Intellectual Property Rights & Fashion Design: An Expansion of Copyright Protection

By Jasmine Martinez*

Introduction

Despite having the largest apparel market in the world, valued at about $292 billion in store-based retailing, the United States has yet to extend intellectual property ("IP") rights to fashion design.¹ Throughout the years there have been numerous bills proposed to amend Title 17 of the U.S. Code to extend copyright protection to all fashion apparel, notwithstanding the fact that apparel is considered a useful article. Since 1910, there have been over seventy-four attempts by American fashion designers to change copyright law.² Nonetheless, these attempts have been unsuccessful, and the vast majority of fashion design remains unprotected by IP law. Midrange designers, more than any other group of fashion designers, suffer the adverse effects of lack of IP rights for their designs.

This comment analyzes the need for fashion design protection in the United States despite already existing IP rights. Specifically, this comment argues that Title 17 of the U.S. Code should be amended to extend copyright protection to fashion design. In doing this, this comment contemplates the various arguments put forth by those who argue against extending IP protection to fashion design. It focuses specifically on one of the most significant arguments against protecting fashion design, the piracy paradox, proposed by law professors Kal Raustiala and Christopher Sprigman. The piracy paradox argument

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opposes fashion design protection based on the theory that increased protection will lead to a decrease in innovation. However, the various arguments made for extending IP protection to fashion design will show that this is not the case, and enhanced protections will actually increase innovation. One of the most prevalent examples of this is the European Union ("EU"). The EU has the largest thriving fashion industry in the world, despite the fact that it provides heightened protections for fashion design. The various arguments made in favor of providing intellectual property rights for fashion design suggest that amending Title 17 is necessary both to increase innovation and protect American fashion designers from the negative effects of counterfeiting. Based on this, this comment proposes an amendment to Title 17 that includes protection for fashion designs and draws upon previously introduced bills and the European Union’s IP rights model.

I. Why Does Fashion Design Need Protection?

This section takes a brief look at the history of fashion design in the U.S. and the history of fashion design protection. It analyzes the forms of IP protection currently available for fashion designs and explains why they are deficient and why an amendment to Title 17 is needed to provide adequate protection.

A. History of the U.S. Fashion Industry & Fashion Design Protection

The fashion design industry has not always been the thriving and robust industry that it is today. At one point in time, fashion was something that only the elite social class engaged in; while for the masses, apparel served a primarily utilitarian purpose. Long before today’s fashion industry, people bought apparel not to be fashionable but because they needed to replace clothing that was no longer functional. For this reason, design piracy was not always an issue of large concern because only a select group of consumers participated in the fashion industry. However, as technology advanced and societal norms toward fashion changed, the issue of fashion design piracy began to emerge.

In 1932, the Fashion Originator’s Guild was established in the U.S. to decrease fashion design piracy and promote original design

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4. Id.
creation amongst American designers. The Guild registered designers along with sketches of their designs. Not only were the designers themselves registered, but “retailers and manufacturers signed a ‘declaration of cooperation’ wherein they pledged to deal only in original creations.” Other Guild members boycotted the retailers and manufacturers who failed to comply with the ‘declaration of cooperation,’ but those who refused to boycott were subject to Guild-imposed fines. During its tenure, the Guild was considered quite successful at limiting piracy among American designers, with over 60% of women’s apparel being designed by Guild members. Despite its success, the Guild’s duration was short-lived and it was abolished in 1941. This resulted from the holding in Fashion Originators’ Guild, Inc. v. FTC, where the U.S. Supreme Court held that the Guild was in violation of the Sherman and Clayton Anti-Trust Acts and that it was engaging in an unfair method of competition by limiting with whom Guild members engaged in sales. Since then, other organizations for American designers have developed such as the Council of Fashion Designers of America, which was founded in 1962 to provide professional developmental support to American designers. Nevertheless, since the abolishment of the Guild, there has been no other effective substitute for fashion design protection in the United States.

B. Current Forms of IP Protection for Fashion Design

Although there has been no other organization established that serves a similar purpose to that of the Originator’s Guild, there are currently some forms of formal IP rights protecting fashion design including: trademarks, trade dress, design patents, and copyrights. However, as this comment will demonstrate, these forms of protection are inadequate because only a scarce number of designs actually benefit from these available IP rights. Therefore, the need for additional fashion design IP rights remains.

5. Id. at 1697.
6. Id.
7. Id.
8. Id.
9. Id.
11. Id. at 467–68.
1. Trademark

One way that fashion designs may be protected is through trademarks. Trademark provides protection of a designer’s mark, which serves as a source identifier. Although fashion designs cannot themselves be trademarked, trademarks can provide fashion design protection by incorporating the mark into the design itself. Such that, if an individual were to copy the design with the mark, they would be subject to trademark infringement. Although some designers use this method to protect their designs, the vast majority of fashion designers are unable to protect their designs through trademarks because they do not necessarily include the mark within all designs.

