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Virtual Design Theft

IS IT LEGAL? CAN YOU STOP IT?

Imagine a new hyper-violent video game in which the main character uses a Ford Mustang convertible as a weapon to kill pedestrians. He then uses a Gibson Flying V electric guitar to assault a law enforcement officer and flees the scene wearing a pair of Converse Chuck Taylor All Star sneakers. He later arrives at his house, which is equipped with the latest and greatest industrial designs. Sitting in his Herman Miller Aeron chair he calls his friend on his Apple iPhone and laughs as he describes his violent crimes of the day.

Virtual design theft—a term coined for this article—is the unauthorized creation, sale or use of a digital model of a real-life design. The virtual design theft in this hyper-violent video game would likely upset the products’ manufacturers and designers. But what can they do about it?

Virtual design theft not only happens in video games; instances occur in many other digital applications as well. Examples include movies and virtual worlds, such as Second Life. Virtual design theft occurs for many reasons. Those who convert real-life designs into digital models usually do so purely for profit. Content creators, who purchase the digital models, usually want to impart realism to their games or movies, or avoid the effort of creating an original design. Participants in virtual worlds, such as Second Life, commit design theft because they want their avatars to have desirable, albeit virtual, things.

To fill this void, people are creating realistic unauthorized models of existing designs. They sell these models through specialized web sites, such as www.3dexport.com and www.turbosquid.com. Some of the computer models are impressively realistic and would seem to have been cre-



Screenshot of web site selling a 3D model of a Mustang GT.

ated using 3D scanner technology or CAD software. Because these digital models are sometimes easily created and because there is a marketplace for selling unauthorized computer models, their use is expected to increase. Rarely, if ever, are the unauthorized users interested in paying the authorized owner a licensing fee for the design.

The rise of virtual theft poses two main questions: Is it illegal? Can the owner of the original design stop it? The answers to these questions are not clear-cut and depend on a number of factors. Potential legal rights to combat virtual theft include design patents, copyrights and trademarks. All three can be used simultaneously, so there is no need to pick and choose. But each is applicable in only selected circumstances, and each has its own strengths and weaknesses. Wherever possible, those interested in protecting their designs should secure rights in all three of these areas.

Design Patents

A design patent protects an ornamental design for a product. Sound arguments can be made that a design patent can be used to stop virtual design thefts. However, the owner has to file a design patent application within a year from first publication, public disclosure or offer for sale or design-patent protection will not be available. Also, to be entitled to a design patent, the design must be new and “non-obvious” when compared to prior designs, and the design must not be “primarily functional.” Additionally, a design patent has an enforceable term of 14 years and will not afford protection past its term. Therefore, Ford may have an argument for design patent infringement if the hypothetical video game maker commits virtual design theft of the 2005 Mustang, but not of the 1965 Mustang.

Once a design patent is in hand, the patent holder can prevent others from producing a design whose appearance is the same or substantially the same as the patented design, as judged from the perspective of an ordinary observer. Whether a 3D computer model would infringe a design patent for a physical product has not yet been tested. The people who committed the virtual design theft would argue that their actions do not constitute design-patent infringement because they never manufactured the underlying product. Based on the language of the design laws, the patentee would argue that the patent protects the design, not just the physical product. Filing additional design-patent applications to protect depictions of the design as it would appear on a display screen is a non-traditional approach that can potentially sidestep this defense and provide supplemental protection.

Copyright

The owner of a valid copyright that covers a design should have a very strong case against a virtual design thief. In copyright lingo, a 3D model is a copy or derivative work of the original. (Fair use as a defense to copyright infringement should also be considered, but it is beyond the scope of this article.) To be entitled to copyright protection, originality is required, but the threshold is fairly low.

The toughest hurdle for copyright protection of designs is the separability test. Most of the virtual design thefts in the

hypothetical hyper-violent video game would fail the separability test. However good arguments can be made that the Gibson Flying V guitar body would pass the separability test.

The separability test permits copyright protection only for designs that incorporate graphic, pictorial or sculptural features that are conceptually or physically separable from the utilitarian aspects of the product. In one well-known decision, the Supreme Court found that a lamp base shaped like a human figure was protectable as a sculptural work. In another case, the court found that artwork as part of an ornate belt buckle was protectable. Copyright protection is commonly found in designs containing original surface ornamentation because the surface ornamentation is often times conceptually separable from the product. However, the opposite proposition is also true: designs that are not separable from their underlying article will not be protectable.

