



## Custom-Made Counseling for the Fashion Industry

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1



## Fashion and Apparel Industry Braces for Supreme Court Ruling

Star Athletica, LLC v. Varsity Brands, Inc.  
and the copyrightability of useful articles

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2

## Today's Presenters



**Laura Ganoza**  
Partner  
Foley & Lardner LLP



**Julie McGinnis**  
Associate  
Foley & Lardner LLP

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3

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4

## Question Presented



What is the appropriate test to determine when a feature of a useful article is protectable under § 101 of the Copyright Act?

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## Useful Articles under the Copyright Act



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 . . . . 15 U.S.C. § 101.



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6

## Useful Articles under the Copyright Act



The design of a useful article . . . shall be considered a pictorial, graphic, or sculptural work only if, and only to the extent that, such 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. 15 U.S.C. § 101.

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7

## What's the issue?



- How do you separate a design element when the useful article is an article of clothing?



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## Case History



- Star Athletica and Varsity Brands are designers and manufacturers of cheerleading uniforms
- Varsity Brands sued Star Athletica claiming Star Athletica copied five of Varsity Brands' copyrighted cheerleading uniform designs

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## Case History



- Varsity Brands had successfully registered all five of the designs at issue with the Copyright Office
- The designs at issue included varying arrangements of stripes, chevrons, zig zags, and color block

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10

# Varsity Brands' Designs



Design 078  
Registration No. VA 1-417-427



Design 074  
Registration No. VA 1-411-535



Design 0815  
Registration No. VA 1-675-905

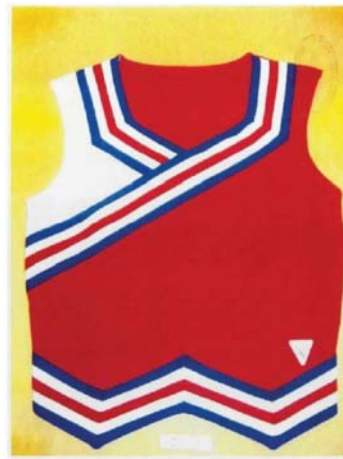
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# Varsity Brands' Designs



Design 299B  
Registration No. VA 1-319-226



Design 299A  
Registration No. VA 1-319-228

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## Allegedly Infringing Designs



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## Case History – Lower Court



- Star Athletica argued that Varsity Brands did not have a valid copyright in the designs
  - » the designs were for non-copyrightable useful articles
  - » the pictorial, graphic, or sculptural elements of Varsity's designs were not separable from the utilitarian aspects of the uniforms
- The lower court held that the designs were *not* eligible for copyright protection

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## Case History – 6<sup>th</sup> Circuit



- On appeal, the Sixth Circuit reversed
- Held: Varsity Brands' graphic designs can be identified separately from, and are capable of existing independently of, the utilitarian aspects of cheerleading uniforms
- Therefore, the designs are copyrightable subject matter

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15

## What does “Separable” mean?



- Physical Separability – can a feature be physically separated from the article while leaving the utilitarian aspects of the article intact?
  - » Often easier to discern
  - » E.g. a decorative hood ornament can be removed from the hood of an automobile without destroying the ornament or the automobile



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## What does “Separable” mean?



- **Conceptual Separability** – can a feature be conceptually separated, such that it can be clearly recognizable as a pictorial, graphic, or sculptural work even if it cannot be physically separated from the work?

» *E.g. Jovani Fashion, Inc. v. Cinderella Divine, Inc.*, 808 F.Supp.2d 542 (S.D.N.Y. 2011), *aff'd* 500 Fed.Appx. 42 (2d Cir. 2012)



Jovani's Style # 154416,  
from Jovani website

## Sixth Circuit Test for Conceptual Separability



- First, determine that a useful article is at issue
- What are the utilitarian aspects of that useful article?
  - » E.g., providing a place to sit is the utilitarian aspect of a chair
- Can the viewer identify the pictorial, graphic, or sculptural features separately from the utilitarian aspects?
- Can those features can exist independently of the utilitarian aspects?
- If the features of the design are not required by the utilitarian function or are unnecessary to it, then the feature can exist on its own and is eligible for copyright protection (subject to other requirements such as originality)

## Tests for Conceptual Separability



- Courts have used a number of tests for conceptual separability, including:
  - » Primary-Subsidiary
  - » Objectively Necessary
  - » Ordinary-Observer
  - » Design-Process
  - » Stand-Alone
  - » Likelihood of Marketability
  - » And others . . .