First, trademark protection favors brands that have strong logos. Examples of strong logos include Louis Vuitton with its LV logo or Chanel and its interlocking Cs. Trademarks help successful high-end brands create a luxurious brand image—protecting them from design copying because the item’s appeal comes from the brand itself rather than the design. This also disincentivizes copying because the item loses its appeal without the logo. Brand strength ensures that there will always be consumers seeking the original design, despite the presence of counterfeits. For example, there are many consumers that seek the original Burberry trademarked print despite the availability of affordable counterfeit versions in the market. Unfortunately, most fashion designers do not have this sort of consumer loyalty. Most American fashion designers are not world-renowned designers and thus, do not have the luxurious brand appeal that such well-known designers possess. For most designers, the apparel’s appeal comes from the design itself rather than any logo on it.

Moreover, with the exception of the high-end brands previously mentioned, the majority of fashion apparel does not have a visible logo. Most fashion apparel has the trademark located on the tag.

18. Raustiala & Sprigman, supra note 3, at 1701.
19. Hemphill & Suk, supra note 17, at 1178.
20. Id.
21. Id.
22. Raustiala & Sprigman, supra note 3, at 1702.
which tends to be inside the garment, or on small portions of the clothing such as buttons. \textsuperscript{23} Such designs can be easily copied with the absence of the logo remaining unnoticed. Therefore, for the vast majority of fashion designs, trademarks do not provide any practical protection against copying. \textsuperscript{24}

2. Trade Dress

Another way that fashion design may be protected is through trade dress. Trade dress encompasses “the total image and overall appearance of a product, or the totality of the elements, and may include features such as size, shape, color or color combinations, texture, [or] graphics.” \textsuperscript{25} To receive protection under trade dress, a product must be distinctive or have secondary meaning. \textsuperscript{26} Secondary meaning is acquired when “in the minds of the public, the primary significance of a product feature . . . is to identify the source of the product rather than the product itself.” \textsuperscript{27} In other words, consumers must associate the entirety of a design with a particular designer. Consequently, like trademarks, trade dress protection favors established, well-known designers. Unless the specific item of apparel is an iconic item that would allow consumers to identify its source just by looking at it, then it will not be eligible for trade dress protection. \textsuperscript{28} An example of this is the case \textit{Adidas Am., Inc. v. Skechers USA, Inc.}, where the Skechers brand came out with a shoe that was strikingly similar to the iconic Adidas Stan Smith, a design originally released in the 1970s. \textsuperscript{29} In this case, a U.S. District Court held that the Adidas Stan Smith had acquired secondary meaning because consumers associated the combination of qualities such as the green heel patch, white rubber sole, and angled stripes with perforations, with the Adidas Stan Smith shoe. \textsuperscript{30} However, the vast majority of fashion design apparel does not

\textsuperscript{23.} Id.
\textsuperscript{24.} Id.
\textsuperscript{26.} Id.
\textsuperscript{29.} Adidas Am., Inc. v. Skechers USA, Inc., 149 F. Supp. 3d 1222, 1230 (D. Or. 2016).
\textsuperscript{30.} Id. at 1240.
have this type of recognizability. Most of the time one cannot identify the designer of a particular design just by looking at it, unless it is covered with a brand logo or is an iconic widely recognized item of apparel. Therefore, trade dress is only capable of protecting a select few fashion designs.

3. Design Patent

An additional way fashion design may receive IP protection is through a design patent. "The patent law provides for the granting of design patents to any person who has invented any new, original and ornamental design for an article of manufacture." Nonetheless, design patents are a deficient form of fashion design protection.

The U.S. patent application process is widely acknowledged to be lengthy and costly. Once an application is filed, a patent examiner reviews it and will likely reject it the first time around in order to require that changes be made. Thus, the patent application tends to be submitted multiple times, with no guarantees that a patent will ever be granted. According to the United States Patent and Trademark Office's ("USPTO") 2017 Performance and Accountability Report, the average time between filing a patent application and the first action was 16.3 months, with average total pendency taking an average of 24.2 months. Hence, it may take over two years to receive a design patent if one is ever to be granted. This is an inefficient form of fashion design protection considering the quick turnover rate of fashion design apparel. Fashion tends to change every season and a design that was once fashionable may not be fashionable two years later. This makes design patents unappealing to many fashion designers because by the time they receive protection for their designs, if such protection is granted, their designs may no longer be in style. Furthermore, the average cost of preparing and filing a design patent application...
with the assistance of a patent attorney is around $1,500–$3,000. Therefore, the substantial time and money necessary to acquire a design patent make patents an unappealing means of fashion design protection.

Moreover, design patents are available “only for designs that are truly ‘new’ and do not extend to designs that are merely reworkings of previously existing designs.” The heightened originality requirement for a design patent makes it difficult for the majority of fashion designs to qualify for design patent protection. Most fashion designs tend to be reworkings of previous designs and, as such, do not meet the heightened originality standard to qualify for design patent protection. Thus, design patents are not a feasible option for many fashion designers.

