Vanderbilt Law Review

Volume 11
Issue 2 *Issue 2 - A Symposium on Trade Regulation and Practices*

Article 15

1957

The Limits of State Jurisdiction in Affording Common Law Protection to Clothing Designs

Leonard S. Elman

THE LIMITS OF STATE JURISDICTION IN AFFORDING COMMON LAW PROTECTION TO CLOTHING DESIGNS

LEONARD S. ELMAN*

The recent case of *Dior v. Milton*[1] indicates that the "misappropriation" doctrine of the law of unfair competition will be applied to impose liability upon unlicensed users of original clothing designs. The purpose of this article is to outline briefly the statutory protection presently available for such designs, and to discuss certain problems raised by the *Dior v. Milton* decision.

Protection Under Federal Statutes

The Constitution, in article I, section 8, provides that Congress shall have power to enact legislation "to promote the progress of science and the useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries." This provision is the constitutional basis for federal patent and copyright legislation. There is little argument that this grant of power is broad enough to permit congressional legislation protecting designs. In the past, many bills have been introduced providing specifically for "design copyright,"[2] and although defeated on policy grounds, their constitutionality was not seriously doubted.[3] The question has never been judicially decided, however, and must wait for the time legislation specifically providing for design copyright is enacted.[4]

Based upon this constitutional grant, designs which meet the requirements of the Design Patent Act,[5] and which are properly registered, will be protected against infringement. However, because relatively few designs are successful, and even successful designs are

* B.A., Syracuse University; LL.B., Harvard Law School; member, New York and District of Columbia Bars.

1. 155 N.Y.S.2d 443 (Sup. Ct. 1956), *aff'd without opinion,* 156 N.Y.S.2d 996 (App. Div. 1st Dep't 1956).

2. These were the so-called "Vestal Bills." *E.g.,* H.R. 11852, 71st Cong., (1930) (passed by House of Representatives on July 2, 1930.)

3. The following remarks were made on the constitutionality of one of the Vestal Bills:

"It may be expected that the courts will attach enough weight to the presumption of legislative reasonableness to reject the argument that the actual effect of the bill will be to aid manufacturers rather than authors and inventors. Nor does it seem likely that greater weight will be attached to the 'due process' objection which has also been advanced by opponents of the bill." Note, 31 COLUM. L. REV. 477, 493 (1931).

4. The Design Patent Act, see note 5, *infra,* however, which provides for the registration of dress designs, has been held to be constitutional. *Cf.* Untermeyer v. Freund, 58 Fed. 205, (2d Cir. 1893).

5. 35 U.S.C. § 171 (1952).

commercially valuable for only a short period of time, design patent registration is considered too expensive and time consuming to be practical. Furthermore, the requirements of "patent novelty," and invention apply equally to design patents[6] and would, in most cases, prevent securing of an effective patent.

Copyright would clearly be a commercially feasible method for imposing liability in design infringement cases. If an article is capable of copyright protection, publication with notice of copyright is all that is necessary to secure the benefits of the statute.[7] There is no requirement of patent novelty, and if the product is the original work of its creator it will be protected against an infringing copy.[8] However, when the designs for which protection is sought are intended for utilitarian purposes, obtaining an effective copyright is extremely difficult. Even if it is assumed that the copyright clause of the Constitution will allow Congress to protect such designs,[9] the Copyright Act[10] does not expressly provide for their registration. The act provides, however, for the registration of "works of art," and "designs for works of art,"[11] and efforts have been made to register clothing designs in these categories. The difficulties in securing such protection appear insurmountable. While *Mazer v. Stein*[12] has held that a design is not rendered uncopyrightable as a work of art merely because it is patentable under the Design Patent Act, most authorities have held that a dress design is not a work of art, and that while a sketch of a design is copyrightable, it is the sketch, and not the design, which is the "work of art" capable of protection.[13] The Copyright Office has taken the same view, and its regulations do not allow for the registration of a dress as a work of art,[14] although textile designs are now to be afforded copyright registration.[15]

