

THE COLUMBIA JOURNAL OF  
**LAW** *& the* **ARTS**

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A QUARTERLY JOURNAL OF LAW AND THE ARTS,  
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Do Copyright Professors Pay Attention To Economists?:  
How Empirical Evidence on Copyright Piracy Appears  
(or Not) in Law Literature  
*Justin Hughes & Michael D. Smith*

A Tale of Two Fashion Nations:  
Comparative Fashion IP Laws in the United States and China  
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Laughing All the Way To the Bench:  
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*Joanna T. Brown*

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Reconceptualization of U.S. Resale Royalty Rights  
*Gabrielle E. Stanfield*

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CONTENTS

ARTICLES

- Do Copyright Professors Pay Attention To Economists?: How Empirical Evidence on Copyright Piracy Appears (or Not) in Law Literature  
*Justin Hughes & Michael D. Smith* ..... 165
- A Tale of Two Fashion Nations: Comparative Fashion IP Laws in the United States and China  
*Jyh-An Lee & Jingwen Liu* ..... 207

NOTES

- Laughing All the Way To the Bench: The Role of Humor in Supreme Court Confirmation Hearings  
*Joanna T. Brown* ..... 253
- The Role of Black Artists in the Reconceptualization of U.S. Resale Royalty Rights  
*Gabrielle E. Stanfield* ..... 287

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## **Do Copyright Professors Pay Attention To Economists?: How Empirical Evidence on Copyright Piracy Appears (or Not) in Law Literature**

Justin Hughes\* & Michael D. Smith\*\*

### **TABLE OF CONTENTS**

|   |     |
|---|-----|
| Introduction.....   | 166 |
| I. Studies on the Effects of Online Infringement and How They Are Cited in<br>the Law Literature..... | 170 |
| A. Thirty-Four Peer-Reviewed Empirical Studies and How They Are<br>Cited in the Law Literature.....   | 170 |
| B. How the Empirical Studies Are Cited in the Economics and Social<br>Science Literature.....         | 173 |
| II. Possible Explanations for the Skewing.....  | 174 |
| A. Citations Beget Citations.....   | 175 |
| B. Insensitivity To Peer Review.....  | 178 |
| C. The Problem with “Balanced” Presentations.....   | 180 |
| D. Presentations that Seem To Reflect Ideological Predispositions                                     | 185 |
| III. Broader Suggestions.....   | 188 |
| IV. Conclusion.....   | 191 |
| APPENDIX A .....  | 193 |

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## INTRODUCTION

Does online copyright infringement cause harm? While there are different ways to conceptualize such possible harm—harm to the quantity of new music, harm to the *quality* of new music, harm to musicians' livelihoods—the question has usually been understood as more limited and manageable: Does online copyright infringement cause harm *to authorized sales of copyrighted works*? So understood, this has been one of the, if not *the*, most empirically researched questions of intellectual property.

Conceptually, this question has been important because it bears on broader, more philosophical issues about the internet: Was the digital networked environment such a paradigm shift that the old rules for production and dissemination of expressive works no longer applied?<sup>1</sup> Were the old rules as wrong as Newtonian principles in an Einsteinian universe? Many—including many legal academics—hoped they were witnessing a dramatic change in society. In Mark Helprin's observation, "[s]erious and enthralled, some people liken[ed] the internet to the divine, and neither I nor they are making a metaphor."<sup>2</sup>

Practically, the stakes were arguably as high. If online copyright infringement did *not* meaningfully harm sales, then harsh legislative, judicial, and private responses were unneeded, wasteful, and undesirable. If online copyright infringement did *not* meaningfully harm sales, then it would be wrong to shut down Napster, Grokster, or Megaupload. There would be no need for endless takedown notices, and site-blocking judicial orders would be wrongheaded.

Beginning in 2003, economists and other social scientists turned their attention to how this question might be studied empirically. The last formal review of this literature was conducted in April 2020 in a Piracy Landscape Study commissioned by the United States Patent and Trademark Office.<sup>3</sup> That report reviewed the thirty-three such studies published in peer-reviewed journal articles on whether online copyright

1. Of course, a classic statement of this vision was John Perry Barlow, *The Economy of Ideas*, WIRED (Mar. 1, 1994), <https://www.wired.com/1994/03/economy-ideas/> [https://perma.cc/WNP6-VYFM] [https://web.archive.org/web/20231020234403/https://www.wired.com/1994/03/economy-ideas/]. Legal minds have offered many alternative visions for what might happen. See, e.g., Lawrence Lessig, *The Law of the Horse: What Cyberlaw Might Teach*, 113 HARV. L. REV. 501 (1999); Joel R. Reidenberg, *Lex Informatica: The Formulation of Information Policy Rules Through Technology*, 76 TEX. L. REV. 553 (1998); Eric Schlachter, *The Intellectual Property Renaissance in Cyberspace: Why Copyright Law Could Be Unimportant on the Internet*, 12 BERKELEY TECH. L.J. 15 (1997); Margaret Chon, *New Wine Bursting from Old Bottles: Collaborative Internet Art, Joint Works, and Entrepreneurship*, 75 OR. L. REV. 257 (1996); Pamela Samuelson & Robert J. Glushko, *Intellectual Property Rights for Digital Library and Hypertext Publishing Systems*, 6 HARV. J.L. & TECH. 237 (1993).

2. MARK HELPRIN, *DIGITAL BARBARISM: A WRITER'S MANIFESTO* 185 (2010).

3. Brett Danaher et al., *Piracy Landscape Study: Analysis of Existing and Emerging Research Relevant To Intellectual Property Rights (IPR) Enforcement of Commercial-Scale Piracy* (U.S. Pat. & Trademark Off., Economic Working Paper No. 2020-02, 2020), <https://www.uspto.gov/sites/default/files/documents/USPTO-Piracy-Landscape.pdf> [https://perma.cc/83JK-H9MG] [https://web.archive.org/web/20231020230249/https://www.uspto.gov/sites/default/files/documents/USPTO-Piracy-Landscape.pdf].

infringement harms authorized distribution of copyrighted works.<sup>4</sup> We have added two new studies not included in that prior work to cover a total of thirty-five peer-reviewed studies on the impact of copyright infringement. These empirical studies have involved over fifty separate researchers, some having participated in more than one project. These empirical studies have sought to measure the effect of online infringement in relation to music, feature films, books, and television shows.

The first study, published in 2003, analyzed the impact of music piracy on legal sales using CD sales data from 1994 through 1998 and concluded that piracy caused about a 6.6% sales loss in CD sales.<sup>5</sup> The next seven peer-reviewed studies, published between 2004 and 2006, and conducted by ten different researchers, also concluded that online infringement caused a loss in authorized sales of copyrighted works. Between 2007 and 2012, there were twelve more peer-reviewed empirical studies, four of which found no negative impact on sales and eight finding a negative impact on legitimate sales. The next eight years (2013–2020) brought thirteen more peer-reviewed empirical studies on the general question of the impact of online piracy on legitimate sales of copyrighted works; of those studies, one found no adverse effect and twelve found that there was an adverse impact.<sup>6</sup>

In other words, from the inception of peer-reviewed empirical work on this question, the vast majority of empirical studies in the economics and social science literature indicated that online piracy adversely affects legitimate sales. All told, from 2003 to 2020 there were thirty-four empirical studies in peer-reviewed journals, five finding no negative impact from online piracy and twenty-nine finding negative impact. We will refer to these thirty-four peer-reviewed studies as the “empirical studies” or the “empirical piracy literature.”<sup>7</sup>

It is one thing for researchers to study a question—*empirically* and *repeatedly*. It is another thing for other communities, both professional and lay, to learn what the

4. When we say a study is peer-reviewed, we mean that the study was ultimately published in a peer-reviewed academic journal, and that the conclusions drawn in the peer-reviewed publication were largely the same as any conclusions drawn by the initial study.

5. Kai-Lung Hui & Ivan Png, *Piracy and the Legitimate Demand for Recorded Music*, CONTRIBUTIONS TO ECON. ANALYSIS & POL’Y, Sept. 18, 2003, at 1.

6. These studies—with the media type studied, the primary data, and a summary of each study’s result—are listed in Appendix A. Appendix A also includes a 2022 peer-reviewed study that found online piracy harmed viewership of authorized public performances of copyrighted works. Because of the natural lag in publication, citations, and publication of citations, we chose not to include this 2022 “harm” study in our overall citation analysis.

7. Some commentators have criticized using the term “piracy” for unauthorized reproduction and distribution of copyrighted works and/or have believed that the term is one recently promoted by copyright owners. See, e.g., Peter Jaszi, *A Garland of Reflections on Three International Copyright Topics*, 8 CARDOZO ARTS & ENT. L.J. 47, 63 (1989). However, this use of the term in Anglo-American copyright jurisprudence started as early as the mid-1600s. See ADRIAN JOHNS, DEATH OF A PIRATE: BRITISH RADIO AND THE MAKING OF THE INFORMATION AGE 16 (2011). For examples of the use of “piracy” to mean copyright infringement, see *Millar v. Taylor* (1769) 98 Eng. Rep. 201, 252; 4 Burr. 2303, 2397 (KB); *Cary v. Kearsley* (1803) 170 Eng. Rep. 679, 680; 4 Esp. 168, 170 (KB); *Gray v. Russell*, 10 F. Cas. 1035, 1038 (C.C.D. Mass. 1839) (No. 5,728); *Emerson v. Davies*, 8 F. Cas. 615, 619 (C.C.D. Mass. 1845) (No. 4,436); *Jollie v. Jaques*, 13 F. Cas. 910, 914 (C.C.S.D.N.Y. 1850) (No. 7,437); *Stowe v. Thomas*, 23 F. Cas. 201, 206–08 (C.C.E.D. Pa. 1853) (No. 13,514).

researchers have found, accept those conclusions, and integrate those conclusions into their own worldviews.

So, our initial question was simple: *Has the legal academic community—many of whom disagreed with strenuous copyright enforcement—embraced the conclusion of the empirical literature showing that online piracy generally has a negative impact on sales of copyrighted works?* Or has the legal academic community yet to accept the evidence? We look at this question by looking at citation rates to see how legal academics cite the peer-reviewed empirical studies finding a negative impact on sales (“harm” empirical studies) in comparison to how legal academics cite peer-reviewed empirical studies finding no adverse (or a positive) impact on sales (“no harm” empirical studies).

Measured purely by raw citation rates, the legal community (law professors, their students, and a few practicing lawyers) does not seem to accept the evidence yet. Reviewing all the available secondary legal literature on LEXIS and Westlaw from 2004 to 2023 shows that the legal literature has cited the minority (five) “no harm” empirical studies *more* than the vast majority (twenty-nine) “harm” empirical studies: 120 citations to 99 citations (using the LEXIS totals). In other words, although “no harm” empirical studies represent only 15% of the empirical piracy literature, “no harm” empirical studies represent 55% of the empirical piracy literature cited in law reviews.

