The Trademark Reporter

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FAITHION ISSUE

Protecting Fashion: A Comparative Analysis of Fashion Design Protection in the United States and the European Union
Francesca Montalvo Witzburg

The Designer Formerly Known as . . .: Intellectual Property Issues Arising from Personal Names as Fashion Brands
George C. Sciarrino and Matthew D. Asbell

Cah-Nah-Dah, Cis-Boom-Bah: Star Athletica and Intellectual Property Protection of Fashion Products in Canada
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Commentary: Puma SE v. Forever 21, Inc.: Puma’s “Fenty” Slides May Not Have the Traction for the Uphill Battle Against Forever 21
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Commentary: Cartwheeling Through Copyright Law: Star Athletica, L.L.C. v. Varsity Brands, Inc.: The Supreme Court Leaves as Many Open Questions as It Provides Answers About the Viability and Scope of Copyright Protection for Fashion Designs
Eleanor M. Lackman

Commentary: The Blockchain Is in Fashion
Rosie Burbidge
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EDITORS’ NOTE:

THEME ISSUE—FASHION

We are pleased to publish another issue of The Trademark Reporter (TMR) directed to a single theme. In this case, the theme is fashion.

For fashion designers launching a new brand and companies investing in or buying a designer’s business, we offer an article discussing intellectual property issues arising from the use of personal names as fashion brands. For those interested in innovative technology, there is a commentary addressing how blockchain technology could be used in the fashion industry to help control the distribution chain, combat counterfeiting, track parallel imports and second-hand goods, provide real-time evidence of continued use of a mark, and maintain indisputable records of the timing and changes made during the design process.

Not surprisingly, we feature pieces discussing various aspects of this year’s U.S. Supreme Court decision involving copyright claims in designs for cheerleader uniforms: Star Athletica, L.L.C. v. Varsity Brands, Inc.1 One commentary looks at whether the Star Athletica decision offers more hope to fashion brands seeking to use copyright law to protect elements of product design or just raises more questions than it answers. Another commentary presents a take on the attempted use of Star Athletica in a pending action involving copying of popular shoe designs by Forever 21. Finally, we provide two international articles addressing how, post-Star Athletica, the U.S. law with respect to protection of fashion designs compares with Canadian law and with laws in Europe.

The interest generated by the fashion theme produced more contributions and interest than we could produce and process in time to meet our publication deadline. We look forward to publishing additional material relating to the fashion industry as the law in this area continues to develop.

Meanwhile, while the focus here is fashion, the issues covered by the content in this theme issue apply equally to many different businesses. Fashion designers are not alone in using their names as brands. Blockchain will have relevance across all industries. Product design protection is not just relevant for shoes and articles

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of clothing—nearly all products have some design elements that owners may seek to protect. We hope that this theme issue prompts debate, discussions, and further submissions to the TMR, whether fashionable or not.

Jessica Elliott Cardon
Senior Editor and Theme Issue Co-Chair

Kathleen E. McCarthy
Editor-in-Chief and Theme Issue Co-Chair
PROTECTING FASHION:
A COMPARATIVE ANALYSIS OF FASHION DESIGN PROTECTION IN THE UNITED STATES AND THE EUROPEAN UNION*

By Francesca Montalvo Witzburg**

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I. INTRODUCTION

In 2016, the United States apparel and footwear industry was valued at $358.88 billion.\(^1\) Fashion is not just a business—it also has aesthetic, cultural and historical value.\(^2\) Despite the economic and artistic significance of fashion, the tailoring and structural aspects of a fashion article are generally not protectable under U.S. copyright law. However, certain features exhibited on or components incorporated into a fashion article may be protectable. By example, an unprotectable dress shape or tailoring pattern may feature an intricate textile or bead design that merits protection under U.S. copyright law. Likewise, an unprotectable t-shirt may display a protectable graphic image, art work, or even a trademark. In contrast, the European Union has several legal mechanisms for protecting entire fashion designs and articles under EU and EU Member State laws. This article compares the intellectual property protections available for fashion designs in the United States, including the potential impact of the recent Supreme Court decision addressing conceptual separability under copyright law in the *Star Athletica, L.L.C. v. Varsity Brands, Inc.*\(^3\) case, with the intellectual property protections available for fashion designs in the European Union and the EU Member States of France, Italy, and the United Kingdom.

II. FASHION DESIGN PROTECTION IN THE UNITED STATES

A. Limited Fashion Design Protection under U.S. Trademark and Patent Law

In the United States, the three main categories of intellectual property rights available for fashion design protection are copyrights, trademarks (including trade dress), and patents. As discussed below, each right presents an opportunity for the protection of fashion articles, with designers relying heavily on trademark and trade dress protection, design patent protection,

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2. Prominent museums have devoted their halls to fashion exhibits, such as the Metropolitan Museum of Art’s Alexander McQueen exhibit, “Savage Beauty,” and the Met’s “Punk: Chaos to Couture” exhibit. Fashion exhibits such as these illustrate the artistic, cultural, and historical significance of fashion. See *Alexander McQueen: Savage Beauty*, The Metropolitan Museum of Art, http://blog.metmuseum.org/alexandermcqueen/ (last visited June 25, 2017); see also *PUNK: Chaos to Couture*, The Metropolitan Museum of Art, http://www.metmuseum.org/en/exhibitions/listings/2013/punk (last visited June 25, 2017).

and, to a lesser degree, copyright protection, to gain enforcement rights against marketplace competitors.

Trademark law provides a form of protection for the word marks and logos appearing on a fashion article, if they operate to identify the source of the goods. Thus, designers and fashion houses may protect their goods by adopting a distinctive trademark that allows the consuming public to recognize the fashion article’s source.\(^4\) Designers and brands can also seek trade dress protection in “the overall commercial image (look and feel) of a product that indicates or identifies the source of the product and distinguishes it from those of others.”\(^5\) Trade dress may protect the nonfunctional and distinctive elements of a fashion good, such as size, shape, color and texture, and the overall look and feel.\(^6\)

To function as a trademark, the design itself must identify the source of the fashion article, which may be difficult to prove without sufficient evidence of acquired distinctiveness to demonstrate that consumers have come to recognize the design. Some designers and brands incorporate their logos or marks into the fashionable item in order to distinguish their designs.\(^7\) However, if a designer obtains protection for the logos incorporated into a fashion design, it needs to consider the possibility that if the underlying design becomes popular, copycats may use the same design on their goods without legal consequence since only the logos are protected and not the design itself. Once others use the design, it may be difficult to prove that the design points to the original creator as the source and functions as a trademark.\(^8\) This gap is what allows fast-fashion companies, namely, companies that quickly utilize designs from the runway to capture current fashion trends, to exist.

A designer may also be able to apply for a U.S. design patent,\(^9\) which protects any “new, original and ornamental design for an


\(^7\) For example, Burberry incorporates its famous plaid design into its products designs. See also TMEP Section 1202.19 for repeating pattern marks.


article of manufacture.” A design patent presents an opportunity to protect fashion designs themselves, but with protection limited only to elements of the design that are “novel.” A U.S. design patent is a useful tool to protect aspects of a fashion design that are eligible for such protection. Because the United States Patent Office (USPTO) grants only patents for “new” designs or “new” features of designs, mere re-workings of previously existing designs cannot obtain patent protection. And because fashion designs often incorporate pre-existing designs, many do not qualify for design patent protection.

B. Current Copyright Protection

As mentioned above, certain elements of fashion may be protected by U.S. copyright law, which protects “original works of authorship fixed in any tangible medium of expression.” For a work to be original, it need only be “independently created by the author (as opposed to copied from other works), and . . . possess . . . at least some minimal degree of creativity.” In the United States, copyright protection is automatic, but copyright owners can register their copyrights with the U.S. Copyright Office. Registration is a prerequisite for certain remedies, including, in most circuits, the right to sue for copyright infringement. The originality requirement for copyright is a lower hurdle than the “novelty”

10. 35 U.S.C. § 171 (2012). This section lists various types of works considered “works of authorship” for the purpose of this section, and apparel is not listed: (1) literary works; (2) musical works, including any accompanying words; (3) dramatic works, including any accompanying music; (4) pantomimes and choreographic works; (5) pictorial, graphic, and sculptural works; (6) motion pictures and other audiovisual works; (7) sound recordings; and (8) architectural works. Id.


13. Id.


requirement that must be met to obtain a design patent.”

“Originality requires independent creation plus a modicum of creativity.”

“The author’s expression does not need to be novel, and it does not need to be presented in an innovative or surprising way.” However, fashion designs are not a protected category of work in their own right under U.S. copyright law, which excludes from protection the particular manner a garment is cut and sewn, by example, in contrast to patent law, which can protect manufacturing processes and product design through utility patents, if legal thresholds are met.

Professor David Nimmer differentiates between two concepts that fall under the term “fashion designs”: (1) “fabric designs” and (2) “dress designs.” Fabric designs are the patterns appearing on the fabric that constitutes an article of clothing, such as the floral design repeated on a blouse, and these are copyrightable. However, copyright does not extend to dress designs, for instance, which “graphically set forth the shape, style, cut, and dimensions for converting fabric into a finished dress or other clothing garment.”

Clothing historically has been considered a “useful article” as defined in Section 101 of the Copyright Act because it has “an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.” The design of a garment can only acquire copyright protection if it “can be identified separately from, and is capable of existing independently of, the utilitarian aspects of the article,” as set out in Section 101 of the Copyright Act. Until the recent Supreme Court case Star Athletica, L.L.C. v. Varsity Brands, Inc., 580 U.S. ____ (2017), Courts construed this section as the “physical” or

21. Nimmer on Copyright, supra note 15, at § 2.08 [H].
22. Id.
24. Nimmer on Copyright, supra note 15, at § 2.08[H].
25. 17 U.S.C. § 101 (2012). However, Professor Nimmer believes that not all clothing has an intrinsic utilitarian function, but rather some clothing items may be “intended to portray the appearance of the article” and offers men’s ties as a possible example. Nimmer on Copyright, supra note 15, §2.08 [H] (citing Nimmer on Freedom of Speech, § 3.06(E)(3)).
“conceptual” separability test. Physical separability was demonstrated when the decorative elements could “actually be removed from the original item and separately sold, without adversely impacting the article’s functionality.” Conceptual separability was demonstrated when the garment “invoke[d] in the viewer a concept separate from that of the [garment’s] ‘clothing’ function,” and the additional function “was not motivated by a desire to enhance the [garment’s] functionality qua clothing.” For example, a fabric design—the repeated floral print—is capable of existing separately from the actual skirt, but the dress design—the tailoring and the shape of the skirt—cannot exist separately from the skirt. Copyright protection only extends to the portion that is unique and not the functional aspect.

For certain articles of clothing that may appear to serve an additional function other than the typical function of clothing (that being to cover a person’s body)—for example, costumes, prom dresses, or employee uniforms—the actual designs may be copyrightable. In 2005, the U.S. Court of Appeals for the Second Circuit in Chosun Int’l, Inc. v. Chrisha Creations, Ltd., 413 F.3d 324 (2d Cir. 2005), held that copyright law may protect Halloween costumes if the costume’s design elements can be separated from the overall function of the costume as clothing.

But on the spectrum of articles of clothing with specifically decorative functions, the U.S. Court of Appeals for the Second Circuit denied copyright protection to the design of a prom dress in a 2012 unpublished decision, Jovani Fashions v. Fiesta Fashions, 12-598-cv, 2012 WL 4856412 at *1, specifically “the arrangement of decorative sequins and crystals on the dress bodice; horizontal sat in

27. See Jovani Fashions, Ltd. v. Fiesta Fashions, No. 12-598-cv, 2012 WL 4856412 at *1 (2d Cir. Oct. 15, 2012) (citing Chosun Int’l, Inc. v. Chrisha Creations, Ltd. 413 F.3d 324 (2d Cir. 2005) (“We have construed 17 U.S.C. § 101 to afford protection to design elements of clothing only when those elements, individually or together, are separable—‘physically or conceptually’—from the garment itself.”)).

28. Chosun, 413 F.3d 324, at 329.

29. Id.

30. See Nimmer on Copyright, supra note 15, at § 2.08(H).

31. “Copyright never protects the mechanical or utilitarian aspects of an article, whether useful or not. No matter how novel, distinctive, or aesthetically pleasing any clasps, motors, or other functioning parts of an article may be, copyright does not protect them.” Copyright office at https://www.copyright.gov/fls/fl103.pdf.

32. See Chosun, 413 F.3d 324 at 326 (stating that costumes may be copyrightable); But see Jovani Fashions, Ltd. v. Fiesta Fashions, No. 12-598-cv, 2012 WL 4856412 (2d Cir. Oct. 15, 2012) (explaining that Jovani did not have a plausible copyright claim because the aesthetic and functional features of the prom dress are inseparable); see also Galiano v. Harrah’s Operating Co., 416 F.3d 411 (5th Cir. 2005) (“[D]esigns were not copyrightable absent showing that they were marketable independently of their utilitarian function as casino uniforms.”).
ruching at the dress waist; and layers of tulle on the skirt.” 33 The Court noted “that clothing, in addition to covering the body, serves a ‘decorative function,’ so that decorative elements of clothing are generally ‘intrinsic’ to the overall function, rather than separable from it.” 34 The U.S. Court of Appeals for the Fifth Circuit, in Galiano v. Harrah’s Operating Co., 416 F.3d 411, 422 (5th Cir. 2005), similarly denied copyright protection for uniforms of casino workers because the clothing designer could not show that “its designs [were] marketable independently of their utilitarian function as casino uniforms.” 35 The Fifth Circuit admitted that “[t]he caselaw on costume design is, to say the least, uneven.” 36

The U.S. Supreme Court’s 1954 decision in Mazer v. Stein 37 held that the original design aspects of otherwise functional articles may be copyrighted, and the holding thereafter became codified as part of the Copyright Act in 1976. 38 From 1954 until 2017, U.S. courts struggled to apply the various separability tests that have emerged over the years to determine whether an article of clothing’s design elements are purely utilitarian or are capable of existing separately from the item’s utilitarian purpose. 39 Previously, such tests included aspects addressing physical separability, intent, and marketability. 40 In March 2017, the U.S. Supreme Court issued its decision in the landmark case, Star Athletica v. Varsity Brands, Inc., which established a single test to determine copyrightability of designs incorporated in useful articles. 41

33. Jovani Fashions, No. 12-598-cv, 2012 WL 4856412 at *1. Citing Mazer v. Stein, the court held that Jovani failed to meet the separability requirements because “Jovani has not alleged, nor could it possibly allege, that the design elements for which it seeks protection could be [physically] removed from the dress in question and separately sold.” Id. (citing Mazer v. Stein, 347 U.S. 201 (1954)).


36. Id. at 420.


C. The Supreme Court Decision in Star Athletica v. Varsity Brands

Varsity Brands Inc. (Varsity) is a $1.2 billion company owned by the $3.5 billion private-equity firm Charlesbank Capital Partners; it controls 80 percent of the cheerleading uniform market, according to Slate.com. Varsity obtained over 200 U.S. copyright registrations for the “two-dimensional” designs incorporated into or otherwise displayed on its cheerleading uniforms. Varsity filed suit against Star Athletica (“Star”) alleging infringement of five of its registered copyrighted designs. The U.S. District Court granted summary judgment in favor of Star, finding that Varsity’s designs did not qualify for copyright protection, as they served the utilitarian function of identifying the clothing as “cheerleading uniforms” and could not be separated from such function. In a split decision, the U.S. Court of Appeals for the Sixth Circuit reversed, holding that the cheerleader uniform design elements were capable of existing independently because they could be applied to other apparel, or even framed as an artwork. Star petitioned the Supreme Court for a writ of certiorari.

On March 22, 2017, the Supreme Court ruled that copyright law could protect cheerleader uniform designs. The Court set forth a new, two-part test to determine copyright protection for designs incorporated in useful articles:

An artistic feature of the design of a useful article is eligible for copyright protection if the feature (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 in some other medium if imagined separately from the useful article.

The Supreme Court affirmed the Sixth Circuit’s finding that Varsity’s cheerleading uniform designs satisfy these requirements.


44. Id.


under the new test promulgated by the Supreme Court. The decision harmonizes all prior circuit court tests, although some believe the decision may raise additional issues.\textsuperscript{48} It remains to be seen if it will clarify interpretation of whether fashion articles are consistently protectable under copyright law.

Under the \textit{Star Athletica} “imagination” test,\textsuperscript{49} if a design not affixed to a useful article can be protected by copyright, then it can be protected even if it is affixed to the useful article. The new test no longer considers the creator’s intent, the design’s marketability and the design’s physical separability. Notably, the Court clarified that copyright protection does not extend to the size, shape and cut of a fashion article.\textsuperscript{50} Even though the Court established a new test, its application may lead to differing conclusions, as illustrated by Justice Breyer’s dissent, which applies the Court’s new test but reaches a different result, finding that the designs are not protectable.

The \textit{Star Athletica} test raises interesting new possibilities not only for fashion, but also for other industrial designs such as furniture and houseware.\textsuperscript{51} The Court acknowledged that some patentable industrial designs could also satisfy the copyright separability test, which may herald an expansion of opportunities to protect designs under more than one statutory regime.\textsuperscript{52} The \textit{Star Athletica} case arguably opens the door for fashion brands to seek greater protection and enforce those rights against others, including fast-fashion companies, such as Zara and H&M, which quickly adapt runway styles and trends for mass market retail sale direct to consumers. Illustratively, in April 2017, Puma filed an action against Forever 21, alleging infringement of design patents, trade dress, and copyright infringement based on alleged copying of a shoe line collaboration with Rihanna.\textsuperscript{53} Puma cited the \textit{Star Athletica} decision, claiming that the elements of each shoe involved in the case were “separable” enough for protection.\textsuperscript{54} Puma sought a


\textsuperscript{50} “In any event, as explained above, our test does not render the shape, cut, and physical dimensions of the cheerleading uniforms eligible for copyright protection.” Star Athletica, 580 U.S. ____ (2017) at 17.


\textsuperscript{52} Id. at 778.


\textsuperscript{54} \textit{Puma SE}, 2:17-cv-02523 (C.D. Cal). See Loni Morrow, Loni and & Jonathan Hyman, Jonathan, Puma Treads New Territory Hitting Forever 21 with Copyright Allegations after the Supreme Court’s Star Athletica Decision, Knobbe/Martens: Intellectual Property Law,
temporary restraining order and a preliminary injunction barring Forever 21 from selling the shoes at issue, but the judge refused both. After the refusal of the preliminary injunction, Puma issued a statement that it was “disappointed” and “frustrated” by the decision, specifically commenting that “[i]ntellectual property holders should be able to rely on U.S. courts to enforce their rights immediately when there has been harm and clear infringement,” particularly “in the fashion industry where trends are most valuable in the short term and infringers take advantage of this time frame.”  

D. Legislative Initiative to Extend Copyright Protection to Fashion Designs—The IDPA

In an effort to expand copyright protection to fashion articles, a congressional proposal, the Innovative Design Protection Act of 2012 (the “IDPA”), was put forth to amend the Copyright Act’s definition of “useful article” to include apparel. The IDPA proposed to grant protection to fashion designs for a period of three years and would prohibit a claim that a fashion design was copied from a protected design if it “(1) is not substantially identical in overall visual appearance to and as to the original elements of a protected design, or (2) is the result of independent creation.”

The debate continues as to whether extending copyright protection to fashion designs will help or hurt the U.S. fashion industry. The IDPA “has been heralded by [some of] the heads of the fashion industry as a tool that may finally level the playing field in the counterfeit goods and design infringement cases that have been exploding in recent years due to the ease at which individuals are able to steal designs.” In contrast to the idea that unauthorized copying reduces innovation, some scholars believe that copying actually benefits the U.S. fashion industry. According to Kal Raustiala and Christopher Sprigman, “piracy paradoxically benefits


55. Donahue, supra note 54.
designers.” This “piracy paradox”—the notion that copying “actually promote[s] innovation and benefit[s] originators” in the U.S. fashion industry—is why the debate continues in the United States and likely why no action has been taken since the introduction of the IDPA in 2012. Critics of the IPDA also believe it would increase legal costs for fashion designers as they would need to consult with lawyers to prevent copyright infringement claims. There also is concern that it would indirectly increase the cost of apparel for consumers.

III. FASHION DESIGN PROTECTION IN THE EUROPEAN UNION: COPYRIGHT AND DESIGN RIGHTS

Intellectual property protection is at the heart of most European fashion business models. The industry is “driven by fast-paced innovation embodied in the creation of seasonal collections of new fashion designs.” Europe remains the center of haute couture, and the protection of fashion designs is a core feature of its cultural identity and legal regimes. In contrast to the United States, in the European Union, fashion products—including traditional apparel categories, accessories, and footwear—may be protected under national and EU design laws and national copyright laws.

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60. Id. at 1722.


Coren also represents doctors and health care facilities in a variety of contexts, ranging from medical collections, contract review and negotiation, employment and labor issues, and other generalized litigation and regulatory issues that pertain to medical practitioners. Coren has experience dealing with payment and collection issues, with specific issues presented by out-of-network providers and direct patient reimbursement, and has advised a number of health care providers on best practices with respect to collecting on their outstanding accounts receivable. Coren successfully represented a physician named in a federal civil rights lawsuit, as well as a medical practice identified as a creditor in a bankruptcy proceeding. Michele Woods & Miyuki Monroig, WIPO Fashion Design and Copyright in the US and EU, WIPO (2015), available at http://www.wipo.int/edocs/mdocs/mdocs/en/wipo_ipr_ge_15/wipo_ipr_ge_15_t2.pdf.

64. Id.


66. Haute Couture, Cambridge Advanced Learner’s Dictionary & Thesaurus (2016), http://dictionary.cambridge.org/us/dictionary/british/haute-couture (Haute couture can be defined as “(the business of making) expensive clothes of original design and high quality.”).
A. European Union Design Protection

The European Union implemented a uniform protection approach for design rights that has been embraced by the 28 EU Member States (i.e., the individual countries that comprise the European Union), by first adopting the EU Designs Protection Directive (98/71/EC) (the “EU Directive”). The EU Directive harmonized national design protection regimes across all EU Member States by requiring them to protect “designs” by registration and to define design as “the appearance of the whole or a part of a product resulting from the features of . . . the lines, contours, colours, shape, texture . . . or its ornamentation.” To receive protection, the design must be “novel” and possess “individual character.” In this context, “novelty” means that there are no identical designs already available to the public. A design has “individual character” if “the overall impression, from an informed user’s point of view, is different from other designs available to the public.”

After adopting the EU Directive, which already provided rights for registered designs, the European Union enacted EU Regulation 6/2002, (the “EU Regulation”), which implemented a new, unique design right covering unregistered designs in the EU. The EU Regulation resulted in two types of EU design rights known as registered Community designs (“RCDs”) and unregistered Community designs (“UCDs”). Registered and unregistered Community designs are afforded different rights in the EU. For example, registered designs are protected for a first term of five years from the application filing date and can be renewed in blocks of five years up to a maximum of twenty-five years. In contrast, unregistered Community designs only receive protection for three years from the date on which the design was first made available to

67. For a full list of the EU Member States, see https://europa.eu/european-union/about-eu/countries_en.
69. Id., art. 1, at 30.
70. Id., art. 3, at 30.
71. Note, Emma Yao Xiao, The New Trend: Protecting American Fashion Designs Through National Copyright Measures, 23 Cardozo Arts & Ent. L.J., 405, 412 (“This is a heightened standard of infringement because even if a design has not been copied exactly, infringement can occur if it has the same overall impression on an informed user.”).
72. Id.
the public\textsuperscript{74} within the European Union, with no possibility of renewal.\textsuperscript{75} Unregistered Community designs are useful in protecting “short-life products (e.g., products within the fashion industry),” because the registration process can be costly.\textsuperscript{76}

An application for a registered Community design can be filed directly with the EUIPO office.\textsuperscript{77} An EU design can also be registered by filing an international application under the Hague System and designating the European Union or individual EU Member States to obtain design protection in the respective jurisdictions.\textsuperscript{78} The Hague System is an international design registration system administered via the World Intellectual Property Organization (“WIPO”) that allows a design owner to file a single international application and designate (i.e., extend protection to) over 66 countries that are party to the Hague Agreement.\textsuperscript{79}

EU fashion designers have celebrated the decision in \textit{Karen Millen v. Dunnes Stores} regarding unregistered design protection.\textsuperscript{80} In January 2007, the popular British brand Karen Millen filed an action against Dunnes Stores based on an unregistered Community design right in its clothing, and commenced proceedings seeking an injunction and damages in the Irish High Court. Dunnes Stores appealed to the Irish Supreme Court, which stayed the proceedings and referred two questions to the Court of Justice of the European Union (“CJEU”), which ultimately determined that (1) for the purposes of individual character, the overall impression a design produces on a user must be different from that produced by a design or designs taken \textit{individually}, and (2) the right holder does not need to prove the individual character of the unregistered EU design in the infringement action; the right holder need merely indicate the features giving rise to the individual character of the design.\textsuperscript{81} The
decision provides greater certainty for designers that their unique
designs qualify for unregistered design protection and reduces the
risk of an infringer successfully challenging a design's validity based
}

**B. EU National Design and Copyright Protection:**
**France, Italy, and the United Kingdom**

In addition to the registered and unregistered EU design protection opportunities, each Member State has its own design registration scheme that must comply with the EU Directive.\footnote{For more on why a business may chose national design protection or EU design protection, or vice versa, see https://www.iprhelpdesk.eu/competitive_advantages_achieved_through_design_protection.
} EU designers may also be able to rely on national copyright laws to protect designs that meet the conditions under which such protection is conferred, including the required level of originality. Such conditions are determined by each Member State.\footnote{Competitive advantages achieved through design protection https://www.iprhelpdesk.eu/competitive_advantages_achieved_through_design_protection.
} Article 17 of the EU Directive requires that a design protected by a design right also be eligible for copyright protection. Therefore, a design protected by a design right in a Member State that also meets that Member State’s conditions for copyright protection also must be eligible for copyright protection.\footnote{The European Court of Justice (“ECJ”) decision in Flos SpA v. Semeraro Casa e Famiglia SpA (C-168/09, January 27, 2011) found that it was required. See https://www.lexology.com/library/detail.aspx?g=4c6a2c63-398f-4b2b-a616-60ccb2020475.
} The European Commission’s legal review on industrial design protection found that in the 15 EU Member States it examined, which included France, Italy, and the United Kingdom, “cumulative protection under copyright and design law is possible. In order to benefit from cumulative protection, the design needs to satisfy the requirements for copyright protection under copyright law, and the requirements for protection under design law.”\footnote{www.ecar-alliance.eu/wp-content/uploads/ET-04-16-452-EN-N.pdf.
} While there is generally no such thing as an “international copyright” that will automatically protect creative works throughout the world, copyright owners in the EU may be able to claim protection in the United States or any other country that is a member of the Berne Convention.\footnote{International Copyright, U.S. Copyright Office, https://www.copyright.gov/fls/fl100.html (“Generally, the works of an author who is a national or domiciliary of a country that is a member of these treaties or works first published in a member country or published within
}
1. France

France, home of world premier *haute couture* fashion houses, embraces a national copyright system that has historically protected fashion designs.\(^{88}\) The French Intellectual Property Code (the “IPC”) protects original works of the mind under Article L.112-1,\(^{89}\) including those that “reflect the personality of their author” and expressly lists “the creations of the seasonal industries of dress and articles of fashion” as a protectable work of the mind in Article L.112-2.\(^{90}\) The term of protection is the author's lifetime and 70 years thereafter.\(^{91}\) Design owners face the challenge of showing the original character of their work, because fashion designs usually follow the current trends and therefore may lack originality.\(^{92}\) French copyright law grants protection on the date of creation, regardless of registration.\(^{93}\) French courts tend to adhere more strictly to the originality requirement for designs and typically will deny copyright protection for a design that could be considered commonplace.\(^{94}\)

New fashion designs in France may also be protected not only under national copyright law, but also by either or both a national French design and/or the EU design mechanisms discussed above. The French IPC protects registered designs that are new and have individual character; it does not, however, protect unregistered designs, although such designs are protectable under the EU unregistered design regime.\(^{95}\)

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\(^{88}\) See Xiao, *supra* note 71, at 413; see also Keymeulen & Nash, *supra* note 61, at 54.


\(^{91}\) Intellectual Property Code Article L123-1. The term of copyright protection has been harmonized in the EU. See [http://ec.europa.eu/internal_market/copyright/term-protection/index_en.htm](http://ec.europa.eu/internal_market/copyright/term-protection/index_en.htm).

\(^{92}\) See Gauss et al., *supra* note 90.

\(^{93}\) Xiao, *supra* note 71 (The grant of protection regardless of registration is “unlike different protection schemes given to registered and unregistered designs under the European Union regulations.”).

\(^{94}\) Gauss et al., *supra* note 90.

2. Italy

Like France, Italy protects fashion designs under its national copyright system. The Italian Copyright Law (the “LDA”) protects “works of the mind having a creative character and belonging to literature, music, figurative arts, architecture, theater or cinematography, whatever their mode or form of expression,” and “[i]n particular, protection shall extend to . . . industrial design works that have creative character or inherent artistic character.” Copyright registration is not mandatory, “but sometimes it could be recommended, in particular for catalogs of those fashion products like sunglasses and garments that are mostly seasonal and for which the design registration may be too expensive or not cost efficient.” Under the LDA, a fashion designer of even an unregistered work having creative and artistic value can seek ex parte from the Italian courts an interim injunction authorizing the designer to seize any copies of his or her designs that have creative and artistic value and then seek a permanent injunction and damages for unregistered works. A designer’s copyright endures for the life of the designer plus an additional seventy posthumous years.

Designs also can be protected with an Italian design registration, as the Italian Industrial Property Code protects designs registered with the Italian Patent and Trademark Office. Italian law does not protect unregistered design rights, but unregistered designs can be protected by European unregistered design protection, as discussed above.

3. The United Kingdom

In the United Kingdom, copyright protection is governed under the Copyright, Designs, and Patents Act of 1988 (“CDPA”). Original “artistic works” obtain automatic copyright protection in the United Kingdom. The CDPA defines an “artistic work” as “a graphic
work, photograph, sculpture, or collage, irrespective of artistic quality, a work of architecture being a building or a model for a building, or works of artistic craftsmanship.”103 Fashion designs fall under the category of “works of artistic craftsmanship.” However, case law demonstrates that one must meet a high threshold to show that a work is of artistic craftsmanship, making it difficult to assert fashion design protection under copyright law.104 Under the CDPA, a work is considered “commonplace in the design field in question at the time of its creation,” if it is not “original” for the purpose of the design right.105

The United Kingdom also has a national UK registered design regime (“UKRD”) that mirrors the Registered Community Design in all substantive areas including validity and infringement rules. Although the popularity of this regime waned somewhat following the introduction of Registered Community Design protection in 2002, UK companies may need to rely on this right when the United Kingdom ultimately exits the European Union following the “Brexit” plan. UK design law also provides for a UK unregistered design right under the CDPA, but it does not precisely match the Registered Community Design right, which may be of concern post-Brexit.106

4. Distinguishing Between Design Rights and Copyrights

Copyright protection granted under the national laws of France, Italy, and the United Kingdom are separate and distinct from the unique design rights designated under the EU Regulation and EU Directive. The availability of dual protection (copyright and design protection) over a fashion design may sometimes confuse courts and cause them to confuse the novelty requirement applicable to design protection and the originality requirement for copyrights. For example, the Paris Court of Appeals held that a shoe design was not only original, thus militating in favor of copyright protection, but also novel and possessing of individual character, thus militating in favor of design protection on the grounds that no identical model


was disclosed to the public and the overall impression imposed upon the consumer was different from that of other models disclosed to the public. But the effort remains to distinguish copyright and design rights. In France, it may be possible for a fashion creation to be denied copyright protection but granted design protection. This was illustrated by a French Supreme Court decision involving a shoe design, in which the court rejected the protection of the shoe on the grounds that it had the same characteristics as a preexisting style, but upheld the design rights because the designs were not identical.

