

EXTENDING THE MONOPOLY? THE RISKS AND BENEFITS OF MULTIPLE FORMS OF INTELLECTUAL PROPERTY PROTECTION*

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1.0 INTRODUCTION

Many intellectual property practitioners have had the experience of a potential or existing client saying, “I want to patent the copyright on the design of my new trade-mark!” Most of us have patiently explained that patents, copyright, industrial designs, and trade-marks all protect different things. Some forms of protection will be available with respect to a certain piece of intellectual property, while others will not.

Interesting situations sometimes develop when certain features of an item may be subject to multiple forms of intellectual property protection. For example, a new machine may give rise to patent rights respecting its functional features, and an industrial design or design patent respecting its appearance. An original artistic work may function as a trade-mark without losing the underlying copyright. Although there has been considerable debate with respect to the relationship and dichotomy between copyright and industrial design, amendments to the *Copyright Act* in 1998 clarified the situation significantly. Yet there is scant legislative assistance available when considering other potential forms of intellectual property overlap.

Co-existence of copyright and trade-mark rights is well-recognized. Since trade-mark rights are essentially unlimited in potential duration, copyright will not serve to extend them. Conversely, trade-mark rights generally don’t impede uses of works in which copyright has expired, except when the copy is to be used in association with similar goods or services to those covered by the trade-mark rights. The more difficult situations arise, however, when an alternative form of intellectual property protection seems to extend a monopoly previously obtained. For example, what happens if one creates an article of commerce, depicts it in a patent or industrial design, and enjoys the statutory monopoly provided by the relevant legislation; then, when this monopoly protection expires, one seeks, in effect, to extend that monopoly by claiming copyright or trade-mark protection?

In the case of an industrial design, the answer appears to be easier. If an industrial design respecting the appearance of an article has been obtained, presumably

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copyright protection will not be available because of the statutorily mandated dichotomy between industrial designs and copyright in industrial articles. But what about trade-mark rights? After having effectively kept all others out of the marketplace for 10 years using an industrial design registration covering the appearance of an article, can the owner then claim that the appearance of the article has achieved a secondary meaning in the minds of consumers and thus deserves protection as a trade-mark? Does the 10-year monopoly allow the owner to develop a competition-free reputation and corresponding trade-mark rights?

With respect to patent protection, the term of the monopoly is even longer! If the patentee illustrates a preferred embodiment of the invention and promises, in effect, that anyone can make that invention after expiry of the patent, can it then rely upon the statutorily mandated term of monopoly as a basis for achieving competition-free reputation and secondary meaning in the appearance of the preferred embodiment?

The co-existence of multiple forms of intellectual property protection for essentially the same subject matter is not universally accepted as a good thing. One commentator has stated:

This is a debatable policy, for multiple protection is usually overprotection. If material is adequately protected by trade-mark law, why stretch copyright law to protect it more? If material such as a computer program has a copyright, why should it also be patented? If dual protection, such as copyright and patent, is available, why should the copyright not be forfeited on the voluntary acquisition of a patent?¹

This paper explores these concerns.

2.0 SUMMARY

The most common forms of intellectual property are copyright, industrial designs, trade-marks, and patents. Copyright protection begins for original artistic, musical, literary, and dramatic works when the works are created, and generally lasts for the lifetime of the author plus 50 years. Industrial designs protect the aesthetic elements of articles of commerce in Canada for up to 10 years. Trade-mark rights generally arise or persist through use in the marketplace of logos, words, or packaging, or distinctively shaped objects, and can last indefinitely. Patents relating to inventions respecting new, useful products and processes, provide monopoly protection for up to 20 years.² Generally, the rights protected by each of these four forms of intellectual property are mutually exclusive.

This paper examines the degree of overlap in protection between copyright, industrial designs, trade-marks, and patents. It focuses almost exclusively on Canadian law. Part I provides a very brief overview of each form of intellectual property including what and how rights are protected and the length of that protection. Part II then discusses the degree of overlap between the various intellectual property regimes. Specifically, it investigates the interaction between copyright and patents, copyright and industrial designs, copyright and trade-marks, patents and trade-marks, patents and industrial designs, and trade-marks and industrial designs. Finally,

Part III offers conclusions respecting the various combinations of intellectual property protection that may be available.

Overlapping protection between copyright and industrial design is unlikely given the clear statutory dichotomy between them. Overlapping protection between patents and industrial designs is permissible given the different things protected, and will not extend patent monopolies in any event since design protection is shorter. Co-existing or overlapping protection is also accepted for copyright and trade-marks that both typically can have very long lifetimes independently of each other, and especially since copying non-industrial works is generally frowned upon as being unnecessary for commerce in any event.

There is, however, a very good argument for disallowing trade-mark protection in aesthetic features previously protected by a now-expired industrial design, because essentially the same thing is sought to be protected by each. The owner's reputation in association with the design may grow free of competition during the term of the design registration; to allow unlimited trade-mark protection following expiry of the design registration may well unreasonably limit development of the relevant art or industry. Unreasonableness may flow from reneging on the promise to dedicate the design to the public following expiry of the design registration.

The most difficult issues arise in the cases of copyright and patents, and trade-marks and patents. Clearly, what is being protected is quite different in each case. Given the requirement to protect aesthetic features of articles of commerce by way of industrial design registration rather than by copyright, however, it may be rare in Canada that copyright will subsist in embodiments of an invention illustrated in a patent. Where it does, it almost certainly will not be necessary to reproduce the artistic work in order to effectively work the invention, so problematic overlap should be minimal in practice.

A similar analysis can be applied to overlapping patent and trade-mark protection. Unlike copyright, however, trade-mark protection may not arise automatically in a design, so the term of patent protection that allows trade-mark rights to develop free of competition may be much more serious. Although patents protect functional features while trade-marks may protect non-functional designs, the two may be bound up in the same article. While a competitor could theoretically use a design illustrated in a patent without infringing the patent claims, and before trade-mark rights arise, there would be a limited time-frame for doing so, particularly if the patentee's product is marketed by the time the patent application is published. Unless the Supreme Court of Canada steps in to change the law, however, patent rights and trade-mark rights in non-functional aspects of patent drawings may co-exist, and the trade-mark rights may extend indefinitely.

The public policy considerations with respect to patents and trade-marks or copyright are not completely clear, and permitting overlapping protection between such intellectual property rights may indeed be a conscious or inherent policy choice made by Parliament.

3.0 PART I: THE FORMS OF PROTECTION

Legislation respecting the most prevalent intellectual property law regimes in Canada includes the *Copyright Act*,³ the *Industrial Design Act*,⁴ the *Trade-marks Act*,⁵ and the *Patent Act*.⁶

3.1 Copyright

3.1.1 What Rights Are Protected?

Anything written, composed, drawn, or shaped is potentially entitled to the benefit of copyright protection. While historically copyright recognized purely cultural activity, in latter years it sprawled into the realm of industry.⁷ Copyright is a creature of statute. The *Copyright Act*'s central aim is to grant rights of exploitation to authors of original literary, dramatic, musical, and artistic works, as well as certain neighbouring rights to performers, makers of sound recordings, and broadcasters.⁸ No copyright exists apart from the *Copyright Act*. It is important to note that ideas, schemes, systems, and artistic style per se are not subject to copyright. Only the *form of expression* of those ideas, schemes, systems, and artistic styles is protected.⁹ Furthermore, industrial designs are excluded from the scope of copyright protection. According to s. 64 of the *Copyright Act*, there is no copyright protection in a design applied to a useful article or in an artistic work from which the design is derived if more than 50 copies of the article or work are made.¹⁰

3.1.2 How Are Rights Protected?

Copyright in a work arises automatically. Registration under the *Copyright Act* is optional. Essentially, copyright law prevents copying, but that is basically the extent of the protection. Apart from broadcasting, performance, distribution, and rental, “[n]obody infringes (copyright) unless they somehow copied a protected work. This requirement is what supposedly makes the long term of copyright tolerable and makes copyrights different from patents, industrial designs, or trade-marks, where the right may be infringed despite a defendant’s independent creation.”¹¹

To be protected by copyright, a work must be original. This requirement does not mean that the work must be unexpected and inventive, but merely that the work must originate from the author, not be copied, and involve some minimal intellectual effort.¹² In addition to originality, with the possible exception of musical works given the current statutory definition for them, “for copyright to subsist in a ‘work’ it must be expressed to some extent at least in some material form, capable of identification and having a more or less permanent endurance.”¹³ Finally, rules of reciprocity require that a work must also be appropriately connected to Canada, or to a WTO, Berne, or Universal Copyright Convention member state.¹⁴

3.1.3 What Is the Length of Protection?

Copyright protection generally extends from the date of creation of the work for the lifetime of the author, plus 50 years after the year end of the author’s death. Thus, copyright protection frequently lasts more than a century.

