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## **If It's Not Ripped, Why Sew It? An Analysis of Why Enhanced Intellectual Property Protection for Fashion Design is in Poor Taste**

Kari Heyison

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## If It's Not Ripped, Why Sew It? An Analysis of Why Enhanced Intellectual Property Protection for Fashion Design is in Poor Taste

Cover Page Footnote

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**IF IT'S NOT RIPPED, WHY SEW IT?**  
**AN ANALYSIS OF WHY ENHANCED INTELLECTUAL**  
**PROPERTY PROTECTION FOR FASHION DESIGN IS IN POOR**  
**TASTE**

*Kari Heyison\**

**I. INTRODUCTION**

Imagine for a moment that some upstart revolutionary proposed that we eliminate all intellectual property protection for fashion design. No longer could a designer secure federal copyright protection for the cut of a dress or the sleeve of a blouse. Unscrupulous mass-marketers could run off thousands of knock-off copies of any designer's evening ensemble, and flood the marketplace with cheap imitations of haute couture. In the short run, perhaps, clothing prices would come down as legitimate designers tried to meet the prices of their free-riding competitors. In the long run, though, as we know all too well, the diminution in the incentives for designing new fashions would take its toll. Designers would still wish to design, at least initially, but clothing manufacturers with no exclusive rights to rely on would be reluctant to make the investment involved in manufacturing those designs and distributing them to the public. The dynamic American fashion industry would wither, and its most ta-

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\* J.D. Candidate, 2012, Touro College, Jacob D. Fuchsberg Law Center. Special thanks to Professor Seplowitz for all of your support and guidance throughout this process. Also, to my fashion guru, best friend and mom who instilled in me a love of fashion at a young age. Thank you for your support and love throughout the years. You are my inspiration. And to Joe, you truly have made my life complete. Thank you for everything. I love you with all of my heart.

lented designers would forsake clothing design for some more remunerative calling like litigation. All of us would be forced either to wear last year's garments year in and year out, or to import our clothing from abroad.

....

Of course, we don't give copyright protection to fashions . . . . We never have.<sup>1</sup>

The goal of intellectual property law is to encourage innovation among creators by protecting the expression of their ideas and giving them property rights in what they produce.<sup>2</sup> However, what if creators are innovative without that protection? What if the industry seeking to be protected is a \$350 billion dollar industry in America alone<sup>3</sup> and has continued to rapidly grow and thrive despite the absence of protection for fashion designs? If the purpose of intellectual property protection holds no water in a given industry, should intellectual property protection be afforded? What if enhanced intellectual property protection would alternatively inhibit innovation and creativity? Should we still fight for it?

This Comment demonstrates how the current intellectual property protections which are in place in the fashion industry are more than sufficient and how increased protections will stunt the industry's growth, hurting both high and low-end designers, society, and the economy. Additionally, increased protection may eventually cause a divide in society between the upper and middle/lower social classes, the likes of which the country is not prepared to face or handle.

This Comment focuses solely on "knock-offs," which are low-cost imitations of original designs.<sup>4</sup> Knock-offs do not violate any law currently in place in the United States. In fact, some stores make their living by providing inspired or low-cost imitations of an original design to the masses who wish to fit in and be "in style," but

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<sup>1</sup> JESSICA LITMAN, DIGITAL COPYRIGHT 105-06 (2001).

<sup>2</sup> See PAUL GOLDSTEIN & R. ANTHONY REESE, COPYRIGHT, PATENT, TRADEMARK AND RELATED STATE DOCTRINES: CASES AND MATERIALS ON THE LAW OF INTELLECTUAL PROPERTY 17 (Thomson Reuters/Foundation Press 6th ed. 2008).

<sup>3</sup> Kimberly Ann Barton, *Back to the Beginning: A Revival of a 1913 Argument for Intellectual Property Protection for Fashion Design*, 35 J. CORP. L. 425, 427 (2009).

<sup>4</sup> See *Sarl Louis Feraud Int'l v. Viewfinder Inc.*, 627 F. Supp. 2d 123, 134 (S.D.N.Y. 2008).

who cannot afford the original creation.<sup>5</sup> Trademark law current protects the fashion industry against counterfeit goods.<sup>6</sup> Accordingly, this Comment does not remark on the use of counterfeit marks which, as will be discussed later, are already illegal in the United States. Counterfeiting is stealing a protected piece of property,<sup>7</sup> an act which harms the fashion industry and should be prohibited. It is not my position to decrease the protections that are currently in place, only to inhibit the enhancement of further protection.

Part II of this Comment focuses on the current so-called “limited” state of intellectual property protection in the fashion industry, proposed expansions, and why those expansions are problematic. Part III focuses on other countries’ protections of fashion designs and why those laws do little to protect the industry. Part IV depicts what the United States would look like in a world without “knock-offs.” Part V examines other industries which have not been afforded enhanced intellectual property protection and how those industries have thrived. Finally, Part VI concludes that the current state of intellectual property law in the fashion industry is sufficient to ensure the continued growth and innovation currently present within the \$350 billion dollar industry that is fashion. After all, one would not take a perfectly good shoe to a shoemaker to have it mended if it did not need mending. The result would either be (a) the same shoe or (b) an inferior version of the good shoe you originally brought in. So why are designers and their supporters attempting to fix something that is not broken? The fashion industry is a growing, thriving, multi-billion dollar industry and does not need to be fixed.

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<sup>5</sup> See generally Irene Tan, *Knock It Off, Forever 21! The Fashion Industry's Battle Against Design Piracy*, 18 J.L. & POL'Y 893, 901 (2010) (“Meanwhile, many retailers have created a profitable living ‘knocking off’ designers. For example, Forever 21, a Fortune 500 company, is considered by some as the ‘most notorious copyist retailer’ and is the target of over fifty lawsuits for copyright and trademark infringement.”).

<sup>6</sup> 18 U.S.C. § 2320(a)(1) (Supp. II 2008) (“Whoever . . . uses a counterfeit mark on or in connection with . . . goods or services . . . knowing that a counterfeit mark has been applied thereto, the use of which is likely to cause confusion, to cause mistake, or to deceive, shall . . . be fined . . . or imprisoned . . .”).

<sup>7</sup> See Brian M. Hoffstadt, *Dispossession, Intellectual Property, and the Sin of Theoretical Homogeneity*, 80 S. CAL. L. REV. 909, 958 (2007).

## II. THE CURRENT STATE OF THE LAW AND WHY THE PROPOSED ENHANCEMENT WOULD NOT WORK

The fashion “design” as a whole is unprotected in the United States under the current state of the law.<sup>8</sup> However, aspects of that design may be safeguarded under existing intellectual property protections.<sup>9</sup> Over the past hundred years, several attempts have been made to extend what was already in place to protect fashion and the design as a whole.<sup>10</sup> Unfortunately for those who are in favor of expanding protection, these attempts have been repeatedly shot down.<sup>11</sup> The design of a garment remains unprotected in copyright for one main reason: the expression of the design serves a utilitarian rather than an artistic purpose.<sup>12</sup> However, designers may utilize existing protections to protect parts of their designs, although not to the extent sought by many in the fashion community. The three main areas of protection which designers can seek refuge in are patent,<sup>13</sup> trademark (and trade dress),<sup>14</sup> and copyright.<sup>15</sup> The following section takes a brief look at the history of fashion design protection, the current protections, and why proposed enhancement will not work given the nature of the industry.

### A. History

Designers have been fighting for design protection for almost a century.<sup>16</sup> With the failure of attempts to enact federal laws to protect their designs, designers decided to take matters into their own hands and self-regulate the fashion industry from within by forming

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<sup>8</sup> Christopher A. Cotropia & James Gibson, *The Upside of Intellectual Property's Downside*, 57 UCLA L. REV. 921, 935 (2010).

<sup>9</sup> Barton, *supra* note 3, at 431.

<sup>10</sup> See generally *id.* at 429 (noting that the Fashion Originators' Guild of America (FOGA) who attempted to form “alliances with retailers who agreed not to sell copied designs” were stopped by the Supreme Court; and the “Federal Trade Commission (FTC) abolished the Millinery Creators' Guild,” another organization who lobbied for design protection without offering the designers any relief for their designs being copied).