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19

## Analyzing Conceptual Separability in action



- *Chosun International, Inc. v. Chrisha Creations, Ltd.*, 413 F.3d 324 (2d Cir. 2006)
  - » Held: Plaintiff had a valid copyright in the design of Halloween costumes made to look like stuffed toy animals
- *Universal Furniture Int'l, Inc. v. Collezione Europa USA, Inc.*, 618 F.3d 417 (4th Cir. 2010)
  - » Held: decorative elements adorning furniture were eligible for copyright protection

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## Petition for Certiorari



- **Star Athletica appealed to the Supreme Court**
  - » What is the appropriate test for determining when a feature of a useful article is protected by copyright?
  - » What level of deference to give the Copyright Office's decision to register a copyright claim
- **The Court granted certiorari on the first question**

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21

## Star Athletica's Supreme Court Brief



- **Star Athletica's brief proposes its own approach for analyzing conceptual separability:**
- **Is the pictorial, graphic, or sculptural work the design of a useful article?**
  - » Identify all of the article's inherent, essential, or natural functions
  - » The uses for which an article is marketed are strong evidence of its functions (such as a cheerleading uniform being used to identify the wearer as a cheerleader)

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## Star Athletica's Supreme Court Brief



- Then, consider whether a feature of the article can be recognized as a unit by itself, apart from the utilitarian aspects, because it is purely artistic.
  - » If not, no copyright
  - » If yes, can the artistic feature and the useful article exist side by side?
  - » Star Athletica argues that a feature must be purely artistic, meaning it cannot advance the utility of the article, and the article cannot depend on the feature for its utility
  - » In a close case, the court should decline to provide copyright protection

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## Varsity Brands' Supreme Court Brief



- Varsity Brands asserts that the language of the Copyright Act provides a straightforward rule:
- 2d artwork applied to a useful article is “inherently separable”
  - » such artwork can appear on a variety of different media (such as a cheerleading uniform, a duffel bag, a track suit, or a coffee mug)
  - » function of two-dimensional art is typically purely decorative or communicative

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## Varsity Brands' Supreme Court Brief



- The rule regarding two-dimensional artwork applied to any other useful article should apply to clothing



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## Amicus Briefs



- A number of parties filed amicus briefs
  - » Trade groups
  - » Law professors
  - » US Government



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26

## Amicus Briefs



### ■ Brief of Public Knowledge et. al. in Support of Star Athletica

- » Creators rely on expectation that useful articles are adaptable, reusable, and improvable without requiring a license
- » The appearance of clothing is utilitarian because of fashion's ties to constitutional liberties of speech and association

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27

## Amicus Briefs



### ■ Brief of Professors Buccafusco and Fromer in support of Star Athletica

- » Designs are dual nature, having both expressive features and utilitarian aspects
- » When the same design aspects play expressive and functional roles simultaneously, the design aspects are not separable from the useful article

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28

## Amicus Briefs



### ■ Brief of Professors Gersen and Hemphill in support of Varsity Brands

- » “Utilitarian” refers to mechanical or similarly practical usefulness
- » Not usefulness for aesthetic, decorative, or cultural purposes
- » Proposes a test that protects the design of a useful article if not dictated by or necessary to utilitarian or functional considerations

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29

## Amicus Briefs



### ■ Brief of Council of Fashion Designers of America, Inc. (CFDA) in support of Varsity Brands

- » Technological innovation leaves independent fashion designers vulnerable to copying by fast-fashion retailers and manufacturers
- » “Brazen piracy” has become a business model, threatening independent and emerging designers



*Diane von Furstenburg design vs.  
Forever 21 copy*

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30

## Amicus Briefs



- Brief of Fashion Law Institute et. al. in support of Varsity Brands
  - » “Unfettered copying does not promote sustainable innovation.”
  - » The US lags behind other countries in protecting design rights
  - » Urges the court to adopt a flexible standard, not a bright line rule, that is consistent with the Sixth Circuit’s result

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31

## Oral Argument Summary



- Oral arguments heard October 31, 2016
- Key points discussed in oral argument:
  - » What is the utility of a cheerleading uniform?
  - » How does this case differ from other cases where elements of clothing (such as fabric design) were or were not held copyrightable?
  - » What does a copyright in the design of a useful article give the copyright owner the right to prevent others from doing?

