FASHIONLAW REVIEW

February 2012

The Fashion Week Edition

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A graduate of LUISS Guido Carli University School of Law (Rome) in July 2011, Daniele Giorgio focused his research in Intellectual Property during the last part of his academic career writing a Thesis on Luxury Brand Management and the legal protection of industrial property rights in the luxury field. Coming from Italy, homeland of the most important fashion houses in the world, Daniele, enthusiastically joined SBC Law Group to be part of this new adventure.

WELCOME to FLR!

Just in time for New York, London and Paris Fashion Weeks, we are pleased to introduce Fashion Law Review (FLR), a law journal with a *fashionable* perspective. We believe, much like the District Court in Christian Louboutin vs. Yves Saint Laurent (pg. 2) that analysis of legal issues affecting the fashion industry requires a different standard. To this end, FLR endeavors to infuse a bit of whimsy into our jurisprudence. The result, we believe will not only be informative but pleasant reading.

The text book that I use in my Fashion Trend Forecasting class at the Community College for DC defines fashion as "a dialogue among the creative industries (fashion, interior design, the arts and entertainment) that propose innovations and consumers who decide what to adopt or reject." Who can help creatives navigate this broad industry? We believe fashion lawyers are the best advocates.

In this premier issue, we celebrate fashion lawyers, like Kenya Wiley; welcome International Fellow, Daniele Giorgio; comment on the recent Louboutin trademark case and analyze the America Invents Act. Additionally, we thank the local DC fashion community for supporting DeBrief Fashionably™, a fashion law roundtable hosted by the Fashion Law and Policy Center. FInally, we are pleased to support the Intellectual Property Students' Association as they present the 2nd Annual Fashion Law Week™ to be held at Howard University Law School February 27-March 2, 2012.

Join the Fashion Law Conversation,

Mariessa Terrell
Editor, Fashion Law Review

DEBRIEF FASHIONABLY™
A Fashion Law Roundtable

The Fashion Law and Policy Center (FLPC) was founded to educate others on new developments in Fashion Law; conduct independent research; and to provide recommendations that 1) strengthen intellectual property laws to protect American designers; 2) foster economic opportunities for American fashion designers; and 3) encourage innovation in the field of fashion.

In 2011, the FLPC launched DeBrief Fashionably, a monthly fashion law roundtable. On February 6, 2012, Debrief Fashionably was held at Howard University School of Law. The topic for discussion was the trademark case, *Louboutin vs. YSL*. In addition to witty banter related to the case, guests enjoyed a reception featuring a screening of L'Amour Fou, a documentary about the life of French couturier Yves Saint Laurent. Refreshments were provided by Taylor sandwich shop and Organo Gold coffee. The next DeBrief Fashionably will be sponsored by the Black Law Students' Association and will be held on April 2, 2012 at 7pm at the Catholic University of America - Columbus School of Law. Alyssa Gowens, Director at TwinLogic Strategies, a Washington, D.C. based government firm representing the Council of Fashion Designers of America among others will be the featured speaker. Alyssa will discuss pending federal legislation that impacts the fashion industry. *RSVP*: www.fashionlawpolicycenter.com

Christian Louboutin vs. Yves Saint Laurent
778 F. Supp. 2d 445 (2011)

