

## *Note*

# Fashioning a New Look in Intellectual Property: Sui Generis Protection for the Innovative Designer

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*Fashion design is weaving its way through the fabric of American society by transforming how people think about fashion apparel. The \$350 billion fashion industry not only puts the clothes on our backs, but gives individuals an outlet for individual expression as well. More and more, the fashion design process is recognized as a creative process where vision, raw materials, and skill meet to produce fashion apparel that should be worthy of sui generis protection.*

*Current intellectual property regimes fail to adequately equip designers with legal remedies to guard against design piracy, and this affects both innovation and competition. Moreover, even though the U.S is a signatory to the Berne Convention, the U.S.'s lack of a protection scheme for fashion design is out of step with other signatory members, namely the European Union, and this mismatch could invite unintended reciprocity problems for American designers abroad. Something needs to be done. Congress has attempted twice now to provide a solution to the design piracy problem. However, the proposed bills do not wholly consider and understand the competing interests involved in this sui generis protection debate. This Note proposes a unique licensing solution that is fitting for a unique intellectual property problem—showing that protection for fashion design does not have to be a zero-sum game between designers and nondesigning retail firms.*

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## INTRODUCTION

Some of the greatest artists of the century: Halston, Lagerfeld, de la Renta . . . what they did, what they created, was greater than art, because you live your life in it.

—Nigel, *The Devil Wears Prada*<sup>1</sup>

Narciso Rodriguez, son of Cuban immigrants, dreamed at an early age about becoming a successful fashion designer.<sup>2</sup> Rodriguez worked

1. *THE DEVIL WEARS PRADA* (Twentieth Century Fox 2006). This popular comedic film follows a college graduate who lands a job at a prominent fashion magazine. During the course of her employment, she learns a great deal about the fashion industry and its impact on society.

2. *Design Law—Are Special Provisions Needed to Protect Unique Industries: Hearing Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary*, 110th

immensely hard: He graduated from Parsons School of Design in New York and apprenticed under notable designers Donna Karan and Anne Klein.<sup>3</sup> Soon enough, Carolyn Bessette, fiancée of John F. Kennedy, Jr., noticed Rodriguez's talents and asked him to design her wedding dress.<sup>4</sup> To transform the design from sketch to tangible fruition, Rodriguez used a special technique in construction and seam placement to create the "pearl-colored silk crepe floor-length gown."<sup>5</sup> This special technique is part of Rodriguez's signature style, one that he had developed over time.<sup>6</sup> The dress is now known as the design that "shot [him] to household fame," and has gained popularity as the "most copied silhouette of the past decade."<sup>7</sup> Unfortunately, while the retail firms that copied the design without permission sold seven to eight million copies of their version of the dress, Rodriguez sold only forty of his own.<sup>8</sup>

From the catwalks at fashion week to the retail stores lining Fifth Avenue, fashion is becoming a larger part of the American pop-culture story. Events like Fashion's Night Out fuse fashion and entertainment across the country so that for one night, consumers may shop alongside designers and celebrities like Christian Siriano and Jennifer Lopez.<sup>9</sup> Television programs like Bravo's *The Fashion Show*, Lifetime's *Project Runway*, and the Academy Awards all place fashion design at the media's forefront and help to drive consumer spending. In 2006, fashion contributed \$350 billion to the U.S. economy.<sup>10</sup> But despite the fact that fashion designers are the creative force behind such a valuable industry, currently no intellectual property regime under U.S. law provides any *sui generis*<sup>11</sup> protection against piracy even though piracy causes designers to lose an estimated \$12 billion annually.<sup>12</sup>

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Cong. 2-3 (2008) [hereinafter Rodriguez Testimony] (statement of Narciso Rodriguez, Designer).

3. *Id.*

4. *Id.*

5. *Id.* at 26; Tom Gliatto, *Bridal Sweet: John F. Kennedy Jr., Realizing that No Sexiest Man Is an Island, Sneaks Off to One in Georgia to Wed Longtime Love Carolyn Bessette*, PEOPLE MAG., Oct. 7, 1996, at 46, 51.

6. Rodriguez Testimony, *supra* note 2, at 26.

7. *Id.* at 25; Christina Binkley, *How Video Art Inspired a Runway Sensation*, WALL ST. J., Jan. 20, 2011, at D7.

8. Rodriguez Testimony, *supra* note 2, at 25.

9. Stephanie Rosenbloom & Mary Billard, *A Night to Ring Up Some Good Will*, N.Y. TIMES, Sept. 16, 2010, at E8.

10. LAURA TYSON ET AL., ECONOMIC ANALYSIS OF THE PROPOSED CACP ANTI-COUNTERFEITING AND PIRACY INITIATIVE 14 (2007).

11. *Sui generis* protection is a "copyright-like" form of protection given to useful articles that would not otherwise find protection under copyright law. Kal Raustiala & Christopher Sprigman, *The Piracy Paradox: Innovation and Intellectual Property in Fashion Design*, 92 VA. L. REV. 1687, 1717 (2006).

12. *Id.* Piracy is a term of art that refers to point-by-point copying. *See id.* at 1724; *see also* C. Scott Hemphill & Jeannie Suk, *The Law, Culture, and Economics of Fashion*, 61 STAN. L. REV. 1147, 1192 (2009).

This lack of protection creates an economic problem for some designers because the creative process in designing apparel and accessories requires more than an eye for color or texture; successful designers invest in training or apprenticeships and accumulate financial capital.<sup>13</sup> When nondesigning retail firms<sup>14</sup> engage in design piracy by selling imitation copies of apparel for a fraction of the cost before the designer has a chance to bring the design to market, it both robs the designer of her intellectual property and has the potential to affect her livelihood.<sup>15</sup>

Sui generis copyright protection for fashion design has been a rising issue in Congress ever since it passed a law providing protection for boat hull designs in 1998,<sup>16</sup> which protects “both the ornamental appearance and utilitarian function.”<sup>17</sup> In March 2006, the Design Piracy Prohibition Act (“DPPA”) was introduced to amend title 17 of the U.S. Code “to provide protection for fashion design.”<sup>18</sup> The proposed bill, if it had passed, would have required designs to be registered no more than three months after the date on which the design is made public.<sup>19</sup> Registered designs would have received a three-year protection period, and infringers would have been fined the greater of \$250,000 total or \$5 per unauthorized copy.<sup>20</sup> One of the DPPA’s most vocal opponents, the American Apparel & Footwear Association (“AAFA”), claimed that the bill’s “vague and inherently subjective [infringement] standard” would greatly harm the fashion industry by chilling designers’ creative processes, which often rely on the ability to recycle older works.<sup>21</sup> The bill stalled and never made it out of committee.<sup>22</sup>

DPPA’s successor, the Innovative Design Protection and Piracy Prevention Act (“IDPPPA”) was introduced in August 2010.<sup>23</sup> This bill

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13. Rodriguez Testimony, *supra* note 2, at 25.

14. In this Note, the term “nondesigning retail firms” describes fashion companies that do not produce original designs, but sell point-by-point copies that are inspired by other fashion houses.

15. Rodriguez Testimony, *supra* note 2, at 26; *A Bill to Provide Protection for Fashion Design: Hearing on H.R. 5055 Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary*, 109th Cong. 83 (2006) (statement of Susan Scafidi, Associate Professor of Law, Southern Methodist University).

16. 17 U.S.C. § 1301(b)(4) (2006) (“A ‘hull’ is the frame or body of a vessel, including the deck of a vessel, exclusive of masts, sails, yards, and rigging.”).

17. Bradley J. Olson, *The Amendments to the Vessel Hull Design Protection Act of 1998: A New Tool for the Boating Industry*, 38 J. MAR. L. & COM. 177, 179 (2007).

18. Design Piracy Prohibition Act of 2006, H.R. 5055, 109th Cong. pmb. (2006).

19. *Id.* § 1(a) (providing protection for not only clothing, but undergarments, gloves, footwear, headgear, handbags, belts, and eyeglass frames as well).

