

Design Dilemma: Fashioning a Defense for Apparel Manufacturers in Copyright Infringement



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INTRODUCTION

GEORGE ELIOT ONCE NOTED—I'm confident without the US Copyright Act¹ in mind—that consequences are unpitiful. So it is for American apparel manufacturers navigating the acceleration over the past decade of copyright infringement litigation involving textile designs, the consequences of which have been an exponential increase in liability risks for businesses already subjected to narrow margins and intense competitive pressures. It shouldn't be this way. The vast majority of fabric designs—which manufacturers regularly buy and use—are comprised of elements depicting subjects and expressions that have been common and widespread in the marketplace, placing them squarely within the public domain. While those patterns may have a value of no more than a few hundred dollars, the cost of litigating the rights to those designs vastly exceeds any revenue a manufacturer may realize from their exploitation. Beyond that, manufacturers almost universally indemnify their retail customers in full, and therein lies the deepest rub. Retailers enjoy substantially greater profits than do manufacturers, and the disgorgement of those profits frequently distorts the basic economics of the industry and the manufacturers' business. A dispute over a regurgitated two-hundred dollar design, hypothetically, often ends with the plaintiff demanding—and often receiving—hundreds of thousands of dollars in settlement based almost entirely on the retailer's profits. Alternatively, plaintiffs demand elevated statutory damages because the manufacturer sampled the fabric in dispute

years previously, notwithstanding that most manufacturers sample thousands of designs every year.

The core of the manufacturers' dilemma is this: they are the least profitable party in the distribution chain, yet they shoulder the bulk of the financial risk of litigation. Practically, manufacturers cannot deny indemnity to retailers without facing a crippling loss of business. Exacerbating the situation, the Copyright Act's standards of minimum originality are so low that challenging the protectability of the designs—for all their duplication of pre-existing elements—is rarely a successful defense.² Adding insult to injury, the few defenses manufacturers have asserted with some success were recently complicated by the Ninth Circuit's unfortunate decision in *L.A. Printex Enterprises, Inc. v. Aeropostale, Inc.*,³ an opinion that cannot be squared with the realities of the industry or the prevailing purposes of copyright law.

This article examines the legal issues facing manufacturers negotiating this seemingly stacked deck, particularly in the wake of *Aeropostale*, and suggests an approach by which defense lawyers can and should challenge the scope of available recovery in two specific areas. These defenses, if asserted properly, offer the opportunity—within the confines of the Copyright Act and therefore without changing the law—to impose a rule of reason for infringement litigation in the apparel industry. I first tackle the issue of disgorgement, which wreaks the greatest havoc, and assert that the law permits the disgorgement only of those profits truly attributable to infringement of the protected elements of a work. Second, I address the question of willfulness in the context of statutory damages, and specifically argue that the prior sampling of a design should not *ipso facto* give rise to a finding of willfulness and a concomitant enhancement of available statutory damages. The result of these companion arguments is potentially a new paradigm by which the law can at once compensate the owners of registered designs in conformity with the Copyright Act while sheltering the apparel industry from financial remedies that are vastly disproportional to the actual value of the works at issue, or the benefit received from infringement.

THE PROBLEM

The Copyright Act is constructed to protect creations of genuine artistic labor. The law therefore takes pains to compensate owners whose works are infringed and, by corollary, to discourage the infringers of those works. Thus, a copyright owner is entitled to recover both actual damages and either statutory damages or disgorged profits.⁴ That comprehensive damages regime works effectively—or as effectively as we can reasonably expect—in the traditional artistic

industries to which the Copyright Act is principally directed. For example, a film producer typically maintains the resources necessary to police against the potential infringement of third party works in the production and distribution of a film. Reason therefore dictates that if infringement nevertheless results—either by oversight or design—there is no inequity in demanding the disgorgement of the producer's profits or imposing statutory damages.