<sup>11</sup> See *id.*

<sup>12</sup> See 17 U.S.C. § 1302(4) (1999); Kristin L. Black, *Crimes of Fashion: Is Imitation Truly the Sincerest Form of Flattery?*, 19 KAN. J.L. & PUB. POL'Y 505, 507 (2010).

<sup>13</sup> 35 U.S.C. § 171 (2006).

<sup>14</sup> 15 U.S.C. § 1112 (2006).

<sup>15</sup> 17 U.S.C. § 1301 (2006).

<sup>16</sup> See Barton, *supra* note 3, at 429.

the Fashion Originator's Guild of America ("The Guild").<sup>17</sup> In 1932, fifteen designers formed a coalition which registered its members' fashion designs and formed agreements "with retailers who agreed not to sell ['knock-off' or] copied designs" that were registered.<sup>18</sup> The Guild's efforts were stopped when the Supreme Court found that the Guild was engaging in behavior which limited competition and violated the Sherman Antitrust Act.<sup>19</sup> With the Guild's efforts halted, the industry was once again subject to design piracy with no federal laws to prevent such conduct. Almost one hundred years later, although some aspects of designs may be protected, the industry is criticized by designers for remaining largely unprotected when it comes to fashion design as a whole.<sup>20</sup>

## B. Patent

The purpose of a patent is to provide to a creator an incentive to create by offering the possibility of a reward.<sup>21</sup> A patent can be used to protect "any useful art, manufacture, engine, machine, or device, or any improvement therein not before known or used."<sup>22</sup> Patent law imposes the strictest requirements for the creator and, as such, is the hardest type of protection to obtain.<sup>23</sup> To acquire a patent, the invention/design must meet three requirements: (1) non-

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

<sup>18</sup> *Id.*

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

[A]n intent to increase prices is not an ever-present essential of conduct amounting to a violation of the policy of the Sherman and Clayton Acts; a monopoly contrary to their policies can exist even though a combination may temporarily or even permanently reduce the price of the articles manufactured or sold. For as this Court has said, "Trade or commerce under those circumstances may nevertheless be badly and unfortunately restrained by driving out of business the small dealers and worthy men whose lives have been spent therein, and who might be unable to readjust themselves to their altered surroundings. Mere reduction in the price of the commodity dealt in might be dearly paid for by the ruin of such a class and the absorption of control over one commodity by an allpowerful combination of capital."

Fashion Originators' Guild of Am. v. Fed. Trade Comm'n, 312 U.S. 457, 467 (1941).

<sup>20</sup> See Dan Hunter, *Fashion Designers Still Patiently Awaiting the Passage of the IDPPPA*, New York Law School (June 15, 2011), <http://www.caseclothesed.com/fashion-designers-still-patiently-awaiting-the-passage-of-the-idpppa/>.

<sup>21</sup> GOLDSTEIN & REESE, *supra* note 2, at 25.

<sup>22</sup> *Bilski v. Kappos*, 130 S. Ct. 3218, 3242 (2010).

<sup>23</sup> *Barton*, *supra* note 3, at 431-32.

obviousness, (2) novelty, and (3) utility.<sup>24</sup> There are two types of patents: utility and design.<sup>25</sup> Utility patents protect the functional aspects of an article while design patents protect the overall look.<sup>26</sup> In the fashion industry, a design patent is what the designer seeks. To obtain a design patent, the designer must show “novelty, non [-] obviousness, ornamentality, and non-functionality.”<sup>27</sup> This is where the designer runs into a problem. First, an article of clothing is inherently functional; it serves the purpose of covering the body, and while aspects of that article such as a peculiar color which serves no functional purpose or an ornamental embellishment on a sleeve may be able to obtain a design patent, the design as a whole cannot.<sup>28</sup> Moreover, to construct a design which is non-obvious is next to impossible given the nature of the fashion industry. What has not already been created? One would have to create a completely new type of clothing; and unless the public is in the market for a fingernail warmer, one can imagine how difficult that would be.

Additionally, the process of obtaining a patent is extremely lengthy, not to mention expensive.<sup>29</sup> On average, it takes the Patent and Trademark Office (“PTO”) over two years to review each application, and almost a quarter of the applications are rejected.<sup>30</sup> Given the nature of the fashion industry’s “here today, gone tomorrow” mentality, a trend or style can come and go long before the PTO

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<sup>24</sup> Julie P. Tsai, *Fashion Protection: A Note on the Protection of Fashion Design in the United States*, 9 LEWIS & CLARK L. REV. 447, 455 (2005).

<sup>25</sup> Tsai, *supra* note 24, at 455.

<sup>26</sup> *Id.*

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

<sup>28</sup> See, e.g., Black, *supra* note 12, at 507 (“In [a] heated ski jacket example . . . a design patent could be obtained to protect any separate, ornamental, non-functional (non-heating) aspects of the jacket such as a decorative rosette on the collar, but the overall design of a jacket shape could not be the subject of a design patent because that shape is dictated by its function.”).

<sup>29</sup> Tsai, *supra* note 24, at 457-58.

[T]he high costs of obtaining design patents would make it difficult for an individual designer or small business to acquire protection for its entire collection. The designer would necessarily require the assistance of a patent lawyer during the long process of searching the prior art in addition to the fees required by the United States Patent and Trademark Office (USPTO). The filing fee for a design patent application is currently \$310 and if the patent is issued there is an additional fee of \$430 for each design patent issued. Further, in 2003, attorneys charged a median fee of \$1,100 per design patent application for preparing and filing the patent.

*Id.* at 457.

<sup>30</sup> *Id.*



renders a decision on the application.<sup>31</sup> Moreover, patent protection would only be an option to protect established fashion designers or fashion houses because of the extreme expense which arises from obtaining a patent.<sup>32</sup> If a designer could manage to overcome the enormously high burden of proving that his or her collection is novel, non-obvious and non-functional, after attorneys' fees, a designer could end up paying over \$20,000 to protect any given collection.<sup>33</sup>

Finally, a design patent protects a design for fourteen years.<sup>34</sup> This amount of protection is absurd given the fast moving pace of the industry. This means that no designers are able to take advantage of another designer's creation for over a decade, and by that time, the design will likely be essentially useless to the copying designer. Protecting a design for this excessive amount of time would create a monopoly over a fashion design, limiting competition and in turn hurting consumers and retailers alike. The purpose of a patent is to incentivize creativity and to increase innovation.<sup>35</sup> Protecting fashion design through patent has the opposite effect and decreases innovation among designers by forcing them to wait an unwarranted and unprecedented amount of time to take advantage of new and innovative designs. If a designer could even pass the threshold required to obtain a design patent, such an occurrence would cause tremendous harm in the industry by stifling creativity in other designers -- and it would stifle it for fourteen years.

While patent protection for fashion design is available, it is next to impossible to attain and is unrealistic given the cost and length of the process as well as the devastating effects it would cause if it was widely used. Nevertheless, for truly novel and original artistic creations, it is an available tool that the designers can utilize to protect their designs.

### C. Trademark and Trade Dress

Arguably, the most useful protection available to designers is that offered under trademark and trade dress law. A trademark refers

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<sup>31</sup> See *id.* at 457-58.

<sup>32</sup> See *id.* at 457.

<sup>33</sup> Tsai, *supra* note 24, at 457 ("[I]t would cost a designer with . . . [ten] articles of clothing in her collection nearly \$20,000 to apply for and obtain protection for her collection, including attorney fees.").

