the Administrator. For each design included in an application the fee prescribed for a single design shall be paid.

"BENEFIT OF EARLIER FILING DATE IN FOREIGN COUNTRY

"SEC. 910. An application for registration of a design filed in this country by any person who has, or whose legal representative or predecessor or successor in title has previously regularly filed an application for registration of the same design in a foreign country which affords similar privileges in the case of application filed in the United States or to citizens of the United States shall have the same effect as if filed in this country on the date on which the application was first filed in any such foreign country, if the application in this country is filed within six months from the earliest date on which any such foreign application was filed.

"OATHS AND ACKNOWLEDGMENTS

"SEC. 911. (a) Oaths and acknowledgments required by this chapter may be made before any person in the United States authorized by law to administer oaths, or, when made in a foreign country, before any diplomatic or consular officer of the United States authorized to administer oaths, or before any official authorized to administer oaths in the foreign country concerned, whose authority shall be proved by a certificate of a diplomatic or consular officer of the United States, and shall be valid if they comply with the laws of the state or country where made.

"(b) The Administrator may by rule prescribe that any document to be filed in the Office of the Administrator and which is required by any law, rule, or other regulation to be under oath may be subscribed to by a written declaration in such form as the Administrator may prescribe, such declaration to be in lieu of the oath otherwise required.

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"(c) Whenever a written declaration as permitted in subsection (b) is used, the document must warn the declarant that willful false statements and the like are punishable by fine or imprisonment, or both (18 U.S.C. 1001) and may jeopardize the validity of the application or document or a registration resulting therefrom.

"EXAMINATION OF APPLICATION AND ISSUE OR REFUSAL OF REGISTRATION

"SEC. 912. (a) Upon the filing of an application for registration in proper form as provided in section 909, and upon payment of the fee provided in section 915, the Administrator shall determine whether or not the application relates to a design which on its face appears to be subject to protection under this chapter, and if so the Administrator shall register the design. Registration under this subsection shall be announced by publication. The date of registration shall be the date of publication.

"(b) If, in the judgment of the Administrator, the application for registration relates to a design which on its face is not subject to protection under this chapter, the Administrator shall send the applicant a notice of refusal to register and the grounds therefor. Within three months from the date the notice of refusal is sent, the applicant may request, in writing, reconsideration of his application. After consideration of such a request, the Administrator shall either register the design or send the applicant a notice of final refusal to register.

"(c) Any person who believes he is or will be damaged by a registration under this chapter may, upon payment of the prescribed fee, apply to the Administrator at any time to cancel the registration on the ground that the design is not subject to protection under the provisions of this chapter, stating the reasons therefor. Upon receipt of an application for cancellation, the Administrator shall send the proprietor of the design, as shown in the records of the Office of the Administrator, a notice of said application, and the proprietor shall have a period of three months from the date such notice was mailed in which to present arguments in support of the validity of the registration. It shall also be within the authori-

ty of the Administrator to establish, by regulation, conditions under which the opposing parties may appear and be heard in support of their arguments. If, after the periods provided for the presentation of arguments have expired, the Administrator determines that the applicant for cancellation has established that the design is not subject to protection under the provisions of this chapter, he shall order the registration stricken from the record. Cancellation under this subsection shall be announced by publication, and notice of the Administrator's final determination with respect to any application for cancellation shall be sent to the applicant and to the proprietor of record.

"(d) When a design has been registered under this section, the lack of utility of any article in which it has been embodied shall be no defense to an infringement action under section 920, and no ground for cancellation under subsection (c) of this section or under section 923.

"CERTIFICATION OF REGISTRATION

"Sec. 913. Certificates of registration shall be issued in the name of the United States under the seal of the Office of the Administrator and shall be recorded in the official records of the office. The certificate shall state the name of the useful article, the date of filing of the application, the date of registration, the date the design was made public, if earlier than the date of filing of the application, and shall contain a reproduction of the drawing or other pictorial representation showing the design. Where a description of the salient features of the design appears in the application, this description shall also appear in the certificate. A certificate of registration shall be admitted in any court as prima facie evidence of the facts stated therein.

"PUBLICATION OF ANNOUNCEMENTS AND INDEXES

"Sec. 914. (a) The Administrator shall publish lists and indexes of registered designs and cancellations thereof and may also publish the drawing or other pictorial representations of registered designs for sale or other distribution.

