St. John's Law Review

Volume 85
Issue 1 *Volume 85, Winter 2011, Number 1*

Article 7

October 2011

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Laura Fanelli

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Recommended Citation
Fanelli, Laura (2011) "A Fashion Forward Approach to Design Protection," *St. John's Law Review*: Vol. 85: Iss. 1, Article 7.
Available at: http://scholarship.law.stjohns.edu/lawreview/vol85/iss1/7

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A FASHION FORWARD APPROACH TO DESIGN PROTECTION

LAURA FANELLI[†]

INTRODUCTION

Fashion matters. Along with being a highly significant American industry, generating "approximately $350 billion in the United States annually,"[1] fashion provides a powerful means of communication, expressing the point of view of both the designer and the consumer.[2] Nevertheless, because American intellectual property law provides virtually no protection for fashion designs, it appears as though fashion does not matter to the legislature. As a result, design piracy remains a prevalent practice and a significant threat to the growth of American fashion design.

Design piracy is an increasingly common practice in which an individual or manufacturer profits from the creativity of others by producing unauthorized copies of original designs.[3] Thanks to the spread of internet communication, runway looks can be disseminated instantly.[4] Copyists can then upload these images and have pirated designs produced and available for sale

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[†] Senior Articles Editor, *St. John's Law Review*; J.D. Candidate, 2011, St. John's University School of Law; B.S., 2008, Villanova University. I would like to thank Professor Katharina de la Durantaye for her invaluable advice and guidance in writing this Note.

[1] *A Bill to Provide Protection for Fashion Design: Hearing on H.R. 5055 Before the Subcomm. on Courts, the Internet, and Intellectual Property of the H. Comm. on the Judiciary*, 109th Cong. 9 (2006) [hereinafter *Hearing*] (testimony of Jeffrey Banks, Fashion Designer, on behalf of Council of Fashion Designers of America).

[2] *See* Susan Scafidi, *F.I.T.: Fashion as Information Technology*, 59 SYRACUSE L. REV. 69, 82 (2008).

[3] *See* H. Shayne Adler, Note, *Pirating the Runway: The Potential Impact of the Design Piracy Prohibition Act on Fashion Retail*, 5 HASTINGS BUS. L.J. 381, 382 (2009); *Design Piracy*, COUNCIL OF FASHION DESIGNERS OF AMERICA, http://www.cfda.com/design-piracy/ (last visited Feb. 24, 2011).

[4] *See Hearing*, *supra* note 1, at 77 (testimony of Susan Scafidi, Professor, Fordham Law School); Robin Givhan, *The End of 'Gown in 60 Seconds'?*, WASH. POST, Aug. 10, 2007, at C02.

before the originals even reach the stores.[5] The speed of this process is largely due to technological advances in textile and garment production, along with the availability of cheap labor in emerging economies.[6] These copies can inundate the market and depreciate the original by their low quality, pervasiveness, or the haste at which they reach the shopper.[7] Unfortunately, these practices are legal, leaving the original designer with no recourse.

Predictably, many American fashion designers desire increased protection for their designs. While the European Union ("EU") provides three years of protection for unregistered designs and five years of renewable protection available upon registration of a design,[8] the United States remains "the only developed country that does not protect fashion in its laws."[9] To combat this legislative void, the Council of Fashion Designers of America ("CFDA") has lobbied for the passage of legislation that will provide protection for fashion designs.[10] There have been a number of proposals that the CFDA has supported. The Design Piracy Prohibition Act ("DPPA") was introduced in the House of Representatives and the Senate during the 109th and the 110th Congress.[11] A revised version of the DPPA was introduced in the House of Representatives during the first session of the 111th Congress, on April 30, 2009.[12] The proposed legislation was further revised and introduced to the Senate with a new name—Innovative Design Protection and Piracy Prevention Act ("IDPPPA")—during the second session of the 111th Congress, on

[5] *See Hearing*, *supra* note 1, at 12 ("So once a designer spends the thousands and thousands and gets to that runway show and then reveals a new and original design—it can be stolen before the applause has faded thanks to digital imagery and the internet." (testimony of Jeffrey Banks, Fashion Designer, on behalf of the Council of Fashion Designers of America)).

[6] *See id.*

[7] *See* COUNCIL OF FASHION DESIGNERS OF AMERICA, *supra* note 3.

[8] *See* Council Regulation 6/2002, arts. 11–12, 2001 O.J. (L 3) 5 (EC). The registered design can be renewed in periods of five years for a maximum term of twenty-five years. *See id.* art. 12.

[9] *Hearing*, *supra* note 1, at 11 (testimony of Jeffrey Banks, Fashion Designer, on behalf of the Council of Fashion Designers of America).

[10] *See* COUNCIL OF FASHION DESIGNERS OF AMERICA, *supra* note 3.

[11] *See* H.R. 2033, 110th Cong. (2007); S. 1957, 110th Cong. (2007); H.R. 5055, 109th Cong. (2006).

[12] *See* H.R. 2196, 111th Cong. (2009).

August 5, 2010.[13] If passed, the IDPPPA would provide three years of protection for fashion designs,[14] commencing from the time the item is displayed publicly.[15]

This Note emphasizes that despite limited legal protection available to fashion designers through existing intellectual property law, design piracy remains an overwhelming threat to American fashion design. The implementation of design legislation will promote the innovation of designers whose progress and success help to sustain this important American industry. Current legislation in the EU presents a valuable model in developing the ideal framework of design protection. This Note argues that the IDPPPA is a step in the right direction; however, alterations are needed to obtain the perfect fit.

Part I of this Note provides background on the limited legal protection currently available to fashion designers in the United States and stresses the need for legislation. Part II provides an overview of the IDPPPA and the current legislation available in the EU. Part III analyzes the IDPPPA in light of the available protection in the EU and provides suggested modifications to the Act.

I. CURRENT UNITED STATES INTELLECTUAL PROPERTY LAW IS INSUFFICIENT FOR FASHION DESIGNS

American law has neglected the fashion industry. As a result, the United States has become a refuge for design piracy.[16] Because United States law fails to provide comprehensive design protection, fashion designers are forced to rely on existing areas of intellectual property law. Unfortunately, reliance on current law "provides at best partial protection for innovative articles of clothing and accessories."[17]

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[13] *See* S. 3728, 111th Cong. (2010).

[14] *See id.* § 2(d).

[15] *See id.* § 2(b).

[16] *See Hearing*, *supra* note 1, at 77 (testimony of Susan Scafidi, Professor, Fordham Law School). A CFDA expert estimated that knockoffs constitute a minimum of $9.05 billion or five percent of the $181 billion American apparel market annually. Eric Wilson, *Before Models Can Turn Around, Knockoffs Fly*, N.Y. TIMES, Sept. 4, 2007, at A1.

[17] *See* Scafidi, *supra* note 2.

This Part demonstrates that current intellectual property law provides inadequate protection for fashion designs. Section A outlines the aspects of existing law that are presently used by fashion designers to protect their creations. Section B argues that despite this limited protection, the fashion industry is in need of comprehensive design protection.

A. *Existing Intellectual Property Protection for Fashion Designs*

1. Copyright

While the Constitution of the United States grants Congress the power "[t]o promote the Progress of Science and useful Arts,"[18] the Copyright Office has decided that clothing design in general is not subject to protection.[19] The reason for the exclusion of fashion designs stems from the utilitarian function of clothing as a means to cover one's body.[20] Therefore, because the Copyright Act does not extend protection to "useful articles"—defined as "having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information"[21]—clothing and accessories are virtually ineligible for copyright protection.[22]

A narrow exception to the "useful articles" doctrine provides that the design of a "useful article" will be eligible for protection insofar as the design "incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article."[23] Thus, jewelry, although worn by the end user, has reaped the benefits of copyright protection as an innovative object separable from any underlying utilitarian function.[24] Likewise, protection attaches to fabric patterns and pictorial

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[18] U.S. CONST. art. I, § 8, cl. 8.