Overview of EU Copyright and Design Right Regimes

<table>
<thead>
<tr>
<th>Country/Jurisdiction</th>
<th>National Copyright</th>
<th>National Registered Design Protection</th>
<th>National Unregistered Design Protection</th>
<th>Registered Community Design</th>
<th>Unregistered Community Design Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU, including all 28 EU Member States</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Available</td>
<td>Available</td>
</tr>
<tr>
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<td>Available</td>
<td>Available</td>
<td>Not available</td>
<td>Available</td>
<td>Available</td>
</tr>
<tr>
<td>Italy</td>
<td>Available</td>
<td>Available</td>
<td>Not available</td>
<td>Available</td>
<td>Available</td>
</tr>
<tr>
<td>UK</td>
<td>Available</td>
<td>Available</td>
<td>Available (does not precisely match the Registered Community Design right)</td>
<td>Currently available, but not after Brexit takes effect</td>
<td>Currently available, but not after Brexit takes effect</td>
</tr>
</tbody>
</table>

IV. CONCLUSION

Fashion designers and companies must consider the various fashion design intellectual property protection regimes available in the United States and the European Union and be aware of the differences. The European Union and some of its Member States offer broader intellectual property protections for fashion designers, arising out of Europe’s reputation as a fashion hub and as a region noted for haute couture fashion houses. Designers in the European Union have two main sources of intellectual property

109. See Keymeulen & Nash, supra note 61 at 53.
protection for fashion designs: national copyright protection and design rights, which can be either under the EU or national design regimes. While a designer may choose to protect his or her designs under only one regime, concurrent protection may be available in certain EU Member States where a design is protected by design rights and also meets the Member State's copyright requirements.

In the United States, fashion designs may be afforded minimal protection under trademark and patent law, and currently only certain designs incorporated on fashion articles would be protected under copyright. While *Star Athletica* arguably opened the door for certain design aspects of clothing to be eligible for copyright, the Court made it very clear that the cut, shape, and dimensions of clothing articles are still not protectable. Despite recent proposals in Congress to amend the Copyright Act to include fashion articles as a copyrightable work and the recent Supreme Court decision in *Star Athletica*, the U.S. fashion industry is a unique business that many believe actually benefits from rapid widespread copying, such that extending copyright protection to fashion articles may be unlikely to occur anytime soon.

110. Gauss et al., *supra* note 90.
THE DESIGNER FORMERLY KNOWN AS . . .: 
INTELLECTUAL PROPERTY ISSUES ARISING 
FROM PERSONAL NAMES AS FASHION BRANDS*

By George C. Sciarrino** and Matthew D. Asbell***

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* Adapted by the authors from George C. Sciarrino and Matthew D. Asbell, The 
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I. INTRODUCTION

Christian Lacroix, Kate Spade, Paul Frank, Joseph Abboud, David J. Pliner, Catherine Malandrino, and Karen Millen—aside from being well-known designers, all have something else in common: they no longer own the right to use their personal names as their brands. In the fashion industry, designers often use their personal names to refer to their clothing designs and related products. However, this practice raises concerns that designers should consider when starting an eponymous brand and that companies purchasing the brands of those designers should consider when acquiring such brands.1

Before deciding to use their personal names as fashion brands, designers should be aware that there are a number of risks that they could encounter at the outset. Initially, they may encounter hurdles when clearing and attempting to register their personal names as trademarks in the United States and worldwide. If they eventually decide to sell their companies, they could lose rights to use their personal names in future fashion ventures or as trademarks for similar products.2 When this predicament is discovered after a purchase agreement has been made, it can result in onerous and expensive disputes that do not benefit either party. With an international fashion brand, these disputes can arise on multiple fronts around the world.

In spite of these concerns, designers still may prefer to use their personal names as their brands for several reasons. From a marketing perspective, shoppers may be more likely to purchase products from a brand that has a relatable story and personal identity, and the use of a designer’s own name and persona may contribute to sales and the overall value of the brand.3 Ultimately, for an emerging designer, achieving fame and widespread name recognition may outweigh any potential risks. The later sale of the company often comes with a large price tag, as acquiring entities are willing to pay sizable sums for successful fashion brands, making any potential future name problem seem relatively inconsequential at the time of sale.

Both the designer and the purchasing company should perform due diligence when developing or contracting for the sale of an eponymous brand. To avoid pitfalls and future disputes, it is imperative for both parties to consider the various ways designers

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2. Id.
may wish to (or even be required to) use their names in connection with future ventures, such as in press releases, on third-party websites, in keyword advertising, on social media pages and posts, in domain names, and in connection with other intellectual property documents, including, for example, listings as inventors on design patent applications. Designers also should strategically manage their intellectual property portfolios, planning for the day when they may ultimately sell their assets. After selling their brands, designers may need to rebrand themselves by taking on a new name and utilizing legally permissible ways to identify themselves and their products to consumers, in some cases by becoming “the designer formerly known as . . .”

This article reviews the various issues relating to eponymous fashion brands from initial clearance to disputes after sale of the company; outlines how designers have addressed post-sale references to their former brands, with and without objection from the brand acquirers; and provides examples of brands that manage to avoid the possible issue altogether while still maintaining a “personal” approach to branding.

II. CLEARING AND REGISTERING PERSONAL NAMES AS TRADEMARKS

For designers, it may be difficult to clear and register a personal name as a trademark. First, the marketplace and applicable trademark registers may be already crowded with marks that include the designer’s given name. Such existing given name marks may pose obstacles to registration and use, even though the designer may initially plan to use his or her given name only in combination with other elements such as his or her surname. Initial plans can change over time and result in disputes over the given name when used alone, as happened, for example, with the CALVIN KLEIN brand’s eventual use of CALVIN by itself. Depending on the markets in which they manufacture, sell, or plan to sell their products, designers must also consider early on whether to clear and register versions of their names in non-Latin characters in certain jurisdictions, including for example, China.

In the United States, a mark can be refused registration for its surname significance; under the Lanham Act, a mark that is deemed “primarily merely a surname” cannot be registered on the

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4. Consider, for example, the recent dispute over the mark KYLIE between Kylie Minogue and Kylie Jenner. See, e.g., KDB Pty Ltd. v. Kylie Jenner, Inc., Opposition No. 91228567, filed in the U.S. Patent and Trademark Office Trademark Trial and Appeal Board in 2016. The opposition was withdrawn by the opposer, after a reported settlement.

Principal Register without proof of secondary meaning, which requires a showing that in the minds of relevant consumers, the surname indicates the source of the goods or services. Whether a trademark is deemed “primarily merely a surname” depends on the discretion of the Examining Attorney and a number of different factors, including: (1) whether the term is a rare surname; (2) whether the term is the surname of anyone connected with the applicant; (3) whether the term has any recognized meaning apart from being a surname; (4) whether the term has the “look and feel” of a surname; and (5) whether the mark has a unique text stylization or other graphic element that creates a distinct commercial impression. This evolving case-by-case test looks at the probable reaction of consumers in the marketplace. Before preparing an application for a mark composed of a surname by itself or even in combination with additional elements, such as preceding initials, it is important to formulate ways to build and demonstrate secondary meaning to increase the likelihood of the mark being registered or to be prepared for lesser protection. Fortunately, in the United States, surname refusals typically only occur when the applied-for mark consists of little more than a surname. Designers who adopt the combination of their surname with their given name or multiple initials are unlikely to face such a refusal.

If, at the time of the application in the United States, the designer’s surname is already well-known and substantial resources have been allocated to promoting the mark, the designer may consider making a claim of acquired distinctiveness to show that the mark has established a secondary meaning. Otherwise, the designer may register the surname mark on the Supplemental Register, where it may enjoy some limited trademark protection while distinctiveness is acquired in the marketplace. After using the mark in commerce for at least five continuous years, the designer

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7. See TMEP § 1211.01.
9. See In re P.J. Fitzpatrick, Inc., 95 U.S.P.Q.2d 1412 (T.T.A.B. 2010) (precedential) (TTAB reversed surname refusal of mark P.J. FITZPATRICK INC., stating “if a mark consists of two initials (or more) coupled with a surname, it typically will convey a commercial impression of a personal name, and thus generally will not be primarily a surname.”); see also In re Reebok Int’l Ltd., Serial No. 78271326 (Oct. 26, 2005) (TTAB reversed surname refusal of the mark J.W. FOSTER for footwear, headwear, and clothing).
10. See TMEP § 1211.
may file a new application seeking registration on the Principle Register with a claim of acquired distinctiveness.11

Another issue arising in the context of seeking registration of a personal name as a fashion brand is the requirement for written consent. Under the Lanham Act, if the mark identifies a living person and the applicant is not that person, the applicant must provide written consent from that person.12 For a designer registering his or her own name in the name of his or her company, this may be achieved rather simply by submitting a statement of consent with the trademark application. However, purchasing companies may encounter issues relying on past statements of consent when seeking to register the designer’s name in new applications. Disputes may arise between designers and purchasing companies over the scope and duration of consent previously granted, which is typically silent on these issues.

For example, the U.S. Patent and Trademark Office Trademark Trial and Appeal Board (TTAB) recently dismissed an opposition filed by haute couture and ready-to-wear designer Christian Lacroix against the registration of the mark CHRISTIAN LACROIX by the company Christian Lacroix, Snc.13 The TTAB found that opposer Lacroix had assigned to the applicant all of his trademark rights in his name and held that a reasonable reading of the trademark purchasing agreement implied that he had consented to the use and registration of the CHRISTIAN LACROIX trademark by the applicant.

In addition, according to the U.S. Patent and Trademark Office’s Trademark Manual of Examining Procedure (TMEP), a consent in a prior registration may satisfy the consent requirement in a subsequent application.14 TMEP Section 1206.4 states that new consent is not required if consent is of record in a valid registration owned by applicant: “An applicant does not have to submit a new consent if a consent to register is already part of the record in the file of a valid registration for a mark comprised in whole or in part of the same name, portrait, or signature for the same goods and/or services, or such goods and/or services as would encompass those in the subsequent application.”15 Therefore, when attempting to register a personal name as a trademark, designers and purchasing

12. See 15 U.S.C. § 1052(c); see also TMEP § 813.01(a).
14. See TMEP §§ 813, 1206.04(c).
companies should contemplate the potentially long-lasting effects of any consent provided, as well as the potential need for new consents for future applications covering new goods and services.

When considering possible rights outside the United States, designers who wish to own and use their names as trademarks should also evaluate whether they will use or need to prevent others from using a phonetically equivalent version of their name in the local language. Former basketball star Michael Jordan learned this the hard way when he spent nearly five years fighting in Chinese courts to finally get the rights to a Chinese character version of his surname, 乔丹 (Qiaodan), from Qiaodan Sports Co., Ltd., which previously registered the mark and continues to operate nearly 3,000 retail locations in China (and recently sued Jordan—so the dispute is still not entirely resolved). As Jordan’s ultimate success in court with respect to at least one of the marks at issue was principally a result of his worldwide fame, designers who are less well-known (despite their aspirations or destinies) are wise to consider applying to register the most likely to be used versions of their names in non-Latin characters in relevant jurisdictions as early as possible rather than discover later that another party has adopted and registered the local version of their name before them. Local contacts and counsel should be consulted to pick, clear, and proactively register at least one reasonable translation or transliteration of the name.

An additional consideration applies if a designer files an intent-to-use application for his or her eponymous mark: there are limitations on the ability to transfer the pending application. With the primary purpose of ensuring assignment only along with some business or goodwill and to prevent trafficking in trademarks, U.S. trademark law provides that a U.S. trademark applicant “cannot assign the application [based on intent to use] before the applicant files an allegation of use (i.e., either an amendment to allege use under 15 U.S.C. § 1051(c) or a statement of use under 15 U.S.C. § 1051(d)), except to a successor to the applicant’s business, or portion of the business to which the mark pertains, if that business is ongoing and existing.” Where the assignee of an intent-to-use application, prior to the filing an allegation of use, is not the successor to the


17. Chen, supra note 16.

18. See 15 U.S.C. § 1060 (emphasis added); see also TMEP § 501.01(a).
applicant’s business or portion of the business to which the mark pertains, the improper assignment renders the application void, and any resulting registration may ultimately be cancelled.\(^{19}\) Accordingly, depending on the terms and structure of the acquisition by a successor entity, a fashion designer who has not yet used one or more of his or her particular applied-for marks and who intends to continue operating in the business in one manner or another may not be able to presently assign some of the marks. This issue can be addressed through an agreement requiring the mark to be assigned at some future date, after use has commenced, and for the assignor to cooperate in executing the assignment at that time, or by ensuring that the present assignment includes language confirming the transfer of the business.\(^{20}\)

When entering into a purchase agreement, both the designer and purchasing company should consider how to define the assignment of any intent-to-use applications, as well as the scope and duration of consent to use a personal name and any potential limitations of the designer’s use of his or her given name, in order to avoid later disputes that may impact both parties globally.

### III. GLOBAL DISPUTES OVER PERSONAL NAMES

When managing a global fashion brand based on the designer’s name, disputes may arise contemporaneously in multiple jurisdictions. This happened in a legal battle involving London-based international fashion brand Karen Millen Fashions Limited (KMFL) and designer Karen Millen over the right to use her name.\(^{21}\)

By way of background, in 2004, Karen Millen sold her company, along with the rights to use her name on future competing ventures, to KMFL’s predecessor-in-interest, the Icelandic group Baugur, by way of a purchase agreement. Litigation ensued in 2011 in the United Kingdom when Millen announced an intent to return to the

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20. One commentator suggests the following contract language: “Assignor does hereby assign to Assignee the mark in U.S. Trademark Application No. __________, together with the goodwill of the business symbolized by the trademark. This application is being assigned as part of the entire business or portion thereof to which the mark pertains, as required by Section 10 of the Trademark Act, 15 U.S.C. § 1060.” Miriam D. Trudell, Issues to Consider in Assignments of U.S. Trademark Applications and Registrations, INTA Bulletin, Nov. 15, 2014 (available at https://www.inta.org/INTABulletin/Pages/IssuesToConsiderInAssignmentsofUSTrademarkApplicationsandRegistrations.aspx (last accessed Dec. 15. 2017)).

fashion business using the name KAREN.\textsuperscript{22} In 2015, Millen reached a settlement with regard to use of her name in the United Kingdom and European Union, which generally prevented her from using her name on fashion or lifestyle products in these jurisdictions but did not address the U.S. or Chinese markets.\textsuperscript{23} Millen then attempted to register a number of trademarks in the United States that included her name.\textsuperscript{24} The conflict escalated, and Millen filed cancellation actions in the United States against several KMFL marks that included her name. KMFL initiated litigation in the Eastern District of Virginia, claiming, inter alia, breach of contract.\textsuperscript{25} The district court dismissed the case following Millen’s motion, which was based on claims that the court lacked personal jurisdiction over U.K. resident Millen and subject matter jurisdiction over the U.K. contract; that the doctrine of \textit{forum non conveniens} made the Virginia court an inconvenient forum; and that principles of international comity required the Virginia court to decline to hear the case, while also noting that the U.K. contract’s forum selection clause designated U.K. courts.\textsuperscript{26} KMFL then appealed to the Fourth Circuit but ultimately moved to voluntarily dismiss the appeal on October 11, 2016.\textsuperscript{27}

Relying on a forum selection clause in the purchase agreement that allegedly required contractual disputes to be litigated in the United Kingdom, Millen brought an action in the High Court of England and Wales that included a claim for declaration that she could use the marks KAREN and KAREN MILLEN in the United States.\textsuperscript{28} In the High Court decision, Judge Meade ruled that the designer Karen Millen no longer had the right in the United States to use KAREN MILLEN as a trademark for home wares and lifestyle ventures or KAREN for any goods and services.\textsuperscript{29} The court noted that it would have been inclined to allow the mark KAREN to be used if the designer had claimed limited rights with respect to the geographic scope and description of goods and services that did not conflict with KMFL’s rights. Instead, as the Judge explained:

\begin{itemize}
  \item[22.] See facts recited in Millen v. Karen Millen Fashions Ltd. & Anor, EWHC 2104 (Ch) (2016) (available at http://www.bailii.org/ew/cases/EWHC/Ch/2016/2104.html (last accessed Nov. 20, 2017)).
  \item[23.] Id.
  \item[24.] Id.
  \item[26.] Id.
  \item[27.] Id.
  \item[28.] See decision at Millen v. Karen Millen Fashions Ltd. & Anor, EWHC 2104 (Ch) (2016) (available at http://www.bailii.org/ew/cases/EWHC/Ch/2016/2104.html (last accessed Nov. 20, 2017)).
  \item[29.] Id.
\end{itemize}
Were the Claimant to have sought a decision that the use of the KAREN solus marks was not a breach, in circumstances where there was no possibility of any association with the name MILLEN, and if the declarations had defined her intended use more closely in terms of geographic positioning and the like, then I think this aspect of her claim might have succeeded. Mainly because of the weak and possibly non-existent distinctiveness of the first name alone, along with the other KAREN brands in the fashion industry, I think it is possible to conceive of uses, perhaps many uses, which would not cause confusion and would not be a breach of clause 5.1.7.

However, I have accepted the Defendants’ submissions that the breadth of the declarations sought is very great. It extends to the use of KAREN marks on clothes in close physical proximity to the Defendants’ stores, along with simultaneous use by the Claimant on other goods of KAREN MILLEN, and (potentially, although again I do not regard it as decisive) in connection with the Claimant attempting to explain and indeed exploit her past connections to the KAREN MILLEN business, which may or may not succeed in avoiding a trade mark type of association. If these factors were to be combined, which I think is a situation within the scope of the declarations, favourable to the Defendants but not artificially or ridiculously so, then I consider there would be confusion. The declarations therefore include acts which would be a breach of clause 5.1.7.30

Millen was further ordered to consent to additional registrations by KMFL that include her name.31

Since the High Court decision, Millen abandoned the United States trademark applications and registrations for marks that include her full name.32 A pending application filed by Millen for HOME BY KAREN proceeded to publication and was opposed by KMFL.33 The opposition was suspended pending the disposition of the High Court decision; however the application was later expressly abandoned by the applicant’s trustee in bankruptcy on October 5, 2017, and the opposition was thereafter withdrawn.34

30. Id. at ¶¶ 309-310.
31. Id.
32. See, e.g., Notice of Abandonment, U.S. App. No. 86246014 for KAREN BY KAREN MILLEN (Sept. 9, 2016); see also, e.g., Notice of Abandonment, U.S. App. No. 86246046 for KAREN MILLEN (Sept. 9, 2016); see also, e.g., Notice of Abandonment, U.S. App. No. 86246059 for HOME BY KAREN MILLEN (Sept. 9, 2016).
33. See U.S. App. No. 86246065 for HOME BY KAREN; see also T.T.A.B. Opposition No. 91230754.
Having not appealed the High Court’s decision, Millen will most likely need to redevelop her new brand under a different name.

IV. POSSIBLE WAYS AROUND LOSING ONE’S OWN NAME AND LIKENESS

After selling their brands, designers may not fully realize that they can no longer use their names in connection with their new fashion ventures. In some cases, they still can identify themselves as the designer of a new brand without using their name to identify the brand itself. The distinction often made in these scenarios is between the trademark, which identifies the source of goods or services, and the designer’s use of his or her name and likeness independent of the products he or she designs.

In most U.S. states, a person’s right to control the use of his or her name and likeness commercially falls under the category of the right of publicity, which was derived from the right of privacy. The nature of the right, the term used to describe it, and the term and assignability of the right, will be different depending upon the state or country where the designer resides. The right exists independently of the product with which the name or likeness may be associated, and thus falls outside the ambit of trademark, patent and copyright laws in the United States. In some jurisdictions, like France and other European countries, the connection between the designer and his or her work may be considered inalienable as a matter of moral rights in copyright law. In such countries, copyright law may recognize a fashion designer’s moral rights over his or her design at the moment the original work is created. Moral rights normally include the right of attribution (the right to be identified as the author); the right of integrity (the right to prohibit modification or destruction of the work); the right of disclosure (the right of control over publicizing of the work); and the right of withdrawal (the right to take back the work from the public after it has been released). 35 In jurisdictions that recognize moral rights, the law typically does not allow assignment of the right of attribution, because it is inherent in the author. Therefore, after selling their eponymous brands, designers may retain the moral right to attribute themselves as the creator of their past and future designs, at least those protected by copyright.

When moral rights do not exist or do not apply to fashion works, as in the United States, a designer who can no longer use his or her name or likeness should consider any available alternative ways of

identifying himself or herself as the designer of his or her new brand that comply with the terms of the purchase agreement. The designer should explore when and how the name or likeness can be used in press releases, on third-party websites, in keyword advertising, on social media posts, in domain names, and even in design or utility patents. For example, although there is not currently a generic top level domain such as .person, .individual, or .designer, a designer might be able to negotiate to allow registration of his or her name on the top level domains .name, .me, or .ren (which is Chinese for “person”), on the grounds that a consumer looking for the branded fashion products would not likely be confused by the designer’s name as a personal domain. Furthermore, to the extent possible, the designer should negotiate the purchase agreement in a manner that allows for the desired uses, and the purchasing entity should anticipate how it wants to handle such issues when negotiating with the designer. These and similar issues arose in disputes involving the names of Joseph Abboud, Paulo Gucci, Paul Frank Sunich, David Pliner, and Catherine Malandrino.

A. The Joseph Abboud Case

As menswear designer Joseph Abboud stated, “The consumer has a right to know the creator of a work.” After selling his trademarks to JA Apparel Corp. for $65.5 million in 2000, Abboud sought to create a new line called “Jaz” and to use the tagline “a new composition by designer Joseph Abboud.” JA Apparel sued in the Southern District of New York for breach of contract. In a passage that highlights the importance of the language in the purchase agreement, the court held that “Abboud did not sell, and JA Apparel did not purchase, the exclusive right to use the ‘Joseph Abboud’ name commercially. Rather, Abboud sold, and JA Apparel purchased, the ‘Joseph Abboud’ name as a trademark.” The court went on to grant Abboud certain qualified rights, like the ability to use his name “in the context of a complete sentence or descriptive phrase,” as long as it be “no larger or more distinct than the surrounding words in that sentence or phrase.” However, he would have to display the term “Jaz” prominently in advertisements to make the source clear and include a disclaimer of any affiliation.

36. ME is the country-code level domain for Montenegro. See https://domain.me/about-me/.


39. Id. at 307.

with JA Apparel and its related products. Thus, while Abboud effectively could no longer freely use his name in any manner on any “Jaz” labels, packaging, or hang-tags, Abboud had various other options available to him to communicate to the public that he was the designer behind the “Jaz” label. In this case, the contract was ambiguous because it contained a sale of Abboud’s “name” in relation to his trademark rights, but it did not expressly limit Abboud from using his personal name commercially, a distinction that was recognized by the court.

B. The Paulo Gucci Case

In another case resulting in restrictions on the use of a personal name while permitting some use, also in the Southern District of New York, the court ruled that Paulo Gucci, former chief designer of Gucci and grandson of the founder, could not use the name “Gucci” as a trademark. However, he could continue to use his personal name to identify himself as the designer of products sold under a different brand name, as long as his name “always appear[ed] after the trademark in advertisements and on labels” and was less prominent than the trademark. He was also required to disclaim any affiliation with the Gucci entities in connection with the use of his name on his designs. Unlike the Abboud case, Paulo Gucci did not enter into a purchase agreement, and the court had to balance his right to accurately identify himself with the established trademark rights of an existing entity.

C. The Paul Frank Sunich Case

The designer Paul Frank Sunich also found himself in a legal battle with the owners of his former company Paul Frank Industries, Inc. over his use of his full name on T-shirts. A court in the Central District of California ruled that Sunich could not use his name on T-shirts, which the public had come to associate with his former company, but that he could identify himself as the designer of his newly developed products (e.g., on business cards or on his website), so long as he disclaimed affiliation with his former company when doing so. In this case, Sunich left his former company after a falling out with the other co-founders. Designers should be aware that when they part ways with their companies, they may inevitably leave behind the trademark rights to their names.

41. See supra note 37.
43. Id.
45. Id.
While Abboud, Gucci, and Frank were able to use their own names in some way in connection with their new brands, some designers find themselves not as free to do so. For instance, after Donald J. Pliner and his wife Lisa Pliner sold their footwear and accessories fashion brand, DONALD J PLINER, to DJP Holdings, LLC (DJP) in 2011 for “millions of dollars” (as stated in DJP’s complaint) along with their trademark rights to their names and personality rights, they developed a new footwear brand and allegedly “put their names on the packaging for their new footwear.”46 In 2016, the purchasing company filed suit in the U.S. District Court for the District of Delaware against the former owners alleging, in part, trademark infringement and breach of contract. In their complaint, DJP alleged that Mr. Pliner was using a silhouetted image, shown below, on his business cards and that the image closely resembled the image of Mr. Pliner that DJP was using on its website.47 The two sides ultimately reached a settlement, and Mr. Pliner now designs under the label Right Bank Shoe Co.48 The website for the new company attempts to exploit the inability of Mr. Pliner to use his name and likeness as a marketing technique by including the term “INCOGNITO” in large bold red font, with the definition of the term given as “(of a person) having one’s true identity concealed.”49 The publicity generated by the dispute is such that members of the public searching for information about Mr. Pliner may be able to decipher the connection between him and his new brand even without direct statements from Mr. Pliner.

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47. Id.
E. The Catherine Malandrino Case

After a legal battle with and separation from her business partners at CM Brand Holdings LLC, Catherine Malandrino tried to continue using her name in connection with a new brand for the Home Shopping Network (HSN). However, it appears she was not able to do so in connection with the new brand. The owners of the trademarks containing Malandrino’s name apparently claimed the right to control Malandrino’s “likeness, being and persona.” Malandrino’s attorney was quoted as saying that would “make her an indentured servant.”

When Malandrino launched her new collection at a much lower price point, HSN sent out promotional emails labeling the brand as French Rendez Vous by Catherine Malandrino. HSN later reportedly stopped using Malandrino’s name in connection with the line, possibly in response to a demand letter, and there is now no use of Malandrino’s name on the HSN webpage for that product line.

51. See supra note 37.
52. Id.
53. Id.
54. See http://www.hsn.com/search?query=catherine+malandrino (Mar. 22, 2017) (showing no results in a search for Catherine Malandrino (last accessed Nov. 20, 2017)).
Nevertheless, the connection between the new brand and the designer has been noted and recognized without HSN’s use of her name directly. A number of articles in major fashion publications, including Vogue, InStyle, and WWD, have connected Malandrino with the new HSN fashion line. While Malandrino may be restricted from using her name and likeness in connection with new ventures, she appears to still be able to influence the media to use her name to draw the connection for her. In addition, search engine queries for Malandrino’s name also include references to her new collection on the HSN website (even though the website itself does not use her name).

In fact, there are a variety of search engine optimization (“SEO”) strategies that designers may use to disseminate the news and draw the link between their new brands and their personal names. For example, a website factually describing the designer’s history and including links to other websites related to the designer may rank higher in organic search results than the site might otherwise rank. Additionally, when a designer purchases keywords from a search engine operator that include his or her name, the triggered ads can make a connection without necessarily using the designer name in the ad itself or otherwise causing consumer confusion.

To avoid disputes, both designers and purchasing companies should consider ways designers may wish to (or even be required to) use their names in connection with future ventures, such as in press releases, on third-party websites, in keyword advertising, on social media pages and posts, in domain names, and in connection with other intellectual property documents, including, for example, listings as inventors on design patent applications.

F. Patent Applications

Designers also must use their personal names in connection with certain legal documents, including, for example, patents they


56. See Eric Wilson, Catherine Malandrino’s French Collection for HSN Is as Crave-Inducing as a Baguette, InStyle (June 24, 2016) (available at http://www.instyle.com/fashion/preview-catherine-malandrino-hsn-collection (last accessed Nov. 20, 2017)).


58. See, e.g., 1-800 Contacts, Inc. v. Lens.com, Inc., 722 F.3d 1229, 1242 (10th Cir. 2013) (holding mere purchase of a competitor’s trademark as a keyword to trigger sponsored links that did not show their trademarks is unlikely to constitute infringement); see also, e.g., Network Automation, Inc. v. Advanced Sys. Concepts, Inc., 638 F.3d 1137, 1145 (9th Cir. 2011) (purchase of keyword advertisement using competitor’s trademark did not constitute infringement).
pursue for their new companies. When filing a patent for an ornamental design of an article of manufacture, as is often done to protect new fashion designs in the United States, applicants must designate the legal name(s) of the actual inventor(s), which often will be the individual designer(s), rather than a juristic entity, although the patent may be assigned to an entity. For example, the “individual” designer Kate Spade signed a U.S. patent application in 2005 for an ornamental design of a bag clasp, depicted below, listing herself as the inventor and the company Kate Spade LLC as the assignee.59 After selling the right to use his or her name, a designer cannot be precluded from listing his or her name as the inventor in a patent application or in other documents requiring his or her legal name.60 As designers seek to redefine themselves and their work, filing and publicizing design patent applications listing themselves as inventors may provide permissible nexuses between their new brands and their personal names, even in cases where the designers are otherwise precluded from using their names.

Excerpt from U.S. Patent No. D533,719 for bag clasp invented by Kate Spade

G. Domain Names and Social Media Accounts

Other often overlooked assets associated with intellectual property rights that must be considered in relation to the sale of an eponymous brand are domain names and social media accounts that incorporate the designer’s name. Upon the sale of their rights, designers may be required to transfer domains comprising their


60. See MPEP § 602; 35 U.S.C. 115 (“The inventor, or each individual who is a joint inventor of a claimed invention, in an application for patent must execute an oath or declaration directed to the application,” which must include the inventor or joint inventor's legal name.).
names. A subsequent effort by the designer to register and use a version of his or her name that was clearly sold may be considered "bad faith" and could support the assignee's efforts to transfer, suspend, or cancel the domain by way of a Uniform Domain Name Dispute Resolution Proceeding (UDRP), Uniform Rapid Suspension System (URS), or other proceeding. With regard to the designer's social media accounts, the purchasing company should contemplate acquiring any login information or administrative privileges at the time of closing. The social network provider may not be willing to release such information or facilitate a transfer of ownership as doing so may violate the site's terms of use or policies. Before reaching an agreement, the designer and purchasing company should come to a mutual understanding as to which, if any, domain names and social media accounts will be transferred and which may be retained and used, and as to whether the designer will be able to include his or her name in any manner in future domain names and social media accounts. Before closing a deal, the designer should consider securing a mutually acceptable domain name and/or social media username and account.

V. DEVELOPING A NON-PERSONAL NAMESAKE BRAND THAT IS PERSONAL TO CUSTOMERS

While purchasers may gravitate toward brands with identifiable stories, naming a fashion line after the designer is not the only way to develop a brand that evokes a personal connection. As designers and intellectual property attorneys become more aware of the potential problems surrounding personal names as brands, a growing trend for fashion lines is to take on entirely original names that still relate to an "origin story" for the brand without referencing the founding designer's name. Doing so still allows consumers to identify with the fashion line in a personal way.

