

HAUTE COUTURE LEGISLATION: TAILOR MADE HIGH FASHION DESIGN PROTECTION IN THE UNITED STATES

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“Fashion is made to become unfashionable.”¹

- Coco Chanel

I. INTRODUCTION: THE DANGEROUS EFFECTS OF A LACK OF COPYRIGHT PROTECTION

Every year, a crop of bright-eyed and bushy-tailed new designers, portfolios in hand, step onto the fashion scene, ready to take on New York City and the world, fighting for the rare opportunity to interview with the most elite design firms in the fashion industry. It’s the moment of truth; this moment will determine their future. In a span of fifteen minutes they have to impress the recruiter with their most promising designs. They will either love them and hire them or be underwhelmed and keep looking. There is a potential problem though: who is going to protect these small designers from the big bad fashion industry, once its designers have seen their sketches? Who will keep them from copying promising designs and selling them as their own? That is a fundamental problem with the lack of copyright protection.

The United States is one of the most “fashion-forward” countries in the world. With multiple fashion capitals such as Miami, Los Angeles, and most importantly, New York City, fashion represents a significant contribution to the U.S. economy. The government of New York City reports, and a study made by the New York Economic Development Corporation confirms, that Mercedes-Benz Fashion Week alone contributes eight hundred sixty five million dollars (\$865,000,000) to tourism, retail, and a number of other related sectors.² The United States is not the only beneficiary of such

¹ *Just a simple little dressmaker*, LIFE, Aug. 19, 1957, at 113, 114, available at <http://books.google.com.pr/books?id=Kj8EAAAAMBAJ&lpg=PP1&dq=Life%2019%20Aug.%201957&pg=PA113#v=onepage&q=Life%2019%20Aug.%201957&f=false>.

² Press Release, NYEDC Report, Fashion NYC 2020 (Feb. 13, 2012), <http://www.nycedc.com/resource/fashionnyc2020>.

windfalls, since the fashion industry accounts for a great part of other countries' economies. For instance, it is estimated that the fashion industry contributed more than fifty eight (58) billion dollars to the British economy in the year 2010 alone.³ The economic impact of this industry, by itself, should help garner enough support to achieve significant protection for its members and their designs. Most of the world, however, does not seem to agree.

High fashion has been in the news recently. Christian Louboutin, a shoe designer famous for its high-end shoes with red soles, recently initiated a lawsuit against another high-end fashion house, Yves Saint Laurent, for trademark infringement on the basis that the red soles were a distinct trademark. The lower and appellate courts differed on the validity of the trademark. In the end, the appellate court decided that, with the exception of an all-red shoe, the red soles were a valid trademark of the Christian Louboutin brand.⁴

Limited to resorting to invoking trademark protection, an inefficient protection at that, U.S. fashion designers have been grasping at straws trying to protect their work and livelihood. Imitation is known as the sincerest form of flattery. While that may hold true for certain industries, in the fashion world it can become the kiss of death, especially with higher-end designer products. Imitation and copying are not the same thing. Copying hurts every fashion designer's bottom line, especially when it is line by line copying, with an end product that is identical to the original.

Recently, Derek Lam, a luxury fashion designer and head designer for LAM, fired off a cease-and-desist letter to Ivanka Trump and her line's parent company, Marc Fisher Footwear. In several interviews, LAM's Chief Executive Officer stated: "[w]e have seen very similar copies before but we have never seen a shoe that perfectly copied [ours]."⁵ Marc Fisher Footwear seems to be adept at perfecting imitations, since it is a repeat offender.⁶ This level of high quality imitation has a detrimental impact on a brand's market share, as well as its profits, because no one will spend their hard-earned paycheck on an

³ The Value of the UK Fashion Industry, BRITISH FASHION COUNCIL & OXFORD ECONOMICS, <http://www.fashion-manufacturing.com/wp-content/uploads/2012/04/BFC-The-Value-of-The-Fashion-Industry.pdf> (last visited Feb. 12, 2013).

⁴ *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc.*, 696 F.3d 206 (2d Cir. 2012).

⁵ Charlotte Cowles, *Derek Lam Takes Legal Action Against Ivanka Trump*, N.Y. MAG. (Dec. 22, 2011, 9:30 AM), <http://nymag.com/thecut/2011/12/derek-lams-legal-action-against-ivanka-trump.html>.

⁶ Charlotte Cowles, *Gucci Won Its Trademark Suit Against Guess But Didn't Get the Money They Wanted*, N.Y. MAG. (May 22, 2012, 12:25 PM), <http://nymag.com/thecut/2012/05/gucci-won-its-trademark-suit-against-guess.html>.

eight hundred dollar (\$800) pair of shoes when there is a readily available and almost identical alternative for a fraction of the price.

This paper discusses the problems with current fashion protection, analogous copyright protections, and proposed legislation aimed at solving those problems.

II. DESIGN FOR DISASTER: ISSUES PLAGUING THE HIGH FASHION DESIGN INDUSTRY

Why increase protection? There is a need for increased protection for fashion design because of a growing number of problems, including counterfeit products and imitation.

A. Imitation: Flattery?

Imitation is the highest form of flattery, or so they say. The fashion industry feeds off of copying, called “design piracy.”⁷ As it stands, designers will not have exclusivity in their designs for more than one season.⁸ Even designers, such as Coco Chanel, thought “copies added to the famed reputation of her designs.”⁹ Times have changed though, because Coco Chanel lived in a time where copying wasn’t so rampant and fake products were easier to recognize and avoid. Also, fake products were previously only sold in busy street corners or in dark alleyways, while now, thanks to the internet, fake or counterfeit products can be distributed through Ebay and Amazon and consumers have no way of verifying the authenticity of their purchases prior to paying.¹⁰

The useful cycle of a fashion design is short. It starts with conception. A designer puts pencil to paper and creates a design. Next, the fashion house finds the textiles, finishes, and embellishments it needs to create the garment. A sample is then created. Usually it is presented to critics, be it at a fashion show or a private viewing. After it is deemed acceptable, it is sent off for production. These designs have a very short shelf life, usually one season.¹¹ Although some designs stand the test of time, due to the short life cycle in fashion, a copy of a garment can be on the racks before the authentic garment is put to market.

⁷ PAUL R. PARADISE, TRADEMARK COUNTERFEITING, PRODUCT PIRACY, AND THE BILLION DOLLAR THREAT TO THE U.S. ECONOMY 76 (1st ed. 1999).

⁸ *Id.*

⁹ *Id.* at 77.

¹⁰ Elizabeth Holmes, *The Finer Art of Faking It: Counterfeits are Better Crafter, Duping Even Sophisticated Shoppers*, WALL ST. J., June 30, 2011, <http://online.wsj.com/article/SB10001424052702304791204576401534146929212.html>.

¹¹ PARADISE, *supra* note 7.

Gianni Versace was a victim of this very situation. He presented a collection, including a rubberized mini-dress, in a fashion show in the '90s. His design did not go on sale until months later. Retail stores, however, were able to imitate his design and sell it at a fraction of his sales price before his design even went on the market.¹² His brand suffered, his design was compromised and his profits were severely damaged. This happens on a day-to-day basis thanks to modern inventions that have made it even easier to create "knock-offs." A camera phone and an Internet connection are enough to get the piracy process started.¹³

Design piracy does not try to confuse the consumer as to the origin of the product. The consumer knows when they buy the product that they are not buying a designer good but one that looks similar. They are conscious of the fact and they make the decision to buy the product because of its similarities to the actual designer product. Counterfeiting, on the other hand, tries to imitate every aspect of the pirated product, to the point of confusing the consumer of its genuineness.

