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The Design Piracy Prohibition Act

In style, but fashionably late?

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UNDER CURRENT U.S. law, designers looking to keep their designs ahead of the curve have a tough seam to sew. Advances in textile and garment production as well as the pervasiveness of the Internet, on-demand video sharing Web sites, and the availability of cheap labor in emerging economies enable quick and inexpensive copying of fashion designs.¹ The volume and speed of knockoffs hitting the market make it exceedingly difficult, expensive and nearly futile for designers to combat design piracy under current U.S. law.²

This is not a minor issue. A great deal of money is at stake. The U.S. fashion industry currently generates roughly \$180 billion in sales annually, \$47 billion of which is attributable to the New York fashion industry.³

Attempting to combat pervasive fashion-design piracy, Senator Charles Schumer (D-N.Y.), among others, introduced the Design Piracy Prohibition Act (DPPA), which would amend the Copyright Act of 1976, to the Senate on Aug. 2, 2007.⁴ A nearly identical bill was introduced in the House of Representatives on March 30, 2006.⁵

The introduction of the DPPA has stirred up much debate over whether design piracy is good or bad for the fashion industry.⁶ Proponents argue that new technology threatens U.S. designers' ability to compete with lower-cost countries because the distribution of new design images

and the automation of copying and manufacturing may occur within hours of the original publication of a design.⁷ They also point out that the United States is the exception among western nations in not protecting designs.⁸

Critics argue that design copying makes the industry thrive and encourages innovation through the "accepted practice" of "paying homage" to others' designs, and that prohibiting such "inspired" designs would stifle, not promote, innovation.⁹ They further believe that fashion-design originality is too ethereal for copyright law to distinguish protected elements from non-protected elements.¹⁰

Regardless of which side of the swatch you find yourself on in this debate, it is indisputable that current U.S. law provides little protection for fashion designs, and the DPPA, if enacted, is likely to significantly impact fashion throughout the world.

Current Protection Very Limited

Current U.S. design protection does not afford real world protection against copying of fashion designs.

Technically, designers may receive some level of protection under copyright, trademark and patent laws. But these protections are very limited, and none explicitly provides protection against the copying of fashion designs.¹¹ Neither do these laws provide any real-world protection



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against such copying.

For example, under U.S. copyright law, there is protection for fabric designs (those sketches and patterns or images imprinted or stitched on fabric).¹² But this protection extends only to non-functional articles or, if functional, only if the incorporated expression (i.e., the design) is separable from the utilitarian aspects of the article (i.e., the expression "can be identified separately from, and [is] capable of existing independently of" the article).¹³ It does not typically extend to designs, such as the style, cut, shape, or dimensions of an article of clothing.

Trade dress protection, which is a type of trademark protection covering certain characteristics and packaging of products,¹⁴ is

equally limited, and more difficult to obtain than standard trademark protection. Indeed, for a designer to receive trade dress protection, the design must have acquired “secondary meaning”—the ability to convey the source of the product.¹⁵ And like copyright protection, a design is not protected as trade dress if it is functional.¹⁶

Finally, fashion designs may be protected under U.S. design patent law. But there are two significant limitations preventing this from being a realistic form of fashion-design protection. First, seeking a patent is a very time-intensive process. Indeed, it may take two or more years to obtain a patent; thus, by the time a design patent is obtained that design is already “so last year.”¹⁷ Second, even without the timing limitations, obtaining a design patent is difficult.

The design must be new (novel), original (non-obvious), and ornamental (non-functional).¹⁸ A design will not qualify as “new” if the “ordinary observer” (i.e., a corporate buyer)¹⁹ would consider the design to be a mere modification of previous designs, which many designs, despite their proclaimed “originality,” are deemed.²⁰

The “non-obvious” requirement is equally formidable.²¹ It is determined from the perspective of a designer of ordinary skill in the relevant fashion niche.²² To satisfy this requirement, the would-be-patented design as a whole (versus the individual details of the design),²³ must not be so close to existing designs that it would have been obvious to an “ordinary designer” to create the same design. Significantly, obviousness may be based on a single prior design or the combination of two or more prior designs.²⁴ Thus, practically speaking, patent protection is very difficult to obtain for most designs. Considering the need for constant innovation in the fashion industry, patent protection is not a realistic form of protection.

Terms of the Proposed DPPA

Although the issue of federal design protection is not new in the United States, none of the bills previously considered by Congress included a component specifically protecting fashion designs.²⁵

The DPPA, technically under the auspices of the Copyright Act, would be the first. It would be a sui generis form of protection, which would, among other things, amend the Vessel Hull Design Protection Act²⁶ (VHDPA) to include “an article of apparel”²⁷ as a “useful article,”²⁸ the design of which would be protectable.