[19] *See* Registrability of Costume Designs, 56 Fed. Reg. 56,530, 56,532 (Nov. 5, 1991) ("Garments are useful articles, and the designs of such garments are generally outside of the copyright law.").

[20] *See* Celebration Int'l, Inc. v. Chosun Int'l, Inc., 234 F. Supp. 2d 905, 912 (S.D. Ind. 2002) ("Costumes, like clothing garments, clearly have a utilitarian aspect because they cover the wearer's body and protect the wearer from the elements.").

[21] 17 U.S.C.A. § 101 (West 2011).

[22] *See* Whimsicality, Inc. v. Rubie's Costume Co., 891 F.2d 452, 455 (2d Cir. 1989) ("We have long held that clothes, as useful articles, are not copyrightable.").

[23] 17 U.S.C.A. § 101.

[24] *See* Scafidi, *supra* note 2, at 85.

designs imprinted on clothing apparel.[25] This differentiation in protection is because fabric prints and textile designs are recognized as analogous to paintings and therefore separable from the utility of the garment.[26]

Nevertheless, the exception does not provide much assistance to fashion designers because both the courts[27] and the Copyright Office[28] have been reluctant to consider the design features of clothing as separable from its useful aspects. This reluctance is due to the fact that the expressive elements in most garments—such as the shape or "cut" of a sleeve or pant leg—are diffused in the form of the garment itself and concurrently function as clothing to cover the wearer's body.[29] Thus, the most effective way to obtain copyright protection for the originators of fashion designs would be an act of Congress.[30]

2. Trademark

Finding no protection in copyright law, fashion designers in the United States turn to trademark law as a means of

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[25] *See* Registrability of Costume Designs, 56 Fed. Reg. 56,530, 56,531 (Nov. 5, 1991).

[26] *See id.*; Scafidi, *supra* note 2, at 85.

[27] *See, e.g.*, Galiano v. Harrah's Operating Co., 416 F.3d 411, 422 (5th Cir. 2005) (finding casino uniforms to be ineligible for copyright protection because the artistic qualities were not marketable separately from the uniforms' utilitarian function); Whimsicality, Inc. v. Battat, 27 F. Supp. 2d 456, 463 (S.D.N.Y. 1998) (concluding that the artistic elements of a line of costumes were not separable from the costumes' utilitarian aspects because the purpose of the costumes was to enable the wearer to disguise himself); *see also Hearing*, *supra* note 1, at 79–80 (testimony of Susan Scafidi, Professor, Fordham Law School); Victoria Elman, Note, *From the Runway to the Courtroom: How Substantial Similarity Is Unfit for Fashion*, 30 CARDOZO L. REV. 683, 690 (2008).

[28] *See* Registrability of Costume Designs, 56 Fed. Reg. at 56,531 ("The Copyright Office has generally refused to register claims to copyright in three-dimensional aspects of clothing . . . on the ground that articles of clothing . . . are useful articles that ordinarily contain no artistic authorship separable from their overall utilitarian shape.").

[29] *See* Kal Raustiala & Christopher Sprigman, *The Piracy Paradox: Innovation and Intellectual Property in Fashion Design*, 92 VA. L. REV. 1687, 1700 (2006); Emily S. Day, Comment, *Double-Edged Scissor: Legal Protection for Fashion Design*, 86 N.C. L. REV. 237, 247 (2007).

[30] *See Hearing*, *supra* note 1, at 80 (testimony of Susan Scafidi, Professor, Fordham Law School); Registrability of Costume Designs, 56 Fed. Reg. at 56,532 (stating that garments are generally outside of copyright law and advising that "[p]arties who wish to modify this position must address their concerns to the Congress, since establishment of such protection must have Congressional authorization").

preserving their investment. American trademark law protects any word, name, symbol, device, or any combination thereof, which a person intends to use in commerce to identify and distinguish his or her goods from those sold by others.[31] Where the fashion designer's logo is part of the external design, trademark law provides significant protection against piracy.[32] However, in most apparel goods the trademarks are located either inside the garment or subtly exhibited on small portions of the garment.[33] Therefore, for most designer garments, trademarks do not protect against design piracy.[34] Further, while established companies can take advantage of trademark protection by making the display of logos a dominant feature in their designs, emerging designers cannot count on public identification to maintain a customer base.

3. Trade Dress

Up-and-coming designers face the same obstacles with respect to "trade dress" protection. Trade dress, a subsidiary of trademark law, protects product packaging and even the design and shape of the product itself, if the packaging or the product configuration serves to indicate the source of the goods.[35] Although a fashion design is not product packaging, it can be eligible for trade dress protection as a product design. However, the Supreme Court raised the bar for protetion by concluding in *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*[36] that product designs, such as the children's garments at issue in the case,[37] are never "inherently distinctive" or intrinsically capable of

[31] 15 U.S.C. § 1127 (2006).

[32] *See* Raustiala & Sprigman, *supra* note 29, at 1701–02; Lauren Howard, Note, *An Uningenious Paradox: Intellectual Property Protections for Fashion Designs*, 32 COLUM. J.L. & ARTS 333, 336 (2009).

[33] *See* Raustiala & Sprigman, *supra* note 29, at 1701–02.

[34] *See id.*

[35] *See* 15 U.S.C. § 1125(a); ROBERT P. MERGES, PETER S. MENELL & MARK A. LEMLEY, INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE 744 (5th ed. 2010).

[36] 529 U.S. 205 (2000).

[37] Samara Brothers, Inc. was under contract with a number of chain stores to sell its line of children's clothing. *See id.* at 207. Wal-Mart Stores, Inc., which was not under contract with Samara, hired a designer to create garments based on photographs of various garments from Samara's line. *See id.* The designer copied, with only slight modifications, many of Samara's garments, which resulted in the suit by Samara. *See id.* at 207–08.

identifying a particular source.[38] Rather, the Court held that product designs only point to their source if they have established "secondary meaning" in the minds of consumers.[39] Therefore, while trade dress constitutes a narrow category of protection for well-known designers whose designs have established "secondary meaning," it provides virtually no protection for emerging designers who are new to the fashion industry.

4. Design Patent

Patent law also offers limited legal protection to the creators of fashion designs through the availability of design patents. Design patents protect the aesthetic appearance of a product rather than its functional aspects. The Design Patent Act provides that a design patent can be obtained for "any new, original and ornamental design for an article of manufacture."[40] Further, in order to be patentable, a design must be nonobvious and must not be dictated by functional considerations.[41] While design patents appear to be an ideal form of protection for garments, they pose several practical difficulties for fashion designers. First, design patents have a lengthy prior review process of approximately eighteen months, which is impractical in light of fashion's short life span.[42] Second, clothing rarely meets the strict qualification requirements of nonobviousness and nonfunctionality.[43] Finally, the expense of filing design patents is overly burdensome,[44] especially for emerging designers.

B. The United States Is in Need of Legislation That Will Protect Fashion Designs

Notwithstanding the limited legal devices available to provide protection for fashion designs, piracy remains an overwhelming threat to the American fashion industry. According to United States Customs and Border Protection and

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[38] *See id.* at 212.
[39] *See id.* at 216.
[40] 35 U.S.C. § 171 (2006).
[41] *See* MERGES, MENELL & LEMLEY, *supra* note 35, at 401–03.
[42] *See id.* at 403; Day, *supra* note 29, at 251.
[43] *See* Day, *supra* note 29, at 251.
[44] *See* MERGES, MENELL & LEMLY, *supra* note 35, at 403.