4. Copyright

A final area of IP law that grants some protection to fashion design is copyright law. Copyright law provides protection for “original works of authorship fixed in any tangible medium of expression.” For a work to be considered original it must be “original to the author [and possess] at least some minimal degree of creativity.” However, useful articles such as clothing are not copyrightable.

In *Star Athletica, L.L.C. v. Varsity Brands, Inc.*, a 2017 case, the U.S. Supreme Court held that:

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 fixed in some other tangible medium of expression—if it were imagined separately from the useful article into which it is incorporated. The Court found that the various lines, chevrons, and colorful shapes on the surface of the cheerleading uniforms were copyrightable because those designs could be placed on another medium such as a

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36. Raustiala & Sprigman, supra note 3, at 1704.
37. See id.
38. Id.
canvas and thus conceptually or physically separated from the useful article.  

Although it seems as though this holding extends copyright protection to many fashion designs, there are still many excluded designs. Designs that do not have some form of print, pattern, or other pictorial design on the surface that can be separated from the useful article are excluded from copyright protection. Some expressive design elements are not on a surface pattern, rather they are in the form of the garment itself, such as the cut of a sleeve, the shape of a pant leg, and the type of material used. For example, a floral print on the surface of a dress may be copyrightable, but the shape and styling of the dress is not.

Professor David Nimmer contends that there are two distinct concepts that make up fashion design: “fabric designs” and “dress designs.” Fabric designs, composed of patterns on fabric, are copyrightable. However, dress designs, “which graphically set . . . forth the shape, style, cut, and dimensions for converting fabric into a finished dress or other clothing garment” are not protected by copyright law.

One example of a fabric design is costumes. In Chosun Int’l, Inc. v. Chrisha Creations, Ltd., a 2005 U.S. Court of Appeals decision, the court held that Halloween costumes may be copyrightable if the design elements can be separated from the useful aspects of the costume. This is similar to the separability test used in Star Athletica.

However, in Jovani Fashions v. Fiesta Fashions, a 2012 U.S. Court of Appeals decision, the court held that the prom dress design at issue was not copyrightable because the dress served a decorative function, such that the decorative elements of the dress could not be separated from the functional aspects of the dress. Additionally, in Galliano v. Harrah’s Operating Co., the U.S. Court of Appeals for the Fifth Circuit found that casino workers’ uniforms were not copyrightable because the designs were not “marketable independently of their utilitarian function as casino uniforms.” As exemplified by these cases, for many items of fashion apparel it is difficult to separate the expressive

43. Id. at 1012.
44. Raustala & Sprigman, supra note 3, at 1700.
45. Witzburg, supra note 14, at 1135.
46. Id.
47. Id.
49. Jovani Fashions, Ltd. v. Fiesta Fashions, 500 F. App’x 42, 45 (2d Cir. 2012).
elements from the design’s utilitarian aspects. Several fashion apparel items, even those that may have a design on the surface, are unprotected under the separability test of copyright law.

Therefore, the current forms of IP protection available are very limited in their fashion design applicability and an adequate form of protection is needed for American fashion designs.

II. Argument Against Extending IP Protection to Fashion Design

Fashion design protection has been a controversial issue, with proponents on one side arguing for increased protections while others argue that increased protections will harm the fashion design industry. Despite the many indicators of a need for design protection, some proponents argue that fashion is a unique good that, unlike other items of creativity, strives without formal IP rights. Here, this comment considers the arguments made against fashion design IP rights.

A. The Piracy Paradox

One of the leading arguments against protecting fashion design is the argument that piracy in fashion design increases innovation. The leading proponents of this view are law professors Kal Raustiala and Christopher Sprigman. They argue that low IP protection for fashion design may paradoxically serve the fashion industry’s interests better than high IP protection. Raustiala and Sprigman base their position on the quickly changing fashion cycle, arguing that as a design is copied by others and used in less-expensive derivative works, it becomes more widely purchased. This drives status seekers to new designs in an effort to distinguish their style from the masses. They refer to this process as “induced obsolescence” where unregulated copying of fashion designs leads designs to become outdated much sooner than they would be if copying were prohibited. In turn, they argue that this pushes designers to come up with designs much sooner than they would otherwise and thus, increases innovation. They also argue that piracy paradoxically benefits the designers themselves be-

51. Raustiala & Sprigman, supra note 3, at 1718.
52. Id. at 1721.
53. Id. at 1722.
54. Id.
cause as designers increase the amount of designs they create they inevitably increase their sales.\footnote{55}{Id.}

However, this is an outdated view. As this comment will later explain, the process of copying designs has changed and advanced drastically throughout recent years, leading to substantial harms to innovation. Moreover, Raustiala and Sprigman fail to distinguish between copies that are a reworking of original designs and identical copies, arguing that copying in general promotes innovation.\footnote{56}{Hemphill & Suk, supra note 17, at 1181.} However, it is important to distinguish close copying from interpretation and homage.\footnote{57}{Id. at 1181–82.} The former harms innovation while the latter promotes it.