"(b) The Administrator shall establish and maintain a file of the drawings or other pictorial representations of registered designs, which file shall be available for use by the

public under such conditions as the Administrator may prescribe.

"FEES

"SEC. 915. (a) There shall be paid to the Administrator the following fees:

"(1) On filing each application for registration or for renewal of registration of a design, $15.

"(2) For each additional related article included in one application, $15.

"(3) For recording an assignment, $3 for the first six pages, and for each additional two pages or less, $1.

"(4) For a certificate of correction of an error not the fault of the Office, $10.

"(5) For a certification of copies of records, $1.

"(6) On filing each application for cancellation of a registration, $15.

"(b) The Administrator may establish charges for materials or services furnished by the Office, not specified above, reasonably related to the cost thereof.

"REGULATIONS

"SEC. 916. The Administrator may establish regulations not inconsistent with law for the administration of this chapter.

"COPIES OF RECORDS

"SEC. 917. Upon payment of the prescribed fee, any person may obtain a certified copy of any official record of the Office of the Administrator, which copy shall be admissible in evidence with the same effect as the original.

"CORRECTION OF ERRORS IN CERTIFICATES

"SEC. 918. The Administrator may correct any error in a registration incurred through the fault of the Office, or, upon payment of the required fee, any error of a clerical or typographical nature not the fault of the Office occurring in good faith, by a certificate of correction under seal. Such registration, together with the certificate, shall thereafter have the same effect as if the same had been originally issued in such corrected form.

"OWNERSHIP AND TRANSFER

"SEC. 919. (a) The property right in a design subject to protection under this chapter shall vest in the author, the legal representatives of a deceased author or of one under legal incapacity, the employer for whom the author created the design in the case of a design made within the regular scope of the author's employment, or a person to whom the rights of the author or of such employer have been transferred. The person or persons in whom the property right is vested shall be considered the proprietor of the design.

"(b) The property right in a registered design, or a design for which an application for registration has been or may be filed, may be assigned, granted, conveyed, or mortgaged by an instrument in writing, signed by the proprietor, or may be bequeathed by will.

"(c) An acknowledgment as provided in section 911 shall be prima facie evidence of the execution of an assignment, grant, conveyance, or mortgage.

"(d) An assignment, grant, conveyance, or mortgage shall be void as against any subsequent purchaser or mortgagee for a valuable consideration, without notice, unless it is recorded in the Office of the Administrator within three months from its date of execution or prior to the date of such subsequent purchase or mortgage.

"REMEDY FOR INFRINGEMENT

"SEC. 920. (a) The proprietor of a design shall have remedy for infringement by civil action instituted after issuance of a certificate of registration of the design.

"(b) The proprietor of a design may have judicial review of a final refusal of the Administrator to register the design, by a civil action brought as for infringement and shall have remedy for infringement by the same action if the court adjudges the design subject to protection under this chapter: *Provided*, That (1) he has previously duly filed and duly prosecuted to such final refusal an application in proper form for registration of the design, and (2) he causes a copy of the complaint in action to be delivered to the Administrator within ten days after the commencement of the action, and

penses of suit to a defendant prevailing in an action brought under section 920(b).

"(c) The court may order that all infringing articles, and any plates, molds, patterns, models, or other means specifically adapted for making the same be delivered up for destruction or other disposition as the court may direct

"POWER OF COURT OVER REGISTRATION

"SEC. 923. In any action involving a design for which protection is sought under this chapter, the court when appropriate may order registration of a design or the cancellation of a registration. Any such order shall be certified by the court to the Administrator, who shall make an appropriate entry upon the record.

"LIABILITY FOR ACTION ON REGISTRATION FRAUDULENTLY OBTAINED

"SEC. 924. Any person who shall bring an action for infringement knowing that registration of the design was obtained by a false or fraudulent representation materially affecting the rights under this chapter, shall be liable in the sum of $1,000, or such part thereof as the court may determine, as compensation to the defendant, to be charged against the plaintiff and paid to the defendant, in addition to such costs and attorney's fees of the defendant as may be assessed by the court.

