

**THE VESSEL HULL
DESIGN PROTECTION ACT:
OVERVIEW AND ANALYSIS**

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**A REPORT BY
THE UNITED STATES COPYRIGHT OFFICE
AND
THE UNITED STATES PATENT AND TRADEMARK OFFICE**



THE VESSEL HULL DESIGN PROTECTION ACT: OVERVIEW AND ANALYSIS

PART ONE: INTRODUCTION

A. BACKGROUND

The Vessel Hull Design Protection Act (VHDPA), part of the Digital Millennium Copyright Act (DMCA),¹ added chapter 13 to title 17 of the United States Code; the title of the U.S. Code that contains copyright and related laws. The provisions contained in chapter 13, entitled “Protection of Original Designs,” do not, however, provide copyright protection. Rather, they establish *sui generis* protection for original designs of vessel hulls. The Register of Copyrights is responsible for administration of the VHDPA, principally through the design registration system established for eligible vessel hulls.² Since the passage of the VHDPA, the Copyright Office has registered over 100 vessel hull designs.

As originally enacted, the VHDPA was to expire after a brief period of two years.³ During this period, Congress directed the Register of Copyrights and the Commissioner of Patents and Trademarks⁴ to submit two joint reports to the Judiciary Committees of the House of Representatives and the Senate evaluating the effectiveness of the VHDPA. Section 504 of the DMCA made the first report due by October 28, 1999, and the second was due one year later. However, in October of 1999, Congress passed the Intellectual Property and Communications Omnibus Reform Act of

¹ Title V of the Digital Millennium Copyright Act of 1998, Pub. L. No. 105-304, 112 Stat. 2860 (Oct. 28, 1998), is entitled the “Vessel Hull Design Protection Act.”

² For purposes of chapter 13, the Register of Copyrights is the Administrator, and the Office referred to is the Copyright Office.

³ See Section 505 of the DMCA.

⁴ Now identified as the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.

1999 (IPCORA).⁵ Section 5005 of the IPCORA amended the DMCA by repealing the sunset provision as well as the requirement for two reports. It replaced the latter with a requirement for a single joint report by the Register and the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, due no later than November 1, 2003. This report satisfies that requirement.

Although the IPCORA changed the timing of this study, it did not alter the criteria for evaluating the effectiveness of the VHDPA that were originally set forth in the DMCA. Specifically, the Register and the Under Secretary are directed by the DMCA to consider:

- (1) the extent to which the amendments made by [the VHDPA have] been effective in suppressing infringement of the design of vessel hulls;
- (2) the extent to which the registration provided for in chapter 13 of title 17, United States Code, as added by [the VHDPA], has been utilized;
- (3) the extent to which the creation of new designs of vessel hulls [has] been encouraged by the amendments made by [the VHDPA];
- (4) the effect, if any, of the amendments made by [the VHDPA] on the price of vessels with hulls protected under such amendments; and
- (5) such other considerations as the Register and the [Under Secretary] may deem relevant to accomplish the purposes of the evaluation conducted....⁶

The body of this report has been organized and prepared in response to these criteria.

B. OVERVIEW OF CHAPTER 13

As noted above, the VHDPA added chapter 13 to title 17 of the United States Code, thereby establishing protection of original vessel hull designs. The statute defines a “vessel” as a craft that is designed and capable of independently steering a course on or through water through its own means of propulsion, and that is designed and capable of carrying and transporting one or more

⁵ Intellectual Property and Communications Omnibus Act of 1999, Pub. L. No. 106-113, 113 Stat. 1536 (Nov. 29, 1999). Congress indicated that there was no necessity to complete the first report before this Act was enacted.

⁶ Section 504(b) of the DMCA, Pub. L. No. 105-304, 112 Stat. 2860, 2905.

passengers. 17 U.S.C. § 1301(b)(3).⁷ A “hull” is the frame or body of a vessel, including its deck, but exclusive of the masts, sails, yards, and rigging. *Id.* § 1301(b)(4). In addition to the hull, design protection under chapter 13 extends to the plugs and molds used to manufacture the hull. A “plug” is “a device or model used to make a mold for the purpose of exact duplication, regardless of whether the device or model has an intrinsic utilitarian function that is not only to portray the appearance of the product or convey information.” *Id.* § 1301(b)(5).

A “mold” means “a matrix or form in which a substance for material is used, regardless of whether the matrix or form has an intrinsic utilitarian function that is not only to portray the appearance of the product or to convey information.” *Id.* § 1301(b)(6).

