

Copyright makes varsity

THE CASE:

Star Athletica LLC v Varsity Brands Inc et al
Supreme Court of the US
22 March 2017

A recent high-profile judgment settles the question of what test courts must use to determine separability under the US Copyright Act

The recent Supreme Court of the US (SCOTUS) decision in *Star Athletica v Varsity Brands* brings fashion designers hope for greater protection of their designs. The fashion industry has traditionally struggled to protect apparel designs through copyright law, other than distinctive textile designs and graphic artwork.

One of the biggest challenges is the concept of separability – under the Copyright Act of 1976, a “design of a useful article” is eligible for copyright protection only if it can be identified separately from, and is capable of existing independently of, the utilitarian aspects of the article.¹

In the case of clothing designs, courts have applied a wide range of tests to determine which aspects of such designs can be separated from their utilitarian function.² The court in *Star Athletica v Varsity Brands* articulated and applied a new test for separability, ruling that certain cheerleader uniform design features are separable from the uniforms themselves.

This decision confirms that copyright protection is available to some degree for the fashion and apparel industry, although not for the cut, shape, and pattern of garments, and settles the question of what test courts must use to determine separability under the Copyright Act. At the very least, the decision does not further diminish the reach of copyright protection for fashion designs, which could have occurred, had the decision come out differently.³ However, it also raises more questions, and the real-world impact of the decision remains to be seen.

The Varsity Brands case addressed the question of whether colourful stripes, zigzags, and chevrons on cheerleading uniforms are separable from such uniforms and therefore eligible for copyright protection. Varsity Brands obtained over 200 copyright registrations for two-dimensional designs on cheerleading

uniforms. Star Athletica produced uniforms with similar designs, leading Varsity Brands to file a copyright infringement suit in 2010. The district court entered summary judgment in Star Athletica’s favour.⁴

The district court defined Varsity Brands’ uniforms as clothing meant to evoke cheerleading and then found that without the design elements at issue, the article of clothing would no longer function as an article meant to evoke cheerleading. Relying on a test that required the designs to be either physically or conceptually separable from the underlying article, the district court determined that the designs could not be physically or conceptually separated from the useful article unto which they were applied, and were therefore prohibited from copyright protection.

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On appeal, the US Court of Appeals for the Sixth Circuit reversed, using a different, “hybrid” test to determine separability.⁵ This five-part test required the circuit court to pose step-wise questions to determine whether there are pictorial, graphic, or sculptural

aspects of a useful article that a viewer can identify as separate from its utilitarian aspects and whether those features can exist independently of the utilitarian aspects.

The circuit court defined the useful article as a uniform meant for various athletic functions, such as covering the body, wicking away moisture, and withstanding vigorous movements. It then found that, because a plain white uniform, without the designs in question, would still be capable of performing those athletic functions, the designs were separable and not prohibited from copyrightability under the useful article doctrine. In his dissenting opinion, Judge McKeague urged Congress or SCOTUS to intervene and add clarity to the test for separability.

SCOTUS granted *certiorari* to determine the correct test for when a feature of a useful article is protectable under § 101 of the Copyright Act. The court set forth the following separability test: “A feature incorporated into the design of a useful article is eligible for copyright protection only if the feature (1) can be perceived as a two- or three-dimensional work of art separate from the useful article; and (2) would qualify as a protectable pictorial, graphic, or sculptural work – either on its own or in some other tangible medium of expression – if it were imagined separately from the useful article into which it is incorporated.”⁶

In applying this test to the Varsity Brands uniforms, the court first found that the cheerleader uniform design features could easily be identified as having pictorial, graphic, or sculptural qualities, and secondly that if the features were removed from the uniforms and placed on another medium, they would be considered two-dimensional works of art. Because the design features could be transposed to, for example, a canvas, and retain sufficient pictorial qualities, the court

concluded that the designs were separable and are not barred from copyright protection under the useful article doctrine.

The court emphasised that the focus of the separability inquiry is on the extracted design features and not the aspects of the useful article that remain after the design features have been removed. The inquiry is not how useful a plain white uniform is, once stripped of stripes and chevrons, but instead, whether the stripes and chevrons are copyrightable unto themselves. In fact, the court indicated that the useful article need not remain an equally, or even fully, functioning article when the design features are removed. It therefore dismissed Star Athletica's argument that, without the stripes, zigzags and chevrons, the cheerleading uniforms would not function as such.

The Varsity Brands opinion has opened the door for potentially stronger protection for fashion and apparel designs. The court acknowledged that certain aspects of fashion designs, not just graphic artwork and textile patterns, may be eligible for copyright protection. However, the court also affirmed that there is no copyright protection for the shape, cut, and dimensions of apparel and acknowledged that apparel designs must also be sufficiently original to qualify for copyright protection.

