PATTISHALL insights

Join us on LinkedIn https://www.linkedin.com/company/pattishall-mcauliffe

APRIL 2017

Clothing Copyright Confirmed

By Seth I. Appel

In a case watched closely by the fashion industry, the Supreme Court held on March 22 that surface designs on Varsity Brands' cheerleading uniforms – arrangements of colors, shapes, stripes and chevrons – are eligible for copyright protection. *Star Athletica, L.L.C. v. Varsity Brands, Inc.*, 580 U.S. __ (2017), https://www.supremecourt.gov/opinions/16pdf/15-866_0971.pdf. It found that such designs are conceptually separable from the uniforms themselves, which are uncopyrightable "useful articles."

> "COPYRIGHT IN CLOTHING DESIGNS HAS BEDEVILED U.S. COURTS FOR YEARS, DUE TO THE CHALLENGE IN DISTINGUISHING BETWEEN CLOTHING *PER SE* AND ITS INDEPENDENT ARTISTIC ASPECTS."

Background

Copyright in clothing designs has bedeviled U.S. courts for years, due to the challenge in distinguishing between clothing *per se* and its independent artistic aspects. The Copyright Act generally does not protect "useful articles" such as clothing. However, the design of a useful article can be protected to the extent that it "incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article." 17 U.S.C. § 101. This is known as the separability doctrine.

The Supreme Court laid the foundation for the separability doctrine in *Mazer v. Stein*, 347 U.S. 949 (1954), holding that the plaintiff's statuettes of dancers were copyrightable, even though they were intended as bases for table lamps, which are useful articles.

Two Second Circuit decisions illustrate the challenge in applying the separability doctrine to clothing. In *Kieselstein-Cord v. Accessories By Pearl, Inc.*, 632 F.2d 989 (2d. Cir. 1989), the court held that the plaintiff's artistic designs on belt buckles were copyrightable. It explained that the plaintiff's designs, "decorative in nature, and used as jewelry, principally for ornamentation," were conceptually separable even if not physical separable from the belt buckles.

In *Jovani Fashion, Ltd. v. Fiesta Fashions*, 500 Fed. Appx. 42 (2d Cir. 2012), on the other hand, the court held that the plaintiff's prom dress design – containing decorative sequins and crystals, satin ruching and layers of tulle – was not copyrightable. The design elements could not be removed and sold separately. Moreover, these elements were not conceptually separable, in the court's view, because "the aesthetic merged with the functional to cover the body in a particularly attractive way for a special occasion."

The Varsity Brands Case

Varsity Brands designs, manufactures and sells cheerleading uniforms. It owns over 200 copyright registrations for two-dimensional designs appearing on its uniforms. In 2010, Varsity Brands sued Star Athletica, L.L.C. for copying five of its patterns:

The trial court found the designs uncopyrightable because they could not be physically or conceptually separated from the "utilitarian function" of the uniforms. The Sixth Circuit Court of Appeals reversed.

The Supreme Court granted *certioriari* to consider for the first time copyright protection of apparel. It received *amicus* briefs on both sides, with the fashion industry generally in Varsity Brands' corner. The Council of Fashion Designers of America (CFDA) contended that a ruling against Varsity Brands "would have a swift and deleterious effect on the United States fashion industry, leaving fashion designers defenseless against copyists and, thus, undermining their incentive and ability to continue pursuit of creating innovative, original designs." It emphasized the shift in the U.S. fashion industry over the past century from manufacturing to design, and new technologies that allow for "copying at a great scale, lower costs, and increasing speed."

The Supreme Court ruled in favor of Varsity Brands in a 6-2 decision. It announced a two-part test for determining copyrightability in this area:

> [A] feature incorporated into the design of a useful article is eligible for copyright protection only if the feature (1) can be perceived as a two- or three-dimensional work of art separate from the useful article and (2) would quality as a protectable pictorial, graphic, or sculptural work—either on its own or fixed in some other tangible medium of expression—if it were imagined separately from the useful article into which it is incorporated.

Under this test, the "surface decorations" on Varsity Brands' uniforms may be subject to copyright, as long as they meet the other prerequisites of copyright such as originality.

> First, one can identify the decorations as features having pictorial, graphic, or sculptural qualities. Second, if the arrangement of colors, shapes, stripes, and chevrons on the surface of the cheerleading uniforms were separated from the uniform and applied in another medium—for example, on a painter's canvas—they would qualify as "two-dimensional ... works of ... art."

The Court focused on the statutory language of Section 101 and the Copyright Act as a whole, which protects original works of authorship "regardless of whether they were created as free-standing art or as features of useful articles." This is consistent with *Mazer v. Stein*, in which it was irrelevant whether the statuette was initially created as a freestanding sculpture or as a lamp base.

The Court emphasized that only Varsity Brands' surface designs, and not other aspects of the uniforms, are eligible for copyright. Varsity Brands has "no right to prohibit any person from manufacturing a cheerleading uniform of identical shape, cut, and dimensions."