B. Counterfeits: An Underground Economy

1. Definitions

Counterfeiting is the ugly beast currently haunting the United States, both in the copyright and trademark arenas. As defined by the Lanham Act, a counterfeit mark is "a spurious mark which is identical with, or substantially indistinguishable from, a registered mark."¹⁴ As to copyrights, the Copyright Act defines "infringement" as the violation any of the exclusive rights given to the owner of a copyright by the statute.¹⁵ These exclusive rights are: reproduction, preparation of derivative works, distribution by sale, rental, lease or lending, performance, and display.¹⁶ When the infringement is considered blatant, it is called "piracy."¹⁷ When a person tries to pass of an infringing product as an authentic product it is called "counterfeiting."¹⁸

As stated before, counterfeiting has a wide-spread effect, not only on the economy and the consumer market, but also on criminal enterprises as well. It has been documented that counterfeit goods are an easy way to secure funds for illegal activities, be it terrorism or organized crime.¹⁹

¹² *Id.*

¹³ RAHDA GANESH RAM, PIRACY AND COUNTERFEITING: A CONTEMPORARY CHALLENGE § II (4) (1st ed. 2008).

¹⁴ 15 U.S.C. § 1127 (2006).

¹⁵ 17 U.S.C. § 501 (2002).

¹⁶ 17 U.S.C. § 106 (2002).

¹⁷ GANESH RAM, *supra* note 13.

¹⁸ *Id.*

¹⁹ *Id.*

2. *Effects on the Economy*

Counterfeiting has a ripple effect. It starts in the country that receives the counterfeit products and spreads until it reaches the country of origin. For the country that hosts the counterfeiters, some of the effects are loss of jobs, loss of exports and loss of tax revenues.²⁰ The United States Immigration and Customs Enforcement (ICE) estimated that, in the year 2007 alone, about seven hundred and fifty thousand (750,000) jobs were lost due to counterfeiting, resulting in massive lost tax revenue.²¹ Also, when the victim of counterfeiting is a domestic corporation which suffers lost sales, the country in turn loses exports.²² Moreover, when counterfeit goods are readily available, it is reasonable to infer that there will be a lower demand for the goods because the good becomes commonplace. This lower demand will, in turn, result in less production of those goods and, therefore, fewer exports. Thus both the country of origin and the destination country suffer the economic effect of the counterfeiting activities.

The monetary losses range in the billions. ICE compiles statistics every fiscal year based on their seizures of counterfeit goods. The current trend is an increase in counterfeit apparel and accessories. For the fiscal year ended in 2011, ICE made 24,792 seizures,²³ with a domestic value of one hundred and seventy-eight million three hundred thousand dollars (\$178.3 million).²⁴ Over the years there has been an increase in seizures, as well as in the value of said seizures, as illustrated in Figure 1.

Figure 1.²⁵

Fiscal Year	Number of Seizures
2004	7,255
2005	8,022
2006	14,675
2007	13,657
2008	14,992
2009	14,841
2010	19,959

²⁰ PEGGY CHAUDHRY & ALAN ZIMMERMAN, *THE ECONOMICS OF COUNTERFEIT TRADE: GOVERNMENTS, CONSUMERS, PIRATES AND INTELLECTUAL PROPERTY RIGHTS* 10 (2009).

²¹ *Id.* at 13.

²² *Id.* at 13.

²³ U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT, *INTELLECTUAL PROPERTY RIGHTS: FISCAL YEAR 2011 SEIZURE STATISTICS* 4 (2011), <http://www.ice.gov/doclib/iprcenter/pdf/ipr-fy-2011-seizure-report.pdf>.

²⁴ *Id.*

²⁵ *Id.* at 7.

2011	24,792
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There has been a distinct increase in seizures over the last eight years. Seizures have more than tripled. But in addition to the prevalence of these seizures, it is important to analyze the content of those seizures. As the statistics show (Figure 2), when footwear and wearing apparel are combined into one category, they are tied in first place with consumer electronics as the most seized counterfeit products. This has remained the same for the last eight years.²⁶

Figure 2.²⁷

Commodity	Percent of Total Seizures
Consumer Electronics	22%
Footwear	14%
Pharmaceuticals	9%
Optical Media	9%
Wearing Apparel	8%
Perfumes/Cologne	5%
Watches/Parts	5%
Cigarettes	5%
Computers/Hardware	4%
Toys/Electronic Games	4%
All other commodities	14%

Most of the items on the list of seized counterfeit products are protected by patent or trademark laws. However, as will be explained later, footwear and apparel, two of the most counterfeited items, have meager protections in comparison to the other products.

Counterfeits have many countries of origin, but there is a trend that is worth noticing. Usually, the counterfeit goods come from countries that do not have strong Intellectual Property laws.²⁸ In the fiscal year ended in 2011, the People's Republic of China was the worst offender, as illustrated in Figure 3, with sixty two percent (62%) of seized counterfeit products originating there.²⁹ China surpasses every other country by a wide margin. It is not enough to have strict intellectual property laws domestically; something must be done for enforcement around the globe.

²⁶ U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT, *supra* note 23, at 17.

²⁷ *Id.* at 8.

²⁸ CHAUDHRY & ZIMMERMAN, *supra* note 20, at 11.

²⁹ U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT, *supra* note 23, at 12.

Figure 3.³⁰

Source Country	Domestic Value (in \$)	Percent of Total
China	109,996,380	62%
Hong Kong	32,155,987	18%
India	4,535,478	3%
Pakistan	3,954,932	2%
Taiwan	2,287,596	1%
Switzerland	1,407,426	1%
Malaysia	1,285,547	1%
South Korea	714,424	Less than 1%
United Kingdom	703,721	Less than 1%
Mexico	654,941	Less than 1%
All other countries	20,626,201	12%

Some of the effects of counterfeiting are relatively intangible, like the direct or indirect effect of counterfeits on a particular fashion firm or company's goodwill from a marketing and intellectual property standpoint.³¹ Counterfeits are targeted at consumers and not the designer. The normal consumer will have trouble distinguishing the genuine article from a good counterfeit. The problem is that counterfeit products falsely designate origin. For example, a consumer will buy a knock-off Louis Vuitton handbag thinking it is an authentic product. In the span of a month, the product will break and be ruined. That consumer's opinion of the product designer will be negatively affected because she will not be aware that the hand-bag was a counterfeit. Thus, these inferior quality products pose a risk to the company's goodwill and recognition.³² They cause consumers' trust in the brand to decrease and not buy other products from the designer.

Another effect of counterfeits on marks is dilution. Dilution is "a gradual diminution in the mark's distinctiveness, effectiveness and, hence, value."³³ As more counterfeit products enter the market, the mark starts losing distinctiveness. Consumers will fail to recognize what is real and what is counterfeit and will therefore desist from consuming the product, resulting in a loss of value for the brand. High fashion designers target exclusive and luxury markets. Exclusivity is a must. If anyone can have a product, be it real or fake, then it ceases to be exclusive. Why, then, would the consumer buy it?

³⁰ *Id.* at 24.

³¹ CHAUDHRY & ZIMMERMAN, *supra* note 20, at 11.

³² *Id.*

³³ *Kellogg Co. v. Exxon Mobil Corp.*, 192 F. Supp. 2d 790, 797 (W.D. Tenn. 2001).

III. CURRENT PROTECTIONS FOR FASHION DESIGNERS, OR LACK THEREOF

A. Trademark Protection

1. Lanham Act

The Lanham Act is the law that governs trademarks in the United States. It defines “trademarks” as words, names, symbols, devices or combinations of any of the above that are used by persons or which a person has a bona fide intention to use in commerce to identify their goods and distinguish them from the products of others, indicating the source of the goods.³⁴ A “counterfeit” on the other hand, is defined as a “spurious mark which is identical with, or substantially indistinguishable from, a registered mark.”³⁵ This statute seeks to protect marks, not the products to which the mark is affixed. Apparel does not fit into any of the categories as defined by the Lanham Act, thus limiting the protection it may receive under this statute. There is hope, however, in trade dress protection.

