

# The Supreme Court's Fashionable Case: Implications for Expanding Copyright Protection to Apparel

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Currently before the United States Supreme Court is the question: “[w]hat is the appropriate test to determine when a feature of the design of a useful article is protectable under § 101 of the Copyright Act.”<sup>1</sup> Put another way, and as formulated by the Sixth Circuit who previously decided the case, “Are cheerleading uniforms truly cheerleading uniforms without the stripes, chevrons, zigzags, and color blocks?”<sup>2</sup>

The Copyright Act protects original works of authorship fixed in any tangible medium of expression, including pictorial, graphic, and sculptural works.<sup>3</sup> The design of a useful article—“an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information”—is considered a pictorial, graphic, or sculptural work afforded copyright protection “only if, and to the extent that, such 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.”<sup>4</sup> Courts have attempted to decipher and apply this statutory language, however, the current law is murky at best.

The Sixth Circuit, like many other circuits, developed a test permitting copyright protection for components conceptually separable from the utilitarian function of clothing in *Varsity Brands, Inc. v. Star Athletica, LLC*.<sup>5</sup> If upheld by the Supreme Court, this new test could help stabilize the law and potentially offer designers more robust protection. It also, however, threatens to unearth new risks, such as limiting customer options to copyright holders.

## Background

Varsity Brands, Inc., Varsity Spirit Corporation, and Varsity Spirit Fashions & Supplies, Inc. (collectively “Varsity”) sell cheerleading uniforms, warm-ups, and accessories, and own registered copyrights for various graphic designs that appear on their products.<sup>6</sup> Varsity’s designers sketch original design concepts comprised of “original combinations, positionings, and arrangements of elements which include Vs (chevrons), lines, curves, stripes, angles, diagonals, inverted Vs, coloring, and shapes, without considering functionality or ease of producing.”<sup>7</sup> Once Varsity has selected a design for production, the design is re-created using one of four various methods used to create a cheerleading uniform.<sup>8</sup> Varsity’s customers may choose a design concept among the designs offered before selecting the shape, colors, and braiding for the uniform.<sup>9</sup> Star-Athletica, LLC (“Star”) also sells cheerleading attire and accessories that bear graphic designs.<sup>10</sup>

Varsity sued Star for copyright infringement for selling, distributing, and advertising goods bearing substantially similar designs for which Varsity has copyrights.<sup>11</sup> After the close of discovery, both parties moved for summary judgment.<sup>12</sup> Star argued that Varsity did not have a valid copyright in the designs allegedly infringed

<sup>1</sup> Brief for Petitioner, *Star Athletica, L.L.C. v. Varsity Brands, Inc.*, 2016 WL 94219 (No. 15-866).

<sup>2</sup> *Varsity Brands, Inc. v. Star Athletica, LLC*, 799 F.3d 468, 470 (6th Cir. 2015).

<sup>3</sup> 17 U.S.C. § 102(a) (2010).

<sup>4</sup> *Id.* § 101. A two-part inquiry is required to determine whether an article is protectable under these provisions: (1) whether the design is of a useful article and if so, (2) whether the design of the useful article incorporates “pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the [useful] article.” *Varsity Brands*, 799 F.3d at 481.

<sup>5</sup> 799 F.3d at 487-89.

<sup>6</sup> *Id.* at 470-71.

<sup>7</sup> *Id.* at 471.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.* at 470-71.

<sup>11</sup> *Id.* Five of Varsity’s copyrights were asserted. *Id.* at 474-75.

<sup>12</sup> *Id.* at 475.

because (1) the designs are useful articles that are not copyrightable and (2) the designs were not physically separable from the uniforms, rendering the designs ineligible for copyright protection.<sup>13</sup> Varsity moved for summary judgment arguing its designs were separable and non-functional, and therefore, the subject of valid copyrights that Star infringed.<sup>14</sup>

The district court determined that a cheerleading uniform is not a cheerleading uniform without the graphic designs, rendering Varsity's copyrights invalid under 17 U.S.C. § 101.<sup>15</sup> In essence, the aesthetic features of the uniform merged with the functional purpose.<sup>16</sup>

On appeal, the Sixth Circuit reversed the district court's judgment and entered partial summary judgment for Varsity on the issue of copyrightable designs.<sup>17</sup> Whether Varsity's designs were protectable subject matter was the only element of copyright validity in issue on appeal.<sup>18</sup> The Sixth Circuit appeal primarily focused on the separability of the graphic features of the cheerleading-uniform designs.<sup>19</sup>

