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Design Protection and the Fashion Industry:

Fashion Week or Fashion Weak?

Cheryl Solomon, *General Counsel, Gucci Group*
Anne Gilson LaLonde, *Author, Gilson on Trademarks*
Louis S. Ederer, *Partner, Arnold & Porter LLP*

February 17, 2010

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Design Protection and Fashion Industry:

Overview

- It's Fashion Week in New York – 1000's of new designs will be unveiled to the public
- But what will happen to the new designs that are most appealing?
- What protections exist for the creators of these designs?

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Design Protection and Fashion Industry:
Overview

"What passes in the trade for an original design of a hat or a dress cannot be patented or copyrighted. . . . The creator who maintains a large staff of highly paid designers can recoup his investment only by selling the hats they design. He suffers a real loss when the design is copied as soon as it appears; the imitator in turn reaps a substantial gain by appropriating for himself the style innovations produced by the creator's investment. Yet the imitator may copy with impunity, and the law grants no remedy to the creator."

– *Millinery Creators' Guild v. Federal Trade Comm'n*, 109 F.2d 175 (2d Cir. 1940), *aff'd*, 312 U.S. 469 (1941)

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Design Protection and Fashion Industry:
Overview

- For over eighty years, U.S. Fashion designers have been looking for ways to protect the overall designs of their products.
- In the 1930's, U.S. dress makers and milliners banded together to form guilds and sold product to only those retailers who agreed not to also sell copies of the designs.
- Retailers who would not agree to sell copies were boycotted by the guilds.

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Design Protection and Fashion Industry:
Overview

- For their efforts, the guilds were hit with sanctions by the Federal Trade Commission for anti-competitive conduct.
- The U.S. Supreme Court determined that the piracy of the designs was no justification for the guilds anti-competitive conduct.
- And, courts issued rulings that designers have had to live with ever since…

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Design Protection and Fashion Industry:
Overview

- "To embody a design in a dress or a fabric, and offer the dress for general sale was such a 'publication'; nothing more could be done to bring it into the public demesne. *It may be unfortunate -- it may indeed be unjust -- that the law should not thereafter distinguish between 'originals' and copies; but until the Copyright Office can be induced to register such designs as copyrightable under the existing statute, they both fall into the public demesne without reserve*."

  – *Fashion Originators Guild v. Federal Trade Comm'n*, 114 F.2d 80 (2d Cir. 1940), *aff'd*, 312 U.S. 457 (1941)

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Design Protection and Fashion Industry:
Overview

Four Potential Approaches to Protecting IP Rights in Designs:

(1) Copyright
(2) Trademark
(3) Trade Dress
(4) Design Patent

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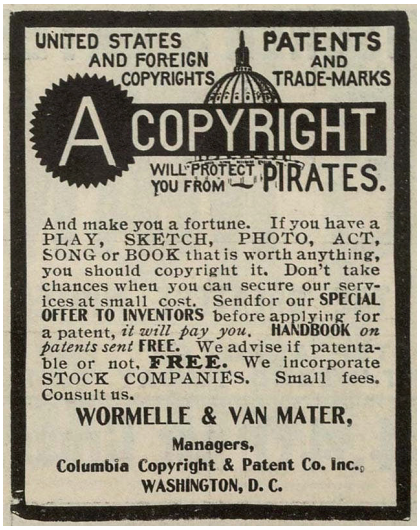
Design Protection and Fashion Industry:
Copyright: Basics

- **Protects:** Original literary and artistic expression fixed in a tangible form.
- **Scope:** Protects against unauthorized use or copying. Does not protect the ornamental design of a useful item.
- **How to Obtain Rights:** Copyright exists automatically upon creation.
- **Remember**: To maximize rights, register copyright claim with the U.S. Register of Copyrights and publish with notice.



1906 Advertisement

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Design Protection and Fashion Industry:
Copyright: Basics

- **Term of Protection:** For works created after January 1, 1978, author's lifetime plus 70 years, or if anonymous or work made for hire, earlier of 95 years from publication or 120 years from creation.
- **Test for Infringement:** Unauthorized use or copying (access plus substantial similarity).
- **Notice Requirements:** Optional after March 1, 1989. © or "Copyright" with year of first publication and name of owner.
- **Advantages of Registration:** Prerequisite to filing infringement action; statutory damages and attorney's fees; prima facie evidence of validity; U.S. Customs recordation.

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Design Protection and Fashion Industry:
Copyright: Artistic Elements vs. Utilitarian Aspects

- While copyright does not extend protection to useful articles, it can protect the purely artistic elements of a useful article that can be identified and exist independently of the utilitarian aspects of the article.
- Thus, copyright may protect the design elements of a useful article, *e.g.*, a chair or lamp, that are "physically or conceptually separable" from the utilitarian aspects.
- Difficulty is not only in getting the Copyright Office to register the copyright, but also in attempting to enforce the copyright against alleged infringers.

