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# The Integration of International and Domestic Intellectual Property Lawmaking

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## Essay: The Integration of International and Domestic Intellectual Property Lawmaking

by Graeme B. Dinwoodie \*

It is increasingly impossible to analyze intellectual property law and policy without reference to international lawmaking. That is not, however, merely because several recent domestic reforms have been prompted by international developments.<sup>1</sup> Indeed, because of significant U.S. influence in the formation of contemporary intellectual property treaties, U.S. law has undergone less change than most in order to comply with newly-assumed international obligations. Nor is it simply because, in an era of global trade and technological advances, a state is unable effectively to regulate economic activity on its own. Rather, the need for a broader awareness flows most directly from the integration of the international and domestic lawmaking processes.

Consider this historical example. As nations met in Berlin in 1908 to revise the Berne Convention, the United States received an invitation to attend with “full freedom of action.”<sup>2</sup> Instead, the Register of Copyrights attended only as an observer.<sup>3</sup> The reason might now seem unduly quaint. Thorvald Solberg, the Register of Copyrights

explained to the Conference that the United States found it impracticable to send a delegate authorized to commit it to actual adhesion to the Berne Convention since some of the questions to be discussed there were pending before the Congress and premature action at the Convention might embarrass the legislative branch of the Government.<sup>4</sup>

Today, in contrast, there is a conscious blending of domestic and international lawmaking. International lawmaking demands attention to Washington; and domestic lawmaking cannot be conducted without regard for what is going on in Brussels,

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1. See, e.g., Sonny Bono Copyright Term Extension Act, Pub. L. No. 105-298, 112 Stat. 2827 (1998), tit. I (extending term of copyright partly in response to EU Term Directive); Digital Millennium Copyright Act, Pub. L. No. 105-304, 112 Stat. 2860 (1998), tit. I (implementing WIPO Copyright Treaty); Uruguay Round Agreements Act, Pub. L. No. 103-465, 108 Stat. 4809 (1994), tit. V (implementing TRIPS Agreement); Trademark Law Treaty Implementation Act, Pub. L. No. 105-330, 112 Stat. 3064 (1998), tit. I (implementing Trademark Law Treaty).

2. Barbara A. Ringer, *The Role of the United States in International Copyright – Past, Present, and Future*, 56 GEO. L.J. 1050, 1057 (1968) (quoting Thorvald Solberg, *The International Copyright Union*, 36 YALE L.J. 68, 97 (1926)).

3. *Id.*

4. *Id.*

Geneva, Tokyo, and elsewhere. Indeed, in some areas of intellectual property, we may be moving toward a single lawmaking process that embodies a series of complex relations among national, regional and global institutions and laws.

Within the United States, this biplay between national and international fora – in particular, between executive branch activity at the international level, and legislative activity in Congress – has been treated by some with a certain suspicion.<sup>5</sup> This interaction is, however, essential in a global age. And it should not be disconcerting. The Constitution sets out a process for concluding and ratifying treaties,<sup>6</sup> and a separate process for enacting legislation.<sup>7</sup> Each mechanism has its own limits. It would be somewhat surprising if each branch of government did not use the leverage with which it is endowed by the constitutional scheme. In any event, this blending or integration of lawmaking is a political reality of which we must take account in our assessment of how intellectual property law is made.

This Essay addresses the operation of this integrated process in the fields of design and trade dress protection. I will focus on two primary issues, using examples drawn from recent developments in those fields. First, I will discuss the characteristics of what has arguably been the predominant form of international lawmaking in recent years, namely the process of harmonization; and, second, I will identify some current design or trade dress protection issues that may soon be part of this complex lawmaking process.

## I. THE PROCESS OF HARMONIZATION

### A. SIMILARITY OF LAWS

A dominant impulse for much recent international lawmaking has been the harmonization of laws. The objectives of harmonization are frequently and easily stated: reducing the disparities between national laws will reduce the cost, time and uncertainty involved in determining and/or acquiring rights, thus reducing barriers to innovation and to global trade.<sup>8</sup> Indeed, design protection is an area in which these arguments resonate with some force because there are few areas of intellectual

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5. See, e.g., Pamela Samuelson, *The U.S. Digital Agenda at WIPO*, 37 VA. J. INT'L L. 369, 373-75 (1997) (discussing relationship between the "digital agenda" of the Clinton Administration pursued in the U.S. Congress and that pursued by the Administration in Geneva at WIPO Diplomatic Conference leading to the WIPO Copyright Treaty).

