

## COPYRIGHT FOR COUTURE

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### ABSTRACT

*Fashion design in America has never been covered by the extensive intellectual property (IP) protections afforded to other categories of creative works or to the art in other countries. As a result, America has become a safe haven for design pirates. Piracy disproportionately harms young designers who do not have established trademarks for their brands and must rely purely on creativity to propel their designs into the market. H.R. 2511 is a bill that aims to extend copyright protection to fashion designs, albeit narrowly. Compared with previous proposals to extend effective IP protection to fashion design, H.R. 2511 is more of a sui generis protection aimed at the particularities of the fashion industry. It was the result of intensive negotiations between parties of conflicting interests, and has been tailored to address specific yet ubiquitous problems in the fashion industry.*

### INTRODUCTION

¶1 Under current U.S. law, intellectual property (IP) protection for fashion designs is effectively nonexistent, creating a safe haven for design pirates. Trade secret protection is impossible to maintain because fashion designs are necessarily public.<sup>2</sup> Design patents are available, but are time-consuming and expensive to file.<sup>3</sup> While trademark and trade dress protections are available,<sup>4</sup>

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<sup>2</sup> See Email from Susan Scafidi, Professor & Academic Director of the Fashion Law Institute, Fordham Law School, to author (Nov. 11, 2010) (on file with author).

<sup>3</sup> Richard G. Frenkel, *Intellectual Property in the Balance: Proposals for Improving Industrial Design Protection in the Post-TRIPS Era*, 32 LOY. L.A. L. REV. 531, 554–59 (1999), <http://llr.lls.edu/volumes/v32-issue2/frenkel.pdf>.

<sup>4</sup> Trademarks protect the “mark” on a product but not the product’s comprehensive design. While this aspect of the law is typically a significant limitation on design protection, it may prove to be effective in the segment of the fashion industry comprised of designs containing logos that completely cover the product, such as Louis Vuitton purses and Coach shoes. Susan Scafidi, *Intellectual Property and Fashion Design*, in 1 INTELLECTUAL PROPERTY AND INFORMATION WEALTH 115, 121 (Peter K. Yu ed., 2006) [hereinafter Scafidi I].

both are inaccessible to young designers who are the future of the industry. It requires significant expenditures of time and resources to establish secondary meaning in the marketplace—a prerequisite for trademark or trade dress protection of fashion designs.<sup>5</sup>

Because young designers are often strapped for both time and money, their designs—the lifeblood of fashion—are particularly susceptible to victimization by design pirates.<sup>6</sup>

¶2 “Pirates” include counterfeiters and copyists,<sup>7</sup> both of whom tarnish an original design by creating low-quality replicas, reducing the potential profits made from the original.<sup>8</sup> The availability and successful sale of replicas can cause the cancellations of entire purchase orders, which are particularly detrimental for young designers who cannot rely on established trademarks to propel their products into the market.<sup>9</sup> Additionally, copyright protection is available only for aspects of a design that

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<sup>5</sup> *E.g.*, *Wal-Mart Stores v. Samara Bros.*, 529 U.S. 205, 213–16 (2000).

<sup>6</sup> *Id.*

<sup>7</sup> A copyist uses a replicated design, whereas a counterfeiter uses a replicated trademark or trade name. Legal action is currently available against counterfeiters in the U.S., but is not similarly available against copyists.

<sup>8</sup> Profits could be reduced via tarnishment when a buyer sees a cheap version of a product and decides not to buy the original because others may think it is cheap, or a buyer sees the cheap version and actually buys the cheap version instead of the original. *See, e.g.*, *Hearing Before the Subcomm. on Courts, The Internet, & Intellectual Prop. of the H. Comm. on the Judiciary*, 110th Cong. 21–23 (2008) [hereinafter *2008 Hearings*] (statement of Narciso Rodriguez, Designer on Behalf of the Council of Fashion Designers of America) (noting his frustration with the copy and sale of his designs before he could profit from them); Laura C. Marshall, *Catwalk Copycats: Why Congress Should Adopt a Modified Version of the Design Piracy Prohibition Act*, 14 J. INTEL. PROP. L. 305, 308–09 (2007) (“[D]esigners at all levels of renown have seen their designs replicated by large companies before originals even make it onto the retail market.”).

<sup>9</sup> *See, e.g.*, Susan Scafidi, *Design Piracy Prohibition Act: Historical Regression*, COUNTERFEIT CHIC (Mar. 10, 2008, 11:28 PM), [http://www.counterfeitchic.com/2008/03/design\\_piracy\\_prohibition\\_act\\_h.php](http://www.counterfeitchic.com/2008/03/design_piracy_prohibition_act_h.php) (“[B]ig companies have grown wealthy by copying small-scale creative designers . . . .”); *see generally* Christopher Muther, *If The Shoes Fit, They’ll Copy It*, THE BOSTON GLOBE, Mar. 7, 2010 (noting that starving artists are protected from knock-off art but emerging designers are not protected from knock-offs; allowing copies of emerging designers creations to be sold by copyists at a cheaper price reducing or eliminating their profit from the creation).

are conceptually separable.<sup>10</sup> Thus, a simple iron-on graphic on a T-shirt would be eligible for more copyright protection than an elaborately designed ball gown.<sup>11</sup> The limited availability of IP protection disproportionately harms young designers and is ineffective at protecting an industry with a fast-paced, cyclical nature.

