



universität
wien

MASTER THESIS

Titel der Master Thesis / Title of the Master's Thesis

„COMPARISON OF THE INTELLECTUAL PROPERTY
PROTECTIONS AVAILABLE FOR FASHION DESIGNS
IN THE U.S. AND THE EU“

verfasst von / submitted by
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angestrebter akademischer Grad / in partial fulfilment of the requirements for the degree of
Master of Laws (LL.M.)

Wien, 2020 / Vienna 2020

Studienkennzahl lt. Studienblatt /
Postgraduate programme code as it appears on
the student record sheet:

UA 992 548

Universitätslehrgang lt. Studienblatt /
Postgraduate programme as it appears on
the student record sheet:

Europäisches und Internationales Wirtschaftsrecht /
European and International Business Law

Betreut von / Supervisor:

ROLAND VOGL, PROF.

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2. TABLE OF ABBREVIATIONS

U.S.	United States of America
EU	European Union
IP	Intellectual Property
DPPA	Design Piracy Prohibition Act
IDPPPA	Design Protection and Piracy Prevention Act
CFDA	Council of Fashion Designers of America
AAFA	American Apparel and Footwear Association
USPTO	United States Patent and Trademark Office
OHIM	Office for Harmonization in the Internal Market
EUIPO	European Union Intellectual Property Office
ECJ	European Court of Justice
EGC	General Court of the European Union

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4. INTRODUCTION

The purpose of this paper is to analyze which intellectual property (IP) protections for fashion designs are available in the United States (U.S.), in comparison to the IP protections available for fashion designs in the European Union (EU). Thus, I analyze various forms of legal protections in both legal systems, compare them to each other, and try to determine whether they are suitable for protecting fashion design.

Many research projects have compared the U.S. with the EU protections for fashion garments. In the U.S., which has a well-developed system of IP law protection and actively punishes violations of IP protections, one would also expect protection for fashion designs as such. However, fashion designs fall into what some call IP's "negative space". U.S. IP law, compared to the EU IP *sui generis* design regime, does not currently offer protection to inherently useful apparel designs and textile patterns or prints, and thus may enjoy only limited legal protection. If a "design pirate" copied a design by a fashion designer, the reproduction is a counterfeit if the knockoff designer also included designer's signature mark without authorization. If the copyist's mark or label is attached to the product, then it is not a counterfeit article, does not violate any IP law, and can be mass manufactured and sold. Without adequate protection, designers cannot prevent the piracy of their fashion designs. Piracy harms the designer because knockoffs are of poor quality and thus damage their reputation. In addition, piracy reproductions deplete the designer's profits in what results as an estimated USD \$12 billion worth of loss to the fashion industry.¹

On the other side of Atlantic, in the EU, the debate of whether fashion designs are artistic or useful articles has been settled through the Unregistered Community Design (UCD) protection, which is intended to be the best form of legal protection for short-cycled fashion designs. Besides the UCD, EU law also provides the possibility of the Registered Community Design (RCD) protection for items with a longer life span. A similar protection to the EU's *sui generis* design regime, complemented by national copyright protection of the EU Member States, is not available in the U.S. The U.S. copyright laws do not cover articles of clothing

¹ Lisa J. Hendrick, 'Tearing Fashion Design Protection Apart at the Seams' [2008] 65(1) Washington and Lee Law Review 216-221.

because these constitute both creative and functional aspects, and are considered “useful articles” as opposed to works of art.²

The absence of a *sui generis* regime in the U.S. is particularly detrimental to new designers. Some scholars agree that the UCD is often seen as a “secret weapon” for fashion designers in the EU because it offers immediate protection from copies for a short period of time without the need to register. The absence of a registration requirement and associated costs is especially beneficial to start-up designers in the EU and could also be beneficial to emerging designers in the U.S..³

In this paper, I also describe U.S. and EU trademark law protections, which allow fashion houses to protect their goods by adopting distinctive trademarks, in order to distinguish the source of the goods. However, the issues for designers is that, once the design becomes popular, many other companies start to use the same design for their goods since the design itself is not actually protected by the trademark. When others use the design, it may then be difficult to prove that the design guarantees the recognition of the source and therefore functions as a trademark. In addition, I also present and compare several important U.S. trademark law cases with EU judgments.

Furthermore, this master thesis also discusses patent protections in the fashion industry, which is only granted for designs that fulfill novelty standard. Often, fashion designs incorporate pre-existing designs, which do not qualify as “new”, and are therefore not patentable. Another problem is that there is no short-term protection law in the U.S. such as the EU’s UCD law provides. Some scholars agree that the UCD is often seen as a “secret weapon” for fashion designers in Europe because it offers immediate protection from copies for a relatively short period of time without the need to register. The absence of a registration requirement and associated registration costs is particularly beneficial to start-up designers in the EU and might be also beneficial to emerging designers in the U.S..⁴

Last but not least, fashion designs in the EU are protected also under copyright law, as opposed to in the U.S. where fashion designs are not copyrightable. Despite proposals to amend

² Eveline Van Keymeulen, 'Copyrighting couture or counterfeit chic? Protecting fashion design: a comparative EU-US perspective' [2012] 7(10) Journal of Intellectual Property Law & Practice 728-729.

³ *ibid* 729.

⁴ *ibid* 729.

the Copyright Act to protect apparel as a copyrightable work, many scholars (as discussed in the “Issue of copying” chapter) believe that the U.S. fashion industry actually benefits from rapid widespread copying. Therefore, extending copyright protection for dress designs may not occur anytime soon in the U.S.

5. CHARACTERISTICS OF THE FASHION INDUSTRY

*"This 'stuff'? Oh, ok. I see, you think this has nothing to do with you. You go to your closet and you select out, oh I don't know, that lumpy blue sweater, for instance, because you're trying to tell the world that you take yourself too seriously to care about what you put on your back. But what you don't know is that that sweater is not just blue, it's not turquoise, it's not lapis, it's actually cerulean. You're also blindly unaware of the fact that in 2002, Oscar de la Renta did a collection of cerulean gowns. And then I think it was Yves St Laurent, wasn't it, who showed cerulean military jackets? And then cerulean quickly showed up in the collections of eight different designers. Then it filtered down through the department stores and then trickled on down into some tragic "casual corner" where you, no doubt, fished it out of some clearance bin. However, that blue represents millions of dollars and countless jobs and so it's sort of comical how you think that you've made a choice that exempts you from the fashion industry when, in fact, you're wearing the sweater that was selected for you by the people in this room. From a pile of 'stuff.'" - Miranda Priestly, *The Devil Wears Prada*⁵*

Miranda Priestly's observation in the 20th Century Fox film, *The Devil Wears Prada*, highlights the influential impact high-end fashion designers have on clothing trends, and emphasizes the business component of the fashion industry.

During the past couple of centuries, clothing evolved from "just something to cover one's body" to the broad public consensus that fashion is "wearable art". On one hand, some scholars believe that fashion's artistic contribution to society should be acknowledged and adequately protected by IP tools because a fashion designer spends years learning their craft, puts their effort and work into creating fashion articles, and possess a natural talent to turn their skills into creative fashion designs. Moreover, consumers value a specific designer's dress not only because of the quality of fabric but also because of the creative aspect and originality of the design. Nevertheless, the choice of a particular fashion design expresses our identity or who we want to be. Thus, there is clear distinction between "clothing" as a function craft and "fashion" as a form of creative expression and applied art; what makes fashion designer artists, and clothing the medium with which they working.⁶ In addition, fashion ex-

⁵ *The Devil Wears Prada* (20th Century Fox 2006) <<http://www.monologuedb.com/comedic-female-monologues/the-devil-wears-prada-miranda-priestly/>> accessed 22 November 2019.

⁶ Van Keymeulen (n 2) 728.

hibits such as the “Punk: Chaos to Culture”, Alexander McQueen’s “Savage Beauty” in the Metropolitan Museum of Art and many others show the artistic side of the fashion industry.⁷

On the other hand, some argue that creativity in fashion can be relatively low and is therefore different from other traditional creations in copyright or patent law. For example, using different decorative stitches or patterns can be treated as a new creation of a fashion design. Thus, some suggest that we should consider the level of creativity and decide whether fashion design should be protected under IP law instead.⁸

Nevertheless, fashion possesses not only artistic, cultural, and historical value but is also a vibrant industry. The global apparel fashion industry is valued at USD \$385.7 billion dollars. It represents approximately 2% of global GDP and employs around 58 million people all over the world.⁹ Major fashion design firms (such as Gucci, Prada, Armani, Ralph Lauren, and Chanel) produce new apparel designs continually and market their designs via collections introduced at the annual fashion shows in spring and autumn in the four main fashion metropolises (New York, Paris, Milan, and London). Many of those designer firms produce not only high-end pieces but also accessible clothing that is still characterized by higher design content. The smallest segment of the fashion industry’s products represents very expensive custom clothing – also called “haute culture”. It is followed by a much larger business in “ready-to-wear” apparel, which is divided between luxury collections (*e.g.*, Giorgio Armani) and low-priced collections (*e.g.*, Armani Collezioni and Emporio Armani). At the bottom of the so-called “fashion pyramid” is “better fashion” (*e.g.*, Armani Jeans and Armani Exchange), an even larger commodity category that contains less design content.¹⁰

6. THE DEVELOPMENT OF FASHION BUSINESS

For many decades, clothing was viewed more as a functional necessity than as artistic products. The craft of cloth making existed in 17th and 18th centuries exclusively for the interest of the upper class. Second-hand clothing was handed down to the middle and lower classes and

⁷ Francesca Moltavo Witzburg, 'Protecting Fashion: A Comparative Analysis of Fashion Design Protection in the United States and The European Union' [2017] 107(6) The Trademark Reporter 1132.

⁸ Xinbo Li, 'IP Protection of Fashion Design: To Be or Not To Be, That is the Question' [2012] 3(1) IP Theory 15.

⁹ Global Fashion Industry Statistics (Fashion United, 2016) <<https://fashionunited.com/global-fashion-industry-statistics/>> accessed 20 July 2019.

¹⁰ Kal Raustiala and Christopher Jon Sprigman, 'The Piracy Paradox: Innovation and Intellectual Property in Fashion Design' [2006] 92(8) Virginia Law Review 1693-1694.

served a utilitarian function. In other words, clothing was used for the sole purpose of covering their bodies. The industrialization of apparel making began with the invention of the sewing machine in the middle of 19th century. The U.S. was the first to move away from traditional custom-tailored clothing to “ready-to-wear” apparel, and by the early 20th century was the acknowledged world leader in “ready-made” clothing. The rise of “ready-to-wear” clothing meant cheap clothing and the bloom of mass production techniques. The modern conception of fashion brands protected by trademark law and the emergence of large factories, department stores, and wholesale trade was fully developed by the mid-1990s. By the end of 20th century, the market in fast fashion was opening. So-called “fast fashion” retailers, such as H&M, Zara, and Topshop started using labor sources in China and Bangladesh, which could produce stylish clothing at a very rapid rate and at astonishingly low costs.¹¹ Moreover, widely renowned fast fashion retailers’ business models are based on the practice of design piracy, offering inexpensive replicas of designs that are available to consumers long before the authentic designs. Thus, the fashion business model enables those businesses to gain a larger profit thanks to the avoided expense of compensating the original or attributable designers.¹²

However, for the true high-end apparel, less has changed over history. France has retained its central role in the luxury market for women’s fashion; but as the world economy recovered after the Second World War, Italian and American firms increasingly displaced Parisian companies as central players in prestigious markets. At that time, brands and labels started replacing tailors and dressmakers. In the past forty years, the role of individually-named fashion designers has grown in importance, because the focus has been on status symbols. Designer logos have developed, allowing people to buy clothing of well-known, prestigious designers. High-end designers are no longer mere dressmakers to the upper classes but have been setting trends and have become very influential.¹³

¹¹ Kal Raustiala and Christopher Sprigman, *The Knockoff Economy: How Imitation Sparks Innovation* (Oxford University Press 2012) 22-25.

¹² Julie Zerbo, 'Protecting Fashion Designs: Not Only What, but Who ' [2017] 6(3) *American University Business Law Review* 598.

¹³ Susanna Monseau, 'European Design Rights: A Model for the Protection of All Designers from Piracy' [2011] 48(1) *American Business Law Journal* 34.

7. THE ISSUE OF COPYING

Counterfeiting and the expansion of affordable and trendy fashion by copyists are a global problem. Due to recent developments in the digital era, copies can often be accomplished quickly and shipped to the U.S. or EU from China before the original reaches the market. However, the problem of copying is not a new problem. What has changed is not the speed of copying, but the size of the scale and the low cost of the copies that are made.¹⁴ Furthermore, designers of all levels both influence and are influenced by other fashion designers. They look for inspiration in the outfits of celebrities and at fashion weeks, and some of them also collaborate. Subsequently, some types of legal copying such as interpreting, adapting, and remixing fashion designs frequently occur and are accepted as standard practice. In contrast to the outdated view, held by the Piracy Paradox concept, that only high-end designers are copied by low-end designers, the modern concept of fashion industry suggests that copying is ubiquitous.¹⁵ Because it is sometimes hard to distinguish between creator and the copyist of a fashion design, it is also hard to identify what exactly in fashion design should be protected.¹⁶ However, a debate about the IP protection of fashion designs and creating copies of designers' products is a debate in which the fashion industry finds itself divided.¹⁷ On one hand, supporters of IP protections for fashion designs argue that creativity and innovation is costly to the originator, and that design piracy is a form of "free-riding" that inhibits the originator's incentive (discussed below). On the other hand, proponents of the Piracy Paradox theory do not consider copying as a problem because they believe the fundamental nature of the fashion industry is built upon widespread copying, which is what spurs designers to constantly innovate.¹⁸

7.1. THE PIRACY PARADOX – BENEFICIAL PIRACY

Many authors show that copying hinders innovation and distorts its direction. However, authors Kal Raustiala and Chris Sprigman have advanced the counter-intuitive argument that copying is fuel for the fashion industry, speeds up innovation, and encourages designers to create anew in an effort to stay ahead of other designers. They share the view that additional IP protection is unnecessary for the fashion business. By allowing others to freely imitate

¹⁴ C. Scott Hemphill and Jeannie Suk, 'The Law, Culture, and Economics of Fashion' [2009] 61(5) Stanford Law Review 124.

¹⁵ It means, that not only prestigious and well-known designers are being copied, but also new designers are often the subject of copying.

¹⁶ Monseau (n 13) 34.

¹⁷ Hemphill and Suk (n 14) 105.

¹⁸ Li (n 8)11.

high-end designs, copying, whether line-by-line or derivate, spins the fashion cycle faster and sets a few key trends every season: *“This makes copying paradoxically valuable.”*¹⁹

7.1.1. INDUCED OBSOLESCENCE

Raustiala and Sprigman further argue that obsolescence is induced by fast and free copying, which is fully legal. When a design is launched, early adopters and influencers begin to wear it, and the design then becomes desirable. Copyists observe the design’s growing success and start making more affordable copies that are available to the wider public and are hence more visible. For a time, the fashion trend grows. Past a certain point, however, the design falls out of style, early adopters move on to new trends, and the process begins anew. Thus, the so-called “fashion cycle” is driven faster, and obsolescence is rapidly induced by widespread and legal copying. The authors clarify that *“Piracy paradoxically benefits designers by inducing more rapid turnover and greater sales – a process we call the “Piracy Paradox”*”.²⁰ Furthermore, the Piracy Paradox suggests that copying allows the design to be spread to middle-class consumers, who are far more plentiful than high-income consumers to whom the most luxury brands are marketed. In addition, copying facilitates variations of the original design and permits the creation of “derivative works”, which should be under standard copyright law authorized by the originator, but in the fashion industry is the opposite and spurs designers to create new designs so to switch to the next trend. The concept of free and easy copying creates more demand, and thus more designs and more sales. Induced obsolescence therefore helps the industry sell more products over time. Raustiala and Sprigman also conducted an analysis to see if the competition from the knockoffs lowers the prices of originals, in the same way greater supply generally depresses prices. They found that, in contrast to general expectation that competition would have an effect on originals, luxury fashion items are the only ones that experience price growth during the period. It thus suggests that knockoffs benefit the luxury fashion industry’s success.²¹

However, although under a utilitarian perspective, authors Raustiala and Sprigman recognize the benefits of copying; their opponents, based on the moral rights approach, argue that Raustiala and Sprigman fail to acknowledge fashion designs as works of art and thus fashion designers as artists. They believe that fashion designers as artists should enjoy moral rights

¹⁹ Raustiala and Springman (n 11) 43.

²⁰ *ibid* 44.