Of course, it is possible that the “no harm” studies are more persuasive or of higher quality and therefore, while smaller in number, warrant a disproportionately large number of citations. To test this possibility, we compared the citations to these empirical studies in the law literature to citations of these same thirty-four empirical studies in the economics and social sciences literature as reported by the Web of Science citation database. The latter does not appear to be skewed in the same way. Specifically, according to Web of Science, a supermajority (78%) of all citations in the economics and social sciences were to the “harm” empirical studies.

These tests of citations are, of course, partial and imperfect for a variety of reasons. First, citation counts are a partial measure of the sense of the citing paper. Moreover, the question “does piracy harm sales?” does not have to yield a simple “yes” or “no” answer. It is possible that piracy might harm sales in some settings, but not harm sales in others. For example, one of the papers in the list of “no harm” papers found no evidence of harm from piracy that occurs during a movie’s broadcast television window, which typically occurs two years after the movie’s theatrical release.<sup>8</sup> That finding is not inconsistent with the findings in another “harm” paper which finds that piracy that occurs prior to a movie’s theatrical release causes significant harm to sales.

Nonetheless, given that citations typically refer to the general findings of the literature (and are used to support general statements), it seems notable to us that, over the same timeframe and for the same set of papers, only 22% of the citations in the social science literature were to “no harm” papers, while 55% of the citations in the legal literature were to the same “no harm” papers.

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8. MICHAEL D. SMITH & RAHUL TELANG, STREAMING SHARING STEALING: BIG DATA AND THE FUTURE OF ENTERTAINMENT 40–44 (2016).

At first blush, one might think this betrays some ideological bias. One might want to avoid the cognitive dissonance of—in Thomas Henry Huxley’s formulation—“the slaying of a beautiful hypothesis by an ugly fact.”<sup>9</sup> As Carrie Figdor notes in an essay on journalism, “information is risky in a lot of ways. It might conflict with prior beliefs, values, or goals one is loathe to give up.”<sup>10</sup> The easiest way to avoid that kind of cognitive dissonance is to avoid the empirical evidence. While we acknowledge that theoretical and ideological preferences might explain *some* of what is going on, we think there are other, more nuanced explanations for the skewing of law literature citations in favor of “no harm” empirical studies. We believe these alternative explanations are at least as powerful as attributing the skewing to ideological preferences; these alternative explanations also offer their own cautionary tales about the law literature.

Part I of this Article summarizes the peer-reviewed economic and social science literatures on what impact online copyright infringement has had on authorized sales of copyrighted works. Part I is also supplemented by an appendix (Appendix A) which quotes the key findings of each peer-reviewed empirical study.<sup>11</sup> We provide this Appendix to ensure that future legal commentators have ready access *within the enclosed garden of law literature*—to a complete and accurate summary of the peer-reviewed literature on this question. Part I then presents how legal academics have cited this body of empirical work, including how law academics have cited the empirical studies as compared to how the empirical studies are cited in the economics and social science literature.

Part II offers a series of possible explanations for how and why the law literature skews toward citation of “no harm” studies. In addition to the possibility of ideological bias, we discuss how citations beget citations in the legal literature, how the law literature cites a fair amount of *non*-peer reviewed papers on the empirical question of piracy’s effect on sales of copyrighted works, and how writers in the law literature may try to present disputed factual questions in a “balanced” manner. We also look at some evidence that hints at ideological predispositions in how the empirical studies are or are not acknowledged.

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9. One of the authors was introduced to the phrase by Professor Jamie Boyle, whose preferred formulation is “another beautiful theory mugged by brutal facts.” James Boyle, *Thomas Hobbes and the Invented Tradition of Positivism: Reflections on Language, Power, and Essentialism*, 135 U. PA. L. REV. 383, 404 (1987). But the phrase traces as far back as 1870, when biologist Thomas Henry Huxley described “the slaying of a beautiful hypothesis by an ugly fact” in a speech in Liverpool, England. By 1922, it had become the “murder of a lovely theory by a gang of brutal facts.” See *The Great Tragedy of Science—The Slaying of a Beautiful Hypothesis by an Ugly Fact*, QUOTE INVESTIGATOR (Dec. 26, 2020), <https://quoteinvestigator.com/2020/12/26/ugly-fact/#r+438868+1+15> [https://perma.cc/L2YW-RHGB]; see also Joseph C. Hutcheson, Jr., *The Judgment Intuitive: The Function of the “Hunch” in Judicial Decision*, 14 CORNELL L.Q. 274 (1929) (“I believed that the great tragedy of the law was the slaying of a beautiful concept by an ugly fact.”).

10. Carrie Figdor, *Trust Me: News, Credibility Deficits, and Balance*, in MEDIA ETHICS, FREE SPEECH, AND THE REQUIREMENTS OF DEMOCRACY 69, 74 (Carl Fox & Joe Saunders eds., 2018).

11. This Appendix is taken from Danaher et al., *supra* note 3, but updated with two more recent studies not in that prior report.

## I. STUDIES ON THE EFFECTS OF ONLINE INFRINGEMENT AND HOW THEY ARE CITED IN THE LAW LITERATURE

### A. THIRTY-FOUR PEER-REVIEWED EMPIRICAL STUDIES AND HOW THEY ARE CITED IN THE LAW LITERATURE

Why have there been thirty-four different studies on the question of whether online copyright infringement harms legitimate sales of copyrighted works? As the paleontologist Stephen Jay Gould said, “[s]cience is a pluralistic enterprise, validly pursued in many modes.”<sup>12</sup> These studies and a summary of the main findings of each are presented in Appendix A.

To explore how this peer-reviewed empirical research and its conclusions have been recognized and integrated into legal scholarship, we searched the LEXIS and Westlaw databases for each of the thirty-four empirical studies individually and then narrowed the search in each database to law review publications. These searches produced the following total citations:

|                          | Westlaw Total | Westlaw Law Review | LEXIS Total | LEXIS Law Review |
|--------------------------|---------------|--------------------|-------------|------------------|
| Five no harm studies     | 124           | 120                | 125         | 123              |
| Twenty-nine harm studies | 119           | 117                | 105         | 105              |

Unfortunately, these numbers also captured Volume 49 of the peer-reviewed *Journal of Law and Economics*, as it published three of the harm studies (which themselves cited other empirical studies). We eliminated those from the count and arrived at raw, total citations as follows:

|                          | Westlaw Total | Westlaw Law Review | LEXIS Total | LEXIS Law Review |
|--------------------------|---------------|--------------------|-------------|------------------|
| Five no harm studies     | 124           | 117                | 122         | 120              |
| Twenty-nine harm studies | 113           | 111                | 99          | 99               |

12. Stephen Jay Gould, *Integrity and Mr. Rifkin*, DISCOVER MAG., Jan. 1985, reprinted in STEPHEN JAY GOULD, AN URCHIN IN THE STORM 229, 234 (1987).

These 219 citations in the law review literature (to use the LEXIS total)<sup>13</sup> appear in 163 published pieces in law reviews. The first citation to one of the thirty-four empirical studies occurred in 2004, so these totals cover the period 2004 until spring 2023 (that is, what secondary literature is available on LEXIS and Westlaw as of spring 2023). This data is presented in Table 1 on the following page.

The “law review” totals include student-written notes and comments as well as articles, a few of which appear to be authored by practicing lawyers. We reviewed each piece to determine whether it was written by a member of a law faculty, a full-time academic on a non-law faculty, a practicing lawyer, a law student, or a non-law PhD student. Approximately half of these articles were written by full-time academics while an almost equal number were written by students.<sup>14</sup> Our assumption is that the academic community would hold full-time academics to a higher standard for reporting the empirical evidence, but the nature of law literature means that student-written notes and comments are part of what seems to be a citations cascade, where an initial citation in the literature is more likely to be cited in subsequent papers than other, more recent findings.

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13. We use LEXIS citations as our starting point here because, although most online commentaries consider Westlaw and LEXIS basically equal, LEXIS gets slightly higher ratings. See *LexisNexis Review: Online Legal Research*, LAWYERIST, <https://lawyerist.com/reviews/online-legal-research/lexisnexis/> [https://perma.cc/PDC9-FM7D] [https://web.archive.org/web/20240405235128/https://lawyerist.com/reviews/online-legal-research/lexisnexis/] (last visited Apr. 5, 2024).

14. As used here, “articles” includes works labeled by law reviews as articles, notes, comments, essays, and book reviews.

TABLE 1: LEXIS Law Literature Citations Over Time

| Year | authors   | title   | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | TOTAL |
|------|---|---|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|
| 2003 | Hui, Fang   | Prices and the Legitimate Demand for Recorded Music                         |      | 2    |      |      |      |      | 1    |      |      |      |      |      |      |      |      |      |      |      |      | 4     |
| 2004 | Petsu, Waibroeck  | The Effect of Internet Prices on CD Sales: Cross-Section Evidence           |      |      |      |      |      |      |      |      |      |      |      | 1    |      |      |      |      |      |      |      | 0     |
| 2005 | Stereva, Sessions                                       | An Empirical Investigation into the Effect of Music Downloading ...         |      |      | 1    | 1    |      |      | 3    | 2    |      |      |      |      |      |      |      |      |      |      |      | 8     |
| 2006 | Zimmer  | File Sharing and International Sales of Copyrighted Music: An Empirical ... |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 0     |
| 2007 | Bourreau, Waibroeck                                     | Prices and the Demand for Films ...   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 0     |
| 2008 | Michel  | The Impact of Digital File Sharing on the Music Industry ...                |      | 5    | 6    | 1    | 1    | 2    | 1    | 1    | 1    | 1    | 1    | 4    | 1    | 2    | 1    | 1    | 1    | 1    | 1    | 6     |
| 2009 | Rob, Waldfogel  | Prices on the High: C/P Music Downloading ...                               |      | 2    | 2    | 1    | 2    | 1    | 2    | 1    | 1    | 1    | 2    | 2    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 17    |
| 2010 | Zimmer  | Measuring the Effect of File Sharing ...                                    | 6    | 20   | 10   | 11   | 4    | 7    | 11   | 7    | 6    | 5    | 7    | 7    | 4    | 1    | 3    | 1    |      |      |      | 110   |
| 2011 | <b>Obchachapras, Oopit, Lerwachara, Mandien, Telang</b> | <b>The Effect of File Sharing on Record Sales: An Empirical Analysis</b>    |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 0     |
| 2012 | De Vany, Walls  | Estimating the Effects of Music Prices on Boxoffice Revenue                 |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 1     |
| 2013 | Hening Thurani, Henning, Steiler                        | Consumer File Sharing of Motion Pictures                                    |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 0     |
| 2014 | Rob, Waldfogel  | Prices on Silver Screen   |      |      | 1    |      |      |      |      |      |      |      |      |      |      | 1    | 1    | 1    | 1    |      |      | 4     |
| 2015 | Lefebvre  | Using File Sharing Impact by Examining Record Sales in China                |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 0     |
| 2016 | Bentley, Wang   | The Impact of Digital Prices on Music Sales                                 |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 0     |
| 2017 | Smith, Telang   | <b>Copyright and the Impact of Music Piracy</b>                             |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 0     |
| 2018 | Smith, Telang   | <b>Illegal Music Downloads: The Impact of Music Piracy</b>                  |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 1     |
| 2019 | McKee, Telang   | <b>Illegal Music Downloads: The Impact of Music Piracy</b>                  |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 1     |
| 2020 | Danaher, Dharmasakti, Smith, Telang                     | Comparing Piracy Without Copyrighting Publishers                            |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 1     |
| 2021 | Waldfogel   | Music File Sharing and Sales Displacement: the iTunes Era                   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 2     |
| 2022 | Waldfogel   | Music File Sharing and Sales Displacement: the iTunes Era                   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 1     |
| 2023 | <b>Arakawa, Franz</b>                                   | <b>Don't blame the 87% blockade: the impact of free music downloads</b>     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 1     |
| 2024 | Ba and Waldfogel  | Music Prices and Sales Displacement in The Sample of Chinese Consumers      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 0     |
| 2025 | Hong  | Measuring the Effect of Niche on Recorded Music Sales ...                   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 0     |
| 2026 | Danaher, Smith, Telang, Chen                            | The Effect of Obscured Release Arts Prices Loss ...                         |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 0     |
| 2027 | Danaher, Smith  | Genre in 60 Seconds: The Impact of the Marketplace Shutdown on Music Sales  |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 9     |
| 2028 | Ma, Meenawatt, Singh, Smith                             | The Effect of Pre-Release Music Prices on Box Office Revenue                |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 0     |
| 2029 | Adhermon, Luang   | Prices and music sales: The effects of an anti-piracy law                   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 0     |
| 2030 | Leung   | Music Prices: Bad for Record Sales But Good for the Profit?                 |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 0     |
| 2031 | <b>Aguila, Mariana</b>                                  | <b>Digital music consumption on the Internet ...</b>                        |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 6     |
| 2032 | McKenzie, Walls   | File Sharing and Film Revenue ...   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 0     |
| 2033 | Reimes  | Can Piracy Copyright Protection Be Effective? ...                           |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 0     |
| 2034 | Pepus van Heerde  | The Dynamic Injunctive Benefits of Recorded Music ...                       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 4     |
| 2035 | Fueller, Claassen, Koenricher                           | Prices and Box Office Music Revenue ...                                     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 0     |
| 2036 | Koh, Hinn, Raghunathan                                  | Disruption of Music: Consumer Adoption ...                                  |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 1     |
| 2037 | Danaher, Hersh, Smith, Telang                           | The Effect of Prices, Watermark Blocking on Consumer Behavior               |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | 0     |