Unfortunately, that construct is largely irreconcilable with the apparel industry, and the Copyright Act's extension to textile designs is a cautionary tale of unintended consequences. The industry is a volume business in which designs and clothing are generally produced en masse and with minimal artistic originality. To the contrary, most registered textile designs are created with the aid of drafting machines and through the exploitation of material almost exclusively within the public domain—floral patterns, for example, are ubiquitous in these designs. In addition, they are produced and registered at blinding speed—one company alone produces hundreds of designs a month and has registered hundreds each year with the Copyright Office over the last ten years! These works typically entail only slight alterations of designs that have been in circulation for decades. There is, of course, nothing inherently wrong with this practice—the Copyright Act demands only a modicum of originality to justify protection, and these works satisfy that minimal standard. But this confluence of opportunity and ease of protection has led to the proliferation of what can only be called copyright trolls. That is, fabric companies churning out and registering designs en masse for the primary purpose of filing infringement lawsuits when, as is inevitable, an unsuspecting manufacturer purchases and distributes one of the designs. The most egregious practitioner of this parasitic business model has filed no fewer than 500 lawsuits in the Central District of California alone.⁵

The apparel manufacturers are caught in a resulting perfect storm. They cannot possibly know whether any design they purchase is registered by a third and therefore every purchase comes at the risk of future litigation. And that risk is amplified because most apparel manufacturers “sample” hundreds of designs a year, meaning they are continuously reviewing designs from fabric suppliers and buying very small quantities (*i.e.*, the samples) that they may or may not use in filling orders for their retail customers. Where the sample is suitable for a particular order, a large volume of the fabric is purchased from the supplier and goods are manufactured using that fabric. But in most other cases, where the sample fabric is not used, the samples themselves are typically discarded. More important, the sheer amount of sampling makes it impossible to track effectively what fabric has been previously sampled and, by extension, whether a third party has registered a particular design with the US Copyright Office.⁶ The manufacturers' indemnity obligations to their retail customers exacerbate the risk further, because they must—in the event of litigation—pay for the retailers' defense and hold those retailers harmless in connection with any settlement or judgment stemming from the

infringement. Because the retailers' profits invariably exceed those of the manufacturers—usually by a considerable margin—the economic implications of this circumstance are potentially dire. When that is coupled with the risk of prior sampling and enhanced statutory damages, the punitive nature of the present litigation model is obvious.⁷ Indeed, copyright litigation is frequently the difference between profit and loss for many manufacturers—the majority of whom operate under razor thin profit margins. As the commercial actor that harnesses material (*i.e.*, the designs and fabric), assembles it (*i.e.*, into the form of garments), and then distributes the resulting product to the consumer (through retailers), apparel manufacturers occupy the same legal position under the Copyright Act as the film producer. Unlike their entertainment counterparts, however, manufacturers lack the resources or capacity to identify potential infringement or the wherewithal to withstand the financial consequences if it arises.

THE COMMONLY ASSERTED DEFENSES AND THE IMPLICATIONS OF *L.A. PRINTEX V. AEROPOSTALE*

This, then, is the manufacturers' dilemma: their already tight margins are under additional stress by the costs of copyright litigation that they have no reasonable way of anticipating or avoiding. The defense of these claims has generally taken three basic forms: (1) investigating whether the plaintiff has improperly copied elements created and protected by third parties prior to the plaintiff's claimed date of creation; (2) testing liability on the basis of the thin copyright theory; and (3) challenging the efficacy of the copyright registration in those cases where multiple works are registered collectively.⁸ None of these three avenues of defense has proven effective on a consistent basis, however, and each has particular shortcomings.

The first is compelling on those occasions when it can be asserted. To be sure, multiple defendants have investigated a wide library of pre-existing works and discovered that the plaintiff had appropriated elements that were created and protected before the allegedly infringed work was created. In each case, the result was a prompt and *de minimus* settlement. These cases are rare, however, and certainly not a predictable defensive blueprint.

The second, thin copyright, is appealing in theory though unproven as an effective means of combating these claims. The defense derives from the Supreme Court's *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, the Ninth Circuit's *Satava v. Lowry*, and the *Central District of California's Express LLC v. Fetish Group, Inc.*, which collectively concluded that, where the individual elements of a work are not themselves entitled to protection because they are within the public domain, the law nevertheless affords limited (*i.e.*, “thin”) protection if the compilation and organization of those elements is sufficiently original to satisfy the Copyright Act's minimum originality standards.⁹ Any party suing for the infringement of a thin copyright faces a greater evidentiary burden than the traditional “substantial similarity” test, and must in-

stead demonstrate that the infringing work is “virtually identical” to its own.¹⁰ The difficulty in asserting this defense is two-fold.