20. *Id.* § 1(g).

21. Kevin M. Burke, *Design Piracy Letter to Congress*, AM. APPAREL & FOOTWEAR ASS’N (Apr. 2009), [http://www.apparelandfootwear.org/letters/DesignPiracyLettertoCongressFinal\\_April2009.pdf](http://www.apparelandfootwear.org/letters/DesignPiracyLettertoCongressFinal_April2009.pdf).

22. LOUIS S. EDERER & MAXWELL PRESTON, ARNOLD & PORTER, LLP, *THE INNOVATIVE DESIGN PROTECTION AND PIRACY PREVENTION ACT: FASHION INDUSTRY FRIEND OR FAUX?* 2 (2010).

23. Sheppard Mullin Richter & Hampton LLP, *The Innovative Design Protection and Privacy*

provides the same three-year copyright protection period for designs, but does away with the registration requirement.<sup>24</sup> Additionally, infringement suits must be pled with particularity and only those defendants who create copies that are “substantially identical in overall visual appearance . . . to the original elements of a protected design” will be fined.<sup>25</sup> However, unlike the DPPA, the IDPPPA has garnered AAFA support and is seen as “narrowly tailored to address a specific problem without subjecting the industry to the costs, uncertainties, and risks associated with its predecessors.”<sup>26</sup> On December 1, 2010, the Senate Judiciary Committee unanimously passed the bill.<sup>27</sup>

The debate surrounding *sui generis* copyright protection for fashion design has been framed in a way that pits designers against nondesigning retail firms. On one side, designers push for protection because they do not want to see their designs being copied and distributed in a way that undercuts revenues.<sup>28</sup> On the other side, nondesigning retail firms argue that fashion is undeserving of protection because it serves a utilitarian purpose, and that providing such protection would make current fashion trends exclusive to the wealthier customers who can afford to actively keep up with them.<sup>29</sup>

This Note proposes a solution that will bridge the divide between designers and nondesigning retail firms more effectively than will the IDPPPA’s proposal. It argues that a three-year period of copyright protection for designs is unnecessarily long and that a two-year protection period, with the first year of protection providing the designer with the right to exclusive use and the second year allowing compulsory licensing to nondesigning retail firms, would better suit the fashion industry and the rate at which its styles and trends change.<sup>30</sup> In addition to allowing designers to collect damages against parties who pirate their designs, designers should be able to obtain injunctive relief ordering that the copies of their protected designs be pulled from distribution. These proposed changes would foster a more harmonious and collegial

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*Prevention Act: Will Design Protection Be In Vogue in Congress?*, FASHION & APPAREL L. BLOG (Aug. 23, 2010), <http://www.fashionapparelblog.com/2010/08/articles/enforcement-of-fashion-laws/the-innovative-design-protection-and-privacy-prevention-act-will-design-protection-be-in-vogue-in-congress/>.

24. Innovative Design Protection and Piracy Prevention Act, S. 3728, 111th Cong. § 2(d) (2010).

25. *Id.* § 2(e).

26. *Innovative Design Protection and Piracy Prohibition Act*, AM. APPAREL & FOOTWEAR ASS’N, [http://www.apparelfootwear.org/legislativetradenews/category.asp?subcategory\\_id=24](http://www.apparelfootwear.org/legislativetradenews/category.asp?subcategory_id=24) (last visited Oct. 31, 2011).

27. Vanessa O’Connell, *Project Copyright! Bill Giving IP Protection to Fashion Moves Forward*, WSJ LAW BLOG (Dec. 1, 2010, 5:56 PM), <http://blogs.wsj.com/law/2010/12/01/project-copyright-bill-giving-ip-protection-to-fashion-moves-forward/>.

28. See Rodriguez Testimony, *supra* note 2, at 26.

29. See *infra* note 128 and accompanying text.

30. See *infra* note 164 and accompanying text.

relationship between fashion designs and nondesigning firms because they balance the interests of both parties. With this cooperation, designers will be better able to maximize their royalty revenues, while nondesigning retail firms will receive the benefits of low-cost licenses. This proposal would change the antagonistic attitude prevalent in the fashion industry into one in which both parties work together to bring innovative and affordable fashions to the public.

This Note is divided into five parts. Following this introduction, Part I lays out the relevant legal background, explaining the public policy behind copyright law and the reasons why other intellectual property regimes such as trademark, trade dress, and design patents fail to provide an adequate remedy for fashion designers. Part I also provides an overview of the fashion-design protection scheme employed in the European Union in order to understand how design innovation flourishes there despite the existence of *sui generis* intellectual property protection. Part II analyzes how the industry's biannual fashion weeks both control the pace at which fashion is consumed and how designers engage in trend adoption, and explains how design piracy affects these processes. Part III argues that fashion no longer serves a primarily utilitarian function, but also exists as a creative outlet for consumers to express their individuality. Fashion design is becoming something more akin to art, making it a subject matter appropriate for intellectual property protection. Part IV examines the serious harms designers are subjected to without such protection. Part V recommends that because of the artistic nature of modern fashion and the potential harms to designers, Congress should introduce a law granting *sui generis* copyright protection to original works in fashion design. It proposes a protection period that is specifically tailored to the established pace and cycles of the fashion industry, and concludes by advocating for the use of injunctive relief as a remedy for designers whose rights have been infringed upon.

## I. BACKGROUND

The public policy behind copyright and patent law stems from the Constitution.<sup>31</sup> Article I, section 8, empowers Congress "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."<sup>32</sup> Against this straightforward policy and legislative background, copyright law and other intellectual property regimes, such as trademark, trade dress, and design patents, fail to address the problems presented by design piracy. The failure of U.S. law to provide

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31. U.S. CONST. art. I, § 8, cl. 8.

32. *Id.*

adequate protections becomes even clearer upon comparison with the more generous protections afforded in the European Union.

#### A. COPYRIGHT

While copyright law protects artists and authors against unauthorized copying, it does not afford the same protection to fashion designers. Section 102 of the Copyright Act provides protection to “original works of authorship fixed in any tangible medium of expression” for eight categories, including literary, musical, and architectural works.<sup>33</sup> When Congress enacted the Copyright Act of 1909<sup>34</sup> it stated that “the [copyright protection] policy is believed to be for the benefit of the great body of people, in that it will stimulate writing and invention, to give some bonus to authors and inventors.”<sup>35</sup> No category in the statute provides protection for apparel, so designers, in order to seek copyright protection, must classify their design as a “pictorial, graphic, [or] sculptural” work.<sup>36</sup> However, protection for apparel under this category is very limited because the Copyright Act does not provide protection for “useful articles.”<sup>37</sup> Because fashion apparel has the “useful” function of clothing people, its “mechanical or utilitarian aspects” cannot be protected.<sup>38</sup> Therefore, only specific design features (as opposed to the entire design itself) may receive protection under this category, and the feature must be one that can be “identified separately from, and [that is] capable of existing independently of, the utilitarian aspects of the article.”<sup>39</sup>

While copyright’s useful articles doctrine explains the main reason why fashion apparel is not explicitly protected under section 102, it does little to explain why architectural works do receive explicit protection.<sup>40</sup>

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33. 17 U.S.C. § 102(a) (2006).

34. Act of Mar. 4, 1909, Pub. L. No. 60-349, 35 Stat. 1075 (codified as amended in 17 U.S.C.).

35. H.R. REP. NO. 60-2222, at 7 (1909); see *White-Smith Music Publ’g Co. v. Apollo Co.*, 209 U.S. 1, 19 (1908) (Holmes, J., concurring) (“The notion of property starts, I suppose, from confirmed possession of a tangible object and consists in the right to exclude others from interference with the more or less free doing with it as one wills. But in copyright property has reached a more abstract expression. The right to exclude is not directed to an object in possession or owned, but is *in vacuo*, so to speak. It restrains the spontaneity of men where but for it there would be nothing of any kind to hinder their doing as they saw fit. . . . The ground of this extraordinary right is that the person to whom it is given has invented some new collocation of visible or audible points,—of lines, colors, sounds, or words.”).

