Fashion Law: Key Issues in a New Legal Discipline
By Guillermo Jimenez, Barbara Kolsun, George Gottlieb, and Marc Misthal

I. Introduction to Fashion Law

A. Fashion Law Comes of Age

Fashion Law is an emerging legal discipline that addresses the recurrent legal issues common to the fashion industries (e.g., fashion and basic apparel, footwear, jewelry and accessories, and beauty and fragrance products). Although lawyers have helped counsel the fashion industry for decades, it is only recently that the emerging discipline of Fashion Law has been recognized as a distinct legal specialty.

In 2006, the first American college course on Fashion Law was taught at the Fashion Institute of Technology in New York. In 2008, Professor Susan Scafidi introduced the first American law school course on Fashion Law (at Fordham Law School), and in 2010 Professor Scafidi established a Fashion Law Institute at Fordham. More recently, Brooklyn Law School and Cardozo Law School have scheduled or planned courses in Fashion Law. In 2010, the authors of this article co-wrote the first American legal handbook in the field, Fashion Law: A Legal Guide for Fashion Designers, Executives and Attorneys. Today, law firms and bar associations around the country are sponsoring continuing legal education courses in Fashion Law. In this article, and in the three articles that follow in this special section, we will summarize Fashion Law’s key concepts and discuss critical developments in the case law.

B. The Need for Fashion Law

The fashion industry and its legal counselors need a firm grasp of Fashion Law for a number of reasons:

1. Industry size. The industry has grown large enough to be economically crucial, accounting for nearly four percent of total global GDP, a sum now in excess of $1 trillion per year.2 Fashion companies have grown enormously in social and economic importance. It was through fashion that Bernard Arnault, the CEO of the French fashion-luxury house LVMH, became one of France’s wealthiest citizens, while Luis Amancio Ortega, the founder of the Zara retail chain, became Spain’s wealthiest. In 1998, fashion designer Donna Karan sold the company she had founded a mere thirteen years earlier to LVMH for $643 million.3 In 2008, America’s largest company, Wal-Mart, earned a substantial portion of its more than $400 billion in annual revenues from the sale of apparel.4

With annual apparel sales on the order of $200 billion per year, the U.S. fashion industry is estimated to be about twice as large as the so-called entertainment industries combined (books, movies, and music),5 but it has been heretofore somewhat neglected by the legal profession. Thus, an Amazon search in April 2010 for books referencing legal specialties revealed the following comparison: IP Law: 1912 entries; Sports Law: 316 entries; Entertainment Law: 173 entries; Hotel Law: 51 entries; Music Law: 26 entries; and Fashion Law: 4 entries.

2. The rise of fashion conglomerates. Since the 1990s the global fashion industry has been marked by increasing concentration. The world’s leading fashion company, LVMH, continually prows the globe looking for acquisitions in areas related to fashion and luxury. Thus, in 2008 LVMH added the British firm Princess Yachts to its prestigious stable of brands, which already included Louis Vuitton, Givenchy, Christian Dior, Marc Jacobs, Celine, Sephora, Chaumet, TAG Heuer, and Hublot. While many observers have questioned LVMH’s omnivorous appetite, the company has been able to exploit its size. LVMH reportedly obtains advertising discounts from leading fashion magazines of up to 30 percent over those granted to other fashion companies. LVMH’s multi-brand strategy has been followed by French rival PPR, a holding company that owns Gucci, Yves Saint-Laurent, and Bottega Veneta, among other brands.6

Liz Claiborne is one of the leading American firms to follow a multi-brand strategy, having acquired Mexx, Lucky Brands, Juicy Couture, and Kate Spade. Similarly, Phillips Van Heusen (PVH) owns the Calvin Klein brand as well as IZOD and several other mid-price brands, while Jones Apparel Group owns Anne Klein, Jones New York, and Nine West. Concentration also has occurred on the retail side. In 2005, Federated Department Stores, which already owned the Macy’s and Bloomingdale’s department stores, purchased the May Company for $17 billion.7 Federated officially changed its name to Macy’s in June of 2007 and has become a $27 billion retailer with 850 department stores.8 Companies of this size require sophisticated legal staffs (most large fashion companies have in-house legal teams). Fashion conglomerates also generate legal work that requires them to employ outside lawyers and experts. Increasingly, such experts must prove that they understand the particularities of the fashion industry.