6. See U.S. CONST. art. II, § 2, cl. 2.

7. See U.S. CONST. art. I, § 7, cl. 2.

8. See e.g., Marshall A. Leaffer, *The New World of International Trademark Law*, 2 MARQ. INTELL. PROP. L. REV. 1, 5 (1998) ("The number of trademark registrations worldwide in 1967 was 400,000; by 1992, registrations totaled 1,200,000, a three-fold increase. . . . [I]t is obvious that trademark owners need speed, certainty, and efficiency in seeking and maintaining their rights internationally.").

property law where the applicable rules are quite so disparate and incoherent.

Within the European Union ("EU"), for example, most member states have some form of special design law. However, the elements of those systems diverge significantly, even where the elements bear similar labels.<sup>9</sup> These disparities motivated the European Commission, in 1993, to propose a directive harmonizing the registered design laws of the Member States of the EU around a single model.<sup>10</sup> This model offers twenty-five years of protection to aesthetic and functional designs alike.<sup>11</sup> An amended version of the directive was recently adopted, and published in the Official Journal on October 28 (the same date, coincidentally, on which President Clinton signed the Vessel Hull Design Protection Act.)<sup>12</sup>

### B. REPLICATION OF LAWS

A second motivation underlying harmonization is perhaps less explicitly stated but is clearly acknowledged. Participants in the process not only wish to make different countries' laws look the same, but they also seek to make foreign laws look like *their* laws. That is to say, harmonization is often an attempt to replicate rather than to conciliate – and it is normally the laws of the developed world that are replicated. Here too, developments in design protection are illustrative. The industrial design provisions in the TRIPS Agreement,<sup>13</sup> which intrude slightly more than the Paris Convention upon the autonomy of states to provide design protection on terms and in a form of their own choosing, are modeled almost without deviation on the provisions found in NAFTA.<sup>14</sup>

Importantly, this desire reveals itself not merely when the moment of harmonization arrives. The European Commission indicated that one of the reasons for developing its design legislation in the first place was "to strengthen its hand

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9. See Graeme B. Dinwoodie, *Federalized Functionalism: The Future of Design Protection in the European Union*, 24 AM. INTELL. PROP. L. ASS'N Q.J. 611, 623 (1996).

10. See Proposal for a European Parliament and Council Directive on the Legal Protection of Design (Dec. 3, 1993), 1994 O.J. (C 345/14) 1.

11. See Hugh Griffiths, *Overview of Developments in Europe on Industrial Design Protection*, 4 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 359, 370 (1993) (discussing scope of designs covered by proposals).

12. See Directive 98/71/EC of the European Parliament and of the Council on the Legal Protection of Design (Oct. 28, 1998), 1998 O.J. (L 289) 1; Digital Millennium Copyright Act, Pub.L.No. 105-304, 112 Stat. 2860 (1998), tit. V (Vessel Hull Design Protection Act).

13. See Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods, arts. 25-26, Dec. 15, 1993, 33 I.L.M. 81, 93 (hereinafter TRIPS Agreement).

14. See North American Free Trade Agreement, art. 1713, 32 I.L.M. 605, 676 (1993).

internationally.”<sup>15</sup> The outcome of the harmonization process will be more to a country’s liking if it can present a ready-made model for international adoption. This should not be surprising. Nor is it inherently troublesome. It is more time consuming to develop models from scratch. But it is important to understand that particular forms of replication are being effected.