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Design Protection and Fashion Industry:

Copyright: Artistic Elements vs. Utilitarian Aspects

- Plaintiff designed, manufactured, and sold two belt buckles, which he had conceived and sketched. Prototypes of the buckles were carved in wax by hand to create molds for casting the objects in gold and silver.
- Defendant manufactured and sold "line-for-line copies" of the buckles made of common metal rather than" precious metal. Defendant admitted to copying Plaintiff's buckles and to selling its imitations. Indeed some of the order blanks of Defendant's customers specifically referred to the Plaintiff by name.
- Protectable under Copyright Law?

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Design Protection and Fashion Industry:

Copyright: Artistic Elements vs. Utilitarian Aspects

- Protectable.
- ***Kieselstein-Cord v. Accessories by Pearl Inc.,*** 632 F.2d 989 (2d Cir. 1980)
- "We see in appellant's belt buckles conceptually separable sculptural elements, as apparently have the buckles' wearers who have used them as ornamentation for parts of the body other than the waist. The primary ornamental aspect of the Vaquero and Winchester buckles is conceptually separable from their subsidiary utilitarian function. This conclusion is not at variance with the expressed congressional intent to distinguish copyrightable applied art and uncopyrightable industrial design. . . . Pieces of applied art, these buckles may be considered jewelry, the form of which is subject to copyright protection."

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Design Protection and Fashion Industry:
Copyright: Artistic Elements vs. Utilitarian Aspects

- Jewelry designs are typically copyrightable, but the U.S. Copyright Office appears to be taking a more critical view of jewelry collection applications.
- In the past, the Copyright Office would register the copyright in a jewelry collection even if the Examiners believed some pieces may not be protectable.
- More recently, the Copyright Office is issuing specific warnings that not all pieces in a collection are protected by the registration.
- Creates uncertainty if you are looking to enforce copyright in a collection registration.

Copyrighted David Yurman Design

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Design Protection and Fashion Industry:
Copyright: Artistic Elements vs. Utilitarian Aspects

- While there is no *per se* rule that fashion designs are not protectable by copyright, the designs often fail the separability test. Thus, if a particular fabric design or appliqué is sufficiently original or creative, it can be protected by copyright. However, dress designs themselves are typically not copyrightable because the utilitarian aspects of a garment design are not distinguishable from the artistic elements.
- Thus, knock-offs of "Red Carpet" dresses are often immediately available (but conceivably protectable under trade dress theory)

Charlize Theron in Galliano for Christian Dior

Edressme.com Knock-Off

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Design Protection and Fashion Industry:

Copyright: Design Piracy Prohibition Act

- The Design Piracy Prohibition Act is intended to extend copyright protection to fashion designs. The proposed bill would:
  - Extend copyright protection to registered "fashion designs" for a period of three years.
  - Define "fashion design" as "the appearance as a whole of an article of apparel, including its ornamentation" and "apparel" as "an article of men's, women's, or children's clothing, including undergarments, outerwear, gloves, footwear, and headgear; handbags, purses, tote bags, belts, and eyeglass frames."
  - Extend the definition of infringing article to include any article the design of which has been copied from an image of a protected design without the consent of the owner.
  - Establish damages for infringing fashion designs of up to $250,000 or $5 per copy, whichever is greater.

Jessica Biel in Oscar de la Renta

Edressme.com Knock-Off

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Design Protection and Fashion Industry:

Copyright: Design Piracy Prohibition Act

- The proposed bill would also:
  - Apply secondary infringement and secondary liability to actions related to original designs, making any person who is liable under either such doctrine subject to all the remedies, including those attributable to any underlying or resulting infringement
  - Require the Register of Copyrights to determine whether or not the application relates to a design which on its face appears to be within the subject matter protected as original designs and, if so, register the design.
  - Exempt from infringement the making, importing, selling, or distributing of any article embodying a design which was created without knowledge or reasonable grounds to know that protection for the design is claimed and was copied from such protected design.
  - Exempt from protection fashion designs that were made public more than 3 months prior to the filing of the registration application.

