Star Athletica v. Varsity Brands

Banner & Witcoff offers the following content as a resource to help clients understand and prepare for the potential impact of this case:

On May 2, 2016, the U.S. Supreme Court agreed to review an August 2015 ruling by the U.S. Court of Appeals for the Sixth Circuit in Cincinnati in *Star Athletica LLC v. Varsity Brands Inc.,* as to whether Varsity's two-dimensional graphic designs are entitled to copyright protection as "pictorial, graphic, and sculptural works" under the copyright law. It is the first time the U.S. Supreme Court will address copyright protection for apparel.

Varsity Brands is a manufacturer of apparel including cheerleading uniforms. Despite the general reluctance to grant copyright protection to apparel designs, Varsity received U.S. copyright registrations for several of its cheerleading uniform designs for "two-dimensional artwork." The Varsity designs included graphical elements such as stripes, chevrons, zigzags, and colorblocks. Star Athletica also sold cheerleading uniforms. Star advertised cheerleading uniforms that were strikingly similar in appearance to Varsity's designs, and so Varsity sued for copyright infringement based upon their registered designs.

At the district court, Star asserted that the Varsity copyright registrations were invalid because clothing is a useful article and therefore ineligible for copyright protection. The district court applied the separability framework that pictorial, graphic, or sculptural features are protectable if they are conceptually separable from the utilitarian function of the article, even if the features cannot be physically removed. Subsequently, the district court entered summary judgment for Star by defining Varsity's uniforms as having a utilitarian function as *uniforms for cheerleading* so as "to clothe the body in a way that **evokes the concept of cheerleading**."

On appeal, Varsity prevailed at the Sixth Circuit on August 19, 2015. The district court's judgment was vacated and Varsity won on the issue of whether the designs are copyrightable pictorial, graphic, or sculptural works. The court set forth a five factor/question test to determine whether "pictorial, graphic, or sculptural features" are conceptually separable from the utilitarian function of a useful article:

1. Is the design a pictorial, graphic, or sculptural work?
2. If the design is a pictorial, graphic, or sculptural work, then is it a design of a useful article?
3. What are the utilitarian aspects of the useful article?
4. Can the viewer of the design identify "pictorial, graphic, or sculptural features" separately from the utilitarian aspects of the useful article?
5. Can "the pictorial, graphic, or sculptural features" of the design of the useful article exist independently of the utilitarian aspects of the useful article?

On March 22, 2017, the Supreme Court, in a 6-2 decision, affirmed the August 2015, ruling by the Sixth Circuit and affirmed that two-dimensional graphic designs are entitled to copyright protection as "pictorial, graphic, and sculptural works" under the copyright law for useful articles under certain circumstances.

The Supreme Court set forth a new two-prong test —

> A feature incorporated into the design of a useful article is eligible for copyright protection only 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 applying the new test, which is strikingly the same as the statutory language in the Copyright Act, the Court rules that "the designs on the surface of the respondents' cheerleading uniforms in this case satisfy these requirements." However, while the two-dimensional surface decorations are protectable, the Court explicitly confirms that the new test "does not render the shape, cut, and physical dimensions of the cheerleading uniforms eligible for copyright protection."

Of note, the majority opinion did not provide much guidance on how to apply the new test. To present a stronger case of copyright protection for an article of apparel, the copyright owner should clearly identify the pictorial, graphic, or sculptural feature in the work of art, and make sure that the utility function of the clothing (e.g., useful article) can be defined separate and apart from any graphical, pictorial, or structure features.

IMPORTANT DATES

- March 22, 2017 – Supreme Court issues decision
- Oct. 31, 2016 – Supreme Court oral arguments
- May 2, 2016 – Supreme Court grants petition for a writ of certiorari
- Jan. 5, 2016 – Star Athletica files petition for a writ of certiorari with Supreme Court
- Aug. 19, 2015 – Sixth Circuit issues decision

COURT DOCUMENTS

- Supreme Court decision
- Supreme Court oral arguments transcript
- Star Athletica’s petition to the Supreme Court
- Sixth Circuit decision

MEDIA

Banner & Witcoff attorneys are available to answer questions and discuss this case. Media inquiries should be directed to Amanda Robert (312) 463-5465 or arobert@bannerwitcoff.com.