

Daily Journal

www.dailyjournal.com

THURSDAY, MARCH 23, 2017

PERSPECTIVE

Apparel copyright owners cheer ruling

By Todd Lander

On Wednesday, the U.S. Supreme Court purported to resolve a long simmering ambiguity in the nation's copyright law, one that has particularly bedeviled the apparel industry in Southern California — that is, when and under what circumstances graphic or artistic designs can obtain copyright protection when depicted on clothing and similar useful articles.

The decision, *Star Athletica, LLC v. Varsity Brands Inc.*, 2017 DJDAR 2765, specifically concerned cheerleading uniforms Varsity Brands manufactured and sold bearing various combinations of visual design elements, including chevrons, lines, stripes, angles and the like. The court, in rejecting Star Athletica's challenge to the copyrightability of those design elements, held that a design on a useful article is eligible for protection if the feature: (1) can be perceived as a two- or three-dimensional work of art separate from the useful article; and (2) would qualify as a protectable pictorial, graphic or sculptural work either on its own or in some other medium if imagined separately from the useful article.

The decision is destined to reverberate in the apparel and fashion industry, because it implicates and joins several issues that have infused the industry since the surge in textile copyright litigation 15 years ago.

The specifics of the dispute are instructive, and entail esoteric but important issues of copyright law. Section 101 of the Copyright Act affords protection to "pictorial, graphic, or sculptural features" of the "design of a useful article," as artistic works, if those features "can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article."

Stripped of the rhetorical debris in the statute, this essentially means that if a pictorial design can be imagined or depicted on its own, and independently of the useful article bearing it (such as clothing), it is entitled to protection under the act. If not, and the design is inseparable from the article itself, it may not be protected.

Enter Varsity Brands, a prodigious distributor of cheerleading uniforms and registrant of 200 copyrights for two-dimensional designs appearing on the surface of its uniforms and other clothing. Varsity Brands sued Star Athletica for copyright infringement concerning five of its registered designs.

The district court dismissed the case on summary judgment, finding that the designs served the useful or utilitarian function of merely identifying the garments as cheerleading uniforms, and thus could not be "physically or conceptually" separated, under Section 101, from the useful components of the uniforms.



The case, which has engendered considerable attention, is undoubtedly a victory for apparel copyright holders, and one that further cements the burgeoning litigation industry concerning textile copyrights.

The 6th U.S. Circuit Court of Appeals reversed, observing that the graphic designs on the uniforms were separable because the designs "and a blank cheerleading uniform can appear 'side by side.'"

Into this breach dove the Supreme Court, and briefing focused squarely on the dichotomy between utility and independent and separable design. Star Athletica, the petitioner, mounted three basic challenges against the Varsity Brands designs: (1) a feature exists independently only if it can stand alone as a copyrightable work and if the useful article from which it was extracted would remain equally useful (specifically, if the designs were removed, the result would be a plain white uniform of no apparent value); (2) the feature must be identified to reflect the designer's artistic judgment exercised independently of the useful article, and there must be a substantial likelihood that the artistic element would be marketable to some part of the community without its utilitarian function; and (3) allowing protection to the surface elements would contravene Congress' intent to exclude industrial design from the Copyright Act.

Justice Clarence Thomas, delivering the majority opinion, rejected all three arguments. Addressing the first argument, the majority found that the separability inquiry focuses only on the extracted design feature — and whether it can exist independently — and not on the remaining utility of the useful article in the absence of the pictorial elements. Thus, the value or utility of a plain white uniform, stripped of the design elements, is irrelevant.

And it is further immaterial, according to the majority, citing *Mazer v. Stein*, 347 U.S. 201 (1954), whether the design was first created as a feature of the useful article, rather than independent of the article: "An artistic feature that would be eligible for copyright protection on its own cannot lose that protection simply because it was first created as a fea-

ture of the design of a useful article, even if it makes that article more useful."

The court made equally quick work of Star Athletica's second contention, finding that the Copyright Act does not premise protection on the mindset of the artist or why the design was created, and dismissing as irrelevant whether "some segment of the market would be interested in a given work" in the absence of its utilitarian function. That would, the opinion notes, "prize popular art over other forms."

Finally, the court summarily rejected the argument concerning industrial design, holding that "Congress has provided for limited copyright protection for certain features of industrial design," and construing the statute with a presumptive hostility to designs depicted on industrial design would undermine Congress' decision.

Note that the majority did not determine whether Varsity Brands specific designs met the test for protection under the act, but rather addressed the abstract question of resolving the test for determining that protection. And the result is clear — if a design can be removed from a useful article and depicted as a two- or three-dimensional artwork, it may be protected. There is no longer a distinction between physical and conceptual separability — separability is now reduced, for all intents and purposes, to conceptual separability.

In reaching its conclusions, the majority appears to have engaged in an intellectual rather than practical exercise. That tension is captured in Justice Stephen Breyer's dissent, which, while agreeing with much of what the majority found, nonetheless observes that in reviewing Varsity Brands' designs submitted to the Copyright Office, he saw "only pictures of cheerleading uniforms. And cheerleading uniforms are useful articles." Thus, in practical terms, the Varsity Brands chevrons, stripes and angles are inseparable from the uniform bearing them. But because they can be separated in the abstract, and be depicted in two-dimensional terms, they are protectable.

The case, which has engendered considerable attention, is undoubtedly a victory for apparel copyright holders, and one that further cements the burgeoning litigation industry concerning textile copyrights. Varsity Brands, and other holders of apparel copyrights, will undoubtedly cheer the result.



LANDER

Todd M. Lander is an intellectual property, real estate and complex business litigator with Freeman, Freeman & Smiley, LLP.