

Issues of Industrial Property Law in Fashion Law: An Examination of Constructing a Legal System for the Fashion Business*

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This report examines the problem of industrial property rights related to fashion law, mainly in the United States. First, we examine the discussion of intellectual property rights on fashion in the United States and confirm the situation where trademarks are emphasized. Next, we examine cases on trademarks and fashion in the United States, and point out that cases related to fashion influenced the formation of the legal theory related to trade dress. After that, we introduce views that infringement of intellectual property such as piracy would benefit the fashion industry, and to utilize trademarks in fashion business, being especially critical of the latter opinion. A study will be conducted. Finally, we present problems in Japanese Law and summarize this report by giving suggestions from examination of American law.

I. Introduction

In the United States, the intellectual property rights most closely related to fashion are trademark rights. The negative reason is that copyrights and design patents are difficult to apply in the fashion area. The positive reason is that a trademark is a perpetual right. Compared with a design patent of 15 years in duration and a copyright of 70 years in duration, it has been pointed out that trademarks are regarded as a brand's financial strategy due to the superiority of the validity period.

This report will consider industrial property rights in the area of fashion, focusing on issues related to trademark. The legal system of trademarks in the United States is centered on a federal law called the Lanham Act enacted in 1946. A new framework has been created to protect trademarks and to prevent unfair competition by the Lanham Act. In addition to traditional trademark infringement, the Federal Trademark Dilution Act enacted in the Congress in 1995 adds dilution of a trademark to the causes of complaint. Thereafter, in the revised Federal Trademark Dilution Act enacted in 2006, a trial could be initiated if proof of the possibility of dilution only proves the dilution of prominent marks.

* This is a summary of the report published under the 2018 Collaborative Research Project on Harmonization of Industrial Property Right Systems under a commission from the Japan Patent Office.

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In the American fashion area, trade dress is protected by the Lanham Act. Originally, trade dress was accepted for the package of a product, but it has come to be accepted for the configuration and design of a product. In the fashion industry, trade dress is approved for handbags, tennis shoes, jewelry, children's clothing and watch products.

II. Cases of trademark and trade dress in fashion area

1. Preface

This report will examine cases in the US related to fashion. There is a case that is not related directly to fashion, such as the design of shops, but this case is a representative precedent trade dress.

2. *Abercrombie & Fitch Co. v. Hunting World, Inc.*

In the judgment of *Abercrombie & Fitch Co. v. Hunting World, Inc.*,¹ the term “safari” was regarded as a problem. In this judgment, a decision was made from the lowest degree of protection concerning the term, from (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful². In generic terms, it is stated that eligibility for protection as a trademark is not recognized, while for descriptive terms, it is said that eligibility for protection as a trademark is recognized by showing a secondary meaning³. The court concluded that the term “safari” is generic, therefore a trademark is allowed to use the term “safari.”

3. *Two Pesos, Inc. v. Taco Cabana, Inc.*

In *Two Pesos, Inc. v. Taco Cabana, Inc.*⁴ in 1992, the interior and exterior of a shop became a problem as trade dress⁵. The Supreme Court showed that the classification set forth by Abercrombie & Fitch also applies to trade dress⁶ and that the standard related to the distinctiveness of trademarks also applies to trade dress. In this case, the Supreme Court stated that the trade dress at issue has inherent distinctiveness so that eligibility for legal protection would be recognized without proof of a secondary meaning. At the same time, the Supreme Court insists that it is only when the trade dress

¹ *Abercrombie & Fitch Co. v. Hunting World, Inc.* 537 F. 2d 4 (2nd Cir 1976).

² *Id.* at 9.

³ *Id.* at 10.

⁴ *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992).

⁵ Darius C. Gambino and William L Bartow, *Trade Dress: Evolution, Strategy & Practice* (2015), 170.

⁶ *Two Pesos*, 505 U.S. at 768.

does not have sufficient distinctiveness to require proof of the secondary meaning⁷.

4. *Wal-Mart v. Samara Brothers, Inc.*

In 2000, *Wal-Mart v. Samara Brothers, Inc.*⁸, fashion design and color were examined by the Supreme Court, from the viewpoint of eligibility for protection under the Lanham Act. The Supreme Court confirmed that the concept of trade dress applied to product packages also includes product design⁹. The case indicates two ways that eligibility for legal protection in unregistered trade dresses is obtained. The first, trade dress with inherent distinctiveness, is eligible. The second, trade dress with a secondary meaning, has come to be protected. Regarding the trade dress of color, referring to the position indicated in the Supreme Court decision on *Qualitex*, the position is shown that the eligibility for protection of a trademark would be accepted only when showing a secondary meaning¹⁰. The Supreme Court also presented an opinion that designs of products as well as color do not have inherent distinctiveness, so then, they would be protected as trade dress when showing a secondary meaning¹¹.

5. *Louis Vuitton Malletier v. Dooney & Bourke*

In the case of *Louis Vuitton Malletier v. Dooney & Bourke*¹² in the New York Southern District Court 2008, the design of handbags printed in multicolored marks registered as a trademark was contested. In this case, the eligibility for protection under the Lanham Act, the possibility of confusion, and dilution of the trademark were at issue. This judgment considers the factors in the so-called Polaroid test about the possibility of confusion, and most of the factors work favorably for D&B, the defendant, regarding the consumer handbags in question¹³. It was also judged that there was no confusion among consumers as to whether there was a transmission source, partnership relationship, or support relationship between the plaintiff and the defendant. Also, when considering whether dilution by blurring has actually occurred, the court showed on the one hand that LV's multicolor monogram was recognized as famous mark¹⁴, and on the other hand that the psychological connection was insufficient as a requirement for dilution¹⁵.

⁷ *Id.* at 769.