²¹ *ibid* 45.

protections. With this concern, opponents of the Paradox Piracy look to the EU where moral rights have, in contrast to the U.S., a greater presence.²²

7.1.2. ANCHORING

Besides induced obsolescence, Raustiala and Sprigman argue that copying and a low-IP regime help “anchor” trends, which means that the best fashion design will be anchored as the season’s dominant style. In other words, anchoring describes the process by which the fashion industry sets the season’s major design trends. Copying not only anchors trends, but also consumer’s expectations of what is considered to be in style. This lowers consumers information costs about the season’s dominant styles, and consequently encourages consumption by signaling it is time to update one’s wardrobe.²³ Moreover, according to Raustiala and Sprigman following the lead of other fashion designers and creating imitations is necessary for the emergence of a particular trend; they accelerate trends to a point, but when the trend becomes too popular, it is thus obsolete. So, unrestrained copying not only drives the production of new designs by making older designs out-of-date,²⁴ but also helps shape the new designs so that consumers can easily identify what looks are “in” or “out” at the moment.²⁵

7.2. ARGUMENTS FOR PROTECTION AGAINST COPYING IN THE FASHION INDUSTRY

Despite Raustiala and Sprigman’s arguments, there are many reasons why we need IP protection in the fashion industry. Proponents of strong IP in the fashion industry often make arguments grounded in utilitarian theories. In the U.S. IP rights are based on a utilitarian theory, which prioritizes society before the individual, rather than a natural rights theory, which prioritizes the individual. The purpose of U.S. IP law is to incentivize authors and inventors to create, in order to maximize the utility to society in the form of scientific and cultural progress.²⁶ Accordingly, the Supreme Court of the United States has also repeatedly emphasized the importance of rewarding authors, inventors, and creators for the works derived from their intellect. A parallel can easily be drawn with the fashion industry: proponents of strong IP

²² Margaret E. Wade, 'The Sartorial Dilemma of Knockoffs: Protecting Moral Rights without Disturbing the Fashion Dynamic' [2011] (390) *Minnesota Law Review* 354.

²³ Christopher Jon Sprigman, Copyright and Creative Incentives: What Do(n't) We Know?. in Rochelle Cooper Dreyfuss and Elizabeth Siew-Kuan Ng (eds), *Framing Intellectual Property Law in the 21th Century: integrating incentives, trade, development, culture and human rights*(Cambridge University Press 2018) 46-47

²⁴ Jon Stokes, 'Why does the fashion industry thrive in spite of rampant IP “piracy”?' (*Arstechnica*, 24 November 2006) <<https://arstechnica.com/information-technology/2006/11/8283/>> accessed 23 February 2020

²⁵ Raustiala and Sprigman (n 10) 1728, 1729.

²⁶ Wade (n 22) 358.

protection claim that exclusive IP rights stimulate the creation of new inventions while maximizing social welfare, and thus the idea is that fashion designers must have legal protections for their designs to have the financial incentive to create new designs.²⁷ In the event of lack of adequate legal protection, designers will be discouraged to engage in such business and as a result, a given society may not benefit from the designer's creations. Hence, social utility is maximized when innovators have strong protection for developing their ideas into marketable goods. There is a counter argument, however, that copying and freeriding does not deter fashion designers. As described above, Raustiala and Sprigman demonstrated that copying spurs fashion innovation because high-end designers constantly update their looks to stay one step ahead of the knock-offs. The rise and fall of trends are thus the results of copying, and this cyclical nature of the fashion industry is what, according to the Paradox Theory, makes utilitarian arguments incompatible for IP protection.²⁸

Furthermore, and in contrast to U.S. law, EU IP regimes have been strongly shaped by the personality theory, according to which IP laws are there to protect the creator's manifestation of their personality, *i.e.*, that the design of clothes that designers create mirrors their personality. In addition, in today's style-conscious society people do not wear things out of necessity, but because wearing clothes is a form of expressing one's personality. What people choose to wear is subjective and varies from person to person. The link between the individual person and the designer's intellectual product is therefore another justification for IP protection because it serves to strengthen one's sense of individuality.²⁹

Additionally, the labor theory argument represents another reason for strong IP protection in fashion industry and is a predominant paradigm in EU IP protection. John Locke's labor theory of appropriation introduced the idea that people have a fundamental right to own things that they have labored to produce. However, they may only own and use such property mindful of the public interest, which indicates that it is for this reason that IP rights are limited in both scope and time. Thus, the parallels between Locke's labor theory and the arguments in favor of IP protection for fashion designs are obvious. Because the designer labors over the item they design, they own that item. However, this approach is criticized among proponents

²⁷ William Fischer, 'Theories of Intellectual Property' [2001] *New Essays in the Legal and Political Theory of Property*, Cambridge University Press <<https://cyber.harvard.edu/people/dfisher/iptheory.pdf>> accessed 6 March 2020.

²⁸ Li (n 8) 8-11.

²⁹ *ibid* 11-12.

of Raustiala and Sprigman's theory because it treats new ideas as a wholly individualized act and thus dismisses the facts that designers of all levels both influence and are influenced by other fashion designers and that copying is accepted as a standard practice in the fashion industry.³⁰

7.2.1. DISTORTING INNOVATION

Apart from these three principal moral arguments, some scholars have other arguments why they disagree with Raustiala and Sprigman's theory and instead believe that the increased ease of copying disrupts innovation.³¹ A proponent for strong IP protection in the fashion industry, fashion law professor Susan Scafidi calls the fashion industry as it exists today without strong legal protection a system of "legalized piracy".³² Professor Scafidi argues that being able to make copies of a fashion design, which is often cheaper than creating, unjustly allows copyists to profit off of the designer's concept because individuals buy pirated designs instead of the original design; thus, the substitution represents the loss of sales. Moreover, Professor Scafidi recognizes that Raustiala and Sprigman's idea that copying drives the fashion cycle is an out dated argument because it does not acknowledge the impact of new technologies in fashion. The fashion cycle phenomenon is obsolete because digital photos of new fashion designs can be uploaded almost immediately onto the Internet and pirated copies can reach the market much more quickly than the original designs.³³

While Raustiala and Sprigman argue that fashion design does not need be protected because there is a lot of creativity even in the absence of IP,³⁴ advocates of design protection disagree and contend that lost profits can be expected to provide a disincentive to innovate, which is a standard result of economic theory: "*Designers unprotected against design copying see a disproportionate effect on the profitability, and hence are discouraged from innovating - indeed, from entering in the first place.*"³⁵ In other words, based on the incentive approach, design piracy and consequential loss of sales reduces an established designer's prospective motivation to spend the money, time, and effort needed to be creative and discourage new and small designers to even enter the fashion industry. Additionally, it must be acknowledged

³⁰ *ibid* 12-14.

³¹ Hemphill and Suk (n 14) 138

³² Li (n 8) 14.

³³ Irene Vega Keeley, 'A Proposal for the Protection of Fashion Design: Knocking off Design Patent Law' [2009] 56(6) *Journal of The Copyright Society of the USA* 1000-1003.

³⁴ *ibid* 18.

³⁵ Hemphill and Suk (n 14) 130.

that a good percentage of fashion designers are not fashion conglomerates but are instead self-established independent business owners who try to accumulate enough resources to launch and produce their own brand.³⁶ Thus, the sale of a collection is due to these high up-front expenses that are crucial for the viability of a brand. Adequate legal protections would therefore protect them from rampant copying of their collection, and consequential loss of sales, and allow for creating and for being profitable.³⁷

In addition, copying has an effect not only on the amount of innovation, but also on the direction innovation takes. The lack of protection against design copying, combined with the existence of trademark and trade dress legal regimes, favors innovation by major fashion conglomerates that have strong trademarks and supports production of items with logos over small and new designer who are thus not protected.³⁸ Thus, the absence of design protection gives designers the incentive to resort to “logoification” and to only create designs that fulfill desires of status-seeking consumers and not of those who seek to express their individuality through fashion.³⁹

7.2.2. PROTECTING BUSINESS OPPORTUNITIES, EXCLUSIVITY, AND UNIQUENESS

Some scholars warn that not only unknown designers but also luxury brands need legal protection against close copying. They disagree with the Paradox Piracy theory, according to which copies of original designs increase awareness for the luxury items and thus have a positive effect on high-end fashion brands.⁴⁰

First, from a designer’s perspective there is an already-mentioned problem of substitution of original items with replicas and the consequential loss of a designer’s incentive to create (which hinders high-end brands), who want to either profit from direct sales of their original design or to collaborate with more affordable fashion brands. The latter is an increasingly popular approach, which enables high-end designers to partner with mass-market retailers, in

³⁶ Tiffany F Tse, 'Coco Way Before Chanel: Protecting Independent Fashion Designers' Intellectual Property Against Fast-Fashion Retailers' [2016] 24(2) Catholic University Journal of Law and Technology 418.

³⁷ Ashley E. Hofmeister, 'Louis Vuitton Malletier v Dooney & Bourke, Inc: Resisting Expansion of Trademark Protection in the Fashion Industry'[2008] 3(1) Journal of Business & Technology Law 189-190.

³⁸ Hemphill and Suk (n 14) 130.

³⁹ *ibid* 131.

⁴⁰ Zerbo (n 12) 601.

order to create authorized or licensed fast fashion copies.⁴¹ Widespread design piracy may hinder that type of design collaboration, because a fast fashion retailer is less interested in paying large sums to high-end partner designers if it is already offering unauthorized copies of that brand in its retailer shops. They would therefore rather choose the third-party manufacturer, who offers replicas of that brand, over licensing a brand's name and associated IP in the scope of an official collection. In addition to the loss of sales, it is the result of the saturation of the market with pirated copies of a designer's creation, the harmful issue of tarnishing and diminishing a brand's reputation and goodwill. This occurs particularly if the counterfeits are of significantly bad quality. Designers work to develop their brands, and subsequently they become known for signature designs that allow them to stand out in a market.⁴²

Second, from the consumer's perspective, many fashion enthusiasts purchase luxury fashion items in order to be associated with the social-status image that it signals to society. For them, possession is of a product that embodies the exclusive value of significant importance. Some authors use the term "positional goods" when referring to most kinds of clothing that are made based mostly on the status the item is expected to convey. The positional nature of fashion is very powerful for consumers, whose decisions are usually driven not only by the beauty, quality, or fit of fashion items, but also by the uniqueness and status associations created by the designer's brand.⁴³ Some scholars argue that replicas undermine a prestigious brand's identity, and often lead fashion enthusiasts to look for another brand that still has its image of exclusivity.⁴⁴ When fast fashion retailers put into the market inexpensively made replicas of a designer's signature designs, a brand becomes too widespread or becomes associated with a less exclusive image. It loses its tie to the perception of a desired item, and its value in the eyes of consumers thus diminishes. People's aspiration for social approval by the purchase of luxury items also explains the intention of the middle-class to buy counterfeits. Fake products allow them to show off prestige brands without spending a fortune. Raustiala and Sprigman's utilitarian opinion is that the copying of a high-end designer purse, such as Louis Vuitton, should be allowed in order to satisfy the desires of middle-class shoppers, who are far more plentiful than high-income consumers, and who otherwise cannot afford an orig-

⁴¹ H&M has collaborated with well-known designer brands such as Karl Lagerfeld, Giambattista Valli and Moschino.

⁴² Zerbo (n 12) 604-605.

⁴³ *ibid* 604-606.

⁴⁴ *ibid* 602.

inal item.⁴⁵ I disagree with this view, and agree with many studies that have revealed copied products not only cause confusion among consumers, but also “*have the potential to unsettle the most prestigious luxury brand dimension: its inaccessibility.*”⁴⁶ It means that widespread-copied items damage or diminish consumers’ expectations to signal their belonging to a superior class by owning a luxury item.⁴⁷ I believe that it is important to offer strong legal protections for luxury fashion designs against close copies to not only prevent tarnishing and diminishing a brand’s reputation and goodwill, but also to protect luxury shoppers interest of exclusivity.

Furthermore, critics of the Piracy Paradox theory warn there are an increasing number of consumers who use fashion to communicate their unique personality without necessary communicating a status. Designers creating unique designs would have previously been able to satisfy the needs of uniqueness-seeking consumers, but the prevalence of copies weakens their ability to do so. While copied items lead status-seeking consumers to look for another fashion brand that still has its image of exclusivity, consumers whose desire is primarily to express their unique personal style through fashion might not be satisfied merely by the price of a fashion item. To fit the needs of these consumers, the market reacted by the rise in vintage clothing stores, which in turn is bad for fashion designers looking to attract more buyers to purchase new fashion items.⁴⁸

7.2.3. DISTINGUISHING “CLOSE COPYING” FROM “TREND-JOINING ACTIVITIES”

While Raustiala and Sprigman claim that copying is the driving force behind innovation, and that in light of this benefit it is a bad idea to protect designers from design piracy, law professors Jeannie Suk and C. Scott Hemphill argue that copying is actually not necessary for a trend to become popular and “*anchor consumers’ expectations about what is in style at a given moment.*”⁴⁹ New trends are successful because enough stores offer articles with the same trend feature. However, in order to satisfy consumer demand for differentiation according to their personal style, vendors have to offer trendy articles with differentiation in their

⁴⁵ Raustiala and Sprigman (n 11) 44.

⁴⁶ Veronica Gabrielli and others, 'Does counterfeiting affect luxury customer-based brand equity?' [24 February 2012] *Journal of Brand Management* 2-3.

⁴⁷ *ibid* 3.

⁴⁸ Lauren Howard, 'An Uningenious Paradox: Intellectual Property Protections for Fashion Designs' [2009] 32(3) *Columbia Journal of Law & the Arts* 116-117.

⁴⁹ Raustiala and Sprigman (n 11) 47.

details.⁵⁰ Although individuals strive to differentiate themselves through fashion choices, they want to be “in fashion”, to be in step with society, which is what Suk and Hemphill call “flocking”. They argue that fashion consists of a dynamic relationship between flocking and differentiation because people want to be a part of trend but without necessarily replicating others who also join in with the trend.⁵¹ This leads us to, I believe, the justifiable criticism that Raustiala and Sprigman do not distinguish “line-for-line copying” from “trend-joining activities,”⁵² which enable differentiation within flocking. According to Suk and Hemphill, in contrast to interpretation or adaptation of a trend style, close copying is more literal and a directly imitative practice in which one emulates the original. Suk and Hemphill argue that, as is the same with consumers, designers also may interpret on-trend articles without close copying one another. Instead, they may refer to prior work, which unlike close copying does not pass off the original work, but indicates the difference between the prior and later work. I believe a perfect example of Suk and Hemphill’s “flocking-differentiating” theory is the Chanel knit jacket. Other designers have interpreted the look of the Chanel jacket, so much so that it has become an example of classic style, without claiming to be a Chanel product.⁵³ In other words, designers reinterpret the on-trend design by creating their versions of knit jackets, which enabled differentiation within flocking. At this point it is important to emphasize that, although both flocking and differentiation are desirable in fashion, differentiation constitutes and fosters innovation in fashion and close copies of a design are not innovation; they serve flocking but not differentiation. That is why Hemphill and Suk disagree with the paradoxical dependence of fashion designs on the existence of tolerated copying,⁵⁴ and believe that original designs need IP protection from close copying. I find their argument persuasive.⁵⁵ Moreover, I agree with their argument that versions of “*individual differentiation within flocking*”⁵⁶ are also present in music, film, and the literature industry. We can see authors and consumers flocking to collective trends while also differentiating from one another. Hence, in contrast to Raustiala and Sprigman’s belief, fashion is not relevantly different from other creative industries where the same processes are engines of innovation, and thus also worthy of legal protection.⁵⁷

⁵⁰ Hemphill and Suk (n 14) 120-121.

⁵¹ *ibid* 118-119.

⁵² *ibid* 135.

⁵³ *ibid* 113-114.

⁵⁴ *ibid* 104.

⁵⁵ *ibid* 107.

⁵⁶ *ibid* 106.

⁵⁷ *ibid* 134.

8. THE NEED FOR INTELLECTUAL PROPERTY PROTECTION IN FASHION

Based on all the above, it can be said that Raustiala and Sprigman's theory misunderstands the motivations of various types of consumers⁵⁸ and is outdated because it does not acknowledge the impact of new technologies on copying in the fashion industry. Furthermore, it should be acknowledged that lack of legal protection likely harms emerging designers. They lack big budgets to go after close copies of their designs and easily lose incentive to further create. Their brands are also usually so little known that customers do not recognize them, and they are often not aware that they are buying a copy instead of an original design. Thus, designers who have yet to make a name in the fashion industry would likely benefit the most from protecting their designs. Hence in practice, the best solution would be to support stronger IP protections that would combat the harm from close copying, but still allow designers to inspire one another and to participate in common trends.⁵⁹

The basic function of patent and copyright protection is to protect certain features of products that increase competitiveness and innovation in the market. The prohibition of the unauthorized use of a protected product, such as a fashion creation, prevents other competitors from simply using the product's features that have provided competitors with a higher degree of competitiveness. Of course, it does not mean that the designer, who is also an owner of the patent or copyright, is a monopolist in economic terms. The key effect of patents and copyrights is to incentivize competitors who cannot simply copy the protected object and position themselves with the rights holders on an equally competitive basis. In a competitive market, patents and copyright law therefore have an effect on the supply side. Trademarks, on the other hand, are intended to make consumers aware of the fact that legally protected competing products exist at all and to enable them to distinguish products from one competitor from another. Trademarks therefore fall under the demand side of IP rights.⁶⁰

The current EU IP law on Community Designs substantially supports these arguments. The EU implemented Registered Community Design (RCD) and Unregistered Community De-

⁵⁸ Monseau (n 13) 29.

