DESIGN LAW IN EUROPE AND THE US

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As Terrance Conran, founder of Habi-tat is often quoted-"Every single thing made by man or woman since the beginning of time has been designed."

Textile design, including fabric and apparel, is no exception. Design has always been crucial to the textile and apparel trade. As it happens, however, designers are rarely con-versant in the law. The distance between the American designer, and by that I mean real designers, not the corporate owners of "designer labels," and the law is often even greater than that between many creative people such as authors, painters, and inventors and the laws enacted to assure them fame and fortune.

My three basic points are all premised on the idea that, as price and quality differen-tiation narrows and labels creep back inside the clothes where they belong and as individuality rather than uniformity come to dominate the fashion scene, design is fast becoming the pri-mary competitive force in textiles and apparel. I will here talk mostly about apparel, as the law protecting textile design (i.e., copyright law) is considerably less controversial. My three points are these:

1. Although markets are increasingly integrated, American design law and that of the rest of the world, primarily Europe, are grow-ing farther apart.

2. European design law, though widely divergent in terms of detail at the national level, continues to afford stronger protection to the designer and is fast becoming harmonized across Europe. In addition, EU design law is increasingly being used as a model of legal reform throughout the world.

3. The US has traditionally shunned industrial design law, the law upon which apparel design in most countries is based. US case law in the late 1990s has been attempting to carve out design protection from something called trade dress law (i.e., that field of trade-mark law which was meant to protect unregis-tered packaging).

Until very recently, textiles was one of the most protected industries in the world. Countries were by and large self-sufficient and therefore operated merrily for decades, with each country operating according to its own rules.The mid-1990s brought two big changes to this picture. First of all, by all accounts, the fashion-conscious of all ages are slowly and thankfully tiring of wearing their labels on the outside, a practice recently mocked in a New York show by one designer whose clothes had had green price stickers or anti-theft sensors still on them. New emphasis on individuality has placed original design in the limelight. New production techniques

and advanced communications have reduced lead times and diminished the competitive advantage of mass-marketing and large volume. In addition, American designers are finally getting the recognition they have so long deserved, but they are getting it mostly abroad where established European fashion houses and their sharehold-ers are recognizing the role their talent can play in their newly internationalized ready-to-wear market. This recognition of design is not being accompanied by any legislative reform here in the US.

European law, and by that I mean the law of the various European countries and that of the EU, continues to pay considerable atten-tion to the protection of design, and this trend is being followed by many other countries in the world. America has virtually ignored this area of protection. It has never protected design, on the assumption, long abandoned in other areas of IP law, that design belongs in public domain where free access enhances competitiveness and leads to economic growth. As one federal judge said in 1993 (L.A. Gear), "The public has the right to copy the design of goods that are unprotected by pat-ent… absent consumer confusion or decep-tion." For this reason, American designers are increasingly going abroad to have their skills appreciated.
Americans are exporting more and more to Europe both through liberalized textile trade regimes and through the Internet. Given the rising importance of design over the blaring trademark and its crude marketing techniques, American exporters will want to protect their own designs and, perhaps equally important, will want to refrain from unknowingly infringing the designs of others. Being dragged into court, or worse, can come as a highly unwelcome response to what Americans might see as a flattering tribute to their European counterparts.

Before looking at the situation in America, however, I want to talk about design protection in Europe and I think the contrast will then speak for itself. One mistake creators of all kinds make is thinking that protection in their home country determines protection abroad. Just because American law provides no protection does not mean that the work of American designers will receive less protection abroad. (Similarly, of course, designs in the public domain here may well infringe design rights in Europe.) It is worth noting that Article 25 of TRIPS requires signatories to harmonize (i.e., to bring national law into line with inter-nationally agreed standards) in the area of industrial design. Though President Clinton has opined that current laws fulfill this obliga-tion, designers disagree.