<sup>34</sup> *Id.*

<sup>35</sup> See Goldstein and Reese, *supra* note 2, at 17.

to:

any word, name, symbol, or device . . . used by a person, or . . . which a person has a bona fide intention to use in commerce and applies to register . . . to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.<sup>36</sup>

The mark must be distinctive.<sup>37</sup> That is, a mark must be “(1) inherently distinctive or (2) have obtained distinctiveness by way of acquiring a secondary meaning.”<sup>38</sup> This type of protection prohibits other designers from creating counterfeit goods. When a designer affixes a trademark upon the article or design, his or her design is thereby protected against infringers who try to pass off their articles as those of the originator. Imagine the following: Nike, a famous athletic apparel company, creates a black t-shirt and affixes its trademarked logo, the famous Nike Swoosh, on the shirt. This shirt is protected because the logo on the shirt is protected.<sup>39</sup> When Company B comes along and creates a black t-shirt, he or she is precluded from creating consumer confusion by affixing a substantially similar mark on the black t-shirt. Nike is protected and Company B can still flourish creating black t-shirts even though Nike came out with the black t-shirt idea first. This type of protection is more than adequate for the fashion industry. Those who are in the market for and wish to buy the name brand for prestige and recognition will buy the Nike shirt, but those who cannot afford a black Nike t-shirt and do not feel so inclined to have the name brand can still have access to Company B’s design at a lower cost. This practice stimulates the economy and allows for innovation and creativity to flourish in the industry.<sup>40</sup> The creator (Nike) reaps the benefits of its design, and the public can easily identify which design is the original and which design is simply an inspired imitation. Then, consumers can make their decision on

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<sup>36</sup> 15 U.S.C. § 1127 (2006).

<sup>37</sup> Lisa J. Hedrick, *Tearing Fashion Design Protection Apart at the Seams*, 65 WASH. & LEE L. REV. 215, 225 (2008).

<sup>38</sup> *Id.* at 225.

<sup>39</sup> See 15 U.S.C. § 1127.

<sup>40</sup> See *Bi-Rite Enterprises, Inc. v. Button Master*, 555 F. Supp. 1188, 1194 (S.D.N.Y. 1983) (“Congress sanctioned . . . monopoly power to reward and encourage originality and creativity in otherwise competitive markets.”).

which shirt to buy based on their needs and means. All the designer needs to do to assert trademark protection is register its trademark.<sup>41</sup>

Not only is a designer protected from other designers using an exact trademark, but a designer who registers a trademark is further protected from another designer's using a similar mark which may cause a likelihood of consumer confusion. In *McGregor-Doniger Inc. v. Drizzle Inc.*,<sup>42</sup> the United States Court of Appeals for the Second Circuit held that Drizzle Inc. could produce a raincoat affixed with the logo "Drizzle" even though McGregor had already produced and registered the mark "Drizzler" for a golf jacket because no likelihood of confusion existed.<sup>43</sup> This case provides for the occasion, however, that when consumer confusion is likely, a cause of action will exist for the original designer.<sup>44</sup> In making the determination as to whether consumer confusion will likely exist, the *McGregor-Doniger* court applied the following criteria known as the "Polaroid Factors": distinctiveness of the mark, similarity of the marks, product proximity, quality of defendant's product, likelihood of the plaintiff's entry into the defendant's market, evidence of actual confusion, the defendant's good faith, and the sophistication of the buyers.<sup>45</sup>

Trademark provides a great deal of protection for certain types of designs when there is a logo affixed to them and protects the designers from others using the logo or anything substantially similar that would lead to a consumer being confused. However, many designers believe that trademark protection is inadequate to protect the design as a whole.<sup>46</sup>

While trademark refers to a symbol or a name affixed to the article, trade dress offers protection to the overall look and feel of a non-functional product.<sup>47</sup> Moreover it protects the consumer's perception of the product. This includes the protection of features "such as size, shape, color or color combinations, texture, graphics, or even particular sales techniques."<sup>48</sup> In *Wal-Mart Stores, Inc. v. Samara*

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<sup>41</sup> Thaddeus Davids Co. v. Davids, 233 U.S. 461, 468 (1914).

<sup>42</sup> 599 F.2d 1126 (2d Cir. 1979), *superseded by rule*, FED. R. CIV. P. 52(a).

<sup>43</sup> *Id.* at 1139.

<sup>44</sup> *Id.*

<sup>45</sup> *Id.* at 1130 (citing *Polaroid Corp. v. Polarad Elec. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961)).

<sup>46</sup> See, e.g., Hunter, *supra* note 20.

<sup>47</sup> *Taco Cabana Int'l, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113, 1118 (5th Cir. 1991), *aff'd sub nom., Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992).

<sup>48</sup> *Two Pesos*, 505 U.S. at 765 n.1 (quoting *John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 980 (11th Cir. 1981)).

*Brothers, Inc.*,<sup>49</sup> the Supreme Court explicitly stated that this type of safeguard protects designs which are non-functional and have acquired a secondary meaning<sup>50</sup> and also unregistered marks which have acquired secondary meaning when they are so closely associated with the product that consumer confusion is likely to occur.<sup>51</sup> In *Wal-Mart*, Samara Brothers sued Wal-Mart for trade dress infringement under section 43(a) of the Lanham Act, alleging that Wal-Mart “knocked-off” Samara Brothers’ design when it created and sold, at a significantly lower price, a line of children’s clothing which consisted of one-piece seer-sucker outfits adorned with appliqués of flowers, fruits, and hearts.<sup>52</sup> The Supreme Court reversed the lower court’s decision and held that Samara Brothers could only prevail upon a showing that its seer-sucker design had established a secondary meaning, which means that “ ‘in the minds of the public, the primary significance of a mark [or design] is to identify the source of the product rather than the product itself.’ ”<sup>53</sup>

Trade dress will be protected only when the “size, shape, color or color combinations, texture, graphics, or even particular sales techniques”<sup>54</sup> identifies a source and not just the product itself.<sup>55</sup> A designer who meets the requirements can sue for infringement under 15 U.S.C. § 1125(a), which provides a civil cause of action for designers against “[a]ny person who, on or in connection with any goods . . . uses in commerce any word, term, name, symbol, or device, or any combination thereof” that is likely to cause consumer confusion as to the source.<sup>56</sup> Trade dress has been criticized as not providing sufficient protection for designers;<sup>57</sup> however it is precisely the type of protection which designers seek: protection of the whole

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<sup>49</sup> 529 U.S. 205 (2000).

<sup>50</sup> *Id.* at 216.

<sup>51</sup> *Id.* at 215; Kevin V. Tu, *Counterfeit Fashion: The Interplay Between Copyright and Trademark Law in Original Fashion Designs and Designer Knockoffs*, 18 TEX. INTELL. PROP. L.J. 419, 433 (2010).

<sup>52</sup> *Wal-Mart*, 529 U.S. at 207-08.

<sup>53</sup> *Id.* at 211 (quoting *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 n.11 (1982)).

<sup>54</sup> *John H. Harland Co.*, 711 F.2d at 980.

<sup>55</sup> See generally *Two Pesos*, 505 U.S. at 765 (noting that “[t]he ‘trade dress’ of a product is essentially its total image and overall appearance” of the brand and not simply the product itself (quoting *Blue Bell Bio-Med. v. Cin-Bad, Inc.*, 864 F.2d 1253, 1256 (5th Cir. 1989))).

<sup>56</sup> 15 U.S.C. § 1125(a)(1) (2006).

<sup>57</sup> See generally George Likourezos, *When Trade Dress Protection May Not Be Enough: Two Recent Case Studies*, 80 J. PAT. & TRADEMARK OFF. SOC’Y 439 (1998).

design—its look and its feel. True, the burden of acquiring secondary meaning is a lofty one; however with proper advertising and innovation, it is far from unattainable.<sup>58</sup>

In view of the fact that trademark law offers the most protection to designers and because it offers protection for the overall design so long as it has acquired a secondary meaning, several recent attempts to expand these protections have occurred.<sup>59</sup> Because no protection has been afforded in copyright for the overall design, designers have become creative in an attempt to further protect their designs by expanding trademark or trade dress law.

In a recent law review article, *The New Black: Trademark Protection for Color Marks in the Fashion Industry*,<sup>60</sup> Sunila Streepada suggests that trademark law could be expanded to color marks.<sup>61</sup> Color marks may be able to offer a design trade dress or trademark protection if they are effectively advertised, marketed, and in turn acquire secondary meaning.<sup>62</sup> In *Qualitex Co. v. Jacobson Products Co., Inc.*,<sup>63</sup> the Supreme Court held that a color could be registered as a trademark so long as it has acquired a secondary meaning, identifies and distinguishes the brand, and is not used for a functional purpose.<sup>64</sup> In the above case, the Court allowed Qualitex to register a special shade of green-gold for its dry cleaning press pads.<sup>65</sup> However, to allow companies to assert trademark protection by registering a

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<sup>58</sup> Examples of designers who have acquired trade dress protection through acquisition of secondary meaning by effective advertising and reputation are Tiffany and Co., for its teal blue box and white ribbon, and Christian Louboutin, for its distinctive and innovative red soled shoe:

Christian Louboutin, shoemaker to the stars, uses a signature red-colored sole to distinguish its products. Louboutin was recently successful in proving the acquired distinctiveness of its red soles and securing a U.S. registration for its red sole trademark . . . Even prior to that, Louboutin was enforcing its rights in red-soled shoes against others using a similar design [through trade dress protection].