3. Fashion designers misperceive the law. As fashion law advisors, we are often confronted by false rules of thumb that circulate widely in the design community. Young designers are sometimes told, for example, “Change a design three times and it is legal.” Or: “Change
it 60 percent, and it is legal.” Such rules of thumb are inaccurate and dangerous. Young designers should learn that clothing designs as a whole may be freely copied under U.S. law, but fabric prints, accessories, and jewelry are subject to strong protection (copyright or design patent), and in some cases shoes and handbags also may be protected (design patent or trade dress). There is a germ of truth, nonetheless, in the designers’ misunderstanding: even in cases where a particular item is protected as intellectual property, a copycat generally may escape infringement charges by changing the design “enough” (though what is enough cannot be so easily summarized as “three times” or “60 percent”).

4. Disruptive transformation: Internet and digital technologies. As with all other consumer industries, the fashion industry has been transformed by the arrival of the Internet and digital technologies. On the negative side, Internet sales facilitate the marketing of counterfeit fashion items, particularly luxury items such as handbags and jewelry. Thus, eBay has been sued by a number of luxury fashion houses for failing to adequately police transactions on its website for sales of counterfeit items. This litigation, which has been resolved to date in eBay’s favor, is discussed further in the accompanying article on counterfeiting in fashion.

The phenomenal success of the Spanish specialty retailer Zara is due in part to its mastery of information technology (IT), which has allowed it to achieve a competitive advantage in speed to market. Zara allows other fashion firms to be the fashion leaders, then focuses on imitating each season’s top hits and trends. This model is known as “fast fashion,” and it also has been followed by such successful firms as H&M, Mango, and Forever 21. Since “fast fashion” companies rely on imitation, they sometimes are accused of going too far and stealing fashion designs outright. Thus, Forever 21 has been sued dozens of times. In one widely publicized case, designer Diane Von Furstenberg sued when Forever 21 began to sell a $32 “Sabrina” dress that was remarkably similar to Von Furstenberg’s $325 “Cerisier” dress.

At this point, let us simply note that the arrival of digital technologies has made this type of issue more prominent because it is now quite easy for fashion copycats to take digital photographs of new fashion items which are then transmitted to overseas factories for reproduction. In fact, an imitator can be even faster to market than the company that originated a design or style.

C. The Scope of Fashion Law

While Fashion Law is sometimes conceived of as an extension of intellectual property (IP) law, we have taken a more expansive, practice-oriented approach, adopting the perspective of the General Counsel of the mid- to large-sized fashion company. Although IP-related issues are indeed central, there are a number of other legal issues that a fashion GC routinely must address:

1. Licensing. Licensing is so prevalent in the fashion industry that the operations of some major designers can be reduced to the management of bundles of licenses. For virtually all famous designers, licenses eventually become a central business concern. Successful licenses can be immensely profitable for both parties. When super-designer Karl Lagerfeld agreed to a limited-edition line for H&M in 2006, stores were mobbed, and many sold out in a single day.9

The contracts upon which these licenses are based are consequently of vital importance. Consider the widely publicized $200 million lawsuit filed in 2000 by Calvin Klein against his most important licensee, Warnaco.10 Klein argued that Warnaco’s decision to market Calvin Klein jeans through warehouse clubs such as Costco and Sam’s Club had cheapened and diluted the prestige of the Calvin Klein brand. Whether Klein’s case was legally valid would turn on a careful reading of the contract (which did not explicitly rule out sales to stores such as Costco) as well as on a sophisticated understanding of the fashion market (would Costco customers really lose respect for Calvin Klein products if they saw them for sale at Costco?). In the end, the dispute was settled on terms reportedly favorable to Klein (and career-ending for Warnaco’s top management). The case illustrates the importance of carefully drafted license agreements, a topic discussed in greater detail in the accompanying article “Licensing in Fashion.”

