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Fashion design protection bill: the right balance?

Given the three-year term and other limits, the threat of monopoly over essential techniques is remote.

BY LEWIS R. CLAYTON

For some viewers, the Oscars, the Emmys or the Golden Globes are about the excitement of award envelopes. For others, these events are about fashion—the opportunity to see what actresses are wearing on the red carpet. And viewers who want to own an example of the dress designs they see don't have to pay thousands of dollars to an haute couture designer. For a fraction of that cost, Web sites such as Faviana or eDressMe sell "celebrity look-alike gowns" that mimic the styles worn by the stars. Those knockoffs might not match the quality of hand-sewn Hollywood dresses, but they can exactly copy the designs because nothing in U.S. intellectual property law—copyright, trademark or patent—effectively protects the design of "utilitarian articles" such as clothing.

DIANNA AGRON AT THE 2010 EMMYS IN A CAROLINA HERRERA DRESS.

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THE PRACTICE

Commentary and advice on developments in the law

Although copying is probably legal, is it fair? After years of discussion and several prior failed legislative proposals, a bill introduced in the Senate last month would provide a limited form of copyright protection for "fashion designs," including designs of men's, women's and children's clothing and a wide range of accessories such as handbags, purses, wallets, suitcases and belts. If this legislation passes—unlike previous proposals it reportedly has broad industry support—it may significantly change the way that some segments of the clothing industry do business.

The Copyright Act protects "original works of authorship fixed in any tangible medium of expression" including "pictorial, graphic, and sculptural works." 17 U.S.C. 102(a)(5). Protection does not extend to "useful articles"—objects with "an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information." Id. § 101. Accordingly, the design of a useful article is protected as a "pictorial, graphic, or sculptural work only if, and only to the extent that, such design 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."

The copyrightable, aesthetic elements of an object ordinarily must reflect the creator's artistic judgment rather than utilitarian choices. Application of these principles has vexed the courts, which "have twisted themselves in knots trying to create a test to effectively ascertain whether the artistic aspects of a useful article can be identified separately from and exist independently of the article's utilitarian function." *Masquerade Novelty Inc. v. Unique Indus. Inc.*, 912 F.2d 663, 670 (3d Cir. 1990).

But none of the tests adopted under the act have afforded protection to the design

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of clothing and accessories. For example, the Copyright Office typically requires that copyrightable features be "clearly recognizable as a pictorial, graphic, or sculptural work which can be visualized on paper." Under that standard, an ornamental pattern imprinted on fabric would be copyrightable, but the form or shape of a dress or a handbag would be utilitarian.

Trademark protection also fails to protect fashion design. Trademark laws are designed to protect distinctive marks or logos that indicate the source of goods, not the design of a product. Moreover, a trademark plaintiff must show some likelihood of confusion—for example, that consumers are likely to be misled as to the source or origin of goods. It is extremely unlikely that any but the most well-known designers will be able to show that design elements are so distinctive and so clearly associated with one particular source that trademark protection is warranted.

Nor is patent law a promising source of protection. Few if any designs will be considered novel and nonobvious—there are only a limited number of ways to cover parts of the human body or construct a handbag, wallet or suitcase. And obtaining a patent is expensive and time-consuming. By the time the patent issued, the design would likely be out of style. And trade secrets law provides no help. A trade secret must be secret. Fashion designs are regularly publicized and a competitor could readily reverse-engineer a design.

On Aug. 5, Sen. Charles Schumer (D-N.Y.) introduced S. 3728, the Innovative Design Protection and Piracy Prevention Act. The bill is the latest in a long history of congressional consideration of protection for industrial designs stretching back to 1914. The only legislation that has passed, however, is the Vessel Hull Design Protection Act, 17 U.S.C. 1301, et seq., enacted in 1998 as part of the Digital Millennium Copyright Act. The Hull Act provides a 10-year term of protection for original and distinctive decorative and nonuseful elements of a vessel hull.

S. 3728 would amend various provisions of the Hull Act to provide a three-year term of copyright-like protection for new "fashion designs." A "fashion design" is "the appearance as a whole of an article of apparel, including its ornamentation" and the "original elements" of the article that result from "the designer's own creative endeavor" and "provide a unique, distinguishable, nontrivial and nonutilitarian variation over prior designs for similar types of articles." Accordingly, the bill is designed to protect only truly unique elements of fashion design.

It also has a high standard for liability. The bill prohibits only the creation of "substantially identical" copies, i.e., an article that is "so similar in appearance as to be likely to be mistaken for the protected design, and contains only those differences in construction and design which are merely trivial." In this respect, it follows the approach of courts that have applied a tough standard for substantial similarity in copyright cases. For example, the U.S. Court of Appeals for the 9th Circuit recently applied this rule—requiring that an infringing work be "virtually identical" to the copyrighted work—in a case brought by Mattel, owner of the Barbie franchise, against a competitor in the "fashion doll" market. *Mattel Inc. v. MGA Entm't Inc.*, 2010 WL 2853761 (9th Cir. July 22, 2010).

The bill prohibits unauthorized importation, sale or distribution of any infringing design. A design owner is entitled to the same remedies as a vessel hull owner—statutory damages or infringer's profits, injunctive relief and destruction of infringing articles. The bill also contains an exception for independent creation and a clause akin to fair use—a "home sewing" exception that protects those who produce copies of a protected design at home strictly for personal use.

And a plaintiff will have to plead with particularity facts showing that a design comes within the protection of the act, that the defendant's design infringes and that the plaintiff's design was available in a location and manner so that "it can be reasonably inferred from the totality of the surrounding facts and circumstances that the defendant saw or otherwise had knowledge of the protected design."

The bill has the approval of trade associations representing both designers and manufacturers. The Council of Fashion Designers of America and the American Apparel & Footwear Association issued a joint release on Aug. 6 supporting the legislation as a "realistic and practical approach." A House bill introduced last year has not achieved the same level of support. Unlike the Senate bill, it does not include the requirement that a copy be "substantially identical," lacks the "home sewing" exception and would require registration of a fashion design.

PROS AND CONS

Is it a good idea to grant a form of copyright protection to fashion designs? It is easy to understand the argument that, as a matter of fairness, copyists should not be allowed to free-ride on the labor and skill of designers. Fashion design, moreover, is an art form that requires the same kind of creative activity already protected by the Copyright Act. Given the limited period of protection and the fact that so much design is already in the public domain—no proposed legislation would apply to designs already in use—it is difficult to argue that granting protection threatens to create a monopoly over techniques essential to apparel design. And the ability to extract design royalties for the production of knockoffs should encourage the investment of capital in design activity, perhaps boosting the entire apparel industry.

Of course, intellectual property rights never come without cost. Providing design protection will increase prices and decrease sales of knockoffs. Perhaps more important, apparel designers who never set out to knock off other designs will feel pressure to pay for licenses to protect against the possibility that they will be found to have infringed the rights of other designers. Law professors Kal Raustiala and Chris Sprigman have argued that, under the current regime, relatively free copying promotes fashion "trends" that end up producing large benefits for the apparel industry as a whole.

One thing is certain: Legislation will inevitably lead to litigation over the ethereal question of whether given pairs of dresses, purses or handbags are "substantially identical." ■