"PENALTY FOR FALSE MARKING

"SEC. 925. (a) Whoever, for the purpose of deceiving the public, marks upon, or applies to, or uses in advertising in connection with any article made, used, distributed, or sold, the design of which is not protected under this chapter, a design notice as specified in section 906 or any other words or symbols importing that the design is protected under this chapter, knowing that the design is not so protected, shall be fined not more than $500 for every such offense.

"(b) Any person may sue for the penalty, in which event, one-half shall go to the person suing and the other to the use of the United States.

"PENALTY FOR FALSE REPRESENTATION

"SEC. 926. Whoever knowingly makes a false represen-

tation materially affecting the rights obtainable under this chapter for the purpose of obtaining registration of a design under this chapter shall be fined not less than $500 and not more than $1,000, and any rights or privileges he may have in the design under this chapter shall be forfeited.

"RELATION TO COPYRIGHT LAW

"SEC. 927. (a) Nothing in this chapter shall affect any right or remedy now or hereafter held by any person under chapters 1 through 8 of this title, subject to the provisions of section 113 of this title.

"(b) When a pictorial, graphic, or sculptural work in which copyright subsists under chapters 1 through 8 of this title is utilized in an original ornamental design of a useful article, by the copyright proprietor or under an express license from such proprietor, the design shall be eligible for protection under the provisions of this chapter.

"RELATION TO PATENT LAW

"SEC. 928. (a) Nothing in this chapter shall affect any right or remedy available to or held by any person under title 35 of the United States Code.

"(b) The issuance of a design patent for an ornamental design for an article of manufacture under said title 35 shall terminate any protection of the design under this chapter.

"COMMON LAW AND OTHER RIGHTS UNAFFECTED

"SEC. 929. Nothing in this chapter shall annul or limit (1) common law or other rights or remedies, if any, available to or held by any person with respect to a design which has not been registered under this chapter, or (2) any trademark rights or right to be protected against unfair competition.

"ADMINISTRATOR

"SEC. 930. The Administrator and Office of the Administrator referred to in this chapter shall be the Register of Copyrights and Library of Congress, respectively.

"SEVERABILITY CLAUSE

"SEC. 931. If any provisions of this chapter or the application of such provision to any person or circumstance is held invalid, the remainder of the chapter or the application

to other persons or circumstances shall not be affected thereby.

"AMENDMENT OF OTHER STATUTES

"SEC. 932. Title 28 of the United States Code is amended—

"(a) by inserting 'designs,' after 'patents,' in the first sentence of section 1338(a);

"(b) by inserting ', design,' after 'patent' in the second sentence of section 1338(a);

"(c) by inserting 'design,' after 'copyright,' in section 1338(b);

"(d) by inserting 'and registered designs' after 'copyrights' in section 1400; and

"(e) by revising section 1498(a) to read as follows:

"'(a) Whenever a registered design or invention described in and covered by a patent of the United States is used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same, the owner's remedy shall be by action against the United States in the Court of Claims for the recovery of his reasonable and entire compensation for such use and manufacture.

"'For the purposes of this section, the use or manufacture of a registered design or an invention described in and covered by a patent of the United States by a contractor, a subcontrator, or any person, firm, or corporation for the Government and with the authorization or consent of the Government, shall be construed as use or manufacture for the United States.

"'The court shall not award compensation under this section if the claim is based on the use or manufacture by or for the United States of any article owned, leased, used by, or in the possession of the United States, prior to, in the case of an invention, July 1, 1918, and in the case of a registered design, July 1, 1983.

"'A Government employee shall have the right to bring suit against the Government under this section except where

12. Add the following subsection to 920:

--(d) The parties to an infringement dispute under this law, within such time as may be specified by the Administrator by regulation, may determine such contest or any aspect thereof by arbitration. Such arbitration shall be governed by the provision of title 9 to the extent such title is not inconsistent with this section. The parties shall give notice of any arbitration award to the Administrator, and such award shall, as between the parties to the arbitration be dispositive of the issues to which it relates. The arbitration award shall be unenforceable until such notice is given. Nothing in this subsection shall preclude the Administrator from determining whether a design is subject to registration in a cancellation proceeding under Sec. 912(c).--

This addition, which is based on the new interference arbitration law, provides for arbitration of an infringement dispute under this Chapter. It is consistent with Section 294 of the patent law and the modern trend of non-litigious settlement of disputes.