Michelle Mancino Marsh, et al., *Footwear IP Protection and Litigation on the Rise*, KENYON (Feb. 1, 2009), <http://www.kenyon.com/newspublications/publications/2009/02-01.aspx>. But see *Christian Louboutin S.A. v. Yves Saint Laurent Am., Inc.*, 778 F. Supp. 2d 445 (S.D.N.Y. 2011).

<sup>59</sup> See Barton, *supra* note 3, at 429.

<sup>60</sup> Sunila Streepada, *The New Black: Trademark Protection for Color Marks in the Fashion Industry*, 19 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1131 (2009).

<sup>61</sup> *Id.* at 1133.

<sup>62</sup> *Wal-Mart*, 529 U.S. at 211; Marsh, *supra* note 58.

<sup>63</sup> 514 U.S. 159 (1995).

<sup>64</sup> *Id.* at 161.

<sup>65</sup> *Id.*

particular color will, with certainty, eventually prove detrimental to the industry, creating monopolies over colors that are an absolute necessity and a functional component of a design. We may have an influx of designers asserting that a color is theirs, going out and registering that color, and thereby exhausting the available colors that designers can use.<sup>66</sup> Additionally, given the nature of the fashion industry, associating one's brand with one color may not be practical due to designers' changing colors seasonally to keep up in the industry.<sup>67</sup>

This type of protection is available now for fashion designers to protect an aspect of their design (the color).<sup>68</sup> Eventually, however, if designers keep registering colors as trademarks the functionality doctrine will bar this available option because with a lack of colors to choose from, the color will move from a distinguishing mark to a necessary element which proves functional.<sup>69</sup> The Supreme Court's discussion of the "color depletion theory"<sup>70</sup> may justify the registering of color as a trademark for some industries where color is not a functional aspect, but merely a distinguishing mark. However, in the fashion context, it would prove to be unfavorable. The Supreme Court's discussion in *Qualitex* is inadequate when applied to the fashion industry. Trademarking colors in the fashion industry would "significantly hinder competition"<sup>71</sup> in an industry where color is a fundamental and functional feature.

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<sup>66</sup> See Streepada, *supra* note 60, at 1141.

However, colors used in fashion designs are often considered seasonal--earth tones for fall, jewel tones for holidays, pastels for spring and whites for summer. As a result, there are limited colors that consumers identify with all seasons. The colors used as marks may be limited to those colors to blend with the consumer's seasonal wardrobe, as well as the designer's seasonal collection. If a designer varied the color according to the season to be compatible with the seasonal palette, no color would become identified with the brand to provide the distinctiveness sought by the designer.

*Id.* at 1156.

<sup>67</sup> *Id.*

<sup>68</sup> See generally *id.*

<sup>69</sup> *Qualitex*, 514 U.S. at 169 ("The functionality doctrine, as we have said, forbids the use of a product's feature as a trademark where doing so will put a competitor at a significant disadvantage because the feature is 'essential to the use or purpose of the article' or 'affects [its] cost or quality.' " (quoting *Inwood Labs.*, 456 U.S. at 850 n.10)).

<sup>70</sup> *Id.* at 169-70.

<sup>71</sup> *Id.* at 170.

#### D. Copyright

Fashion designers have been trying for years to obtain copyright protection for their designs to no avail.<sup>72</sup> Copyright protection would “offer[ ] the most protection,” but currently “is extremely limited.”<sup>73</sup> Section 102 of the Copyright Act<sup>74</sup> provides that copyright protection extends to “original works of authorship fixed in any tangible medium.”<sup>75</sup> The problem for designers arises because this type of protection does not extend to “useful articles,”<sup>76</sup> a category which encompasses clothing designs.<sup>77</sup> Because clothing articles are inherently “functional” and serve the utilitarian purpose of covering the body, it is extremely difficult for designers to seek refuge in copyright protection because the hurdle they must jump through to prove that their design is “non-functional” is exceedingly high. Currently, the only way designers can acquire copyright protection for their design is to use the “separability test” which developed from *Mazer v. Stein*.<sup>78</sup> In *Mazer*, the Supreme Court extended copyright protection for designs when the “non-functional” aspect of the design could be separated from the “functional” aspect and as such allowed the designer of a lamp to copyright the statuette, which formed the base of an inherently functional lamp.<sup>79</sup> After this case was decided, Congress enacted the “separability test” which has allowed for the copyright of “‘pictorial, graphic, or sculptural’ features of a design . . . [provided that] those features are physically or conceptually separable from the useful features of the product.”<sup>80</sup> Despite the fact that designers can use the separability test to copyright a “non-functional” aspect of their design, the design as a whole remains largely unprotected. This need for designs to be protected has recently resulted in many failed attempts to extend copyright protection to fashion design

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<sup>72</sup> See Barton, *supra* note 3, at 429.

<sup>73</sup> Biana Borukhovich, Comment, *Fashion Design: The Work of Art that is Still Unrecognized in the United States*, 9 WAKE FOREST INTELL. PROP. L.J. 155, 164 (2009).

<sup>74</sup> 17 U.S.C. § 102(a) (2006).

<sup>75</sup> *Id.*

<sup>76</sup> *Id.* § 101.

<sup>77</sup> *Mattel, Inc. v. MGA Entm't, Inc.*, 616 F.3d 904, 916 n.12 (2010) (“Human clothing is considered utilitarian and unprotectable.”).

<sup>78</sup> 347 U.S. 201 (1954).

<sup>79</sup> *Id.* at 217-19.

<sup>80</sup> Laura C. Marshall, *Catwalk Copycats: Why Congress Should Adopt a Modified Version of the Design Piracy Prohibition Act*, 14 J. INTELL. PROP. L. 305, 315 (2007) (quoting *Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989, 993 (2d Cir. 1980)).

as a whole.<sup>81</sup>

### E. The Innovative Design Protection and Piracy Prevention Act

The most recent effort to copyright fashion design was introduced by Senator Charles Schumer.<sup>82</sup> The bill is artfully entitled the “Innovative Design Protection and Piracy Prevention Act” (“IDPPPA” or “The Act”).<sup>83</sup> This new bill is derived from a long line of failed Design Piracy Prohibition Acts (“DPPA”) with slight alterations.<sup>84</sup> The main difference between the older versions of the DPPA and the newer version, the IDPPPA, is that the IDPPPA would protect only non-functional “‘unique’ designs” which are classified as those which are “truly new and distinguishable.”<sup>85</sup> Additionally, the Act provides that “only ‘substantially identical’ copies would be” subject to infringement actions.<sup>86</sup> A design is considered “substantially identical” when the article of apparel 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.”<sup>87</sup> Moreover, some minor modifications exist such as: home sewers being free to make knock-offs for their own personal use; the plaintiff having the burden of proving the necessary elements; and elimination of the requirement to register the designs with the copyright office.<sup>88</sup> Aside from the difficulties in passing a bill such as the IDPPPA, the effects on the industry and on the economy

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<sup>81</sup> See Barton, *supra* note 3, at 429.

<sup>82</sup> Louis S. Ederer & Maxwell Preston, *The Innovative Design Protection and Piracy Prevention Act: Fashion Industry Friend or Faux?* (Aug. 28, 2010), <http://www.lexisnexis.com/community/copyright-trademarklaw/blogs/fashionindustrylaw/archive/2010/08/25/the-innovative-design-protection-and-piracy-prevention-act-fashion-industry-friend-or-faux.aspx>.

<sup>83</sup> Kal Raustiala & Christopher Sprigman, *Why Imitation is the Sincerest Form of Fashion*, N.Y. TIMES, Aug. 13, 2010, at A23; S. 3728, 111th Cong. (2d Sess. 2010) (reintroduced to Congress on July 13, 2011, as H.R. 2511, 112th Cong. (1st Sess. 2011)).