Star appealed to the United States Supreme Court.<sup>20</sup>

### A Convoluted History

Copyright protection for clothing has a hazy history. Copyright law provides protection if a design incorporates "graphic, pictorial, or sculptural features" separable from the utilitarian function of the item.<sup>21</sup> Courts agree that physical separability, alone, is a test with limitations, and that conceptual separability should also be considered in applying section 101's separable requirement.<sup>22</sup> But, the Supreme Court has not addressed conceptual separability since 1954, when it granted protection to lamp statuettes by distinguishing their artistic elements from their underlying purpose to secure a lightbulb.<sup>23</sup> Lower courts have since struggled to settle on a single standard for determining conceptual separability.<sup>24</sup>

There are at least nine tests that have been proposed and used through the years.<sup>25</sup> For example, the Fifth Circuit hinges separability on the marketability of an item absent its utilitarian function (the "Likelihood-of-Marketability Approach").<sup>26</sup> Casino uniforms did not qualify for copyright protection under the Fifth Circuit test because they cannot "moonlight as a piece of marketable artwork."<sup>27</sup> The Second Circuit determines separability using a combination of tests, including whether elements of clothing could be conceptualized as existing independently, whether the design elements could be "identified as reflecting the designer's artistic judgment exercised independently of functional influences," and whether the design invokes in the viewer a concept separate from that of the clothing function.<sup>28</sup> Under this test, a Halloween costume made to look like a stuffed animal was entitled to copyright protection,<sup>29</sup> but prom dress designs using sequins, crystals, ruched satin, and layers of tulle in the skirt were not.<sup>30</sup> Other courts consider a design separable from the utilitarian function of clothing under

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *Id.* at 470-71. The district court entered summary judgment in Star's favor. *Id.* at 475.

<sup>16</sup> *Id.*

<sup>17</sup> *Id.* at 471.

<sup>18</sup> *Id.* at 476. Varsity challenged the district court's grant of summary judgment on the grounds that (1) the district court did not appropriately defer to the Copyright Office's determination of copyrightability, (2) the district court did not use the correct approach to determine whether a design is a protectable pictorial, graphic, or sculptural work that is separable from the functional aspects of the article, and (3) its designs are copyrightable because they are graphic works and not useful articles. *Id.* at 476-77.

<sup>19</sup> *Id.* at 482.

<sup>20</sup> *Star Athletica, L.L.C. v. Varsity Brand, Inc.*, No. 15-866 (U.S. 2016).

<sup>21</sup> 17 U.S.C. § 101.

<sup>22</sup> *Varsity Brands*, 799 F.3d at 483.

<sup>23</sup> *Mazer v. Stein*, 347 U.S. 201, 217 (1954).

<sup>24</sup> *Varsity Brands*, 799 F.3d at 484-87 (identifying various tests used).

<sup>25</sup> *Id.*

<sup>26</sup> *Galiano v. Harrah's Operating Co.*, 416 F.2d 411, 419 (5th Cir. 2005).

<sup>27</sup> *Id.* at 420.

<sup>28</sup> *Chosun Int'l, Inc. v. Chrisha Creations, Ltd.*, 413 F.3d 324, 325-26, 329 (2d Cir. 2005).

<sup>29</sup> *Id.*

<sup>30</sup> *Jovani Fashion, Ltd. v. Fiesta Fashions*, 500 Fed. App'x. 42, 44-45 (2d Cir. 2012) ("clothing, in addition to covering the body, serves a 'decora-

various other tests, including (1) if the artistic features overshadow practical concerns (the “Primary-Subsidiary Approach”); (2) if the artistic features are unnecessary to the performance of the utilitarian function of the article (the “Objectively Necessary Approach”); (3) if “the design creates two different concepts that are not inevitably entertained simultaneously” (the “Ordinary-Observer Approach”); (4) if the design reflects the designer’s artistic judgment exercised independently of functional influences (the “Design-Process Approach”); (5) if the functionality remains intact when the copyrightable material is removed (the “Stand-Alone Approach”); and (6) by balancing the designer’s subjective process motivated by aesthetic concern and the degree to which the design is objectively dictated by function (the “Subjective-Objective Approach”).<sup>31</sup>

### The Varsity Brands Test

In *Varsity Brands*, the Sixth Circuit, like the Second and Fourth Circuits, adopted a hybrid test that combines multiple approaches used by other courts to determine conceptual separability.<sup>32</sup> The Sixth Circuit Court used the following five questions, “grounded in the text of the Copyright Act,” to determine whether a design is copyrightable:

- (1) Is the design pictorial, graphic, or sculptural?
- (2) If yes, is the design a useful article, defined as “an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information?”
- (3) If so, what are the utilitarian aspects?
- (4) From the viewer’s perspective, can the pictorial, graphic or sculptural features be identified separately from the utilitarian aspects? If the answer is no, then the design is not copyrightable.
- (5) If the answer to question four is yes, can those features exist independently of the utilitarian aspects?<sup>33</sup>