blue blocks = period in which the empirical study would have been unpublished  
 beige blocks = year in which the empirical study was published in peer-reviewed journal  
 red = "top born" empirical study

Not surprisingly, citations to the empirical studies (both “no harm” and “harm”) peaked from 2005 to 2010, held steady for a few more years, then dropped off after 2016. As both the record industry recovered and online copyright enforcement strategies stabilized, academics moved to new topics of interest. Table 1 presents the year-to-year citation rates, both citations for each peer-reviewed empirical study, and total citations across all papers in that year.

While the total numbers of LEXIS citations are 120 for the five “no harm” empirical studies and 99 for the twenty-nine “harm” empirical studies, that tally hides one key fact evident from Table 1: Almost all the “no harm” citations are to one particular study, Felix Oberholzer-Gee and Koleman Strumpf’s research. That study combined weekly music album sales data with previously unused data on the weekly volume of downloads in an effort to identify sales displacement using within-album weekly variation in downloading and sales.<sup>15</sup>

The Oberholzer-Gee & Strumpf study—preliminarily released in 2004 and published after peer review in 2007—swamps the “no harm” study citations. Of the 120 citations to “no harm” empirical studies in law review literature available on LEXIS, the Oberholzer-Gee & Strumpf paper accounts for 110 citations. The paper also dominates *all* citations in the law literature to empirical studies on this question: The Oberholzer-Gee & Strumpf paper has 110 of the 219 total citations in the law review literature available on LEXIS.

While Part II presents our general hypotheses as to why the “no harm” empirical studies dominate citations in the law literature, we will probably never know the exact mechanism by which the legal community was first drawn to (and, in some sense, became fixated upon) the Oberholzer-Gee & Strumpf study. Nonetheless, the Oberholzer-Gee & Strumpf citation snowball is consistent with Part II’s proposed explanations for the skewing of citations.

## B. HOW THE EMPIRICAL STUDIES ARE CITED IN THE ECONOMICS AND SOCIAL SCIENCE LITERATURE

Next, we used the Web of Science database to conduct a reverse citation lookup for the number of times each of the empirical studies was cited by peer-reviewed papers in the economics and social science literature from 2005 to 2022. We counted a total of 1,987 citations to the thirty-four empirical studies. Of these citations, 22% were to “no harm” papers and 78% were to “harm” papers—quite different from the 55% “no harm” and 45% “harm” split in the law literature.

The Oberholzer-Gee & Strumpf paper accounted for 63% of the “no harm” citations in the economics and social science literature, instead of the 92% of the “no harm” citations in the law literature. In the economics and social science literature, the Oberholzer-Gee & Strumpf paper accounted for only 14% of the total citations to the thirty-four empirical studies, “harm” and “no harm.” There is also evidence that

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15. Felix Oberholzer-Gee & Koleman Strumpf, *The Effect of File Sharing on Record Sales: An Empirical Analysis*, 115 J. POL. ECON. 1 (2007).



economists and social scientists increasingly recognized the dominant conclusion that online piracy reduced sales: Citations to the “harm” studies increased over time from about 70% of all citations in the economics and social science literature in 2010 to 82% of all citations in the economics and social science literature in 2022.

We also found that the number of other “harm” papers cited alongside the Oberholzer-Gee & Strumpf paper increased over time in the economics and social science literature. In 2010, papers citing Oberholzer-Gee & Strumpf cited, on average, two “harm” empirical studies. By 2022, papers citing Oberholzer-Gee & Strumpf also cited, on average, four “harm” empirical studies.

In other words, citations in the economics and social science literature gave a much more accurate picture of the overall body of empirical studies than citations in the law literature, particularly as the overall body of empirical studies evolved. The Oberholzer-Gee & Strumpf paper did not overwhelmingly dominate economics and social science citations, although it still commanded more citations than any other empirical study—“harm” or “no harm.” We assume that this happened because Oberholzer-Gee & Strumpf was the first significant, eventually peer-reviewed study that produced a “no harm” outcome and, as one person noted when we presented an early version of this Article, “it’s fun to cite the provocative.”

## II. POSSIBLE EXPLANATIONS FOR THE SKEWING

Law professors who specialize in copyright have certainly become accustomed to empirical work *within the law* (i.e., careful statistical analyses of how courts are deciding cases<sup>16</sup> and how the copyright registration system operates<sup>17</sup>). Law professors have also made empirical forays into understanding the business practices and creative processes of the authors and artists who benefit from copyright,<sup>18</sup> as well as the impact of copyright on the availability of expressive works.<sup>19</sup> In short, one cannot say that copyright academics are unappreciative of or insensitive to good empirical work.

So what accounts for the skewing of citations in favor of “no harm” empirical studies in the copyright law literature when the vast body of empirical work points in the opposite direction? We have four complementary hypotheses: citations beget citations, insensitivity to peer review, “balanced” presentations, and ideological predispositions.

16. See, e.g., Barton Beebe, *An Empirical Study of U.S. Copyright Fair Use Opinions, 1978–2005*, 156 U. PA. L. REV. 549 (2008); Daryl Lim, *Saving Substantial Similarity*, 73 FLA. L. REV. 591 (2021); Clark D. Asay, *An Empirical Study of Copyright’s Substantial Similarity Test*, 13 U.C. IRVINE L. REV. 35 (2022).

17. See, e.g., Zvi S. Rosen & Richard Schwinn, *An Empirical Study of 225 Years of Copyright Registrations*, 94 TUL. L. REV. 1003 (2020); Robert Brauneis & Dotan Oliar, *An Empirical Study of the Race, Ethnicity, Gender, and Age of Copyright Registrants*, 86 GEO. WASH. L. REV. 46 (2018).

18. See, e.g., Peter DiCola, *Money from Music: Survey Evidence on Musicians’ Revenue and Lessons About Copyright Incentives*, 55 ARIZ. L. REV. 301, 304–05 (2013); Jessica Silbey et al., *Existential Copyright and Professional Photography*, 95 NOTRE DAME L. REV. 263, 279–80 (2019).

19. See, e.g., Paul J. Heald, *How Copyright Keeps Works Disappeared*, 11 J. EMPIRICAL LEGAL STUD. 829, 829–31 (2014); Christopher Buccafusco & Paul J. Heald, *Do Bad Things Happen when Works Enter the Public Domain?: Empirical Tests of Copyright Term Extension*, 28 BERKELEY TECH. L.J. 1, 2–5 (2013).

### A. CITATIONS BEGET CITATIONS

In patent prosecutions, patent examiners are supposed to research and consider the *entirety* of the “prior art,” which is the known, relevant technological base that existed at the time of a patent application.<sup>20</sup> But scholars have noted that patent examiners tend to limit their prior art research to pre-existing patents and patent applications.<sup>21</sup> There is good reason to think that the same thing happens to legal academics: Their ideally *comprehensive* research tends to focus on what is accessible in the law literature. And the more law literature there is, the harder it becomes to devote time to research beyond the LEXIS/Westlaw frontiers. For law academics, law review literature becomes an enclosed garden from which escape is difficult.<sup>22</sup>

Therefore, once a piece of research from another field wanders into the enclosed garden—that is, makes it into *some* law review article(s), particularly law review articles from established scholars or highly-ranked law reviews—that non-legal research becomes “accessible” to legal scholars in a way that technology becomes accessible to patent examiners when it is described in a patent. We hypothesize that that is what happened to the Oberholzer-Gee & Strumpf study.

Indeed, Table 1 shows that the Oberholzer-Gee & Strumpf study *immediately* gained attention in the legal community and was cited over fifty times—almost half its

20. 37 C.F.R. § 1.104 (a)(1) (“On taking up an application for examination or a patent in a reexamination proceeding, the examiner shall make a thorough study thereof and shall make a thorough investigation of the available prior art relating to the subject matter of the claimed invention.”); U.S. PAT. & TRADEMARK OFF., MANUAL OF PATENT EXAMINING PROCEDURE § 904 (9th ed. 2023), <https://www.bitlaw.com/source/mpep/904.html> [<https://perma.cc/FJL4-TY3L>] [<https://web.archive.org/web/20240102171805/https://www.bitlaw.com/source/mpep/904.html>] (“The examiner, after having obtained a thorough understanding of the invention disclosed and claimed in the nonprovisional application, then searches the prior art as disclosed in patents and other published documents, i.e., nonpatent literature (NPL).”); *see also* Joseph Farrell & Robert P. Merges, *Incentives To Challenge and Defend Patents: Why Litigation Won’t Reliably Fix Patent Office Errors and Why Administrative Patent Review Might Help*, 19 BERKELEY TECH. L.J. 943, 962–63 (2004) (“The default rule is that it is the patent examiner, not the applicant, who must search for prior art.”).