<sup>84</sup> See generally Barton, *supra* note 3, at 427.

<sup>85</sup> Raustiala & Sprigman, *Why Imitation is the Sincerest Form of Fashion*, *supra* note 83.

<sup>86</sup> *Id.*

<sup>87</sup> S. 3728, 111th Cong. (2d Sess. 2010). Non-trivial differences are to be considered in determining if a defendant’s design is not substantially identical to an original design. *Id.*

<sup>88</sup> Staci Riordan, *Breaking News: New Design Piracy Bill Introduced Into Senate*, FASHION LAW BLOG (Aug. 6, 2010), <http://fashionlaw.foxrothschild.com/2010/08/articles/design-piracy-prohibition-act/breaking-news-new-design-piracy-bill-introduced-into-senate/>.



would be devastating.<sup>89</sup> The multitude of problems presented by this bill will prevent the accomplishment of its goals should it be enacted.

First, the stringent standard that the IDPPPA requires for uniqueness of a design is too difficult for a plaintiff to successfully plead because what design is truly unique (that is, truly new and distinguishable)?<sup>90</sup> Further, to leave the interpretation of when a fashion design is unique in the hands of a judge who is learned in the law, but not so in fashion design, is dangerous to say the least.<sup>91</sup> Additionally, if a design is able to pass the high threshold of constituting a truly unique design, protection should already be available for it through a design patent.<sup>92</sup> Furthermore, because this bill requires no registration, designers and retailers alike could be held liable for infringing upon a design of which they had no notice even existed.<sup>93</sup> Lastly, the definition of “substantially identical” as “an article of apparel . . . which is so similar in appearance as to likely be mistaken for the protected designs,” (which other designers have no notice of), “and contains only those differences in construction or designing which are merely trivial”<sup>94</sup> is so vague and unclear that it would be almost impossible for a plaintiff to prove it and for a judge to interpret it to afford meaningful protection.

Staci Riordan of Fox Rothschild LLP foresees that the enactment of the IDPPPA will do nothing more than create frivolous lawsuits by designers, which will in turn increase the already high prices that the consumer must pay for apparel. Even designers who bring non-frivolous cases will not prevail because the threshold they must overcome is too high.<sup>95</sup> Further, she puts it best when she states, “[a]s a practicing fashion lawyer, litigator, former [Chief Operating Officer] of apparel companies and the fourth generation of my family to work in fashion, law professors and politicians with no hands-on fashion industry experience should not be allowed to ‘fix’ something that they have no practical knowledge of.”<sup>96</sup>

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<sup>89</sup> See *id.*; see *infra*, Part IV.

<sup>90</sup> See Riordan, *supra* note 88.

<sup>91</sup> See *id.*

<sup>92</sup> See *id.*

<sup>93</sup> See *id.*

<sup>94</sup> *Id.* (referring to the plain language of the Bill).

<sup>95</sup> Riordan, *supra* note 88.

<sup>96</sup> *Id.*

### III. OTHER COUNTRIES: A LOOK AT WHY THE PROTECTIONS IN PLACE ARE LESS THAN FASHIONABLE

The United States is often criticized for being one of the only industrialized countries that does not afford adequate intellectual property protection to its designers.<sup>97</sup> Therefore, it is important to look at the countries which do afford intellectual property protection to their designers and determine whether those protections effectively circumvent design “piracy” practices.<sup>98</sup> This discussion must include an examination of intellectual property protections provided to fashion designs by the European Union’s Community Design System and Japan.

#### A. The European Union’s Community Design System

The European Union protects fashion design under what is known as the Community Design System (“CDS”).<sup>99</sup> Under this system, a design is defined as “[t]he outward appearance of a product or part of it, resulting from the lines, contours, colours, shape, texture, materials, and/or its ornamentation.”<sup>100</sup> Like the IDPPPA, the CDS requires a showing of “novelty” and “individual character” for protection.<sup>101</sup> However, the standard appears to be more like an originality standard than a novelty one.<sup>102</sup> Similar to the IDPPPA, under the CDS, registration of the design is not required; however, if a designer chooses not to register a design, it is only protected for three years compared to the maximum of twenty-five years of protection afforded to registered designs.<sup>103</sup> Once registered, the CDS gives the designer “exclusive use of the design and ability to prevent unauthorized parties from using the design.”<sup>104</sup> All things considered, it appears as though the IDPPPA aspires to emulate the CDS with minor

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<sup>97</sup> See Hedrick, *supra* note 37, at 216-20.

<sup>98</sup> See *infra*, Part III, Section A.

<sup>99</sup> See Hedrick, *supra* note 37, at 248-52.

<sup>100</sup> *Id.* at 248; see Office for Harmonization in the Internal Market, *General Question: Question 1.1*, OAMI, <http://oami.europa.eu/ows/rw/pages/RCD/FAQ/RCD1.en.do#100> (last visited Apr. 1, 2011) [hereinafter FAQs on the Community Design].

<sup>101</sup> Hedrick, *supra* note 37, at 248.

<sup>102</sup> *Id.* at 249 (“No other ‘identical design’ is available to the public at the time of registration or when the article is made public.”).

<sup>103</sup> *Id.* at 249.

<sup>104</sup> *Id.* at 249-50 (noting that unregistered designs only receive these rights if they were copied).

differences.<sup>105</sup> Interestingly enough, while the IDPPPA aspires to emulate the provisions of the CDS, it presumably does not seek to reach the same outcome. This is because, under the CDS, designs are still frequently copied.<sup>106</sup>

In their law review article entitled “The Piracy Paradox,” authors Kal Raustiala and Christopher Sprigman demonstrate how, despite the intellectual property protections available in Europe, “knocking-off” designs still occurs with fervor.<sup>107</sup> They note that “two of the major fashion copyists—H&M and Zara—are European firms that expanded to North America only after substantial success at home.”<sup>108</sup> Furthermore, these companies have been successfully sued for infringements less than a handful of times.<sup>109</sup> As such, these authors conclude that “if expanded design protection were helpful to designers in Europe, [they] would expect to see the existing law used and many more infringement suits brought” against companies such as H&M and Zara.<sup>110</sup>

Additionally, a look at the practice of registering copyrightable designs in Europe shows that nearly identical designs are able to be registered.<sup>111</sup> If the threshold for registration of these nearly identical designs is so low, “then the protection conferred is virtually meaningless.”<sup>112</sup> It seems as though “everything short of an exact replication of an existing design would be a new design and thus legal.”<sup>113</sup> What is the purpose of an intellectual property protection scheme for fashion designs, which in practice does not afford protection? The CDS of the European Union shows that there is no purpose. Implementing a senseless intellectual property scheme in a country as litigious as the United States would be a disastrous waste of time, money, and resources. This is a task that our already overburdened court system is not prepared to deal with.

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<sup>105</sup> See, e.g., *id.* at 250-52 (noting that the IDPPPA provides three years protection for registered or unregistered designs; registration time period requirements differ; and the CDS declines to protect designs which “are against public policy or morality,” while the IDPPPA does not).

<sup>106</sup> See Kal Raustiala & Christopher Sprigman, *The Piracy Paradox: Innovation and Intellectual Property in Fashion Design*, 92 VA. L. REV. 1687, 1737 (2006).

<sup>107</sup> *Id.*

<sup>108</sup> *Id.*

<sup>109</sup> *Id.* at 1740 (referring to “the paucity of lawsuits in Europe”).

<sup>110</sup> *Id.* at 1759.

<sup>111</sup> See Hedrick, *supra* note 37, at 256-57 (noting that Nike registered designs are substantially similar in appearance with little to no variance).

<sup>112</sup> *Id.* at 257.

<sup>113</sup> *Id.*

## B. Japan

While the European Union sets a standard for originality that is extremely low, Japan has taken the opposite approach. Japan's requirement of novelty to protect a design under copyright closely resembles the requirements necessary for obtaining a United States design patent.<sup>114</sup> This extremely high novelty requirement allows for the protection of a fashion design only if "[n]o identical or similar design" was "in existence before the application was made," essentially implying that the design must be completely new to the world.<sup>115</sup> Additionally, Japanese copyright law extends copyright protection to a design for twenty years.<sup>116</sup> Even though Japan has given designers copyright protection, Japanese designers continue to complain about the lack of intellectual property protections afforded to their designs under the copyright law.<sup>117</sup> Despite the enactment of copyright protection for fashion designs in Japan, fashion designers have not registered their designs in the Design Gazette.<sup>118</sup> This begs the question: *is there really an intellectual property scheme which, when imple-*

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<sup>114</sup> *Id.* at 246-47.