¶3 There is a long history of designers and their proponents lobbying for legislation to solve the problems prevalent in the American fashion industry. The newest bill attempting to remedy these problems is the Innovative Design Protection and Piracy Prevention Act (IDPPPA),<sup>12</sup> which was the end result of long negotiations between parties with conflicting interests.

¶4 This iBrief will examine the American fashion industry in Part I, including (i) arguments by proponents of increased IP protection for fashion designs and (ii) arguments by the opponents of such a change. In Parts II and III, it will examine the history of proposed legislation in America. The iBrief will then review bills proposed in the 111th Congress, which evolved into the Innovative Design Protection and Piracy Prevention Act (IDPPPA)—a narrow piece of legislation aiming to remedy specific problems ubiquitous in the fashion industry.

## I. THE WORLD OF AMERICAN FASHION

### A. *The Fashion Industry*

¶5 The fashion industry saw exponential growth toward the end of the 19th Century.<sup>13</sup> This expansion was made possible with

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<sup>10</sup> The “conceptual separability doctrine” allows copyright protection for a work of art that is functional as long as the “art” can be conceptually separated from any functional aspects that the product may have. *Mazer v. Stein*, 347 U.S. 201 (1954).

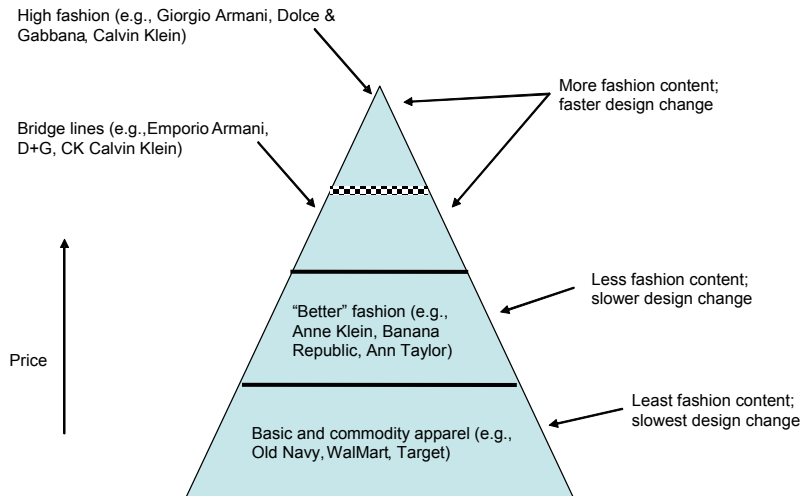
<sup>11</sup> *A Bill to Provide Protection for Fashion Design: Hearing on H.R. 5055 before the Subcomm. on Courts, the Internet, and Intellectual Prop. of the H. Comm. on the Judiciary*, 109th Cong. 79 (2006) (statement of Susan Scafidi, Visiting Professor, Fordham Law School; Associate Professor, Southern Methodist University) [hereinafter *2006 Hearings*].

<sup>12</sup> First introduced as S. 3728 and reintroduced as H.R. 2511.

<sup>13</sup> See *Fashion*, WIKIPEDIA, (last modified Feb. 15, 2011, 5:23 PM), <http://en.wikipedia.org/wiki/Fashion>.

the invention of the sewing machine,<sup>14</sup> which made mass production and dissemination of clothing feasible.<sup>15</sup> The fashion industry's continued growth has resulted in a booming international industry, with a combined GDP of over \$1 trillion per year.<sup>16</sup>

¶6 Fashion products are separated into 3–4 categories depicted by the pyramid below.<sup>17</sup>



**Figure 1:** Fashion products pyramid<sup>18</sup>

¶7 The top category is composed of high-end luxury designs, or haute couture, which is sold at a premium price.<sup>19</sup> Also included in this category are bridge lines, produced by the same couture designers, but at a cheaper price.<sup>20</sup> The middle tier is

<sup>14</sup> French tailor Barthelemy Thimonnier created the first practical sewing machine in 1830. WILLIAM J. ROBERTS, FRANCE: A REFERENCE GUIDE FROM THE RENAISSANCE TO THE PRESENT 576 (2004).

<sup>15</sup> See generally DAVID A. HOUNSHELL, FROM THE AMERICAN SYSTEM TO MASS PRODUCTION, 1800–1932 (1984) (discussing American factories that developed from 1800 to 1932).

<sup>16</sup> GUILLERMO C. JIMENEZ & BARBARA KOLSUN, FASHION LAW 6 (2010) (citing Michael Flanagan, *How Retailers Source Apparel*, JUST-STYLE (Jan. 2005)).

<sup>17</sup> Kal Raustiala & Christopher Sprigman, *The Piracy Paradox: Innovation and Intellectual Property in Fashion Design*, 92 VA. L. REV. 1687, 1694 (2006) [hereinafter *Piracy Paradox I*].