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32



## Oral Argument Summary



### ■ What is the utility of a cheerleading uniform?

- » SA: The arrangement of color blocks, chevrons, and stripes has slimming effects – creates an optical illusion that causes you to see the wearer differently than they already are
- » Compare to Stella McCartney dress worn by Kate Winslet



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## Oral Argument Summary



### ■ What is the utility of a cheerleading uniform?

- » VB: The fact that the design of a useful article makes the wearer look better – the fact that it is effective – is not a reason to withhold copyright protection
- » Fine art and rugs make a room “look better”

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34

## Oral Argument Summary



- What is the utility of a cheerleading uniform – Optical Illusion
  - » Compare to camouflage
  - » SA: Camo has utility
  - » US Government: camouflage is generally eligible for copyright (though thin) in the creative elements of a camo pattern that aren't dictated by underlying ideas and scientific principles that make it work



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## Oral Argument Summary



- What is the utility of a cheerleading uniform?
  - » SA: Identification of the wearer as a cheerleader
    - Justice Ginsburg: “I thought conveying information doesn’t make an article useful”
    - SA: Identification is different than conveying information like facts and figures
  - » If you take away the design, is it just a white outfit?



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36

## Oral Argument summary



### ■ What is the utility of a cheerleading uniform?

- » VB: Identification is not a function under the Copyright Act
  - Even if it were, stripes, chevrons, and color blocks are not essential for identification
  - Star Athletica sells uniforms that don't include these items
- » US Government: identification of the wearer as a cheerleader is a “fundamentally expressive function” that copyright protects

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37

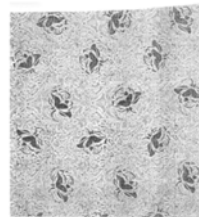
## Oral Argument Summary



### ■ How does this case differ from others?

*Folio Impressions, Inc. v. Byer California*, 752 F.Supp. 583 (S.D.N.Y. 1990) – fabric

- » Floral fabric design held copyrightable
- » SA: This case is about graphic designs on clothing, not a design on fabric
  - Fabric designs work anywhere, no matter where you put them
- » VB: This case should be treated the same as fabric design cases



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## Oral Argument Summary



### ■ How does this case differ from others?

Tuxedo shirt design (Copyright Reg. No. VA0001930383, from the amicus brief of the United States)

- » Justice Kagan: Why isn't this case the same?
- » SA: it's not adding anything functional to the T-shirt, simply putting a design on it
- » US Government: this case is indistinguishable from the tuxedo shirt



## Oral Argument Summary



### ■ What does a copyright in the design of a useful article give the copyright owner the right to prevent others from doing?

- » SA: Copyright doesn't extend to prevent you from making the useful article depicted
- » VB: Section 113(a) of the copyright act gives the copyright holder the right to make copies of or embody the design in or on any kind of article, including a useful article

## Industry Impact



“You're killing . . . knock-offs with copyright. . . . We are now going to use copyright law to kill the knockoff industry. I don't know that that's bad. I'm just saying.”



-Justice Sotomayor

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41

## What's Next?



- No clear direction from the court
- Stakeholders should pay close attention to the court's ruling
  - » Could be narrow, specific to the purported utility of cheerleading uniforms
  - » Could announce a more concrete test for clothing design or conceptual separability generally
  - » Ruling could have substantial impact on the fashion industry generally

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42

## Contact Info



**Laura Ganoza**  
Foley & Lardner LLP  
305.482.8409  
lganoza@foley.com



**Julie McGinnis**  
Foley & Lardner LLP  
414.297.5289  
jmcginnis@foley.com

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43

## Thank You



- A copy of the PowerPoint presentation and a multimedia recording will be available on our Web site within 2-3 days: <https://www.foley.com/fashion-and-apparel-industry-braces-for-supreme-court-ruling-11-10-2016/>
- CLE questions? Contact Meghan Burton at [mburton@foley.com](mailto:mburton@foley.com). Certificates of attendance will be distributed to eligible participants approximately 8 weeks after the web conference via email
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