

105TH CONGRESS
2D SESSION

S. 2502

To amend title 17, United States Code, to provide for protection of certain original designs.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21, 1998

Mr. BREAU (for himself, Mr. MACK, and Mr. FAIRCLOTH) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To amend title 17, United States Code, to provide for protection of certain original designs.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be referred to as the “Vessel Hull De-
5 sign Protection Act”.

6 **SEC. 2. PROTECTION OF CERTAIN ORIGINAL DESIGNS.**

7 Title 17, United States Code, is amended by adding
8 at the end the following new chapter:

1 **“CHAPTER 12—PROTECTION OF ORIGINAL**

2 **DESIGNS**

“Sec.

“1201. Designs protected.

“1202. Designs not subject to protection.

“1203. Revisions, adaptations, and rearrangements.

“1204. Commencement of protection.

“1205. Term of protection.

“1206. Design notice.

“1207. Effect of omission of notice.

“1208. Exclusive rights.

“1209. Infringement.

“1210. Application for registration.

“1211. Benefit of earlier filing date in foreign country.

“1212. Oaths and acknowledgments.

“1213. Examination of application and issue or refusal of registration.

“1214. Certification of registration.

“1215. Publication of announcements and indexes.

“1216. Fees.

“1217. Regulations.

“1218. Copies of records.

“1219. Correction of errors in certificates.

“1220. Ownership and transfer.

“1221. Remedy for infringement.

“1222. Injunctions.

“1223. Recovery for infringement.

“1224. Power of court over registration.

“1225. Liability for action on registration fraudulently obtained.

“1226. Penalty for false marking.

“1227. Penalty for false representation.

“1228. Enforcement by Treasury and Postal Service .

“1229. Relation to design patent law.

“1230. Common law and other rights unaffected.

“1231. Administrator; Office of the Administrator.

“1232. No retroactive effect.

3 **“§ 1201. Designs protected**

4 “(a) DESIGNS PROTECTED.—

5 “(1) IN GENERAL.—The designer or other
 6 owner of an original design of a useful article which
 7 makes the article attractive or distinctive in appear-
 8 ance to the purchasing or using public may secure
 9 the protection provided by this chapter upon comply-
 10 ing with and subject to this chapter.

1 “(2) VESSEL HULLS.—The design of a vessel
2 hull, including a plug or mold, is subject to protec-
3 tion under this chapter, notwithstanding section
4 1202(4).

5 “(b) DEFINITIONS.—For the purpose of this chapter,
6 the following terms have the following meanings:

7 “(1) A design is ‘original’ if it is the result of
8 the designer’s creative endeavor that provides a dis-
9 tinguishable variation over prior work pertaining to
10 similar articles which is more than merely trivial and
11 has not been copied from another source.

12 “(2) A ‘useful article’ is a vessel hull, including
13 a plug or mold, which in normal use has an intrinsic
14 utilitarian function that is not merely to portray the
15 appearance of the article or to convey information.
16 An article which normally is part of a useful article
17 shall be deemed to be a useful article.

18 “(3) A ‘vessel’ is a craft, especially one larger
19 than a rowboat, designed to navigate on water, but
20 does not include any such craft that exceeds 200
21 feet in length.

22 “(4) A ‘hull’ is the frame or body of a vessel,
23 including the deck of a vessel, exclusive of masts,
24 sails, yards, and rigging.

1 “(5) A ‘plug’ means a device or model used to
2 make a mold for the purpose of exact duplication,
3 regardless of whether the device or model has an in-
4 trinsic utilitarian function that is not only to portray
5 the appearance of the product or to convey informa-
6 tion.

7 “(6) A ‘mold’ means a matrix or form in which
8 a substance for material is used, regardless of
9 whether the matrix or form has an intrinsic utilitar-
10 ian function that is not only to portray the appear-
11 ance of the product or to convey information.

12 **“§ 1202. Designs not subject to protection**

13 “Protection under this chapter shall not be available
14 for a design that is—

15 “(1) not original;

16 “(2) staple or commonplace, such as a standard
17 geometric figure, a familiar symbol, an emblem, or
18 a motif, or another shape, pattern, or configuration
19 which has become standard, common, prevalent, or
20 ordinary;

21 “(3) different from a design excluded by para-
22 graph (2) only in insignificant details or in elements
23 which are variants commonly used in the relevant
24 trades;

1 “(4) dictated solely by a utilitarian function of
2 the article that embodies it; or

3 “(5) embodied in a useful article that was made
4 public by the designer or owner in the United States
5 or a foreign country more than 1 year before the
6 date of the application for registration under this
7 chapter.