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*; JIMENEZ & KOLSUN, *supra* note 16, at 13.

<sup>20</sup> *Piracy Paradox I*, *supra* note 17, at 1694.

composed of ready-to-wear, moderately priced designs, and the bottom of the pyramid covers basic necessities and fast-fashion chains like Forever 21 and Wal-Mart.<sup>21</sup>

¶8 The production and sale of fashion involves five phases: (1) design of the fashion apparel or accessory, (2) production of raw materials, (3) production of the designs, (4) advertising or promotions, and (5) retail sales.<sup>22</sup> Each of these five stages are interrelated and necessary for the successful creation of seasonal lines or product development.<sup>23</sup> Development of new lines occurs between four and six times per year, and couture collections are shown in New York, London, Milan, and Paris.<sup>24</sup> Because new fashion products are in a constant state of development and each phase of development is resource-intensive, the fashion industry is exceptionally fast-paced.<sup>25</sup> The question of whether IP protection can encourage more innovation and confer economic benefits, given the industry's uniqueness, is a subject of constant debate.

#### *B. No Copyright for Fashion Design*

¶9 The most persuasive theory in opposition to the protection of fashion designs is known as the "Piracy Paradox."<sup>26</sup> The Piracy Paradox argument asserts that copying actually promotes innovation in the fashion industry by making a trend immediately accessible to a large group of people.<sup>27</sup> Rapid reproduction and dissemination of designs cause the trend to lose its prestige and become undesirable.<sup>28</sup> The consequent decrease in demand forces

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<sup>21</sup> *Id.*; JIMENEZ & KOLSUN, *supra* note 16, at 13.

<sup>22</sup> *See, e.g.*, JIMENEZ & KOLSUN, *supra* note 16, at 13–15 (discussing the phases of product development of a design); *Fashion*, WIKIPEDIA (last modified Feb. 15, 2011, 5:23 PM), <http://en.wikipedia.org/wiki/Fashion> (describing the fashion industry in four levels by combining design and production).

<sup>23</sup> *See* JIMENEZ & KOLSUN, *supra* note 16, at 14–15.

<sup>24</sup> Designers' seasonal lines are always produced in Spring and Fall. Most designers also have collections for Summer, Transitional Fall, Resort, and Holiday. *Id.* at 15.

<sup>25</sup> *See id.* at 15–16.

<sup>26</sup> *Piracy Paradox I*, *supra* note 17; Kal Raustiala & Christopher Sprigman, *The Piracy Paradox Revisited*, 61 STAN. L. REV. 1201 (2009) [hereinafter *Piracy Paradox II*].

<sup>27</sup> *Piracy Paradox I*, *supra* note 17, at 1719–32.

<sup>28</sup> *Id.*

designers to produce new designs quickly,<sup>29</sup> thus promoting more innovation.<sup>30</sup> The support for this theory primarily lies in the fact that the U.S. fashion industry has thrived thus far without copyright protection of designs—there is no need to fix a system that is not broken.<sup>31</sup>

### C. Fashion Designers Need Copyright Protection

¶10 Congress has the power and the duty “to promote the progress of science and useful arts . . . .”<sup>32</sup> In the fashion industry, “progress” is “hindered by the lack of legal protection . . . .”<sup>33</sup> Proponents of copyright protection for fashion design argue that design piracy in the United States is rampant and harmful. Copyright can remedy the incentive problem by discouraging blatant copying and encouraging the production of creative designs.<sup>34</sup>

¶11 Before the technology era, designers could rely on speed and secrecy to maintain the exclusive dissemination of their designs.<sup>35</sup> Now, given the speed at which copyists can access designs through the Internet, designers no longer have that natural lead-time.<sup>36</sup> Pictures of designs are taken from the runway at fashion shows and instantly emailed to offshore manufacturers who create identical copies, which sometimes reach the markets before the original.<sup>37</sup> American designers are discouraged from

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<sup>29</sup> See *id.* at 1719–32, 1776 (discussing the argument that copying promotes innovation).

<sup>30</sup> Under this theory, an analogous argument can be made that derivative rights should never be given to a copyright owner of any type, because it would incentivize the copyright owner to create derivatives as fast as possible to prevent others from creating such derivatives. The music and film industries would not be pleased by this argument. See *id.* (discussing the argument regarding innovation from copying in the context of the fashion industry).

<sup>31</sup> See *Piracy Paradox II*, *supra* note 26, at 1213 (noting the U.S. fashion industry does not need protection because it is successful despite the fact that it has never had protection).

<sup>32</sup> U.S. CONST. art. I, § 8, cl. 8.

<sup>33</sup> *2006 Hearings*, *supra* note 11, at 82 (statement of Susan Scafidi).

<sup>34</sup> *Id.*

<sup>35</sup> *Id.* at 81–82.