2. Trade Dress Protection

The concept of “trade dress” was not contemplated when the Lanham Act was written and passed. It is a creature of judicial creation. One of the landmark trade dress cases is *Two Pesos v. Taco Cabana*, in which the court defined “trade dress” and listed some requirements for trade dress protection. A trade dress is the total look and feel of a product. It is the image of the business.³⁶ It takes in elements such as the color, size, shape, textures, and graphics, among other features.³⁷ Trade dress protection, like trademark protection, is afforded when the mark is inherently distinctive or has acquired a secondary meaning and therefore distinctiveness.³⁸ A mark is inherently distinctive when, because of the context of its use for certain goods or services, consumers can readily identify its source.³⁹ A mark acquires secondary meaning when the consumer has associated the good with a source as a consequence of its continued use.⁴⁰

Another issue is functionality. Trade dress will be protected only to the extent it is not functional.⁴¹ *Qualitex Co. v. Jacobson Products Co., Inc.* is the seminal case in this respect. That case hinged on the use of a shade of green

³⁴ 15 U.S.C. § 1127 (2006).

³⁵ *Id.*

³⁶ *Taco Cabana Int'l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1118 (5th Cir. 1991).

³⁷ *John Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1983).

³⁸ *Id.* at 1119-20.

³⁹ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 13 (1995).

⁴⁰ *Id.*

⁴¹ *Id.* at 1118-1119.

in a company's dry cleaning pads. The court held that a color could be considered a mark to the extent it was not functional.⁴² It reasoned that trademark law cannot inhibit competition allowing a producer to control a particular feature that is considered useful.⁴³ A feature is functional when "it is essential to the use or purpose of the article or if it affects the cost or quality of the article."⁴⁴

Fashion firms have not had much success suing for trade dress protection. *Wal-mart Stores, Inc. v. Samara Brothers, Inc.*⁴⁵ is an example of this. Samara Brothers claimed that the retail giant had infringed on their trade dress by selling knockoffs of their children's clothing line. The Supreme Court noted that although trade dress "originally included only the packaging, or 'dressing', of a product, in later years it had been expanded by many Courts of Appeals to encompass the design of a product."⁴⁶ This is significant when applied to fashion design. For a trade dress to receive protection, the claimant must show that the features are not considered functional and that the use of those features by the other party will likely cause confusion.⁴⁷ The essential pre-requisite is distinctiveness, as set forth in *Two Pesos*.⁴⁸ However, the court understood that design cannot be inherently distinctive and therefore, in order to be protected by the Lanham Act, must have acquired secondary meaning.⁴⁹ This is an impossibly high burden considering the short life span of most designs. The final nail in the coffin for was hammered in by the Court when it held that "consumers should not be deprived of the benefits of competition with regard to the utilitarian and esthetic purposes that product design ordinarily serves by a rule of law that facilitates plausible threats of suit against new entrants based upon alleged inherent distinctiveness."⁵⁰

Another problem is the fact that some courts have held that trade dress law protects only goodwill toward a seller, not goodwill toward a product.⁵¹ This means that a person who copies a design can simply argue that it was copying a style rather than the design's source. Proving the opposite intent is nearly impossible.

⁴² *Qualitex Co. v. Jacobson Products Co., Inc.*, 514 U.S. 159, 165 (1995).

⁴³ *Id.* at 164-165.

⁴⁴ *Id.* at 165 (citing *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844 (1982)).

⁴⁵ *Wal-mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205 (2000).

⁴⁶ *Id.* at 209.

⁴⁷ *Id.* at 211-212.

⁴⁸ *Taco Cabana*, 932 F.2d at 1113.

⁴⁹ *Wal-mart Stores*, 529 U.S. at 212.

⁵⁰ *Id.* at 213.

⁵¹ *Winning Ways, Inc. v. Holloway Sportswear, Inc.*, 913 F. Supp. 1454, 1472 (D. Kan. 1996); see also *Thomas & Betts Corp. v. Panduit Corp.*, 65 F.3d 654, 657 (7th Cir. 1995).

Most fashion designers would have an issue with these cases because the aesthetic quality of the product is precisely what differs from product to product. It would be hard for a designer product to acquire secondary meaning considering the short-life cycle of a garment or trend because it takes time for product to acquire secondary meaning. Designers would find it impossible to create that meaning while innovating and creating new designs. In recent years, trade dress protection is precisely the area of trademark law that has spawned cases that are directly related to fashion.

Steve Madden is a company that is dedicated to providing consumers with affordable alternatives to high end products. They have come under fire, however, for the similarity that their products have to their designer counterparts. Two lawsuits are of particular importance.

First, Alexander McQueen ("McQ"), a high fashion firm, brought suit against Steve Madden for trade dress infringement, false designation of origin, unfair competition and dilution.⁵² McQ alleged that Steve Madden deliberately and intentionally copied their Faithful Bootie shoe. To the untrained eye, both shoes were nearly identical (Figure 4). The only marked difference was the zipper. While McQ used a skull as their zipper, Steve Madden used a plain zip. However, the court was never able to rule on McQ's claims because the case was settled before the case went to trial, for an undisclosed amount.

Figure 4.⁵³



Months later, Steve Madden came under fire again. This time the plaintiff was Balenciaga, another high fashion design firm.⁵⁴ The suit alleged

⁵² Autumnpaper Limited v. Steve Madden, Ltd., 2009 WL 5452790 (S.D.N.Y. 2009).

⁵³ Amy Odell, *Alexander McQueen sues Steve Madden*, N.Y. MAG (Oct. 8, 2009, 9:45 AM), http://nymag.com/thecut/2009/10/alexander_mcqueen_sues_steve_m.html.

⁵⁴ Balenciaga Corporation v. Steve Madden Ltd., No. 1:09-cv-05458 (E.D.N.Y. filed Dec. 15, 2009).

both trademark and copyright infringement. The shoe in question was the Lego Heel. The similarities, according to the suit, were striking and were sure to cause consumer confusion (Figure 5).

Figure 5.⁵⁵



Balenciaga took issue with the fact that Steve Madden was a repeat offender and averred that it habitually produced knockoffs of luxury designs.⁵⁶ This case has yet to reach the courtroom and be resolved. It is an example of a wider trend; most fashion design trademark cases never even reach the courtroom because most designers, fearing a loss, decide to settle the cases out of court.

One designer who did not settle was Christian Louboutin, who is one of the parties to the most recent and famous trade dress and trademarks case in the fashion industry, *Christian Louboutin v. Yves Saint Laurent*.⁵⁷ This case differs from the ones previously discussed because it was between two high-end fashion firms, meaning that the price points and consumer markets were the same. The trade dress at issue in this case was composed of the red soles that Christian Louboutin uses on all his products (Figure 6, left). Louboutin claimed that Yves Saint Laurent was infringing on his trademark by using red soles on its red shoes. The Court of Appeals found that Louboutin had a valid trademark with respect to the red soles and it had reached secondary meaning in the mind of consumers, therefore acquiring distinctiveness.⁵⁸ Yet, although a partial win for Louboutin, it was not enough for it to succeed on the case. The court also held that the trademark did not extend to red soles on all-red shoes because that would imply that Louboutin had a monopoly on all-red shoes; since the shoe in question was all-red and monochromatic, it

⁵⁵ Sharon Clott, *Balenciaga Sues Steve Madden*, N.Y. MAG. (Dec. 18, 2009, 12:00 PM), http://nymag.com/thecut/2009/12/balenciaga_sues_steve_madden.html.

⁵⁶ *Balenciaga Corporation*, No. 1:09-cv-05458.

⁵⁷ *Christian Louboutin S.A v. Yves Saint Laurent America.*, 696 F.3d at 206 (2d Cir. 2012).

⁵⁸ *Id.* at 225.

did not infringing the trademark (Figure 6, right).⁵⁹

Figure 6.⁶⁰



This decision ended up being a step forward in trademark protection for fashion designers, although it still falls short of what it should be. When trade dress and trademark protection are not sufficient, designers must attempt to protect their designs by means of copyright law.

B. Copyright Protection

1. Copyright Act

Copyright protection is extended to original works of authorship fixed on a tangible medium where they are perceived or can be perceived with the help of a device.⁶¹ This protection is only extended to certain types of works: literary, musical, dramatic, pantomimes and choreography, pictorial, graphic or sculptural, motion pictures and audiovisual, sound recordings, and architectural works.⁶² This protection is limited in order to protect the public domain and the flow of innovation. For this reason, ideas, procedures, processes, concepts, and principles are not protected.⁶³ Copyright protection grants the owner a set of exclusive rights: reproducing the work, creating derivative works, offering the work for sale, performing the work publicly, and public display.⁶⁴

⁵⁹ *Id.* at 227-228.