8 **“§ 1203. Revisions, adaptations, and rearrangements**

9 “Protection for a design under this chapter shall be
10 available notwithstanding the employment in the design
11 of subject matter excluded from protection under section
12 1202 if the design is a substantial revision, adaptation,
13 or rearrangement of such subject matter. Such protection
14 shall be independent of any subsisting protection in sub-
15 ject matter employed in the design, and shall not be con-
16 strued as securing any right to subject matter excluded
17 from protection under this chapter or as extending any
18 subsisting protection under this chapter.

19 **“§ 1204. Commencement of protection**

20 “The protection provided for a design under this
21 chapter shall commence upon the earlier of the date of
22 publication of the registration under section 1213(a) or
23 the date the design is first made public as defined by sec-
24 tion 1210(b).

1 **“§ 1205. Term of protection**

2 “(a) IN GENERAL.—Subject to subsection (b), the
3 protection provided under this chapter for a design shall
4 continue for a term of 10 years beginning on the date of
5 the commencement of protection under section 1204.

6 “(b) EXPIRATION.—All terms of protection provided
7 in this section shall run to the end of the calendar year
8 in which they would otherwise expire.

9 “(c) TERMINATION OF RIGHTS.—Upon expiration or
10 termination of protection in a particular design under this
11 chapter, all rights under this chapter in the design shall
12 terminate, regardless of the number of different articles
13 in which the design may have been used during the term
14 of its protection.

15 **“§ 1206. Design notice**

16 “(a) CONTENTS OF DESIGN NOTICE.—(1) Whenever
17 any design for which protection is sought under this chap-
18 ter is made public under section 1210(b), the owner of
19 the design shall, subject to the provisions of section 1207,
20 mark it or have it marked legibly with a design notice con-
21 sisting of—

22 “(A) the words ‘Protected Design’, the abbrevi-
23 ation ‘Prot’d Des.’, or the letter ‘D’ with a circle,
24 or the symbol *D*;

25 “(B) the year of the date on which protection
26 for the design commenced; and

1 “(C) the name of the owner, an abbreviation by
2 which the name can be recognized, or a generally ac-
3 cepted alternative designation of the owner.

4 Any distinctive identification of the owner may be used
5 for purposes of subparagraph (C) if it has been recorded
6 by the Administrator before the design marked with such
7 identification is registered.

8 “(2) After registration, the registration number may
9 be used instead of the elements specified in subparagraphs
10 (B) and (C) of paragraph (1).

11 “(b) LOCATION OF NOTICE.—The design notice shall
12 be so located and applied as to give reasonable notice of
13 design protection while the useful article embodying the
14 design is passing through its normal channels of com-
15 merce.

16 “(c) SUBSEQUENT REMOVAL OF NOTICE.—When the
17 owner of a design has complied with the provisions of this
18 section, protection under this chapter shall not be affected
19 by the removal, destruction, or obliteration by others of
20 the design notice on an article.

21 **“§ 1207. Effect of omission of notice**

22 “(a) ACTIONS WITH NOTICE.—Except as provided in
23 subsection (b), the omission of the notice prescribed in sec-
24 tion 1206 shall not cause loss of the protection under this
25 chapter or prevent recovery for infringement under this

1 chapter against any person who, after receiving written
 2 notice of the design protection, begins an undertaking
 3 leading to infringement under this chapter.

4 “(b) ACTIONS WITHOUT NOTICE.—The omission of
 5 the notice prescribed in section 1206 shall prevent any re-
 6 covery under section 1223 against a person who began an
 7 undertaking leading to infringement under this chapter
 8 before receiving written notice of the design protection. No
 9 injunction shall be issued under this chapter with respect
 10 to such undertaking unless the owner of the design reim-
 11 burses that person for any reasonable expenditure or con-
 12 tractual obligation in connection with such undertaking
 13 that was incurred before receiving written notice of the
 14 design protection, as the court in its discretion directs.
 15 The burden of providing written notice of design protec-
 16 tion shall be on the owner of the design.

17 **“§ 1208. Exclusive rights**

18 “The owner of a design protected under this chapter
 19 has the exclusive right to—

20 “(1) make, have made, or import, for sale or
 21 for use in trade, any useful article embodying that
 22 design; and

23 “(2) sell or distribute for sale or for use in
 24 trade any useful article embodying that design.