TEXT

(3) the defendant has committed acts in respect to the design which would constitute infringement with respect to a design protected under this chapter.

"(c) The Administrator may, at his or her option, become a party to the action with respect to the issue of registrability of the design claim by entering an appearance within sixty days after such service, but the Administrator's failure to become a party shall not deprive the court of jurisdiction to determine that issue.

"INJUNCTION

"SEC. 921. The several courts having jurisdiction of actions under this chapter may grant injunctions in accordance with the principles of equity to prevent infringement, including, in their discretion, prompt relief by temporary restraining orders and preliminary injunctions.

"RECOVERY FOR INFRINGEMENT, AND SO FORTH

"SEC. 922. (a) Upon finding for the claimant, the court shall award such claimant damages adequate to compensate for the infringement, but in no event less than the reasonable value the court shall assess them. In addition, the court may increase the damages to such amount, not exceeding $50,000 or $1 per copy, whichever is greater, as to the court shall appear to be just. The damages awarded in any of the above circumstances shall constitute compensation and not a penalty. The court may receive expert testimony as an aid to the determination of damages.

"(b) Alternatively, the court may award the claimant the infringer's profits resulting from the sale of the copies if it finds that the infringer's sales are reasonably related to the use of the claimant's design. In such a case, the claimant shall be required to prove only the infringer's sales and the infringer shall be required to prove its expenses against such sales.

"(c) No recovery under paragraph (a) shall be had for any infringement committed more than three years prior to the filing of the complaint.

"(d) The court may award reasonable attorney's fees to the prevailing party. The court may also award other ex-

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3. Change the date of the Act from 1983 to 1985.

he was in a position to order, influence, or induce use of the registered design or invention by the Government. This section shall not confer a right of action on any design registrant or patentee or any assignee of such design registrant or patentee with respect to any design created by or invention discovered or invented by a person while in the employment or service of the United States, where the design or invention was related to the official functions of the employee, in cases in which such functions included research and development, or in the making of which Government time, materials, or facilities were used.'.

"TIME OF TAKING EFFECT

"SEC. 933. This chapter shall take effect one year after enactment of this Act.

"NO RETROACTIVE EFFECT

"SEC. 934. Protection under this chapter shall not be available for any design that has been made public as provided in section 909(b) prior to the effective date of this chapter.

"SHORT TITLE

"SEC. 935. This chapter may be cited as the 'Design Protection Act of [1983'."]

SEC. 2. Title 17, United States Code, section 113, is amended by adding at the end thereof the following new subparagraphs:

4. Delete the present amendment to Section 113 of Title 17 and insert the following amendment:

--(d) Protection under chapters 1 through 8 of this title of a work in which copyright subsists shall not terminate with respect to its utilization in useful articles whenever the copyright proprietor or its authorized person has obtained registration of a design of a useful article embodying said work under the provisions of Chapter 10 of this title.--

The copyright law effectively excludes protection for useful article designs in Section 101. However, a work that is copyrightable can be part of a useful article, such as a picture on the back of a chair or a figurine on an ash tray. When this occurs, there is no reason to penalize the copyright owner on the term of protection as to what is covered by the copyright. This position is strongly endorsed by the copyright bar.

[**"(d) When a pictorial, graphic, or sculptural work in which copyright subsists under chapters 1 through 8 of this title is utilized in an original ornamental design of a useful article, by the copyright proprietor or under an express license from him, the design shall be eligible for protection under the provisions of chapter 9 of this title.**

"(e) Protection under chapters 1 through 8 of this title of a work in which copyright subsists shall terminate with respect to its utilization in useful articles whenever the copyright proprietor has obtained registration of an ornamental design of a useful article embodying said work under the provisions of chapter 9 of this title. Unless and until the copyright proprietor has obtained such registration, the copyright pictorial, graphic, or sculptural work shall continue in all respects to be covered by and subject to the protection afforded by the copyright subsisting under chapters 1 through 8 of this title.

"(f) Nothing in this section shall affect any right or remedy held by any person under chapters 1 through 8 of this title in a work in which copyright was subsisting on the effective date of chapter 9 of this title, or with respect to any utilization of a copyrighted work other than in the design of a useful article.".]