2. Anti-counterfeiting. Not all fashion companies need be concerned with counterfeiting, only the most successful ones. Thus it is sometimes jocularly observed that the greatest compliment a fashion designer can receive is to appear on Canal Street (a shopping district in New York City long associated with the sale of counterfeits). For fashion leaders such as Louis Vuitton, Calvin Klein, Gucci, Cartier, etc., anti-counterfeiting has become a major concern, with some firms devoting up to $10 million per year to their anti-counterfeiting efforts. Anti-counterfeiting strategies are further discussed in the accompanying article “Anti-Counterfeiting in Fashion.”

3. Commercial sales. As tangible products sold at wholesale between merchants, fashion products are covered by U.S. sales law, the Uniform Commercial Code (UCC).11 The fashion industry today is dominated by large buyers that are able to dictate terms in their supply contracts with fashion vendors. One of the buyers’ preferred methods for exercising maximum control is to subject their purchase orders to a highly detailed set
Fashion and the Law

of rules that may be known as a “Vendor’s Compliance Manual” or a similar appellation. Typically, the provisions in the manual are so one-sided that, in the event of a dispute, the vendor may have no recourse even in cases where the equities seem to be in its favor. We recommend that, whenever possible, the vendor seek to reply to the buyer’s purchase orders with written confirmations that append or incorporate more balanced provisions. Ideally, one would obtain the buyer’s written acceptance of the seller’s terms, but even where this is unlikely it may be of some value, should a dispute arise, to have challenged the buyer’s one-sided terms.

One of the most common areas of dispute concerns so-called “chargeback” provisions that allow the buyer to unilaterally impose a discount on the seller in the event the seller is late or delivers deficient goods. Problems arise because chargeback provisions are sometimes quite complicated, and buyers have been accused of self-interested accounting in the reckoning of chargeback amounts. In extreme circumstances, it has been alleged that chargebacks were imposed in bad faith.

4. Customs and international trade. Today, most basic American apparel is manufactured overseas—much of it in China. Imported goods incur different duty rates depending on the customs classification of the goods. Customs and the importer sometimes disagree on the most appropriate classification. Once the importer has exhausted administrative appeals within customs, the importer may appeal the ruling to the Court of International Trade. Fashion counsel should be familiar with specialized customs attorneys who can handle these kinds of appeals.

In one illustrative case, a small American fashion company, Tally Ho, had imported “boiled-wool jackets” from China. U.S. Customs classified these under the category for “coats,” which carried a 20 percent duty. The importer argued that the garments should be reclassified as “sweaters” and pay a 17.5 percent duty. The crucial question became “What is a ‘coat?’” The court heard expert witnesses from both sides and concluded that the use of the garment should be granted greatest weight in determining its classification. The judge ruled that a “coat” is a garment worn over other garments when the person goes outside to face the elements. Consequently, it was held that the boiled wool garment was not a coat, and the importer prevailed.

5. Ethical compliance/sweatshop issues. In 1991 a young American expatriate in Indonesia reported on worker mistreatment in factories that produced Nike athletic shoes. After initial resistance, Nike succumbed to public pressure and strengthened its sourcing protocols in 1998. A similar incident arose when a labor rights group known as the National Labor Committee charged that television personality Kathie Lee Gifford’s line of clothing at Wal-Mart was manufactured in Central American sweatshops with ample use of child labor. Gifford and Wal-Mart denied the accusations but agreed to police their suppliers more strictly.

Fashion consumers have been sensitized to the issue of sweatshops. In order to protect their brand image, most large fashion companies have adopted codes of conduct that they impose on suppliers and that they verify by regular inspection of factories. Devising such sourcing policies and codes may require the input of fashion company’s legal counsel.

II. IP Protection in Fashion

A. Key Concepts

1. No protection for design. Fashion design is not currently protected under U.S. law. By “fashion design” we refer to the way a specific garment is cut and assembled, not merely to the drawings and patterns from which the garment may have been derived. A garment has a “design” even if it was constructed without an original drawing. As a general rule, it is not illegal to copy the precise construction of a garment, even when it possesses an innovative and unusual design, and even if in the end the copy is virtually indistinguishable from the original. In contrast, the countries of the European Union provide strong legal protection for fashion designs. Similar legislation has recently been proposed in the United States and may one day become law.