### C. “HARMONIZING UP” AND DEGREE OF SUBSTANTIVE ANALYSIS

The Design Directive of the EU also exemplifies the tendency of harmonization exercises to “harmonize-up,” to mandate higher levels of protection. With few exceptions, the directive did not seek to curtail any of the more excessive forms of protection available for designs in some EU countries. Instead, it simply required all member states to make twenty-five years of registered design rights available equally to aesthetic and functional designs that satisfied a level of ingenuity falling somewhere between originality and novelty.<sup>16</sup>

This upward trend may not be hugely different from the direction of domestic law. But the EU design exercise demonstrates that the desire to harmonize can overwhelm any substantive analysis of the merits of legislative proposals or any effort to assess whether an enhancement of protection is warranted. Thus, for example, industrial designs are granted broad copyright protection by some EU Member States.<sup>17</sup> The continued availability of copyright will realistically undermine any balance that the Commission embodied in the design regime proper. But restricting copyright protection for designs would require significant philosophical and political accommodation and would take time. The internal market demanded more similar design laws, and it is easier to enact new rights than to curtail existing ones. Yet, better and more appropriate approximation of the laws of different states might occur if pursued at more deliberate speed. Past experience suggests that the need for speed may defeat the need to contemplate.

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15. See Green Paper on the Legal Protection of Industrial Design, Working Document of the Services of the Commission, Doc. # 111/F/5131/91-EN (1991) ¶ 3.5.2 (copy on file with author).

16. See Dinwoodie, *supra* note 9, at 651-63 (threshold), 705-07 (term).

17. See, e.g., Case No. 4 Ob 95/91, Decision of the Austrian Supreme Court (Nov. 5, 1991), reprinted in 25 INT’L REV. INDUS. PROP. & COPYRIGHT L. 126 (1994) (protecting design of Le Corbusier lounge chair under copyright law); see also Marie-Angèle Pérot-Morel, *Specific Protection of Designs and its Relation to Protection by Copyright in French Law*, in DESIGN PROTECTION 45, 47 (H. Cohen Jehoram ed. 1976).

#### D. THE LIMITS OF HARMONIZATION

European initiatives on design and trade dress protection also highlight the limits of harmonization as the primary instrument of international intellectual property lawmaking.

##### 1. Supranational Law

First, harmonization of national laws cannot avoid the partitioning of markets that is occasioned by territorial rights, nor can it eliminate fully the costs of applying for and maintaining serial national industrial property registrations. Thus, when the European Commission introduced its harmonizing design directive, it also proposed a Regulation (essentially a federal European law) that would create unitary EU-wide design rights, consisting of a three-year unregistered design right and a registered right that could endure for twenty-five years.<sup>18</sup>

That Regulation has not yet been adopted. But the EU does already offer EU-wide trade dress rights through a Community Trademark Registration. This possibility was introduced by an earlier Regulation, the Trademark Regulation, in 1994.<sup>19</sup> And the Community Trademark Office recently issued its first Community-wide registration for a three-dimensional product design trade dress, the shape of the LEGO building block.<sup>20</sup> These supranational laws – both the proposed Design Regulation and the enacted Trademark Regulation – have the potential to achieve the goals of harmonization, but in a much more comprehensive fashion.

##### 2. Organic Law

Second, harmonizing the text of laws may not achieve a real approximation of intellectual property rights. The judicial response to a different piece of EU trademark legislation – the harmonization directive – illustrates this point. The definition of trademark included in the EU trademark harmonization directive expressly referenced product shape and packaging as trademark subject matter.<sup>21</sup> Prior to the enactment of

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18. See Proposal for a European Parliament and Council Regulation on the Community Design (Dec. 3, 1993), 1994 O.J. (C 29/20) 1.

19. See Council Regulation 40/94 on the Community Trademark (Dec. 20, 1993), 1994 O.J. (L 11) 1.

20. See Application No. 107,029, CTM Bulletin No. 90/1998, at 57 (Nov. 23, 1998) (copy on file with author).

21. See First Council Directive 89/104 to Approximate the Laws of the Member States Relating to Trade Marks, art. 2., 1989 O.J. (L 40) 1, 2.

the Directive, the U.K. courts had declined to register shapes of products or containers as trademarks. Indeed, as recently as 1986, the House of Lords upheld the denial of trademark registration for the shape of the Coca-Cola bottle.<sup>22</sup> Continental courts were more receptive to the notion of product design trade dress protection.