For example, the high-end women's line, DRAPER JAMES, launched by actress Reese Witherspoon in 2015 has a rather unique origin story that relates to the founder herself without using her name. The company name was created in honor of Witherspoon's Southern heritage and in particular as a tribute to her


62. It is also possible to closely align and leverage a persona with the promotion of a brand under an entirely separate trademark, such as GOOP founded by Gwyneth Paltrow, which includes her personal initials. See GOOP "WHAT'S GOOP?" page on brand's website (available at https://goop.com/whats-goop/ (last accessed Dec. 4, 2017)).
grandparents, Dorothea Draper and William James Witherspoon.63 In a statement on the company website that includes the signature “Reese” at the bottom of the webpage, Witherspoon states, “When I returned to Nashville with my own family, I wanted to recapture and celebrate all that I love and remember about my grandparents and the South. That is why I created Draper James.” While the brand itself has a personal flair and origin story, the trademark does not specifically refer to a living individual’s name, allowing the company to avoid some of the issues with clearing and registering the trademark and potential contentious battles over the right to use a celebrity’s personal name that is already well-recognized and valuable on its own.

Ms. Witherspoon is not the only apparel company founder following this formula. The designer formerly known as Kate Spade was actually born Katherine Noel Brosnahan.64 Shortly after starting their “Kate Spade Handbags” business, she married her boyfriend and business partner Andy Spade, and adopted the name Kate Spade. Since then, the name Kate Spade not only became synonymous with high-end handbags and shoes, it also became the well-known identifier of the designer herself.65

In 2006, Brosnahan sold her company, along with the right to use “Kate Spade” as the brand, to Liz Claiborne Inc., which rebranded the company as Kate Spade & Co.66 She then began using her full birth name Katherine Noel Frances Valentine Brosnahan and now designs under the label Frances Valentine.67

There are several U.S. federal registrations and pending applications for the mark FRANCES VALENTINE in the name of Quince New York Shoes, LLC, covering, inter alia, sunglasses, handbags, clothing, and shoes. Before one of the registrations issued, Reg. No. 4965459, the Examining Attorney inquired whether the mark identifies a living person.68 As previously discussed, the Lanham Act requires that marks that identify a living person must have written consent.69 The applicant for the mark FRANCES VALENTINE responded that the name portrayed

63. See Draper James “About Us” page on the brand’s website (available at https://www.draperjames.com/about-us/ (last accessed Nov. 20, 2017)).
64. See supra note 37.
65. Id.
66. In 2017, the KATE SPADE brand was sold to Coach, Inc. (now Tapestry, Inc.).
67. Id.
69. See supra note 37.
in the mark “does not identify a particular living individual.”70 This appears to be contrary to media reports that the mark is a reference to the designer’s personal name. In any event, as a result of this statement, Brosnahan was not required to provide her written consent, and the mark proceeded to registration.

While the claim of a personal connection was not made in the U.S. trademark prosecution history for the new brand, retail partners of Frances Valentine are able to connect the brand with the designer and her history by using clever language in promotional materials. In April 2016, Nordstrom Inc. hosted a reception for the designer in Boca Raton, Florida, and the invitations reportedly described her as the “former designer and founder of [the] Kate Spade brand.”71 Carefully drafted language like this was likely vetted by an attorney in order to introduce Brosnahan’s new brand in connection with her former brand without infringing the trademark rights of the new owner of the KATE SPADE brand. In a video interview, described as “Watch Kate Spade explain her 3 names,” the designer herself states that “Kate Spade is me and it is also the name of my former company that my husband and I founded with two other partners.”72

Screenshot of interview referencing Brosnahan’s name as “KATE VALENTINE” and her title as “Kate Spade, Frances Valentine fashion designer”


71. See supra note 37.

According to the Wall Street Journal, the former CEO of Kate Spade & Co., Craig Leavitt, stated that his only concern is that the new brand offered by the designer not be “confusing to our customers or infringing on our trademarks.”73 Brosnahan’s name change and ability to carry on with at least some “former designer of” language is something of a game changer for designers who have sold their eponymous brands, as it shows how designers can start new ventures under different personal names while apprising consumers of a factually accurate, historical connection between the designer’s former brand and new name.

VI. SUMMARY OF CONSIDERATIONS WHEN USING OR ACQUIRING A PERSONAL NAME AS A BRAND

Before designers use their personal names as their brands, they should consider whether they can accept the possibility of eventually having to forfeit the right to use their names on future ventures in exchange for financial gains that may be achieved if they decide to sell their trademarks and related rights. If a designer is not prepared to face these potential limitations, the designer who wants a “personal brand” should consider branding alternatives that still evoke a personal story or connection. When considering the sale of a namesake brand, it is important to have a carefully drafted, clear purchasing agreement, preferably with exhaustive consideration of the various types of name uses that may be made by the designer going forward. When designers sell the rights to their personal names, they should consider alternative ways to identify themselves in connection with their new brands, including whether to take on a different personal name and use the introduction “the designer formerly known as. . . .”

73. See supra note 37.
## Points to Consider When Contracting for the Sale of a Namesake Brand

### Acquirer

- Are all trademark registrations under the same name; and if not, who will be responsible for updating chains of title?
- Does the sale include social media accounts accessible only to the person who created the accounts; and if so, should administrative access be provided at closing?
- Does the contract transfer or license rights of publicity in the designer's persona, likeness and name, apart from the designer's trademarks?
- Should the designer retain a minority ownership interest in the company or other employment or consulting relationship that would incentivize the designer to maintain their own image in support of the brand?
- Are there any pending trademark applications that were filed on an intent-to-use basis for which an allegation of use has not yet been filed and that the acquirer expects to own? If so, consider including language in the contract deferring the assignment until use has commenced or confirming that the business or relevant portion thereof has been assigned with the mark.
- Should the contract include a consent from the designer or a requirement that the designer reasonably cooperate in later providing said consent to allow registration of the name for goods/services beyond those previously registered?

### Designer

- Will there be any limitations on how the designer uses his or her first and last name, initials, nicknames, legal aliases, or other variations of the name? For example, are autographs or autobiographical publications permitted?
- Will there be any limitations on how the designer is able to use his or her likeness, persona and image in connection with future ventures or as a private citizen?
- Are there one or more domain names that the designer should be allowed to use and/or register after the sale?
- Will family members be restricted from using the designer’s surname as part of their own trademarks for similar or related goods?
- Will the designer be able to use the introduction “the designer formerly known as . . .”?
CAH-NAH-DAH, CIS-BOOM-BAH:
STAR ATHLETICA AND INTELLECTUAL PROPERTY
PROTECTION OF FASHION PRODUCTS IN CANADA*

By Sheldon Burshtein**

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The recent decision of the United States Supreme Court (the “USSC”) in *Star Athletica, L.L.C. v. Varsity Brands, Inc.* (“*Star Athletica*”),¹ has caused me to reflect on a rare and valued opportunity to be involved in law-making at a very early stage in my legal career. In the early 1980s, I was fortunate to be selected to sit on a joint committee of the Canadian Bar Association and the Intellectual Property Institute of Canada (the “Committee”)² of academics and senior intellectual property practitioners who were tasked with proposing legislation to address the scope of copyright protection for useful articles. The resulting amending legislation³ is directly relevant to the situation in *Star Athletica*.

The combination of the *Star Athletica* decision and my involvement in the Canadian legislation inspired me to consider how Canadian law currently protects products in the fashion industry, such as apparel, footwear, jewelry and personal accessories, which I collectively call “Fashion Products” in this article.

The primary focus of the article is the scope of copyright protection for Fashion Products in Canada with reference to the boundary between copyright and industrial design protection. Section 2.0 addresses how and where the boundary is drawn for Fashion Products, such as the two-dimensional designs of lines, chevrons and colorful shapes on cheerleading uniforms depicted in Figure 1 below that were the subject of the *Star Athletica* case.⁴

**Figure 1**

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2. The co-chairs of the Committee were Malcolm McLeod and Robert Mitchell. The Intellectual Property Institute of Canada was then called the Patent and Trademark Institute of Canada.


However, before discussing those issues, Section 1.0 summarizes the other types of intellectual property that may be available to protect Fashion Products in Canada.

1.0 TYPES OF INTELLECTUAL PROPERTY PROTECTION

Different aspects of Fashion Products and their branding may be protectable in Canada by one or more rights relating to confidential information, patents, trademarks trade dress, personality, industrial design, and copyright. Different rights protect different aspects of a design. For example, confidential information may protect early design work; a patent may protect any functional features of a Fashion Product; copyright and industrial design registration may protect its aesthetic aspects; and trademark, trade dress, and personality rights may protect the branding of a Fashion Product.

In some, but not all, cases, multiple rights may protect the same aspect of a Fashion Product or its branding. For instance, copyright and trademark rights may be enforceable in a logo, and trade dress rights and an industrial design registration may both be enforceable in a design of a Fashion Product. On the other hand, although copyright and industrial design rights may both subsist in a design, in some circumstances they are not both enforceable.

The timing of the acquisition and termination of each of these rights varies significantly. For instance, the right to protect confidential information in a Fashion Product design arises upon creation but ceases as soon as the design is made public with authorization, while trade dress protection may last in perpetuity but only be acquired or registered after the trade dress becomes

5. See the discussion in Section 1.1.
6. See the discussion in Section 1.2.
7. See the discussion in Section 1.3.
8. See the discussion in Section 1.4.
9. See the discussion in Section 1.5.
10. See the discussion in Section 1.6.
11. See the discussion in Section 1.7.
14. Copyright Act, R.S.C. 1985, c. C-42, s. 64; and see the discussion in Section 2.0.
distinctive of a single source through significant use in the marketplace.\(^{16}\)

For some rights, like patents\(^{17}\) and industrial design registrations,\(^{18}\) there are limited periods prior to public disclosure within which protection must be sought, while the time to obtain other rights, such as trademark\(^{19}\) and trade dress\(^{20}\) rights, does not expire. The cost, effort, and time to acquire each of these rights also differ. For example, copyright automatically subsists upon the creation of a design without application or cost,\(^{21}\) while a patent may take years, and thousands of dollars, to obtain and maintain.\(^{22}\)

### 1.1 Confidential Information

During the preparatory stages of Fashion Product design, when a sketch, fabric board, prototype, or sample may be developed and shared in confidence among designers, manufacturers, licensors, licensees, distributors and retailers, should any person make an unauthorized disclosure or use of any information that is confidential, that person may be liable for misappropriation.

After the design and early production stages of a Fashion Product like a cheerleading uniform or a handbag, protection by way of confidence is not well-suited to Fashion Products because the essential requirement is confidentiality of the information. Once a Fashion Product is exposed to a person who has no obligation of confidentiality, there is no longer any confidentiality protection for any aspect of the Fashion Product that can be observed or readily ascertained by proper means.

In Canada, confidential information is governed by provincial, rather than federal, law.\(^{23}\) Other than in the Province of Québec, there is no Canadian statute specifically directed to the protection of confidential information. It is protected as a delict, equivalent to a tort, under the *Civil Code of Québec*\(^{24}\) (the “Civil Code”) and by the common law outside Québec.\(^{25}\)

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19. See the discussion in Section 1.3.2.
20. See the discussion in Section 1.4.2.
21. See the discussion in Section 1.7.1.
22. See the discussion in Section 1.2.1.
23. The provincial governments have constitutional jurisdiction over property and civil rights, except as expressly reserved to the federal government: *Constitution Act, 1867*, 30-31 Vict., c. 3 (U.K.), section 92(13).
24. S.Q. 1991, c. 64, article 1457.
Canadian courts have not been consistent in establishing the basis for the protection of confidential information. Decisions have relied on concepts of contract, where one exists\textsuperscript{26} or may be implied,\textsuperscript{27} wrongful interference with the contractual relations of others,\textsuperscript{28} fiduciary duty,\textsuperscript{29} unjust enrichment\textsuperscript{30} and property.\textsuperscript{31} Sometimes, courts have relied on multiple bases.\textsuperscript{32} The Supreme Court of Canada (“SCC”) rejected the notion of a property right in confidential information and confirmed the view that its protection is equitable in nature.\textsuperscript{33} An action for the misappropriation of confidential information may best be treated as a \textit{sui generis} action.\textsuperscript{34}

\textbf{1.1.1 Protection of Confidential Information}

Protectable information includes any artistic, technical, commercial, or financial information that is not publicly available\textsuperscript{35} and has value because of such confidentiality.\textsuperscript{36} To be protectable, it is not necessary that information be reduced to writing.\textsuperscript{37} Nor is it necessary to have a written, or even an oral, agreement to protect confidential information that is disclosed to others.\textsuperscript{38}

The greater the efforts that are made by a person who possesses the information to protect it from disclosure both within and outside its organization, the greater is the likelihood that a court will


\textsuperscript{27} For example, \textit{Faccenda Chicken Ltd. v. Fowler}, [1986] 1 All E.R. 617 (Eng. C.A.).


\textsuperscript{31} For example, \textit{Boardman v. Phipps}, [1967] 2 A.C. 46 (H.L.),

\textsuperscript{32} For example, \textit{LAC Minerals Ltd. v. International Corona Resources Ltd.}, supra, at note 29.

\textsuperscript{33} \textit{Cadbury Schweppes Inc. v. FBI Foods Ltd.}, supra, at note 25.

\textsuperscript{34} For example, \textit{LAC Minerals Ltd. v. International Corona Resources Ltd.}, supra, at note 29; and \textit{Cadbury Schweppes Inc. v. FBI Foods Ltd.}, supra, at note 25.

\textsuperscript{35} For example, \textit{Sabre Inc. v. International Air Transport Association.}, 2011 ONSC 206, affirmed 2011 ONCA 747.

\textsuperscript{36} For example, \textit{Cooperheat of Canada Ltd. v. Slater}, (1973), 13 C.P.R. (2d) 25 (Ont. H.C.J.).

\textsuperscript{37} For example, \textit{Quantum Management Services Ltd. v. Hann}, supra, at note 26.

\textsuperscript{38} For example, \textit{LAC Minerals Ltd. v. International Corona Resources Ltd.}, supra, at note 29.
consider the information to be confidential. Confidential information may be licensed for use by others on terms.

Information is not confidential where it can be properly acquired elsewhere within the relevant trade or industry or where it is disclosed with authorization by a person in rightful possession, such as to obtain a patent or to promote a product. Where information is partly public and partly confidential, the public portion is not protected.

The receipt of confidential information in circumstances of confidence establishes a duty on the recipient not to use that information for any purpose other than that for which it was conveyed. Circumstances of confidence exist where the recipient knows, or reasonably ought to know, that the information is confidential. The duty may be raised to a fiduciary obligation if there is a fiduciary relationship between the parties to the disclosure.

A duty of confidence can arise outside a direct relationship where, for example, a person receives confidential information from a confidee in breach of the confidee’s relationship to another person. Where a party innocently receives confidential information without authorization, it ceases to have a right to use the information once it becomes aware that the information was improperly disclosed.

1.1.2 Misappropriation of Confidential Information

To determine whether confidential information is misappropriated, the relevant question is what the confidee is entitled to do with the information. Where confidential

41. For example, Delrina Corp. v. Triolet Systems Inc., supra, at note 15.
43. For example, LAC Minerals Ltd. v. International Corona Resources Ltd., supra, at note 29.
45. For example, LAC Minerals Ltd. v. International Corona Resources Ltd., supra, at note 29.
46. For example, Canadian Aero Service Ltd v. O’Malley, supra, at note 29.
47. For example, Cadbury Schweppes Inc. v. FBI Foods Ltd., supra, at note 25; and Liquid Veneer Co. v. Scott, (1912), 29 R.P.C. 639 (Ch. D.).
48. For example, Cadbury Schweppes Inc. v. FBI Foods Ltd., supra, at note 25.
49. For example, LAC Minerals Ltd. v. International Corona Resources Ltd., supra, at note 29.
information is used in a manner or for a purpose that is not permitted, the information is misappropriated and an action for breach of confidence may be available. For an action to succeed:

(i) the information must have the requisite quality of confidence;
(ii) the information must have been imparted in circumstances giving rise to an obligation of confidence; and
(iii) there must be an unauthorized use or disclosure of the information to the detriment of the party communicating it.\(^{50}\)

An action for breach of confidence may be brought whether or not a direct relationship exists, provided that the third party has knowledge that the information was improperly obtained.\(^{51}\)

The remedies that are available in an action for breach of confidence are varied and flexible.\(^{52}\) Once the information enters the public domain, the confidential nature and consequent value of the information may be lost. Therefore, the most relevant remedy is often an interim injunction or an interlocutory injunction until the trial, to restrain further use or disclosure of the confidential information.\(^{53}\) As is the case for all types of intellectual property, a party seeking an interlocutory injunction must establish:\(^{54}\)

(i) a serious issue to be tried;\(^{55}\)
(ii) that it would suffer irreparable harm if the injunction were not granted;\(^{56}\) and
(iii) that the balance of convenience favors it over the party it seeks to enjoin.\(^{57}\)

In some cases, an interim order relating to materials may be granted.\(^{58}\) In highly exceptional circumstances, an innocent party may, on an \textit{ex parte} basis, obtain an order to permit the party to

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\(^{50}\) For example, \textit{LAC Minerals Ltd. v. International Corona Resources Ltd.}, supra, at note 29.

\(^{51}\) For example, \textit{Cadbury Schweppes Inc. v. FBI Foods Ltd.}, supra, at note 25; and \textit{Liquid Veneer Co. v. Scott}, supra, at note 47.

\(^{52}\) For example, \textit{LAC Minerals Ltd. v. International Corona Resources Ltd.}, supra, at note 29; and \textit{Cadbury Schweppes Inc. v. FBI Foods Ltd.}, supra, at note 25.

\(^{53}\) For example, \textit{1400467 Alberta Ltd. v. Adderley}, 2012 CarswellAlta 1173 (ABCA).


\(^{56}\) For example, \textit{Yule Inc. v. Atlantic Pizza Delight Franchise (1968) Ltd.}, (1977), 17 O.R. (2d) 505 (Div. Ct.).

\(^{57}\) For example, \textit{Eli Lilly Canada Inc. v. Shamrock Chemicals Ltd.}, (1985), 4 C.P.R. (3d) 196 (Ont. S.C.).

\(^{58}\) For example, \textit{Hotspex Inc. v. Edwards}, 2011 ONSC 3837.
search the opposing party’s premises for relevant evidence, including electronic material, and remove the evidence, referred to as an “Anton Piller order” after a United Kingdom case.59

Other remedies for misappropriation include a permanent injunction,60 damages to compensate the plaintiff for loss,61 the profits that the offending party earned by use of the confidential information,62 a declaration of rights and the violation thereof,63 and the delivery up or destruction of materials.64

In some cases, a constructive trust over property in favor of the innocent party may be imposed where the innocent party establishes that the confidential information was intended to be held in trust by the offending party for the innocent party.65 Traditional criminal sanctions based on theft are not available because confidential information is not property for criminal theft purposes.66

1.2 Patents

The design of a Fashion Product may be protectable by a patent if the design constitutes an invention under Canadian patent law.67 Although patents have been granted for functional features of garments such as a fastener,68 fabrics,69 yarns,70 and furs,71 patent protection is not applicable to the great majority of Fashion Products for several reasons.


62. For example, LAC Minerals Ltd. v. International Corona Resources Ltd., supra, at note 29.


65. For example, LAC Minerals Ltd. v. International Corona Resources Ltd., supra, at note 29.


69. For example, MT Beauty Co. Ltd. v. Classic Furs Co. Ltd., 2002 FCT 276; and B.V.D. Co. Ltd. v. Canadian Celanese Ltd., [1936] 4 D.L.R. 159 (Ex. Ct.).

70. For example, Vanity Fair Silk Mills v. Commissioner of Patents, [1938] 1 D.L.R. 48 (Ex. Ct.).

71. For example, Paula Lishman Limited v. Erom Roche Inc., 1997 CanLII 17614 (FC).
First and foremost, only very rarely does a Fashion Product or a feature thereof qualify as a patentable invention. For example, unless a new cheerleading uniform design comprises a new and unobvious functional feature, it is unlikely that patent protection would be available.

Second, the time to obtain a patent is typically much longer than the period during which Fashion Products are of significant interest in the marketplace. Even the right to claim reasonable compensation for activity that would infringe a subsequently granted patent does not commence until 18 months after the effective filing date of the application on which the patent is based.

Third, the cost of obtaining and maintaining a patent is significantly higher relative to other types of intellectual property although, in some cases, the costs may be justified if the product or the patented feature is anticipated to have longer term value or the right may be licensed.

An example of a patent that was granted for a feature of a garment is the “Placket Stiffener Arrangement for a Garment Such as a Shirt” depicted in Figure 2 below. The invention comprises a pair of adjacent front panels, each having a closed passage along the edge of the panel. Each passage contains a stiffener that extends into the upper neck area of the panel and extends downwardly from the upper edge area of the panel so as not to be removable from the passage. The stiffener is configured and arranged to maintain the upper neck areas of the front panels apart from each other when the shirt is worn.

A novel and unobvious functional clothing design may be patented. For example, Victoria’s Secret Stores Brand Management, Inc. obtained a patent for the “Garment with a Lifting Feature”

72. Canadian patent no. 2,927,323 granted to Million Dollar Collar, LLC.
shown in Figure 3 above that is said to enhance the shape of the buttocks and tightens the thighs for a firmer and smoother appearance. The invention is a garment with an elastic panel assembly connected to the rear and crotch portions of the seat comprising a stretchable and elastic fabric that lifts, supports and shapes the buttocks.

1.2.1 Patent Protection

To qualify as a patentable invention, a Fashion Product or a feature thereof must be novel, unobvious, and useful, or must be the product of a novel, unobvious, and useful method of manufacturing. An applicant for a patent must be the owner of the invention. The owner is the inventor or a person who derives rights from the inventor.

To obtain a patent, an application must be filed within a limited time window. Any public availability of the invention prior to the date on which a patent application is filed, or is deemed to be filed, in Canada, is a bar to the grant of a valid patent. An application that is filed in Canada within a year of the first-filed application elsewhere for the same invention may be deemed to be filed in Canada on the date of that earlier application for the invention if priority is claimed. A prior-filed application for the same invention is also a bar.

There is a limited grace period of one year prior to the date an application is filed in Canada for a disclosure made by the inventor or by another person who properly derived knowledge of the invention from the inventor. A disclosure made by the inventor or such other person within the grace period is not a bar to obtaining a patent.

The cost of the preparation of a patent application may be significant. Although an application that is prepared for filing in another country may often be the basis of an application in Canada, whether by entry to Canada of an international application filed

73. Canadian patent no. 2,509,040.
74. Patent Act, supra, at note 17, s. 2.
75. Patent Act, supra, at note 17, para. 27(2).
76. Patent Act, supra, at note 17, para. 27(1).
79. Patent Act, supra, at note 17, s. 28.4.
80. Patent Act, supra, at note 17, s. 28.4.
82. Patent Act, supra, at note 17, para. 28.2(1)(a).
under the *Patent Cooperation Treaty* or in a Canadian national application, the prosecution of an application may take several years and, in some cases, be expensive.

If granted, a patent provides to the patentee the right to exclude others from making, using, or selling the invention defined by the claims of the patent for a period from the date the patent is granted until the 20th anniversary of the filing date of the application, subject to the payment of annual maintenance fees.

The claims are presumed to be valid but may be held invalid for a number of reasons. Claims may be invalidated because the claimed invention is not patentable subject matter, is not useful, was not novel because it was anticipated, or was obvious. Claims may also be invalidated because they do not sufficiently disclose the invention or claim more than was invented.

### 1.2.2 Patent Infringement

A person infringes the exclusive right of a patent by making, using, or selling the invention defined by the claims or inducing infringement by another person. For a person to infringe by inducement, an infringement must be effected by another person, the infringing act must be influenced by the alleged inducer, and the influence must be knowingly exercised by the inducer.

To assess whether a product or a method infringes a patent, a court construes the claims of a patent purposively and identifies

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88. *Patent Act*, supra, at note 17, s. 42 and subs. 60(1).
96. For example, *Corlac Inc. v. Weatherford Canada Ltd.*, 2011 FCA 228.
97. For example, *Corlac Inc. v. Weatherford Canada Ltd.*, supra, at note 96.
their essential elements. If a product or method includes all the essential elements of the claims, there is infringement. If the product or method does not comprise all the essential elements, it does not infringe.

An infringer may be enjoined and held liable for damages or an accounting of its profits, and, in rare cases, punitive damages. An interlocutory injunction is rarely granted in a patent action because the second of the three elements to obtain an interlocutory injunction discussed above, namely the requirement for irreparable harm, is extremely difficult to satisfy in a patent infringement action. Other remedies for infringement include a declaration of rights and the delivery up or destruction of infringing articles.

If a patent is granted, the patentee also has a right to claim reasonable compensation for activity that would have constituted infringement during the period between the date of publication of the application, typically 18 months after the effective filing date, and the date of grant of the patent.

### 1.3 Trademarks

Readers of The Trademark Reporter are more than familiar with conventional trademark rights, which are often the most valuable type of protection for Fashion Products. In many cases, whether the products are associated with trademarks of Canadian businesses, like CANADA GOOSE, LULULEMON and ROOTS, or marks of those based outside Canada, it is the branding of the goods.

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99. For example, Free World Trust v. Électro Santé Inc., supra, at note 98; and Whirlpool Corp. v. Cameco Inc., supra, at note 98.

100. For example, Free World Trust v. Électro Santé Inc., supra, at note 98; and Whirlpool Corp. v. Cameco Inc., supra, at note 98.

101. Patent Act, supra, at note 17, para. 57(1)(a); and, for example, Valence Technology Inc. v. Phostech Lithium Inc., 2011 FC 174.


104. For example, Lubrizol Corp. v. Imperial Oil Ltd., (1996), 67 C.P.R. (3d) 1 (F.C.A.).

105. For example, RJR-Macdonald Inc. v. Canada (Attorney General), supra, at note 54.

106. For example, AstraZeneca Canada Inc. v. Apotex Inc., 2011 FC 505.


109. Patent Act, supra, at note 17, s. 55(2); and, for example, Valence Technology Inc. v. Phostech Lithium Inc., supra, at note 101.
that is a significant factor in the consumer appeal of Fashion Products.

Trademark rights protect the branding of Fashion Products against a misrepresentation as to source and, in the case of a registered mark, against the use by a third party of a confusing trademark or trade name or the depreciation of the value of the goodwill represented by a trademark. However, the time required to develop an enforceable right at common law or to obtain a registration may exceed the marketplace window for the goods.

This section addresses trademarks in association with which Fashion Products are offered. Although the rights in a conventional two-dimensional trademark do not protect against the reproduction of Fashion Products, trade dress may provide such protection. And, while much of what is said about trademarks is applicable to trade dress, trade dress is separately discussed in Section 1.4 below.

In Canada, trademark rights may be registered or unregistered. In either case, a trademark must be distinctive of a single source of goods or services. Distinctive means that a trademark actually distinguishes the goods or services in association with which it is used by its owner from the goods or services of others. The distinctiveness of a trademark or trade name may be inherent, if innately unique, or it may be acquired through long use and advertising that makes the mark or name an identifier of source. The actual source need not be known to the public.

### 1.3.1 Unregistered Trademarks

Trademark rights may arise though the use of a mark, with or without federal registration. In Canada’s common law jurisdictions, one may enforce rights in a trademark through an action for the tort of passing off to protect the goodwill of the business that is associated with the trademark. Goodwill connotes the positive

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110. See the discussion in Section 1.3.2.
111. See the discussion in Section 1.3.1.
114. For example, XEROX.
association that attracts potential customers to the goods or services of a business rather than to those of its competitors.\textsuperscript{117}

In Québec, even though the \textit{Civil Code}\textsuperscript{118} governs the law of delict, the criteria for establishing a cause of action equivalent to common law passing off are essentially the same.\textsuperscript{119}

\subsection*{1.3.1.1 Common Law Passing Off}

Passing off occurs when a misrepresentation is made by a person in the course of trade to prospective direct or indirect customers of its goods or services that damages, or is likely to damage, the business or goodwill of another person.\textsuperscript{120} The misrepresentation often is one that leads an average target customer, with an imperfect recollection, to conclude or assume that the goods or services of a person that are offered in association with a trademark or trade name of another person without the authorization of that other person are manufactured, offered, sold, performed, sponsored, authorized, licensed, or endorsed by that other person.

In a passing off action, a trademark or trade name owner or domain name registrant must establish that:

(i) it possesses goodwill, namely the existence of a business in which there is a reputation whose conduit is often the association of the trademark, trade name, or domain name with its business, goods, or services;

(ii) the other person effected a misrepresentation, whether or not intentional, to the public that would lead, or is likely to lead, the public to believe that the products offered are manufactured, offered, sold, performed, sponsored, authorized, licensed, or endorsed by the owner of the trademark, trade name, or domain name; and

(iii) damage to the goodwill of the owner of the trademark or trade name or registrant of the domain name has resulted or is likely to result from the misrepresentation.\textsuperscript{121}


\textsuperscript{118} \textit{Civil Code}, supra, at note 24, article 1457.

\textsuperscript{119} For example, \textit{Demco Manufacturing inc. v. Foyer d'artisanat Raymond inc.}, 2006 QCCA 52; and \textit{Montreal Auto Prix inc. v. 9055-6473 Quebec inc.}, 2006 QCCA 627.


A plaintiff has the burden of establishing its goodwill, and the goodwill must be significant. Goodwill is territorially limited to that geographical area where the reputation is recognized by the relevant public. However, it is not necessary that a person physically conduct business in an area to have goodwill there. For example, a person need not conduct business in Canada to have goodwill in Canada or a region thereof.

The second element of passing off is a misrepresentation. An actionable misrepresentation may constitute anything done by another person that would lead customers to think that there is a connection with the goods, services, or business of the owner of the trademark or trade name or registrant of a domain name where such a connection does not exist.

Passing off is not based on any exclusive right. Therefore, to the extent that a person can avoid misrepresenting its goods as those of another, it may avoid liability for passing off, even where it uses a trademark of another without permission. For example, a competitor may be able to avoid liability for passing off where the appearance of its own trademark or trade name on its goods or their packaging or in advertising negates any misrepresentation otherwise made.

1.3.1.2 Federal Unfair Competition

The Trade-marks Act codifies a number of common law torts under the broad heading of unfair competition. Passing off is codified so that no person is permitted to direct public attention to its goods, services, or business in such a way as to cause or be likely to cause confusion in Canada between them and those of another.

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122. For example, *Kirkbi AG v. Ritvik Holdings Inc.*, *supra*, at note 121.
126. For example, *Orkin Exterminating Company v. Pestco Co. of Canada, supra*, at note 125; and *Walt Disney Productions v. Triple Five Corp., supra*, at note 125.
129. *Trade-marks Act, supra*, at note 112, s. 7.
130. *Trade-marks Act, supra*, at note 112, para. 7(b); and, for example, *Louis Vuitton Malletier S.A. v. Singga Enterprises (Canada) Inc.*, 2011 FC 776.
The test for establishing a violation of this provision is essentially the same as that for passing off at common law, except that the statutory tort is limited to cases where a trademark is referenced and the likelihood of confusion occurs when the person first draws attention to its goods, services, or business.

Among the other torts that are codified in the Trade-marks Act is palming off, namely the substitution of a competitor’s product as and for that ordered or requested by a customer. Liability for palming off requires trade involving trademarks. The Trade-marks Act also prohibits the making of a false or misleading statement tending to discredit the business, goods, or services of a competitor.

Further, the Trade-marks Act prohibits the use, in association with goods or services, of any description that is false in a material respect and likely to mislead the public as to the character, quality, quantity, composition, geographical origin, or mode of manufacture, production, or performance of wares or services.

By way of example, persons who sold Fashion Products bearing various fabric designs and other marks of Burberry Limited have been held liable for, among other causes of action, statutory passing off, palming off, and false description.