36. 17 U.S.C. § 102(a).

37. 17 U.S.C. § 101 (2006) (“A ‘useful article’ is an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.”).

38. *Id.*

39. *Id.*

40. See Andrew Baum & Britton Payne, *Protecting Architectural Works: Breaking New Ground with Familiar Tools*, 27 CONSTR. LAW 23, 23–24 (2007) (explaining that international pressures, namely U.S. membership in the Berne Convention, were the main reason Congress enacted the Architectural Works Copyright Protection Act).

Like fashion design, architectural works are useful articles in that they have an intrinsic utilitarian function in housing people and objects.<sup>41</sup> Both fashion and architecture represent intellectual property fields in which design options are more limited than other works of authorship: The finite possibilities in designing a high-rise building are as limited as those possibilities in designing a blouse. Yet architectural works receive copyright protection and fashion design does not.<sup>42</sup> While this Note does not advocate that Congress model fashion design protection after the Architectural Works Copyright Protection Act,<sup>43</sup> the protection for architectural works may serve as an inspirational foundation.

The Second Circuit has provided that in order to determine whether a feature is capable of existing independently of the utilitarian aspects of an article, the feature must be either physically or conceptually separable.<sup>44</sup> In *Brandir International, Inc. v. Cascade Pacific Lumber Co.*, that court attempted to create a bright line rule to better convey what separability means, explaining that “where design elements can be identified as reflecting the designer’s artistic judgment exercised independently of functional influences, conceptual separability exists.”<sup>45</sup> However, the separability test does not sufficiently address the problems that fashion design presents because very few aspects of fashion apparel are purely aesthetic. While designs printed upon dress fabric may receive copyright protection,<sup>46</sup> features such as zippers, ruffles, and hemlines, depending on their placement, may merge with functional considerations and become inseparable from their aesthetic aspects.<sup>47</sup> Even if a design aspect can pass the separability test and receive protection, fashion design cannot be viewed one aspect at a time through such a narrow lens. Rather, a design must be viewed as a whole, including its overall impression, because artistry in fashion design can be appreciated only by looking at the piece as a whole.

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41. See 17 U.S.C. § 101 (“An ‘architectural work’ is the design of a building as embodied in any tangible medium of expression, including a building, architectural plans, or drawings. The work includes the overall form as well as the arrangement and composition of spaces and elements in the design, but does not include individual standard features.”).

42. See 17 U.S.C. § 102 (2006).

43. Pub. L. No. 101-650, §§ 701–706, 104 Stat. 5089, 5133–34 (codified as amended at 17 U.S.C. §§ 101, 102, 120, 301(b) (2006)).

44. *Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989, 993 (2d Cir. 1980).

45. 834 F.2d 1142, 1145 (2d Cir. 1987).

46. *Peter Pan Fabrics, Inc. v. Brenda Fabrics, Inc.*, 169 F. Supp. 142, 142–43 (S.D.N.Y. 1959) (holding that a design made up of Near East motifs printed upon a dress fabric is protected under copyright).

47. *Brandir*, 834 F.2d at 1145 (“[I]f design elements reflect a merger of aesthetic and functional considerations, the artistic aspects of a work cannot be said to be conceptually separable from the utilitarian elements.”).



## B. TRADEMARK & TRADE DRESS

Trademark and trade dress do not provide sufficient protection for fashion design because the relevant laws are concerned primarily with indication of source, and not all fashion design necessarily conveys source. The Lanham Act governs both trademark and trade dress, and was intended to make actionable “the deceptive and misleading use of marks” and “to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks.”<sup>48</sup> A protectable trademark can be “any word, name, symbol, or device, or any combination thereof” that is registered and used “to identify and distinguish [a person’s] goods . . . from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.”<sup>49</sup>

While the Act’s trademark protections do much to prevent confusion about the source of products,<sup>50</sup> they do little to protect against piracy of fashion designs. Only a design that incorporates the designer’s trademark would be eligible for this type of protection. For example, while a Chanel dress marked with mirrored interlocking “C’s” can be protected under trademark law from being reproduced by a nondesigning retail firm without permission, a Narciso Rodriguez dress designed “in natural linen piped in black” cannot be protected.<sup>51</sup>

Encompassing more than just a distinguishable mark, trade dress is defined as an unregistered mark<sup>52</sup> or device that is “essentially [the product’s] total image and overall appearance” and “may include features such as size, shape, color, or color combinations, texture, graphics, or even particular sales technique.”<sup>53</sup> In *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, the Supreme Court identified two types of trade dress: product-packaging trade dress and product-design trade dress.<sup>54</sup> The Court provided that product packaging may be protected because its inherent distinctiveness will likely indicate source.<sup>55</sup> However, the Court has explained that product-design trade dress—the type that applies to

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48. Lanham Act § 45, 15 U.S.C. § 1127 (2006).

49. *Id.*

50. *See id.*

51. Susan Scafidi, *Karmic Relief*, COUNTERFEIT CHIC (May 10, 2007, 5:51 PM), [http://www.counterfeitchic.com/2007/05/karmic\\_relief.php](http://www.counterfeitchic.com/2007/05/karmic_relief.php).

52. An unregistered mark is one for which the owner has not applied or filed an intent to use registration on the principal register. *See* Lanham Act § 45, 15 U.S.C. § 1127.

53. Lanham Act § 43(a), 15 U.S.C. § 1125 (2006); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 764 n.1 (1992). Applying this definition to a restaurant chain, a restaurant may claim its building exterior, identifying sign, kitchen floor plan, décor, and servers’ uniforms are all part of its trade dress. *Two Pesos*, 505 U.S. at 764 n.1.

54. 529 U.S. 205, 209 (2000).

55. *Id.* at 212 (defining product packaging as the encasement of a product, which most often identifies the product’s source).

fashion design—can only be protected in an action for trade-dress infringement only upon a showing of “secondary meaning.”<sup>56</sup> Secondary meaning occurs when the public associates a design with a particular source or brand, instead of a particular product, like “Tide’s squat, brightly decorated plastic bottles for its liquid laundry detergent.”<sup>57</sup> For fashion design, this is a very high standard for any designer to meet, and for new designers it is not possible at all. It requires designers seeking trade-dress protection to have made large investments in creating a signature feature that over time has developed a secondary meaning with the public and that identifies the design’s source.<sup>58</sup> Considering that a signature feature would need to be both distinguishable enough to acquire the requisite distinctiveness and yet adaptable enough to withstand the test of numerous fashion cycles, product-design trade-dress protection may be insufficient for designers.

### C. DESIGN PATENTS

While design patents offer more secure protection than copyright and trademark, the lengthy application process makes them a bad fit for fashion designs. Like copyright, Congress’ power to grant patents stems from the Constitution.<sup>59</sup> Within the patent regime, design patents provide fourteen-year monopolies for “any new, original and ornamental design for an article of manufacture.”<sup>60</sup> This means that the patent holder has the right to exclude others from unauthorized copying and a right to collect damages from those who infringe on the patent.<sup>61</sup> This specific grant was “plainly intended to give encouragement to the decorative arts,” and “contemplate[s] not so much utility as appearance.”<sup>62</sup> Design patents must meet three requirements: novelty, non-obviousness, and ornamentality.<sup>63</sup> The U.S. Patent and Trademark Office has granted design patents for things such as a slot machine-shaped toaster,<sup>64</sup> a stacking pumpkin ornament,<sup>65</sup> and the Statue of Liberty.<sup>66</sup> To receive a design patent, an applicant must submit an application that includes

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56. *Id.* at 212–13 (defining product design as a feature that does not identify source, but makes a product more useful or more appealing, like color).

57. *Id.* at 212.