Since the reforms, U.K. law and continental European law have been ostensibly the same. But two courts, one in Sweden and one in the United Kingdom, have recently been confronted with an identical issue: whether Philips has trade dress rights in the shape of its three-headed rotary shaver.<sup>23</sup> The courts reached wholly different results. Of itself, this should not be a concern. It may be that the Swedes are more receptive to visual stimuli than the British, and will tend more readily to identify a product by its shape. If full-scale harmonization is a goal, however, it is of concern that, identical text notwithstanding, the British court interpreted the law in a much more restricted fashion, apparently because of the U.K.'s different tradition.<sup>24</sup>

It is not a new lesson that real approximation of laws, one that will endure, does not come from the transplanting of disembodied concepts. But the pedigree of the lesson makes it no less valuable. It is economic and social contexts that sustain these laws, and if a similar social setting does not exist, merely harmonizing text may be of little value.

## II. CURRENT DESIGN AND TRADE DRESS ISSUES FOR U.S. POLICYMAKERS

In several domestic venues, we might soon witness discussion of trade dress or design issues that form part of this broader process of lawmaking.

### A. VESSEL HULL DESIGN PROTECTION ACT

In October 1998, Congress enacted the Vessel Hull Design Protection Act, and this has now been codified as Chapter 13 of Title 17 of the U.S. Code.<sup>25</sup> This Act, which might reasonably be called the Bonito Boats Memorial Act, gives ten years of anti-

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22. See *re* Coca-Cola Co.'s Applications, [1986] 2 All E.R. 274, 275-76 (U.K. H.L.). The shape of the Coca-Cola bottle has been registered as a trademark under the new U.K. law implementing the EU Trademark Directive. See Registration No. 2,000,548 (Sept. 1, 1995). Passing off actions did exist in the U.K. to protect source-identifying designs and packaging. See, e.g., *Reckitt & Colman Prods. Ltd. v. Borden Inc.*, [1988] F.S.R. 601 (U.K. H.L.) (lemon shaped container).

23. See *Philips Elecs. NV v. Remington Consumer Prods.*, 1998 R.P.C. 283 (Eng. Ch.); *Ide Line Aktiebolag v. Philips Elecs. NV*, [1997] E.T.M.R. 377 (Stockholm Dist. Ct. 1997).

24. See *Philips*, 1998 R.P.C. at 299.

25. See Digital Millennium Copyright Act, Pub. L. No. 105-304, 112 Stat. 2860 (1998), tit. V (codified at 17 U.S.C. §§ 1301-32).

copying protection to the designers of boat hulls. The legislation is subject to a two-year sunset provision. And in the interim, the Patent and Trademark Office and the Copyright Office will jointly undertake a study on the operation of the regime. It would seem inconceivable that this study will not serve as a vehicle for consideration of a broad-based design protection. Indeed, the current provisions have been drafted in a way that could, with minimal legislative revision, be converted into a broad-based regime.

The first model that one would expect Congress to consider would therefore be that used in the Vessel Hull Design Protection Act. Looking at recent legislative activity, however, the second model will be that just developed by the EU. The protagonists in the EU legislative process were the same persons fighting over the design legislation in the United States in the late 1980s, and the supporters of design legislation (such as car manufacturers) are likely to urge close examination of the EU model.

Moreover, the pressure to enact a broad-based design law along the lines of the EU model might strategically be increased by claims that the U.S. design patent law does not comply with the requirements of TRIPS. The argument would be that Article 25 of TRIPS requires countries to protect designs that are new or original, and that U.S. design patent law insists on more than originality.<sup>26</sup> This argument is hardly incontrovertible, but its force in the domestic context may depend upon how the World Trade Organization ("WTO") dispute resolution process evolves. If panels accord traditional margins of deference to national interpretations, then the U.S. law might pass muster; if the WTO system becomes more adjudicatory in nature, as was (to some extent) its purpose, the issue might be closer. Thus, we see the potential interaction of activities at the national, regional and global levels.

