

Union Calendar No. 246

105TH CONGRESS
2^D SESSION

H. R. 2696

[Report No. 105-436]

A BILL

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

MARCH 11, 1998

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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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

MARCH 11, 1998

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[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on October 22, 1997]

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 Design*
5 *Protection Act”.*

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

2 *Title 17, United States Code, is amended by adding*
 3 *at the end the following new chapter:*

4 **“CHAPTER 12—PROTECTION OF ORIGINAL**
 5 **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.*

6 **“§ 1201. Designs protected**

7 *“(a) DESIGNS PROTECTED.—*

8 *“(1) IN GENERAL.—The designer or other owner*
 9 *of an original design of a useful article which makes*
 10 *the article attractive or distinctive in appearance to*

1 *the purchasing or using public may secure the protec-*
2 *tion provided by this chapter upon complying with*
3 *and subject to this chapter.*

4 “(2) *VESSEL HULLS OR COMPONENT PARTS*
5 *THEREOF.—The design of a vessel hull or component*
6 *part of a vessel hull, including a plug or mold, is sub-*
7 *ject to protection under this chapter, notwithstanding*
8 *section 1202(4).*

9 “(b) *DEFINITIONS.—For the purpose of this chapter,*
10 *the following terms have the following meanings:*

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

16 “(2) *A ‘useful article’ is a vessel hull or a compo-*
17 *nent part thereof, including a plug or mold, which in*
18 *normal use has an intrinsic utilitarian function that*
19 *is not merely to portray the appearance of the article*
20 *or to convey information. An article which normally*
21 *is part of a useful article shall be deemed to be a use-*
22 *ful article.*

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

1 “(4) A ‘hull’ is the frame or body of a vessel, ex-
2 clusive of masts, sails, yards, and rigging.

3 “(5) A ‘plug’ means a device or model used to
4 make a mold for the purpose of exact duplication, re-
5 gardless of whether the device or model has an intrin-
6 sic utilitarian function that is not only to portray the
7 appearance of the product or to convey information.

8 “(6) A ‘mold’ means a matrix or form in which
9 a substance for material is used, regardless of whether
10 the matrix or form has an intrinsic utilitarian func-
11 tion that is not only to portray the appearance of the
12 product or to convey information.

13 **“§ 1202. Designs not subject to protection**

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

16 “(1) not original;

17 “(2) staple or commonplace, such as a standard
18 geometric figure, familiar symbol, emblem, or motif,
19 or other shape, pattern, or configuration which has
20 become standard, common, prevalent, or 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 date
6 of the application for registration under this chapter.

7 **“§ 1203. Revisions, adaptations, and rearrangements**

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

18 **“§ 1204. Commencement of protection**

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

23 **“§ 1205. Term of protection**

24 “(a) *IN GENERAL.*—Subject to subsection (b), the pro-
25 tection provided under this chapter for a design shall con-

1 *tinue for a term of 10 years from the date of the commence-*
2 *ment of protection under section 1204.*

3 “(b) *EXPIRATION.*—*All terms of protection provided in*
4 *this section shall run to the end of the calendar year in*
5 *which they would otherwise expire.*

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

12 **“§ 1206. Design notice**

13 “(a) *CONTENTS OF DESIGN NOTICE.*—(1) *Whenever*
14 *any design for which protection is sought under this chapter*
15 *is made public under section 1210(b), the owner of the de-*
16 *sign shall, subject to the provisions of section 1207, mark*
17 *it or have it marked legibly with a design notice consisting*
18 *of—*

19 “(A) *the words ‘Protected Design’, the abbrevia-*
20 *tion ‘Prot’d Des.’, or the letter ‘D’ with a circle, or*
21 *the symbol *D*;*

22 “(B) *the year of the date on which protection for*
23 *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 for*
5 *purposes of subparagraph (C) if it has been approved and*
6 *recorded by the Administrator before the design marked*
7 *with such 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 vessel hull embodying the design*
14 *is passing through its normal channels of commerce.*