It should also be noted that the Competition Act imposes both regulatory and civil liability on a person whose advertising is false or misleading in a material respect. No person shall, for the purpose of promoting, directly or indirectly, any business interest or

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131. For example, Kirkbi AG v. Ritvik Holdings Inc., supra, at note 121.
133. For example, Kirkbi AG v. Ritvik Holdings Inc., supra, at note 121; and BMW Canada Inc. v. Nissan Canada Inc., supra, at note 132.
134. Trade-marks Act, supra, at note 112, para. 7(c); and, for example, Maxwell Realty Inc. v. Omax Realty Ltd., 2016 FC 1122; and Louis Vuitton Malletier S.A. v. Singga Enterprises (Canada) Inc., supra, at note 130.
137. Trade-marks Act, supra, at note 112, para. 7(d); and, for example, The College of Pedorthics of Canada v. Canadian College of Pedorthics Ltd., 2014 FC 690; and Louis Vuitton Malletier S.A. v. Singga Enterprises (Canada) Inc., supra, at note 130.
139. Competition Act, R.S.C. 1985, c. C-34, ss. 52ff; and, for example, Canada (Commissioner of Competition) v. Premier Career Management Group Corp., (2009), 78 C.P.R. (4th) 401 (F.C.A.).
the supply or use of a product by any means whatever, knowingly or
recklessly make a representation, or permit the making of a
representation,\textsuperscript{141} to the public that is false or misleading in a
material respect.\textsuperscript{142} It is not necessary that any person be deceived
or misled for there to be liability.\textsuperscript{143}

\subsection*{1.3.1.3 Violation of Unregistered Rights}

Therefore, one may enforce rights in an unregistered
trademark, a trade name, or a domain name under both federal and
provincial law. A person who is found to pass off at common law or
under the \textit{Trade-marks Act} may be liable to damages, including
punitive damages, or an accounting of its profits as well as
injunctive and other remedies, such as a declaration of rights and
their violation, delivery up, disposal or destruction of goods,
packaging and labeling\textsuperscript{144} or equipment to make them,\textsuperscript{145} the
transfer of domain names,\textsuperscript{146} and social media user accounts.\textsuperscript{147}

\subsection*{1.3.2 Registered Trademarks}

It is possible to obtain exclusive national rights in a trademark
in association with particular goods or services by registration,\textsuperscript{148} in
which case an owner may also enforce rights though an action for
infringement\textsuperscript{149} and depreciation of the value of the goodwill
attaching to the mark.\textsuperscript{150} Amendments to the \textit{Trade-marks Act} that
will impact the registration of trademarks and the enforcement of
rights (the “TMA Amendments”) have been enacted\textsuperscript{151} but are not
expected to be in force until 2019.

\subsubsection*{1.3.2.1 Registration of Trademarks}

Certain marks may not be registered. For example, a person
may not register a trademark that so nearly resembles as to be

\begin{itemize}
\item \textsuperscript{141} \textit{Competition Act}, supra, at note 139, subs. 52(1.2).
\item \textsuperscript{142} \textit{Competition Act}, supra, at note 139, subs. 52(1).
\item \textsuperscript{143} \textit{Competition Act}, supra, at note 139, para. 52(1.1)(a).
\item \textsuperscript{144} \textit{Trade-marks Act}, supra, at note 112, subs. 53.2(1); and, for example, \textit{Louis Vuitton
Malletier S.A. v. Singga Enterprises (Canada) Inc.}, supra, at note 130.
\item \textsuperscript{145} \textit{Trade-marks Act}, supra, at note 112, subs. 53.2(1).
\item \textsuperscript{146} For example, \textit{Saskatoon Star Phoenix Group, Inc. v. Noton}, (2001), 12 C.P.R. (4th) 4
(Sask. Q.B.); and \textit{Thoi Bao Inc. v. 1913075 Ontario Limited}, 2016 FC 1339.
\item \textsuperscript{147} For example, \textit{Thoi Bao Inc. v. 1913075 Ontario Limited}, supra, at note 146.
\item \textsuperscript{148} \textit{Trade-marks Act}, supra, at note 112, s. 19.
\item \textsuperscript{149} \textit{Trade-marks Act}, supra, at note 112, s. 20.
\item \textsuperscript{150} \textit{Trade-marks Act}, supra, at note 112, s. 22.
\item \textsuperscript{151} Amending Act, supra, at note 112.
\end{itemize}
likely to be mistaken for any matter that may falsely suggest a
connection with any living individual\textsuperscript{152} or the portrait or signature
of any individual who is living or has died within the preceding
thirty years,\textsuperscript{153} except with the consent of the person intended to be
protected by the prohibition, namely the individual or his or her
estate.\textsuperscript{154}

The name of goods or services in English, French, or any other
language is also not registrable for use in association with such
goods or services.\textsuperscript{155} Similarly, a mark that has, by ordinary and
good faith commercial usage, become recognized in Canada as
designating the kind, quality, quantity, destination, value, place of
origin, or date of production of any goods or services may not be
registered as a trademark in association with such goods or
services.\textsuperscript{156}

A trademark is also not registrable if it is confusing with:\textsuperscript{157} (i) a
trademark that has been previously adopted by another person
through use in Canada,\textsuperscript{158} making known of the mark in Canada,\textsuperscript{159}
or the filing of an application for registration in Canada; (ii) a trade
name previously used in Canada by another person;\textsuperscript{160} or (iii) a
trademark that has been registered in Canada\textsuperscript{161} unless the
applicant is also the owner of the prior registration;\textsuperscript{162} or if the
trademark consists of, or so nearly resembles as to be mistaken for,
a prohibited mark.\textsuperscript{163}

Some marks may not be registered unless they have acquired
distinctiveness and therefore have a secondary meaning as a
trademark.\textsuperscript{164} One example is a word that is primarily merely the
name or surname of an individual who is living or who has died
within the preceding thirty years.\textsuperscript{165} Therefore, the name of a
designer of a Fashion Product may not be registrable until it

\textsuperscript{152} Trade-marks Act, supra, at note 112, para. 9(1)(k).
\textsuperscript{153} Trade-marks Act, supra, at note 112, para. 9(1)(l).
\textsuperscript{154} Trade-marks Act, supra, at note 112, para. 9(2)(a).
\textsuperscript{155} Trade-marks Act, supra, at note 112, para. 12(1)(c).
\textsuperscript{156} Trade-marks Act, supra, at note 112, s. 10 and para. 12(1)(e).
\textsuperscript{157} Trade-marks Act, supra, at note 112, para. 12(1)(d).
\textsuperscript{158} Trade-marks Act, supra, at note 112, s. 4.
\textsuperscript{159} Trade-marks Act, supra, at note 112, s. 5.
\textsuperscript{160} Trade-marks Act, supra, at note 112, subs. 16(1).
\textsuperscript{161} Trade-marks Act, supra, at note 112, para. 12(1)(d).
\textsuperscript{162} Trade-marks Act, supra, at note 112, s. 15. This section will be deleted by the
Amending Act, supra, at note 112, subs. 367(21).
\textsuperscript{163} Trade-marks Act, supra, at note 112, subs. 9(1) and para. 12(1)(e).
\textsuperscript{164} Trade-marks Act, supra, at note 112, subs. 12(2). The Amending Act, supra, at note
112, will replace subs. 12(2) with subs. 12(3): subs. 367(15).
\textsuperscript{165} Trade-marks Act, supra, at note 112, para. 12(1)(a).
acquires recognition in Canada in association with the Fashion Product.

Another example is a mark that, whether depicted, written or sounded, is clearly descriptive, or is deceptively misdescriptive, in English or French of the character or quality, conditions of production, persons employed in the production or place of origin of the goods or services in association with which it is used.\textsuperscript{166}

An applicant for a registration must be the person who: (i) has used,\textsuperscript{167} or is deemed by law to have used, the trademark in Canada;\textsuperscript{168} (ii) intends to use the trademark in Canada;\textsuperscript{169} (iii) has made the trademark well known in Canada;\textsuperscript{170} or (iv) has used and registered the trademark abroad.\textsuperscript{171} Where an application is filed on the basis of an intention to use the mark, a declaration of use of the mark in Canada must be filed prior to registration.\textsuperscript{172}

A trademark is used in Canada in association with goods if, at the time of the transfer of the property in or possession of the goods, in the normal course of trade, it is marked on the goods themselves or on the packages in which they are distributed or it is in any other manner so associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred.\textsuperscript{173}

A trademark that is marked in Canada on goods or on the packages in which they are contained is, when the goods are exported from Canada, used in Canada in association with those goods.\textsuperscript{174} A trademark is used in association with services if it is used or displayed in the performance or advertising of those services.\textsuperscript{175} The deemed use of a trademark by its owner in the context of trademark licensing is discussed in Section 1.3.3 below.

A trademark is deemed to be made known in Canada by a person only if it is used by that person in a country that is a member of the Paris Convention or the World Trade Organization, other than Canada, in association with goods or services, and either: (i) the goods are distributed in association with the mark in Canada;\textsuperscript{176} or (ii) the goods or services are advertised in association with the

\begin{footnotes}
\item[166] Trade-marks Act, supra, at note 112, para. 12(1)(b).
\item[167] Trade-marks Act, supra, at note 112, para. 30(b).
\item[168] Trade-marks Act, supra, at note 112, para. 30(b) and subs. 50(1).
\item[169] Trade-marks Act, supra, at note 112, para. 30(e).
\item[170] Trade-marks Act, supra, at note 112, para. 30(e).
\item[171] Trade-marks Act, supra, at note 112, para. 30(e).
\item[172] Trade-marks Act, supra, at note 112, subs. 40(2).
\item[173] Trade-marks Act, supra, at note 112, subs. 4(1).
\item[174] Trade-marks Act, supra, at note 112, subs. 4(3).
\item[175] Trade-marks Act, supra, at note 112, subs. 4(2).
\item[176] Trade-marks Act, supra, at note 112, para. 5(a).
\end{footnotes}
mark in any printed publication circulated in Canada in the ordinary course of commerce among potential dealers in or users of the goods or services, or radio or television broadcasts ordinarily received in Canada by potential dealers in or users of the goods or services;\textsuperscript{177} and the trademark has become well known in Canada by reason of the distribution or advertising.\textsuperscript{178} The trademark need only be well known in a significant portion of Canada.\textsuperscript{179}

Currently, an applicant must have used the trademark in Canada or abroad to obtain a registration in Canada,\textsuperscript{180} but this will change when the TMA Amendments take effect.\textsuperscript{181} When the TMA Amendments take effect, a registration may be granted on the basis of a statement that the applicant has used, or intends to use, the trademark in Canada.\textsuperscript{182}

An application may be opposed by a third party on the basis of one or more grounds.\textsuperscript{183} The registration of a trademark, unless shown to be invalid, gives to the registrant the exclusive right to use the trademark in respect of such goods throughout Canada,\textsuperscript{184} unless the registration is territorially restricted.\textsuperscript{185} A registration may be renewed every fifteen years in perpetuity\textsuperscript{186} subject to susceptibility to proceedings after the third anniversary of the registration to amend or cancel a registration for non-use of the mark.\textsuperscript{187} When the TMA Amendments take effect, the renewal period will be ten years.\textsuperscript{188}

1.3.2.2 Violation of Registered Rights

A person infringes the exclusive right in a registered trademark if it sells, distributes, or advertises,\textsuperscript{189} manufactures, possesses,
imports or exports for the purpose of distribution, goods or services in association with a trademark or a trade name that is confusing with the registered trademark or, in some cases, manufactures, sells, offers for sale or distributes any label or packaging bearing a confusing trademark.

A registration in association with goods also entitles an owner to prevent the import or export of such goods or their labels or packaging which bear, without the consent of the owner of the registration, a trademark that is identical to, or that cannot be distinguished in its essential aspects from, the registered mark.

A registration does not prevent a person from making, in a manner that is not likely to have the effect of depreciating the value of the goodwill attaching to the trademark, any good faith use of his or her personal name as a trade name or use, other than as a trademark, of the geographical name of its place of business or of any accurate description of the character or quality of its goods or services. A registration does not prevent a person from using any utilitarian feature embodied in the trademark.

Although Canadian trademark law does not address trademark dilution directly, a registration also enables the registrant to prevent the use of the trademark by another person in a manner likely to depreciate the value of the goodwill attaching to the mark. Depreciation of the value of the goodwill occurs through a reduction of the esteem in which the trademark is held. To be liable for depreciation, a person’s activity must constitute a trademark use. It is possible to depreciate the value of the goodwill in a mark without infringing the registration.

By way of example, persons who sold Fashion Products bearing various fabric designs and other registered trademarks of Burberry

190. Trade-marks Act, supra, at note 112, para. 20(1)(b).
191. Trade-marks Act, supra, at note 112, paras. 20(1)(e) and (d).
193. Trade-marks Act, supra, at note 112, subs. 51.03(1)ff.
194. Trade-marks Act, supra, at note 112, paras. 20(1.1)(a).
195. Trade-marks Act, supra, at note 112, paras. 20(1.1)(b).
196. Trade-marks Act, supra, at note 112, subs. 20(2).
197. Trade-marks Act, supra, at note 112, s. 22; and, for example, Clairol International Corp. v. Thomas Supply & Equipment Co., supra, at note 117.
199. Trade-marks Act, supra, at note 112, s. 22; and, for example, Veuve Clicquot Ponsardin v. Boutiques Clicquot Ltee, supra, at note 117; and Clairol International Corp. v. Thomas Supply & Equipment Co., supra, at note 117.
200. For example, Clairol International Corp. v. Thomas Supply & Equipment Co., supra, at note 117.
Limited were held liable for, among other causes of action, trademark infringement and depreciation of the value of goodwill.\textsuperscript{201}

A person who is found to have infringed a registration or depreciated the value of a registered mark may be liable for interim custody of infringing goods,\textsuperscript{202} and interim,\textsuperscript{203} interlocutory,\textsuperscript{204} and permanent\textsuperscript{205} injunctive relief. Either damages\textsuperscript{206} or an accounting of the profits of the violator\textsuperscript{207} are available, as are punitive damages.\textsuperscript{208}

Other remedies include the delivery up, destruction, or exportation of goods, labels and packaging\textsuperscript{209} and equipment to make them,\textsuperscript{210} a declaration of rights and their violation,\textsuperscript{211} as well as the transfer of domain names and social media user accounts.\textsuperscript{212} In addition, a registrant may obtain the assistance of the Canadian Border Services Agency (“CBSA”) to detain goods that infringe a registration.\textsuperscript{213}

Counterfeiting is a criminal offense. It is an offense to offer for sale, sell or distribute on a commercial scale, any goods in association with a trademark, if that sale or distribution constitutes infringement and the person knows that the trademark is identical to, or cannot be distinguished in its essential aspects from, a trademark registered for such goods.\textsuperscript{214}

\textsuperscript{201} Louis Vuitton Malletier S.A. v. Singga Enterprises (Canada) Inc., supra, at note 130.
\textsuperscript{202} Trade-marks Act, supra, at note 112, subs. 53(1).
\textsuperscript{203} Trade-marks Act, supra, at note 112, subs. 53(2).
\textsuperscript{204} Trade-marks Act, supra, at note 112, subs. 53(2); and, for example, Jamieson Laboratories Ltd. v. Reckitt Benckiser LLC, (2015), 130 C.P.R. (4th) 414 (F.C.A.), affirming 2015 FC 215; and Sleep Country Canada Inc. v. Sears Canada Inc., 2017 FC 148.
\textsuperscript{205} Trade-marks Act, supra, at note 112, subs. 53.2(1); and, for example, Louis Vuitton Malletier S.A. v. Singga Enterprises (Canada) Inc., supra, at note 130.
\textsuperscript{206} Trade-marks Act, supra, at note 112, subs. 53.2(1); and, for example, Louis Vuitton Malletier S.A. v. Singga Enterprises (Canada) Inc., supra, at note 130.
\textsuperscript{207} Trade-marks Act, supra, at note 112, subs. 53(2); and, for example, Dubiner v. Cheerio Toys and Games Ltd., [1966] Ex. C. R. 801 (Ex. Ct.).
\textsuperscript{208} Trade-marks Act, supra, at note 112, subs. 53.2(1); and, for example, Louis Vuitton Malletier S.A. v. Singga Enterprises (Canada) Inc., supra, at note 130.
\textsuperscript{209} Trade-marks Act, supra, at note 112, subs. 53.2(1); and, for example, Louis Vuitton Malletier S.A. v. Singga Enterprises (Canada) Inc., supra, at note 130.
\textsuperscript{210} Trade-marks Act, supra, at note 112, subs. 53.2(1).
\textsuperscript{211} Trade-marks Act, supra, at note 112, subs. 53.2(1).
\textsuperscript{212} For example, Thoi Bao Inc. v. 1913075 Ontario Limited, supra, at note 146.
\textsuperscript{213} Trade-marks Act, supra, at note 112, s. 51.02ff.
\textsuperscript{214} Trade-marks Act, supra, at note 112, s. 51.01.
1.3.3 Licensing of Trademarks

While all types of intellectual property rights may be licensed in Canada, the licensing of trademarks requires special care.215 This is because, at common law, the licensing of a trademark was generally considered to render the trademark non-distinctive216 as the use of a trademark by a licensee meant that the mark no longer exclusively identified the goods or services of the trademark owner.217

To address this issue, the Trade-marks Act provides a regime to maintain the distinctiveness of a trademark through a legal fiction that deems the use of a trademark by a licensee under the control of the owner to inure to the benefit of the trademark owner.218

If an entity is licensed by or with the authority of the owner of a trademark to use the mark, and the owner has, under the license, direct or indirect control of the character or quality of the goods or services, then the use, advertisement or display of the trademark as or in a trademark, trade name, or otherwise by the licensee has, and is deemed always to have had, the same effect as such a use, advertisement, or display of the trademark by the owner.219

Licenses are generally, 220 but not always, 221 required even for entities that are related to, or wholly owned by, the trademark owner. Although an oral license which can be evidenced will satisfy this statutory requirement, 222 a written license is highly recommended. In addition to a license, the exercise of actual control by the licensor under the license over the licensee’s activities is crucial.223

If a trademark is used by a person other than the owner without appropriate licensing and control, the use of the trademark will not inure to the benefit of the trademark owner and the trademark may

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217. For example, Bowden Wire Ltd. v. Bowden Brake Co. (No. 1), (1914), 31 R.P.C. 385 (H.L.); and Wilkinson Sword (Canada) Ltd. v. Juda, (1966), 51 C.P.R. 55 (Ex. Ct.).
218. Trade-marks Act, supra, at note 112, subs. 50(1).
219. Trade-marks Act, supra, at note 112, subs. 50(1).
221. For example, Lindy v. Canada (Registrar of Trade Marks), 241 N.R. 362 (F. C.A.); and The Stork Market Inc. v. 1736735 Ontario Inc., 2017 FC 779.
lose its distinctiveness.224 A trademark that is not distinctive cannot be registered and, if registered, may have its registration expunged.225

1.4 Trade Dress

The design of a Fashion Product may be protected if it distinguishes the source of the Fashion Product. “Trade dress” or “get-up” refers to the appearance of goods,226 their packaging,227 or any other two- or three-dimensional display that distinguishes the source of goods, services, or business from those of others.

Trade dress may take various forms, including the color of a product,228 the shape of a product,229 the color of packaging,230 the shape of packaging,231 and the combination of color and shape on a product.232 The distinctiveness of the trade dress may be inherent, if innately unique, or it may be acquired through long use and advertising if the trade dress becomes an identifier of source.233 Trade dress may be registered234 or unregistered.235

For example, trade dress may protect the shape, the color, or a combination of shape and color, of a cheerleading uniform that has acquired distinctiveness in the marketplace. To enforce rights in unregistered trade dress, the owner must establish, among other things, that the Fashion Product has acquired a secondary meaning in the marketplace. To obtain registration of a Fashion Product as trade dress, the trade dress must be distinctive at the date of the application.


225. Trade-marks Act, supra, at note 112, para. 18(1)(b); and, for example, Unitel Communications Inc. v. Bell Canada, supra, at note 224.


227. For example, Diageo Canada Inc. v. Heaven Hill Distilleries, Inc., 2017 FC 571.

228. For example, the color pink for FIBREGLAS insulation.


230. For example, the green pearlized bottle for PERT shampoo.

231. For example, the familiar COCA-COLA bottle; and the packaging for the TOBLERONE chocolate bar: Kraft Jacobs Suchard (Schweiz) AG v. Hagemeyer Canada Inc., supra, at note 229; and see Kraft Canada Inc. v. Euro-Excellence Inc., supra, at note 12.

232. For example, a pharmaceutical tablet or capsule: Ciba-Geigy Canada Ltd. v. Apotex Inc., supra, at note 121.

233. For example, Oxford Pendaflex Canada Ltd. v. Korr Marketing Ltd., supra, at note 16.

234. See the discussion in Section 1.4.2.

235. See the discussion in Section 1.4.1.
In either case, there has to have been significant advertising and sales of the Fashion Product. For many Fashion Products, the extent and period of use necessary to establish rights may exceed the marketplace window for the goods.

1.4.1 Unregistered Trade Dress

Like an unregistered trademark, trade dress may be enforced through the common law tort of passing off, in Québec the corresponding statutory right under the Civil Code, and the statutory right in the Trade-marks Act. However, the threshold that must be met to enforce unregistered trade dress rights is a high one. Success in a passing off action against a person selling unauthorized reproductions or imitations of Fashion Products requires a trade dress owner to establish three elements:

(i) its goodwill, namely the existence of a business in which there is a reputation whose conduit is the association of the trade dress with its goods or business;

(ii) a misrepresentation by the other party, whether or not intentional, to the public that would lead, or is likely to lead, the public to believe that the goods offered by the latter are manufactured, offered, sold, sponsored, authorized, licensed, or endorsed by the owner of the trademark or trade name; and

(iii) a likelihood of damage to the owner of the trade dress resulting from the misrepresentation.

1.4.1.1 Protectable Trade Dress

The most critical element in establishing passing off is the reputation of the owner in its trade dress, namely that the features claimed as the trade dress are distinctive of the goods or business of a single source. The distinctiveness of the trade dress may be

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236. For example, a pharmaceutical tablet or capsule: Ciba-Geigy Canada Ltd. v. Apotex Inc., supra, at note 121.

237. S.Q. 1991, c. 64, article 1457.

238. Trade-marks Act, supra, at note 112, s. 7; and see the discussion in Section 1.3.1.

239. For example, Oxford Pendaflex Canada Ltd. v. Korr Marketing Ltd., supra, at note 16.

240. For example, Reckitt & Colman Products Ltd. v. Borden Inc., supra, at note 116; and Ciba-Geigy Canada Ltd. v. Apotex Inc., supra, at note 121.

241. For example, Oxford Pendaflex Canada Ltd. v. Korr Marketing Ltd., supra, at note 16.
inherent, if innately unique, or it may be acquired through long use and advertising if the trade dress becomes an identifier of source.\footnote{242}

For a person to succeed in a passing off action for trade dress, it must establish that its trade dress has acquired a secondary meaning.\footnote{243} The burden is significant.\footnote{244} The design must be used as a distinguishing feature of its goods and the goods must have acquired a reputation in the market by reason of that feature.\footnote{245} If that is not established, the very foundation of the action fails.\footnote{246} What must be left in the mind of the purchaser is the idea that all of the goods bearing the trade dress emanate from a single source;\footnote{247} it is not necessary to prove that the marketplace identifies a particular entity as that source.\footnote{248}

If a design has functional features or characteristics, one may not succeed in a passing off claim because the design cannot be distinctive in respect of, and a monopoly cannot be granted for, functional features.\footnote{249} However, trade dress which includes some functional features is not excluded from protection as long as the protection of the functional features does not create a monopoly over the function.\footnote{250}

Trade dress cases tend to be very fact specific,\footnote{251} and it may be difficult for a court to assess whether trade dress is distinctive or

\begin{footnotesize}
\begin{enumerate}
\item For example, \textit{Parke, Davis \& Company v. Empire Laboratories Limited}, supra, at note 128; \textit{Oxford Pendaflex Canada Ltd. v. Korr Marketing Ltd.}, supra, at note 16; and \textit{Ciba-Geigy Canada Ltd. v. Apotex Inc.}, supra, at note 121.
\item For example, \textit{Parke, Davis \& Company v. Empire Laboratories Limited}, supra, at note 128; \textit{Oxford Pendaflex Canada Ltd. v. Korr Marketing Ltd.}, supra, at note 16; and \textit{Ciba-Geigy Canada Ltd. v. Apotex Inc.}, supra, at note 121.
\item For example, \textit{Parke, Davis \& Company v. Empire Laboratories Limited}, supra, at note 128; \textit{Oxford Pendaflex Canada Ltd. v. Korr Marketing Ltd.}, supra, at note 16; and \textit{Ciba-Geigy Canada Ltd. v. Apotex Inc.}, supra, at note 121.
\item For example, \textit{J.B. Williams Company v. H. Bronnley \& Co. Ltd.}, supra, at note 245; \textit{Parke, Davis \& Company v. Empire Laboratories Limited}, supra, at note 128; \textit{Oxford Pendaflex Canada Ltd. v. Korr Marketing Ltd.}, supra, at note 16; and \textit{Ciba-Geigy Canada Ltd. v. Apotex Inc.}, supra, at note 121.
\item For example, \textit{Parke, Davis \& Company v. Empire Laboratories Limited}, supra, at note 128; \textit{Oxford Pendaflex Canada Ltd. v. Korr Marketing Ltd.}, supra, at note 16; and \textit{Ciba-Geigy Canada Ltd. v. Apotex Inc.}, supra, at note 121.
\item For example, \textit{Parke, Davis \& Company v. Empire Laboratories Limited}, supra, at note 128; \textit{Oxford Pendaflex Canada Ltd. v. Korr Marketing Ltd.}, supra, at note 16; and \textit{Ciba-Geigy Canada Ltd. v. Apotex Inc.}, supra, at note 121.
\item \textit{Kirkbi AG v. Ritevik Holdings Inc.}, supra, at note 121.
\item \textit{Crocs Canada Inc. v. Holey Soles Holdings Ltd}, 2008 FC 188.
\item \textit{Crocs Canada Inc. v. Holey Soles Holdings Ltd}, supra, at note 250.
\end{enumerate}
\end{footnotesize}
functional in a summary judgment motion. For example, in a motion to dismiss an action relating to imitations of CROCS footwear, the court was reluctant to make a determination as to whether the pattern of openings in the footwear was functional or distinctive. The court said that, while the openings were functional, it was not clear whether the pattern of the openings was functional or distinctive.

Therefore, the crux of any passing off action is focused on the plaintiff establishing that the features claimed as its trade dress are distinctive of the plaintiff because they are known and serve to distinguish the source of the product in the marketplace from the products of others.

1.4.1.2 Misrepresentation and Damage

The second element of passing off is a misrepresentation. A misrepresentation requires that the goods of a person cause the average target consumer, with an imperfect recollection, to conclude or assume that those products are manufactured, offered, sold, performed, sponsored, authorized, licensed, or endorsed by the plaintiff.

The basic question is whether, directly or indirectly, the manner in which the goods of the defendant are presented to relevant consumers is such as to convey to them the impression that they are the goods of the plaintiff. It is not enough simply to say that the former are very like the latter. The competing goods must be likely to create a risk of confusion in the public mind.

As passing off is not based on any exclusive right, to the extent that a person can avoid misrepresenting its goods as those of another, it may avoid liability for passing off, even where it uses the trade dress of another without authorization. For example, a competitor may be able to avoid liability for passing off where the appearance of its own trademark or trade name on its goods or packaging or in advertising negates any misrepresentation otherwise made by the trade dress.

254. For example, Diageo Canada Inc. v. Heaven Hill Distilleries, Inc., supra, at note 227.
256. For example, Roche Products Ltd. v. Berk Pharmaceuticals Ltd., supra, at note 255; and Oxford Pendaflex Canada Ltd. v. Korr Marketing Ltd., supra, at note 16.
258. For example, Saville Perfumery Ltd v. June Perfect Ltd., supra, at note 128; and Parke, Davis & Company v. Empire Laboratories Limited, supra, at note 128.
The third element of a passing off claim is a likelihood of damage suffered by the owner of the trade dress as a result of a misrepresentation. Evidence of a loss of control over reputation, image or goodwill may support a likelihood of damage. The remedies for passing off in the context of trade dress are similar to those for passing off through the use of a trademark or trade name.

1.4.2 Registered Trade Dress

Trade dress may, in some circumstances, be registered as a species of a trademark, in Canada called a distinguishing guise. A distinguishing guise is a shaping of goods or their containers, or a mode of wrapping or packaging goods, that distinguishes the goods or services of one trader from those of others.

1.4.2.1 Trade Dress Registration

A distinguishing guise may not be registered unless it has been used in Canada so as to have become distinctive at the date an application for registration is filed as a result of extensive use of the mark in association with the goods. A distinguishing guise may not be registered if the registration is likely to limit unreasonably the development of any art or industry.

The TMA Amendments will delete the provisions in the Trade-marks Act relating to distinguishing guises. However, trade dress in the form of the shaping of goods or their containers, or a mode of wrapping or packaging goods, will still be registrable if distinctive of the applicant, provided that the features of the trade dress are not dictated primarily by a utilitarian function. The term utilitarian function is not defined in the Trade-marks Act.

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259. For example, Diageo Canada Inc. v. Heaven Hill Distilleries, Inc., supra, at note 227.
260. Trade-marks Act, supra, at note 112, subs. 13(1). The Amending Act, supra, at note 112, will delete this provision: subs. 319(1) and s. 327.
261. Trade-marks Act, supra, at note 112, s. 2. The Amending Act, supra, at note 112, will delete this provision: subs. 319(1) and s. 327.
262. Trade-marks Act, supra, at note 112, subs. 13(1). The Amending Act, supra, at note 112, will delete this provision: subs. 319(1) and s. 327.
263. Trade-marks Act, supra, at note 112, subs. 13(2); and, for example, Dominion Lock Co. v. Schlage Lock Co., (1962), 38 C.P.R. 88 (Reg. T.M.). The Amending Act, supra, at note 112, will delete this provision: subs. 319(1) and s. 327.
264. Trade-marks Act, supra, at note 112, subs. 13(1). The Amending Act, supra, at note 112, will delete this provision: subs. 319(1) and s. 327.
265. Trade-marks Act, supra, at note 112, subs. 12(3); and Amending Act, supra, at note 112, subs. 367(15).
266. Trade-marks Act, supra, at note 112, subs. 12(2); and Amending Act, supra, at note 112, subs. 367(10).
Two examples of distinguishing guises that have been registered for use in association with Fashion Products are shown below. The guise shown in the two drawings in Figure 4 is registered by Canada Goose Inc. for use in association with coats and jackets.\textsuperscript{267} The other guise depicted in Figure 5 is registered by Hermès International for use with handbags.\textsuperscript{268} In each case, the registrant was required to file evidence that the guise distinguished its source in the marketplace.