Jennifer Hudson in Oscar de la Renta

Edressme.com Knock-Off

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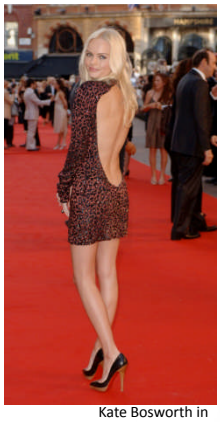
Design Protection and Fashion Industry:
Copyright: Design Piracy Prohibition Act

- Status of the Bill:
  - No action was taken on the Bill when it was introduced in 2006
  - The Bill was reintroduced in 2007 and again in April 2009 as H.R. 2196
  - Sponsors of the various versions of the Bill have included former Sen. Hillary Clinton, Sen. Charles Schumer, Rep. Jerrold Nadler, and Rep. Charles Rangel
  - Bill is currently before the House Committee on the Judiciary



Kate Bosworth in Gucci

Knock-off by asos.com

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Design Protection and Fashion Industry:
Copyright: Protection in the European Union

- European Union: Council Regulation 6/2002, art. 3, 2002 O.J. (L 3) 1, 4 (EC) protects the "appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation."
- Although there is a registration system, the strong protection granted to unregistered designs makes registration unnecessary.
- Unregistered designs are protected from copying for three years. Registration extends the duration to twenty-five years, if renewed every five years.
- Designers enjoy a one-year grace period after the design's public debut before registration is necessary.
- Further, individual countries provide additional design protections (*e.g.*, France)

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Design Protection and Fashion Industry:
Copyright: Protection in the European Union

Karen Millen Ltd. v. Dunnes Stores, [2007] IEHC 449 (Ir.).

Irish High Court found that the defendant, Dunnes Stores, had copied three garments.

Court rejected the argument that the shirts and sweater lacked "individual character" and failed "to produce on the informed user a different overall impression" from other similar garments.

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Design Protection and Fashion Industry:
Copyright: The Fashion Design Protection Debate

Split in the Fashion Industry

If we don't protect American fashion design creativity, we're going to lose all the advantages we've gained in the last ten years by now becoming a global industry, by now working side by side with Milan and Paris. There won't be any more L.A. Style which has become so hot around the globe. No Texas style. The wealthy will still be able to buy the designs originating out of Europe and Japan where protection exists. The rest of America will be left buying the cheap knockoffs of those European designs made in China and other places in Asia where labor is cheap. That will be bad for consumers, who have enjoyed the growth of the fashion choices in the U.S. And it will be sad for the workers employed by the U.S. fashion industry when they no longer have jobs.

-Jeffrey Banks
Council of Fashion Designers of America

Many apparel and footwear companies and retailers . . . believe that – although well-intentioned – the legislation would create incredible ambiguity that would wreak havoc in the fashion industry. If enacted, these bills would make legitimate companies, and their legitimate designs, vulnerable to a litany of excessive litigation and bogus claims. The inherent subjectivity in both the 'substantial similarity' standard for infringement and the 'distinguishable variation over prior work' standard for protection would expose footwear and apparel companies, retailers, designers and ultimately the consumer to unneeded costs and uncertainty that could stifle fashion design innovation. Moreover, we believe there are practical logistical considerations that would make such a design registry difficult, if not impossible, to operate.

-American Apparel and Footwear Association

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Design Protection and Fashion Industry:
Copyright: The Fashion Design Protection Debate

Split in the Legal Community

Our analysis of fashion here highlights the need for conceptual distinction between ["remixing" and close copying] in the debate about how much intellectual property protection we want to have. There is no necessary confluence or equation between a broad freedom to engage in reinterpretation and remixing, and free rein to make close copies. *Here we have emphasized that such remixing is important to innovation, and that innovation is enhanced — not stymied — by protection against close copies.* We believe that the line between close copying and remixing, supported by the theory of their differential effects on creators' incentives, represents an often underappreciated but most promising and urgent direction for intellectual property today.

-Profs. Hemphill and Suk
"The Law, Culture and Economics of Fashion"
Stanford Law Review

We have argued that the lack of IP rights for fashion design has not quashed innovation, as the orthodox account would predict, and that has in turn reduced the incentive for designers to seek legal protection for their creations. Not only does the lack of copyright protection for fashion designs seem not to have destroyed the incentive to innovate in apparel, it may have actually promoted it. . . . We do not claim that fashion designers chose this low-IP system in any conscious or deliberate way. But we do claim that the highly unusual political equilibrium in fashion is explicable once we recognize its dynamic effects: that fashion's cyclical nature is furthered and accelerated by a regime of open appropriation. *It may even be, . . . that to stop copying altogether would be to kill fashion*.

-Profs. Raustiala and Sprigman
"Innovation and Intellectual Property in Fashion Design"
Virginia Law Review

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Design Protection and Fashion Industry:
Copyright: Design Piracy Prohibition Act

- Who is right?
- Is it simply a case of innovators vs. imitators?
- Why should copiers get a free ride?
- Does fashion need copying to survive?
- Will too much protection stifle innovation?
- How much does the fashion world depend on copying?

