

Reproduced with permission from BNA's Patent, Trademark & Copyright Journal, 94 PTCJ 738, 7/14/17. Copyright © 2017 by The Bureau of National Affairs, Inc. (800-372-1033) <http://www.bna.com>

COPYRIGHTS

A recent ruling by the U.S. Supreme Court regarding the protectability of designs on cheerleader uniforms offers a more uniform and expansive standard for determining whether features appearing on clothing are conceptually separable and protectable as separate works of expression. The ruling is also likely to have an important impact on the emerging 3-D printing industry.

The New Standard for Copyright Protection of Useful Articles: *Star Athletica* and its Impact on the 3-D Printing Industry



BY JIM STRONSKI, PREETHA CHAKRABARTI, AND
JORDON PARKER

The Supreme Court had us biting our nails this term, as we waited for its decision on the copyrightability of useful articles. In March, the Supreme Court addressed the copyrightability of cheerleading uniforms in *Star Athletica, LLC. v. Varsity Brands, Inc.*, No. 15-866, 137 S. Ct. 1002 (2017), holding that chevron-patterned uniforms met its new separability test for copyright protection.

Star Athletica established a new standard to determine when such articles, however useful, may still be protected by copyright due to their aesthetic features. The metes and bounds of what is protectable under *Star Athletica* will of course be developed through litigation; however, two important things may be said now about the case.

First, it appears to broaden significantly the scope of useful articles that may be protected by copyright, and,

second, it supplants varying tests articulated by the Circuits with a uniform standard and although major fashion labels had some of the widest eyes and loudest voices during the hard-fought copyright case, younger industries also had skin in the game.

Because the issue was the proper interpretation of “separability” for “useful articles” under the Copyright Act, emerging industries such as 3-D printing took notice too.

Section 101 of the Copyright Act recognizes that “pictorial, graphic, and sculptural” (“PGS”) works may contain uncopyrightable “mechanical or utilitarian aspects.”

The protectable non-utilitarian PGS aspects of a useful article can only be protected if they “can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.”

The act defines a useful article as “having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.”

And, that's pretty much all Congress wrote. Needless to say, federal circuits diverged on the definitions of "identified separately from," "existing independently," and "intrinsic utilitarian function."

The greater consistency that the application of a single test should achieve will no doubt be welcome by many in the 3-D printing industry. But the expanded scope of protection, however more consistently applied, can be expected to create new risks and opportunities for the stakeholders in this emerging industry.

How Did We Get Here?

It all started with a lamp sculpture that incorporated statuettes of male and female dancing figures. The dispute over the extent of the copyrightability of the statuettes made it all the way to the Supreme Court in *Mazer v. Stein*, 347 U.S. 201 (1954). *Mazer* ended up setting in motion the useful articles doctrine, holding that "artistic articles are protected in form but not their mechanical or utilitarian aspects."

Mazer said that "nothing . . . support[s] the argument that the intended use or use in industry of an article eligible for copyright bars or invalidates its registration."

It was pretty easy to conceptualize a sculpture separately from the cords and bulb of a lamp. The more enmeshed the aesthetic and useful features become, however, the more difficult it is to draw the line between the two.

In the Second Circuit, the test evolved around ornamental aspects being "conceptually separable from their subsidiary utilitarian function" (*Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989, 993 (2d Cir. 1980)).

This meant that, "where design elements can be identified as reflecting the designer's artistic judgment exercised independently of functional influences, conceptual separability exists" (*Brandir Int'l, Inc. v. Cascade Pac. Lumber Co.*, 834 F.2d 1142, 1145 (2d Cir. 1987)).

The Seventh Circuit followed the Second, with nearly identical analysis: "If the elements do reflect the independent, artistic judgment of the designer, conceptual separability exists" (*Pivot Point Int'l, Inc. v. Charlene Prods.*, 372 F.3d 913, 931 (7th Cir. 2004)).

If conceptual separability sounded easy, you would be right at home in the Second or Seventh Circuits. But if, like many of us, you squinted your eyes and scratched your head, pondering what in the world it all means, the Fifth Circuit was on your side. This "conceptual separation continues to flummox federal courts," according to *Galiano v. Harrah's Operating Co.*, 416 F.3d 411, 419 (5th Cir. 2005).