58. *See id.* at 207–08, 216 (holding that Samara’s children’s clothing line of one-piece seersucker outfits decorated with various prints could not receive trade-dress protection against knock-offs because the brand had not yet developed a secondary meaning).

59. U.S. CONST. art. I, § 8, cl. 8.

60. 35 U.S.C. §§ 171, 173 (2006).

61. *See id.*

62. *Gorham Co. v. White*, 81 U.S. 511, 524 (1871).

63. *See Design Patent Application Guide*, U.S. PAT. & TRADEMARK OFF., <http://www.uspto.gov/patents/resources/types/designapp.jsp#app> (last modified Feb. 11, 2011).

64. U.S. Patent No. D545,112 (filed Dec. 11, 2006).

65. U.S. Patent No. D380,171 (filed Feb. 16, 1996).

66. U.S. Patent No. 11,023 (filed Jan. 2, 1879).

figure drawings and a single claim.<sup>67</sup> However, the lengthy examination and prosecution stages of the application<sup>68</sup> make this an unattractive option for fashion design protection. The fashion industry moves rapidly, and designers need to perfect their lines for launch quickly; waiting months or even years for a design patent to issue is unrealistic.

#### D. EUROPEAN UNION COMPARISON

The scheme of laws protecting fashion design in the European Union shows that innovation may still thrive when *sui generis* protection is granted. Many of the most prominent fashion designers are based in the European Union,<sup>69</sup> where a more stringent protection scheme for fashion design exists. The European model therefore provides an opportunity to analyze how creativity and competition are accommodated despite strong protections for designers. Rather than dissecting an article into its utilitarian and design features as U.S. intellectual property regimes do, the European scheme protects the “appearance of the whole or part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation.”<sup>70</sup> This scheme also provides two design rights: a registered right obtained by application for an initial five-year term that is renewable, and an unregistered right that endures for a three-year term after the design is disclosed to the public.<sup>71</sup>

Infringement standards for design rights differ based on whether the design is registered or unregistered.<sup>72</sup> A designer with a registered right has the power to prevent the unauthorized use of designs that do not produce “a different overall impression” on the informed user, a power akin to monopoly.<sup>73</sup> On the other hand, a designer with an unregistered right has only the power to prevent unauthorized exact copies.<sup>74</sup>

Although the European scheme analyzes an article as a whole and not only by its design aspects, it still limits the protection provided. Under the scheme, designs must meet two thresholds to be afforded protection: (1) the design must be novel or different from other designs, and (2) the design, beyond prior designs, must show “more than minimal creativity” on the part of the designer.<sup>75</sup> To pass the first threshold of novelty, the proposed design cannot be identical to or immaterially

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67. U.S. PAT. & TRADEMARK OFF., *supra* note 63.

68. *See id.*

69. *See Raustiala & Sprigman, supra* note 11, at 1735.

70. Council Regulation 6/2002, art. 3, 2002 O.J. (L 3) 4 (EC).

71. Graeme B. Dinwoodie, *Federalized Functionalism: The Future of Design Protection in the European Union*, 24 AIPLA Q.J. 611, 640–41 (1996).

72. *Id.* at 697–99.

73. *Id.* at 697–98.

74. *Id.* at 699.

75. *Id.* at 651.

different from all past designs, and all past designs will be considered “prior art” regardless of time and geography.<sup>76</sup> The second threshold, which examines a design’s individual character, is intended to be more difficult.<sup>77</sup> A design will have individual character if an informed user considers the proposed design’s overall impression different from the overall impression of any prior design made available to the public.<sup>78</sup>

One European infringement case, in which the defendant had copied three of the plaintiff’s garments exactly, illustrates the application of the European scheme. There, the plaintiff constructed a *prima facie* case by showing it had an unregistered design right, awarded upon meeting the two protection thresholds and the public-showing requirements.<sup>79</sup> One of the designs in controversy was a brightly colored and striped knitted top made from a viscose, cotton, nylon, and elastine blend, silhouetted as a V-shaped “faux shrug over cami top,” and had accented ribbed sleeves.<sup>80</sup> The High Court of Ireland found that the defendant infringed by producing exact copies of the plaintiff’s designs, and ordered injunctive and monetary relief.<sup>81</sup>

Critics of the European Union protection scheme argue that such a scheme is unnecessary because European designers do not care to enforce their rights and choose to operate in an industry where copying is commonplace.<sup>82</sup> They come to this conclusion based on facts that show a low percentage of registered designs and that despite the protection given to unregistered designs, there is relatively little litigation involving fashion design.<sup>83</sup> Moreover, critics claim that if the European Union scheme were preferable, then innovation should flourish in the European industry and stagnate in the U.S. industry; but this has not come to fruition.<sup>84</sup>

These arguments oversimplify the discussion. The low percentage of registered designs and infrequent litigation involving fashion design do not necessarily indicate that designers do not care to enforce their intellectual property rights. For example, in 1994, designer Yves Saint Laurent sued designer Ralph Lauren, claiming that Lauren’s company sold copies of Saint Laurent’s black tuxedo dress.<sup>85</sup> This case marked “the

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76. *Id.* at 651–52.

77. *See id.* 652–57.

78. *Id.* at 657.

79. *Karen Millen Ltd. v. Dunnes Stores & Anor.*, [2007] IEHC 449 (H. Ct.) (Ir.), available at <http://www.bailii.org/ie/cases/IEHC/2007/H449.html>.

80. *Id.*

81. *Id.*

82. *Raustiala & Sprigman*, *supra* note 11, at 1735.

83. *Id.* at 1737–40.

84. *Id.* at 1743.

85. Amy M. Spindler, *A Ruling by French Court Finds Copyright in a Design*, N.Y. TIMES, May 19, 1994, at D4.

first time a designer has been able to protect a dress as ‘intellectual property.’”<sup>86</sup> This case shows that when an opportunity presents itself, some designers are not afraid to invest in litigation to seek monetary damages and injunctive relief.<sup>87</sup>

Moreover, due to globalization in the fashion industry, the European and American markets are not so distinguishable, as the critics suggest.<sup>88</sup> Because many nondesigning retail firms, such as Zara and H&M, have footholds in both markets, the European protection scheme has rippling effects in the U.S.<sup>89</sup> Firms like Zara and H&M wait to see the season’s trends before their in-house designers create a derivative of a design for reproduction; this is different from the exact copying engaged in by design pirates.<sup>90</sup> Because Zara and H&M operate in Europe, they are restricted by the European Union statutory scheme from reproducing exact copies, and their sales and those of other European designers force de facto design diversity in the U.S.<sup>91</sup>

Aside from the effects on innovation, international implications arising out of the U.S.’s accession to the Berne Convention<sup>92</sup> should also provide a reason for Congress to protect fashion design.<sup>93</sup> Some suggest that Berne mandates protection for fashion design, but because the World Intellectual Property Organization has not addressed this matter, the issue is not so clear.<sup>94</sup> Under the national treatment scheme required by Berne,<sup>95</sup> American designs are afforded protection in Europe, while European designs are not protected in the U.S.<sup>96</sup> This protection disparity is alarming because it could have a negative effect on international relations, as one of Congress’s main motivations for acceding to Berne was ensuring that American works receive reciprocal protection abroad.<sup>97</sup>

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86. *Id.*

87. *Id.* Other recent European litigation over fashion design include cases filed by designers Isabel Marant, Monsoon, Jimmy Choo, and Chloé. Hemphill & Suk, *supra* note 12, at 1191.

88. Raustiala & Sprigman, *supra* note 11, at 1743.

89. Hemphill & Suk, *supra* note 12, at 1192.

90. *Id.* at 1172–73.

91. *Id.* at 1193.

92. Berne Convention for the Protection of Literary and Artistic Works, Sept. 28, 1979, S. TREATY DOC. 99-27 (1986).

93. Matthew S. Miller, *Piracy in Our Backyard: A Comparative Analysis of the Implications of Fashion Copying in the United States for the International Copyright Community*, 2 J. INT’L MEDIA & ENT. L. 133, 148 (2008).

