

Fashion Design Protection and the Schumer Bill: Putting It in Perspective

The CFDA sponsored Innovative Design Protection and Piracy Prevention Act, which has been formally proposed by Senator Charles Schumer, will offer a limited, three-year term of protection to “unique and original” fashion designs if it passes. The bill is the latest in a series of ongoing attempts to offer intellectual property protection to designers in the U.S. fashion industry, which up to now enjoys little of the legal protection offered to creations in other creative fields like music, film, art, and literature. Below, we speculate on the legal and practical implications of the proposed bill.

What is the Innovative Design Protection and Piracy Prevention Act?

The Act would provide three years of protection against copying of “unique and original” fashion designs that produce a “substantially similar” product, and would only apply to designs created after the bill’s enactment.

What qualifies as “unique and original”?

In order to qualify for design protection, a design must be a nonutilitarian (i.e., does not serve a functional purpose), unique, distinguishable, and nontrivial variation over prior designs. As with patent and copyrights, it will take years of case law to fully establish the factual precedent for what constitutes a “unique, distinguishable, and nontrivial” design worthy of protection. But one thing is clear: as with patent and copyright law, there will be plenty of gray areas and thorny cases.

How does this compare to traditional copyright protection?

The Copyright Act of 1976, which applies to literary, musical, dramatic, choreographic, pictorial, and audiovisual works, originally had a term of 50 years (or 75 for corporate works). In 1998, this term was extended by 20 years, bringing copyright protection for artistic works up to 70 or 95 years. In comparison, the proposed law will only offer eligible fashion designs a three-year term of protection, which is viewed as appropriate given fashion’s dependence on planned obsolescence in order to keep customers buying new goods season after season.

However, the prerequisites needed to qualify for fashion design protection is remarkably higher than the bar needed to qualify for copyright protection. Whereas copyright, authors only need show a minimal degree of creativity to qualify for copyright protection, fashion designs under the proposed law must meet a higher standard to be eligible for protection. First, the “unique, distinguishable, and nontrivial” requirements, which are new to the realm of intellectual property protection of creative expression, are similar to the novelty requirement for inventions under patent law. Second, the proposed legislation will share with copyright law an exemption from protection for aspects of a

design that are considered “utilitarian”-- a buckle, a side-vent, or any other design function that is inextricably intertwined with its purpose. Some are concerned that because this is the same rubric that courts have relied on to block fashion design from copyright protection, there is little use to the legislation unless this test is better defined by the statute.

What is “substantially similar”?

In traditional copyright law, “substantial similarity” means whether the average lay observer would recognize the infringing work as copying from the original. That means that not every detail needs to be the same in order for a copy to be infringing. A deliberate copy that changes trivial details can still be found legally liable for infringement.

Will this discourage smaller designers with scarce legal know-how from competing with the dominant industry players?

Probably not. As with copyright law, the burden of proof in court is on the plaintiff (i.e., the person claiming infringement) to establish infringement by the defendant. Under the new law, the plaintiff is subject to a “heightened pleading standard,” requiring him to show that his design is eligible for protection, that the infringer’s design is substantially similar, and the defendant had access to his work.

If a plaintiff brings a frivolous case, there could be serious legal sanctions (including the awarding of attorney’s fees to the defendant).

Can retailers and purchasers of “knockoff” goods be sued?

Considerable concern has been generated over whether the boutiques or consumers of fashion designs determined to be “illegal” can be liable. If boutiques or consumers did so unknowingly (i.e. in good faith), then they will not be liable. However, this may present a problem for designers because clever boutiques and larger stores are likely to require that the designer make representations about originality in order to complete sales of goods to the store and to indemnify the store based upon that representation.

How likely is it that this bill will actually be passed?

The proposed bill must make its way through both houses in Congress, which could be troublesome if major, powerful retailers (many of whom rely on so-called “inspired” designs) start lobbying for its defeat. At any rate, because of a shortened congressional calendar, it’s unlikely that the bill will pass any time this year.

I’m a fashion designer. What does this mean for me?

Given the many criteria your design must satisfy before qualifying for protection, its relatively short term, the substantial litigation cost involved in proving infringement, it is unlikely that small designers will pursue large copyists unless large cash damages are at stake. On the other hand, merely having the bill in place (and the threat of valid suits) could discourage deliberate knock-offs.

If you have any further questions or are seeking legal advice, contact Hand Baldachin & Amburgey LLP at 212.956.9500 or via email at info@hballp.com.

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