Design protection for vessel hulls is for a period of ten years and is available only for original designs that are embodied in an actual vessel hull: no protection is available for designs that exist only in models, drawings, or representations. Staple or commonplace designs, “such as a standard geometric figure, a familiar symbol, an emblem, or a motif, or another shape, pattern, or configuration that has become standard, common, prevalent or ordinary” are not protected. *Id.* § 1302. The statute also sets forth several circumstances under which an otherwise original design does not receive protection. A design that is embodied in a vessel hull “that was made public by the designer or owner in the United States or a foreign country more than two years before the date of application for registration” of the design is not eligible. *Id.* § 1302 (5). Section 1332 states that there is no retroactive protection: no protection is “available for any design that has been made public under § 1310(b)⁸ before” October 28, 1998. *Id.* § 1332. And vessel hulls may not be protected under chapter 13 of title 17 if they have design patent protection under title 35 of the

⁷ Section 5005 (a) (3) of IPCORA amended the definition of vessel in its entirety. It had read: “A ‘vessel’ is a craft, especially one larger than a rowboat, designed to navigate on water, but does not include any such craft that exceeds 200 feet in length.”

⁸ Section 1310(b) defines when a design is made public.

United States Code. *See id.* § 1329. As a result, vessel hulls protected under chapter 13 lose that protection if they acquire U.S. design patent protection.

Unlike copyright law, where protection arises at the moment of creation, an original vessel hull design is not protected under chapter 13 until it is made public or the registration of the design with the Copyright Office is published, whichever date is earlier. Once a design is made public, an application for registration must be made no later than two years from the date on which the design was made public. Making a design public is defined as publicly exhibiting it, distributing it or offering it for sale (or selling it) to the public with the design owner's consent. *Id.* § 1310(b). Only the owner of a design may make an application for registration. *Id.* § 1310(c).

Once an application for registration is received by the Copyright Office, it is evaluated for completeness and sufficiency under the provisions set forth in chapter 13. If the Office refuses to register a design, the applicant may seek reconsideration by filing a written request within three months of the refusal. *Id.* § 1313(b). Should such refusal be upheld, the applicant may seek judicial review of the final refusal. *Id.* § 1321(b). For those applications deemed sufficient, a registration certificate is issued which includes a reproduction of the drawings or other pictorial representations of the design. *Id.* § 1314. Notification that a registration has been made must be published by the Copyright Office, and the effective date of the registration is the date on which publication of it is made. *Id.* §§ 1313(a) and 1315. The Copyright Office publishes registrations by posting them on the Copyright Office web site.

Any person who believes that he or she will be damaged by a registration made by the Office under chapter 13 “may upon payment of the prescribed fee, apply to the Administrator at any time to cancel the registration on the ground that the design is not subject to protection under this chapter,

stating the reasons for the request.” *Id.* § 1313(c). The statute authorizes the Register to establish regulations⁹ setting forth the procedures to be followed in a cancellation proceeding. *Id.*

Protected designs that are made public must bear a proper design notice. *Id.* § 1306. Unlike notice of copyright, which is permissive, notice on a vessel hull design is mandatory. The design notice must state that the design is protected and contain the year in which the protection first commenced along “with the name of the owner [of the design], an abbreviation by which the name can be recognized, or a generally accepted alternative designation of the owner.” *Id.* § 1306(a)(1). A distinctive identification of the owner may be substituted for the actual name, provided that the distinctive identification has been previously recorded with the Copyright Office. Once a design has been registered, use of the registration number in place of the date of protection and name of the owner on the design notice is sufficient. *Id.* § 1306(a)(2). A design notice must be affixed to a location on the vessel so as to give “reasonable notice” that the vessel contains a protected design. *Id.* § 1306(b).

The owner of a design is entitled to institute an action for infringement of his or her design provided that he or she has first obtained a registration certificate from the Copyright Office. *Id.* § 1321(a). An infringement suit may be brought in Federal¹⁰ court or all of any part of a dispute may be settled by arbitration if the parties to an infringement dispute agree. *Id.* § 1321(d). Remedies available for design infringement include damages, the infringer’s profits, attorney’s fees, injunctive relief and seizure and forfeiture of the infringing goods. *Id.* §§ 1321-1324. Chapter 13 also sets forth penalties for anyone who brings an infringement action knowing that the registration of the design was obtained through false or fraudulent representation, who knowingly makes a false

⁹ The Office has not yet adopted regulations under its authority to establish regulations in this area. *See* 17 U.S.C. §§ 1313, 1317.