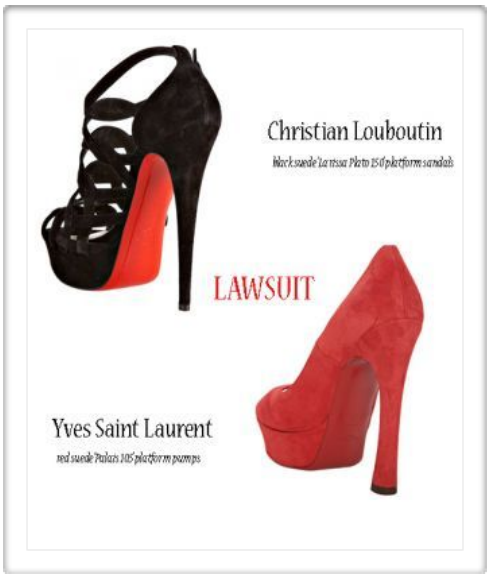
By Elisa Yi, Howard Law School, 2L

In 1992, Parisian-born designer Christian Louboutin started coloring the outsoles of his high fashion women's shoes with a bright red in order to make the shoes more "engaging, flirtatious, memorable, and…sexy." Even though the designer does not use print advertisements to promote his creations – preferring red carpets and celebrities endorsement - the red soles became so synonymous with Christian Louboutin among the fashion lovers that the U.S. Patent and Trademark Office ("USPTO") awarded a registered trademark for the "lacquered red soles" in 2008. Yves Saint Laurent ("YSL") is a world famous French fashion house founded in 1962 that produces ready-to-wear collections, including footwear. Since the 1970s, YSL's collections have even included the occasional red outsole shoes. In January 2011, Louboutin filed suit against YSL because their 2011 Cruise collection included four shoes (Tribute, Tribtoo, Palais, and Woodstock) with red outsoles. Louboutin claimed that YSL infringed their trademark and requested an injunction against YSL. The issue brought before the court was whether trademark protection should not have been granted to that registration, even though Louboutin was acknowledged as innovative and was highly associated with the red outsoles. The challenge was to determine when the use of color is a design element and when it is a trademark.

Louboutin asserted several claims under the Lanham Act (which deals with trademark law in the U.S.): trademark infringement and counterfeiting, false designation of origin and unfair competition, and trademark dilutions. They also filed claims under state law for: trademark infringement, trademark dilution, unfair competition, and unlawful deceptive acts and practices. Basically, Louboutin believes that allowing others to use the red soles, will create irreparable harm to the brand because of the potential "copycats." YSL counterclaimed seeking: cancellation of the Red Sole Mark on the grounds that it is not distinctive, ornamental, functional, and was secured by fraud on the PTO. They also sought damages for tortious interference with business relations and unfair competition. Essentially, YSL believes that fashion designers should not be able to monopolize a color.

On August 10, 2011, District Court Judge Victor Marrero, denied the injunction requested by Louboutin. Judge Marrero explains that color serves ornamental and aesthetic functions in the fashion industry. Therefore, the court finds that Louboutin is not likely to be able to prove that the red outsole brand is entitled to trademark protection, even if it has gained enough public recognition in the market to have acquired secondary meaning. In delivering the opinion, Judge Marrero did acknowledge that it is possible for color to be trademarked in the fashion industry; however, he explained that the difference was that this was possible only for distinct patterns or combinations of shades like the Louis Vuitton logo or Burberry check pattern.

On Monday, October 17, 2011, Louboutin filed their appeal. Louboutin is arguing that the red sole is too vital to the brand's identity; therefore, allowing others to use it would be harmful to Louboutin. Louboutin reiterates their main points, but also goes further to say that the judge made "errors of law in determining that Louboutin's red outsole mark was likely invalid." Louboutin's counsel also claimed that YSL's shoe caused "consumer confusion," which is a critical component to determining if a trademark has been violated. According to the brief Louboutin's "trademark status has been conferred upon it by the consuming public…only public recognition can breathe life into another mark, whether it be a single color, several colors or



another design element."

On October 24, 2011, Tiffany & Co. filed an amicus brief in support of Louboutin. Tiffany's is known for their "little blue box" and has a registered color trademark which we fondly know as "Tiffany Blue." Although there is a distinction between Louboutin's mark and Tiffany's mark - one is for "product packaging," the other for "product configuration"- the eventual cancellation of Louboutin's red sole trademark would "weaken color trademarks across the world of fashion," as noted by Susan Scafidi, director of Fordham University's Fashion Law Institute. The entrance of Tiffany clearly underlines how the whole case is not just about Louboutin's sexy pumps anymore, but the entire world of fashion. If Louboutin would lose his "monopoly," other world-known fashion houses face serious problems. Just think about the "red-Valentino", Versace's "neo classical baroque prints" or Missoni's signature crocheted knits.

