LEX PORTUS

2018, Vol.2, Art.5

Mariia Bychkovska*. Insufficiency for the unregistered protection for the fashion designs under US legislation.

Suggested citation:

Bychkovska, M. (2018). Insufficiency for the unregistered protection for the fashion designs under US legislation. *Lex Portus*, *no. 2*, 41-49. https://doi.org/10.26886/2524-101X.2.2018.5

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ABSTRACT

This article is devoted to a comprehensive study of the issues and specifics of the protection for the unregistered fashion designs in the US. The essence and content of the legal nature of unregistered fashion designs is determined. Author states, that one of the main reasons why clothing design calls for more protection nowadays than before is a result of a fact that fashion designs can be copied so easily these days that sometimes they can reach retailor shops before the original products will be available for the consumers. Counterfeit goods are usually created as a simple copy of the original design without any input, so the time consumption is not as high as during the creation of the original design because there is no need in creating something new, thus the innovative process decreases. As well, in order to sell counterfeited products at a lower price point than original one usually cheap labour is used and working hours are limited in order not to pay more for the production. It is mistakenly concluded that counterfeit products and original models cannot compete because from the very beginning they were made for different markets. Nowadays some designs are so well imitated that sometimes it is impossible to make a distinction. Thus, for some consumers who can afford original product there is a choice either to buy a good copy but cheaper or to buy a product from an authorised boutique. As long as this choice exist it is impossible to claim that counterfeits do not cause any damages for fashion industry. By choosing the counterfeit products consumers make a demand for a future production of it and this circle is growing rapidly. The issue of formation and current state of the legal provisions for the protection of

the unregistered fashion designs in US is determined and analyzed. The case law is analyzed. On the basis of the following research, ways of improving the legislation of the US in this field are proposed.

The key words: fashion design, separability doctrine, copyright, counterfeit.

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АКТУАЛЬНІ ПИТАННЯ МІЖНАРОДНОГО СПІВРОБІТНИЦТВА ТА ЄВРОПЕЙСЬКОЇ ІНТЕГРАЦІЇ

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UDC 347.77 (73)
DOI 10.26886/2524-101X.2.2018.5

INSUFFICIENCY FOR THE UNREGISTERED PROTECTION FOR THE FASHION DESIGNS UNDER US LEGISLATION

This article is devoted to a comprehensive study of the issues and specifics of the protection for the unregistered fashion designs in the US. The essence and content of the legal nature of unregistered fashion designs is determined. The issue of formation and current state of the legal provisions for the protection of the unregistered fashion designs in US is determined and analyzed. The case law is analyzed. On the basis of the following research, ways of improving the legislation of the US in this field are proposed.

Keywords: fashion design, separability doctrine, copyright, counterfeit.

Бичковська М. Є. Недостатній рівень незареєстрованої охорони модних дизайнів відповідно до законодавства США. – Стаття.

Дана робота присвячена комплексному дослідженню питання про особливості охорони незареєстрованих дизайнів в сфері індустрії моди в США. Визначено сутність і зміст правової природи незареєстрованих модних дизайнів. Проаналізовано питання становлення і теперішній стан нормативного забезпечення охорони прав інтелектуальної власності на незареєстровані модні дизайни

в США. Проаналізовано судову практику США. На основі проведеного дослідження визначено шляхи удосконалення законодавства США в цій сфері.

Ключові слова: модний дизайн, доктрина сепарації, авторське право, контрафакт.

Бычковская М. Е. Недостаточный уровень незарегистрированной охраны модных дизайнов в соответствии с законодательством США. – Статья.

Работа посвящена комплексному исследованию вопроса об особенностях охраны прав на незарегистрированные дизайны в сфере индустрии моды в США. Определена сущность и содержание правовой природы незарегистрированных модных дизайнов как объектов интеллектуальной собственности. Проанализирован вопрос становления и современное состояние нормативного обеспечения охраны прав интеллектуальной собственности на незарегистрированные модные дизайны в США. Проанализирована судебная практики США. На основе проведенного исследования определены пути усовершенствования законодательства США в данной сфере.