21. *See, e.g.*, Christopher A. Cotropia, *Modernizing Patent Law’s Inequitable Conduct Doctrine*, 24 BERKELEY TECH. L.J. 723, 753–54 (2009) (explaining that patent examiners’ prior art research is limited to “search[ing] world-wide patent databases and some technical article databases”); Jason Rantanen, *The Malleability of Patent Rights*, 2015 MICH. ST. L. REV. 895, 911–12 (2015) (arguing that “searches for nonpatent prior art” are “more challenging” for patent examiners); Roger Allan Ford, *The Patent Spiral*, 164 U. PA. L. REV. 827, 838–39 (2016) (“[Patent examiners] have limited ability to search nonpatent prior art.”); Neil C. Thompson & Jeffrey M. Kuhn, *Does Winning a Patent Race Lead To More Follow-on Innovation?*, 12 J. LEGAL ANALYSIS 183, 220 n.7 (2020) (“In practice, patent examiners are time constrained and focus their prior art searches on U.S. patents and patent applications.”).

22. Several academics have viewed the corpus of law reviews as its own unique information ecosystem—or what we call an enclosed garden—that has been studied a great deal by law academics. *See, e.g.*, Christopher A. Cotropia & Lee Petherbridge, *Gender Disparity in Law Review Citation Rates*, 59 WM. & MARY L. REV. 771, 775 (2018); Albert H. Yoon, *Editorial Bias in Legal Academia*, 5 J. LEGAL ANALYSIS 309 (2013); Alfred L. Brophy, *The Relationship Between Law Review Citations and Law School Rankings*, 39 CONN. L. REV. 43 (2006).

citations—*before* it was formally published.<sup>23</sup> In 2004, the Oberholzer-Gee & Strumpf study was cited by a handful of respected intellectual property academics writing in respected law reviews, including the flagship law reviews at Yale, Duke, and Hofstra,<sup>24</sup> as well as IP-specific journals at Harvard and UC Hastings (which is now called UC Law San Francisco).<sup>25</sup> Oberholzer-Gee & Strumpf was also the first footnote in a student note published that year in the *Texas Law Review*.<sup>26</sup>

The Oberholzer-Gee & Strumpf study can be characterized—and was characterized by its authors—in different ways. But its authors did provide a summary of their study which fit into an internet-changes-everything narrative. Drawn from the end of the paper’s original abstract, the “take-away” for many legal academics was the following: “Downloads have an effect on sales that is statistically indistinguishable from zero. Our estimates are inconsistent with claims that file sharing is the primary reason for the decline in music sales during our study period.”<sup>27</sup>

Oberholzer-Gee and Strumpf also directly connected the empirical issue of whether online piracy reduced sales to the broader question among law professors of “whether strong protection for intellectual property is necessary to ensure innovation,”<sup>28</sup> and they offered their study as “specific evidence on this point for the case of a single industry, recorded music.”<sup>29</sup> Years later, the authors characterized their 2004/07 study by stating that they “found that piracy contributed to the decline in music sales but was not the main cause,”<sup>30</sup> a considerably more sanguine encapsulation, and quite different from the earlier catnip of “effect on sales that is statistically indistinguishable from zero.”<sup>31</sup>

Among the “harm” empirical studies, there is different evidence of how empirical research studies enter or do not enter into the enclosed garden to become a source for

23. We assume that when the Oberholzer-Gee & Strumpf study was cited in a 2007 law review article—that is, the same year the study was published in *J. POL. ECON.*—the study was already in the footnotes and references of the law review article prior to publication in *J. POL. ECON.*

24. Yochai Benkler, *Sharing Nicely: On Shareable Goods and the Emergence of Sharing as a Modality of Economic Production*, 114 *YALE L.J.* 273, 351 n.189 (2004); Michael A. Carrier, *Cabining Intellectual Property Through a Property Paradigm*, 54 *DUKE L.J.* 1, 106 n.508 (2004); Peter K. Yu, *The Escalating Copyright Wars*, 32 *HOFSTRA L. REV.* 907, 921 n.94 (2004).

25. Peter Eckersley, *Virtual Markets for Virtual Goods: The Mirror Image of Digital Copyright?*, 18 *HARV. J.L. & TECH.* 85, 131 n.167 (2004); Jessica Litman, *Sharing and Stealing*, 27 *HASTINGS COMM’NS & ENT. L.J.* 1, 2 n.3 (2004).

26. J. Cam Barker, *Grossly Excessive Penalties in the Battle Against Illegal File-Sharing: The Troubling Effects of Aggregating Minimum Statutory Damages for Copyright Infringement*, 83 *TEX. L. REV.* 525, 525 n.1 (2004).

27. *Supra* note 15, at 1; cf. Felix Oberholzer & Koleman Strumpf, *The Effect of File Sharing on Record Sales: An Empirical Analysis* (Mar. 2004) (unpublished manuscript) [hereinafter Oberholzer, Strumpf 2004 version], <https://pages.stern.nyu.edu/~wgreene/entertainmentandmedia/FileSharing.pdf> [https://perma.cc/9WRC-XE9S] [https://web.archive.org/web/20231021021311/https://pages.stern.nyu.edu/~wgreene/entertainmentandmedia/FileSharing.pdf].

28. Oberholzer, Strumpf 2004 version, *supra* note 27, at 4.

29. *Id.*

30. Felix Oberholzer-Gee & Koleman Strumpf, *The Effect of File Sharing on Record Sales, Revisited*, 37 *INFO. ECON. & POL’Y* 61 (2016).

31. Oberholzer & Strumpf, *supra* note 27, at Abstract.

law academics. Of the twenty-nine “harm” empirical studies, prior to this Article fifteen have had *zero* citations in the law review literature. While there was no single study that dominated like Oberholzer-Gee & Strumpf, two “harm” studies account for more than 50% of the “harm” study citations: A study by Rafael Rob and Joel Waldfogel had thirty-five citations<sup>32</sup> and a study by Alejandro Zentner had seventeen citations.<sup>33</sup> Both studies were published in 2006. More importantly, both studies were published in the *Journal of Law and Economics*, which is available on both LEXIS and Westlaw.

We believe that the citations-beget-citations phenomenon may be enhanced by the combination of two distinct characteristics of law literature as compared to other academic and scholarly literature.

The first characteristic is that law review articles often offer commentary or assertions on issues that are not directly relevant to the article’s thesis. Perhaps one could draw a spectrum among scholarly writing as to how much the writing in any field discusses extraneous materials. In our view, in mathematics and the hard sciences, extraneous discussion is minimal or non-existent; in the social sciences, there may be more mention of extraneous matters; and in the liberal arts, there may be even more discussion of matters not directly bearing on the scholarly article’s thesis. It may be that law review articles are at the opposite extreme from articles in mathematics and the hard sciences: We believe that in law review articles, there is a tendency for writers to demonstrate erudition by drawing connections to matters that are peripheral to an article’s thesis.

The second characteristic is how law review articles provide footnote references to all—or almost all—assertions of fact. This custom in the law review literature is laudable in its effort to hold authors accountable for factual claims. Still, this custom can go overboard, as when student editors want footnote support for assertions that are truly basic, innocuous, or irrelevant to the author’s thesis.

How could these characteristics support the citations-beget-citations explanation? Obviously, the author will tend to spend less time and attention on peripheral matters; the easiest way to support peripheral assertions is by finding supporting material in familiar law literature. Indeed, the writer may have some unfootnoted peripheral assertion in their manuscript for which student editors request support, prompting the author (or the student editors) to find—sometimes hastily—support in the published law literature.

Some evidence of that effect is that the Oberholzer-Gee & Strumpf article was cited for propositions that were *not* its empirical results. Here is an example of a statement in law review text for which Oberholzer-Gee & Strumpf was the *only* support: “The dominant perception in the public is that peer-to-peer file sharing and robust piracy rising from the feasibility of cheap digital copying caused a drastic drop in album

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32. Rafael Rob & Joel Waldfogel, *Piracy on the High Cs: Music Downloading, Sales Displacement, and Social Welfare in a Sample of College Students*, 49 J.L. & ECON. 29 (2006).

33. Alejandro Zentner, *Measuring the Effect of File Sharing on Music Purchases*, 49 J.L. & ECON. 63 (2006).

sales.”<sup>34</sup> Another law article cited Oberholzer-Gee & Strumpf, as well as one “harm” empirical study, for this textual statement: “At the same time file sharing became widespread, revenue from the music industry as a whole decreased significantly.”<sup>35</sup>

These two statements could have been supported with all sorts of sources, many of them more germane than Oberholzer-Gee & Strumpf: newspaper articles, op-eds, Congressional testimony, or industry press releases, among other materials. In the body of law review literature citing the empirical studies, there was a group of footnote parenthetical citations citing both “harm” and “no harm” empirical studies for propositions different from the studies’ empirical findings, including “a tremendous increase in file sharing activity observed, including billions of files in 2002 alone”<sup>36</sup> or “that the non-rivalrous nature of sharing electronic media provides little disincentive for letting third parties access one’s media files.”<sup>37</sup>

We believe that citations to empirical studies for these sorts of propositions show that once an empirical study has entered the enclosed world of law literature, it becomes a resource for all kinds of descriptive propositions about the world—and that this enhances the citations-beget-citations aspect of the walled garden.

## B. INSENSITIVITY TO PEER REVIEW

A second reason for the strong skewing in favor of “no harm” empirical studies may be that law professors and law students (that is, lawyers in training) may not readily distinguish between peer-reviewed empirical work and empirical work that has not been subject to peer review. In fact, it appears that law articles cite a great deal of published articles with empirical claims that had not been peer-reviewed (while ignoring the bulk of peer-reviewed literature).

Again, citations to the Oberholzer-Gee & Strumpf study support this hypothesis. Oberholzer-Gee & Strumpf was publicized and made publicly available in 2004, but it was not published in a peer-reviewed journal until 2007. When the Oberholzer-Gee & Strumpf study was initially released in 2004, it appears to have been promoted by the Harvard Business School’s public relations office; the result was widespread reporting of Oberholzer-Gee & Strumpf’s preliminary results in the mainstream media.<sup>38</sup>

34. Omri Rachum-Twaig, *Book Review: Control Is a Double-Edged Sword, and One Edge Is Sharper*, 2014 U. ILL. J.L., TECH. & POL’Y 481, 492 (2014).

35. Megan M. Carpenter, *Space Age Love Song: The Mix Tape in a Digital Universe*, 11 NEV. L.J. 44, 53 (2010) (also citing Alejandro Zentner, *File Sharing and International Sales of Copyrighted Music: An Empirical Analysis with a Panel of Countries*, 5 TOPICS IN ECON. ANALYSIS & POL’Y 1, 1 (2005)).

