

Supreme Court Establishes A New Test For Determining Copyright Eligibility Of Design Elements

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Last week, and in the unlikely context of a case concerning the design of cheerleading uniforms, the Supreme Court adopted a new standard for identifying the design elements of useful articles that are eligible for copyright protection. For decades, courts have struggled to separate the functional aspects of useful articles, which are not entitled to copyright protection, from design features, which can be entitled to protection. This grappling has led to the creation of as many as ten different tests by courts, scholars and the U.S. Copyright Office. In *Star Athletica, L.L.C. v. Varsity Brands, Inc.*,¹ the Court resolved this “widespread disagreement” and articulated a new two-part test for determining when the design elements of useful articles are entitled to copyright protection. In adopting this new test, the Court ruled in favor of a manufacturer of cheerleading uniforms that sought copyright protection for certain designs on its uniforms. The significance of this decision extends beyond fashion, to any industry in which the design of useful articles affects their price or value, such as consumer goods, appliances and electronics. While it brings certainty in terms of what test should be applied, whether it means more certain outcomes in litigation over the copyright eligibility of the design elements of useful articles remains to be seen.

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¹ *Star Athletica, L.L.C. v. Varsity Brands, Inc.*, No. 15-866, 2017 WL 1066261, at *4 (U.S. Mar. 22, 2017)



Background

Section 101 of the Copyright Act of 1976 provides protection for the design of a “useful article” (*i.e.*, apparel, tools or household goods) only to the extent that the “design incorporates pictorial, graphic, or sculptural features that can be *identified separately from, and are capable of existing independently of*, the utilitarian aspects of the article.”²

Separating a useful article’s design features from its purely functional elements can be a difficult endeavor. For example, it is uncontroversial that the conventional physical design of a dress—its cut, shape or dimensions—cannot be copyrighted because the design, regardless of its creativity, cannot be separated from the dress’s utility. However, the separability assessment is more challenging when determining whether certain design elements of a garment—such as the stripes, chevrons and other patterns on the cheerleading uniforms at issue in this case—can be separated from their utilitarian function.

In 2010, Varsity Brands, Inc. sued Star Athletica, LLC, claiming infringement of certain cheerleading uniform designs that were registered with the U.S. Copyright Office,³ including these examples:



The District Court rejected Varsity’s claim by applying a two-part test, analyzing whether the designs could be (1) conceptually and (2) physically separated from the useful article of clothing.⁴ Conceptually, the District Court found the cheerleading uniforms could

² 17 U.S.C. § 101 (emphasis added).

³ *Varsity Brands, Inc. v. Star Athletica, LLC*, No. 10-2508, 2014 WL 819422, at *2 (W.D. Tenn. Mar. 1, 2014).

⁴ *Varsity Brands, Inc.*, 2014 WL 819422, at 7-8.

not be separated from their design because their very function is to “clothe the body in a way that evokes the concept of cheerleading.”⁵ The District Court also found that if one were to physically put the elements of Varsity’s design onto a blank canvas, it would still “evoke the image and concept of a cheerleading uniform.”⁶

The Sixth Circuit reversed this decision, applying its own five-part test and finding that the utility of the garment was not to identify cheerleaders, but rather to “cover the body, wick away moisture, and withstand the rigors of athletic movements.”⁷ With this conception of the uniforms’ purpose in mind, the Circuit reasoned that the designs could be separated from the uniforms’ usefulness and were therefore copyright eligible.⁸

The Supreme Court’s Decision

In a 6-2 decision, the Supreme Court affirmed the Sixth Circuit’s ruling and found that Varsity’s designs are eligible for copyright protection. However, instead of adopting the Circuit’s test (or one of the nine tests the Circuit evaluated and rejected), the Court fashioned a new two-part test for determining copyright eligibility.⁹

Writing for the majority, Justice Thomas applied a textual approach, closely following Section 101 of the Copyright Act. He wrote that only designs that “(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 separately from the useful article into which it is incorporated” are eligible for copyright protection.¹⁰

⁵ *Id.* at *6, *8.

⁶ *Id.* at *9.

⁷ *Varsity Brands, Inc. v. Star Athletica, LLC*, 799 F.3d 468, 490 (6th Cir. 2015).

⁸ *Id.* at 491.

⁹ *Star Athletica*, No. 15-866, 2017 WL 1066261 at *4.