¹⁰ *See* 28 U.S.C. § 1338.

representation in order to obtain a registration, or who knowingly applies a design notice to an unprotected vessel hull design. *Id.* §§ 1325-1327.

C. REGULATORY STRUCTURE

On July 7, 1999, following a meeting with interested parties, the Copyright Office issued interim regulations with a request for comments in order to implement the registration process for vessel hull designs. The Office stated this was necessary because of the then pending report to Congress,¹¹ the growing number of public inquiries regarding registration, and particularly because the boating industry was preparing its new designs for summer display to dealers and distributors.¹² The interim regulations are still in effect and govern the registration process.¹³

Part 212 of chapter 37 of the Code of Federal Regulations sets forth the regulatory requirements for a registration of a vessel hull design. Form D-VH is the application form for a vessel hull design,¹⁴ and the application fee is currently \$140. A single Form D-VH can cover all designs on a single make or model of a vessel. An application for registration of a single vessel hull design may be filed on a Form D-VH. An applicant may also file an application for registration of multiple designs contained on the same make and model of a vessel hull on a single Form D-VH as long as the applicant includes a separate continuation Form D-VH/CON for each of the related designs. An applicant must submit separate applications, however, in order to register multiple designs which are contained on different makes and models of a vessel. A complete submission includes a completed Form D-VH, the \$140 fee, and the appropriate deposit material identifying the

¹¹ As discussed above, the DMCA required the Register and the Under Secretary to report on the effectiveness of the VHDPA by October 28, 1999, a deadline that was postponed by the IPCORA.

¹² 64 Fed. Reg. 36,576 (July 7, 1999).

¹³ The Office received one comment from the NMMA on recordation of distinctive identification for a design notice and suggested a model for a cancellation proceeding.

¹⁴ Form D-VH is available from the Copyright Office and can be downloaded from the Copyright Office web site at <http://www.loc.gov/copyright/forms/formdvh.pdf>. See appendix.

claim. The deposit materials may be drawings, photographs, or other pictorial representations of the design. The basic fee includes up to six different views or depictions of the design; to include additional views or depictions requires payment of additional fees.

Section 212.4 of 37 C.F.R. prescribes the elements, affixation, and placement of the design notice required by 17 U.S.C. § 1306. Section 212.4(d) provides a non-exhaustive list of locations where a design notice may be placed on a vessel that would constitute “reasonable notice” that the design is protected. Section 212.5 provides for recordation of a distinctive identification of a vessel hull owner that may be used in a design notice in lieu of the owner’s name. And section 212.6 prescribes the conditions for recording transfer of ownership of a design and other documents.

As noted above, the VHDPa provides that the Register of Copyrights may cancel a vessel hull design registration as the result of a cancellation proceeding.¹⁵ On July 8, 1999, the Copyright Office published an advance notice of proposed rule making seeking public comment in order to establish the structure and procedures for cancellation proceedings.¹⁶ The Office is evaluating the comments and has not yet proposed regulations.¹⁷

D. THIS REPORT

In order to gather information for this study, the United States Copyright Office and the United States Patent and Trademark Office (USPTO) jointly published a notice in the *Federal Register* requesting public comment and announcing a public hearing on the VHDPa.¹⁸ That Notice directed interested parties to submit information relevant to the criteria Congress identified in its request for the study. It also noted “[W]e are particularly interested in receiving information as to

¹⁵ The statute also states that a court has the power to order cancellation. 17 U.S.C. § 1324

¹⁶ 64 Fed. Reg. 36,829 (July 8, 1999).

¹⁷ The Office received one application for a cancellation proceeding; however, it was asked to stay the proceeding pending the outcome of litigation. *See infra*.

¹⁸ 68 Fed. Reg. 7350 (February 13, 2003).

how the VHDPAs have stimulated the creation of new vessel hull designs, and what effect, if any, protection for designs has had on the price of watercraft.” *Id.* at 7351. Written initial comments were submitted by the following companies and individuals: the National Marine Manufacturers Association (NMMA); Dynasty Boats; Stratos Boats; Champion Boats; Grady White Boats; Crestliner; Zodiac of North America, Inc.; Lowe Boats; Challenger Power Boats; Maverick Boat Company; Sea Ray Boat Group; Pacific Marine/Navatek; Professor J. Curtis Edmondson; Professor William T. Fryer; and Paul Pollinger. Only one reply comment was received by the Office, which was from NMMA.