\section*{B. Protection of Fashion Design Would Decrease Innovation}

Aside from the piracy paradox, other arguments are made against having IP protection for fashion design, which claim that extending copyright protection would lead to a decrease in innovation. Some argue that most fashion design is a derivative work of past or current designs and not completely an original work.\footnote{58}{Raustiala & Sprigman, supra note 3, at 1727–28.} The argument made is that most fashion design is a type of derivative work; therefore, providing copyright protection for such works would grant the copyright owner exclusive rights to make copies of the original and all derivative works.\footnote{59}{Id. at 1724.} This would essentially give the copyright owner a monopoly over certain designs and force other designers to pay royalties in order to create derivative works. This could decrease innovation by designers who do not have the financial means to pay such royalties.

Further, it is argued that many designers engage in copying and while they may have an original design one season, the next season they will likely be copying a trend started by another designer, so it is in the fashion industry’s best interest to allow copying.\footnote{60}{Id. at 1727.}

This comment agrees with this argument, in that providing the current rights accorded by copyright protection to fashion design would provide too much design protection to the point that it limits innovation. However, this comment will later discuss this issue and instead propose a focus on a limited form of copyright protection for fashion design that will not impede innovation.

\begin{itemize}
\item \footnote{55}{Id.}
\item \footnote{56}{Hemphill & Suk, supra note 17, at 1181.}
\item \footnote{57}{Id. at 1181–82.}
\item \footnote{58}{Raustiala & Sprigman, supra note 3, at 1727–28.}
\item \footnote{59}{Id. at 1724.}
\item \footnote{60}{Id. at 1727.}
\end{itemize}
C. Increased Protections Would Harm Consumers

One of the lesser arguments made against extending copyright protection to fashion design, that coincides with the previously stated argument, is that extending copyright protection could harm consumers. Take, for example, the high-end designer Chanel—if copyright protection were to extend to Chanel’s fashion designs, Chanel would be able to become the exclusive supplier of its original designs. 61 The vast majority of consumers cannot afford such high-priced items and, without the possibility of being able to buy cheap counterfeit versions of high-end designs, a large group of consumers would be excluded from participating in certain parts of the fashion industry.

However, as previously stated, this comment considers the value of derivative works and this potential harm to consumers is of no concern. Moreover, it has been argued that this view is flawed because fashion is available at all price levels and consumers can obtain affordable designs “through the mass-market lines of influential designers [and] diffusion lines of high-end designer brands.” 62 Thus, it is not necessary for consumers to have counterfeit versions of a design available when they can purchase original designs from the more affordable lines of high-end designers.

III. Fashion Design Protection in the European Union

Many European cities are widely known leaders of the fashion industry—cities such as Paris, Milan, and London are recognized as some of the biggest fashion capitals of the world. 63 Unlike the U.S., the European Union provides IP law protection for fashion design. And despite its increased protections, it still maintains a thriving and successful fashion industry.

In 2002 the EU accepted Council Regulation 06/2002 on Community Designs, which provided for a dual system of fashion design protection. 64 This regulation provides design rights protection for

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61. Id. at 1724.
both registered and unregistered designs.65 Registration of a design with the European Union Intellectual Property Office (“EUIPO”) grants the designer a monopoly for all original designs and is renewable every five years for up to twenty-five years from the date of filing.66 Protection extends to both identical and similar designs.67 A designer who chooses not to register a design still receives limited protection granted to unregistered designs.68 The unregistered right “gives protection against deliberate copying of a design for a period up to three years, from the date the design was first made available to the public within the territory of the European Union.”69 This right is automatic, but only protects against “dead copies.” 70 The European Union sets a perfect example of increased fashion design protection with neither a threat to innovation nor harm to consumers. The United States should follow this model.

However, some opponents of the acquisition of fashion design protection, such as Raustiala and Sprigman, argue that the EU sets an example of why fashion design rights are not needed. It is argued that the EU has a low registration rate of designs, which suggests that designers do not utilize the protections available to them and may be content with the design protection laws currently in place.71 A 2006 search of registered EU designs showed that no renowned designers, such as Chanel or Gucci, registered their clothing designs. Further, only thirty-nine “dresses”, twenty-four “skirts,” and two “trouser suits” were registered.72 The majority of registered designs were not for clothing but rather for accessories such as watches, bags, and sunglasses.73

Nevertheless, the low design registration rate does not suggest that fashion designers do not care for design protection nor that they are satisfied with the current IP protections available. There are a number of possible explanations for this. As one scholar argues, the

