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105TH CONGRESS
1ST SESSION

H. R. 2696

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

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 22, 1997

Mr. COBLE (for himself and Mr. SHAW) introduced the following bill; which was 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 CERTAIN**
 2 **ORIGINAL 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 and copyright law.
- “1230. Common law and other rights unaffected.
- “1231. Administrator.
- “1232. No retroactive effect.

3 **“§ 1201. Designs protected**

4 “(a) **DESIGNS PROTECTED: VESSEL HULLS OR COM-**
 5 **PONENT PARTS THEREOF.**—The designer or other owner
 6 of an original design of a vessel hull or a component part
 7 thereof, including a plug or mold, which makes the vessel
 8 attractive or distinctive in appearance to the purchasing
 9 or using public may secure the protection provided by this
 10 chapter upon complying with and subject to this chapter.

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

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

8 “(2) A ‘useful article’ is an article which in nor-
9 mal use has an intrinsic utilitarian function that is
10 not merely to portray the appearance of the article
11 or to convey information. An article which normally
12 is a part of a useful article shall be deemed to be
13 a useful article.

14 “(3) A ‘vessel’ is a craft, especially one larger
15 than a rowboat, designed to navigate on water.

16 “(4) A ‘hull’ is the frame or body of a vessel,
17 exclusive of masts, sails, yards, and rigging.

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

24 “(6) A ‘mold’ means a matrix or form in which
25 a substance for material is used, regardless of

1 whether the matrix or form has an intrinsic utilitar-
2 ian function that is not only to portray the appear-
3 ance of the product or to convey information.

4 **“§ 1202. Designs not subject to protection**

5 “Protection under this chapter shall not be available
6 for a design that is—

7 “(1) not original;

8 “(2) staple or commonplace, such as a standard
9 geometric figure, familiar symbol, emblem, or motif,
10 or other shape, pattern, or configuration which has
11 become standard, common, prevalent, or ordinary;

12 “(3) different from a design excluded by para-
13 graph (2) only in insignificant details or in elements
14 which are variants commonly used in the relevant
15 trades; or

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

21 **“§ 1203. Revisions, adaptations, and rearrangements**

22 “Protection for a design under this chapter shall be
23 available notwithstanding the employment in the design
24 of subject matter excluded from protection under section
25 1202 if the design is a substantial revision, adaptation,

1 or rearrangement of such subject matter. Such protection
2 shall be independent of any subsisting protection in sub-
3 ject matter employed in the design, and shall not be con-
4 strued as securing any right to subject matter excluded
5 from protection under this chapter or as extending any
6 subsisting protection under this chapter.

7 **“§ 1204. Commencement of protection**

8 “The protection provided for a design under this
9 chapter shall commence upon the earlier of the date of
10 publication of the registration under section 1213(a) or
11 the date the design is first made public as defined by sec-
12 tion 1210(b).

13 **“§ 1205. Term of protection**

14 “(a) IN GENERAL.—Subject to subsection (b), the
15 protection provided under this chapter for a design shall
16 continue for a term of 10 years from the date of the com-
17 mencement of protection under section 1204.

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

21 “(c) TERMINATION OF RIGHTS.—Upon expiration or
22 termination of protection in a particular design under this
23 chapter, all rights under this chapter in the design shall
24 terminate, regardless of the number of different articles

1 in which the design may have been used during the term
2 of its protection.

3 **“§ 1206. Design notice**

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

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

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

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

18 Any distinctive identification of the owner may be used
19 for purposes of subparagraph (C) if it has been approved
20 and recorded by the Administrator before the design
21 marked with such identification is registered.

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

1 “(b) LOCATION OF NOTICE.—The design notice shall
2 be so located and applied as to give reasonable notice of
3 design protection while the vessel hull embodying the de-
4 sign is passing through its normal channels of commerce.