Virtually every European country pro-tects design, though the way in which this is done varies considerably among these coun-tries due to differences in culture, history, and industrial development. At the level of the European Union, variation has been reduced considerably by a harmonizing Directive which came into effect in October of 1998 and which must be reflected in national legislation of the 15 member states by Oct. 2001. In addition, a EU-wide design regime whereby designers will be able to register their designs for a potential 25-year period at the EU Trademark office in Spain or avail themselves of unregis-tered design right for three years will come into effect in the very near future. More detail on these legislative instruments will be given below.

A quick look at three European coun-tries will give us some idea of the extent of protection available in three countries with a very different angle on design and will illus-trate the wisdom of EU harmonization measures.
France, the acknowledged leader in fashion has been aware for centuries of the need to protect textile products. The first model and design law was passed by Napoleon in 1806 at the behest of the Lyon silk industry. Today designs are protected under both copy-right law and design law (Articles 111.1 and 511.1, respectively, of France's recently com-piled Intellectual Property Code). Copyright protection requires only that a creation be original, require no registration, and last for 70 years. Design protection requires that a design be both new and original and that it bear some sign of the personality of the creator and requires deposit at the French Institute of Intellectual Property. If a designer chooses to rely solely on copyright law, there is also pro-vision for deposit of the design with this Insti-tute. The latter does not create a right, but cheap, simple, and widely used, it facilitates proving the date of a creation.

England's first modern design laws (one for ornamentation and one for functional design) were passed in the mid-19th century. Today England has two design laws, one requiring registration and offering protection for up to 25 years and one that operates like copyright law and provides short-term protec-tion. Though this short-term protection requires no registra-tion, it is based on recip-rocity (though this may be subject to review under the new EU Direc-tive), which US residents might have consider-able difficulty establishing. Copyright protection is also possible, and this becomes particu-larly important in an era of Computer-Aided Design (CAD) and increasing reliance on fashion videos, both of which can be zapped around the world with the push of a button. For fabric designs seeking copyright protec-tion, however, the term will be reduced to 25 years where the fabric is pro-duced industrially.

German law has long provided protec-tion for items whose external appearance is related to its functionality. Rising out of a strong guild system which placed great emphasis on the acquisition of skills, it is not surprising that German copyright law, another possible avenue of protection, in general requires considerable achievement, something called "work quality" for design protection. The design must be something beyond what the normal worker in the field could create. Qualifying designs are given protection from the copying of even what might be considered insignificant details, however-a button, a pocket or a collar, and garments which copy any of these may be subject to being destroyed. Germany also has less stringent protection. For fabrics, which are generally felt to lack criteria for copyright protection, deposit by commer-cial users at the German Patent Office in Berlin is available. Publication will secure protection for five years, while 18-months protection is possible without publication. This is often favored given the short duration required and the need for secrecy prior to offi-cial showings.

Germany's registered design law today provides protection similar to copyright (i.e., imitation must be shown) and covers new and original designs that appeal to a sense of form or color. A fashion collection may be protected as a design but not as a particular style. Again, creativity must exceed that of the average designer, and mere craftsmanship is not sufficient. Copyright

law also contributes to design protection in providing relief where a design is delivered for production and then copied. Germany's unfair competition law, designed to protect consumers and other producers, will protect against same-season imitation or mis-representation of the origin of goods, and any-one who passes on a pattern or prototype with-out authority in the course of business will be subject to legal sanctions even if the design itself is not protectable. I will talk more tomor-row about German Unfair Competition law.

This gives you some idea about how protection exists and varies among European countries. Because of the threat such variation poses to the functioning of a single market, in October 1998, legislation came into effect at the EU level calling for full 15-member harmoni-zation on a number of points. Such provisions must be incorporated into national law by October, 2001. The Directive seeks to establish a common period of protection, a common definition of design, and a common standard of novelty and individual character.