One question that does not appear to have been authoritatively

6. Alfred Bell & Co. v. Catalda Fine Arts, 191 F.2d 99 (2d Cir. 1951); Neufeld-Furst & Co. v. Jay-Day Frocks, Inc., 112 F.2d 715 (2d Cir. 1940); White v. Leanore Frocks, 120 F.2d 113 (2d Cir. 1941).
7. 17 U.S.C. § 10 (1952).
8. Dorsey v. Old Surety Life Ins. Co., 98 F.2d 872 (10th Cir. 1938); Seltzer v. Sunbrock, 22 F.Supp. 621 (S.D. Cal. 1938).
9. See note 3 *supra.*
10. See note 7 *supra.*
11. 17 U.S.C. § 5(g) (1952).
12. 347 U.S. 201 (1954).
13. BALL, THE LAW OF COPYRIGHT AND LITERARY PROPERTY 87 (1944) has said:
"A work of art within the meaning of Section 5(g) is something which the labors of an artist have been employed, regardless of artistic merit. A dress or other article of wearing apparel is not a work of art within the meaning of this definition and cannot be protected by copyright."
"A dress cannot be classified as a work of art under the foregoing rule and cannot be registered for copyright. The registration of a drawing of the dress can give no exclusive right to make and sell the dress, because it is the drawing, and not the dress, which is assumed to be a work of art." *Id.* at 394.
14. 37 C.F.R. § 202.10(c) (Supp. 1957).
15. 37 C.F.R. § 202.10(b) (Supp. 1957).

answered is whether clothing designs are not registerable because they are not "works of art," or whether they are not registerable because the Copyright Office, in the exercise of its discretion, does not feel they are works of art. Furthermore, assuming that the Copyright Office's refusal to accept a dress design for registration is an incorrect interpretation of the "work of art" provision of the act, would one who "publishes" a dress with notice of copyright be able to successfully maintain a suit against an infringer without first seeking to compel the Copyright Office to register the dress?[16] Most judicial authorities imply that an article of apparel is not a "work of art" within the meaning of the act,[17] but have never, of course, ruled upon the case in which such an article was accepted by the Copyright Office for registration.

In this connection, it should be noted that the categories of articles set forth in section 5 of the Copyright Act are not exclusive. Section 5 says "the above specifications shall not be held to limit the subject matter of Copyright as defined in section 4 of this title, nor shall any error in classification invalidate or impair the copyright protection secured under this title." Section 4 states that "the works for which copyright may be secured under this title shall include all the writings of an author." If section 4 of the Act is co-extensive with the constitutional grant, and if clothing designs are within the copyright clause of the Constitution, a strong argument can be made that clothing designs are copyrightable even though not as "works of art." In other words, section 4 can be viewed as a broad exercise of authority by Congress, while section 5 merely sets up the mechanics of securing registration. Consequently it may be argued that there exists a class of copyrightable articles which are not specifically listed in section 5 of the statute. This issue was briefly discussed in *Mazer v. Stein,* and while Justice Reed was of the opinion that section 4 should not be given such a broad interpretation, he did not take a strong position on the question nor did he base his decision on this point. In any event, the question has never been decided and it is more likely that the "works of art" category will be broadened than that a definitive decision will be reached on the scope of section 4. Certainly *Mazer v. Stein* indicates a broadened reading of section 5(g), as does *Trifari, Kruss-*

16. In Bouve v. Twentieth Century Fox Film Corp., 122 F.2d 51 (D.C. Cir. 1941) the plaintiff prevailed in an action for mandamus to require the Register of Copyrights to accept for registration as a book a collection of contributions to periodicals. A rather restrictive view of the effect of the Copyright Office's regulations was taken in this case. Mazer v. Stein, 347 U.S. 201 (1954) takes a broad view of the use of Copyright Office regulations in interpreting the phrase "work of art," but bases this view mainly on successive reenactments of this provision by Congress in the face of this administrative interpretation.

17. Jack Adelman, Inc. v. Sonners & Gordon, Inc., 112 F. Supp. 187 (S.D.N.Y. 1934); Kemp & Beatley, Inc. v. Hirsch, 34 F.2d 291 (E.D.N.Y. 1929); National Cloak & Suit Co. v. Standard Mail Order Co., 191 Fed. 528 (S.D.N.Y. 1911).

man & Fishel, Inc. v. Charel Co.,[18] where costume jewelry was held to be within the scope of section 5(g). It remains doubtful, however, whether clothing designs are now copyrightable notwithstanding this more liberal construction of the statute, particularly in the absence of a change in Copyright Office regulations.[19]

Protection Under State Law

In the absence of statutory protection the law of "unfair competition" has been resorted to as a basis for achieving protection. Traditionally, protection of designs under the law of unfair competition is predicated upon the presence of "passing-off."[20] If the design becomes associated in the mind of the public with the manufacturer, (thereby achieving a "secondary significance") then the non-functional elements of the design will be protected against an infringing copy.[21] In the absence of "secondary significance" and "confusion of source" it has traditionally been held that no liability under the law of unfair competition will be imposed.[22]

Because the popularity of dress designs lasts for only a limited time, it is difficult to perceive how a design can achieve "secondary significance." Furthermore, it is likely that the design itself will be held to be functional, and hence incapable of achieving secondary meaning.[23] However, protection in the absence of passing off has also been afforded in cases involving fraud or breach of contract.[24] Thus, in *Margolis v. National Bellas Hess Co.*[25] defendant obtained copies of plaintiff's uncopyrighted dress designs with the understanding that if defendant did not wish to purchase the design it would return it to plaintiff, and would not sell it or otherwise commercially exploit it. In violation of this agreement, defendant included this design in his catalogue. In granting relief to the plaintiff, the court held:

> In this case, the plaintiffs' style No. 700 . . . was obtained by the defend-

18. 134 F. Supp. 551 (S.D.N.Y. 1955).