65. Id.
66. Id.
68. Kasperkiewicz, supra note 64.
69. Id.
70. Woods & Monroig, supra note 67.
71. Raustiala & Sprigman, supra note 3, at 1742.
72. Id.
flaw with measuring how many designs are registered is that there is no equivalent registry to measure how often unregistered design rights are utilized.74 Looking to the number of lawsuits regarding unregistered designs could be one way of evaluating this.75

In the 1994 case Yves Saint Laurent v. Ralph Lauren, Yves Saint Laurent filed suit against fellow fashion designer Ralph Lauren for copyright infringement, design infringement, and unfair competition.76 This was the first time that a designer had utilized its fashion design IP rights against a counterfeiter.77 Yves Saint Laurent was successful in its Paris suit and was awarded damages totaling $395,090.78 In a more recent case, John Kaldor Fabricmaker UK Ltd. v. Lee Ann Fashions Ltd. (2014), John Kaldor filed suit against Lee Ann for copyright infringement and Unregistered Community Design infringement.79 Kaldor, a fabric designer, alleged that Lee Ann had amended one of its designs to create a fabric design for another designer. Although the fabric designs bore striking similarities, the court ultimately dismissed the claims finding that the similarities between the fabrics were commonplace.80 This is an example of the limited protection of unregistered designs and how designers should consider obtaining the increased protections that come with registration.81 Although there have been some notable cases in Europe where designers enforced their design rights against potential infringers, this has not occurred very often. The amount of litigation in Europe regarding unregistered design rights is low, but it is argued that this could be simply because Europeans are less litigious than Americans.82 Likewise, it could also be that because designers are aware that these rights exist, they tend to be more careful when creating designs so as not to create a design too similar to the original.83 Thus, the amount of litigation is an inade-

75. Id.
76. Kasperkiewicz, supra note 64.
77. Id.
79. Kasperkiewicz, supra note 64.
80. Id.
81. Id.
82. Monseau, supra note 74.
83. Id.
quate indicator of how much designers utilize their unregistered design rights.

The low registration rate of fashion designs could also suggest that European designers are satisfied with the rights granted by unregistered designs.\(^{84}\) Due to the quickly moving fashion cycle, most designers do not require the extended years of protection provided for registered designs and the rights conveyed by unregistered designs are enough to protect designers from counterfeiting, while at the same time not lasting too long to where it may threaten innovation or slow down the fashion cycle.\(^ {85}\) The long term protection that comes with registering a design would be more useful for designers who create more expensive one-of-a-kind pieces such as haute couture.\(^ {86}\) However, the majority of designers do not fit into this category because the majority of fashion designs are short-lived and the three years of protection given to unregistered designs is sufficient.\(^ {87}\)

Therefore, the low design registration rate in Europe does not suggest that design rights are not utilized but rather that the protections accorded to unregistered designs are ideal for the majority of designers.\(^ {88}\)

### IV. Unregulated Copying Threatens Innovation

Although some argue that fashion design piracy promotes innovation, the extent to which piracy has advanced throughout the years actually threatens innovation. The various bills proposed to amend U.S. Code Title 17 to encompass fashion design demonstrate how design piracy has become a large concern.

#### A. Counterfeiting Threatens Innovation

Counterfeiting has evolved over the years with the advancement of technology and has become much easier and quicker to carry out. During the 1950s, “manufacturers flew in from New York, laid the (couture) clothes out on a table, and measured each seam. They went back to New York to copy the dresses” and then sold the copies to department stores.\(^ {89}\) The slower process of design piracy allowed for original designers to reap the fruits of their time and effort spent cre-

\(^{84}\) See id.
\(^{85}\) Id. at 63.
\(^{86}\) Id.
\(^{87}\) Id.
\(^{88}\) Id.
\(^{89}\) Raustiala & Sprigman, supra note 3, at 1696.
ating the designs before copies entered the market. Although this was once the way in which fashion design counterfeiting was accomplished, this is no longer the case. Now, with the use of the internet copyists are able to use photos taken at fashion shows to create counterfeits almost immediately. Copyists can quickly communicate with factories in China and have the counterfeit designs created and available for sale before the original runway designs are even made available to consumers. As one scholar argues, “when this happens, the original designers are being denied the economic fruits of their creative labors, which could in turn provide a disincentive to innovate.” As previously mentioned, the fashion cycle moves very quickly and once a design is introduced to consumers its shelf life begins ticking. If copyists can make counterfeit designs available to consumers before the original designer is able to put the design on the market, it disincentivizes innovation because the counterfeiters reduce the shelf life of the original design. The shorter the shelf life of the original, the less sales that are likely to occur. Moreover, copyists are able to wait and see which designs are successful and copy only those, saving them the time and expense that it would’ve otherwise taken them to create the designs themselves. Fashion designers make a large financial investment in their designs and “spend anywhere from fifty thousand dollars to a million dollars just to put on a show . . . before [they] have even received [their] first order.” This further threatens innovation because it encourages designers to wait and copy only successful designs rather than coming up with original designs to avoid the associated expenses. If designers can make a profit and avoid the time and costs associated with creating original designs, it creates an incentive for copying rather than innovating.