⁵⁹ Elisabeth Ferrill and Tina Tanhehco, 'Protecting the Material world; The Role of Design Patents in the Fashion Industry' [2011] 12(2) North Carolina Journal of Law and Technology 268-270.

⁶⁰ Bojan Pretnar, *Intelektualna lastnina v sodobni konkurenci in poslovanju: pravne osnove, ekonomska analiza in podjetniški cilji* (GV Založba 2002) 112-113.

sign (UCD) regulations in April 2003 and March 2002, respectively, offering the protection of the appearance of a product. These regulations provide design protection for up to twenty-five years for RCD and up to three years for UCD, fostering the role of the EU as the hub of haute couture.⁶¹

In the U.S., protecting original designs from the knockoff industry dates back to 1933, when the Fashion Originators Guild of America (“the Guild”) was created. Garment designers established the Guild in cooperation with retailers with the idea to protect designers from piracy. Members of the Guild pledged to sell only Guild registered original designs, bearing a label to prove their exclusivity. If a retailer did not act in accordance with the rules of the Guild, then they would be excluded from the circle of Guild retailers to whom only other Guild-member manufacturers were allowed sell. In 1941 the Supreme Court found the Guild responsible for violating the Sherman Antitrust Act. After this decision, the founder of the Guild unsuccessfully tried to lobby Congress to modernize U.S. law and allow greater protection of fashion designs. This would have brought the U.S. up to the same level of protection as some EU countries where fashion designs are themselves protectable.⁶² Today, unlike in the EU, the U.S. does not offer *sui generis* protection for fashion designers, which has led to design copying (as discussed above) to become a serious problem. The U.S. Congress has repeatedly declined to enact *sui generis* design legislation, however, even after a century of lobbying from fashion designers. The Innovative Design Protection and Piracy Prevention Act (IDPPPA), however, gives hope for reforms of the U.S. copyright system in order to include fashion designs.⁶³

Scholars argue that the difference between EU and U.S. laws governing protection of fashion designs may be the result of Europe’s reputation as a fashion hub and the home of several haute couture fashion houses, and believe that it comes down to history. Not only that the U.S. is inherently more based on the utilitarian perspective than on the European natural rights perspective,⁶⁴ but also design protection of original creative designs has been granted in France longer than in the U.S.. Nevertheless, lack of legislative success in the U.S. should also be attributed to insufficient lobbying power; some scholars argue that, although “*there*

⁶¹ Kamal Preet, 'Why America needs a European fashion police' [2008] 3(6) Journal of Intellectual Property Law & Practice 386.

⁶² Ferrill and Tanhehco (n 59) 271-272.

⁶³ Van Keymeulen (n 2) 729.

⁶⁴ Wade (n 22) 363.

was a lot of enthusiasm to protect garments and accessories as a whole, there was no consensus on the specifics of exactly how to do that."⁶⁵

9. COPYRIGHT PROTECTION IN THE UNITED STATES

U.S. copyright protection is provided for "*original works of authorship fixed in any tangible medium of expression ... from which they can be perceived, reproduced, or otherwise communicated.*"⁶⁶ Within this framework, a wide range of works find protection including music, choreographic works, movies, and architectural works, just to name a few.⁶⁷ For a work to be original, it needs to be independently created by the author and must possess at least some minimal degree of creativity. An Author's expression does not need to be novel, and also does not need to be presented in an innovative way. Furthermore, in the U.S. copyright protection is granted automatically once the work is put onto a tangible medium, but copyright owners have to register their copyrights with the U.S. Copyright Office in order to have a right to sue for copyright infringement.⁶⁸

However, existing U.S. copyright laws do not offer protection to fashion designs, which excludes, for example, the way a garment is cut and sewn from protection, in contrast to patent law under which manufacturing processes and product design are protected if legal thresholds are met. Fabric designs, such as a floral design repeated on a blouse, are patterns on the fabric, constitute an article of clothing, and are copyrightable. However, U.S. copyright law does not protect dress design such as shape, style, cut, or dimensions for converting material into a finished dress. Clothing historically has been considered a "useful article", and copyright law has never protected the utilitarian aspect of any article, whether novel, distinctive, or aesthetically pleasing functioning parts.⁶⁹ General consensus among U.S. courts is that pictorial, graphical, or sculptural aspects of a fashion work are too close to the functional aspects of the work and therefore they deny copyright protection.⁷⁰ In the U.S. statutory and case law doctrine of copyright, a "useful article" can only be protected under the copyright if the aspect of

⁶⁵ John Zarocostas, 'The role of IP rights in the fashion business: a US perspective' [2018] -(4) WIPO Magazine <https://www.wipo.int/wipo_magazine/en/2018/04/article_0006.html> accessed 1 March 2020

⁶⁶ 17 U.S.C § 102(a) (2006).

⁶⁷ 17 U.S.C § 102(b) (2006).

⁶⁸ Moltavo Witzburg (n 7) 1134-1135.

⁶⁹ *ibid* 1135.

⁷⁰ Preet (n 61) 387.

its original design can be separated from its utilitarian function.⁷¹ For an example, floral print or Burberry check plaid is capable of existing separately from the actual shirt, but the shirt design – the tailoring and the shape of the shirt – cannot exist separately from the design. Another example is the image on a T-shirt that could clearly be physically separated from the useful aspects of a T-shirt, and thus could be copyrighted if other requirements of copyrightability (fixation, originality, creativity, and non-exclusion under 17 U.S.C. § 102, etc.) are met.⁷² Another example of “separability” is the *Chosun Int’l, Inc. v. Chrisha Creations, Ltd.*⁷³ case where the U.S. Court of Appeals for the Second Circuit held that the copyright law might protect Halloween costumes if their design elements can be separated from the general function of the costume as clothing. In that case, though the body of a tiger costume was not separable from its useful function as clothing, the head however was separable and therefore copyrightable.⁷⁴ In the scope of clothing with specifically decorative functions, the Appeals Court held in *Jovani Fashions, Ltd. v. Fiesta Fashions*⁷⁵ that the design of a prom dress is not copyrightable because decorative elements of clothing, such as layers of tulle and crystals on the dress, are inherent to the overall function and therefore not separable from it.⁷⁶

However, in *Mazer v. Stein*,⁷⁷ the Supreme Court held that works of art are copyrightable when they are embodied in “useful articles”; but only the aesthetic form can be copyrighted, not their mechanical or utilitarian aspects.⁷⁸ It introduced the so-called “*separability test*”, which means that copyright protection may be extended to the elements of clothing that can be physically or conceptually separated from the garment’s utilitarian aspects. Physical separability requires an article’s ornamental features to be independent of its functional aspects.⁷⁹ In *Mazer v. Stein*, the artistic feature was a statuette of a human figure that could be simply physically detached from the light bulb and shade above it. However, the test for conceptual separability has been more confusingly applied. In *Kieselstein-Cord v. Accessories by Pearl, Inc.*,⁸⁰ the court focused on the primary and subsidiary elements of the article. The court ruled the belt buckles had “conceptually separable” elements because the wearers had used them to

⁷¹ Brandon Scruggs, 'Should Fashion Design Be Copyrightable?' [2007] 6(1) Northwestern Journal of Technology and Intellectual Property 4.

⁷² Moltavo Witzburg (n 7) 1136.

⁷³ *Chosun Int’l, Inc. v. Chrisha Creations, Ltd.*, 413 F.3d 324 (2d. Cir. 2005).

⁷⁴ Scruggs (n 71) 5-6.

⁷⁵ *Jovani Fashions, Ltd. v. Fiesta Fashions*, No. 12-598-cv, 2012 WL 4856412 at *1 (2nd Cir. Oct. 15, 2012).

⁷⁶ Moltavo Witzburg (n 7) 1136.

⁷⁷ *Mazer v. Stein*, 347 U.S. 201 (1954).

⁷⁸ Scruggs (n 71) 5.

⁷⁹ *Van Keymeulen* (n 2) 732.

⁸⁰ *Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989, 990 (2d Cir. 1980).

accessorize parts of the body other than the waist (*i.e.*, they had also been used for necklaces). Therefore, their primary function was ornamental, and their secondary function was utilitarian. In contrast to the buckles, the Second Circuit Court of Appeals held in another case that all aspects of mannequin torsos were essentially required by their function, and thus ornamental and utilitarian aspects of mannequin torsos were inseparable. Mannequin torsos were used as solely utilitarian articles. Furthermore, this case offers a clarification of what conceptual separability actually means. In order to be conceptually separate, the “article must stimulate in the mind of the beholder a concept that is separate from the concept evoked by its utilitarian function”⁸¹ The *Pivot Point*⁸² case also dealt with the issue of the copyrightability of a mannequin whose head was used for training hair stylists. It was designed with the “hungry look” of runway models. The Seventh Circuit Court of Appeals concluded that the mannequin head in question was subject to copyright protection because its elements reflected the independent artistic judgment of the designer.⁸³

As is apparent from these cases, the separability test has been applied in confusing and conflicting ways, and the courts have found that clothing is very unlikely to meet the test for separability because the decorative elements are immanent to the decorative function of the clothing. Therefore, fashion designers have achieved only limited success in convincing the courts that either clothing is not functional or that most aspects of fashion design cannot be physically separable from the useful aspect and thus could not be copyright protected.⁸⁴ However, fabric designs, patterns, and images on fashion articles and individual patterns for each garment, such as any illustration, painting, or photo, remain copyright protectable.⁸⁵ In March 2017, the U.S. Supreme Court issued its decision in *Star Athletica v. Varsity Brands, Inc.*,⁸⁶ which established a single test to determine the copyrightability of designs incorporated into useful fashion articles.⁸⁷

Furthermore, there certainly is an analogy between fashion and architectural design that can be copyrighted. “Architectural works” as protectable subject matter, and also as one of the most useful things we as a society have developed, can be copyright protected under 17

⁸¹ Scruggs (n 71) 7.

⁸² *Pivot Point v. Charlene Products, Inc.*, 372 F.3d 913.

⁸³ Scruggs (n 71) 8.

⁸⁴ Vega Keeley (n 33) 989-990

⁸⁵ Ferril and Tanhehco (n 59) 272.

⁸⁶ *Star Athletica, LLC v. Varsity Brands, Inc.*, 580 U.S. ____ (2017).

⁸⁷ Moltavo Witzburg (n 7) 1137.

U.S.C. § 102(a) and § 101, subject to certain limitations in § 120. Copyright protection does not extend to individual standard features such as common windows, doors, or other staple building components. As in architecture, there is increasing global pressure for the U.S. to incorporate fashion design under some type of copyright law in order to conform to global standards.⁸⁸

9.1. THE SUPREME COURT DECISION IN *STAR ATHLETICA V. VARSITY BRANDS*

Varsity Brands, Inc. (Varsity), a company that controlled 80% of the cheerleading uniform market and obtained over two hundred U.S. copyright registrations for the two-dimensional designs incorporated into its cheerleading uniforms, filed suit against Star Athletica, LLC (Star Athletica) arguing that the latter infringed Varsity's copyrighted designs. Star Athletica responded that Varsity's copyrights were invalid because the designs were for non-copyrightable useful articles, and that the pictorial, graphic, or sculptural elements of Varsity's designs could not be physically or conceptually separated from the uniforms.⁸⁹

In 2014, the U.S. District Court ruled in favor of Star Athletica, finding that Varsity's designs are not copyrightable because their utilitarian function of cheerleading uniforms could not be separated from such function. In 2015, the U.S. Sixth Circuit Court of Appeals reversed, in a split decision, holding that cheerleading uniforms qualified for copyright protection because they could be applied to other fashion articles or even framed as an artwork. In 2017, the U.S. Supreme Court affirmed the Appeals Court's finding that Varsity's cheerleading uniforms satisfy copyright protection requirements and set forth a new two-part test to determine copyright protection for artistic features of the design of a useful article. It held that artistic designs incorporated in useful articles are copyrightable if they "can be perceived as a two- or three-dimensional work of art separate from the useful article, and would qualify as a protectable pictorial, graphic, or sculptural work, either on its own or in some other medium imagined separately from the useful article."⁹⁰ The Supreme Court determined that Varsity's subject matter satisfied the two-step eligibility test, and its majority opinion applied reasoning from the 1954 Supreme Court case *Mazer v. Stein*, in which the Supreme Court held that stat-

⁸⁸ Scruggs (n 71) 11.

⁸⁹ Gene Quinn and Steve Brachmann, 'Copyrights at the Supreme Court: Star Athletica v Varsity Brands' (*IP Watch Dog*, 22 March 2017) <<https://www.ipwatchdog.com/2017/03/22/copyrights-supreme-court-star-athletica-v-varsity-brands/id=79767/>> accessed 6 November 2019.

⁹⁰ Moltavo Witzburg (n 7) 1137.

uette bases for electric lamps were able to receive copyright protection even though the lamp itself was a useful item.⁹¹

The two-part test raises interesting new possibilities for fashion brands to seek greater protection and to enforce those rights against fast-fashion companies. Illustratively, Puma filed an action against Forever 21 alleging copying of a shoe line and infringement of Puma's design patents, trade dress, and copyright infringement. Puma based its action on the *Star Athletica v. Varsity Brands* decision, claiming the design of shoes can be copyrighted because it could be separated from the utilitarian article.⁹²

9.2. PROPOSED AMENDMENTS TO EXTEND COPYRIGHT PROTECTION TO FASHION DESIGNS

Although there is copyright protection available for some elements of fashion design, the design as a whole remains unprotected. There have been attempts to amend Title 17 of the United States Code to extend copyright protection to designs; the first was the failed Design Piracy Prohibition Act (DPPA), and more recently the Innovative Design Protection and Piracy Prevention Act (IDPPPA).⁹³

9.2.1. DESIGN PIRACY PROTECTION ACT

In 2007, the DPPA was introduced with the purpose to amend Title 17 of the U.S. Copyright Act, to extend copyright protection to fashion designs. The DPPA proposed amending the definition of a "useful article" by extending a definition from vessel hull designs to fashion designs. The DPPA would have established protection for fashion garments for a period of three years, counting from the date of publication of the registration or the date the design was first made public. However, the designer would be required to register the design within three months of making the first public presentation of the design to fall under the scope of the DPPA protection. Infringements would include making, importing, selling, or distributing an article embodying a design,⁹⁴ but an article embodying a design would not be infringing if it were created without knowledge of the protection of the design or without reasonable grounds to know that the protection for the design is claimed. The DPPA also amended max-

⁹¹ Quinn and Brachmann (n 89).

⁹² Moltavo Witzburg (n 7) 1139-1140.

⁹³ Lauren E. Purcell, 'A Fashion Flop: The Innovative Design Protection and Piracy Prevention Act' [2013] 31(10) *Journal of Law and Commerce* 215.

⁹⁴ Ferrill and Tanhehco (n 59) 273.

imum damages for design infringement, which were much higher than the maximum statutory damages for copyright infringement. While the amounts of the statutory damages are between \$750 and \$30,000 per work, the maximum statutory fines for damages caused by design infringements under the DPPA amounted in a range from \$50,000 to \$250,000.⁹⁵

Within the fashion industry, the substantive aspects of the DPPA faced much opposition from the Council of Fashion Designers of America (CFDA) and the American Apparel and Footwear Association (AAFA). While the CFDA believed that the DPPA could offer emerging designers the needed protection of fashion design, the AAFA never fully supported the bill and claimed that the DPPA would result in hindering creativity and an increase in insignificant lawsuits.⁹⁶

9.2.2. INNOVATIVE DESIGN PROTECTION AND PIRACY PREVENTION ACT

The IDPPPA's aim was to change Chapter 13 of the U.S. Copyright Act in order to include fashion design under the protections of copyright. In 2010, the bill passed through the Senate Judiciary Committee with a unanimous vote and, unlike the DPPA, was supported by the CFDA and AAFA. The IDPPPA provides a similar definition of the term "apparel" and "fashion design", but in addition it requires that a fashion design is the result of the designer's own creative work and provides "*a unique, distinguishable, non-trivial and non-utilitarian variation over prior designs for similar types of articles.*"⁹⁷ Furthermore, the IDPPPA also offers protection for fashion designs for three years; however, in contrast to the DPPA but comparable to the UCD, it does not require any registration for fashion designs after the design is made public. Another difference is the heightened pleading standards, according to which infringement action under the IDPPPA must be pleaded with particularity.⁹⁸ It requires the plaintiff to plead that the initial design was original, that the original and the copied design are substantially identical, and that the copyist had an opportunity to see the original design before it was publicly released.⁹⁹

⁹⁵ Vega Keeley (n 33) 989-990.