¹⁰ *Id.*

Applying this rule to the instant case, the Court found the cheerleading uniform designs are eligible for copyright protection because (1) the stripes, chevrons and color blocks can be identified as features having pictorial, graphic or sculptural qualities, and (2) when separated from the uniforms and applied in another medium, they would qualify as two-dimensional works of art.¹¹ However, the Court limited copyright eligibility to the “surface designs” of the uniforms and was careful to make clear that Varsity has “no right to prevent anyone from manufacturing a cheerleading uniform that is identical in shape, cut or dimensions to the uniforms at issue here.”¹²

In articulating its new rule, the Court declined the invitations of several parties to consider factors not directly drawn from the text of the statute, including whether the useful article would remain useful if the design elements in question were extracted.¹³ The Court also dispensed with the distinction between “physical” and “conceptual” separability, which played a large role in lower courts’ decisions, including in both the District Court’s and the Sixth Circuit’s analysis, in favor of its single separability assessment.¹⁴

The Court similarly rejected proposals to skip any separability analysis when evaluating “designs that appear *on* useful articles, but are not themselves designs *of* useful articles.”¹⁵ Varsity in particular had urged the Court to adopt a standard that would grant copyright eligibility to two-dimensional graphic elements placed on useful articles (*i.e.*, a printed design on a uniform) without regard to whether the element would be copyrightable if fixed on a canvas or apparel.¹⁶ Justice Ginsberg took issue with the Court’s rejection of this approach, stating in a concurring opinion that Varsity’s stripe, chevron and block designs, unlike the cut or shape of the uniforms, “are

standalone [pictorial, graphic or sculptural works] that may gain copyright protection as such, including the exclusive right to reproduce the designs on useful articles.”¹⁷

Justice Breyer’s Dissent

In a dissenting opinion, Justice Breyer, joined by Justice Kennedy, argued that it was a mistake for the Court to jettison the “physical” and “conceptual” separability framework.¹⁸ Justice Breyer reasoned that, “in many or most cases,” courts should separate the design element from the article and ask “[h]ave I created a picture of a (useful part of a) useful article?”¹⁹ Asking this question about Varsity’s designs, Justice Breyer found that the “esthetic elements on which Varsity seeks protection exist only as part of the uniform design—there is nothing to separate out but for dress-shaped lines that replicate the cut and style of the uniforms.”²⁰ As a result, he found Varsity’s designs not eligible for copyright.²¹ The majority rejected this analysis, pointing out that a two-dimensional design does not “replicate” a useful article simply because its depiction corresponds to the shape of the useful article to which it was applied.²²

The Significance of The Supreme Court’s Ruling

In some respects, this decision brings much-needed clarity to determining what design elements of useful articles can be copyrighted. Instead of ten different tests, there now exists a single standard under which courts can determine whether a design is sufficiently separated from the useful article to which it relates. Designs capable of existing as a separate pictorial, graphic or sculptural work are not, under the new test, excluded as such from copyright protection simply because they exist on a useful article.

However, whether the ruling makes it easier to predict whether designs of useful articles are copyrightable is much less clear. The Court gave little

¹¹ *Id.* at *9.

¹² *Id.* at *10.

¹³ *Id.* at *11.

¹⁴ *See, Varsity Brands, Inc.*, 799 F.3d at 491; *Varsity Brands, Inc.*, 2014 WL 819422, at 7-8.

¹⁵ *Star Athletica*, No. 15-866, 2017 WL 1066261 at *6.

¹⁶ *Id.*

¹⁷ *Id.* at *14 (Ginsburg, J., concurring).

¹⁸ *Id.* at *17-18 (Breyer, J., dissenting).

¹⁹ *Id.* at *18 (Breyer, J., dissenting).

²⁰ *Id.* at *21 (Breyer, J., dissenting).

²¹ *Id.*

²² *Id.* at *10.

explanation or guidance as to how its rule might be applied outside of the factual contours of the present case and it remains to be seen how other courts will apply this test, including to articles other than apparel.

Moreover, not all designs that meet the new test will benefit from copyright protection. In particular, the Court's decision should not be read to suggest that copyright protection will now extend to banal or ordinary designs. Although some have expressed concerns that the new test may lead to copyright protection for basic color or design elements, the majority opinion focuses on copyright *eligibility* and says nothing to alter how lower courts determine whether an eligible design, including Varsity's, is ultimately an original work that is entitled to copyright protection.

While only time will tell whether this ruling provides an expansion of rights to manufacturers and designers, the intervening uncertainty may have a more immediate impact on their industries. The industries range from fashion to consumer goods, appliances, electronics and others involving useful articles whose design affects their price or value. In those industries, the absence of Court guidance could hinder the ability of designers to determine which portions of their designs, if any, are copyright eligible. Although larger, more established designers may be willing to accept the cost and risk of uncertain litigation to defend their designs, smaller or newer designers may be unwilling to shoulder those costs, and may choose instead to forgo filing lawsuits (and avoid spending money on copyright registration, a prerequisite to filing a copyright action) or to quickly settle suits filed against them. In sum, intellectual property lawyers, manufacturers and designers alike will need to wait and see whether lower courts' interpretation of the Supreme Court's new test will lead to an easily administered and uniform standard—or, instead, to the sort of fractured jurisprudence that led to the *Star Athletica* decision itself.

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