The Act defines “apparel” as encompassing men’s, women’s and children’s clothing, including undergarments, outerwear, gloves, footwear, headgear, handbags, purses, tote bags, belts and eyeglass frames.²⁹ A design is

considered “original” if it has not been copied, and is the result of a designer’s creation of a non-trivially “distinguishable variation over prior” designs.³⁰ “Fashion design” is defined as “the appearance as a whole of an article of apparel, including ornamentation.”³¹ The inclusion of its “ornamentation” within the scope of fashion design³² will likely become a focal point for accused copiers to attempt to differentiate their designs to avoid infringement.

The DPPA offers protection to copyrightable designs for a term of three years.³³ This is significantly less than the term for other copyrightable works, which is for the life of the author, plus an additional 70 years after the author’s death³⁴—but is still deemed by many critics as excessive, considering the need for rapidly changing trends to maintain a healthy fashion industry. And unlike most other protectable works, registration is mandatory for a design to be protected, and must be done within three months of the design’s being “made

Regardless of which side of the swatch one is on in the debate about whether design piracy is good or bad for the fashion industry, it is indisputable that current U.S. law provides little protection for fashion designs, and the DPPA, if enacted, is likely to significantly impact fashion throughout the world.

public”—when it is first offered for individual or public sale, or publicly exhibited, such as at a fashion show.³⁵

Upon registration, the copyright holder will have the exclusive right to “make, have made, or import...any useful article embodying that design” and “sell or distribute...any useful article embodying that design.”³⁶ The copyright holder would have the right to prevent others from infringing on those rights and to seek remedies for such infringement, including statutory damages up to \$250,000, or alternatively, the infringer’s profits.³⁷ The infringing apparel may also be seized and destroyed.³⁸

Although registering a design will be fairly effortless, enforcing one’s rights under the Act will likely prove to be more difficult.

How Difficult Would Enforcement Be?

The DPPA, as proposed by the House, defines an infringing article as “any article, the design of which, has [without authorization,] been copied from a design protected” under the

DPPA, “or from an image thereof,” unless the accused article is “original and not substantially similar” in appearance to a protected design.³⁹ The “substantial similarity” standard is the same standard dictated by the Copyright Act.

As proposed by the Senate, an accused article would not infringe if it is not “closely and substantially similar” in appearance to a protected design.⁴⁰ The inclusion of the “closely and” language arguably creates a more stringent standard than the “substantially similar” standard.⁴¹ But either will place a heightened burden on a would-be plaintiff.

Indeed, under current copyright law, a substantial similarity analysis involves first focusing on the extrinsic similarity of ideas and expression (i.e., the objective similarity of the details in the works), then second on whether an “ordinary, reasonable person would find the total concept and feel” of the two works to be substantially similar.⁴² Under the VHDPA, the Act to be amended by the DPPA, “substantial similarity” has been interpreted to require the accused product to be nearly identical to the protected design.⁴³ Accordingly, points of differentiation between protected designs and those being accused of infringement will surely be a main focus in any infringement analysis and determination.

Another such focus likely will revolve around the “reasonable grounds to know” language, included in both the House and Senate versions of the proposed Act. This language would basically absolve an alleged infringer of infringement, if it did not have “reasonable grounds to know that protection for the design is claimed.”⁴⁴ The DPPA provides no guidance as to what would constitute “reasonable grounds to know,” but it would behoove any designer intending to register its designs to file for protection and mark its designs prior to first making them public.

If the DPPA is ever enacted, designers and apparel companies would be wise to craft comprehensive policies that take advantage of its benefits as well as take stock of its limitations. This is true of both “original” design companies and those that traditionally sell “inspired” apparel. Failure to do so may effectively blunt the ability not only to enforce one’s rights under the DPPA, but also result in becoming mired in infringement suits.

In crafting such policies, designers should focus not just on policing, but on timely registration, effective marking (for notice purposes), practices limiting competitors from producing knockoffs while avoiding the substantial similarity standard with points of differentiation, and standards for determining if a cause of action exists under the DPPA. “Inspired” designers should focus their policies on required minimum points of

differentiation to avoid infringement, while maintaining their business models.

Conclusion

The purpose of IP protection in the United States ultimately is to stimulate innovation.⁴⁵ Ideally that is achieved through maintaining financial incentives to innovate.⁴⁶

Critics have expressed concern that protection under the Act will be too strong and cause excessive litigation.⁴⁷ Proponents claim that the Act does not go far enough.

Who may be right or wrong is (and promises to remain) the focus of great debate. Regardless, one thing is certain: Some level of protection for fashion designs is necessary in the quickly changing landscape of the fashion industry. Sure, rapid innovation is essential to its continued growth, but having no design protection significantly erodes a designer's incentive to invest in such innovations, particularly if knockoff designs are hitting the market before any such investments can realistically be recouped.