Even in France, though, which has the strongest possible protection for fashion designs, there is protection only for original designs, and the vast majority of clothing designs do not qualify. Most clothing is made from a standard repertoire of sleeves, panels, hems, button, pockets, pleats, etc., and is therefore lacking in originality. Consequently, most fashion designs can be freely imitated even in those countries that have relatively strong protection for original designs. A substantial amount of knocking off is a standard aspect of the fashion business in all countries and will remain so.

2. Multiple/overlapping IP coverage. A single garment or product may be covered by several different forms of legal protection at the same time. Consider a dress with a screen print as well as the company logo on the front and a brand name on its label. The logo and brand name are protected as trademarks, but the screen print is protected by copyright. If the dress was fabricated from an innovative microfiber that the company developed, this textile could be protected by a utility patent.
3. “Knocking off” as standard practice. The fashion industry is extraordinarily imitative, almost by definition. When we say a particular garment is “in fashion,” we mean that many people are wearing a similar garment at the same time. Fashion designers are frequently influenced by the same sources and by each other. When one firm deliberately copies another label’s products, this is referred to as “knocking off.” Knockoffs are not necessarily illegal. Depending on the specific circumstances, knocking off may be legal, while in other cases it may constitute an infringement of IP, and in extreme cases it may constitute counterfeiting.

B. Copyright

1. Conceptual separability. Copyright protection does not extend to most fashion designs on the ground that apparel and footwear are useful articles. The creativity of a fashion design is considered to be so intertwined with its utilitarian function that it is not eligible for copyright protection. Conversely, jewelry receives protection precisely because the law considers jewelry decorative rather than useful—a legal distinction that may be disconcerting to jewelry designers, though decidedly in their favor. In certain circumstances, components of useful articles may be entitled to copyright protection if the artistic element is “conceptually separable” from the utilitarian aspect of the article.

In a seminal case, Barry Kieselstein-Cord had designed belt buckles incorporating sculptural designs and sought copyright protection for them. The federal district court held that Kieselstein-Cord’s buckles were not copyrightable because, in the court’s view, the sculptural element was not separable from the buckles themselves. The court relied on the basic principle of U.S. copyright law that an item cannot be copyrighted if it forms an inseparable part of a utilitarian object, the justification being that one had to draw a clear line between copyright law and patent law. Originality in creative works was to be protected by copyright, while innovation in utilitarian objects was the realm of patent law. When a creative work was somehow attached or mingled with a utilitarian work, as in the Kieselstein-Cord belt buckle, one had to ask whether the creative part could be “separated” from the utilitarian part. If such a separation were not physically possible, the district court held, then the object could not be protected by copyright.

On appeal, however, the Second Circuit took a different view: “This case is on a razor’s edge of copyright law. It involves belt buckles, utilitarian objects which as such are not copyrightable. But these are not ordinary buckles; they are sculptured designs cast in precious metals—decorative in nature and used as jewelry is, principally for ornamentation. We say ‘on a razor’s edge’ because the case requires us to draw a fine line under applicable copyright law and regulations. Drawing the line in favor of the appellant designer, we uphold the copyrights granted to him by the Copyright Office and reverse the district court’s grant of summary judgment…in favor of the appellee, the copier of appellant’s designs.”

The Court ruled that “separable” meant conceptually separable, not physically separable. The creative elements of a product can be protected by copyright so long as those creative elements are conceptually separable from the whole product. In other words, if it is possible to imagine an image or sculptural element existing independently of the fashion product, (e.g., a belt buckle, an earring, or a bangle), the image or sculptural element is protectable by copyright.