The last two questions pertain to separability, and the Sixth Circuit recognized that the Objectively Necessary Approach, the Design-Process Approach, and the Copyright Office’s approach of assessing whether the artistic feature and the useful article could exist side by side, may all be useful in answering these last two questions.<sup>34</sup>

In applying the test to the cheerleading uniforms in issue, the Sixth Circuit determined that the designs are of graphic art, and that the designs of cheerleading uniforms and sportswear have intrinsic utilitarian function.<sup>35</sup> In answering question three, the court determined that cheerleading uniforms’ utilitarian functions include covering the body, wicking away moisture and withstanding athletic movements.<sup>36</sup> The court rejected “decorative function” as a factor, because nearly every piece of artwork, floor covering, lamp base, and fabric design would be rendered un-copyrightable under that theory, as these works all serve the purpose of decorating or making items more attractive, yet these are also all works that have been held to be protected by copyright.<sup>37</sup> Communicating the wearer’s status as “a cheerleader for a particular team” is not a permissible utilitarian function for consideration because it merely conveys information.<sup>38</sup> Under the fourth question, a blank uniform covers the body and permits cheering, jumping, kicking, and flipping, so the court held that the graphic features were separately identifiable from the utilitarian functions.<sup>39</sup> Finally, under the fifth question, the court held that arrangements of stripes,

tive function,’ so that decorative elements of clothing are generally ‘intrinsic’ to the overall function rather than separable from it”).

<sup>31</sup> See *Varsity Brands*, 799 F.3d at 484-85.

<sup>32</sup> *Id.* at 487.

<sup>33</sup> *Id.* at 487-88.

<sup>34</sup> *Id.* at 488-89. The Sixth Circuit rejected use of the Subjective-Objective Approach, and the Likelihood-of-Marketability Approach. *Id.* at 489.

<sup>35</sup> *Id.* at 489.

<sup>36</sup> *Id.* at 490.

<sup>37</sup> *Id.* at 490-91.

<sup>38</sup> *Id.*

<sup>39</sup> *Id.* at 491. The interchangeability of the uniform designs was also evidence that customers can identify differences between the graphic features of each design, and that the graphic design and blank uniform could exist side by side. *Id.*

chevrons, color blocks, and zigzags can exist independently of the uniforms.<sup>40</sup> Varsity applies the designs to other items of clothing evidencing the designs are transferrable; nothing prevents the designs from adorning a wall as art.<sup>41</sup> Varsity's graphic designs were held to be copyrightable subject matter under 17 U.S.C. § 101.<sup>42</sup>

### Implications

The issue before the Supreme Court is what the appropriate test for determining when a feature of the design of a useful article is protectable under § 101 of the Copyright Act.<sup>43</sup> The dissent in *Varsity Brands* called for "much-needed clarification," on this issue in the context of garment design, stating, "[t]he law in this area is a mess – and it has been for a long time."<sup>44</sup>

Upholding the Sixth Circuit could stabilize copyright law in the apparel industry. Outcomes would no longer oscillate by circuit. Under this test, more garment designs may qualify for protection. This could enhance the ability for fashion designers to minimize pirating.

Upholding the Sixth Circuit test also carries risks. As Justice Breyer raised during oral argument held on October 31, 2016, a ruling for Varsity could expand copyright control in the fashion industry, which already makes billions of dollars, without copyright protection. Justice Breyer appeared concerned that a ruling in favor of Varsity could permit a designer to take any dress or suit and produce a picture that looks like those articles and turn around and sue any company that uses the same dress or style. Justice Sotomayor expressed a similar anti-monopolistic concern: "[e]very university that you sell these cheerleading uniforms to, do they know that under your copyright, they are stuck with you forever?"

The Supreme Court may also set forth their own test for determining copyright protection for apparel, or adopt a test from one of the other circuits: this too may provide the much-needed clarity for designers of apparel. However, the Supreme Court did not focus any of their questioning during oral argument on the various standards used by other courts.

The Court did focus on the intent of Congress in barring "useful" aspects. A narrow or broad construction of this term will likely be outcome determinative. If clothing's utilitarian function is defined as clothing the body, then copyright protection will likely expand. If the definition is broader, such as designs that identify the wearer as a cheerleader, then copyright protection will likely be limited.

### Conclusion

The last Supreme Court case addressing conceptual separability dates back more than fifty years. Consequently, lower courts have minted various approaches. The *Varsity Brands* test could end this confusion, as could any clear guidance from the Supreme Court on the appropriate standard. A tailored approach could clarify the law and protect designs while maintaining the freedom to proliferate useful advances. A Supreme Court decision is expected in Spring 2017.

<sup>40</sup> *Id.*

<sup>41</sup> *Id.* at 491-92.

<sup>42</sup> *Id.* at 492.

<sup>43</sup> *Supra*, n.1.

<sup>44</sup> *Varsity Brands*, 799 F.3d at 496-97 (McKeague, J., dissenting).



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