



# Who are you wearing?

**Shannon Nestor of Covington & Burling LLP argues that a comprehensive copyright amendment would head off inconclusive litigation in the fashion industry**

**H**ead on every red carpet, reporters asked attendees this question countless times at the recent Oscar Awards on 8 March: ‘Who are you wearing?’<sup>1</sup> While fashion critics pored over pictures of all the dresses worn by celebrities that night, some clothing manufacturers were frantically analysing the photographs of the big dresses of the night – and copying them for mass production. And, in the United States, all of that copying is legal.

Unlike other countries, the US does not provide *sui generis* protection for fashion design. Therefore, fashion apparel that are look-alikes or knock-offs of other designers’ creations do not violate any criminal or civil statute, nor establish any common law cause of action.

Although designers’ merchandise would be protected by law from counterfeits, knock-offs generally are not considered counterfeits because they are not being passed off as the authentic item. A consumer knows that a \$10 copycat

handbag is not genuine when the designer’s original costs \$1,000. Traditional intellectual property rights have provided little protection against this kind of copying.

Legislative efforts by members of the US Congress to provide copyright protection in this area previously failed. But a recent push in Spring and Summer 2009 for an amendment to the Copyright Act to provide protection for fashion designs, led this time by members of the US House of Representatives, suggests that the idea is not dead yet. At the same time, designers have dusted off other options for protecting their works in the absence of that proposed protection.

## IP in fashion design

Protection for fashion design in the US is a checkered landscape. For example, copyright protection generally cannot be sought for an article of clothing itself because of its ‘intrinsic utilitarian function.’<sup>2</sup> But protection can be afforded to a print or

design on the fabric from which the clothing is made. Depending on the nature of the article, a designer may also be able to secure a design patent.<sup>3</sup>

In many cases, fashion designers hold trademarks that they affix to their designs. None of these options is optimal, however, as design patents take a long time to acquire, and trademarks only protect the elements that indicate the source of the design and therefore cannot stop usage where there is no substantial consumer confusion as to source.<sup>4</sup>

## Design Piracy Prohibition Act

To address these concerns, the Design Piracy Prohibition Act<sup>5</sup> was first introduced in Congress in 2006, and has been reintroduced a number of times with the latest proposal in April 2009.<sup>6</sup> The Act proposes amending Chapter 13 of the Copyright Act, which provides protection to boat hull designs, by expanding the definition of ‘useful articles’ to include fashion designs.<sup>7</sup>

Fashion design is defined by the Act as ‘the appearance as a whole of an article of apparel, including its ornamentation’. The Act further defines ‘apparel’ to mean exclusively:

- an article of men’s, women’s, or children’s clothing, including undergarments, outerwear, gloves, footwear, and headgear
- handbags, purses, wallets, duffel bags, suitcases, tote bags, and belts
- eyeglass frames.<sup>8</sup>

Protection for a specific design would last for three years.<sup>9</sup> Supporters have stated that fashion design should get less than the 10 years afforded to hull designs because the shortened period would be sufficient to protect expensive designs from copying before a trend had ended, but not extend so long as to stifle the industry.<sup>10</sup>

An article of apparel infringes on a protected design under the Act if it is copied from that protected design without consent of the owner.<sup>11</sup> Infringement would not occur, however, where a design (1) is ‘original and not closely and substantially similar in overall visual appearance to a protected design’, (2) reflects a trend, or (3) is a result of independent creation.<sup>12</sup>

Given the nature of fashion design and the fashion industry, ‘trends’ were

need to register within six months of that collection showing, otherwise, the designs would not be eligible for protection under the Act.<sup>17</sup>

To successfully complete registration, the designer must submit a brief description of the design for indexing in a database to be established by the Copyright Office.<sup>18</sup> Such a database would be freely searchable by the public.

Certain designers, many of whom do not have a national, much less international presence, have expressed concerns that the legislation would unfairly provide protection to only the largest and richest fashion houses. Critics have suggested that only designers with large legal budgets could afford to seek protection for all of their works.

Moreover, they contend that the registration requirement could prove too expensive or even impossible for small businesses to comply with, as they project that those businesses would have difficulty reviewing the searchable database contemplated by the Act without expensive legal advice and counseling, and that manufacturers and distributors may even refuse to produce or sell any documents not protected by such a registration, or risk liability.

pertaining to similar articles which is more than merely trivial and had not been copied from another source’.<sup>21</sup>

Clearly, items such as a simple pencil skirt or sheath dress would not satisfy the originality requirement. In addition, the Act would effectively exclude all work created or publicised more than six months before the legislation was enacted; therefore, all fashion designs created up until that date will not be eligible for protection, either.