United States Immigration and Customs Enforcement, the domestic value of counterfeit and pirated goods seized in 2008 totaled $272.7 million, a thirty-eight percent increase in value from 2007.[45] Wearing apparel accounted for nine percent, or $25.1 million, of the entire value of infringing goods seized.[46] Of course, these figures only factor in goods that would already be subject to claims of intellectual property infringement and therefore do not include most fashion designs.[47] However, a CFDA expert estimated that pirated designs represent, at a minimum, five percent of the $181 billion American apparel market annually.[48]

Recent developments, including technological advances, as well as the availability of cheap labor abroad, have highlighted the need for intellectual property protection for fashion designs. In the past, the effect of knockoffs on the fashion industry was more limited.[49] The world moved at a slower pace, which meant more time before high-end original designs trickled down into copies.[50] By the time copies were available, designers had already reaped profits from their innovative creations and continued ahead to the next trend.[51] Today, the rise of internet communication has significantly impacted the way that the American fashion industry operates. Such technological advances, coupled with the shift of fashion manufacturing to nations with inexpensive labor forces, allow design pirates to supply cheap copies before the originals even reach stores.[52] This

[45] *See* U.S. CUSTOMS & BORDER PROTECTION & U.S. IMMIGRATION & CUSTOMS ENFORCEMENT, INTELLECTUAL PROPERTY RIGHTS: SEIZURE STATISTICS: FY 2008 (2009), *available at* http://www.cbp.gov/linkhandler/cgov/trade/priority_trade/ipr/pubs/seizure/fy08_final_stat.ctt/fy08_final_stat.pdf.

[46] *See id.* Footwear accounted for thirty-eight percent of the entire value of infringing goods seized. *See id.* Handbags, wallets, and backpacks accounted for eleven percent of the value of infringing goods seized. *See id.*

[47] The figures only include the narrow category of fashion designs that are already entitled to protection under current U.S. intellectual property law. *See* discussion *supra* Part I.A.

[48] *See* Wilson, *supra* note 16.

[49] *See* Givhan, *supra* note 4.

[50] *See id.*

[51] *See id.*

[52] *See id.*; Wilson, *supra* note 16 (describing the process used by Seema Anand for her company, Simonia Fashions, which involves making less expensive knockoffs by simply e-mailing a picture of the design to her factory in India and saying "I want something similar, or a silhouette made just like this," after which the factory can deliver a copy to stores months before the designer version is available).

enables copyists to profit from the creative energy of others and prevents American designers from recovering a fair return on their investments.[53] Further, the movement of fashion production to nations with cheap labor threatens the United States' position in the global fashion industry.[54] Representative William D. Delahunt reiterated this point in a hearing on unique industry protections by stating that in order to secure America's position in the global fashion market, "[w]e cannot just stand by and watch yet another industry migrate out of the U.S."[55]

Inconsistent legal action in the areas of counterfeiting and design piracy demonstrates the need for comprehensive intellectual property protection for fashion designs. For example, a counterfeiter may face both civil and criminal penalties for the unauthorized reproduction of trademarks.[56] However, a design pirate who replicates a garment but leaves off the designer label would escape liability.[57] This contradictory treatment established a loophole for counterfeiters, who could bypass customs enforcement by importing copies that do not carry the counterfeit labels and then attaching those labels in the U.S.[58]

Opponents of intellectual property protection for fashion designs question whether fashion piracy actually harms the industry.[59] They argue that the abundance of knockoffs drives the industry's fast cycle of innovation by causing designers to respond with new designs that will spark the interest of consumers.[60] Influential American fashion designer Jeffrey Banks has replied to this argument by stating, "I would like to respond to those questions with an emphatic 'yes it does hurt the designer and the industry!' And no, far from helping the designer, design piracy can wipe out young careers in a single

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[53] *See* 152 CONG. REC. E472-02 (daily ed. Mar. 30, 2006) (statement of Rep. Goodlatte).

[54] *See Unique Industry Protections: Hearing on H.R. 2033 Before the Subcomm. on Courts, the Internet, and Intellectual Property*, 110th Cong. (2008) (testimony of Rep. William D. Delahunt).

[55] *Id.*

[56] *See* 15 U.S.C. §§ 1116–18 (2006 & Supp. II); 18 U.S.C. § 2320 (2006 & Supp. II).

[57] *See* Scafidi, *supra* note 2, at 88.

[58] *See id.*

[59] *See* Raustiala & Sprigman, *supra* note 29, at 1691.

[60] *See id.*

season."[61] Banks is just one of many designers who have joined forces to combat design piracy, believing that designers are harmed more than helped by unauthorized copying.[62] Because cheap knockoffs are available to consumers before the originals can be placed on the market, it is difficult, if not impossible, for designers to recover their investment before copies have inundated the market and diluted the value of their original creations.[63] This is clearly harmful to the creators of the original designs and can have a crippling effect on emerging designers. New designers are essential to the fashion market because they can inject the industry with a fresh, innovative, and inspiring perspective; however, these up-and-coming designers, who have yet to develop a customer base, are unable to compete with the abundance of knockoffs in the market.[64] The result is a disabling effect on their ability to build brand awareness.[65]

Some commentators have argued that the presence of cheap knockoffs on the market allows fashion to become accessible to a broader scope of consumers;[66] however, this contention is flawed because innovative style has become available from a variety of sources at all price levels. A consumer can obtain affordable and original designs from the mass-market lines of influential designers,[67] diffusion lines of high-end designer brands,[68] and

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[61] *Hearing*, *supra* note 1, at 11 (testimony of Jeffrey Banks, Fashion Designer, on behalf of the Council of Fashion Designers of America).

[62] *See* Howard, *supra* note 32, at 334–35; *see, e.g.*, *The Industry Speaks Out*, STOP FASHION PIRACY, http://www.stopfashionpiracy.com/index.php/the_industry_speaks_out (last visited Feb. 24, 2011) (quoting multiple designers who believe that design piracy harms the fashion industry).

[63] *See Hearing*, *supra* note 1, at 12 (testimony of Jeffrey Banks, Fashion Designer, on behalf of the Council of Fashion Designers of America).

[64] *See id.* at 78 (testimony of Susan Scafidi, Professor, Fordham Law School) (discussing emerging handbag designer and co-founder of the label Ananas, Jennifer Baum Lagdameo, who lost both wholesale and retail sales as a result of virtually identical copies of her designs available at a lower price); Howard, *supra* note 32, at 350–52.

[65] *See Hearing*, *supra* note 1, at 12 (testimony of Jeffrey Banks, Fashion Designer, on behalf of the Council of Fashion Designers of America); Howard, *supra* note 32, at 351–52.

[66] *See Hearing*, *supra* note 1, at 86 (testimony of Christopher Sprigman, Professor, University of Virginia School of Law).

[67] Issac Mizrahi for Target, Karl Lagerfeld for H&M, and Mark Eisen's sportwear for Wal-Mart are just a few examples of influential designers putting their name to mass-marketed labels. *See Hearing*, *supra* note 1, at 81 (testimony of Susan Scafidi, Professor, Fordham Law School); Scafidi, *supra* note 2, at 88.

inexpensive creations of new designers.[69] Therefore, it is no longer essential for the average consumer to purchase knockoffs in order to obtain fashionable clothing.

