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# Made in America: Is the IDPPPA the Answer to the United States Fashion Industry's Quest for Design Protection?

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**MADE IN AMERICA: IS THE IDPPPA THE ANSWER TO THE  
UNITED STATES FASHION INDUSTRY'S QUEST FOR  
DESIGN PROTECTION?**

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## I. INTRODUCTION

The prominence of fashion in entertainment has fueled the fashion industry's growth as an economic force, both domestically and internationally. Currently, this thriving industry, in the United States alone, has grown to gross over 340 billion dollars annually.<sup>1</sup> However, some have come to question the real strength of this "behemoth" industry in light of the ease and frequency in which fashion designs are being pirated across the globe.

The fashion industry has long been associated with glitz and glamour, but the cold, hard reality is that design piracy has put pressure on all designers. Those most vulnerable are smaller design firms and new designers, who comprise over 85 percent of the fashion industry in the United States.<sup>2</sup> As a result of developments in technology, such as the instantaneous sharing of pictures and videos through smart phones, pirates can steal, and overnight produce, the same articles of fashion that took designers months and thousands of dollars to develop and create. Because they currently lack some form of copyright protection for their design articles, however, for many of these firms, piracy is therefore not only hindering profits, but even in some instances preventing young designers from sustaining a place in the market<sup>3</sup> (or even preventing new designers from entering it!). The question is whether the harm presented by design piracy today is substantial enough to warrant altering the existing copyright laws to provide protection and if so, whether the benefits of such a change outweigh the possible harms.

Proponents of fashion design protection<sup>4</sup> believe change will help the system, and have proposed a new bill, the Innovative Design Protection and Piracy Prevention Act (IDPPPA),<sup>5</sup> introduced in the Senate on August 5, 2010 to provide Copyright protection to fashion designs. However, staunch opponents still question why such an arguably thriving

<sup>1</sup> See *Innovative Design Protection and Piracy Prevention Act: Hearing Before the Subcomm. on Intellectual Property, Competition, and the Internet of the H. Comm. On the Judiciary*, 112th Cong. 4 (2011) [hereinafter *Hearing*] (testimony of Lazaro Hernandez); see also Scott Hemphill & Jeannie Suk, *The Law, Culture, and Economics of Fashion*, 61 STAN. L. REV. 1147, 1148 (2009) (citing *The U.S. Apparel Market 2007 Dresses Up ... Way Up*, BUS. WIRE (Mar. 18, 2008) (reporting estimate by the NPD Group that U.S. apparel sales reached \$196 billion in 2007) (additional citations omitted).

<sup>2</sup> *Hearing*, *supra* note 1 (testimony of Lazaro Hernandez).

<sup>3</sup> See Scott Hemphill & Jeannie Suk, *The Law, Culture, and Economics of Fashion*, 61 STAN. L. REV. 1147, 1176 (2009).

<sup>4</sup> The Council for Fashion Designers and Artists ("CFDA").

<sup>5</sup> Innovative Design Protection and Piracy Prevention Act, H.R. 3728, 111th Cong. (2010).

industry that has never before had design protection in the United States now requires protection.

This article discusses the current lack of copyright protection for fashion designs, and its effects on the fashion industry's business model. It then discusses the historic rationales for excluding such designs from protection and considers the boat hull industry, which experienced similar design piracy problems. The article then, discusses the legislation that was enacted to prevent the continuation of such piracy, and examines the proposed bill (H.R. 3728, the "IDPPPA"), focusing on the safeguards that were implemented in the bill to overcome various arguments that have dissuaded Congress in the past from granting the fashion design industry protection. The Article concludes with an explanation as to why the IDPPPA's narrowly constructed infringement standard overcomes many of the anticipated harms of such design protection, and finally recommends the adoption of the IDPPPA to assist in protecting factions of the fashion industry that are more susceptible to the harms caused by design piracy.

## II. COPYRIGHT LAW DOES NOT PROTECT DESIGN ARTICLES

To understand the magnitude of the threat posed by design piracy, a working knowledge of the scope of legal protection, namely copyright protection, as it applies to design articles is critical. The Copyright Act of 1976, the current governing law on copyright issues, excludes clothing articles from protection because of the utilitarian nature of such works.<sup>6</sup> As a result, clothing, under the current legal regime, does not receive considerable protection, if any. Under the Act, Copyright protection is available for literary works, musical works, motion pictures, choreographic works, pictorial works, sculptures and graphic works that are fixed in a tangible medium of expression.<sup>7</sup> However, under what is known as the "useful article doctrine," protection does not extend to "useful articles" that "have an intrinsic utilitarian function that is not merely to portray the appearance of the article."<sup>8</sup> Interestingly, while the

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<sup>6</sup> See Copyright Act of 1976, 17 U.S.C. § 101 (2010) (stating that useful articles are excluded from copyright protection because the work is useful and "not merely to portray the appearance of the article or to convey information"); see also Allan J. Sternstein & Neal G. Massand, *Fashion Police: Proposed Amendments to the Copyright Act Would Create Protection for Original Fashion Designs*, INSIDE COUNSEL (Oct. 19, 2010), <http://www.insidecounsel.com/Exclusives/2010/10/Pages/Fashion-Police.aspx>.

<sup>7</sup> 17 U.S.C. § 102(a); see also Kristen Black, *Crimes of Fashion: Is Imitation Truly the Sincerest Form of Flattery?*, 19 KAN. J.L. PUB. POL'Y 505, 512 (Spring 2010).

<sup>8</sup> See 17 U.S.C. § 101 (defining "useful article").

Act allows for a picture, photograph, printing, drawing or miniature model of a fashion design to be granted copyright protection, it denies the same protection to the finished life-size, three-dimensional work, due to this utilitarian nature.

There is also an important distinction between the article of clothing and the design of the fabric from which it is made: the graphic design of the fabric is treated as a writing under the Copyright Act and, therefore, is protectable while the design of the article is denied protection due to the useful articles exclusion.<sup>9</sup>

However, the copyright analysis does not end here. In copyright law, there is also a narrow corollary principle to the useful articles doctrine known as the “separability doctrine.”<sup>10</sup> The separability doctrine provides protection to elements of a useful article if and “only to the extent that the 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.”<sup>11</sup>

Separability can be achieved either physically<sup>12</sup> or conceptually.<sup>13</sup> Physical separability, as the name implies, requires the functional part of the article to be physically separated from the artistic part.<sup>14</sup> Alternatively, conceptual separability allows for the protection of artistic pictorial, graphic, or sculptural elements of utilitarian works if they can be conceptually and distinctly identified and segmented from the work, and so “are capable of existing independently as a work of art.”<sup>15</sup> Most fashion designs cannot meet the physical separability test because of the physical limitations of their medium. However, a few fashion designs have been

<sup>9</sup> See *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1002 (2d Cir. 1995) (holding fabric designs are considered “writings” for purposes of copyright law and are accordingly protectable); see also 17 U.S.C. § 101 (useful article definition).

<sup>10</sup> *Id.*; see also *Mazer v. Stein*, 327 U.S. 201 (1954); Robert Denicola, *Applied Art and Industrial Design: A Suggested Approach to Copyright in Useful Articles*, 67 MINN. L. REV. 707, 715-17 (1983) (for a discussion on the separability doctrine).

<sup>11</sup> BRIAN T. YEH, CONG. RESEARCH SERV., RS 22685, COPYRIGHT PROTECTION FOR FASHION DESIGN: A LEGAL ANALYSIS OF LEGISLATIVE PROPOSALS 1 (2010) (citing *A Bill to Provide Protection for Fashion Design: Hearings Before the House Subcomm. on Courts, the Internet, and Intellectual Property*, 109th Cong., 2nd Sess. (2006)).

<sup>12</sup> 17 U.S.C. § 101 (useful article definition).

<sup>13</sup> See *Nimmer on Copyrights* §2.08(B) at 3; see also *Mazer v. Stein*, 327 U.S. 201 (1954).

<sup>14</sup> 17 U.S.C. § 101 (useful article definition).

<sup>15</sup> *Nimmer on Copyrights* §2.08(B) at 3-10; see also *Mazer v. Stein*, 327 U.S. 201 (1954) (holding that a lamp in which the base was a statue of a woman garnered copyright protection); *Kieselstein-Cord v. Accessories by Pearl*, 632 F.2d 989 (2d Cir. 1980) (holding that a designer belt buckle had sufficient artistic qualities to afford copyright protection).

able to garner protection under the conceptual separability test.<sup>16</sup> This precedent is limited in its utility for the present discussion because the very abstract nature of the test allowing for protection has caused various jurisdictions to struggle with it, producing inconsistent results.<sup>17</sup> These inconsistent holdings result in designers rarely if ever receiving copyright protection of their designs under the conceptual separability doctrine. As a result, fashion designs, due to their useful article characterization and lack of protection from the separability alternative, are effectively precluded from copyright protection.

### III. THE FASHION INDUSTRY, DESIGN PIRACY, AND THE UNDERPINNINGS OF THE CALL FOR PROTECTION

Some legal commentators nonetheless claim that design protection is still unnecessary because the seasonal lifetime (typically less than a year) of most fashion articles allow designers to flourish without it.<sup>18</sup> However, technological advances threaten this belief and the current business model that endorses it, and may make protection essential for the survival of up and coming designers. In order to understand the unique problems of this industry, it is helpful to first consider its basic structure, life cycle, and the business model/expenses associated with it.

#### A. *The Fashion Hierarchy*

The world of fashion is broken down into its constituent parts in a model known as the “Fashion Hierarchy.” The Fashion Hierarchy is also a term that is used to describe the exclusivity that characterizes the fashion industry and the relationship between its designs and society’s class system. The Fashion Hierarchy can best be described by employing a pyramid model as shown below.<sup>19</sup>

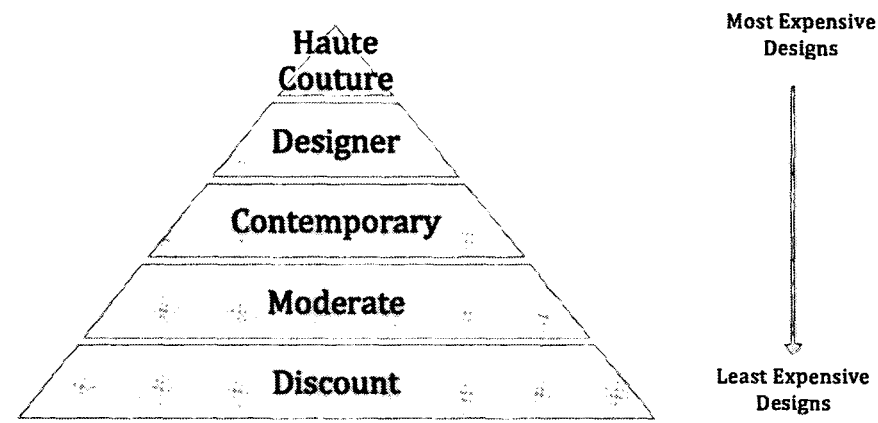
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<sup>16</sup> See *National Theme Productions, Inc. v. Jerry B. Beck, Inc.*, 696 F. Supp. 1348 (S.D. Cal. 1988) (holding that the design of a costume was not denied protection because the design was decorative and not functional).