On March 27, 2003, a public hearing was held at the United States Copyright Office to obtain information for this study. Representatives of the Copyright Office and the USPTO received testimony from and questioned a panel of witnesses from the boating industry and academia. Witnesses on the panel were: Randy Hopper, President of Ranger Boats; Keith Carpenter, legal counsel for Genmar Holdings, Inc.; Monita Fontaine, Vice President of Government Affairs for NMMA; Professor William T. Fryer of the University of Baltimore School of Law; David Marlow, Director of Product Integrity, Sea Ray Boat Group; and Jeff Going, Regional Sales Manager, Zodiac of North America, Inc. The witnesses presented testimony on the factors set forth in section 504(b) of the DMCA and answered questions regarding the vessel hull design registration system. Their testimony, along with the testimony submitted in the written comments, is presented and discussed below in Part II of this report and undergirds the conclusions reached in Part III.

PART TWO: REPORT AND DISCUSSION

As discussed in Part One, section 504(b) of the DMCA sets forth the criteria for the analysis in this study. The following must be addressed:

1) the extent to which the amendments made by [the VHDPA have] been effective in suppressing infringement of the design of vessel hulls;

2) the extent to which the registration provided for in chapter 13 of title 17, United States Code, as added by [the VHDPA], has been utilized;

3) the extent to which the creation of new designs of vessel hulls [has] been encouraged by the amendments made by [the VHDPA];

4) the effect, if any, of the amendments made by [the VHDPA] on the price of vessels with hulls protected under such amendments; and

5) such other considerations as the Register and the [Under Secretary] may deem relevant to accomplish the purposes of the evaluation conducted....¹⁹

We now turn to a discussion of these factors.

A. SUPPRESSION OF INFRINGEMENT

The evidence to date that the VHDPA has been effective in suppressing infringements of protected vessel hull designs is scant and anecdotal. There appears to be only one lawsuit which has been brought under the VHDPA, which is *Blazer Boats, Inc. v. Maverick Boat Co., Inc.* Case No. 02-14283 CIV (filed June 17, 2002)(S.D. Fla). In that case, Blazer Boats alleges that Maverick Boats' Pathfinder 2200 infringed the design of its 2220 Blazer Bay boat. Maverick has countersued for infringement.

Three of the commenters assert that it is too early to tell whether the VHDPA is effective in suppressing infringement since there is no dispute that has yet resulted in a court decision.²⁰

¹⁹ Section 504(b) of the DMCA, Pub. L. No. 105-304, 112 Stat. 2860, 2905.

²⁰ Comments of Dynasty Boats, Inc. at 1; Comments of Zodiac of North America, Inc.; Comments of Sea Ray Boats, Inc. at 1.

There may have been private settlements of disputes. At the March 27, 2003, hearing, Keith Carpenter of Genmar Holdings, Inc., parent company of a number of boat manufacturers in the United States, stated that Genmar has issued a number of “cease and desist” letters under the VHDPA to other boat manufacturers and that the results have been satisfactory to Genmar. Staff of the Copyright Office have also received inquiries from boat manufacturers seeking to register their designs for the purpose of stopping infringement. While registrations have been made, the results of efforts to prevent infringement are unknown.

B. UTILIZATION OF THE REGISTRATION PROCESS

On July 29, 1999, the Copyright Office made the first vessel hull design registration at a ceremony recognizing the event. From that day until October 15, 2003, the Copyright Office had made 156 registrations and published them on its web site. Another six claims have been filed by applicants and are in-process pending clarification of certain matters related to those claims. The Copyright Office has refused to issue registrations in eight cases for a variety of reasons including: because the design was made public before the effective date of the Act, the design had been published more than two years before the application was filed, or the claimed design feature was otherwise not eligible for protection under the Act.

Both individuals and companies have made registrations. The companies include some of the most successful vessel craft manufacturers and distributors in their respective marketplaces. Their registered vessel hull designs vary, but primarily consist of designs of leisure and fishing craft. Although the VHDPA extends protection to both a craft's hull and deck, *see discussion infra*, applicants most often described the most salient feature of their original, distinctive design as some feature of a hull.

When compared with the number of copyright registrations made since 1999, the number of vessel hull registrations is small. The utilization of the vessel hull registration system could be

determined best by identifying the total number of new eligible designs released to the public since 1999, and then comparing that number with the total number of registrations, currently 156. No one provided the total number of new designs. It is doubtful that such data is even maintained; however, even if it were available and had been provided, not all “new” designs would qualify for protection under the VHDPA.