94. *Id.* at 147 (noting that fashion designs may qualify as “literary and artistic works”).

95. “[T]he ‘national treatment’ requirement under Berne only applies to the extent such protection is afforded to nationals under a country’s own domestic copyright regime.” *Id.* at 156.

96. *Id.* at 147–48.

97. See Dale Nelson, *Golan Restoration: Small Burden, Big Gains*, 64 VAND. L. REV. EN BANC 165, 176 (2011) (“[I]f the United States takes the small step of protecting the small set of unprotected foreign works . . . then, protection for all U.S. works will be secured in other Berne Convention countries.”); see also *Eldred v. Ashcroft*, 537 U.S. 186, 205–06 (2003) (“Congress sought to ensure that American authors would receive the same copyright protection in Europe as their European

Although not currently apparent, the U.S.'s failure to match the European design protection scheme may mean trouble for American designers seeking European protection in the future.<sup>98</sup>

## II. YOU'RE EITHER IN OR YOU'RE OUT: FASHION CYCLES AND TREND ADOPTION

### A. FASHION CYCLES SET THE LONGEVITY OF EACH TREND

The fashion industry, like many other industries, operates in cycles. Once a new season's designs are distributed to retail stores, the previous season's designs are placed on the sale rack.<sup>99</sup> Fashion has two major seasons per year: fall and spring.<sup>100</sup> Designers may also choose to launch interseasonal collections as well.<sup>101</sup> The design stage for each collection commences about a full year before a design is distributed to retailers all over the country.<sup>102</sup> After the design stage, the collection is previewed at fashion weeks held in cities including New York, London, Milan, and Paris from January through April and September through November.<sup>103</sup> Following fashion week, the collection is sent to production and subsequently distributed to retailers for public consumption.<sup>104</sup>

Opponents of design protection argue that innovation in fashion design is fostered in part by cyclical turnover because once a design is widely copied, the disbursement signals to the large fashion houses that it is time to create the next trend.<sup>105</sup> However, these opponents misunderstand what fashion cycles do for the industry. Although designers may feel additional pressure to innovate when pirated copies of their most recent designs begin to appear, the biannual fashion week schedule arguably places them under much greater pressure. This schedule demands that designers launch two lines a year, and designers would therefore be forced to innovate even if piracy did not occur. This

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counterparts.”).

98. See Miller, *supra* note 93, at 148 (explaining that because the global markets are making borders less of a concern for international designers, that there is a need to harmonize international copyright laws); see also Nelson, *supra* note 97, at 176 (“The benefits of reciprocity are clear and simple: if we protect the works of other nations, then they will protect our works.”).

99. See *Bargain-Hunting Season*, GREENVILLE NEWS, AUG. 14, 2008, at D1; Carolyn Bigda, *Workplace Wardrobe Doesn't Have to Bust Your Budget*, BALT. SUN, June 26, 2005, at 4D.

100. MARY GEHLHAR, *THE FASHION DESIGNER SURVIVAL GUIDE: START AND RUN YOUR OWN FASHION BUSINESS* 86 (2008).

101. See Suzy Menkes, *Dashing, But for Everyday?*, INT'L HERALD TRIB., Jan. 19, 2010, at 9 (discussing one designer's winter collection).

102. GEHLHAR, *supra* note 100, at 86.

103. *Id.*

104. *Id.*

105. Raustiala & Sprigman, *supra* note 11, at 1721–22.

timed schedule signals the release of a new collection, not a design's wide dissemination to the public.<sup>106</sup>

Modern technology has made it easier, faster, and cheaper for design pirates to beat the original designers to market.<sup>107</sup> Before digital cameras and the Internet, the process of copying apparel designs took longer because design pirates would need to wait for a mailed transmission of designs showcased at fashion week, and less technologically advanced factory systems meant longer production times.<sup>108</sup> Today, however, sketches and photos can be sent to foreign production factories where a design “can be manufactured and distributed to the public in as little as four to six weeks—weeks or even months before the originals become available.”<sup>109</sup> The ability of design pirates to beat a designer to market has potential negative effects on the industry's cycle. Speculatively, if a designer's profits are undercut because a cheaper copy is distributed to the public first, then that designer may feel the pressure to quickly launch an interseasonal collection, which may burden the market with too much supply. The oversupply would cause demand and prices to decrease, leading to a domino effect of uncontrolled competition and unintended economic consequences in the market. Design protection should be implemented to maintain a steady stream of supply and demand in the fashion industry.

#### B. ADOPTING A TREND IS NOT COPYING

Designers adopt and incorporate trends into their collections because trends reflect current popular tastes.<sup>110</sup> There are two types of trends prevalent in the industry: (1) fashion trends that reflect specific tastes for a season and (2) overall lifestyle trends that reflect a change in society's mindsets and perspectives.<sup>111</sup> This Subpart will focus on seasonal fashion trends. Following seasonal trends helps designers to balance between either being current or innovating beyond market tastes.<sup>112</sup> For example, designer Alice Roi once showcased a collection of pouf skirts that were shunned by retail stores.<sup>113</sup> Seasons later, pouf skirts became

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106. *See supra* notes 102–04.

107. GEHLHAR, *supra* note 100, at 248.

108. Raustiala & Sprigman, *supra* note 11, at 1759–60.

109. GEHLHAR, *supra* note 100, at 248.

110. *Id.* at 63.

111. *Id.* For one take on seasonal trend adoption, see *THE DEVIL WEARS PRADA* (Twentieth Century Fox 2006) (“In 2002, Oscar De La Renta did a collection of cerulean gowns. And then I think it was Yves Saint Laurent, wasn't it, who showed military jackets? . . . And then cerulean quickly showed up in the collections of eight different designers.”).

112. GEHLHAR, *supra* note 100, at 63.

113. *Id.*

very popular, but Roi had already moved on.<sup>114</sup> Roi remarked, “In the cyclical world of fashion, it’s more important to be timely than first. It’s better to play the game and show your uniqueness in it, than to rebel and not get anywhere.”<sup>115</sup>

Opponents of design protection equate adopting a trend with copying and argue that design protection will prohibit trend adoption, or “referencing” as the industry likes to call it.<sup>116</sup> However, these opponents misunderstand what trend adoption is. A trend is not expressed in a complete design like a white collared blouse with ruffles and gold sequined buttons; it is expressed in a specific design aspect like ruffles, leopard print, or the color purple. Thus, if the fashion trend of a particular season is leopard print and the color purple, designers may choose to incorporate the print or the color into their collections. This means that two different designers may incorporate a trend without producing duplicate designs. Trend adoption does not require copying because designers cannot whimsically incorporate trends; they must consider their buyer, or risk dilution of their identity in the fashion market.<sup>117</sup>

### III. THE IDEA THAT CLOTHING IS CONSUMED PRIMARILY FOR ITS UTILITARIAN FUNCTION IS SO LAST SEASON

Clothing is not purely utilitarian, but has evolved into an art form that is used by consumers to express their individuality. Thus, fashion design should be recognized as an art form protectable by copyright. The use of fashion as the wearer’s outlet for individual expression has divided the fashion market into many markets,<sup>118</sup> leaving designers to create specific apparel to supply a market’s demand. Opponents of sui generis protection for fashion design argue that fashion design should not be protected because doing so will create a visual hierarchy that distinguishes socioeconomic classes by what they are wearing. This criticism overlooks the inherent artistic value of modern fashion.<sup>119</sup>

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<sup>114</sup> *Id.*

<sup>115</sup> *Id.*

<sup>116</sup> Raustiala & Sprigman, *supra* note 11, at 1728–29.

<sup>117</sup> GEHLHAR, *supra* note 100, at 63.

<sup>118</sup> This Note uses the term “markets” to refer to the many style niches that designers design for, such as preppy, alternative, and urban.