For ease of application, *Galiano* held the test to be satisfied where "there is substantial likelihood that even if the article had no utilitarian use it would still be marketable to some significant segment of the community simply because of its aesthetic qualities."

There were more tests throughout the circuits, significantly arming the litigator's arsenal. Unfortunately, this meant considerable uncertainty for many industries.

Where Are We Now?

Three-D printing industry stakeholders have faced considerable uncertainty about whether and under

what circumstances useful articles made with this technology are protected.

Members of the industry banded together to argue to the Supreme Court, as amici, that "users of 3-D scanners and cloud sharing platforms cannot be sure whether they can lawfully create and share digital and physical 3-D replications of real-life objects."

Because the scope of copyright protection for useful articles is important to many industries—not least of which are the fashion and the emerging 3-D printing industries—the court took up the case and articulated a new standard to identify, in useful articles, separable aesthetic features subject to protection.

This is the test *Star Athletica* has given us:

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.

Prong two of the new standard introduces a concept that seems to depart from the Section 101 "existing independently" requirement for the incorporated feature. Arguably, this standard appears to further erode the dividing line between applied art and industrial design, expanding the scope of copyrightable features.

Some IP scholars have opined that the courts have already "abstracted away from the distinction Congress intended," arguing that, once extracted, the feature should "stand alone as an original . . . (PGS work) that is not a useful article."

Echoing this, law professors Christopher Buccafusco and Jeanne Fromer argued in their amicus brief that both the Copyright Act and the court "have long recognized the dangers of allowing creators to use the copyright system to receive protection for utilitarian features Functionality is more properly channeled to the design or utility patent systems."

Clearly, the court was not as fearful that this decision would cross the dividing line, but instead gave the useful articles doctrine a new leg to stand on.

By virtue of coming from the Supreme Court, the new test may introduce greater consistency, but frustratingly, its application may be as confusing as the pre-existing circuit law. But it is clear that this test is more expansive than most of the previous circuit law and should be more easily satisfied.

The *Star Athletica* district court found that the chevron patterns and cheerleading uniforms in question could not be "physically or conceptually" separated under Section 101 "from the utilitarian function" of the uniform.

Before the Sixth Circuit reversed and the Supreme Court granted certiorari and decided *Star Athletica*, this narrower view of separability under Section 101 was common in district courts across the country. The district courts of the Second Circuit, for example, would have likely come to a similar conclusion, limiting the protection of useful articles based on Section 101.

Interestingly, Section 101's literal language requires the protectable design feature to be "capable of existing independently of the utilitarian aspects." The court's test allows for the feature to exist "either on its own or fixed in some other tangible medium of expression."

The language of the new standard that allows the work of art to be perceived in some other medium, and not simply in the useful article, would seem to be a material expansion of the scope of protection that should grant some level of protection to the aesthetic features of many useful articles that under earlier standards would not have been protected.

While the ripple effect of this decision will be decided in the coming years of litigation, we can comfortably say that copyright protection in the realm of useful articles has been widened.

Features of useful articles that previously were not protected will now be protectable under copyright, and copyright protection will now become a new quiver in the bow for those in any design-focused industry seeking to protect the original, aesthetic design features of useful articles.

We address the impact this brave new copyright world may have on stakeholders in 3-D printing.

Individual Creators

Individual creators will most assuredly enjoy expanded copyright protection. Many courts would have found the chevron patterns at issue in *Star Athletica* inseparable from the uniforms. It's unclear to what extent the scope of aesthetic expression has been expanded, and individual creators will still have to surpass originality requirements. The court did express at least some reservation whether the surface decorations on the cheerleading uniforms met the threshold originality requirement.

Now, the portions of underlying computer aided design (CAD) files and standard tessellation language (STL) files written for 3-D renderings and productions that were once thought largely uncopyrightable because of their utilitarian nature may now contain material protected by the author's copyright.

Defining and separating the protectable portions of these files has been difficult in the past, but this new expansion may lead to more blanket copyright rights.

Downstream and Add-on Innovators

Because the initial creator will likely be able to claim more in the underlying CAD or STL file, those who access non-public domain files in order to build on top of them will need to be more cautious. What once may have been thought to be uncopyrightable may now be copyrightable.

To protect oneself as a downstream creator, borrowing from other works, it will become increasingly more important to rely on Creative Commons attribution licenses, public domain files, and familiarization with fair use.