The decorative elements of many fashion products meet the criterion of separability. Copyright is thus a useful tool for fashion firms, protecting fabric prints and images, jewelry, textiles, and the surface design of shoes, handbags, and other accessories. In one illustrative case, Knitwaves, a domestic manufacturer of children’s knitwear, marketed a line of sweaters with a “fall motif” (featuring appliqués of leaves and squirrels). Deliberately using Knitwaves’ designs as a reference, another manufacturer, Lollytogs, created a highly similar line. Knitwaves filed suit against Lollytogs alleging copyright infringement of its sweater design. The Second Circuit held that Knitwaves’ original leaf and squirrel designs qualified as artwork and thus were protected by copyright. The court rejected Lollytogs’ argument that all of the elements in the Knitwaves’ sweaters (i.e., squirrels, leaves and stripes) were already independently in the public domain. The court concluded that Lollytogs imitative designs met the threshold for copyright infringement because they were “substantially similar” to those used by Knitwaves. In the court’s view, an ordinary purchaser would think they came from the same source.

C. Trademarks

1. The prevalence of trademarks. Fashion companies rely heavily on trademarks to communicate brand positioning as well as to protect their goods from knock-offs. Famous examples include Gucci’s interlocking Gs, Nike’s swoosh sign, and Louis Vuitton’s classic “Toile” print for luggage and handbags. While copyright and design patent protection are both limited in duration and will eventually expire, only trademark protection may be renewed perpetually.

Given the importance of a trademark, which may be a fashion company’s most valuable asset, it should not be surprising that large firms are willing to engage in a vigorous defense of any perceived infringement. Some-
times, they go too far, as evidenced by a dispute between Louis Vuitton and Dooney & Bourke. Most savvy fashion consumers can easily spot a classic Louis Vuitton bag or trunk, even at a distance. Louis Vuitton has used its famous Toile Monogram trademark on trunks and accessories for many years. In 2002 Louis Vuitton decided to revamp its image by launching a “new signature series” handbag line, designed by Japanese artist Takashi Murakami, which updated the Toile mark by printing it in thirty-three bright colors and placing the colored mark on white or black backgrounds. Bags with the new designs were widely advertised and promoted. A few months after Louis Vuitton launched the new line, competitor Dooney & Bourke launched its own series of bags using a “DB” monogram, in an array of bright colors, set against a white background. The Dooney & Burke bags were visually very similar to the Louis Vuitton bags. Dooney & Burke’s new design was clearly and obviously inspired by Louis Vuitton’s. The crucial question was whether Dooney & Burke had crossed the line and committed trademark infringement.

Louis Vuitton sought a preliminary injunction directing Dooney & Burke to stop selling the allegedly infringing bags, but the district court denied the motion, observing that Louis Vuitton used the initials “LV,” while Dooney & Bourke used the initials “DB.” The Second Circuit disagreed, suggesting that the district court should have entered the requested injunction.18 On the issue of likelihood of confusion, the court of appeals criticized the district court for comparing the parties’ bags on a side-by-side basis because that is not how consumers see them in the marketplace. It stated that “market conditions must be examined closely to see whether the differences between the marks are likely to be memorable enough to dispel confusion on serial viewing.” The case was sent back to the district court for further evaluation of all relevant factors.

When the case returned to the district court, however, it was thrown out entirely, without a trial. The court found insufficient evidence to establish a likelihood of confusion between the D&B bags and the LV bags. The court ruled that a defendant’s product may “remind” the public of a plaintiff’s product and still not constitute illegal “confusion”:

[W]here the marks at issue are not identical, the mere fact that consumers mentally associate the junior user’s mark with a famous mark is not sufficient to establish actionable dilution…. [S]uch mental association will not necessarily reduce the capacity of the famous mark to identify the goods of its owner….19

2. Style names as trademarks. The rapidity of the fashion cycle may constrain the resources that can reasonably be invested in adopting and registering certain less important trademarks. Thus, for example, fashion companies may or may not wish to register “style names,” which are created for specific items or narrow fashion lines that may last only a season or two. From a pragmatic, cost-effective perspective, style marks may warrant a less comprehensive search than would a house mark that represents the entire brand. Regardless of the mark’s perceived importance, some form of search should be conducted for every mark adopted. Changing even a style name can be very expensive, potentially requiring the return of shipped goods and the reprinting of tags and labels, and the damage done to relationships with retailers can have long-term implications. In certain circumstances, nonetheless, common-law trademark rights may be sufficient for marks that will be used only briefly, and a designer may elect to forgo registration altogether.