The novelty requirement under Japan's design law—"no identical or similar design" was "in existence before the application was made; in other words, the design must be completely new"—essentially mirrors the novelty standard in U.S. patent law. Further, the "ease of creation"-design must have creativity to be registered-and "uniqueness"-design cannot be similar to already existing designs, registered or not-standards resemble the "nonobviousness" requirement in patent law. The Japanese Design Protection system is also similar to U.S. patent protection in terms of registration and term of protection. Japan's protection starts on the date of registration and lapses at the end of twenty years or upon the failure of the designer to pay an annual fee.

*Id.* (quoting Japan External Trade Organization, *Investing in Japan*: § 5.7.1, JETRO, [http://www.jetro.go.jp/en/invest/setting\\_up/laws/section5/page7.html](http://www.jetro.go.jp/en/invest/setting_up/laws/section5/page7.html) (last visited Nov. 27, 2011)).

<sup>115</sup> Hedrick, *supra* note 37, at 246-47 (quoting Japan External Trade Organization, *Investing in Japan*: § 5.7.1, JETRO, [http://www.jetro.go.jp/en/invest/setting\\_up/laws/section5/page7.html](http://www.jetro.go.jp/en/invest/setting_up/laws/section5/page7.html) (last visited Nov. 27, 2011)).

<sup>116</sup> *Id.* at 247 (noting that copyright protection may also expire if the designer fails to pay the requisite annual fee).

<sup>117</sup> See *Fashion Licensing Corner: Japanese Designers Need to Protect, Monetize Their Ideas*, THE LICENSING LAW BLOG (Nov. 14, 2010, 7:05 PM), <http://thelicensinglawblog.com/2010/01/fashion-licensing-corner-japanese-designers-need-to-protect-monetize-their-ideas>.

<sup>118</sup> Hedrick, *supra* note 37, at 247 ("[I]t is doubtful that Japan's law offers real protection for fashion designs. A cursory search of Japan's online Design Gazette, where registered designs are published, listed items such as . . . a plastic storage container with lid, a fish tank filter, a sink with moveable cooking stove . . . but no fashion designs.").

*mented, would satisfy designers?*

While supporters of increased intellectual property protections for fashion design argue that the United States lags behind other countries in regard to these protections,<sup>119</sup> the experience in these countries must be examined to determine if their protections are even accomplishing what those supporters claim. A look at two of the most popular intellectual property schemes for fashion design (the EU and Japan) demonstrates that fashion is just one of those industries that can be protected on paper but not in practice.

#### IV. A WORLD WITHOUT KNOCK-OFFS?

In theory, a world without knock-offs sounds wonderful. Designers would be able to create and monopolize designs throughout the marketplace. They would reap the fruit of their labors for three years and be able to relax on the beach until it was time for their copyright to expire and for them to create a new design which they could monopolize for another three years. They would no longer need to be so quickly innovative in their ideas and instead would be able to mull over what their next great idea would be, perhaps improving upon it. The people who could afford these high-end designs would finally be able to feel the high class status that they so deserve while the lower classes, who do not have the means, would no longer be able to steal their thunder with low-quality knock-offs. Thousands of stores which make their profits from knocking-off the high-end designers would finally go out of business, getting what they have deserved for so long. And then we would wake up.

Our economy depends on the ability of designers to “knock-off” each other’s designs. “Knocking-off” or “paying homage” to another designer’s work is what propels the industry forward. Not only does the practice avoid hurting designers, but it helps them, the industry, and our economy, which right now cannot afford to be hit with additional economic burdens.

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<sup>119</sup> L.J. Jackson, *Some Designers Say Their Work Deserves Copyright Protection; Others Say it Would Harm the Industry*, ABA Law Journal, (July 1, 2011), [http://www.abajournal.com/magazine/article/the\\_genuine\\_article/](http://www.abajournal.com/magazine/article/the_genuine_article/).

### A. An Economic Analysis of Why Imitation is the Most Necessary Form of Fashion

“Fast Fashion”<sup>120</sup> propels the industry forward by encouraging the “high-end” or innovative designers to be even more innovative.<sup>121</sup> The more “trend-focused” the consumers (and in turn “fast-fashion” retailers) are, the more traditional retailers such as department stores must transform to reflect the needs of the consumers.<sup>122</sup> This does little more than stimulate the struggling economy and propel the designers to keep ahead of the trends by being creative. So long as this cyclical nature of the fashion industry continues, the industry will continue to thrive and grow. However, should the cyclical nature stop, which would be the case if the lower-end retailers were not allowed to imitate for the masses, the economy would suffer greatly.

In their article, “The Piracy Paradox,” Kal Raustiala and Christopher Sprigman show how “induced-obsolence” and “anchoring” are critical to the continued success of the fashion industry.<sup>123</sup> They discuss how the limited intellectual property protections are necessary for the rapid cyclical nature of the fashion industry to continue.<sup>124</sup> Raustiala and Sprigman define clothing as a “status-conferring” and “positional good.”<sup>125</sup> Positional goods are defined as:

things that the Joneses buy. Some things are bought

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<sup>120</sup> Lauren Howard, *An Uningenious Paradox: Intellectual Property Protections for Fashion Designs*, 32 COLUM. J.L. & ARTS 333, 341-42 (2009) (referring to retailers whose business is to mass produce imitations of high-end designer pieces at a low-cost and presumably a reference to “fast-food” retailers who produce lower-quality foods quickly and at a significantly lower price than their restaurant counterparts).

<sup>121</sup> See *id.* at 342-43.

<sup>122</sup> *Id.* at 342 (“Faced with more trend-focused competition, traditional department stores and retailers are transforming their own inventories to reflect . . . the recent runway collections. Department stores have sped up their pace of production in order to compete.”).

<sup>123</sup> Raustiala & Sprigman, *The Piracy Paradox*, *supra* note 106, at 1718-32.

It is possible that the structure of the fashion cycle, and the industry’s relentless remixing and reworking of older (and current) designs, is endogenous, in that industry practices derive, in part, from the existing legal regime of open appropriation of designs. To some degree this is clearly true: if fashion were treated like music or books by the law, the reworking of designs might be quite limited. It is unlikely, however, that the fashion cycle as a phenomenon would cease to exist under a high-protection legal regime.

*Id.* at 1734.

<sup>124</sup> *Id.* at 1718-33.

<sup>125</sup> *Id.* at 1718.

for their intrinsic usefulness, for instance, a hammer or a washing machine. Positional goods are bought because of what they say about the person who buys them. They are a way for a person to establish or signal their status relative to people who do not own them: fast cars, holidays in the most fashionable resorts, clothes from trendy designers.<sup>126</sup>

They go on to explain that the value given to a positional good is defined by what society thinks about that particular good.<sup>127</sup> They assert that as more people possess a particular positional good, the desirability and “status symbol” it represents diminishes.<sup>128</sup> As sociologist Georg Simmel put it, “As fashion spreads, it gradually goes to its doom.”<sup>129</sup> It is clear that when a high-end designer creates a look or trend which is not protected heavily by intellectual property protection and a “copy-cat” designer pays “homage” to that look by creating a “knock-off,” the look spreads, the exclusivity of the trend diminishes, and eventually the trend wears out.<sup>130</sup> This cycle is what Raustiala and Sprigman call “induced obsolescence.”<sup>131</sup> If copying designs were to become illegal through enhanced intellectual property protections, the “fashion cycle would occur *very* slowly.”<sup>132</sup> The slower the cycle occurs, the slower the money accrues due to in-

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<sup>126</sup> *Id.*

<sup>127</sup> Raustiala & Sprigman, *The Piracy Paradox*, *supra* note 106, at 1719 (“Positional goods purchases, consequently, are interdependent: what we buy is partially a function of what others buy. Put another way, the value of a positional good arises in part from social context.”).

<sup>128</sup> *Id.* (noting that the exclusivity of the good is a major part of its appeal).