<sup>119</sup> See Samantha L. Hetherington, *Fashion Runways Are No Longer the Public Domain: Applying the Common Law Right of Publicity to Haute Couture Fashion Design*, 24 HASTINGS COMM. & ENT. L.J. 43, 70 (2001); Lucille M. Ponte, *Echoes of the Sumptuary Impulse: Considering the Threads of Social Identity, Economic Protectionism, and Public Morality in the Proposed Design Piracy Prohibition Act*, 12 VAND. J. ENT. & TECH. L. 45, 76 (2009).



### A. FASHION AS AN OUTLET FOR INDIVIDUAL EXPRESSION

Whether or not they follow current fashion trends, people use clothing as a vehicle to express not only what they are feeling, but who they are as a person.<sup>120</sup> There is a close relationship between someone's fashion style and their personality. Personality dictates style.<sup>121</sup> The common perception that clothes help people express their individuality and personality has formed many distinct markets in the fashion industry. Designers do not market themselves as a one-style-fits-all brand, but market themselves to meet the needs and desires of a certain personality. For example, Michael Kors designs "sleek, sophisticated American sportswear" for those with "a jet-set attitude."<sup>122</sup> Alice + olivia is an and eclectic brand that incorporates "culture, music, art and vintage fashion" for the "fresh and edgy" girl.<sup>123</sup> White House Black Market offers "the honest simplicity" of only black and white clothing "to make women feel beautiful."<sup>124</sup> These designers and brands are only a handful of many that have successfully carved out a niche of the fashion industry by marketing their designs toward certain people and personalities. The average consumer would be hard-pressed not to find a particular style or brand to suit her fashion tastes and needs when scouring through any mall directory or browsing in a department store.

In order to meet the demand of people's fashion tastes, designers are pressured by the industry to constantly create new innovative designs, suggesting that designers' works are being created for artistic, not solely utilitarian purposes. For example, Michael Kors has to design two collections every year and adopt each season's trends, all within the

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120. DIANA CRANE, *FASHION AND ITS SOCIAL AGENDAS: CLASS, GENDER, AND IDENTITY CLOTHING* 134–35 (2000).

121. Fashionista, an online fashion blog, publishes a column titled "Street Style" in which its writers find pedestrians and ask them questions about their style and their personality. In one post, Hope, an eighteen-year-old fashion blogger, said she loves to mix and match different things. Ashley Jahncke, *Street Style: Hope Likes to Mix the 1920s with the '80s*, FASHIONISTA (Mar. 7, 2011) <http://fashionista.com/2011/02/street-style-hope-likes-to-mix-the-1920s-with-the-80s/>. Her varied interests include Ozzy Osbourne, shopping at vintage stores, and McDonald's soft-serve vanilla ice cream, so it would be no surprise that she would describe her style as a "mix of different decades," a combination of the 20s, 50s and 80s. *Id.* In another post, Gabi, a twenty-six-year-old painter, describes his style as "not very refined" and states that the most prominent color in his wardrobe is "[b]lack, like [his] paintings." Ashley Jahncke, *Street Style: Gabi Likes Milli Vanilli and Casablanca*, FASHIONISTA (Mar. 7, 2011), <http://fashionista.com/2011/01/street-style-gabi-likes-milli-vanilli-and-casablanca/>. Tali, a model, describes her style as a "mix of vintage, young, eclectic, and whatever [she's] in the mood for." Ashley Jahncke, *Street Style: Tali Lennox Wears Whatever She's in the Mood For*, FASHIONISTA (Mar. 7, 2011), <http://fashionista.com/2011/02/street-style-tali-wears-whatever-shes-in-the-mood-for/>.

122. *Michael Kors—The Official Page*, FACEBOOK, <http://www.facebook.com/michaelkors?sk=info> (last visited Oct. 31, 2011).

123. *Alice + olivia by Stacey Bendet*, FACEBOOK, <http://www.facebook.com/pages/alice-olivia-by-Stacey-Bendet/228746771108?sk=info> (last visited Oct. 31, 2011).

124. *Our Story*, WHITE HOUSE BLACK MARKET, <http://www.whitehouseblackmarket.com/store/page.jsp?id=24> (last visited Oct. 31, 2011).

limited realm of “the jet-set attitude.” This relationship between personality and market is analogous to the idea and expression dichotomy in copyright.<sup>125</sup> Michael Kors’ jet-set persona could be considered merely an idea and every one of his designs an expression of that idea. Designing a product that expresses and captures the jet-set persona undoubtedly requires creativity, talent, and skill. This is because designers work with all sorts of material: silks, leathers, wools, and even metals,<sup>126</sup> and deciding where to place each seam, zipper, hemline, frill, or ruffle is a creative process that should be recognized.

In so many ways, fashion design is not unlike the other forms of art that receive protection under the Copyright Act. Both fashion and art are vehicles for self-expression and the creative processes invested in producing both are similar as well. As such, *sui generis* copyright protection should be granted for fashion design, regardless of its “useful article” categorization.

#### B. DESIGN PROTECTION WILL NOT REINFORCE SOCIOECONOMIC CLASS DISTINCTIONS

*Sui generis* copyright protection for fashion design will not reinforce socioeconomic class distinctions because simultaneous varied trends do not create a fashion hierarchy, and the divided market makes affordable fashions available to everyone. Despite the fact that individuality drives the creation of distinct markets and design diversity, opponents of fashion design protection advance the “social class theory,” claiming that protection will only help wealthy individuals to further differentiate themselves from the rest of society.<sup>127</sup> They argue that a “visual hierarchy” is created because the wealthy have the resources to keep up with the speed at which fashion is consumed, and what is left are two groups with divergent looks and styles.<sup>128</sup> Piracy, they contend, then helps to prevent this visual hierarchy and democratize the fashion market by allowing lower-class consumers to purchase copies at a lower price point.<sup>129</sup> However, this argument fails to consider two things: (1) the source of the clothing, not visual trends, is a better indication of one’s social class, and (2) the distinct markets not only meet consumers’ individual tastes, but their socioeconomic class as well.

Social class theory rests on the premise that a visual hierarchy is created because the wealthy can more easily and quickly move from one trend to another. But it is the source of clothing, rather than any visual

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125. *Whelan Assocs., Inc. v. Jaslow Dental Lab., Inc.*, 797 F.2d 1222, 1234 (3rd Cir. 1986) (“It is axiomatic that copyright does not protect ideas, but only expressions of ideas.”).

126. *Rodriguez Testimony*, *supra* note 2, at 27.

127. *Ponte*, *supra* note 119, at 76.

128. *Id.*

129. *See id.* at 76–77.

trend, that more deeply divides socioeconomic classes. It is not so much about what a person is wearing, but rather *who* the person is wearing.<sup>130</sup> Because designers at all levels of the industry must adopt or respond to current trends, huge segments of the population will find themselves dressed alike each season regardless of their income.<sup>131</sup> Thus, the true difference between what consumers are wearing is the source of their clothes.<sup>132</sup> Those who want to differentiate themselves through their choice of clothing will pay “a huge price for that logo sewed into the[ir] jacket.”<sup>133</sup> With or without design protection, the fashion industry is not susceptible to democratization via design piracy because pricing and source affordability already discriminate among consumers. Source exclusivity, which results from the range of prices depending on the prestige of the designer, prevents democratization.<sup>134</sup> To many consumers, the source is equally as important as, if not more important than, the design.