⁹⁶ Ferrill and Tanhehco (n 59) 274.

⁹⁷ Lance Godard, 'Innovative Design Protection Act Targets Fashion Knockoffs' (*Small Business Support*, 1 October 2012) <<https://smallbusiness.jdsupra.com/2012/10/01/innovative-design-protection-act-targets-fashion-knockoffs/>> accessed 20 December 2019.

⁹⁸ Purcell (n 93) 219.

⁹⁹ Ferrill and Tanhehco (n 59) 274-275.

The critics of the IDPPPA claim that, if enacted, it would produce frivolous lawsuits because it does not require registration.¹⁰⁰ Additionally, the IDPPPA's high standards, such as "non-trivial" and "substantially identical", would make it ineffective because the latter requires an article to be so similar in appearance that it could be easily mistaken for the protected design and its differences in design are merely trivial. This standard fails to identify under whose view the standard applies. Judges and lawyers who have little or no experience in the fashion industry have the discretion to determine whether the "substantially identical" standard is fulfilled or not, and opens the door to unpredictable and inconsistent verdicts. Despite the critics, there are also others who believe that the IDPPPA would bring clarity to help prevent knockoffs and protect fashion.¹⁰¹ Nevertheless, until the DPPA or IDPPPA is enacted, fashion designs cannot be adequately protected under current U.S. copyright law.¹⁰²

10. COPYRIGHT PROTECTION IN THE EU

In the U.S., only certain designs incorporated into fashion articles would be protected under copyright; however, cut, shape, and dimensions of clothing articles remain unprotectable. On the other side of Atlantic, the EU offers broader IP protections for fashion designers.

In the EU, it is often possible to rely on copyright to protect the product itself, fabric patterns, logos, surface decorations, and photographs, which are used in advertising campaigns. Even fashion shows can be copyrightable under certain circumstances. Thanks to the Berne Convention¹⁰³ and TRIPS,¹⁰⁴ copyright is relatively consistent around the world. These international agreements set minimum standards for copyright, including protection of creative works once they are created, without registration formalities.¹⁰⁵ While there is no such thing as "international copyright", EU copyright owners may be able to claim protection in the U.S. or in any other county in the world that is a member of Berne Convention.¹⁰⁶

¹⁰⁰ *ibid* 274-276.

¹⁰¹ Purcell (n 93) 221-223.

¹⁰² Ferrill and Tanhehco (n 59) 274-276.

¹⁰³ Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, as revised at Paris on July 24, 1971 and amended in 1979 S. Treaty Doc. No. 99-27 (1986) (Berne Convention).

¹⁰⁴ TRIPS: Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994) (TRIPS Agreement).

¹⁰⁵ TRIPS Agreement, art. 9.

¹⁰⁶ Moltavo Witzburg (n 7) 1144.

Although most aspects of copyright protection remain unharmonized,¹⁰⁷ there are some EU Directives that affect copyright law. Such Directives are Directive on the harmonization of certain aspects of copyright and related rights in the information society 2001/29/EC (Infosoc Directive), Directive on the legal protection of databases 1996/9/EC (Database Directive) and Directive on the term of protection of copyright and certain related rights 2006/116/EC (Term Directive). The question of whether fashion articles such as clothes and shoes are copyrightable varies substantially in different countries. Thus, fashion designers must make sure they are aware of all applicable copyright laws in each EU Member State they operate.¹⁰⁸

Article 17 of the Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs (EU Design Directive) provides uniform protection for design rights in the EU (as described in the chapter 14.1.), requires that a design protected by a design right meets the Member State's conditions for copyright protection, and requires that a design must be eligible for copyright protection. This so-called "cumulative protection" is at the discretion of the EU Member States, and is for instance available in France, Italy, and the UK.¹⁰⁹ In those countries both design rights and copyright protect fashion articles.¹¹⁰

10.1. FRANCE

The French Intellectual Property Code protects the rights of authors in all works of the mind under Article L. 112-1, and expressly refers to creations of the fashion industry, such as clothing and accessories, as being works of the mind and consequently copyright works. In contrast to the UK regulation, which is focused on copyrights' economic value, according to Article L. 112-2.73 of the French IP code, French design is required to reflect the author's personality to qualify for copyright protection.¹¹¹ It is found to be challengeable to show the original character of a design article, because fashion design are usually based on current trends and therefore may lack originality. French courts typically deny copyright protection for

¹⁰⁷ Unharmonized copyright aspects mean that Member States of the EU did not make changes in their national laws, in accordance with Community legislation, to produce uniformity and thus the regulation of these aspects differentiates among Member States.

¹⁰⁸ Rosie Burbidge, *European Fashion Law A Practical Guide from Start-up to Global Success* (Elgar Practical Guides 2019) 56-58.

¹⁰⁹ Moltavo Witzburg (n 7) 1144.

¹¹⁰ Michele Woods, 'Fashion Design and Copyright in the US and EU' (*WIPO*, 17 November 2015) <https://www.wipo.int/edocs/mdocs/mdocs/en/wipo_ipr_ge_15/wipo_ipr_ge_15_t2.pdf> accessed 20 November 2019.

¹¹¹ Burbidge (n 108) 59-61.

a design that could be regarded as “commonplace.”¹¹² For example, designer Vanessa Bruno’s claim against Zara was dismissed by the Paris Court of Appeal in 2012 because the Court found elements of Bruno’s design already featured in the *Vogue* magazine.¹¹³ This meant that design was not found to be original and could not be protected by copyright.

Despite France’s reputation for being more copyright friendly, the court held that infringement on the basis of copyright is appreciated by similarities and not by differences.¹¹⁴ According to the Court’s judgment, Longchamp’s famous “*Le Pliage*” bags and alleged infringing bags were sufficiently different that they outweighed the similarities between them.¹¹⁵

The French copyright protection term exceeds the fifty-years *post mortem* term under the Berne Convention, and offers automatic protection from the day the work is created for the period of the author’s life and seventy years thereafter. Since French law offers cumulative protection, as mentioned above, new fashion designs in France may also be protected under the EU design mechanism. French courts, however, tend to consider each right separately to avoid confusing decisions. For an example, the court held in a dispute involving sportswear that only design rights could be granted because the designs were not identical but the product failed to be original enough to be copyrightable because of the same characteristics as a preexisting style.¹¹⁶

France also protects fashion shows by copyright. The overall construction, use of music, colors, lighting, and the styling of the runway as a whole are capable of copyright protection and thus unauthorized publications of images reproducing the fashion show represent copyright infringement.¹¹⁷

10.2. ITALY

Like in France, Italian copyright law covers works of the mind having a creative character. Protection under the Italian Copyright Law extends to industrial design works that have creative or inherent artistic character. Italian copyright protection also does not require articles to be registered in order to be copyright protected, and a designer’s copyright lasts for the life of

¹¹² Eleanor Rockett, 'TRASHION: AN ANALYSIS OF INTELLECTUAL PROPERTY PROTECTION FOR THE FAST FASHION INDUSTRY' (*Plymouth Law and Criminal Justice Review*, 2019) <<http://www.plymouthlawreview.org/vol11/Elle%20Rockett.pdf>> accessed 24 November 2019 85-86.

¹¹³ CA de Paris, Pôle 5, 17 octobre 2012, n°2011/09133.

¹¹⁴ Burbidge (n 108) 60-61.

¹¹⁵ CA de Versailles, 1 ère ch. 1ère section, 2 février 2017, n°15/04457.

¹¹⁶ Moltavo Witzburg (n 7) 1148.

¹¹⁷ Burbidge (n 108) 63.

the designer and seventy posthumous years. As with French law, Italian law also offers “cumulative protection” and does not protect unregistered design rights, which can be protected by the EU unregistered design protection – as discussed below.¹¹⁸

10.3. THE UNITED KINGDOM

Unlike countries mentioned above, the United Kingdom (UK) does not specifically mention fashion designs as one of categories of copyright protectable works. A fashion design must be both “artistic” and a “work of craftsmanship” to receive an automatic UK copyright protection. However, case law reveals the difficulty of defining the “artistic” feature in the fast fashion industry. The case law demonstrates that courts are disinclined to protect fashion designs as “artistic works”, especially mass-produced fashion articles. “Work of craftsmanship” implies hand-made works, and thus haute couture pieces fall under that term.¹¹⁹

The UK has national registered design protection (UKRD), but unlike France and Italy, the UK also has national unregistered design protection. UKRD mirrors the EU registered design protection and tends to replace the currently more popular regime of registered EU design when the UK exits the EU.¹²⁰

11. U.S. TRADEMARK LAW

On one hand, trademark law would not seem like the obvious choice for protecting fashion IP. Though trademark law is often considered part of the IP scheme to which patent and copyright law also belong, it is inherently quite different. Both patent and copyright are fundamentally incentive-based systems that reward the inventor with a limited-duration monopoly to monetize the invention and incentivize the inventor to invent. On the contrary, trademarks originated to protect the product’s source-identifier and, with the Lanham Act, the trademark law’s purposes expanded beyond source-identification. The Lanham Act’s two primary goals are to protect designers from unfair competition and consumers from deception.¹²¹ On the one hand, trademark can be very powerful in protecting fashion items because, unlike either copyrights or design patents, trademarks offer perpetual protection assuming the registrant con-

¹¹⁸ Moltavo Witzburg (n 7) 1146.

¹¹⁹ Rockett (n 112).

¹²⁰ Moltavo Witzburg (n 7) 1147.

¹²¹ The Devil Wears Trademark: How the Fashion Industry Has Expanded Trademark Doctrine to Its Detriment' [2014] 127(3) Harvard Law Review 1000-1001.

tinues to use it in commerce.¹²² Registration of a trademark with the United States Patent and Trademark Office (USPTO) is very expensive and a lengthy process, but registering is not required to obtain a trademark protection.¹²³

A trademark consists of a word, name, symbol, device, or any combination thereof.¹²⁴ This can mean the intertwining of the letter “C” for Chanel or the overlapping “YSL” arrangement to symbolize Yves Saint Laurent. Trademark law is intended to offer federal and common law protection to the goodwill associated with a mark in order to identify and distinguish one brand from the other and to indicate the source of goods.¹²⁵ However, the Lanham Act¹²⁶, which primarily governs trademark law, was enacted in 1946 and widened the scope of trademark law beyond source-identification. The Lanham Act protects fashion designs by expanding trademark protection to encompass the certain elements of a product, such as its design, shape, color, or size.

Trademark law provides a form of protection for all products when a product is sold with a mark that is a nearly identical version of the famous trademark and causes consumer confusion. Thus, designers and fashion houses may protect fashion articles by acquiring a distinctive trademark that allows and demonstrates that consumers can recognize and identify the articles’ source. Some fashion brands incorporate their logos or marks into the fashion items in order to distinguish their designs not only from competitors but also from imitators. However, the first problem is that trademark law does not generally provide any protection against the copycat, who makes an identical copy of an original new design while omitting the logo or mark that is protected as a trademark because the protection only applies to identifiable elements of a design and not the entire design. Thus, as long as the copyists do not copy the trademark of another firm, they are free to knock off every aspect of the clothing design.¹²⁷ Trademark law namely helps designers prevent copying their products where the trademark

¹²² Monseau (n 13) 44.

¹²³ (n 120) 1001.

¹²⁴ 15 U.S.C § 1127 (2006).

¹²⁵ Christiane Schuman Campbell, 'Protecting Fashion Designs Through IP Law' (*Duane Morris LLP*, 14 April 2015)

<https://www.duanemorris.com/articles/protecting_fashion_designs_through_ip_law_5516.html> accessed 15 October 2019.

¹²⁶ The Lanham (Trademark) Act (Pub.L. 79–489, 60 Stat. 427, enacted July 5, 1946, codified at 15 U.S.C. § 1051 et seq. (15 U.S.C. ch. 22)).

¹²⁷ Scruggs (n 71) 14.

in visible and copied.¹²⁸ For example, Burberry, a British luxury brand, owns a trademark for its famous plaid design that is incorporated into its fashion designs.¹²⁹ There is also evidence that protection of reputation of the producer provided by trademarks encourage fashion houses to use visible trademarks on merchandise, which would not be required if the design, rather than the brand, would be protected.¹³⁰

11.1. STANDARD OF DISTINCTIVENESS

The second problem that arises for fashion designers is that trademark law helps designers prevent the copying of their product if it is famous and have such a strong association with the design that the design itself is capable of being trademarked.¹³¹ The Lanham Act requires a high standard of distinctiveness, which can be difficult for infamous designers. Consequently, independent designers rarely use this approach to protect their entire design because they have less brand recognition among consumers.¹³² However, under the Lanham Act, to establish a violation, the plaintiff must demonstrate that it has both a valid and legally protectable mark, which means that it must be distinctive. Furthermore, the plaintiff must show that it is the owner of the mark and that the defendant is using the mark to identify goods or services that cause a likelihood of confusion.¹³³

In *Abercrombie & Fitch Co. v. Hunting World, Inc.*, the Second Circuit summarized the primary test for determining the distinctiveness of a trademark. In that case, Abercrombie sued Hunting World for trademark infringement because the latter used “Safari” expressions in their sportswear, similar to Abercrombie’s expressions for its sporting line. The Second Circuit explained that marks are classified as either generic, descriptive, suggestive, arbitrary, or fanciful. Generic marks can be generic from the beginning onwards, or can become generic over time through overuse, but in either case cannot be protected under the trademark law because they are typically not seen as specific to a certain brand or fashion designer. Suggestive, arbitrary, and fanciful marks are regarded as distinctive, and thus receive protection under trademark laws. Descriptive marks are trademark protected only if they acquire “secondary meaning”, which means that a consumer is able to associate the particular mark with the fashion house or brand. In the particular case, the Court held that Abercrombie’s mark was a

¹²⁸ Monseau (n 13) 45.

¹²⁹ Moltavo Witzburg (n 7) 1133.

¹³⁰ Monseau (n 13) 46.

¹³¹ *ibid* 45.

¹³² Tse (n 36) 407.

¹³³ Lanham Act § 2(f).

descriptive mark and had not acquired secondary meaning because consumers did not typically associate “Safari” with the Abercrombie brand. Consequently, Hunting World did not infringe Abercrombie’s trademark.¹³⁴

Beside trademark infringement, fashion designers can protect their marks through dilution claims.¹³⁵ Dilution is “*the lessening of the capacity of a famous mark to identify and distinguish goods or services.*”¹³⁶ Dilution by blurring occurs when a mark or trade name and a famous mark are so similar that the trademark is not able to act as a strong identifier.¹³⁷ Another form of dilution is dilution by tarnishment, which means that a famous mark’s reputation is harmed due to a similar mark.¹³⁸ However, dilution requires “the lessening of the capacity of a famous mark”, and relatively unknown designers or designers who have just entered the fashion market will not be able to prove that their marks are famous, and thus dilution laws offer no or little protection to them.¹³⁹

11.2. TRADE DRESS

As mentioned above, trademark law has in recent years has expanded to protect not only words, brand names, logos, or symbols of the source-identifying mark, but also other aspects of a product under “trade dress”. Trade dress is not restricted to registered trademarks and can include also unregistered elements such as: packaging of the product; the design of a product; and the total image of the product, including features such as size, shape, color, and color combinations, texture, and graphics. More specifically, trade dress protects the visual design features of a good, the “look and feel” of a product that indicates or identifies the source of the product,¹⁴⁰ distinguishes it from those of others, and whose characteristics must be non-functional.¹⁴¹ This means that, for a designer to rely on a federal law to protect their unregistered trade dress and to demonstrate trademark infringement, a designer would have to show: that the infringed feature is not “essential to the use or purpose”¹⁴² of the product; trade dress is either inherently distinctive or has acquired distinctiveness through secondary meaning; and a likelihood of confusion must exist between the trade dress of the original product and

¹³⁴ Tse (n 36) 408-409.

¹³⁵ *ibid* 409.

¹³⁶ Lanham Act § 45.

¹³⁷ Lanham Act § 43 (c)(2)(B).

¹³⁸ Lanham Act § 43 (c)(2)(C).

¹³⁹ Tse (n 36) 410.

¹⁴⁰ Moltavo Witzburg (n 7) 1133.

¹⁴¹ Schuman Campbell (n 125).

