Design Piracy Prohibition Act: Report on H.R. 5055, 109th Cong. (2006)

Introduction

Competition, innovation, and investment remain vibrant in the fashion industry. Like the music, film, live performance, video game, and book and magazine publishing industries, the fashion industry profits by originating creative content. The fashion industry develops a tremendous variety of clothing and accessory designs at a rapid pace. Never before has the average consumer had so much access to so many fashionably designed articles of clothing, handbags, sunglasses, and accessories. The fashion industry survives, even thrives, without much copyright protection, relying instead on trademark protection of brands.

The Act

The Design Piracy Prohibition Act (H.R. 5055*),* introduced by Representative Bob Goodlatte, seeks to provide protection for original works of fashion design by adding "fashion design" to the designs protected under 17 U.S.C.A. §1301, along with "vessel hulls" and "original designs of a useful article." The bill also adds "an article of apparel" to the list of the defined "useful article," in addition to vessel hulls, plugs, or molds. The bill adds definitions for fashion design (the appearance as a whole of an article of apparel, including its ornamentation) and apparel (an article of men's, women's, or children's clothing, including undergarments, outerwear, gloves, footwear, and headgear, as well as handbags, purses, tote bags, belts, and eyeglass frames).

History of Copyright

At the founding, Congress acted to preserve incentives to create a class of "Writings" by granting "Authors.. the exclusive Right" to those works "for limited Times" in order to "promote the Progress of Science" in society as a whole. *U.S. Const. Art. I, §8, cl. 8.* To be more exclusive than this was thought to burden, not benefit, society; any increase in creation was not worth the increase in the costs of monopoly. The utilitarianism of the Framers meant that the advancement of learning was the primary goal of copyright; reward to the author was secondary. *Eldred v. Ashcroft*, 537 U.S. 186, 245 (2003). Since the founding, however, copyright law has trended toward protectionism and favoring individual rights and monopolies rather than promoting the progress of science by providing unfettered innovation and competition.

Three principles underlie utilitarian copyright law. First, by providing authors with the exclusivity necessary for them to reap a reward from creation, copyright law encourages authors to create. Second, in the absence of such a reward, fewer authors are likely to go to the trouble of creating. Third, and most importantly, any use of a copyrighted work that has no significant impact on the reward that the copyright owner expects to receive from his labors cannot significantly impact his creative incentive.

Copyright Protection Unnecessary for Fashion Designs

Design piracy, or "knocking off," is a way of life in the fashion industry. "Knocking off" may be defined as copying the designs of another, making a few changes, and subsequently selling the "fashion work" for less than the designer's price. Designers invest vast amounts of time and money in design development, and when their designs are copied by other manufacturers, it is frustrating. However, knockoffs have not been shown to have a significant

impact on fashion designers' incentive to be creative, even though fashion knockoffs have been seen in stores before the designer originals! Competition in the clothing industry is ordinarily thought to be a good thing. If competition in that market has taken a turn that will in the end be detrimental to consumers and producers of fashion design (something that has yet to be shown), still it does not follow that anti-competitive lockout by means of copyright is the best solution, rather than taking the route of design-patents, or tariffs, or some other form of trade-regulation.

Fashion is a large and global industry that produces a huge variety of creative goods in markets larger than those for movies, books, music, and most scientific innovations, yet does so without strong intellectual property protection. Copying in this industry is rampant, yet competition, innovation, and investment remain vibrant. All designers borrow from the past. Exclusivity bestowed by copyright might very well diminish creativity.

Lack of copyright protection has not been proven to have had a chilling effect on creativity in the fashion design business, just as creativity continues in other industries and for artists who do not seek IP protection; for example, California's refusal to enforce non-compete agreements for trade secrets, *Cal. Bus. & Prof. Code §16600 (1993),* was the foundation for the astounding growth of the computer industry in Silicon Valley. Additionally, some musicians prefer that their copyrighted music be shared for free in order to more widely disseminate their creations, even when using the notorious Napster. For example, Rapper Chuck D of *Public Enemy* believes the internet, and Napster in particular, presents opportunities for musicians to market their skills and make money without having to deal with big music companies. Limp Bizkit sides in favor of Napster as well. Fred Durst, the band's leader, said in a news conference that Napster allows people to get a taste of an album first before deciding to buy it, which in the end, promotes growth of the music business.