⁶⁰ Richard Finger, *Battle of the Brands: Trademark and Copyright Lawsuits*, FORBES (Nov. 26, 2012, 12:20 PM), <http://www.forbes.com/pictures/ffdj45egee/christian-louboutin-vs-yves-saint-laurent/>.

⁶¹ 17 U.S.C. § 102(a).

⁶² *Id.*

⁶³ 17 U.S.C. § 102(b).

⁶⁴ 17 U.S.C. § 106.

When it comes to fashion design, it is important to consider all of its aspects. Designers do not limit themselves to apparel. Some dabble in fabric design while others have jewelry lines. Apparel does not fit into any of the categories of works that are protected by copyright. The other two categories, however, do receive some sort of copyright protection.

Jewelry receives copyright protection, as set forth in *DBC of New York, Inc. v. Merit Diamond Corp.*, where the court expressly stated that “works of art including jewelry are copyrightable.”⁶⁵ Other courts have affirmed and adopted this principle, holding that it is “undisputed that jewelry is included within the sculptural works classification of Section 102(a)(5).”⁶⁶ Belt buckles are another example of pieces of high fashion design that receive copyright protection. Belt buckles that have separable sculptural elements and an ornamental principal purpose are considered to be jewelry and therefore receive protection.⁶⁷

Fabric designs, on the other hand, are categorized as “writing” for the purposes of copyright protection.⁶⁸ The end result is that fabric designs are protected while dress designs are not. For example, if a designer were to design his own fabric and incorporate said fabric into a dress design, the dress design would surely not be copyrightable whereas the fabric would be. The crux of the problem is the functional and utilitarian aspects of apparel.

2. *The Utilitarian Problem*

A useful article is defined in the Copyright Act as “an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.”⁶⁹ Useful articles generally don’t receive copyright protection. They are protected only to the extent that they are separable from their utilitarian aspect.⁷⁰ Clothing is considered to have both utilitarian and aesthetic value.⁷¹ Dress design is considered to have no artistic elements that can be separated from its utilitarian elements.⁷² Like in architecture, the sketches of the designs can be protected as pictorial, graphic or sculptural works.⁷³ However, the courts’ past decisions seem to point in the direction that if a structure is built out of architectural plans, it would not

⁶⁵ *DBC of New York, Inc. v. Merit Diamond Corp.*, 768 F. Supp. 414, 416 (S.D.N.Y. 1991).

⁶⁶ *Donald Bruce & Co. v. B. H. Multi Com Corp.*, 964 F. Supp. 265, 266 (N.D. Ill. 1997).

⁶⁷ *Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989, 993 (2d Cir. 1980).

⁶⁸ *Knitwaves, Inc. v. Lollytogs Ltd. Inc.*, 71 F.3d 996, 1002 (2d Cir. 1995).

⁶⁹ 17 U.S.C. § 101.

⁷⁰ *Galiano v. Harrah’s Operating Co., Inc.*, 416 F.3d 411, 419 (5th Cir. 2005).

⁷¹ *Id.* at 419.

⁷² *Id.* (citing 1 NIMMER ON COPYRIGHTS § 2.08[B][3]).

⁷³ 17 U.S.C. § 102 (a)(5).

receive protection because it has an intrinsic utilitarian function.⁷⁴ When applied to fashion design, this means that no manufactured garment based on a sketch of a design would receive protection under the Copyright Act because it is purely utilitarian. According to the courts, clothes serve a decorative function and the elements that serve aesthetic purposes would also be serving that decorative function and therefore considered functional.⁷⁵ Considering the high threshold for copyright protection in apparel, it is nearly impossible for any apparel designer to get copyright protection for their designs.

C. Analogous Protection: The Vessel Hull Design Protection Act

The Vessel Hull Design Protection Act (VHDPA)⁷⁶ was signed into existence on October 28, 1998. It was added as a new chapter to the Copyright Act and is a groundbreaking piece of legislation. Before the passage of this bill, there was no protection available for utilitarian and functional works. The VHDPA marked the first time a design for a functional article would be protected as an original work. Although limited to designs for boat hulls, this protection is a beacon of hope for the fashion community.

The VHDPA provides protection for original designs of useful articles that make the articles' appearance more appealing and distinctive to their potential market.⁷⁷ Originality is defined as a veritable difference between prior art in similar articles and the article that is sought to be protected.⁷⁸ This difference cannot be trivial and the article cannot be copied from another design or source.⁷⁹ To be consistent with current copyright protection, the VHDPA limits its scope of protection. Commonplace designs, like geometric shapes and patterns, which are ordinary and common, are not protected.⁸⁰ If the design is purely utilitarian, meaning that it does not provide a more appealing or distinctive design, it also does not receive protection.⁸¹ Moreover, there is a time bar that establishes that if the design

⁷⁴ *Leicester v. Warner Bros.*, 232 F.3d 1212, 1216 (9th Cir. 2000) (citing Paul Goldstein, COPYRIGHT § 2.15.1, at 2:183 (1999)).

⁷⁵ *Whimsicality, Inc. v. Rubie's Costume Co, Inc.*, 891 F.2d 452, 456 (2d Cir. 1989) ("Clothes are particularly unlikely to meet that test—the very decorative elements that stand out being intrinsic to the decorative function of the clothing."); *Id.* at 455 ("We have long held that clothes, as useful articles, are not copyrightable.").

⁷⁶ 17 U.S.C. § 1301.

⁷⁷ *Id.*

⁷⁸ *Id.*

⁷⁹ *Id.*

⁸⁰ 17 U.S.C. § 1302(2).

⁸¹ 17 U.S.C. § 1302(4).

was made public in a foreign country more than two years previous to the filing of the application for registration, it shall not be protectable.⁸²

Considering the utility of these articles, it made sense for Congress to enact this law in a way that would not hinder competition or create a monopoly. The term of protection is extremely important in order to avoid giving out monopolies on designs. Designs protectable under the VHDPa will receive protection for a term of ten years,⁸³ starting on the date of publication of the registration or the date the design was made public, whichever was earliest.⁸⁴ A work is made public when an article embodying the design is displayed, distributed or sold.⁸⁵ It is required that a notice be placed on the registered article which shall include the words "Protected Design" or its abbreviation "Prot'd Des.," or the letter D surrounded by a circle (much like the copyright notice).⁸⁶ It should also include the year that the protection for the design began as well as the name or the owner of said design.⁸⁷ The combination of these symbols serves the purpose of a constructive notice, viewable to the public to warn them that it is protected from infringement.

The owner of a design protected under the VHDPa is granted the exclusive right to make or import for use in trade any article that embodies their designs and sell, distribute or use for trade any article that embodies their designs.⁸⁸ It is an act of infringement if any person violates the exclusive rights granted to the design owner.⁸⁹ There is also a provision for infringement by a seller or distributor that states that such a person would be liable for infringement only under certain circumstances. The first of these circumstances is when he or she induced or acted with a manufacturer to make, and with an importer to import, any article that infringes the design, except ordering the purchase of that article in the normal course of business.⁹⁰ It is also infringement by a seller or distributor if he or she refuses or fails to disclose the source of the infringing article when requested by the design owner or he or she reorders the article after they received notice of the protection of said design.⁹¹ Articles that infringe do not include photos or illustrations of the design.⁹² The remedies that the owner has at his

⁸² 17 U.S.C. § 1302(5).

⁸³ 17 U.S.C. § 1305(a).

⁸⁴ 17 U.S.C. § 1304.

⁸⁵ 17 U.S.C. § 1310(b).

⁸⁶ 17 U.S.C. § 1306(a)(A).

⁸⁷ 17 U.S.C. § 1306(a)(B)-(C).

⁸⁸ 17 U.S.C. § 1308.

⁸⁹ 17 U.S.C. § 1309(a).

⁹⁰ 17 U.S.C. § 1309(b)(1).

⁹¹ 17 U.S.C. § 1309(b)(2).