This is a real Fashion Law Emergency!

Fashion Law Week™ City Council Resolution

Enacted By the City Council of the District of Columbia

FASHION LAW WEEK™ FEBRUARY 27 THROUGH MARCH 2, 2012, RECOGNITION RESOLUTION OF 2012

WHEREAS, The Intellectual Property Students' Association, was established at the Howard University School of Law located in Washington, DC in the fall of 2003 to encourage law students to learn more about the legal field of intellectual property;

WHEREAS, the Intellectual Property Students' Association recognizes the importance of Fashion Law, a legal discipline that deals with the day to day business problems of the fashion and beauty industries and incorporates relevant concepts from intellectual property, commercial sales, customs, real estate, employment, advertising law, and more;

WHEREAS, in March 2011, the Intellectual Property Students' Association under the leadership of Candace Key and Danielle Moore and with the support of Fashion Attorney and Advisor Mariessa Terrell, was the first to create Fashion Law Week™, a week of fashion law events to provide students, the local community, fashion aficionados, and designers with a substantive overview of Fashion Law, career opportunities in Fashion Law, and networking opportunities with Fashion Law professionals;

WHEREAS, the Intellectual Property Students' Association Fashion Law Committee under the leadership of Fashion Law Chair Edidiong A. Utuk and with the support of the Intellectual Property Students' Association Fashion Law Board consisting of Telena Cassell, Whitney McGuire, Courtney Durham, Tempest Gaston, Heran Medhin, Yolanda Melville, Attorney Candace Key and Attorney/Advisor Mariessa Terrell, presented Fashion Law Week™ at Howard University School of Law from February 27, to March 2, 2012;

WHEREAS, with the support of sponsors, including, Macy's, BarBri, SBC Law Group, FashionTrademarks.biz, Washington Area Lawyers for the Arts, Salon Essence, Krystal Ugo Productions, Red Velvet Cupcakes and Once Upon a Prom, the Intellectual Property Students' Association Fashion Law Week™ 2012 events included a Formal Dress Drive; a Discussion on Maintaining Fashion Flair in the Legal Field; two Fashion Law Roundtables, one of which is moderated by Mariessa Terrell; and a Keynote Address featuring Susan Scafidi, Professor of Law and Director of the Fordham University School of Law Fashion Law Institute, and first U.S. Law Professor ever to offer a course in Fashion Law; and

WHEREAS, Fashion Law Week™ 2012 will also include, "Intelligent Design" a fashion show displaying the work of local and emerging fashion designers, namely, Korto Momolu, St. John Collection; Studio Max; St. Chic; Gwen Beloti; Simply love; Kim Schlack; JEM Scarves; Diva Delicious; The Gold Diggers; and Diamantina Handbags.

RESOLVED by the Council of the District of Columbia that this Resolution may be cited as the FASHION LAW WEEK™ FEBRUARY 27 THROUGH MARCH 2, 2012 RECOGNITION RESOLUTION OF 2012.

Q&A

Kenya Wiley

Fashion Cloture: Fusing Fashion and Politics
Follow Fashion Cloture on Facebook and Twitter!
http://fashioncloture.blogspot.com/

When did you create your fashion law blog, Fashion Cloture? Why?

I launched Fashion Cloture in January 2011 as a way to connect the fashion industry and fashion-minded consumers with Washington politics. As an attorney and former owner of an accessories design business, I have seen firsthand how the legal system and policies impact the fashion industry.

What does Fashion Cloture mean?

The term "cloture" refers to the Senate process requiring a 60-vote threshold to limit debate, and thus, advance key legislation. Fashion Cloture embodies the process of keeping the fashion industry informed of public policy issues, so that the industry can work to shape and advance fashion legislation and regulations.

Many do not believe that WDC can ever be a fashion capitol. Do you agree?

I agree that, with respect to fashion policy, Washington, DC can be a fashion capitol. There are so many public policy and political issues that are discussed on Capitol Hill and in the Administration, including innovation, the protection of intellectual property, trade, manufacturing, and small business initiatives. As for fashion designers, the fashion industry has grown immensely in Washington, DC, as seen by the number of talented designers in the area and Howard University School of Law's Fashion Law Week program.