Comments offer some suggestions as to why there have not been more registrations. Several commenters noted either in their written comments or at the hearing that many in the marine industry are not aware of the VHDPA and, therefore, do not register their designs.²¹ Ms. Fontaine of the NMMA identifies another reason that some manufacturers might still be hesitant to register. She notes that at first manufacturers were hesitant to register because they fear that publication of designs “would only encourage copying by unscrupulous competitors.” She states that there was increasing confidence in the registration process but feared that publication of the complete drawings or photographs on the Office’s official web site would lead to copying by foreign manufacturers and “will have a chilling effect on the desire of manufacturers to seek protection through the VHDPA.”²²

C. ENCOURAGEMENT OF NEW DESIGNS

Several of the parties submitting comments pursuant to the February 13, 2003, *Federal Register* notice assert that the VHDPA has encouraged them to create new designs for vessel hulls. J. J. Marie, President of Zodiac of North America, Inc., states that “the existence of this legislation clearly pushes our engineers and designers to create innovative and different products, which is evidenced by the designs we have registered, with far more on the drawing board. Were it not for

²¹ See e.g., Comments 8 (Professor William T. Fryer) at 3; Comments 13 (Maverick Boats) at 3-4. See also Reply Comments (Ms. Monica Fontaine) for NMMA.

²² Comments 11 (Fontaine for NMMA) at 2-3. See also Reply Comments of the NMMA at 2.

the VHDP, the incentive for innovation would clearly be diminished.”²³ Michael Schmicker, Vice President, Business Development, for Pacific Marine/Navatek, asserts that the VHDP “has encouraged us to consider developing more proprietary hull designs, based on the knowledge that the VHDP will protect our work in this area. It’s working.”²⁴

Ralph Yarborough, Vice President and General Manager of Dynasty Boats, Inc., agrees that the VHDP encourages the creation of new designs,²⁵ and Paul Pollinger asserts that “I can say for sure that without the Act, I would not have advanced the time and money to present [my most recent design] in a formal way.”²⁶ The NMMA also agrees that the VHDP has encouraged creativity.²⁷

David Neese, Vice President of Engineering for Grady White Boats, states that the VHDP has not had an impact on its “already strong desire to create new and exciting products for our customers.”²⁸ David Marlow, the Director of Product Integrity for Sea Ray Boats, Inc., asserts that the incentive to create engendered by the VHDP is minimal, principally because it is too early to tell whether the Act will be effective in suppressing infringement.²⁹

When questioned about the creativity incentive of the VHDP, the witnesses appearing at the hearing on March 27, 2003, agreed that the Act did promote the creation of new designs, but could not provide any specific examples of designs that would not have been created and introduced to the public but for the protection of the Act. They were specifically asked to provide any such information during the reply stage, but none was proffered.

D. EFFECT OF VHDP ON PRICE OF PROTECTED VESSELS

²³ Comments 9 (Zodiac of North America, Inc.) at 1.

²⁴ Comments 15 (Pacific Marine/Navatek).

²⁵ Comments 3 (Dynasty Boats, Inc.) at 1.

²⁶ Comments 2 (Paul Pollinger & Co.) at 2.

²⁷ *Id.* Note 15 at 1. *See also* comment 11 (Prof. Fryer) at 5-6.

²⁸ Comments 6 (David Neese, Vice President of Engineering, Grady White Boats) at 2.

²⁹ Comments 14 (Sea Ray Boats, Inc.) at 1.

The fourth element for consideration established by section 504 of the DMCA sought information on the effect, if any, of the VHDPA on the price of vessels with hulls protected under the law.

Unfortunately, few commentators addressed this element and none provided data that would enable a comparison of prices for protected designs and unprotected designs. While several industry witnesses expressed the view that such a question was premature,³⁰ one commentator ventured a bit more conclusively, suggesting that “The VHDPA has little effect on the price of [our] product or the cost of [our] product design, nor does it have an impact on our already strong desire to create new and exciting products for [our] customers.”³¹ Those at the hearing were asked if they had any information that addressed this point. They were also strongly encouraged to supply such information or to indicate at what point such information might be available in the reply stage. Again no information was provided. Accordingly, this study cannot provide any findings on the effect, if any, of the VHDPA on the price of protected vessel hulls.