1 **“§ 1209. Infringement**

2 “(a) ACTS OF INFRINGEMENT.—Except as provided
3 in subsection (b), it shall be infringement of the exclusive
4 rights in a design protected under this chapter for any
5 person, without the consent of the owner of the design,
6 within the United States and during the term of such pro-
7 tection, to—

8 “(1) make, have made, or import, for sale or
9 for use in trade, any infringing article as defined in
10 subsection (e); or

11 “(2) sell or distribute for sale or for use in
12 trade any such infringing article.

13 “(b) ACTS OF SELLERS AND DISTRIBUTORS.—A sell-
14 er or distributor of an infringing article who did not make
15 or import the article shall be deemed to have infringed
16 on a design protected under this chapter only if that per-
17 son—

18 “(1) induced or acted in collusion with a manu-
19 facturer to make, or an importer to import such ar-
20 ticle, except that merely purchasing or giving an
21 order to purchase such article in the ordinary course
22 of business shall not of itself constitute such induce-
23 ment or collusion; or

24 “(2) refused or failed, upon the request of the
25 owner of the design, to make a prompt and full dis-
26 closure of that person’s source of such article, and

1 that person orders or reorders such article after re-
2 ceiving notice by registered or certified mail of the
3 protection subsisting in the design.

4 “(c) ACTS WITHOUT KNOWLEDGE.—It shall not be
5 infringement under this section to make, have made, im-
6 port, sell, or distribute, any article embodying a design
7 which was created without knowledge that a design was
8 protected under this chapter and was copied from such
9 protected design.

10 “(d) ACTS IN ORDINARY COURSE OF BUSINESS.—A
11 person who incorporates into that person’s product of
12 manufacture an infringing article acquired from others in
13 the ordinary course of business, or who, without knowl-
14 edge of the protected design embodied in an infringing ar-
15 ticle, makes or processes the infringing article for the ac-
16 count of another person in the ordinary course of business,
17 shall not be deemed to have infringed the rights in that
18 design under this chapter except under a condition con-
19 tained in paragraph (1) or (2) of subsection (b). Accepting
20 an order or reorder from the source of the infringing arti-
21 cle shall be deemed ordering or reordering within the
22 meaning of subsection (b)(2).

23 “(e) INFRINGING ARTICLE DEFINED.—As used in
24 this section, an ‘infringing article’ is any article the design
25 of which has been copied from a design protected under

1 this chapter, without the consent of the owner of the pro-
 2 tected design. An infringing article is not an illustration
 3 or picture of a protected design in an advertisement, book,
 4 periodical, newspaper, photograph, broadcast, motion pic-
 5 ture, or similar medium. A design shall not be deemed to
 6 have been copied from a protected design if it is original
 7 and not substantially similar in appearance to a protected
 8 design.

9 “(f) ESTABLISHING ORIGINALITY.—The party to any
 10 action or proceeding under this chapter who alleges rights
 11 under this chapter in a design shall have the burden of
 12 establishing the design’s originality whenever the opposing
 13 party introduces an earlier work which is identical to such
 14 design, or so similar as to make prima facie showing that
 15 such design was copied from such work.

16 “(g) REPRODUCTION FOR TEACHING OR ANALY-
 17 SIS.—It is not an infringement of the exclusive rights of
 18 a design owner for a person to reproduce the design in
 19 a useful article or in any other form solely for the purpose
 20 of teaching, analyzing, or evaluating the appearance, con-
 21 cepts, or techniques embodied in the design, or the func-
 22 tion of the useful article embodying the design.

23 **“§ 1210. Application for registration**

24 “(a) TIME LIMIT FOR APPLICATION FOR REGISTRA-
 25 TION.—Protection under this chapter shall be lost if appli-

1 cation for registration of the design is not made within
 2 two years after the date on which the design is first made
 3 public.

4 “(b) WHEN DESIGN IS MADE PUBLIC.—A design is
 5 made public when an existing useful article embodying the
 6 design is anywhere publicly exhibited, publicly distributed,
 7 or offered for sale or sold to the public by the owner of
 8 the design or with the owner’s consent.

9 “(c) APPLICATION BY OWNER OF DESIGN.—Applica-
 10 tion for registration may be made by the owner of the de-
 11 sign.

