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CLIENT MEMORANDUM

Supreme Court's Decision in *Star Athletica* Finds Elements of Clothing Copyrightable

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On March 22, 2017, the U.S. Supreme Court issued a highly anticipated decision in *Star Athletica v. Varsity Brands*[1] determining the copyrightability of design elements incorporated into cheerleading uniforms. Uniforms and other clothing items are generally considered useful articles under the Copyright Act and therefore not themselves eligible for copyright protection, but the Court found that individual elements could be protected.

In reversing the District Court's grant of summary judgment in favor of Star Athletica, the Sixth Circuit had found that the graphics on Varsity's cheerleading uniforms, including stripes, chevrons and colorful shapes, were "identified separately" and "capable of existing independently" such that these elements could be eligible for copyright protection under 17 U.S.C. § 101.[2]

1 *Star Athletica, L.L.C. v. Varsity Brands, Inc., et al.*, No. 15-866 (U.S. Mar. 22, 2017).

2 *Varsity Brands, Inc. v. Star Athletica, L.L.C.,* 799 F. 3d 468, 471 (2015).

The Supreme Court agreed that these graphics could be copyrightable.[3] The majority opinion held that where a feature of a useful article can be perceived as a work of art separate from the useful article and, if imagined separately from the useful article would otherwise qualify as a protectable work, the feature could be eligible for copyright protection.[4]

This articulated "separability" test addressed "widespread disagreement"[5] over implementation of § 101's separate identification and existence requirements and explicitly abandoned additional elements previously applied by some lower courts in determining the separability of a design. While this language clarifies the elements of the separability test and creates a single test to be uniformly applied, the application of these elements across all types of copyrightable works will undoubtedly create confusion and, therefore, litigation.

The case has been followed closely by the fashion industry, for whom this decision likely opens up avenues of protection for design elements of wearable goods. The decision also increases the risk of suit for so-called "fast fashion" operations, who may now be the targets of design owners whose creative elements have been copied.

Decision

The Varsity entities own more than 200 copyright registrations relating to designs on their cheerleading uniforms. Star Athletica, a relative newcomer to the cheerleading uniform industry, marketed uniforms with certain lines, chevrons and various shapes. Varsity sued Star Athletica for copyright infringement based on five of their copyright registrations for similar geometric two-dimensional designs on the surface of their uniforms.

Justice Thomas authored the majority opinion, which was joined by Justices Roberts, Alito, Sotomayor and Kagan, and Justice Ginsburg filed a concurring opinion.

The majority set forth its intention to resolve confusion around a test for analyzing § 101's separate identification and independent existence requirements.[6] The Court then held that where a feature of a useful article "(1) can be perceived as a two- or three-dimensional work of art separate from the useful article and (2) would qualify as a protectable pictorial, graphic, or sculptural work—either on its own or fixed in some other tangible medium of expression—if it were imagined

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[3] The Court expressly declined to opine as to whether the specific graphics at issue in the case were protected by copyright as the Court did not consider whether they are sufficiently original to qualify for protection or whether a valid copyright application had been filed. As Justice Ginsburg noted in her concurrence, however, "the requisite level of creativity [for copyrightability] is extremely low; even a slight amount will suffice." *Star Athletica,* No. 15-866, slip op. at 1 (Ginsburg, J., concurring).

[4] *Star Athletica,* No. 15-866, slip op. at 1-2.

[5] *Id.* at 1.

[6] *Id*.

separately from the useful article into which it is incorporated,"[7] the feature could be eligible for copyright protection. The Court found both elements in Varsity's uniform designs and therefore affirmed the Sixth Circuit's decision in favor of Varsity.

The Court rejected arguments relating to the utility of the uniform if imagined without the relevant designs. Star Athletica had argued that the Court must also consider whether the useful article maintains its utility without the design element(s) in question. Star Athletica had argued that the designs advance the utility of the uniform and are not "solely artistic" such that the uniforms would lose some utility of identifying the wearer as a cheerleader if the designs were removed. The Court did not find support for this argument, stating that "the statute does not require the imagined remainder to be a fully functioning useful article at all, much less an equally useful one."[8] The Court also noted that design patent protection and copyright protection are not mutually exclusive, and therefore it found unpersuasive Star Athletica's argument that such designs were intended by Congress to be covered by design patent protection.

The majority also addressed the dissenting opinion's claim that the graphics are ineligible for copyright protection because, when imaginatively removed from the useful article and applied to an artist's canvas, "that painting would be of a cheerleader's dress"[9] because the designs are arranged along the neckline, waistline, sleeves and skirt edge. The majority noted that paintings do not lose their copyrightability simply because they follow the curvature of a dome ceiling or fall within the boundaries of a canvas. The majority opined that drawing such a distinction would create an anomaly in copyright law that would provide protection to two-dimensional art that covered a portion of a useful article but would not protect art covering an entire item.

Justice Ginsburg authored a short concurring opinion. She declined to address the separability test because the designs at issue were not *of* useful articles but rather were *reproduced on* useful articles.[10] Justice Ginsburg did not view the designs as inherent elements of the cheerleading uniforms that would be useful in distinguishing them from other dresses, as argued by Star Athletica and noted in the Sixth Circuit's Judge McKeague's dissenting opinion.[11] Accordingly, Justice Ginsburg viewed the designs as stand-alone pictorial, graphic or sculptural works protectable under copyright law.[12]

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7 *Id.* at 1-2.

8 *Id.* at 14.

9 *Id.* at 10 (Breyer, J., dissenting).

10 *Id.* at 1 (Ginsburg, J., concurring).

11 *Varsity Brands, Inc. v. Star Athletica, L.L.C.,* 799 F. 3d at 495-496.

12 17 U.S.C. § 102(a)(5).

Implications

The Court's decision has important implications for designers of useful articles, including fashion designers and owners of fashion brands. Whereas the Court could have delivered a more narrowly tailored opinion, the Court's decision was broad in scope and potential application, and the clarified separability test eliminated elements that have weighed against designers in some lower court decisions. This broadening will likely mean an increase in lawsuits as well, wherein copyright holders and potential infringers seek to clarify application of the Court's rule across all types of useful articles. The Copyright Office will likely see an influx of applications for protection of clothing elements and incorporated designs, and designers and design owners will have power to curb reproduction of design elements that could effectively undermine "fast fashion" operations. As noted by the dissent, such enhanced protection could also result in increased pricing in the clothing industry, which encompasses $370 billion in annual spending and 1.8 million jobs in the U.S., as presented in an amicus brief filed by the Council of Fashion Designers of America in support of Varsity. Whereas Congress has generally declined to extend copyright protection to the fashion industry[13] similar to those rights, for example, enjoyed by fine artists and jewelry designers, this decision could effectively bring them into the fold of enhanced protection.

If you have any questions regarding this memorandum, please contact Thomas J. Meloro (212-728-8248, tmeloro@willkie.com), Rachel S. Dooley (212-728-8676, rdooley@willkie.com) or the Willkie attorney with whom you regularly work.

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[13] *See, e.g.*, *Star Athletica,* No. 15-866, slip op. at 1 (Breyer, J., dissenting) (citing M. Nimmer & D. Nimmer, Copyright § 2A.08[H][3][c] (2010) as "describing how Congress rejected proposals for fashion design protection within the 1976 Act and has rejected every proposed bill to this effect since then").