¹⁴² Vega Keeley (n 33) 991.

that of the knockoff product.¹⁴³ Thus, if a trade dress is not considered a brand, it has to show that it has achieved a secondary meaning, which means that consumers associate the clothing of the product with particular brand, rather than just the product itself¹⁴⁴

Although many well-known designers protect their goods through trademark law because trade dress focuses on a product's overall appearance and is the most applicable under the IP law to protection of fashion design¹⁴⁵, the trademark protection is challenging for most of new designers who have not been in the marketplace long enough to acquire the secondary meaning. In addition, a showing of secondary meaning can be hard to achieve in the fashion industry, where fashion trends change very quickly.¹⁴⁶ Achievement of a secondary meaning is namely a long-term process established through a combination of advertising expenditures and unpaid media coverage of the product, consumer studies associating the mark with a source, sales success, attempts to create counterfeit products of the mark, and long and exclusive use of the mark.¹⁴⁷

Regarding the requirement of secondary meaning in establishing trade dress, the U.S. Supreme Court held in the 1992 case, *Two Pesos, Inc. v Taco Cabana, Inc.*,¹⁴⁸ that trade dress that is inherently distinctive is protectable under the Lanham Act §43(a) without showing it has acquired a secondary meaning. The Court claimed that, because clothing designs are usually inherently distinctive enough for consumers to identify with its designer, they are not required to be on the market for a longer period to acquire secondary meaning.

In the *Wal-Mart Stores v. Samara Brothers* (529 U.S. 205 (2000)), trade dress was divided into protection for product packaging and into protection for product design. Samara Brothers brought an infringement suit against Wal-Mart Stores for copying its design of clothing for children and attempted to claim trade dress protection in the nonregistered designs. The Supreme Court held that, in order to prevail on a trade dress claim, Samara Brothers must prove that the trade dress is either “inherently distinctive” or has acquired distinctiveness through “secondary meaning”. However, the Supreme Court ruled in favor of Wal-Mart Stores, hold-

¹⁴³ Preet (n 61) 388.

¹⁴⁴ Tse (n 36) 410.

¹⁴⁵ Preet (n 61) 388.

¹⁴⁶ Ferrill and Tanhehco (n 59) 277.

¹⁴⁷ Julie Zerbo, 'Trade Dress Law' (*The Fashion Law*, 19 September 2016) <<https://www.thefashionlaw.com/learn/trade-dress>> accessed 1 March 2020

¹⁴⁸ *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992).

ing that Samara Brothers' alleged trade dress was in the product itself, not the packaging for the product, and it would anyway need to show secondary meaning.¹⁴⁹ The Court's decision in this case put a stop to the protection of clothing designs, since the short life span of clothing lines more or less precludes acquiring a secondary meaning until the item is no longer fashionable – at which point, a suit to protect it would be meaningless.¹⁵⁰

Where courts regarded trade dress infringement as a possibility, it was in the rare case of high-profile, well-established designs such as Adidas-brand shoes and Hermès handbags, which is a French high-end fashion house that registered trade dress with the USPTO for the overall appearance of the Hermès “Birkin bag”.¹⁵¹ In the case against Steven Stolman Ltd., Hermès claimed that the design of the Hermès Birkin handbags, “*specifically [their] unique closure, lock, key and shape, was strongly associated with Hermès.*”¹⁵² Thus, trade dress has traditionally not been a sure route by which new designers may acquire protection for their designs.¹⁵³ In the trademark infringement case, *Adidas-Solomon AG v. Target Corp.*,¹⁵⁴ Adidas alleged that Target was selling confusingly similar shoes to the Adidas Superstar shoes. Adidas claimed that its Superstar model was based on a few ornamental elements. The District Court judge held that those elements were strictly ornamental and were therefore part of Adidas's trade dress, which could acquire secondary meaning due to the fact that the Superstar model was worn by several famous sportsmen and had been around for a few decades. The Court's judgment shows that Adidas obtained protection thanks to the well-established design. A new shoe design would not have been able to get the same type of protection through trade dress.¹⁵⁵ Furthermore, the famous French shoe designer Christian Louboutin has found the manner to create association between the designs and the fashion brand, in order to show secondary meaning. Christian Louboutin, known for his infamous red-soled shoes, prevailed in the 2012 *Christian Louboutin v. Yves Saint Laurent* (696 F.3d 206 (2012)).¹⁵⁶

¹⁴⁹ Schuman Campbell (n 125).

¹⁵⁰ Preet (n 60) 389.

¹⁵¹ Tse (n 36) 410.

¹⁵² (n 120) 1011.

¹⁵³ *ibid* 1002.

¹⁵⁴ *Adidas-Solomon AG v. Target Corp.*, 228 F. Supp. 2d 1192 (D. Or. 2002).

¹⁵⁵ Monseau (n 13) 48.

¹⁵⁶ Schuman Campbell (n 125).

12. EU TRADEMARK LAW

EU trademark law consists of the revision of the Directive (2008/95/EC), approximating the laws of the Member States relating to national trademarks, and the revision of the 1994 Regulation (207/2009/EC) on the Community trademark, which established the first EU-wide unitary IP right in the EU, granted by the Office for Harmonization in the Internal Market (OHIM), which is now called the European Union Intellectual Property Office (EUIPO).¹⁵⁷ In the past few years, European trademark system in the EU was subject to great changes. On December 16, 2015, the European Parliament and the Council of the European Union adopted the Directive EU 2015/2436 (EU Trademark Directive) to harmonize the laws of the Member States relating to trademarks,¹⁵⁸ and the 14 June 2017 Regulation (EU) 2017/1001 of the European Parliament and of the Council on the European Union trade mark, codifying Council Regulation (EC) 207/2009 (EU Trademark Regulation).¹⁵⁹

The EU trademark law system is a dual system consisting of the EU trademark system and the trademark protection of the EU Member States. If the designer decides to register a trademark in one of the Member States, then the protection of such a registered trademark will be limited territorially to the country in which it is registered. Another way is to register a EU trademark with the EUIPO, in which the holder obtains protection in all EU Member States according to Article 6 of the EU Trademark Regulation.¹⁶⁰

A core difference between U.S. and EU trademark laws lies in the requirements for acquiring legal protection in a mark. In the U.S., federal trademark rights are acquired by use of the mark in trade and commerce rather than by registration. However, registration is possible in the U.S. and provides the owner of a mark broader legal protection, including nationwide geographic coverage for the mark, presumption of validity and ownership, and right to seek statutory damages and attorneys' fees in the event of an infringement suit. However, the trademark protection in a mark is obtained by use and without a showing that the mark is being used in trade and commerce, it is not possible to obtain federal registration in the U.S.. In contrast, trademark system in Europe is only register-based, which means that a EU trade-

¹⁵⁷ Topic Portal European Union Trademark System Review (*International Trademark Association*) <<http://www.inta.org/advocacy/pages/europeanuniontrademarkssystem.aspx>> accessed 1 November 2019.

¹⁵⁸ Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks [2015] OJ 2 336/1 (EU Trademark Directive).

¹⁵⁹ Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark [2017] OJ 2154/1 (EU Trademark Regulation).

¹⁶⁰ Tina Mihalič, *Zaščita modnega oblikovanja - primerjava varstva z različnimi pravicami intelektualne lastnine v evropskem in ameriškem pravu* (Repozitorij Univerze v Ljubljani 2018) 41.

mark can be obtained solely through registration with the EUIPO or an international registration with the World Intellectual Property Organization (WIPO).¹⁶¹ The requirement of registration is expressly laid down in Article 6 of the EU Trademark Regulation. Unregistered trademarks do exist in the EU, however, where the national laws of the Member States indicate that national trademark laws in the EU have not been harmonized.¹⁶²

12.1. SUBJECT OF PROTECTION

According to Article 3 of the EU Trademark Directive and Article 4 of the EU Trademark Regulation, and as in the U.S., a trademark in the EU may consist of words, designs, letters, numbers, colors, shape of goods, or shape of the packaging of goods. From Article 3 of the EU Trademark Directive and Article 4 of the EU Trademark Regulation, we can also extract the basic requirements for the successful registration of a trademark: the object of its protection must be a sign, and the sign may have the capacity to distinguish goods of one company from the goods of another company.¹⁶³ EU law has recently changed: where previously a trademark had to have the graphical representation capability, it is now sufficient for a trademark to be represented in a clear, precise, self-contained, easily accessible, intelligible, durable, and objective manner. In order to be accepted as a trademark, signs cannot be descriptive of the goods and services for which they are registered, and they must be distinctive.¹⁶⁴ As in the U.S., functional marks are not protectable.¹⁶⁵

12.2. CONVENTIONAL SIGNS

Brands and trademarks such as designer names, signatures, acronyms, and logos are essential to the success of fashion business. Even some companies that avoid branding their products with such conventional signs rely heavily on their brand name and visual aesthetic to differentiate their corporation from the rest of the market.¹⁶⁶ The more the brand is established, the more reputation it enjoys.¹⁶⁷ Applying such a mark to a product can provide effective protection against counterfeiters who, through the unauthorized use of the logo, wish to benefit

¹⁶¹ Adli Dariush, 'EP's Louboutin Decision Opens the Door for US Businesses to Protect Their Color/Shape Brands in Europe' (*IP Watch Dog*, 4 September 2018) <<https://www.ipwatchdog.com/2018/09/04/eps-louboutin-decision-opens-door-for-color-shape-brands-europe/id=100692/>> accessed 10 November 2019.

¹⁶² Verena von Bomhard and Artur Geier, 'Unregistered Trademarks in EU Trademark Law' [2017] 107(3) *The Trademark Reporter* 679.

¹⁶³ Martina Repas, *Pravo blagovnih in storitvenih znamk* (GV založba 2007) 80.

¹⁶⁴ Burbidge (n 108) 25.

¹⁶⁵ Dariush (n 161).

¹⁶⁶ Burbidge (n 108) 25

¹⁶⁷ James Whymark, Tania D'Souza-Culora and Andrew Sim, 'IP enforcement in the fashion industry' (*World Trademark Review*, 8 May 2015) <<https://www.worldtrademarkreview.com/ip-enforcement-fashion-industry>> accessed 14 November 2019.

from the reputation of the mark. Due to the extreme importance of the brands, fashion houses are very active in enforcing the protection under this heading.¹⁶⁸ Literature recommends registering, not only core brand, but also diffusion lines (*i.e.*, DKNY, MIU MIU), key products names (BIRKIN), and hash tags. However, the latter need to be distinctive and not descriptive of fashion goods and services, what in practice means that “#fashion” could not be protected under the trademark law.¹⁶⁹

12.3. SHAPE MARKS

In the EU, it is possible to register a shape as a trademark and the shape of a product in the fashion industry is a valuable asset. However, registering a shape requires fulfillment of multiple criteria, because if shape marks were handed out too easily there would be a significant risk that a few fashion houses would have a monopoly over the shapes for standard products and consequently limit competition. The logic behind this is that trademarks should not be used to grant indefinite protection (they can last forever, provided they are regularly renewed) to shapes that should be protected by patent, design, or not at all. On the other hand, shape trademark can offer a huge competitive advantage as it prevents competitors and counterfeiters from releasing unbranded versions of the original product. Some brands have been able to register part of their products as “position marks”, which are a subset of shape marks where a particular sign is protected when it is incorporated into the part of the fashion article. Position marks have been, for instance, an object of litigation by Adidas in the EU and U.S..¹⁷⁰

12.4. THE ADIDAS EXAMPLE

In the recent past, the sportswear brand Adidas has sued the following companies in connection with striped footwear and garments: the Italian menswear brand, Bally; Skechers; the Belgian footwear company, Shoe Branding Europe BVBA; Payless Shoes; footwear brands APL and ECCO; Marc Jacobs; and Forever 21, among others.¹⁷¹

In February 2017, Adidas filed a trademark infringement suit in the U.S. against its German rival, Puma, in the U.S. District Court for the District of Oregon, Portland Division. Apart from trademark infringement, Adidas claimed unfair competition, trademark dilution, and deceptive trade practices in connection with four-stripped shoes being produced by Puma. Ac-

¹⁶⁸ Mihalič (n 160) 42.

¹⁶⁹ Burbidge (n 108) 32.

¹⁷⁰ *ibid* 32-34.

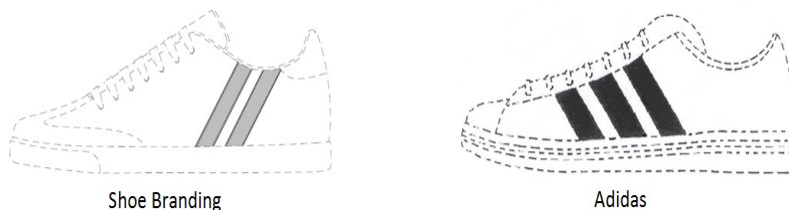
¹⁷¹ Julie Zerbo, 'Adidas is Suing Puma Again, This Time Over 4-Striped Cleats' (*The Fashion Law*, 21 February 2017) <<https://www.thefashionlaw.com/home/adidas-is-suing-puma-again-this-time-over-3-stripped-cleats>> accessed 12 November 2019.

According to Adidas's complaint, Puma's allegedly infringing shoes bore a confusingly similar imitation of Adidas's Three-Stripe Mark and were "likely to cause confusion, deceive the public regarding its source and dilute and tarnish the distinctive quality of Adidas's Three-Stripe Mark."¹⁷² Consequently, Adidas asked the Court to permanently prohibit Puma from selling footwear bearing confusingly similar four-stripe imitations of the Adidas's trademark, award Adidas monetary and punitive damages, attorneys' fees, and costs, and require Puma to hand over all profits from sales of the infringing footwear.¹⁷³ At this time, the Court has not yet reached its decision.



PICTURE 1; ADIDAS'S THREE-STRIPE SHOE AND PUMA'S 4-STRIPE SHOE

In the EU, the General Court ruled in February 2016 in *Shoe Branding Europe BVBA v. Adidas and OHIM*¹⁷⁴ in Adidas's favor, holding that Adidas alone has the right to its famous Three-Stripe trademark amongst all EU Member States.¹⁷⁵ Shoe Branding Europe BVBA, a Belgium footwear brand, was awarded trademark registration for a two-stripe mark on footwear, which slant in a different direction than Adidas' Three-Stripe Mark.¹⁷⁶



PICTURE 2; SHOE BRANDING'S SHOE AND ADIDAS'S SHOE

Would the U.S. court reach the same conclusion in *Shoe Branding Europe BVBA v. Adidas and OHIM*? To determine whether the offending product infringes Adidas's trademark, the same as an EU court, also a U.S. court would have to assess whether the stripes, in the scope of the

¹⁷² Adidas America, Inc.; Adidas AG; Adidas International Marketing B.V., v. Puma North America, 3:17-cv-00283 (D.Or.).

¹⁷³ Zerbo (n 171).

¹⁷⁴ C-396/15 P *Shoe Branding Europe v Adidas* [2016].

¹⁷⁵ Julie Zerbo, 'Adidas Victorious in Trademark Battle Against Lookalike Sneaker Maker' (The Fashion Law, 24 February 2016) <<https://www.thefashionlaw.com/home/adidas-victorious-in-trademark-battle-against-lookalike-sneaker-brand>> accessed 1 December 2019.

¹⁷⁶ Burbidge (n 108) 34.

overall product design, are likely to cause consumer confusion. The U.S. District Court for the District of Oregon held multiple times that Adidas enjoys a wider range of legal protection, particularly against footwear designs bearing parallel stripes on the side of the product because its Three-Stripe Mark is a famous trademark. The court held that the American retailer Payless willfully infringed Adidas's famous Three-Stripe Mark by selling sneakers bearing two and four stripes. However, according to Adidas's complaint Payless sneakers did not only contain two or four stripes but also looked very similar to Adidas sneakers designs. Like Payless, Shoe Branding's sneaker design arguably bore a similar design to Adidas' sneaker design. Therefore, a minor difference in the number of stripes may have little importance in the infringement analysis, especially if the overall footwear design looks similar to an Adidas article. Consequently, it is possible that a U.S. court would have reached the same conclusion as the European court did in the *Shoe Branding Europe BVBA v Adidas and OHIM* case.¹⁷⁷

12.5. THE LOUBOUTIN EXAMPLE IN THE EU AND U.S.

One of the more high-profile trademark disputes in recent years concerns the red sole of Christian Louboutin shoes, which was either attempted to be registered or was registered in various jurisdictions around the world – including the U.S. and EU.

12.5.1. LOUBOUTIN'S U.S. ENFORCEMENT

In 2011, fashion designer Christian Louboutin brought action against its competitor Yves Saint Laurent, claiming trademark infringement and counterfeiting, false designation of origin, unfair competition, and trademark dilution based on its federal registration of the Louboutin's "red sole" trademark, which consisted of a lacquered, red outsole on a high fashion woman's shoe – the "Red Sole Mark". In response, Yves Saint Laurent asserted counterclaims to cancel Louboutin's "Red Sole Mark", stating that the mark lacked distinctiveness and/or was merely ornamental or functional. The District Court denied the injunction, holding that single-color marks in the fashion industry are inherently "functional," and therefore the designer's trademark was likely not enforceable.¹⁷⁸

¹⁷⁷ Natasha Reed, 'Adidas to Competitors: 'Two Stripes, You're Out'' (The Fashion Law, 3 February 2017) <<https://www.thefashionlaw.com/home/adidas-lawsuits-us-implications>> accessed 2 December 2019.