19. It is extremely difficult to differentiate in certain cases between an article which is a work of art in itself but has utilitarian applications (*i.e.*, the statuettes in Mazer v. Stein, the costume jewelry in Trifari, Krussman & Fishel, Inc. v. Charel Co., and attractively shaped utilitarian articles (*e.g.*, a wrist watch; see Vacheron & Constantin-Le Coultre Watches, Inc. v. Benrus Watch Co., 155 F. Supp. 932 (S.D.N.Y. 1957)). Nonetheless, this appears to be the test in determining whether or not an article is a "work of art" within the meaning of the Copyright Act.

20. Lewis v. Vendome Bags, Inc., 108 F.2d 16 (2d Cir. 1939); see 1 NIMS, UNFAIR COMPETITION AND TRADE-MARKS 52 (4th ed. 1947).

21. General Time Instruments Corp. v. U.S. Time Corp., 165 F.2d 853 (2d Cir. 1948); Globe-Wernicke Co. v. Brown & Besley, 121 Fed. 90 (7th Cir. 1902); *cf.* Mastercrafters Clock and Radio Co. v. Vacheron & Constantin-Le Coultre Watches, Inc., 221 F.2d 464 (2d Cir. 1955).

22. Lewis v. Vendome Bags, Inc., 108 F.2d 16 (2d Cir. 1939).

23. Crescent Tool Co. v. Kilburn & Bishop Co., 247 Fed. 299 (2d Cir. 1917).

24. Tabor v. Hoffman, 118 N.Y. 30, 23 N.E. 12 (1889).

25. 249 N.Y. Supp. 175 (Sup. Ct. 1931), *aff'd*, 257 N.Y. Supp. 912 (App. Div. 1st Dep't 1932).

> ant from the plaintiffs under an express agreement limiting its use; it was actually copied and was used by the defendant in violation of its express contract with the plaintiffs and under the circumstances constituting a breach of trust and confidence. Even in the present state of the law the piracy of styles is not entirely without the pale of the Eighth Commandment.[26]

In recent years the law of unfair competition has been expanding to cover cases where the sole element involved is the "unjust enrichment" of one of the parties.[27] This development in the law has been accomplished, to a large extent, upon analogy to common law copyright, and really involves inverted unfair competition. In order to avoid "unjust enrichment" the courts have created property rights in literary and artistic creations even though that "property" is beyond the purview of the copyright and patent statutes.[28] Instead of imposing liability in cases where the property of one person is "palmed off" as the property of another, liability is found when the "property" of another is sold by one as his own. At the center of this new area of the law is what has been described as "that splendid solecism,"[29] the case of *International News Service v. Associated Press*.[30] In that case, the plaintiff was engaged in the business of gathering news throughout the world, and furnishing it to member newspapers. The news so obtained was not copyrighted, but was "published" so as to divest the plaintiff of any common law copyright it was thought to have had. Defendant's actions consisted of copying this news from bulletin boards and early editions of newspapers served by plaintiff. It should be noted that none of the traditional elements of "passing off" were present, nor was it found that defendant had acted fraudulently or in breach of contract. Nonetheless, the Supreme Court held that relief was properly granted to plaintiff, saying:

> In doing this defendant, by its very act, admits that it is taking material acquired by complainant as the result of organization and the expenditure of labor, skill and money, and which is salable by complainant for money, and that defendant, in appropriating it and selling it as its own, is endeavoring to reap where it has not sown, and by disposing of it to newspapers that are competitors of complainant's members is appropriating to itself the harvest of those who have sown.[31]

This was not the first case in which the federal judiciary created

26. 249 N.Y. Supp. at 179.
27. Schechter Poultry Co. v. U.S., 295 U.S. 495, 532 (1935).
28. See Callman, *He Who Reaps Where He Has Not Sown; Unjust Enrichment In The Law of Unfair Competition*, 55 HARV. L. REV. 595 (1942).
29. Kaplan, *Performer's Right and Copyright: The Capitol Records Case*, 69 HARV. L. REV. 409 (1956).
30. 248 U.S. 215 (1918).
31. *Id.* at 239.