There is also a concern that comprehensive intellectual property protection for fashion designs will decrease the amount of choices available to consumers by providing designers with a monopoly over their designs.[70] But "[c]opyists whom the law forces to innovate . . . will not simply disappear, any more than newspapers prevented by copyright law from plagiarizing competitors' articles respond by stopping the presses."[71] When American law emphasizes fashion innovation as opposed to replication, it is likely that former copyists will attempt to create their own original designs.[72] This result will not only increase creative energy in the American fashion industry but will also provide consumers with more choices.

The ultimate goal of the intellectual property system is to encourage and foster innovation;[73] however, the difficulty of competing with fast, pervasive, and cheap knockoffs stifles the creativity of emerging fashion designers.[74] The American legal system has ignored the significance of fashion as a booming industry and an important form of creative expression for far too long.

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[68] A diffusion line is a line of merchandise created by a high-end designer that retails at more moderate prices than the designer's signature line. In recent years, high-end fashion houses, such as Ralph Lauren and Giorgio Armani, have shown an interest in reaching a wider audience by experimenting with new ideas in their runway collections and then providing shoppers with affordable versions in their diffusion lines. *See* Scafidi, *supra* note 2, at 88.

[69] *See id.*

[70] *See Hearing*, *supra* note 1, at 19 (testimony of David Wolfe, Creative Director, The Doneger Group).

[71] *See* Scafidi, *supra* note 2, at 89.

[72] *See* Judith S. Roth & David Jacoby, *Copyright Protection and Fashion Design*, *in* ADVANCED SEMINAR ON COPYRIGHT LAW 2009, at 1081, 1098 (PLI Pats., Copyrights, Trademarks & Literary Prop. Course Handbook Series No. 19,103, 2009).

[73] The Constitution explicitly conditions the grant of power in the patent and copyright clause "[t]o promote the Progress of Science and useful Arts." *See* U.S. CONST. art. I, § 8, cl. 8.

[74] *See Hearing*, *supra* note 1, at 12 (testimony of Jeffrey Banks, Fashion Designer, on behalf of Council of Fashion Designers of America); COUNCIL OF FASHION DESIGNERS OF AMERICA, *supra* note 3.

II. LEGISLATION FOR FASHION DESIGNS IN THE UNITED STATES AND THE EU

While American fashion designers have been without legal protection for their designs, their European counterparts have enjoyed the advantages of such protection. This Part explores the proposed legislation for fashion designs in the United States in juxtaposition with the current legal protection available in the EU. Section A outlines the provisions of the IDPPPA. Section B then discusses the current protection available to designers in the EU.

A. *The IDPPA*

In 2006, members of the CFDA traveled to Washington, D.C., to speak with Senators about the significance of design piracy and its negative impact on the American fashion industry.[75] Their concerns prompted legislators to draft and introduce to the House of Representatives, the original fashion design legislation on March 30, 2006.[76] The Act was then introduced in both the House of Representatives and the Senate during the following Congress.[77] Revisions were made and a modified version of the Act was introduced in the House of Representatives on April 30, 2009.[78] Further tailoring was done and a new version of design legislation—the IDPPPA—was introduced in the Senate on August 5, 2010.[79] Subsequently, on December 6, 2010, aditional modifications to the IDPPPA were made and the Senate Judiciary Committee unanimously agreed to send the Act to the full Senate for a vote.[80]

The IDPPPA proposes an amendment to the Vessel Hull Design Protection Act ("VHDPA"), title 17, chapter 13 of the United States Code.[81] The VHDPA created sui generis protection

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[75] *See* COUNCIL OF FASHION DESIGNERS OF AMERICA, *supra* note 3.

[76] Representative Robert Goodlatte introduced the bill in the House, but it was stalled in committee without becoming law. *See* H.R. 5055, 109th Cong. (2006).

[77] Representative William D. Delahunt introduced it in the House on April 25, 2007. *See* H.R. 2033, 110th Cong. (2007). Subsequently, on August 2, 2007, Senator Charles Schumer introduced a mildly revised version of the Act in the Senate. *See* S. 1957, 110th Cong. (2007).

[78] *See* H.R. 2196, 111th Cong. (2009).

[79] *See* S. 3728, 111th Cong. (2010).

[80] *See id.* (as reported by S. Comm. on the Judiciary, Dec. 6, 2010).

[81] *See id.*

for original designs of watercraft hulls and decks,[82] and the IDPPPA would extend that protection to include "fashion designs."[83] A "fashion design" is defined as "the appearance as a whole of an article of apparel, including its ornamentation."[84] Additionally, a fashion design "includes original elements of the article of apparel or the original arrangement or placement of original or non-original elements as incorporated in the overall appearance of the article of apparel"[85] that result from "a designer's own creative endeavor" and "provide a unique, distinguishable, non-trivial and non-utilitarian variation over prior designs for similar types of articles."[86] The bill further provides that the term "apparel" includes "men's, women's, or children's clothing, including undergarments, outerwear, gloves, footwear, and headgear," as well as accessories such as "handbags, purses, wallets, tote bags, belts and eyeglass frames."[87]

Chapter 13 provides that protection will not extend to a design that is not original.[88] A design that is "staple or commonplace"[89] or differs from such a design "only in insignificant details" is also out of the reach of protection.[90] Further, protection does not extend to a design that is "dictated solely by a utilitarian function of the article that embodies it."[91]

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[82] *See* 17 U.S.C. § 1301 (2006 & Supp. II). The VHDA created protection for the original design of a "useful article" that is "attractive or distinctive in appearance." *Id.* § 1301(a)(1). The designs protected by the statute include "[t]he design of a vessel hull, deck, or combination of a hull and deck, including a plug or mold." *Id.* § 1301(a)(2).

[83] The IDPPPA proposes the insertion of a subsection (4), following § 1301(a)(3) of the VHDPA, which would add "fashion design" to the subject matter protected by the statute. *See* S. 3728 § 2(a) (as reported by S. Comm. on the Judiciary, Dec. 6, 2010).

[84] *Id.* This definition of "fashion design" was present in all versions of the DPPA. *See* H.R. 2196, 111th Cong. § 2(a) (2009); S. 1957, 110th Cong. § 2(a) (2007); H.R. 2033, 110th Cong. § 2(a) (2007); H.R. 5055, 109th Cong. § 1(a) (2006).

[85] S. 3728 § 2(a) (as reported Dec. 6, 2010). This definition of "fashion design" was also present in the revised version of the DPPA. *See* H.R. 2196 § 2(a).

[86] S. 3728 § 2(a) (as reported Dec. 6, 2010). This part of the definition was an addition to the IDPPPA that was not present in any version of the DPPA.

[87] *Id.* § 2(a)(9). Duffel bags and suitcases, which were included among accessories protected under the former version of the IDPPPA, were left out of the current version of the bill.

[88] *See* 17 U.S.C. § 1302(1) (2006).

[89] *Id.* § 1302(2).

[90] *Id.* § 1302(3).

[91] *Id.* § 1302(4).

The IDPPPA would amend chapter 13 to include that design protection will also be unavailable for a fashion design that is "embodied in a useful article that was made public by the designer or owner in the United States or a foreign country before the date of enactment of this chapter or more than 3 years before the date upon which protection of the design is asserted."[92] Design protection will be available even though the design includes subject matter that would otherwise be ineligible for protection "if the design is a substantial revision, adaptation, or rearrangement of such subject matter."[93] The IDPPPA would add that the "presence or absence of a particular color or colors or of a pictorial or graphic work imprinted on fabric" must not be taken into account in determining the protection of a fashion design.[94]

The IDPPPA proposes a three-year term of protection for fashion designs.[95] Chapter 13 provides that design protection shall commence on the date of publication of the registration of the design or the date the design is first made public, whichever is earlier.[96] However, the IDPPPA amends chapter 13 by adding that "[r]egistration shall not apply to fashion designs."[97] Therefore, the IDPPPA proposes that protection for a fashion design will continue for a term of three years, beginning on the date the design is first made public.[98] A fashion design is made public "when an existing useful article embodying the design is anywhere publicly exhibited, publicly distributed, or offered for sale or sold to the public by the owner of the design or with the owner's consent."[99]

Under chapter 13, the exclusive rights in a protected design are infringed by those who, without the consent of the owner of

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[92] S. 3728 § 2(b) (as reported by S. Comm. on the Judiciary, Dec. 6, 2010).