Social class theory also overlooks the fact that markets exist not only to meet people’s varied tastes, but varied price points as well.<sup>135</sup> When designers create clothing for their target audience, they also keep in mind the audience’s income level and occupation.<sup>136</sup> This explains why designers offer different lines apart from their signature collections. For example, Michael Kors not only has his signature collection for those with the “jet-set attitude,”<sup>137</sup> but also offers MICHAEL by Michael Kors for “fashion-conscious ‘soccer moms’ who spend much of their life in the car.”<sup>138</sup> The MICHAEL by Michael Kors line is described as “carpool couture” and is more affordable than his signature collection.<sup>139</sup> Other designers who have created more affordable lines include Marc Jacobs,<sup>140</sup>

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130. “Who” refers to the article of clothing’s source, which is in this case the designer. Darell Hartman, *Men in Black*, WALL ST. J., Feb. 26, 2011, at D3; Irene Lacher, *The Sunday Conversation: It’s Serious Dress-up Time*, L.A. TIMES, Feb. 27, 2011, at D3.

131. See *supra* notes 110–11.

132. Nathania Zevi, *Custom Tailors Enjoying a Boom*, WALL ST. J., Feb. 25, 2011, at B8.

133. *Id.* (quoting Rome-based tailor Luigi Gallo).

134. *Rolex Watch U.S.A., Inc. v. Forrester*, No. 83-8381-Civ-Paine, 1986 WL 15668, at \*4 (S.D. Fla. Dec. 9, 1986) (“Others who see the watches bearing the Rolex trademarks on so many wrists might find themselves discouraged from acquiring a genuine because these items have become too common place and no longer possess the prestige once associated with them.”).

135. See GEHLHAR, *supra* note 100, at 17.

136. *Id.*

137. See *supra* note 122 and accompanying text.

138. GEHLHAR, *supra* note 100, at 59; see Raustiala & Sprigman, *supra* note 11, at 1693 (“The fashion industry’s products are typically segmented into broad categories forming what has been described as a fashion pyramid. At the top is a designer category that includes three different types of products. First is a very small trade in haute couture . . . . Directly below is much larger business in designer ready-to-wear clothing for women and men. . . . Another level down is ‘better’ fashion, an even larger category that consists of moderately priced apparel.”).

139. GEHLHAR, *supra* note 100, at 59.

140. MARC JACOBS, <http://www.marcjacobs.com> (last visited Oct. 31, 2011).

Nanette Lepore,<sup>141</sup> and Badgley Mischka.<sup>142</sup> These different lines, not piracy, are helping to democratize the fashion market without the negative effects of copying. The two considerations presented here should mitigate the concern that design protection will create a society whereby wealthier consumers are identified just by what clothes they are wearing.

#### IV. ECONOMIC HARMS TO THE DESIGNER AND TO THE FASHION INDUSTRY

Piracy not only economically harms each designer on an individual level, but also harms the fashion industry on a macro level. Modern technology has made it possible for design pirates to manufacture and distribute copies before an original design is able to make it to the market.<sup>143</sup> When this happens, stores sometimes cancel orders of designers' original designs because a cheaper copy is made available.<sup>144</sup> While top fashion houses like Chanel and Valentino may not feel the negative economic effects of piracy, mid-range and new designers may experience large profit decreases and may even be forced out of the industry all together.<sup>145</sup> Piracy affects mid-range and new designers differently. Mid-range designers sell at a lower price point, so when a copy sold for even less is introduced to the market, the designer's profit margins become much more susceptible to drastic decline.<sup>146</sup> Along the same line, new designers who are trying to break into the industry risk being forced out if a copy is sold for less than the original.<sup>147</sup> The market effect on both groups, however, is the same—innovation decreases and the market suffers as a result of these barriers to competition.

The barriers that mid-range and new designers face are not unique to the fashion industry; individual inventors who seek patent protection for their inventions face similar problems. Individual inventors have a hard time realizing their invention's profits because "[t]he road from invention to commercialized technology is often long, costly, and uncertain."<sup>148</sup> In contrast, big firms that employ inventors are able to thrive without patent protection because inherent barriers to entry limit

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141. Izzy Grinspan, *Meet Oonagh, Nanette Lepore's Diffusion Line*, RACKED (Mar. 10, 2011), [http://ny.racked.com/archives/2010/01/12/meet\\_oonagh\\_nanette\\_lepores\\_diffusion\\_line.php](http://ny.racked.com/archives/2010/01/12/meet_oonagh_nanette_lepores_diffusion_line.php).

142. *Mark & James by Badgley Mischka*, FIFILUXE (Mar. 24, 2011), <https://www.fifiluxe.com/pages/Mark-&-James-by-Badgley-Mischka.html>.

143. See GEHLHAR, *supra* note 100, at 248.

144. *Id.*

145. Hemphill & Suk, *supra* note 12, at 1175–76.

146. *Id.*

147. Laura C. Marshall, Note, *Catwalk Copycats: Why Congress Should Adopt a Modified Version of the Design Piracy Prohibition Act*, 14 J. INTEL. PROP. L. 305, 325 (2007).

148. JAMES BESSEN & MICHAEL J. MEURER, PATENT FAILURE: HOW JUDGES, BUREAUCRATS, AND LAWYERS PUT INNOVATORS AT RISK 177 (2008).

competition and they already benefit from established market dominance.<sup>149</sup> Barriers to entry are a concern because small inventors play an important role in promoting innovation.<sup>150</sup> Like small inventors who rely on the patent system to protect their intellectual property rights,<sup>151</sup> mid-range and new designers also need design protection to effectively compete and contribute to industry innovation.

A lack of design protection can affect both innovation and competition. Innovation decreases because not only do designers lack incentive to invest time and energy into creating innovative designs, but also because when only some design types are protected by trademark and trade dress, designers are incentivized to create those types of designs instead of unprotected ones.<sup>152</sup> This incentive handicaps innovation. As discussed above, competition is hindered because mid-range and new designers are most susceptible to being forced out of the industry, leaving established and high-end designers to continue to thrive. This susceptibility is illustrated best with a simple observation: “With no human or capital investments to make, when pirates copy, they spend nothing. They can afford to make the copy in such quantities and low price levels that on just one of my 125 styles, they could recoup what I make on my entire collection.”<sup>153</sup>

Designers also suffer from harm to their reputation. Copies of apparel produced by nondesigning retail firms are often made with lower quality craftsmanship and low-quality material.<sup>154</sup> Consumers might attribute this low quality to the original designer, which, while not directly economically harming that designer,<sup>155</sup> may harm the designer’s reputation and might prevent her from offering a lower-quality version of the design herself.<sup>156</sup> Concerns like these are the reason that trademark law exists to clearly identify source.<sup>157</sup> Applying that objective to fashion design, where two identical products may cause confusion as to the product’s source, a designer’s reputation may be harmed if the cheaper and lower-quality copy is attributed to her name.

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149. *See id.* at 177.

150. *Id.* at 185.

151. *See id.*

152. Hemphill & Suk, *supra* note 12, at 1176–77.

153. Rodriguez Testimony, *supra* note 2, at 26.

154. GEHLHAR, *supra* note 100, at 249.

155. *Id.*

156. *Id.* It’s not uncommon for designers to copy their own designs and sell lower-quality versions of them. *See, e.g.,* Georgie Tomich, *Vera Rips Off Dress*, BRISBANE NEWS, Sept. 9, 2011, at mX3 (describing how Vera Wang will be selling copies of the wedding dresses that she designed for Kim Kardashian). In fact, in a down economy, designers may find that providing copies at a lower price point is a smart financial and marketing decision. *See* Joy Sewing, *Customers Strip Target Shelves of New Missoni Items*, HOUS. CHRON., Sept. 14, 2011 (Star), at 1; Joy Sewing, *Fashion Icon Karl Lagerfeld Brings New Collection to Macy’s*, HOUS. CHRON., July 22, 2011 (Star), at 2.

157. *See supra* note 47 and accompanying text.