common-law property rights in intellectual creations.[32] However, because it was a Supreme Court decision, one would have thought that the case would mark the beginning of a deluge of cases in which owners of noncopyrighted, published, intellectual property would be granted relief against infringing articles. But, at least in the federal courts this has not been the case. Taking their cue from the Brandeis dissent[33] the federal courts have denied relief in cases involving the infringement of, for example, uncopyrighted or uncopyrightable phonograph records,[34] women's clothing[35] and racing forms.[36] Judge L. Hand ruled in the *Cheney Brothers* case,[37] which involved the piracy of an uncopyrighted textile pattern, that:

> In the absence of some recognized right at common law or under the statute—and plaintiff claims neither—a man's property is limited to the chattels which embody his invention.[38]

It is apparent that the trend in the federal courts is to restrict the rationale of the *International News Service* decision to its facts, and not to extend it to cases that do not involve the collection of news.[39]

The attitude of the federal courts is based upon the idea that by creating property rights in articles which are within the scope of the patents and copyright clause of the Constitution, the federal courts would be operating in an area reserved by the Constitution to Congress.[40] Furthermore, in cases where copyright or patent protection

32. See, *e.g.*, Fonotopia, Ltd. v. Bradley, 171 Fed. 951, 964 (C.C.E.D.N.Y. 1909), where plaintiff's uncopyrighted musical records were copied by the defendant. In granting relief to plaintiff the court said:
"[I]t would seem that where a product is placed upon the market, under advertisement and statement that the substitute or imitating product is a duplicate of the original, and where the commercial value of the imitation lies in the fact that it takes advantage of and appropriates to itself the commercial qualities, reputation and salable properties of the original, equity should grant relief." *But see* G. Ricordi & Co. v. Haendler, 194 F.2d 914 (2d Cir. 1952), which overruled *Fonotopia*, although on a different issue.

33. 248 U.S. at 248. See particularly Justice Brandeis' remarks, *id.* at 262.

34. R.C.A. Mfg. Co. v. Whiteman, 114 F.2d 86 (2d Cir. 1940).

35. Cheney Bros. v. Doris Silk Corporation, 35 F.2d 279 (2d Cir. 1929).

36. See, *e.g.*, Triangle Publications v. New England Newspaper Publishing Corp., 46 F. Supp. 198 (D. Mass. 1942).

37. Cheney Bros. v. Doris Silk Corporation, 35 F.2d 279 (2d Cir. 1929).

38. *Id.* at 280.

39. Mastercrafters Clock & Radio Corp. v. Vacheron & Constatin-Le Coultre Watches, 221 F.2d 464 (2d Cir. 1955), ostensibly was a secondary significance case. However, it was not contended that there was a tendency on the part of defendant's product to confuse purchasers into thinking it was plaintiff's product. Rather, relief was granted to plaintiff on the basis of the prestige inherent in owning plaintiff's product, and that some purchasers who were looking for a luxury clock would buy defendant's cheaper clock for the purpose of acquiring such prestige. The case thus appears to involve not a possibility of confusion of source, but simply the appropriation of plaintiff's design. It may indicate a trend in the federal courts away from the strict interpretation previously given to the *International News Service* decision.

40. This reasoning is inherent in the dissent in the *International News Service* case, in L. Hand's dissent in Capitol Records v. Mercury Records Corporation, 221 F.2d 657 (2d Cir. 1955) and in the majority decision in Cheney

is available, as is the case with phonograph records or textile designs, Congress has enacted an elaborate statutory method for securing protection. To grant a perpetual monopoly in articles in which Congress has expressly provided for a limited monopoly would be contrary to the policy of these acts.

This restrictive application of the *International News Service* doctrine has not always been followed in the state courts.[41] In *Waring v. WDAS Broadcasting Co.*[42] the Pennsylvania Supreme Court held that a performer has a common law property right in an uncopyrightable performance. A "performer's right" was probably also recognized by the New York courts in *Metropolitan Opera Ass'n v. Wagner-Nichols Recorder Corp.*[43] *Dior v. Milton* has recently extended this rationale to the infringement of dress designs. In that case, plaintiffs were well known Parisian designers and manufacturers of women's fashions. At regular intervals these designers exhibited their most recent fashions to a restricted and exclusive group who were admitted to the displays only at the express invitation of plaintiffs, and only after they were made aware of and agreed to be bound by the "conditions" of admission to the displays. (These conditions obligated such guests not to disclose what they had observed at the display.) The defendant published a sketch service, in which it printed sketches of dress designs. This service was sold to domestic manufacturers of ladies clothing. Defendant attended plaintiff's shows, and although it agreed to be bound by the conditions of admission, nonetheless included certain designs that it observed at the show in its sketch service. In holding for plaintiff, the court might have rested its decision on breach of contract or fraud. Or, since it apparently decided that no publication had taken place,[44] it might have based its decision on common law copyright.[45] The court disregarded these possibilities, however, and based its decision on "unjust enrichment," on the fact that equity ought to grant relief against flagrant commercial immorality of this type, and that the law of unfair competition no longer requires a finding of "palming off" as a necessary condition to the granting of relief in these cases. In so holding the court relied upon *Fonotopia Ltd. v.*

Bros. v. Doris Silk Corp., 35 F.2d 279 (2d Cir. 1929), Fashion Originators Guild v. FTC, 114 F.2d 80 (2d Cir. 1940) and R.C.A. Mfg. Co. v. Whiteman, 114 F.2d 86 (2d Cir. 1940); *cf.* Reichelderfer v. Quinn, 287 U.S. 315 (1932).