[93] 17 U.S.C. § 1303.

[94] S. 3728 § 2(c) (as reported by S. Comm. on the Judiciary, Dec. 6, 2010). The IDPPPA also stipulates that the presence of a particular color or of a pictorial or graphic must not be considered in determining infringement under 17 U.S.C. § 1309. *See id.*

[95] *See id.*

[96] *See* 17 U.S.C. § 1304.

[97] S. 3728 § 2(f) (as reported by S. Comm. on the Judiciary, Dec. 6, 2010). This is a major distinction from the DPPA, which included a registration requirement. *See* H.R. 2196, 111th Cong. § 2(b), (f) (2009); S. 1957, 110th Cong. § 2(b), (e) (2007); H.R. 2033, 110th Cong. § 2(b), (e) (2007); H.R. 5055, 109th Cong. § 1(b), (e) (2006).

[98] *See* S. 3728 § 2(d) (as reported by S. Comm. on the Judiciary, Dec. 6, 2010).

[99] 17 U.S.C. § 1310(b).

the design, "make, have made, or import, for sale or for use in trade, any infringing article"[100] or "sell or distribute for sale or for use in trade any such infringing article."[101] However, under the IDPPPA, such infringement does not attach where the infringing article was created without knowledge, "either actual or reasonably inferred from the totality of the circumstances," that a design was protected and was copied from such protected design.[102] An infringing article is defined as any article, the design of which has been copied from a protected design, "or from an image thereof," without the consent of the owner of the protected design.[103] The IDPPPA further provides that a design that is "not substantially identical in overall visual appearance to and as to the original elements of a protected design" shall not be deemed to have been copied from a protected design.[104] "Substantially identical" is defined as "an article of apparel that is so similar in appearance as to be likely to be mistaken for the protected design and contains only those differences in construction or design which are merely trivial."[105]

The IDPPPA includes several defenses and exceptions to infringement. One such exception refers to an independently created design. According to the IDPPPA, a design that "is the

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[100] *Id.* § 1309(a)(1).

[101] *Id.* § 1309(a)(2).

[102] S. 3728 § 2(e). The VHDPA provided that infringement does not attach where the infringing article was created without knowledge that a design was protected and copied from such protected design. *See* 17 U.S.C. § 1309(c). The IDPPPA would amend the VHDPA to isolate someone from infringement if he or she acts without knowledge "either actual or reasonably inferred from the totality of the circumstances." S. 3728 § 2(e) (as reported by S. Comm. on the Judiciary, Dec. 6, 2010).

[103] *See id.* The IDPPPA would add the phrase "or from an image thereof" to the definition available in 17 U.S.C. § 1309(e). *Id.*

[104] *Id.* This represents a change from the infringement standard in the DPPA. The VHDPA, H.R. 5055, and H.R. 2033 specified that a design shall not be deemed to have been copied "if it is original and not substantially similar in appearance to a protected design." 17 U.S.C. § 1309(e); H.R. 2033, 110th Cong. § 2(d) (2007); H.R. 5055, 109th Cong. § 1(d) (2006). However, the two latest versions of the DPPA, S. 1957 and H.R. 2196, specified that a design shall not be deemed to have been copied "if it is original and not closely and substantially similar in overall visual appearance to a protected design." H.R. 2196, 111th Cong. § 2(e) (2009); S. 1957, 110th Cong. § 2(d) (2007).

[105] S. 3728 § 2(e) (as reported by S. Comm. on the Judiciary, Dec. 6, 2010). The IDPPPA also provides that those differences or variations that are deemed non-trivial for the purpose of determining that a design is subject to protection shall also be deemed non-trivial for the purpose of establishing that a defendant's design is not substantially identical. *See id.*

result of independent creation" shall not be deemed to have been copied from a protected design.[106] The IDPPPA also includes a "home sewing exception," which provides that it is not an act of infringement "for a person to produce a single copy of a protected design for personal use or for the use of an immediate family member, if that copy is not offered for sale or use in trade during the period of protection."[107] Further, the IDPPPA excludes from the definition of an infringing article illustrations or pictures of a protected design in advertisements, books, periodicals, newspapers, motion pictures, or other similar mediums.[108] Moreover, the current version of the bill does not provide for secondary liability.[109] Thus, retailers and customers who inadvertently sell infringing designs are shielded from liability.

The IDPPPA amends chapter 13 to entitle the owner of a fashion design to initiate an action for infringement of the design after it is made public.[110] The IDPPPA adds a heightened pleading requirement for fashion designs.[111] A claimant in an action for infringement of a fashion design must plead with particularity facts establishing that: (1) the claimant's design is a protected fashion design within the meaning of the IDPPPA; (2) the defendant's design infringes upon the protected design; and (3) the protected design or an image thereof was available in such locations and for such duration "that it can be reasonably inferred from the totality of the surrounding facts and circumstances that the defendant saw or otherwise had

[106] *See id.* This language was also present in the latest revised version of the DPPA. *See* H.R. 2196 § 2(e). However, H.R. 2196 further specified that a design that "merely reflects a trend" also shall not be deemed to have been copied from a protected design. *Id.* A trend was defined as "a newly popular concept, idea, or principle expressed in, or as part of, a wide variety of designs of articles of apparel that create an immediate amplified demand for articles of apparel embodying that concept, idea or principle." *Id.* § 2(a). This language reflecting trends was not included in the IDPPPA.

[107] *See* S. 3728 § 2(e) (as reported by S. Comm. on the Judiciary, Dec. 6, 2010). The bill specifies that this exception shall not "be construed to permit the publication or distribution of instructions or patterns for the copying of a protected design." *Id.*

[108] *Id.*

[109] However, all previous versions of proposed design legislation included a provision providing that the doctrines of secondary liability shall apply to actions under chapter 13. *See* S. 3728 § 2(e); H.R. 2196 § 2(e); S. 1957 § 2(d); H.R. 2033 § 2(d); H.R. 5055 § 1(d).

[110] *See* S. 3728 § 2(g) (as reported by S. Comm. on the Judiciary, Dec. 6, 2010).

[111] *See id.*

knowledge of the protected design."[112] The IDPPPA further provides that in considering whether an infringement claim has been adequately pleaded the court must consider the totality of the circumstances.[113]

Under chapter 13, a claimant in an action for infringement can recover damages to compensate for the infringement.[114] As an alternative to compensatory damages, the court may award the aggrieved designer the infringer's profits resulting from the sale of the copies.[115] Further, the court may order that all infringing articles be surrendered for destruction or other disposition.[116]

B. Current Legal Protection Available in the EU

Unlike fashion designers in the United States, designers in the EU have enjoyed the benefits of design protection for several years.[117] In October 1998, the European Council adopted a European Directive ("Directive") on the Legal Protection of Designs.[118] The Directive set out standards for the eligibility and protection of registered industrial designs and urged member states to harmonize their laws in accordance with such standards.[119] A design was defined as "the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colours, shape, texture and/or materials of the product itself and/or its ornamentation."[120] Under the Directive, designs are protected if they are "novel"[121] and have "individual character."[122] The owner of the registered

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[112] *Id.*

[113] *Id.*

[114] *See* 17 U.S.C. § 1323(a) (2006). The DPPA provided that the court may increase these damages to an amount not exceeding $250,000 or $5 per copy, whichever is greater. However, this provision was not included in the IDPPPA.