<sup>17</sup> *Id.* (holding that the design of a costume was not denied protection because the design was decorative and not functional); cf. *Whimsicality, Inc. v. Rubie’s Costume Co.*, 891 F.2d 452 (2d Cir. 1989) (holding that costumes are not copyrightable).

<sup>18</sup> See generally Kal Raustiala & Christopher Sprigman, *The Piracy Paradox: Innovation and Intellectual Property in Fashion Design*, 92 VA. L. REV. 1687 (2006).

<sup>19</sup> Megan Williams, *Fashioning a New Idea: How the Design Piracy Act Is a Reasonable Solution to the Fashion Design Problem*, 10 TUL. J. TECH & INTELL. PROP. 303, 305 (2007) (citing Peter Doeringer & Sarah Crean, *Can Fast Fashion Save the U.S. Apparel Industry?*, 4 SOCIO ECON. REV. 353, 357 (2006)).



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“Haute couture” forms the top of the fashion pyramid.<sup>21</sup> The French term, haute couture originating in Paris, encompasses the quintessence of Parisian chic and elegance, and is comprised of the most expensive and sought after designers.<sup>22</sup> “[Haute couture] is a whole philosophy and a culture of clothing for a narrow circle of the chosen ones, not exceeding several hundred clients around the world.”<sup>23</sup>

Beneath the category of “haute couture” is the Designer market that includes high-end fashion designers such as Gucci, Prada, Marc Jacobs, etc.<sup>24</sup> The middle level, “Contemporary,” is comprised of designers, such as BCBG and Laundry.<sup>25</sup> This level also includes some high-end designers who offer both a high-end line and a less expensive line of clothing, such as Marc by Marc Jacobs, Donna Karen’s DKNY, and Lauren by Ralph Lauren.<sup>26</sup> The second to lowest, the “Moderate” fashion design level, includes the lines from apparel manufacturers such as Nine

<sup>20</sup> Fashion Hierarchy Model, constructed for this article (incorporating information from Megan Williams, *Fashioning a New Idea: How the Design Piracy Act Is a Reasonable Solution to the Fashion Design Problem*, 10 TUL. J. TECH & INTELL. PROP. 303, 305 (2007).

<sup>21</sup> Williams, *supra* note 19, at 305; see also Raustiala & Sprigman, *supra* note 18, at 1693.

<sup>22</sup> *What is Haute Couture*, HAUTE COUTURE NEWS, <http://www.hautecouturenews.com/what-is-haute-couture/> (last visited Oct. 8, 2011).

<sup>23</sup> *Id.*

<sup>24</sup> See generally Williams, *supra* note 19, at 305; see also Cynthia Nellis, *Is it Really “Designer?”*, ABOUT.COM, <http://fashion.about.com/cs/stylebasics/a/pricepoints.htm> (last visited Oct. 21, 2011).

<sup>25</sup> See Williams, *supra* note 19, at 305; see also Nellis, *supra* note 24.

<sup>26</sup> See Williams, *supra* note 19, at 305; see also Nellis, *supra* note 24.

West, Banana Republic, and the Gap.<sup>27</sup> The bottom level consists of “Discount” fashion designers and distributors such as Forever 21, H&M, Target, and discount retailers such as TJ Maxx and Ross.<sup>28</sup> The prices of fashion articles typically descend from the top to bottom of the pyramid. The haute couture is typically the most expensive due to the perceived originality of the design and quality of the materials used, as well as the exclusivity that attaches to the possession of a limited production piece.<sup>29</sup>

### B. The Fashion Cycle

The fashion industry’s sales model employs a design cycle that begins each season with the haute couture debuting fashion designs that influence the lower fashion tiers’ designs, until the trend has reached the bottom of the pyramid.<sup>30</sup> The exclusivity of the haute couture designs drives the desires of the affluent to own the original designs.<sup>31</sup> The cycle continues because the less affluent, wanting to emulate the designs worn by haute couture clients or trendsetters, create a demand for the designs.<sup>32</sup> This demand for a lower-priced, but similarly-designed, product fuels the production of less expensive translations of the haute couture clothing.<sup>33</sup> The production of the translated designs is referred to within the industry as “referencing” the original design.<sup>34</sup> Such referenced works are considered reworked designs that conform to industry practices and are distinct from pirated designs.<sup>35</sup> The cycle continues until referenced works incorporating the “hot look” or trend have reached the Discount market.<sup>36</sup> By that time, the top echelon of the pyramid has discarded the look.<sup>37</sup> Georg Simmel aptly described this phenomenon: “[a]s fashion spreads, it gradually goes to its doom.”<sup>38</sup> Professors Kal Rustaglia and

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<sup>27</sup> See Williams, *supra* note 19, at 305; see also Nellis, *supra* note 24.

<sup>28</sup> See Williams, *supra* note 19, at 305; see also Nellis, *supra* note 24.

<sup>29</sup> Williams, *supra* note 19, at 305; see also Raustiala & Sprigman *supra* note 18, at 1694.

<sup>30</sup> Raustiala & Sprigman, *supra* note 18, at 1726.

<sup>31</sup> *Id.*

<sup>32</sup> Williams, *supra* note 19, at 305 (citing Safia Nurbhai, *Style Piracy Revisited*, 10 J. L. & POLY 489, 493

(2002)).

<sup>33</sup> *Id.*

<sup>34</sup> Raustiala & Sprigman, *supra* note 18, at 1727-28.

<sup>35</sup> *Id.* For a discussion of the distinction between referencing and pirating designs and its relevancy to the proposed protection for fashion design, see *infra* Section III(C) of this note.

<sup>36</sup> *Id.*

<sup>37</sup> *Id.*

<sup>38</sup> Georg Simmel, *Fashion*, 10 INT’L Q. 130, 138-39 (1904), available at [http://www.modetheorie.de/fileadmin/Texte/s/Simmel-Fashion\\_1904.pdf](http://www.modetheorie.de/fileadmin/Texte/s/Simmel-Fashion_1904.pdf).



Christopher Sprigman, who have written extensively on the topic, analogize the phenomenon to the status that some people believe is conferred from the purchase of an expensive car.<sup>39</sup>

“A particular fast car is most desirable when enough people possess it to signal that it is a desired object, but the value diminishes once every person in the neighborhood possesses one. Nothing about the car itself has changed, except for its ability to place its owner among the elite and to separate her from the crowd. Similarly, part of the appeal of a “fashionable” resort is that only a few people know about it. For these goods, the value of relative exclusivity may be a large part of the goods’ total appeal.”<sup>40</sup>

Once the item has been discarded, the entire cycle begins again, producing a new season of designs and trends. The haute couture designers are working on the next season of designs, as the middle levels of the tier are still producing styles to emulate the last season’s haute couture designs. A year is said to encompass two main seasons - Autumn/Winter and Spring/Summer.<sup>41</sup> The Autumn/Winter shows start in New York during February and end in Paris during March.<sup>42</sup> Spring/Summer shows typically start in New York during September and finish in Paris by the end of October.<sup>43</sup> In addition, some designers opt to design clothing for a third season, encompassing Holiday or Cruise wear.<sup>44</sup>

### C. *The “Referencing” of Fashion Design, Distinguished from Copying*

Due to the rapid design cycle and recurring themes involved in fashion, almost all designers borrow elements of other designs.<sup>45</sup> As previously discussed, the process of emulating designs in the fashion industry is referred to as “referencing.”<sup>46</sup> Referencing, however, is distinct

<sup>39</sup> Raustiala & Sprigman, *supra* note 18, at 1719.

<sup>40</sup> *Id.*

<sup>41</sup> *When Do the Winter and Fall Seasons Start in Fashion?*, EHOW.COM, [http://www.ehow.com/about\\_5333466\\_do-fall-seasons-start-fashion.html](http://www.ehow.com/about_5333466_do-fall-seasons-start-fashion.html) (last visited Nov. 22, 2011).

<sup>42</sup> *Id.*

<sup>43</sup> *Id.*

<sup>44</sup> *Id.*

<sup>45</sup> Raustiala & Sprigman, *supra* note 18, at 1727-28.

<sup>46</sup> *Id.*

from copying. The important distinction between copying and referencing in the fashion industry is that referencing allows people to borrow and rework ideas or designs, but does not include the exact replication of the design as a whole.<sup>47</sup> Professor Jeannie Suk describes referencing as quoting, commenting, or referring to prior designs.<sup>48</sup>

“Unlike much close copying, such interpretation does not pass off the work as the work that is being copied. Instead, it marks awareness of the difference between the two works as it looks to the prior work as a source of influence . . . the latter work draws on the meaning of the earlier work, rather than being simply a copy of it.”<sup>49</sup>

The classic Chanel knit jacket serves as a good example of referencing.<sup>50</sup> The jacket has been reworked repeatedly in other designers’ styles, and these interpretations are seen as “a classic style drawing on the spirit of the look without purporting to be a Chanel Product.”<sup>51</sup> This reworked design is different from an exact copy, or pirated design, because the new interpretation of the design contains original choices and artistic expression that differentiates it from the prior design. Additionally, the goal of an interpretation is also different from that of a copy. While, the goal and effect, of a copy is to substitute for the original,<sup>52</sup> an interpretation or a reference may be a complement to the original article.<sup>53</sup>

Skeptics claim that the end result of an interpretation is no different than that of a copy because most consumers will not buy multiple items that incorporate similar designs.<sup>54</sup> However, the reality is that consumers purchase multiple articles that are part of the same trend.<sup>55</sup>

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<sup>47</sup> See *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1002 (2d Cir. 1995) (holding fabric designs are considered “writings” for purposes of copyright law and are accordingly protectable); see also *Folio Impressions, Inc. v. Byer California*, 937 F.2d 759, 763 (2d Cir. 1991); *Soptra Fabrics Corp. v. Stafford Knitting Mills, Inc.*, 490 F.2d 1092 (2d Cir. 1974); *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.*, 274 F.2d 487 (2d Cir. 1960).

<sup>48</sup> Hemphill & Suk, *supra* note 3, at 1159–60.

<sup>49</sup> *Id.* at 1160.

<sup>50</sup> *Id.*

<sup>51</sup> *Id.*

<sup>52</sup> *Id.*

<sup>53</sup> *Id.*

<sup>54</sup> *Id.* at 1166.