First, the competing designs in textile litigation frequently are virtually identical, and any differences are so subtle as to be insignificant. Lawyers have obtained thin copyright jury instructions only to have the jury find the enhanced infringement test had been met.¹¹ Thus, under these circumstances the defense is often ineffective even where applicable.¹² Second, the Ninth Circuit set the defense back in *Aeropostale* by finding that that the “stylized fabric designs” in dispute there were, despite depicting elements that were not independently copyrightable, entitled to broad rather than thin protection.¹³ The litigation itself involved a fabric company alleging infringement against a US national retailer, Aeropostale, and the manufacturer from which it obtained garments bearing the allegedly infringing designs.¹⁴ The district court granted summary judgment in the defendants’ favor on grounds of a lack of substantial similarity, though the motion itself raised several issues, including thin copyright and the protectability of the plaintiff’s designs. The Ninth Circuit reversed in an opinion that addressed all the issues briefed before the district court. The designs themselves comprised floral bouquets and branches, and the court properly observed, citing *Satava v. Lowry*, that “the idea of a floral pattern depicting bouquets and branches is not protectable.”¹⁵ But the court, indulging in a purported distinction with the facts in *Satava* that was one without a legal difference, then found that because there is a “wide range of expression” for selecting and compiling floral elements in a stylized manner, the designs would be afforded “broad protection.”¹⁶ That stood in contrast, the panel concluded, with the “lifelike glass-in-glass jellyfish sculpture” confronted nine years earlier in *Satava* and to which the same court assigned only thin protection.¹⁷

This attempted carve-out for “stylized” designs is troubling, because it suggests a departure from the principles underlying the Copyright Act and the thin copyright doctrine enunciated by the Supreme Court in *Feist Publications*. If the constituent elements of a design are in the public domain—as the *Aeropostale* court found concerning the designs in dispute there—then no more than thin protection should be extended to the collective expression of those elements, irrespective of the number of ways a particular unprotected idea can be compiled or organized. Beyond that, the court’s faux dichotomy sets the stage for endless litigation over the presumably invisible line between stylized and non-stylized designs, since the scope of protection pivots on that determination. In short, having drawn a distinction convenient for its immediate purposes but incapable of being predictably applied more broadly, the *Aeropostale* court at once curtailed the thin copyright defense while leaving its remaining scope uncertain.

Nor is that the end of the mischief the decision has made in this area. The court also restricted the ability to challenge collective work registrations by neutering the publication rules applicable to those registrations. The Copyright Act permits the registration of multiple works as a single work, a practice highly popular among registrants of

textile designs.¹⁸ These registrations are subject to regulatory requirements, however. A collective published work may be registered as a single work only where all the registered works are first published in a single unit of publication and share a single copyright claimant.¹⁹ Similarly, an unpublished collection can be registered if the works are self-contained and are combined in a single unpublished collection.²⁰ Accordingly, if the registered works comprising a published collection do not share the same initial publication date, the single work is impermissibly “split” and the registration certificate must perforce be invalid. The same should be true of an unpublished registration consisting of works that were published prior to registration. This is not a complete defense, of course. The plaintiff may file a new registration application even if the existing certificate is vitiated, but in that case the effective date of the second registration would be later than the alleged act of infringement and thus preclude the recovery of attorneys’ fees or statutory damages.²¹

Alas, *Aeropostale* intrudes again, and to the manufacturers’ prejudice. While the court in *Aeropostale* extended a nod to the single unit of publication rule governing published collections, it inexplicably held that the registration of an unpublished collection is not invalidated even where published works are included within it. The registrant in those instances may, so long as the initial registration was not filed with the intent to defraud the Copyright Office, correct its “error” through a supplemental registration removing the previously published works (in which case the effective date of the registration remains unchanged).²² The court, in reaching that conclusion, conflated the notions of erroneous information on an application and publication rules concerning collective work registrations. Erroneous entries on a copyright registration application are technical in nature—such as a wrong publication date or incorrect identity of co-authors. Such minor, unintentional errors should be correctable by supplemental registration, assuming there was no fraudulent intent in connection with the initial registration.²³ But given that limited scope, a supplemental registration may not be used to “reflect changes to the content of a work,” since that would alter the substantive rights embodied by the registration.²⁴ In the case of the publication requirements, the essence of a collection’s right to protection is at issue, and that is why the Copyright Act and its regulations require the contents and characteristics of a collection to meet certain criteria before the collection is entitled to registration. Indeed, where a collection does not conform to the publication rules—whether for published or unpublished works—then its registration as a “single work” is prohibited.²⁵