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

20 **“§ 1207. *Effect of omission of notice***

21 “(a) *ACTIONS WITH NOTICE.—Except as provided in*
22 *subsection (b), the omission of the notice prescribed in sec-*
23 *tion 1206 shall not cause loss of the protection under this*
24 *chapter or prevent recovery for infringement under this*
25 *chapter against any person who, after receiving written no-*

1 *tice of the design protection, begins an undertaking leading*
2 *to infringement under this chapter.*

3 “(b) *ACTIONS WITHOUT NOTICE.*—*The omission of the*
4 *notice prescribed in section 1406 shall prevent any recovery*
5 *under section 1223 against a person who began an under-*
6 *taking leading to infringement under this chapter before re-*
7 *ceiving written notice of the design protection. No injunc-*
8 *tion shall be issued under this chapter with respect to such*
9 *undertaking unless the owner of the design reimburses that*
10 *person for any reasonable expenditure or contractual obli-*
11 *gation in connection with such undertaking that was in-*
12 *curred before receiving written notice of the design protec-*
13 *tion, as the court in its discretion directs. The burden of*
14 *providing written notice of design protection shall be on*
15 *the owner of the design.*

16 **“§ 1208. *Exclusive rights***

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

19 “(1) *make, have made, or import, for sale or for*
20 *use in trade, any vessel hull embodying that design;*
21 *and*

22 “(2) *sell or distribute for sale or for use in trade*
23 *any vessel hull embodying that design.*

1 **“§ 1209. Infringement**

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

7 “(1) *make, have made, or import, for sale or for*
8 *use in trade, any infringing article as defined in sub-*
9 *section (e); or*

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

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

17 “(1) *induced or acted in collusion with a manu-*
18 *facturer to make, or an importer to import such arti-*
19 *cle, except that merely purchasing or giving an order*
20 *to purchase a vessel hull in the ordinary course of*
21 *business shall not of itself constitute such inducement*
22 *or collusion; or*

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

1 *ing receiving notice by registered or certified mail of*
2 *the protection subsisting in the design.*

3 “(c) *ACTS WITHOUT KNOWLEDGE.—It shall not be in-*
4 *fringement under this section to make, have made, import,*
5 *sell, or distribute, any vessel hull embodying a design which*
6 *was created without knowledge that a design was protected*
7 *under this chapter and was copied from such protected de-*
8 *sign.*

9 “(d) *ACTS IN ORDINARY COURSE OF BUSINESS.—A*
10 *person who incorporates into that person’s product of man-*
11 *ufacture an infringing article acquired from others in the*
12 *ordinary course of business, or who, without knowledge of*
13 *the protected design embodied in an infringing article,*
14 *makes or processes the infringing article for the account of*
15 *another person in the ordinary course of business, shall not*
16 *be deemed to have infringed the rights in that design under*
17 *this chapter except under a condition contained in para-*
18 *graph (1) or (2) of subsection (b). Accepting an order or*
19 *reorder from the source of the infringing article shall be*
20 *deemed ordering or reordering within the meaning of sub-*
21 *section (b)(2).*

22 “(e) *INFRINGING ARTICLE DEFINED.—As used in this*
23 *section, an ‘infringing article’ is any article the design of*
24 *which has been copied from a design protected under this*
25 *chapter, without the consent of the owner of the protected*

1 *design. An infringing article is not an illustration or pic-*
2 *ture of a protected design in an advertisement, book, peri-*
3 *odical, newspaper, photograph, broadcast, motion picture,*
4 *or similar medium or an article that embodies, in common*
5 *with the protected design, only elements described in section*
6 *1202. A design shall not be deemed to have been copied from*
7 *a protected design if it is original and not substantially*
8 *similar in appearance to a protected 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 es-*
12 *tablishing 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 ANALYSIS.—*
17 *It is not an infringement of the exclusive rights of a design*
18 *owner for a person to reproduce the design in a vessel hull*
19 *or in any other form solely for the purpose of teaching, ana-*
20 *lyzing, or evaluating the appearance, concepts, or tech-*
21 *niques embodied in the design, or the function of the vessel*
22 *hull 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 one*
2 *year after the date on which the design is first made public.*