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

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

creating new designs that will inevitably be copied and likely sold before the designers have time to profit from their creations.<sup>38</sup>

¶12 Although it is conceded that trends often develop through inspiration and creation of derivative works, copying line-by-line<sup>39</sup> is harmful to the industry.<sup>40</sup> Line-by-line copying allows counterfeiters to circumvent U.S. Customs by manufacturing a copied design abroad and placing a label on the copied design *after* it enters the United States.<sup>41</sup> Some argue that fast-fashion chains, which typically sell line-by-line copies, benefit the public by providing desirable designs at lower prices,<sup>42</sup> but many fast-fashion chains can provide more affordable clothing *without* line-by-line copying.<sup>43</sup> Reputable fast-fashion chains create adaptations of current trends, and are able to do so at a lower cost because they typically require less-costly raw materials and labor.<sup>44</sup>

¶13 Whom does the ability to copy really benefit? Many industry leaders assert that it merely benefits the copyists and counterfeiters who circumvent trademark laws and “reap where they have not sown.”<sup>45</sup> They maintain that the alleged benefit of the “piracy paradox” is inconsistent with common sense—if designers were not allowed to make exact replicas of a design, then they would be forced to make innovative derivatives resembling the trend rather than copying it, thus resulting in a wider variety of

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<sup>38</sup> See *2008 Hearings*, *supra* note 8, at 21 (testimony of Narciso Rodriguez, Designer on Behalf of the Council of Fashion Designers of America) (noting that copyists profit from his designs and expressing frustration over the fact that replicas arrive in the market before his designs are released in stores).

<sup>39</sup> Line-by-line copying of fashion designs is virtually the same as line-by-line copying of books—copying the design identically. See Scafidi I, *supra* note 4, at 83.

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

<sup>41</sup> *Id.*

<sup>42</sup> *Cf. Piracy Paradox I*, *supra* note 17, at 1714–28 (noting the benefits of being able to manufacture cheaper designs).

<sup>43</sup> See C. Scott Hemphill & Jeannie Suk, *The Law Culture, and Economics of Fashion*, 61 STAN. L. REV. 1147, 1172–73 (2009) (differentiating between fast-fashion chains that avoid close-copying like Zara and chains that copy line-by-line like Forever 21—both are low-cost clothing retailers).

<sup>44</sup> See *id.* at 1172–74 (noting the lower cost of fast-fashion retailers, even those that do not copy line-by-line by creating adaptations of designs). See also *Piracy Paradox I*, *supra* note 17, at 1693–95 (noting the cheaper raw materials that fast-fashion chains are able to use).

<sup>45</sup> *2006 Hearings*, *supra* note 11, at 83.

trendy designs.<sup>46</sup> Copying is actually chilling innovation and progress. Additionally, industry leaders are concerned that it is harming smaller designers the most. Small designers do not have established names to back their designs, and their works are often copied, reducing profits necessary for them to stay in business and create new designs.<sup>47</sup>

## II. EARLY APPROACHES TO FASHION DESIGN PROTECTION

### A. Legislative, Judicial and Industry Actions from 1900 to 2000

¶14 As America developed, statutory protections were granted for original works by authors and inventors, but never included fashion designers within the scope of such protection.<sup>48</sup> By the late 1800s, complex fashion design legislation was enacted in Europe,<sup>49</sup> but the United States excluded fashion designs from protectable subject matter under the Copyright Act of 1909.<sup>50</sup> This disparity in design protection gave European and other foreign fashion designers reason to be wary of selling their designs in the United States.<sup>51</sup> Congress partly addressed this problem in 1913 when it passed the Kahn Act to persuade European designers to participate in the International Exhibition hosted in the United States.<sup>52</sup> The Kahn Act protected European designers against American design

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<sup>46</sup> See, e.g., Ezra Klein, *Copycats vs. Copyrights*, NEWSWEEK, Aug. 20, 2010 (discussing A.B.S. by Allen Schwartz who regularly copies gowns worn by celebrities and designed by couture designers).

<sup>47</sup> 2006 Hearings, *supra* note 11, at 82–83 (statement of Susan Scafidi). Young designers have a lot of trouble with others copying them and not having the funds to fight, even with regard to their trademarks. See also Lauren Sherman, *Bird Handbags is Now Called Liz Carey Handbags, Thanks to Juicy Couture's Legal Department*, FASHIONISTA (July 2010),

<http://fashionista.com/2010/06/follow-up-bird-handbags-is-now-called-liz-carey-handbags-thanks-to-juicy-coutures-legal-department/#comment-58452368>.

<sup>48</sup> Scafidi I, *supra* note 4, at 118 (noting that the pattern followed in the music and publishing industries started as piracy and is now heavily protected by intellectual property).

<sup>49</sup> This legislation was a consequence of the newfound popularity of haute couture and the permeation of design piracy. *Id.* at 117.

<sup>50</sup> H.R. REP. NO. 94-1476, at 55 (1976) (noting explicitly that dress designs are *not* protected under the Act as long as the design is not separable from the functionality of the dress).

<sup>51</sup> LIBRARY OF CONGRESS COPYRIGHT OFFICE, REPORT OF THE REGISTER OF COPYRIGHTS FOR THE FISCAL YEAR 1913–1914 156 (1915).