Marie Claire

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Design Protection and Fashion Industry:
Copyright: Design Piracy Prohibition Act

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Design Protection and Fashion Industry:
Copyright: Design Piracy Prohibition Act

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Design Protection and Fashion Industry:
Copyright: Recent Cases

- Until copyright protection is expanded for fashion design, designers will have to continue to rely on protections for fabric patterns or other artistic features.
- *E.g.*, *Diane von Furstenberg Studio, LP v. Forever21, Inc.*, 07 cv 2413 (S.D.N.Y.) – filed March 23, 2007 and settled in October 2007 on terms including Order for Permanent Injunction on Consent.

Furstenberg

Forever 21

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Design Protection and Fashion Industry:
Copyright: Recent Cases

- *Diane von Furstenberg Studio, LP v. Target Brands, Inc.*, 08 cv 866 (S.D.N.Y.) – filed January 24, 2008 and settled in July 2008 on terms including Order for Permanent Injunction on Consent against Target's suppliers.

Furstenberg

Target

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Design Protection and Fashion Industry:
Trademark: Basics

- **Protects:** Commercial identifiers of source, such as words, designs, slogans, symbols, trade dress.
- **Scope:** Protects against creating likelihood of confusion; or dilution of a famous mark
- **How to Obtain Rights:** At common law, rights are obtained through adoption and use (and sometimes secondary meaning is required).
- **Remember:** For federal or state registration, owner must apply for registration and comply with statutes.

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Design Protection and Fashion Industry:
Trademark: Basics

- **Term of Protection:** At common law, as long as mark is properly used. With federal registration, as long as mark is properly used and registration is maintained and renewed.
- **Test for Infringement:** Likelihood of confusion, mistake or deception as to source or sponsorship; or dilution by blurring or tarnishment.
- **Notice Requirements:** Optional. "™" if unregistered; "®" or "Reg. U.S. Pat. & Tm. Off." if registered.
- **Advantages of Registration:** Nationwide priority rights; prima facie evidence of validity and ownership; U.S. Customs recordation; increased anti-counterfeiting remedies.

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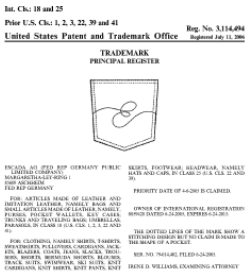
Design Protection and Fashion Industry:

Trademark: Protection of Design Elements

Design elements may be registrable without showing of acquired distinctiveness.



Int. Cl.: 18 and 25

Prior U.S. Cls.: 1, 2, 3, 22, 39 and 41

United States Patent and Trademark Office

Reg. No. 3,114,494

Registered July 11, 2006

TRADEMARK

PRINCIPAL REGISTER

Escada Pocket Stitch Design (U.S. Trademark Reg. No. 3114494

Int. Cl.: 9

Prior U.S. Cls.: 21, 23, 26, 36 and 38

United States Patent and Trademark Office

Reg. No. 3,343,722

Registered Nov. 25, 2007

TRADEMARK

PRINCIPAL REGISTER

Gucci's Horsebit Design (U.S. Trademark Reg. No. 3343722)

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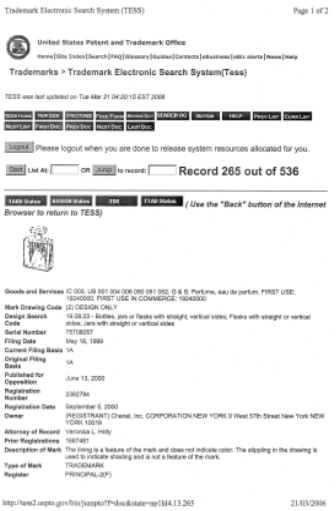
Design Protection and Fashion Industry:

Trade Dress: Basics

- **Protects:** Design and appearance of a product together with all the elements making up the overall image that serves to identify the product presented to the consumer.
- **Scope:** Protects trade dress that is nonfunctional, either inherently distinctive or has acquired secondary meaning, and is likely to cause confusion.
- **How to Obtain Rights:** Same as trademark. For federal registration, the elements of the trade dress must be capable of being listed and defined so public will know the exact parameters.



Trademark Electronic Search System (TESS)

Page 1 of 2

United States Patent and Trademark Office

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Chanel Bottle Design

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Design Protection and Fashion Industry:
Trade Dress: Basics

- **Term of Protection:** At common law, as long as mark is properly used. With federal registration, as long as mark is properly used and registration is maintained and renewed.
- **Test for Infringement:** Likelihood of confusion resulting from the total image and impression created by the defendant's product or package on the eye and mind of an ordinary purchaser.
- **Notice Requirements:** Optional. "™" if unregistered; "®" or "Reg. U.S. Pat. & Tm. Off." if registered.
- **Advantages of Registration:** Nationwide priority rights; prima facie evidence of validity and ownership; U.S. Customs recordation; increased anti-counterfeiting remedies.


