

'Star Athletica' Three Years On

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The 2017 U.S. Supreme Court decision 'Star Athletica v. Varsity Brands' was supposed to clarify longstanding confusion over how design elements on functional objects, like clothing, can be copyrighted. But in the three years since the decision came down both the lower courts and legal opinion have varied widely in interpreting the decision.

There was much anticipation when the U.S. Supreme Court granted certiorari in and then decided a case addressing whether design elements of clothing could be protected by copyright, *Star Athletica, LLC v. Varsity Brands, Inc.*, 137 S. Ct. 1002 (2017). Over time, the range of copyright-eligible creations had expanded greatly to include creative works such as motion pictures, recorded music and choreography. But when it came to items that people wear, no matter how creative or how costly, fashion was a copyright no-go in the United States. Would fashion join movies, records and ballet in the circle of copyright protection?

After the decision, commentators were divided. Some felt *Star Athletica* approved a path to relatively quick and inexpensive protection for clothing design, at least in some situations. Others felt the holding was so limited that it added only modest potential protection for fashion designs. A little more than three years on, what has been the decision's impact?

The Context

American copyright law does not protect useful items, defined in 17 U.S.C. §101 as “an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.” Clothing, whether a pair of dungarees or *haute couture*, traditionally had been regarded as a useful item and therefore outside the scope of copyright protection. (It has been argued that a factor in excluding fashion and also, for example, cuisine, may be that historically these undertakings were perceived to be “women’s work” and therefore undervalued.) While drafts of the 1976 Copyright Act had included provisions for fashion protection, the statute as enacted had none.

In *Star Athletica*, Varsity Brands had secured roughly 200 copyright registrations for decorative elements that appeared on its cheerleader uniforms. These consisted of various two-dimensional, chevron-like stripes and angles. To qualify for copyright protection, these lines and angles had to be “separable” from the uniforms themselves. There were at least nine differing separability tests that already had been articulated by federal courts, to which the Sixth Circuit had added a tenth in its *Star Athletica* opinion, 799 F.3d 468, 484-89 (6th Cir. 2015).

Five justices of an eight-member Supreme Court rejected all ten of those tests. Instead, Justice Clarence Thomas, writing for the majority, articulated a new two-step standard: (1) can the feature “be perceived as a two- or three-dimensional work of art separate

from the useful article” and (2) would it “qualify as a protectable pictorial, graphic or sculptural work—either on its own or fixed in some other tangible medium of expression” if imagined apart from the useful article. This standard, taken verbatim, now appears in the non-binding *Compendium of U.S. Copyright Office Practices* at § 924 (3d ed. rev. 2017), with a further statement on-line that updated guidance is in progress. During an April 10, 2020 webinar, the Copyright Office included a slide articulating the two-step test this way:

(1) The Separate-identification requirement: Are there any features that can be perceived as a two- or three-dimensional work of art [s]eparate from the useful article and

(2) The independent-existence requirement: Can the feature[;] qualify as a protectable pictorial, graphic, or sculptural work, either on its own or fixed in some other tangible medium of expression[;] if imagined separately from the useful article.

Justice Ruth Bader Ginsburg, writing separately, would have eliminated the second requirement. Justice John Paul Stevens, in a dissent joined by Justice Anthony Kennedy, would have applied the majority’s test to reach the conclusion there was no copyright protection for the lines and angles. The case was settled (reportedly at the insistence of Star Athletica’s insurance carrier) while the remand to the District Court in Tennessee to determine whether the accused uniforms violated plaintiff’s copyrights was pending.

The Impact

Star Athletica has been the subject of numerous law review discussions. As of late July, 2020, *Star Athletica* also had been cited roughly 70 times by federal courts. Importantly, however, only about 15% of those citations are to the case’s separability standard. The rest are citations to statements concerning how the citizenship of a limited liability entity should be determined for diversity purposes and of a general principle of statutory construction.

