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Earlier this year, in an important copyright ruling, the Supreme Court dropped a puzzling clue about copyright for designs that merits examination. In an opinion authored by Justice Breyer, the Court's foremost copyright scholar, the Court posited a "design copyright" for a "dress" made in China and then sold in the United States. The statement is striking because courts have traditionally denied the copyrightability of fashion designs, including dress designs. A proposed bill to add fashion designs to copyrightable subject matter has not yet been passed by Congress. In this article, we explain the Court's unexpected comment and why it matters.

The decision, *Kirtsaeng v. John Wiley & Sons*,[2] addresses the "first sale" doctrine, which permits an owner of an authorized copy to "sell or otherwise dispose of" that copy without seeking permission of the copyright holder. This common-sense limitation on the copyright holder's right to distribute his work embodies a principle of exhaustion, promoting the free alienability of goods and reducing transaction costs.

The question in *Kirtsaeng* was whether this doctrine applies not only to copies made in the United States, but also to copies made abroad and imported into the United States. The question was in doubt because a separate provision of the Copyright Act prohibits importation without permission. An earlier case held that the first sale doctrine trumped if the work had done a "round trip"—produced in the United States, exported overseas, and then returned to the United States for resale. *Kirtsaeng* accorded the same treatment to the closely related situation in which the copy was instead produced overseas and sold in the United States.

The Court's sudden fashion moment came in the course of explaining an undesirable consequence that would arise from a contrary result: that not only importers but also subsequent transferors of the imported work would need the copyright holder's permission. That would severely limit the free transfer of a variety of copyrighted goods. The Court named as examples three apparently paradigmatic imported goods protected by copyright: "a video game made in Japan, a film made in Germany, or a dress (with a design copyright) made in China."[3]

The inclusion of a dress in this list is striking. The conventional wisdom is that the design of a dress, even if highly original, is not considered copyrightable. Indeed, an important Supreme Court antitrust case from 1941, *Fashion Originators' Guild of America v. Federal Trade Commission*,[4] was premised on just that point. The reason is that apparel—like shoes, furniture, and other works of practical design—is considered a "useful article," and hence not copyrightable. The Guild had a massive private scheme to protect its members' dress designs

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[2] 133 S. Ct. 1351 (2013).

[3] *Id.* at 1360.

[4] 312 U.S. 457 (1941).

from copyists—a scheme the Court thought was "in reality an extra-governmental agency"[5]—only because actual copyright for dress designs was understood to be unavailable.[6] The Court's comment in *Kirtsaeng* thus could be in some tension with the position the Court took on dress designs more than seventy years ago.

The most straightforward meaning of the term "design copyright" is a copyright in the overall design in the article. That is also the way the phrase is ordinarily used by courts and commentators. But perhaps the Court merely meant to refer to a copyrighted logo such as the Polo pony, or a copyrighted pattern printed onto fabric such as the Burberry check pattern. Such logos and prints are uncontroversially subject to copyright. (Some might also wonder if the Court's most cosmopolitan and polyglot Justice had in mind the existing European design rights for fashion, but the context makes clear that he must have been referring to U.S. copyright.) The fact that Justice Breyer felt the need to add the phrase "with a design copyright" in parentheses perhaps indicates his recognition that the design of a print, but not the design of the overall dress itself, is copyrightable.

But if there is reason to doubt that interpretation, it would be that this is a Supreme Court opinion *about copyright* authored by the Court's foremost copyright expert. Such imprecision seems surprising at the very least.

An alternative, intriguing possibility is that the Court perceives a copyright in dress designs. And a robust one, too, on a par with films, video games, and presumably books and the full panoply of other copyrighted works. On this view, the qualifying parenthetical reflects the recognition that only some dresses, not all, have sufficient originality to merit a "design copyright." Such a copyright would accord with the common lay intuition that it is illegal to closely knock off an original dress design. It would be in sharp contrast, though, to the copyright lawyer's understanding—that copyright protection is unavailable for fashion design—so thoroughly accepted that designers have regularly petitioned Congress to change the law to add copyright for fashion design.

How could the Court hold such a view, for the sake of argument? The view could be premised on an expansive understanding of the copyright doctrine of "separability." Useful articles are protectable, provided that the creative elements can be sufficiently separated from the utilitarian aspects of the article. One source of separability is *physical*—an applique sewn onto a sweater can be physically separated and hence is protectable.