<sup>55</sup> *Id.*

A fashion item can be divided into a trend feature and various differentiating features.<sup>56</sup> The trend is the shared recognizable design element that is popular in the market during any given cycle.<sup>57</sup> The differentiating features are all the design elements that make the item different from the collective feature that encompasses the trend.<sup>58</sup> Therefore, a trend feature may be consistent within multiple works, but the various differentiating features create different aesthetic values for the various articles of clothing. Thus these different articles can compliment, instead of replace, one another. For example, during a season in which polka dots are the popular trend feature, one designer may create a black and white knit polka dot blouse with long sleeves. Another designer may reference this designer's design by creating a short-sleeved cotton button down version with a tie collar. The two items have the same trend element, i.e., the polka dots, but the differentiating features enable the designs to satisfy different needs for the consumer. A consumer may decide to purchase both because they want both a short sleeve and long sleeve item that will be on-trend.

Many consumers choose to purchase multiple articles within a specific trend throughout the season to satisfy their need for different on-trend outfits.<sup>59</sup> Furthermore, many fashion-conscious consumers seek out different variations of a trend to avoid wearing the same outfit as others or because they prefer one designer's garment proportions to another.<sup>60</sup> These factors support the argument that multiple references of a work do not necessarily limit the market for the originator of the trend. However, the same cannot be said for pirated designs.

#### *D. The Costs of Being Fashionable: Financial Considerations*

The creation of the various forms of fashion articles encompassed in the Fashion Hierarchy requires a considerable economic investment allocated over an extended period of time. These costs, which alone can be sufficient to bar a new entrant into the fashion world, are particularly

<sup>56</sup> *Id.*

<sup>57</sup> *Id.*

<sup>58</sup> *Id.*

<sup>59</sup> *Id.*

<sup>60</sup> *Id.* (citing Army Odell, *Internet Saves Inaugural-Ball Attendees from Wearing the Same Dress*, N.Y. MAG., Jan. 2, 2009 ("DressRegistry.com . . . allows women to register the dresses they're wearing to big events like the inaugural balls so they don't end up wearing the same thing as someone else."); see also *I Love Lucy: Lucy and Ethel Buy the Same Dress* (CBS television broadcast Oct. 19, 1953) (supporting that social anxiety that attaches to this phenomenon has, for decades, been a recurring target of popular parody)).

significant in light of the economic pressures that design piracy exerts on new and would-be designers.

Becoming a fashion designer often involves years of training, enrollment in design schools, apprenticeships and large investments of money for materials.<sup>61</sup> According to the United State's Bureau of Labor Statistics, most employers require applicants to have a two-year or four-year degree, an investment in-and-of itself.<sup>62</sup>

The design process itself is the next major cost in the economics of creating an article of fashion. From inception to final production, the process typically takes between 18 and 24 months.<sup>63</sup> The first step requires research into current market trends and predictions of future trends.<sup>64</sup> Depending on the designer and budget afforded them, some conduct their own research, while others depend on trend reports that are published by fashion industry trade groups.<sup>65</sup> The trend reports typically indicate what styles and colors are predicted to be popular for future seasons.<sup>66</sup> While designers are creating their fashion designs, textile manufacturers use those trend reports to guide their fabric designs and patterns.<sup>67</sup> Designers, who do not create their own fabrics, then visit manufacturers or trade shows to obtain fabric samples for their new collections.<sup>68</sup> A prototype of the design is typically created, using less expensive fabric to identify necessary adjustments in the design.<sup>69</sup> Once the design and fabric selection is finalized, samples are created in order to market the new clothing line.<sup>70</sup>

The cost of producing the articles varies significantly depending on the cost of fabric and the size of the fashion house. Large design houses may employ their own patternmakers, tailors and sewers to create the master patterns for the design and construct the samples.<sup>71</sup> In contrast,

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<sup>61</sup> Silvia Beltrametti, *Evaluation of the Design Piracy Prohibition Act: Is the Cure Worse than the Disease? An Analogy with Counterfeiting and a Comparison with the Protection Available in the European Community*, 8 NW. J. TECH. & INTELL. PROP. 147, ¶ 42 (2010).

<sup>62</sup> United States Department of Labor, Bureau of Labor Statistics, *Occupational Outlook Handbook*, 2010-11 ed., Fashion Designers, <http://www.bls.gov/oco/ocos291.htm>.

<sup>63</sup> *Id.*

<sup>64</sup> *Id.*

<sup>65</sup> *Id.*

<sup>66</sup> *Id.*

<sup>67</sup> *Id.*

<sup>68</sup> *Id.*

<sup>69</sup> *Id.*

<sup>70</sup> *Id.*

<sup>71</sup> *Id.*

designers working in smaller firms, usually perform most of the technical construction tasks, in addition to creating the designs.<sup>72</sup>

The cost of showcasing and marketing the designs, which typically requires a fashion show, can be very significant. The cost of venues in New York can easily reach \$50,000 per event.<sup>73</sup> If the designer uses a casting director, fees will typically start at \$3,000, and top models may charge as much as \$20,000 or more for each “look” that walks the runway.<sup>74</sup> The costs of preparing the models for the runway – i.e., hair and makeup – typically range from \$10,000 to \$15,000. The fees involved in employing a fashion stylist to assist in “putting the looks together” typically start at \$5,000, with celebrity stylists, such as Rachel Zoe, commanding fees closer to \$20,000.<sup>75</sup> Since most clothing designers do not design shoes, the related costs for the proper shoes can easily reach \$20,000.<sup>76</sup> Many designers actually pay celebrities to attend the show in order to create a “buzz.”<sup>77</sup> The minimum cost for each of these invitations is approximately \$3,000.<sup>78</sup> Rhana Kennedy of the Fashion Lawyer Blog commented on this phenomenon: “Since marrying Tom Cruise, Katie’s stock has gone way up, and she can ask for \$50,000 to sit in the front row. I always see the most random mix of celebrities and press in the front row like Kanye West and Anna Wintour, and now I know why.”<sup>79</sup> Finally, having the show photographed typically costs between \$3,000 and \$5,000, and videotaping will usually cost between \$10,000 and \$15,000.<sup>80</sup> Accordingly, a low estimate for producing a show would be \$100,000. The average fashion show costs approximately \$320,000.<sup>81</sup>

Because the costs of producing these shows are so substantial, many up-and-coming designers try to find investors or sponsors to help with the initial economic outlays.<sup>82</sup> Others attempt to defray the costs by competing for one of the few coveted new designer spots at Fashion

<sup>72</sup> *Id.*

<sup>73</sup> Rhana Kennedy, *The Fashion Slinger: Fashion Cents- The Economic Cost of a Fashion Show*, FASHION LAWYER BLOG, (Feb. 5, 2008), <http://fashionlawyerblog.com/?p=424>.

<sup>74</sup> *Id.*

<sup>75</sup> *Id.*

<sup>76</sup> *Id.*

<sup>77</sup> *Id.*

<sup>78</sup> *Id.*

<sup>79</sup> *Id.*

<sup>80</sup> *Id.*

<sup>81</sup> *Hearing, supra* note 1 (testimony of Lazaro Hernandez).

<sup>82</sup> Valerie Lawson, *Who Pays for Fashion Week?*, THE SYDNEY MORNING HERALD, Apr. 23, 2003, <http://www.smh.com.au/articles/2003/04/23/1050777289450.html>.

Week<sup>83</sup> in New York.<sup>84</sup> Even those chosen to present at Fashion Week are asked to contribute to the cost.<sup>85</sup> Other avenues frequently used by new designers to gather exposure are the design competition shows that have become popular on Bravo<sup>86</sup> and Lifetime.<sup>87</sup> These television programs allow designers to compete for cash prizes as well as pre-paid fashion shows. Even those designers who do not win achieve a certain amount of exposure from the show and hope to create enough market demand for their work to entice department stores to carry their clothing lines.

Many well-known designers sell their own designs within their own stores, but still depend upon revenue from large department stores that also carry their designs. “The main advantage of selling to a department store is that you can be in 40 locations overnight.”<sup>88</sup> For many new designers and small-to-medium fashion firms, department stores are essential to gaining a wider consumer audience. Presenting designs at Fashion Week is a means of attracting those buyers, however, publicly displaying designs also increases the possibility of design “knock-offs.” Additionally, attracting the attention of department store buyers does not insure that the designer will be fairly compensated for the designs.

Department stores are notorious for being difficult to work with.<sup>89</sup> First, department stores typically ask for a 3-15% discount on the designer’s set price because of the volume of the order.<sup>90</sup> When discussing this practice Mary Gehlhar,<sup>91</sup> a prominent fashion industry

<sup>83</sup> Fashion Week is a term used to describe an event named after the hosting city in which fashion designers or “houses” are able showcase their “collections” for either Spring or Fall seasons.

<sup>84</sup> Leah Bourne, *Daily Context: What a Fashion Show Actually Costs*, NBC NY: THREAD NY: THE INSIDE LINE ON NEW YORK FASHION (Jul. 6, 2011 11:39 AM), <http://www.nbcnewyork.com/blogs/threadny/THREAD-Daily-Context-What-a-Fashion-Show-Actually-Costs.htm>.

<sup>85</sup> *Id.* (noting that costs for space in Spring 2012’s Fashion Week range from \$15,000-\$50,000, not including the costs of hiring and styling models).

<sup>86</sup> Bravo airs *The Fashion Show*, [http://www.bravotv.com/the-fashion-show-ultimate-collection?\\_source=gg1%7CThe+Fashion+Show%7CThe+Fashion+Show%7CG\\_AlwaysOn&sky=gg1%7CThe+Fashion+Show%7CThe+Fashion+Show%7CG\\_AlwaysOn&gclid=CJLBxKfq26sCFYxb7AodiXezQA](http://www.bravotv.com/the-fashion-show-ultimate-collection?_source=gg1%7CThe+Fashion+Show%7CThe+Fashion+Show%7CG_AlwaysOn&sky=gg1%7CThe+Fashion+Show%7CThe+Fashion+Show%7CG_AlwaysOn&gclid=CJLBxKfq26sCFYxb7AodiXezQA).

<sup>87</sup> Lifetime airs one of the most popular fashion design completion shows, *Project Runway*, [http://www.mylifetime.com/shows/project-runway/video?cmpid=LTD\\_SEM\\_Search-project%2Brunway-project%2Brunway&utm\\_source=1td\\_google&utm\\_medium=cpc&utm\\_campaign=project%20runway&utm\\_term=project%20runway](http://www.mylifetime.com/shows/project-runway/video?cmpid=LTD_SEM_Search-project%2Brunway-project%2Brunway&utm_source=1td_google&utm_medium=cpc&utm_campaign=project%20runway&utm_term=project%20runway).

<sup>88</sup> Lauren Goldstein Crowe, *How to Sell to U.S. Department Stores*, Fashion Inc., (Nov. 27, 2007 12:00 A.M.), <http://www.portfolio.com/views/blogs/fashion-inc/2007/11/27/how-to-sell-to-us-department-stores/>.