Trademark Electronic Search System (TESS)

United States Patent and Trademark Office

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S.A.S. Jean Cassegrain's Handbag Design

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Design Protection and Fashion Industry:
Trade Dress: History of Trade Dress

1946 - Federal trade dress laws effectively codified in the Lanham Act.

Early 1980's - Courts expand the definition of trade dress to include product shape and design.

1981 - Fifth Circuit Court of Appeals liberalizes the distinctiveness requirement by allowing that trade dress can be inherently distinctive without having to show it has acquired distinctiveness through secondary meaning.

1988 - Congress codifies existing trade dress law and solidifies protection for trade dress within section 43(a) of the Lanham Act.

1992 - U.S. Supreme Court rules that trade dress can be inherently distinctive in Two Pesos v. Taco Cabana.

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Design Protection and Fashion Industry:

Trade Dress: History of Trade Dress

Mid-1990s to present - The trend in trade dress rulings shifts from liberal (rulings that made it easier to protect single design elements through an entire line of goods) to conservative (rulings that restrict trade dress protection to individual items as opposed to "looks").

1995 - Supreme Court holds that color by itself is never inherently distinctive and requires secondary meaning in Qualitex Co. v. Jacobson Products.

1999 - Congress amends the Lanham Act to place the burden of proving non-functionality on the plaintiff in cases of unregistered trade dress.

2000 - Supreme Court holds that product design, unlike product packaging, is never inherently distinctive and requires secondary meaning in Wal-Mart v. Samara Bros.

2001 - Supreme Court strengthens the non-functional requirement in TrafFix Devices v. Marketing Displays.

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Design Protection and Fashion Industry:

Trade Dress: *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205 (2000)

Samara sues Wal-Mart alleging trade dress infringement and copyright infringement. Jury finds that Samara's trade dress is inherently distinctive and that Wal-Mart infringed Samara's trade dress rights.

Second Circuit affirms but finds that trade dress must be defined with specificity to fashion a suitable injunction. Ultimately, the Court defines the trade dress as:

> "The protected trade dress will include most if not all of the following elements: seersucker fabric used exclusively; two or three identically shaped and symmetrically placed cloth appliqués (not screen printed) substantially similar to appliqués displaced on Samara clothing in vibrant colors integrated into the collar (which is typically large and white), collar line and/or pocket(s) (if any), single-piece, full-cut bodies; and the absence of three dimensional features, outlines and words. Essential to the 'Samara Look' is the method by which the design elements are combined on the garments. It is that amalgamation of the elements, . . . 'a distinctive combination of ingredients,' which creates the uniform, protectable Samara look. . . . In particular, the placement of the appliqués, typically a row of two or three, along the collar or collar line of the garment and on any pockets is essential to the look."

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Design Protection and Fashion Industry:

Trade Dress: *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205 (2000)

U.S. Supreme Court holds that product design could (and should) never be inherently distinctive, but that secondary meaning must be shown.

The Court states:

> "In the case of product design, as in the case of color, we think consumer predisposition to equate the feature with the source does not exist. Consumers are aware of the reality that, almost invariably, even the most unusual of product designs-such as a cocktail shaker shaped like a penguin-is intended not to identify the source, but to render the product itself more useful or more appealing."

Accordingly, in order to protect trade dress in product design, it must be shown that consumers regard the design feature as indicating source.

But . . . Samara can enforce copyright in appliqués.

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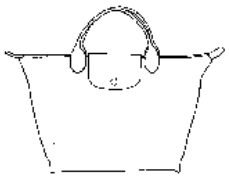
Design Protection and Fashion Industry:

Trade Dress: Product Design v. Product Packaging

PRODUCT DESIGN	PRODUCT PACKAGING
Must have acquired distinctiveness to be protectable.	May have inherent distinctiveness.
	

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Design Protection and Fashion Industry:

Trade Dress: Product Design v. Product Packaging

Protecting product design under trade dress theory:

- ✓ Possible to show infringement of unregistered trade dress, unlike counterfeiting.
- ✓ But trade dress still needs to be distinctive to be protected, even in an infringement case.

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Design Protection and Fashion Industry:

Trade Dress: Proving Acquired Distinctiveness/Secondary Meaning

In determining whether a given design has acquired distinctiveness, courts consider six factors:

1. advertising expenditures,
2. consumer studies linking the mark to a source,
3. unsolicited media coverage of the product,
4. sales success,
5. attempts to plagiarize the mark, and
6. length and exclusivity of the mark's use.