36. Joshua J. Dubbelde, *A Potentially Fatal Cure: Does Digital Rights Management Ensure Balanced Protection of Property Rights?*, 2010 U. ILL. J.L., TECH. & POL’Y 409, 422 n.74 (2010).

37. *Id.* at 422 n.76.

38. See, e.g., John Borland, *Music Sharing Doesn’t Kill CD Sales, Study Says*, CNET (Mar. 29, 2004), <https://www.cnet.com/tech/home-entertainment/music-sharing-doesnt-kill-cd-sales-study-says/> [<https://perma.cc/CB9Q-7ETE>] [<https://web.archive.org/web/20231107164308/https://www.cnet.com/tech/home-entertainment/music-sharing-doesnt-kill-cd-sales-study-says/>]; Ben Fritz, *Study: File Sharing Doesn’t Hurt Sales*, VARIETY (Mar. 29, 2004), <https://variety.com/2004/biz/markets-festivals/study-file-sharing-doesnt-t-hurt-sales-1117902507/> [<https://perma.cc/2MYU-BA3P>]

With such extensive media attention, the study became a reference point for authors in the law literature who, like journalists in the mainstream media, did not seem to register that the study had not yet been peer-reviewed. Oberholzer-Gee & Strumpf was the only empirical study cited in the law literature in 2004, perhaps contributing to Justice Breyer citing the study in his 2005 *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.* concurrence (discussed in Part III below) which, in turn, may have contributed to the snowball of citations.

Another example of how law professors and law students (that is, lawyers in training) may not readily distinguish between peer-reviewed empirical work and empirical work that has not been subject to peer review comes from what was frequently juxtaposed to the Oberholzer-Gee & Strumpf study. In particular, one economist, Stan Liebowitz at the University of Texas, was responsible for a series of papers (a) summarizing arguments and studies on the impact of online piracy on sales, and/or (b) directly responding to the Oberholzer-Gee & Strumpf empirical study.<sup>39</sup>

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[<https://web.archive.org/web/20231016024038/https://variety.com/2004/biz/markets-festivals/study-file-sharing-doesn-t-hurt-sales-1117902507/>]; John Schwartz, *A Heretical View of File Sharing*, N.Y. TIMES (Apr. 5, 2004), <https://www.nytimes.com/2004/04/05/business/a-heretical-view-of-file-sharing.html> [<https://perma.cc/HBS6-9EZH>]  
 [<https://web.archive.org/web/20231016024239/https://www.nytimes.com/2004/04/05/business/a-heretical-view-of-file-sharing.html>]; Richard Morin, *License To Steal?*, WASH. POST (June 27, 2004), <https://www.washingtonpost.com/archive/opinions/2004/06/27/license-to-steal/7e516dfa-36d5-40a8-9965-31313b4be994/> [<https://perma.cc/Y5EY-MXP5>]  
 [<https://web.archive.org/web/20240102203053/https://www.washingtonpost.com/archive/opinions/2004/06/27/license-to-steal/7e516dfa-36d5-40a8-9965-31313b4be994/>]; Suw Charman, *Listen To the Flip Side*, THE GUARDIAN (July 22, 2004), <https://www.theguardian.com/music/2004/jul/22/netmusic.digitalmedia> [<https://perma.cc/CA3Y-SAPU>]  
 [<https://web.archive.org/web/20231016024350/https://www.theguardian.com/music/2004/jul/22/netmusic.digitalmedia>].

39. Like the Oberholzer-Gee & Strumpf study, many of Professor Liebowitz's papers were distributed in some form prior to publication, creating different citations for the same paper as it was cited over time. For a rough list of Liebowitz papers used in the law literature to respond to Oberholzer-Gee & Strumpf, see, e.g., Stan J. Liebowitz, *Will MP3 Downloads Annihilate the Recording Industry? The Evidence So Far*, in 15 INTELLECTUAL PROPERTY AND ENTREPRENEURSHIP 229 (Gary D. Libecap ed. 2004); Stan J. Liebowitz, *Pitfalls in Measuring the Impact of File-Sharing on the Sound Recording Market*, 51 CESIFO ECON. STUD. 435 (2005); Stan J. Liebowitz & Stephen Margolis, *Seventeen Famous Economists Weigh in on Copyright: The Role of Theory, Empirics, and Network Effects*, 18 HARV. J.L. & TECH. 435, 448 (2005); Stan J. Liebowitz, *Filing Sharing: Creative Destruction or Just Plain Destruction?*, 49 J.L. & ECON. 1 (2006); Stan J. Liebowitz, *Economists Examine File Sharing and Music Sales*, in INDUSTRIAL ORGANIZATION AND THE DIGITAL ECONOMY 145 (Gerhard Illing & Martin Peitz eds., 2006); Stan J. Liebowitz & Richard Watt, *How To Best Ensure Remuneration for Creators in the Market for Music? Copyright and Its Alternatives*, 20 J. ECON. SURVS. 513, 520 (2006); Stan J. Liebowitz, *How Reliable is the Oberholzer-Gee and Strumpf Paper on File-Sharing?* (Sept. 23, 2007) (unpublished manuscript), [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1014399](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1014399) [<https://perma.cc/QX6B-NYP8>]  
 [[https://web.archive.org/web/20231107174550/https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1014399](https://web.archive.org/web/20231107174550/https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1014399)]; Stan J. Liebowitz, *A Comment on the Oberholzer-Gee and Strumpf Paper on File-Sharing* (Sept. 27, 2007) (unpublished manuscript), [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1017418](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1017418) [<https://perma.cc/YR59-KX7U>]  
 [[https://web.archive.org/web/20231107175120/https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1017418](https://web.archive.org/web/20231107175120/https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1017418)]; Stan J. Liebowitz, *The Key Instrument in the Oberholzer-Gee/Strumpf File-Sharing Paper Is Defective* (Apr. 2010) (unpublished manuscript),

These papers were not empirical studies per se and often were unpublished or published in journals that did not use peer review. Frequently, a law review article would cite Oberholzer-Gee & Strumpf, then cite a Liebowitz piece responding to the Oberholzer-Gee & Strumpf results.<sup>40</sup> This often occurred even when there was a large body of published peer-reviewed “harm” empirical studies that could have been cited.

Again, we posit that once Professor Liebowitz’s papers had entered into the law literature, they were practically more accessible to law professors and law students, becoming a “go to” response for the Oberholzer-Gee & Strumpf study. But the fact that Liebowitz’s papers, either unpublished or published without peer-review, were cited when there were so many peer-reviewed studies showing “harm” results (including one by Professor Liebowitz himself) speaks to the legal community being insensitive to the value of formal peer review processes in other disciplines.

The reliance in law literature on non-peer reviewed articles to respond to peer-reviewed empirical studies is not particularly surprising, since almost all legal scholarship and commentary is published without a full peer review process.<sup>41</sup> In short, when citations to non-peer reviewed “harm” articles with empirical claims or responding to “no harm” empirical claims are included, citations in the legal literature appear more balanced.

### C. THE PROBLEM WITH “BALANCED” PRESENTATIONS

That leads to a third observation on how the law literature presents the empirical literature in this area: Once one includes the empirical claims in scholarly writing that was not peer-reviewed, the law literature—frankly, meaning the *footnotes*—shows a marked tendency to demonstrate “balance” or “bothsidesism,” meaning a footnote will have one to two “harm” references and one to two “no harm” references.

It is not surprising to see this tendency in footnotes of law review articles. In the case of legal authorities, it is a common practice for law review articles to present

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stan-j-liebowitz2.pdf [https://perma.cc/6CCS-LE36]; Stan J. Liebowitz, *How Much of the Decline in Sound Recording Sales Is Due To File-Sharing?*, 40 J. CULTURAL ECON. 13 (2016).

40. See, e.g., Christopher Buccafusco & Jonathan S. Masur, *Innovation and Incarceration: An Economic Analysis of Criminal Intellectual Property Law*, 87 S. CAL. L. REV. 275, 297 (2014); Patience Ren, Note, *The Fate of BitTorrent John Does: A Civil Procedure Analysis of Copyright Litigation*, 64 HASTINGS L.J. 1343, 1356 (2013); Peter DiCola & Matthew Sag, *An Information-Gathering Approach To Copyright Policy*, 34 CARDOZO L. REV. 173, 219 (2012); Olufunmilayo B. Arewa, *YouTube, UGC, and Digital Music: Competing Business and Cultural Models in the Internet Age*, 104 NW. U.L. REV. 431, 440 (2010); Rochelle Cooper Dreyfuss, *Does IP Need IP? Accommodating Intellectual Production Outside the Intellectual Property Paradigm*, 31 CARDOZO L. REV. 1437, 1451 (2010); Derek E. Bambauer, *Faulty Math: The Economics of Legalizing The Grey Album*, 59 ALA. L. REV. 345, 383–84 (2008); Diane Leenheer Zimmerman, *Can Our Culture Be Saved?: The Future of Digital Archiving*, 91 MINN. L. REV. 989, 1012 (2007). Again, our intent here is not to criticize individual writers or specific law review articles, but to point to a general characteristic of legal scholarship.

41. We recognize that a few student-edited law journals do ask one or more experts in the relevant specialty to review a manuscript before its final acceptance, but these processes are usually on tight deadlines and do not reflect a full peer-review process similar to what would occur in other disciplines.

conflicting evidence in the footnotes,<sup>42</sup> so much so that the formal “signals” for law review footnotes include various conventions to make such presentations (e.g., compare . . . with . . . , contra, but see, but cf.).<sup>43</sup> So, perhaps it is natural that the writers and editors of law review articles would do the same with empirical evidence.

But there is probably more here than law review footnote conventions. A footnote that cites conflicting empirical evidence in an “on the one hand, on the other hand” format is engaged in a trope of objectivity, a trope familiar to all of us from journalism and the social sciences. We think the comparison to journalism is appropriate because the law academic providing citations to empirical work is, in effect, *reporting* to her readers on that empirical work.

Much has been written about the rise of modern “objectivity” in journalism and the broader epistemic framework in which it sits. As Oren Soffer describes it, “the perception of objectivity in social sciences and journalism is based on observing, gathering information, mapping, and categorizing. Objectivity assumes that journalists can avoid bringing their personality, values, and inner world into their work.”<sup>44</sup> Michael Schudson has described the journalist’s role as one of the “naive empiricist” who believes that there are discoverable facts, discrete morsels of truth about the world.<sup>45</sup> This is familiar to anyone who knows the Supreme Court’s view of “facts” in the 1991 *Feist Publications, Inc. v. Rural Telephone Service Co.* decision.<sup>46</sup> Ekaterina Ognianova and James W. Endersby described the characteristics of objective

42. We say “law review article” because footnotes are often a coproduction of the author and the student editors. Many years ago, one of us observed hyperbolically, “[c]ompared to legal journals elsewhere or other scholarly journals in the United States, the law review editing process produces an increasingly monotonous literature where . . . no propositions are put forward without the editor disagreeing in contrapuntal footnotes.” Justin Hughes, *The Philosophy of Intellectual Property*, 77 GEO. L.J. 287, 364 n.316 (1988). In response, the student editors humorously added, “*But see* Hughes, *The Philosophy of Intellectual Property*, 77 GEO. L.J. 287, 364 n.316 (1988) (author’s style retained in unedited tirade).” *Id.* In explaining “but see” footnotes, one author has suggested that the value of such footnotes is that “acknowledging but minimizing articulation of the opponent’s point of view is wise.” Joan Ames Magat, *Bottomheavy: Legal Footnotes*, 60 J. LEGAL EDUC. 65, 92 (2010). Another commentator has offered that “[t]he footnote, itself marginalized and excluded, is at first used to avoid (defer, put off, exclude) dispute by appeal to authority. Later, it is used to distinguish (defer, put off, avoid) the force of other cases.” J.M. Balkin, *The Footnote*, 83 NW. U.L. REV. 275, 278 (1989).