Should the particular design be copyrightable, the term of the copyright is long: the remaining life of the author plus 70 years. If the work is a corporate authorship, the term is 95 years from publication or 120 years from creation, whichever expires first.

A unique attribute of copyright law is that the creator does not have to do anything to be entitled to protection. Copyright protection arises automatically upon creation and fixation. However, registration with the Copyright Office is highly recommended and relatively inexpensive. Timely registration with the Copyright Office provides various benefits, including statutory damages for infringement. If the work is not registered, the owner will need to obtain a copyright registration before enforcing the copyright.

Trademarks

Trademark rights can be extremely beneficial because the owner can potentially extend the term of the trademark for as long as the mark remains in use. To be entitled to trademark rights, the mark has to be capable of functioning as a source identifier and cannot be confusingly similar to existing marks. While common law trademark rights attach upon use of the mark, it is wise to get a federal trademark registration if the mark is used in interstate commerce.

Two categories of trademarks can provide relevant protection against virtual design theft: marks used on or in conjunction with the product, such as the name or logo of the product or manufacturer, and product configuration marks. In order to register a product configuration mark, the owner needs to show that the product configuration has acquired distinctiveness. Distinctiveness is acquired by substantially exclusive and continuous use of the mark in commerce such that the primary significance of the product configuration, in the minds of the consumers, is the product's source.

Similar to copyright and design patents, trademarks cannot be directed to functional elements because func-

tional elements serve a purpose other than source identification. However, the test for determining functionality differs between the three legal rights. Each of the five manufacturers listed in the hyper-violent video game example has at least one federally registered trademark directed to the configuration of their described product designs.

Trademark law will not prevent the design of a new product from being copied until it has acquired distinctiveness. If copyists are allowed to copy a design early on, then trademark law will never protect the design because the design will not be uniquely associated with a single source. One strategy is to obtain a design patent to prevent similar designs from entering the market so that the product design acquires distinctiveness.

In a recent case, Fender was denied trademark protection on three iconic electric guitar bodies it has been making for over 50 years. These guitar bodies had not acquired distinctiveness due to the large number of third-party guitars sold over the past 30 years having similarly or identically shaped bodies. In other words, Fender's iconic guitar bodies had become generic. Trademark owners should police the unauthorized use of their marks to help them acquire distinctiveness and prevent them from becoming generic.

The usual test for trademark infringement is whether there is a likelihood of confusion about the source, sponsorship, affiliation or endorsement of a product. The facts applicable to a likelihood of confusion analysis will likely be different for the web site selling the unauthorized models and the video game maker using the models and selling the video game. The web sites selling these models use trademarks, such as manufacturer and model names, as "tags" that enable searching.

If sued for trademark infringement, the makers of the hyper-violent video game could argue that no one is confused as to the source of any object in their game. This argument is becoming less persuasive over time as product placement and product endorsements become more prevalent. (Fair use or first amendment rights as a factor to weigh against trademark infringement may be applicable in



A Second Life avatar holding an authorized Gibson guitar while sitting on an unauthorized Herman Miller chair.

some instances of virtual design theft, but they are beyond the scope of this article.)

Herman Miller successfully enforced its trademark rights against parties selling virtual furniture in Second Life. The company is now generating revenue by selling its own virtual furniture in Second Life—a factor that may increase its success in demonstrating a likelihood of confusion in future cases, especially against the web sites selling the virtual models.

As an alternative right, anti-dilution provisions of trademark law prohibit blurring or tarnishing the distinctiveness of a mark if that mark has become famous. Anti-dilution provisions can provide protection under some circumstances, regardless of whether there is any likelihood of confusion as to the source of the product. This may be another way to prevent virtual design theft where a mark is being used in an undesirable manner that could tarnish its distinctiveness.

Virtual design theft is occurring at an increasing rate. Design patent, copyright and trademark laws may be able to stop it. However, the success of enforcement efforts is uncertain and depends on a number of case-specific facts. In the meantime, strategically obtaining design patents, copyright registrations and trademark registrations to maximize the likelihood of successfully stopping virtual design theft is recommended. ■

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