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



piracy if the designers sent works to the International Exhibition.<sup>53</sup> That same year, a bill was introduced to create a new “design patent law”<sup>54</sup> recognizing “prima facie” validity for designs upon deposit of formal papers to the Patent Office and without an expensive and time-consuming examination process.<sup>55</sup> This fashion design bill was one of many that were never enacted.<sup>56</sup>

¶15 In the face of Congress’s failure to pass protective legislation,<sup>57</sup> the fashion industry took extralegal action by establishing the Fashion Originators Guild of America in 1932.<sup>58</sup> The Guild’s members made agreements among themselves to sell exclusively to stores that did not sell copies of members’ designs. However, the Federal Trade Commission filed suit and the United States Supreme Court held that the guild’s actions violated antitrust laws.<sup>59</sup>

¶16 In the 1950s, the Court stepped in once more, but to assist designers by applying the doctrine of “conceptual separability.”<sup>60</sup> This doctrine allows functional “works of artistic craftsmanship,” including clothing designs, to be copyrightable as long as the artistic form is independent of its function or utility.<sup>61</sup> Given the

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<sup>53</sup> *Id.* at 156, 177–78.

<sup>54</sup> *Patent Law to Protect Designs: Features of Bill Whose Passage By Congress Will Be Urged When It Meets*, N.Y. TIMES (Oct. 3, 1915), <http://query.nytimes.com/mem/archive-free/pdf?res=FA0B10FB385B17738DDDA0894D8415B858DF1D3>.

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

<sup>56</sup> *See, e.g.,* Rocky Schmidt, *Designer Law: Fashioning a Remedy for Design Piracy*, 30 UCLA L. REV. 861, 865 n.30 (1983) (citing 74 design bills from 1907 until 1983). Out of these proposed bills, the 1926 Vestal Bill was the most successful. It passed the House in 1930 and sat in the Senate until Congress adjourned the following year. *See generally* Maurice A. Weikart, *Design Piracy*, 19 IND. L.J. 235 (1944); *The Vestal Bill for the Copyright Registration of Designs*, 31 COLUM. L. REV. 477 (1931).

<sup>57</sup> *See* Schmidt, *supra* note 56, at 865 n.30 (citing 74 design bills, 22 of which were introduced prior to 1934, and the establishment of the Fashion Originators Guild); Memorandum of Points and Authorities in Support of Defendant’s Motion to Dismiss at 800 n.12, *Esquire, Inc. v. Ringer*, 591 F.2d 796 (D.C. Cir. 1978), *cert. denied*, 440 U.S. 908 (1979) (citing 71 design protection bills from 1914 until 1979).

<sup>58</sup> *Id.*; Scafidi I, *supra* note 4.

<sup>59</sup> *Fashion Originators’ Guild of Am. v. FTC*, 312 U.S. 457 (1941).

<sup>60</sup> *Mazer v. Stein*, 347 U.S. 201 (1954).

<sup>61</sup> *Id.*

difficulty of separating functionality from design elements, this doctrine has provided very narrow protection.<sup>62</sup>

¶17 When ruling on egregious design copying cases, judges have expressed regret over the lack of protections, but believed that deciding in favor of the designer would encroach on Congress’s legislative power.<sup>63</sup> However, Congress did not rectify the problem recognized by the courts—the bills proposed in the following decades were never passed.<sup>64</sup>

### *B. Why Fashion Design Bills Failed*

¶18 The fashion design bills introduced in the 20th Century failed for a number of reasons, both cultural and political. There was a lack of information about how the industry functioned<sup>65</sup> and Congress failed to grasp the unique qualities of fashion that should have been the basis for a sui generis right—different from the rights provided through either copyright or patent law.<sup>66</sup>

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<sup>62</sup> In a hearing contemplating a new fashion design legislation protecting fashion through copyright, William Fryer noted that the Doctrine of Separability requirement “pretty much eliminates copyright protection.” *2008 Hearings*, *supra* note 8, at 7 (testimony of William Fryer III, Professor of Law, University of Baltimore School of Law).

<sup>63</sup> *Cheney Bros. v. Doris Silk Corp.*, 35 F.2d 279, 280–81 (2d Cir. 1929) (describing the injustice of a competitor copying, undercutting, and profiting from a designer’s silk pattern). In his opinion, Judge Learned Hand explained that, although it may seem that “plaintiff had suffered a grievance for which there should be a remedy, perhaps by an amendment of the Copyright Law . . . , [j]udges have only limited power to amend the law . . . . [E]ven though there be a hiatus in completed justice . . . , whether [other interests] prove paramount we have no means of saying; it is not for us to decide, [but for Congress].”).

<sup>64</sup> *See e.g.*, H.R. 2223, 94th Cong. (1975); S. 1361, 93d Cong. (1973); S. 1774, 91st Cong. (1969); H.R. 6124, 90th Cong. (1967); S. 1237, 89th Cong. (1965); H.R. 5523, 88th Cong. (1963); H.R. 9870, 86th Cong. (1960); S. 2075, 86th Cong. (1959); H.R. 8873, 85th Cong. (1957). *See also* Schmidt, *supra* note 56, at 861 n.30 (1983) (citing 74 design bills, 28 of which were proposed between 1950 and 1983).