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

10 **“§ 1207. Effect of omission of notice**

11 “(a) ACTIONS WITH NOTICE.—Except as provided in
12 subsection (b), the omission of the notice prescribed in sec-
13 tion 1206 shall not cause loss of the protection under this
14 chapter or prevent recovery for infringement under this
15 chapter against any person who, after receiving written
16 notice of the design protection, begins an undertaking
17 leading to infringement under this chapter.

18 “(b) ACTIONS WITHOUT NOTICE.—The omission of
19 the notice prescribed in section 1406 shall prevent any re-
20 covery under section 1223 against a person who began an
21 undertaking leading to infringement under this chapter
22 before receiving written notice of the design protection. No
23 injunction shall be issued under this chapter with respect
24 to such undertaking unless the owner of the design reim-
25 burses that person for any reasonable expenditure or con-

1 tractual obligation in connection with such undertaking
2 that was incurred before receiving written notice of the
3 design protection, as the court in its discretion directs.
4 The burden of providing written notice of design protec-
5 tion shall be on the owner of the design.

6 **“§ 1208. Exclusive rights**

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

9 “(1) make, have made, or import, for sale or
10 for use in trade, any vessel hull embodying that de-
11 sign; and

12 “(2) sell or distribute for sale or for use in
13 trade any vessel hull embodying that design.

14 **“§ 1209. Infringement**

15 “(a) ACTS OF INFRINGEMENT.—Except as provided
16 in subsection (b), it shall be infringement of the exclusive
17 rights in a design protected under this chapter for any
18 person, without the consent of the owner of the design,
19 within the United States and during the term of such pro-
20 tection, to—

21 “(1) make, have made, or import, for sale or
22 for use in trade, any infringing article as defined in
23 subsection (e); or

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

1 “(b) ACTS OF SELLERS AND DISTRIBUTORS.—A sell-
2 er or distributor of an infringing article who did not make
3 or import the vessel hull shall be deemed to have infringed
4 on a design protected under this chapter only if that per-
5 son—

6 “(1) induced or acted in collusion with a manu-
7 facturer to make, or an importer to import such ar-
8 ticle, except that merely purchasing or giving an
9 order to purchase a vessel hull in the ordinary
10 course of business shall not of itself constitute such
11 inducement or collusion; or

12 “(2) refused or failed, upon the request of the
13 owner of the design, to make a prompt and full dis-
14 closure of that person’s source of such vessel hull,
15 and that person orders or reorders such article after
16 having receiving notice by registered or certified mail
17 of the protection subsisting in the design.

18 “(c) ACTS WITHOUT KNOWLEDGE.—It shall not be
19 infringement under this section to make, have made, im-
20 port, sell, or distribute, any vessel hull embodying a design
21 which was created without knowledge that a design was
22 protected under this chapter and was copied from such
23 protected design.

24 “(d) ACTS IN ORDINARY COURSE OF BUSINESS.—A
25 person who incorporates into that person’s product of

1 manufacture an infringing article acquired from others in
2 the ordinary course of business, or who, without knowl-
3 edge of the protected design embodied in an infringing ar-
4 ticle, makes or processes the infringing article for the ac-
5 count of another person in the ordinary course of business,
6 shall not be deemed to have infringed the rights in that
7 design under this chapter except under a condition con-
8 tained in paragraph (1) or (2) of subsection (b). Accepting
9 an order or reorder from the source of the infringing arti-
10 cle shall be deemed ordering or reordering within the
11 meaning of subsection (b)(2).

12 “(e) INFRINGING ARTICLE DEFINED.—As used in
13 this section, an ‘infringing article’ is any article the design
14 of which has been copied from a design protected under
15 this chapter, without the consent of the owner of the pro-
16 tected design. An infringing article is not an illustration
17 or picture of a protected design in an advertisement, book,
18 periodical, newspaper, photograph, broadcast, motion pic-
19 ture, or similar medium or an article that embodies, in
20 common with the protected design, only elements de-
21 scribed in section 1202. A design shall not be deemed to
22 have been copied from a protected design if it is original
23 and not substantially similar in appearance to a protected
24 design.