The DPPA may require future alterations, but it is at least an acknowledgment that protection is necessary to assure the success of the U.S. fashion industry's ability to compete in a global market. If enacted, the key for designers will be to know what they may effectively protect under the Act and how to do it, while at the same time not running afoul of others' designs under the Act. In other words, it will be important not to reap what another "sews."



1. See, e.g., A Bill to Provide Protection for Fashion Design: Hearing on H.R. 5055 Before the Subcomm. on Courts, the Internet, and Intellectual Property, 109th Cong. ("Hearing I") 77-78 (2006) (Susan Scafidi, Associate Professor of Law, Southern Methodist University); Eric Wilson, "Before Models Can Turn Around, Knockoffs Fly," N.Y. Times, Sept. 4, 2007.

2. See discussion *infra*.

3. Press Release, The NPD Group, "NPD Reports U.S. Apparel Industry Posts Growth Second Year in a Row" (Feb. 21, 2006), available at http://www.npd.com/press/releases/press_060221.html; Robin Givhan, "The End of 'Gown in 60 Seconds'?", Wash. Post, Aug. 10, 2007, at C2.

4. S. 1957, 110th Cong. (2007); H.R. 2033, 110th Cong. (2007). (The bill was originally introduced in 2006 as H.R. 5055, but the congressional session ended before it could be passed; thus, H.R. 5055 was dead. It was reintroduced as H.R. 2033 when the 110th Congress went into session.)

5. Both H.R. 2033 and S. 1957 were submitted to committee for review, but because the 110th Congress ended on Jan. 3, 2009, without either being passed, they will need to be reintroduced as new bills.

6. See, e.g., Kal Raustiala & Christopher Sprigman, "The Piracy Paradox: Innovation and Intellectual

Property in Fashion Design," 92 Va. L. Rev. 1687 (2006) ("Sprigman"); Laura C. Marshall, Note, "Catwalk Copycats: Why Congress Should Adopt a Modified Version of the Design Piracy Prohibition Act," 14 J. Intell. Prop. L. 305 (2007).

7. Hearing I, *supra* note 1, at 77 (Susan Scafidi); Wilson, *supra* note 1.

8. But see Jessica G. Jacobs, CRS Report for Congress, Copyright Protection for Fashion Design: A Legal Analysis of the Design Piracy Prohibition Act, H.R. 2033 2 n.4 & 6 n.47 (2007) (discussing fact that there has been no material effect against copying designs in countries with such laws).

9. See, e.g., Sprigman, *supra* note 6.

10. Hearing I, *supra* note 1, at 14 (David Wolfe); *id.* at 86 (Christopher Sprigman).

11. U.S. law does, however, provide protection against counterfeit goods. U.S. anti-counterfeiting laws prohibit selling goods having a forgery of another's trademark. See 15 U.S.C. §§1114(1)(a), 1116(d)(1), 1117-1118, 1125(a)(1)(A) (2007); 18 U.S.C. §2320 (2007); 18 U.S.C. §§1961(1)(B), 1962, 1964(c), 2318 (2007). See generally Stop Counterfeiting in Manufactured Goods Act, Pub. L. No. 109-181, 120 Stat. 285 (2006) (codified in scattered sections of U.S.C.); Intellectual Property Protection and Courts Amendments Act of 2004, Pub. L. No. 108-482, 118 Stat. 3912 (2004) (codified in scattered sections of U.S.C.); Anticounterfeiting Consumer Protection Act of 1996, Pub. L. No. 104-153, 110 Stat. 1386 (1996) (codified in scattered sections of U.S.C.). A discussion of these laws is beyond the scope of this article.

12. See, e.g., *Knitwaves Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1002 (2d Cir. 1995); *Peter Pan Fabrics Inc. v. Brenda Fabrics Inc.*, 169 F. Supp. 142, 143 (S.D.N.Y. 1959).

13. U.S. Copyright Act of 1976, 17 U.S.C. §101 (2007); H.R. Rep. No. 94-1476, at 55 (1976) reprinted in 1976 U.S.C.C.A.N. 5659, 5668; *Kieselstein-Cord v. Accessories by Pearl Inc.*, 632 F.2d 989, 993 (2d Cir. 1980); *Esquire Inc. v. Ringer*, 591 F.2d 796, 804 (D.C. Cir. 1978).

14. *Inwood Labs. Inc. v. Ives Labs. Inc.*, 456 U.S. 844, 851 n.11 (1982).

15. *Wal-Mart Stores Inc. v. Samara Bros.*, 529 U.S. 205, 211-16 (2000).

16. *Traffix Devices Inc. v. Mktg. Displays Inc.*, 532 U.S. 23, 32-33 (2001); *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 347 (7th Cir. 1985).