3.2 Industrial Design

3.2.1 What Rights Are Protected?

The Industrial Designers Society of America defines industrial design as “the professional service of creating and developing concepts and specifications that optimize the function, value and appearance of products and systems for the mutual benefit of both user and manufacturer.”¹⁵ According to the *Industrial Design Act*, a “design” or an “industrial design” means features of shape, configuration, pattern, or ornament and any combination of those features that, in a finished article, appeal to and are judged solely by the eye.¹⁶ Protection does not extend to features dictated solely by a utilitarian function, or to any method or principle of manufacture or construction, pursuant to s. 5.1 of the Act. It is thus apparent that the *Industrial Design Act* protects only the article’s appearance and not the article per se. That is, it relates to the “ornamentation” of an article, that which distinguishes the appearance of the article with which it is associated. According to s. 11 of the *Industrial Design Act*, registration prevents any person from making; importing for the purpose of trade or business; or selling, renting, or offering to expose for sale or rent, any article in respect of which the design is registered and to which the design or a design not differing substantially therefrom has been applied.

3.2.2 How Are Rights Protected?

Unlike copyright, protection for industrial designs under the *Industrial Design Act* arises only upon registration.¹⁷ In order to have a design registered, there must exist an element of originality. In fact, “cases have actually established that the degree of originality required for industrial design protection is higher than that required for copyright.”¹⁸ *Bata Industries Ltd. v. Warrington Inc.*¹⁹ suggests that a spark of inspiration is required of the designer in creating a new design or a new use for an earlier design. Essentially, a designer must make something that has never been produced before, otherwise any similar designs already registered or in the public domain will preclude valid registration of the design. An application to register the design must be made within one year of publication of the design anywhere.

3.2.3 What Is the Length of Protection?

From the date of registration, protection for a registered industrial design lasts 10 years with a maintenance fee payable before the fifth anniversary. If a design is not registered, no protection exists.

3.3 Trade-marks

3.3.1 What Rights Are Protected?

A trade-mark is defined as a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired, or performed by him or her from those manufactured, sold, leased, hired, or performed by others.²⁰ This definition is derived from the “source” theory of trade-mark law;

the purpose of the law is to enable the public to identify the source of the wares or services and to stake out a claim by the owner of the trade-mark respecting use of the mark in association with similar wares or services.²¹ Trade-marks include proposed trade-marks, distinguishing guises (the shaping of wares or their containers, or a mode of wrapping or packaging wares exemplified by articles such as the Coke, Heinz, and Perrier bottles), and certification marks, which are used to distinguish goods or services of a defined standard and tend to serve as a seal of approval in many cases. A trade-mark is the symbol, or one of the symbols, of the goodwill of a business. This goodwill arises from the use of the trade-mark, which results in the trade-mark acquiring “significance as an indicator of source.” This significance is sometimes called “distinctiveness.” What is excluded from the scope of trade-mark law is something that is mere ornamentation, a grade designation, or merely a functional feature.²² Only ornamentations that have acquired distinctiveness—that is, secondary meaning—through widespread use can function as valid trade-marks.²³ Essentially, “what is important is that the trade-mark be associated in the minds of the public with the goods produced by the trade-mark owner. It is the association of a trade-mark with a particular source which is the key to understanding the rights protected by the *Trade-marks Act*.”²⁴

Trade-marks exist both at common law and under statute and can either be registered or unregistered. The purpose of protection is to prevent misrepresentation and misappropriation of acquired rights (whether acquired by usage or registration) and unfair competition.

3.3.2 How Are Rights Protected?

A trade-mark owner has the option of bringing an action for infringement under the *Trade-marks Act* (if the trade-mark is registered) or an action for passing off at common law or pursuant to s. 7 of the Act. The tort of passing off was clarified by the Supreme Court of Canada in the case of *Consumers Distributing Co. Ltd. v. Seiko Time Canada Ltd.*:

The rule made by the tort of passing off in the common law has undoubtedly expanded to take into account the changing commercial realities in the present-day community. The simple wrong of selling one’s goods deceitfully as those of another is now not the core of the action. It is the protection of the community from the consequential damage of unfair competition or unfair trading. Professor Fleming, in his work *The Law of Torts* (6th Edition), reviews this development at p. 674:

The scope of the tort has been increasingly expanded to reach the practices of “unfair trading” far beyond the simple, old-fashioned, passing-off, consisting of an actual sale of goods accompanied by a misrepresentation as to their origin, calculated to mislead the purchaser and divert business from the plaintiff to the defendant.²⁵

Essentially, a traditional action for passing off may lie where a party engages in activities that suggest to the public that its business is somehow connected to that of the trade-mark owner, and thereby trades on the reputation or goodwill of the

trade-mark owner's business. Despite the expanded scope of the tort, there must still be some likelihood of confusion in the eyes of the public—that is, a misrepresentation or misappropriation.

3.3.3 What Is the Length of Protection?

The length of protection of a registered mark is unlimited as long as the mark is protected through continual use and renewal of the registration every 15 years. Extended non-use renders a registration vulnerable to summary expungement. If the trade-mark is not registered, protection is subject to the trade-mark owner's ability to prove the existence and extent of reputation and distinctiveness of the trade-mark each time an action is brought.

3.4 Patents

3.4.1 What Rights Are Protected?

Patent law is concerned with practical and highly functional matters and deals with the embodiment of ideas in new and useful inventions.²⁶ It is intended to act as a stimulus for new technological creation and development by allowing a patentee to recover its initial costs of invention and development plus a reasonable rate of return by giving the patent holder the time-limited exclusive right to make, construct, and use the invention and to sell it to others.²⁷

3.4.2 How Are Rights Protected?

Patent protection arises upon registration. The protection results from the “monopoly given by the state to make, use or vend a product, apparatus or process that embodies an invention that meets the following criteria: (1) it must be new—and meet the test of novelty; (2) it must be useful—and meet the test of ‘utility’; (3) it must fit a recognized category (i.e., art, process, machine, manufacture or composition of matter); and (4) it must not be obvious—there must be an inventive step.”²⁸ In exchange for the limited-time monopoly, the invention must be fully disclosed and dedicated to the public following the term of protection.

3.4.3 What Is the Length of Protection?

A patent filed on or after October 1, 1989 lasts for a maximum of 20 years from the date of application or priority date. Upon the expiry of the patent, the public is afforded the right of full use of the invention.

4.0 PART II: OVERLAP BETWEEN FORMS OF INTELLECTUAL PROPERTY

Multiple forms of intellectual property protection can arise through the interaction between copyright and patents, copyright and industrial design, copyright and trade-marks, patents and trade-marks, patents and industrial design, and trade-marks and industrial design.