12 “(d) CONTENTS OF APPLICATION.—The application
 13 for registration shall be made to the Administrator and
 14 shall state—

15 “(1) the name and address of the designer or
 16 designers of the design;

17 “(2) the name and address of the owner if dif-
 18 ferent from the designer;

19 “(3) the specific name of the useful article em-
 20 bodying the design;

21 “(4) the date, if any, that the design was first
 22 made public, if such date was earlier than the date
 23 of the application;

24 “(5) affirmation that the design has been fixed
 25 in a useful article; and

1 “(6) such other information as may be required
2 by the Administrator.

3 The application for registration may include a description
4 setting forth the salient features of the design, but the
5 absence of such a description shall not prevent registration
6 under this chapter.

7 “(e) SWORN STATEMENT.—The application for reg-
8 istration shall be accompanied by a statement under oath
9 by the applicant or the applicant’s duly authorized agent
10 or representative, setting forth, to the best of the appli-
11 cant’s knowledge and belief—

12 “(1) that the design is original and was created
13 by the designer or designers named in the applica-
14 tion;

15 “(2) that the design has not previously been
16 registered on behalf of the applicant or the appli-
17 cant’s predecessor in title; and

18 “(3) that the applicant is the person entitled to
19 protection and to registration under this chapter.

20 If the design has been made public with the design notice
21 prescribed in section 1206, the statement shall also de-
22 scribe the exact form and position of the design notice.

23 “(f) EFFECT OF ERRORS.—(1) Error in any state-
24 ment or assertion as to the utility of the useful article
25 named in the application under this section, the design

1 of which is sought to be registered, shall not affect the
 2 protection secured under this chapter.

3 “(2) Errors in omitting a joint designer or in naming
 4 an alleged joint designer shall not affect the validity of
 5 the registration, or the actual ownership or the protection
 6 of the design, unless it is shown that the error occurred
 7 with deceptive intent.

8 “(g) DESIGN MADE IN SCOPE OF EMPLOYMENT.—
 9 In a case in which the design was made within the regular
 10 scope of the designer’s employment and individual author-
 11 ship of the design is difficult or impossible to ascribe and
 12 the application so states, the name and address of the em-
 13 ployer for whom the design was made may be stated in-
 14 stead of that of the individual designer.

15 “(h) PICTORIAL REPRESENTATION OF DESIGN.—
 16 The application for registration shall be accompanied by
 17 two copies of a drawing or other pictorial representation
 18 of the useful article embodying the design, having one or
 19 more views, adequate to show the design, in a form and
 20 style suitable for reproduction, which shall be deemed a
 21 part of the application.

22 “(i) DESIGN IN MORE THAN ONE USEFUL ARTI-
 23 CLE.—If the distinguishing elements of a design are in
 24 substantially the same form in different useful articles, the
 25 design shall be protected as to all such useful articles when

1 protected as to one of them, but not more than one reg-
 2 istration shall be required for the design.

3 “(j) APPLICATION FOR MORE THAN ONE DESIGN.—
 4 More than one design may be included in the same appli-
 5 cation under such conditions as may be prescribed by the
 6 Administrator. For each design included in an application
 7 the fee prescribed for a single design shall be paid.

8 **“§ 1211. Benefit of earlier filing date in foreign coun-
 9 try**

10 “An application for registration of a design filed in
 11 the United States by any person who has, or whose legal
 12 representative or predecessor or successor in title has, pre-
 13 viously filed an application for registration of the same
 14 design in a foreign country which extends to designs of
 15 owners who are citizens of the United States, or to appli-
 16 cations filed under this chapter, similar protection to that
 17 provided under this chapter shall have that same effect
 18 as if filed in the United States on the date on which the
 19 application was first filed in such foreign country, if the
 20 application in the United States is filed within 6 months
 21 after the earliest date on which any such foreign applica-
 22 tion was filed.

23 **“§ 1212. Oaths and acknowledgments**

24 “(a) IN GENERAL.—Oaths and acknowledgments re-
 25 quired by this chapter—

1 “(1) may be made—

2 “(A) before any person in the United
3 States authorized by law to administer oaths; or

4 “(B) when made in a foreign country, be-
5 fore any diplomatic or consular officer of the
6 United States authorized to administer oaths,
7 or before any official authorized to administer
8 oaths in the foreign country concerned, whose
9 authority shall be proved by a certificate of a
10 diplomatic or consular officer of the United
11 States; and

12 “(2) shall be valid if they comply with the laws
13 of the State or country where made.