What is Fashion Law?

Fashion Law is a compilation of the legal issues that impact the business of fashion. Most designers automatically think of trademarks and overall intellectual property (IP) as fashion law, but there are other practice areas that impact the fashion industry. For example, it is critical that designers and manufacturers understand customs and international trade laws when importing and exporting their products. Tax and employment law are also important areas for the business of fashion.

Do you think Senator Schumer's legislation (The Innovative Design Protection and Piracy Prevention Act) will ever become law?

Senator Schumer introduced the Innovative Design Protection and Privacy Prevention Act (IDPPA) (S. 3728) during the 111th Congress, and it is expected that he will reintroduce his bill this Congress. Representative Bob Goodlatte (R-VA) introduced the House companion bill (H.R. 2511) on July 13, 2011, and the House Judiciary Committee held a hearing on the legislation on July 15, 2011. The fashion industry as a whole, from emerging designers to retailers, could benefit if the IDPPA were to become law, and I expect that it will eventually pass both the House and the Senate. It often takes several years, and numerous congressional sessions before a bill can become law. That's just part of the legislative process.

Does the American legal system adequately protect fashion?

I believe that more protection is needed, and the IDPPA would definitely help. As Lazaro Hernandez of Proenza Schouler stated in his July 2011 testimony before the House Judiciary Committee, "without this legislation, this creativity and innovation that has put American fashion in the position of leadership will dry up." I also believe that more needs to be done to combat entities that sale and distribute online counterfeit goods.

From your vantage point on the Hill, what are the main legal issues that affect the fashion industry?

Intellectual property, trade, and tax reform are the main legal issues that affect the fashion industry. The Administration has stressed the importance of American manufacturing in rebuilding the economy, as evidenced in President Obama's recent State of the Union Address. I expect that there will be more emphasis to encourage American businesses to manufacture in the United States.

How can WDC position itself to be a player in the fashion industry?

Every city has its strengths, and Washington is best known for public policy and politics. The best way for Washington, DC to be a player is to help protect the creativity of fashion through advancing public policy initiatives and by showcasing Washington's fashion talent.

AMERICA INVENTS ACT

By Daniele Giorgio

"A good idea is never lost. Even though its originator or possessor may die without publicizing it, it will someday be reborn in the mind of another." ~ Thomas Edison

As any inventor or innovator will tell you, an invention will never work without proper timing. This means that society has to be prepared to accept it, technology must be in place to be able to accommodate it, and the economic climate needs to be just right for it to move forward past the idea phase. However, securing a patent for that invention is all about timing, too, and inventors need to be aware of some recent drastic changes.[1]

Patent reform has been the topmost agenda in US Economic Reforms. The key priorities of Obama Administration, mainly stimulation of economic growth and generation of employment opportunities, recognized technological innovation as a means to reinstate economic momentum. The patent reform is considered as an essence to foster innovation, encourage competition among countries, and stimulate job growth and to guard companies from misuse and abuse of the patent system. The Smith-Leahy America Invents Act (Smith-Leahy Act/AIA), signed by President Obama on September 16, 2011 is the fulfillment of long cherished dream of American entrepreneurs[2].

"I am pleased to sign the America Invents Act. This much-needed reform will speed up the patent process so that innovators and entrepreneurs can turn a new invention into a business as quickly as possible," said President Obama. "I'm also announcing even more steps today that will help bring these inventions to market faster and create jobs. Here in America, our creativity has always set us apart, and in order to continue to grow our economy, we need to encourage that spirit wherever we find it."[3]

The Leahy-Smith America Invents Act makes significant changes to the patent system, including:

•*First-Inventor-to-File Priority System*. The America Invents Act shifts the U.S. patent priority rule from the current "first-to-invent" system to the "first- inventor-to-file principle" while allowing for a one-year grace period.