Ключевые слова: модный дизайн, доктрина сепарации, авторское право, контрафакт.

While the EU law provides copyright protection for fashion designs for a long period and also three years of protection for unregistered designs, the US remains the only developed country that does not protect fashion designs in its laws at all. It is hard to obtain copyright protection for such products for the reason that the US Copyright Act protects designs which are "useful articles" only if they "incorporate pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article" [1]. This concept was followed for years and nowadays it is known as "separability doctrine", which has a strict precedent rule.

This doctrine established a test by which a useful article whose function cannot be separated from its original elements therefore cannot be protected by the copyright. Requirement of originality has been explained by the Supreme Court in Feist Publications, Inc., v. Rural Telephone Service Co [2]. The Court concluded that in order for a work to be original the author should "*..choose which facts to include, in what order to place them, and how to arrange the collected data so that they may be used effectively by readers. These choices as to selection and arrangement, so long as they are made independently by the compiler and entail a minimal degree of creativity, are sufficiently original that Congress may protect such compilations through the copyright laws*" [2, para 16].

Application of separability doctrine narrows scope of works that can be protectable and dealing with clothes it is possible, for instance, to protect textile, prints or belts under the US law. The reasoning is that fabric prints and textile designs can be regarded as a type of paintings and therefore they can be separate from the utility of the garment [3, p. 85]. At the same time it would be hard to obtain copyright for the design of a dress, skirt of other types of clothes. The main reasoning is that fashion items cannot be considered as original works of authorship because their main aim is to cover humans body. This is why US fashion designers have relied on other forms of IP rights, such as trademark, trade dress, design patents, and common law rights, to try to protect their works from copying and counterfeiting.

There are two types of separability test – physical or conceptual separability. The physical concept can be regarded as easier approach. It provided that when artistic elements can be physically separated from the useful elements copyright protection should arise [4, p. 115]. The brightest example of the physical separability is *Mazer v. Stein* case [5]. This case deals with the design of a lamp which included a shape of a woman body. The Supreme Court held that as far as the a figure of a body could be removed from the light bulb and after that it would not lose its artistic value it is clearly physically separable [5]. Also, court ruled that works of art are still copyrightable when they are embodied in useful articles, but only the aesthetic form can be copyrighted, not their mechanical or utilitarian aspects [5].

Unlike physical separablility, determination of whether it is possible to conceptually separate distinctive features of a product from the utilitarian function of it, has been ascertained as a more tough approach. An offered test is supposed to be made in 3 steps in order to provide with more simplicity regarding this issue. Such steps are: (1) examination of objective indicia of public perception; (2) determination of the use of the work separate from function; (3) expectation of marketability information [6].

One of the first cases in which the conceptual separability test applied was *Kieselstein-Cord v. Accessories by Pearl, Inc.* [7]. This case deals with the question whether it is possible to consider that two belt buckle designs, sculpted in precious metals can be separable within the meaning of the Copyright Act and therefore can be protected against copying. Designer registered the buckles with the Copyright Office as "jewellery," but in certificate granted by the Copyright Office the buckles were mentioned as "original sculpture and design" [7, at. 990-991]. Taking into con-

sideration a fact that that the buckle wearers used the buckles for ornamentation on parts of the body other than the waist, the Court decided that primary ornamental aspect of the buckles is conceptually separable from their subsidiary utilitarian function and by that two decorative belt buckles were copyrightable" [7, at 993].

Another bright example of the application of the separability doctrine is *Whimsicality, Inc. v. Rubie's Costume Co, Inc case* [8]. This case shows insufficiencies that separability doctrine provides in relation to fashion items. Designer registered its costume designs as «soft sculptures,» because he knew that there is no copyright protection available for the useful articles and most likely that his application would be rejected. Consequently, he decided to mislead the Office and by that obtain Copyright by register his costume design as something different. The court held that designer cannot obtain protection because of the deception he made in his application. Also it was stated that garments are particularly unlikely to meet the reparability test because the decorative elements of clothing are intrinsic to the decorative function of the garments [8, at 455].