For this reason, allowing a fatally flawed collective registration to be salvaged *ex post facto* by the belated removal of certain works from the collection, particularly since that removal substantially changes the overall content of the registered work itself, does violence to the underlying principles of the Copyright Act.²⁶ Not only does it make no sense to draw a distinction between published and unpublished collections in this instance, that “distinction” has no statutory or reg-

ulatory support. Yet, by advancing this distinction, the *Aeropostale* court effectively removed registration challenges for unpublished collections from the already emptying cupboard of available defenses to textile infringement claims. It certainly will not be long before plaintiffs argue that the opinion's logic should be applied to published collections, and that defective registrations of such collections should be correctable by supplemental registration. The court's explicit acknowledgment of the single unit of publication rule should prevent the success of that effort since, in doing so, the court concomitantly acknowledged this was a prerequisite to registration, but plaintiffs' inevitably will try and leverage *Aeropostale* to further erode manufacturers' ability to challenge the efficacy of their registrations.²⁷

THE ANSWER—ATTRIBUTION

Aeropostale was obviously disappointing to manufacturers, and poses a challenge in the defense of textile infringement claims. All is not lost, however. The opportunity exists to mount an effective defense to the quantum of available recovery in these cases—if not the fact of recovery—by returning to the text of the Copyright Act and arguing forcefully that the permissible parameters of profit disgorgement are limited.²⁸

Section 504(b) of the Copyright Act provides that a copyright owner is entitled to recover his or her actual damages and “any profits of the infringer that are attributable to the infringement and are not taken into account in computing the actual damages.”²⁹ [emphasis added] In other words, if some segment of a defendant's profit cannot be attributed to the infringement of the protected elements of a design, that part of the profit cannot be disgorged. Moreover, because disgorgement is routinely the single largest element of recovery in textile cases—claimants rarely can establish anything more than *de minimus* actual loss and enhanced statutory damages require a showing of willfulness—taking the windfall out of profit disgorgement would substantially alter the economic model presently crippling manufacturers.

To be clear, this is an issue of attribution and not apportionment. Apportionment requires an assessment of what characteristics of a garment contributed to the consumer's decision to purchase it—or more particularly, what elements other than the textile design contributed to the purchase—which determination would require a trademark-style survey to identify and quantify which elements informed the purchasing decision. Any experienced trademark litigator can attest to the extraordinary costs of these surveys and their frustrating tendency to yield results that are not propitious. Attribution, by contrast, focuses on the design itself, and the percentage of the design that genuinely can be considered protectable original content.

The starting place is *Satava* and its analysis of what the copyright laws can or cannot protect. The dispute involved a California artist (*Satava*) suing a competitor for infringement of *Satava*'s lifelike glass-in-glass jellyfish sculpture. *Satava*'s works depicted the lifelike

shape of a jellyfish inside a large glass that was bulbous on the top and tapered toward the bottom to form roughly a bullet shape. Another artist (*Lowry*) later began making and selling sculptures that were substantially the same in style and content as *Satava*'s creations, prompting the litigation. The Ninth Circuit found that the bulk of *Satava*'s works were unprotected expressions of natural phenomena over which neither he nor any individual can exercise dominion. At the same time, the Court examined the inherent tension between the necessary proscription of copyright protection for matters within the public domain and the equally essential preservation of enforceable rights for those elements of a work that reflect original content. Both characteristics were present in *Satava*'s sculptures, and the Court's resolution of this tension lays out the blueprint for the attribution argument apparel manufacturers must begin making:

The originality requirement mandates that objective ‘facts’ and ideas are not copyrightable. [Citations omitted.] Similarly, expressions that are standard, stock, or common to a particular subject matter or medium are not protectable under copyright law. [Citations omitted.]