4.1 Copyright and Patents

The tension between copyright and patent rights has been examined in a number of cases dealing with the extent to which copyright subsists in artistic works that have also been the subject matter of patent drawings. In 1978, England's High Court addressed this issue in the case of *Catnic Components Ltd. v. Hill & Smith Ltd.* (“*Catnic*”).²⁹ In *Catnic*, the plaintiff, a manufacturer, held a patent respecting steel lintels for use with cavity walls. The defendant, intending to enter the market for steel lintels, received the plaintiff's brochure illustrating its lintels, and later began manufacturing a substantially similar lintel that differed only with respect to the angle with which a rear support member of the plaintiff's lintel was inclined. As a result, the plaintiff brought an action alleging (among other things) infringement of copyright in the brochure drawings. The problem for the plaintiff, however, was that the brochure drawings were in substance identical to the patent drawings. Accordingly, the court was faced with the question of determining the “effect, if any, of the publication of the patent drawings on the enforceability by the plaintiff of its independent copyright in substantially identical drawings.”³⁰

The High Court of Justice—Chancery Division came to the conclusion that a valid copyright registration cannot be obtained for the drawings incorporated in a patent registration. At page 427 of the decision, Mr. Justice Whitford stated:

In my view, by applying for a patent and accepting the statutory obligation to describe and if necessary illustrate embodiments of its invention, a patentee necessarily makes an election accepting that, in return for a potential monopoly, upon publication, the material disclosed by him and the specification must be deemed to be open to be used by the public, subject only to such monopoly rights as he may acquire on his application for the patent and during the period for which his monopoly remains in force, whatever be the reason for the monopoly rights.³¹

Accordingly, the patentee was deemed to have abandoned its copyright in drawings that were equivalent to the patent drawings.

Only three reported Canadian decisions have cited *Catnic*. The first decision, in the case of *Halliburton Co. et al. v. Northstar Drillstem Testers Ltd. et al.* (“*Halliburton*”), was a motion for better answers on discovery in a copyright infringement action. Addy J. decided that “there is an arguable case that copyright had been waived in applying for a patent. The issue raises the sort of question which should be decided at trial after all the facts have been determined.”³² In the second interlocutory decision, *Burnaby Machine & Mill Equipment Ltd. v. Berglund Industrial Supply Co. Ltd. et al.*,³³ the court agreed with the decision in *Halliburton* and held that the appropriate time to decide such an important legal question was at trial and not on a motion seeking further answers on discovery. Unfortunately, neither case proceeded to trial on these issues.

The final Canadian decision citing the *Catnic* case was *Rucker Co. v. Gavel's Vulcanizing Ltd.* (“*Rucker*”).³⁴ In *Rucker*, the plaintiff was the owner of an unexpired Canadian patent that related to a product used in oil-well blowout preventers.

The plaintiff claimed copyright infringement of mechanical drawings as well as patent infringement when the defendant used the drawings to rebuild the plaintiff's used products. The decision in *Rucker* followed the reasoning in *Catnic* precluding copyright protection in patent drawings. The court explained that any other determination would defeat the time limitation provided for in the *Patent Act*. In discussing the overlap between copyright and patent law, Walsh J. explained:

Most mechanical patents have drawings in connection therewith and the drawings can readily be copyrighted, but when patent infringement protection is no longer available to the owner of the patent it is not desirable that he should be able to extend this protection by application of the *Copyright Act* to the drawings from which the physical object covered by the patent was constructed, and thereby prevent anyone else from manufacturing the same device, even without the use of the drawings. I strongly believe that it was not the intention of Parliament nor from a practical view is it desirable that the *Patent Act*, the *Copyright Act*, and the *Industrial Design Act* be interpreted so as to give overlapping protection.³⁵

When a defendant copies drawings or photographs from the plaintiff's literature to use in its own literature, however, the situation is quite different. This situation does not raise the same issues as the copying of an actual physical article available in the marketplace.

In *Energy Absorption Systems Inc. v. Boissoneault & Fils Inc.*,³⁶ the plaintiff took action against the defendant for infringement of two patents relating to impact-absorbing safety devices known as crash cushions. The plaintiff also alleged copyright infringement of its design and installation manuals when the defendant made certain unauthorized reproductions of the plaintiff's technical drawings for use in its own manual.

Both patents were held to be valid and infringed. With respect to the copyright issue, the Federal Court—Trial Division decided that the 1988 amendment to the *Copyright Act* was not applicable to the plaintiff's designs since they were created before the coming into force of s. 64(4). However, the court concluded that s. 64.1 could be applied retroactively; in other words, it applied in respect of any alleged infringement of copyright occurring before the coming into force of the amendment.

Section 64.1 of the *Copyright Act* provides:

The following acts do not constitute an infringement of the copyright or moral rights in a work:

- (a) applying to a useful article features that are dictated solely by a utilitarian function of the article;
- (b) by reference solely to a useful article, making a drawing or other reproduction in any material form of any features of the article that are dictated solely by a utilitarian function of the article;

(c) doing with a useful article having only features described in paragraph (a), or with a drawing or reproduction made as described in paragraph (b), anything that the owner of the copyright has the sole right to do with the work; and

(d) using any method or principle of manufacture or construction.

Accordingly, the defendants could rely on the s. 64.1 defence if they could establish that their drawings were made “by reference solely to a useful article” and embodied features “dictated solely by a utilitarian function.” The court held that the drawings in the defendant’s manual were not all made “by reference solely” to the plaintiff’s crash cushion, but were rather copied from the plaintiff’s installation manuals, which was clearly prohibited copyright infringement. The plaintiff’s copyright in technical drawings was valid and infringed by the defendant’s publication and distribution of its manuals. Under such circumstances, taking into account the amendments to the *Copyright Act*, the plaintiff did not lose copyright protection because of the co-existence of its patents.

Thus, the relationship between overlapping copyright and patent protection has yet to be resolved in Canada. Each of these cases was decided before amendment of the *Copyright Act* to clarify the relationship between copyright and industrial design, or on facts to be interpreted under the Act as it existed before the amendment, but underlying the earlier cases may have been the idea that industrial design protection would have been available to the owner with respect to the article of commerce, as opposed to the underlying drawings per se. Copyright protection is inconsistent with industrial design rights. Since any industrial designs would have expired by the time of the action, it would have been inconsistent to permit copyright protection. Although this issue was not expressly dealt with, it makes sense from the point of view of fairness; the appearance of industrial articles should be protected by industrial design rather than copyright. The limits of copyright protection for a commercial article, when the article itself rather than the underlying drawings was copied, were also clarified judicially in the *Bayliner*³⁷ case before amendment of the legislation.

Yet, although the relationship between copyright and industrial designs has been considered by Parliament, there is nothing to indicate any such consideration respecting the relationship between copyright and patents.

There is, however, no provision in the *Copyright Act* which states, or even suggests, that the *Copyright Act* does not apply to “objects protected by patent” or that it does not apply to subject matter capable of being patented under the *Patent Act*. Since Parliament directed its mind to the issue of double protection, the absence of a specific exclusionary provision relating to “objects protected by patent” indicates one of two things: either Parliament did not intend to exclude such subject matter from the *Copyright Act*; or Parliament did not consider that any subject matter capable of being patented under the *Patent Act* was within the scope of the *Copyright Act* and, therefore, it did not consider it necessary to state specifically that physical objects for which a patent had actually been obtained were specifically excluded from the *Copyright Act*.³⁸

It is important to note that the *Catnic* decision was not followed in at least three Commonwealth cases. In *Wham-O Manufacturing Co. et al. v. Lincoln Industries Ltd.* (“*Wham-O*”),³⁹ the High Court of Australia referred to the English case of *Werner Motors Ltd. v. A.W. Gamage Ltd.*⁴⁰, in which Vaughan Williams L.J. said that he could not “find an estoppel or any ground for putting the plaintiffs to an election between the letters patent and the copyright of the design.” The court in *Wham-O* eventually concluded that “the *Catnic* defence, is, as a matter of law, not available in cases such as this.” In *Ogden Industries Pty. v. KIS (Australia) Ltd.*,⁴¹ the High Court of Australia also concluded that something more than the existence of the patent would be required to deprive a patentee of his concurrent copyright rights. The court referred to commentary by the learned authors Laddie, Prescott, and Vitoria, in *The Modern Law of Copyright* (1980), at 316, which also refers to the *Werner Motors* case, stating:

As the law now stands it is difficult to see why a patentee should be deprived of his copyright when the patent has come to an end. If he had not applied for a patent but instead decided to rely solely on his copyright, he would be able effectively to monopolize the article for the full copyright period ... the vice lies in the length of copyright protection and not in the possession of concurrent rights.