3. Personal names as trademarks. Frequently fashion designers want to use their personal names to identify their products (e.g., Calvin Klein, Yves Saint-Laurent, Vera Wang, Marc Jacobs, etc.). Legally, however, a personal name may be protected as a trademark only once it has acquired secondary meaning. The public must recognize the designer’s name as identifying the source of particular products. It can take years for a designer to cultivate the necessary public recognition. Once a designer does, however, a personal name trademark can become one of the designer’s most valuable assets. When designers decide to “cash in” and sell their personal name trademarks to investors, they are wise to consider that such a transaction may not be easily reversible.

Thus, Paul Frank Industries, Inc. (PFI) brought a trademark infringement action against its former namesake designer, Paul Frank Sunich, alleging that Mr. Sunich’s use of his name in the sale of T-shirts after he had left PFI violated PFI’s trademark rights.20 Finding that PFI had spent significant resources marketing and advertising the now famous Paul Frank mark, the court enjoined Mr. Sunich from using his name in areas (such as clothing) where the public had come to associate the use of Paul Frank with PFI. The court also ruled that if Mr. Sunich identified himself as the designer of products in areas that the public did not associate with PFI, those products would have to bear a disclaimer stating that Mr. Sunich is no longer affiliated with PFI.

In a similar case, menswear designer Joseph Abboud sold all of the rights to his “Joseph Abboud” trademark to a corporation named JA Apparel. He also entered into a non-compete agreement that ran from 2000 until 2007. When the non-compete agreement expired, JA Apparel
learned that Abboud planned to launch a new menswear line named “jaz” which would use the tagline “a new composition by designer Joseph Abboud.” JA Apparel sued Abboud alleging breach of the non-compete contract and that Abboud’s use of his name in the tagline amounted to trademark infringement.

The district court initially found that Abboud had conveyed all rights to use his name for commercial purposes in the 2000 agreement. The court rejected Abboud’s fair use defense and issued an injunction enjoining him from using his personal name in connection with any commercial goods, products, or services. On appeal, the Second Circuit lifted the injunction, ruling that the contract between JA Apparel and Abboud was not clear on the issue of fair use and remanded the case for further consideration. On remand and upon consideration of extrinsic evidence, the district court found that Abboud had not transferred away all rights to use his name for commercial purposes but nonetheless issued an injunction barring Abboud from using his name as a trademark.

4. Trade dress. Trade dress is a form of intellectual property that specifically protects the characteristic appearance of a product, provided it is inherently distinctive or the public has learned to associate the appearance of the product with its specific source. Trade dress may protect the overall “look” of a fashion line, provided it is non-functional and has acquired secondary meaning.

Trade dress protection is very challenging to obtain for smaller fashion companies, since it exists solely by virtue of the public’s recognition of the source of the product. Protection usually requires at least several years of active sales, marketing, and promotion to establish a connection in the public consciousness between the “look” and its origin. The cost of registering trade dress with the PTO can range from $5,000 to $10,000. This is substantially more than the cost of filing an ordinary trademark application because sufficient evidence must be submitted to satisfy the PTO that consumers actually associate the trade dress with the source of the product. A legal assessment of trade dress rights can run a company from $2,500 to $5,000.

A crucial 2000 U.S. Supreme Court decision made it even more difficult for small fashion companies to succeed on a claim of trade dress infringement. In *Wal-Mart v. Samara Brothers*, the Court held that clothing designs are rarely inherently distinctive and that the fashion design in question (seersucker childrenswear with distinctive appliqués) was therefore protectable only upon a showing of secondary meaning. In other words, a designer would have to demonstrate that consumers considered the design features a source indicator. Although few designers have been successful with this approach, in *Coach Inc. v. We Care Trading Co.*, Coach was able to establish that its handbag designs had acquired secondary meaning (established through expert testimony, consumer surveys, and evidence of advertising).

D. Patent

1. Design patents. Design patents are used to protect ornamental features and designs and have been aptly called “picture patents.” While they can be used to protect a wide variety of fashion products, a design patent only protects against quite similar imitations. In order to qualify for a design patent, the design must be novel, non-obvious, and non-functional. The non-obviousness requirement can be difficult to meet, as many decorative elements of clothing are recreations of previous designs already on the market.