It follows from these principles that no copyright protection may be afforded to the idea of producing a glass-in-glass jellyfish sculpture or to elements of expression that naturally follow from the idea of such a sculpture. [Citations omitted.] *Satava* may not prevent others from copying aspects of his sculptures resulting from either jellyfish physiology or from their depiction in the glass-in-glass medium.

Satava may not prevent others from depicting jellyfish with tentacle-like tentacles or rounded bells, because many jellyfish possess those body parts. He may not prevent others from depicting jellyfish in bright colors, because many jellyfish are brightly colored. He may not prevent others from depicting jellyfish swimming vertically, because jellyfish swim vertically in nature and often are depicted swimming vertically.

Satava's glass-in-glass jellyfish sculptures, though beautiful, combine several unprotectable ideas and standard elements. These elements are part of the public domain. They are the common property of all, and *Satava* may not use copyright law to seize them for his exclusive use.

We do not mean to suggest that *Satava* has added nothing copyrightable to his jellyfish sculptures. He has made some copyrightable contributions: the distinctive curls of particular tendrils; the

arrangement of certain hues; the unique shape of jellyfishes' bells. To the extent that these ideas and other artistic choices were not governed by jellyfish physiology or the glass-in-glass medium, they are original elements that Satava theoretically may protect through copyright law. Satava's copyright on these original elements (or their combination) is 'thin,' however, comprising no more than his original contribution to ideas already in the public domain. Stated another way, Satava may prevent others from copying the original features he contributed, but he may not prevent others from copying elements of expression that nature displays for all observers, or that the glass-in-glass medium suggests to all sculptures.³⁰

Applying that logic to the apparel context, the form of the attribution defense emerges. The overwhelming majority of litigated textile designs depict matters that are drawn from material that either intrinsically falls within the public domain (e.g., a rose) or are of such common usage (e.g., paisley) that they are, in the words of the *Satava* court, "standard, stock, or common to a particular subject or medium."³¹ In either event, the expression of that material is unprotected. Accordingly, and even assuming that the author can claim some original contribution to the whole of a work, the amount of profit attributable to infringement should be no more than the percentage of the author's original (and protectable) contribution. Take, for example, a design comprised of flowers and banners with writing on them, which are very common in apparel designs. If 80% of the work is nothing more than common or standard material that the author cannot "seize for his exclusive use" and only twenty percent consists of his original content, then fidelity to Section 504(b) and *Satava* demand a finding that no more than twenty percent of the resulting profit can be considered attributable to infringement.³² Thus, taking the same example, if a retailer's net profits totaled \$100,000 on the garments depicting the infringed design, the amount of disgorgement would only be \$20,000.³³ While still an economic burden to the indemnifying manufacturer, it would be a far more manageable one than what the same manufacturer typically faces today, where the full \$100,000 would be disgorged, regardless of what percentage can truly be considered attributable to infringement.

This analysis is consistent with the decisional authority concerning attribution, which expressly and necessarily authorizes the percentage breakdown for apparel cases. In *Three Boys Music Corporation v. Bolton*, for example, the court specifically observed that a "successful copyright plaintiff is allowed only those profits that are 'attributable to infringement'" and upheld the jury's finding that only a specified percentage of the defendants' profits derived from the infringed elements.³⁴ In other words, this form of defensive attribution is neither novel nor outside well-established principles of copyright law. It just has not been extended—at least effectively, thus far—to textile litigation. Now it must be, particularly in the wake of *Aeropostale*.³⁵

IMPLEMENTING THE ATTRIBUTION DEFENSE

The logistics of presenting the attribution defense are not complicated. Defense counsel should aggressively assert these arguments in response to disgorgement claims, and develop evidence supporting this limit on recovery. The Ninth Circuit Model Jury Instruction on profits assigns defendants the burden of proving that portion of profit attributable to factors other than infringement, and counsel will therefore need to retain fashion "experts" to assess the contents of each design at issue and opine as to the scope of original content.³⁶ The use of these experts is already common in this area, though they have typically been engaged not to provide true opinions but rather to demonstrate—based on their review of databases and material at their disposal—the extent to which elements of a particular design have been in the marketplace (and therefore the public domain). But those experts can be retained to conduct the same basic analysis, though expanded to provide an opinion as to the percentage of the design that is genuinely original content. That testimony would be necessary to meet the defendant's burden of proof on attribution. Given their experience in the fashion world, such experts are qualified to testify at trial competently on the issue, and place parameters around the percentage of profits that can be disgorged.