<sup>65</sup> *See 2006 Hearings*, *supra* note 11, at 79 (statement of Susan Scafidi).

<sup>66</sup> There is an argument to be made, outside the scope of this article, that IP protection for fashion designs is increasingly gaining support from Congress in the 21st Century because more females occupy legislative and powerful professional positions—females who understand the fashion industry better than do their male counterparts. Interview with David Lange, Professor of Law, Duke Law Sch., in Durham, N.C. (Nov. 3, 2010).

¶19 Early fashion design bills seemed to borrow language from patent laws.<sup>67</sup> Apparel was treated as purely utilitarian or functional, similar to patentable products. Although there is a functional component to clothing, creativity and originality became the primary focus of clothing companies—more analogous to copyright subject matter.<sup>68</sup> But, as the industry developed to center on creativity, Congress’s understanding of fashion designs did not evolve with it. Moreover, pure copyright laws raised concerns when applied to the fashion industry as characterized by the proponents of extending protection for designs.<sup>69</sup>

### III. LEGISLATION IN THE 21ST CENTURY

#### A. Bills Proposed From 2006 to 2009

¶20 Fashion design legislation was again proposed in both the 109th Congress<sup>70</sup> and 110th Congress.<sup>71</sup> The bill introduced in the 109th Congress, H.R. 5055, contained a definition of fashion design limited to “the *appearance as a whole* of an article of apparel, including its ornamentation.”<sup>72</sup> The bill, reintroduced in the 110th Congress as S. 1957, narrowed the scope of protection by rejecting the “substantially similar” standard used to determine infringement in most copyright cases, responding to a concern that

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<sup>67</sup> See, e.g., S. 6925, 64th Cong. § 3 (1916) (on file with author) (referring the bill to the patent committee and proposing protection for designs that meet a novelty requirement—similar to that for patents). The cyclical and fast-changing nature of the fashion industry makes patent laws ill-suited to protect designs, and the language in design bills gradually adapted to more appropriately resemble copyright law. Compare S. 6925 (requiring originality and novelty for protection), with H.R. 5523, 88th Cong. § 1–2 (1963) (requiring originality, but not novelty for protection).

<sup>68</sup> 2006 Hearings, *supra* note 11, at 79.

<sup>69</sup> *Id.* at 79 (statement of Susan Scafidi). Problematic copyright provisions for fashion designs include the extended length of copyright protection and the substantial similarity standard. See generally *supra* Part I.

<sup>70</sup> H.R. 5055, 109th Cong. (2006).

<sup>71</sup> H.R. 2033 and S. 1957 were introduced in the 110th Congress by Representative Delahunt and Senator Schumer, respectively. Both H.R. 2033 and S. 1957 are substantively identical with the exception that S. 1957 has a different definition of infringement when applied to fashion designs. Compare H.R. 2033, 110th Cong. § 2(d)(2) (2007), with S. 1957, 110th Cong. § 2(d)(2) (2007).

<sup>72</sup> H.R. 5055 § 2(a)(2)(B) (emphasis added).

the standard was too subjective for the fashion industry.<sup>73</sup> Instead, it defined infringement as “[not] original and [sic] closely *and* substantially similar in overall visual appearance.”<sup>74</sup> Trends are often created through derivatives of designs, and applying a pure copyright standard to fashion works would be more harmful than beneficial.<sup>75</sup> Still, the proposed standard in S. 1957 was not narrow enough to appease the earlier bill’s critics.<sup>76</sup>

### *B. 2008 Hearings*

¶21 The 2008 congressional hearings were a response to the failures of prior bills and the reintroduction of the fashion design bill in the 110th Congress as H.R. 2033.<sup>77</sup> Critics continued to grapple with the subjectivity of substantial similarity in the context of the fashion industry and were troubled by unclear rules, the potential for frivolous litigation, protection of truly original designs versus harming designers who draw upon trends for inspiration, and the logistical difficulties of design registration.<sup>78</sup>

### *C. Why These Bills Failed*

¶22 The bills failed in their attempts to narrow the definitions of infringement and of fashion design, which remained vague and difficult to apply. The “substantially similar” standard was inapplicable to the industry because of the inherent need for derivative works in trend development.<sup>79</sup> Narrowing “substantially similar” to “[not] original and closely and substantially similar” was not tailored enough to allow for the creation of valuable derivative works. These proposed tests for infringement concerned

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<sup>73</sup> *2008 Hearings*, *supra* note 8, at 81–82 (statement by Kevin M. Burke, President & CEO of Am. Apparel & Footwear Ass’n).

<sup>74</sup> S. 1957 § 2(d)(2)(C) (emphasis added).

<sup>75</sup> *2008 Hearings*, *supra* note 8, at 81–82 (statement by Kevin M. Burke, President & CEO of Am. Apparel & Footwear Ass’n).

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

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

<sup>78</sup> *Id.* at 81–82.