Lastly, knock-offs would not necessarily infringe copyrighted fashions. Designers of haute couture copies contribute something more than a 'merely trivial' variation, because they use cheaper materials and construction instead of hand-beading and rich fabrics in their fashionable creations. An effect similar to the original work is generated, but the effect usually will be something more than an actual copy. According to the Copyright Act of 1976, valid copyrights vest upon the creation of copyrightable works, that is, "original works of authorship fixed in any tangible medium of expression." *17 U.S.C. §102 (a) (2000)*. However, "[o]riginality does not signify novelty," *Feist Publ'ns v. Rural Tel. Serv. Co.,* 499 U.S. 340, 361 (1991). For a work to be copyrightable, "[a]ll that is needed to satisfy both the Constitution and the statute is that the 'author' contributed something more than a 'merely trivial' variation, something recognizably 'his own.' Originality in this context 'means little more than a prohibition of actual copying.' *Alfred Bell & Go. v. Catalda Fine Arts, Inc.,* 191 F.2d 99, 102-03 (2d Cir.1951). If knock-offs contain something more than a trivial variation of the original fashion design, they will not infringe, even if the Design Piracy Prohibition Act is in force!

Fashion designers can also protect their creations by using trademark law to protect their famous brands. Clearly, nobody believes that original haute couture fashions will be replaced or their price lowered by the presence of cheap mass-produced copies. An enormous difference in workmanship and materials differentiate couture from cheaper goods, such as t-shirts that contain little design content. In fact, copying and mass production may actually make the original brand more famous and thus more lucrative. In addition, haute couture designers have their own cheaper lines of clothing that directly compete with the knock-off market, thus capturing some of the revenues allegedly lost to fakes and copies. Designers can and do take advantage of derivative markets for all kinds of products such as linens, fragrances, and jewelry.

Useful Articles Should Not Be Copyrighted

Items of clothing are, as a general rule, uncopyrightable "useful articles." Copyright of clothing's design extends only if, and only to extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, utilitarian aspects of article. *17 U.S.C.A. § 101.* An important exception to the protection of works in the pictorial, graphic and sculptural category is that "[t]his title does not afford, to the owner of copyright in a work that portrays a useful article as such, any greater or lesser rights with respect to the making, distribution, or display of the useful article so portrayed than those afforded to such works under [federal or state] law." *17 U.S.C. § 113(b)* (2000). This statement is commonly known as the "useful articles" doctrine and expresses Congress' desire to limit the ability of manufacturers to monopolize designs dictated solely by the function the article is to serve, such that the first manufacturer to adopt the design would have the exclusive right to produce those kinds of products. The rationale of the useful articles doctrine is an attempt to draw a line in the sand between copyright and patent law.

While the pictorial, graphic and sculptural aspects of useful articles may be copyrightable if they are separable from the article, physically or conceptually, *17 U.S.C. § 101 (1982)*, clothes are particularly unlikely to meet that test, because the very decorative elements that stand out are intrinsic to the function of the clothing. *Cf. Brandir Int'1, Inc. v. Cascade Pacific Lumber Co.,* 834 F.2d 1142(2 Cir.1987).

Separability of Design and Function

Most design of clothing is useful. People don't wear, and people don't design, shorts in the summer to portray the appearance of shorts. They wear them because the design is cooler in hot weather. Even in extreme examples, there will always be functional considerations in clothing design that are inseparable from the design itself, including at a minimum the amount of cloth involved to produce it. If clothiers want protection, it is better for them to seek a patent.