<sup>89</sup> *Id.*

<sup>90</sup> *Id.*

<sup>91</sup> Mary Gehlhar is the Vice President and Fashion Director of Gen Art and author of “The Fashion

author stated, “[t]hey’re always going to get it, but there’s a big difference between 3 and 15%.”<sup>92</sup> Second, most department stores require the clothes to be delivered “display ready,” including the hanger, with bar codes and sales tags attached, on a specific day, shipped by a specific company.<sup>93</sup> The cost of delivering “display ready” clothing results in higher costs to the designer. Furthermore, failure to meet the terms results in a charge to the designer.<sup>94</sup> Third, if the designs are sold at a reduced price, the designer is charged the mark-down on the sale inventory.<sup>95</sup> It is also important to note that the designer is required to make a large initial investment in department store orders because designers are typically not paid for the shipment until 60 to 90 days following the delivery.<sup>96</sup> Additionally, stores can reject a shipment for almost any reason, including that your design is no longer marketable due to less expensive pirated versions.<sup>97</sup>

#### IV. TECHNOLOGY’S EFFECT ON THE FASHION CYCLE

Clearly, the investment needed to market and produce designs can be staggering and very difficult to recoup for a well-known fashion designer, let alone a new designer without a lot of capital. Technology has become a necessary tool in marketing today’s fashion brands,<sup>98</sup> helping to defray some of these costs, but it has also facilitated the rise of a new breed of design pirates.

In today’s technological age, smart phones allow consumers to access and share information almost instantaneously. Design pirates have the ability to photograph and store information regarding top tier designs as soon as they are unveiled.<sup>99</sup> The fashion industry’s current lack of design protection, and the immediate access provided by current technology, can significantly undermine the economic benefits that would otherwise accrue to the original designer because of such photography followed by

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Designer Survival Guide.”

<sup>92</sup> Crowe, *supra* note 88 at 88.

<sup>93</sup> *Id.*

<sup>94</sup> *Id.*

<sup>95</sup> *Id.*

<sup>96</sup> *Id.*

<sup>97</sup> *Id.*

<sup>98</sup> Many fashion designers use online videos and websites to promote their upcoming collections and to sell their designs directly to consumers.

<sup>99</sup> Hemphill & Suk, *supra* note 3, at 1166 (citing Teri Agins, *Copy Shops: Fashion Knockoffs Hit Stores Before Originals as Designers Seethe*, WALL ST. J., Aug. 8, 1994, at A1).

reproduction, and in the worst case, could put an end to the “style cycle” altogether. According to one newspaper report,

“[A] photograph snapped at a fashion show in Milan can be faxed overnight to a Hong Kong factory, which can turn out a sample in a matter of hours. That sample can be FedExed back to a New York showroom the next day, ready for retail buyers to preview. Stores order these lower-priced “interpretations” for their own private-label collections even as they are showing the costlier designer versions in their pricier departments.”<sup>100</sup>

This phenomenon is clearly evidenced by the existence of many well-known brands and retail stores, such as Forever 21, H&M, and A.B.S., which specialize in producing knock-offs of high-end fashion designs.<sup>101</sup> Allen Schwartz of A.B.S. has openly declared that his collections, emulating runway trends, are delivered to stores so quickly that they beat the original designers to the racks.<sup>102</sup> Forever 21, a store known for making a business out of copying high-end designers, has been the subject of more than 50 law suits between 2006 and 2009 stemming from its alleged infringement of graphic textile copyrights owned by well-known fashion designers.<sup>103</sup> Plaintiffs, who have been victims of this practice, include both high-end and contemporary designers such as Trovata,<sup>104</sup> Diane Von Furstenburg,<sup>105</sup> Anna Sui,<sup>106</sup> Gwen Steffani,<sup>107</sup> and many other

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<sup>100</sup> Teri Agins, *Copy Shops: Fashion Knockoffs Hit Stores Before Originals as Designers Seethe*, WALL ST. J., Aug. 8, 1994, at A1.

<sup>101</sup> Williams, *supra* note 19, at 306.

<sup>102</sup> *Id.* (quoting A.B.S. Web Site, [http://web.archive.org/web/20060712043323/http://www.absstyle.com/asstd\\_pages.php?temp=company](http://web.archive.org/web/20060712043323/http://www.absstyle.com/asstd_pages.php?temp=company) (last visited Nov. 6, 2010)).

<sup>103</sup> See Sara R. Ellis, *Copyright Couture: An Examination of Fashion Design Protection and Why the DPPA and IDPPPA are a Step Towards the Solution to Counterfeit Chic*, 78 TENN. L. REV. 163, 165 (Fall 2010) (citing Amy Odell, *Forever 21's Ability to Copy Designer Clothes Could Be in Jeopardy*, N.Y. MAG. (Apr. 13, 2009, 9:45 AM), [http://nymag.com/daily/fashion/2009/04/forever\\_21s\\_ability\\_to\\_copy\\_de.html](http://nymag.com/daily/fashion/2009/04/forever_21s_ability_to_copy_de.html); see also Beltrametti, *supra* note 61, ¶ 42.

<sup>104</sup> Ellis, *supra* note 103, at 165.

<sup>105</sup> *Id.* (citing First Amended Complaint, *Diane von Furstenberg Studio v. Forever 21, Inc.*, No. 07 CV 2413 (S.D.N.Y. Apr. 12, 2007), 2007 WL 1643831).

<sup>106</sup> *Id.* (citing Complaint, *Anna Sui Corp. v. Forever 21, Inc.*, No. 07 CV 3235 (S.D.N.Y. Sept. 25, 2008), 2007 WL 1646515).

<sup>107</sup> *Id.* at 166 (citing Complaint for False Designation of Origin, Trademark Infringement, Dilution and Unfair Competition, *Harajuku Lovers, L.L.C. v. Forever 21, Inc.*, No. CV- 07-3881-ODW, (C.D. Cal. filed June 14, 2007) 2002321012).



retail stores such as Anthropologie<sup>108</sup> and Express World Brand.<sup>109</sup> Forever 21 has settled most of its cases,<sup>110</sup> but its blatant practice of copying others' work dilutes<sup>111</sup> brands by diminishing the sales of the high-end products. Because the works are reaching consumers in multiple tiers of the fashion hierarchy model faster than the historic model or in some cases almost simultaneously, many consumers fail to associate the original work with the higher tier designer. This can result in less sales of a design, especially when a design's demand depends on its novelty, or exclusivity. Therefore, even an established designer will profit less if a competitor is manufacturing and selling a copy of the design at a cheaper cost.<sup>112</sup> This is especially true of haute couture designers, whose demand for their products is often directly connected to the exclusivity of the design.<sup>113</sup> "legal commentators have noted that because technology allows runway fashions to be sent around the world and copied in the blink of an eye, it may be difficult for designers to recoup the expense and effort that went into designing an original collection."<sup>114</sup>

There is an argument that consumers will still purchase articles from high-end designers, even in the face of piracy, because of the status associated with many of these articles.<sup>115</sup> According to professors Sprigman and Raustalia, "[a] particular dress or handbag from Gucci or Prada has value, in part, because fashionable people have it and

<sup>108</sup> *Id.* at 165-66 (citing Complaint and Jury Demand, *Anthropologie, Inc., v. Forever 21, Inc.*, No. 07 CV 7873, (S.D.N.Y. May 18, 2009), 2009 WL 1383605).

<sup>109</sup> See Laurel Pinson, *Express vs. Forever 21*, NBC WASH. (June 29, 2009, 7:09 PM), <http://www.nbcwashington.com/the-scene/fashion/Express-vs-Forever-21.html>; see generally Ellis, *supra* note 103 at 165.

<sup>110</sup> See generally Ellis, *supra* note 103, at 165 (Even though fashion designers cannot copyright their designs, they are able to copyright the original textiles that they create and incorporate into their designs. Many of Forever 21's lawsuits have involved copying the plaintiff's design as well as the copyright textile that it was created with.).

<sup>111</sup> See 15 U.S.C. § 1125. Dilution of a brand occurs when the capacity of a famous brand or trademark to distinguish its goods from another is lessened. This can occur through blurring or tarnishment. Blurring refers to an association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. Tarnishment occurs when an association arising from the similarity between a mark or trade name and a famous mark in which the former harms the reputation of the famous mark.

<sup>112</sup> Williams, *supra* note 19, at 306 (citing Peter K. Schalestock, *Forms of Redress for Design Piracy: How Victims Can Use Existing Copyright Law*, 21 SEATTLE U. L. REV. 113, 115 (1997)).

<sup>113</sup> Raustalia & Sprigman, *supra* note 18, at 1719.

<sup>114</sup> Williams, *supra* note 19, at 306 (citing A Bill To Provide Protection For Fashion Design: Hearing Before the Subcommittee on Courts, the Internet, and Intellectual Property on H.R. 5055, 109th Cong. 9 (July 27, 2006)).

<sup>115</sup> Raustalia & Sprigman, *supra* note 18, at 1718-19.

unfashionable ones do not.”<sup>116</sup> While this may apply to the more established fashion brands, it obviously does not apply to new and up-and-coming designers who do not have an established name from which they can rely on to sell their merchandise.<sup>117</sup> Regardless, even the most well known elements of the haute couture section of the Fashion Hierarchy will still feel the effects, at the margin, of those who are persuaded to buy the cheaper knock-offs.<sup>118</sup>

Thus, if young fashion designers are unable to protect their work, their entry into the industry may be obstructed indefinitely. Therefore, the lack of fashion design protection promotes two outcomes: (1) maintaining an industry in which the established names keep making sales because of their status and reputation while new designers struggle to compete or even enter the market; and (2) haute couture and designer fashion houses are financially hit because of their reduced ability to compete with the less expensive “knock-offs” in the absence of lead time.

#### V. RATIONALES FOR WHY COPYRIGHT (AS WELL AS INTELLECTUAL PROPERTY) LAW DOES NOT APPLY TO FASHION ARTICLES AND A COMPARATIVE EXAMPLE TO ANOTHER USEFUL ARTICLE INDUSTRY THREATENED BY PIRACY

With up and coming fashion designers lacking protection and under considerable pressure from piracy, copyright reformers believe they have the answer in the IDPPPA. But to fully understand the legislation requires a working knowledge of the rationales underlying copyright (and generally intellectual property) law’s denial of protection to fashion designs, and it would be useful to note how a comparable industry has also legislatively dealt with a similar problem.

##### A. *Reasons for the Useful Articles Exclusion*

It is clear that Congress intended to exclude useful objects from copyright protection, but the question remains why the legislature would want to exclude articles that could also be considered works of art or the results of artistic expression. Three rationales have been offered for the congressional decision. First, useful articles are governed by patent law, and to the extent protection is granted, it should be provided under patent

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<sup>116</sup> *Id.*

<sup>117</sup> Raustiala & Sprigman, *supra* note 18, at 1719.