⁹² 17 U.S.C. § 1309(e).

disposition are not clear. However, the act is clear on the fact that the owner has the right to commence legal action against the infringer, but not on what damages can be awarded.⁹³ On the other hand, it is clear that the owner is entitled to injunctive relief under the principles of equity.⁹⁴

The VHDPA is a *sui generis* form of protection, separate from copyright protection.⁹⁵ Like with any other piece of legislation, there is criticism. Some of the criticism it has received is based on the fact that there is no evidence to suggest that the act has actually been effective against infringement.⁹⁶ However, industry experts state that it has helped stimulate innovation. J.J. Marie, the president of a boat manufacturing company, stated that the VHDPA pushes their engineers and designers to create new and innovative designs,⁹⁷ which are precisely what intellectual property rights, as enacted in the Constitution, strive for.

Fashion design is not that different from the design of a boat. Like a boat hull, the design of a garment starts with an article of clothing that is commonly used, like a dress. During the creative process, ornamental features are added to increase its appeal and differentiate it from existing designs. All of this is done on a sketch. After all this is done, an article of clothing that embodies this design is created. The process is essentially the same, which is why the protection afforded to the design of boat hulls is a near perfect fit with fashion design.

IV. COMPARATIVE LAW: FASHION CAPITALS OF THE WORLD

A. European Union

The European Union was motivated to sign Directive 98/71/EC (the Directive) on October 13, 1998, because of the disparity amongst its members' design protection laws.⁹⁸ The disparity between the Member States' laws proved to be a problem that affected internal markets and distorted competition.⁹⁹ The Directive strives to create a uniform system

⁹³ 17 U.S.C. § 1321.

⁹⁴ 17 U.S.C. § 1322.

⁹⁵ THE UNITED STATES COPYRIGHT OFFICE & THE UNITED STATES PATENT AND TRADEMARK OFFICE, THE VESSEL HULL DESIGN PROTECTION ACT: OVERVIEW AND ANALYSIS 1 (Nov. 2003), *available at* <http://www.copyright.gov/reports/vhdpa-report.pdf> [hereinafter VHDPA: OVERVIEW AND ANALYSIS].

⁹⁶ *Id.* at 9.

⁹⁷ *Id.* at 11 (citing J.J. Marie's testimony at the public hearings on the VHDPA).

⁹⁸ Directive 98/71/EC, of the European Parliament and of the Council of 13 October 1998 on the Legal Protection of Designs, 1998 O.J. (L 289) 28-33.

⁹⁹ *Id.*

where enacting laws to ensure enforcement is be left to each Member State.¹⁰⁰

A “design,” as defined in the Directive, is the appearance or part of the appearance of a product, taking into account all its features.¹⁰¹ It has a wide scope and includes designs registered with the central offices of Member States, with the Benelux Design Office, or under international arrangements.¹⁰² The prerequisites for registration are originality and individuality.¹⁰³ An article is original when there are no other identical designs previous to the filing of the application for protection.¹⁰⁴ It will be considered individual when the overall impression it creates on an informed user is different from the general impression created on said user by any other design made available to the public while taking into account the “freedom of the designer in developing the design.”¹⁰⁵ The Directive explicitly denies protection to designs that are “purely utilitarian.”¹⁰⁶ The term of protection is for a period of five years, renewable up to a total term of twenty-five years.¹⁰⁷ When a design owner registers her design, she granted the exclusive right to use it and to prevent a third party from using said design.¹⁰⁸ Although this is a European Union document, its implementation is in the hands of each of the Member States. Each State is responsible for enforcing the Directive and creating regulations that are consistent with it.¹⁰⁹

The European Parliament made a wise decision in trying to create a uniform system of design protection. Drastically different systems amongst Member States would prove to be a hindrance to commerce. Fashion falls squarely into the scope of protection of this Directive, granting fashion designers a minimum set of protections within the borders of the European Union. However, these protections are the bare minimum that each Member State has to provide. To illustrate, it is useful to explain how the Directive has been implemented in France and Germany, countries with rich fashion industries worth protecting.

B. France

Historically, France has been at the forefront of the fashion industry. It is no surprise that it was one of the first countries to set in place a system of

¹⁰⁰ *Id.*

¹⁰¹ *Id.* at 30.

¹⁰² *Id.*

¹⁰³ *Id.*

¹⁰⁴ *Id.*

¹⁰⁵ *Id.*

¹⁰⁶ *Id.* at 31.

¹⁰⁷ *Id.*

¹⁰⁸ *Id.* at 32.

¹⁰⁹ *Id.* at 33.

copyright protection for fashion designs. The first case that afforded copyright protection to a fashion design was between Yves Saint Laurent (YSL) and Ralph Lauren in 1994.¹¹⁰ Yves Saint Laurent sued Ralph Lauren for copyright infringement alleging that the latter had copied a black tuxedo dress from their line.¹¹¹ The French court ruled in favor of YSL, awarding them \$395,000 in damages.¹¹² A war of words ensued and YSL was eventually found guilty of defamation and was ordered to pay damages to Ralph Lauren.¹¹³ This was one of the first examples of copyright protection for fashion design in France.

All the laws pertaining to intellectual property in France are contained within the Intellectual Property Code.¹¹⁴ When referring to copyrights, there is a list of works protected. Within the list there is a specific provision for fashion design. It reads:

14°. Creations of the seasonal industries of dress and articles of fashion. Industries which, by reason of the demands of fashion, frequently renew the form of their products, particularly the making of dresses, furs, underwear, embroidery, fashion, shoes, gloves, leather goods, the manufacture of fabrics of striking novelty or of special use in high fashion dressmaking, the products of manufacturers of articles of fashion and of footwear and the manufacture of fabrics for upholstery shall be deemed to be seasonal industries.¹¹⁵

The Code explicitly extends copyright protection to “articles of fashion.” There is, however, a type of double protection under French law. The second type of protection comes from industrial design protection. The design of an article, its lines, colors, textures and materials, among other features, are protected as “designs.”¹¹⁶ No distinction is made between the

¹¹⁰ 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*, 8 NW. J. TECH. & INTELL. PROP. 147 (2010). See also Emily S. Day, *Double-Edged Scissor: Legal Protection for Fashion Design*, 86 N.C. L. REV. 237, 266-67 (2007) (citing *Societe Yves Saint Laurent Couture S.A. v. Societe Louis Dreyfus Retail Mgmt. S.A.*, Tribunal de Commerce Paris [Trib. Comm.] [Commercial Court] May 8, 1994, E.C.C. 512 (Fr.)).

¹¹¹ *Id.*

¹¹² *Id.*

¹¹³ Amy M. Spindler, *Company News: A Ruling by French Court Finds Copyright in a Design*, N.Y. TIMES (May 19, 1994), <http://www.nytimes.com/1994/05/19/business/company-news-a-ruling-by-french-court-finds-copyright-in-a-design.html>.

¹¹⁴ CODE DE LA PROPRIÉTÉ INTELLECTUELLE [C. Intellectuelle] art. L111-1 et seq. (Fr.).

¹¹⁵ *Id.* at art. L112-2.

¹¹⁶ *Id.* at art. L511-1.

actual product and the features that are purely ornamental.¹¹⁷ Like most copyright and design statutes, protection is limited to designs that are original and distinctive.¹¹⁸ Design protection is afforded to, among others, works of fine art, architecture, applied art and plans for such works.¹¹⁹ Also protected are illustrations of a scientific nature that include drawings, plans and sketches.¹²⁰

C. Germany

Germany, like France, is no stranger to fashion design protection; though it is limited to design protection. No copyright protection is afforded to fashion design *per se*.¹²¹ Protection for fashion design comes from its Design Act.¹²² For the purposes of this law, the works protected are: industrial designs, complex products with composite parts, and two and three-dimensional patterns including their lines, shapes and other features.¹²³ These designs are protected only if they are original.¹²⁴ Originality centers on the difference of the claimed design against the previously available designs. If the differences between the new and previous designs are trivial, the design will not be protected.¹²⁵

When a design is infringed, a number of remedies are available to the design owner. First and foremost, the owner has a right to injunctive relief.¹²⁶ However, damages are available only when the infringer had intent or was negligent.¹²⁷ Also, the design owner has a right to ask for the recall, destruction or transfer of the infringing items.¹²⁸

Europe is an innovator when it comes to fashion design protection, going to great lengths to protect their designers. It is hardly a surprise that one of the countries at the forefront of fashion would have such extensive protection for their fashion designers. What is surprising is that another such country, the United States, has such meager protection for its fashion designers.