[115] *See id.* § 1323(b).

[116] *See id.* § 1323(e).

[117] Unregistered Community design protection has existed since March 6, 2002 and registered Community design protection has existed since April 1, 2003. *See What Is a Community Design?*, OFFICE FOR HARMONIZATION IN THE INTERNAL MARKET, http://oami.europa.eu/ows/rw/pages/RCD/communityDesign.en.do (last visited Feb. 24, 2011).

[118] *See* Council Directive 98/71, 1998 O.J. (L 289) 28 (EC).

[119] *See id.*

[120] *Id.* art. 1(a).

[121] *Id.* art. 4.

[122] *Id.* art. 5.

design will gain exclusive rights to that design for a term of five years, renewable for a total of twenty-five years.[123]

Not long after the issuance of the Directive, the European Council adopted a Council Regulation on Community Designs.[124] This regulation applied the design protection standards of the Directive to all member states as binding law.[125] The European Council adopted the Council Regulation after concluding that differences in design laws within the EU would inevitably lead to conflicts in the course of trade between member states.[126]

The Council Regulation provides design protection to both registered and unregistered designs.[127] Therefore, there are two distinct ways to obtain protection for a design—a "registered Community design" ("RCD") and an "unregistered Community design" ("UCD").[128] The Community designs have uniform effect in the EU as a whole, making it is impossible to limit the geographic scope to specific member states.[129] The Council Regulation's definition of a "design" is unchanged from the definition set forth in the Directive.[130] A design will be protected "to the extent that it is new and has individual character."[131] A design will be considered "new if no identical design has been made available to the public."[132] If the overall impression that a particular design produces on an informed user differs from the overall impression on such a user by any publicly available design, the design will be considered to have "individual character."[133] While a RCD and an UCD share both the territorial scope of protection and the requirements for

[123] *See id.* art. 10.
[124] *See generally* Council Regulation 6/2002, 2002 O.J. (L 3) 5 (EC).
[125] *See id.*
[126] *See id.* The European Council further concluded that trade and competition within the Community were both prevented and distorted by the large number of applications, offices, procedures, laws, and combined administrative expense for the applicants. *See id.*
[127] *See id.* art. 1.
[128] *See id.*
[129] *See id.*
[130] *Id.* art. 3.
[131] *Id.* art. 4.
[132] *See id.* art. 5.
[133] *See id.* art. 6.

protection, they differ in the rights conferred and the duration of protection.[134]

A RCD is initially valid for a period of five years from the date of filing of the application and can be renewed for one or more periods of five years each, up to a maximum term of twenty-five years.[135] An applicant can market a design for up to twelve months prior to filing for a RCD without destroying its novelty.[136] The application is filed at the Office of Harmonization in the Internal Market ("OHIM"), where it is first assigned to an examiner who will oversee registration of the design application until its publication.[137] The applicant is also responsible for an application fee, which consists of both a registration and a publication fee.[138] The application will be reviewed, and if no deficiency is found, the design can be published within three months from the date of filing.[139]

The RCD grants its proprietor an exclusive right to prevent unauthorized use of the design anywhere within the EU.[140] Therefore, unlike under the IDPPPA, the holder of a valid registered design in the EU is protected against intentional copying as well as independent creation of a similar design.[141] These rights specifically cover the making, offering, marketing, importing, exporting, or use of a product in which the design is incorporated or to which it is applied or stocking such a product for those purposes.[142] An unauthorized third party who engages in any of these practices has infringed the rights of the

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[134] *See* OFFICE FOR HARMONIZATION IN THE INTERNAL MARKET, *supra* note 117 (follow "Designs" hyperlink; then follow "What is a Community design?" hyperlink; then follow "How to obtain protection" hyperlink).

[135] *See* Council Regulation 6/2002, *supra* note 124, art. 12. A request for renewal must be submitted within a period of six months ending on the last day of the month in which protection ends. *Id.* art. 13. If this deadline is missed, the request can be submitted within a further period of six months, provided that an additional fee is paid. *Id.* Renewal will take effect on the day following the date on which the existing registration expires. *Id.*

[136] *See id.* art 7.

[137] *See id.* art. 45; *How To File*¸ INNOVACCESS, http://www.innovaccess.eu/5465.html (last visited Feb. 24, 2011).

[138] *See* Council Regulation 6/2002, *supra* note 124, art. 36.

[139] *See* INNOVACCESS, *supra* note 137.

[140] *See* Council Regulation 6/2002, *supra* note 124, art. 19.

[141] *See* H.R. 2196, 111th Cong. § 2(e) (2009).

[142] *See* Council Regulation 6/2002, *supra* note 124, art. 19.

proprietor.[143] In the even of such an infringement, an aggrieved proprietor can initiate a proceeding at the Community design courts or file a request to the EU customs authorities to retain suspected counterfeit goods while under their control.[144]

The UCD protects a design for a term of three years from the date on which the design was first made available to the public within the EU.[145] A designer does not have to file an application to protect an unregistered design. Therefore, the UCD is a beneficial option for emerging designers who do not have the resources to register all of their designs. Unlike a RCD, an UCD confers a right to prevent the commercial use of the design only if the use results from copying.[146] Accordingly, infringement is not present where a second designer creates a design independently.

III. EVALUATION OF THE DPPA

American fashion has evolved from a mere imitator of the innovative designs originating in European fashion capitals to an influential leader in the global fashion industry.[147] This progression is partly because of a rise in talented new American designers who infuse the industry with a creative and exciting point of view.[148] Therefore, the most advantageous legal design protection must provide a framework that fosters and encourages the innovation of emerging designers. The IDPPPA is a significant stride towards safeguarding the growing influence of the American fashion industry against the harmful side effects of design piracy by providing legal protection for the innovative work of American fashion designers.

This Part provides an evaluation of the IDPPPA. Section A highlights the positive aspects of the Act. Section B argues that modifications to the Act are necessary to better conform the Act to the needs of the fashion industry. Finally, Section C presents and then rebuts the arguments of those opposing the Act.

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[143] *See id.*
[144] *See id.* arts. 80–81, 89.
[145] *See id.* art. 11.
[146] *See id.* art. 19.
[147] *See Hearing*, *supra* note 1 (testimony of Jeffrey Banks, Fashion Designer, on behalf of Council of Fashion Designers of America).
[148] *See id.*

A. The Positive Features of the IDPPPA

If enacted, the provisions of the IDPPPA have the potential to benefit the American fashion market. One positive provision of the Act is the inclusion of unregistered design protection.[149] The unregistered protection of the IDPPPA is a change from the registered design protection of the DPPA.[150] Although the DPPA's registered design protection was certainly constructive for established designers, it was less likely to provide valuable assistance to emerging designers. Designers that are new to the American fashion scene and have yet to develop a customer base would most likely find the formality of registering their designs to be an unbearable burden and expense.[151] To have a substantial impact on the fashion industry—specifically, on the up-and-coming designers who are the future of the American fashion market—unregistered design protection is a necessity.