1 “(f) ESTABLISHING ORIGINALITY.—The party to any
2 action or proceeding under this chapter who alleges rights
3 under this chapter in a design shall have the burden of
4 establishing the design’s originality whenever the opposing
5 party introduces an earlier work which is identical to such
6 design, or so similar as to make prima facie showing that
7 such design was copied from such work.

8 “(g) REPRODUCTION FOR TEACHING OR ANALY-
9 SIS.—It is not an infringement of the exclusive rights of
10 a design owner for a person to reproduce the design in
11 a vessel hull or in any other form solely for the purpose
12 of teaching, analyzing, or evaluating the appearance, con-
13 cepts, or techniques embodied in the design, or the func-
14 tion of the vessel hull embodying the design.

15 **“§ 1210. Application for registration**

16 “(a) TIME LIMIT FOR APPLICATION FOR REGISTRA-
17 TION.—Protection under this chapter shall be lost if appli-
18 cation for registration of the design is not made within
19 one year after the date on which the design is first made
20 public.

21 “(b) WHEN DESIGN IS MADE PUBLIC.—A design is
22 made public when an existing vessel hull embodying the
23 design is anywhere publicly exhibited, publicly distributed,
24 or offered for sale or sold to the public by the owner of
25 the design or with the owner’s consent.

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

4 “(d) CONTENTS OF APPLICATION.—The application
5 for registration shall be made to the Administrator and
6 shall state—

7 “(1) the name and address of the designer or
8 designers of the design;

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

11 “(3) the specific name of the vessel hull em-
12 bodying the design;

13 “(4) the date, if any, that the design was first
14 made public, if such date was earlier than the date
15 of the application;

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

18 “(6) such other information as may be required
19 by the Administrator.

20 The application for registration may include a description
21 setting forth the salient features of the design, but the
22 absence of such a description shall not prevent registration
23 under this chapter.

24 “(e) SWORN STATEMENT.—The application for reg-
25 istration shall be accompanied by a statement under oath

1 by the applicant or the applicant's duly authorized agent
2 or representative, setting forth, to the best of the appli-
3 cant's knowledge and belief—

4 “(1) that the design is original and was created
5 by the designer or designers named in the applica-
6 tion;

7 “(2) that the design has not previously been
8 registered on behalf of the applicant or the appli-
9 cant's predecessor in title; and

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

12 If the design has been made public with the design notice
13 prescribed in section 1406, the statement shall also de-
14 scribed the exact form and position of the design notice.

15 “(f) EFFECT OF ERRORS.—(1) Error in any state-
16 ment or assertion as to the utility of the vessel hull named
17 in the application, the design of which is sought to be reg-
18 istered, shall not affect the protection secured under this
19 chapter.

20 “(2) Errors in omitting a joint designer or in naming
21 an alleged joint designer shall not affect the validity of
22 the registration, or the actual ownership or the protection
23 of the design, unless it is shown that the error occurred
24 with deceptive intent.

1 “(g) DESIGN MADE IN SCOPE OF EMPLOYMENT.—

2 In a case in which the design was made within the regular
3 scope of the designer’s employment and individual author-
4 ship of the design is difficult or impossible to ascribe and
5 the application so states, the name and address of the em-
6 ployer for whom the design was made may be stated in-
7 stead of that of the individual designer.

8 “(h) PICTORIAL REPRESENTATION OF DESIGN.—

9 The application for registration shall be accompanied by
10 two copies of a drawing or other pictorial representation
11 of the vessel hull having one or more views, adequate to
12 show the design, in a form and style suitable for reproduc-
13 tion, which shall be deemed a part of the application.