41. See 1 NIMS, *op. cit. supra* note 20, at 57-66, for a collection of cases decided in various state courts where recovery for misappropriation of common-law property was allowed, even though no "passing off," "breach of contract" or "fraud" was alleged or shown.

42. 327 Pa. 433, 194 Atl. 631 (1937).

43. 199 Misc. 786, 101 N.Y.S.2d 483 (Sup. Ct. 1950), *aff'd*, 279 App. Div. 632, 107 N.Y.S.2d 795 (1st Dep't 1951).

44. 155 N.Y.S.2d at 457.

45. L. Hand, in his decision in Fashion Originators Guild v. FTC, 114 F.2d 80 (2d Cir. 1940) assumed that a dress designer had a common-law copyright in his work.

Bradley,[46] and *International News Service v. Associated Press*, and said:

> The modern view as to the law of unfair competition does not rest solely on the ground of direct competitive injury but on the broader principal that property rights of commercial value are to be and will be protected from any form of unfair invasion or infringement and from any form of commercial immorality, and a court of equity will penetrate and restrain every guise resorted to by the wrongdoer.[47]

The court also held that the plaintiffs did not "abandon" their designs by exhibiting them publicly. It is difficult to perceive the relevance of "abandonment" to a discussion of intangible common law property rights. If "abandonment" was intended to mean the same thing as "publication" it would appear to be irrelevant, for non-publication is not a necessary element to recovery under the law of unfair competition, even in the so-called "misappropriation" cases.[48] Nonetheless, since the court could not possibly have been discussing physical abandonment, it must have been thinking of something in the nature of a "publication," and its concern must have been as to whether what it accomplished under the name of unfair competition was in fact granting relief in cases where the articles, if published, would be in the public domain beyond the power of a state court to protect.[49]

It would appear that the New York court ruled upon two issues in *Dior v. Milton*. It has ruled, in the first place, that the law of New York has created a property right in a commercial design, and will protect the owner of this "property" against an infringing design. It has ruled, secondly, that even if the common-law property so created could be lost through a publication, a limited showing of the type involved in the case does not amount to such a publication. The court has strongly implied, or at least has indicated it fears, that if the design is published it will be thrown into the public domain, even though the property protected is created by the law of unfair competition.[50] The opinion fails to discuss two issues: first, what facts must occur in order for a dress design to be published and second, whether the moment of publication would be determined by New York or federal law.

Since the decisions in *Erie R.R. v. Tompkins*[51] and *Klaxon Co. v.*

46. 171 Fed. 951 (C.C.E.D.N.Y. 1909).
47. 155 N.Y.S.2d at 455.
48. In the *International News Service* decision, 248 U.S. at 222, relief was granted even though there was a "publication" of the infringed news matter, the Court specifically saying that relief is available even if the matter is copyrightable and in the public domain by virtue of having been published.
49. Viewed in this way, the decision would appear to be in agreement with the dicta in Fashion Originators Guild v. FTC, 114 F.2d 80 (2d Cir. 1940).
50. 155 N.Y.S.2d at 458.
51. 304 U.S. 64 (1938).

Stentor Co.[52] the federal courts in diversity of citizenship cases have applied the substantive law of the states in which they sit. State law is, of course, applied where the law of unfair competition is the basis for the action.[53] This has resulted in the federal courts reaching different decisions in cases arising since *Erie v. Tompkins* than they did under the "general commercial law" pursuant to *Swift v. Tyson.*[54] Hence, the Second Circuit, which in *R.C.A. Mfg. Co. v. Whiteman*[55] ruled against the existence a unique "performer's right," ruled in favor of such right in *Capitol Records v. Mercury Records Corp.,*[56] basing its decision on the New York law, which the court felt was to be found in *Metropolitan Opera Ass'n v. Wagner-Nichols Recorder Corp.* Similarly, the Court of Appeals for the Third Circuit has found that a performer's right exists in Pennsylvania under *Waring v. WDAS,* and hence ruled that a United States district court sitting in Pennsylvania must, in diversity cases, enforce such right.[57]