The Court rejected Star Athletica's argument that Varsity Brand's designs were not copyrightable because plain white uniforms would be less desirable. It explained that copyright is not limited to features that "have no effect whatsoever on a useful article's utilization function." Such an interpretation would exclude the *Mazer* statuette, since "without the base, the 'lamp' would be just a shade, bulb, and wires."

The Court abandoned the distinction between physical and conceptual separability adopted by prior courts and commentators: "The statutory text indicates that separability is a conceptual undertaking."

Protection of Clothing Designs in the U.S.

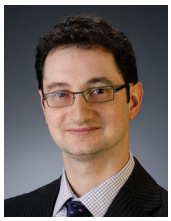
Congress has repeatedly considered – but failed to enact – *sui generis* laws to protect apparel and other fashion designs, most recently the proposed Innovative Design Protection Act of 2012.

Many in the U.S. fashion industry cheered the *Varsity Brands* decision, which confirms that designers can use copyright to protect certain aspects of clothing. Designers have attempted to rely on other areas of intellectual property, such as design patents and trade dress, but these avenues have their limitations. Design patents protect only works that are nonfunctional, novel and "nonobvious," which excludes many clothing designs. Moreover, as the CFDA stated in *Varsity Brands*, "even if a designer is able to meet the statutory requirements, the time and expense of obtaining patent protection render it grossly impractical." Meanwhile, to establish trade dress rights, a party typically must prove acquired distinctiveness – that is, consumer recognition as an identifier of source – which requires extensive use and promotion and often is difficult to achieve. ■

*firm*UPDATE

FIFTH CIRCUIT VICTORY

Phil Barengolts and Jessica Ekhoff



Phil and Jessica prevailed in the U.S. Court of Appeals for the Fifth Circuit on behalf of Insignia Marketing and Christine McAtee in *Vetter v. McAtee*, No. 15-20575 (5th Cir. March 1, 2017), http://www.ca5.uscourts.gov/opinions/pub/15/15-20575-CV0.pdf. In this dispute over ownership of a mark and related issues, Phil and Jessica were brought in as appellate counsel to defend the clients' victory on several counts and prevent the appellant from obtaining the reversal of a ruling based upon a change in the law of fee-shifting in trademark cases. Of most significance, the Court held the Lanham Act's "fee-shifting provision vests significant discretion in the district courts to grant or deny attorneys' fees on a case-by-case basis." The case was held not "exceptional" under the standards announced in *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 134 S. Ct. 1749 (2014).

APPOINTMENTS

Jonathan S. Jennings

Jonathan was appointed to be a member of the INTA Panel of Trademark Mediators (PTM). Jonathan also was appointed to be a mentor in the Chicago Bar Association's Lawyer-to-Lawyer mentoring program.

APPOINTMENTS

Robert W. Sacoff and Seth I. Appel

Bob has been appointed Co-Chair of the AIPPI U.S. Group Committee reporting on "Bad Faith Trademarks," which is on the agenda for debate and resolution at the October, 2017, AIPPI World IP Congress in Sydney. Seth is also serving as a member of the Committee.

PRESENTATIONS

Ashly Boesche

Ashly will speak on "Fundamentals of Trademark Law in the Global Marketplace 2017" at the Practising Law Institute (PLI) seminars in Chicago on June 15 and in New York on June 30.

Jonathan S. Jennings

On May 23, Jonathan will speak at the INTA Annual Meeting in Barcelona on the following topic: "The Answer Is Not Always 'It Depends:' Fair Use and Freedom of Expression under Copyright and Identity Rights Laws." On March 7, Jonathan presented in a Strafford Live CLE Webinar on the following topic: "The URS, UDRP, ACPA and Beyond: Domain Name Enforcement in the gTLD Era."

Jason M. Koransky

Jason was a panelist on an American Bar Association Webinar on "Book Contracts 101" on April 26.

PUBLICATIONS

Kristine A. Bergman

Kristine's article "Eight Networking Tips for Young Lawyers," was published in the American Bar Association's *Solo and Small Firm Section of Litigation Newsletter*, on January 25.

Jonathan S. Jennings and Jacquelyn R. Prom

Jonathan and Jacquie updated the Illinois chapter of INTA's online book entitled "*U.S. State Trademark and Unfair Competition Law*."

TEACHING

Jonathan S. Jennings

Jonathan will teach a summer online course at The John Marshall Law School on Right of Publicity and Privacy Law.

NOTEWORTHY

Chicago Intellectual Property Alliance

Ashly Boesche has been elected President of the Chicago Intellectual Property Alliance.

Legal Assistance Foundation of Chicago

Jason Koransky was named "Volunteer of the Year" by the Children and Families Practice Group of LAF (formerly named the Legal Assistance Foundation of Metropolitan Chicago) on February 23. The Award recognizes Jason for his work in helping numerous clients successfully appeal from DCFS administrative hearings.

PATTISHALL
McAULIFFE
NEWBURY
HILLIARD &
GERALDSON LLP

200 South Wacker Dr.
Suite 2900
Chicago IL 60606-5896

312.554.8000 | pattishall.com | twitter.com/pattishall