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Supreme Court Articulates Important New Standard for Copyright Protection of Industrial Design Components

Last week, the Supreme Court of the United States issued a decision in *Star Athletica, L.L.C. v. Varsity Brands, Inc.*, No. 15-866 (March 22, 2017), resolving “widespread disagreement” among lower courts and articulating a new standard for determining when components of an industrial design—in this case, a cheerleading uniform—can be considered an original work of art protected by copyright law. The Court held that an artistic feature of the design of a useful article, such as the chevron pattern on a cheerleading uniform, is eligible for copyright protection if it (i) can be perceived as a two- or three-dimensional work of art separate from the useful article, and (ii) would qualify as a protectable “pictorial, graphic, or sculptural” work either on its own or in another medium if imagined separately from the useful article. The Court’s decision is of significant importance to—and a positive development for—the multi-billion-dollar fashion industry, which to date has faced an uphill battle in challenging “fast fashion” imitations of its runway designs.

The Dispute between Varsity and Star Athletica

The dispute arose when Varsity Brands, Inc. (“Varsity”), a designer of cheerleading uniforms, accused Star Athletica, L.L.C. (“Star Athletica”) of infringing five of its copyrighted uniform designs and sued Star Athletica in the Western District of Tennessee. Varsity had filed more than 200 U.S. copyright registrations for the designs on the surface of its cheerleading uniforms. The designs included an assortment of colors, stripes and chevron patterns. Star Athletica argued that the design elements at issue were not the kinds of “original works of authorship” subject to copyright protection; they were utilitarian elements that identified a piece of clothing as a cheerleading uniform.

The Copyright Act of 1976 grants copyright protection to “pictorial, graphic, and sculptural” works like drawings or photographs. On its face, however, it excludes “useful articles,” which are defined by Section 101 of the Copyright Act as objects with “intrinsic utilitarian functions,” like a shovel, a shoe, or a cup. As the Court explained in *Star Athletica*, generally speaking, one can copyright a painting of a shovel, but not an actual shovel. The Act, however, also provides that “pictorial, graphic, or sculptural features of a useful article” may be copyrightable elements if those features “can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.” 17 U.S.C. § 101.

The Decisions Below

The district court, relying in part on *Chosun International, Inc. v. Chrisha Creations, Ltd.*, 413 F.3d 324 (2d Cir. 2005), entered summary judgment for Star Athletica on the ground that the designs at issue did not qualify as protectable “pictorial, graphic, or sculptural” works. The *Chosun* analysis focused on the utility of the object left behind if the graphic elements were removed. If the object retained its utility absent the graphic elements, then these elements were not at the core of what made the article useful, and thus copyright protection applied. The district court reasoned that if one removed the colors and stripes from a cheerleading uniform, the article of clothing left behind would no longer be a cheerleading uniform. Although it relied on *Chosun*, the district court cited half a dozen different tests used by various agencies and circuit courts to determine whether design elements could be extricated from the utilitarian object on which they were placed, indicating the then-complicated and confusing status of the Section 101 analysis.

The United States Court of Appeals for the Sixth Circuit reversed the district court. It held that the elements at issue did not serve a *solely* utilitarian purpose, as cheerleading uniforms lacking these designs would be equally as effective, thus satisfying its interpretation of the Section 101 “separability” requirement.

The Supreme Court’s Decision

Noting the “widespread disagreement over the proper test for implementing § 101’s separate-identification and independent-existence requirements,” the Supreme Court granted certiorari to resolve the dispute.

The Supreme Court ultimately ruled in Varsity’s favor in a 6-2 decision, formulating a test that tracked closely to the text of the statute and focused on the design elements in isolation. Justice Clarence Thomas wrote for the majority, Justice Ruth Bader Ginsburg wrote a concurrence, and Justice Stephen Breyer wrote a dissent that was joined by Justice Anthony Kennedy. The majority’s opinion crystalized the Section 101 analysis into a two-prong inquiry that focused on only the design elements, and not the impact of their presence or removal from the utilitarian object. Under this test, courts must now look only to (1) whether the design element can be “identified separately from” the article, and (2) whether the design element is “capable of existing independently of the utilitarian aspects of the article.” In announcing this standard, the majority “abandon[ed]” the distinction between physical and conceptual separability relied on by the district court and articulated in *Chosun International*, deeming that analysis unnecessary.

In applying the test to the instant case, the majority reasoned that the “separate identification” inquiry was simple: One needed to identify only some element in the surface decoration that had “pictorial,

graphic, or sculptural qualities.” The arrangement of colors, shapes, stripes and chevrons on the surface of the uniform sufficed for this step.

The “existing independently” inquiry required the Court to probe whether the design element “ha[d] the capacity to exist apart from the utilitarian aspects of the article.” That is, could the stripe and chevron designs exist as a work of art if one imagined them lifted from the uniforms? The Court answered this question in the affirmative: One could imagine such designs rendered, for example, as a painting on a painter’s canvas or even as designs on different articles of clothing. Thus, they were “separable from the uniforms and eligible for copyright protections.”

The Court was unconvinced by Star Athletica’s argument that extracting the designs from the cheerleading uniform onto a blank canvas would “retain the outline of a cheerleading uniform,” thus being inseparable from the useful article. The Court reasoned that such a transfer does not “replicate . . . the useful article” but instead “creates a two dimensional work of art that corresponds to the shape of the useful article to which it was applied.” It offered the example of a guitar with a design painted on the entirety of its surface. If the entire design were lifted and placed on an album cover, it would retain the shape of the guitar—but such a transfer would not be a *replica* of the guitar. As such, the design would be protected, even if the guitar itself would not be copyrightable.

The Court also rejected Star Athletica’s argument, accepted by the dissent, that the utility of the object “left behind” without the design was relevant to the inquiry. It similarly rejected tests that would require courts to wade into determinations about the designer’s “artistic judgment,” and ones that would inquire about the marketability of the standalone design elements.

The Court was careful to note that the only feature of the cheerleading uniform eligible for copyright protection was the surface decoration of the fabric of the uniform; respondents could not bar any person from manufacturing uniforms with identical shapes, cuts and dimensions as the ones in question. Further, it declined to rule on whether the surface decorations in question were in fact sufficiently original to qualify for copyright protection, or whether any other prerequisites to a valid copyright had been satisfied.

Implications of *Star Athletica* for the Fashion Industry

Ultimately, the ruling in *Star Athletica* will provide one kind of protection to fashion designers that did not exist before in copyright law. Although, as Justice Breyer pointed out in his dissent, existing patent and trademark law did provide fashion designers with some protection, *amici* like the Fashion Law Institute argued correctly that the U.S. lagged far behind its international counterparts in protecting intellectual property in the fashion industry. *Star Athletica* may go at least part of the way toward closing that gap.

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This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:

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