The useful articles doctrine is an important consideration when dealing with works of "applied art," where artistic works are merged with functional items normally covered under patent law. Examples of applied art include artistic designs printed onto fabrics or wallpaper, tiles, or other media. The concern in applied art situations is whether the work must qualify for protection under patent law, copyright law, or perhaps both. A leading case, *Mazer v. Stein,* 347 U.S. 218, held that a sculptured lamp base could be subject to copyright protection because the base, when separated from the lamp, had artistic merit. The 1976 Copyright Act subsequently incorporated this concept of a "separability" test for useful articles in which one looks at the item in question to determine whether the "pictorial, graphic, or sculptural" parts of the work can be either physically or conceptually separated from the utilitarian, functional parts of the work. *HR. Rpt. 94-1476, at 55* (reprinted in 1976 U.S.C.C.A.N. at 5668).

Clothing is much more than decoration for the body. Clothing is clearly a "useful article," whether one considers its function to be protecting its wearer from the elements, ensuring modesty, or symbolizing occupation, rank or status. Even though clothing is useful, some aspects of clothing are currently protected by copyright law; clothing design that meets the separability test outlined above qualifies for protection under U.S. copyright law. Examples include: a cabled design on a sweater, *Banff Ltd. v. Express Inc.,* 921 F. Supp. 1065, 1067 (S.D.N.Y. 1996); a geometric design to be printed on fabrics, *Peter Pan Fabrics, Inc. v. Brenda Fabrics, Inc.,* 169 F. Supp. 142, 142-43 (S.D.N.Y. 1959); and, an image screen printed on a t-shirt, *Central Mills, Inc. v. Iced Apparel, Inc.,* 1998 U.S. Dist. LEXIS 1798 at *3 (S.D.N.Y. Jan. 7,

1998). All the elements in these cases were separable from the garment, and therefore, copyrightable.

However, in *Morris v. Buffalo Chips Bootery, Inc.,* 160 F.Supp.2d 718 (S.D.N.Y. 2001), the Court held that each and every arguably aesthetic element of plaintiff's designs also played a utilitarian function in the clothing in which it was embodied. The artistic and the functional elements of the plaintiff's designs were found to be inextricably interwoven, and thus were not copyrightable.

The difficulty with this test for clothing, however, lies in the fact that the majority of skill in designing clothing lies in determining the correct shape and fit of the clothing, such as creating a flattering neckline, designing the drape of a gown, or tailoring a suit. These are all elements that cannot be physically separated from the clothing itself and are difficult, if not impossible, to separate conceptually.

Clothing as Art is Copyrightable

Designers have sometimes successfully claimed that clothing as art is copyrightable. However, clothing as art is still very much a judgment of the eye of the beholder. In *Poe v. Missing Persons,* 745 F.2d 1238 (9th Cir. 1984), the designer of a swimsuit made of clear plastic and filled with crushed rock made for an art exhibition successfully sued for copyright infringement when a member of a rock band wore the swimsuit on the band's album cover. The *Poe* exception for clothing does not extend to works that have been mass-produced or that were designed with the intent that they might someday be mass-produced. *Lim v. Green,* 243 F.3d 548 (9th Circuit). In *Whimsicality v. Rubie's Costume Company,* 891 F.2d 452 (2d Cir. 1989), Halloween costumes were also held not copyrightable because "the very decorative elements that stand out [are] intrinsic to the decorative function of the clothing."