It is reasonable to believe, therefore, that the Second Circuit, notwithstanding its ruling in *Cheney Bros. v. Doris Silk Co.,*[58] will apply the New York law as found in *Dior v. Milton,* and further that if the New York law is extended by statute or decisional rule beyond the immediate facts of *Dior v. Milton,* so that what is ultimately created is a common-law design copyright, in the absence of any positive prohibitions the federal courts in New York must, in diversity cases, apply such law. The question that is yet to be answered is the extent to which the New York courts are free to create such property rights in artistic designs. This problem has received little judicial attention. It is generally assumed that once an article is copyrighted under the federal statute the states are powerless thereafter to enforce common-law copyright.[59] If the property is not actually copyrighted, but is copyrightable under the statute and if publication occurs it is well established that the common-law copyright will not survive.[60] *Dior v.*

52. 313 U.S. 487 (1941).
53. Ettore v. Philco Television Broadcasting Corp., 229 F.2d 481 (3d Cir. 1956).
54. 41 U.S. (16 Pet.) 1 (1842).
55. 114 F.2d 86 (2d Cir. 1940).
56. 221 F.2d 657 (2d Cir. 1955).
57. Ettore v. Philco Television Broadcasting Corp., 229 F.2d 481 (3d Cir. 1956). This decision, in fact, extended the scope of performer's right, as the unique performance involved was not of an "artistic nature," but was instead a prize fight.
58. 35 F.2d 279 (2d Cir. 1929).
59. Holmes v. Hurst, 174 U.S. 82 (1899); Societe des Films Menchen v. Vitagraph Co., 251 Fed. 258 (2d. Cir. 1918); Universal Film Mfg. Co. v. Copperman, 218 Fed. 577 (2d. Cir. 1914); White v. Kimmel, 94 F. Supp. 502 (S.D. Cal. 1950); Savage v. Hoffman, 159 Fed. 584 (S.D.N.Y. 1908). G. Ricordi & Co. v. Haendler, 194 F.2d 914 (2d Cir. 1952), held that the states cannot grant protection to uncopyrighted material contained in copyrighted articles once the copyright has expired, so long as the uncopyrighted material was copyrightable, and was not expressly excluded from the coverage of the notice of copyright.
60. Wheaton v. Peters, 33 U.S. (8 Pet.) 590 (1834).

Milton presents a still different situation; the articles involved have probably not been published, are probably within the scope of the copyright clause of the Constitution,[61] but cannot be copyrighted under present interpretations of the act.[62] Viewed as such, *Dior v. Milton* has merely recognized that under such circumstances a common-law copyright in certain designs will be enforced. Despite the broad language used by the court, no really unique result has been reached. The infinitely more difficult question is whether the states can create a perpetual monopoly in the literary property contained in the article, where the state law recognizes that a publication has in fact occurred.[63] Basic to the resolution of this difficulty is an answer to the question of whether, by statute or decisional rule, a state can grant post-publication protection to a copyrightable, uncopyrighted design.[64] These questions have not been expressly ruled upon by the federal courts. The ruling in the *International News Service* case, while holding that post-publication relief under the law of unfair competition was available, was not based upon state law. It represented, it is true, the judicial creation of property rights in an area which its critics have felt is constitutionally reserved to Congress, and it has been attacked on this basis. But it is clear that authority to create this property rested in the federal government and the question of whether the Supreme Court in so doing has usurped Congress' prerogative is not particularly pertinent to the question of a state's authority in this field. The courts, in the *Capitol Records* and *Ettore*[65] cases, while granting relief based upon state law, held expressly that no publication had occurred, and obviously felt that a showing of non-publication was a necessary condition to recovery. It should also be noted that in both cases the dissenting judges based their arguments on the fact that publication had occurred, and had divested the plaintiffs of any common-law property which they might have. Furthermore, *Dior v. Milton* is not the only state case in which relief based upon "unfair competition" has been allowed, and in which the court felt that if publication had occurred no "unfair competition" relief is available. In *Waring v. WDAS,* the court held that a public performance of a musical composition was not a publication, and that because of this the courts of Pennsylvania could grant relief to one who broadcasts a recording of such performance without the permission of the original

61. See discussion *supra* page 501.
62. See discussion *supra* page 501.
63. An example of this would be if, as a matter of federal decisional or statutory law, the limited showing involved in *Dior v. Milton* was deemed to be a divestive publication.
64. This would be the typical example of design piracy in the clothing industry.
65. Ettore v. Philco Television Broadcasting Corp., 229 F.2d 481 (3d Cir. 1956).

performer, citing *Ferris v. Frohman*[66] for the first proposition. Even the court in *Margolis v. National Bellas Hess Co.*, where unfair competition relief was based upon breach of contract, felt that no relief would be available if a divestive publication had occurred.[67]