A SECOND ANSWER—STATUTORY DAMAGES

There is one final issue to address: that of enhanced statutory damages. As already explained, retailer profits generally serve as the major economic driver in apparel litigation. At times, however, statutory damages assume a larger role, most notably in cases where the profits are minimal and the manufacturer has previously sampled a design. In those instances, the plaintiff invariably argues that the defendant's prior access to the design necessarily supports a finding of willful infringement, and thus enhanced statutory damages under the Copyright Act's Section 504.³⁷ It should not, and recognizing the principles underlying willful infringement demonstrates why not.

To prove willful infringement, a copyright plaintiff must demonstrate that the defendant had actual knowledge that it was infringing the plaintiff's copyrights or acted in reckless disregard of that fact.³⁸ The gist of this test is whether the defendant knew, at the time it infringed, that it was acting in contravention of the plaintiff's rights, or at least should have known based on the circumstances. The defendant's state of mind at the time of infringement is therefore an essential component of this analysis.³⁹ This is precisely what has been missing from the willfulness test in apparel cases, and what must be returned to that test.

If, for example, a manufacturer samples a design in 2011 and is later alleged to have infringed the same design in 2013 (a common allegation), that fact alone should not give rise to a finding of willfulness. This hypothetical manufacturer almost certainly would have sampled thousands of designs between its fleeting interaction with the infringed design in 2011 and its sale of garments bearing the design two

years later. Accordingly, the law requires the plaintiff to establish that the manufacturer knew it was infringing in 2013, which is a state of mind that cannot be reasonably inferred simply from the fact of the 2011 sampling. If no reasonable manufacturer could be expected to have been conscious of the prior sampling when the allegedly infringing garments were sold in 2013, then it follows that the manufacturer is not willfully infringing under the standards set in *Sega Enterprises v. Maphia and Peer Intl. Corp. v. Pausa Records, Inc.*⁴⁰ That is not to say the sampling is necessarily irrelevant—the manufacturer may have consciously attempted to copy the design without the plaintiff's consent after the sampling, in which case willfulness would appropriately be found. But the assumption that prior sampling automatically supports willfulness is contrary to the law and should be rejected.

CONCLUSION

These arguments, if implemented effectively, offer a welcome ray of hope to manufacturers facing the specter of further copyright litigation. It would impose an essential rule of reason on the presently untethered world of textile litigation while preserving the overriding mission of the Copyright Act, namely the vigorous protection of protectable expression. The copyright trolls might still recover, but the days of the unseemly windfall will draw to a close and their recovery will instead reflect economic reality and the underlying principles of the Copyright Act. ◀◀

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Endnotes

1. Copyright Act of 1976, 17 U.S.C. §§ 101, *et seq.* (2011).
2. See *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 346, 111 S. Ct. 1282 (US 1991) (requisite level of creativity necessary to establish copyright protection is "extremely low").
3. *L.A. Printex Enterprises, Inc. v. Aeropostale, Inc.*, 676 F.3d 841 (9th Cir. 2012) (fabric designer enjoyed full, and not thin, copyright protection for stylized floral designs it created—because of the wide range of expression relative to those designs—as against alleged infringer, notwithstanding that the idea of a floral pattern is not protectable).
4. 17 U.S.C. § 504(b) and (c).
5. This prodigious litigant, LA Printex Industries, was the plaintiff in

Aeropostale. A simple review of the United States District Court docket, and the US Copyright Office website, reflect the scope of both its copyright registrations and its appetite for litigation.