E. OTHER ISSUES

Several questions not addressed by the first four factors set forth in section 504(b) of the DMCA were raised in the hearing. The first concerns the operational effectiveness of the registration system: Should the Copyright Office change the way it administers the registration system? Second is the term of protection afforded by the VHDPA. Should it be expanded or

³⁰ *See e.g.*, Comments 3 (Roger Yarborough, Vice President and General Manager, Dynasty Boats, Inc.), at 1, in which the writer states, “Regarding the effect, if any, of the Act on the price of vessels with hulls protected under the Act, again we feel that it is too early to tell.”

³¹ Comments 6 (David Neese, Vice President of Engineering, Grady White Boats) at 2.

altered? Third is the publication of registrations on the Internet, including the deposited materials that depict the vessel hull designs.³²

1. The Registration of an Original Vessel Hull.

Two issues arose during the public comment and hearing process regarding the registration system. First is the amount of detail and specificity that must be included to warrant a registration. Must highly detailed drawings or pictorial representations of a design be submitted for the deposit, or is a general description and depiction of the design sufficient? What effect does detailed design depiction have on the usefulness of the registration system? Second is the matter of the scope of protection for an original design vessel hull. Does the statute permit registration of solely the hull and deck of a vessel, or does it include other elements such as seating, consoles, or fixtures as well?

(a) Deposit Requirements. Section 212.3 of the Copyright Office regulations, 37 C.F.R., along with the instructions contained on the registration Form D-VH, provides the details for completing a vessel hull design application. The regulations state, “[t]he drawings or photographs submitted should contain a sufficient number of views to make an adequate disclosure of the appearance of the design, i.e. front, rear, right and left sides, top and bottom. While not required, it is suggested that perspective views be submitted to show clearly the appearance and shape of the three dimensional designs.” 37 C.F.R. § 212.3(e)(2). And the instructions to Form D-VH state that “[i]t is extremely important that the drawings or photographs that accompany the application reveal all aspects of the design for which protection is claimed.” Furthermore, the regulations provide: “The registration extends only to those aspects of the design that are adequately shown in the drawings or photographs.” 37 CFR § 212.3(e)(1).

While the regulations and Form D-VH instructions place the burden upon the applicant to identify the design in his or her deposit material submission, they are nonetheless flexible.

³² There was also an extended conversation at the hearing regarding international protection of vessel hull designs. No conclusions were reached on the extent, if any, to which U.S. designs protected under the VHDPA receive foreign protection under design laws.

Applicants may choose to submit drawings, photographs, or other pictorial depictions of the design. The basic \$140 application fee includes up to six depictions of the design, and additional depictions can be submitted for an extra fee of \$20 per sheet.³³ The regulations do not require engineering drawings or depictions that contain dimensions, and the application form asks for nothing more than a brief description of the salient features of the design.

In its written comments, Grady White Boats submits that the current registration system is too vague and does not provide the public with precise information as to what portions of the vessel depicted in the deposit material contain the protected design or designs.³⁴ Grady White offers two examples of registrations where the description of the claim is “[o]verall appearance including deck, shape and hull configuration shape.” Registration Claim Nos. DVH0112 and DVH0111. One claim, DVH0112, has an artist’s style line drawings which does not provide any dimensions to the vessel, while the other claim, DVH0111, provides wide angle photographs of a cruiser style boat that, in Grady White’s opinion, does not “show this boat to be anything unique.”³⁵ Grady White concludes that the law should “require a much more clear description from the designers of the features and aesthetic values for which protection is sought” so as to avoid “wasted time dealing with frivolous claims throughout the industry.”³⁶

Professor Fryer disagrees that the deposit material must precisely depict the design for which protection is sought. He states that “on-line registration documents show that several applications contain detailed boat drawings. In fact, all that is needed is to file photos that suitably present the design details that will be protected.”³⁷ Professor Fryer recommends that the application form be

³³ Each sheet can contain no more than two depictions of the design.

³⁴ Comments 6 (Grady White Boats) at 1.

³⁵ *Id.*

³⁶ *Id.* at 2.

³⁷ Comments 18 (Professor Fryer) at 3.

revised “to make it clearer that the [private] aspects of the boat do not have to be presented in the application.”³⁸

At the hearing on March 27, 2003, all of the industry witnesses opposed a requirement for detailed engineering drawings or depictions of protected designs for fear that including such information in the application may make it much easier for others to infringe the designs. Professor Fryer also expressed concern that marine manufacturers would not avail themselves of the registration system if detailed depictions of protected designs are required. Staff of the Copyright Office have heard this sentiment expressed by potential applicants who contacted the Office for information about registration.