14 “(i) DESIGN IN MORE THAN ONE USEFUL ARTI-

15 CLE.—If the distinguishing elements of a design are in
16 substantially the same form in different vessel hulls, the
17 design shall be protected as to all such vessel hulls when
18 protected as to one of them, but not more than one reg-
19 istration shall be required for the design.

20 “(j) APPLICATION FOR MORE THAN ONE DESIGN.—

21 More than one design may be included in the same appli-
22 cation under such conditions as may be prescribed by the
23 Administrator. For each design included in an application
24 the fee prescribed for a single design shall be paid.

1 **“§ 1211. Benefit of earlier filing date in foreign coun-**
2 **try**

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

16 **“§ 1212. Oaths and acknowledgments**

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

19 “(1) may be made—

20 “(A) before any person in the United
21 States authorized by law to administer oaths,
22 or

23 “(B) when made in a foreign country, be-
24 fore any diplomatic or consular officer of the
25 United States authorized to administer oaths,
26 or before any official authorized to administer

1 oaths in the foreign country concerned, whose
2 authority shall be proved by a certificate of a
3 diplomatic or consular officer of the United
4 States, and

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

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

8 (1) The Administrator may by rule prescribe that any doc-
9 ument which is to be filed under this chapter in the Office
10 of the Administrator and which is required by any law,
11 rule, or other regulation to be under oath, may be sub-
12 scribed to by a written declaration in such form as the
13 Administrator may prescribe, and such declaration shall
14 be in lieu of the oath otherwise required.

15 “(2) Whenever a written declaration under paragraph
16 (1) is used, the document containing the declaration shall
17 state that willful false statements are punishable by fine
18 or imprisonment, or both, pursuant to section 1001 of title
19 18, and may jeopardize the validity of the application or
20 document or a registration resulting therefrom.

21 **“§ 1213. Examination of application and issue or re-**
22 **fusal of registration**

23 “(a) DETERMINATION OF REGISTRABILITY OF DE-
24 SIGN; REGISTRATION.—Upon the filing of an application
25 for registration in proper form under section 1210, and

1 upon payment of the fee prescribed under section 1216,
2 the Administrator shall determine whether or not the ap-
3 plication relates to a design which on its face appears to
4 be subject to protection under this chapter, and, if so, the
5 Register shall register the design. Registration under this
6 subsection shall be announced by publication. The date of
7 registration shall be the date of publication.

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

19 “(c) APPLICATION TO CANCEL REGISTRATION.—Any
20 person who believes he or she is or will be damaged by
21 a registration under this chapter may, upon payment of
22 the prescribed fee, apply to the Administrator at any time
23 to cancel the registration on the ground that the design
24 is not subject to protection under this chapter, stating the
25 reasons for the request. Upon receipt of an application for

1 cancellation, the Administrator shall send to the owner of
2 the design, as shown in the records of the Office of the
3 Administrator, a notice of the application, and the owner
4 shall have a period of 3 months after the date on which
5 such notice is mailed in which to present arguments to
6 the Administrator for support of the validity of the reg-
7 istration. It shall also be within the authority of the Ad-
8 ministrator to establish, by regulation, conditions under
9 which the opposing parties may appear and be heard in
10 support of their arguments. If, after the periods provided
11 for the presentation of arguments have expired, the Ad-
12 ministrator determines that the applicant for cancellation
13 has established that the design is not subject to protection
14 under this chapter, the Administrator shall order the reg-
15 istration stricken from the record. Cancellation under this
16 subsection shall be announced by publication, and notice
17 of the Administrator's final determination with respect to
18 any application for cancellation shall be sent to the appli-
19 cant and to the owner of record.

20 **“§ 1214. Certification of registration**

21 “Certificates of registration shall be issued in the
22 name of the United States under the seal of the Office
23 of the Register and shall be recorded in the official records
24 of that office. The certificate shall state the name of the
25 useful article, the date of filing of the application, the date

1 of registration, and the date the design was made public,
2 if earlier than the date of filing of the application, and
3 shall contain a reproduction of the drawing or other pic-
4 torial representation of the design. If a description of the
5 salient features of the design appears in the application,
6 this description shall also appear in the certificate. A cer-
7 tificate of registration shall be admitted in any court as
8 prima facie evidence of the facts stated in the certificate.