6. Much of this sampling occurs in fabric houses in the Far East, where there would not likely be copyright notices on any of the designs themselves. Beyond that, such a notice would probably be worthless in any event, since it would be difficult, if not impossible, for any manufacturer to verify the fabric supplier's authorship of a design irrespective of the supplier's representations. For example, manufacturers ask for and receive representations of ownership and indemnity agreements from the fabric houses in Asia, and nevertheless get sued for infringement concerning designs that are the subject of those indemnity rights. Though that may assist in defending against claims of willful infringement, the contractual indemnity is illusory because no American manufacturer wants to devote the time and money to chasing indemnity rights in, for example, Vietnam.
7. 17 U.S.C. § 504(b) and (c); see also *Ofegard, Inc. v. Costikyan Classic Carpets, Inc.*, 963 F. Supp. 1328, 1341 (S.D.N.Y.1997) (willful infringement warranted in design case where defendant had actual or constructive notice of the plaintiff's work, and competing works were close in content).
8. See e.g., *Silvers v. Sony Pictures Entertainment, Inc.*, 402 F.3d 881, 890 (9th Cir. 2005) (plaintiff lacked standing to sue for infringement of copyright where it was not the owner of the exclusive rights in the works being sued upon); *Satava v. Lowry*, 323 F.3d 805, 812 (9th Cir. 2003) (works drawing elements from the public domain afforded only "thin" protection, requiring plaintiff to demonstrate that allegedly infringing work "virtually identical" to plaintiff's work); and 37 C.F.R. § 202.3(b)(4)(i)(A) (collective published work registration invalid where all works in registration not published for the first time in a single unit of publication).
9. See *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 350-351 (US 1991). This is the phone-book example, where the telephone numbers themselves are not protectable but the book comprising them represents some form of original creation; see also *Satava*, 323 F.3d at 812; and see *Express LLC v. Fetish Group, Inc.*, 424 F. Supp.2d 1211, 1227 (C.D. Cal 2006).
10. See *Satava*, 323 F.3d at 812; see also *Express*, 424 F. Supp.2d at 1227.
11. See e.g., *L.A. Printex Industries, Inc. v. Skiva International, et al.*, U.S.D.C. Case No. CV09-5728 (C.D. Cal. 2009) (instruction read in relevant part: "[t]o establish infringement under the thin copyright standard, plaintiff must demonstrate that its work and the defendants' design are 'virtually identical.' If you find that the designs are not virtually identical, you must find that plaintiff has not discharged its obligation of establishing that the defendants impermissibly copied the design").
12. The frequency with which the designs in dispute are nearly identical has led to widespread speculation among the defense bar that the textile plaintiffs are "seeding" the Far East fabric market, where many American manufacturers sample and purchase designs that ultimately find their way onto garments sold in the United States. There is suspicion that these plaintiffs plant designs in fabric houses in the region, knowing those designs would eventually end up on American retail floors, where the plaintiffs can then initiate infringement litigation.
13. *L.A. Printex Enterprises, Inc. v. Aeropostale, Inc.*, 676 F.3d 841, 850 (9th Cir. 2012).