An applicant for registration of trade dress as a distinguishing guise must be the person who has used,\textsuperscript{269} or is deemed by law to have used,\textsuperscript{270} the trade dress in Canada. The comments made above about deemed use in the context of trademark licensing in Section 1.3.3 above are equally applicable to trade dress.\textsuperscript{271} Trade dress may not be registered for the same reasons discussed above\textsuperscript{272} that an ordinary trademark may not be registered.\textsuperscript{273}

To obtain a registration for a distinguishing guise, an applicant must file evidence to establish that the trade dress is distinctive at the date of filing the application.\textsuperscript{274} The guise must be distinctive to prospective purchasers including the ultimate consumer.\textsuperscript{275} If the trade dress is primarily functional, from either an ornamental or a

\textsuperscript{267.} Canadian trademark registration no. 837,332 of Canada Goose Inc.
\textsuperscript{268.} Canadian trademark registration no. 818,368 of Hermès International.
\textsuperscript{269.} Trade-marks Act, supra, at note 112, para. 30(b).
\textsuperscript{270.} Trade-marks Act, supra, at note 112, subs. 50(1).
\textsuperscript{271.} Sheldon Burshtein, Trademark Licensing in Canada: The Control Regime Turns 21, 104 TMR 1001 (2014).
\textsuperscript{272.} See the discussion in Section 1.3.2.
\textsuperscript{273.} For example, Trade-marks Act, supra, at note 112, s. 10, para. 12(1)(e) and s. 16.
\textsuperscript{274.} Trade-marks Act, supra, at note 112, subs. 32(1).
\textsuperscript{275.} For example, Parke Davis v. Empire Laboratories Ltd., supra, at note 128; and Calumet Manufacturing v. Mennen, (1991), 40 C.P.R. (3d) 76 (F.C.T.D.).
utilitarian point of view, and such functionality relates primarily or essentially to the goods covered by the application, the guise is not registrable. Functionality may relate to the mark itself or to the goods with which it is used. If the trade dress is functional, as evidenced by an expired patent, the trade dress does not function as a trademark.

The onus on the applicant to establish that a distinguishing guise has become distinctive is a heavy one. The evidence that is usually sufficient to establish acquired distinctiveness depends very much on the circumstances of each case. It is normally sufficient to provide proof of sales and advertising of the goods in Canada together with evidence that no other person uses the same or a similar guise in Canada.

A registration may be restricted to a defined territorial area in Canada in which the distinguishing guise is shown to have become distinctive. Accordingly, evidence submitted to establish acquired distinctiveness must make clear in what territorial areas in Canada the distinguishing guise has become distinctive.

For a distinguishing guise that has a significant ornamental or utilitarian function, it is generally necessary to provide more direct evidence that purchasers in the marketplace have come to recognize the guise as distinguishing the goods or services of its owner from those of others. For this purpose survey evidence or affidavits from actual purchasers may be necessary. The evidence must be sufficient to conclude that a high proportion of potential purchasers recognizes the guise as serving to distinguish the source of the goods. An application may be opposed by a third party.

277. For example, Parke, Davis & Co. v. Empire Laboratories Ltd., supra, at note 128; and Imperial Tobacco Co. v. Registrar of Trade-marks, [1939] 2 D.L.R. 65 (Ex. Ct.).
278. For example, Elgin Handles Ltd. v. Welland Vale Manufacturing Co., (1964), 43 C.P.R. 20 (Ex. Ct.).
281. CIPO, Trademarks Examination Manual, section IV.3.2.
282. Trade-marks Act, supra, at note 112, subs. 32(2).
283. CIPO, Trademarks Examination Manual, section IV.3.2.
284. CIPO, Trademarks Examination Manual, section IV.3.2; and, for example, Parke Davis v. Empire Laboratories Ltd., supra, at note 128; and Calumet Manufacturing v. Mennen, supra, at note 275.
286. CIPO, Trademarks Examination Manual, section IV.3.2.
287. Trade-marks Act, supra, at note 112, s. 38.
The registration of a distinguishing guise, unless shown to be invalid, gives to the registrant the exclusive right to use the guise in respect of such goods throughout Canada, unless the registration is territorially restricted. The expiration of an industrial design registration for trade dress does not affect the validity of a trademark registration for the same design.

1.4.2.2 Trade Dress Infringement

A person infringes the exclusive right in a registered distinguishing guise if, among other things, it sells, distributes or advertises, manufactures, possesses, imports or exports for the purpose of distribution goods in association with a trademark that is confusing with the registered guise or, in some cases, manufactures, sells, offers for sale, or distributes any label or packaging bearing a confusing trademark.

A registration of a guise in association with goods also entitles an owner to prevent the import or export of such goods or their labels or packaging that bear, without the consent of the owner of the registration, a trademark that is identical to, or that cannot be distinguished in its essential aspects from, the registered mark.

A guise registration also enables the registrant to prevent the use of the guise by another person in a manner likely to depreciate the value of the goodwill attaching to the mark. However, the registration of a guise does not prevent a person from using any utilitarian feature embodied in the guise.

The remedies for the infringement of a registered trademark or the depreciation of the value of its goodwill that are discussed in Section 1.3.2.2 apply equally to a registered distinguishing guise.

1.5 Personality Rights

An individual has rights to prevent the unauthorized commercial use of his or her name, image and other associated indicia, as well as a right to benefit from the authorized use of such indicia. These rights protect those, whether or not residents or nationals of Canada, who design or produce, or license rights to

293. *Trade-marks Act*, supra, at note 112, paras. 20(1)(c) and (d).
design or produce, and sell Fashion Products. No registration of such rights is necessary, although some indicia may be registered as trademarks.

Personality rights do not protect the design of a Fashion Product but only the right of an individual to prevent another person from using any indicia of the individual to misrepresent its goods as designed, manufactured, licensed, endorsed, or sponsored by the individual where there is no such connection. Where a significant aspect of the commercial appeal of a Fashion Product is identification of the goods with a well-known designer or licensor, or a celebrity endorser, personality rights are very relevant.

Therefore, individual designers of Fashion Products, and celebrities who endorse them, may license rights to use their indicia on terms and restrain those who use their indicia for commercial purposes without authorization. In Canada, personality rights are governed by a combination of federal statutes, statutes in some but not all provinces, and the common law.

1.5.1 Federal Law

The Trade-marks Act provides that no person may, without the consent of the individual or his or her estate, use, in connection with a business, as a trademark or otherwise, any mark consisting of, or so closely resembling as to be likely to be mistaken for any matter that may falsely suggest a connection with any living individual or for the portrait or signature of any individual who is living or who has died within the preceding thirty years. The remedies for violation of these prohibitions are the same as those for trademark infringement discussed above.

The Competition Act prohibits a testimonial except where it can be established that the testimonial was previously made or published by the person by whom the testimonial was given, or that the representation or testimonial was, before being made or published, approved, and permission to make or publish it was given in writing, by the person by whom the testimonial was given.

298. Trade-marks Act, supra, at note 112, subs. 9(2).
299. Trade-marks Act, supra, at note 112, para. 9(1)(k).
300. Trade-marks Act, supra, at note 112, para. 9(1)(l).
301. See the discussion in Section 1.3.2.
302. Competition Act, supra, at note 139, s. 74.02.
1.5.2 Provincial Law

The provinces of British Columbia,\(^\text{303}\) Manitoba,\(^\text{304}\) Newfoundland, and Labrador,\(^\text{305}\) Québec\(^\text{306}\) and Saskatchewan\(^\text{307}\) have statutes relating to the unauthorized use of indicia of personality. These statutes prohibit the commercial use of certain attributes of individuals without authorization. Each of these statutes slightly differently defines what rights are protected and what activities violate such rights.

The Québec *Charter of Human Rights and Freedoms*\(^\text{308}\) and the *Civil Code*\(^\text{309}\) generally provide the broadest protection. There is no provincial legislation specifically governing personality rights in the provinces of Alberta, New Brunswick, Nova Scotia, Prince Edward Island, or Ontario or in any of the territories.

The provincial statutes outside Québec are similar but differ in several respects. For example, some provinces provide a general tort of invasion of privacy, with the tort of wrongful appropriation of personality constituting an explicitly stated example.\(^\text{310}\) In British Columbia, although there is a general tort of invasion of privacy, appropriation of personality is a specific tort.\(^\text{311}\)

In some provinces, the identification of an individual must be made by name or description,\(^\text{312}\) or the presence must be emphasized or recognizable,\(^\text{313}\) while in other provinces all that is required is any kind of identification.\(^\text{314}\) Some provinces require use of the relevant attribute of an individual for the purpose of the advertising or sale of goods or services in order to incur liability.\(^\text{315}\) In others, liability may be based on any other purpose of gain.\(^\text{316}\)

\(^{303}\) *Privacy Act*, R.S.B.C. 1996, c. 373.


\(^{310}\) Manitoba, Newfoundland and Labrador, and Saskatchewan.

\(^{311}\) *Privacy Act*, R.S.B.C. 1996, c. 373.

\(^{312}\) For example, British Columbia.

\(^{313}\) For example, British Columbia.

\(^{314}\) For example, Newfoundland.

\(^{315}\) For example, British Columbia.

\(^{316}\) For example, Manitoba, Newfoundland and Labrador, and Saskatchewan.
There are various other differences among the statutes, including the nature of the intent required for liability, the available defenses, and whether or not the right terminates on the death of the individual. Not all provinces expressly provide for remedies. Manitoba specifically provides for injunctive relief, damages, and an accounting of profits.

Outside Québec, including those provinces where statutes are in force, personality rights are protected in Canada by way of a cause of action for the common law tort of wrongful appropriation of personality. The tort is distinct from passing off. For a person to be liable for wrongful appropriation of personality, it must, without the authorization of an individual, take advantage of the name, reputation, likeness, or other recognizable indicium that the public identifies with the individual. Although the indicium must be identifiable, the individual need not be a celebrity.

The commercial exploitation of an individual’s name is sufficient to misappropriate the individual’s personality. However, the tort is limited to situations in which a purported endorsement is being used in Canada for commercial benefit so that there is interference with the individual’s opportunity to control and exploit his or her own image. For example, an endorsement is a commercial use, whereas a biography is generally

317. For example, British Columbia, Manitoba, Newfoundland and Labrador, and Saskatchewan.
318. For example, British Columbia, Manitoba, Newfoundland and Labrador, and Saskatchewan.
321. For example, *Athans v. Canadian Adventure Camps Ltd.*, supra, at note 320.
323. For example, *Krouse v. Chrysler Canada Ltd.*, supra, at note 322; *Athans v. Canadian Adventure Camps Ltd.*, supra, at note 345; and *Joseph v. Daniels*, supra, at note 322.
It may also be necessary that a misappropriation of personality be intentional for there to be liability.\footnote{328} Although it is not clear, the common law right of action for the appropriation of personality may survive an individual’s death, so that the estate of the individual may have a right to exploit, license or enforce against others.\footnote{330} However, where an individual, while alive, has given permission for the use of his or her likeness, the estate may not prevent continued use.\footnote{331}

It is not clear whether the tort is actionable \textit{per se} or damage must be established. An individual may succeed even in the absence of proof of damage.\footnote{332} However, it may be necessary to evidence damage, in which case the relevant amount may be the cost for permission to make use of the individual’s persona.\footnote{333} The remedies for wrongful appropriation of personality include an interim, interlocutory or permanent injunction,\footnote{334} damages typically in the amount of a license fee,\footnote{335} and, in rare cases, punitive damages.

\subsection*{1.6 Industrial Designs}

An industrial design registration may protect the aesthetic aspects of a functional article.\footnote{336} Canadian industrial design protection\footnote{337} is analogous to, but different from, United States design patent protection.\footnote{338} In Canada, a protectable industrial design means features of shape, configuration, pattern, or ornament or any combination of such features that in a finished article appeals to, and is judged solely by, the eye.\footnote{339}

The costs to obtain and maintain an industrial design registration are significantly less than those for a patent, and it may take only a few months to obtain a registration. However, in some

\begin{footnotes}
\item 328. For example, \textit{Gould Estate v. Stoddart Publishing Co.}, \textit{supra}, at note 326.
\item 330. For example, \textit{Gould Estate v. Stoddart Publishing Co.}, \textit{supra}, at note 326.
\item 331. For example, \textit{Horton v. Tim Donut Ltd.}, \textit{supra}, at note 327.
\item 332. For example, \textit{Krouse v. Chrysler Canada Ltd.}, \textit{supra}, at note 322.
\item 333. For example, \textit{Athans v. Canadian Adventure Camps Ltd.}, \textit{supra}, at note 320.
\item 334. For example, \textit{Baron Philippe de Rothschild S.A. v. Casa de Habana Inc.}, \textit{supra}, at note 325.
\item 335. For example, \textit{Hay v. Platinum Equities Inc.}, \textit{supra}, at note 324.
\item 337. \textit{Industrial Design Act}, \textit{supra}, at note 18.
\item 338. 35 U.S.C. §171.
\item 339. \textit{Industrial Design Act}, \textit{supra}, at note 18, s.2; and \textit{Copyright Act}, \textit{supra}, at note 14, subs. 64(1).
\end{footnotes}
cases, copyright may apply and a design registration may not be necessary. Those situations are considered in Section 2.0.

Numerous industrial designs have been registered in Canada for Fashion Products. By way of illustration, Figure 6 below depicts a jacket design that was registered\(^3\) and Figure 7 shows a registered pant design.\(^4\)

1.6.1 Industrial Design Protection

To be registrable, an industrial design must comprise some shape, configuration, pattern, or ornament, or a combination of any of the foregoing.\(^5\) Shape and configuration relate to the three-dimensional aspects of a design. Shape refers to the external form of the article that gives the article its appearance.\(^3\) An example is the shape of a purse. Configuration is directed to the physical relationship of the components of the design,\(^4\) such as the arrangement of external pockets on an article.

Pattern and ornament relate to two-dimensional features. Pattern is a repetition of similar elements, such as on a fabric. Ornamentation must impact the appearance of a design,\(^5\) like an


\(^4\) Industrial design registration no. 135,340 of MTM Lefebvre Group Inc.

\(^5\) Industrial Design Act, supra, at note 18, s. 2.


\(^4\) For example, Gramophone Co. Ltd. v. Magazine Holder Co., supra, at note 343.

\(^5\) For example, Cimon v. Benchmade Furniture Corp., (1964), 48 C.P.R. 31 (Ex. Ct.).
image on a t-shirt, but need not beautify the article.\textsuperscript{346} Color can be an important part of a design,\textsuperscript{347} but mere color, in the absence of a pattern, or other ornamentation, does not constitute a design.\textsuperscript{348}

In an industrial design, the features of shape, configuration, pattern, or ornament must appear in a finished article.\textsuperscript{349} An “article” is any thing made by hand, tool or machine.\textsuperscript{350} A finished article is a physical embodiment that is more than a mere concept.\textsuperscript{351} An industrial design must be judged solely by the eye.\textsuperscript{352} However, artistic merit is not relevant.\textsuperscript{353}

Features dictated solely by a utilitarian function of the article may not be registered as an industrial design.\textsuperscript{354} A “utilitarian function” means a function other than merely serving as a substrate or carrier for artistic or literary matter.\textsuperscript{355} For example, where the operational use of an article prescribes a particular shape or configuration to which the article must conform, so that the shape or configuration is dictated solely by function, it does not constitute an industrial design susceptible of protection. However, functional features of an industrial design may be registered if the features are also visually appealing.\textsuperscript{356}

It may be difficult for a court to assess whether features are functional.\textsuperscript{357} For example, in a motion for summary judgment to dismiss an action relating to imitations of CROCS footwear, the court was reluctant to make a determination as to whether the pattern of the openings in the footwear was functional or aesthetic.

\begin{itemize}
\item \textsuperscript{347} For example, \textit{DRG Inc. v. Datafile Limited}, supra, at note 346.
\item \textsuperscript{349} For example, \textit{Re Industrial Design Application No. 1997-2899}, supra, at note 348.
\item \textsuperscript{350} \textit{Industrial Design Act}, supra, at note 18, s. 2.
\item \textsuperscript{351} \textit{Industrial Design Act}, supra, at note 18, s. 2.
\item \textsuperscript{354} \textit{Copyright Act}, supra, at note 14, subs. 64(1).
\item \textsuperscript{355} \textit{Crocs Canada Inc. v. Holey Soles Holdings Ltd}, supra, at note 250.
\end{itemize}
The court said that, while the openings were functional, it was not clear whether the pattern was functional or aesthetic.\(^{358}\)

A registrable design must be both original and new.\(^ {359}\) The originality and novelty relate to the application of an artistic work to an article to constitute a design, rather than in the artistic work \textit{per se} or the article itself.\(^ {360}\) For example, while an artistic work may be years old, its original application to an article may constitute an original design.\(^ {361}\) The eye-appealing features must differ in a substantial,\(^ {362}\) non-trivial way\(^ {363}\) from earlier designs. An original combination of known features may result in a qualifying design.\(^ {364}\)

Originality relates to whether something has been originated, as opposed to copied, by the person who seeks to protect it, regardless of prior activity. Some degree of intellectual activity or “spark”,\(^ {365}\) evidenced in a substantial difference over previous designs, is a condition of originality.\(^ {366}\) Originality is assessed visually with regard to the nature of the article and the design\(^ {367}\) as of the date of creation of the design.\(^ {368}\)

Novelty relates to whether something is new, having regard to statutory conditions. A design is not registrable if: (i) the design was to the owner’s knowledge, in use by any person other than the owner prior to being adopted by the owner; (ii) the design is identical to, or so closely resembles, a design which has already been registered,\(^ {369}\) or (iii) the application is filed, or deemed to be filed,\(^ {370}\) in Canada.

\(^{358}\). \textit{Crocs Canada Inc. v. Holey Soles Holdings Ltd}, supra, at note 250.


\(^{360}\). \textit{Simmons v. Mathieson & Co. Ltd.}, (1911), 28 R.P.C. 491 (Eng. C.A.); and \textit{Bata Industries Ltd v. Warrington Inc.}, supra, at note 359.


\(^{362}\). For example, \textit{Clatworthy & Son Ltd. v. Dale Display Fixtures Ltd.}, supra, at note 361.


\(^{364}\). For example, \textit{Clatworthy & Son Ltd. v. Dale Display Fixtures Ltd.}, supra, at note 361.

\(^{365}\). For example, \textit{Bata Industries Ltd v. Warrington Inc.}, supra, at note 359; and \textit{Bodum USA Inc. v. Trudeau Corp. Inc.}, 2012 FC 1128.

\(^{366}\). For example, \textit{Bata Industries Ltd v. Warrington Inc.}, supra, at note 359; and \textit{Rothbury International Inc. v. Canada.}, supra, at note 352.

\(^{367}\). For example, \textit{Rothbury International Inc. v. Canada.}, supra, at note 352.

\(^{368}\). For example, \textit{Clatworthy & Son Ltd. v. Dale Display Fixtures Ltd.}, supra, at note 361.

\(^{369}\). \textit{Industrial Design Act}, supra, at note 18, subs. 6(1).

\(^{370}\). \textit{Industrial Design Act}, supra, at note 18, subs. 29(1).
more than one year after the publication of the design in Canada or elsewhere.371

When the amendments to the Industrial Design Act that have been enacted (the “IDA Amendments”)372 take effect, likely in 2019, novelty will be redefined so that any public availability of the design prior to the date on which an application is filed,373 or is deemed to be filed,374 in Canada, will be a bar to a valid registration. A prior application for the design will also be a bar.375 To be an anticipatory design, the prior design must be the same design or a design not substantially different from it, applied to the same or an analogous finished article for which the application is made.376

There will be a limited grace period of one year prior to the date an application is filed in Canada for a disclosure made by the author or by another person who properly derived knowledge of the design from the author.377 A disclosure made by the author or such other person within the grace period will not be a bar to obtaining a registration.

An application that is filed in Canada within six months of the first-filed application elsewhere for the same industrial design may be deemed to be filed in Canada on the date of that earlier-filed application for the design if priority is claimed.378 This will continue after the amendments.

Availability will likely include disclosure in a printed document, public use, exhibition for sale, or sale of the design.379 Publication has been said to be commercial in nature,380 but that may change under the new novelty test. The showing of a prototype of a product to buyers for retailers to ascertain market prospects and obtain expressions of interest constituted publication of a design because

371. Industrial Design Act, supra, at note 18, para. 6(3)(a).
372. Amending Act, supra, at note 112.
373. Industrial Design Act, supra, at note 18, para. 8.2(1)(a); and Amending Act, supra, at note 112, s. 105.
374. Industrial Design Act, supra, at note 18, para. 8.2(1)(a); and Amending Act, supra, at note 112, s. 105.
375. Industrial Design Act, supra, at note 18, para. 8.2(1)(b); and Amending Act, supra, at note 112, s. 105.
376. Industrial Design Act, supra, at note 18, para. 8.2(1)(c); and Amending Act, supra, at note 112, s. 105.
377. Industrial Design Act, supra, at note 18, subs. 8.2(1); and Amending Act, supra, at note 112, s. 105.
378. Industrial Design Act, supra, at note 18, s. 29.
there was no special relationship with the recipients and the disclosures were not made in confidence.\(^{381}\)

An industrial design must be registered to be protected.\(^{382}\) An application must be filed by the owner of the design.\(^{383}\) The first owner is the author unless the author has executed the design for consideration from another person, such as an employer, in which case the latter is the owner.\(^{384}\) The author is the person who developed the shape, configuration, pattern, ornament, or combination of them that gives rise to the design in relation to the article.\(^{385}\)

To obtain an industrial design registration, an application must be filed within the one-year period referenced above.\(^{386}\) Currently only a national application may be filed, but the IDA Amendments will introduce the Hague Agreement so that an international application may enter Canada.\(^{387}\) The cost of the preparation and prosecution of a design is usually far less than for a patent. A registration may typically be obtained within 6 to 12 months after the filing of an application.

A registration provides exclusivity for a period of ten years following registration subject to renewal prior to the fifth anniversary.\(^{388}\) The registrant has the exclusive right to make, import for trade or business, sell, rent, or offer or expose for sale or rent, any article in respect of which the design is registered.\(^{389}\) A registration is presumed to be valid but may be held invalid for a number of reasons.\(^{390}\)

### 1.6.2 Industrial Design Infringement

Anyone who engages in an activity in which the registrant has the exclusive right without the permission of the registrant infringes the registration.\(^{391}\) The test for infringement is whether

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382. *Industrial Design Act*, supra, at note 18, s. 2.
384. *Industrial Design Act*, supra, at note 18, subs. 12(1).
386. *Industrial Design Act*, supra, at note 18, subs. 8.2(1).
387. *Industrial Design Act*, supra, at note 18, para. 25(g,6); and Amending Act, *supra*, at note 112, subs. 111(3).
388. *Industrial Design Act*, supra, at note 18, subs. 10(2).
390. *Industrial Design Act*, supra, at note 18, subs. 22(1); and, for example, *Algonquin Mercantile Corporation v. Dart Industries Ltd.*, supra, at note 379.
391. *Industrial Design Act*, supra, at note 18, subs. 11(1).
the registered design, or a design not differing substantially therefrom, has been applied to an article. The test is the “appeal to the eye” of the court as assisted and instructed by the evidence. In considering whether differences are substantial, the extent to which the registered design differs from any previously published design may be taken into account.

A person who violates the exclusive right of the registrant infringes and may be liable to an interlocutory and permanent injunction, either damages or an accounting of the infringer’s profits, punitive damages, as well as other remedies, including the disposal of infringing goods. There is no specific border measure or criminal liability for industrial design infringement.

1.7 Copyright

The underlying sketches and designs of Fashion Products, and three-dimensional designs of many Fashion Products, that are original may be protected by copyright as artistic works, subject to the limitations on enforceability discussed in Section 2.0 below.

Copyright has numerous advantages over other types of intellectual property for the protection of Fashion Products. First, copyright protects against the reproduction of a work or any substantial part thereof in two or three-dimensional form. Second, it arises automatically without any application or other attendant cost.

Third, the term is significantly longer than most other types of intellectual property, well beyond that usually relevant for Fashion Products. Fourth, there are measures to prevent importation of pirated copies of works. Fifth, there are criminal sanctions for some infringing acts. In addition, a designer of a Fashion Product may restrain a modification or distortion of the work that prejudices the designer’s reputation.

However, copyright protects only against copying and does not protect against independent creation in the way that patent and


393. For example, *Interlego AG v. Tyco Industries Inc.*, supra, at note 354.


395. *Industrial Design Act*, supra, at note 18, subs. 11(2).


397. *Industrial Design Act*, supra, at note 18, s. 15.1.

398. *Industrial Design Act*, supra, at note 18, s. 15.1.

399. *Industrial Design Act*, supra, at note 18, s. 15.1; and see, for example, *Global Upholstery Co. v. Galaxy Office Furniture Ltd.*, (1976), 29 C.P.R. (2d) 145 (F.C.T.D.).

400. *Industrial Design Act*, supra, at note 18, s. 15.1.
industrial design protection do. The major disadvantage is that copyright is not enforceable against the unauthorized reproduction of some useful articles that are reproduced in quantity by the owner or with its authorization. Industrial design registration may be required in such cases. This issue is canvassed in Section 2.0.

1.7.1 Subsistence of Copyright

Copyright subsists in qualifying original artistic works. An artistic work is a work that finds expression in a visual medium. An artistic work need not appeal to the aesthetic senses or have any artistic merit. Artistic works include drawings, photographs, and works made by a process analogous to photography, models and other sculptures, as well as compilations of artistic works.

Artistic works are not limited to fine art or objects d’art. Clothing, footwear and fabric designs may constitute artistic works, if original. Design trademarks may also be protected by copyright, although there is no copyright in a word mark.

For copyright to subsist in an artistic work, the work must be fixed, namely, expressed in some material form, capable of

401. Copyright Act, supra, at note 14, ss. 2 and 5.
402. DRG Inc. v. Datafile Limited, supra, at note 346.
405. Copyright Act, supra, at note 14, s. 2.
409. For example, Louis Vuitton Malletier S.A. v. Singga Enterprises (Canada) Inc., supra, at note 130.
identification and having a character of reasonable substance or performance. 412

The work must also be original. 413 The threshold requirement of originality is not defined in the Act. Originality does not require creativity, 414 industriousness, 415 uniqueness, 416 or novelty. 417 What is required is the exercise of skill and judgment in the expression of an idea. 418 Skill requires the use of one’s knowledge, developed aptitude or practiced ability in producing the work. 419

Judgment requires the use of one’s capacity for discernment or the ability to form an opinion or evaluation by comparing different possible options in producing the work. The exercise of skill and judgment necessarily involves intellectual effort, and must not be so trivial that it could be characterized as a purely mechanical exercise. 420

The author is generally the person who creates the work, for example, by drawing it, 421 although there are a few exceptions. The ownership of copyright generally flows from the author of the work. 422 Copyright arises immediately and automatically in an original artistic work authored by an individual who is a Canadian national or resident or is a national or resident of a country that is a member of one of several treaties with Canada. 423 In some situations, the place of publication of a work may be relevant. 424


413. Copyright Act, supra, at note 14, s. 5; and, for example, CCH Canadian Ltd. v. Law Society of Upper Canada, supra, at note 412; Robertson v. Thomson Corporation, [2006] S.C.C. 43; and Euro-Excellence Inc. v. Kraft Canada Inc., supra, at note 12.

414. For example, Pelchat v. Zone 3 inc., 2013 QCCS 78.

415. For example, Distrimed Inc., v. Dispill Inc., 2013 FC 1043.

416. For example, Pelchat v. Zone 3 inc., supra, at note 414.


418. For example, CCH Canadian Ltd. v. Law Society of Upper Canada, supra, at note 412; Robertson v. Thomson Corporation, supra, at note 413; and Euro-Excellence Inc. v. Kraft Canada Inc., supra, at note 12.

419. For example, CCH Canadian Ltd. v. Law Society of Upper Canada, supra, at note 412.

420. For example, CCH Canadian Ltd. v. Law Society of Upper Canada supra, at note 412.


422. Copyright Act, supra, at note 14, subs. 13(1).

423. Copyright Act, supra, at note 14, s. 5; and for example, Khan v. Tajan, 2011 FC 14.

424. Copyright Act, supra, at note 14, para. 5(1)(c).
None of registration, publication, or notice is necessary for copyright protection in Canada, although registration\textsuperscript{425} is available for evidentiary and remedy purposes.\textsuperscript{426} Registration may be obtained quickly so it is not unusual to register copyright in a work just before making a claim for infringement of the work. Copyright typically lasts to the end of the calendar year of the fiftieth anniversary of the death of the author of a work. There are special rules that vary the term, such as in the case of joint authors.\textsuperscript{427}

In the context of Fashion Products, the exclusive rights of the owner of copyright are the rights to produce or reproduce, and if the work is unpublished to publish, the work or any substantial part thereof in any material form whatever.\textsuperscript{428} Publication means the making of copies of a work available to the public.\textsuperscript{429}

The rights include the right to communicate the work to the public by telecommunication,\textsuperscript{430} such as on the Internet, and, in the case of a work that is in the form of a tangible object, to sell or otherwise transfer ownership of the tangible object, as long as that ownership has never previously been transferred anywhere in the world with the authorization of the copyright owner.\textsuperscript{431} It also includes the right to authorize any such acts.\textsuperscript{432} There are numerous other rights that apply to other types of works.\textsuperscript{433}

\subsection*{1.7.2 Moral Rights}

An author of a work has moral rights in the work that relate to the integrity and authorship of the work.\textsuperscript{434} One is the right to the integrity of the work.\textsuperscript{435} This right is infringed where the work is, to the prejudice of the honor or reputation of the author\textsuperscript{436} distorted, mutilated or otherwise modified\textsuperscript{437} or used in association with a product, service, cause or institution.\textsuperscript{438} A designer of a Fashion

\begin{itemize}
\item \textsuperscript{425} Copyright Act, supra, at note 14, s. 55.
\item \textsuperscript{426} Copyright Act, supra, at note 14, s. 53.
\item \textsuperscript{427} Copyright Act, supra, at note 14, subs. 9(1).
\item \textsuperscript{428} Copyright Act, supra, at note 14, subs. 3(1).
\item \textsuperscript{429} Copyright Act, supra, at note 14, subpara. 2.2(1)(a)(i).
\item \textsuperscript{430} Copyright Act, supra, at note 14, para. 3(1)(f).
\item \textsuperscript{431} Copyright Act, supra, at note 14, para. 3(1)(j).
\item \textsuperscript{432} Copyright Act, supra, at note 14, subs. 3(1).
\item \textsuperscript{433} Copyright Act, supra, at note 14, ss. 3, 15, 16 and 18.
\item \textsuperscript{434} For example, Théberge v. Galerie d’Art du Petit Champlain inc., supra, at note 412.
\item \textsuperscript{435} Copyright Act, supra, at note 14, subs. 14.1(1); and, for example, Desagné c. Groupe Ville-Marie Littérature Inc., 2015 QCCS 5448.
\item \textsuperscript{436} Copyright Act, supra, at note 14, subs. 14.1(1).
\item \textsuperscript{437} For example, Théberge v. Galerie d’Art du Petit Champlain inc., supra, at note 412.
\item \textsuperscript{438} Copyright Act, supra, at note 14, subs. 28.2(1).
\end{itemize}
Product may restrain a modification or distortion of the work that prejudices the designer’s reputation.

The second moral right is the right of paternity or attribution, which is the right, where reasonable in the circumstances, to be associated with the work as its author by name or under a pseudonym. The failure to credit the author of a work is a violation of the right of paternity. The third moral right is the right of anonymity, namely the right to remain anonymous in respect of a work.

Moral rights are held only by the author of a work and not by the copyright owner, if different, unless transmitted on death. Moral rights may not be assigned but may be waived in whole or in part. For example, even where the employer of an author owns the copyright in a work of an employee, the employee author has the moral rights therein unless they are waived by the employee.

An assignment of copyright in a work does not by that act alone waive moral rights. Nor does a license of copyright constitute a waiver. The term of moral rights in a work is the same as the term of copyright. Moral rights survive the death of an author, as would an unlimited waiver of the rights.

1.7.3 Copyright Infringement

Copyright in a work is deemed to be infringed by anyone who does, without the consent of the owner of copyright, any activity that is reserved to the owner. There are two basic categories of infringement, primary and secondary. Primary infringement occurs where, without the consent of the owner, a person, among other

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439. For example, 

440. Copyright Act, supra, at note 14, subs. 14.1(1); and, for example, Cinar Corporation v. Robinson, 2013 SCC 73, affirming on other grounds 2011 QCCA 1361, affirming 2009 QCCS 379.