The infringement standard in the IDPPPA represents a positive addition to the Act. It is well crafted to promote innovation and simultaneously maintain the growth of trends. A design will not infringe if it "is not substantially identical in overall visual appearance to and as to the original elements of a protected design" or "is the result of independent creation."[152] The original version of the DPPA simply relied on the infringement standard already established in the VHDPA, providing that infringement will not be found if the design "is original and not substantially similar in appearance to a protected design."[153] The change from "substantially similar" to "substantially identical" results in a higher standard that is compatible with the nature of the fashion industry. Fashion is about inspiration, and designers are inspired by their surroundings, including the work of other designers. Therefore,

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[149] *See* S. 3728, 111th Cong. § 2(f) (as reported by S. Comm. on the Judiciary, Dec. 6, 2010).

[150] *See* H.R. 2196, 111th Cong. § 2(b), (f) (2009); S. 1957, 110th Cong. § 2(b), (e) (2007); H.R. 2033, 110th Cong. § 2(b), (e) (2007); H.R. 5055, 109th Cong. § 1(b), (e) (2006).

[151] Research conducted in the EU revealed that lack of money and complicated procedural requirements were among the reasons why small and medium enterprises were reluctant to use available intellectual property rights. Agnieszka Turynska, *How To Make Ends Meet—Sectoral IPR Guides for SMEs*, 41 IPR HELPDESK BULLETIN 3 (2009), *available at* http://www.ipr-helpdesk.org/newsletter/41/html/EN/IPRTDarticleN10143.html#bn1.

[152] S. 3728 § 2(e) (as reported by S. Comm. on the Judiciary, Dec. 6, 2010).

[153] 17 U.S.C. § 1309(e) (2006).

the stricter standard will allow designers of independent creations enough room to be inspired without fear of infringement.

The IDPPPA provision establishing that infringement will not be found if the design "is the result of independent creation"[154] is another positive aspect of the Act. It emphasizes that the Act is meant to curtail design piracy and not the independent creativity of designers. This is unlike the RCD available in the EU, because the RCD provides its proprietor with exclusive rights to prevent unauthorized use of the design even against the independent creation of a similar design.[155] This is an unattractive aspect of the RCD because it is essentially providing patent-like protection for registered industrial designs. Patents grant exclusive monopoly rights for a limited time for novel and inventive products and processes, in exchange for public disclosure of details of the products and processes. This forced disclosure in turn promotes dissemination of information and encourages further development.[156] This justification for monopoly rights is not present with respect to fashion designs because developments in fashion, just like in other forms of artistic expression, are not dependent upon the improvement of previous designs. Therefore, the IDPPPA provision is advantageous, despite its difference from the RCD, because it emphasizes that the Act is not meant to stifle the independent creativity of fashion designers.

Another positive provision of the Act is the "home sewing exception."[157] Under this exception, individuals who produce a single copy of a protected design for personal or immediate family use are shielded from infringement liability.[158] The exception, however, does not apply where the copy is offered for sale or use in trade during the period of protection.[159] This addition to the proposed design legislation was likely inspired by the theory of fair use, which is deeply rooted in copyright law. The ultimate purpose of design legislation is to foster the innovation and creativity of individual designers. Inclusion of the "home sewing

[154] S. 3728 § 2(e) (as reported by S. Comm. on the Judiciary, Dec. 6, 2010).
[155] *See* Council Regulation 6/2002, *supra* note 124, art. 19.
[156] *See* MERGES, MENELL & LEMLEY, *supra* note 35, at 28.
[157] *See* S. 3728 § 2(e) (as reported by S. Comm. on the Judiciary, Dec. 6, 2010).
[158] *See id.*
[159] *See id.*

exception" furthers this goal by allowing individuals to experiment in the construction of fashion designs. Although the exception allows individuals to produce a copy of a protected design, it does not encourage the type of design piracy that the Act seeks to curtail because it is limited to a single copy that is not offered for sale or use in trade.

Most importantly, the IDPPPA will act as a powerful deterrent against design piracy.[160] The risk of liability will deter current copyists from attempting to profit from the creative pursuits of others and may even force them to become innovators themselves.

B. Suggested Alterations to the DPPA

The IDPPPA is a good start in developing comprehensive intellectual property protection for fashion designs. However, the Act must be tailored to perfectly fit the needs of the fashion industry. The legislation available in the EU serves as a valuable guide in formulating the ideal design protection legislation.

The IDPPPA provides for three years of protection for fashion designs,[161] commencing from the time the item is displayed publicly,[162] without the need for registration of the design.[163] In contrast, the IDPPPA's predecessor—the DPPA—provided for three years of design protection[164] for designs registered within six months after the date on which the design is first made public by the designer or owner.[165] While the addition of unregistered design protection in the IDPPPA was certainly positive, a beneficial modification to the Act would be the inclusion of both registered and unregistered design protection, where the term of protection for registered designs is longer than for unregistered designs. By providing both registered and unregistered protection, the U.S. would be following the lead of the fashion centers in the EU.

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[160] *See Hearing*, *supra* note 1, at 11 ("And retailers have told us that if the practice of fashion design piracy was illegal, they wouldn't engage in it." (testimony of Jeffrey Banks, Fashion Designer, on behalf of Council of Fashion Designers of America)).

[161] *See* S. 3728 § 2(d) (as reported by S. Comm. on the Judiciary, Dec. 6, 2010).

[162] *See id.*

[163] *See id.* § 2(f).

[164] *See* H.R. 2196, 111th Cong. § 2(d) (2009).

[165] *See id.* § 2(b).

Modeled after the most recent version of the DPPA, the term of protection for registered designs should be three years, beginning on the date of publication of registration or the date the design is first made public, whichever is earlier.[166] Although the EU provides a much longer term of protection—five-year terms renewable for a maximum of twenty-five years[167]—a three-year term of protection is reasonable in light of the seasonal nature of the fashion industry. It was selected by the drafters of the DPPA to provide designers with enough time to develop their designs in consultation with prominent editors and buyers prior to exhibiting their work to the general public, followed by a year of exclusive sales and another year to develop diffusion lines or other mass-market lines.[168] The time frame would allow original creators to place their designs on the shelves before knockoffs have overwhelmed the market. Therefore, the designers will have an opportunity to recover a return on the investments made during the design process.

With the addition of registered design protection, it would be beneficial to provide for the creation and maintenance of a searchable computerized database of fashion designs that would be available to the public free of charge. Such a database was proposed in the latest version of the DPPA.[169] The inclusion of a visual representation of all fashion designs along with the status of those designs would serve as a beneficial resource to designers and manufacturers. It would allow them the security of knowing that their own designs have not crossed the line from inspiration to plagiarism.

The IDPPPA proposes a three-year term of protection for unregistered designs.[170] A positive alteration to the Act would be to decrease this term to one year beginning from the time in which the design is first made public in the U.S. or a foreign country. This time period will provide designers with at least a full season to debut their original designs and recover the investments made during the development stages. High fashion operates in two seasons: fall/winter and spring/summer. Leading

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[166] *See id.* § 2(d).

[167] *See* Council Regulation 6/2002, *supra* note 124, art. 12.

[168] *See Hearing*, *supra* note 1, at 84 (testimony of Susan Scafidi, Professor, Fordham Law School).

[169] *See* H.R. 2196 § 2(j).

[170] *See* S. 3728 § 2(d), 111th Cong. (as reported by S. Comm. on the Judiciary, Dec. 6, 2010).

fashion firms market their designs through collections that are introduced seasonally in runway shows.[171] The fall/winter runway shows are held during successive weeks in February and March, starting in New York and followed by London, Milan, and Paris respectively.[172] The spring/summer shows are held during successive weeks in September and October, in the same cities and in the same sequence.[173] The ready-to-wear clothing will then appear in stores approximately four to six months after the runway appearances.[174] One year of protection takes into account the six-month gap between the runway debut and when the clothing reaches the consumer, providing the designer with approximately six months of exclusive sales. Therefore, the designers will be able to market their original creations—free from the harm caused by knockoffs—throughout the season in which their designs are meant to be purchased and worn by consumers. This one-year term of protection will be especially valuable for new designers who do not display their creations during fashion weeks. They will essentially have a six-month bonus of exclusive sales, since their public debut will date from when their product first arrives in stores. After the brief one-year period of protection expires, a design will enter the public domain, enabling manufacturers to use it as they please. Further, the short term of protection for unregistered designs incentivizes creators to register select designs that they believe will transcend a season and therefore benefit from the longer term of protection.