<sup>79</sup> See *Piracy Paradox I*, *supra* note 17, at 1719–32 (explaining how creating trends is a result of dissemination of a popular design that is propelled by copying).

honest designers and retailers who created derivative designs as their primary business.<sup>80</sup>

#### IV. THE “NEW” BILLS

##### A. 111<sup>th</sup> Congress: DPPA & IDPPPA

¶23 Representative Delahunt introduced the Design Piracy Prohibition Act (DPPA) on April 30, 2009,<sup>81</sup> which was significantly amended and reintroduced by Senator Schumer as the Innovative Design Protection and Piracy Prevention Act (IDPPPA or S. 3728) on August 5, 2010.<sup>82</sup> Both bills proposed amendments to Chapter 13 of Title 17, which would extend limited copyright protection to fashion designs.<sup>83</sup> One such limitation was the proposed period of protection, which was to last only three years.<sup>84</sup>

¶24 The DPPA differed from the IDPPPA in several ways. There were differences among the bills’ definitions of protectable fashion designs, requirements for registration and a searchable database, criteria for infringement, and exceptions. The changes from the DPPA to the IDPPPA were a result of extensive discussions and negotiations.<sup>85</sup>

##### i. Definition

¶25 The definition of a protectable fashion design in the DPPA is broader in scope than in the IDPPPA. The definition in the earlier bill is

(A) [sic] 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 or placement of original or non-original

<sup>80</sup> See, e.g., 2008 Hearings, *supra* note 7, at 94 (statement of Bryan P. Collins, President of The Topline Corporation) (noting the use of foreign designs for creative inspiration).

<sup>81</sup> Design Piracy Prohibition Act (DPPA), H.R. 2196, 111th Cong. (2009).

<sup>82</sup> Innovative Design Protection and Piracy Prevention Act (IDPPPA), S. 3728, 111th Cong. (2010). Reintroduced as H.R. 2511, 112th Cong. (2011).

<sup>83</sup> 156 CONG. REC. S6,882–83 (daily ed. Aug. 5, 2010).

<sup>84</sup> H.R. 2196 § 2(d); S. 3728 § 2(d).

<sup>85</sup> See 169 CONG. REC. S6,893–94 (daily ed. Aug. 5, 2010); Susan Scafidi, *IDPPPA: Introducing the Innovative Design Protection and Piracy Prevention Act, a.k.a. Fashion Copyright*, COUNTERFEIT CHIC (Aug. 6, 2010), <http://counterfeitchic.com/2010/08/introducing-the-innovative-design-protection-and-piracy-prevention-act.html>.

elements as incorporated in the overall appearance of the article of apparel.<sup>86</sup>

This definition is modified in the IDPPPA with the addition of two further requirements for copyright protection. The original elements of the design must be “the result of a designer’s own creative endeavor,” and the design must “provide a unique, distinguishable, non-trivial, and non-utilitarian variation over prior designs for similar type of articles.”<sup>87</sup> This limitation allows honest designers and retailers who create derivative designs to continue their business as long as the design contains legally significant variation. The IDPPPA will likely encourage innovation by protecting designs from exact replication by copyists and counterfeiters, while permitting creation of derivatives—increasing the variety of designs for any given trend.<sup>88</sup>

*ii. Registration Requirements*

<sup>¶26</sup> The DPPA required registration of fashion designs in a searchable database<sup>89</sup> within six months of making such designs public.<sup>90</sup> The IDPPPA, on the other hand, had no registration requirement, but did include a heightened pleading requirement similar to that of Rule 9(b) of the Federal Rules of Civil Procedure.<sup>91</sup> These requirements were driven by different underlying policies. The DPPA intended to provide notice regarding a design’s copyright status, while the IDPPPA addressed the concern that a registration requirement would be a huge burden on fashion designers in a fast-paced and cyclical industry. New and smaller designers would be at a particular disadvantage because they would tend to lack the resources to register every design.<sup>92</sup> One common feature worth noting, however, was the increased penalty for false representations subsequent to registration of a design copyright.<sup>93</sup> This penalty would discourage

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<sup>86</sup> H.R. 2196 § 2(a)(2)(B).

<sup>87</sup> S. 3728 § 2(a)(2)(B).

<sup>88</sup> *See, e.g., 2008 Hearings, supra* note 8, at 94 (statement of Bryan P. Collins, President of The Topline Corp.) (noting the use of foreign designs for creative inspiration).

<sup>89</sup> *Compare* H.R. 2196 § 2(j)(1), *with* S. 3728 (no database requirement).

<sup>90</sup> H.R. 2196 § 2(f)(1).

<sup>91</sup> *Compare* S. 3728 § 2(g)(2), *with* FED. R. CIV. P. 9(b).

<sup>92</sup> Scafidi I, *supra* note 4, at 121.

<sup>93</sup> *Compare* S. 3728 § 2(h), *with* H.R. 2196 § 2(h).

frivolous lawsuits and make designers wary of filing suit if a design is not “substantially identical.”

*iii. Infringement and Exceptions*

¶27 Both bills provide a narrower definition of infringement than that which applies to book authors, music artists, and other creators of copyrightable work. But, the later-proposed bill included several additional measures to appease interested parties.