441. For example, Desagné c. Groupe Ville-Marie Littérature Inc., supra, at note 435; and Chung v. Brandy Melville Canada Ltd., 2016 QCCQ 2735.

442. Copyright Act, supra, at note 14, subs. 14.1(1).

443. Copyright Act, supra, at note 14, subs. 14.1(2); and, for example, Théberge v. Galerie d’Art du Petit Champlain inc., supra, at note 412.

444. For example, Lachance v. Les Productions Marie Éykel Inc., 2014 QCCA 158, affirming 2012 QCCS 1012.


446. For example, Isle-Principia (USA) Inc. v. Guimond, 2013 QCCS 3730.

447. Copyright Act, supra, at note 14, subs. 14.2(1).

448. Copyright Act, supra, at note 14, subs. 14.2(2).

449. Copyright Act, supra, at note 14, subs. 27(1).
activities, reproduces, or authorizes another person to reproduce, a work or any substantial part thereof in any material form.\textsuperscript{450}

For infringement, a person must have had access to a work and copied it in whole or substantial part.\textsuperscript{451} A “substantial part” refers to a qualitative, rather than a quantitative, portion.\textsuperscript{452}

The phrase “in any material form whatever” is extremely important in the context of Fashion Products. The production of a three-dimensional object copied from a two-dimensional representation constitutes copyright infringement. For example, a person who made three-dimensional dolls copied from the two-dimensional POPEYE cartoon character was held liable for copyright infringement.\textsuperscript{453}

Indirect copying is, for the purposes of liability, the same as direct copying of a work in which copyright subsists.\textsuperscript{454} Therefore, if one copies a three-dimensional reproduction of a two-dimensional drawing, without ever having seen or even known about the original two-dimensional drawing, such a copier may be liable for copyright infringement. Using the POPEYE example, if someone copied the unauthorized doll without having seen the two-dimensional image, there would still be infringement of copyright in the image.

Secondary infringement refers to certain activities with unauthorized copies that the person knows or should have known infringe copyright or would infringe copyright if the copy had been made in Canada by the person who made it.\textsuperscript{455}

The activities include selling or renting infringing copies or to such an extent as to affect prejudicially the owner of the copyright, distributing,\textsuperscript{457} or by way of trade exposing or offering for sale or rental or exhibiting in public,\textsuperscript{458} infringing copies. The activities also include possessing\textsuperscript{459} or importing into Canada\textsuperscript{460} for the purpose of any of the foregoing activities. There are a number of

\textsuperscript{450}. Copyright Act, supra, at note 14, s. 3 and subs. 27(1).
\textsuperscript{451}. For example, Gondos v. Hardy, (1982), 64 C.P.R. (2d) 145 (Ont. H.C.).
\textsuperscript{452}. For example, King Features Syndicate v. O. and M. Kleeman, Ltd., [1941] A.C. 417.
\textsuperscript{453}. King Features Syndicate v. O. and M. Kleeman, Ltd., supra, at note 452.
\textsuperscript{455}. Copyright Act, supra, at note 14, subs. 27(2).
\textsuperscript{456}. Copyright Act, supra, at note 14, para. 27(2)(a).
\textsuperscript{457}. Copyright Act, supra, at note 14, para. 27(2)(b).
\textsuperscript{458}. Copyright Act, supra, at note 14, para. 27(2)(c).
\textsuperscript{459}. Copyright Act, supra, at note 14, para. 27(2)(d); and, for example, CCH Canadian Ltd. v. Law Society of Upper Canada, supra, at note 412.
\textsuperscript{460}. Copyright Act, supra, at note 14, para. 27(2)(e).
exceptions to infringement, called users’ rights, such as fair dealing, none of which is often relevant to Fashion Products.

By way of example, persons who sold Fashion Products bearing various fabric designs and other works of Burberry Limited were held liable for, among other causes of action, copyright infringement.

There are multiple heads of liability for infringement. Unlike the case for other types of intellectual property, a copyright infringer is liable for both the profits it made as a consequence of the infringement and the damages suffered by the plaintiff, but there may not be any overlap. An infringer may be liable for punitive damages. A successful plaintiff has the option of choosing statutory damages, based on a range set out in the Copyright Act, rather than proving its damages.

An infringer may also be liable to an interim, interlocutory, and permanent injunction. Where an infringer proves that, at the date of the infringement, it was not aware and had no reasonable ground for suspecting that copyright subsisted in the works in issue, an injunction may be the only remedy. This defense is not available if copyright in the work is registered.

461. For example, Théberge v. Galerie d’Art du Petit Champlain inc., supra, at note 412.
462. Copyright Act, supra, at note 14, subs. 29(2).
464. Copyright Act, supra, at note 14, subs. 34(1); and, for example, Pro Arts Inc. v. Campus Crafts Holdings Ltd., (1980), 50 C.P.R. (2d) 230 (Ont. H.C.).
465. Copyright Act, supra, at note 14, subs 34(1); and, for example, Slumber-Magic Adjustable Bed Co. v. Sleep-King Adjustable Bed Co., supra, at note 406; and Louis Vuitton Malletier S.A. v. Singga Enterprises (Canada) Inc., supra, at note 130.
466. For example, Pro Arts Inc. v. Campus Crafts Holdings Ltd., supra, at note 464.
467. Copyright Act, supra, at note 14, subs. 34(1); and, for example, Pro Arts Inc. v. Campus Crafts Holdings Ltd., supra, at note 464; and Louis Vuitton Malletier S.A. v. Singga Enterprises (Canada) Inc., supra, at note 130.
468. Copyright Act, supra, at note 14, s. 38.1; and Benchmuel v. Gags N Giggles, supra, at note 407.
470. Copyright Act, supra, at note 14, subs. 34(1); and, for example, Pro Arts Inc. v. Campus Crafts Holdings Ltd., supra, at note 464.
471. Copyright Act, supra, at note 14, subs. 34(1); and, for example, R. v. Lorimer & Co., [1984] 1 F.C. 1065 (F.C.A.).
472. Copyright Act, supra, at note 14, subs. 39(1).
473. Copyright Act, supra, at note 14, subs. 39(2).
An infringer may also be liable to other remedies, including delivery up of infringing copies and plates to make them, and a declaration of rights and the violation thereof. In addition, a registrant may obtain the assistance of the CBSA to detain infringing copies of a work. Secondary infringement is a criminal offense.

2.0 COPYRIGHT-DESIGN INTERFACE

2.1 Importance

Where available, there are numerous advantages to copyright over other forms of intellectual property to protect against the reproduction or imitation of Fashion Products that are original artistic works. These include immediate and automatic protection against the copying of goods at no cost for a long term. In Canada, the definition of “artistic work” in the Copyright Act covers many works that, when applied to a functional article, are original and novel aesthetic features of Fashion Products that are registrable as industrial designs.

Therefore, one must determine whether copyright or industrial design registration is the appropriate form of protection for a particular Fashion Product. If one makes the wrong choice or, as is more likely, the industrial design option is closed because of a failure to file a design application prior to a statutory time bar, the right to protect the Fashion Product may not exist or may be lost. The choice must be made within the period during which it is permissible to file an industrial design application.

Like many other jurisdictions, Canada has delineated a line between copyright and industrial design protection for aesthetically pleasing useful articles. The boundary is situated slightly differently in each of many other jurisdictions, even those whose

474. Copyright Act, supra, at note 14, subs. 38(1); and Louis Vuitton Malletier S.A. v. Singga Enterprises (Canada) Inc., supra, at note 130.
475. Copyright Act, supra, at note 14, subs. 38(1).
476. Copyright Act, supra, at note 14, subs. 34(1); and, for example, Louis Vuitton Malletier S.A. v. Singga Enterprises (Canada) Inc., supra, at note 130.
477. Copyright Act, supra, at note 14, ss. 44ff.
478. Copyright Act, supra, at note 14, s. 42; and, for example, R. v. Hirani, 2010 BCPC 205; and Criminal Code, R.S.C. 1985, c. C-46, s. 412(1); and, for example, R. Farrell, 2002 NBQB 150.
479. Copyright Act, supra, at note 14, s. 2.
480. Industrial Design Act, supra, at note 18, s. 10.
482. Industrial Design Act, supra, at note 18, para. 6(3)(a).
legal systems are generally similar to those of Canada. For example, while both United States and Canadian copyright law include the concepts of “useful article” and “utilitarian function,” each takes a different approach to limiting the scope of copyright protection for useful articles.

2.2 United States Interface

By way of illustration and comparison, in the United States, the issue is addressed by interpreting the scope of copyright in the United States Copyright Act (“USCA”). The USCA protects pictorial, graphic and sculptural works, which include two- and three-dimensional works of fine, graphic, and applied art, photographs, prints and art reproductions, maps, globes, charts, diagrams, models, and technical drawings, including architectural plans, whether they were created as freestanding art or as features of useful articles.

The USCA expressly excludes from copyright protection any useful article that has an intrinsic utilitarian function that does not merely portray the appearance of the article or convey information. The design of a useful article is considered a pictorial, graphic, or sculptural work in which copyright subsists only if, and only to the extent that, such 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.

For example, a backpack was held to have an intrinsic utilitarian function and therefore not subject to copyright protection. However, prior to the 2017 USSC Star Athletica decision, some types of useful articles caused courts to struggle to define and apply a test to determine whether a pictorial, graphic or sculptural feature is separable from a useful article.

483. For example, see the discussion of the United States in Section 2.2.
484. 17 U.S.C. §§ 101 et seq.
492. For example, Gay Toys, Inc. v. Buddy L Corp., 703 F. 2d 970 (C.A. 6, 1983).
Determinations were made on the basis of physical or conceptual separability.493

Physical separability means that the useful article contains a pictorial, graphic, or sculptural feature that can be physically separated from the article by ordinary means while leaving the utilitarian aspects of the article completely intact.494 An example is a statuette that serves as a lamp base.495 The physical separability test works more easily for three-dimensional articles496 than for two-dimensional articles.497

Conceptual separability means that the pictorial, graphic, or sculptural feature, while physically inseparable by ordinary means from the utilitarian article, is nevertheless clearly recognizable as a pictorial, graphic, or sculptural work that is independent of the article.498

No court relied exclusively on the physical separability test, and courts were almost unanimous in interpreting the statutory language to include both types of separability.499 Appellate courts had articulated at least six different tests to determine whether artistic features of useful articles are eligible for copyright protection.500

In some cases, courts also relied on one or more of the numerous other approaches considered in decisions or proposed by scholars.501 The difficulty was illustrated by inconsistent appellate decisions in the context of wearing apparel. For example, Halloween costumes,502 a sweater,503 and cheerleading uniforms504 were held protectable by copyright while copyright was denied for dresses505 and other uniforms.506

495. For example, Mazer v. Stein, supra, at note 487.
496. For example, Star Athletica, L.L.C. v. Varsity Brands, Inc., supra, at note 1.
504. For example, Star Athletica, L.L.C. v. Varsity Brands, Inc., supra, at note 1 [C.A.6].
In *Star Athletica*, at issue were two-dimensional designs of lines, chevrons, and colorful shapes on cheerleading uniforms like those depicted in Figure 8 below, as opposed to the cut or shape of the uniforms.

![Design 299B](image1)
![Design 299A](image2)

**Figure 8**

The USSC said that a feature incorporated into the design of a useful article is eligible for copyright protection only if the feature:

(i) can be separately identified as a two-or three-dimensional work of art separate from the useful article; and

(ii) would qualify as a protectable pictorial, graphic, or sculptural work, either on its own or fixed in some other tangible medium of expression, having an independent existence by being imagined separately from the useful article into which it is incorporated.

A majority of the USSC found that the surface decorations could be identified as features having pictorial, graphic, or sculptural qualities separate from the uniforms. The majority also found that the decorations could have an existence independent from the uniforms. If the decorations were separated from the uniforms and applied in another medium, they would qualify as two-dimensional works of art protected by copyright.

In a decision applying the *Star Athletica* test, a set of metal wire-wrapped, tear-shaped lights was held to be protectable by copyright.

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2.3 Pre-1988 Canadian Copyright–Design Interface

Until 1988, the *Copyright Act* specifically excluded protection for designs capable of being registered under the *Industrial Design Act*. The term “design” was not defined in the statute but was said to be something applied to ornament an article.

An exception to the exclusion from copyright protection was a design that, though capable of being registered, was not used as a model or pattern to be multiplied by an industrial process. The *Industrial Designs Rules* to which reference was made in the relevant provision of the *Copyright Act*, provided that a design was deemed to be used as a model or pattern to be multiplied by an industrial process where:

(i) the design was reproduced or intended to be reproduced in more than 50 single articles, unless all the articles in which the design was reproduced or was intended to be reproduced together form only a single set; and

(ii) the design was to be applied to certain enumerated items, including textiles, piece goods and similar items.

A “set” was defined as a number of articles of the same general character ordinarily on sale together, or intended to be used together, all bearing the same design with or without modification not sufficient to alter the character or not substantially affecting the identity thereof, like dinnerware. An example of a set of Fashion Products is a group of jewelry pieces with a common design element that are designed to be worn together in some combination, such as a necklace, a brooch, a ring, a bracelet, and a pair of earrings.

The rule raised several crucial issues. First, the reference to the intention of the author to reproduce the design in a significant number of articles created issues. It was virtually impossible for another person to know what the intention of the author was when the work was authored. For example, the POPEYE character was created for a comic strip long before it was applied to useful articles.

511. *Copyright Act*, S.C. 1921, c. 24, former s. 46.
513. For example, *Clatworthy & Son Ltd. v. Dale Display Fixtures Ltd.*, supra, at note 361.
514. For example, *Cimon v. Benchmade Furniture Corp.*, supra, at note 345.
515. *Copyright Act*, S.C. 1921, c. 24, former s. 46.
517. *Industrial Designs Rules*, supra, at note 516, former s. 11.
518. *Industrial Designs Rules*, supra, at note 516, former s. 11.
More importantly, there was doubt as to whether the “and” between the two elements of the rule was to be construed conjunctively or disjunctively. If the “and” were construed conjunctively, as one might have expected it to be, both elements in the list would have had to be satisfied for a design to be excluded from copyright protection. The effect of such a determination would have been that there would be very few three-dimensional articles for which copyright protection was excluded and for which industrial design registration was required.

As an example, a design of a toy truck and mass-produced tin works of art were denied copyright protection. However, in the early 1980s, several decisions appeared to give judicial recognition to a broader notion of copyright in products like sweaters, floral designs on china, and toy blocks, which many intellectual property professionals thought should have been protected by industrial design registration.

The matter came to a head in Bayliner Marine Corp. v. Doral Boats Ltd., a suit for copyright infringement of a boat hull design for which there was no industrial design registration. At trial, the court construed the “and” conjunctively so that the design would have been protected by copyright. The decision was reversed by the Federal Court of Appeal, which held that the “and” was to be interpreted disjunctively. The court felt that a conjunctive interpretation of “and” would effectively bar most registrations under the Industrial Design Act, which could not have been the intention of Parliament.

The effect of the Bayliner appellate decision was that, where a design “capable of being registered as an industrial design” was reproduced or intended to be reproduced in more than 50 single articles, unless all the articles formed only a single set, the design

had to be protected by registration as an industrial design and was
excluded from copyright protection.529

The court was therefore required to determine whether the hull
design was capable of being registered as an industrial design. The
court found that, although the general shapes of the hull were
largely dictated by functional considerations, the details of the
shapes were essentially ornamental. The designs were capable of
being registered as industrial designs and were therefore excluded
from copyright protection.530

The court also said that delaying registration of an industrial
design so that a design was no longer capable of being registered
because the statutory time period had lapsed, would not qualify the
design for copyright protection. As a result, because the boat hull
design satisfied the first of the two elements in the Industrial
Design Rules, copyright was excluded and the defendant avoided
liability.531

The Bayliner decisions, rendered shortly after the Committee
was constituted, illustrated the need for a clearer delineation of the
scope of copyright protection. The Committee was concerned with
all articles in which an artistic work is reproduced, not just Fashion
Products. After much study of the issues including various foreign
approaches, controversial discussions, and drafts, the Committee
formulated recommendations that were incorporated in a report532
commissioned by the Canadian federal government from one of the
members, the late William L. Hayhurst, Q.C.533

With only minor tweaks, the recommendations were enacted by
amendment to both the Copyright Act and the Industrial Design
Act.534 The current regime applies only to industrial designs created
on or after June 8, 1988.535 Industrial designs of useful articles
bearing artistic works created prior to that date are governed by the

532. W.L. Hayhurst, Q.C., “Report on the Revision and Clarification of the Copyright and
Industrial Design Laws to Exclude Purely Utilitarian Articles and to Exclude from Copyright
the Appearance of Many Utilitarian Articles,” supra, at note 525.
533. Bill Hayhurst was the guiding light of the Committee, my mentor and my former
partner. My appointment to the Committee was not through Bill—it was just a happy
coincidence. He was appointed by the Canadian Bar Association and I was appointed by the
Intellectual Property Institute of Canada.
535. S.C. 1988, c. 15, ss. 18 and 19; Copyright Act, supra, at note 14, subs. 64(2); and see
prior regime.\textsuperscript{536} While not perfect, the current law has very effectively delineated an interface between copyright and industrial design protection for products, including Fashion Products, that has stood the test of almost thirty years.

2.4 Current Canadian Copyright–Design Interface

The 1988 amendments introduced the concepts of “utilitarian function” and “useful article” from United States copyright law\textsuperscript{537} but otherwise took a different approach to delineating the scope of copyright protection in useful articles. The effect is that copyright may be enforceable in some useful articles in Canada but not in the United States; in other cases, the reverse may be true.

2.4.1 Useful Articles

The \textit{Copyright Act} defines a “useful article” as an article that has a utilitarian function and a model of such an article.\textsuperscript{538} An “article” is any thing made by hand, tool, or machine.\textsuperscript{539} A “utilitarian function” means a function other than merely serving as a substrate or carrier for artistic or literary matter.\textsuperscript{540} For example, playground equipment constitutes a useful article.\textsuperscript{541}

Apparel, such as a quilted jacket\textsuperscript{542} and children’s clothing,\textsuperscript{543} has been held to be a useful article. However, in some cases, there is a challenge in determining what constitutes a useful article. In the case of Fashion Products, the challenge is best illustrated by the categorization of jewelry.\textsuperscript{544} On a motion for summary judgment, it was held that jewelry articles are designs as they are artistic works applied to finished articles that are useful because they can be worn.\textsuperscript{545}

However, this holding was reversed on appeal on the basis that, merely because jewelry can be worn, it is not necessarily useful. Some items of jewelry, such as tie pins and cufflinks, are useful

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\begin{itemize}
  \item \textsuperscript{536} Copyright Act, S.C. 1921, c. 24, s. 46; and see \textit{Bayliner Marine Corp. v. Doral Boats Ltd.}, supra, at note 526; \textit{Milliken & Co. v. Interface Flooring Systems (Canada) Inc.}, supra, at note 351; and \textit{DRG Inc. v. Datafile Limited}, supra, at note 346.
  \item \textsuperscript{537} 17 U.S.C. § 101; and see the discussion in Section 2.2.
  \item \textsuperscript{538} \textit{Copyright Act}, supra, at note 14, subs. 64(1).
  \item \textsuperscript{539} \textit{Copyright Act}, supra, at note 14, subs. 64(1).
  \item \textsuperscript{540} \textit{Copyright Act}, supra, at note 14, subs. 64(1).
  \item \textsuperscript{541} Corocord Raumnetz GmbH v. Dynamo Industries Inc., supra, at note 132.
  \item \textsuperscript{542} \textit{Greenberg Stores Ltd. v. Derhy Import-Export (Canada) Inc.}, supra, at note 407.
  \item \textsuperscript{543} \textit{Layette Minimôme Inc. v. Jarrar}, supra, at note 407.
  \item \textsuperscript{545} \textit{Pyrrha Design Inc. v. 623735 Saskatchewan Ltd.}, supra, at note 544 [F.C.].
\end{itemize}
apart from their aesthetic value because they functionally hold clothes together, but others, like rings, brooches, and earrings, may be purely ornamental and not useful articles.546

A “design” means features of shape, configuration, pattern, or ornamentation and any combination of those features that, in a finished article, appeal to, and are judged solely by, the eye.547 A design is applicable only to a finished article although a useful article need not be a finished article. The term “finished article” is not defined but has been said to mean an article in a physical embodiment, as opposed to a mere scheme or preliminary conception of an idea.548

For example, a mass-produced sculpture is an artistic, but not a useful, finished article which is fully protectable by copyright and may also be registrable as an industrial design.549 On the other hand, a lamp whose base replicates the sculpture is utilitarian because of the function of the lamp. Therefore, the features of the lamp may embody a “design.”550

2.4.2 Exclusion from Copyright Infringement

The current regime excludes from copyright infringement artistic works applied to useful articles in some circumstances and then sets out specific exceptions to the exclusion.551 The exclusion is discussed in this section and the exceptions are considered in Section 2.4.3. Where:

(i) a useful article is reproduced in a quantity of more than 50;552 or

(ii) the useful article is a plate, engraving or cast and the article is used for producing more than 50 useful articles,553 it is not infringement of the copyright or moral rights for anyone to:

546. Pyrrha Design Inc. v. 623735 Saskatchewan Ltd., supra, at note 544 [F.C.A.].
547. Copyright Act, supra, at note 14, subs. 64(1).
551. Copyright Act, supra, at note 14, subs. 64(3).
552. Copyright Act, supra, at note 14, para. 64(2)(a); and, for example, Inhesion Industrial Co. v. Anglo Canadian Mercantile Co., (2000), 6 C.P.R. (4th) 362 (F.C.); and Corocord Raumnetz GmbH v. Dynamo Industries Inc. supra, at note 132.
553. Copyright Act, supra, at note 14, para. 64(2)(b); and, for example, Inhesion Industrial Co. v. Anglo Canadian Mercantile Co., supra, at note 552.
(iii) reproduce the design of the article, or a design not differing substantially from the design of the article, by making the article or making a drawing or other reproduction in any material form of the article;\(^{554}\) or

(iv) do with an article, drawing or reproduction that is made as described in (iii) anything that the owner of the copyright has the sole right to do with the design or artistic work in which the copyright subsists.\(^{555}\)

The exception applies only if the reproduction or production occurs by or under the authority of any person who owns copyright in Canada or elsewhere.\(^{556}\) The reproductions may be made in Canada or abroad.\(^{557}\) The exception is not dependent on the intention of the author, unlike the prior law which made the applicable protection, copyright or design, dependent on the intention of the author when the artistic work was authored.\(^{558}\) The unit threshold is arbitrary, based on the number in the pre-1988 Industrial Designs Rules.\(^{559}\)

The exclusion only relates to infringement of copyright by reproduction of the useful article that is produced or reproduced in quantity. Copyright is not lost but is only unenforceable in respect of reproductions of the design of the particular article. Copyright in such artistic works continues to subsist and may still be registered. Such copyright is enforceable in respect of artistic works and designs for other articles embodying the artistic work that are not useful and reproduced in commercial quantities.\(^{560}\)

To illustrate the operation of the exclusion, if a sculpture protected by copyright is incorporated in a lamp base\(^{561}\) and the lamp is mass-produced, copyright in the sculpture would continue to subsist but the reproduction of the sculpture in an unauthorized reproduction of the lamp would not constitute copyright infringement.

Therefore, subject to the exceptions discussed in Section 2.4.3, the lamp design comprising the sculpture, may have to be protected

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554. *Copyright Act*, supra, at note 14, para. 64(2)(c).
555. *Copyright Act*, supra, at note 14, para. 64(2)(d).
556. *Copyright Act*, supra, at note 14, subs. 64(2); and, for example, *Inhesion Industrial Co. v. Anglo Canadian Mercantile Co.*, supra, at note 552.
558. *King Features Syndicate Inc. v. O. & M. Kleeman Ltd.*, supra, at note 452.
559. *Industrial Designs Rules*, supra, at note 516, former s. 11.
561. For example, as in *Mazer v. Stein*, supra, at note 487.
by industrial design registration. If the sculpture is reproduced in another article that is neither useful nor replicated more than 50 times, copyright would also continue to protect against reproduction of those articles.

2.4.3 Exceptions to Exclusion from Copyright Infringement

In light of several concerns of the Committee, exceptions were made to the exclusion to ensure that the right to enforce copyright in certain artistic works is not eliminated for certain works that are designs of useful articles. One concern was a number of situations where it is difficult to determine if a “design” is applied to useful articles. These typically relate to situations where the article has minimal or no utilitarian function absent the design. A second issue was the “merchandising” business. It was felt by some members that it would be unfair to require merchandisers to rely on the regime of industrial design protection, rather than copyright, to protect the intellectual property in their products such as t-shirts and lunchboxes. A third concern was the treatment of wearing apparel and personal accessories, such as jewelry.

To address the first two concerns, the legislation excepts from the exclusion from liability for copyright infringement and the violation of moral rights copyright in an artistic work that is used as or for certain enumerated purposes. Although it was decided not to include a specific exception for wearing apparel, jewelry or other Fashion Products, some of those products fall within some of the exceptions.

The first exception relates to a graphic or photographic representation that is applied to the face of an article (the “Facial Exception”). The Facial Exception is broad enough to encompass a graphic or photographic representation applied to packaging.
shirts, an embroidered jacket, children’s clothing, and other Fashion Products.

The second exception relates to a trademark or a representation thereof or a label (the “Trademark Exception”). The Trademark Exception maintains the right to enforce copyright in a trademark or a label applied to a useful article, including a container. The reference to a representation of a trademark covers ornamental uses of trademarks on products such as t-shirts.

To qualify for this exception, a trademark must be distinctive and rights therein must be enforceable. It may be difficult for a court to assess whether features are distinctive. For example, in a motion for summary judgment to dismiss an action relating to imitations of CROCS footwear, the court was reluctant to make a determination as to whether the pattern of the openings in the footwear was distinctive so that the exception could apply.

The third exception relates to material that has a woven or knitted pattern or that is suitable for piece products or surface coverings or for making wearing apparel (the “Covering Exception”). The Covering Exception includes material for wallcoverings, floorcoverings, and patterns of fabrics for wearing apparel and other products. Wearing apparel includes footwear.

The Covering Exception may cover the material for plastic footwear that is made by injecting a material into a mold to form the design. A court may be reluctant to determine the application of this exception in a motion for an interlocutory injunction, as in a case relating to rain suits, jackets and gloves, or on a motion for

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566. For example, *Sixty Spa v. 3127885 Canada Inc.*, *supra*, at note 407; and *Benchmuel v. Gags N Giggles*, *supra*, at note 407.
567. For example, *Import-Export René Derhy (Canada) Inc. v. Magasins Greenberg Ltée.*, *supra*, at note 407.
569. *Copyright Act*, *supra*, at note 14, para. 64(3)(b).
570. W.L. Hayhurst, Q.C., “Copyright Subject Matter,” *supra*, at note 549.
574. *Copyright Act*, *supra*, at note 14, para. 64(3)(c).
575. For example, see *Seafolly Pty Limited v. Fewstone Pty Ltd.*, [2014] FCA 321 (Australia); and *Louis Vuitton Malletier S.A. v. Singga Enterprises (Canada) Inc.*, *supra*, at note 130.
summary dismissal, as in the case relating to imitations of CROCS footwear.\footnote{580}{Crocs Canada Inc. v. Holey Soles Holdings Ltd, supra, at note 250.}

The fourth exception relates to an architectural work that is a building or a model of a building (the “Architectural Exception”).\footnote{581}{Copyright Act, supra, at note 14, para. 64(3)(d).} The Architectural Exception covers buildings\footnote{582}{For example, Dessins Drummond inc. v. 3223701 Canada inc., 1999 CanLII 10898 (QCCS).} but excludes a structure that is not a building, like a playground structure, from the exception.\footnote{583}{Corocord Raumnetz GmbH v. Dynamo Industries Inc., supra, at note 132.} For example, a playground structure is not a building.

The fifth exception relates to a representation of a real or fictitious being, event, or place that is applied to an article as a feature of shape, configuration, pattern, or ornament (the “Representation Exception”).\footnote{584}{Copyright Act, supra, at note 14, para. 64(3)(e).} The Representation Exception was included specifically to protect character and other merchandisers. Articles that bear ornamental or other aesthetic representations of a human like Lebron James, an animal like Lassie, a fictitious character like MICKEY MOUSE, an event like a rock concert, or a place like the Statue of Liberty are protected by copyright.

The final enumerated exception relates to articles that are sold as a set, unless more than sets are made (the “Set Exception”).\footnote{585}{Copyright Act, supra, at note 14, para. 64(3)(f).} Although a “set” is not defined, the term was defined in the former \textit{Industrial Design Rules} as a number of articles of the same general character ordinarily on sale together, or intended to be used together, all bearing the same design with or without modification not sufficient to alter the character or not substantially affecting the identity thereof,\footnote{586}{Industrial Designs Rules, supra, at note 516, former s. 11.} like a set is a set of dinnerware. The Set Exception covers a group of articles, as long as not more than 50 sets are made.

There is also an exception for such other works or articles as may be prescribed by regulation.\footnote{587}{Copyright Act, supra, at note 14, para. 64(3)(g).} This was intended to provide flexibility for the government to add other exceptions by regulation because the original list was arbitrary. Among other categories considered by the Committee, but not included as express exceptions were apparel, apparel patterns, jewelry, and typefaces.\footnote{588}{Hayhurst, W.L., Q.C., “Copyright Subject Matter,” supra, at note 549.}
2.4.4 Utilitarian Features of Useful Articles

There are also provisions in the Copyright Act to ensure that one is free to copy the utilitarian features of a useful article without infringing copyright. The following activities in relation to a useful article do not constitute an infringement of the copyright or moral rights in a work:

(i) applying to the useful article features that are dictated solely by the utilitarian function of the article;

(ii) by reference solely to the useful article, making a drawing or other reproduction in any material form of any features of the article that are dictated solely by the utilitarian function of the article;

(iii) doing with the useful article, which has only features that are dictated solely by the utilitarian function of the article, or with a drawing or reproduction in any material form made by reference solely to the useful article, anything that the owner of the copyright has a sole right to do with the work; and

(iv) using any method or principle of construction.

2.4.5 Summary of Copyright–Design Interface

The Copyright Act excludes from copyright infringement the reproduction of the utilitarian features of a useful article. The Act also excludes liability for infringement by the reproduction of artistic works applied to useful articles in some circumstances and then sets out specific exceptions to the exclusion.

Where a useful article is, with the authorization of the copyright owner, reproduced in a quantity of more than 50, it is not an infringement of the copyright or moral rights for anyone to reproduce the design of the article, or a design not differing substantially from the design of the article, by making the article or a drawing or other reproduction in any material form of the

589. Copyright Act, supra, at note 14, subs. 64.1(1).
590. Copyright Act, supra, at note 14, para. 64.1(1)(a).
592. Copyright Act, supra, at note 14, para. 64.1(1)(c).
593. Copyright Act, supra, at note 14, para. 64.1(1)(d); and see Tri-Tex Co. v. Gideon, (1999), 1 C.P.R. (4th) 160 (Q.C.A.).
594. Copyright Act, supra, at note 14, subs. 64.1(1).
595. Copyright Act, supra, at note 14, subs. 64(2).
596. Copyright Act, supra, at note 14, subs. 64(3).
article. The exclusion only relates to infringement of copyright by reproduction of that useful article and not to the subsistence of copyright.

Copyright is not lost, but is only unenforceable in respect of reproductions of the design of that article. The copyright continues to be enforceable in respect of artistic works and designs for other articles embodying the artistic work, provided that such other articles are neither useful nor reproduced in quantity. Further, the law excepts from the exclusion from liability for copyright infringement an artistic work that is reproduced in a design of a useful article that is used as or for certain enumerated purposes.