Another suggested modification to the IDPPPA involves removal of the provision establishing a heightened pleading standard. Under this provision, a claimant must plead with particularity facts establishing that: (1) the claimant's design is a protected design; (2) the defendant's design infringes upon the protected design; and (3) it can be reasonably inferred from the totality of the surrounding facts and circumstances that the defendant was aware of the protected design.[175] Although prevention of baseless lawsuits is a worthwhile goal, the heightened pleading standard is an unnecessary deterrent to

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[171] Raustiala & Sprigman, *supra* note 29, at 1693.
[172] *Id.*
[173] *Id.*
[174] *See* Wilson, *supra* note 16.
[175] *See* S. 3728 § 2(g) (as reported by S. Comm. on the Judiciary, Dec. 6, 2010).

litigation. The IDPPPA limits infringement violations to "substantially identical" copies and includes a defense for independent creation along with a "home sewing exception."[176]

This high infringement standard is a sufficient deterrent for unfounded litigation, without the need for a "plead with particularity" standard.[177]

C. *Combating Opposition to the DPPA*

Opponents of intellectual property protection for fashion designs have pointed to the effects of EU legislation to establish that such protection should not be introduced in the United States.[178] These opponents have argued that although EU law provides extensive protection for fashion designs, there has not been a significant impact on the European fashion industry.[179] Specifically, opponents emphasize that very few designers have registered their designs,[180] there has been no dramatic increase in litigation, and design piracy remains a continuing practice.[181] Therefore, they conclude that the United States should not follow

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[176] *See id.* § 2(e), (h) (as reported by S. Comm. on the Judiciary, Dec. 6, 2010).

[177] This is especially true in light of *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544 (2007), in which the Supreme Court heightened the pleading requirement for federal civil cases, requiring that a complaint present "enough facts to state a claim . . . that is plausible on its face"—not merely possible or conceivable. *Id.* at 570 (as reported by S. Comm. on the Judiciary, Dec. 6, 2010).

[178] *See Hearing*, *supra* note 1, at 86 (testimony of Christopher Sprigman, Professor, University of Virginia School of Law); Raustiala & Sprigman, *supra* note 29, at 1735–45; Anya Jenkins Ferris, Note, *Real Art Calls for Real Legislation: An Argument Against Adoption of the Design Piracy Prohibition Act*, 26 CARDOZO ARTS & ENT. L.J. 559, 585–86 (2008).

[179] *See* Raustiala & Sprigman, *supra* note 29, at 1741–42 ("If design protection were an important element of success for fashion firms competing in the European Union, we would expect to see a higher rate of registration under the EU-wide scheme . . . .").

[180] Professors Kal Raustiala and Christopher Sprigman performed a search of the EU fashion design registry for the twenty-two month period of January 1, 2004 to November 1, 2005 and uncovered only 1,631 registered designs. *See* Raustiala & Sprigman, *supra* note 29, at 1740. Consequently, they argued, "if fashion firms competing in the European Union valued design protection, the current legal system would strongly incentivize registration in the E.U. database." *Id.* at 1742.

[181] *See Hearing*, *supra* note 1, at 86 (testimony of Christopher Sprigman, Professor, University of Virginia School of Law); Raustiala & Sprigman, *supra* note 29, at 1735; Ferris, *supra* note 178, at 585.

the EU's lead by passing design legislation because it will be unutilized and may even stifle the American fashion market.[182]

Contrary to the arguments posed by these opponents, the limited use of current design legislation in the EU is not because of a failed framework but is instead the product of a lack of awareness. The EU recognizes the inconsistency between the comprehensive framework for design protection and the amount of designers that exercised their intellectual property rights.[183] While the EU has provided an excellent regime of design protection, only a limited number of companies, and even fewer small and medium enterprises ("SMEs"), have ardently used this protection to strengthen their businesses.[184] As a result of this paradox, the European Commission decided to launch an initiative to prepare practical Sectoral Intellectual Property Rights Guides for SMEs.[185] Research organized between March and June 2008 within this initiative demonstrates that SMEs are reluctant to use the available intellectual property rights primarily because of lack of sufficient information, lack of money, lack of time, or complicated procedural requirements.[186] A study comparing the use of the intellectual property system by textile firms in the Czech Republic to such use in seven other EU countries indicated that firms operating in wealthy nations, such as Germany, used the intellectual property regime far more than firms operating in the Czech Republic.[187] The study concluded that the strong gap was due to a lack of intellectual property awareness as well as deficient investment in innovation.[188] This demonstrates that the limited use of the current design framework in the EU is not the product of faulty or unnecessary

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[182] Raustiala and Sprigman argue that while design protection in the EU has not had an appreciable effect on the European fashion industry, a similar law in the United States may have a harmful effect on the industry because of the American inclination towards litigation. *See Hearing*, *supra* note 1, at 86 (testimony of Christopher Sprigman, Professor, University of Virginia School of Law); *see also* Raustiala & Sprigman, *supra* note 29, at 1743–44.

[183] *See* Roya Ghafele, *Resolving the Paradox of Innovation in Europe's Fashion Industry—The Need of a Practical Guide*, 42 IPR HELPDESK BULLETIN 2 (2009), *available at* http://www.ipr-helpdesk.org/newsletter/42/pdf/EN/N42_EN.pdf; Turynska, *supra* note 151.

[184] *See* Ghafele, *supra* note 183.

[185] *See id.*; Turynska, *supra* note 151.

[186] *See* Turynska, *supra* note 151.

[187] Jiří Vaněček, *Patenting Propensity in the Czech Republic*, 75 SCIENTOMETRICS 381, 381–82 (2008).

[188] *See id.* at 392.

legislation but is instead due to a shortage of information and funds among enterprises. The European Commission has addressed the limited use of the intellectual property regime by taking steps to promote awareness, which demonstrates tremendous confidence in the strength of the legislation.[189] Therefore, design protection in the EU should not serve as a cautionary tale against design protection but instead should be viewed as a guide in shaping, and later implementing and enforcing, design legislation in the United States.

CONCLUSION

Despite the limited intellectual property protection currently available for fashion designs, design piracy remains a serious threat to the American fashion industry. In order to combat piracy and sustain this important American industry, a comprehensive regime of design protection should be established. The IDPPPA is a great start in developing such intellectual property protection for fashion designs; however, the Act needs to be modified to better conform to the needs of the industry. In order to promote and advance the creativity of new American designers, it is advantageous to follow the lead of the EU and offer two forms of design protection for both registered and unregistered designs. Unfortunately, there are no guarantees that if such legislation is passed into law it will eradicate design piracy altogether. Nevertheless, at the very least such design protection will serve as a powerful deterrent, influencing copyists to alter their designs in order to refrain from blatant copying.

[189] The European Commission launched an initiative that called for the preparation of four guides—one per sector for textiles and clothing, leather, footwear, and furniture—for enterprises, specifically SMEs. *See* Turynska, *supra* note 151, at 4. These guides will be aimed at target countries and will subsequently be distributed and promoted in a series of awareness-raising seminars, which will take place in the target countries. *See id.*