# ROPES & GRAY

## ALERT

Intellectual Property

#### March 31, 2017

## Star Athletica vs. Varsity Brands: Supreme Court Rules on Copyrightability of Apparel Design

The Supreme Court of the United States' decision in *Star Athletica, L.L.C. v. Varsity Brands, Inc.* could result in increased opportunity with respect to the applicability of copyright law as it relates to fashion and apparel, a historically uncertain area of intellectual property law. In 2010, Varsity Brands, an apparel manufacturer, sued Star Athletica, another apparel manufacturer, alleging copyright infringement of its registered designs on cheerleading uniforms. At issue in the case was the exclusion of copyright protection under the Copyright Act of 1976 for a "design of a useful article" that cannot be separated from the article's utilitarian aspects. The Court was asked to decide the correct test for determining whether the graphic features of colorful stripes, zigzags and chevrons on Varsity Brands' cheerleading uniforms could be identified separately from and are capable of existing independently of the uniforms themselves and are thus eligible for copyright protection. On March 22, the Court articulated and applied the test for separability. The Court ruled in favor of Varsity Brands, deciding that the design features are separable from the uniforms themselves under the Court's test. 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 will be used to determine whether certain elements of clothing designs are eligible for copyright protection.

Intellectual property protections as they relate to the fashion industry comprise a patchwork of rights, including design patent, trademark, and copyright protections. Design patents can be used to protect the shapes of or ornaments on apparel, but only for a relatively short period of time. Trademark and trade dress can be used to protect distinctive features of apparel, such as logos applied to apparel or the distinctive shape of a purse, but only those elements that are non-functional and serve to identify the article's source. Copyright can be used to protect original graphics or unique prints and patterns applied to fashion designs, but only if such patterns and graphics can be separated from the article onto which they are applied. All told, there are varied methods for protecting parts of fashion and apparel designs – but there is not one doctrine that completely protects all aspects of an item of clothing, and certain aspects of clothing (e.g., the cut or shape) have generally gone without any protection in the U.S. Indeed, several efforts to introduce legislation expressly granting rights in fashion designs have been rejected over the years.

Varsity Brands sought to use copyright to protect its designs in cheerleading uniforms and obtained over 200 copyright registrations for two-dimensional designs on cheerleading uniforms. Such designs depicted the arrangement of elements such as stripes, zigzags, and chevrons as placed on a cheerleading uniform. Star Athletica produced uniforms with very similar designs, leading Varsity Brands to file a copyright infringement suit against Star Athletica.

The district court entered summary judgment in Star Athletica's favor, finding that Varsity Brands' designs were not separable from the useful article unto which they were applied and, therefore, not eligible for copyright protection. The district court defined Varsity Brands' uniforms as clothing meant to evoke cheerleading. It then found that the stripes, zigzags and chevrons comprising Varsity Brands' registrations could not be physically or conceptually separated from the garments because, without those design elements, the article of clothing would no longer function as an article meant to evoke cheerleading.

On appeal, the Sixth Circuit reversed, using a different, "hybrid" test to determine separability. This five-part test required the court 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

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utilitarian aspects. The circuit court defined the useful article as a uniform meant to cover the body, wick away moisture and withstand rigorous athletic movements. It then found that the designs, applied to the uniform, are separable and therefore do not fall under the prohibition against copyrighting useful articles. The Circuit Court reasoned that a plain white uniform, without the designs in question, would still cover the body, wick away moisture, and withstand rigorous athletic movements.

The Supreme Court granted certiorari to determine the 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." In applying this test, the Court found, first, that the stripes, zigzags and chevrons can easily be identified as features having pictorial, graphic or sculptural qualities, and, second, that if the stripes, zigzags and chevrons were removed from the uniforms and placed on another medium, they would qualify as two-dimensional works of art. Because the design features could be transposed from a piece of clothing to, for example, a canvas, and retain sufficient pictorial, graphic or sculptural qualities, the Court concluded that the designs are separable and are therefore not barred from copyright protection under the useful article doctrine.

The Court emphasized that the focus of the separability inquiry is on the extracted design features and <u>not</u> 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.

Both the majority and concurring opinions note that the Court was deciding the appropriate test for separability, and not deciding whether Varsity Brands' designs meet all the other requirements of copyrightability. Both opinions reference the originality requirement for copyrightability and explicitly state that determining whether the designs meet that bar is neither at issue nor decided by this case. This caveat could limit any potential expansion in copyright protection for the fashion and apparel industry.

This case settles the question of the appropriate test for determining separability under the useful article doctrine. The Court's application of its test to find that Varsity Brands' designs are separable could result in increased opportunity for fashion designers to use copyright to protect their designs, because designers can now rely on a uniform test to be applied by courts, as well as the recognition that decorative designs incorporated into clothing at least have the potential for copyright protection. Consequently, it may also increase risks and require a change in clearance practices for fashion designers who regularly take inspiration from existing marketplace trends. However, this case maintains the status quo with respect to the long-held understanding that copyright protection does not extend to the shape, cut, and dimensions of an article of clothing.