2.5 Star Athletica in Canada

So how would the issue in Star Athletica case have been decided in Canada? Star Athletica allegedly copied on its cheerleading uniforms (the “Star Athletica Uniforms”) the lines, chevrons, and striping on the uniforms of the market leader Varsity Brands. The cut or shape of the uniforms was not at issue. It is assumed that Varsity Brands reproduced at least 50 units of each of its relevant uniforms (the “Varsity Brand Uniforms”) and that, if the Varsity Brand Uniforms were sold as sets, for example a set for a cheerleading team, more than 50 sets of each Varsity Brand Uniform were sold. The analysis is set out in the form of a series of questions.

Are the Varsity Brand Works artistic works? Yes. In Canada, if Varsity Brand’s combinations of lines, chevrons and colorful shapes (the “Varsity Brand Works”) were original, the Varsity Brand Works would be artistic works protected by copyright. The Varsity Uniforms, as a whole, would also qualify as artistic works. It is assumed that Varsity Brands owns copyright in the Varsity Brand Works in Canada.

Are the Varsity Brand Uniforms useful articles? Yes. The Varsity Brand Uniforms have a utilitarian function as wearing apparel. The discussion of the utilitarian nature of the uniforms in the decision of the Sixth Circuit in the Star Athletica case is applicable. The Sixth Circuit found that the uniforms have an intrinsic utilitarian function that is not merely to portray their

597. Copyright Act, supra, at note 14, subs. 64(2).
599. Copyright Act, supra, at note 14, subs. 64(3).
600. Copyright Act, supra, at note 14, s. 2.
601. For example, Greenberg Stores Ltd. v. Derhy Import-Export (Canada) Inc., supra, at note 407; and Layette Minimôme Inc. v. Jarrar, supra, at note 407.
602. Copyright Act, supra, at note 14, subs. 64(1).
appearance or to convey information and noted that the uniforms function to cover the body, wick away moisture and withstand the rigors of athletic movements. Therefore, the Varsity Brand Uniforms are useful articles.

Are the designs of the Varsity Brand Uniforms industrial designs? Yes. The designs of the Varsity Brand Uniforms are industrial designs (the “Varsity Brand Designs”) because, at least, the pattern or ornamentation of each Varsity Brand Work, in the form of the combinations of lines, chevrons and colorful shapes, on the Varsity Brand Uniforms appeals to, and is judged solely by, the eye.

Is the reproduction of the Varsity Brand Works in Star Athletica Uniforms covered by the exclusion from copyright infringement? Yes. The liability of Star Athletica for the infringement of copyright in the Varsity Brand Works by reproducing the Varsity Brand Designs in the Star Athletica Uniforms is excluded because of Varsity Brand’s production of the Varsity Brand Uniforms in commercial quantities. Therefore, unless an exception to the exclusion is available, Varsity Brand would be unable to assert infringement of its copyright in the Varsity Brand Works against the production or sale of the Star Athletica Uniforms.

Is the reproduction of the Varsity Brand Works an exception to the exclusion from copyright infringement? Yes. The application of the Varsity Brand Works to the Star Athletica Uniforms is the use of an artistic work as or for a graphic representation applied to the face of an article. Therefore the Facial Exception carves out the Varsity Brand Works from the exclusion so that copyright in the Varsity Brand Works may be enforced in respect of the Star Athletica Uniforms. If the Varsity Brand Works were embedded in the fabric from which the Star Athletica Uniforms are made, the Covering Exception would also apply because it addresses material that is suitable for making wearing apparel.

Do the Star Athletica Uniforms infringe copyright in the Varsity Brand Works? Yes. After applying at least the Facial Exception to the exclusion from copyright enforceability, the result in the Star Athletica case should be the same in Canada. Copyright in the Varsity Brand Works would be enforceable against their reproduction by Star Athletica in the Star Athletica Uniforms and the sale of those uniforms.

604. Copyright Act, supra, at note 14, subs. 64(1).
605. Copyright Act, supra, at note 14, subs. 64(2).
606. Copyright Act, supra, at note 14, para. 64(3)(a).
607. Copyright Act, supra, at note 14, para. 64(3)(c).
However, if what was instead asserted in the Star Athletica case was copyright in the cut and shape of the Varsity Brand Uniforms, none of the exceptions would be applicable, copyright would not be enforceable and, absent either industrial design registrations for,608 or sufficient marketplace recognition of trade dress in,609 the Varsity Brand Uniforms, Varsity Brands would likely not have had a basis on which to restrain Star Athletica from replicating the Varsity Brands Uniforms.

As an example of a situation where an article may be treated differently under United States and Canadian law, in Canada, it would not be possible to enforce copyright in the set of metal wire-wrapped, tear-shaped lights recently held to be protectable by copyright in the United States.610 Even though the drawings and prototypes of the lights are protected by copyright as artistic works in Canada,611 the lights are articles whose designs are industrial designs.612

Copyright may not be enforced against reproduction of the lights because they are useful articles,613 the sets are produced in commercial quantities,614 and none of the exceptions to the exclusion from copyright infringement applies. The lights do not infringe copyright, and any protection against reproduction would have to be through industrial design protection. There are Fashion Products that may be the subject of different treatment in the two countries.

3.0 CONCLUSION

In Canada, various forms of intellectual property protection are available for Fashion Products, such as wearing apparel and accessories. Trade secrets may protect designs at an early stage.615 Patents may protect new, unobvious, and functional aspects of Fashion Products.616 Trademark617 and, in some cases, personality618 rights protect the branding of Fashion Products. Trade dress rights may protect the branding of the product itself.619

608. See the discussion in Section 1.6.
609. See the discussion in Section 1.4.
611. Copyright Act, supra, at note 14, s. 2.
612. Copyright Act, supra, at note 14, subs. 64(1).
613. Copyright Act, supra, at note 14, subs. 64(1).
614. Copyright Act, supra, at note 14, subs. 64(2).
615. See the discussion in Section 1.1.
616. See the discussion in Section 1.2.
617. See the discussion in Section 1.3.
618. See the discussion in Section 1.5.
619. See the discussion in Section 1.4.
Industrial design registrations protect the aesthetic features of Fashion Products.\textsuperscript{620}

Copyright may protect the drawings and sketches of Fashion Products\textsuperscript{621} and, in some cases, the products themselves as artistic works.\textsuperscript{622} A designer of a Fashion Product may restrain a modification or distortion of the work that prejudices the designer’s reputation.\textsuperscript{623} Where articles that bear such works but do not have a utilitarian function are reproduced, the reproductions may constitute copyright infringement.

However, where more than 50 units of a useful article bearing a design comprising the artistic work are reproduced anywhere by, or with the authority of, the owner of copyright, the owner may not enforce copyright in the work in respect of that design\textsuperscript{624} unless one of several enumerated exceptions applies.\textsuperscript{625}

One relevant exception to the exclusion of copyright enforceability is the application of a graphic or photographic representation to the face of an article,\textsuperscript{626} as was the case in \textit{Star Athletica}. Another is a Fashion Product that constitutes a distinctive trademark.\textsuperscript{627}

A third is a Fashion Product that has a woven or knitted pattern or that is suitable for piece goods or surface coverings or for making wearing apparel, perhaps as a component thereof.\textsuperscript{628} A fourth is a Fashion Product that bears a representation of a real or fictitious being, event or place that is applied as a feature of shape, configuration, pattern, or ornament.\textsuperscript{629} If an exception applies, copyright in the work may be enforced in the usual way.

However, if none of these exceptions is applicable, copyright would not be enforceable to restrain the reproduction of a useful article that incorporates an artistic work and, absent either an industrial design registration\textsuperscript{630} for, or sufficient marketplace recognition of trade dress\textsuperscript{631} in, a Fashion Product, there may be no basis on which to restrain a competitor from replicating the design of a useful Fashion Product.

\begin{itemize}
\item \textsuperscript{620} See the discussion in Section 1.6.
\item \textsuperscript{621} See the discussion in Section 1.7.
\item \textsuperscript{622} See the discussion in Section 1.7.
\item \textsuperscript{623} See the discussion in Section 1.7.2.
\item \textsuperscript{624} \textit{Copyright Act}, supra, at note 14, subs. 64(2).
\item \textsuperscript{625} \textit{Copyright Act}, supra, at note 14, subs. 64(3).
\item \textsuperscript{626} \textit{Copyright Act}, supra, at note 14, para. 64(3)(a).
\item \textsuperscript{627} \textit{Copyright Act}, supra, at note 14, para. 64(3)(b).
\item \textsuperscript{628} \textit{Copyright Act}, supra, at note 14, para. 64(3)(c).
\item \textsuperscript{629} \textit{Copyright Act}, supra, at note 14, para. 64(3)(e).
\item \textsuperscript{630} See the discussion in Section 1.6.
\item \textsuperscript{631} See the discussion in Section 1.4.
\end{itemize}
As there is a limited window within which to apply for an industrial design registration, it is important to determine at an early stage whether copyright or industrial design protection may be available for a particular Fashion Product in Canada.
COMMENTARY

PUMA SE v. FOREVER 21, INC.: PUMA’S “FENTY” SLIDES MAY NOT HAVE THE TRACTION FOR THE UPHILL BATTLE AGAINST FOREVER 21

By Jessica Cohen-Nowak*

I. INTRODUCTION

In 2014, Puma SE and its subsidiaries, including Puma North America Inc. (together referred to as “Puma”), were quickly losing their share of the athleisure market (i.e., athletic footwear and apparel that is designed for its aesthetic rather than a utility in fitness) to Nike and Adidas. Looking for a way to rebrand itself, Puma began collaborating with the famous music artist, Rihanna, to design and market a female-targeted clothing and footwear line under the Puma “Fenty” label. The Fenty footwear line contains three shoe designs that are the subject of Puma’s lawsuit against Forever 21, Inc. (“Forever 21”) filed in the United States District Court for the Central District of California. The three shoe designs were the “Creeper Sneaker” (launched in 2015), the “Fur Slide” (launched in 2016), and the “Bow Slide” (launched in 2017), which appear as shown below.

Creeper Sneaker Fur Slide Bow Slide

All three Fenty designs had great commercial success. The Creeper Sneaker was awarded “Shoe of the Year” at the 2016

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2. Id.

Footwear News Achievement awards. The two sandal designs were so popular that each design immediately sold out almost instantly after it was launched. While the success of the Creeper Sneaker may or may not be attributed to the athleisure sneaker trend, the success of the Fenty slide sandals was not surprising given the recent rise in the popularity of luxury pool slides.

The pool slide trend started over forty years ago when Adidas introduced its “Adilette” slide. In recent years, the Adilette has once again become one of the brand’s best sellers. Slide sandals with fur, bows, and other applique designs began popping up on the luxury runway circuit about five years ago when “Céline,” an innovative luxury brand, debuted crisscross fur slides for its Spring 2013 collection. In 2015, the brand No. 21 collaborated with the company Kartell à la Mode to create a rubber bow slide sandal. By 2017, several major footwear designers were offering some variety of a pool slide.

Puma launched the “Bow Slide” in March 2017, and it was an immediate success, selling out in less than thirty minutes. Arcadia Group Brands Limited (t/a Topshop) (“Topshop”), a British fashion retailer, released the “Halo Bow Slide” (below) the same month. Puma sought and was granted an ex parte preliminary injunction in the High Court of Düsseldorf to stop Topshop from selling both the “Topshop Halo Bow Slide” as well as the “Topshop Harlow Fur shows. For Puma, the collaboration has been a driving factor behind its rising sales recently. In the third quarter of 2016, footwear was its strongest category, with sales up 16.4 percent, thanks in large part to the Fenty line.”; see also Rachel Allen, Rihanna’s Fur Slides for Puma Sold Out, Footwear News (Apr. 22, 2016) http://footwearnews.com/2016/influencers/collaborations/rihanna-puma-fur-slides-sandals-release-sold-out-214377 (“About 30 minutes after Rihanna’s faux fur slides for Puma went live on Puma.com, they sold out.”) (last visited Nov. 29, 2017).


II. HISTORY OF THE CASE

Fresh off the heels of their German victory, Puma filed a lawsuit against Forever 21 on March 31, 2017, in the U.S. District Court for the Central District of California, alleging causes of action for: (1) design patent infringement (35 U.S.C. § 271); (2) federal trade dress infringement (15 U.S.C. § 1125(a)); (3) copyright infringement (17 U.S.C. § 501); (4) federal false designation of origin and unfair competition (15 U.S.C. § 1125(a)); and (5) state unfair competition (Cal. Bus & Prof. Code § 17200).10

On April 5, 2017, Puma filed an application for a temporary restraining order claiming that the new version of the Creeper Sneaker was to be released on April 6, 2017, and that a new Fur Slide was slated for release later that month.11 The Court denied Puma’s request for a temporary restraining order on April 7, 2017. The Court reasoned that in its motion for a temporary restraining order, Puma conceded that it had been aware of Forever 21’s alleged infringing activities for some time. Puma claimed that Forever 21 has a history of “knocking off” Puma’s designs within twenty days after a new design drops. With “ample” notice of its own shoe’s launch, Puma waited until the day before the release of the new Creeper Sneaker to file suit. Thus the Court found that the “alleged immediate crisis” was Puma’s own doing.12

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On April 11, 2017, Puma filed a motion for a preliminary injunction, and, on May 4, 2017, Forever 21 filed a motion to dismiss. On June 2, 2017, Judge Gutierrez denied the request for a preliminary injunction, holding that Puma failed to show irreparable harm, which would entail showing the likelihood of substantial and immediate irreparable injury.\(^\text{13}\) Instead, Judge Gutierrez found that Puma relied on “unsupported conclusory statements” about the potential diminishment of the brand’s prestige and speculative statements from its own director that the Forever 21 shoes supposedly affected Puma’s bottom line.\(^\text{14}\) Puma filed an appeal of the denial of the preliminary injunction to the Federal Court of Appeals on July 3, 2017.\(^\text{15}\)

On June 29, 2017, Judge Gutierrez granted in part, and denied in part, the defendant’s motion to dismiss with leave to amend, denying dismissal only with respect to the design patent claim.\(^\text{16}\) The details of the reasoning behind the Court’s decision and arguments set forth by the parties are discussed below.\(^\text{17}\)

**III. THE CLAIMS**

**A. Design Patent Infringement**

Puma’s Creeper Sneaker is the subject of Puma’s U.S. Patent No. D774,288, (the “288 Patent”), which issued on December 20, 2016.\(^\text{18}\) Forever 21 offered the “Yoki Sneakers.”

![Plaintiff's Design](FIG 4, '288 Patent) ![Defendant's “Yoki Sneakers”](FIG 4)

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\(^\text{14}\) Id.


\(^\text{17}\) This article will focus only on design patent, trade dress, and copyright claims and will not evaluate the other above-mentioned dismissed claims.

Forever 21 argued that the Yoki Sneakers and the '288 Patent have many dissimilarities, including differences in the design of the heel, outsole, and collar (see annotated comparisons below).

However, minor differences will not necessarily defeat a design patent infringement claim, if, in consideration of the whole design, an ordinary observer views the claimed design and accused design as substantially the same. Therefore, the Court held that Puma’s claims were properly pleaded, and that any dissimilarities between the designs did not warrant a dismissal of the claim for design patent infringement.

Forever 21 also moved to dismiss Puma’s design patent claim on the basis that the allegation of willful infringement was not adequately pleaded. The Court, however, held that Puma’s allegations were sufficiently pleaded to support the claim of willful infringement.

For the above reasons, Forever 21’s motion to dismiss Puma’s cause of action in design patent infringement was denied.

**B. Federal Trade Dress Infringement**

As its second cause of action, Puma alleged trade dress infringement based on all three Fenty shoe designs. A product’s trade dress is often described as its total image and overall appearance, which may include features such as size, shape, color, color combinations, texture, or graphics. Trade dress is typically divided into two categories: product packaging (e.g., a shoe box) and

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19. Puma SE v. Forever 21, Inc., 2:17-CV-02523, No. 61 at 5 (C.D. Cal. June 29, 2017) (quoting Crocs, Inc. v. ITC, 598 F.3d 1294, 1303 (Fed. Cir. 2010); see also Amini Innovation Corp. v. Anthony California, Inc., 439 F.3d 1365, 1371 (Fed. Cir. 2006) (noting that “the deception that arises is a result of similarities in the overall design, not of similarities in ornamental features considered in isolation.”). Under the design patent infringement test, designs are “substantially similar” if, viewing the overall appearance of the designs, an “ordinary observer” would be deceived by the similarity between the claimed and accused design “inducing him to purchase one supposing it to be the other.” Egyptian Goddess, Inc. v. Swissa, Inc., 543 F.3d 665, 679 (Fed. Cir. 2008) (en banc).

20. See, e.g., Kendall-Jackson Winery, Ltd. v. E. & J. Gallo Winery, 150 F.3d 1042, 1045 n.2 (9th Cir. 1998) (quoting Vision Sports, Inc. v. Melville Corp., 888 F.2d 609, 613 (9th Cir. 1989)).
product configuration (e.g., the design of the shoe).\textsuperscript{21} In cases of product configuration, the general rule is that product configurations are not inherently distinctive and therefore require evidence of secondary meaning to illustrate that the configuration functions as a source identifier and is not merely ornamental.\textsuperscript{22}

A plaintiff alleging trade dress infringement must preliminarily identify what the trade dress of the product is with enough specificity to put a defendant on notice of the claim.\textsuperscript{23} The court rejected Forever 21’s initial arguments that Puma failed to articulate the trade dress with sufficient specificity, finding that the images of the Fenty Shoes, together with the descriptions set out in the First Amended Complaint, described the trade dress with sufficient particularity to give Forever 21 notice of the trade dress claim.\textsuperscript{24}

Next, a trade dress infringement plaintiff must allege that: “(1) the trade dress is nonfunctional, (2) the trade dress has acquired secondary meaning, and (3) there is a substantial likelihood of confusion between the plaintiff’s and defendant’s products.”\textsuperscript{25} Courts must focus not on individual elements of a trade dress claim, but the overall visual impression that the “combination of the arrangement of those elements create.”\textsuperscript{26}

Forever 21 contended that Puma failed to adequately plead that the trade dress was nonfunctional, and the Court agreed, noting that non-functionality is not implicitly pleaded by simply providing a description of the overall aesthetic look of the product. The Court held that Puma failed to sufficiently allege the element of non-functionality, “especially when some of the claimed trade dress features perform a utilitarian function (i.e., a thick sandal base or deep bowl for the foot).”\textsuperscript{27} A plaintiff may not simply state that the trade dress is nonfunctional and put the requirement of pleading functionality to the defendant.\textsuperscript{28} Accordingly, the Court dismissed

\begin{itemize}
\item \textsuperscript{22} Id. at 211-13, 216 (secondary meaning occurs where “the primary significance” of the claimed trade dress is to “identify the source of the product rather than the product itself.”).
\item \textsuperscript{24} PUMA SE v. Forever 21, Inc., 2:17-cv-02523, No. 61 at 8-9 (C.D. Cal. June 29, 2017).
\item \textsuperscript{25} See Art Attacks Ink, LLC v. MGA Enter. Inc., 581 F.3d 1138, 1145 (9th Cir. 2009) (quoting Disc Golf Ass’n v. Champion Discs, 158 F.3d 1002, 1005 (9th Cir. 1998)).
\item \textsuperscript{26} Clicks Billiards, Inc. v. Sixshooters, Inc., 251 F.3d 1252, 1259 (9th Cir. 2001).
\item \textsuperscript{27} PUMA SE v. Forever 21, Inc., 2:17-cv-02523, No. 61 at 8-9 (C.D. Cal. June 29, 2017).
\item \textsuperscript{28} Id. at 5 (C.D. Cal. June 29, 2017).
\end{itemize}
Puma’s claim of trade dress infringement with leave to amend and did not evaluate arguments related to secondary meaning and likelihood of confusion. The parties’ arguments on these issues are further evaluated below.

1. Alleged Trade Dress Infringement of the Creeper Sneaker

Puma describes the Creeper Sneaker in the First Amended Complaint as a design that “includes, at least, a lace-up sneaker with suede uppers, a thick rubber outer sole consisting of ridged vertical tooling and grainy texture with a rubber ridge encircling the entire shoe immediately above the vertical ridged tooling, and a deep “C–shaped bowl for the foot to slide into.”

In its motion to dismiss, Forever 21 argued first that Puma did not and could not allege that its trade dress was not functional. Forever 21 pointed out that a simple search for “creeper sneaker” on Google or any ecommerce site reveals that this style of shoe is made by a wide variety of brands, all with similar outsoles, ridged tooling, and suede upper constructions. Forever 21 also argued that Wikipedia defines “Creepers” as a “style of shoe which has thick crepe soles, often in combination with suede uppers.” Because the overall visual impression of the Creeper style is not exclusive to Puma, Forever 21 argues that this design does not function as a trademark.

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31. Id.
32. Id.
33. Id.
2. Alleged Trade Dress Infringement of the Fur Slide

Puma alleged that the trade dress of its Fur Slide “includes, at least, a thick sandal base with a wide plush fur strap extending to the base of the sandal, and a satin foam backing, and shares the deep bowl for the foot (albeit in a sandal).”34 Forever 21 argued that the only source identifying component of the Fenty shoe is the distinctive FENTY logo because the foam base of the slide sandal and thick plush strap are functional elements required to hold a foot in the sandal and these elements do not have source identifying distinctive qualities. Forever 21 again pointed to widespread use of the alleged Fur Slide trade dress by independent third parties, arguing that “the ubiquitous use of the asserted trade dress by third parties, in the same retail channels as Puma, defeats secondary meaning.”35 Examples of third-party fur slides are shown below.

36. GIVENCHY Mink Fur Slide and DOLCE & GABANNA photograph courtesy of ssense.com (last visited Aug. 15, 2017); see also Def. Mot. to Dismiss, First Am. Compl., PUMA
3. Alleged Trade Dress Infringement of the Bow Slide

Puma described the Bow Slide trade dress as a design that “includes, at least, a thick sandal base decorated by a wide, casually knotted satin bow with pointed endings atop the side strap in addition to satin foam backing, and the same deep bowl for the foot.”

Again, Forever 21 argued functionality and lack of secondary meaning, pointing to the use of similar designs by third parties such as those shown below.

Jeffrey Campbell “Jova” 38

Cape Robbin “Moira Slide” 39

C. Copyright Infringement

Puma’s third cause of action alleged copyright infringement of the Fenty Shoes that were the subject of three copyright applications. 40 To establish a prima facie case of copyright infringement, a party must show: (1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original. 41 Forever 21 moved to dismiss the copyright claim on the grounds that Puma lacked standing because it did not properly
plead ownership of a copyright application or registration and because the shoe designs are not copyrightable.\textsuperscript{42}

Although the Ninth Circuit accepts a filed application (as opposed to an issued registration) as sufficient to provide standing for copyright infringement, supporting evidence of the existence of such an application is nevertheless required.\textsuperscript{43} Because the First Amended Complaint was “silent as to the date the applications were filed, whether the fee was paid, whether the necessary deposits were included and whether the complete applications were received by the Copyright Office prior to filing suit, the Court found that Puma’s copyright claim was not properly pleaded and granted Forever 21’s motion to dismiss the copyright infringement claim, with leave to amend.”\textsuperscript{44} Since Puma did not have standing to bring its claim for copyright infringement, the Court did not reach the issue of whether any of the asserted designs are eligible for copyright protection. Puma’s Second Amended Complaint, filed July 12, 2017, appears to cure the standing issues for the copyright applications.

In its Second Amended Complaint, Puma also added more detail to its description of the copyrighted elements of its Fenty shoes. Puma alleges that the copyright protection of the Bow Slide covers a three-dimensional work of art that includes a casually knotted satin bow with pointed endings atop a satin-lined side strap that extends to the base of the sandal.\textsuperscript{45} Puma claims that the copyright also extends to the use of the “olive branch” and “silver pink” color options, which were the first and only two colors that Forever 21 offered its customers.\textsuperscript{46} The alleged scope of copyright protection for the Creeper Sneaker includes “the ridged vertical tooling and grainy texture encompassing the thick rubber outer


\textsuperscript{43} PUMA SE v. Forever 21, Inc., 2:17-cv-02523, No. 61 at 10-11 (C.D. Cal. June 29, 2017) (“Under 17 U.S.C. § 411(a), ‘no action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title.’ The Ninth Circuit has interpreted this to mean that “receipt by the Copyright Office of a complete application satisfies the registration requirement of § 411(a)”), citing Cosmetic Ideas, Inc. v. IAC/Interactivecorp., 606 F.3d 612, 621 (9th Cir. 2010).

\textsuperscript{44} PUMA SE v. Forever 21, Inc., 2:17-cv-02523, No. 61 at 11 (C.D. Cal. June 29, 2017) (“In order to sue under the Copyright Act in the Ninth Circuit, however, a plaintiff must show (1) an application, (2) payment of the necessary fees, and (3) the necessary deposits with the Library of Congress.”), citing Meribear Prods. Inc. v. Vail, CV 14-0454 DMG RZ, 2015 WL 12766576, at *4 (C.D. Cal. Aug. 11, 2015) and 2 Nimmer on Copyright § 7.16[B][3][c] (2016) (noting that “in the absence of the copyright owner even having sent the requisite application (together with deposit and fee) to the Copyright Office, there is, under all viewpoints, a defect under the statute.”).


\textsuperscript{46} Id. at ¶ 43.
sole.”47 Puma asserts that the copyright protection for the Fur Slide includes “a wide strap decorated with plush fur extending to the base of the sandal.”48 Puma claims that all asserted copyrights are creative elements that would remain eligible for copyright protection as a three-dimensional work of art, if removed from the shoe and applied to a different medium.49

Forever 21 argues that even where some design choices may reflect more of a concern for form than for the function of the shoe, where the choice still depends on utility, blending of form and function in the ultimate design results in the exclusion of copyright protection for those design elements. With respect to the Creeper Sneaker, Forever 21 argues that even if the outsole design can be perceived as separable, it fails for lack of originality.50 Next, Forever 21 argues that the “wide plush fur strap” is not separable from the “sandal” because removing the strap changes the entire design of the sandal and because the purpose of a strap is purely functional: to keep a foot in the sandal.51 Similarly, Forever 21 also argues that just like the “wide plush fur strap,” there is no legal basis for Puma’s claim to a bow.52 A “fabric bow with pointed endings atop a lined side strap” is not separable from the slide design with a satin strap encompassing the foot.53 Although Puma claims that the “casual” way the satin bow is tied is copyrightable, there are still questions of fixation.

IV. COMMENTARY

Puma won a preliminary injunction against Topshop by asserting European design rights for the Fur Slide and Bow Slides. However, Puma’s first victory against Topshop is not outcome-determinative for its case against Forever 21 (or any other future defendants in the United States), particularly because the intellectual property rights asserted are quite different.

Perhaps in the interest of showing bad-faith intent to copy, Puma included all three of the shoe styles discussed above in the instant U.S. case against Forever 21. This strategy may prove difficult when one or more of those shoes appears less than likely to be protectable by common law trade dress or copyright. Critics of Puma’s arguments are quick to point out that copyright law is not

47. Id. at ¶ 41.
48. Id. at ¶ 42.
49. Id. at ¶ 42.
51. Id. at 18.
52. Id.
53. Id.
designed to protect utilitarian designs that are common in the marketplace such as aspects of the fur slide and the Creeper. On the other hand, Puma’s arguments for copyright protection for the bow slide afford more convincing arguments of separability, where the casually knotted bow can be conceived as a sculptural element on top of the slide.

Cases like this, where parties assert unregistered common law trade dress rights for the configuration of a shoe or fashion item, are particularly difficult to litigate. The simple fact that the shoes look similar can be persuasive to a judge or jury. Successfully defending against and winning a case on technical legal grounds such as the argument that the asserted trade dress does not function as a trademark or that the asserted copyright is not protectable may require extensive litigation. Unless the plaintiff is clearly overreaching or the judge is already well versed in the nuances of intellectual property law, winning on technical arguments is likely to require further litigation than an early-stage motion to dismiss. Such technical arguments are also heavily dependent on the facts. For example, for a plaintiff to prove that a “particular trade dress has acquired secondary meaning is a question of fact, guided by a number of factors, including: (1) whether actual purchasers associate the dress with the source, which can be shown through customer surveys; (2) the degree and manner of advertising of the trade dress; (3) the length and manner of use of the dress; (4) whether the party seeking protection has used the trade dress exclusively; (5) sales success of the trade dress; and (6) attempts by others to imitate.” 54 Forever 21 has pointed to third parties using the same or nearly identical designs as the asserted trade dress; this suggests that Puma does not use the alleged trade dress exclusively and therefore these designs do not function as indicators of source. At the same time, such third-party use may also support proof of copying of the plaintiff’s designs by others, which can weigh in favor of proving secondary meaning. To ensure that the third-party evidence weighs in their favor, each party may need to bring forth testimony from third parties, consumer surveys, and/or expert testimony. As a result, this type of case often becomes more expensive to litigate than the value of the sales at issue and consequently parties in this type of case often settle well before the case reaches trial.

While it is too early to predict the outcome of this case, it is apparent that neither party is ready to settle just yet. Puma’s Fenty line is lucrative and thus Puma has a stake in discouraging third parties from creating Fenty-inspired footwear. It is also possible that Puma is waiting for a positive verdict against Forever 21 before

filing lawsuits against other third parties using designs similar to the Fenty shoes. If Puma is successful, Forever 21’s “fast-fashion” business model of promptly bringing to market cheaper versions of popular, higher-end branded products (and perhaps the business models of other companies engaging in similar practices) could be put at risk. However, based on the facts known to date, Puma is unlikely to be able to assert both copyright and trade dress claims for all three shoes. Forever 21 appears to be on solid legal footing as to copyright and trade dress claims for the shoes at issue. The existence of third-party designs in the market and Puma’s lack of copyright and trademark registrations at the outset of the case support Forever 21’s position that Puma is asserting rights beyond the scope of what the copyright and trade dress laws in the United States currently protect.
COMMENTARY

CARTWHEELING THROUGH COPYRIGHT LAW:  
STAR ATHLETICA, L.L.C. v. VARSITY BRANDS, INC.:  
THE SUPREME COURT LEAVES AS MANY OPEN QUESTIONS AS IT PROVIDES ANSWERS ABOUT THE VIABILITY AND SCOPE OF COPYRIGHT PROTECTION FOR FASHION DESIGNS∗

By Eleanor M. Lackman**

I. INTRODUCTION

Despite repeated efforts over the years to advocate for copyright protection for fashion designs in the United States, creators of apparel have had limited protection under copyright law for their designs. The generally accepted scope of protection under copyright law was limited to fabric patterns, lace designs, separable embellishments, and the like. In the fashion business, designers have focused on trademark protection for brands, logos, and certain design elements with secondary meaning; for certain valuable shapes of designs—often for handbags and shoes—design patent protection is sometimes sought.

When a bill last came before Congress, proposing protection for fashion similar to that existing in France under the French Intellectual Property Code, industry reaction was mixed. While many involved in the debate claimed that they did not want their designs knocked off, others (particularly independent designers without budgets to engage in prosecuting or defending infringement claims) claimed that taking designs out of the public domain would inhibit the development of apparel designs that are similar to protected designs. To date, efforts to pass a bill have not succeeded in Congress, leaving copyright protection for fashion articles only on the margins.