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

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

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

14 “(1) *the name and address of the designer or de-*
15 *signers of the design;*

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

18 “(3) *the specific name of the vessel hull embody-*
19 *ing the design;*

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

23 “(5) *affirmation that the design has been fixed*
24 *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 ab-*
5 *sence 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 applicant’s*
11 *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 reg-*
16 *istered on behalf of the applicant or the applicant’s*
17 *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 1406, the statement shall also describe*
22 *the exact form and position of the design notice.*

23 “(f) *EFFECT OF ERRORS.—(1) Error in any statement*
24 *or assertion as to the utility of the vessel hull named in*
25 *the application, the design of which is sought to be reg-*

1 *istered, shall not affect the protection secured under this*
2 *chapter.*

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

8 “(g) *DESIGN MADE IN SCOPE OF EMPLOYMENT.—In*
9 *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 instead*
14 *of that of the individual designer.*

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

21 “(i) *DESIGN IN MORE THAN ONE USEFUL ARTICLE.—*
22 *If the distinguishing elements of a design are in substan-*
23 *tially the same form in different vessel hulls, the design shall*
24 *be protected as to all such vessel hulls when protected as*

1 to one of them, but not more than one registration shall
2 be required for the design.

3 “(j) *APPLICATION FOR MORE THAN ONE DESIGN.*—
4 *More than one design may be included in the same applica-*
5 *tion under such conditions as may be prescribed by the Ad-*
6 *ministrator. For each design included in an application the*
7 *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 de-*
14 *sign in a foreign country which extends to designs of owners*
15 *who are citizens of the United States, or to applications*
16 *filed under this chapter, similar protection to that provided*
17 *under this chapter shall have that same effect as if filed*
18 *in the United States on the date on which the applications*
19 *as first filed in any such foreign country, if the application*
20 *in the United States is filed within 6 months after the earli-*
21 *est date on which any such foreign application was filed.*

22 **“§ 1212. *Oaths and acknowledgments***

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

25 “(1) *may be made—*

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

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

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

13 “(b) WRITTEN DECLARATION IN LIEU OF OATH.—(1)
14 The Administrator may by rule prescribe that any docu-
15 ment which is to be filed under this chapter in the Office
16 of the Administrator and which is required by any law,
17 rule, or other regulation to be under oath, may be subscribed
18 to by a written declaration in such form as the Adminis-
19 trator may prescribe, and such declaration shall be in lieu
20 of the oath otherwise required.

21 “(2) Whenever a written declaration under paragraph
22 (1) is used, the document containing the declaration shall
23 state that willful false statements are punishable by fine or
24 imprisonment, or both, pursuant to section 1001 of title 18,

1 *and may jeopardize the validity of the application or docu-*
2 *ment or a registration resulting therefrom.*

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

5 “(a) *DETERMINATION OF REGISTRABILITY OF DESIGN;*
6 *REGISTRATION.*—*Upon the filing of an application for reg-*
7 *istration in proper form under section 1210, and upon pay-*
8 *ment of the fee prescribed under section 1216, the Adminis-*
9 *trator shall determine whether or not the application relates*
10 *to a design which on its face appears to be subject to protec-*
11 *tion under this chapter, and, if so, the Register shall register*
12 *the design. Registration under this subsection shall be an-*
13 *nounced by publication. The date of registration shall be*
14 *the date of publication.*