•*Prior User Rights*. The legislation establishes an infringement defense based upon an accused infringer's prior commercial use of an invention patented by another.

•*Assignee Filing*. Under the America Invents Act, a patent application may be filed by the inventor's employer or other entity to whom rights in the invention are assigned.

•*Post-Grant Review Proceedings*. The America Invents Act changes the current system of administrative patent challenges at the U.S. Patent and Trademark Office (USPTO) by establishing post-grant review, *inter partes* review, and a transitional program for business method patents.

•*Public Participation in USPTO Procedures*. The legislation allows members of the public to submit pertinent information to the USPTO concerning particular applications both before and after patent issuance.

•*USPTO Fees.* The new law stipulates fees for USPTO patent services and allows the agency to adjust the fees in order to cover its costs. It also requires that fees collected above the amount provided for in the appropriations process be used only for the USPTO.

•*Patent Marking*. The America Invents Act limits lawsuits challenging patent owners with false patent marking and allows for virtual, Internet-based marking.

•*Patentable Subject Matter*. The America Invents Act prevents patents claiming or encompassing human organisms and limits the availability of patents claiming tax strategies.

•*Best Mode*. The statute maintains the requirement that patents describe the best mode, or superior way for practicing the claimed invention, but eliminates failures to do so as a basis for invalidating the patent.[4]

The most remarkable change to existing United States patent law is the implementation of a first-to-file rule which replaces the first-to-invent rule. Under this new rule the inventor who first files a patent application in the US patent Office is granted patent protection over anyone else who claims to be the inventor of the same technology.[5]

The first to file regime, and the consequent modifications of "prior art", impacts applications with an effective filing date on or after March 16, 2013, eighteen months from the enactment of the Reform Act. During this eighteen-month period, the PTO is required to produce reports to Congress regarding the effect of the new law, including a study examining the effect on small businesses.[6]

The Reform Act also creates a grace period, during which a patentee's disclosures about his or her invention will not act

AMERICA INVENTS ACT (continued)

as prior art that potentially invalidates the patent.[7] Moreover, these early disclosures may serve to inoculate the patent from third-party prior art during the period from the disclosure to the patent's effective filing date. To receive the benefit of the grace period, a patentee must "disclose" the claimed invention.[8]

The Reform's Act make a profound modifications to prior art definitions, too. The effective filing date (not the date of invention) becomes the primary reference point for identifying prior art. This new prior art consists of patents and printed publications that describe the claimed invention or instances where the claimed invention was in public use, on sale, "or otherwise available to the public before the effective filing date." Thus, public availability is now a prerequisite for all prior art. In addition, the Reform Act removes geographic limitations; it is no longer a requirement that knowledge, use, or sales occur in the U.S.[9]

Inventors and assignees looking to take advantage of the amendments must be conscious of how their decisions are impacted by international laws. Pre-filing disclosure can bar the inventor from seeking a patent in many foreign patent systems. So, in some cases, prompt and detailed public disclosures—as the Reform Act seems to encourage—may adversely impact an inventor's rights to seek patent protection in foreign jurisdictions. International companies seeking to patent inventions in multiple jurisdictions must carefully weigh the potential costs of losing international protection against the benefits of the grace period awarded under the Reform Act.[10]It may be that the best method of securing an early U.S. filing date for companies and inventors seeking international patent protection is to file a provisional patent application[11].

The most important provisions of the Leahy Smith Act (more formally the Leahy Smith America Invents Act, Public Law 112-29 (September 16, 2011)) are yet to come into force. March 16, 2012, and September 16, 2012, are critical dates to mark the advent of critical provisions of the new law.[12]

The "Patent Bubble Year" starts March 16th for original first filings begins March 16, 2012, and runs up until Friday, March 15, 2013, the day before major changes in the patent law take : Applications filed after March 15, 2013, are governed by the new definition of prior art including first-to-file while patents based upon such applications are open to the draconian Administrative Patent Revocation Trials at the Patent Trial and Appeal Board (PTAB) known as "Post Grant Review".[13]