9 **“§ 1215. Publication of announcements and indexes**

10 “(a) PUBLICATIONS OF THE ADMINISTRATOR.—The
11 Administrator shall publish lists and indexes of registered
12 designs and cancellations of designs and may also publish
13 the drawings or other pictorial representations of reg-
14 istered designs for sale or other distribution.

15 “(b) FILE OF REPRESENTATIVES OF REGISTERED
16 DESIGNS.—The Administrator shall establish and main-
17 tain a file of the drawings or other pictorial representa-
18 tions of registered designs. The file shall be available for
19 use by the public under such conditions as the Adminis-
20 trator may prescribe.

21 **“§ 1216. Fees**

22 “‘The Administrator shall by regulation set reason-
23 able fees for the filing of applications to register designs
24 under this chapter and for other services relating to the
25 administration of this chapter, taking into consideration

1 the cost of providing these services and the benefit of a
2 public record.

3 **“§ 1217. Regulations**

4 “The Administrator may establish regulations for the
5 administration of this chapter.

6 **“§ 1218. Copies of records**

7 “Upon payment of the prescribed fee, any person may
8 obtain a certified copy of any official record of the Office
9 of the Administrator that relates to this chapter. That
10 copy shall be admissible in evidence with the same effect
11 as the original.

12 **“§ 1219. Correction of errors in certificates**

13 “The Register may, by a certificate of correction
14 under seal, correct any error in a registration incurred
15 through the fault of the Office, or, upon payment of the
16 required fee, any error of a clerical or typographical na-
17 ture occurring in good faith but not through the fault of
18 the Office. Such registration, together with the certificate,
19 shall thereafter have the same effect as if it had been
20 originally issued in such corrected form.

21 **“§ 1220. Ownership and transfer**

22 “(a) PROPERTY RIGHT IN DESIGN.—The property
23 right in a design subject to protection under this chapter
24 shall vest in the designer, the legal representatives of a
25 deceased designer or of one under legal incapacity, the em-

1 ployer for whom the designer created the design in the
2 case of a design made within the regular scope of the de-
3 signer's employment, or a person to whom the rights of
4 the designer or of such employer have been transferred.
5 The person in whom the property right is vested shall be
6 considered the owner of the design.

7 “(b) TRANSFER OF PROPERTY RIGHT.—The prop-
8 erty right in a registered design, or a design for which
9 an application for registration has been or may be filed,
10 may be assigned, granted, conveyed, or mortgaged by an
11 instrument in writing, signed by the owner, or may be be-
12 queathed by will.

13 “(c) OATH OR AFFIRMATION OF TRANSFER.—An ac-
14 knowledgment under section 1212 shall be prima facie evi-
15 dence of the execution of an assignment, grant, convey-
16 ance, or mortgage under subsection (b).

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

1 **“§ 1221. Remedy for infringement**

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

6 “(b) REVIEW OF REFUSAL TO REGISTER.—(1) Sub-
7 ject to paragraph (2), the owner of a design may seek judi-
8 cial review of a final refusal of the Administrator to reg-
9 ister the design under this chapter by bringing a civil ac-
10 tion, and may in the same action, if the court adjudges
11 the design subject to protection under this chapter, en-
12 force the rights in that design under this chapter.

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

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

18 “(B) the owner causes a copy of the complaint
19 in the action to be delivered to the Administrator
20 within 10 days after the commencement of the ac-
21 tion; and

22 “(C) the defendant has committed acts in re-
23 spect to the design which would constitute infringe-
24 ment with respect to a design protected under this
25 chapter.