A case pending before the United States Supreme Court portended to change the balance in copyright law on fashion design. On March 22, 2017, in Star Athletica, L.L.C. v. Varsity Brands, Inc., the Court took up the issue of whether the stripes, chevrons, and color-blocks on cheerleading uniforms met the test for copyright protection, and the fashion world was watching. More broadly

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worded, the issue was how to determine when pictorial, graphic, or sculptural design elements of a useful article may be protected by copyright.

The eight justices—known for their attire of shapeless, all-black robes (with the occasional lace collar)—chose *Star Athletica* as the vehicle to address what a Sixth Circuit judge had previously referred to as a “mess” in the jurisprudence concerning whether a design incorporated into a useful article is “conceptually separable” and hence might be subject to copyright protection under the U.S. Copyright Act.1 Until the Supreme Court took the case, any one of ten or more tests applied by the various Circuit Courts could decide the copyrightability fate of a design—or one or more design elements—of a useful article, such as a lamp,2 a chair,3 a piece of jewelry,4 a bicycle rack,5 or a mannequin6 or—as considered in *Star Athletica*—apparel.

The Supreme Court, in tacit recognition of the situation decried by the dissenting Sixth Circuit judge in the case below,7 chose this case as the vehicle to address the split among the circuits with respect to protectability under copyright law of elements of useful articles. This issue could have reached the Supreme Court under a variety of factual circumstances, but because this issue reached the Supreme Court in the context of wearing apparel, the fashion industry took note, given that the decision could affect the fashion world for years to come.

The Court’s holding, while potentially significant, leaves much uncertainty. Despite defining the appropriate test for determining conceptual separability, the Court’s opinion lacked any deep discussion of copyright, particularly as applied to fashion. The ruling, and the subsequent case history, did, however, shine a light on the myriad of issues that courts will have to grapple with as creators of fashion designs seek to rely on copyright law for protection of their designs. As the Justices’ opinions in *Star Athletica* herald, the path to copyright or other *sui generis* protection

1. Varsity Brands, Inc. v. Star Athletica, L.L.C., 799 F.3d 468, 497 (6th Cir. 2015). The term “mess” refers to the dozens of differing and often-conflicting tests that courts around the country had developed in their assessment of whether the design of a useful article could be subject to copyright protection.


covering elements of clothing could be as uncertain in the courts as it has been before Congress.8

II. THE SUPREME COURT ESTABLISHES A CONSISTENT TEST FOR ALL COURTS . . . WITH INSTANTLY INCONSISTENT OUTCOMES

The facts of Star Athletica9 are simple. Varsity Brands complained that the appearance of certain design elements of Star Athletica’s cheerleading uniforms was substantially similar to their appearance on Varsity Brands’ cheerleading uniforms, the designs of which Varsity Brands had registered with the U.S. Copyright Office, and which are shown here:

Varsity Brands had no angle to pursue relief under trademark, trade dress, or design patent law (although it may have in countries that provide specific statutory protection for fashion designs). Moreover, as U.S. copyright law provides industrial design protection in limited instances, e.g., for boat hulls, Varsity Brands’ only hope of redress was to rely on infringement of its claimed copyright in the graphic designs depicted in its copyright registrations (which reflect the designs of its cheerleading uniforms) by Star Athletica’s incorporation of similar designs into its own cheerleading uniforms.

Star Athletica’s primary defense was that the stripes, chevrons, and color-blocking on the uniforms served no independent creative function. Rather, the function of these design elements was informational, serving to identify the wearer of the uniform as a cheerleader. As such, these design elements were outside the scope


of copyright protection, as utilitarian elements of a useful article. This defense opened the door to the issue that the Supreme Court decided to take up.

Under the plain text of the Copyright Act, the key to resolving the question of copyrightability in elements of a useful article is determining whether the designs of the uniforms incorporated “pictorial, graphic, or sculptural features” that “can be identified separately from” the design and “are capable of existing independently of,” the utilitarian aspects of the article.10 As a result of the plurality of tests for conceptual separability, the task for the High Court was to identify how lower courts are to conduct this “separability” analysis—in other words, how to determine whether a design has its own independent (non-utilitarian) existence.

In a straightforward opinion written by Justice Thomas, which focused on the statutory language,11 the Court held that a feature incorporated into the design of a useful article (such as wearing apparel) is eligible for copyright protection if the feature: (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.12 To look at it another way, the question is whether the feature for which copyright protection is claimed would have been eligible for copyright protection as a pictorial, graphic, or sculptural work had it originally been fixed in some tangible medium other than a useful article before being applied to a useful article.13

The pronouncement of a single test might have been expected to result in a unanimous decision on the question of copyrightability. Yet only six of the eight justices agreed that the designs were eligible for copyright protection and one of those six, Justice Ginsburg, rejected the need for separability analysis in the first place.14 The five-member majority opinion decided that the uniforms met the test. The majority held that the graphics on the

11. In what may be a recognition of some concerns from the dissenting justices about the practical impact of the Court’s holding on the fashion industry, the opinion expressly stated that the Court was not conducting “a free-ranging search for the best copyright policy[.]” Star Athletica, L.L.C. v. Varsity Brands, Inc., 580 U.S. __ (2017) (slip op. at 6).
12. Star Athletica, slip op. at 1.
13. Id. at 8.
14. Justice Ginsburg, relying on the fact that the registrations depicted two-dimensional graphic designs, rather than actual cheerleader uniforms, did not believe that the Court needed to examine the separability test to find the designs eligible for copyright. Justice Ginsburg’s contention was that the copyrights were not asserted in elements of the cheerleader uniforms that could be separated from the articles themselves, but were created as independent two-dimensional graphic designs that were then applied to the useful articles. Id., slip op., concurrence at 1 (Ginsburg, J., concurring).
uniforms were features that had pictorial, graphic, or sculptural qualities, and that the arrangement of the colors, shapes, stripes, and chevrons on the surface of the uniform, if placed on a painter’s canvas instead of on clothing fabric, would qualify as two-dimensional works of art.\(^{15}\) The majority noted that Varsity Brands had applied the designs on different types of clothing without replicating the uniform.\(^ {16}\) According to the Court, the fact that the designs would retain the outline of a cheerleading uniform was of no relevance, as taking such fact into consideration would effectively preclude protection for an artistic element of a work simply because it was applied originally to an object with a utilitarian shape.\(^ {17}\)

In dissent, Justice Breyer (joined by Justice Kennedy) did not reject the majority’s formulation of the legal test; however, “[e]ven applying the majority’s test,” Justice Breyer wrote, the designs cannot be perceived as two- or three-dimensional works of art separate from the useful article.\(^ {18}\) Justice Breyer explained that the Copyright Office received pictures of cheerleading uniforms, and cheerleading uniforms are useful articles, the design of which has no independently separable existence; therefore, plaintiff’s claimed work cannot be perceived as separate from the useful article in which it is incorporated.

Using an analogy to two different types of lamps bearing Siamese cat motifs,\(^ {19}\) Justice Breyer noted that unlike the cheerleader uniform designs, the cats could be envisioned alone even if no lamp structure were at the center of the cat-shaped base. Likewise, one could envision the cat designs without drawing the conclusion that they had anything to do with a lamp or any other utilitarian object, as one must do with the cheerleading uniforms at issue in the case. As the dissent explained it, when looking at objects that may have an artistic design, such as measuring spoons shaped like heart-tipped arrows or candleholders shaped like sailboats, the design cannot be imagined separately: “[t]he designs necessarily bring along the underlying utilitarian object.”\(^ {20}\)

The dissent expressed concern that the majority’s broad interpretation would mean that everyday objects might become

\(^{15}\) *Star Athletica*, slip op. at 10.

\(^{16}\) *Id.*

\(^{17}\) *Id.* at 11.

\(^{18}\) *Star Athletica*, dissent at 1 (opinion of Breyer, J., dissenting). This observation appears to center on the first element of the test, namely, that the claimed work can be perceived as a two- or three-dimensional work of art separate from the useful article, which the majority found less difficult to satisfy, rather than the second element of the test, whether the work would qualify as a protectable pictorial, graphic, or sculptural work—either on its own or fixed in some other tangible medium of expression, on which the majority opinion spends nearly all of its time. *See id.* at 7.

\(^{19}\) *See id.*, dissent at Figs. 1 and 2 (Breyer, J., dissenting).

\(^{20}\) *Id.* at 5.
eligible for copyright protection. The majority put that concern aside, agreeing that there was no place in copyright law for Duchamp’s “readymades,” even though, under the Court’s test, there may be eligibility for a Mondrian or Magritte.\textsuperscript{21} \textit{Ceci n’est pas une cheerleading uniform.}

\textbf{III. THE \textit{STAR ATHLETICA} TEST IN A COMPLICATED COPYRIGHT CONTEXT}

To appreciate the potential impact of \textit{Star Athletica}, including whether and to what extent the ruling creates certainty for copyright protection for fashion designs, it is vital to realize the context in which the ruling sits. Putting aside the foreboding fact that six intelligent jurists can see the designs as conceptually separable and two intelligent jurists cannot, the majority noted that, despite its holding that the designs are \textit{eligible} for copyright protection, it does not follow that they are in fact protectable or that any copyright inhering in the works was infringed by the defendant’s designs. In a footnote, the Court confirmed that it was expressing no opinion on whether the works were sufficiently original to qualify for copyright protection, or whether any other prerequisite of a valid copyright had been satisfied.\textsuperscript{22} The original trial court had declined to address the question of originality, and thus this issue was not ripe for appeal. And beyond the question of originality, it could be that the designs would be subject to the merger doctrine (which holds that, where an idea can be expressed in only one, or an extremely limited number of effective ways, such expression(s) are not protectable), or based so much on other designs that only extremely thin protection might exist, or perhaps Star Athletica could have independently created the designs. Any of these outcomes could have doomed Varsity Brands’ case even as to a highly similar or even nearly identical design.\textsuperscript{23}

For these reasons, the \textit{Star Athletica} decision is akin to the first battle in a war: the battle of eligibility for copyright protection has been won, but this victory says little about the likely outcome in subsequent battles to determine whether particular fashion elements are copyrightable since that issue will be determined by any number of factors, some of which are noted in the preceding paragraph.

As it turns out, we will never know what impact the ruling might have had on the other questions to be examined when the case

\textsuperscript{21} \textit{See id.}, slip op. at 12 n.2 (discussing protectability of shovels in response to the dissent’s discussion of a Duchamp work consisting of a shovel).

\textsuperscript{22} \textit{Id.}, slip op. at 11, n.1.

\textsuperscript{23} Or, perhaps, the same stripes and chevrons on a floor-length, long-sleeved dress with a scoop-neck rather than the customary outline of a cheerleading uniform—or in a plain, rectangular space, as the \textit{Star Athletica} dissent imagined.
was remanded back to the district court. Less than five months after the Supreme Court decision, Varsity Brands reached a settlement with Star Athletica’s insurer and the case was dismissed.\footnote{24 Varsity Brands, Inc. v. Star Athletica, L.L.C., No. 10-02508 (W.D. Tenn. Aug. 10, 2017).}

Star Athletica itself objected to dismissal of the action. It seems that Star Athletica, after seven years of litigation and a trip to the Supreme Court, wanted to litigate its affirmative defenses of originality, copyright use, and fraud on the Copyright Office. Certainly, Star Athletica was not alone in wanting to see how the case would play out on a full record. But until the next case is brought and litigated, we will not know the scope or impact of Star Athletica on the extent of copyright protection for various elements, including graphic design elements of fashion designs.

IV. THE FUTURE OF FASHION DESIGN PROTECTION AFTER STAR ATHLETICA: SOMETHING FOR PLAINTIFFS TO CHEER ABOUT, OR JUST MORE “FIGHT, FIGHT, FIGHT”?\footnote{25 *Star Athletica*, slip op. at 12.}  

The *Star Athletica* Court made one thing clear: even if Varsity Brands succeeded in establishing a valid copyright in the surface decorations at issue, they had “no right to prohibit any person from manufacturing a cheerleading uniform of the identical shape, cut, and dimensions to the ones on which the decorations in this case appear.”\footnote{26 *Id.*} Only the reproduction of the surface designs (assuming the designs are ultimately copyrightable) could be prohibited.\footnote{27 *Id.*, dissent at 11 (Breyer, J., dissenting).} This was cold comfort to the dissent, however, which found the holding to reinforce the idea of protection for garments, as the stripes and chevrons on a rectangular space would likely be uncopyrightable themselves.\footnote{28 *Star Athletica*, slip op. at 8-9.}  

The dissent devoted a significant portion of its discussion to its concern that expanded copyright protection would add undue costs to the fashion industry, including “increased prices and unforeseeable disruption in the clothing industry.”\footnote{29 *Id.*, dissent at 8 (“The Constitution grants Congress primary responsibility for assessing comparative costs and benefits and drawing copyright’s statutory lines. Courts must respect those lines and not grant copyright protection where Congress has decided not to.”).} Justice Breyer’s dissent stands as a clear warning that the scope of the majority’s opinion should be kept limited, particularly to avoid inadvertently extending copyright protection to the protection of the design of a garment.\footnote{24 Varsity Brands, Inc. v. Star Athletica, L.L.C., No. 10-02508 (W.D. Tenn. Aug. 10, 2017).} Lower court judges either will pay heed or, as with other dissenting opinions, the warning may be lost to time.
While it is far too soon to determine the practical impact of *Star Athletica* on the fashion industry, the *Star Athletica* decision may embolden a wider group of designers of useful articles to try using copyright law to enforce rights in two-dimensional or three-dimensional designs covering or decorating fashion articles. This, in turn, would bring new types of designs before the courts to assess. Concomitantly, a nervous population of creators might wonder if they are at greater risk for litigation if they use design elements that—unlike the designs on fabric and the patterns of lace—were previously thought to be so generic as to be outside of copyright law’s reach.

Perhaps even those in the film and television industry might wonder whether they need to get permission from the designer of a color-block dress that an “extra” wears on set, and a designer may have to rack her brain for whether she has seen a similar design of stripes on a jacket before she feels comfortable sending the design out on the runway. Some may worry that the risk may create a stifling effect on creativity and evolution in fashion.

Such unease is understandable. Copyright law can often be a complicated and confusing area of law, and new judicial interpretations that adjust how courts assess infringement often shake up how and to what extent other applicable aspects of copyright law may come into play in a given case. If there is any way to calm the concerns of those in the fashion industry who might believe that they now must rigorously assess copyright risk when designing apparel, that comfort may come in the fact that judges often dig through the multifaceted copyright statutes and cases in order to issue a ruling that brings about results that do not upset the balance that the copyright law endeavors to maintain. Judges who previously seemed compelled to find that almost everything is subject to copyright protection if the item is not fully functional may end up having to assess questions that they might not have before, and they may be more likely to put these questions to a jury rather than resolving them earlier on summary judgment, which can result in increased litigation cost. However, even in a strict-liability area of law where intent is irrelevant to liability, policy considerations, as well as “good eyes and common sense,” often play heavily in the
to do so. And it is clear that Congress has not extended broad copyright protection to the fashion design industry.”); *id.* at 9 (“That is why I believe it important to emphasize those parts of the Court’s opinion that limit the scope of its interpretation.”).


31. See Petrella v. Metro-Goldwyn-Mayer, Inc., 572 U.S. ___ (2014), slip op. at 18 (“And the adjudication of copyright infringement will often turn on the factfinder’s direct comparison of the original and the infringing works, i.e., on the factfinder’s ‘good eyes and common sense’ in comparing the two works’ ‘total concept and overall feel.’”) (citation omitted).
ultimate outcome. For example, cases where the facts seem superficially similar, such as cases involving secondary liability for copyright infringement on the Internet,\(^\text{32}\) or cases involving wholesale copying of a work,\(^\text{33}\) can often result in different outcomes that, despite the differences, show a clear theme: the flexible nature of the copyright law will generally protect artistic innovation from piracy yet allow for other forms of creativity and innovation to flourish.

The same can be expected here. While we do not know how the Supreme Court would have judged the *Star Athletica* case on the full merits, the fact that the dissent took a strong view about the majority’s application of its test does not mean that we will start seeing absurd results under the majority’s ruling as the law of the land. Specifically, the fact that color-blocks and chevrons on apparel, in the shape of apparel, may be within the scope of copyright protection does not mean that someone who makes garments with similar color-blocks and chevrons is an infringer. The lower courts are quite familiar with identifying the difference between protectable expression in a work and stock elements or themes that are common to a genre. The question for them now, after *Star Athletica*, may no longer be whether the works are within the scope of copyright protection, but whether they are original, whether the portions copied were stock elements that are inherent to the genre, or whether the taking of the copyright-protected elements is *de minimis* or a fair use. Further, as more judicial precedent develops on these additional features inherent in a full analysis of copyright infringement involving useful articles, new patterns and better guidance should, in time, help provide clarity in the law.

Apart from the obligation to accept and apply the letter of the two-element test from the *Star Athletica* holding, there is no reason to think that the courts will materially adjust their full analyses of copyright infringement in fashion cases from how they have analyzed tough questions previously. A case may be assigned to a judge whose assessment of a case is heavily influenced by the types of concerns that led Justice Breyer to dissent, and that may lead to ways to distinguish or limit the application of the *Star Athletica* holding.

\(^{32}\) Compare Viacom Int’l, Inc. v. YouTube, Inc., 676 F.3d 19 (2d Cir. 2012) (finding that principals of YouTube were not responsible for the uploading of infringing material on the site), *with* Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd., 545 U.S. 913 (2005) (holding that designers of a system called Grokster, which was designed to share music files, were secondarily liable for copyright infringement).

\(^{33}\) Compare Bridgeport Music, Inc. v. Dimension Films, 410 F.3d 792 (6th Cir. 2005) (finding the use of a short sample from a full song to be infringing), *with* Authors Guild, Inc. v. Google, Inc., 804 F.3d 202 (2d Cir. 2015), *cert. denied*, 138 S. Ct. 1658 (2016) (finding that copying vast quantities of copyrighted books in full for purposes of providing research tools falls within copyright infringement exception of “fair use” under Section 107 of the Copyright Act).
holding to the case before her. Alternatively, a judge may apply Star Athletica but take a closer look at the other angles of the case—such as originality and whether the copying of copyright-protected elements is “substantial”—to reach an outcome where the plaintiff loses. Of course, with the separability test settled, the analysis of these other aspects of copyright law (originality, merger doctrine, scènes à faire, and the like) could end up moving in a variety of directions based on the facts of the case before the court. One could even imagine that the reason why so many different copyrightability tests were created was the desire to get to the “right” result. For example, some cases have found multi-layered prom dresses and casino uniforms not copyrightable, while others have found costumes of all types to fit squarely within copyright protection. And now, per Star Athletica, relatively basic shapes integrated into cheerleading uniforms are within the bounds of copyright. This, in turn, raises the question: Did Star Athletica clean up a mess, or simply create a new one?

V. CONCLUSION:
CONCEIVING NEW APPROACHES UNDER THE NEW CONCEPTUAL SEPARABILITY TEST

Those in the fashion industry are right to take notice of the fact that, under the Star Athletica test, a design of something is protectable if, in essence, one could imagine it with a picture frame around it or as an art piece displayed on a coffee table in a living room. However, the bright-line nature of the ruling does not necessarily dictate outcomes; it merely shifts the focus rather than foreclosing any debate. For example, a defendant might argue that, consistent with Justice Breyer’s argument, a given design may not be able to be imagined without conjuring up the article itself.34 Whereas a defendant might have previously pushed heavily on the issue of copyrightability, defendants may now seek to adjust their practices by retaining documentation of independent creation or their use of sources that are so old that they—or their components—are in the public domain. Plaintiffs may push more on the elements they have created that seem new or innovative in their aesthetic appearance, while defendants may turn the discussion toward how the design is dictated by the function of covering the body. Finally, while the ruling opens the door to the concept that identical copying of designs may result in liability for the party who engaged in the copying, courts should always keep in mind that one cannot obtain

34. In the author’s view, the way in which the majority applied the facts in Star Athletica—and the fact that the majority elected to apply the facts at all and thereby leave a roadmap for lower courts to follow—makes this argument an uphill battle, but it is worth making if the design of the items in the case that is before the court are sufficiently distinguishable.
copyrights that would give the holder “any rights in the useful article that inspired it.”\textsuperscript{35}

\textsuperscript{35} \textit{Star Athletica}, slip op. at 8.
COMMENTARY

THE BLOCKCHAIN IS IN FASHION

By Rosie Burbidge*

Blockchain is “the new black”—at least as far as the technology community is concerned. It has been described as the biggest societal change since the Internet. In our new age of cyber threats, blockchain is seen as the solution to many security problems. But what exactly is blockchain and what could it mean for trademarks and the fashion industry?

I. BLOCKCHAIN: AN INTRODUCTION

Blockchain is a new way of organizing digital information. It is the technology that underlies cryptocurrencies such as Bitcoin, but its potential applications are much broader than digital currencies. Blockchain is a ledger (i.e., a record of events such as currency changing hands) that is replicated across a large network. In other words, blockchain is a type of distributed ledger technology, or “DLT.”1 Although it is trendy to refer to all DLT as “blockchain,” there is other DLT that works in a way that is different from the way blockchain works2 but achieves a similar outcome: a secure and indisputable record of events. This record includes the nature of the event (e.g., a change of ownership) and the order in which the events occurred. Knowing the precise sequence of events is very important for determining who owns (and who no longer owns) something such as money or a trademark.

The big difference between records stored in a distributed ledger and the more common centralized records and databases is that for a centralized database there is one single “true” copy to which everyone in the system refers. Where the records are decentralized, there can be a near-infinite number of copies, each of which is identical and “true” (i.e., accurate), at least in the long run. This is very useful from a security point of view, because even if you are able to change a large number of the records in one decentralized ledger, changing them all is so challenging as to be essentially

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1. You can find out more about blockchain basics on its very comprehensive Wikipedia page: https://en.wikipedia.org/wiki/Blockchain.

2. See, e.g., the Radix DLT, at https://www.radix.global/.
impossible. This makes distributed ledgers far more secure than centralized databases.

The records that are stored in a distributed ledger can be kept anonymously and only made available to people who have the correct digital “key” for access. Because distributed ledgers build newer records on top of earlier records, once a record has been added to the database (the “ledger”) and accepted as the “correct” record by the rest of the network, the record cannot be removed in the future (i.e., the addition is irreversible). The digital key is essentially a very long sequence of numbers that is unique to the owner and is so long as to be impossible to duplicate in any currently known way.

Distributed ledgers can be private or public. A private distributed ledger is one where only a few people have access and permission to add new events to the ledger. It is possible to have a private distributed ledger where only one person has permission to add to the ledger. This is a hybrid model where the database itself is decentralized but the authority over what can be added is centralized. Private distributed ledgers have lots of potential for use within governments, large organizations, and industry groups. Public distributed ledgers such as Bitcoin, which is used as a currency substitute,³ are entirely open databases that anyone can add to at any time.

In both instances, the ledger is available only to those who are designated to have access to it. For example, on the Bitcoin distributed ledger, everyone has access to the ledger, but unless someone reveals his or her cryptographic key while the record is public, the real world identity of the person relating to the entry is unknown. The person’s digital “key” is required in order to unlock that record. To date, the weak link in the security of the Bitcoin ecosystem has been the hacking of individuals’ digital wallets that are used to store those keys through traditional cyber-breach methods such as phishing. The Bitcoin ledger itself, however, has remained secure despite frequent attempts by third parties to assert malicious control over it.

It is important to understand that even if a ledger is public, the information stored in the ledger can remain confidential. In a public blockchain, the ledger is available to everyone, but the content recorded in the ledger is not. In other words, the actual record (e.g., a design drawing or a trademark license) does not have to be publicly shared, but when relying on the record in the future it may be considered in terms of its relationship to other records in the ledger to prove provenance. It is this relationship to other records

that can prove whether a record is still current or whether an asset in question has been “spent” (i.e., transferred or otherwise used up). This means that proprietary information can be stored in a blockchain to prove timing and provenance without publicly sharing the information itself. The situation is similar in a private blockchain, but security is potentially stronger, since permission levels to even anonymized data can be more tightly controlled.

II. “SMART CONTRACTS”

It is also possible to execute what are confusingly known as “smart contracts” via blockchain. These are not necessarily contracts in the legal sense, but predetermined actions to be carried out as soon as one or more conditions are fulfilled. For example, when money is received in an account, ownership of a trademark transfers from A to B, or when someone dies, ownership of one or more of that person’s assets transfers to X. In time, these “smart contracts” could potentially include more complex actions such as an automated filing at a trademark office to record a transfer. These “contracts” have particularly transformative opportunities in the copyright arena, where ownership of a digital product can be limited to one person at any one time (in the same way as their real-world equivalents).

The music recording industry is looking at using smart contracts to track and pay royalties via IBM’s open-source blockchain.4 Similar opportunities arise in merchandising and licensing agreements.

III. BLOCKCHAIN AND THE FASHION INDUSTRY

This technology is still in its infancy. To date, blockchain has mostly been used for “crypto currencies” such as Bitcoin, but the potential uses are nearly limitless.

Before going into the details of how blockchain could work for the fashion industry, it is worth considering how blockchain is already working in a particularly sensitive industry: diamonds.5 Diamonds are high value and very small, which means that they can be easily hidden, transported, and used to pay for criminal activity. There have been various international efforts to introduce paper documents to certify a diamond’s provenance, but document tampering and forgery are still possible.


The blockchain solution for diamonds (developed by the company Everledger) has three stages: (1) each diamond is assigned an electronic identity, digitizing the diamond’s physical attributes including the laser-inscribed serial number, which is added to the Everledger blockchain; (2) a digital passport is assigned to the diamond to record its travel, transaction history, and provenance in the ledger; and (3) all transactions regarding the diamond (including insurance policies, financing, and changes in ownership) are compared against the ledger. The ledger is available to the participants in the diamond industry, governments, consumer markets, border control, and law enforcement to ensure authenticity. The combination of authenticating the transaction and being able to provide immediate evidence of the diamond’s authenticity will provide a vital trail for law enforcement and traders alike.

Given their high value, it makes sense to make the effort to digitally protect diamonds in this way. Where diamonds are used in high-end fashion items, digital protection can be applied in the same way. But even lesser-value items can be tracked. With economies of scale and familiarity, it is conceivable that, in time, all components of many different types of products could be recorded in this way.

The opportunities include the following use cases for the fashion industry:

1. control of the distribution chain;
2. combating counterfeits and tracking parallel imports and second-hand goods;
3. real-time evidence of use; and
4. indisputable records of the design process.

IV. THE DISTRIBUTION CHAIN

Monitoring the distribution chain is essential for ensuring compliance with distribution agreements, preventing unauthorized parallel imports, and proving country of origin for all parts of a product. Distributed ledgers can be used in conjunction with unique identifiers such as QR codes or RFID chips\(^6\) for each product, to track the entire manufacturing process, making a clear and immutable audit trail. Many items include security tags as a standard part of the manufacturing process, so adding some form of

\(6\) QR (Quick Response) codes are static barcodes that consist of a series of small black boxes within one larger box. They are sometimes referred to as 2D barcodes and are commonly added to product packaging and care labels. When scanned by a smartphone, QR codes provide the user with access to data, e.g., product care information or a link to a website or video. RFID (Radio Frequency Identification) chips use radio waves to automatically identify and track tags attached to objects (e.g., clothing or accessories). RFID chips can be passive (i.e., they respond only when scanned) or active (i.e., they constantly send out information—in this case they need to be battery-powered).
unique identifier or token would be fairly simple to achieve. It is possible for a counterfeiter to reproduce the unique identifier, but the associated data with that fake identifier will not correlate, since it is not the genuine article. It therefore may look genuine but it can be unmasked as a fake.

Tracking the supply chain is also important from a reputational perspective. The fashion industry is gaining notoriety as one of the most polluting industries in the world and is also often linked to low levels of pay and poor working conditions for its international workforce. Consequently, the fashion industry is increasingly the target of criticism for its failure to follow ethical and sustainable business practices. With appropriate infrastructure in place, blockchain technology can be used to monitor and demonstrate that manufacturing procedures meet ethical guidelines by documenting every step in the article’s manufacture. Blockchain technology can also help ensure compliance with important international obligations around bribery, factory conditions, and modern slavery. Although adopting blockchain technology will involve significant upfront investment, the long-term savings in compliance and audit control should eventually lead to significant savings and enable much greater transparency. Unlike a traditional centralized database, because the records in a blockchain are essentially fixed, any amendments to the audit trail will be very difficult to achieve, resulting in a much more trustworthy record of the distribution chain.

V. COMBATING COUNTERFEITS

One challenge in the battle against counterfeit goods is being able to quickly identify goods that might at first appear to be counterfeit but are not—in other words, legitimate parallel imports and secondhand goods. The same principles that enable tracking the authenticity and licensing of an e-book or digital download can apply to physical items using blockchain, ensuring that genuine items can be tracked across their life cycle. Again, this is achieved by adding some form of unique physical identifier to the physical item.

If a cryptographic key has to be provided to authenticate a fashion item as genuine before it can be sold secondhand, then verifying goods sold everywhere—from Sotheby’s and eBay to Craigslist and Facebook—can be achieved with clear and accurate precision. This will enable third-party seller platforms to take a more active part in the monitoring of products sold on their sites (if the product’s tag doesn’t match up to the key, it can’t be listed) and buyers can be sure that they are buying the real deal.
VI. EVIDENCE OF USE

DLT can be linked to advertising and sales to create real-time and undisputed evidence of where and when a trademark is used. This would save significant time and costs in trademark disputes and invalidity actions. This could also eventually be linked to Trademark Offices, who could use the information to ensure that marks that are not used are removed from the registers, perhaps generating a notice to the trademark owners to submit further evidence to prove ownership.

VII. RECORDING THE DESIGN PROCESS

Finally, a clear and indisputable record of the design process is essential in copyright and design disputes, whether bringing or defending against a claim. For example, DLT could be used to track the design process to prove precisely when a feature was added to a design and by whom. Even if this information is stored on a public blockchain, the data itself can be encrypted so designers do not need to worry about their designs entering the public domain before they are comfortable doing so, but they can be assured that they have undisputed proof regarding the timing of their designs’ creation. Again, although the design process can be recorded in an existing centralized database, the difference with blockchain is that the sequence of events and associated timeline is much more reliable and consequently much better evidence for court or registry proceedings.

Many various other opportunities are barely understood at this early stage of the implementation of the technology, such as the fast and efficient auditing of licensing agreements. Governments are already looking at ways to use DLT in areas such as taxation, particularly sales tax (or “Value Added Tax,” as it is known in Europe). Alignment of all VAT transactions could include smart contracts to ensure immediate payment of the tax and, where appropriate, the repayment to businesses.

VIII. THE FUTURE

These are exciting times. DLT is still in its infancy, but it has the potential to transform the way in which the fashion and IP communities work. Now is the time to start thinking about how DLT can shape the future of fashion.
GUIDELINES FOR SUBMITTING MANUSCRIPT TO THE TRADEMARK REPORTER

1. Length of submissions is flexible, depending upon what is necessary to adequately cover the subject. Submissions may be sent via email to Willard Knox, Staff Editor-in-Chief, at wknox@inta.org.

2. Submissions under consideration may initially be sent to one or more of our Senior Editors for a pre-review to assess topic choice and quality of coverage, and to evaluate whether the submission is one that the TMR wishes to pursue. The submission may then be sent to one to three members of our Editorial Board for review and comment. To ensure an objective process, the author's name is removed from the submission. The reviewers' comments may then be sent to a Senior Editor for synthesis; detailed feedback may then be provided to the author. This process generally requires a minimum of 90 days. During this review process, we ask that contributors make a commitment to the TMR and not publish their articles elsewhere. Our reviewers are practitioners and other trademark professionals who contribute their time on a voluntary basis. The TMR counts on their expertise to ensure the quality of articles published in the TMR, and we ask that contributors respect the time commitment they make.


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