15 “(b) *REFUSAL TO REGISTER; RECONSIDERATION.*—*If,*
16 *in the judgment of the Administrator, the application for*
17 *registration relates to a design which on its face is not sub-*
18 *ject to protection under this chapter, the Administrator*
19 *shall send to the applicant a notice of refusal to register*
20 *and the grounds for the refusal. Within 3 months after the*
21 *date on which the notice of refusal is sent, the applicant*
22 *may, by written request, seek reconsideration of the applica-*
23 *tion. After consideration of such a request, the Adminis-*
24 *trator shall either register the design or send to the appli-*
25 *cant 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 a*
3 *registration under this chapter may, upon payment of the*
4 *prescribed fee, apply to the Administrator at any time to*
5 *cancel the registration on the ground that the design is not*
6 *subject to protection under this chapter, stating the reasons*
7 *for the request. Upon receipt of an application for cancella-*
8 *tion, the Administrator shall send to the owner of the de-*
9 *sign, as shown in the records of the Office of the Adminis-*
10 *trator, a notice of the application, and the owner shall have*
11 *a period of 3 months after the date on which such notice*
12 *is mailed in which to present arguments to the Adminis-*
13 *trator for support of the validity of the registration. It shall*
14 *also be within the authority of the Administrator to estab-*
15 *lish, by regulation, conditions under which the opposing*
16 *parties may appear and be heard in support of their argu-*
17 *ments. If, after the periods provided for the presentation*
18 *of arguments have expired, the Administrator determines*
19 *that the applicant for cancellation has established that the*
20 *design is not subject to protection under this chapter, the*
21 *Administrator shall order the registration stricken from the*
22 *record. Cancellation under this subsection shall be an-*
23 *nounced by publication, and notice of the Administrator’s*
24 *final determination with respect to any application for can-*

1 cellation shall be sent to the applicant and to the owner
2 of record.

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

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

17 **“§ 1215. Publication of announcements and indexes**

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

23 *“(b) FILE OF REPRESENTATIVES OF REGISTERED DE-*
24 *SIGNS.—The Administrator shall establish and maintain a*
25 *file of the drawings or other pictorial representations of reg-*

1 *istered designs. The file shall be available for use by the*
2 *public under such conditions as the Administrator may pre-*
3 *scribe.*

4 **“§ 1216. Fees**

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

10 **“§ 1217. Regulations**

11 *“The Administrator may establish regulations for the*
12 *administration of this chapter.*

13 **“§ 1218. Copies of records**

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

19 **“§ 1219. Correction of errors in certificates**

20 *“The Register may, by a certificate of correction under*
21 *seal, correct any error in a registration incurred through*
22 *the fault of the Office, or, upon payment of the required*
23 *fee, any error of a clerical or typographical nature occur-*
24 *ring in good faith but not through the fault of the Office.*
25 *Such registration, together with the certificate, shall there-*

1 *after have the same effect as if it had been originally issued*
2 *in such corrected form.*

3 **“§ 1220. Ownership and transfer**

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

14 “(b) *TRANSFER OF PROPERTY RIGHT.*—*The property*
15 *right in a registered design, or a design for which an appli-*
16 *cation for registration has been or may be filed, may be*
17 *assigned, granted, conveyed, or mortgaged by an instrument*
18 *in writing, signed by the owner, or may be bequeathed by*
19 *will.*

20 “(c) *OATH OR AFFIRMATION OF TRANSFER.*—*An ac-*
21 *knowledgment under section 1212 shall be prima facie evi-*
22 *dence of the execution of an assignment, grant, conveyance,*
23 *or mortgage under subsection (b).*

24 “(d) *RECORDATION OF TRANSFER.*—*An assignment,*
25 *grant, conveyance, or mortgage under subsection (b) shall*

1 *be void as against any subsequent purchaser or mortgagee*
2 *for a valuable consideration, unless it is recorded in the*
3 *Office of the Administrator within 3 months after its date*
4 *of execution or before the date of such subsequent purchase*
5 *or mortgage.*