¹⁷⁸ Christian Louboutin, S.A. v. Yves Saint Laurent Am. Holding, Inc., 2012 WL 3832285 (2d Cir. Sept. 5, 2012).

The Second Circuit relied on the case *Qualitex v. Jacobson Products* (514 U.S. 159 (1995)), in which the Appeals Court held that a single color alone can serve as a trademark, as long as that color has acquired secondary meaning in the mind of consumers and identifies the brand.¹⁷⁹ The Court found that Louboutin’s Red Sole Trademark was certainly not inherently distinctive, as according to *Qualitex*, and a single color could almost never be inherently distinctive, but over time customers can come to treat a particular product color as a signifying source. In analyzing whether the “Red Sole Mark” had acquired second meaning, the Second Circuit considered consumer surveys from both parties, Louboutin’s extensive evidence of its advertising expenditures, media coverage, and long-lasting worldwide sales success of commercial use of the lacquered red soles as its distinctive symbol in women’s high-fashion footwear. According to the Court, Louboutin used that trademark “so prominently and consistently” that it became a symbol to identify the source rather than the product itself.¹⁸⁰

Although, finding the secondary meaning the Second Circuit overruled the lower District Court and recognized that the designer was entitled to trademark protection only for the use of contrasting red lacquered outsoles with the remainder of the shoe. Louboutin failed to show that the secondary meaning of its “Red Sole Mark” extended to uses on monochromatic red shoes. While on the one hand, among hundreds of pictures of Louboutin shoes submitted to the District Court, only four were monochrome red; Yves Saint Laurent, on the other hand, had produced evidence of its sale of monochromatic colored red shoes since the 1970s. Based on this evidence, the Appeals Court ordered the USPTO to limit Louboutin’s “Red Sole Mark” to only those situations in which the red lacquered bottoms contrasted in color with the “upper part” of the shoe. Thus, Louboutin’s signature “Red Sole Mark” had acquired a secondary meaning and was therefore a “distinctive symbol” that had come to identify and distinguish the designer’s brand and deserved trademark protection when used as a red sole on the base of its shoes, contrasting with the rest of the shoe.¹⁸¹

¹⁷⁹ Schuman Campbell (n 125).

¹⁸⁰ Law School Case Brief: Christian Louboutin SA v Yves Saint Laurent Am Holding, Inc - 696 F3d 206 (2d Cir 2012) (*Lexis Nexis*, 2019) <<https://www.lexisnexis.com/community/casebrief/p/casebrief-christian-louboutin-s-a-v-yves-saint-laurent-am-holding-inc>> accessed 5 December 2019.

¹⁸¹ Christian Louboutin (n 177).



PICTURE 3; LOUBOUTIN'S RED SOLE SHOES AND YVES SAINT LAURENT SHOES

12.5.2. LOUBOUTIN'S ENFORCEMENT EFFORTS IN THE EU

Similar issues arise when Louboutin wanted to rely on its red sole marks in the EU. However, despite the fact that both the U.S. and EU have adopted very similar definitions of a trademark, Louboutin's efforts to obtain trademark protection for its red sole in the EU have faced more challenges than in the U.S.. Following the legal battle against Yves Saint Laurent, Louboutin initiated proceedings against the Dutch footwear brand van Haren Schoenen BV (van Haren). In 2012, van Haren's red bottoms show line caught the attention of Louboutin. Christian Louboutin fashion house responded with a trademark infringement lawsuit. As of 2017, Louboutin has sold more than one million pairs of its expensive heels, sneakers, and flats, all of which bear a lacquered red sole that enables consumers to easily distinguish its products from other shoes on the market. The French designer house's central claim was that the Dutch shoe retail outlet brand was causing confusion among customers, thanks to its red bottoms. In addition, Louboutin asserted that van Haren was intentionally looking to profit from Louboutin's well-known red sole, which was registered in Benelux as a trademark for "*the grey outline of a high heeled shoe with a sole in the color red*"¹⁸². The District Court of the Hague ordered van Haren to cease designing, producing, and selling its red bottoms shoe collection and ordered van Haren to pay damages to the French fashion designer as a result of its infringement.¹⁸³ Van Haren challenged the District Court's judgement, claiming that the mark at issue was invalid on the basis of Article 2.1(2) of the Benelux Convention. Van Haren maintained that its mark is a "*two-dimensional figurative mark that consists of a red colored surface.*"¹⁸⁴ The District Court decided to stay the proceedings and to refer the question to the European Court of Justice (ECJ).

¹⁸² Burbidge (n 108) 42.

¹⁸³ Julie Zerbo, 'Christian Louboutin Lands Victory in Long-Running Dutch Red Sole Shoe Case' (The Fashion Law, 6 February 2019) <<https://www.thefashionlaw.com/home/louboutin-lands-victory-in-long-running-dutch-red-sole-shoe-case>> accessed 9 December 2019.

¹⁸⁴ C-163/16 Christian Louboutin and Christian Louboutin Sas v van Haren Schoenen BV [2018].

The ECJ was tasked with determining whether the color that appears on the Louboutin shoe sole is a non-three-dimensional color, or whether color applied to the sole of a high-heeled shoe is essentially a shape mark within the meaning of EU trademark law, according to which, under the meaning of 3(1)(e)(iii) of Directive 2008/95, a sign that consists exclusively of a shape that gives substantial value to the product on which it appears is not eligible for protection.¹⁸⁵ According to Article 4 of the EU Trademark Directive and Article 7 of the EU Trademark Regulation, signs which consist exclusively of the shape, or another characteristic of goods which is necessary to obtain a technical result, or which results from the nature of the goods themselves, or which gives substantial value to the goods, cannot be protected under EU trademark law. The ECJ stated, “*the trademark at issue does not relate to a specific shape of sole for high-heeled shoes.*” Instead, the ECJ panel held that “*the description of trademark explicitly states that the contour of the shoe does not form part of the mark and is intended purely to show the positioning of the red color covered by the registration.*”¹⁸⁶ The Court further explained that a sign cannot consist exclusively of a shape where the main element of the sign is a specific color, such as Pantone 18-1663TP in this case.¹⁸⁷ The ECJ pointed out that Louboutin did not seek to protect a particular shape, but the application of a color to a sole of the shoe. The ECJ concluded that the main aspect of the mark is a specific color applied to a specific part of a high-heeled shoe and identifies a source; thus, Louboutin’s red sole mark cannot be regarded as consisting “exclusively” of a shape. The Louboutin’s red bottom is therefore eligible for protection.¹⁸⁸ The ECJ sent the case back to the District Court of the Hague, which held in February 2019 that Louboutin’s Benelux trademark for its red bottoms is valid, established that Van Haren infringed upon that trademark, and rejected van Haren’s counterclaims against Louboutin.¹⁸⁹

When comparing Louboutin’s road to gaining recognition and successful enforcement of its red sole mark in the U.S. and in the EU, court cases provide valuable lessons. While in the U.S., where obtaining trademark registration for color marks proof of acquired distinctiveness

¹⁸⁵ Zerbo, 'Christian Louboutin Lands Victory in Long-Running Dutch Red Sole Shoe Case' (n 183).

¹⁸⁶ C-163/16 (n 184).

¹⁸⁷ Julie Zerbo, 'Louboutin Handed a Win from the EU's Highest Court in Latest Red Sole Battle' (The Fashion Law, 12 June 2018) <<https://www.thefashionlaw.com/home/louboutin-handed-a-win-from-the-eus-highest-court-in-latest-red-sole-battle>> accessed 11 December 2019.

¹⁸⁸ Dariush (n 161).

¹⁸⁹ Zerbo, 'Christian Louboutin Lands Victory in Long-Running Dutch Red Sole Shoe Case' (n 183).

or secondary meaning is required, in the EU no such evidence is required for the registration; such proof, however, is highly valuable at the enforcement stage in the EU.¹⁹⁰

12.6. LOUIS VUITTON'S PATTERN EXAMPLES IN THE U.S. AND EU

The French luxury fashion designer Louis Vuitton has used its signature checkerboard pattern (known as “Damier”) since the end of 19th century. Louis Vuitton filed an application to register it as a European Community Trademark in 1998 for the brown and beige checkerboard pattern, and later in 2008 for the dark and grey version in relation to leather goods, bags, and travel cases within class 18.



PICTURE 4; LOUIS VUITTON CHECK TRADEMARK (“DAMIER” PATTERN)

In 2009, a German retailer named Nanu-Nana challenged Louis Vuitton’s “Damier” print trademarks claiming their invalidity mainly on the grounds that they were indistinctive and failed to acquire a distinctive character across all EU Member States. Both the Cancellation Division and the Board of Appeal of the Office for Harmonization of the Internal Market (OHIM, also known as the European Union Trademark Office) agreed with Nanu-Nana, and held that Louis Vuitton’s trademarks lacked distinctive character because they only consist of a “basic and banal feature” that is composed of simple, well-known elements that have been used as a decoration in relation not only to purses but also to other goods. OHIM thus held that Louis Vuitton’s trademarks should be cancelled.

On April 21, 2015, the General Court of the European Union (EGC) confirmed earlier decisions and cancelled Louis Vuitton’s European Community trademark registrations for both versions of the “Damier” pattern. EGC decided to examine the distinctiveness, as it would have done with a three-dimensional trademark, considering whether the design differed from the norms and customs of Class 18. The EGC held that it was a basic and banal figurative pattern and had been in use as a decorative element for centuries before Louis Vuitton adopt-

¹⁹⁰ Dariush (n 161).

ed it. Furthermore, the EGC provided that, as the pattern did not depart from the norm or customs of the sector, it was indistinctive and should not be validly registered,¹⁹¹ pursuant to Articles 51(1)(a) and 7(1)(b) of Regulation 207/2009¹⁹² (repealed and replaced by the Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark - EU Trademark Regulation). Louis Vuitton could receive EU trademark protection over its “Damier” pattern only if it had acquired distinctiveness in the EU. However, Louis Vuitton failed to prove that its checkerboard pattern had acquired a secondary meaning through their use in a substantial number of EU countries at the time of the filing or registration of the trademarks (Article 7(3) of the Regulation 207/2009)¹⁹³ and the EGC declared the registrations to be null and void.

There are also other textile patterns successfully registered as trademarks. For example, the famous Burberry check pattern is registered in the EU, as well as in the U.S.. Its distinctiveness rests on the combination of five colors in a characteristic checked pattern of stripes. Obviously, the registration of Burberry’s mark does not mean the company has a monopoly over any check pattern. Other check patterns are also registered in the EU, for example¹⁹⁴:



PICTURE 5; EU TRADEMARK REGISTRATIONS OF CHECK PATTERNS

As of October 1, 2017, pattern marks are defined as a new category of EU trademarks. With respect to textile patterns, the Commission Implementing Regulation (EU) 2017/1431 of 18

¹⁹¹ D. Asbell Matthew, 'European community trademark registration for patterns and three-dimensional marks requires acquired distinctiveness in each Member State' (*Lexology*, 6 September 2015) <<https://www.lexology.com/library/detail.aspx?g=b6af3039-e659-48af-8038-51e61cd2b082>> accessed 18 November 2019.

¹⁹² Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark [2009] OJ 2 78/1.

¹⁹³ Elena Varese, 'Another fashion pitfall: trademark protection denied to Louis Vuitton’s chequerboard patterns' (*Lexology*, 6 May 2015) <<https://www.lexology.com/library/detail.aspx?g=905b379e-7d69-4a81-8618-34276b8d727e>> accessed 18 November 2019.

¹⁹⁴ Agata Roszak, 'Chequerboards and checks – a textile pattern can be a trade mark' (*IPlectuall*, 2 May 2018) <<http://iplectuall.pl/en/kratki-kratki-szachownice-wzor-tkaniny-moze-byc-znakiem-towarowym/>> accessed 18 November 2019.

May 2017¹⁹⁵ states that “in the case of a trade mark consisting exclusively of a set of elements which are repeated regularly (pattern mark), the mark shall be represented by submitting a reproduction showing the pattern of repetition. The representation may be accompanied by a description detailing how its elements are repeated regularly.”¹⁹⁶ Therefore, registration of a textile pattern as a trademark is granted for the entire mark, but not for its particular parts. If any of the parts are distinctive enough to be registered on a stand-alone basis, fashion designer can also obtain trademark protection for these parts. For example, Louis Vuitton’s pattern mark, called “Toile Monogram”, consists of three different elements that are registered also as individual trademark symbols.¹⁹⁷



PICTURE 6; EU TRADEMARK REGISTRATIONS OF LOUIS VUITTON'S “TOILE MONOGRAM” SYMBOLS

The Louis Vuitton's “Toile Monogram” trademark was also the subject of U.S. case law in *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*¹⁹⁸ In 2002, Louis Vuitton sought to expand trademark protection to its colorful version of its already protected “Toile Monogram” trademark in an array of multiple colors arranged on a white or black background (collectively, the “Monogram Multicolore mark”).¹⁹⁹



PICTURE 7; LOUIS VUITTON'S “MONOGRAM MULTICOLORE MARK” AND DOONEY & BOURKE'S VIBRANT MONOGRAM PATTERN

¹⁹⁵ Commission Implementing Regulation (EU) 2018/626 of 5 March 2018 laying down detailed rules for implementing certain provisions of Regulation (EU) 2017/1001 of the European Parliament and of the Council on the European Union trade mark, and repealing Implementing Regulation (EU) 2017/1431 [2018] OJ 2 104/37.

¹⁹⁶ Commission Implementing Regulation (EU) 2017/1431 of 18 May 2017 laying down detailed rules for implementing certain provisions of Council Regulation (EC) No 207/2009 on the European Union trade mark [2017] OJ 2 205/39.

¹⁹⁷ Roszak (n 194).

¹⁹⁸ *Louis Vuitton Malletier v. Dooney & Bourke, Inc.*, 454 F.3d 108, 112 (2d Cir. 2006).

¹⁹⁹ Julie Zerbo, 'Cases of Interest: Louis Vuitton Malletier v Dooney & Bourke, Inc' (*The Fashion Law*, 6 October 2016) <<https://repozitorij.uni-lj.si/Dokument.php?id=113641&lang=slv>> accessed 20 November 2019.

Louis Vuitton's new design was introduced in 2003, the same year Dooney & Bourke (DB) launched its "It Bag" line bearing DB's vibrant monogram pattern. A year after that, Louis Vuitton filed suit against DB claiming trademark infringement and dilution, unfair competition, and false designation under federal and New York state law, and ultimately moved for a preliminary injunction against DB in 2004. The District Court denied the motion holding that, although Louis Vuitton's multicolor design was an inherently distinctive mark, it had achieved a secondary meaning. According to the District Court, there was no likelihood of confusion between DB's pattern and Louis Vuitton's vibrant mark. Louis Vuitton appealed this judgment to the U.S. Second Circuit Court of Appeals.²⁰⁰ The Appeals Court stated that in order to determine the likelihood of confusion, it is necessary to analyze the mark's overall impression on a consumer and all factors that could cause confusion amongst consumers. The Appeals Court found that the state district court improperly relied on a comparison of both products to determine the similarity of Louis Vuitton's and DB's trademarks. The Appeals Court remanded this issue back to the District Court for consideration, which noted that while the products bearing the marks at issue do have some similarities, they are therefore distinctively different.

To sum up, in this case neither court took the opportunity to establish stronger protection for designers and therefore allowed that a designer may utilize a similar idea and design of another designer without fear of trademark infringement.²⁰¹

13. U.S. DESIGN PATENTS

In contrast to EU, the U.S. does not offer a *sui generis* design regime. Apparel designs fall outside the domain of U.S. copyright law because garments and accessories are inherently functional. Copyright cannot protect the "look and cut" of a dress but may protect textile patterns and prints as these are separable from the garment itself. In contrast to copyrights, the appearance of useful articles may be protected under U.S. patent law, under which utility patents are available to anyone who "*invents or discovers and new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.*"²⁰² U.S. patent law protects the way an article is used and how it functions for twenty years after the earliest effective filing date, while a "design patent" provides fourteen years of protection and is generally granted to any person who has invented any new, original, and

²⁰⁰ Hofmeister, (n 37) 189-190

²⁰¹ Zerbo, 'Cases of Interest: Louis Vuitton Malletier v Dooney & Bourke, Inc' (n 199).

