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Varsity Brands Earns Hard-Fought Win in Supreme Court Ruling Designs on Cheerleading Uniforms Are Copyrightable

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March 24, 2017

The United States Supreme Court, in the case *Star Athletica, LLC v. Varsity Brands, Inc., et al.*, Case No. 15-866, ruled in a 6-2 opinion that two-dimensional designs incorporated onto three-dimensional useful articles (here, cheerleading uniforms) are entitled to copyright protection – a ruling that will likely impact the fashion industry and its approach to copyright protection. Baker Donelson has represented Varsity from the filing of the complaint through oral argument before the Sixth Circuit and briefing of the case before the Supreme Court. Goodwin Procter and Cowan Liebowitz were also involved with the Supreme Court briefing, while Goodwin Procter handled oral argument before the Supreme Court. In the majority opinion, Justice Thomas held that a feature of the design of a useful article is eligible for copyright 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."

In formulating this separability test, the Court said that its test for separability started with the Statute 17 U.S.C. § 101, which provides that "'pictorial, graphic, or sculptural features' of the 'design of a useful article' are eligible for copyright protection as artistic works if those features 'can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.'" Following the "basic and unexceptional rule that courts must give effect to the clear meaning of statutes as written," the Court explained that its decision is "not a free-ranging search or the best copyright policy, but rather 'depends solely on statutory interpretation,'" citing to the Supreme Court's last opinion to address the issue of separability – the 1952 case of *Mazer v. Stein*. The Court described its task in this case as "to determine whether the arrangements of lines, chevrons, and colorful shapes appearing on the surface of [Varsity's] cheerleading uniforms are eligible for copyright protection as separable features of the design of those cheerleading uniforms."

In applying this test to Varsity's designs at issue, the Court held that "one can identify the [designs] as features having pictorial, graphic, or sculptural qualities" and can separate the designs from the cheerleading uniforms on which the designs appear. The majority opinion and the concurrence of Justice Ginsburg gave substantial credence to the fact that Varsity had "applied the designs in this case to other media of expression – different types of clothing – without replicating the uniform."

Throughout the lawsuit, Varsity steadfastly contended that its designs were "two-dimensional graphic designs that appear on useful articles," as opposed to the designs of three-dimensional articles (i.e., cheerleading uniforms) as the Petitioner suggested. Varsity was clear that it was not attempting to prevent the Petitioner or any other party from manufacturing cheerleading uniforms with identical shape, cut and dimensions, but only to prohibit copying of its designs that appear on its uniforms.

In affirming the Sixth Circuit's reversal of the district court, the Court rejected two of Star's arguments as without basis under § 101 of the Copyright Act: (1) that Varsity's designs are not protectable because the designs are "necessary to two of the uniforms' 'inherent, essential, or natural functions' – identifying the wearer

as a cheerleader and enhancing the wearer's physical appearance;" and (2) that the separability analysis should include objective components asking whether the design elements reflect the designer's artistic judgment exercised independently of functional influence or are marketable to a "significant segment of the community" if separated from the underlying useful article. The Court opined that "asking whether some segment of the market would be interested in a given work threatens to prize popular art over other forms, or to substitute judicial aesthetic preferences for the policy choices embodied in the Copyright Act." The Court also rejected the argument that Congress's "refus[al] to pass a provision that would have provided limited copyright protection for industrial designs, including clothing," restating the Court's view that "[c]ongressional inaction lacks persuasive significance in most circumstances." Justices Breyer and Kennedy dissented from the majority's separability conclusion.

While this ruling clearly implicates the fashion industry, any businesses that incorporate artistic elements into useful articles need to consider whether copyright protection should be pursued in light of this ruling.

For more information about this alert or to discuss any Intellectual Property related matters, please contact Grady Garrison, Adam Baldrige or any member of Baker Donelson's Intellectual Property Group.