<sup>118</sup> Hemphill & Suk, *supra* note 3, at 1175-76.

law as opposed to copyright law.<sup>119</sup> Second, Congress expressed concerns about the difficulties of implementing a protection system, particularly the costs and staff that would be required in doing so.<sup>120</sup> Third, Congress feared the consequences of allowing a designer to have a monopoly over a particular design.<sup>121</sup>

*i. Patent Protection and its Limits*

The legislative history of the 1976 Copyright Act reflects that Congress did not consider fashion design as a type of work that copyright law was intended to protect.<sup>122</sup> When revising the Copyright Act, the House of Representatives deleted language from a proposed version of the statute, Title II, that would have created a new limited form of copyright protection for original fashion designs falling under the useful articles definition.<sup>123</sup> “The [House Judiciary] Committee chose to delete Title II in part because the new form of design protection could not truly be considered copyright protection and therefore, was not appropriately within the scope of copyright revision.”<sup>124</sup> The consensus was that patent law, through a design patent, would better serve to protect useful articles deserving of protection.<sup>125</sup> However, as described above in Part B, *infra*, this is seemingly not a viable alternative.

*ii. Implementation of Protection for Useful Articles*

In deleting the original Title II provision, the House Judiciary Committee noted that its decision was partly due to concerns about how proposed design protection would be implemented.<sup>126</sup> The Committee raised questions regarding the process for implementation and concerns as to which agency would administer the new system.<sup>127</sup> This same concern

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<sup>119</sup> H.R. REP. NO. 94-1476, at 55 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5668; *see also* 35 U.S.C. § 171 (1996) (Industrial designs may be the subject of a design patent).

<sup>120</sup> H.R. REP. NO. 94-1476, at 50.

<sup>121</sup> *Id.*; *see also* *Jack Adelman, Inc. v. Sonners & Gordon, Inc.*, 112 F. Supp. 187, 190 (S.D.N.Y. 1934).

<sup>122</sup> H.R. REP. NO. 94-1476, at 50.

<sup>123</sup> *Id.*

<sup>124</sup> *Id.*

<sup>125</sup> *Id.*; *see also* 35 U.S.C. §§ 171, 173 (2010); 37 C.F.R. § 1.153 (2000) (stating the requirements for design patent applications).

<sup>126</sup> H.R. REP. NO. 1476, at 50 (1976).

<sup>127</sup> *Id.*

is being voiced again among those who currently oppose adopting new legislation to protect fashion design.<sup>128</sup>

Mainly, Congress fears that if fashion designs were to be considered for copyright protection, additional resources would be required to determine the merit of each application, a tremendous deviation from the current system. Under the current system, the Copyright Office does not actually grant copyrights, but instead merely issues certificates of registration.<sup>129</sup> (The actual “right” is secured when the work is completed in a fixed medium.)<sup>130</sup> Accordingly, the Copyright Office does not examine (and therefore does not expend considerable resources considering) each application thoroughly to determine copyrightability before the right is bestowed on the author or creator of the work. As a result, copyright registrations are completed in a fairly timely manner and typically take from three to ten months, depending on the method of application.<sup>131</sup> By comparison, the average design patent application, which requires roughly the same type of examination that is feared design protection would require, takes 15 months to complete.<sup>132</sup> Thus Congress holds reservations that the strain and burden on the Copyright Office resulting from adding this protection would lead to unbearable costs not matching or exceeding the benefits.

### iii. Monopoly of Designs

In declining to provide design protection, the House Judiciary Committee also expressed concern that such protection would provide

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<sup>128</sup> *Hearing, supra* note 1 (prepared statement of Christopher Sprigman); *see also* Beltrametti, *supra* note 61, ¶ 27 (2010); Eric Wilson, O.K., *Knockoffs, This Is War*, N.Y. TIMES, at G1 (Mar. 30, 2006).

<sup>129</sup> United States Copyright Office, Copyright Basics, 3, 7, available at: <http://www.copyright.gov/circs/circ1.pdf>

<sup>130</sup> *Id.* (For example, when a new song is written down on paper or recorded, the “right” is secured immediately. Registration is not required for the work to be protected, although, it bestows benefits to the holder such as presumption of validity, availability of statutory damages in cases of infringement, and access to the courts for infringement suits regarding non-Berne Convention works.); *see also* 17 U.S.C. 102(a).

<sup>131</sup> United States Copyright Office, Frequently Asked Questions, Registration, <http://www.copyright.gov/help/faq/faq-what.html#certificate> (last visited Oct. 20, 2011).

<sup>132</sup> *See Expedited Examination of a Design Patent Application*, Protecting Designs: An Oblon Spivak blog on protecting and enforcing industrial design rights (April 12, 2010, 10:46 AM), <http://www.protectingdesigns.com/blog/tag/uspto>; *see also* Richard G. Frenkel, *Intellectual Property in the Balance: Proposals for Improving Industrial Design Protection in the Post-TRIPS Era*, 32 LOY. L.A. L. REV. 531, 555 (1999) (Stating that the average time frame to obtain a design patent in 1999 was approximately eighteen months and that only half of the submissions were granted protection).

fashion designers a monopoly over fashion designs.<sup>133</sup> During the Committee's deliberations, the Department of Justice presented testimony that Title II would create "a new monopoly which has not been justified by a showing that its benefits will outweigh the disadvantage of removing such designs from free public use."<sup>134</sup> Furthermore, the Committee specifically referred to fashion design as a category of useful articles that should not be afforded protection: "[U]nless the shape of an automobile, airplane, **ladies' dress** . . . can be identified as separable from the utilitarian aspects of that article, the design would not be copyrighted."<sup>135</sup>

The Committee's concerns included a fear that design protection within the fashion industry would hinder competition and advance legal protections contrary to public policy. Historically, the American legal system has promoted fair trade.<sup>136</sup> The committee was concerned that such protection would hinder this open competition and raise prices for consumers.

### *B. Patents and Trademarks Are Inappropriate Alternatives*

Alternatively, it has been suggested that the patent and trademark regimes may provide the protection desired for fashion designs. However, the other intellectual property disciplines cannot provide the appropriate protection necessary to address the issues present in protecting fashion design articles (although a really developed discussion of this argument is outside the scope of this paper).

#### *i. Patent Protection*

By definition, a design patent affords the inventor protection of "any new, original and ornamental design for an article of manufacture" for a term of fourteen years.<sup>137</sup> Although, new fashion designs would seem like a suitable candidate for patent protection, the requirements for such protection make it impractical: to be eligible for patent protection, a work

<sup>133</sup> H.R. REP. NO. 94-1476, at 50.

<sup>134</sup> *Id.*

<sup>135</sup> *Id.* at 55.

<sup>136</sup> Edward K. Esping, et. al., 58 C.J.S. Monopolies § 7. The legislature has enacted antitrust laws in order to advance and preserve a system of free and open competition, and to "secure everyone an equal opportunity to engage in business, trade, and commerce." *Id.*

<sup>137</sup> 35 U.S.C. §§ 171, 173 (2010).

must be a new invention that advances beyond previous art in a non-obvious way.<sup>138</sup> This standard seeks to limit legal monopolies to those works that have a certain level of ingenuity, while permitting unrestricted public access to creations that are obvious in light of prior works.<sup>139</sup> Typically, courts have not found fashion designs to meet this requirement.<sup>140</sup> Furthermore, design patent protection is not a realistic alternative in light of the “fashion cycle.”<sup>141</sup> As previously mentioned, the average time frame to obtain a design patent is fifteen months, which is much longer than the typical lifespan of a particular fashion design, making the protection unavailable until after the fashion cycle has been completed.<sup>142</sup> Therefore, as a result of the current legal posture, fashion design has remained largely unprotected by patent law.

## ii. Trademark Protection

At first glance trademark protection also seems to be a viable solution. However, trademark protection is limited to a mark or source indicator and is therefore, inadequate to protect a fashion article as a whole. The Lanham Act is designed “to protect the public so that it can be confident that, in purchasing a *product bearing a particular trademark which it favorably knows*, it will get the product which it asks for and which it wants to get.”<sup>143</sup> (emphasis added). Accordingly, it is the mark and not the design that is afforded protection. Some designers have garnered protection for their designs by incorporating their logo throughout the entire work.<sup>144</sup> However, this practice only protects a narrow portion of designs and tremendously limits designers’ creativity. Furthermore, this protection

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<sup>138</sup> See 35 U.S.C. §§ 103, 171 (2006).

<sup>139</sup> Denicola, *supra* note 10 at 722-23.

<sup>140</sup> *E.g.*, *Vanity Fair Mills, Inc. v. Olga Co.*, 510 F.2d 336 (2d Cir. 1975) (Second Circuit reversed the District Court’s grant of design patent protection for women’s panty briefs that provided sufficient elastic strength to flatten the abdomen without causing discomfort, solving a long-standing problem in the industry. The Second Circuit explained that “the difference between the patents in suit and the prior art is not substantial enough to be termed ‘invention.’”).

<sup>141</sup> As previously discussed in Section III B, the “fashion cycle” refers to a period of time in which a certain fashion trend exists starting at the trends introduction in society and ending with its societal obsolescence.

<sup>142</sup> See *Expedited Examination of a Design Patent Application*, Protecting Designs: An Oblon Spivak blog on protecting and enforcing industrial design rights (April 12, 2010, 10:46 AM), <http://www.protectingdesigns.com/blog/tag/uspto>.

<sup>143</sup> S. Rep. No. 1333, 79th Cong., 2d Sess. 3 (1946).

<sup>144</sup> Designers such as Louis Vuitton (LV), Christian Dior (CD), and Gucci have incorporated their respective logos.

also relies on the public's recognition of the brand. Therefore, a designer that has not accomplished a certain amount of recognition within the market may not be afforded such trademark protection.

*C. Protection for Useful Articles due to Financial Difficulties – Comparison with the Vessel Hull Design Act*

Similar financial challenges caused by copying have been addressed previously with respect to another “useful article”, the boat hull, and provide a useful comparison to the current situation for fashion design articles.

Addressing the need for protection, Congress passed the Vessel Hull Design Act in 1998.<sup>145</sup> Prior to the Act, vessel boats, like fashion designs, were not protected under the Copyright Act because they were seen as useful items in which the creative elements could not be separated from the utilitarian function. Congress enacted the statute in response to the growing problem of design piracy among boat hull makers.<sup>146</sup> Congress noted that boat manufacturers invest significant resources in the design and the development of the designs, at costs sometimes equaling or exceeding \$500,000.<sup>147</sup>

Design pirates were using the already-built boat hulls to create their own molds through a process called “splashing” and were then selling an identical product at a fraction of the cost.<sup>148</sup> In response to heavy lobbying by boat manufacturers, Congress expressed concern that manufacturers would not invest in new and innovative designs if they were unable to recoup at least some of their costs.<sup>149</sup> Consequently, Chapter 13 of the Copyright Act now provides “[t]he design of a vessel hull, including a plug or mold, is subject to protection under this chapter [17 USC § 1301]” as a “Design Protected.”<sup>150</sup>

<sup>145</sup> Vessel Hull Design Protection Act, 17 U.S.C. § 1301 (1998).

<sup>146</sup> Melville B. Nimmer & David Nimmer, NIMMER ON COPYRIGHT CONGRESSIONAL COMMITTEE REPORTS ON THE DIGITAL MILLENIUM COPYRIGHT ACT AND CONCURRENT AMENDMENTS, Vol.CR1, at 20-21 (Matthew Bender, 2005).