⁸ *Wal-Mart v. Samara Brothers, Inc.*, 529 U.S. 205, (2000).

⁹ *Id.* at 209.

¹⁰ *Id.* at 212 (quoting *Qualitex*, 514 U.S. at 162-163).

¹¹ *Id.* at 213.

¹² *Luis Vuitton Malletier v. Dooney & Bourke*, 561 F. Supp. 2d 368 (2008).

¹³ *Id.* at 389-390.

¹⁴ *Id.* at 391.

¹⁵ *Id.* at 392.

6. *Christian Louboutin v. Yves Sant Laurent America*

In *Christian Louboutin v. Yves Sant Laurent America*¹⁶ in 2002, the Second Circuit considered whether a single color would be recognized as a mark of a special style in high fashion in women's shoes. Christian Louboutin is known as a high fashion designer of women's shoes and the shoes made by Louboutin have been characterized by their feature: a bright, lacquered red outsole. In 2011, YSL prepared to market a line of monochrome shoes in purple, green, yellow and red. The style of the monochrome shoes uses the same color on the entire shoe so that the red version includes a red insole, heel, upper, and outsole. Louboutin filed an action asserting claims under the Lanham Act for trademark infringement, false designation of origin and unfair competition, and trademark dilution. The court stated that there is a possibility that even a single color for apparel products may have eligibility for protection as a trademark¹⁷. In this judgment, as a result of the single color being frequently and remarkably used by a specific designer, the main significance of the color is regarded as functioning as a symbol indicating the origin of the product, not the product itself¹⁸. The court judged that Louboutin's Red Sole had obtained a limited secondary meaning¹⁹. Though, because of the fact that the shoe design by YSL applies the red color to the entire shoe, the court concluded that there is no possibility of confusion²⁰.

7. Verification of cases in the United States

As a result of examining US cases, this report points out that the following points should be discussed. First of all, this report points out that cases related to fashion have influenced the formation of trade dress principles. There are two standards by which trade dresses are legally protected. The first standard stated by the court is to distinguish between a product package and a product configuration or design for trade dress. The second standard is that the product's package has its own discriminating power, but with regard to trade dress of a product configuration or design, in order to obtain eligibility for protection under the Lanham method, it is necessary to indicate a secondary meaning.

Secondly, what this report states is that it is needed to show a secondary meaning in order to protect a product design and color as trade dress. For these reasons, for protection as a trademark of trade dress in the fashion area in the United States, the design of the product must have acquired a

¹⁶ *Christian Louboutin v. Yves Sant Laurent America*, 696 F.3d 206 (2012).

¹⁷ *Christian Louboutin*, 696 F.3d at 224.

¹⁸ *Id.* at 226.

¹⁹ *Id.* at 225.

²⁰ *Id.* at 228.

secondary meaning. Secondary meaning referred to here indicates that the mark and trade dress are related to a specific origin. So then, designs that can receive protection as a trademark or trade dress will be limited to those that show their origins.

III. Discussion on the relationship between fashion and trademark

1. The Piracy Paradox

In the United States, the theory of the so-called Piracy Paradox is advocated in connection with the application of intellectual property rights to fashion²¹. In the theory of the Piracy Paradox, copying of a fashion design like piracy promotes innovation so then, it is desirable that there is no protection by intellectual property rights. This opinion is supported by two theoretical explanation models. The first is that copying encourage obsolescence of former designs and the second is that copying anchors a particular design as a trend.

This theory positions it as a descriptive model that tries to explain the law situation of the United States, that legal protection by intellectual property rights is not sufficient. This theory presents why the US situation is reasonable in the fashion area.

2. The Devil Wears Trademark

A view to criticize the application of trademarks in the fashion area has been proposed in an article titled "The Devil Wears Trademark."²² First of all, this article states that protection of quasi-designs by trademark gives motivation to logo/fashion design²³. As an objection to this assertion, this report presents the opinion that it is not reasonable to take a position to criticize a specific design from the viewpoint of law such as that a design related to a logo is not innovative. Second, according to the argument of this article, protecting a designed logo with a trademark is convenient for existing designers and it is disadvantageous for emerging designers²⁴. From this descriptive explanation, this report would like to point out that caution is necessary as to whether we can directly lead a normative argument that the protection of a fashion design by trademark should be restricted. Third, this article points out that in the protection of quasi-designs by the court, it is impossible to introduce

²¹ Kal Raustiala & Christopher Sprigman, *The Piracy Paradox: Innovation and Intellectual Property in Fashion Design*, 92 VA. L. REV. 1687 (2006).

²² Note, *The Devil Wears Trademark: How the Fashion Industry Has Expanded Trademark Doctrine to its Detriment*, HARV. L. REV. vol. 127, 995 (2014).

²³ Note, *supra* note (22), at 1011.

²⁴ Note, *supra* note (22), at 1013.

comprehensive long-term protection that is sufficient for designers' trust²⁵. Such a view is based on an evaluation that the criteria indicated by the US cases are insufficient. On the contrary, this report insists that judicial precedents on American trade dresses show a certain degree of clear standards for protection of fashion designs.

IV. Review of Japanese law

This report examined the trademark issue related to the American fashion area. The center of this consideration was problems related to trade dress.

If it is supposed to introduce the trade dress protection system in Japan as a whole, it will be seen that in the United States, even for trade dresses which have not acquired a secondary meaning, they are subject to preliminary registration²⁶.

Regarding trademarks in the United States, attention must be paid to the fact that the pre-use principle is the basis of the trademark system. Trade dress in the United States also reflects the principle of pre-use. Finally, this report points out that the adjustment between the pre-registration principle and the pre-use principle is a fundamental problem in the trademark system.

²⁵ Note, *supra* note (22), at 1013.

²⁶ Gambino & Bartow, *supra* note (5), at 431.