Star Athletica has been cited in copyright cases involving products as diverse as video games, a group of lamps and decorated clothespins, among others, but only three have involved items of apparel. Two decisions involved costumes, in *Silvertop Assocs., Inc. v. Kangaroo M’fg, Inc.*, 931 F.3d 215 (3d Cir. 2019), a banana, and in *The Diamond Collection, LLC v. Underwraps Costume Corp.*, 17 CV 0061 (E.D.N.Y. 2019), Dia de los Muertos figures. A third decision involved art work on t-shirts portraying “Tribal Bear”, “Party Bear”, “Navajo Pattern” and “Ornate Elephant”, *L.A. T-Shirt & Print, Inc. v. Rue 21, Inc.*, 16-CV-5400, 16-CV- 5702 (S.D.N.Y. 2017). All three involved motions to dismiss claims at the pleading stage, although in *Silvertop* a preliminary injunction had been granted in the trial court. In all three, “striking similarity” between the original and accused designs was asserted. All three decisions followed *Star Athletica*’s reasoning, with no need to extend it.

Is there another way to assess the decision's impact on fashion copy-cattng? Using the number of registrations being filed in the pictorial, graphic or sculptural (PGS) work category as an indicator, and barring significant change for some other reason, one might gauge the fashion community's judgment about how much protection *Star Athletica* affords by considering whether registrations in this category have increased.

The Copyright Office's statistics show that the number of all registrations granted increased, from 414,269 in fiscal year 2016 (ending September 30, 2016, the last full fiscal year before the decision) to 560,013 in FY 2018 (the last fiscal year for which data is available)—a growth of 35.18%. If fashion creators widely perceived *Star Athletica* to have allowed effective and practical protection for their products, one might expect to find the increase in the number of PGS registrations to be at a rate as great as or greater than that for overall registrations.

In fact, however, the increase for PGS works was far less—just 9.39%. Moreover, given that copyright registration is faster and less costly than, for example, obtaining a design patent, the plausible conclusion is that fashion creators (or at least their lawyers) view *Star Athletica* as affording worthwhile protection in only limited circumstances.

Fashion copycats surely have not vanished from the scene since *Star Athletica*. The U.S. Customs and Border Protection Agency reported it made more than 12,700 seizures of apparel and accessories, footwear, handbags and wallets in FY 2017, the last year for which data is available. This constituted 37% of all the agency's seizures that year. The New York Police Department seized over 3,000 knock-off handbags and coin purses displaying famous but phony labels last November. If anything, the severe economic downturn is only likely to expand the demand for cheaper, look-alike products.

Larger, deep-pocketed fashion firms perhaps can afford the cost of litigating their rights over an extended period. The *Star Athletica* decision came after seven years of the litigation. Moreover, cheerleader uniform designs typically change less from year to year than either *haute couture* or popular fashion. Smaller firms, particularly those of emerging designers, often lack the resources to support such a lengthy campaign.

For them, a buzz of positive acclaim may be followed by two waves in quick succession, one of orders and then one of illicit copies. Indeed, the illicit copy wave may swamp the original designer's vessel before the public's orders reach it. Even with a registration for protectable elements of their fashion designs, will the designers have the wherewithal to finance a litigation? To be sure, some copycats will abandon the field when sued. But if the copycat is a national outfit with deep pockets, it may stand its ground.

Conclusion

Star Athletica established that some clothing design elements can enjoy copyright protection. But the test it provided does not seem to have encouraged many fashion designers to pursue copyright registration nor, for those who already have registrations, to pursue claims of infringement that have led to decisions.

A compulsory arbitration system for such infringement claims, staffed by a range of knowledgeable participants and subject to judicial review, might be a desirable approach, but an industry effort to set up such panels to suppress style piracy was rejected long ago, essentially on antitrust grounds, in *Fashion Originators Guild v. FTC*, 312 U.S. 457 (1941). If the Copyright Office could develop its own staff to make such determinations, subject to judicial review, that might provide a viable approach at lowered cost.

Ultimately, an enduring part of the problem, as popular artists from Charles Dickens to current-day rappers have discovered to their dismay, is that ripping off works under copyright not only can be lucrative for the copycats, but also popular among consumers. Changes in attitudes as well as the law would be needed to solve this problem completely. In the meantime, however, while *Star Athletica* opened a path to challenge certain kinds of copy-cattling in fashion through copyright law, so far it has fallen well short of being a panacea for fashion designers who have been victims of such copying.

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