17. Hearing I, *supra* note 1, at 197 (statement of the U.S. Copyright Office); Julie P. Tsai, Comment, "Fashioning Protection: A Note on the Protection of Fashion Designs in the United States," 9 Lewis & Clark L. Rev. 447, 457 & n.105 (2005) ("cautious estimate" between filing application and issuance of design patent is 26 months).

18. 35 U.S.C. §171 (2006).

19. *Arminak & Assocs. v. Saint-Gobain Calmar Inc.*, 501 F.3d 1314, 1321-23 (Fed. Cir. 2007).

20. *In re Bartlett*, 300 F.2d 942, 943-44 (C.C.P.A. 1962).

21. See, e.g., *Vanity Fair Mills Inc. v. Olga Co.*, 510 F.2d 336 (2d Cir. 1975).

22. *L.A. Gear Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1124 (Fed. Cir. 1993).

23. *In re Haruna*, 249 F.3d 1327, 1335 (Fed. Cir. 2001).

24. 35 U.S.C. §103(a); see *Jore Corp. v. Kowato Inc.*, 117 F. App'x761, 763 (Fed. Cir. 2005); *In re*

Borden, 90 F.3d 1570, 1574 (Fed. Cir. 1996); see also *L.A. Gear*, 988 F.2d at 1124 (combining two or more prior-art designs).

25. H.R. 11852, 71st Cong. (1930); S. 1884, 87th Cong. (1962); S. 776, 88th Cong. (1963); S. 1237, 89th Cong. (1965); S. 22, 94th Cong. (1975); S. Rep. No. 94-473, 94th Cong. (1975); Industrial Design Protection: Hearing on H.R. 902, H.R. 3017 and H.R. 3499 Before the Subcomm. on Courts, Intellectual Property, and the Administration of Justice of the H. Comm. on the Judiciary, 101st Cong. on H.R. 902, H.R. 3017 and H.R. 3499, 436 (1991) (historic account of the design protection legislation).

26. 17 U.S.C. §§1301-32 (2007).

27. H.R. 2033 §2(a)(2)(A); S. 1957 §2(a)(2)(A).

28. Currently defined in 17 U.S.C. §1301(b)(2).

29. H.R. 2033 § 2(a)(2)(B); S. 1957 §2(a)(2)(B).

30. 17 U.S.C. §1301(b)(1).

31. H.R. 2033 §2(a)(2)(B); S. 1957 §2(a)(2)(B).

32. *Id.*

33. H.R. 2033 §2(c); S. 1957 §2(c).

34. 17 U.S.C. §302(a).

35. H.R. 2033 §2(e)(1); S. 1957 §2(e)(1); 17 U.S.C. §1310(b); H.R. 2033 § 2(e)(2); S. 1957 §2(e)(2).

36. 17 U.S.C. §1308.

37. 17 U.S.C. §1323(a),(b); H.R. 2033 §2(g); S. 1957 §2(g).

38. 17 U.S.C. §1323(e).

39. 17 U.S.C. §1309(e); H.R. 2033 §2(d)(2); S. 1957 § (d)(2)(A).

40. S. 1957 §2(d)(2)(C) (emphasis added).

41. Many believe that the "inherent subjectivity" of these standards will expose apparel companies, designers, retailers and ultimately consumers to unneeded costs of excessive and frivolous litigation. See Design Law—Are Special Provisions Needed to Protect Unique Industries?: Hearing Before the H. Subcomm. on Courts, the Internet, and Intellectual Property, 110th Cong. 81-82 (2008) (statement of Kevin M. Burke, President & CEO, American Apparel & Footwear Association rejecting Act) ("Hearing II").

42. See *Swirsky v. Carey*, 376 F.3d 841, 847 (9th Cir. 2004) (citation omitted); *Three Boys Music Corp. v. Bolton*, 212 F.3d 477, 485 (9th Cir. 2000). But cf. e.g., *Positive Black Talk Inc. v. Cash Money Records Inc.*, 394 F.3d 357, 374 & n.13 (5th Cir. 2004) (applying intrinsic test only).

43. *Maverick Boat Co. v. Am. Marine Holdings Inc.*, 70 U.S.P.Q.2d 1493, 1450 (S.D. Fla. 2004), *aff'd*, 418 F.3d 1186 (11th Cir. 2005).

44. H.R. 2033 §2(d)(1); S. 1957 §2(d)(1).

45. Edwin C. Hettinger, "Justifying Intellectual Property," 18 Phil. & Pub. Aff. 31, 48 (1989); U.S. Const. art. 1, §8, cl. 8.

46. Giles S. Rich, Foreword to Donald S. Chisum et al., Principles of Patent Law, at iii (3d ed., Foundation Press, 2004).

47. See, e.g., Sprigman, *supra* note 6; Hearing I, *supra* note 10; Hearing II, *supra* note 41.