

## Finally, A Fair Shake For Fashion Design?

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**Written By:**  
David Jacoby  
Judith S. Roth

The latest iteration of proposed federal legislation to protect original fashion designs from copying has walked down the Capitol runway, and the Innovative Design Protection and Piracy Prevention Act, S. 3728, takes some pretty creative steps of its own. In an effort to meet the competing interests of designers, retailers and the consuming public, the Senate bill narrows the scope of protection that would be available for original fashion designs but still would be landmark legislation, creating the first statutory fashion design right in U.S. history.

While some aspects of the latest bill are familiar to those of us who have followed the congressional proposals for a fashion design right since 2006, some are totally new. Notably, S. 3728 borrows a clever page from abroad by protecting unregistered fashion designs for a limited term, provided they are sufficiently original and the copying is sufficiently direct.

This article will describe the key terms of the new bill and then discuss some issues, seen from the perspective of practitioners, that will be important for designers in the event the bill is enacted.

## **Background**

As anyone showing their creations on a runway at Lincoln Center this week will tell you, fashion draws copycats like flies to honey. American law as embodied in the 1976 Copyright Act has left designers largely unprotected from copyists. The 1976 Copyright Act did not extend copyright protection to useful articles and fashion items clearly perform a useful function — they cover the human body. See 17 U.S.C. §101.

Only those fashion features that qualify as applied art, separately identifiable graphic or sculptural aspects of the fashion item, can be protected. *Id.* By and large, only textile designs applied to apparel have met this requirement.[1] Designers have relied on other concepts, such as trademark law, to gain some protection, but the Lanham Act and similar unfair competition claims have been useful primarily against counterfeiters, not copycats.

For several years, the Council of Fashion Designers of America (CFDA) has urged Congress to give fashion authors at least some of the same protection enjoyed by authors of original work in other creative fields, ranging from music to architecture to boat hulls. Most recently, those supporting protection for fashion design have sought to add design right protection for fashion items to the existing Chapter 13 of the 1976 Copyright Act that grants design right protection to vessel hull designs. Vessel hulls, like fashion items, are useful objects.

Bills proposing to recognize a design right in original fashion works were introduced in the House or the Senate in 2006, 2007 and 2009.[2] None made it past the committee stage. There has been extensive debate within the fashion industry and among lawyers and academics as to the merits of these proposed enactments.[3] The new bill reflects agreement and presumably compromise between CFDA and at least one prior staunch opponent, the American Apparel and Footwear Association.

## The New Bill

Like its predecessors, S. 3728 would create a special form of design right, lasting only three years, for enumerated fashion-related items.[4] Also like its predecessors, it would require the original work for which protection is sought to be the result of independent creative endeavor of sufficient magnitude to constitute a non-trivial variation over prior designs for similar articles. No utilitarian aspects of a work could be protected. The overall touchstone would be the article's appearance as a whole, including its ornamentation.

One major change from prior drafts is the absence of any registration requirement. In that respect, this draft parallels legislation now in effect in the European Union and previously in force in the United Kingdom.[5] By removing the registration requirement, the new bill eliminates a significant burden that would have been placed on the Copyright Office. The 2009 House bill would have required the Copyright Office to create a searchable electronic database of registered fashion designs, available to the public without charge, and containing a visual image of the registered design, basic registration information and registration status.

Granting protection without requiring registration also reflects the reality of the cyclical nature of the fashion industry. Designers often create many, many designs and registration of all original designs could be costly in terms of time and money. With an unregistered design right available, a designer need not pay in advance to register all designs prior to publication but nonetheless can pursue design right infringement claims against the few produced designs that actually are economically successful. New designers are particularly advantaged by the lack of a registration requirement given their more limited resources.

The new Senate bill places a significant proof burden on designers seeking to establish infringement. To win protection, a fashion design must be not only "the result of a designer's own creative endeavor," but also must "provide a unique, distinguishable, non-trivial and non-utilitarian variation over prior designs for similar types of articles." Even if the designer meets this demanding test, the bill recognizes that lightning can strike twice; it does not grant a design right against a substantially identical work that was independently created.