14 “(b) WRITTEN DECLARATION IN LIEU OF OATH.—

15 (1) The Administrator may by rule prescribe that any doc-
16 ument which is to be filed under this chapter in the Office
17 of the Administrator and which is required by any law,
18 rule, or other regulation to be under oath, may be sub-
19 scribed to by a written declaration in such form as the
20 Administrator may prescribe, and such declaration shall
21 be in lieu of the oath otherwise required.

22 “(2) Whenever a written declaration under paragraph
23 (1) is used, the document containing the declaration shall
24 state that willful false statements are punishable by fine
25 or imprisonment, or both, pursuant to section 1001 of title

1 18, and may jeopardize the validity of the application or
 2 document or a registration resulting therefrom.

3 **“§ 1213. Examination of application and issue or re-**
 4 **fusal of registration**

5 “(a) DETERMINATION OF REGISTRABILITY OF DE-
 6 SIGN; REGISTRATION.—Upon the filing of an application
 7 for registration in proper form under section 1210, and
 8 upon payment of the fee prescribed under section 1216,
 9 the Administrator shall determine whether or not the ap-
 10 plication relates to a design which on its face appears to
 11 be subject to protection under this chapter, and, if so, the
 12 Register shall register the design. Registration under this
 13 subsection shall be announced by publication. The date of
 14 registration shall be the date of publication.

15 “(b) REFUSAL TO REGISTER; RECONSIDERATION.—
 16 If, in the judgment of the Administrator, the application
 17 for registration relates to a design which on its face is
 18 not subject to protection under this chapter, the Adminis-
 19 trator shall send to the applicant a notice of refusal to
 20 register and the grounds for the refusal. Within 3 months
 21 after the date on which the notice of refusal is sent, the
 22 applicant may, by written request, seek reconsideration of
 23 the application. After consideration of such a request, the
 24 Administrator shall either register the design or send to
 25 the applicant a notice of final refusal to register.

1 “(c) APPLICATION TO CANCEL REGISTRATION.—Any
2 person who believes he or she is or will be damaged by
3 a registration under this chapter may, upon payment of
4 the prescribed fee, apply to the Administrator at any time
5 to cancel the registration on the ground that the design
6 is not subject to protection under this chapter, stating the
7 reasons for the request. Upon receipt of an application for
8 cancellation, the Administrator shall send to the owner of
9 the design, as shown in the records of the Office of the
10 Administrator, a notice of the application, and the owner
11 shall have a period of 3 months after the date on which
12 such notice is mailed in which to present arguments to
13 the Administrator for support of the validity of the reg-
14 istration. The Administrator shall also have the authority
15 to establish, by regulation, conditions under which the op-
16 posing parties may appear and be heard in support of
17 their arguments. If, after the periods provided for the
18 presentation of arguments have expired, the Administrator
19 determines that the applicant for cancellation has estab-
20 lished that the design is not subject to protection under
21 this chapter, the Administrator shall order the registration
22 stricken from the record. Cancellation under this sub-
23 section shall be announced by publication, and notice of
24 the Administrator’s final determination with respect to

1 any application for cancellation shall be sent to the appli-
 2 cant and to the owner of record.

3 **“§ 1214. Certification of registration**

4 “Certificates of registration shall be issued in the
 5 name of the United States under the seal of the Office
 6 of the Administrator and shall be recorded in the official
 7 records of the Office. The certificate shall state the name
 8 of the useful article, the date of filing of the application,
 9 the date of registration, and the date the design was made
 10 public, if earlier than the date of filing of the application,
 11 and shall contain a reproduction of the drawing or other
 12 pictorial representation of the design. If a description of
 13 the salient features of the design appears in the applica-
 14 tion, the description shall also appear in the certificate.
 15 A certificate of registration shall be admitted in any court
 16 as prima facie evidence of the facts stated in the certifi-
 17 cate.

18 **“§ 1215. Publication of announcements and indexes**

19 “(a) PUBLICATIONS OF THE ADMINISTRATOR.—The
 20 Administrator shall publish lists and indexes of registered
 21 designs and cancellations of designs and may also publish
 22 the drawings or other pictorial representations of reg-
 23 istered designs for sale or other distribution.

24 “(b) FILE OF REPRESENTATIVES OF REGISTERED
 25 DESIGNS.—The Administrator shall establish and main-

1 tain a file of the drawings or other pictorial representa-
2 tions of registered designs. The file shall be available for
3 use by the public under such conditions as the Adminis-
4 trator may prescribe.