B. Heightened Threat to Innovation for Midrange Designers

Moreover, copyists tend to copy designs that are easier to reproduce. This especially affects midrange designers who do not

90. Fanelli, supra note 62, at 285.
91. Monseau, supra note 74, at 29.
92. Fanelli, supra note 62, at 285–86.
93. Monseau, supra note 74, at 29.
94. Hemphill & Suk, supra note 17, at 1171–72.
96. Hemphill & Suk, supra note 17, at 1175.
have the financial means to use exotic fabrics or delicate embellishments on their clothing, making them an easier target for copying. 97 An example of this is a floral pattern dress designed by Dana Foley and Anna Corinna 98 that retailed for $400 and of which fashion retailer Forever 21 sold a counterfeit copy for only $40.99. When Forever 21’s version of the dress was publicized, some customers returned the Dana Foley and Anna Corinna original. 99 In another example, mid-range designer Ananas also suffered financial loses as a result of counterfeiting. 100 An identical copy of Ananas’s handbag design appeared online leading a buyer to cancel their entire wholesale order and a client to return the original handbag to purchase the more affordable counterfeit that was offered online. 101

Such copying reduces the profitability of the original design because some consumers will choose to buy the less expensive counterfeit design rather than the original. 102 Moreover, midrange designers are especially targeted because as the author of the website Counterfit Chic explained, “if you bite a well-known brand, you get caught very easily. If you bite a couple of sweet girls on the Lower East Side, how many people will notice?” 103 This makes it difficult for midrange designers to establish themselves in the industry because they are persistently targeted by copyists. Undoubtedly, this decreases midrange designers’ incentive to innovate where their designs are often copied and they run the risk of losing customers to mass retailers who sell counterfeits at a lower price.

Further, as exemplified by the customers who returned the floral Dana Foley and Anna Corinna dress after Forever 21’s more affordable version was publicized, the availability of cheaper copies may reduce the demand for the original design due to the “snob effect.” 104 This is the idea that some consumers like to distinguish themselves from lower socio economic consumers. 105 This in turn is another way in which counterfeits reduce the desirability of original designs and may create a disincentive to create such original designs in the first place. As one scholar explained, "new designers are essential to the

97. Id.
98. Id.
99. Id.
100. Day, supra note 2, at 242.
101. Id.
102. Hemphill & Suk, supra note 17, at 1176.
103. Wilson, supra note 99.
104. Hemphill & Suk, supra note 17, at 1176.
105. Id.
fashion market because they can inject the industry with a fresh, innovative, and inspiring perspective; however, these up-and-coming designers, who have yet to develop a customer base, are unable to compete with the abundance of knockoffs in the market.”106 The absence of up-and-coming designers will deprive the fashion industry of new and innovative creations.

C. Current Forms of IP Protection Favor Well Established Brands Rather Than New Designers

The other available forms of IP protection favor well-known brands and are not particularly useful to new and unestablished designers.107 As previously mentioned, trade dress favors iconic and widely recognized designs, designs that new up-and-coming designers do not yet have. Trademarks favor strong brands, and new small designers do not have the brand strength to reap the benefits of trademark protection. Further, trademark law “disproportionately encourages production of trademark-protected goods.”108 It forces designers to put their logo on every design for IP protection, rather than creating innovative original designs that do not include the logo. Design patents have a high originality standard that disqualifies a large portion of designs from patent eligibility. Most designs tend to be a variation of a trend and not an entirely original design; such derivative designs do not meet the qualifications for design patent eligibility. Additionally, the cost and time consumption associated with obtaining a patent makes design patents undesirable in an industry with a quickly moving fashion cycle. Likewise, most small and unestablished designers do not have the financial means to pursue design patent protection. Although copyright law provides protection of prints and patterns that may be separated from the useful article on which they are placed, the expressive elements of many designs are not capable of being separated from their functional features. Many design elements such as cut, material, and stitching do not qualify for copyright protection.

As such, the various forms of IP rights currently available to American fashion designers are inadequate because the vast majority of fashion designs are excluded from applicability.