<sup>129</sup> *Id.* (quoting Georg Simmel, *Fashion*, 10 INT’L Q. 130, 138-39 (1904)); *see also* Simmel, *supra* at 138-39 (“The distinctiveness which in [the] early stages of a set fashion assures for it a certain distribution is destroyed as the fashion spreads, and as this element wanes, the fashion also is bound to die.”).

<sup>130</sup> Raustiala & Sprigman, *The Piracy Paradox*, *supra* note 106, at 1729-30 (“[T]he fashion community converges on seasonal themes, which fashion firms exploit by copying from one another, spinning out derivatives and variations, diffusing the themes widely, and finally, driving them toward exhaustion.”).

<sup>131</sup> *Id.* at 1722 (“IP rules providing for free appropriation of fashion designs accelerate the diffusion of designs and styles. We call this process “induced obsolescence.”); *see, e.g.*, Hal R. Varian, *Why That Hoodie Your Son Wears Isn’t Trademarked*, N.Y. TIMES, Apr. 5, 2007, at C3 (“If a particular style catches on, it is quickly copied. Skinny jeans have been fashionable for the last few years, but there are signs that the trends are now moving toward straight-leg designs. If the tide changes, pretty soon everybody will be selling straight-leg jeans.”).

<sup>132</sup> Raustiala & Sprigman, *The Piracy Paradox*, *supra* note 106, at 1722 (emphasis added).

creased diffusion, turnover, and sales<sup>133</sup> for the economy and for the high-end designers who complain about the limited intellectual property protections available to them.

Tied in with the idea of a rapidly revolving cyclical fashion cycle is the concept that Raustiala and Sprigman call “anchoring.”<sup>134</sup> Anchoring follows the logic that in order for a trend to wear out it must first become a trend.<sup>135</sup> In order for a look to become a trend there must be “multiple actors converging on a particular theme.”<sup>136</sup> This becomes possible as a result of limited intellectual property protections allowing designers to copy each other, thus enabling multiple actors to contribute to the emergence of a trend. Without the ability of designers to copy, a trend would never occur because one designer cannot single handedly create a trend. The cycle created due to induced obsolescence would occur extremely slowly, if at all, hurting the economy and the fashion industry as a whole.

**B. Knock-offs Do Not Harm the High-End Designers:  
The Knock-off Shopper is *Not* the Gucci Customer**

Low intellectual property protections are desirable for the industry because they allow the cycle to move more rapidly, thus putting more money into the economy and designers’ pockets. The limited intellectual property protections which allow for design copying to take place, at the very least, do not harm the high-end designers who “come up with the most original and innovative idea,” the “one of a kind” idea which inspires the copy-cat designers (a sentiment which will be addressed later in this paper). Tom Ford, former Gucci designer, in a recent interview, said it best: “ ‘We found that the counterfeit customer was not our customer.’ ”<sup>137</sup> This simple statement makes perfect sense and is equally true about the knock-off consumer. The high-end designers appeal to and market to a different demographic of people than the low-end designers. Most consumers of the high-end designer’s fashion designs would not be satis-

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<sup>133</sup> *Id.*

<sup>134</sup> *Id.* at 1728.

<sup>135</sup> *Id.* at 1728-29.

<sup>136</sup> *Id.* at 1729.

<sup>137</sup> Adriana Rivera, *The Culture of Copying*, LIMCOLLEGE (Aug. 6, 2010), <http://www.limcollege.edu/about-lim/8609.aspx>.



fied with a knock-off<sup>138</sup> and would not need to purchase the knock-off because they have the means to buy the higher-quality designer good. By appealing to only the demographic who can actually afford their designs, the high-end designers keep their appeal as status-conferring designers and do not lose money because their clientele is not the clientele who would buy a knock-off. Essentially, the copycat designers help accentuate the superior status of the high-end designers allowing them to maintain their elite status of catering only to those who can afford it. Moreover, the “knock-off” designers do not harm their bottom line in the least because the high-end designers appeal to and target a different demographic.

### C. A Class Divide the Size of Macy's in Herald Square

Perhaps the most devastating effect which would arise from increased intellectual property protections would be the effect on the separation of classes. Due to “induced obsolescence” and “anchoring,” which increase the speed of the fashion cycle, trends and designs which are accessible to all walks of life fade in and out. Once an item becomes widely “knocked-off,” and in turn no longer reflects the status symbol it once did, the trend fades and a new trend takes its place. However, what would happen if the high-end designer could not be “knocked-off?” Clearly, as far as the industry is concerned, it and the high end designer would be harmed. However, in a world in which only those with the means to purchase the high-end designer's goods can wear them and with no knock-offs to keep up with the trend for those without designer budgets, the division between the upper class and the middle to lower class will be great and devastating.

It is well established that clothing is a positional and status-conferring good.<sup>139</sup> Knock-offs allow those without the means to purchase high-end goods to compete with those who do. “Consumers benefit enormously from the fashion industry's freedom to copy[.] Because of copying, the latest styles are not restricted to the wealthy—

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<sup>138</sup> *Id.* (“Since pretty much all fashionistas can easily spot a counterfeit design, Ford may have found a business reason that knock-offs are not a great threat. He sells to a different demographic than the one that would be satisfied with a knock-off.”).

<sup>139</sup> See Raustiala & Sprigman, *The Piracy Paradox*, *supra* note 106, at 1718.

indeed, copying has played a major role in democratizing fashion.”<sup>140</sup> Because of copy-cat designs, the lower and middle classes are able to compete more effectively with the upper class for jobs, schools, partners, and most importantly respect.<sup>141</sup> In an online article, “Class Defines and Divides,” Tauren Dyson talks about the effect that clothing has on the way a person is perceived in the community.<sup>142</sup> While speaking to students at the District of Columbia’s Howard University, he found that it is routine to see “students walk around with expensive designer clothing” and that those students who can afford to live among the ranks who don designer clothing feel a stark difference between themselves and the “locals” who cannot spend the money on clothes. The “haves” claim they avoid the “have-nots” “for fear of what they describe as the area’s reputation for crime.”<sup>143</sup>

Additionally, clothing has the ability to influence self-perception and confidence, which should not be limited to only those who can afford the high-priced, high-end designers’ lines. Fashion can make all the difference in the way individuals present themselves. There is no doubt that people feels more attractive in a fashionable outfit. It is the way that clothing makes people feel on the inside that strikingly influences their external appearance. Without the ability to experience those feelings, individuals will be at a serious disadvantage in a society that places a heavy emphasis on presentation.

#### **D. Black Market Fashion: It Does Not Look like Couture Coming Out of a Garbage Bag in Chinatown**

Given the importance of the universal need to stay in fashion, it is easy to see that should knock-offs become illegal, people will continue to produce such goods just as they do counterfeit goods.

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<sup>140</sup> Kal Raustiala & Chris Sprigman, *Should Fashion Be Protected by Copyright Laws?* *A Guest Post*, FREAKONOMICS (Mar. 12, 2010, 12:00 PM), <http://www.freakonomics.com/2010/03/12/should-fashion-be-protected-by-copyright-laws-a-guest-post>.

<sup>141</sup> See generally Kadence Buchanan, *The Social Effect of Clothing*, EZINEARTICLES (Oct. 3, 2006) <http://ezinearticles.com/?The-Social-Effect-of-Clothing&id=316724>.

<sup>142</sup> Tauren Dyson, *Class Defines and Divides: Divided and Defined by Class*, DC INTERSECTIONS, <http://www.dcintersections.americanobserver.net/category/dc-metro-area/class-defines-and-divides> (last visited Feb. 6, 2011).

<sup>143</sup> *Id.* (“ ‘The thing is about Howard, it’s like, you’re so comfortable around black people, but then again, you realize sometimes when you go out that you really aren’t comfortable around black people that are not [dressed] like you. ’ ”).

Knock-offs, unlike counterfeit goods, are essential for our society. But should knock-offs become illegal, they will continue to be reproduced and sold on the black market in the same manner as counterfeit goods.