¹¹⁷ *Id.*

¹¹⁸ *Id.* at art. L511-2.

¹¹⁹ *Id.* at art. L112-2.

¹²⁰ *Id.*

¹²¹ Gesetz über das Urheberrecht und verwandte Schutzrechte [UrhG] [Copyright Act], Sept. 9, 1965, BGBl. I at 1273. (Ger.).

¹²² Gesetz über den rechtlichen Schutz von Mustern und Modellen [GeschmMG] [Design Act], Mar. 12, 2004, BGBl. I at 390, § 1. (Ger.).

¹²³ *Id.* at § 1.

¹²⁴ *Id.* at § 2(1).

¹²⁵ *Id.* at § 2(2).

¹²⁶ *Id.* at § 42(1).

¹²⁷ *Id.* at § 42(2).

¹²⁸ *Id.* at § 43.

V. INTERNATIONAL TREATIES: GLOBAL TREND

A. TRIPS

The Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) was signed on April 15th 1994, as part of the Marrakesh Agreement Establishing the World Trade Organization.¹²⁹ The purpose of this agreement is to protect intellectual property rights in order to promote innovation and dissemination of new products, creating a balance between the rights and the obligations of the owners.¹³⁰ However, the protection afforded by the agreement would be a bare minimum.¹³¹ Certain enforcement procedures are laid forth in Part II of the agreement including specific procedures for copyrights,¹³² trademarks,¹³³ patents,¹³⁴ and industrial design.¹³⁵ When it comes to copyrights, the problem is that it is as limiting with respect to fashion design as the current United States protections. Great lengths are being taken increase protection of intellectual property, yet they do not seem to include fashion design.

B. ACTA

The World Trade Organization has also approved various other treaties regarding intellectual property and counterfeiting, including the Anti-Counterfeiting Trade Agreement (ACTA), which was signed on October 2011.¹³⁶ At the moment, the only country to ratify the agreement is Japan. Hence, the problem with this treat, in addition to the criticism it has received, is the fact that it only has only been ratified by one signatory country.

ACTA is very specific as to counterfeit goods. It includes provisions for counterfeiting trademarks, copyrights and even electronics and motion pictures.¹³⁷ Although it was signed by a number of signatories, also known as parties, it has not come into effect yet. As it states in its text, the agreement will only be enforceable after six signatories ratify the document.¹³⁸ Although the agreement could be a positive thing for the enforcement of intellectual property rights, it does pose some problems.

¹²⁹ Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 33 I.L.M. 1197.

¹³⁰ *Id.* at 1200.

¹³¹ *Id.* at 1199.

¹³² *Id.* at 1201-1203.

¹³³ *Id.* at 1203-1205.

¹³⁴ *Id.* at 1205-1207.

¹³⁵ *Id.* at 1207.

¹³⁶ Anti-Counterfeiting Trade Agreement, Oct. 1, 2011, 50 I.L.M. 239 [hereinafter ACTA].

¹³⁷ *Id.* at 244-245.

¹³⁸ *Id.* at 256.

One such problem is the fact that it does not provide for uniformity. Each party has the right to create whatever system or method it deems appropriate within its legal system to enforce intellectual property rights.¹³⁹ This creates a disparity across borders. While no country can provide less protection than the one prescribed in the agreement, they can provide more.¹⁴⁰ This poses a problem when a country with more protection feels that another country is lacking in theirs. It might seem like an unfair and one-sided bargain.

The most significant problem it poses to fashion designers is in the definitions section. When defining counterfeit and pirated goods it states that:

[p]irated copyright goods means any goods which are copies made without the consent of the right holder or person duly authorized by the right holder in the country of production and which are made directly or indirectly from an article where the making of that copy would have constituted an infringement of a copyright or a related right under the law of the country in which the procedures set forth in Chapter II (Legal Framework for Enforcement of Intellectual Property Rights) are invoked.¹⁴¹

This means that the kind of intellectual property protected varies by state and country. An article would only be counterfeit when it is considered to infringe a copyright in that particular country. Moreover, it restates this principle in Art. 3 (2): “[t]his Agreement does not create any obligation on a Party to apply measures where a right in intellectual property is not protected under its laws and regulations.”¹⁴² In the United States, that would mean that no new protection would be afforded to fashion designers. Again, this contributes to the disparity between countries. France would have an immense amount of protection in comparison to other signatory countries that don’t provide such stringent levels of protection, resulting in unrest among rights holders.

The ACTA agreement provides for an array of remedies and procedures to protect intellectual property rights. It states that it is necessary for each party to make available or, in the case they do not exist, create civil procedures to enforce intellectual property rights.¹⁴³ It also requires that the parties authorize their respective judicial authorities to award damages in cases of infringement and state what will be considered in

¹³⁹ *Id.* at 243.

¹⁴⁰ *Id.*

¹⁴¹ *Id.* at 245.

¹⁴² *Id.* at 244.

¹⁴³ *Id.* at 245.

the computation of such damages in a civil case.¹⁴⁴ Things to be considered in the computation of the amount of damages include, but are not limited to: “lost profits, the value of the infringed goods or services measured by the market price, or the suggested retail price.”¹⁴⁵ The agreement also states that the judicial authority has the power to order the infringer to pay the amount received from the infringing product.¹⁴⁶ The real difficulty comes into play in the actual computation of the award of damages. Which statute should apply? The amount of damages can be an extremely high number, for example, if it were to be based on the suggested retail price. Let’s say that an infringing garment has a suggested retail price of five hundred dollars. One hundred such infringing products were seized at the border and never made it into the country, meaning that no profits were derived from the infringing product. Nevertheless, the court could impose a fine of fifty thousand dollars for damages the right holder has not yet suffered. It poses a problem of proportionality between the damage suffered and the amount awarded for statutory damages.

The remedies are not limited to the civil ambit. There are provisions that require that the parties provide for criminal procedures in the case that the counterfeiting or piracy is intentional and willful.¹⁴⁷ ACTA states that the penalties in those types of cases should be imprisonment and/or monetary fines.¹⁴⁸

Other relevant provisions of this agreement are the border measures. The most important provision in this section is in regard to trade barriers. Article 13, note 6 of ACTA, explains that the scope of the border measures shall be consistent with the domestic protection of intellectual property rights as well as provide for the protection of legitimate trade.¹⁴⁹ Moreover, it is not allowable to discriminate between different intellectual property rights.¹⁵⁰ The agreement requires that each party create procedures for the importation and exportation of goods where the customs department can suspend the release of goods they suspect to be counterfeit, acting on their own initiative.¹⁵¹ It also provides for the right holder’s rights. A right holder can request to stop the release of suspicious goods seized by a customs official.¹⁵² This responsibility, however, is not to be taken lightly. The parties

¹⁴⁴ *Id.* at 246.

¹⁴⁵ *Id.*

¹⁴⁶ *Id.*

¹⁴⁷ *Id.* at 250.

¹⁴⁸ *Id.*

¹⁴⁹ *Id.* at 247.

¹⁵⁰ *Id.*

¹⁵¹ *Id.* at 248.

¹⁵² *Id.*

also have to create a procedure for the authorized party to determine whether the good is infringing any intellectual property right.¹⁵³

These provisions try to implement a system to ebb the flow of counterfeit goods into signatory countries and deter infringement. The provisions for civil, criminal and border measures could possibly help cut that flow. The problem is the cost of these procedures to society.