The final Commonwealth case to reject Mr. Justice Whitford’s reasoning in *Catnic* was *Denison Manufacturing Co. and Another v. Prestige Toys Ltd. and Others*,⁴² an unreported New Zealand decision cited in *Rucker*.

It may be that in Australia and New Zealand, the dichotomy between copyright and industrial design is not as clear as it is in Canada. In any event, the *Catnic* principle has not fared as well in Australia and New Zealand as it has in this jurisdiction. Given that the *Rucker* decision is the only Canadian case that clearly follows *Catnic* on the merits, the final position in Canada on this issue is yet to be determined.

4.2 Copyright and Industrial Design

The issue of double or overlapping coverage between copyright and industrial design has been addressed by amendments to the *Copyright Act* and *Industrial Design Act*, which were given royal assent on June 8, 1988.⁴³ Section 64 of the *Copyright Act* now provides for the express exclusion of certain acts from infringement of copyright and moral rights as they concern designs applied to useful articles. Before its amendment, some courts held that “copyright subsisting in a plan or drawing depicting functional or utilitarian features of a three-dimensional object could be infringed without the necessity of actually copying the plan or drawing, but simply by reproducing without authorization the three-dimensional object.”⁴⁴ By doing this, the courts were effectively invoking the *Copyright Act* to grant protection unavailable under the *Industrial Design Act* or the *Patent Act*.

The intent of the amendments was to remove from the scope of protection for functional articles, any claim to copyright. Specifically, the amendment provided that “the shape of a functional article, and any design applied to a functional article,

would not obtain copyright protection if the article was manufactured (by the copyright owner) in over 50 copies anywhere in the world. The only protection available would be that offered by industrial design registration.⁴⁵ This means that once the 51st article is made, anybody can copy the useful article without infringing any copyright in it or any preliminary drawing of it. However, no one is allowed to copy the drawing itself, because it is not a useful article but rather merely a carrier for artistic or literary matter.⁴⁶ Exceptions are provided in s. 64(3) for graphic or photographic representations that are applied to the face of an article, real or fictitious characters, trade-marks, labels, buildings, limited-edition sets, certain patterned material, and anything else exempted by regulation.

Overall, s. 64 of the *Copyright Act* has the effect of eliminating any overlap between copyright and industrial designs, so that any articles denied protection by virtue of the operation of s. 64 will be eligible for industrial design protection should their creators apply.

In contrast to the Canadian intellectual property regime with respect to copyright and industrial design, Britain appears to provide a wider range of protection. In its attempt to remove any inconsistent protection between copyright and designs, Britain enacted the *Copyright Designs and Patents Act* in 1988.⁴⁷ In that Act, a new concept was introduced—namely, the “unregistered design right.” A design right subsists in an original design, defined as any aspect of the *shape* or configuration (whether internal or external) of the whole or part of an article.⁴⁸ The unregistered design right also does not seem to exclude functionally driven designs. It requires no formalities and protection lasts for 15 years from the creation of the design. In contrast to the Canadian regime, which protects designs only, Britain’s unregistered design right “actually protects facets of industrial designs other than designs.”⁴⁹ In addition to the unregistered design right, there is also a registered design right in Britain that affords the creator 25 years of protection. To be registered, a design must “be new and it must be demonstrated that the aesthetic appearance of the article is of importance to users and purchasers.”⁵⁰ It is this legislation from which Canada’s industrial design legislation is derived; however, Britain appears to impose more stringent requirements for registration. The final protection for designs comes from copyright. In Britain, copyright extends to the design aspects of industrial designs only if they are “artistic” designs. The period of copyright protection has, however, been shortened to 25 years to match the length of protection afforded to registered designs.⁵¹

Thus, modern British cases respecting overlap of patent, design, and copyright protection in functional articles must be scrutinized carefully before being applied in Canada, given the very different statutory regimes in force in the two jurisdictions.

4.3 Copyright and Trade-marks

In contrast to patents and industrial design, overlapping protection between copyright and trade-marks is not only accepted, but has been expressly provided for by Parliament. The co-existence of these rights has been reflected in the 1988 amendments to the *Copyright Act*, which in s. 64(3)(b) recognizes that “works of copyright which are used as trade-marks are exempted from the provisions setting out

conditions under which copying of designs applied to useful articles does not constitute infringement.”⁵² Accordingly, reproducing trade-marks on labels an infinite number of times does not invalidate the copyright that would subsist in design trade-marks. On the overlap between copyright and trade-marks, Gordon F. Henderson expressed these views:

Under the Canadian *Copyright Act*, copyright subsists in, inter alia, original literary works and original artistic works. A trade-mark is unlikely to have sufficient literary content or originality to constitute a literary work, but many trade-marks consist of or include designs that constitute original artistic works in which copyright subsists. It may, therefore, be an infringement of copyright to copy a substantial part of someone else’s artistic trade-mark, irrespective of whether the copy is used as a trade-mark or whether it is used in association with any wares, services or business.⁵³

There is limited case law dealing with the co-existence of copyright and trade-marks. In the case of *Motel 6 Inc. v. No. 6 Motel Ltd. et al.*,⁵⁴ the Federal Court—Trial Division explained that a trade-mark of distinctive design may qualify for copyright protection. In its decision in the case of *Canadian Olympic Association v. Konica Canada Inc.*,⁵⁵ the Federal Court of Appeal held that copyright and trade-mark rights are quite distinct from each other and may co-exist in the same thing:

Finally on this aspect of the matter, the whole question of copyright is, in my respectful opinion, a red herring. Whether or not the respondent has acquired the copyright to the title Guinness Book of Olympic Records, what is at issue in the present case is not copyright at all but rather the right to use the word “Olympic” as a trade mark in association with films and cameras. Nothing in the *Copyright Act* touches that right in any way. By way of example, an artist who painted a picture of someone’s trade mark would have copyright in his work but that would not allow him to use the work as a trade mark. Conversely, the owner of the trade mark could not reproduce the work without the authority of the owner of the copyright. The two rights are quite distinct.⁵⁶

Thus, it is abundantly clear in Canada that trade-mark rights and copyright may co-exist in the same design. Even though the copyright may eventually expire, the trade-mark rights may persist indefinitely. This is not an extension of the normal trade-mark monopoly, but it must be recognized that a party could rely on copyright to prevent others from using a design mark before any strong trade-mark rights had arisen. This would constitute the use of another form of intellectual property protection to create a competition-free environment for trade-mark reputation and goodwill to arise. From an analytical point of view, however, it is hard to justify why a third party should be permitted to infringe a copyright work by adopting it as a trade-mark. It should be the decision of the owner of copyright as to whether trade-mark use of the work will be permitted at any time up to the expiry of copyright protection.

4.4 Patents and Trade-marks

The tension between patent and trade-mark protection arises from the limited-time monopoly protection afforded to patents as opposed to the unlimited-time protection

available to trade-marks. This tension manifests itself when patent owners apparently attempt to use trade-mark law to extend the protection of an embodiment of the invention illustrated in an expired patent for an unlimited duration. The most recent example of such a case is *Thomas & Betts, Ltd. v. Panduit Corp.* (“*Panduit*”).⁵⁷ In *Panduit*, the plaintiff owned a patent for an electrical cable tie. The patent described, but did not claim, an oval shape to the cable tie head. At the expiry of the patent, the defendant manufactured a particular type of cable tie with an oval-shaped head as described in the patent. The plaintiff sued the defendant asserting rights in the oval shape of the cable tie head as an unregistered trade-mark. The defendant moved for summary judgment, alleging that the oval-shaped cable tie head, as the preferred embodiment of an expired patent, could not be the subject of a trade-mark.

In the Trial Division, the motions judge was essentially of the view that the duty of disclosure imposed by the *Patent Act* requires the inventor to give to the public a sufficiently detailed description of the invention so that the public, using only the instructions contained in the description of the patent, will be able to make the same successful use of the invention as the inventor could. As a result, the patentee could not, after the expiration of the patent, assert any trade-mark rights to prevent the public from making the very same preferred embodiment as that described and depicted by the inventor in the patent.