All one needs to do is take a walk down to Canal Street in New York City and look around to know that just because something is illegal to make or sell does not mean it will not be made or sold. Canal Street is the epicenter for the sale of counterfeit goods in New York City.<sup>144</sup> Hundreds of adamant sellers are willing to take you into a back alley whispering over and over, “You want a Louis Vuitton or a Chanel for thirty dollars?” The United States loses an estimated \$200 billion dollars a year due to the sale of counterfeit goods, and this figure might in actuality be well below the genuine amount lost due to the sale of counterfeit goods.<sup>145</sup> This exceedingly high number would with certainty increase substantially should the sale of knock-offs be amalgamated within this category.

Not only will making knock-offs illegal have little to no effect on the availability of them, but black market fashion carries with it risks that the country should not be willing to take. First, John Cassillo, who manages Louis Vuitton’s anti-counterfeiting enforcement for North America, stated that “ninety percent of Louis Vuitton and other counterfeits originate in Asia, with counterfeiters having strong ties to organized crime and human trafficking.”<sup>146</sup> Second, in addition to the fact that it would not be young, hip, up-and-coming copy-cat designers creating knock-offs for us anymore, the sale of counter-

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<sup>144</sup> See Andrea Sachs, *School of Hard Knock-Offs*, THE WASH. POST, Sept. 4, 2005, at P02.

<sup>145</sup> See Gene Quinn, *Counterfeiting Costs US Businesses \$200 Billion Dollars Annually*, IPWATCHDOG (Aug. 30, 2010, 9:43 PM), <http://ipwatchdog.com/2010/08/30/counterfeiting-costs-us-businesses/id=12336>.

The OECD draft report goes on to explain that based on best estimates that international trade in counterfeit and pirated goods could well have accounted for up to . . . \$200 billion in 2005, but that figure does not tell the entire story. This \$200 billion figure does not include counterfeit and pirated products that are produced and consumed domestically, nor does it include the significant volume of pirated digital products distributed via the Internet. . . . The OECD draft report also explains that the scope of products being counterfeited and pirated is expanding, making a shift from luxury goods to common products. Given the notoriously low quality of counterfeit products there is a growing health and safety risk associated with substandard counterfeit products.

*Id.*

<sup>146</sup> Nicole Giambarrese, *The Look For Less: A Survey of Intellectual Property Protection in the Fashion Industry*, 26 TOURO L. REV. 243, 279 (2010).

feit goods are not reinvested into the U.S. economy.<sup>147</sup> “There is strong evidence that the 1993 World Trade Center attack was financed through the sale of counterfeit t-shirts.”<sup>148</sup> Without question, Americans should prefer that the money go into their own country’s economy, rather than take the very real risk that it could be tied into terrorism or the trafficking of children. While legal knock-offs are good for the U.S. economy, illegal knock-offs would have a devastating effect on society, and the threat is very real because it has been seen before in relation to counterfeit goods.<sup>149</sup>

### E. Is it Even Possible to be Original?

Diane Von Furstenberg is a very influential high-end designer and one of the most vocal supporters of increasing intellectual property protections in the fashion industry.<sup>150</sup> She wants to stop designer knock-offs through increased protection which the IDPPPA would offer.<sup>151</sup> She argues that all designers should be original and innovative.<sup>152</sup> This begs the question though, is any fashion design really capable of being truly an original? In her blog, fashion attorney Staci Riordan notes that even the most vocal supporter of the IDPPPA may not be a true originator.<sup>153</sup> Diane Von Furstenberg claims to have invented the wrap dress, but even “fashion history students know that McCardell introduced the wrap dress in the 1940’s.”<sup>154</sup> One can only imagine where the famous, successful, and admired Diane Von Furstenberg’s career might be if she were not allowed to be “inspired” because of rigid intellectual property laws and if a judge found that her wrap dress was “substantially similar” to McCardell’s.

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<sup>147</sup> See *id.* at 281-82.

<sup>148</sup> *Id.* at 281.

<sup>149</sup> *Id.* at 281-82.

<sup>150</sup> See Jackson, *supra* note 119.

<sup>151</sup> See *id.*

<sup>152</sup> See Chelsea Burnside, *Copyright Debate Heats Up in Fashion Industry; Small Labels Would Be the Likely Losers Under Proposed Laws, Powerless Against Plagiarism*, VANCOUVER SUN (CANADA), June 28, 2011, at F2.

<sup>153</sup> Riordan, *supra* note 88.

<sup>154</sup> *Id.*

**V. OTHER INDUSTRIES WHICH CONTINUE TO THRIVE DESPITE A “LACK OF” PROTECTION AND WHY IT LOOKS GOOD ON THEM**

The fashion industry is often criticized as being one of the only creative industries which is not afforded adequate intellectual property protections.<sup>155</sup> However, it is clear that other sectors of industry are not protected heavily by intellectual property law. For example, recipes, furniture design, tattoo design, computer databases, hairstyles, scents, open source software, and automobiles receive limited intellectual property protection.<sup>156</sup> Raustiala and Sprigman concluded, based on an analysis of the success of these industries, that perhaps it is the scant IP protection that contributes to their success:

From the perspective of most people interested in IP, industries that IP does not reach, or that have contracted out of IP, do not seem very interesting. But that view mistakes the means for the end. The means is IP, whereas the end is innovation. Innovation occurring over long periods of time, in the absence of the legal rules that are conventionally said to be innovation's necessary predicate, should command our attention. The lack of protection in some of these areas may be explicable as resulting from their nature as necessities: we all need clothes, haircuts, furniture, and food, and indeed the useful articles doctrine is aimed at ensuring that useful things are excised from copyright's domain. Regardless, the fact that innovation continues apace in these areas that fall outside the reach of IP suggests that the connection drawn by the orthodox account between IP rules and innovation is less strong and direct than commonly believed.<sup>157</sup>

In a recent conference on creativity and ownership, Johanna

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<sup>155</sup> See generally Raustiala & Sprigman, *The Piracy Paradox*, *supra* note 106.

<sup>156</sup> *Id.* at 1767-75.

<sup>157</sup> *Id.* at 1774-75.

Blakely, a leading blogger about fashion law, agreed.<sup>158</sup> She created a chart comparing the gross sales of those industries which do receive heavy intellectual property protection versus those which do not.<sup>159</sup> The chart clearly demonstrates that industries such as food, automobiles, furniture, and fashion have sales which significantly tower over heavily-protected industries such as music, movies, and books.<sup>160</sup> This is yet another argument for the fact that the fashion industry and designers are doing just fine and are not alone in their limited protection.

#### **VI. CONCLUSION: ENHANCED INTELLECTUAL PROPERTY PROTECTION FOR FASHION IS NOT THE NEW BLACK**

The purpose of intellectual property law is to encourage innovation among creators by protecting the expression of their ideas and giving them property rights in what they produce.<sup>161</sup> The current state of intellectual property protection in the fashion industry in the United States has allowed designers to be creative and innovative in their designs despite their inability to protect the entire design. Nevertheless, the industry has continued to thrive and grow, proving that additional intellectual property protections are unnecessary for the industry's continued success.

Intellectual property protection in the fashion industry should not be expanded to protect fashion designs any more than they currently do. Expanding protection would have devastating effects on this country's economy, the industry as a whole, the designer's pockets, other countries, and most notably and visibly, society. The proposed IDPPPA, despite having the intention to foster the growth of the fashion industry, would have the opposite effect and substantially harm it. As such, the IDPPPA should be rejected. Supporters of the Bill, who are mostly high-end designers, would be in for a rude awakening should the Bill be passed.<sup>162</sup>

Fashion is a growing and thriving industry that has become a powerhouse in the United States despite its limited protection and the

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<sup>158</sup> Johanna Blakely, Address at the Lear Center's Creativity, Commerce & Culture Project Convention: Lessons from Fashion's Free Culture (July 30, 2008), available at <http://www.learcenter.org/html/projects/?cm=ccc/fashion>.

<sup>159</sup> *Id.*

<sup>160</sup> *Id.*

<sup>161</sup> GOLDSTEIN & REESE, *supra* note 2, at 17.

<sup>162</sup> See Jackson, *supra* note 119.

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desultory economy. Should designers choose to safeguard aspects of their designs, however, they may seek patent, trademark, or trade dress protection, which might just take a little creativity, originality, and innovation on their part. After all, is it not creativity, originality, and innovation that the designers in support of the IDPPPA claim to possess?