106. Fanelli, supra note 62.
108. Id. at 1177.
D. CFDA & Its Members Push for Fashion Design Legislation

The Council of Fashion Designers of America (CFDA) is an organization comprised of well-known and established fashion designers\(^\text{109}\) such as Vera Wang, Michael Kors, and Ralph Lauren.\(^\text{110}\) In recent years the CFDA has lobbied for legislation in fashion design, arguing that increased protections are needed to protect designers’ rights.\(^\text{111}\) Several American designers who are members of the CFDA have expressed concern over the lack of fashion design protection and argued that the speed at which copyists counterfeit their designs is rampant.\(^\text{112}\) Many designers have publicly spoken out against design piracy.\(^\text{113}\) During a hearing for proposed House Bill H.R. 5055, a proposal to amend Title 17 and extend copyright protection to fashion design,\(^\text{114}\) well-known designer Jeffrey Banks spoke on behalf of the CFDA for approval of the bill.\(^\text{115}\) In response to questions asked regarding the adverse impact of piracy on American designers, Jeffrey Banks testified,

“I would like to respond to those questions with an emphatic ‘yes it does hurt the designer and the industry!’ And no, far from helping the designer, design piracy can wipe out young careers in a single season. The young designers are the ones who are creating the new designs, which they have to have some way of protecting.”\(^\text{116}\)

Design piracy hurts designers and especially the new and unestablished designers who are more vulnerable to copying. Piracy further limits innovation by wiping out new designers who may want to be a part of the fashion industry but simply are unable to compete with the rampant copyists. In response to these concerns there have been several bills proposed to provide intellectual property rights to fashion designs.

E. Previously Proposed Bills to Amend Title 17

Since 2006 several house bills have been proposed to amend U.S. Code Title 17. The first of these was H.R. 5055 which was introduced in 2006.\(^\text{117}\) Then between 2007 and 2009, H.R. 2196,\(^\text{118}\) H.R. 2033,\(^\text{119}\)
and S.1957\textsuperscript{120} were introduced and together are known as the Design Piracy Prohibition Act. One more recently proposed bill was H.R. 2511, the Innovative Design Protection and Piracy Prevention Act which was introduced to congress on July 13, 2011.\textsuperscript{121} Despite the fact that numerous bills have been introduced in recent years, none of these bills have been approved. It has been argued that these bills were unsuccessful because they granted too much IP protection and what is needed is a limited form of IP protection for the quickly moving fashion industry.

Focusing first on the Innovative Design Protection and Piracy Prevention Act, this comment will explain why the bill and those that came before it were inadequate. Section 1301 of U.S. Code Title 17 provides that “a design is original if it is the result of the designer’s creative endeavor that provides a distinguishable variation over prior work pertaining to similar articles which is more than merely trivial and has not been copied from another source.”\textsuperscript{122} Thus, designs that contain common or standard qualities such a shape, color, or configuration, will not be considered original.\textsuperscript{123} Under H.R. 2511, when determining the originality of a garment, “the presence or absence of a particular color or colors or of a pictorial or graphic work imprinted shall not be considered in determining protection of a fashion design under section 1301 or 1302.”\textsuperscript{124} This means that designs that are variations of an original with changes to colors or patterns may nevertheless be considered to be infringing.\textsuperscript{125} This is problematic since most designs are a type of reworking of an original design. Such a rule would subject the vast majority of American fashion designers to infringement suits.

Another recently proposed bill was also problematic. House Bill S.3523, the Innovative Design Protection Act, was introduced in 2012.\textsuperscript{126} The bill provided for three years of protection for fashion designs that “provide a unique, distinguishable, non-trivial and non-utilitarian variation over prior designs for similar types of articles.”\textsuperscript{127}

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\textsuperscript{118} H.R. 2196, 111th Cong. (2009).
\textsuperscript{119} H.R. 2033, 110th Cong. (2007).
\textsuperscript{120} S. 1957, 110th Cong. (2007).
\textsuperscript{121} Innovative Design Protection and Piracy Prevention Act, H.R. 2511, 112th Cong. § 2(c) (2012).
\textsuperscript{123} Monseau, supra note 74, at 51.
\textsuperscript{124} H.R. 2511.
\textsuperscript{125} Monseau, supra note 74, at 52.
\textsuperscript{127} Id.
\end{flushleft}
However, this bill did not pass. Critics of the bill argued that the bill may put a financial strain on fashion designers due to legal costs as more designers would want to consult lawyers to avoid any potential infringement suits. In turn, this could indirectly harm consumers by increasing the costs of fashion apparel.

The principal issue with extending copyright protection to fashion design is that standard copyright protection grants the owner exclusive rights to, not only the creation itself, but also of reproduction and derivative works. It is argued that the usual definition of originality is problematic because most designs are a type of reworking of previous designs which, under traditional copyright law, could subject designers to infringement suits. One scholar argued that the broad copyright standard prohibiting derivative works is not appropriate for design protection that extends beyond knockoff artists’ virtually identical copies and further that it will allow litigious designers to sue their competitors too easily, and is thus likely to chill innovation. The bills that have been previously introduced grant too much power to the design copyright owner. For this reason, it is important to consider that if copyright protection is to extend to fashion design, it needs to do so in a limited way so that it protects original designs without limiting innovation.