Cartier, Inc. v. Sardell Jewelry Inc., 294 Fed. Appx. 615 (2d Cir. 2008) (affirming finding that Cartier's Tank Francaise watch had acquired secondary meaning)

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Design Protection and Fashion Industry:

Trademark: Anti-Counterfeiting

Copying of registered design elements (or registered designs) would expose copyists to liability for counterfeiting.

Counterfeiting: Using a mark that is "identical with, or substantially indistinguishable from, a mark registered on the principal register" (15 U.S.C. § 1127)

- Criminal penalties
- Statute authorizes civil ex parte seizures
- U.S. Customs can stop importation
- Treble damages, statutory damages and attorneys' fees available

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Design Protection and Fashion Industry:

Trademark: Anti-Counterfeiting

However:

- Clothing cannot immediately be registered on the principal register after production (not distinctive) (*Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205 (2000) (clothing is considered product design trade dress)).
- Therefore, clothing is not immediately protectable from counterfeiters.

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Design Protection and Fashion Industry:

Trademark: Anti-Counterfeiting

Goods without word marks or logos, such as some clothing, jewelry, handbags:

Must show they indicate source, have acquired distinctiveness. If acquired distinctiveness is shown, counterfeiting protections would apply.

Goods with word marks or logos, such as some clothing, watches, handbags:

May be able to rely on word or logo mark with inherent distinctiveness to indicate source

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Design Protection and Fashion Industry:

Trade Dress: Functionality

Functionality: No monopoly for utilitarian features

Features are functional if:

- ✓ they are essential to the product's purpose or use OR
- ✓ if they affect the cost or quality of the product.

(*TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23 (2001))

But, many courts still ask if there are alternative designs available for competitors (*Cartier v. Samo's Sons, Inc.*, 2007 U.S. Dist. LEXIS 25866 (S.D.N.Y. 2007), *aff'd*, 294 Fed. Appx. 615 (2d Cir. 2008) (unpublished).

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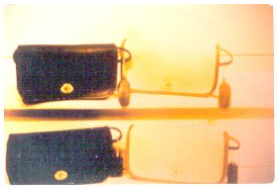
Design Protection and Fashion Industry:
Trade Dress: Functionality

Coach Leatherware Co. v. AnnTaylor, Inc., 933 F.2d 162 (2d Cir. 1991)

Court suggests that protecting entire line of handbags "would significantly limit the range of competitive designs available."



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Design Protection and Fashion Industry:
Trade Dress: Functionality

But eleven years later . . .

Coach Inc. v. We Care Trading Co., Inc., 67 Fed. Appx. 626 (2d Cir. 2002). Second Circuit finds that Coach's handbag design is protectable trade dress. Coach's articulation of its trade dress was sufficient:

- –"glove tanned leather";
- –"bound edges";
- –"brass or nickel-plated brass hardware"; and
- –"a lozenge shaped hand tag with a beaded chain."

And Coach introduced sufficient evidence of secondary meaning:

- –expert testimony and consumer surveys
- –evidence of advertising and promotion
- –evidence of copying

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Design Protection and Fashion Industry:
Trade Dress: Aesthetic Functionality

Aesthetic functionality: No monopoly for visually-appealing features that give a competitive advantage (in theory).

When Can Doctrine Apply: Where color or another feature of trade dress gives a competitive advantage due to the feature's visual appeal to consumers.

E.g., heart-shaped box for Valentine's Day candy

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Design Protection and Fashion Industry:
Trade Dress: Aesthetic Functionality

- Are all features that are visually pleasing to consumers aesthetically functional?
- No, touchstone is *competitive necessity.*
- A feature must:
  - √ serve "a significant nontrademark function"
  - √ that would put competitors at a "significant disadvantage" if exclusively appropriated

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Design Protection and Fashion Industry:

Trade Dress: *LSU v. Smack Apparel Company*, 550 F.3d 465 (5th Cir. 2008)

Holding: Apparel company violated the common-law trademark rights of LSU and other universities by selling sportswear using the colleges' color schemes.

Law: A color scheme may be protected as a trademark if it has acquired secondary meaning and is nonfunctional.

Secondary Meaning: Plaintiffs had used their color schemes for decades, annual sales were over tens of millions of dollars.

Confusion: Consumer confusion was likely, with defendants' use of color schemes plus other indicia pointing to plaintiffs.

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Design Protection and Fashion Industry:

Trade Dress: *LSU v. Smack Apparel Company*, 550 F.3d 465 (5th Cir. 2008)

Functionality: Color schemes not functional because their only significance is source-identifying; "The t-shirts would function just as well as articles of clothing without the colors and designs."