5 **“§ 1216. Fees**

6 “The Administrator shall by regulation set reason-
7 able fees for the filing of applications to register designs
8 under this chapter and for other services relating to the
9 administration of this chapter, taking into consideration
10 the cost of providing these services and the benefit of a
11 public record.

12 **“§ 1217. Regulations**

13 “The Administrator may establish regulations for the
14 administration of this chapter.

15 **“§ 1218. Copies of records**

16 “Upon payment of the prescribed fee, any person may
17 obtain a certified copy of any official record of the Office
18 of the Administrator that relates to this chapter. That
19 copy shall be admissible in evidence with the same effect
20 as the original.

21 **“§ 1219. Correction of errors in certificates**

22 “The Administrator may, by a certificate of correc-
23 tion under seal, correct any error in a registration in-
24 curred through the fault of the Office, or, upon payment
25 of the required fee, any error of a clerical or typographical

1 nature occurring in good faith but not through the fault
 2 of the Office. Such registration, together with the certifi-
 3 cate, shall thereafter have the same effect as if it had been
 4 originally issued in such corrected form.

5 **“§ 1220. Ownership and transfer**

6 “(a) PROPERTY RIGHT IN DESIGN.—The property
 7 right in a design subject to protection under this chapter
 8 shall vest in the designer, the legal representatives of a
 9 deceased designer or of one under legal incapacity, the em-
 10 ployer for whom the designer created the design in the
 11 case of a design made within the regular scope of the de-
 12 signer’s employment, or a person to whom the rights of
 13 the designer or of such employer have been transferred.
 14 The person in whom the property right is vested shall be
 15 considered the owner of the design.

16 “(b) TRANSFER OF PROPERTY RIGHT.—The prop-
 17 erty right in a registered design, or a design for which
 18 an application for registration has been or may be filed,
 19 may be assigned, granted, conveyed, or mortgaged by an
 20 instrument in writing, signed by the owner, or may be be-
 21 queathed by will.

22 “(c) OATH OR ACKNOWLEDGMENT OF TRANSFER.—
 23 An oath or acknowledgment under section 1212 shall be
 24 prima facie evidence of the execution of an assignment,
 25 grant, conveyance, or mortgage under subsection (b).

1 “(d) RECORDATION OF TRANSFER.—An assignment,
 2 grant, conveyance, or mortgage under subsection (b) shall
 3 be void as against any subsequent purchaser or mortgagee
 4 for a valuable consideration, unless it is recorded in the
 5 Office of the Administrator within 3 months after its date
 6 of execution or before the date of such subsequent pur-
 7 chase or mortgage.

8 **“§ 1221. Remedy for infringement**

9 “(a) IN GENERAL.—The owner of a design is enti-
 10 tled, after issuance of a certificate of registration of the
 11 design under this chapter, to institute an action for any
 12 infringement of the design.

13 “(b) REVIEW OF REFUSAL TO REGISTER.—(1) Sub-
 14 ject to paragraph (2), the owner of a design may seek judi-
 15 cial review of a final refusal of the Administrator to reg-
 16 ister the design under this chapter by bringing a civil ac-
 17 tion, and may in the same action, if the court adjudges
 18 the design subject to protection under this chapter, en-
 19 force the rights in that design under this chapter.

20 “(2) The owner of a design may seek judicial review
 21 under this section if—

22 “(A) the owner has previously duly filed and
 23 prosecuted to final refusal an application in proper
 24 form for registration of the design;

1 “(B) the owner causes a copy of the complaint
2 in the action to be delivered to the Administrator
3 within 10 days after the commencement of the ac-
4 tion; and

5 “(C) the defendant has committed acts in re-
6 spect to the design which would constitute infringe-
7 ment with respect to a design protected under this
8 chapter.

9 “(c) ADMINISTRATOR AS PARTY TO ACTION.—The
10 Administrator may, at the Administrator’s option, become
11 a party to the action with respect to the issue of
12 registrability of the design claim by entering an appear-
13 ance within 60 days after being served with the complaint,
14 but the failure of the Administrator to become a party
15 shall not deprive the court of jurisdiction to determine that
16 issue.

17 “(d) USE OF ARBITRATION TO RESOLVE DISPUTE.—
18 The parties to an infringement dispute under this chapter,
19 within such time as may be specified by the Administrator
20 by regulation, may determine the dispute, or any aspect
21 of the dispute, by arbitration. Arbitration shall be gov-
22 erned by title 9. The parties shall give notice of any arbi-
23 tration award to the Administrator, and such award shall,
24 as between the parties to the arbitration, be dispositive
25 of the issues to which it relates. The arbitration award

1 shall be unenforceable until such notice is given. Nothing
 2 in this subsection shall preclude the Administrator from
 3 determining whether a design is subject to registration in
 4 a cancellation proceeding under section 1213(c).