The decision provided some clarity on the statutory interpretation and appropriate test, but the test also appears to involve an element of subjectivity that may still result in unpredictable outcomes. As courts begin to apply the test to more cases, the fashion industry should get a better sense of the extent to which copyright protection for fashion designs has improved.

This case may increase the number of copyright infringement claims that are brought by fashion companies. Puma has already cited the *Varsity Brands* ruling in its copyright infringement claim against retailer Forever 21.⁷ Consequently, the case may also increase clearance and litigation costs for designers, especially for 'fast fashion' and other business models that take heavy inspiration from market trends and third party designs.

Fashion brands and their lawyers should consider adopting the following practices in the wake of the court's *Varsity Brands* decision:

- First, fashion brands should consider applying for copyright registrations for at least the most profitable or popular designs, if it appears that such designs will pass the new separability test. Copyright registrations would afford several benefits that would not be available under state or common law, including the ability to file an enforcement lawsuit in federal court, the

presumption of validity of the registration, and the availability of statutory damages.

- Secondly, fashion brands should review their design and product clearance processes to ensure that potential copyright claims are considered. This may include monitoring competitors' copyright filings, training designers on inspiration versus infringement, and documenting the creation process for purposes of demonstrating independent creation.
- Thirdly, fashion brands should monitor competitors' products and consider conducting market sweeps to identify copying of their "separable" designs. Company employees can be trained to recognise infringing designs and may be an important source of leads.
- Finally, fashion brands and their advisors should monitor the new cases applying the *Varsity Brands* test for insight as to how it is applied in a variety of factual settings.

Summary

As always, fashion brands should not rely exclusively on copyright protection to prevent knock-offs and copying. Due to the limitations of intellectual property protection for fashion designs, it is important to incorporate multiple forms of legal protection.

A good intellectual property toolkit will stitch together a patchwork of rights tailored to the company, its products, and its strategic priorities – including copyright in separable designs, trade dress and trademarks for distinctive, source-identifying features, and design patent for certain shapes or ornaments on apparel. Although it is unlikely that the *Varsity Brands* decision will have the dramatic effect that a legislative change may have made, it is an incremental step that may strengthen one tool in fashion brands' intellectual property toolkits.

Footnotes

1. See 17 USC § 101. The Copyright Act's definition of pictorial, graphic or sculptural works that are eligible for copyright protection includes only the design features of useful articles that are capable of existing separately from the utilitarian aspects of the article. For example, the artistic design of a belt buckle would be eligible for copyright protection only if the design can be separated from the function of the buckle as such.
2. Various courts have developed a wide array of tests to determine whether a design is separable from the article of clothing unto which it is applied, and the outcomes of cases applying these tests have been inconsistent. For example, the paws of a Halloween costume were found to be separable by the Second Circuit in *Choson International Inc v Chrisha Creations Ltd*, 413

F 3d 324 (2d Cir 2005), applying a test that a useful article as a whole cannot be copyrighted, but the individual design elements of the article may be copyrightable if they can be conceptually separated from the useful article. Seven years later, however, the same court applied this test in *Jovani Fashion, Ltd v Fiesta Fashions*, 500 App'x 42 (2d Cir 2012) to find that the beaded designs on prom dresses are not separable and therefore not eligible for copyright protection.

3. Separability is not the only requirement for copyright protection. Works eligible for protection must be "original works of authorship" that exist in a tangible form. In *Varsity Brands*, the court was deciding the appropriate test for separability, and not deciding whether Varsity Brands' designs meet all the other requirements of copyrightability, including the requirement of originality.
4. *Varsity Brands et al v Star Athletica*, No 10-02508, 2014 WL 819422 (WD Tenn 2012).
5. *Varsity Brands Inc et al v Star Athletica LLC*, 799 F 3d 468 (6th Cir 2015).
6. *Star Athletica LLC v Varsity Brands, Inc et al*, 580 US ___, at 1-2 (2017).
7. *PUMA SE v Forever 21, Inc CD Cal*, No 2:17-cv-02523, complaint filed 31 March 2017.

Authors



Megan Baca (top left) is a partner in Ropes & Gray's IP transactions, life sciences, media & telecommunications practice groups. Based in the firm's Silicon Valley office,

she advises public and private companies, investors, and universities in strategic transactions and licensing where technology or IP assets are the key drivers.

Erica Han (top right) is a counsel in Ropes & Gray's IP transactions practice group in Boston. She advises consumer branded product companies in relation to global brand strategy, trademark clearance and prosecution, licensing, and resolution of intellectual property disputes.

Jessica Alfano (bottom left) is an associate in Ropes & Gray's IP transactions and life sciences groups in Boston. She advises a wide range of public and private companies in connection with a variety of corporate, intellectual property and data privacy matters.