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Fashion Licensing

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Aloha, Copyrights

On October 23, 2018, Rube P. Hoffman, a California textile manufacturer known for their Hawaiian prints and aloha shirts, filed a copyright infringement suit in the Central District of California against Zara USA, Inc., one of the world's largest fast fashion retailers with over 2,000 stores worldwide. *Rube P. Hoffman Co. v. Zara USA, Inc.*, 2:18-CV-09114 (CD CA Oct. 23, 2018). The copyright infringement claim is based on alleged similarities between two of the companies' textile designs. In the complaint, Hoffman claimed exclusive rights and ownership of U.S. copyright registrations over the two textile designs at issue, and further claimed that they had never granted permission, license, or consent for Zara to use the designs. Hoffman also asserted claims for Unfair Competition under the Lanham Act and California law. Hoffman demanded an end to any further production, distribution, or sale of the allegedly infringing designs; the delivery and destruction of all merchandise bearing the designs; damages; and legal fees.

Copyright Infringement Suits Not Uncommon in Fashion Industry

This is not the first time that Zara has been subject to a copyright infringement suit, having been listed as a defendant in

two other suits this year. Zara is not alone. Other popular fast fashion retailers like Forever 21 and Urban Outfitters have also been subject to copyright infringement suits in the recent years. One can understand why textile manufacturers bring forth such suits; a successful suit for copyright infringement could result in relatively high-damage awards. For example, in April 2017, the Ninth Circuit found Urban Outfitters to have willfully infringed a copyrighted fabric design, to the tune of about \$530,000 in damages and costs.

Hoffman stated in their complaint that a motivating factor for filing the lawsuit is that "the Hoffman name has become nearly synonymous with Hawaiian prints," and they will suffer substantial diversion of trade, loss profits, and a dilution in the value of their reputation, particularly given that Zara is selling the allegedly infringing designs in California, which is Hoffman's largest market.

The two designs at issue in Hoffman's complaint is their "Orchid Design" which was issued a copyright registration on February 17, 1983, and their "Island Silkie Design" which was issued a copyright registration on August 20, 1999.

Proving Substantial Similarity and Access to Designs





To prove copyright infringement, proof of ownership of the

allegedly copied work as well as copying of the protected elements of the copyrighted design are required. *Narell v. Freeman*, 872 F.2d 907, 910 (9th Cir. 1989). Hoffman's certificates of copyright registration will likely be provided as prima facie evidence of validity and ownership. Next, Hoffman will need to show either direct evidence of Zara's copying or that: (1) Zara had access to Hoffman's copyrighted designs and (2) the two designs are substantially similar.

Hoffman's complaint alleges that Zara had access to their copyrighted Island Silkie Design through goods sold in the marketplace, having sold the specific design to numerous parties in the apparel industry, including Stüssy and Land's End. Additionally, to support that the two designs are substantially similar in terms of their elements, composition, colors, arrangements, layout, and overall appearance, Hoffman provided a side-by-side comparison of their design to Zara's accused design.

Hoffman's complaint further alleges that Zara had access to their copyrighted Orchid Design through goods sold in the marketplace, primarily focusing on the design being worn by Tom Selleck on the popular Magnum P.I. television shown in the 1980's. Again, to support the claim that the two designs are substantially similar in terms of their elements, composition, colors, arrangements, layout, and overall appearance, Hoffman provided a side-by-side comparison of their Orchid Design to Zara's accused design.

Zara filed its answer on December 3, 2018, and denied all allegations contained in Hoffman's complaint, including that Zara had access to the

Hoffman's Island Silkie Design	Zara's Accused Design
	
	

designs at issue. Zara asserted 19 affirmative defenses including that Hoffman's copyright registrations are fraudulent, improper, or invalid. Zara further asserted that the Hoffman's copyright registrations and derivative claims of infringement constitute misuse of the copyrights and "misapplication of the law and statutes on which they are ostensibly based." Zara explained that Hoffman's registrations are intended to further an exclusive or limited monopoly and claim ownership of non-original work that is already in the public domain and therefore freely available to use. Additionally, Zara asserted that any use of the copyrighted designs at issue is *de minimus*

and constitutes fair use and therefore does not constitute infringement. Zara has requested that Hoffman's complaint be dismissed with prejudice and that Zara be awarded its costs of suit, including reasonable attorney's fees.

This case presents interesting questions regarding access to copyrighted works. For example, will Hoffman's Orchid design being worn in connection with a popular fictitious television show be sufficient to establish Zara had access to the copyrighted design? *Magnum P.I.* was initially televised for seven years, was regularly ranked by Nielsen as a top twenty U.S. television program, won two Emmy

awards, and was nominated for seventeen. However, the final episode of *Magnum P.I.* aired in 1988, and will this fact require that further evidence of use in the marketplace be provided? Stay tuned.

Ian Gillies, a partner with Knobbe Martens in San Diego, CA, uses his former career as an engineer, inventor, and professional musician to bring a unique perspective in representing similarly-minded creative and inventive clients. His practice includes procurement of patents, trademarks, and copyrights for his clients. He provides counsel and due diligence related to intellectual



property licensing, registrability, acquisition, and infringement risk.

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