## V. PROPOSAL: SUI GENERIS COPYRIGHT PROTECTION FOR THE INNOVATIVE DESIGNER

Economic harm, to both the designer and the industry, is a serious issue that Congress should address. The best attributes of the DPPA, IDPPPA, and European Union design law, along with an innovative licensing feature, should be proposed in a new bill that considers the concerns raised on both sides of the fashion protection debate. After all, not all designers favor intellectual property protection for their work. Some designers argue against such protection because they prefer the status quo.<sup>158</sup> Miucci Prada is one such designer; she stated, “We let others copy us. And when they do, we drop it.”<sup>159</sup> However, sui generis protection for fashion design should not be denied simply because some designers do not believe in its necessity. Designers should be able to use their grant of intellectual property rights as a sword to assert action against design pirates. Designers like Prada, who do not believe in a need for protection,<sup>160</sup> would not be required to assert their rights. Nevertheless, Congress should provide designers with an adequate tool that will balance the interests of designers and design pirates: Sui generis protection that grants a one-year exclusivity period for innovative designs followed by a one-year licensing period.

### A. LIMITING PROTECTION FOR ORIGINAL DESIGNS

Like the currently proposed IDPPPA, design protection under copyright law should be limited to those designs that are original.<sup>161</sup> The specificity of the European two-part threshold test is also appropriate to incorporate: that a design should be (1) different from prior designs, and (2) must show “more than minimum creativity” on the part of the designer.<sup>162</sup> Adopting this standard will ensure that noncreative designs stay in the public domain. Because this standard is targeted toward protecting original designs, designs that adopt trends and derivatives would be protectable only if they meet the two-part test. The originality requirement would satisfy both the designer’s interest in protecting her creative works and the public’s interest in democratizing the fashion industry.

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158. Raustiala & Sprigman, *supra* note 11, at 1722.

159. *Id.*

160. Kal Raustiala & Christopher Sprigman, *The Piracy Paradox Revisited*, 61 STAN. L. REV. 1201, 1223–24 (2009).

161. S. 3728, 111th Cong. § 2(a)(7) (2010). (“A ‘fashion design’—(A) is the appearance as a whole of an article of apparel, including its ornamentation; and (B) includes original elements of the article of apparel or the original arrangement of original or non-original elements as incorporated in the overall appearance of the article of apparel that . . . are the result of a designer’s own creative endeavor; and . . . provide a unique distinguishable, non-trivial and non-utilitarian variation over prior designs for similar types of articles.”).

162. *See supra* note 75 and accompanying text.

### B. AN EXCLUSIVE ONE-YEAR PROTECTION PERIOD

Once a design is shown to the public, it should first receive a protection period lasting one year, during which the designer would have the right to use her design exclusively. During this period, the designer would also have the choice to license her rights to others. As soon as a designer voluntarily shows her design to the public, whether in a two-dimensional or three-dimensional form, the protection period would begin.<sup>163</sup> An exclusive one-year period is appropriate because fashion's quick turnaround and fast-paced seasons make any protection period that is longer than one year unnecessary.<sup>164</sup> Applying this one-year period along the fashion timeline from runway to distribution will best illustrate the protection's sufficiency. Because collections are previewed on the runways of fashion week one season ahead of retail distribution,<sup>165</sup> this first-year protection period would cover both the six-month period following that preview and the six-month season during which new designs are available for consumers to purchase.<sup>166</sup> This duration of protection is sufficient because piracy's harms are most strongly felt when a copy competes with an original before the original makes it to market<sup>167</sup> and during the period when the original has just arrived on the market.

### C. BRIDGING THE INDUSTRY'S DIVIDE WITH LICENSING

The exclusive one-year protection period should be immediately followed by a second one-year period during which the design would be available for compulsory licensing. Designers could license their designs during the first year, as well, but doing so would place the design in the public domain. Licensing during the second year would not have this consequence. This two-tier approach would allow each designer to tailor the amount of protection to meet her own individual needs. For those designers who benefitted from the exclusive protection in the first year, this second level of protection would allow them to continue to recoup costs associated with production and distribution even after the design has been deemed no longer in season. The designer would be able to continue to collect revenue through private licensing agreements. Since design pirates have the benefit of hindsight in determining which designs to copy, then assuming that they will choose to copy a season's most popular designs, the licensing period will provide extra incentive for

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163. This protection period would be similar to the fourteen-year monopoly provided to design patents. *See supra* note 60.

164. Marshall, *supra* note 147, at 327–28.

165. *See supra* notes 103–04 and accompanying text.

166. Marshall, *supra* note 147, at 328.

167. *See supra* note 143 and accompanying text; *see also* Hetherington, *supra* note 119, at 44–45.

designers to create designs that will be able to generate additional revenue from licensing.

Licensing will also bring positive effects to the industry. It will help keep the barrier to participating in the industry low for new designers. Depending on other market forces and on the licensing agreements entered into, a new designer can use this licensing period to either prolong her protection period by offering an above-market licensing price or continue to enjoy a constant revenue stream by offering an attractive below-market licensing price; either option will better help new designers stay and compete in the industry.

Licensing will also bridge the contentious divide between designers and design pirates. Both parties will be incentivized to cooperate with each other in order to reach the best licensing deal, which will harmonize the industry and bring innovative and affordable fashions to consumers. After the compulsory licensing period expires, a design will then pass into the public domain.

#### D. THE INFRINGEMENT STANDARD: SUBSTANTIALLY SIMILAR IN OVERALL APPEARANCE

Under this proposal, like that of the IDPPPA, a finding of infringement of a protected design would be predicated on whether an alleged copy is substantially similar in overall appearance to the original.<sup>168</sup> This standard would not preclude a designer's choice to adopt a seasonal trend and would mainly serve to target those who produce exact copies of a particular article of clothing. Such a high standard would also limit infringement suits against those who actually do produce exact copies of protected designs and not moderate variations. In determining whether a copy is infringing, courts would focus on the overall appearance of the article, as opposed to using the separability test that is used to determine the copyrightability of useful articles. Fashion should not be analyzed piecemeal by looking narrowly at specific design aspects because no singular design aspect encapsulates the overall effect or impression of the design. Examining individual features of fashion articles narrowly may not show infringement. For instance, a copy of the lace pattern on one design may be used on another design to produce a completely different look. Thus, applying a high standard in infringement claims would help to balance the interests of designers and nondesigning retail firms.

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<sup>168</sup> This standard is probably higher than Europe's infringement standard for registered designs, which requires showing only that an allegedly infringing design is not producing "a different overall impression" on the informed user. *See supra* notes 75, 163 and accompanying text.



#### E. DAMAGES: MONETARY AND INJUNCTIVE RELIEF

Designers who are successful in proving that they have protection in an original design and that an alleged copy is substantially similar to their design should be eligible to receive monetary damages and injunctive relief. Monetary damages alone are an insufficient remedy because some companies may conclude that it is still profitable to pay such damages and may remain undeterred from selling pirated designs. Injunctive relief will more effectively solve the problem of design pirates' products unfairly competing with original designs. Additionally, since much of the manufacturing of pirated designs occurs overseas,<sup>169</sup> the law should also provide successful designers with the ability to obtain assistance from U.S. Customs in excluding infringing imports.<sup>170</sup>

#### CONCLUSION

As culture has transformed fashion from utilitarian garb into a mode of art and expression, fashion designs should be afforded *sui generis* intellectual property protection. Designers must use their training and financial capital to create a product that balances creativity, trends, and marketability in order to be successful. The reality of an unlevel playing field makes mid-range and new designers vulnerable to the economic harm resulting from design piracy. Piracy creates an anticompetitive atmosphere in the industry because those who can best weather the negative effects of copying are incumbent and high-end designers. As a result, the industry suffers from too little innovation and design diversity. To correct this harm, *sui generis* copyright protection should be granted for original fashion designs.

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169. Hemphill & Suk, *supra* note 12, at 1171.

170. Congress has already charged U.S. Customs and Border Protection with stopping imports of counterfeit goods, so it would be feasible to have this agency stop imports of pirated apparel as well. See Jana Nicole Checa Chong, Note, *Sentencing Luxury: The Valuation Debate in Sentencing Traffickers of Counterfeit Luxury Goods*, 77 *FORDHAM L. REV.* 1147, 1153 (2008).

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