(b) Scope of Protection and Registration Practices. The second issue is whether the VHDP A covers the various components of a vessel. Section 1301 of the statute provides that design protection can exist for the hull of a vessel “including the deck,” and does not include masts, sails, yards and rigging. 17 U.S.C. § 1301(b)(4). Masts, sails, yards and rigging are components typical of a sailboat, but the statute does not speak to other components of most boats, such as seating, compartments, railings, consoles, and cabins.

The approach of the Copyright Office in making registration has been to interpret § 1301 strictly. The Copyright Office will allow an application to refer only to components that are part of the molding of the deck, such as seats, consoles, railings, coverings and cabins.

The Office’s practices provoked different responses at the hearing. David Marlow of Sea Ray Boats believes that design protection should extend to certain items beyond the molded deck such as unique seating arrangements and the shape and configuration of consoles and that, therefore, the Office should allow the application to reflect these elements. Keith Carpenter of Genmar Holdings submits that the Office’s interpretation is correct and that items added to a deck are not protected and, therefore, should not appear in an application for registration. Mr. Carpenter

³⁸ *Id.* at 3-4.

expresses a concern that protection of all add-ons would be “a dangerous street to go down” and observes that protection of more than the hull and deck could limit the ways to build a boat. Professor Fryer takes the middle ground, submitting that interpretation of the scope of protection and, therefore, what may appear in an application should be left up to the Copyright Office and that its current interpretation is a reasonable one.

2. Duration of Protection.

Section 1305 of the statute provides that design protection lasts for a period of ten years from the date of registration or the date on which the design was first made public, whichever period is earlier.³⁹ In his written comments, Paul Pollinger, who designs container vessels, urges that the term of protection should be extended to 15 years.⁴⁰ He submits that a longer period of protection is necessary because of “[h]ow long, arduous, and expensive it is to get an idea for a new kind of hull design to a concept, then to a product, and finally to a vessel operating in the market place.”⁴¹ At the hearing, the panelists were asked whether the period was sufficient or excessive. Rather than extending the period of protection, Professor Fryer recommends that the time period in which registration must be made be extended from two years from when the design is first made public to three years.⁴² According to Professor Fryer, such an amendment would harmonize the VHDPA in that respect with the new European Union Community Design Regulation, which provides a period of three years’ protection against copying without registration.⁴³ No one expressed the view that the 10-year term is too long.

3. Internet Publication of Designs.

³⁹ Design protection runs to the end of the calendar year in which it is due to expire. 17 U.S.C. § 1305(b).

⁴⁰ Comments 2, at 2.

⁴¹ *Id.*

⁴² Comments 8, at 4.

⁴³ *Id.*

In response to the February 13, 2003, *Federal Register* notice, all of the written comments received from industry representatives included statements opposing the Copyright Office's practice of posting registered boat hull designs on the Internet for public access.⁴⁴ The basis of the objection is that publishing the designs on the Internet makes it easier for someone to copy a design using computer assisted design technology. Those who objected to having the designs on the Internet pointed out that, under 17 U.S.C. § 1315, the law does not mandate that the depictions of the designs be published at all. Section 1315 states:

The [Register of Copyrights] shall publish lists and indexes of registered designs and cancellations of designs and may also publish the drawings or other pictorial representations of registered designs for sale or other distribution.⁴⁵

Therefore, they argue that, because posting the designs on the Internet could actually make it easier for infringers to steal designs, they should not be made available on the Internet.

Others at the hearing who were not industry representatives expressed a view supporting publication. They noted that it has traditionally been part of the *quid pro quo* of intellectual property protection that, in return for a limited monopoly, the protected work is made available to the public.

A few boat manufacturers who testified at the hearing say that they prefer that the designs not be made public at all. All the boat manufacturers who testified agreed that the requirement discourages registration. They were particularly concerned about publication on the Internet which they assert not only makes it easier to copy the design, but also makes it easier for people in other countries to infringe. They were concerned about the lack of protection for their designs outside the

⁴⁴ The VHDPA states that registration of a vessel hull design "shall be announced by publication," which the Office does by posting applications that have been registered on the Internet. 17 U.S.C. § 1313(a). As part of announcing those registrations, the Office also publishes on the Internet the identifying material for a registered design that is submitted as part of an application.