6 **“§ 1221. Remedy for infringement**

7 “(a) *IN GENERAL.—The owner of a design is entitled,*
8 *after issuance of a certificate of registration of the design*
9 *under this chapter, to institute an action for any infringe-*
10 *ment of the design.*

11 “(b) *REVIEW OF REFUSAL TO REGISTER.—(1) Subject*
12 *to paragraph (2), the owner of a design may seek judicial*
13 *review of a final refusal of the Administrator to register*
14 *the design under this chapter by bringing a civil action,*
15 *and may in the same action, if the court adjudges the design*
16 *subject to protection under this chapter, enforce the rights*
17 *in that design under this chapter.*

18 “(2) *The owner of a design may seek judicial review*
19 *under this section if—*

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

23 “(B) *the owner causes a copy of the complaint*
24 *in the action to be delivered to the Administrator*

1 *within 10 days after the commencement of the action;*
2 *and*

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

6 “(c) *ADMINISTRATOR AS PARTY TO ACTION.—The Ad-*
7 *ministrator may at the Administrator’s option, become a*
8 *party to the action with respect to the issue of registrability*
9 *of the design claim by entering an appearance within 60*
10 *days after being served with the complaint, but the Reg-*
11 *ister’s failure to become a party shall not deprive the court*
12 *of jurisdiction to determine that issue.*

13 “(d) *USE OF ARBITRATION TO RESOLVE DISPUTE.—*
14 *The parties to an infringement dispute under this chapter,*
15 *within such time as may be specified by the Administrator*
16 *by regulation, may determine the dispute, or any aspect*
17 *of the dispute, by arbitration. Arbitration shall be governed*
18 *by title 9. The parties shall give notice of any arbitration*
19 *award to the Administrator, and such award shall, as be-*
20 *tween the parties to the arbitration, be dispositive of the*
21 *issues to which it relates. The arbitration award shall be*
22 *unenforceable until such notice is given. Nothing in this*
23 *subsection shall preclude the Administrator from determin-*
24 *ing whether a design is subject to registration in a cancella-*
25 *tion proceeding under section 1213(c).*

1 **§ 1222. Injunctions**

2 “(a) *IN GENERAL.*—A court having jurisdiction over
3 actions under this chapter may grant injunctions in ac-
4 cordance with the principles of equity to prevent infringe-
5 ment, including, in its discretion, prompt relief by tem-
6 porary restraining orders and preliminary injunctions.

7 “(b) *DAMAGES FOR INJUNCTIVE RELIEF WRONGFULLY*
8 *OBTAINED.*—A seller or distributor who suffers damage by
9 reason of injunctive relief wrongfully obtained under this
10 section has a cause of action against the applicant for such
11 injunctive relief and may recover such relief as may be ap-
12 propriate, including damages for lost profits, cost of mate-
13 rials, loss of good will, and punitive damages in instances
14 where the injunctive relief was sought in bade faiths, and,
15 unless the court finds extenuating circumstances, to recover
16 a reasonable attorney’s fee.

17 **“§ 1223. Recovery for infringement**

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

1 “(b) *INFRINGEMENT’S PROFITS.*—As an alternative to the
2 remedies provided in subsection (a), the court may award
3 the claimant the infringer’s profits resulting from the sale
4 of the copies if the court finds that the infringer’s sales are
5 reasonably related to the use of the claimant’s design. In
6 such a case, the claimant shall be required to prove only
7 the amount of the infringer’s sales and the infringer shall
8 be required to prove its expenses against such sales.

9 “(c) *STATUTE OF LIMITATIONS.*—No recovery under
10 subsection (a) or (b) shall be had for any infringement com-
11 mitted more than 3 years before the date on which the com-
12 plaint is filed.