It is extremely important at this point to discuss the concept of "publication" in the law of literary property. While there is little argument that a "publication" will dedicate the common-law property in a work, there is great confusion as to the reason that this occurs. One view, as exemplified by the majority opinion in the *Capitol Records* case, is that the states are free to decide when common-law rights are destroyed. The extreme opposite view is found in the opinions of Judge L. Hand.[68] It is Judge Hand's position that publication is of constitutional significance, and that articles within the scope of the copyright clause of the Constitution are forfeited when published, even if they are not entitled to statutory protection. In his dissent in *Capitol Records,* Judge Hand made the following remarks:

> I therefore recognize the plausibility of the possible argument that . . . the courts of New York should be free, sub nomine, 'unfair competition,' to determine what conduct shall constitute a 'publication' of a work not covered by the Copyright Act. It would then follow that they could grant to an author a perpetual monopoly, although he exploited the 'work' with all the freedom he would have enjoyed, had it been copyrighted . . . to do so would pro tanto defeat the overriding purpose of the clause, which was to grant only for 'limited times' the untrammelled exploitation of an author's 'writings.' Either he must be content with such circumscribed exploitation as does not constitute 'publication' or he must eventually dedicate his 'work' to the public.[69]

Earlier, in *RCA Mfg. Co. v. Whiteman,*[70] Judge Hand expressed similar sentiments saying:

> [T]hat being true, we see no reason why the same acts that unconditionally dedicate the common-law copyright in works copyrightable under the act should not do the same in the case of works not copyrightable.[71]

If a publication dedicates a work that is within the purview of the copyright clause but not copyrightable under the act, as Judge Hand argues, then a published dress design is dedicated irrespective of whether New York law creates property rights therein under the name of "unfair competition." This is implicit in the holding of

66. 223 U.S. 424 (1912).
67. 249 N.Y. Supp. at 178.
68. See G. Ricordi & Co. v. Haendler, 194 F.2d 914 (2d Cir. 1942); R.C.A. Mfg. Co. v. Whiteman, 114 F.2d 86 (2d Cir. 1940); Capitol Records, Inc. v. Mercury Records Corp., 221 F.2d 657, 664 (2d Cir. 1955) (dissent).
69. 221 F.2d at 666-67.
70. 114 F.2d 86 (2d Cir. 1955).
71. *Id.* at 89.

G. Ricordi & Co. v. Haendler.[72] However, if the New York courts are free to create rights in such designs which, by federal standards are published, then there is nothing to prevent the state of New York from creating a comprehensive system providing for design copyright. The most recent cases on this subject indicate that Judge Hand's view will not be accepted by the courts. Certainly, *Capitol Records* must be taken as expressing the Second Circuit's position, and *Ettore v. Philco Television Broadcasting Corp.*[73] that of the Third Circuit.

It has been pointed out elsewhere[74] that the underlying rationale of the majority opinions in *Ettore* and *Capitol Records* is to be found in the English case of *Donaldson v. Beckett,*[75] which held that common-law rights in literary property survive a publication when the property in question is not covered by the copyright statute. This rationale would apply equally to clothing designs, as the Copyright Act, under present interpretation, makes no greater provision for their registration than it does for the protection of a "performer's right." The *Capitol Records* and *Ettore* decisions clearly establish that if the New York courts were to protect published designs, nothing in the Federal Constitution would prevent them from so doing.[76]

Little attention has been paid to the effect of federal legislation in divesting the states of authority to act. In areas where the Copyright or Patent Acts can be said to have "occupied the field," state action would appear to be prohibited.[77] In determining the extent to which Congress has "occupied the field," it is necessary to distinguish between areas which Congress did not intend to affect at all, either by the Copyright or the Patent Act, and areas in which their failure to afford statutory protection can be interpreted as an expression of federal policy that no protection under the statute or otherwise shall be available.

Although, as has been discussed earlier,[78] considerable doubt exists as to whether clothing designs are copyrightable, little doubt exists that they are capable of design patent protection.[79] When these two statutes are viewed together, it is possible to perceive that Congress