1 “(c) ADMINISTRATOR AS PARTY TO ACTION.—The
2 Administrator may at the Administrator’s option, become
3 a party to the action with respect to the issue of
4 registrability of the design claim by entering an appear-
5 ance within 60 days after being served with the complaint,
6 but the Register’s failure to become a party shall not de-
7 prive the court of jurisdiction to determine that issue.

8 “(d) USE OF ARBITRATION TO RESOLVE DISPUTE.—
9 The parties to an infringement dispute under this chapter,
10 within such time as may be specified by the Administrator
11 by regulation, may determine the dispute, or any aspect
12 of the dispute, by arbitration. Arbitration shall be gov-
13 erned by title 9. The parties shall give notice of any arbi-
14 tration award to the Administrator, and such award shall,
15 as between the parties to the arbitration, be dispositive
16 of the issues to which it relates. The arbitration award
17 shall be unenforceable until such notice is given. Nothing
18 in this subsection shall preclude the Administrator from
19 determining whether a design is subject to registration in
20 a cancellation proceeding under section 1213(c).

21 **§ 1222. Injunctions**

22 “(a) IN GENERAL.—A court having jurisdiction over
23 actions under this chapter may grant injunctions in ac-
24 cordance with the principles of equity to prevent infringe-

1 ment, including, in its discretion, prompt relief by tem-
2 porary restraining orders and preliminary injunctions.

3 “(b) DAMAGES FOR INJUNCTIVE RELIEF WRONG-
4 FULLY OBTAINED.—A seller or distributor who suffers
5 damage by reason of injunctive relief wrongfully obtained
6 under this section has a cause of action against the appli-
7 cant for such injunctive relief and may recover such relief
8 as may be appropriate, including damages for lost profits,
9 cost of materials, loss of good will, and punitive damages
10 in instances where the injunctive relief was sought in bade
11 faiths, and, unless the court finds extenuating cir-
12 cumstances, to recover a reasonable attorney’s fee.

13 **“§ 1223. Recovery for infringement**

14 “(a) DAMAGES.—Upon a finding for the claimant in
15 an action for infringement under this chapter, the court
16 shall award the claimant damages adequate to compensate
17 for the infringement. In addition, the court may increase
18 the damages to such amount, not exceeding \$50,000 or
19 \$1 per copy, whichever is greater, as the court determines
20 to be just. The damages awarded shall constitute com-
21 pensation and not a penalty. The court may receive expert
22 testimony as an aid to the determination of damages.

23 “(b) INFRINGER’S PROFITS.—As an alternative to
24 the remedies provided in subsection (a), the court may
25 award the claimant the infringer’s profits resulting from

1 the sale of the copies if the court finds that the infringer's
2 sales are reasonably related to the use of the claimant's
3 design. In such a case, the claimant shall be required to
4 prove only the amount of the infringer's sales and the in-
5 fringer shall be required to prove its expenses against such
6 sales.

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

11 “(d) ATTORNEY'S FEES.—In an action for infringe-
12 ment under this chapter, the court may award reasonable
13 attorney's fees to the prevailing party.

14 “(e) DISPOSITION OF INFRINGING AND OTHER ARTI-
15 CLES.—The court may order that all infringing articles,
16 and any plates, molds, patterns, models, or other means
17 specifically adapted for making the articles, be delivered
18 up for destruction or other disposition as the court may
19 direct.

20 **“§ 1224. Power of court over registration**

21 “In any action involving the protection of a design
22 under this chapter, the court, when appropriate, may
23 order registration of a design under this chapter or the
24 cancellation of such a registration. Any such order shall

1 be certified by the court to the Administrator, who shall
2 make an appropriate entry upon the record.