43. THE BLUEBOOK: A UNIFORM SYSTEM OF CITATION R. 1.2(b), at 63 (Columbia L. Rev. Ass’n et al. eds., 21st ed. 2020).

44. Oren Soffer, *The Competing Ideals of Objectivity and Dialogue in American Journalism*, 10 JOURNALISM 473, 477 (2009).

45. MICHAEL SCHUDSON, *DISCOVERING THE NEWS: A SOCIAL HISTORY OF AMERICAN NEWSPAPERS* 6 (1978); MICHAEL SCHUDSON, *ORIGINS OF THE IDEAL OF OBJECTIVITY IN THE PROFESSIONS: STUDIES IN THE HISTORY OF AMERICAN JOURNALISM AND AMERICAN LAW, 1830–1940*, at 162 (1990).

46. *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340 (1991). For the *Feist* Court, “facts” are pre-existing and are “discovered” by people, not “created” by authors. *Id.* at 347 (“The distinction is one between creation and discovery: The first person to find and report a particular fact has not created the fact; he or she has merely discovered its existence.”). Many legal scholars have given their own account of the *Feist* decision’s epistemological assumptions (and the historical background thereof). See, e.g., Justin Hughes, *Created Facts and the Flawed Ontology of Copyright*, 83 NOTRE DAME L. REV. 43 (2007); Jessica Silbey, *A Matter of Facts: The Evolution of the Copyright Fact-Exclusion and Its Implications for Disinformation and Democracy*, 71 J. COPYRIGHT SOC’Y U.S.A. (forthcoming 2024) (on file with authors).



journalism as “truthfulness, relevance, balance, impartiality, non-distortion, neutrality, testability, informativeness, fairness, depersonalization, skepticism and factuality.”<sup>47</sup> In this vision, journalists form “a Fourth Estate, independent and loyal to the abstract, objective truth.”<sup>48</sup>

Criticism of objectivity in journalism has been around for decades. In the 1960s and 1970s, there was the school of “new journalism” in which “the emphasis [was] on subjectivity and ‘getting inside’ the story or event.”<sup>49</sup> While objectivity required distance and neutrality from the subject matter, as Soffer observes, “the New Journalists aimed to become part of the scene they discussed.”<sup>50</sup> In the first decades of the twenty-first century, there has definitely been some movement away from the journalistic ideal of “dispassionate truth-seekers who avoid taking sides”<sup>51</sup> and toward presentation of events through a normative lens. As one *Boston Globe* reporter noted, “biased journalists don’t see themselves as biased. They see themselves as enlightened. They see themselves as having the moral clarity—and the moral obligation—to take sides on public controversies.”<sup>52</sup> If their presentation of facts and events leans one direction, it is because they do not conceive of themselves as neutrals but rather as “combatants in a culture war in which it is important to avoid giving any credence to wrong thinking.”<sup>53</sup>

If these alternatives sound a little familiar, they should. Law academics usually strive to present precedents, statutory laws, regulations, and treaties in an objective, but insightful, manner. Objective presentation is the principal epistemic posture for much of the law literature, including *most of each* law review article, almost all the content of treatises, and ideally all of summary works like the Restatements. This epistemic posture is not just about a commitment to truth, it is self-preservation: The respect that law professors enjoy—indeed, their relevance—comes largely from being sources of objective, insightful understanding of the law. At the same time, many law professors also want to be—and see themselves as—“part of the scene they discuss,” that is, as having “the moral clarity—and the moral obligation—to take sides on public controversies.”<sup>54</sup> Richard Fallon has written elegantly about the problems this *advocacy* role poses for law professors’ amici briefs.<sup>55</sup> In a real sense, many (if not most) law review articles are an interweaving of objective presentation with normative claims.

47. Ekaterina Ognianova & James W. Endersby, *Objectivity Revisited: A Spatial Model of Political Ideology and Mass Communication*, 159 JOURNALISM & MASS COMM’N MONOGRAPHS 1, 10 (1996).

48. Soffer, *supra* note 44, at 484.

49. Marshall W. Fishwick, *The New Journalism, 2: A Style Befitting Our Times and Tastes*, J. COMM’N, Sept. 1975, at 190, 190.

50. Soffer, *supra* note 44, at 481.

51. Jeff Jacoby, *Marty Baron, in Dissent, Rises in Defense of Objective Journalism*, BOS. GLOBE (Mar. 26, 2023), <https://www.bostonglobe.com/2023/03/26/opinion/marty-baron-dissent-rises-defense-objective-journalism/> [https://perma.cc/P728-2D3U] [https://web.archive.org/web/20231009213342/https://www.bostonglobe.com/2023/03/26/opinion/marty-baron-dissent-rises-defense-objective-journalism/].

52. *Id.*

53. *Id.*

54. *Id.*

55. See Richard H. Fallon, Jr., *Scholars’ Briefs and the Vocation of a Law Professor*, 4 J. LEGAL ANALYSIS 223 (2012).

Generally speaking, we believe that footnote citations are regarded as falling on the objective presentation side. The question is whether “both sides” footnotes adequately serve this purpose. On that count, we think a distinction needs to be drawn between “bothsidesism” on social, political, and cultural issues and “bothsidesism” on questions that are subject to empirical testing. Presenting both sides makes sense as a posture of objectivity on pure policy questions (e.g., is it better to have the Electoral College or to have direct elections of the U.S. President?). It also makes sense on cultural questions or questions of taste not subject to empirical verification (e.g., which is more culturally influential, *Star Wars* or *Star Trek*?).

On empirical questions, “bothsidesism” is different. When the empirical question is first being studied, there may be little or no consensus on the answer: At that moment, all reasonable possibilities should be presented in a balanced manner. But when extensive empirical work has been done and the bulk of that research points in one direction, “bothsidesism” tilts toward becoming superficial or false “objectivity.” Leading journalists reject “bothsidesism” on empirical questions when there is strong evidence pointing one direction. As Joseph Kahn, the executive editor of the *New York Times* said,

[W]hen the evidence is there, we should not default to some mealy-mouthed, so-called neutral language that some people see this as a falsehood, while others do not. When the evidence is there, we should be clear and direct with our audience that we don't think there are multiple sides to this question.<sup>56</sup>

Or, as Martin Baron notes, “[o]bjectivity . . . is not giving equal weight to opposing arguments when the evidence points overwhelmingly in one direction.”<sup>57</sup> As climate journalist Ross Gelbspan noted in his 1998 book *The Heat is On*,

The professional canon of journalistic fairness requires reporters who write about a controversy to present competing points of view. . . . But this canon causes problems when it is applied to issues of science. It seems to demand that journalists present competing points of view on a scientific question as though they had equal scientific weight, when actually they do not.<sup>58</sup>

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56. Leonard Downie, Jr., *Newsrooms that Move Beyond “Objectivity” Can Build Trust*, WASH. POST (Jan. 30, 2023), <https://www.washingtonpost.com/opinions/2023/01/30/newsrooms-news-reporting-objectivity-diversity/> [https://perma.cc/B687-ZFS3] [<https://web.archive.org/web/20231107203737/https://www.washingtonpost.com/opinions/2023/01/30/newsrooms-news-reporting-objectivity-diversity/>].

57. Martin Baron, *We Want Objective Judges and Doctors. Why Not Journalists Too?*, WASH. POST (Mar. 24, 2023), <https://www.washingtonpost.com/opinions/2023/03/24/journalism-objectivity-trump-misinformation-marty-baron/> [https://perma.cc/3ZHK-22HB] [<https://web.archive.org/web/20231107204240/https://www.washingtonpost.com/opinions/2023/03/24/journalism-objectivity-trump-misinformation-marty-baron/>] (“Objectivity is not neutrality. It is not on-the-one-hand, on-the-other-hand journalism. It is not false balance or both-sidesism. It is not giving equal weight to opposing arguments when the evidence points overwhelmingly in one direction.”).

58. ROSS GELSPAN, *THE HEAT IS ON: THE CLIMATE CRISIS, THE COVER-UP, THE PRESCRIPTION* 57–58 (1998).

Gelbspan concludes that giving equal time to opposing views is itself *misleading* when the opposing views are not equally supported by the empirical evidence.<sup>59</sup> He is one of a number of commentators, scholars, and journalists concerned that “bothsidesism” journalism can be (and has been) misleading on scientifically settled topics like evolution versus creationism, health risks associated with genetically modified crops, the non-existent link between vaccines and autism, and, of course, anthropogenic climate change.<sup>60</sup>

In his writings on science reporting, the philosopher Mikkel Gerken characterizes this as a debate between “balanced reporting” and “reliable reporting.”<sup>61</sup> Gerken characterizes the principle of *balanced reporting* as being that “[s]cience reporters should, whenever feasible, report opposing hypotheses in a manner that does not favor any one of them.”<sup>62</sup> In contrast, Gerken presents what he calls *reliable reporting*, a principle that “[s]cience reporters should, whenever feasible, report the most reliably based hypotheses and avoid reporting hypotheses that are not reliably based.”<sup>63</sup> Recognizing the tension between these approaches, Gerken proposes that science journalists should ideally report “the nature and strength of the scientific justification for and against competing claims,” thereby producing a narrative that “favor[s] the most reliable ones.”<sup>64</sup> Gerken’s proposal dovetails with the recommendation of Chris Mooney and Matthew Nisbet, who, in the context of creationism versus evolution, recommend journalists “cit[e] the overwhelming scientific consensus in support of evolution” instead of “allocating ample quotes and sound bites to Darwin’s critics in a quest to achieve ‘balance.’”<sup>65</sup>

59. *Id. passim*.