<sup>147</sup> *Id.* at § 2-21.

<sup>148</sup> *Id.* Splashing occurs when a manufacturer takes a finished boat hull and dips it into some mold-making compound to produce a mold of the hull. Producers would take the finished boat hull of a competitor and dip the hull into a compound to create an impression, and then filling the void with resin to create a duplicate of the original.

<sup>149</sup> *Id.*

<sup>150</sup> 17 U.S.C. § 1301(a)(1); *see also* Sternstein, *supra* note 6.

The potential costs of piracy born by fashion designers are similar to those of the vessel hull designer. Like the vessel hull designer, the fashion designer's up-front financial investment can be substantial in terms of both time and money. Opponents of protection argue that the heightened cost of creating should not afford fashion designs protection when other useful articles that require considerable expense to produce are not afforded protection. However, under the legal theory adopted by the United States Constitution, protection is granted in efforts to "promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries," it is arguable that boat hulls and fashion designs have the requisite amount of originality for protection and that such design protection may be required to induce creation.<sup>151</sup> Because this note has discussed at length the costs associated with the industries, it is necessary to address the original and creative aspects of the designs.

Both boat hulls and fashion designs contain original elements incorporated through the creative choices that designers make irrespective of function. The Supreme Court has addressed the amount of originality required to afford a work copyright protection in *Feist Publications v. Rural Telephone*.<sup>152</sup> In *Feist*, the Court expressed the standard in context of a database.<sup>153</sup> The facts contained within a database alone are not copyrightable, however, some databases are protectable as compilations because of the originality in their selection, coordination and arrangement.<sup>154</sup> Vessel hull and fashion designs are analogous to that of a database. Some of the decisions made by designers are guided by utility, but many of the designs also incorporate artistic expression that is not dependent on any functional purpose. Therefore, these useful articles should receive protection if they satisfy the applicable originality standard<sup>155</sup> and such protection is needed to promote their creation. Thus, the cost associated with producing these creative designs must be incorporated in deciding whether protection is necessary to promote further designs.

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<sup>151</sup> U.S. CONST. art. 1 § 8, cl. 1; *cf.* The "Sweat of the Brow Theory" (that one should be rewarded with protection based on one's investment).

<sup>152</sup> See *Feist Publ'ns, Inc. v. Rural Telephone Serv. Co., Inc.*, 499 U.S. 340 (1991).

<sup>153</sup> *Id.*

<sup>154</sup> *Feist*, 499 U.S. at 350-51.

<sup>155</sup> For a discussion and analysis of the IDPPPA's proposed originality standard for design protection, see *infra* Section VII (A).



Though it is clear that the boat hull industry and the fashion industry both require large initial financial investments, there is a noticeable difference when comparing the relative stability of the two industries. The piracy involved with boat hulls threatened the boat hull industry as a whole; whereas piracy in the fashion industry is typically more detrimental to young or unknown designers and arguably does not threaten the existence of the entire industry. Therefore, the issue of whether to grant statutory protection to the fashion industry rests on two inquiries: (1) whether fashion design piracy creates enough of a financial impact to overcome the legislature's concerns in implementing the proposed protection; and (2) whether the fears of granting a monopoly over fashion designs can be dismissed in light of the financial barriers that piracy is creating for new competitors who are trying to enter the market. If Congress answers these questions in the affirmative and acknowledges that the fashion industry needs protection, it must then decide whether the IDPPPA is the best solution.

## VI. PROPOSED LEGISLATION

The On August 5, 2010, Senator Charles Schumer introduced S. 3728, the Innovative Design Protection and Piracy Prevention Act (IDPPPA), to the Senate.<sup>156</sup> In expressing his support of the bill, he addressed the piracy issues that prompted the legislation.<sup>157</sup>

“Currently, original designs are copied and apparel is manufactured in countries with cheap labor, typically in mainland China, Hong Kong, Pakistan, and Singapore. The garments are then shipped into the United States to directly compete with the garments of the original designer, sometimes before the originals have even hit the market. As a result the U.S. apparel industry continues to lose billions of dollars to counterfeiting each year . . . Counterfeiting and piracy sap our country's economic strength. Plain and simple, when a company loses revenues to piracy or

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<sup>156</sup> Innovative Design Protection and Piracy Prevention Act, H.R. 3728, 111th Cong. (2010); see also Cathy Horyn, *Schumer Bill Seeks to Protect Fashion Design*, NEW YORK TIMES ON THE RUNWAY ALL THINGS FASHION BLOG, (Aug. 5, 2010, 10:43 PM), <http://runway.blogs.nytimes.com/2010/08/05/schumer-bill-seeks-to-protect-fashion-design/>.

<sup>157</sup> 111 Cong. Rec. 6893 (August 5, 2010) (statement of Senator Schumer introducing the IDPPPA).

counterfeit goods, it does not have those resources to reinvest into making more of its goods, and that means lost jobs.”<sup>158</sup>

It was reported that the Senate Judiciary Committee passed the IDPPPA unanimously in December of 2010.<sup>159</sup> On July 15, 2011, members of the fashion industry testified before the House Subcommittee on Intellectual Property, Competition and the Internet (“IP Committee”), attempting to support a House vote on the bill.<sup>160</sup> During the Hearing, opponents of the bill voiced concerns over the possibility of increased litigation,<sup>161</sup> while supporters of the bill continued to argue that such concerns are unwarranted due to the construction of the bill and limited scope of protection.<sup>162</sup> On October 12, 2011, The Executive Vice President for Governmental Affairs for the Chamber of Commerce sent a letter to the Chairman of the IP Committee<sup>163</sup> expressing his support for the IDPPPA.<sup>164</sup> Within his letter, he expresses the importance of such legislation:

“[m]ore than 14,000 companies in the fashion and apparel industry in the U.S., directly employing approximately 4 million Americans and indirectly employing countless others. IDPPPA offers a practical, narrowly tailored, approach to secure important yet limited intellectual property (IP) protection for truly unique, innovative, and original fashion designs. Moreover, IDPPPA would incentivize the creativity of American designers and

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<sup>158</sup> *Id.*

<sup>159</sup> Leah Chernikoff, *One Step Closer (But Not There Yet): Design Protection Bill Passes Senate Judiciary Committee*, FASHIONISTA BLOG (Dec. 1, 2010 5:18 PM), <http://fashionista.com/2010/12/one-step-closer-design-protection-bill-passes-senate-judiciary-committee/>.

<sup>160</sup> *Hearing, supra* note 1 (testimony of Lazaro Hernandez); see also Francesca Russo, *Members of the Fashion Industry Plead Their Case for Copyright Protection*, THE FASHIONABLE LITIGATOR (July 18, 2011), <http://fashionablelitigator.com/wp/?p=51>. (Among those testifying were Lazaro Hernandez (“Hernandez”), designer and co-founder of Proenza Schouler, Jeannie Suk, a Professor of Law at Harvard Law School, Christopher Sprigman, Professor of Law, University of Virginia School of Law and Kurt Courtney, Manager, Government Relations, American Apparel and Footwear Association.).

<sup>161</sup> *Hearing, supra* note 1.

<sup>162</sup> *Id.*

<sup>163</sup> Bob Goodlatte, Chairman of the Subcommittee on Intellectual Property, Competition, and the Internet Committee on the Judiciary.

<sup>164</sup> Letter from R. Bruce Josten, Executive Vice President of Governmental Affairs for the United States Chamber of Commerce, to Bob Goodlatte, Chairman of the Subcommittee on Intellectual Property, Competition, and the Internet Committee on the Judiciary (Oct. 12, 2011).

stimulate innovation in the fashion and apparel industry, and would deter rampant counterfeiting and piracy.”<sup>165</sup>

The letter concludes by applauding the committee’s efforts in supporting the bill: “[t]he Chamber supports H.R. 2511 and urges the committee to report this measure to the full House as expeditiously as possible.”<sup>166</sup>

To adequately address the arguments in support of and opposition to the IDPPPA, the language of the IDPPPA must be analyzed closely to identify how this legislation could affect the existing copyright law and whether such changes would curtail illegal behavior without negatively impacting the structure of the fashion industry. In an effort to evaluate this legislation, the following presents the key portions of the bill followed by an analysis of the implications of each section.

#### *A. The IDPPPA – Requirements for Protection*

The new bill proposes an amendment to chapter 13 of the Copyright Act, adding fashion designs to the useful articles exclusion currently allowed for vessel hulls.<sup>167</sup> The IDPPPA defines a fashion design as “the appearance as a whole of an article of apparel, including its ornamentation; and includes original elements of the article of apparel or the original arrangement or placement of original or non-original elements as incorporated in the overall appearance of the article.”<sup>168</sup> It defines “apparel” to include “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, belts, and eyeglass frames.”<sup>169</sup>

Though the definitions created in the bill are expansive, the bill’s requirements for copyright protection greatly narrow the extent to which designs will qualify for such protection. In order for an item to be afforded protection: (i) it must be the result of the designer’s own creative endeavor, and (ii) it must provide a unique, distinguishable, non-trivial and non-utilitarian variation over prior designs for similar types of

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<sup>165</sup> *Id.*

<sup>166</sup> *Id.*

<sup>167</sup> See Innovative Design Protection and Piracy Prevention Act, H.R. 3728, 111th Cong. (2010); 17 U.S.C. § 1301.

<sup>168</sup> Innovative Design Protection and Piracy Prevention Act, H.R. 3728, 111th Cong. (2010).

<sup>169</sup> *Id.*

articles.<sup>170</sup> Furthermore, the article is examined on design alone.<sup>171</sup> When deciding whether an article meets the requirement, the presence or absence of a “particular color or colors or of a pictorial or graphic work imprinted on fabric shall not be considered in determining the protection of a fashion design . . . or infringement.”<sup>172</sup>

Commentators have noted that the unique, distinguishable, non-trivial and non-utilitarian variation in the proposed legislation requirements will not allow for contemporary popular designs to be monopolized.<sup>173</sup> Instead, articles will require ingenuity to garner copyright protection. “A beautiful dress worn by a celebrity at an important red-carpet occasion most likely wouldn’t meet the test. But a jacket that has an original cut, one example might be Martin Margiela’s peaked shoulder jacket from two or three years ago, could easily meet the standards of something unique and non-trivial.”<sup>174</sup> Professor Susan Scafidi, who worked directly with Senator Schumer on the bill, commented that the high standard to qualify for protection was adopted in order to allow new and unique designs to qualify for protection, while leaving everything else in the public domain.<sup>175</sup> In accordance with this intention, the IDPPPA would only protect designs created after its enactment, leaving all designs created prior in the public domain.<sup>176</sup> This “unique” and “non-trivial” protection standard combined with the rich public domain certainly addresses opponents’ concerns about monopolization, but it may result in a standard that is too high for the majority of fashion designs to meet. Consequently, the IDPPPA could result in designers still not receiving protection over a majority if not all of their designs because they fail to meet the protection threshold. However, the counter-argument is that this legislation is a good first step

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<sup>170</sup> *Id.*

<sup>171</sup> *Id.*

<sup>172</sup> *Id.*

<sup>173</sup> Horyn, *supra* note 156.