The latest case in regard of the application of the separability doctrine is of a great importance for protection of garments. In 2017 Supreme Court in *Star Athletica, L. L. C. v. Varsity Brands, Inc.* [9], concluded that cheerleading uniform produced by the Varsity Brands can be protected by the copyright. In this case the Court examined whether the lines, chevrons, and colourful shapes appearing on the surface of Varsity Brands' cheerleading uniforms are eligible for copyright protection as separable features of the design of those cheerleading uniforms. At the same time the Court did not examine the originality of those parts but made it clear that the design of clothing (neck lines, sleeves, skirt etc.) cannot be protected, because its primary purpose is functional.

This decision established a simple test in order to examine the separability. Thus, the design can be copyrighted if «it (1) can be perceived as a two- or three-dimensional work of art separate from the useful article, and (2) would qualify 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.". This approach is rather similar to the one adopted in the *Mazer v. Stein* case. The Supreme Court rejected the distinction between conceptual separability and physical separability, and instead said the language of the Copyright Act supports conceptual separability. It is important to

note that a number of fashion brands, designers, and industry groups, e.g. the Fashion Law Institute, Narciso Rodriguez, Proenza Schouler, and the Council of Fashion Designers of America, supported Varsity Brands by producing amicus briefs in order to demonstrate opinion of the fashion industry's that designers should have an ability to protect their designs [10]. This case can be seen as a significant step forward the copyright protection of fashion designs but there is still a long way to create an adequate environment for the protection of original designs.

Due to the fact that it is rather hard to obtain copyright protection for fashion designs. One of the issues is counterfeit production. This problem is essential for all countries in the world, however because of the low protection for fashion items, the US is a haeven for the design piracy. American designers and manufactures are one of the best-known all over the world and fashion production plays one of the leading role for the budget of the country because it provides with millions of dollars in revenue and affords a significant amount of working places.

One of the main reasons why clothing design calls for more protection nowadays than before is a result of a fact that fashion designs can be copied so easily these days that sometimes they can reach retailor shops before the original products will be available for the consumers. Counterfeit goods are usually created as a simple copy of the original design without any input, so the time consumption is not as high as during the creation of the original design because there is no need in creating something new, thus the innovative process decreases. As well, in order to sell counterfeited products at a lower price point than original one usually cheap labour is used and working hours are limited in order not to pay more for the production.

It is mistakenly concluded that counterfeit products and original models cannot compete because from the very beginning they were made for different markets. Nowadays some designs are so well imitated that sometimes it is impossible to make a distinction. Thus, for some consumers who can afford original product there is a choice either to buy a good copy but cheaper or to buy a product from an authorised boutique. As long as this choice exist it is impossible to claim that counterfeits do not cause any damages for fashion industry. By choosing the counterfeit products consumers make a demand for a future production of it and this circle is growing rapidly. Narrow copyright protection likewise leads to the reduction of copyright litigation and as it has been showed earlier, amount of successful copyright infringement cases in the realm of fashion are rare and example

of *Kieselstein-Cord v. Accessories by Pearl, Inc* case is rather exception than a rule.

Of course, there is a possibility for the US designer to file an application for a design patent [11], which seems to be an ideal form of protection for clothes. A design consists of the visual ornamental characteristics embodied in, or applied to, an article of manufacture [11].

Nevertheless, application patent process can cause several practical difficulties for fashion designers. Due to the fact that fashion products have short market life, prior review process, which runs up to eighteen months, can be too lengthy. Also, after this 18 month designer can receive either approval or a rejection. In the light of the fact that garments rarely meet strict requirements of non-obviousness and functionality, there is a high probability of spending almost 2 years for nothing. Finally, the expense of filing design patents including the cost of a design patent application together with government fees and the added costs of a design patent attorney can reach amount to several thousand dollars [12, p. 297].

Another type of protection existing in the US, such as trade dress [13], seems to be rather impossible to apply for the protection of fashion designs after the *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.* case [14]. Samara Brothers started a dispute against Wal-Mart Stores claiming that they simply copied existing designs of their children clothes which were protected as unregistered trade dress. In its decision Supreme Court ruled that such products as garments do not have inherently distinctive character and do not contain any identification of a particular source, because they do not establish any secondary meaning in the minds of consumers.