From the date of filing with the U.S. Patent and Trademark Office (PTO), it may take twenty months or longer for a design patent to be issued. Protection lasts fourteen years from the date of issuance and is non-renewable. The length of time it takes to receive a design patent is a particular disadvantage for the fashion industry, which is driven by multiple fashion seasons per year. As a result, design patents are not practical for most fashion items but can nonetheless be of great value for products likely to remain stable for several years. For example, large athletic shoe companies routinely obtain design patents for their shoe models, which may remain on the market for several years.

In one design patent dispute involving shoe models, the Federal Circuit was called upon to decide whether L.A. Gear’s design patent on its “Hot Shots” line of shoes was infringed by Melville Corporation’s competing line of shoes. Melville argued that L.A. Gear’s patent was invalid because all of the shoes’ components were functional (i.e., the mesh on the side of the shoe provided foot support) and were not used for ornamental purposes. The court rejected this argument, stating that since the overall appearance of the patented shoe was ornamental, it made no difference if individual components were functional. Melville also urged that the L.A. Gear design patent was invalid because it was “obvious” to an ordinary shoe designer, pointing to some twenty-two prior references where the components were shown. The court disagreed, stating that while the individual components might be known, there was no “teaching” in the prior art to combine them in the way shown in the design patent. The court held that Melville had infringed L.A. Gear’s valid design patent and that the infringement was willful.

2. Utility patents. Utility patents protect novel, non-obvious products, components, or processes. In fashion, a utility patent might be granted, for example, for a unique
strap attachment on a sundress or an innovative fabric panel orientation on a running pant or the chemical composition a novel synthetic fabric. Utility patent protection extends for twenty years from the filing date of the application and is usually more expensive to obtain than design patent protection.

In an illustrative utility patent case, a federal court in New York reviewed the validity of a patent that had been granted for a method for stonewashing jeans to achieve an unusual “washed” effect; the court was called to intervene when a company using a similar product sought a declaratory judgment of infringement. Italian inventor Francesco Ricci had been issued a patent by the PTO for a method for producing a random fading effect on fabrics. Ricci assigned the patent to Golden Trade, S.r.L. for a method of using a similar product to achieve an unusual “washed” effect; the court was called to intervene when a company using a similar product sought a declaratory judgment of infringement. Italian inventor Francesco Ricci had been issued a patent by the PTO for a method of using a similar product to achieve an unusual “washed” effect; the court was called to intervene when a company using a similar product sought a declaratory judgment of infringement.

The court held that Ricci’s patent was invalid for claiming anticipation of Golden Trade’s patent coming after it next. claim extending for twenty years from the filing date of the application and is usually more expensive to obtain than design patent protection. The court agreed, finding that Ricci’s patent had been infringed. The court held that Ricci’s patent was invalid as it did not meet the requirements for a utility patent. The court held that Ricci’s patent was invalid for claiming non-patentable subject matter.

**Endnotes**

10. For a discussion of the business context and outcome of this litigation, see Harvard Business School Case 9-503-011, CALVIN KLEIN, INC. v. WARNACO GROUP, INC. (2002).
11. For a thorough review of commercial sales law as it applies to fashion, see Donald Kreindler, Selling and Buying: Commercial Agreements in the Fashion Sector, in Jimenez and Kolsun, eds., supra note 1, at 160-74.
14. The Design Piracy Prohibition Act (“DPPA”) is currently pending in the House of Representatives. If passed, the DPPA would expand the scope of copyright law by amending Chapter 13 of the Copyright Act of 1976 so as to encompass fashion designs. Under the proposed bill, fashion designs would be protected for three years. 17 U.S.C. 1301, et seq.
16. Id. at 738.
24. Id. at 210.
29. 35 U.S.C. 154. The preparation and filing of a utility patent application including U.S. Patent Office, attorney, and draftsmen fees can be more than $7000, and the whole process from filing to issuance can cost much more. The cost to prepare and file a design patent application, including U.S. Patent Office, attorney, and draftsmen fees, can be more than $2500.

The authors wish to thank Lara Corchado, Susan Kent, and Anita Surendran for their assistance in researching and analyzing the content of this article.