²⁰² 35 U.S.C § 101. (2006)

ornamental design for an article of manufacture, if filed before May 13, 2015, after being awarded, and is not renewable. If it was filed on or after May 13, 2015, then the design patent has a fifteen-year term from the date it is granted.²⁰³ “A patent is a grant to its owner of the right to exclude others from making, using, offering to sell, and selling the patented invention in the United States, or importing the invention into the United States.”²⁰⁴

Design patents protect only the appearance of the product and not its structural or utilitarian features.²⁰⁵ Design and utility patents, however, can be obtained on an article if it is a subject of both utility invention and invention in its ornamental appearance. Nevertheless, design patents are particularly well-suited for fashion, because they have been used to provide protection to the non-functional aspects of fashion articles including shoes, handbags, belts, headgear, and eyeglass frames. However, also any other object that has ornamental aspects, including cars and their parts, medical devices, and buildings can be protected by a design patent. Protection by a design patent is limited to the shape, surface ornamentation of an article, or the combination of both, and a design must be capable of reproduction in order to be protected by a design patent. Additionally, the claimed design may be a part, or an entire design or ornamentation applied to the design, and therefore a designer may file multiple applications for different parts of a single article, which grants flexible protection that can also be applied to other products in the marketplace.²⁰⁶ In addition to satisfying the requirements of ornamental characteristics, the fashion article must not be merely functional in order to be patentable. The problem is that courts usually treat clothing as purely functional. The same as utility patents, design patents must also meet the requirements of novelty and non-obviousness in order to receive patent protection.²⁰⁷ The novelty standard demands that a design is not a modification of a pre-existing design, although the new design is significantly creative and nonobvious. “Non-obviousness” means that the design must be new and involve an inventive step, which is a higher standard than that of originality required for copyright

²⁰³ Will Kenton, 'Design Patent' (*Investopedia*, 21 August 2019) <<https://www.investopedia.com/terms/d/design-patent.asp>> accessed 26 December 2019.

²⁰⁴ Audrey A. Millemann, 'Patent Myths Corrected – Part Two' (*The IP Law Blog*, 31 August 2017) <<https://www.theiplawblog.com/2017/08/articles/copyright-law/patent-myths-corrected-part-two/>> accessed 26 December 2019.

²⁰⁵ United States Patent and Trademark Office, 'Design Patent Application Guide' (*USPTO*) <<https://www.uspto.gov/patents-getting-started/patent-basics/types-patent-applications/design-patent-application-guide#def>> accessed 26 December 2019.

²⁰⁶ Ferrill and Tanhehco (n 59) 277-279.

²⁰⁷ Hendrick (n 1) 223-224.

protection.²⁰⁸ However, the nonobvious design is regarded as so demanding that even new clothing designs that are original works in the copyright sense and do not incorporate any previously known design elements fail to fulfill the higher design patent standard because they are not sufficiently different from the prior art.²⁰⁹

To apply for a design patent, the applicant must file a patent application with the United States Patent and Trademark Office (USPTO) and pay the applicable fees. The application must be filled within one year of the first offer to sell an article covered by the claimed design or the first public use of an article embodied in the claimed design. A design patent application includes a specification, which describes each figure in the design patent in a general way. Thus, the drawings or photographs that depict the protected design define the scope of the claimed design patent. After the filing of the application, the USPTO examines the application and rejects or objects to the patent application if the claimed design is not ornamental or novel and is thus merely an obvious variant of the past designs. In the case of the examiner's rejection or objection, the examiner informs the applicant, who has an opportunity to respond and make certain changes to the figures. However, if the application complies with all applicable criteria, the USPTO issues a design patent. Furthermore, a patent, based on clear drawings and photographs, can be issued within one year of filing, and even within five months if the applicant uses the procedure available for expedited handling. In practice, it is not considered difficult to acquire a design patent. Indeed, most practitioners consider it much more like a registration process than a true examination process. While a design patent application is pending, the applicant may decide to mark the product itself or on the sales tag affixed to the product "patent pending". Marking the products does not grant any protection. Only after the patent is issued may the applicant enforce their patent rights. The "patent pending" demarcation prevents possible copying by informing the copyist that a patent may be issued in the future; however, "patent pending" does not reveal to a knockoff designer exactly what features of the new design may be protected in the future, because design patents are not published until they are issued.²¹⁰

One of the issues of design patent protection is that a design is only as strong as the drawings or photographs that are the foundation for a design patent. The applicant should claim the

²⁰⁸ Monseau (n 13) 43.

²⁰⁹ Vega Keeley (n 33) 993.

²¹⁰ Ferrill and Tanhehco (n 59) 293.

basic design and not the exact product to be sold. This means that, the broader the design patent and thus the fewer features included in the figures, the larger the variety of copies that may infringe upon the claimed design. Furthermore, a well-crafted design patent may have elements that can be utilized in multiple products.²¹¹

Another issue with design patent protection is that it seems to be available only to the most popular, successful designers. The fact is, many scholars believe that design patents are not useful for fashion because the costs of getting the design patent would override the benefits. A costly process makes design patents unattractive and unrealistic for the vast majority of design brands, which operate as small businesses.²¹² In contrast, others say that the cost of obtaining and enforcing a design patent might be negligible in comparison to losing a design to the large knockoff corporations. In practice, selling multiple Gucci totes would more than make up for the patent costs, especially if it could discourage the plagiarists from producing knockoffs. However, a design patent might not seem ideal for young designers because spending thousands of dollars to protect a ten-dollar bracelet is not necessarily a smart business choice.²¹³

In addition, some scholars argue that design patents are impractical because of the time-consuming design patent application process that is not cohesive with the highly seasonal nature of the fashion industry. Further, numerous authors have suggested that design patents last too long to fit into the fast-paced fashion market and are thus impractical.²¹⁴ However, others believe that although the “trend cycle” is considered to last only weeks or months, the knockoff industry may continue to sell knockoffs long after the designer has moved on. A design patent allows the designer to exclude others from using a protected design for fourteen years regardless of whether the designer is still selling a product that embodies the protected design.²¹⁵

Moreover, establishing the validity of a design patent during litigation can be just as burdensome as obtaining an issued patent. Prior to demonstrating infringement, the judge is asked to reduce the scope of a design into meaningful words based on the drawing, which are then

²¹¹ *ibid* 277-282.

²¹² Zerbo (n 12) 608.

²¹³ Ferrill and Tanhehco (n 59) 295.

²¹⁴ Zerbo (n 12) 608.

²¹⁵ Ferrill and Tanhehco (n 59) 295.

compared to the accused design. Since a patent applicant is never required to provide anything more than a brief description of the drawing, this process may be quite problematic. Due to this nonsensical design patent litigation requirement, it is not surprising that patent infringement is found in only about half of the cases brought to the court.²¹⁶ While a design patent might not be the ultimate form of protection for certain aspects of fashion design, many overlooked those disadvantages and some high-end designers have embraced design patents as useful in protecting their rights and building their brands.²¹⁷

14. DESIGN PROTECTION IN THE EU

In the European Union (EU), fashion designs are protected by a *sui generis* two-tier system of Registered Community Design (RCD) and Unregistered Community Design (UCD). Parallel to national design systems, EU design protection offers within the scope of RCD protection exclusive rights for an EU designer up to twenty-five years and a harmonized registration procedure that significantly reduces the costs of filing separate national applications. However, UCD at the EU level is often seen as a secret weapon for EU fashion designers to enforce an “anti-copying right”. The UCD regime introduces a solution for short-cycled products, such as clothes and footwear, which need immediate protection from imitation for just a season or two. RCD protection is compared to the unregistered option, which is more appropriate for timeless designs such as Hermès 1956 Kelly bag because it offers broader and longer protection.²¹⁸

14.1. EU DESIGN DIRECTIVE

The EU implemented a uniform protection approach for design rights by adopting Directive 98/71/EC of the European Parliament and of the Council of 13 October 1998 on the legal protection of designs (EU Design Directive). Prior to that, European design laws provided different types of rights with different durations to designers in the EU Member States because the Berne Convention allowed individual countries to decide how to protect design in their legislation. Great variation in the level and quality of protection resulted in a lack of legal security, which was detrimental to investment.²¹⁹

²¹⁶ Vega Keeley (n 33) 995.

²¹⁷ Ferrill and Tanheco (n 59) 295-299.

²¹⁸ Van Keymeulen (n 2) 729.

²¹⁹ Christopher M. Aide, 'The Community Design: European Union-Wide Protection for Your Design Portfolio' [2003] 1(1) *Northwestern Journal of Technology and Intellectual Property* 35.

The EU Design Directive was intended to harmonize national design protections of Member States to create a more smoothly functioning internal market and to decrease application fees. Unlike the DPPA, which is limited to fashion designs, European design rights apply to any creative industry in which there is a design element. According to Article 1(a) of the EU Design Directive and Article 3(a) of the EU Design Regulation, the definition of a “design” is “the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colors, shape, texture and/or materials of the product itself and/or its ornamentation.” This definition of design means that the appearance of a product, meaning its shape (three-dimensional designs) and surface decoration, or ornamentation and texture (two-dimensional designs), can be protected under EU design law. This definition allows protection of both aesthetic designs and ornamental or functional designs. However, according to Article 7(1) of the EU Design Directive and Article 8(1) of the EU Design Regulation, design right does not protect “features of appearance of a product which are solely dictated by its technical function.” This provision means, in practice, that if by one shape the same function can be achieved as by alternative shapes, then none of these shapes are indispensable and EU law may protect all of them.²²⁰

In comparing with the EU regulation, U.S. design patent protection protects only ornamental aspects of a design while functional aspects are protected by a utility patent.²²¹ In addition, the U.S. Copyright Act does not include fashion designs in its non-exhaustive list of categories of copyright protected works. The only category they most appropriately fit into is a “pictorial, graphic and sculptural works”, which includes two- and three-dimensional works.²²² As described above, in principle, both apparel and fabric designs are copyrightable when design elements can be separated from the functional aspects of the article either physically or conceptually.²²³ However, due to the primary utilitarian function of covering the human body, most apparel designs have traditionally been denied copyright protection.²²⁴

According to Article 3 of the EU Design Directive, Member States shall protect designs that fulfil requirements as to novelty and “individual character” by registration for a period of one or more periods of five years from filing the application, up to a total term of twenty-five

²²⁰ Van Keymeulen (n 2) 73.

²²¹ 35 U.S.C. § 171 (2006)

²²² US Copyright Act, 17 USC (2006), § 102(a)

²²³ US Copyright Act, 17 USC (2006), § 101

²²⁴ Van Keymeulen (n 2) 730-731.

years.²²⁵ The standard of “individual character” means a different overall impression on an informed user from other publicly available design, and thus, even if a design has not been copied exactly but the informed user’s impression is the same, infringement can occur.²²⁶ This is in line with many EU and national court judgments in which relatively minor differences between competing designs were sufficient for an “informed user” to establish a different overall impression.²²⁷ However, a single distinguishing feature, such as an oversized zipper, arrangement of buttons, shape of a collar, or dominant print, may produce a different overall impression in the eye of the informed user and may therefore be enough to be regarded as an “individual character” and justify the protection.²²⁸

In *Jimmy Choo Ltd. v. Towerstone Ltd.*, the Court concluded an “informed user” is someone with broader knowledge about handbag designs than the average consumer but is not an industry expert. Because the bags at issue in *Jimmy Choo* looked the same, the court concluded an informed user would think the bags were from the same source.²²⁹ The Court’s opinion in *Jimmy Choo* shows that registered and unregistered design rights offer protection against identical copies of designs. The EU system of design protection and its features are more similar to copyright than to patent standards, and thus do not require a patent standard of originality and are not the subject of a substantive review.²³⁰

Article 16 of the EU Design Directive does provide minimum protection; however, it leaves it up to individual Member States to enact special protection mechanisms and to cumulate legal protections. According to Article 17 of the EU Design Directive, if conditions of national copyright protection and design protection requirements are met, then Member States are forced to cumulate both protection systems. Thus, in France it is possible to protect designs by copyright law and registered design rights law.²³¹

14.2. EU DESIGN REGULATION

The EU enacted Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs (EU Design Regulation) because the EU Design Directive did not eliminate differ-

²²⁵ Monseau (n 13) 56-57.

²²⁶ Moltavo Witzburg (n 7) 1142.

²²⁷ Van Keymeulen (n 2) 734.

²²⁸ *ibid* 732.

²²⁹ *J Choo (Jersey) Ltd v Towerstone Ltd* [2008] EWHC 346 (Ch) (16 January 2008).

²³⁰ Monseau (n 13) 59-60.

²³¹ *ibid* 57-59.

ences between the Member States. The EU Design regulation introduced two EU-wide design protection legal rights, without the need for the enactment of additional national laws. The EU Design Regulation provided design rights and implemented a new, unique design right covering unregistered designs in the EU. The EU Design Regulation resulted in two types of design rights known as RCD and UCD.²³² Both types of rights protect against identical copies of fashion design, which are made by counterfeit designers. However, RCD and UCD do not generally prohibit derivative designs of a low-end retailer who seeks to reference a hot new trend.²³³

Compared to the design rights as set out in the DPPA, the DPPA extends copyright protection to incorporate design rights, whilst the EU Design Regulation grants an exclusive and independent right that does not interfere with other intellectual property rights. Thus, the EU Design Regulation is preferable because it does not require taking into consideration the whole law on copyrights.²³⁴ According to Article 11 of the EU Design Regulation, UCD protects a design for a period of three years without registration, as from the date on which the design was first made available to the public in the EU, with no possibility of renewal. UCD is more useful in protecting short-life fashion articles because the registration process can be costly. According to the Article 12 of the EU Design Regulation, on the other hand, RCD offers protection for a first term of five years from the date of the filing of the application and can be renewed every five years up to a total term of 25 years, counting from the date of filing.

The same as the EU Design Directive, the EU Design Regulation also only protects designs that fulfill the “novelty” standard and the standard of “individual character”. The EU Design Regulation stipulates in Article 5 that a design is considered to be new if no identical design has been made available to the public before the date of filing (for RCD) or public disclosure (for UCD), and designs are regarded as identical if they differentiate in immaterial details. As is the same under the EU Design Directive, for a new fashion design to be protected the EU Design Regulation requires it to have an individual character that provides a different overall impression on an informed user. The standard of individual character resembles the copyright standard of originality. The definition of an “informed user” was compared to the above-mentioned definition in *Jimmy Choo*. There, the Court stated that the informed user “shows a

²³² Moltavo Witzburg (n 7) 1142-1143.

²³³ Van Keymeulen (n 2) 734.

²³⁴ Silvia Beltrametti, 'Evaluation of the Design Piracy Prohibition Act: Is the Cure Worse than the Disease? An Analogy with Counterfeiting and a Comparison with the Protection Available in the European Community' [2010] 8(2) *Northwestern Journal of Technology and Intellectual Property* 168.

relatively high degree of attention.”²³⁵ Compared to EU interpretations, the U.S. courts impose the less strict “ordinary viewer test”, according to which if an ordinary (*i.e.*, less informed) viewer can determine the item is artistic and original, then it will be protected by the copyright law.²³⁶

Compared to the DPPA, if the success of a design is uncertain, then under the EU Design Regulation the designer can test the market for a year and enjoy unregistered design rights before applying for a registered design. Applications for design rights under the DPPA can be filed within three months from making the design available for the public, which in many instances is not enough to test the success of a design.²³⁷

14.2.1. REGISTERED COMMUNITY DESIGN (RCD)

Article 19 of the EU Design Regulation confers upon the holder of RCD an exclusive right to use the design and to prevent unauthorized usage by any third party across the EU. There is no need to provide evidence of copying, because RCD, in contrast to UCD, protects against the independent creation of the identical design. An application for a registered design can be filed directly with the EUIPO office or under the Hague international design registration administered by WIPO. Similarly, U.S. copyright protection is automatically established at the moment of creation but requires registration with the Copyright Office in order to enforce the right holder’s right to file suit. In addition, within three months of the work’s first public disclosure, a fashion designer must also file for registration. The identifying material or two-dimensional reproduction thereof must also be deposited.²³⁸ According to registry statistics, there is a rare use of RCD in the fashion industry in the EU because fashion is a dynamic and seasonal industry that does not need a twenty-five-years long protection. In this respect, EU registered design protection and U.S. design patent protection have common disadvantages, namely lengthy time and high expenses. However, the EU protection system is more desired than U.S. design patents because it is easier to obtain, is retroactive, and requires lower standard of originality.²³⁹ The RCD system allows designers to obtain protection while arranging production, completing the design, or coordinating the launch of the product. According to Article 7 of the EU Design Regulation, a designer is namely allowed to file for

²³⁵ Van Keymeulen (n 2) 733.

²³⁶ *ibid* 733.

²³⁷ Beltrametti (n 234) 169.

²³⁸ Van Keymeulen (n 2) 735.