The Federal Court of Appeal, however, did not agree with this reasoning:

The practical effect of the impugned decision is to tell a patentee that even though it never claimed nor had a specific monopoly with respect to the preferred embodiment of the invention described in the patent application, yet in exchange for the monopoly granted to it by the patent with respect to the invention, the public, when allowed to copy the invention at the expiry of the patent, can automatically use any guise depicted or described in the preferred embodiment which was never part of the monopoly to start with. I have found no authority for such a proposition which, reduced to its simplest or extended to its extreme, would mean that any element described or depicted in the preferred embodiment—regardless of whether it is claimed or of its importance to the claimed invention—is automatically as a matter of law and without further inquiry disqualified from trade-mark protection.⁵⁸

On the contrary, the Federal Court of Appeal explained that it was not necessary to revert to patent law to decide the issue of trade-mark rights because trade-mark law already resolves any conflict with patent law by prohibiting the protection and registration of *functional* marks. The safeguard against an unwarranted extension of a patent monopoly by the use of a trade-mark is to be found in the doctrine of functionality. If a mark is merely functional, then no protection will be available since the mark does not function as a trade-mark; it is not adapted to distinguish one person’s goods from those of another. If it is not functional, then the mark itself was never subject to patent protection and could always function as a trade-mark. In neither case is the patent monopoly extended. As a result, the Federal Court of Appeal allowed the appeal and sent the matter back to the Trial Division to determine

whether the configuration disclosed in the preferred embodiment, in which trademark rights were now claimed, is functional. Leave to appeal to the Supreme Court of Canada was denied, and the case was settled globally shortly thereafter.

The Trial Division and Appeal Court decisions differed in their treatment of the preferred embodiment. Section 27(3) of the *Patent Act* sets out the requirements that the patentee must meet in describing the invention in the specification of the patent.

The specification of an invention must:

(a) correctly and fully describe the invention and its operation or use as contemplated by the inventor;

(b) set out clearly the various steps in a process, or the method of constructing, making, compounding or using a machine, manufacture or composition of matter, in such full, clear, concise and exact terms as to enable any person skilled in the art or science to which it pertains, or with which it is most closely connected, to make, construct, compound or use it;

(c) in the case of a machine, explain the principle of the machine and the best mode in which the inventor has contemplated the application of that principle; and

(d) in the case of a process, explain the necessary sequence, if any, of the various steps, so as to distinguish the invention from other inventions.

Paragraphs (a), (b), and (d) of s. 27(3) require a correct, full, and clear description of the invention as contemplated by the inventor to enable any person skilled in the relevant art to make or use the invention. Paragraph (c) goes a step further to require that the inventor of a machine explain the best mode in which the inventor has contemplated the application of the principle of that machine. Thus, the inventor is required or encouraged to disclose a preferred embodiment of the invention since that will best describe the invention “as contemplated by the inventor” or the “best mode” of a machine.

Section 27(4) requires that

[t]he specification must end with a claim or claims defining distinctly and in explicit terms the subject-matter of the invention for which an exclusive privilege or property is claimed.

While elements of an embodiment of the invention described in the disclosure of the specification may be incorporated into the claims, there is no requirement that all elements described be claimed. The claims may be narrower than the invention described. Using this reasoning, the Federal Court of Appeal took the position that the oval-shaped head was not part of the plaintiff’s patent monopoly because it was not claimed and because its importance to the claimed invention was not stressed—that is, it was merely an incidental aspect of the cable tie. As a result, the public would not have any difficulty in making or using the invention without the oval-shaped head. On the other hand, the motions judge was of the view that the pre-

ferred embodiment was part of the specification given to the public that answers the questions “What is the invention? How does it work?”⁵⁹ He essentially held that the oval-shaped head was so closely related to the invention as to be, for all practical purposes, an element essential to making full use of the invention.

Does it make sense to draw a distinction between form and function? Isn't the entire disclosure in the patent the essence of the bargain between the patentee and the public? Many policy implications are inherent in the *Panduit* decision. For instance, adopting the reasoning of the Trial Division effectively creates a strict legal rule that disqualifies any element disclosed or depicted in a patent from trade-mark protection. The practical implication would be that new entrants into the marketplace would be provided with an unfettered licence to copy any product configuration, however distinctive or incidental, which is disclosed or depicted in an expired patent. Any distinctiveness acquired during the life of the patent will also be disqualified from protection. Consumer confusion in the marketplace could certainly result from such unencumbered imitation.

A strict legal rule would also inhibit new technological creation and development, which is the underlying goal of the patent system, since inventors would disclose as little as possible of the actual appearance of preferred embodiments. In reaction to such a rule, potential patent applicants would be forced to severely limit or omit details from their patents, which, although unnecessary for compliance with s. 27 of the *Patent Act*, would enrich and advance the state of the art. This would result in a barrier to the free flow and use of information, which ought to occur after a patent expires, and would only hinder the public in seeking to follow the teachings of the expired patent. Furthermore, using patent law to decide whether product configurations can be protected as trade-marks in the case of products illustrated in patents, bypasses the independent doctrine of functionality. The functionality doctrine would instead be replaced with questions such as: “Was the product configuration in issue fully disclosed or depicted in the patent? How much disclosure or depiction is required to disqualify the product configuration from protection?” Considering that federal patent and trade-mark laws have co-existed in Canada for many decades, it may be undesirable to create such a hierarchy between patent rights and trade-mark rights, in which the former always prevails to the exclusion of the latter.

In contrast, adopting the Federal Court of Appeal's reasoning may place unnecessary restrictions on competition. New entrants, who have already faced a monopoly for the term of the patent, must now wait an indefinite time to practise the invention disclosed in the patent, or at least to recreate the preferred embodiment. The basic premise that underlies the patent system is that trade restraint in the form of a patent monopoly is only tenable if the public receives the benefit of the disclosure's teaching in return, and is permitted to fully practise the invention as contemplated by the inventor when the monopoly expires. The Federal Court of Appeal's decision will interfere with this bargain by extinguishing at least a portion of the consideration that flows to the public in exchange for the 20-year patent monopoly. The appellate decision may encourage restraint of trade by permitting suits based on product-configuration trade-mark rights following expiry of patents, which teach

the use of embodiments incorporating such configurations. The uncertainty thus engendered may have a chilling effect on use of the technology disclosed in expired patents. Finally, the public will not be able simply to conduct an inquiry into whether patents or industrial designs exist to cover a particular article, and be satisfied that no further rights exist. It may be unfair to burden the public with an onus to carry out a functionality analysis before producing a useful article when the public has merely followed the instructions of an expired patent. This is noteworthy especially when considering that the patentee is the one who elects patent protection, and who defines the consideration that flows back to the public by choosing what appears in the patent.

The *Panduit* case exemplifies the struggle between the public's right to be protected against confusion in the marketplace from imitations, and the public's right to full use of an invention upon the expiry of a patent. Deciding which of these rights should be paramount constitutes a clear policy choice.

In the context of a discussion of the U.S. trade-mark doctrine of inherent distinctiveness, the U.S. Supreme Court in *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*⁶⁰ asserted that "consumers should not be deprived of the benefits of competition with regard to the utilitarian and esthetic purposes that product design ordinarily serves by a rule of law that facilitates plausible threats of suit against new entrants based upon alleged inherent distinctiveness."⁶¹ The court explained that "competition is deterred, however, not merely by successful suit but by the plausible threat of successful suit, and given the unlikelihood of inherently source-identifying design, the game of allowing suit based upon alleged inherent distinctiveness seems to us not worth the candle."⁶² In the context of trade-mark rights in patent configurations, the issue in the United States has been controversial and remained unresolved because different courts had taken different positions. Some clarification was provided, however, by the U.S. Supreme Court's review of a decision of the U.S. Court of Appeals for the Sixth Circuit, which held that trade dress protection may be available for a design disclosed in an expired patent.⁶³ The case, *Marketing Displays, Inc. v. Traffix Devices Inc.*,⁶⁴ involved a wind-resistant, traffic-sign stand. The plaintiff manufactured the stand, the design of which depended in part on a patented dual-spring base that helped the sign resist windy conditions. The defendant, after the plaintiff's last relevant patent had expired, began producing its own sign to sell in competition with that of the plaintiff. The plaintiff brought an action for, among other things, trade dress infringement. After its trade dress claims were dismissed by the district court, the plaintiff appealed to the Court of Appeal for the Sixth Circuit.