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

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

21 “**§ 1224. Power of court over registration**

22 “*In any action involving the protection of a design*
23 *under this chapter, the court, when appropriate, may order*
24 *registration of a design under this chapter or the cancella-*
25 *tion of such a registration. Any such order shall be certified*

1 *by the court to the Administrator, who shall make an ap-*
2 *propriate 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 a*
7 *false or fraudulent representation materially affecting the*
8 *rights under this chapter, shall be liable in the sum of*
9 *\$10,000, or such part of that amount as the court may de-*
10 *termine. That amount shall be to compensate the defendant*
11 *and shall be charged against the plaintiff and paid to the*
12 *defendant, in addition to such costs and attorney’s fees of*
13 *the defendant as may be assessed by the court.*

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

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

23 *“(b) SUIT BY PRIVATE PERSONS.—Any person may*
24 *sue for the penalty established by subsection (a), in which*
25 *event one-half of the penalty shall be awarded to the person*

1 *swing and the remainder shall be awarded to the United*
2 *States.*

3 **“§ 1227. Penalty for false representation**

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

11 **“§ 1228. Enforcement by Treasury and Postal Service**

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

19 *“(1) Obtain a court order enjoining, or an order*
20 *of the International Trade Commission under section*
21 *337 of the Tariff Act of 1930 excluding, importation*
22 *of the articles.*

23 *“(2) Furnish proof that the design involved is*
24 *protected under this chapter and that the importation*

1 of the articles would infringe the rights in the design
2 under this chapter.

3 “(3) Post a surety bond for any injury that may
4 result if the detention or exclusion of the articles
5 proves to be unjustified.

6 “(b) SEIZURE AND FORFEITURE.—Articles imported
7 in violation of the rights set forth in section 1208 are subject
8 to seizure and forfeiture in the same manner as property
9 imported in violation of the customs laws. Any such for-
10 feited articles shall be destroyed as directed by the Secretary
11 of the Treasury or the court, as the case may be, except
12 that the articles may be returned to the country of export
13 whenever it is shown to the satisfaction of the Secretary
14 of the Treasury that the importer had no reasonable
15 grounds for believing that his or her acts constituted a vio-
16 lation of the law.

17 “§ 1229. **Relation to design patent and copyright law**

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

23 “§ 1230. **Common law and other rights unaffected**

24 “Nothing in this chapter shall annul or limit—

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

5 “(2) *any right under the trademark laws or any*
 6 *right protected against unfair competition.*

7 **“§ 1231. Administrator**

8 *“The Administrator and Office of the Administrator*
 9 *referred to in this chapter shall be the Register of Copy-*
 10 *rights and the Copyrights Office of the Library of Congress,*
 11 *respectively.*

12 **“§ 1232. No retroactive effect**

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

16 **SEC. 3. CONFORMING AMENDMENTS.**

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

“12. Protection of Original Designs 1201”.

20 (b) *JURISDICTION OF DISTRICT COURTS OVER DESIGN*
 21 *ACTIONS.—(1) Section 1338(c) of title 28, United States*
 22 *Code, is amended by inserting “, and to exclusive rights*
 23 *in designs under chapter 12 of title 17,” after “title 17”.*

1 (2)(A) *The section heading for section 1338 of title 28,*
2 *United States Code, is amended by inserting “designs,”*
3 *after “mask works,”.*

4 (B) *The item relating to section 1338 in the table of*
5 *sections at the beginning of chapter 85 of title 28, United*
6 *States Code, is amended by inserting “designs,” after “mask*
7 *works,”.*

8 (c) *PLACE OF DESIGN ACTIONS.*—*Section 1400(a) of*
9 *title 28, United States Code, is amended by inserting “or*
10 *designs” after “mask works”.*

11 (d) *ACTIONS AGAINST THE UNITED STATES.*—*Section*
12 *1498(e) of title 28, United States Code, is amended by in-*
13 *serting “, and to exclusive rights in designs under chapter*
14 *12 of title 17,” after “title 17”.*

15 **SEC. 4. EFFECTIVE DATE.**

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