²³⁹ Monseau (n 13) 60-61.

registration and request a publication delay for up to thirty months. The design right conveyed by the DPPA is similar to the EU RCD, but with a shorter duration of three years.²⁴⁰

14.2.2. UNREGISTERED COMMUNITY DESIGN (UCD)

On the other hand, UCD must meet the same qualifications as RCD, but without the formalities and application fee.²⁴¹ The EU design protection system allows a design to receive three-year protection across the EU, once it is disclosed to the public in the EU. Thus, a design first disclosed to the public in Sydney or Moscow can never attain UCD protection in the EU.²⁴² On the one hand, the absence of registration requirements makes UCD a powerful tool for fast paced fashion businesses that regularly launch collections but do not have enough resources for regular registrations.²⁴³ It is also worth mentioning that disclosing to the public does not only mean making designs available to the public, but also when an informed user becomes familiar with the disclosed design in the normal course of business, such as trade shows, fairs, or advertisements in various media.²⁴⁴ On the other hand, holders of UCD protection bear the burden of proving their article was eligible for protection. Article 85 of the EU Design Regulation provides that design owner must demonstrate the item has individual character and must prove the date when the article was disclosed to the public. A common characteristic of UCD protection and U.S. copyright protection is that owners of unregistered articles and copyright holders can rarely bring an action for an article that is not registered.²⁴⁵ In contrast to RCD, under Article 19(2) of the EU Design Regulation, the owner of an UCD may prevent unauthorized copying of their design. If identical work was independently created, then it cannot infringe an UCD – which is why some high-end designers decide to register their designs, in order to avoid proving copying of their UCD.²⁴⁶ Similar to UCD, the U.S. Copyright Act does not offer protection against independent creations or punish the creation of substantially similar works.

In order to show copyright infringement, a fashion designer must therefore prove substantial similarity and factual copying, which means that original elements of the copyright work

²⁴⁰ Beltrametti (n 234) 169.

²⁴¹ Hendrick (n 1) 249.

²⁴² David Stone, 'Ten years of EU design law' (*WIPO MAGAZINE*, December 2013) <https://www.wipo.int/wipo_magazine/en/2013/06/article_0006.html> accessed 15 December 2019

²⁴³ Van Keymeulen (n 2) 735.

²⁴⁴ Joanna Buchalska, 'Fashion Law: A New Approach?' [2016] 7(13) *Queen Mary Law Journal* 189.

²⁴⁵ 17 U.S.C. § 411 (2006).

²⁴⁶ Stone (n 242).

must be copied.²⁴⁷ In the EU, the same as for RCD, in order to be valid, the design must be new and possess individual character, to the extent that its overall impression differs from that of earlier designs made available to the public.²⁴⁸ “Novelty” means that an informed user must consider any design disclosed anywhere in the world when assessing whether the design is new. Designs that could not have become known in the normal course of business to informed users are excluded from the prior art.²⁴⁹ Unlike registered designs, there is no evidence of unregistered designs in the registry, which makes harder to measure how this form of protection is used. Regardless, there has been little litigation in the EU concerning UCD for fashion articles, but it is also evident that lower-end designers seek to design around the law, copy only the essence, and avoid slavish copying of a single prior design.

Compared to U.S. protection, it is worth mentioning that the DPPA does not envisage unregistered designs; but the DPPA should, because it seems that the protection afforded by UCD in the EU bears a much more realistic application to the way the fashion industry actually works.²⁵⁰

14.3. KAREN MILLEN FASHIONS LTD V. DUNNES STORES, DUNNES STORES (LIMERICK) LTD

In 2006, one year after the launch of Karen Millen Fashions LTD’s black knit top (“KM top”) and blue and brown versions of a striped shirt (“KM shirts”), Irish retailer Dunnes Stores (Limerick) LTD started selling copies of the “KM top” and “KM shirts” under its sub-brand (the “SAVIDA top” and “SAVIDA shirts”, respectively). In 2007, the Karen Millen Fashions LTD (Karen Millen) filed an action against Dunnes Stores (Limerick) LTD (Dunnes) in the Irish High Court alleging that Dunnes had infringed Karen Millen’s UCD for the “KM top” and “KM shirts”.

In response, Dunnes disputed that UCD existed for the “KM top” and “KM shirts”, claiming that the “KM top” and the “KM shirts” designs lacked individual character within the meaning of Article 6 of the EU Design Regulation. Dunnes argued a design has an individual character if the overall impressions created by the “KM top” and “KM shirts” designs differ from

²⁴⁷ Van Keymeulen (n 2) 734.

²⁴⁸ Leighton Cassidy and Richard Hing, 'Karen Millen Fashions Ltd v Dunnes Stores, Dunnes Stores (Limerick) Ltd: Clarifying the Assessment of Individual Character in EU Designs' (*Fieldfisher*, 12 February 2016) <<https://intellectualpropertyblog.fieldfisher.com/2016/karen-millen-fashions-ltd-v-dunnes-stores-dunnes-stores-limerick-ltd-clarifying-the-assessment-of-individual-character-in-eu-designs>> accessed 20 December 2019.

²⁴⁹ Stone (n 242).

²⁵⁰ Beltrametti (n 234) 170.

the overall impressions produced by elements of more prior designs. Dunnes claimed that Karen Millen's articles have more than one design feature in common with older designs by DOLCE & GABBANA and PAUL SMITH. However, the Irish High Court held that overall impressions of prior design from those well-known fashion designers were clearly different from Karen Millen's designs, and that designs in the "KM top" and "KM shirts" had individual character. Accordingly, Dunnes' "SAVIDA top" and "SAVIDA shirts" designs were deemed to have infringed upon Karen Millen's rights.²⁵¹ Dunnes appealed to the Irish Supreme Court, which stayed the proceedings and referred two questions to the ECJ for a preliminary ruling.²⁵² The ECJ concluded that a design has an individual character if the overall impression it produces on the informed user, within the meaning of Article 6 of the EU Design Regulation, is different from the overall impressions produced by one or more designs taken individually. Fashion designers often take inspiration from past works when creating new designs, and thus it is common for a new garment to incorporate design elements of old articles. If Dunnes' interpretation of individual character had been confirmed, it would have potentially harmed the design industry and the ability of rights holders to protect their designs.²⁵³ Furthermore, Article 85(2) of the EU Design Regulation stipulates that the UCD holder does not need to prove the individual character of its designs, but merely indicate the design's features that give rise to the individual character of the design.²⁵⁴ A provision requiring rights holders, such as Karen Millen, to prove individual character would be contrary to the EU Design Regulation's objective to introduce UCD in order to ensure simple and expeditious protections for products with a short life span.²⁵⁵

²⁵¹ Cassidy and Hing (n 248).

²⁵² Moltavo Witzburg (n 7) 1143.

²⁵³ Cassidy and Hing (n 248).

²⁵⁴ C-345/13 *Karen Millen Fashions Ltd v. Dunnes Stores, Dunnes Stores (Limerick) Ltd*, [2014].

²⁵⁵ Cassidy and Hing (n 248).

Figure 1: The KM top



Figure 4: The SAVIDA top



Figure 2: The KM shirt (blue)



Figure 5: The SAVIDA shirt (blue).



Figure 3: The KM shirt (brown)



Figure 6: The SAVIDA shirt (brown)



PICTURE 8; "KM TOP" AND "KM SHIRT AND "SAVIDA TOP" AND "SAVIDA SHIRT"

15. CONCLUSION

This paper concludes with a discussion on the issue of copying and divergent arguments among legal scholars in this regard. This debate includes several arguments of why Raustiala and Sprigman's idea, according to which protection for fashion designs from copying is unnecessary because the fashion industry is booming even without copying restrictions, is wrong and there should be stronger IP protections. First, widespread copying disrupts innovation because, based on the incentive approach design piracy and consequential loss of sales reduces an established designer's prospective motivation to spend the money, time, and effort needed to be creative, and emerging designers' motivations to even enter the fashion industry. Second, design piracy may jeopardize popular design collaborations between high-end designers and mass-market retailers because a fast fashion retailer is less interested in paying large sums to a high-end partner designer if it is already offering unauthorized copies of that brand in its retail shops. Third, new technologies allow images and photos of the latest designs to quickly circulate online and enable copyists to immediately begin producing counterfeits. This makes it more and more challenging for designers to achieve a sustainable repayment of their creative investments.²⁵⁶ Last but not least, widespread-copied items rob luxury fashion designs of their exclusivity and damage or diminish consumers' expectations to signal their belonging to a superior class by owning a luxury item. Additionally, the prevalence of copies renders designers unable to satisfy the needs of uniqueness-seeking consumers, whose desire is primarily to express their unique personal style without necessarily communicating a status.²⁵⁷ Understanding the importance of protecting the interests and satisfying the needs of all types of consumers is another reason why strong IP protection should be in place.

Furthermore, this paper analyzes which IP protections for fashion designs are available in the U.S. in comparison to the IP protections available for fashion designs in the EU. This comparison demonstrates that the EU provides *sui generis* design protection (in combination with national design and copyright protection) for fashion designs, while in the U.S. the archaic view on fashion designs as functional garments only deprives most articles from adequate legal protection. Compared to the U.S., which does not offer a *sui generis* regime, timeless fashion designs in the EU can be protected by RCD and other fast-paced designs by UCD, which have been regarded in the literature as "marvelous innovation for short-cycled prod-

²⁵⁶ Ferrill and Tanhehco (n 59) 271-272.

²⁵⁷ Howard (n 48) 116-117.

ucts”.²⁵⁸ Despite the economic and artistic value of fashion, and in contrast to the EU, very limited legal protections for fashion design are currently available in the U.S.. Copyright protection is not applicable to useful articles. This excludes fashion designs from any copyright law shield because of the troubled doctrine of conceptual separability. Furthermore, trademark law is applicable in the fashion industry because it offers protection to goodwill and reputation but it is not available for fashion designs.²⁵⁹ Different studies have shown that designers rely more on trademark, trade dress, and design patent protection, and less on copyright protection, to protect themselves against the different copyists in the fashion market.²⁶⁰ In addition, patent protection is less adequate for a fast-paced fashion industry because of the length of time required to obtain a patent protection, enormous costs, and preconditions of novelty and non-obviousness. This view is contrary to authors Raustiala and Springman’s view of the beneficial effect of copying on the fashion industry, which have been rejected by many scholars who do not underestimate the new technologies of copying and understand the importance of the incentive approach.²⁶¹

Finally, it is also worth mentioning that the U.S. IDPPPA is not the best solution against fashion piracy experts because its “substantially identical” infringement standard may encourage copyists to make little changes in order to avoid infringement. In addition, it provides very narrow protections to only truly unique and original fashion designs. Even if the IDPPPA is adopted, it is questionable whether the U.S. courts will suddenly transform into eager fashion protectors with a feel for fashion’s artistic aspect. Current U.S. case law shows a complete lack of understanding for the fashion industry. Judges and juries see fashion designs merely a piece of cloth that has the sole purpose of covering the body.²⁶²

However, comparing U.S. and EU design regulations, allows for the conclusion that both pieces of legislation contain subjective standards and vague concepts, and therefore courts on both sides of the Atlantic must assume the role of “*ad hoc* fashion experts”. I believe we can all agree that judging from the perspective of an “informed user” is certainly a challenging task.²⁶³

²⁵⁸ Van Keymeulen (n 2) 729-730.

²⁵⁹ Hendrick (n 1) 221-222.

²⁶⁰ Moltavo Witzburg (n 7) 1132-1133.

²⁶¹ Monseau (n 13) 28-29.

²⁶² Van Keymeulen (n 2) 736-737.

²⁶³ *ibid* 737.

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17. ABSTRACT

The fashion industry is a fast-paced industry in which imitation is very common and to some extent desirable because it spurs creativity. However, the issues of imitation practices and copying have generated much debate among legal scholars. On the one hand, under a utilitarian perspective some scholars find all copying activities permissible and even crucial for the dissemination of high fashion designs to lower income consumers and for the development of new trends. They claim that protection for fashion designs from copying is unnecessary because the U.S. fashion industry is booming even without copying restrictions. On the other hand, their critics point out that, although design piracy is not a new phenomenon, counterfeiting is due to a rise of new technologies that make it easier and faster than ever before, and morally and economically disincentivize designers from further innovation. Furthermore, they emphasize that: first, widespread and copied items damage consumers' expectations to signal that they belong to a superior class by owning a luxury item; and second, the prevalence of designer copies disables satisfying the needs of uniqueness-seeking consumers, whose desire is primarily to express their unique personal style without necessarily communicating a status. The importance of protecting the interests and satisfying the needs of all types of consumers is another reason why strong IP protection should be in place.

Today, unlike in the EU, the U.S. does not offer *sui generis* protection for fashion designers, which has led to design copying, as mentioned above, becoming a serious problem. The EU offers Unregistered Community Design (UCD), which offers three-year protection, and Registered Community Design (RCD), a 25-year protection for designs that are expected to stay in the market for a longer time. In contrast, U.S. law does not provide short-term protection similar to the EU's UCD. Apart from RCD and UCD, the EU also protects fashion designs under copyright law, while in the U.S. fashion designs are regarded as useful articles and thus excluded from any copyright law shield. In the U.S., designs could be protected by design patent rights, but patent protection is less adequate for a fast-paced fashion industry because of the length of time required to obtain a patent protection and the patent preconditions of novelty and non-obviousness. The expensive procedures for obtaining a patent could be especially detrimental for emerging designers who do not have sufficient financial means to pursue a patent. Different studies have shown that designers rely merely on trademark and trade dress to protect themselves against design piracy. However, trademark law offers protection for goodwill and reputation, but it is not available for the cut of a garment.

18. ZUSAMMENFASSUNG

Die Modebranche ist eine schnelllebige Branche, in der Nachahmung weit verbreitet und zum Teil wünschenswert ist, weil sie die Kreativität anregt. Die Fragen der Nachahmungspraktiken und des Kopierens haben jedoch unter Rechtswissenschaftlern viele Diskussionen ausgelöst. Einerseits halten einige Wissenschaftler unter utilitaristischen Gesichtspunkten alle Kopieraktivitäten für zulässig und sogar entscheidend für die Verbreitung von High-Fashion-Designs an Verbraucher mit niedrigerem Einkommen und für die Entwicklung neuer Trends. Sie behaupten, dass der Schutz von Modedesigns vor dem Kopieren nicht erforderlich ist, weil die US-Modebranche auch ohne Kopierbeschränkungen boomt. Auf der anderen Seite weisen ihre Kritiker darauf hin, dass Design-Piraterie zwar kein neues Phänomen ist, Fälschungen jedoch auf die Zunahme neuer Technologien zurückzuführen sind, die es einfacher und schneller als je zuvor ermöglichen und Designer moralisch und wirtschaftlich von weiteren Innovationen abhalten. Darüber hinaus betonen sie Folgendes: Erstens schaden weit verbreitete und kopierte Artikel den Erwartungen der Verbraucher, die durch den Besitz eines Luxusartikels signalisieren, dass sie einer höheren Klasse angehören. Zweitens kann die Verbreitung von Designerkopien die Bedürfnisse von Verbrauchern, die nach Einzigartigkeit streben, nicht befriedigen. Ihr Wunsch es ist, in erster Linie ihren einzigartigen persönlichen Stil auszudrücken, ohne dass ein Status mitgeteilt werden muss. Die Bedeutung des Schutzes der Interessen und der Befriedigung der Bedürfnisse von unterschiedlichsten Verbrauchern ist ein weiterer Grund, warum ein starker Schutz geistigen Eigentums vorhanden sein sollte.

Anders als in der EU bieten die USA den Modedesignern heute keinen *sui generis*-Schutz mehr, was dazu geführt hat, dass das Kopieren von Designs, wie oben erwähnt, zu einem ernsthaften Problem geworden ist. Die EU bietet ein nicht eingetragenes Gemeinschaftsgeschmacksmuster (UCD) mit dreijährigem Schutz und eingetragenes Gemeinschaftsgeschmacksmuster (RCD) mit 25-jährigem Schutz für die Designs, von denen erwartet wird, dass sie länger auf dem Markt bleiben. Im Gegensatz dazu bietet das US-amerikanische Recht keinen kurzfristigen Schutz, der dem UCD der EU ähnelt. Abgesehen von RCD und UCD schützt die EU auch Modedesigns nach dem Urheberrecht, während in den USA Modedesigns als nützliche Artikel angesehen und somit von jeglichem urheberrechtlichen Schutzschild ausgeschlossen werden. In den USA könnten Geschmacksmuster durch Geschmacksmusterrechte geschützt werden, aber der Patentschutz ist für eine schnelllebige Modebranche aufgrund der Zeitdauer, die dazu erforderlich ist, einen Patentschutz zu erhalten, und der Pa-

tentvoraussetzungen für Neuheit und Nicht-Offensichtlichkeit weniger angemessen. Die teuren Verfahren zur Erlangung eines Patents könnten sich besonders nachteilig auf aufstrebende Designer auswirken, die nicht über ausreichende finanzielle Mittel verfügen, um ein Patent zu verfolgen. Verschiedene Studien haben gezeigt, dass Designer sich lediglich auf Marken- und Handelskleidung verlassen, um sich vor Designpiraterie zu schützen. Das Markenrecht bietet zwar Schutz für guten Willen und Ansehen, steht jedoch nicht für das Zuschneiden eines Kleidungsstücks zur Verfügung.