Trade dress refers to the total appearance of the product itself—including its configuration, shape, form, design, and colour. The Sixth Circuit's appeal ruling provided that recognizing trade dress rights in distinctive, non-functional product features does not conflict with the public's right to copy an invention after an underlying patent has expired. The court essentially drew a distinction between form (or appearance) and function and concluded that the plaintiff's trade dress in the dual-spring base was distinct and separate from the function of the design of the stand. The court also rejected an opinion expressed in the Tenth Circuit, which provided that,

where a product configuration, even if non-functional, was a significant inventive component of an invention covered by a utility patent (that is, was part of a claim in the patent), it could not receive trade dress protection.⁶⁵ In summary, the Sixth Circuit appeal court expressed the view that patent and trade-mark law protect different interests, and that “a product’s different qualities can be protected simultaneously, or successively, by more than one of the statutory means for protection of intellectual property.”⁶⁶

The U.S. Supreme Court held on March 20, 2001 that the plaintiff’s dual-spring design was a functional feature for which there was no trade dress protection. The court found that the plaintiff’s expired utility patent was of vital significance in resolving the trade dress claim, since the existence of patent claims covering the dual-spring feature in question was strong evidence that the feature was functional. The dual-spring design served the important purpose of keeping a sign upright in heavy wind conditions, and statements in the expired patents indicated that it did so in a unique and useful manner and at a cost advantage over alternative designs. With functionality thus established, it was not necessary to consider whether the design had acquired secondary meaning, since a clearly functional element could *never* function as a indication of origin to justify trade dress protection.

The Sixth Circuit had relied on *Qualitex Co. v. Jacobson Products Co.*⁶⁷ to hold that exclusive use of a product feature must put competitors at a significant non-reputation-related disadvantage before trade dress protection would be denied on grounds of functionality. The Supreme Court also referred to the *Qualitex* decision (quoting *Inwood Laboratories, Inc. v. Laboratories, Inc.*⁶⁸), which stated

In general terms a product feature is functional, “and cannot serve as a trademark,” if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.

The Supreme Court in *Qualitex* also noted that a functional feature is one “the exclusive use of [which] would put competitors at a significant non-reputation-related disadvantage.”⁶⁹ Now, in *TrafFix*, the Supreme Court stated that this “expansion” on the basic test did not mean that competitive necessity was a necessary test for functionality, and that the Sixth Circuit had erred in so finding. The feasibility of alternative designs did not render the claimed feature non-functional:

In order to overcome the strong inference of functionality for features claimed in a utility patent, a trade dress claimant should show “that the feature is not functional, for instance by showing that it is merely an ornamental, incidental, or arbitrary aspect of the device.”

The Supreme Court did not deal specifically with the issue whether federal trade dress protection can extend to product configurations covered, but not claimed, in an expired utility patent, and by way of corollary, whether patent laws “trump” the *Lanhan Act*, as suggested by the Tenth Circuit in *Vornado Air Circulation Systems, Inc. v. Karavan Trailers, Inc.*⁷⁰

Accordingly, both in Canada and the United States, the most current jurisprudence indicates that public policy does not require trade-mark rights in a non-functional product configuration to be extinguished upon the expiry of a patent illustrating that configuration, as long as the allegedly aesthetic feature is not claimed as an element of the invention.

4.5 Patents and Industrial Design

Patent and industrial design rights appear to be quite separate. The lack of overlap is due to the different basis for protection in each case—namely, functional features for patents and aesthetic features for designs. The dichotomy is clear. Effectively, “designs as defined by the *Industrial Design Act* do not receive any protection through patents because the *Industrial Design Act* exempts any aspect derived solely from utility (i.e. function) ... whereas the *Patent Act* specifically requires utility for registration. There is a clear and unmistakable separation between these two forms of intellectual property.”⁷¹

It should be noted, however, that an industrial design may not really be available for copying by the public after its 10-year registered life if a patent covering functional features of the article remains in force. If the design cannot easily be used without infringing the patent, then the design monopoly may effectively extend for the 20-year lifetime of the patent. If the design registration was invalid because the design was purely functional rather than aesthetic, however, that should not affect the remaining patent rights. No additional protection would have been created in any event. Accordingly, overlapping patent and industrial design protection does not appear to be a practical problem.

4.6 Trade-marks and Industrial Design

The final potential overlap in intellectual property rights occurs with respect to trade-marks and industrial design. Multiple protection may arise when an industrial design also qualifies for protection as a distinguishing guise and thus enjoys indefinite protection, much longer than the 10 years the design receives when registered under the *Industrial Design Act*. The similarity between these forms of protection arises from the fact that both distinguishing guises and industrial designs protect the outward appearance of objects. Although, theoretically, the two intellectual property regimes confer different types of protection, in reality, there is very little practical difference between them. The trade-mark right to the exclusive use of the distinguishing guise can be used to “extend” the industrial design-conferred monopoly of the right to make, import, or sell any article in respect of which the design is registered. This is so because “the exclusive right to *the use* of the distinguishing guise is infringed where a person not entitled to its use under the *Trade-marks Act*, sells, distributes, or advertises wares or services in association with a confusing trade-mark.”⁷² Some English courts have held that a mark that has been the subject of a registered design or copyright may nonetheless also be registered as a trade-mark.⁷³ Parliament, however, has made some attempt to limit the degree of

overlap with its very narrow and stringent registration requirements for a distinguishing guise. According to s. 13 of the *Trade-marks Act*:

A distinguishing guise is registrable only if:

- (a) it has been so used in Canada by the applicant or his predecessor in title as to have become distinctive at the date of filing an application for its registration; and
- (b) the exclusive use by the applicant of the distinguishing guise in association with the wares or services with which it has been used is not likely unreasonably to limit the development of any art or industry.

Some commentators have stressed that the definition of a distinguishing guise under the *Trade-marks Act* is so narrow that only design aspects of an industrial design (and not even every design aspect) are capable of receiving this intellectual property protection.⁷⁴

An industrial design application must be filed within one year of publication of the design.⁷⁵ Failure to apply in time will prevent the issuance of a valid industrial design registration. But if a valid industrial design registration is obtained, it can be used legitimately to prevent anyone else from copying that design. This enforced non-competition gives the owner 10 years in which to build a reputation and potentially develop a secondary meaning, which may lead to unregistered trade-mark rights, or allow it “to have become distinctive at the date of filing an application for its registration” as a distinguishing guise. Thereafter, causes of action in passing off at common law, or pursuant to s. 7, 19, 20, or 22 of the *Trade-marks Act*, may be available, respectively, for statutory passing off, actual or deemed trade-mark infringement, or depreciation of the value of the goodwill in a registered trade-mark.

This situation provides perhaps the strongest arguments for denial of trade-mark protection following expiry of the prior registered design right. Although trade-mark rights are based upon the mark being an indication of the source of goods, while industrial design rights protect the design *per se* by virtue of its original, aesthetic appeal to the eye, the result is the same. No one can take the aesthetic features of the design since they are integrally combined with the article of commerce itself. It is highly unlikely that the design could be applied to other goods so different from the original goods that no likelihood of confusion would arise pursuant to trade-mark principles; and, if the design could be applied to very different goods, the former design registrant might feel no need to complain.