72. 194 F.2d 914 (2d Cir. 1952).
73. 229 F.2d 481 (3d Cir. 1956).
74. See Nimmer, *Copyright Publication,* 56 COLUM. L. REV. 185, 189 (1956).
75. 4 Burr. 2408, 98 Eng. Rep. 257 (Ch. 1774).
76. Wheaton v. Peters, 33 U.S. (8 Pet.) 725 (1834). However, *Capitol Records* must be taken as overruling *R.C.A. Mfg. Co. v. Whiteman* and *Fashions Originators Guild v. FTC,* on this point.
77. Were this not true it is difficult to perceive how the states could grant common-law copyright on unpublished works, in the absence of specific congressional authorization, since the federal government can constitutionally provide for their protection. Marx v. United States, 96 F.2d 204 (2d Cir. 1938). Section 2 of the Copyright Act has been construed as a saving provision, not as enabling legislation. Press Publishing Co. v. Monro, 73 Fed. 196, (2d Cir. 1896); Crowe v. Aiken, 6 Fed. Cas. 904, No. 3,441 (C.C.N.D. Ill. 1870).
78. See page 501 *supra.*
79. See page 502 *supra.*

has constructed a fairly well defined scheme of statutory protection for such designs. The mere fact that design patent protection is difficult to obtain does not counter the argument that a comprehensive statutory plan has been established, and that articles within the purview of the scheme must comply with it if monopoly rights are to be secured. It is difficult to see the justification for a state created perpetual monopoly in articles that Congress has provided shall be capable of monopoly exploitation for a limited time, and then only when rather rigorous conditions have been complied with. Furthermore, if clothing designs are in fact copyrightable, either as "works of art" or as "the writings of an author," the authority for state action is even less apparent,[80] especially if the only thing that prevents statutory protection is Copyright Office practice.

It should be noted that if it is finally decided that state action is precluded because designs are copyrightable under the statute, designs will probably be thrown into the public domain at the moment of "publication."[81] Hence, even if "publication" does not have constitutional significance, it would mark the point at which the Federal Copyright Act, as a matter of paramount federal law, will operate to prevent a state from granting common-law protection. However, if it is decided that state protection is precluded not because designs are copyrightable, but because the extensive statutory framework indicates a congressional intent that property in articles not specifically provided for in the statute shall be forfeited, a standard other than publication in its copyright sense may dictate when such forfeiture takes effect. Such standard might rationally be established as the active commercial exploitation of the property, and might contemplate continued state protection of articles which, although technically "published," have not been commercially exploited to a degree repugnant to the federal policy inherent in the Copyright Act.[82] Certainly, copyright publication should not be the standard applied if state protection is prevented by the Design Patent Act alone, in such cases the engaging in those activities secured to an inventor by the Patent Act would be an appropriate criterion in determining the time that state action is precluded.[83]

In *Dior v. Milton* an exhibition of completed clothing to a limited

80. *Cf.* Remick Music Corp. v. Interstate Hotel Co., 58 F. Supp. 523 (D.C. Neb. 1944), *aff'd* 157 F.2d 744 (8th Cir.), *cert. denied*, 329 U.S. 809 (1947).

81. Holmes v. Hurst, 174 U.S. 82 (1899); National Comics Publications v. Fawcett Publications, 131 F.2d 900 (2d Cir. 1942); Universal Film Mfg. Co. v. Copperman, 212 Fed. 301 (S.D.N.Y. 1914), *aff'd*, 218 Fed. 577 (2d Cir. 1914); Wheaton v. Peters, 29 Fed. Cas. 862, No. 17,486 (C.C.E.D. Pa. 1832), *rev'd on other grounds*, 33 U.S. (8 Pet.) 590 (1842).

82. *Cf.* Holmes J., concurring in White-Smith Music Co. v. Apollo Co., 209 U.S. 1, 19 (1908).

83. In this connection, see 35 U.S.C. § 271 (1952), which specifies what actions will constitute an infringement of a patent. ("whoever without authority makes, uses or sells any patented invention . . . .").

group, presumably to encourage the sale of such designs, was held not to be a forfeiture of state created common-law rights. The New York court held that based upon New York law no forfeiture of common-law rights had occurred was not discussed by the court, nor did the court cerned, the plaintiffs had a property right in their designs. Whether by a federal standard a divestiture of such state created property rights had occurred was not discussed by the courts, nor did the court stipulate what facts would have to transpire for a publication to occur. While the exhibitions involved in *Dior v. Milton* unquestionably involved a certain degree of commercial exploitation of the designs, it can probably be said that more than an exhibition is necessary before a forfeiture has occurred.[84] However, it would certainly appear that the New York courts have approached the outer limits of state authority in cases such as these. The answer to when common-law rights in clothing designs are lost will have to be determined in the future by the federal courts on a case by case basis, taking into account the policy against perpetual monopolies in intellectual property, a policy that is inherent in the federal patent and copyright statutes.

84. Weikart, *Design Piracy*, 19 IND. L. J. 235 (1944). *But see* Note 70, HARV. L. REV. 1117, 1119 (1957) where the following observations were offered:
"Even if the general public was not admitted to the plaintiff's showings, the complaint stated that access was available to the press, manufacturers, buyers and retailers in the women's apparel industry. Since this is the market to which the plaintiffs cater, the seasonal showings were at least a solicitation of trade and may have represented a relatively advanced stage in the exploitation of the designs."