60. Downie, Jr., *supra* note 56 (critiquing “false balance or misleading ‘bothsidesism’ in covering stories about race, the treatment of women, LGBTQ+ rights, income inequality, climate change and many other subject”); Megan N. Imundo & David N. Rapp, *When Fairness Is Flawed: Effects of False Balance Reporting and Weight-of-Evidence Statements on Beliefs and Perceptions of Climate Change*, 11 J. APPLIED RSCH. IN MEMORY AND COGNITION 258, 267–68 (2022) (concluding that “[w]hen perspectives sharply differ in evidentiary support . . . presenting them together can suggest they are equally plausible”); Figdor, *supra* note 10; Graham N. Dixon & Christopher E. Clarke, *Heightening Uncertainty Around Certain Science: Media Coverage, False Balance, and the Autism-Vaccine Controversy*, 35 SCIENCE COMM’N 358, 378 (2012) (“Falsely balancing risk perspectives can be troubling, as it can heighten readers’ uncertainty perceptions around certain science.”); Chris Mooney & Matthew C. Nisbet, *Undoing Darwin*, 44 COLUM. JOURNALISM REV., Sept.–Oct. 2005, at 30; Maxwell T. Boykoff & Jules M. Boykoff, *Balance as Bias: Global Warming and the US Prestige Press*, 14 GLOB. ENV’T CHANGE 125, 134 (2004) (concluding that “adherence to the norm of balanced reporting leads to informationally biased coverage of global warming,” providing “real political space for the US government to shirk responsibility and delay action regarding global warming”).

61. Mikkel Gerken, *How To Balance Balanced Reporting and Reliable Reporting*, 177 PHIL. STUD. 3117 (2020).

62. *Id.* at 3121. Gerken believes that such balanced reporting “reflects the scientific values of objectivity, neutrality and open-mindedness, as well as general journalistic norms and guidelines.” *Id.*

63. *Id.* at 3122.

64. *Id.* at 3130. Gerken calls this “inclusive reliable reporting,” where “[s]cience reporters should, whenever feasible, report hypotheses in a manner that favors the most reliably based ones by indicating the nature and strength of their respective scientific justifications.” *Id.*

65. Mooney & Nisbet, *supra* note 60, at 32–34.

What does any of this have to do with footnotes in law review articles? When a law professor provides citations to empirical materials, in some sense, the law professor is *reporting on* those empirical results (i.e., the law professor is playing the “naïve empiricist” when it comes to the social scientists’ research). Few would question that the ideal for law review footnotes is “the best obtainable version of the truth” (Woodward and Bernstein’s standard for good journalism),<sup>66</sup> but too much acceptance of “bothsidesism” as a legitimate form of objectivity in law review writing may be a significant contributing factor to the skewing described in Part I.

Of course, if one were disposed to favor minimal (or no) online copyright enforcement, if one believed that the internet truly held out a new paradigm for information goods *and* one were aware of the vast sweep of empirical work, one might write a “balanced” presentation (in text or footnotes) as a way of softening the blow of those brute facts’ assault on one’s beautiful worldview. That leads us to a final possible explanation: ideological preferences.

#### D. PRESENTATIONS THAT SEEM TO REFLECT IDEOLOGICAL PREDISPOSITIONS

While each of the three explanations above helps account for the skewed citations in the law literature, the discussion of empirical work in law literature may betray ideological preference—our fourth potential explanation of the disparity in citations in the law literature.<sup>67</sup> For example, in a 2020 law review article,<sup>68</sup> a law professor wrote the following: “In a recent study the European Commission also found that there is little or no economic effect from internet piracy.”<sup>69</sup> This particular law review article did not have any other statement describing the effects of online infringement.

The footnote correctly cited a 2015 study that had been *commissioned* by the European Commission,<sup>70</sup> although the sentence is written in a way that could suggest the study was *conducted* by the European Commission.<sup>71</sup> The actual results of that study, according to the study’s executive summary, include the following:

66. Downie, Jr., *supra* note 56.

67. Jessica Litman gave a classic description of ideological preference having *too much* impact in law review articles when she wrote about reading “a lot of pieces for which it was absolutely clear that the author had settled on the answer before coming up with the question. I ran into economic models that had been designed to deliver particular results. In most of those pieces, there was more than one moment where an inconvenient discrepancy or undesirable inference threatened to lead somewhere interesting and unexpected, and, wouldn’t you know it, those moments were glossed over or ignored.” Jessica Litman, *The Politics of Intellectual Property*, 27 CARDOZO ARTS & ENT. L.J. 313, 317 (2009).

68. We withhold the complete citation here; we are out to skewer neither particular academic(s) nor any particular published article (source on file with authors) [hereinafter ABC paper].

69. *Id.* at 72.

70. European Comm’n, Directorate-Gen. for Internal Mkt., Indus., Entrepreneurship & SMEs, van der Ende et al., *Estimating Displacement Rates of Copyrighted Content in the EU* (2014), <https://data.europa.eu/doi/10.2780/26736> [https://perma.cc/9TQX-8HCS] [https://web.archive.org/save/https://data.europa.eu/doi/10.2780/26736].

71. *Id.* at 4 (carrying the typical disclaimer for commissioned material that “[t]his document has been prepared for the European Commission however it reflects the views only of the authors, and the

In general, the results do not show robust statistical evidence of displacement of sales by online copyright infringements. That does not necessarily mean that piracy has no effect but only that the statistical analysis does not prove with sufficient reliability that there is an effect. An exception is the displacement of recent top films. The results show a displacement rate of 40 per cent which means that for every ten recent top films watched illegally, four fewer films are consumed legally.

...

In sum, the main contribution to the existing literature is the finding on displacement rates for recent top films and the lack of a robust (positive) displacement rate for films / TV-series in general, music, books and games despite the carefully developed questionnaire and the application of econometric analysis.<sup>72</sup>

The study did not find statistically robust information, *except* that it found that online infringement was causing meaningful, substantial displacement (lost sales) for top films. We leave it to the reader to decide whether that counts as a study that “found that there is little or no economic effect from internet piracy.”<sup>73</sup>

What seems more important to us is that neither the law article’s text nor its footnotes mentioned any other studies on the effects of online copyright infringement. The 2014 study commissioned by the European Union itself was *not* published in a peer-reviewed economics or social science journal. In these circumstances, it is fair to ask why the author of the law review article did not cite any of the peer-reviewed studies published between 2003 and 2018.

One possible explanation is that the author simply did not know about the thirty-two empirical studies published by 2018 (the year when we speculate that the 2020 law review article might have been first drafted). Another is that while the author knew of some (or all) of the empirical papers, the author did not give weight to the distinction between peer-reviewed and non-peer reviewed work in the economic and social science literature. And/or perhaps the author thought that something commissioned by the European Commission must be superior work.

But there is another possibility: Since the text of the law review article did not have any other statement describing the effects of online infringement, this single sentence could have been a skillful lawyerly effort (intentional or subconscious) to give the reader the impression that—generally speaking—empirical evidence has “found that there is little or no economic effect from internet piracy.”<sup>74</sup> Which, of course, is the opposite of the conclusion to which the majority of empirical work points.

Let’s consider another, more complex example of a law academic’s advocacy skills through a 2018 article in an American law review authored by two writers affiliated

Commission cannot be held responsible for any use which may be made of the information contained therein.”)

72. *Id.* at 7–8. The methodology of the study was “an online questionnaire in September and October 2014 among the internet using population with close to 30,000 respondents . . .” *Id.* at 12.

73. See ABC paper, *supra* note 68.

74. *Id.*

with a European law faculty.<sup>75</sup> After discussing the steep decline in sales experienced by the music industry that coincided with the advent of P2P music sharing, as well as the plateau and decline in North American video revenues between 2005 and 2010, the authors write the following:

Nevertheless, the empirical question of the effect of unauthorized online content consumption on legal sales has proven to be cumbersome. In past years, a substantial body of academic literature emerged on the effect of the unauthorized sharing of copyrighted works, but no general consensus was reached. Most of the earlier contributions focus on the music industry. A smaller number of studies deal with the effect for films.<sup>76</sup>

The claim that “no general consensus was reached” is not footnoted, but to support the next two sentences—concerning music and films, respectively—the authors cite eight academic papers, seven being peer-reviewed studies on our list and the eighth being a survey piece by Professor Liebowitz (who had also published his own peer-reviewed study).<sup>77</sup>

So far, so good. And we think it is reasonable to expect that if the authors are citing those eight papers, the authors are familiar with what the eight papers said. However, of the seven peer-reviewed articles cited in the footnotes, *six* studies found that online copyright infringement had a negative impact on authorized sales,<sup>78</sup> so if the authors were familiar with all the studies in question, they would know that the footnotes are, at least, in tension with the statement “no general consensus was reached.”

The reader is saved from this potential cognitive dissonance by a careful construction of parentheticals for each study cited: In fact, the parenthetical explanations in the footnotes often deflect from the cited paper’s main finding. For example, the footnote parenthetical for the 2006 Zentner study describes the Zentner paper as “focusing on the decline of the global music industry since its high-level success in the 1990s,”<sup>79</sup> but Zentner’s actual results as stated at the end of the paper’s abstract were as follows: “The results suggest peer-to-peer usage reduces the probability of buying music by 30 percent. On the basis of my own estimates, back-of-the-envelope

75. Again, we withhold the complete citation here; we are not out to skewer any particular academic(s) or any particular published article (source on file with authors) [hereinafter DEF paper].

76. *Id.* at 815.

77. *Id.* at 815 nn.34–35. The eight papers cited in the two footnotes are, in order of citation, the following: Stan J. Liebowitz, *Internet Piracy: The Estimated Impact on Sales*, in HANDBOOK ON THE DIGITAL CREATIVE ECONOMY 262, 265 (Ruth Towse & Christian Handke ed., 2013); Oberholzer-Gee & Strumpf, *supra* note 15, at 3; Martin Peitz & Patrick Waelbroeck, *The Effect of Internet Piracy on Music Sales: Cross-Section Evidence*, 1 REV. ECON. RES. COPYRIGHT ISSUES 71, 71 (2004); Rob & Waldfogel, *supra* note 32, at 29–30; Zentner, *supra* note 33, at 63; David Bounie et al., *Piracy and the Demand for Films: Analysis of Piracy Behavior in French Universities*, 3 REV. ECON. RES. COPYRIGHT ISSUES 15, 16 (2006); Hennig-Thurau et al., *Consumer File Sharing of Motion Pictures*, 71 J. MARKETING 1, 1 (2007); Rafael Rob & Joel Waldfogel, *Piracy on the Silver Screen*, 55 J. INDUS. ECON. 379, 381–82 (2007). All but the first Liebowitz paper are in our set of peer-reviewed studies.

78. Of these cited studies, only Oberholzer-Gee & Strumpf, *supra* note 15, did not find a negative impact on legitimate sales.

79. DEF paper, *supra* note 75, at 815 n.34.

calculations indicate that—without downloads—sales in 2002 would have been around 7.8 percent higher.”<sup>80</sup>

Similarly, the law review article’s parenthetical for the 2007 Thorsten Hennig-Thurau et al. paper characterizes the Hennig-Thurau paper only as “describing the lack of evidence regarding the effect of file sharing on movie consumption.”<sup>81</sup> This simply hides the core conclusion of the Hennig-Thurau paper which, according to the paper’s abstract, is as follows:

The authors test the effect of file sharing on commercial movie consumption using a series of ReLogit regression analyses and apply partial least squares structural equation modeling to identify the determinants of consumer file sharing. They find evidence of substantial cannibalization of theater visits, DVD rentals, and DVD purchases responsible for annual revenue losses of \$300 million in Germany.<sup>82</sup>

We accept that many law professors might not be able to fully appreciate statistical or quantitative results; we also accept that many law review footnotes reflect substantial input from students. But the abstracts for these seven peer-reviewed and one survey articles are clear: Seven of the eight papers conclude online copyright piracy has a negative impact on legitimate sales. If “consensus” is anything short of unanimity, the two footnotes—even citing less than one fourth of the peer-reviewed studies—show consensus.