What level of original work, then, would qualify? It could be that very few designs will meet that bar and, even if they do, given the nature of fashion, the protection may be thin.

The registration requirement itself may also prove too much. Unlike traditional copyright, the Act requires registration for protection to kick-in. Traditional copyright only requires registration in order for the creator to bring a lawsuit – the copyright protection itself is in place from the moment that the item was created. Similarly, designers do not have to register trademarks in order to have protection, although, as with copyright, registration offers certain benefits, especially in a lawsuit.

### Rise of trade dress litigation

Despite this major push by the industry, the pending bill is still just that, without any movement since June 2009. Without the protections promised by that proposed legislation, designers appear to have reexamined using trade dress claims against knock-offs. Although designers have sought trade dress claims against knock-offs, those efforts have been significantly curtailed by US Supreme Court precedent requiring that the trade dress have acquired secondary meaning as a source identifier.<sup>22</sup> Now, designers have turned their creative efforts to fashioning trade dress infringement cases against alleged knockoffs.

In early October 2009, Coach brought suit against Target.<sup>23</sup> In its suit filed in the Southern District of New York, Coach alleged that Target had infringed on its ERGO and Patchwork handbag lines. Coach brought claims of, among other things, trade dress infringement and trademark dilution. It alleged that Target sold unauthorised reproductions of its two handbag lines and sought an injunction against Target selling any of the bags, as well as damages.

Target responded, asserting that it had not infringed on Coach’s trade dress, and asserting counterclaims for a declaratory judgment regarding same. Not surprisingly, Target’s answer alleged that there was no

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specifically excluded from protection and are defined within the Act to mean ‘a newly popular concept, idea, or principle expressed in, or as part of, a wide variety of designs of articles of apparel that create an immediate amplified demand for articles of apparel embodying that concept, idea, or principle’.<sup>13</sup>

Statutory damages for infringement would range from *the higher* of \$250,000 or \$5 per copy,<sup>14</sup> which is higher than the maximum statutory damages for traditional copyright infringement.<sup>15</sup>

To be afforded protection, a designer must register a design within six months after the design is ‘first made public’ anywhere in the world.<sup>16</sup> Assuming that many designers debut their collections at fashion weeks throughout the world, the designer would

Even if smaller fashion designers were able to successfully register for copyright protection, the legal costs of filing a lawsuit based on that registration could prove to be too much for all but the largest fashion houses. The industry, critics point out, has been self-policing for decades, and legislation would only prove to interfere with an art form.<sup>19</sup> Some have also contended that copying is a fundamental part of the industry.<sup>20</sup>

Debate also continues as to what level of ‘originality’ will be required in a particular fashion design in order to be sufficient for registration. A design is considered original under Chapter 13 of the Copyright Act if: ‘it is the result of the designer’s creative endeavor that provides a distinguishable variation over prior work

actionable consumer confusion between either style of bags because there nothing inherently distinctive about either handbag line, the Coach designs were not ‘famous’ under 15 USC § 1125(c), and the trade dress in question did not act as a source identifier.

Meanwhile, in the Central District of California in January, Marc Jacobs brought a lawsuit against Ed Hardy with similar claims regarding an alleged knock-off of a nylon tote bag.<sup>24</sup>

Unlike other trade dress cases, this dispute involves two articles being sold at similar prices, potentially to similar customer groups, and with both articles prominently displaying the respective trademark of each designer.

This dispute, if it should proceed to trial, may be the best indicator of whether trade dress litigation is viable in the absence of copyright protection for fashion designs because of the unique issues presented by two famous (as required by trademark law) fashion houses that arguably are selling similar handbags for similar prices in similar stores to similar customers.

These suits join other disputes over knock-offs already in progress, including one of the many suits brought against Forever 21, this one by Trovata.<sup>25</sup> Started in 2007, the suit is the only one against the clothing retailer to go to trial, which in May 2009 resulted in a mistrial. Industry observers had hoped that the suit would prove instructive in whether trade dress infringement suits were possible for designers.<sup>26</sup>

Establishing consumer confusion between designs where the items are substantially different in price may be difficult, as in the case of *Coach*, but the blurring of high/low fashion that has become increasingly popular in recent years could lend more support to a claim of confusion that previously may not have been available – even relatively recently – to designers. One cannot predict how the individual litigants will address these issues, but their tactics may prove instructive not only to other designers contemplating similar lawsuits against alleged copiers, but also to Congress in any future consideration of the Act.