3 **“§ 1225. Liability for action on registration fraudu-**
4 **lently obtained**

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

14 **“§ 1226. Penalty for false marking**

15 “(a) IN GENERAL.—Whoever, for the purpose of de-
16 ceiving the public, marks upon, applies to, or uses in ad-
17 vertising in connection with an article made, used, distrib-
18 uted, or sold, a design which is not protected under this
19 chapter, a design notice specified in section 1206, or any
20 other words or symbols importing that the design is pro-
21 tected under this chapter, knowing that the design is not
22 so protected, shall pay a civil fine of not more than \$500
23 for each such offense.

24 “(b) SUIT BY PRIVATE PERSONS.—Any person may
25 sue for the penalty established by subsection (a), in which

1 event one-half of the penalty shall be awarded to the per-
2 son suing and the remainder shall be awarded to the Unit-
3 ed States.

4 **“§ 1227. Penalty for false representation**

5 “Whoever knowingly makes a false representation
6 materially affecting the rights obtainable under this chap-
7 ter for the purpose of obtaining registration of a design
8 under this chapter shall pay a penalty of not less than
9 \$500 and not more than \$1,000, and any rights or privi-
10 leges that individual may have in the design under this
11 chapter shall be forfeited.

12 **“§ 1228. Enforcement by Treasury and Postal Service**

13 “(a) REGULATIONS.—The Secretary of the Treasury
14 and the United States Postal Service shall separately or
15 jointly issue regulations for the enforcement of the rights
16 set forth in section 1208 with respect to importation.
17 These regulations may require, as a condition for the ex-
18 clusion of articles from the United States, that the person
19 seeking exclusion take any one or more of the following
20 actions:

21 “(1) Obtain a court order enjoining, or an order
22 of the International Trade Commission under sec-
23 tion 337 of the Tariff Act of 1930 excluding, impor-
24 tation of the articles.

1 “(2) Furnish proof that the design involved is
2 protected under this chapter and that the importa-
3 tion of the articles would infringe the rights in the
4 design under this chapter.

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

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

19 “§ 1229. **Relation to design patent and copyright law**

20 “‘The issuance of a design patent under title 35 for
21 an original design for an article of manufacture, or the
22 issuance of a copyright registration under title 17 for an
23 original design, shall terminate any protection of the origi-
24 nal design under this chapter.

1 **“§ 1230. Common law and other rights unaffected**

2 “Nothing in this chapter shall annul or limit—

3 “(1) common law or other rights or remedies,
4 if any, available to or held by any person with re-
5 spect to a design which has not been registered
6 under this chapter; or

7 “(2) any right under the trademark laws or any
8 right protected against unfair competition.

9 **“§ 1231. Administrator**

10 “The Administrator and Office of the Administrator
11 referred to in this chapter shall be the Register of Copy-
12 rights and the Copyrights Office of the Library of Con-
13 gress, respectively.

14 **“§ 1232. No retroactive effect**

15 “Protection under this chapter shall not be available
16 for any design that has been made public under section
17 1209(b) before the effective date of this chapter.”.

18 **SEC. 3. CONFORMING AMENDMENTS.**

19 (a) JURISDICTION OF DISTRICT COURTS OVER DE-
20 SIGN ACTIONS.—(1) Section 1338(e) of title 28, United
21 States Code, is amended by inserting “, and to exclusive
22 rights in designs under chapter 10 of title 17,” after “title
23 17”.

24 (2)(A) The section heading for section 1338 of title
25 28, United States Code, is amended by inserting “de-
26 signs,” after “mask works,”.

1 (B) The table of sections at the beginning of chapter
2 85 of title 28, United States Code, is amended by inserting
3 “designs,” after “mask words,”.

4 (b) PLACE OF DESIGN ACTIONS.—Section 1400(a) of
5 title 28, United States Code, is amended by inserting “or
6 designs” after “mask words,”.

7 (c) ACTIONS AGAINST THE UNITED STATES.—Sec-
8 tion 1498(e) of title 28, United States Code, is amended
9 by inserting “, and to exclusive rights in designs under
10 chapter 10 of title 17,” after “title 17”.

11 **SEC. 4. EFFECTIVE DATE.**

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

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