Aesthetic Functionality: Fifth Circuit has long rejected doctrine, but still holds that defendants' have no competitive necessity to use plaintiffs' color schemes and designs

"Smack's alleged competitive disadvantage in the ability to sell game day apparel relates solely to an inability to take advantage of the Universities' reputation and the public's desired association with the Universities that its shirts create."

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Design Protection and Fashion Industry:
Trade Dress: Aesthetic Functionality

Abercrombie & Fitch Stores, Inc. v. American Eagle Outfitters, Inc., 280 F.3d 619 (6th Cir. 2002)

Plaintiff's clothing designs – primary colors in connection with "solid, plaid and stripe designs," made from "all natural cotton, wool and twill fabrics" – were aesthetically functional. Protection of its clothing features would prevent effective market competition.

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Design Protection and Fashion Industry:
Trade Dress: Aesthetic Functionality

- *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996 (2d Cir. 1995). Children's sweaters with fall motifs not aesthetically functional because numerous alternative fall designs still available.
- *Banff Ltd. v. Limited, Inc.*, 869 F. Supp. 1103 (S.D.N.Y. 1994). Use of particular sweater design is not essential to competition in the market.
- *Berg v. Symons*, 393 F. Supp. 2d 525 (S.D. Tex. 2005). Designs of jewelry and belt buckles incorporate standard elements in industry and protecting the combination of features would hinder competition in the market.

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Design Protection and Fashion Industry:
Trade Dress: Resurgence of Trade Dress?

- *Autumnpaper Limited (Alexander McQueen) v. Steven Madden, Ltd., 09 cv 8332 (S.D.N.Y.)* (filed October 1, 2009) (currently pending)

Alexander McQueen

Steve Madden

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Design Protection and Fashion Industry:
Trade Dress: Resurgence of Trade Dress?

- *Marc Jacobs Trademarks, LLC et al. v. Eagles Clubs International, Inc., et al. (Ed Hardy)*, CV10-456 CBM (C.D. Cal. 2010) (filed January 21, 2010) (currently pending)

Marc Jacobs

Ed Hardy

Design Protection and Fashion Industry:
Trade Dress: Resurgence of Trade Dress?

- *New Balance Athletic Shoe, Inc. v. LVMH Moet Hennessy Louis Vuitton SA, et al.*, 09-cv-11497 (D. Mass. 2009) (filed September 9, 2009) (dismissed after LVMH agrees to discontinue shoe)

New Balance

Louis Vuitton

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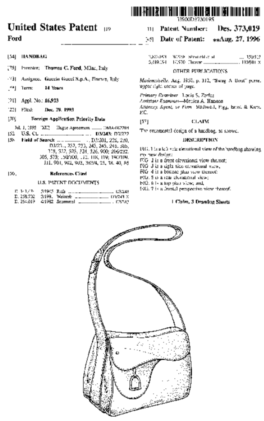
Design Protection and Fashion Industry:
Design Patent: Basics

- **Protects:** New and "non-obvious" non-functional, ornamental designs for article of manufacture.
- **Scope:** Excludes others from making, using or offering for sale or selling the invention in the U.S. or by importation into the U.S.
- **How to Obtain Rights:** Granted only by the U.S. Federal Government.



United States Patent [19]
Ford
[11] Patent Number: Des. 373,019
[45] Date of Patent: **Aug. 27, 1996
[54] HANDBAG
[75] Inventor: Thomas C. Ford, Milan, Italy
[73] Assignee: Guccio Gucci S.p.A., Firenze, Italy
[**] Term: 14 Years
[21] Appl. No.: 16,933
[22] Filed: Dec. 29, 1993
[30] Foreign Application Priority Data
[52] U.S. Cl.
[58] Field of Search
OTHER PUBLICATIONS
Mademoiselle, Aug. 1950, p. 312, "Swag A Bout" purse, upper right corner of page.
Primary Examiner—Louis S. Zarfas
Assistant Examiner—Monica A. Hannon
[57] CLAIM
The ornamental design of a handbag, as shown.
DESCRIPTION
FIG. 2 is a front elevational view thereof;

Gucci Handbag Design

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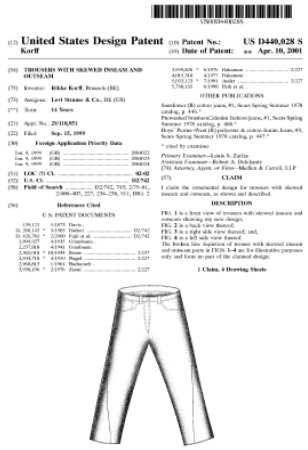
Design Protection and Fashion Industry:
Design Patent: Basics

- **Term of Protection:** 14 years from date of registration.
- **Test for Infringement:** "[I]f, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other."
- **Notice Requirements:** "Patent applied for" or "Pat. Pending" after application; "Patent" or "Pat." plus registration number after grant.
- **Advantages of Registration:** Protection for non-secret inventions.