14. *Id.* at 845–846.
15. *Id.* at 850, citing *Satava v. Lowry*, 323 F.3d 805, 811 (9th Cir. 2003).
16. *Aeropostale*, 676 F.3d at 850–851.
17. *Id.* at 851.
18. A catalog is the best generic example of this form of registration. It is common for registrations of textile designs to include twenty or more works within a single registration.
19. See 37 C.F.R. § 202.3(b)(4)(i)(A); see also *Kay Berry, Inc. v. Taylor Gifts, Inc.*, 421 F.3d 199, 205 (3rd Cir. 1999).
20. See 37 C.F.R. § 202.3(b)(4)(i)(B).
21. Under 17 U.S.C. § 412, statutory damages and attorneys’ fees are available to a copyright plaintiff so long as the allegedly infringed work was registered within three months of the date of first publication. But the same section prohibits either form of recovery where the purported infringement occurred before the effective date of registration (in the case of an unpublished work) and, as to a published work, after “first publication of the work and before the effective date of its registration, unless such registration is made within three months after the first publication of the work.” Thus, if the plaintiff is forced to re-register, the effective date of the new registration will necessarily be after the alleged infringement and more than three months of first publication, precluding statutory damages or attorneys’ fees.
22. *L.A. Printex Enterprises, Inc. v. Aeropostale, Inc.*, 676 F.3d 841, 853–854 (9th Cir. 2012).
23. See 37 C.F.R. § 201.5(b)(2)(ii).
24. See 37 C.F.R. § 201.5(b)(2)(iii); the *Aeropostale* court disregarded that proscription in allowing the plaintiff’s supplemental registration to remove the previously published works while preserving the initial registration date.
25. See 37 C.F.R. 202.3(b)(4)(i). This section of the regulations is specific on the gradations of definition for purposes of registration, and provides that a collection shall be “considered a single work” only if, where published, “all copyrightable elements are otherwise recognized as self-contained works, that are included in a single unit of publication, and in which the copyright claimant is the same.”
26. See 37 C.F.R. § 201.5(b)(2)(iii).
27. See *L.A. Printex Enterprises, Inc. v. Aeropostale, Inc.*, 676 F.3d 841, 853, fn. 6 (9th Cir. 2012).
28. 17 U.S.C. § 504(b) (“The copyright owner is entitled to recover... any profits of the infringer that are *attributable* to the infringement”) (emphasis added).
29. *Id.*
30. *Satava v. Lowry*, 323 F.3d 805, 810–812 (9th Cir. 2003).
31. *Id.*, at 810.
32. *Id.* at 811 (plaintiff cannot take unprotectable ideas and use the copyright law to “seize them for his exclusive use”); 17 U.S.C. § 504(b) (only profits attributable to infringement may be disgorged).
33. Copyright plaintiffs may assert that this 20% contribution is what created 100% of the value, and thus all profits should be disgorged. This expected argument, if accepted, would lay waste to the very principle of attribution codified in § 504(b) and articulated in *Satava*. Specifically, if a copyright owner whose protected contribution to an overall work is merely 20% is nevertheless permitted to recover all profits on the theory that the work would not have been sold but for the presence of his limited contribution, then the owner would effectively be receiving infringement remedies for the 80% of the work that is unprotectable. In that case, he would be seizing those unprotected elements for himself exclusively, and in the process accomplishing exactly what *Satava* prohibits.
34. *Three Boys Music Corporation v. Bolton*, 212 F.3d 477, 487 (9th Cir. 2000); see also *Cream Records, Inc. v. J.O.S. Schlitz Brewing Co.*, 754 F.2d 826, 829 (9th Cir. 1985) (court must make a reasonable approximation of the portion of defendant’s profits due to the use of the infringed work); accord *Love v. Kwitney*, 772 F. Supp. 1367, 1370 (S.D.N.Y. 1991) (no more than 2.6% of the defendant’s profit attributable to infringement of plaintiff’s protected material, and thus plaintiff could disgorge only that percentage of the defendant’s profit), *disapproved on other grounds, In Design v. K-Mart Apparel Corp.*, 13 F.3d 559 (2d Cir. 1994).
35. The Ninth Circuit’s extension of broad protection to certain stylized designs in *Aeropostale* should not affect this analysis because that extension relates to the test for infringement and not the percentage of profits attributable to infringement. Indeed, the Court acknowledged that the underlying elements (florals) were in the public domain, but concluded (however inexplicably) that the volume of prospective combinations warranted broad protection. The attribution principle remains the same, however, even as to designs within that so-called stylized realm: only the percentage of the work attributable to the author’s compilation or organization can be considered original (because the constituent elements are unprotectable, however stylized the overall design) and only that percentage of the defendant’s profits can be considered attributable to infringement.
36. NINTH CIRCUIT MANUAL OF MODEL JURY INSTRUCTIONS (CIVIL), 395, Rule 17.24, Copyright—Damages—Defendant’s Profits (17 U.S.C. § 504(b)) (2007) (see <http://www3.ce9.uscourts.gov/jury-instructions/node/283>, last visited 10/6/2013).
37. 17 U.S.C. § 504(c)(2).
38. See e.g., *Sega Enterprises v. Maphia*, 948 F. Supp. 923, 936 (N.D. Cal. 1997); see also *Peer Intl. Corp. v. Pausa Records, Inc.*, 909 F.2d 1332, 1335 (9th Cir. 1990).
39. See *Sega*, 948 F. Supp. 923 (a “determination of willfulness requires an assessment of a party’s state of mind”).
40. *Id.*, at 936; *Peer Intl. Corp.*, 909 F.2d at 1335.