<sup>174</sup> *Id.*

<sup>175</sup> Susan Scafidi, *IDPPPA: Introducing the Innovative Design Protection and Piracy Prevention Act, a.k.a. Fashion Copyright*, COUNTERFEIT CHIC (August 6, 2010), <http://www.counterfeitchic.com/2010/08/introducing-the-innovative-design-protection-and-piracy-prevention-act.html>.

<sup>176</sup> Janet Kim Lin et. al, *Alteration to the Design Piracy Prohibition Act: Innovative Design Protection and Piracy Prevention Act (IDPPPA)*, FASHION INDUSTRY LAW, (Aug. 26, 2010, 10:59 AM), <http://www.lexisnexis.com/Community/copyright-trademarklaw/blogs/fashionindustrylaw/archive/2010/08/26/alterations-to-the-design-piracy-prohibition-act-innovative-design-protection-and-piracy-prevention-act-quot-idpppa-quot.aspx>.

that provides protection to those fashion designs that are truly worthy of such protection.

*B. Types of Protection Available to Protectable Designs*

The IDPPPA would grant protectable designs a three-year term of protection, beginning when the design is made public.<sup>177</sup> Because most designs are premiered at the designer's fashion show, the protection term would begin to accrue when the design first walks a runway, or when it is publicly showcased in another manner.<sup>178</sup> The three-year term is much shorter than the Copyright Act's protection term for non-utilitarian works.<sup>179</sup> The three-year term combined with the bill's high originality protection standard should prevent excessive protection of ordinary clothing designs. Arguably, the three-year term could have been reduced due to the short shelf life of fashion trends. However, if the IDPPPA is enacted the three-year term would result in the United States providing a term of protection consistent with the European Union.<sup>180</sup>

This section of the IDPPPA also addresses Congress' previously expressed concern regarding implementation by not requiring registration for design protection.<sup>181</sup> Unlike the Vessel-Hull Act, the IDPPPA specifically excludes fashion design from the registration requirement of §1301.<sup>182</sup> Therefore, the U.S. Copyright Office need not engage in an initial substantive determination as to whether a design should actually be afforded protection.<sup>183</sup> This treats fashion designs comparably with respect to non-useful articles, and avoids the likelihood of long pending registration periods associated with patent registration and other design examinations.<sup>184</sup>

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<sup>177</sup> See Innovative Design Protection and Piracy Prevention Act, H.R. 3728, 111th Cong. (2010).

<sup>178</sup> Horyn, *supra* note 156.

<sup>179</sup> 17 U.S.C. § 302 (2009).

<sup>180</sup> Beltrametti, *supra* note 61, at ¶ 61.

<sup>181</sup> Lin, *supra* note 176; see also H.R. 3728, 111th Cong. (2010).

<sup>182</sup> H.R. 3728, 111th Cong. (2010).

<sup>183</sup> Lin, *supra* note 176.

<sup>184</sup> For more information about the times frames associated with examination of patent and design patent registrations, see *Expedited Examination of a Design Patent Application*, Protecting Designs: An Oblon Spivak blog on protecting and enforcing industrial design rights (April 12, 2010, 10:46 AM), <http://www.protectingdesigns.com/blog/tag/uspto>; see also Richard G. Frenkel, *Intellectual Property in the Balance: Proposals for Improving Industrial Design Protection in the Post-TRIPS Era*, 32 LOY. L.A. L. REV. 531, 555 (1999) (Stating that the average time frame to obtain a design patent is approximately eighteen months and that only half of the submissions are granted protection).

Consequently, the IDPPPA allows the creator of the work to make the initial determination as to whether the article should be protected. If the creator believes that the work meets the protection requirements, he or she must indicate protection by marking designs as set forth under §1306 (using the words “Protected Design,” the abbreviation “Prot’d Des.,” or the letter “D” with a circle, or the symbol \*D\*<sup>185</sup>). The failure to mark a protected design will preclude an action for infringement prior to the plaintiff providing written notice of design protection to the alleged infringer.<sup>186</sup> According to Professor Scafidi, omitting a registration requirement “eliminates a previous hurdle, goes one step beyond copyright, and benefits emerging designers.”<sup>187</sup> It allows for designers to test the market for their designs before spending money on registering copyrights for designs that have not yet proven to be successful.<sup>188</sup> Taking into consideration the numerous articles per each line for each season, the fact that registration is not required for protection increases the practical utility of the bill.

Though the proposed bill creates an avenue for designers to protect their work, it also creates a limited number of new exceptions to liability for design infringement.<sup>189</sup> The IDPPPA includes a Home Sewing Exception.<sup>190</sup> This exception allows for a person to “produce a single copy of a protected design for personal use or for the use of an immediate family member, if that copy is not offered for sale or use in trade during the period of protection.”<sup>191</sup> Though this exception allows for individuals to produce a copy of the protected article for personal use, the exception does not allow for the distribution of patterns of the protected design.<sup>192</sup> “Nothing in this subsection shall be construed to permit the publication or distribution of instructions or patterns for the copying of a protected design.”<sup>193</sup>

Another exception covers retailers and consumers who inadvertently purchase or sell the illegal goods.<sup>194</sup> Though consumers and retailers will

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<sup>185</sup> *Lin, supra note 176; see also* H.R. 3728, 111th Cong. (2010).

<sup>186</sup> *Lin, supra note 176; see also* H.R. 3728, 111th Cong. (2010).

<sup>187</sup> Scafidi, *supra* note 175.

<sup>188</sup> *Id.*

<sup>189</sup> H.R. 3728, 111th Cong. (2010).

<sup>190</sup> *Id.*

<sup>191</sup> *Id.* at (i).

<sup>192</sup> *Id.*

<sup>193</sup> *Id.*

<sup>194</sup> *Id.*; *see also* Katherine Hintz-Zambrano, *Innovative Design Protection and Piracy Prevention Act Aims to Stop Knockoffs*, STYLELIST (Aug. 9, 2010, 4:25 PM), <http://www.stylelist.com/2010/08/09/innovative-design->

not be held liable, the bill does include provisions for vicarious liability and/or contributory infringement for those who directly contribute to infringement by providing infringers with photographs and information pertaining to the protected design.<sup>195</sup>

### C. Enforcement of Design Protection

The enforcement provisions of the IDPPPA were also narrowly tailored to discourage frivolous litigation.<sup>196</sup> The IDPPPA requires that “an action for infringement shall be plead with particularity,”<sup>197</sup> adding this bill to a short list of federal acts with similar requirements.<sup>198</sup> This means that designers who wish to enforce protection of their designs must plead: (i) that “the design of the claimant is protected,” (ii) “the design of the defendant infringes upon the protected design as described under section 1309(e),” and (iii) “the protected design or an image thereof was available in such a location or locations, in such a manner, and for such duration 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.”<sup>199</sup>

Furthermore, the bill instructs the court to look at the “totality of the circumstances” when considering whether a claim for infringement has been adequately pleaded.<sup>200</sup> The burden is placed on the plaintiff to establish that all three of the prongs are met in order for the court to find liability. The second prong of section 1309(e) refers to the infringement standard and defines an infringing articles as:

“any article the design of which has been copied from a design protected under this chapter, or from an image thereof, without the consent of the owner of the protected design. An infringing article is not an illustration or picture of a protected design in an advertisement, book, periodical, newspaper, photograph, broadcast, motion picture, or similar medium . . . In the case of a fashion design, a design shall not be deemed to have been copied

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protection-and-piracy-prevention-act/.

<sup>195</sup> H.R. 3728 (h), 111th Cong. (2010); *see also* Sternstein, *supra* note 6.

<sup>196</sup> Scafidi, *supra* note 175.

<sup>197</sup> H.R. 3728, 111th Cong. (2010).

<sup>198</sup> *Id.*; *see also* Lin, *supra* note 176 (“There are only a few types of actions that call for a “plead with particularity” standard, common-law fraud being the most notable”).

<sup>199</sup> H.R. 3728, 111th Cong. (2010).

<sup>200</sup> *Id.*

from a protected design if that design (A) is not substantially identical in overall visual appearance to and as to the original element of a protected design; or (B) is the result of independent creation.”<sup>201</sup>

The “substantially identical” standard for infringement creates a high threshold to recover from infringers because it requires that the works be virtually indistinguishable. Again, it is the plaintiff’s burden to show that the works are “substantially identical” and the use of a print or specific color will not be considered in making this determination.

This standard was utilized to further the bill’s primary purpose: preventing the manufacture of counterfeits or knock offs of other designers’ work.<sup>202</sup> During the House Hearing on July 15, Professor Suk testified that the IDPPPA is narrowly tailored to those making knock-off designs.<sup>203</sup> The “substantially identical” standard permits the referencing and reworking of fashion designs, which is both beneficial and prevalent in the industry. It seeks only to punish those who blatantly copy designs, not those who reference other designs by contributing their own original design content. Opponents have argued that this standard may be confusing.<sup>204</sup> They raise concern that most juries and federal judges are “not equipped to determine whether a work is infringing.”<sup>205</sup> However, as previously noted, the standard is not aimed at works that reference each other, but at direct copies, and the infringement standard requires the works to be “substantially identical.” Furthermore, courts have employed similar standards in copyright infringement cases involving numerous other industries such as music,<sup>206</sup> art,<sup>207</sup> and film.<sup>208</sup>

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<sup>201</sup> *Id.*

<sup>202</sup> See Hearing, *supra* note 1; see also Kathleen Fasanella, *IDPPPA: Yet Another Fashion Design Copyright Law*, FASHION INCUBATOR (Aug. 6, 2010 7:09 AM), <http://www.fashion-incubator.com/archive/idpppa-yet-another-fashion-design-copyright-law/>; Theodore Max, *The Innovative Design Protection and Piracy Prevention Act Will Design Protection Be In Vogue in Congress?*, INTELLECTUAL PROPERTY LAW BLOG (Sept. 1, 2010), <http://www.intellectualpropertylawblog.com/archives/copyrights-the-innovative-design-protection-and-privacy-prevention-act-will-design-protection-be-in-vogue-in-congress.html>.

<sup>203</sup> See Hearing, *supra* note 1.

<sup>204</sup> *Id.*

<sup>204</sup> *Id.* (testimony and written statement of Christopher Sprigman); see also Raustiala, *supra* note 18.

<sup>205</sup> See Hearing, *supra* note 1.