V. Proposed Solution

A. Stance on this Issue

The extension of copyright protection to fashion design would be beneficial for many up-and-coming designers. New and less-established designers are in need of fashion design protection because they are the most vulnerable to copyists. Midrange designers lack protection from the available forms of IP rights that other well-established designers use to protect their designs. The advancements of technology have made it possible for copyists to replicate original designs fairly quickly and at a fraction of the cost that it took to make the original. Many new designers do not have the means to compete with the inexpensive mass-produced copies offered by copyists. Conse-

128. Id.
129. Woods & Monroig, supra note 67.
130. Id.
131. Monseau, supra note 74, at 52.
132. Id.
133. Id.
134. Id.
quently, this pushes new up-and-coming designers out of the fashion design industry. Unlike well-established designers such as Chanel, who will inevitably have a market of consumers that want an original Chanel design, new designers do not have this type of consumer loyalty. If consumers can buy a nearly identical version of a midrange designer’s design for a fraction of the cost, it will vastly decrease demand for the original design. New designers, who cannot keep up with the prices offered by copyists or who do not have the established consumer loyalty that some designers have, will inevitably be pushed out of the fashion industry. This will lead to diminished innovation because it decreases the amount of new designers in the industry.

However, this comment does not argue that all copying is bad. It argues only against “close copies” of the original work, copies that are nearly identical. It is understood that the vast majority of designs are some type of reworking of past or current designs. Fashion design occurs in trends.135 Therefore, it is foreseeable that designs that are a part of the same trend will have certain features in common. Prevention of such derivative works would limit innovation rather than promote it.

Further, this comment does not argue for protection of such designs that follow a trend. Instead, it seeks to protect only the original design so as not to prevent designers from making designs related to the current trend. If all designs received protection it would substantially decrease innovation because designers would be very limited in what they could create without infringing. Likewise, protecting derivatives would harm consumers because they would be limited in the options available to participate in a trend. Thus, design protection should only extend to original designs.

Lastly, fashion design protection may also be beneficial for well-established high-end designers who rely heavily on trademarks. It has been argued that trademarks “disproportionately encourage production of trademark-protected goods, such as articles with logos.”136 For the high-end designers who use trademarks heavily, copyright protection may allow them to create designs without logos. This encourages innovation because it allows designers that rely on trademarks for protection to venture to new designs that are not heavily trademarked.

If it wasn’t for the exclusion of “useful articles,” copyright protection would be able to encompass many more fashion designs. Com-

135. Hemphill & Suk, supra note 17, at 1152.
136. Id. at 1177.
pared to the other forms of IP protection that could apply to fashion design, copyright currently provides the most protection with its concept of separability. Thus, if IP protection is to extend to fashion design, the best way to do so would be through copyright law.

B. Amending U.S. Code Title 17 to Encompass Fashion Design

Similar to a proposition made by another scholar, this comment proposes that copyright law “extend protection against close copies but not against looser forms of borrowing or similarity.”137 It proposes that copyright protection extend to original designs of apparel. Copyright protection should be denied to close copies because doing so would limit innovation by prohibiting designers from altering previous designs to make new ones. Apparel would include “men’s, women’s, or children’s clothing, including undergarments, outerwear, gloves, footwear, and headgear; handbags, purses, wallets, tote bags, and belts, and eyeglass frames.”138 However, unlike traditional copyright law, the copyright owner would only have rights to the original design and not any derivative works. Derivative works refers to designs that are substantially similar but also substantially different.139 These are designs that could potentially be a part of the same trend but are not nearly identical copies of the original design.

Unlike the dual system of the European Union, American designers would best benefit from only having an unregistered design system. The United States should have a system that automatically grants design protection upon the creation of an original design. This automatic protection should last three years from the date of creation and be enforceable throughout the entire United States. This type of protection would be ideal for the majority of designers as most designs are short lived and protection over three years would be excessive. Further, such protection would not significantly impact expenditures by the U.S. Copyright Office because the copyright would be granted automatically so none of the costs associated with having a registration system would exist.

Unlike the European Union, the United States should not have a system for registered designs. Design registration would most benefit designers who create exclusive one-of-a-kind pieces such as haute couture and require an extended length of protection. This type of pro-

137. Id. at 1195.
139. Hemphill & Suk, supra note 17, at 1185.
tection could also benefit designers who create a design they believe has a likelihood of becoming an iconic timeless piece that they would want to protect for a longer period of time so that consumers come to associate such an iconic piece with a particular designer. However, these are two very small groups of designers and the majority of designers do not create such unique one-of-a-kind pieces and many designers never create an item that ends up becoming iconic. Similarly, even if a designer does create an iconic piece, three years’ protection is a sufficient amount of time for consumers to come to associate the original piece with a particular designer. Having a registration system for fashion design copyrights will create an added expense to the government. Due to the marginal amount of designers that are likely to register their designs, such a registration system may likely be underutilized and not worth the added expense.

Therefore, this form of limited unregistered protection would best benefit American designers, especially those that are new and still trying to establish themselves within the fashion industry. Most midrange American fashion designers participate in the quickly moving fashion cycle and they have the most to gain from such a system of design protection.