COVINGTON

Supreme Court Sets the Standard for Separability in Copyright

March 24, 2017

Intellectual Property

In a highly anticipated copyright <u>decision</u> issued on March 22, the Supreme Court held that the designs on Varsity Brands' cheerleading uniforms are eligible for copyright protection. In reaching that ruling, the Court set out a standard that aims to harmonize a multitude of tests across the country.

The opinion by Justice Thomas focuses on the statutory language of the Copyright Act and eschews the tests previously used by the lower courts in favor of a two-part test that asks, *first*, if the artistic feature of a design of a useful article "can be perceived" as a two- or threedimensional work of art separate from the useful article. *Second*, if so, it must qualify as a "protectable pictorial, graphic, or sculptural work either on its own or in some other medium if imagined separately from the useful article." This clarifies that the focus of the separability inquiry is on the extracted feature, *not* on any aspects of the useful article that remain after the "imaginary extraction."

Varsity Brands is surely celebrating its win, but the Court stopped short of saying that the company's designs were "sufficiently original" to qualify for copyright protection. What the majority opinion did say, though, was that if the design was "imaginatively" removed from the uniforms and applied to another medium, the uniform itself would not be replicated. It remains to be determined on remand whether Varsity Brands owns a valid copyright over the surface designs.



The designs at issue.

Using Your Imagination

While having a consistent standard is desirable from all sides, practically speaking, whether this decision marks a positive or negative development in copyright law depends on the party involved. Brand owners or designers of "industrial designs" may now have new arguments to protect their works. People who now will have to pay for those designs, on the other hand, will be less enthused. Justice Breyer, in dissent, notes the potential for increased prices if the Court's decision is seen as granting copyright to garments. Lest fashion companies get too excited, however, Justice Thomas remarks that, even if the design succeeds in establishing a valid copyright, the copyright holder would not be able to prohibit any person from manufacturing cheerleading uniforms of identical shape, cut, and dimensions to the ones in this case. Further, someone could not create a copyright in a useful article merely by creating a replica in some other medium (Justice Thomas raises the example of a cardboard car—that car may be copyrightable, but the actual car is not).

Though the standard now will be consistently stated, one likely result of the decision is uncertainty in the lower courts about how the standard should be applied. Indeed, one need look no further than Justice Breyer's dissent (joined by Justice Kennedy) to find how judges applying the same standard might reach polar opposite outcomes. The two justices concluded that the designs *cannot* be perceived as two- or three-dimensional works of art separate from the useful article: once the graphic designs on the uniforms are removed, Justice Breyer reasoned, they cease to be cheerleading uniforms.

New Horizons for Copyright, or More of the Same?

The impact of this ruling remains to be seen. Some may claim that the ruling simply clarifies existing law by setting out a common standard for lower courts. But others may point out outstanding issues that could lead to watershed developments. For example, courts will have to grapple with the *scope* of the principles Justice Thomas set out: some of the designs on fabric could be seen as basic elements of the garment itself—are those now eligible for copyright? One possibility is that this opinion will shift more of the copyrightability analysis onto the other elements of copyrightability, such as originality. Indeed, the outcome of this case on remand will hinge in part on that inquiry.

Consider also how the reasoning will apply in other contexts, such as three-dimensional printing. Courts will still be presented with the difficult task of determining whether applied art that "correlates to the contours of the article on which it is applied" can be perceived separately from the useful article of which it is a part. And courts may have to deal more frequently with these issues as new technologies allow utilitarian pieces to be artfully designed and crafted more easily and at lower cost. Thus, while scholars will debate the doctrinal subtleties of this case in law reviews across the country, much will depend on how it is interpreted in the years to come.

If you have any questions concerning the developments discussed in this client alert, please contact the following members of our copyright team:

Simon Frankel Jacqueline Charlesworth Ronald Dove Marie Lavalleye +1 415 591 7052 +1 212 841 1034 +1 202 662 5685 +1 202 662 5439 sfrankel@cov.com jcharlesworth@cov.com rdove@cov.com mlavalleye@cov.com This information is not intended as legal advice. Readers should seek specific legal advice before acting with regard to the subjects mentioned herein.

Covington & Burling LLP, an international law firm, provides corporate, litigation and regulatory expertise to enable clients to achieve their goals. This communication is intended to bring relevant developments to our clients and other interested colleagues. Please send an email to <u>unsubscribe@cov.com</u> if you do not wish to receive future emails or electronic alerts.