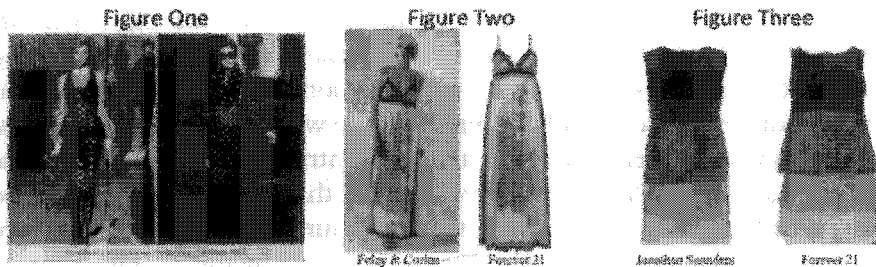
<sup>206</sup> See *Swirsky v. Carey*, 376 F.3d 841 (9th Cir. 2004); *Bright Tunes Music Corp. v. Harrison’s Music, Ltd.*, 420 F. Supp. 177 (S.D.N.Y. 1976); *Arnstein v. Porter*, 154 F.2d 464 (2d Cir. 1946).

<sup>207</sup> See *Steinberg v. Columbia Pictures Industries, Inc.*, 663 F. Supp. 706 (S.D.N.Y. 1987).

<sup>208</sup> See *Nichols v. Universal Pictures Corp.*, 45 F.2d 119 (2d Cir. 1930).



The figures below can be used to demonstrate an application of the “substantially identical” standard. Figure One<sup>209</sup> contains two works that are both on-trend, but would not lead to infringement liability. They both contain the polka dot trend feature, but also contain independent creative content such as different necklines, sleeves and design elements within the fabrics. By contrast, Figures Two<sup>210</sup> and Three<sup>211</sup> contain items that would be considered blatant copies, and if the original met the “unique, distinguishable, non-trivial and non-utilitarian variation over prior designs for similar types of articles”<sup>212</sup> criteria, the copies could result in infringement liability. The level of similarity in the items is apparent to the average observer and does not require a particular level of expertise within the industry.



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The third prong allows for defendants to escape liability if the plaintiff fails to prove that the defendant had access to the plaintiff’s work for a period of time in which one could reasonably infer that the defendant saw or knew of the work. This last requirement limits liability in the unlikely

<sup>209</sup> Susan Cernek, *Fall 2011’s Most Wearable Trends*, GLAMOUR FASHION, slide 3, Marc Jacobs on left, Diane von Furstenberg on right, <http://www.glamour.com/fashion/2011/02/fall-2011s-most-wearable-trends#slide=3>.

<sup>210</sup> Hemphill & Suk, *supra* note 3, at 1197 (Professor Jeanie Suk used this example both in the aforementioned paper and in her presentation to the *Hearing Before the Subcomm. on Intellectual Property, Competition, and the Internet of the H. Comm. on the Judiciary*).

<sup>211</sup> *Id.* at 1198 (Professor Jeanie Suk used this example both in the aforementioned paper and in her presentation to the *Hearing Before the Subcomm. on Intellectual Property, Competition, and the Internet of the H. Comm. on the Judiciary*).

<sup>212</sup> H.R. 3728, 111th Cong. (2010).

<sup>213</sup> Figure One: Susan Cernek, *Fall 2011’s Most Wearable Trends*, GLAMOUR FASHION, slide 3, Marc Jacobs on left, Diane von Furstenberg on right, <http://www.glamour.com/fashion/2011/02/fall-2011s-most-wearable-trends#slide=3>. Figure Two: Hemphill & Suk, *supra* note 3, at 1197. Figure Three: Hemphill & Suk, *supra* note 3, at 1198.

situation that the defendant independently created an almost identical work.

#### *D. Damages*

The IDPPPA creates a monetary remedy for those whose designs have been infringed. Plaintiffs have an opportunity to recover damages consisting of a maximum fine of \$50,000 in the aggregate and an additional \$1.00 per copy.<sup>214</sup> This amount is significantly less than the damages allowed for other copyrightable works under §504 of the 1976 Copyright Act.<sup>215</sup> Section 504 allows for plaintiffs who have registered their works to choose between actual damages and statutory damages.<sup>216</sup> If the plaintiff elects to receive statutory damages, he or she may be awarded a minimum of \$750 and a maximum of \$30,000 for each infringement.<sup>217</sup> In cases where willful infringement is proven, the defendant may be fined up to \$150,000.<sup>218</sup> The significantly lower remedy amounts specified in the IDPPPA are indicative of its authors' intentions to deter frivolous lawsuits by limiting the damages that one can receive. The IDPPPA also employs penalties for false representations to discourage meritless claims.

#### *E. Penalties for False Representation*

The IDPPPA's penalties for false representation<sup>219</sup> impose fines on those who knowingly make a false representation materially affecting the rights obtainable under 17 U.S.C. §1327.<sup>220</sup> The fines range between \$5,000 and \$10,000, and if a plaintiff is found guilty, any rights or privileges that the individual may have had in the design are forfeited.<sup>221</sup> This penalty, combined with the lower financial incentives to litigate, should work to assuage opponents of the bill's fears that statutory fashion design protection will lead to rampant litigation.

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<sup>214</sup> *Id.*

<sup>215</sup> 17 U.S.C. § 504 (2006).

<sup>216</sup> *Id.* § 504(c)(1).

<sup>217</sup> *Id.* § 504 (c)(2).

<sup>218</sup> *Id.* at (c)(2).

<sup>219</sup> H.R. 3728, 111th Cong. (2010).

<sup>220</sup> *Id.*

<sup>221</sup> *Id.*

## VII. COUNTER-ARGUMENTS TO THE PASSAGE OF THE IDPPPA

Even though it is evident that the creators of the IDPPPA have narrowly tailored this bill in an effort to overcome its opponent's objections, it is prudent to discuss some of the unaddressed arguments against enacting the bill. Two of the IDPPPA's most outspoken opponents are Professors Raustalia and Spigman, two noted authors in the field. They contend that the fashion industry relies on copying, and that fashion design protection would be detrimental.<sup>222</sup> They maintain that the "seasonal and cyclical nature of the fashion industry" causes it to produce innovative designs, and that the industry will continue to do so without any legal protection.<sup>223</sup> Moreover, they note that copying is necessary to the industry's success, because without it, trends would not cycle as quickly, which would result in less frequent design demands from the public, and in turn less profits for designers.<sup>224</sup> "The very nature of the fashion industry, that of constant remixing and innovation, is not harmed, and may even be helped, by the 'low-IP equilibrium.'"<sup>225</sup>

Few would argue that the referencing and reworking of fashion designs is not beneficial to the fashion industry. However, the theory that design protection would be detrimental to the industry does not sufficiently address two factors. First, although high-end designers continue to be successful without protection (i.e., many consumers continue to purchase the works due to brand loyalty and the status associated with their ownership) design piracy has suppressive impacts on new designers. Second, effective piracy legislation that does not eliminate referencing is still possible.

The fact that an industry is successful without protection does not necessarily indicate that it cannot or should not be improved upon. While "referencing" enhances the fashion industry, piracy is detrimental, and it has long been argued that the smaller and newer fashion firms are disproportionately affected by the loss of sales.<sup>226</sup> Unfortunately, the losses that piracy creates for these firms are not easily calculated. Furthermore, the data offered in opposition to design protection is easily manipulated, and is not indicative of the harm that piracy has caused within the industry. During the IDPPPA Hearing before the House on

<sup>222</sup> Raustalia & Sprigman, *supra* note 18, at 1727.

<sup>223</sup> *Id.*

<sup>224</sup> *Id.*

<sup>225</sup> Williams, *supra* note 19, at 312 (citing Raustalia & Sprigman, *supra* note 18, at 1727).

<sup>226</sup> *Hearing, supra* note 1 (testimony and written statement of Jeannie Suk).

July 15, 2011, Professor Sprigman presented certain statistics in an effort to support his argument that the fashion industry's "low-IP equilibrium" status is beneficial and should, therefore, not be altered.<sup>227</sup> By presenting figures indicating that "high-end original women's dresses" had experienced steady price growth since 1998,<sup>228</sup> Sprigman attempted to demonstrate that the fashion industry currently operates in a healthy market. However, Sprigman's statistics related to a segment of the industry that represents only 10% of the total market, and Professor Suk testified, in contrast that the increase in high-end women's dresses does not equate to healthy competition because "luxury firms" are not as adversely affected by copyists as smaller/lower market firms.<sup>229</sup> She argued an alternative interpretation of the data suggests that the growth in high-end design prices reflects a splitting of consumers, where mid-range designers are being pressured to compete directly with lower-end companies.<sup>230</sup> This results in a higher price disparity between the mid-range and higher-end designers, who continue to raise their prices.<sup>231</sup> If mid-range designers cannot compete with lower priced copyists, then their product disappears, leaving only higher-priced dresses as options for the consumer.<sup>232</sup> "[I]n many ways, if you see just the high-end going up like that, it can be interpreted as a sign of producer desperation rather than a sign of health by those designers."<sup>233</sup> Because the interpretation of these statistics supports multiple conclusions,, these number, in-and-of themselves, are not indicative that fashion design protection is unnecessary. Furthermore, even opponents of the IDPPA such as Raustalia and Sprigman have admitted that the lack of protection may not be "optimal for fashion designers or for consumers."<sup>234</sup> Accordingly, it is necessary to question whether the fact that an industry can survive without protection justifies not offering such protection, especially in the light of a solution that allows for the continued referencing that the industry has come to rely on.

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<sup>227</sup> *Id.* at 75-76, 79 (testimony and written statement of Christopher Sprigman).

<sup>228</sup> *Id.* at 76, 82-84.

<sup>229</sup> *Id.* at 97 (Jeannie Suk's response to questions from the Committee).

<sup>230</sup> *Id.*

<sup>231</sup> *Id.*

<sup>232</sup> *Id.*

<sup>233</sup> *Id.*

<sup>234</sup> Raustalia & Sprigman, *supra* note 18, at 1734.

### VIII. CONCLUSION

The theory that the IDPPPA would eliminate the sharing of ideas fails to take into account that effective piracy legislation, allowing for referencing, is possible. The IDPPPA's "substantially identical" standard creates a bill in which referencing and reworking are still viable practices. This standard allows designers to protect "unique" and "non-trivial" designs, while allowing the fashion industry to enjoy the creativity that has been instrumental in its economic success. This bill deviates from the ordinary copyright infringement standard, employing heightened standards of originality while limiting infringement to "substantially identical" works, and it provides for a system that can be easily implemented. Furthermore, it requires a high burden of proof to deter litigation. The IDPPPA achieves its goals of prohibiting design piracy of original designs, while still allowing fashion designers to draw inspiration from one another in ways unavailable to producers of books, movies, and music.<sup>235</sup>

In conclusion, there is support for the notion that the IDPPPA strikes an effective balance between providing protection of truly original design and the equally important public interest in leaving designs largely available for free use.<sup>236</sup> The question still remains as to whether the IDPPPA's heightened originality standard will provide designers with the protection they are seeking. However, it is a workable step towards protecting "unique" and "non-trivial" fashion designs made in America.

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<sup>235</sup> *Hearing, supra* note 1 (testimony and written statement of Jeannie Suk).

<sup>236</sup> *Id.*