#### B. TRADE DRESS PROTECTION ACT

A second (perhaps more speculative) example of how national and international events and institutions could converge might be in connection with product design trade dress protection. The Trade Dress Protection Act<sup>27</sup> will likely be reintroduced in this session of Congress, and would for the first time explicitly provide for trade dress protection within the Lanham Act. It would resolve a circuit split on how to determine the inherent distinctiveness of trade dress, and it would provide a statutory definition of functionality. Given the contentious and confused nature of both those

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26. See J. H. Reichman, *Universal Minimum Standards of Intellectual Property Protection Under the TRIPS Component of the WTO Agreement*, 29 INT'L LAW. 345, 375-77 (1995) (outlining argument of non-compliance).

27. Trade Dress Protection Act, H.R. 3163, 105th Cong. (1998).



issues, the legislation is not likely to go through without some debate. Indeed, it is likely that this legislation may be circulating for some time before enactment.

But one issue that might receive some attention as part of that deliberative process is whether, in bringing trade dress protection within the body of trademark law, (famous) product design trade dress should receive the same protection against dilution as word marks. This issue is currently percolating in the lower courts, most notably in *Sunbeam Products, Inc. v. West Bend Co.* in the Fifth Circuit,<sup>28</sup> and in *Lund Trading v. Kohler Co.* in the First Circuit.<sup>29</sup> That topic, of course, raises some interesting constitutional questions.

But dilution also raises some interesting international questions. The legislative history of the Federal Trademark Dilution Act suggested (incorrectly, I believe) that dilution protection was endorsed (and perhaps even mandated) by TRIPS.<sup>30</sup> If one follows the logic of the legislative history – and I don't accept the premise that TRIPS mandates dilution protection – then there should be dilution protection for any type of trademark, whether words or product design. It may be that we have a conflict between Congress's interpretation of TRIPS and the constitutional issues being raised in *Lund*.<sup>31</sup>

Moreover, as an additional contribution to that debate, within the last two years the World Intellectual Property Organization published a largely unnoticed set of model provisions on unfair competition that are intended to be an "interpretation" of the Paris Convention obligations to protect against acts of unfair competition – and these include dilution protection for product designs.<sup>32</sup> In contrast, last year, a U.K. court in *Philips Electronics NV v. Remington Consumer Products* dismissed the notion that the Paris Convention obliged trade dress protection for product designs, in that case under Article 6bis, arguing that the drafters of the Paris Convention would not have contemplated designs acting as trademarks.<sup>33</sup>

What we see here are conflicting efforts to establish interpretations of Paris Convention or TRIPS obligations that over time might amount to, or influence, state practice – and that might in turn sway a WTO panel that gives too much weight to the shift, contemplated by the setting up of the WTO, toward a greater adjudicatory role for the dispute settlement system. To be sure, it would be hugely ironic, and indeed quite unlikely at present, for the United States (of all countries) to be accused of

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28. 123 F.3d 246, 257 (5th Cir. 1997).

29. 163 F.3d 27 (1st Cir. 1998).

30. See H.R. Rep. 104-374, at 4 (1995) (noting role of international developments in justifying enactment of the Federal Trademark Dilution Act of 1995).

31. See 163 F.3d at 32.

32. See MODEL PROVISIONS ON PROTECTION AGAINST UNFAIR COMPETITION (WIPO 1996), art. 3(2)(a)(iv).

33. 1998 R.P.C. 283 (Eng. Ch.).

insufficient protection of product designs against dilution. This topic, however, potentially introduces national constitutional issues into the milieu that represents the new lawmaking process.<sup>34</sup>

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34. The process continues with pending legislation. *See, e.g., Legislation: Database Bill is Still Flawed Administration, Researchers Tell Panel*, 57 PAT. TRADEMARK & COPYRIGHT J. (BNA) 418, 419 (Mar. 25, 1999) (reporting the testimony of Marybeth Peters, Register of Copyrights, at the Hearing on Proposed Database Legislation, House Subcommittee on Courts and Intellectual Property Law, Mar. 18, 1999, to the effect that “database treaty deliberations in the World Intellectual Property Organization are unlikely to move forward until a U.S. database law is enacted.”). *See also id.* (reporting the testimony of Michael Kirk, Executive Director of the American Intellectual Property Law Association, to the effect that “international pressures [such as the EU Database Directive] compel enactment of a U.S. database protection scheme.”).