To date, all of the above-described suits are still pending. It is unclear, based solely on the early stages of these litigations, whether this apparent resurrection of trade dress infringement claims will be a successful alternative to the copyright protections proposed in Congress. Indeed, it may be very difficult for designers to establish all of the elements for a successful trade dress infringement case.

In particular, these litigants must

establish that the asserted trade dress sufficiently acts as a brand identifier and that there is consumer confusion between the designs at issue, when many new designs may not have been on the market long enough to establish the necessary connection in consumers’ minds between the trade dress and the designer.

While the Design Piracy Prohibition Act would provide protection without these concerns, it would only provide protection to a particular fashion design for three years. Trademark protection, however, is not limited in time. In an industry where innovation is central to development, it ultimately may prove more beneficial to adopt copyright legislation to bring finality to the parameters of disputes over knock-offs, rather than leave the field empty for a mismatch of trade dress litigation to fill the gaps, potentially leading to contradictory outcomes and greater uncertainty for all the industry players.

### Conclusion

After the promise of protection for fashion designs was renewed in Summer 2009, designers have started to move forward to protect their creations from knockoffs. It is unclear whether these recent cases have obviated the need for the Design Piracy Prohibition Act, but they demonstrate that now that fashion designers have seen the possibility for more legal protection, *they likely are not going to wait* for Congress to make a move.

Even while the industry continues to debate whether these protections would benefit designers, as well as consumers, the recent uptick in litigation over issues covered by the proposed legislation suggests that this genie cannot be put back in the bottle. The fight may soon shift from whether this legislation should pass to what kind of legislation will pass. ☘

### Notes

1. Photographs from The Oscars’ 2010 red carpet can be viewed at <http://oscar.go.com/red-carpet/>.
2. 17 U.S.C. § 101 (“article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information”).
3. See 35 U.S.C. § 171.
4. See, e.g., *A Bill to Provide Protection for Fashion Design: Hearings Before the House Subcomm. on Courts, the Internet, and Intellectual Property, 109th Cong., 2d sess. (2006)* [“Hearings”] (statement of the US Copyright Office).
5. For the purposes of this article, all citations will be to H.R. 2196 from April 2009.
6. The Act has been introduced in the 109th

Congress (H.R. 5055), 110th Congress (H.R. 2033 and S. 1957), and now the 111th Congress as H.R. 2196.

7. The Act amends the definition of “useful article” to include a provision for protection of “an article of apparel.” H.R. 2196, § 2(a)(2)(A).
8. *Id.* § 2(a)(2).
9. *Id.* § 2(d).
10. See Hearing, *supra* note iv.
11. H.R. 2196, § 2(e)(2); see also Section 1309 of the Copyright Act for more detail regarding infringement of a useful article’s design (17 U.S.C. § 1309).
12. H.R. 2196, § 2(e)(2)
13. *Id.* § 2(a)(2).
14. *Id.* § 2(g).
15. See 17 U.S.C. §504.
16. H.R. 2196, § 2(f)(1).
17. For example, the New York Fashion Week for designers’ Fall 2010 collections occurred during mid-February. Assuming that designers did not preview their shows before that time, they would have had until sometime in August to register their collection under the proposed Act.
18. These descriptions would not, however, “limit the protection granted to the design or the subject matter of the registration under this chapter.” *Id.* § 2(f).
19. See, e.g., Hearings, *supra* note iv (statement of Christopher Sprigman, Assoc. Prof., Univ. of Virginia School of Law).
20. See, e.g., Hearings, *supra* note iv (statement of David Wolfe, Creative Director, Donegar Creative Services).
21. 17 U.S.C. 1301(b)(1).
22. *Samara Bros. v. Wal-Mart Stores*, 529 U.S. 205 (2000).
23. *Coach Servs., Inc. v. Target Corp.*, No. 09-CV-8329 (LAK) (S.D.N.Y. Oct. 1, 2009).
24. *Marc Jacobs Trademarks, LLC and Marc Jacobs International, LLC v. Nervous Tattoo, Inc., d/b/a Ed Hardy, LLC and The California Bag, LLC*, 2:10-cv-00456-CBM-FMO (C.D. Cal. January 21, 2010).
25. *Trovata, Inc. v Forever 21, Inc. et al.*, 8:2007cv01196 (C.D. Cal. Oct. 9, 2007).
26. See, e.g., Rachel Brown, Trovata, Forever 21 Return to Square One, *Women’s Wear Daily*, May 29, 2009 ([http://www.wwd.com/fashion-blogs/trovata\\_forever\\_21\\_return\\_to\\_s-09-05/](http://www.wwd.com/fashion-blogs/trovata_forever_21_return_to_s-09-05/)).

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