ACTA has been subject to significant criticism. Some critics worry about the statutory damage and asset seizure rules, and their over-zealousness.¹⁵⁴ Others focus on the secrecy of the negotiations.¹⁵⁵ Some governments have also criticized the expansiveness of ACTA. They contend that the implementation of this act could negatively affect emerging economies.¹⁵⁶ They specifically worry about the possible effect on medications and food.¹⁵⁷ They focus on Art. 6 (1) of the agreement: “[t]hese procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.”¹⁵⁸ There seems to be a safeguard against limiting what seems to be legitimate trade. Yet, considering all the provisions discussed above, it seems like it could be a legitimate concern. All in all, the critics think that this agreement is too expansive and may have a ripple effect on countries other than the signatories.¹⁵⁹ Until it achieves ratification by six signatories, though, its effects will remain largely unknown.

VI. PROPOSED LEGISLATION: A NEW SEASON IN LEGISLATION

A. Innovative Design Protection and Piracy Prevention Act

The 112th Congress introduced two bills on fashion design protection. The first was introduced on July 13, 2011 by Rep. Bob Goodlatte.¹⁶⁰ The Innovative Design Protection and Piracy Prevention Act of 2011 (ID3PA) sought to provide a type of sui generis protection to fashion design by amending the Vessel Hull Design Protection Act,¹⁶¹ adding fashion design to

¹⁵³ *Id.* at 249.

¹⁵⁴ Erik Kain, *Final Draft of ACTA Watered Down, TPP Still Dangerous on IP Rules*, FORBES (Jan. 28, 2012, 9:23 AM), <http://www.forbes.com/sites/erikkain/2012/01/28/final-draft-of-acta-watered-down-tpp-still-dangerous-on-ip-rules/>.

¹⁵⁵ Eric Kain, *If you Thought SOPA was Bad, Just Wait Until you Meet ACTA*, FORBES (Jan. 23, 2012, 11:10 AM), <http://www.forbes.com/sites/erikkain/2012/01/23/if-you-thought-sopa-was-bad-just-wait-until-you-meet-acta/>.

¹⁵⁶ *Id.*

¹⁵⁷ ACTA, *supra* note 136, at 245.

¹⁵⁸ *Id.*

¹⁵⁹ Kain, *supra* note 155.

¹⁶⁰ H.R. 2511, 112th Cong. (1st Sess. 2011).

¹⁶¹ VHDP: OVERVIEW AND ANALYSIS, *supra* note 95.

the VHDPA. It purported to do so by amending the definitions in order to include fashion design. Fashion design was defined as “the appearance as a whole of an article of apparel, including its ornamentation,”¹⁶² which in turn includes original and not original elements that are unique and original and stem from the designer’s creative process.¹⁶³ Another important term attempted to be defined was “substantially identical,” which is an article of apparel that is so similar as to be indistinguishable from the protected design.¹⁶⁴ To infringe, an article must be substantially identical to the protected design and cannot be the result of independent creation.¹⁶⁵ An article that is produced for personal use and is not offered for sale or lease was considered non-infringing under the proposed “Home-Sewing Exception.”¹⁶⁶

The VHDPA establishes a ten-year term of protection for vessel hull designs. Considering the short cycle of fashion, ten years of protection would be excessive, which is why the ID3PA established a three-year term of protection more consistent with the fashion cycle.¹⁶⁷

The ID3PA was referred to the Committee on the Judiciary on July 13, 2011. On August 25 of the same year, this bill was then referred to the Subcommittee on Intellectual Property, Competition and the Internet.¹⁶⁸ No further action was taken and, since a new Congress was elected, said bill is no more. A year after the original bill, a companion piece was introduced in the Senate.

B. Innovative Design Protection Act

In 2012, Sen. Charles Schumer introduced the Innovative Design Protection Act of 2012 (IDPA). Like its predecessor in the House of Representative, ID3PA, the IDPA sought to amend the Vessel Hull Design Protection Act to include fashion design. This bill was introduced on September 9 of 2012 and was subsequently referred to the Committee on the Judiciary. On September 20th, the Committee reported favorably on it but no further action has been taken.

The IDPA, much like the ID3PA, defines fashion design, but it also defines “apparel.”¹⁶⁹ Included within “apparel” are clothing, undergarments,

¹⁶² H.R. 2511, 112th Cong. § 2 (1st Sess. 2011).

¹⁶³ *Id.*

¹⁶⁴ *Id.*

¹⁶⁵ *Id.*

¹⁶⁶ *Id.*

¹⁶⁷ *Id.*

¹⁶⁸ *Bill Summary & Status H.R. 2511 112th Congress*, THE LIBRARY OF CONGRESS THOMAS (retrieved Dec. 12, 2012).

¹⁶⁹ S. 3523, 112th Cong. § 2 (2012).

outerwear, headgear and footwear, as well as handbags and eyewear.¹⁷⁰ Other differences between the ID3PA and the IDPA are related to infringement. Under the IDPA, a designer has to provide written notice of the protected design to the person he or she suspects infringed their right.¹⁷¹ The designer must then wait for a period of 21 days after the written notice has been given to institute an action for infringement.¹⁷² The infringer would only be liable for the damages accrued after the civil action is commenced.¹⁷³

Both the IDPA and the ID3PA were the source of significant criticism. Retailers, fashion designers, fashion firms and professors all voiced their opinion.

C. Criticism

1. Consumer Access

Consumers are the driving force of the fashion industry. One of the biggest concerns on the passage of any law protecting fashion design is how it may affect consumer access. Will protecting fashion designs make affordable apparel choices unavailable to the consumer market? Opinions vary greatly on this particular point.

Supporters of increased protection for fashion designs argue that the proposed legislation would not reduce the consumer market for affordable apparel. Fashion design protection seeks to protect against what designers call “knock-offs” produced by copyists, who essentially copy high-end designs stitch by stitch.¹⁷⁴ However, there would be no prohibition against the so-called “inspired by” options.¹⁷⁵ Even if the market was devoid of knockoffs, there would be no shortage of products in the inspired-by category. Moreover, high fashion firms are deciding to expand their portfolios to create lower-priced lines.¹⁷⁶ Designers like Missoni,¹⁷⁷ the Olsen

¹⁷⁰ *Id.*

¹⁷¹ *Id.*

¹⁷² *Id.*

¹⁷³ *Id.*

¹⁷⁴ *Id.*

¹⁷⁵ *Hearing on H.R. 2511, supra* note 168, at 7-8 (statement of Lazaro Hernandez, Proenza Schouler).

¹⁷⁶ Hillary Moss, *Missoni might do a Lower-Priced Line, Not to be Confused with a Low Price Line*, N.Y. MAG. (Nov. 15, 2012, 5:53 PM), <http://nymag.com/thecut/2012/11/missoni-might-do-a-lower-priced-line.html>.

¹⁷⁷ Rebecca Willa Davis, *First Look: Olsenboye*, NYLON MAG. (Dec. 14, 2009), <http://www.nylonmag.com/?parid=3958§ion=article>.

twins,¹⁷⁸ and Jean Paul Gaultier¹⁷⁹ have all created lower end lines in order to attract a different market segment. Fashion firms have also begun creating partnerships with retailers to make their lines accessible to the average consumer.¹⁸⁰ In the last couple of years, designers like Narciso Rodriguez¹⁸¹ and Zac Posen¹⁸² have collaborated with Kohl's and Target to create capsule collections at low price points. By protecting designers from piracy and allowing for increased protection, it's possible that the proposed pieces of legislation would only add to the already wide array of options the consumer has when it comes to apparel and accessories.

2. *Trend v. Copy Dichotomy*

Opponents of increased protection for fashion designs refer to trends as a major driving force in fashion.¹⁸³ According to some, "copying creates trends, and trends are what sell fashion."¹⁸⁴ According to the same sources, copying a trend accelerates the fashion cycle, meaning that designers are forced to become even more creative and produce new designs.¹⁸⁵ This would seem prove that copying really does help designers, but is it copying or trends that help this phenomenon?

Following a trend is not copying. Copying is a literal copy, a replica.¹⁸⁶ Their effect is a dilution of the original design.¹⁸⁷ Inspired options, on the other hand, take inspiration from the original and interpret it in a new garment.¹⁸⁸ Opponents state that the line between copying and inspiration is hard to define.¹⁸⁹ The best example of this is Professor Jeannie Suk's view on

¹⁷⁸ Kerry Folan, *Jean Paul Gaultier Plans a Lower-Priced Streetwear Line*, RACKED MAG. (Dec. 4, 2012), <http://racked.com/archives/2012/12/04/jean-paul-gaultier-plans-lowerpriced-streetwear-line.php>.