Levi's Trouser Design Patent

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Design Protection and Fashion Industry:
Design Patent: Basics

- Design patents have been acquired for a variety of fashion and apparel items including, pants, jackets, shirts, and sweatshirts.

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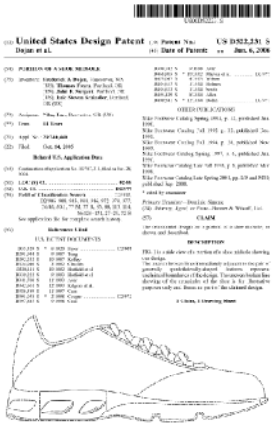
Design Protection and Fashion Industry:
Design Patent: Basics

Design patent protection can be a useful tool.

Nike, Inc. v. Meitac Int'l Enter. Co., 2006 U.S. Dist. LEXIS 94662 (D. Nev. Oct. 11, 2006).

- On the basis of several design patents Nike obtained a seizure order and a temporary restraining order allowing it to seize athletic shoes being displayed by the defendant at a Las Vegas Trade Show.
- The Court subsequently granted Nike a preliminary injunction finding that Nike "demonstrated by a preponderance of the evidence a reasonable likelihood of success on the merits of its design patent infringement claim by sufficiently satisfying both the 'points of novelty' test and the 'ordinary observer' test."

But, the time it takes to get a patent issued may make the protections granted ineffectual.


United States Design Patent

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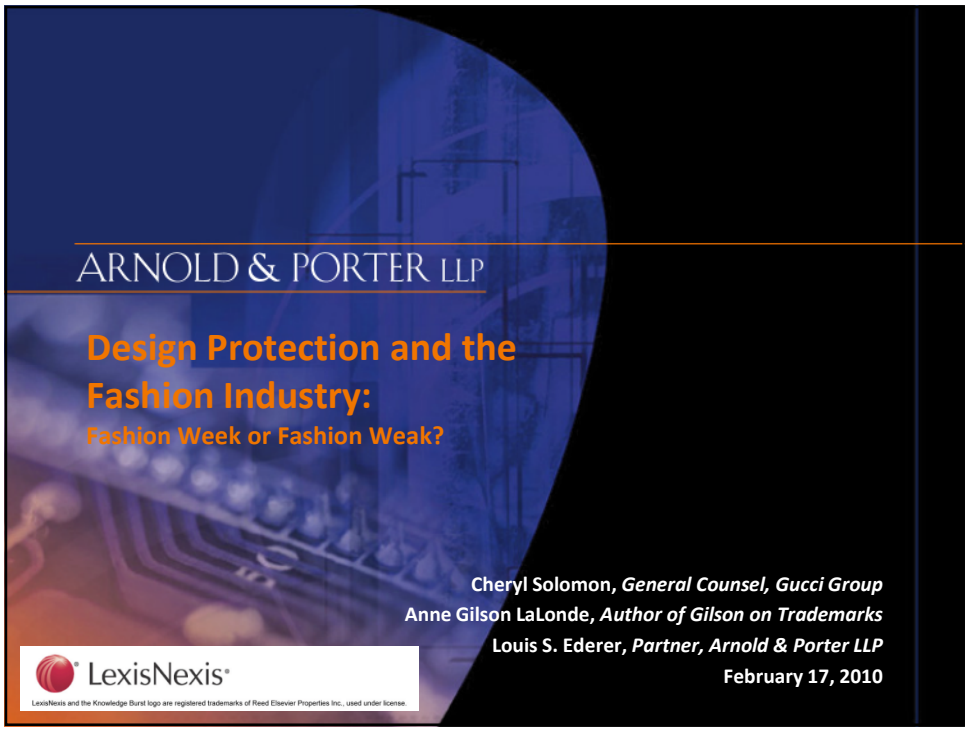
Design Protection and Fashion Industry:
Conclusion

- No "magic bullet" for design rights.
- Patchwork of protections, which typically apply to only limited aspects of the design.
- Until there is some blanket protection for fashion design, designers will need to select the form of protection that will grant them the broadest scope of rights.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Design Protection and the Fashion Industry:
Fashion Week or Fashion Weak?
Cheryl Solomon, General Counsel, Gucci Group
Anne Gilson LaLonde, Author of Gilson on Trademarks
Louis S. Ederer, Partner, Arnold & Porter LLP
February 17, 2010
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