In addition, and perhaps more impor-tant, a Community Design Regulation was adopted earlier this year which provides for design protection at the EU level. In other words, a single regime of design protection is available which treats the entire 15-member EU as a single unit in terms of validity and regis-tration. It includes all the relevant provisions of substantive law contained in the Directive. It also provides for a two-tier system that includes (1) a registration-based monopoly-type protection, again for a possible 25 years, and (2) a design right, available for 3 years. The latter requires copying for infringement to be found-it is not enough to show someone has used your design; it must be established that they copied it.

The Regulation defines design and establishes novelty and individual character as necessary for protection. It fixes the scope of protection (designer has exclusive rights to use, license, and prevent others from using) and, notably, provides for multiple applications for sectors producing a large number of designs, such as collections in the fashion industry or elements of ornamentation on, for example, a household textiles collection. This is in keeping with the new Hague Treaty on Design Registration which provides that multi-ple designs may be included in the same appli-cation. This Regulation awaits unanimous adoption by the EU Council of Ministers. One important characteristic common to both EU-wide and national harmonized protection is the recognition that in our era, where design is no longer removable ornamentation but more function-based, is the protectability of all designs that are not purely functional.

As mentioned above the US has tradi-tionally given design protection short shrift. Design patent protection, enacted in the middle of the last century, aimed at protecting inven-tions which were not only original but also ornamental. The insufficiency of the design patent for all sectors was first articulated around the turn of the century, when a bill to provide real design protection was first introduced. The design patent in effect today is costly, difficult to obtain, and often takes 18 months from the date of application for the grant to be made. Although lobbying efforts intensified and legislation was introduced more than 75 times over the years, because of objec-tions from spare parts industries (interestingly, the same industries as the ones who held up

enactment of the EU Directive for so long), the design patent remains the only form of protection available. The design patent is completely useless for fashion design, with its seasons often as short as six weeks.

US Copyright law does not protect functional items. Separate protection for industrial design under copyright law was slated for enactment in 1976, but this was never enacted, partly for constitutional reasons. Two things, architectural works and ships' hulls, have been spared the rigor of this func-tional requirement by legislative amendment.

Trade dress protection, intended to protect distinctive packaging, is today being put forth as a solution to the lack of design protection. Based on section 43(a) of the 1946 Lanham Act (s. 1125 of the Trademark Act), it rose to fame in the 1990s out of a situation where trademark owners could no longer per-suade consumers to display their "designer labels" on the outside. The most important decision on trade dress, 1998 2d Circuit Sam-ara Bros. Inc. v. Wal-Mart Stores Inc. (165 F.3d 120), will be reviewed by the US Supreme Court in the near future. Trade dress protection is inherently unsuited to apparel design protection for three reasons: (1) it offers no defendable rights to individual designers; (2) it is granted on a case-by-case basis, which ill suits the needs of designers for quick, cheap and reliable protection; and (3) it ultimately hurts the entire industry by tying up rights long after their purpose has been served (in perpetuity in fact).

Conclusion: Europe has long pro-tected fashion design. As individual countries and as the EU, they are bolstering the protec-tion to designers. Simple protectionism is dead. In a globalized world, there are no real "national interests" in protecting textiles and apparel. Nations, on the contrary, have a duty to protect their creative resources, which ulti-mately reside in creative minds. The argument that designers must in the name of national interest bear the brunt of keeping the public domain kitty full for everyone else is no longer viable. Designers need more protection and it should not be tied to industrial design law that never really functioned in the first place. Apparel designers need to do the same kind of political lobbying that naval architects did when they secured protection for ships' hulls after the US Supreme Court denied them such pro-tection in 1989. The US would do well to become better acquainted with what is going on in Europe-if not to keep up with legislative trends, then to understand why US design remains tied to dependable classics and why truly creative designers are jumping ship when they can. Granting perpetual protection to classics because they may be recognizable to the shell-shocked consumer, while denying even the smallest protection to the real creative designers, cannot be either good sense or good law.