Another source recognized by lower courts is *conceptual*. What counts as "conceptual separability" is a subject of great debate. A broad view of conceptual separability would provide protection for some designs, effectively enabling the design copyright to which the Court

[5] *Id*. at 465.

[6] For a more extensive account of the Fashion Originators' Guild and its downfall, *see* C. Scott Hemphill & Jeannie Suk, *The Fashion Originators' Guild of America: Self-Help at the Edge of IP and Antitrust*, in INTELLECTUAL PROPERTY AT THE EDGE: THE CONTESTED CONTOURS OF IP (Rochelle C. Dreyfuss & Jane C. Ginsburg eds., forthcoming 2013).

seemingly referred. And it would echo the Court's traditional sympathy, expressed in *Mazer v. Stein*, for the protectability of "useful works of art."[7]

The Second Circuit has offered its own recent hint that original fashion design might enjoy copyright protection under a broad understanding of separability. In *Christian Louboutin S.A. v. Yves Saint Laurent America Holding, Inc.*,[8] the court considered the claim that YSL had infringed Louboutin's trademark in a red lacquered shoe sole. Although the legal issue was about trademark, not copyright, the court reviewed the broader question of intellectual property protection for fashion design. The court stated, "It is arguable that, in the particular circumstances of this case, the more appropriate vehicle for the protection of the Red Sole Mark would have been copyright rather than trademark."[9] The court then cited the leading Second Circuit case on conceptual separability, which accorded copyright protection to a decorative belt buckle.[10] The court went no further down this path, it said, because Louboutin had limited itself to a trademark claim.[11]

The Supreme Court hasn't ever addressed the questions of whether and when the creative concept of a dress design could be deemed "separable" from the usefulness of the piece of apparel. It would have the chance to do so in a litigation in which a designer whose work was copied argued that even though a dress is a "useful article," the design is separable from its usefulness as the clothes on one's back and therefore is copyrightable. If that argument succeeded and existing copyright law actually turned out to be able to support a "design copyright," new legislation to add fashion design to the copyright law would be unnecessary. A test case, however, would actually be needed to vindicate this view.

Our own views about such a possibility are mixed. We would welcome protection for fashion design, because it is fundamentally similar to other forms of creative activity. We would be concerned, though, on two grounds. The first concern is the breadth of protection afforded by current copyright law to copyrightable subject matter. The copyright infringement standard, "substantial similarity," runs the risk of inhibiting the creation of "inspired-by's," and not only the close knockoffs that most harm the market for the originals. The benefits of leaving much material available for future innovators to use freely are well known, in fashion as in other creative activities.

The second concern is the long duration provided by current copyright law, either 95 years or the life of the author plus 70 years, depending on the work. The life cycle of a fashion design is much shorter. Such long copyrights for fashion designs would clog up the works for

[7] 347 U.S. 201 (1954).

[8] 696 F.3d 206 (2d Cir. 2012).

[9] *Id.* at 223-24 n.19.

[10] *Id.* (citing *Kieselstein–Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989, 993–94 (2d Cir. 1980), as a case that "address[ed] the broad issue of aesthetically functional copyrights and holding that decorative belt buckles that were used principally for ornamentation could be copyrighted because the primary ornamental aspect of the buckles was conceptually separate from their subsidiary utilitarian function").

[11] *Id.*

additional innovation inspired by past designs. (We have discussed these concerns in previous work.[12])

The most recent version of the fashion copyright bill, The Innovative Design Protection Act,[13] would add a fashion design copyright but limit both the scope and duration of the copyright in ways that we believe are desirable. For example, it would narrow the infringement standard to "substantially identical" rather than "substantially similar," and it would reduce the copyright term to three years.

The most intriguing aspect of the debate over fashion copyright is the occasion it presents for rethinking the expansive copyright law we currently have. Those who believe we would be better off with a less expansive copyright system might welcome the imagining of a narrower copyright scope and shorter duration that the debates about new design protection for fashion have engendered. Though perhaps Justice Breyer did not intend to posit a copyright for overall dress design, this thought experiment occasioned by the Court's nonstandard use of the term "design copyright" with respect to a dress at the very least opens an invitation to imagine how a dress design could be copyrightable within existing doctrinal frameworks even absent new legislation.

[12] C. Scott Hemphill & Jeannie Suk, *The Law, Culture, and Economics of Fashion*, 61 STAN. L. REV. 1147 (2009).
[13] S. 3523, 112th Cong.