Because of all these issues listed above The Design Piracy Prohibition Act (DPPA) was introduced in the House of Representatives and the Senate on April 30, 2009.[15] It was later revised and in 2011 Innovative Design Protection and Piracy Prevention Act (IDPPPA) was introduced to the Senate [16]. This document has been mostly inspired by the EU design legislation and both documents are very similar in terms of content. The IDPPPA, like the EU law, suggests three years of protection for fashion designs commencing from the time the item is displayed publicly [16, Sec. 2 (d)(a)(2)]. As well as for the UCD, IDPPA proposed that registration shall not apply to fashion designs [16, Sec. 2 (f)(2)] by thus establishing an unregistered design protection. This provision of the IDPPPA is a substantial change from the registered design protection that was the basis of the DPPA.

A "fashion design" is defined as the appearance as a whole of an article of apparel, including its ornamentation [16, Sec. 2 (a)(7)(A)], which is a result of a designer's own creative endeavour [16, Sec. 2 (a)(7)(B)(i)]. The term "apparel" means an article of men's, women's, or children's clothing, including undergarments, outerwear, gloves, footwear, and headgear [16, Sec. 2 (a)(9)(A)]; handbags, purses, wallets, tote bags, and belts; [16, Sec. 2 (a)(9)(B)] and eyeglass frames[16, Sec. 2 (a)(9)(C)]. Copyright protection will not apply for a design that is not original [16, Sec. 2 (a)(7)(B)]. Also, regarding the question of copying, IDPPA proposed that there is a possibility to obtain copyright on the fashion design if it is confirmed that it is not substantially identical in overall visual appearance to the original elements of a protected design [16, Sec. 2 (e)(3)(A)] or if the design is the result of independent creation [16, Sec. 2 (e)(3)(B)].

As well, the IDPPPA introduced a "home sewing exception," which provides that it is not an act of infringement if a person will produce a single copy of a protected design for personal use or for the use of an immediate family member, if that copy is not offered for sale or use in trade during the period of protection [16, Sec. 2(h)(1)].

Despite the fact that this Bill is just a proposal, it should be noted that this document is a significant step toward possibility for fashion design to enjoy copyright protection, which has been denied in the US for years. Nevertheless, there is a strong division among legal scholars (e.g. Prof. C. Sprigman and Prof. K.Ruastiala) and fashion communities regarding the possible changes that IDPPA can bring. For instance, the main supporting group of the Bill consists of the Council of Fashion Design America, the New York Council of Fashion Design and the Council for Fashion Designers America (CFDA), which supported the initiative from the very beginning [17]. Many leading US designers such as Narciso Rodriguez, Diane von Fürstenberg and Zac Posen, complain that their designs have been pirated so much that their value is now diluted and their reputation is damaged, so they see the proposal as a new tool that will help them to fight against unlawful copying [18]. The IDPPA with its 3-years term protection can bee a balanced measure that can be beneficial for the both creators and the public.

This document can give impetus for development of the new fashion designers thanks to the unregistered design protection and by that the innovative character of the fashion industry will be saved. Opponents of the IDPPA also make other policy statements in favor of existing legislation.

As the American Apparel & Footwear Association (AAFA) argued that consumers would have more limited access to affordable, attractive apparel and accessories if mass marketers are excluded from selling cheaper copies [19]. Also, fear of the increased litigation in this realm and complexity of defining previous unregistered designs play an important role against the proposal [20, p. 6].

Of course, these risks exist, however, by taking a look to the EU case law involving unregistered design we can conclude that system works and designers can successfully protect their fashion designs. Still, the main argument that opponents [21, p.1772] of the IDPPA rely on is that that the current limited intellectual property protection for fashion suits designers themselves because it leaves them no choice but to introduce new creative designs every season. In this respect one statement should be made – fashion houses do not compete with the producers of counterfeit products as such, they compete with each other because they stand on the same level of the hierarchy and the main battle is taking place at this rang. Of course, this document is far from being ideal weapon against design piracy but at least it shows that issue of counterfeit production is highly important nowadays and US is one of the countries that is in search of effective solution.

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