¶28 One notable exception added to the IDPPPA is the “Home-Sewing Exception.”<sup>94</sup> This exception allows a single copy of a fashion design to be made for personal use or use by an immediate family member, as long as the design was not offered for sale.<sup>95</sup> However, because this exception only allows for a *single* copy, it is hardly an exception at all. It would arguably be appropriate to allow a person to produce multiple copies of a protected design for personal use or for the use of an immediate family member, as long as that copy is not offered for sale or use in trade during the period of protection. Although the concession of a home-sewing exception is weak, the extremely narrow definition of infringement provided in the IDPPPA should compensate for it—allowing a person to reproduce designs with small derivations or modifications.

¶29 Instead of merely requiring “substantial similarity” between the copyrighted and infringing articles,<sup>96</sup> DPPA required the infringing article to be “closely and substantially similar in overall visual appearance,”<sup>97</sup> while the IDPPPA required the infringing article to be “substantially identical in overall visual appearance.”<sup>98</sup> A “substantially identical” article of apparel is defined as that “which is so similar in appearance as to be likely to be mistaken for the protected design, and contains only those differences in construction or design which are merely trivial.”<sup>99</sup> This

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<sup>94</sup> S. 3728 § 2(e)(3).

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

<sup>96</sup> ROBERT C. OSTERBERG & ERIC C. OSTERBERG, SUBSTANTIAL SIMILARITY IN COPYRIGHT L. § 1:1 (2010).

<sup>97</sup> H.R. 2196 § 2(e)(2). Although “closely and substantially similar” is not defined in the DPPA, the wording implies that it is a standard that finds infringement if the alleged infringing product is slightly more than “substantially similar” to the original design. *See id.*

<sup>98</sup> S. 3728 § 2(e)(2).

<sup>99</sup> S. 3728 § 2(a)(2)(B).

exceptionally narrow definition would allow the production of derivative works by other designers without infringement—a modification responding to the reality that copying trends is important in maintaining the cyclical and innovative activity of the fashion industry.<sup>100</sup>

*B. Is It Time For Design Protection?*

¶30 Advances in technology have allowed mass production of copies and counterfeit goods.<sup>101</sup> This activity has resulted in lost sales, lost brand revenue, and reduced incentives to invest in new designs.<sup>102</sup> Although it is impracticable to reliably quantify the losses incurred by counterfeit goods, the problem is substantial as the estimated value of counterfeit goods is as high as \$456 billion worldwide.<sup>103</sup>

¶31 Young designers are already struggling to make their mark in the fashion industry, and they are especially harmed by copyists and counterfeiters. Young designers currently have no effective means of protecting their products, through copyright or other IP protections, making them particularly vulnerable to copyists and counterfeiters. The designers have seen substantial decreases in sales, and creative young minds are too easily put out of business.

¶32 The IDPPPA, reintroduced with minor amendments as H.R. 2511 in the 112th Congress, is a narrow bill that is well-tailored to the unique aspects of the fashion industry, largely satisfying the

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<sup>100</sup> See, e.g., *Piracy Paradox II*, *supra* note 26, at 1218–19 (noting that the substantial similarity standard used in most copyright cases would prohibit derivative designs and hinder trend-setting, but that line-by-line copying was not objectionable).

<sup>101</sup> *Cf.* U.S. GOV'T ACCOUNTABILITY OFFICE, GAO-10-423, INTELLECTUAL PROPERTY: OBSERVATIONS ON EFFORTS TO QUANTIFY THE EFFECTS OF COUNTERFEIT AND PIRATED GOODS 6 (2010), available at <http://www.gao.gov/new.items/d10423.pdf> (noting that, between 2004 and 2009, the value and amount of U.S. seizures of counterfeit goods imported from foreign countries fluctuated—it could be inferred that counterfeit goods coming into the country fluctuated and it is likely that copied goods coming into the country also increased).

<sup>102</sup> See *id.* at 9.

<sup>103</sup> *Id.* at 19–28. Although this study targets counterfeit goods only, the value of designs lost to copyists would likely be similar because copied designs feed the counterfeit goods industry. See Scafidi I, *supra* note 4, at 83.



concerns of both opponents and proponents of copyright protection for fashion designs.

¶33 The proposed bill could provide a limited amount of copyright protection to boost talented young designers into the market. The bill could provide young designers with enough protection to enter into license agreements with established firms before they use the young designers' work. In H.R. 2511, Congress has finally fashioned a copyright scheme that protects the most vulnerable designers and effectively addresses the conflicting interests in the industry.

#### CONCLUSION

¶34 The Internet era has exacerbated the problems present in the fashion industry, and the historical lack of legal protection has created a new industry based purely on counterfeiting and copying. American fashion designers are suffering from this counterfeit industry, and Congress is in the best position to remedy the problem. The IDPPPA, or H.R. 2511, is focused on addressing the specific problems prevalent in the fashion industry. It allows for limited protection of fashion designs while also aiming to protect honest designers and retailers within the industry whose primary business is the creation of derivative works. If passed, the bill is likely to successfully foster a flourishing fashion industry in the United States.