The party asserting infringement must show that the allegedly infringing design is "substantially identical," a more stringent test than the substantially similar standard. Tests like the substantially identical test the bill imposes to establish infringement have been used in other areas.[6] "[M]ore similarity is required when less protectable matter is at issue." [7] In this context, "substantially identical" would mean the article of apparel is "so similar as to be likely to be mistaken for the protected design, and contains only those differences in construction or design which are merely trivial."

The legislation also would erect special pleading requirements for fashion design infringement claims. Greater particularity would be required — apparently, like that required to allege fraud under Fed. R. Civ. P. 9(b) — for mandated allegations dealing with the original characteristics of the protected

design, the substantial identity of the asserted copy and the basis for demonstrating defendant's access to or awareness of the allegedly copied design. Insufficient allegations would be subject to dismissal; false statements made to obtain a recovery would be punishable by statutory damages of from \$5,000 to \$10,000.

The new bill is prospective only. Any designs which were put before the public at any time prior to the proposed law's coming into force, or more than three years after being made public by the designer, here or abroad, are in the public domain.

Gone is the confusing language in the 2009 draft with respect to trends. Under the 2009 Senate draft, there was no design right in a trend. It was not made clear, however, how the trend exception could have been harmonized with the rights granted by the proposed legislation.

The new Senate bill also limits the scope of money claims for infringement of unregistered design rights by eliminating proposed increases in the ceiling amounts which a court could award over and above actual damages. A new carve-out from infringement would be created for one home-sewn copy of a protected design, made for personal use or use by an immediate family member, if not offered for sale or used in trade.

#### **Five Practical Considerations/Questions**

It's too early to say whether S. 3728 will become law or in what form. It's not too early to outline steps that may require attention should it be enacted. In particular, formulating best practices to prove authorship and copying will be essential to meet the high statutory burden. Here is our "to do list" for fashion industry companies, based on our experience as practitioners in the field, should the bill become law, as well as some important questions to consider.

##### *1) Record-Keeping to Facilitate Alleging and Proving Creation*

While it always has been good practice to document the creation and publication of your original work, such documentation would be critical under the new act. Designers will need to create and preserve records of their designs and of publication of their works.

The proposed statute also would reinforce the importance of making sure appropriate agreements are in place within the designer's organization and with independent contractors to make the necessary showing to document what is newly created and to distinguish it from prior public works and works created by others. Remember that the act requires pleading with particularity; in effect, you will need to be able to document the kind of information that appears in a copyright registration.

##### *2) Record-Keeping to Facilitate Alleging and Proving Access*

Under the proposed statute, a designer seeking redress for infringement will have to plead and prove facts from which a defendant's access to the copied design reasonably can be inferred. Many designs are now disseminated on-line or through electronic media. If the information is downloaded by the copyist from a third-party site, you may have no record of it.

But it should become the rule to preserve records of who visits sites you do control for purposes of later proving access. It may even be worth your while to have a chat with your IT people about embedding watermarks that will help you establish later that someone accessed a particular image. Early forensic imaging of alleged copyist computer systems to find such images may become important.

### *3) Record-Keeping to Avoid Public Domain Status and to Identify End Date of Protection*

If the bill becomes law, anything which became public before then will be in the public domain — that is, unprotected. Even if it's clear your design first saw daylight only after enactment, however, the specific date on which it became public is still important, because it determines when the brief three-year period of protection ends. Making and preserving records of when items became public thus becomes critical.

### *4) Meeting the Infringement Test*

The proposed statute requires that a plaintiff show that the accused item is “likely to be mistaken for the protected design.” It has been said this test was drawn from trademark law. Already, however, commentators are disagreeing about what it means. Likely to be mistaken by a consumer? In trademark cases, such confusion often is shown by surveys of consumers, put forward by experts. Is that what should be done here? Should testimony by experts be allowed to touch on the issue of substantial identity itself — and, if so, experts in what field?