Perhaps it is fair to put the creator of an industrial design to a choice: either accept a 10-year exclusive term of protection without proof of reputation, or risk losing any claim to distinctiveness by forgoing such protection. If the creator forgoes any monopoly design protection and nonetheless succeeds in establishing distinctiveness for the design, then the creator will be entitled to receive a potentially unlimited term of protection as a distinguishing guise or trade-mark. Perhaps that should be the reward for taking the risk that exclusivity will not be achieved. In contrast, the bargain for achieving a 10-year up-front monopoly by way of industrial

design registration may be that no protection of the design thereafter, by trade-mark or otherwise, will be possible.

A statutory basis for such a bargain can be derived from s. 13(b) of the *Trade-marks Act* set out above. When a creator has already had 10 years of industrial design monopoly protection, which the public is fully entitled to expect will then expire leaving the design free to be copied, providing an applicant with exclusive use of the design as a distinguishing guise in association with the wares with which it has been used is likely unreasonable to limit the development of any art or industry. Thus, it is “unreasonable” to extend the industrial design monopoly by means of a distinguishing guise. Trade-mark rights, if any, should come from other indicia or marks than those covered by the formerly registered industrial design. Whether this argument will succeed in any particular case may depend on the design options available to new entrants into the marketplace, other than using the subject matter of the distinguishing guise. In this regard, being able to produce spare parts to repair or replace worn-out parts supplied by the original manufacturer may be important to the development of the art or industry; if the design is not copied, the parts will not fit. The argument may be less strong for stand-alone articles.

In the passing-off context, the courts could also rely upon the expiry of industrial design rights to hold that the plaintiff’s design is not distinctive since it has been dedicated to the public. Thus, unless a defendant causes confusion by using indicia of source other than the design of the article itself, no passing off will have occurred. Obviously, all such arguments fundamentally depend on the notion that the plaintiff is estopped from asserting alternative design rights after the industrial design registration has expired and the design has become dedicated to the public as anticipated by the time-limited protection granted pursuant to the *Industrial Design Act*.

5.0 PART III: CONCLUSION

Whether overlapping protection between different forms of intellectual property is desirable or permitted depends on the particular combination in question. Under the Canadian regime, Parliament has specifically legislated with respect to the issue of overlap in copyright and industrial design protection. Amendments to the *Copyright Act* and the *Industrial Act* in 1988 make it clear that copyright and industrial design protection should not exist simultaneously in the same design. What happens if patent rights are also present? If a drawing in a patent illustrates aesthetic features of a patented industrial article that is produced in more than 50 copies, then copyright protection should almost certainly be denied; the proper form of protection is industrial design. This would be the case whether the design appeared in a patent or not. However, if there are elements of illustrations in a patent that do not relate to the aesthetic features of an industrial article, copyright protection may well continue to exist. For example, if the drawing in a patent illustrates a functional article with the super-addition of aesthetic features or an aesthetic design such as the face of “Mickey Mouse,” there is no reason why copyright in the design of the “Mickey Mouse” face should be lost. Moreover, if that aesthetic design also functions as a

trade-mark, it would be hard to argue that such protection must be lost simply because the design found its way into patent drawings. Use of that design would almost certainly not be necessary to enjoy the benefit of the invention of the expired patent. The copyright and trade-mark rights may have preceded the patent rights, and may continue to exist long after the patent expires.

Overlap between copyright and trade-marks has been recognized judicially for some time and has been embodied in s. 64(3)(b) of the *Copyright Act*, which provides that copyright may subsist in trade-marks. Although conceptually, copyright protection could be used to prevent copying of a design that eventually achieves trade-mark distinctiveness, the lifetime of protection for copyright is so long that this should not be a practical issue. Why should someone be allowed to copy a design for any purpose when he or she could just as easily create a new design? Infringers are unlikely to argue that they expected to be able to use a design as a trade-mark following expiry of copyright protection and were waiting for the lifetime of the author plus 50 years to do so. An intriguing conflict could arise when a design is adopted as a trade-mark only shortly before expiry of the copyright. In this situation, a third party might legitimately have been waiting for the copyright to expire in order to use the design. Whether this 11th hour attempt to secure trade-mark rights could constitute an abuse of the copyright or trade-mark “monopoly” is an interesting question. Given Parliament’s recognition that copyrighted designs may be produced in infinite numbers as trade-marks without being converted into industrial designs, and judicial recognition that copyright and trade-marks may co-exist, a defence based upon public policy considerations in such a scenario seems unlikely to succeed.

The effective extension of an industrial design term of protection by using trade-marks appears to be something that courts are much less likely to countenance. The owner of an industrial design could presumably use its 10-year period of exclusivity to ward off any competitors in order to render the design distinctive in a trade-mark sense. Thereafter, it could rely on causes of action in passing off at common law, or unregistered or registered trade-mark rights pursuant to s. 7, 19, 20, or 22 of the *Trade-marks Act*. Although the approaches of the *Industrial Design Act* and trade-marks law to protection of designs are different, the effect of such protection will essentially be the same. Thus, it may be fair to deny the holder of an industrial design the option of effectively extending protection in the design itself, as a trade-mark, beyond the industrial design term of protection. However, if the creator of the design is willing to accept the risk that the mark may not become or remain distinctive, and forgo industrial design protection, it may be entitled to claim the benefit of trade-mark protection when it can show distinctiveness through extensive use. In contrast, the extension of protection for a design as a distinguishing guise or otherwise following expiry of an industrial design registration may be found to be likely unreasonably to limit the development of the art or industry in which the design has been used, and thus be prohibited.

Finally, although the existence of concurrent or sequential patent and trade-mark protection may seem to exhibit some of the elements of concurrent or sequential

industrial design and trade-mark protection, significant distinctions between these situations exist. If the design of an article illustrated in an embodiment of the invention, whether preferred or best mode, comprises essentially functional features, it will not generally be subject to trade-mark protection. When such designs comprise aesthetic features, however, quite separate from the functional features claimed in the patent, trade-mark protection is possible. The question is whether the public would expect to be able to reproduce the invention exactly as disclosed in the patent free from trade-mark worries, or whether it is fair to limit the public to use of the invention as claimed, regardless of the embodiments illustrated in the patent. It is clear that disclosure of more than the patentee claims will preclude the issuance of valid later patents covering that initially unclaimed matter. But the same may not hold true for trade-marks given the different bases for these forms of intellectual property protection. It is immediately apparent that both approaches have a certain appeal. In Canada, the Federal Court of Appeal's decision in *Panduit* now stands as the most comprehensive statement of the law.

As can be seen from the paucity of case law reviewed in this paper, situations where overlap between different forms of intellectual property present contentious issues are relatively rare. Thus, it is unlikely that Parliament will step in to amend the various intellectual property statutes to further clarify when concurrent or overlapping rights may subsist. Reliance on jurisprudence and the wording of the statutes as they exist seems likely to be the basis for resolution of these issues for the foreseeable future.

ENDNOTES

- 1 David Vaver, *Intellectual Property Law, Essentials of Canadian Law* (Concord, ON: Irwin Law, 1997), at 15.
- 2 Roger T. Hughes and Hughes G. Richard, *Report on the Appropriateness of Legislation Protecting Functional Objects* (Ottawa: Department of Consumer and Corporate Affairs, March 1991).
- 3 *Copyright Act*, R.S.C. 1985, c. C-42 (the new, amended version of the Act).
- 4 *Industrial Design Act*, R.S.C. 1985, c. I-9 (the new, amended version of the Act).
- 5 *Trade-marks Act*, R.S.C. 1985, c. T-13 (the new, amended version of the Act).
- 6 *Patent Act*, R.S.C. 1985, c. P-4 (the new, amended version of the Act).
- 7 *Supra* note 1, at 25.
- 8 *Supra* note 3, s. 2.
- 9 *Bradale Distribution Enterprises v. Safety First Inc.* (1987), 18 C.I.P.R. 71, at 91 (Que. S.C.); *Fletcher v. Polka Dot Fabrics Ltd.* (1993), 51 C.P.R. (3d) 241, at 247 (Ont. Ct. Gen. Div.); *Tri-Tex Co. v. Ghaly* (1999), 1 C.P.R. (4th) 160, at 168-72 (Que. C.A.).
- 10 *Supra* note 3, s. 64(2).