Open season for administrative patent revocation trials against all patents granted more than nine months ago commences September 16, 2012 in the form of Inter Partes Review. This trial procedure may be likened to "inter partes reexamination on steroids" to attack any patents still in force even though filed many years ago. A truncated months long procedure will start and end at the Patent Trial and Appeal Board without examiner participation based upon testimony of experts who will be subject to discovery including depositions. No refiling is permitted nor is a trial de novo within the statutory scheme; only an appeal to the Federal Circuit is possible.[14]

Much of what has been proposed in this paper is based upon an understanding of the statute but without knowledge of the Rules of Practice that may apply to the new law, particularly in the area of Administrative Patent Revocation Trials. Proposed rulemaking to be published shortly in the Federal Register will help illuminate the future practice in such areas.[15]

AMERICA INVENTS ACT (End Notes)

[1] George Rondeau, *"America Invents Act" Patent Law overhaul: the benefits and the drawbacks," available at* www.startuplawblog.com (November, 2011)

[2] Lydia Chitra Jacob, "Smith Leahy America Invents Act – A major reform to Patents Law", http://legalservices.bizandlegis.com

[3] The White House, Office of the Press Secretary, *"President Obama Signs America Invents Act, Overhauling the Patent System to Stimulate Economic Growth, and Announces New Steps to Help Entrepreneurs Create Jobs"*, www.thewhitehouse.org

[4] Thomas Schacht, *"The Leahy-Smith America Invents Act: Innovation Issues, Congressional Research Service"*, 7-5700 www.crs.gov R42014

[5] Lydia Chitra Jacob, *"Smith Leahy America Invents Act – A major reform to Patents Law"*, www.legalservices.bizandlegis.com

[6] Leahy-Smith America Invents Act, Pub. L. No. 112-29, § 3

[7] Joan T. Kluger, *"Patent Prosecution Strategies Under the Smith-Leahy America Invents Act"*, Intellectual Property Alert, September 2011

[8] Leahy-Smith America Invents Act, Pub. L. No. 112-29, § 3

[9] Kluger, *supra*.

[10] Id

[11] 157 Cong. Rec. S1369 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl).

[12] Harold C. Wegner, *"The 2012 Leahy-Smith Act Onslaught,"* available at http://www.scribd.com/doc/77138792/LeahySmith2012Onslaught-Jan2 (Jan. 2012).

[13] Id

[14] Id

[15] Id

Save the date!

Intellectual Property Students' Association Presents

The 2nd Annual Fashion Law Week™ 2012

Fashion Law Week DC

How to Maintain Your Fashion Flair in the Legal Field
Monday, February 27, 2012
12:20 p.m. – 1:30 p.m.
Houston Hall Classroom 4

Fashion Law Roundtable
Tuesday, February 28, 2012
Day Session (lunch will be served)
12:15 p.m. – 1:30 p.m.
Houston Hall Classroom 4
Evening Session
6:30 p.m. – 8:00 p.m.
Law Library 101

Keynote Address
Speaker: Professor Susan Scafidi - Director of Fordham Fashion Law Institute
Wednesday, February 29, 2012
6:30 p.m. – 8:00 p.m.
Pauline Murray Conference Room

Keynote Address Reception
8:15 p.m. –9:30 p.m.
Pauline Murray Conference Room

Fashion Show
"Intelligent Design"
Friday, March 2, 2012
7:00 p.m. – 9:30 p.m.
Location: The Mansion on O Street

Formal Dress Drive
Monday, February 27, 2012 – Friday, March 2, 2012
Formal dresses will be donated to Once Upon a Prom
Email for dress pick up or drop off:

Sponsors: Macy's, Barbri, Red Velvet Cupcakery, VitaminWater, Pinkberry, WALA (Washington Area Lawyers For the Arts), IPSA, and SBC IP Law Group

Food will be served at all events

Howard University School of Law
2900 Van Ness Street Northwest Washington, DC 20008-1154

Visit www.FashionLawWeekDC.org for more information on panelists and designers

Photo Credit: Just2shutter

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A FASHION INTELLECTUAL