⁴⁵ 17 U.S.C. § 1315(a). (Emphasis added.)

United States.⁴⁶ David Marlow of Sea Ray Boats admits to filing a registration for an older design that he was not concerned would be infringed in order to test the registration system and see how it works. He states that his company is very wary of registration because of the designs being made public, particularly on the Internet. None of the witnesses knew of any actual situations in which a boat hull design had been infringed because it was posted on the Internet.

Much of the support for enacting the VHDPAs was based on the fact that there are strong incentives for pirates to infringe boat designs because of the enormous resources that must be invested in research to develop new designs or innovations. The panel members were interested in knowing whether, considering how much less it costs to steal a design than develop it, removal of the designs from the Copyright Office web site would reduce the likelihood of infringement. As Mr. Marlowe points out, he prefers that someone at least purchase one of his boats and then copy the design rather than simply copy it from the Copyright Office web site.

⁴⁶ While a complete survey of international industrial design laws that protect vessel hull designs is beyond the scope of this Report, we note that vessel hull designs, although not specifically mentioned in the design laws of most other countries, may indeed be protected by the national laws of many countries.

PART THREE: CONCLUSION

It has been five years since the passage of the VHDP. While for some laws this is a sufficient amount of time to gauge their effectiveness, the testimony adduced for this report makes it evident that it is too soon to tell whether the VHDP has had significant overall effect on the boat building industry.

We have analyzed the factors set forth by the Congress for creating this report and determine that, with respect to three of them, there is insufficient information upon which to formulate a conclusion. There is only one infringement suit pending in the courts of which we are aware, and the testimony submitted regarding threats of additional suits is anecdotal. Presumably, any law which provides a private right of action for enforcement has some deterrent effect. However, no evidence was adduced regarding the extent of copying, or "hull splashing," in the marine industry either before or after the passage of the VHDP. Likewise, there is insufficient information upon which to base a conclusion regarding the impact of the VHDP on the creation of new designs and the price of protected hulls.

With regard to the registration system, the Copyright Office has registered a total of 156 vessel hull designs since July 29, 1999. If we knew the total number of new designs eligible for protection created during this period, we could determine the percentage of new designs that are registered. However, the marine industry apparently does not maintain statistics on new designs, let alone eligible new designs. Professor Fryer suggested that the seemingly low number of registrations may be due to a lack of knowledge on the part of boatbuilders about the VHDP and the registration process. He recommended that the Copyright Office actively promote the system throughout the marine industry. The Copyright Office does not, however, promote or solicit registrations.

The Copyright Office's Public Information Office provides information on the vessel hull design registration system, and the Office devotes a portion of its web site to vessel hull design

registration, providing potential applicants with easy access to information and application forms that can be downloaded. The Office provides information and assistance to potential applicants; the lead role in promoting the system must be undertaken by the trade associations and boatbuilders who are the beneficiaries of the VHDP.

With respect to the issue raised concerning publication of the deposits accompanying registered designs on the Internet, the Office's current practice is to publish the list and index of registered designs on the Copyright Office web site, along with the depictions of the designs submitted by the applicants. Most of the industry commenters oppose the practice of publishing the designs on the Internet, arguing that it facilitates illegal copying of protected designs particularly in foreign countries. The record shows no evidence that they have been harmed. None of the commenters submitted evidence of illegal copying as a result of protected designs published on the Office web site. While the potential for copying may discourage some boatbuilders from submitting new designs for registration, those who refrain from registration appear to be doing so based solely on speculation. A vessel hull design need not be registered until two years after it has been made public; by that time, the design will have been available to potential copiers through any number of means, including display in the marketplace and promotional materials.

Furthermore, the USPTO publishes on its web site material identifying the design patents that it issues – which includes design patents of vessel hulls – and we are not aware of instances where these designs have been infringed as a result of their publication. We believe that publishing protected designs on the Internet is the best means of creating a public record and is consistent with the direction of § 1315(b) which requires the Office to “maintain a file of drawings or other pictorial representations of registered designs: and make that file “available for use by the public.” 17 U.S.C. § 1315(b).

The final issue is the scope of protection afforded by the VHDP. Section 1301 defines a vessel “hull” as the “frame or body of a vessel, including the deck of a vessel.” 17 U.S.C. § 1301(4).

The Copyright Office interprets the law as precluding protection for add-on items such as masts, sails, yards and rigging. Despite some disagreement concerning the Office's interpretation, the Office will continue its present practices.