For EU unregistered designs, the test to establish protectable originality is whether “the overall impression produced on an informed user viewing the design clearly differs from that produced on him by the existing design corpus.”[8] Protection is available to the extent the design is new and has individual character after giving consideration to functionality constraints.

In one case involving a knit top and two shirts, the Irish High Court defined the informed user as “a woman with a keen sense of fashion, a good knowledge of designs of women’s tops and shirts previously available to the public, alert to design, and with a basic understanding of any functional or technical limitations on designs for women’s tops and shirts.”[9]

If the bill becomes law, it will become more important for designers and those who sell their works to be alert to and preserve evidence of consumer confusion between the original product and the copy.

### *5) The Red Carpet Question*

It is currently quite common in the print media and on the Internet to see articles and advertising offering the sale of the same fashion look for a substantially lower price than the original design. Will the new legislation lead to the elimination of this type of marketing by copyists?

For example, it is commonplace, the day after a big awards show, to see someone being interviewed on breakfast television about how to get a gown that looks just like the one Award Winner So-and-So wore last night, but at a fraction of the cost. Is such a gown “likely to be mistaken for the protected design”? If the original was made of silk, and the copy is polyester, is that a difference “in construction

or design which [is] merely trivial"? Or is the price differential enough to cue us all in that it's not the real thing and therefore fail the "likely to be mistaken" test?

Presumably as in the trademark and copyright area generally, the price point of the copy should not be considered on the authorship and copying issues that are central to evaluating infringement. Designers will need to monitor marketing and sales by competitors for design right infringement as well as trademark infringement to be alert for fast fashion copyists and Internet knockoff purveyors as well as those who purport to sell fake goods as the genuine article.

### **Conclusion**

The Rolling Stones sang, "You can't always get what you want (no)/ But if you try sometimes you just might find / You get what you need." That might be just the tune to cue up at the victory bash if S. 3782 becomes law.

[1] See, e.g., *Whimsicality Inc. v. Rubie's Costume Co.*, 891 F.2d 452 (2d Cir. 1989).

[2] H.R. 5055 (introduced March 30, 2006); H.R. 2033 (introduced April 25, 2007); S. 1957 (introduced August 2, 2007); H.R. 2196 (introduced Aug. 30, 2009).

[3] A complete citation of articles would exceed the length of this article. Perhaps the best-known is Raustiala and Sprigman, "The Piracy Paradox: Innovation and Intellectual Property in Fashion Design," 92 U. Va. L. Rev. 1687 (2006). The authors' view may be found in Jacoby and Roth, "Fashion and Copying: Imitation is not the Sincerest Form of Flattery," 4 *Convergence* 4 (July, 2008).

[4] The proposal applies to men's, women's and children's clothing, including undergarments, outerwear, gloves, footwear and headgear; handbags; purses; tote bags; belts; wallets; duffel bags; suitcases; and eyeglass frames.

[5] The European Union has a two-tier system for protection of fashion designs. Both registered and unregistered fashion design rights exist. Registered designs receive more thorough-going protection. The EU imposes higher thresholds of originality and requires direct copying to recover for infringement of an unregistered design right. The new Senate bill mirrors the more stringent requirements of the EU unregistered design right scheme.

[6] See, e.g., the discussion of "thin" copyrights, "supersubstantial" similarity and "more discerning observer" tests in *Trek Leasing Inc. v. United States*, 66 Fed. Cl. 8 (Ct. Cl. 2005)(claim over asserted copying of Pueblo style post office architectural design where certain elements were public domain and others were dictated by Postal Service requirements).

[7] Nimmer on Copyright § 13.03(A).

[8] EU Council Regulation No. 6/2002/EC.

[9] *Karen Millen Ltd v. Dunnes Stores* [2007] IEHC 449 (Dec. 21, 2007).

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