Three-D Printing Providers

The 3-D printing industry now has its single standard. This is a good thing in that legal departments for companies such as Shapeways and Formlabs can now draft uniform service agreements and copyright terms.

However, with growing copyrightability in the realm of useful articles, these companies will need to have in place stringent takedown procedures pursuant to the safe harbor provided for in Section 512 of the Digital

Millennium Copyright Act, since undoubtedly more copyright holders may come out of the woodwork to claim expanded rights in the designs of their useful articles.

So, while certain transaction costs may be reduced, insofar as uniform service agreements are concerned, time will tell whether those resources will just need to be funneled back into these companies' legal departments for takedown reviews.

One thing 3-D printing companies and downstream innovators should not do is be bullied by copyright holders claiming IP rights too broadly. Some companies such as Shapeways rely on the freedom of users to upload, alter, download, and print in a relatively open and burden-free virtual space.

These providers should remember that these are still useful articles, and "ownership of a copyright in a pictorial representation of a useful article does not vest the owner of the picture with a derivative copyright in the useful article itself" (*Eliya, Inc. v. Kohl's Dep't Stores*, No. 06 Civ 195 (GEL), (S.D.N.Y. Sep. 13, 2006)).

Those who offer 3-D printing resources should be apprised of the extent to which copyrightability in CAD files of useful articles may or may not extend.

Three-D Scanners

The risks and challenges arising from *Star Athletica* may have the most obvious impact on the 3-D scanning industry. Previously, devices that had more than significant IP-infringing capabilities could nevertheless be saved if they possessed substantial non-infringing uses. Sony's Betamax escaped contributory infringement because it was "capable of commercially significant non-infringing uses" (*Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 442 (1984)).

Meanwhile, Grokster's peer-to-peer file-sharing platform performed few noninfringing functions, and its creators expressly intended for it to be used to download copyrighted works, thus providing grounds for a compelling record in that case for induced infringement (*MGM Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913 (2005)).

Grokster left a little wiggle room for unanticipated technologies, saying, they are "mindful of the need to keep from . . . discouraging the development of technologies with lawful and unlawful potential."

"[J]ust as Sony did not find intentional inducement despite [general] knowledge," *Grokster* held that "mere knowledge of infringing potential or of actual infringing uses would not be enough here to subject a distributor to liability."

Of course, *Grokster* was liable in that case. In 2017, is a 3-D scanner more like a 1984 Betamax or a 2005 peer-to-peer file-sharing platform?

When it comes to "induced infringement," evidence of "active steps taken to encourage direct infringement" will be necessary, according to *Grokster*.

This risk thus may be mitigated with appropriate contractual terms, terms of condition of use, and certain policies. But what is the contributory liability risk for 3-D scanners? Do they have "commercially significant noninfringing uses?" The technology behind 3-D scanning does indisputably attempt to capture as exact a copy as possible of the 3-D object.

A copyright suit requires (1) the plaintiff's valid copyright and (2) that the defendant copied the copyrighted

work. The copying element may be proved by (1) the defendant's access to the copyrighted work and (2) the substantial similarity to that work.

Three-D scanning of a copyright protected useful article would necessarily involve access and the production of a substantially similar work. Indeed, it would involve copying by its very use.

As disconcerting as it may be, 3-D scanners may need to rely on the *Grokster* dicta, that courts should remain "mindful" of the "development of technologies."

Some articles scanned or printed with 3-D printing technology should continue to be merely useful articles not protectable under *Star Athletica* and so a reasonable record to support a finding of commercially significant noninfringing uses to address the contributory infringement issue should be maintained.

The risk of liability for 3-D scanner makers may also be limited by the prudent and consistent use of terms of use language and certain policies that clarify that the created product is in no way intended to be used to re-

produce things with valid copyrights or to otherwise infringe an intellectual property right of another.

Moving Forward

The Supreme Court has now given us what should be a more uniform and expansive separability standard for useful articles.

A single standard and the uniformity it should breed will enable stakeholders to develop policies on use and licensing where copyright protection is more likely to exist, so as to limit infringement risk.

And at the same time, authors of design features of useful articles should have expanded opportunities to protect their works. For the 3-D printing industry, *Star Athletica* poses new risks and opportunities for those who most effectively address these new risks. It undoubtedly will have an important impact on this emerging industry.