5 **§ 1222. Injunctions**

6 “(a) IN GENERAL.—A court having jurisdiction over
 7 actions under this chapter may grant injunctions in ac-
 8 cordance with the principles of equity to prevent infringe-
 9 ment of a design under this chapter, including, in its dis-
 10 cretion, prompt relief by temporary restraining orders and
 11 preliminary injunctions.

12 “(b) DAMAGES FOR INJUNCTIVE RELIEF WRONG-
 13 FULLY OBTAINED.—A seller or distributor who suffers
 14 damage by reason of injunctive relief wrongfully obtained
 15 under this section has a cause of action against the appli-
 16 cant for such injunctive relief and may recover such relief
 17 as may be appropriate, including damages for lost profits,
 18 cost of materials, loss of good will, and punitive damages
 19 in instances where the injunctive relief was sought in bad
 20 faith, and, unless the court finds extenuating cir-
 21 cumstances, reasonable attorney’s fees.

22 **“§ 1223. Recovery for infringement**

23 “(a) DAMAGES.—Upon a finding for the claimant in
 24 an action for infringement under this chapter, the court
 25 shall award the claimant damages adequate to compensate

1 for the infringement. In addition, the court may increase
2 the damages to such amount, not exceeding \$50,000 or
3 \$1 per copy, whichever is greater, as the court determines
4 to be just. The damages awarded shall constitute com-
5 pensation and not a penalty. The court may receive expert
6 testimony as an aid to the determination of damages.

7 “(b) INFRINGER’S PROFITS.—As an alternative to
8 the remedies provided in subsection (a), the court may
9 award the claimant the infringer’s profits resulting from
10 the sale of the copies if the court finds that the infringer’s
11 sales are reasonably related to the use of the claimant’s
12 design. In such a case, the claimant shall be required to
13 prove only the amount of the infringer’s sales and the in-
14 fringer shall be required to prove its expenses against such
15 sales.

16 “(c) STATUTE OF LIMITATIONS.—No recovery under
17 subsection (a) or (b) shall be had for any infringement
18 committed more than 3 years before the date on which
19 the complaint is filed.

20 “(d) ATTORNEY’S FEES.—In an action for infringe-
21 ment under this chapter, the court may award reasonable
22 attorney’s fees to the prevailing party.

23 “(e) DISPOSITION OF INFRINGING AND OTHER ARTI-
24 CLES.—The court may order that all infringing articles,
25 and any plates, molds, patterns, models, or other means

1 specifically adapted for making the articles, be delivered
 2 up for destruction or other disposition as the court may
 3 direct.

4 **“§ 1224. Power of court over registration**

5 “In any action involving the protection of a design
 6 under this chapter, the court, when appropriate, may
 7 order registration of a design under this chapter or the
 8 cancellation of such a registration. Any such order shall
 9 be certified by the court to the Administrator, who shall
 10 make an appropriate entry upon the record.

11 **“§ 1225. Liability for action on registration fraudu-**
 12 **lently obtained**

13 “Any person who brings an action for infringement
 14 knowing that registration of the design was obtained by
 15 a false or fraudulent representation materially affecting
 16 the rights under this chapter, shall be liable in the sum
 17 of \$10,000, or such part of that amount as the court may
 18 determine. That amount shall be to compensate the de-
 19 fendant and shall be charged against the plaintiff and paid
 20 to the defendant, in addition to such costs and attorney’s
 21 fees of the defendant as may be assessed by the court.

22 **“§ 1226. Penalty for false marking**

23 “(a) IN GENERAL.—Whoever, for the purpose of de-
 24 ceiving the public, marks upon, applies to, or uses in ad-
 25 vertising in connection with an article made, used, distrib-

1 uted, or sold, a design which is not protected under this
 2 chapter, a design notice specified in section 1206, or any
 3 other words or symbols importing that the design is pro-
 4 tected under this chapter, knowing that the design is not
 5 so protected, shall pay a civil fine of not more than \$500
 6 for each such offense.

7 “(b) **SUIT BY PRIVATE PERSONS.**—Any person may
 8 sue for the penalty established by subsection (a), in which
 9 event one-half of the penalty shall be awarded to the per-
 10 son suing and the remainder shall be awarded to the
 11 United States.