Fabric Designs are Copyrightable

Some aspects of clothing design are able to pass the physical and conceptual separability tests of the useful articles doctrine, and thus copyright law provides a good deal of protection. Fabric designs, in particular, have benefited from copyright protection. See *Prince Group v. MTS Prods.,* 967 F. Supp. 121 (S.D.N.Y. 1997) (protection for "mega dot" pattern of irregularly shaped polka dots) and *Textile Innovations, Ltd. v. Original Textile Collections,* Ltd., 1992 U.S. Dist. LEXIS 7695 (S.D.N.Y. 1992) (protection for floral pattern). Sweater designs, such as combinations of traditional stitching, cable patterns, and unique color patterns and motifs have also had a good deal of protection against infringement, as seen in *Segrets, Inc. v. Gillman Knitwear Co.,* 207 F.3d 56 (1st Cir. 2000); *Banff Ltd. v. Express Inc.,* 921 F. Supp. 1065 (S.D.N.Y. 1996); and *Design v. Lauren Knitwear Corp.,* 782 F. Supp. 824 (S.D.N.Y. 1994). Lace designs have also enjoyed copyright protection, as in *Imperial Laces v. Westchester Lace,* 1998 U.S. Dist. LEXIS 18679, at *7 n. 5 (S.D.N.Y. 1998) where the court held that "It is undisputed that fabric designs, including lace designs, are copyrightable" and *Eve of Milady,* 957 F. Supp. 484 (S.D.N.Y. 1998), where the court deemed lace designs incorporated into wedding dresses copyrightable.

Sui Generis Legislation

The proposal to include protection for boat hulls as Title V of the Digital Millennium Copyright Act generated tremendous opposition. Critics agreed to its inclusion only because it was passed as a two-year experiment, after which all thirty-two provisions of Title 17 protecting

boat hulls were destined to lapse. See *Digital Millennium Copyright Act*, Pub. L. No. 105-304, § 505, 112 Stat. 2860, 2918 (1998) ("No cause of action based on Chapter 13 of Title 17, United States Code as added by this title, may be filed after the end of that 2-year period.").

Then-Senator John Ashcroft characterized the provision as a "fundamental shift in the tradition and breadth of copyright law…. At best, it is a dubious idea that was attached without discussion or consideration. " 144 Cong. Rec. 19,521 (1998). Senator Orrin Hatch conditioned his approval for the bill on the "sunset" provision, which made the amendment "truly experimental." 144 Cong. Rec. 24,466 (1998). But before this experimental period even passed, and before the report mandated by statute had even been prepared for consideration, a "stealth amendment" eliminated the sunset. The penultimate provision of the Digital Millennium Copyright Act directed that two studies be prepared for Congress "evaluating the effect" of the Vessel Hull Design Protection Act, presumably to afford Congress the data on which to evaluate whether it should be converted from an interim to a permanent feature of the law. *Digital Millennium Copyright Act § 504(a), 112 Stat. at 2917.* Not a single reported decision was made or study conducted during that interval. Nimmer, supra note 214, at 463.

Thus, there is no proof that *sui generis* copyright protection accomplishes its purpose, or is beneficial to the public, and consequently there exists no compelling reason to pass the Design Piracy Prohibition Act.

Conclusion

Copyright protection is currently available for dress designs, dress patterns, fabric designs, choice of color in a design, lace designs, cable and stitching designs on sweaters, and clothing as art. A clothing designer choosing to assert copyrightability for her creations currently has three options: argue for complete copyrightability of the designs addressing separability issues; find a way to define the designs as something other than a useful article and avoid the separability tests altogether; or settle for partial copyrightability for judicially recognized separable aspects of the designs. Designers have successfully used all three tactics in the past, as evidenced by case law.

Instead of enlarging the scope of copyright law, copyright in buildings and boat-hulls should be eliminated, and copyright in clothing-as-clothing should be resisted. Indeed, the problem in the clothing industry is not copies, knock-offs, and fake designer fashions, but the undesirable expansion of copyright protections to formerly unregulated areas. There is no benefit to the public; the only benefit is the enrichment of the copyright holder. Under the banner of incentives for fashion designers, Congress increasingly is finding ways to benefit copyright owners by granting new rights and stifling creativity and innovation. The Design Piracy Prohibition Act would move copyright law closer to monopoly by rewarding the first creator of a piece of fashionable clothing, excluding all subsequent designers from using that design. The first manufacturer to adopt a fashion design would have the exclusive right to produce that product.

The Design Piracy Prohibition Act should not be passed because it is against the public interest and contrary to promotion of the progress of science and is not necessary to provide suitable protections for creative clothing designs.