¹⁷⁹ *Hearing on H.R. 2511*, *supra* note 168, at 4 (statement of Lazaro Hernández, Proenza Shouler).

¹⁸⁰ Ray A. Smith, *The Fixer in the House of Narciso*, WALL ST. J. (Dec. 12, 2012), <http://online.wsj.com/article/SB10001424127887323501404578165183483858450.html>.

¹⁸¹ Ray A. Smith, *The Fixer in the House of Narciso*, WALL ST. J. (Dec. 12, 2012), <http://online.wsj.com/article/SB10001424127887323501404578165183483858450.html>.

¹⁸² Adrienne Gaffney, *Zac Posen Originals v. Zac Posen for Target*, VANITY FAIR (Apr. 15, 2010, 12:11 PM), <http://www.vanityfair.com/online/daily/2010/04/zac-posen-vs-zac-posen-for-target>.

¹⁸³ *Hearing on H.R. 2511*, *supra* note 168, at 80 (statement of Prof. Kal Raustiala, UCLA School of Law & Prof. Christopher Sprigman, UVA School of Law).

¹⁸⁴ *Id.*

¹⁸⁵ *Id.*

¹⁸⁶ C. Scott Hemphill & Jeannie Suk, *The Law, Culture, and Economics of Fashion*, 61 STAN. L. REV. 1147, 1159 (2009).

¹⁸⁷ *Id.* at 1160.

¹⁸⁸ *Id.*

¹⁸⁹ *Hearing on H.R. 2511*, *supra* note 168, at 80 (statement of Prof. Kal Raustiala, UCLA School of Law & Prof. Christopher Sprigman, UVA School of Law).

trend adoption. According to Prof. Suk, a fashion design has two elements: the trend and its differentiating features.¹⁹⁰ If a lower-end designer wanted to capitalize on the trend, he or she would only copy the trend element of the design. However, the copyist capitalizes on the whole design, including the differentiating features that have no bearing on the trend. The line is not as blurry as opponents make it seem. Line for line copying should not be allowed.

3. *Smaller Firms Against the World*

There is a lot of opposition to the IDPA. As explained before, there are many arguments to be made against it. But, there is an important aspect of these bills that has rarely been discussed: design piracy and counterfeiting's devastating effect on smaller design firms.

As up and comers, designers strongly rely on their creativity and innovation to create a collection and make sales. These designers are losing orders every day.¹⁹¹ Unlike well-known designers, emerging designers do not have the advantage of a strong brand or high-end customers willing to pay thousands for their designs.¹⁹² They cannot rely on trademark protection like so many other designers like Louis Vuitton, which prominently displays its trademarked logo on its products. This means that they are at a significant disadvantage.

The fashion industry is a very cutthroat market; design positions are limited and there are only so many fashion firms. It is particularly difficult for emerging designers to enter the market and effectively compete considering the barriers and struggles that design piracy creates.¹⁹³ The problem becomes more acute when legal costs are considered. In the end, this legislation seems to favor the emerging designers by giving them a chance to protect designs and protect their livelihood.

4. *Consumer Market Differentiation*

Opponents of the two bills have cited market differentiation as a point against designers. They have tried to prove that copying is not harmful by stating that an identical copy does not compete with the original.¹⁹⁴ Their

¹⁹⁰ Hemphill & Suk, *supra* note 186, at 1166.

¹⁹¹ *Hearing on H.R. 2511, supra* note 168, at 4 (statement of Lazaro Hernandez, Proenza Shouler).

¹⁹² *Id.* at 16 (statement of Prof. Jeannie Suk, Harvard Law School).

¹⁹³ *Id.*

¹⁹⁴ *Id.* at 84 (statement of Prof. Kal Raustiala, UCLA School of Law & Prof. Christopher Sprigman, UVA School of Law).

basis is the fact that their market segments are different.¹⁹⁵ The elite consumer who purchases a designer handbag for thousands of dollars has a higher acquisitive power than the consumer that can only afford an inexpensive replica. What opponents do not take into account is the aspirational quality of designer goods.

High fashion design has a distinct characteristic: its goods are often considered aspirational products. These products are targeted at a market segment, the aspirational segment. When a consumer purchases items from a certain brand that makes them feel successful on account of the fact that it is usually a product consumed by the higher classes, that brand is known as an aspirational brand.¹⁹⁶ It is more of a wish than a reality; these goods target the dreams of the consumers, what they wish they could consume.¹⁹⁷ Aspirational goods are particularly important to a market, especially when considering expansion. In the luxury goods market this is an extremely important segment. Marc Beckman, an industry expert, told the New York Times recently that: "When you present a luxury brand, in my opinion it's not about being accessible — it's all about the dream, it's all about the aspiration."¹⁹⁸ That is, fashion designers sell glamour and a new way of life that consumers aspire to in the future.¹⁹⁹ What does this mean for Copyright protection?

With luxury goods, there is no clearly defined market. Granted, there is the luxury market but, considering the aspirational quality of the good, there is a broader market. These goods and products serve as an aspiration for consumers who cannot afford the product at the moment. In the future, they would like to own one such product. If this aspirational consumer is willing to spend years saving up enough money to buy a luxury designer brand, the designers should be protected against copyright infringement. When that person finally acquires the good, they should be rewarded with the knowledge that their hard work to earn the money to acquire it was not in vain; that there is no underground market for such goods.

¹⁹⁵ *Id.*

¹⁹⁶ Suzanne Hadder, *Seven Ways to Woo the 'Aspirational' Luxury Customer*, MARKETING PROFS <http://www.marketingprofs.com/8/seven-ways-to-woo-aspirational-luxury-customers-hader.asp#ixzz20I8PWx1q> (Last visited on Mar. 27, 2013).

¹⁹⁷ U.S. ENVIRONMENTAL PROTECTION AGENCY, CREATING, COMMUNICATING, AND DELIVERING VALUE: GUIDELINES FOR MARKETING EPA PARTNERSHIP PROGRAMS 15 (Dec. 2007), <http://www.epa.gov/oar/caaac/guidelines/Marketing.pdf> (citing Nordhielm, C.L., *Marketing Management: The Big Picture* (John Wiley & Sons 2005)).

¹⁹⁸ Stephanie Clifford, *High Fashion, No Airbrushing*, N.Y. TIMES (Oct. 19, 2012), http://www.nytimes.com/2012/10/20/business/rent-the-runway-uses-real-women-to-market-high-fashion.html?_r=0.

¹⁹⁹ *Luxury Brands: Marketing the Upscale During a Downturn*, KNOWLEDGE@WHARTON (Nov. 12, 2008), <http://knowledge.wharton.upenn.edu/article.cfm?articleid=2091>.

VII. CONCLUSION: A HYBRID DESIGN

High Fashion design is an important segment of the economy. It is also an important part of the creative world, which is why it should receive the same protections as any other creative industry.

With prospective legislation now at a standstill in Congress, it is necessary to consider alternatives for the protection of high fashion design. The ideal protection for this industry would be a temporal protection limited to a maximum of three years as proposed by the Innovative Design Protection Act of 2012. But the definitions and protections provided seem to be anemic when compared to European nations.

Uniformity in an industry is helpful. The European Union capitalized on this and created a directive that would provide a minimum protection for fashion designs. The United States should take a page out of their book and create a standard of protection congruous with their European counterparts to protect the fashion industry. However, a hybrid design should be created, tailored to fit current copyright protection.

Current legislation is a sui generis type of protection molded on design protection for vessel hulls. This proposed legislation should take examples from the French Intellectual Property Code to amend the Copyright Act. Fashion design is just like every other creative art and should be afforded copyright protection as such. It will be interesting to see how the industry reacts to this type of protection. Only time will tell with the Innovative Design Protection Act of 2012. Hopefully, tailor made couture legislation is in style for the Spring-Summer 2013 season.