12 **“§ 1227. Penalty for false representation**

13 “Whoever knowingly makes a false representation
 14 materially affecting the rights obtainable under this chap-
 15 ter for the purpose of obtaining registration of a design
 16 under this chapter shall pay a penalty of not less than
 17 \$500 and not more than \$1,000, and any rights or privi-
 18 leges that individual may have in the design under this
 19 chapter shall be forfeited.

20 **“§ 1228. Enforcement by Treasury and Postal Service**

21 “(a) **REGULATIONS.**—The Secretary of the Treasury
 22 and the United States Postal Service shall separately or
 23 jointly issue regulations for the enforcement of the rights
 24 set forth in section 1208 with respect to importation. Such
 25 regulations may require, as a condition for the exclusion

1 of articles from the United States, that the person seeking
2 exclusion take any one or more of the following actions:

3 “(1) Obtain a court order enjoining, or an order
4 of the International Trade Commission under sec-
5 tion 337 of the Tariff Act of 1930 excluding, impor-
6 tation of the articles.

7 “(2) Furnish proof that the design involved is
8 protected under this chapter and that the importa-
9 tion of the articles would infringe the rights in the
10 design under this chapter.

11 “(3) Post a surety bond for any injury that
12 may result if the detention or exclusion of the arti-
13 cles proves to be unjustified.

14 “(b) SEIZURE AND FORFEITURE.—Articles imported
15 in violation of the rights set forth in section 1208 are sub-
16 ject to seizure and forfeiture in the same manner as prop-
17 erty imported in violation of the customs laws. Any such
18 forfeited articles shall be destroyed as directed by the Sec-
19 retary of the Treasury or the court, as the case may be,
20 except that the articles may be returned to the country
21 of export whenever it is shown to the satisfaction of the
22 Secretary of the Treasury that the importer had no rea-
23 sonable grounds for believing that his or her acts con-
24 stituted a violation of the law.

1 **“§ 1229. Relation to design patent law**

2 “The issuance of a design patent under title 35 for
3 an original design for an article of manufacture shall ter-
4 minate any protection of the original design under this
5 chapter.

6 **“§ 1230. Common law and other rights unaffected**

7 “Nothing in this chapter shall annul or limit—
8 “(1) common law or other rights or remedies,
9 if any, available to or held by any person with re-
10 spect to a design which has not been registered
11 under this chapter; or
12 “(2) any right under the trademark laws or any
13 right protected against unfair competition.

14 **“§ 1231. Administrator; Office of the Administrator**

15 “In this chapter, the ‘Administrator’ is the Register
16 of Copyrights, and the ‘Office of the Administrator’ and
17 the ‘Office’ refer to the Copyright Office of the Library
18 of Congress.

19 **“§ 1232. No retroactive effect**

20 “Protection under this chapter shall not be available
21 for any design that has been made public under section
22 1210(b) before the effective date of this chapter.”.

1 **SEC. 3. CONFORMING AMENDMENTS.**

2 (a) TABLE OF CHAPTERS.—The table of chapters for
3 title 17, United States Code, is amended by adding at the
4 end the following:

“12. Protection of Original Designs 1201”.

5 (b) JURISDICTION OF DISTRICT COURTS OVER DE-
6 SIGN ACTIONS.—(1) Section 1338(c) of title 28, United
7 States Code, is amended by inserting “, and to exclusive
8 rights in designs under chapter 12 of title 17,” after “title
9 17”.

10 (2)(A) The section heading for section 1338 of title
11 28, United States Code, is amended by inserting “**de-**
12 **signs,**” after “**mask works,**”.

13 (B) The item relating to section 1338 in the table
14 of sections at the beginning of chapter 85 of title 28,
15 United States Code, is amended by inserting “designs,”
16 after “mask works,”.

17 (c) PLACE FOR BRINGING DESIGN ACTIONS.—Sec-
18 tion 1400(a) of title 28, United States Code, is amended
19 by inserting “or designs” after “mask works”.

20 (d) ACTIONS AGAINST THE UNITED STATES.—Sec-
21 tion 1498(e) of title 28, United States Code, is amended
22 by inserting “, and to exclusive rights in designs under
23 chapter 12 of title 17,” after “title 17”.

1 **SEC. 4. EFFECTIVE DATE.**

2 The amendments made by sections 2 and 3 shall take
3 effect one year after the date of the enactment of this Act.

○