- 11 *Supra* note 1, at 23.
- 12 *Ibid.*
- 13 *Canadian Admiral Corp. v. Rediffusion Inc.*, [1954] Ex. C.R. 383, at 394. But see the definition of “musical work” in s. 2 of the *Copyright Act*, which seems to have removed the requirement for fixation.
- 14 *Supra* note 1, at 41.
- 15 The Industrial Designers Society of America, “Comprehensive Description of Industrial Design” (1996), at <http://www.idsa.org/whatis/definition.htm>.
- 16 *Supra* note 4, s. 2.
- 17 *Ibid.*, s. 9.
- 18 Amy Muhlstein and Margaret Ann Wilkinson, “Whither Industrial Design” (1999), 14 I.P.J. 1, at 19.
- 19 *Bata Industries Ltd. v. Warrington Inc.* (1985), 5 C.I.P.R. 223; 5 C.P.R. (3d) 339 (F.C.T.D.).
- 20 *Supra* note 5, s. 2.
- 21 Gordon F. Henderson, “An Overview of Intellectual Property,” in *Trade-marks Law of Canada* (Toronto: Carswell, 1993), at 4.
- 22 *IVG Rubber Canada Ltd. v. Goodall Rubber Co.*, [1981] 1 F.C. 143, at 144 (T.D.).
- 23 *W.J. Hughes & Sons “Corn Flower” Ltd. v. Morawiec* (1970), 62 C.P.R. 21, at 30-31 (Ex. Ct.).
- 24 *United Artists Corp. v. Pink Panther Beauty Corp.* (1998), 80 C.P.R. (3d) 247, at 257-58 (F.C.A.).
- 25 *Consumers Distributing Co. Ltd. v. Seiko Time Canada Ltd.* (1984), 10 DLR (4th) 161, at 173 (S.C.C.). See also: John G. Fleming, *The Law of Torts*, 6th ed. (Sydney: The Law Book Co., 1983), at 672-77.
- 26 *Supra* note 21, at 5.
- 27 *Supra* note 6, s. 42.
- 28 *Supra* note 21, at 6.
- 29 *Catnic Components Ltd. v. Hill & Smith Ltd.*, [1978] F.S.R. 405 (Ch. D.).
- 30 *Ibid.*, at 427.
- 31 *Ibid.* Note that these comments were *obiter* and were unnecessary to the resolution of the issue at trial. Furthermore, the case was appealed to both the Court of Appeal and the House of Lords, neither of which made any finding with regard to the *obiter* comments of Mr. Justice Whitford.
- 32 *Halliburton Co. et al. v. Northstar Drillstem Testers Ltd. et al.* (1982), 63 C.P.R. (2d) 187, at 188 (F.C.T.D.).

- ³³ *Burnaby Machine & Mill Equipment Ltd. v. Berglund Industrial Supply Co.* (1984), 81 C.P.R. (2d) 251 (F.C.T.D.).
- ³⁴ *Rucker Co. v. Gavel's Vulcanizing Ltd.* (1985), 7 C.P.R. (3d) 294 (F.C.T.D.).
- ³⁵ *Ibid.*, at 312.
- ³⁶ *Energy Absorption Systems Inc. v. Boissoneault & Fils Inc.* (1990), 30 C.P.R. (3d) 420, at 468 (F.C.T.D.).
- ³⁷ *Bayliner Marine Corp. v. Doral Boats Ltd.* (1985), 5 C.P.R. (3d) 289 (F.C.T.D.), rev'd. (1986), 10 C.P.R. (3d) 289 (F.C.A.), leave to appeal to S.C.C. refused (1986), 14 C.P.R. (3d) 446 (S.C.C.).
- ³⁸ Dan Hitchcock, "Copyright in Drawings Does Not Extend to Protect Patented Objects" (1986), 2 I.P.J. 237, at 244.
- ³⁹ *Wham-O Manufacturing Co. et al. v. Lincoln Industries Ltd.*, [1982] R.P.C. 281, at 298 (Aus. H.C.).
- ⁴⁰ *Werner Motors Ltd. v. A.W. Gamage Ltd.* (1904), 21 R.P.C. 621 (Ch.).
- ⁴¹ *Ogden Industries Pty. v. KIS (Australia) Ltd.*, [1983] F.S.R. 619, at 635 (Aus. H.C.).
- ⁴² *Denison Manufacturing Co. and Another v. Prestige Toys Ltd. and Others* (Auckland Registry, A 543/80, September 5, 1980).
- ⁴³ *Copyright Amendment Act*, S.C. 1988, c. 15.
- ⁴⁴ *Bayliner*, *supra* note 37; *Spiro-Flex Industries Ltd. v. Progressive Sealing Inc.* (1986), 13 C.P.R. (3d) 311 (B.C. S.C.).
- ⁴⁵ Roger T. Hughes, *Hughes on Copyright and Industrial Designs* (Toronto: Butterworths, 1984+).
- ⁴⁶ *Supra* note 3, s. 64(1).
- ⁴⁷ John Holyoak and Paul Torremans, *Intellectual Property Law* (London: Butterworths, 1995), at 252.
- ⁴⁸ *Supra* note 18, at 41.
- ⁴⁹ *Ibid.*, at 42.
- ⁵⁰ *Ibid.*, at 40.
- ⁵¹ *Ibid.*, at 41.
- ⁵² Mary Cardillo, "Distinguishing Guise Trade Marks and Their Relationship to Copyright and Industrial Design," 6 C.I.P.R. 14, at 15.
- ⁵³ *Supra* note 21, at 66.
- ⁵⁴ *Motel 6 Inc. v. No. 6 Motel Ltd. et al.* (1981), 127 D.L.R. (3d) 267; 56 C.P.R. (2d) 44 (F.C.T.D.). However, in this case, the claim to copyright infringement was dismissed because the plaintiff failed to establish ownership of any right or licence to the work by means of a valid assignment.

- 55 *Canadian Olympic Association v. Konica Canada Inc.* (1990), 30 C.P.R. (3d) 60 (F.C.T.D.), rev'd. (1991), 39 C.P.R. (3d) 400 (F.C.A.).
- 56 *Ibid.*, at 409.
- 57 *Thomas & Betts, Ltd. v. Panduit Corp.* (1997), 74 C.P.R. (3d) 185 (F.C.T.D.), rev'd. (2000), 185 D.L.R. (4th) 150; 3 F.C. 3; 4 C.P.R. (4th) 498 (C.A.).
- 58 *Ibid.*, at 157 (D.L.R.).
- 59 *Consolboard Inc. v. MacMillan Bloedel (Sask.) Ltd.*, [1981] 1 S.C.R. 504.
- 60 *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 120 S. Ct. 1339 (U.S. 2000).
- 61 *Ibid.*
- 62 *Ibid.*
- 63 *TrafFix Devices Inc. v. Marketing Displays Inc.*, 200 F.3d 929 (6th Cir. 1999), U.S. Supreme Court docket no. 99-1571.
- 64 *Ibid.*
- 65 *Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498, at 1500 (10th Cir. 1995).
- 66 *Kohler Co. v. Moen, Inc.*, 12 F.3d 632, at 638-39 (7th Cir. 1993).
- 67 *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, at 165.
- 68 *Inwood Laboratories, Inc. v. Laboratories, Inc.*, 456 U.S. 844, at 850, n. 10.
- 69 *Ibid.*
- 70 *Vornado Air Circulation Systems, Inc. v. Karavan Trailers, Inc.*, 175 F.3d 1498, at 1500 (CA 10 1995).
- 71 *Supra* note 18, at 32.
- 72 *Ibid.*, at 29.
- 73 *Supra* note 45, at 1614. See also *Sobrefina SA's Trade Mark Application*, [1974] R.P.C. 672, at 680 (Ch. D.) and *W.J. Hughes & Sons*, *supra* note 23.
- 74 *Supra* note 18, at 31.
- 75 *Supra* note 4, s. 6(3).