We also accept that a scholarly paper can be properly cited for a specific point separate from its main thesis or results. But after claiming that “no general consensus was reached” in the body of empirical studies and citing to eight publications, seven of which found a negative impact on sales of copyrighted works, these “deflective” parentheticals seem like the skillful advocacy of an appellate brief.

### III. BROADER SUGGESTIONS

The early internet’s dilemma with online piracy now seems to be largely settled. New infringement-based business models continue to emerge,<sup>83</sup> but the combination of authorized distribution of copyrighted content and law enforcement against unauthorized distribution now seems to have the upper hand.<sup>84</sup> As such, intellectual

80. Zentner, *supra* note 33, at 63.

81. DEF paper, *supra* note 75, at 815 n.35.

82. Hennig-Thurau et al., *supra* note 77, at 1.

83. Alexei Barrionuevo, *Indian Court Cracks Down on Stream-Ripping By ‘Rogue Websites,’* BILLBOARD (Jan. 20, 2023), <https://www.billboard.com/pro/stream-ripping-websites-blocked-india-ifpi-piracy/> [<https://perma.cc/VZR2-4BLW>] [<https://web.archive.org/web/20231020185833/https://www.billboard.com/wp-content/uploads/2023/01/january-20-2023-billboard-bulletin.pdf>]; Dylan Smith, *British High Court Orders ISPs To Block Multiple Stream-Ripping Sites*, DIGIT. MUSIC NEWS (Mar. 1, 2021), <https://www.digitalmusicnews.com/2021/03/01/british-high-court-stream-ripping-order/> [<https://perma.cc/47H8-W4Y6>].

84. See, e.g., Brett Danaher et al., *Converting Pirates Without Cannibalizing Purchasers: The Impact of Digital Distribution on Physical Sales and Internet Piracy*, 29 MKTG. SCI. 1138 (2010) (showing that making content available on legal channels can reduce demand for that content on pirate channels); Brett Danaher et

property academics have moved on to other debates. But the point made here about the law literature's skewed citations to the empirical literature on the impact of online piracy could apply to other places where the empirical evidence can shape the policy debate. Views on labeling for foods with genetically modified ingredients will depend on beliefs about the safety of genetically modified plants (the overwhelming consensus is that they are completely safe); views on vaccine mandates will depend on views of vaccine safety (the overwhelming consensus is that FDA-approved vaccines are completely safe); and views on regulation of social media will depend on one's beliefs about the addictiveness of such platforms (unsettled as of the time of this Article's publication).

These are just some of 2024's issues. There will be many future empirical questions bearing on policy and law where initial uncertainty may be followed by subsequent consensus among empirical researchers. It is easy to think of examples in intellectual property. Will there be multiple ways to study whether or how generative AI is harming revenue for copyrighted works? How will we empirically study the impact of virtual reality environments on how consumers perceive trademarks? Will increasingly divergent United States and EU legal regimes for online platforms produce different economic or free expression outcomes? Will variations in legal regimes for artificial intelligence produce different innovation outcomes?<sup>85</sup>

With those future questions in mind, there are some broader lessons that might be taken from the skewing of citations we reported in Part I and the possible explanations we presented in Part II. We suggest those lessons include the following (some of which we have phrased as *presumptions* in the spirit of a legal presumption):

- Early on, there may be no peer-reviewed literature on an empirical question, in which case the citation of working papers that have not been peer-reviewed makes sense;
- Before citing a working paper on an empirical question, a law review author or editor should check to see if the paper has been published in a peer-reviewed journal;<sup>86</sup>

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al., *Understanding Media Markets in the Digital Age: Economics and Methodology*, in ECONOMIC ANALYSIS OF THE DIGITAL ECONOMY 385 (Avi Goldfarb et al. eds., 2015) (also showing that making content available on legal channels can reduce demand for that content on pirate channels); Brett Danaher et al., *The Effect of Graduated Response Anti-Piracy Laws on Music Sales: Evidence from an Event Study in France*, 62 J. INDUS. ECON. 541 (2014) (showing that anti-piracy notice sending programs can increase demand on legal channels); Brett Danaher et al., *The Effect of Piracy Website Blocking on Consumer Behavior*, 44 MGMT. INFO. SYS. Q. 631 (2020) (showing that no-fault injunctive relief for copyright owners can increase demand on legal channels).

85. With these last two questions, it may be too difficult to adequately control for other differences in the jurisdictions (economic, social, cultural), but empirical researchers are likely to construct models and measures that try.

86. Particularly as the final results reported may have changed to some degree in response to suggestions, comments, and analysis provided during the peer review process.



- Early uncertainty on an empirical question may be followed by later consensus, so the law academic should presume that early uncertainty will be followed by later consensus without knowing how long it will take for that consensus to emerge;
- The law academic should presume that there is probably more to the empirical literature than has appeared in the walled garden of law literature, and the strength of this presumption should increase with the passage of time from an initial wave of law literature citations;
- The law academic may want to avoid unnecessary empirical or factual claims, and law review editors should refrain from asking law academics to make unnecessary empirical or factual claims; and
- The “bothsidesism” format that makes sense for controverted social, political, cultural, and legal issues can produce false objectivity if used in relation to empirical questions where a consensus view has emerged.

These are suggestions, and one could make many more observations that might have future application. For example, if a law academic is committed to presenting both sides on any question where the weight of empirical evidence clearly favors one side, then we suggest that text and/or footnotes include what have been called “weight-of-evidence statements,” which are “statements that intentionally clarify which view warrants attention and which should be discounted.”<sup>87</sup> In a series of studies, Megan Imundo and David Rapp found that misperceptions in reaction to “bothsidesism” presentations on climate change were largely corrected by weight-of-evidence statements, such as a “short paragraph stating that, although the two sources disagreed on climate change, the overwhelming majority of researchers who are experts on climate change believe it is occurring.”<sup>88</sup> Given the accepted length of law review texts and law review footnotes, such weight of evidence statements should not be burdensome.

One response to our analysis and suggestions is to ask whether any of this matters. Perhaps we should just accept that law literature is a self-contained world in which legal academics present both imaginative theories of law and their own idiosyncratic takes on reality, including the empirical evidence. We do not accept that perspective, particularly not if it absolves authors and editors from trying to *reliably report* the empirical literature.

One reason to adhere to a reliable reporting standard is that law professors and law school students are not the only people who live in the walled garden of law literature. So do judges, their law clerks, and practicing attorneys. The *only* empirical evidence of

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87. Imundo & Rapp, *supra* note 60, at 258.

88. *Id.* at 263.

the impact of online piracy in the Supreme Court's 2005 *Grokster* decision came in Justice Breyer's concurrence, where he wrote the following:

Unauthorized copying likely diminishes industry revenue, though it is not clear by how much. Compare S. Liebowitz, Will MP3 Downloads Annihilate the Record Industry? The Evidence So Far 2 (June 2003) and Press Release, Informa Telecoms & Media, Steady Download Growth Defies P2P (Dec. 6, 2004) (estimating total lost sales to the music industry in the range of \$2 billion annually), with F. Oberholzer & K. Strumpf, The Effect of File Sharing on Record Sales: An Empirical Analysis 24 (Mar. 2004) (academic study concluding that "file sharing has no statistically significant effect on purchases of the average album"), and McGuire, Study: File-Sharing No Threat to Music Sales (Washington Post, Mar. 29, 2004) (discussing mixed evidence).<sup>89</sup>

The *Grokster* decision was released on June 25, 2005, and, assuming that the Breyer concurrence was largely drafted in the spring of 2005, it is intriguing to note that the Oberholzer-Gee & Strumpf paper had been the *only* peer-reviewed empirical study cited in the law literature in 2004. (In 2004 and 2005 the Oberholzer-Gee & Strumpf paper was cited twenty-six times in the law literature—some of those additional law review articles may have been available at the time Breyer's chambers was writing the concurrence.) By the end of 2004, the Liebowitz paper had been cited seven times in the law literature; it received another seven citations in 2005. Of course, we do not know whether Justice Breyer and his clerks encountered the Oberholzer-Gee & Strumpf study through the law literature, their amici brief, the popular press, or some combination of the three.<sup>90</sup> But as further evidence of the walled garden of law literature, after this reference in *Grokster*, citation to the Oberholzer-Gee & Strumpf paper in the law literature took off: forty-three citations from 2006 to 2010.

An interesting question for further research is whether empirical studies cited by courts and/or cited in legislative histories are disproportionately empirical studies that have previously been cited in the law literature. Our guess is that the answer would be yes.<sup>91</sup>

#### IV. CONCLUSION

In a 2012 article, Richard Fallon wrote, "[a] person who becomes a law professor adopts a role of reflecting thoughtfully and conscientiously on matters of legal policy

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89. *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 961–62 (2005) (Breyer, J., concurring) (URL citations removed or summarized for ease of reading).

90. There were a total of sixty-eight amici briefs filed in *MGM v. Grokster*, seven of which cite to the Oberholzer-Gee and Strumpf study. That includes one brief from "law professors," one brief from "Internet Law Faculty," and one brief from Oberholzer-Gee and Strumpf themselves. Brief Amici Curiae of Felix Oberholzer-Gee and Koleman Strumpf in Support of Respondents, *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913 (2005) (No. 04-480).

91. We recognize that it might be difficult to construct such a study because one would want to control for the quality of the empirical research. In other words, a very large-set epidemiological study might be regarded as more important than smaller, peer-reviewed studies on the same question, with recognition of that difference accounting for both the larger study's appearance in legal citations and its use by courts or legislatures.

and justice, at least insofar as she addresses normative questions at all.<sup>92</sup> We believe that this role includes the accurate, reliable representation of empirical matters bearing on the descriptive or normative questions being addressed by the law professor.

This Article explores one area where we believe the law literature could have improved on accurately and reliably representing empirical results: the peer-reviewed literature analyzing the impact of digital piracy on legal sales. Specifically, within the economics and social science literature, 85% of the peer-reviewed publications on digital piracy found that piracy results in statistically and economically significant harm to sales, and 78% of the citations of papers discussing the effect of digital piracy on sales are to those “harm” papers. In contrast, only 45% of the citations in the legal literature are to papers finding that piracy harm sales, with the majority (55%) of citations to the relatively few empirical papers finding that piracy results in no harm to legal sales of copyrighted works.

We explore four potential explanations for this discrepancy in citation patterns between the economics and social science literature and law literature: an enclosed garden of the legal literature where citations beget citations, insensitivity to social science peer-review, “balanced” presentations, and citation patterns that reflect ideological predispositions. We believe that there is support for each potential explanation.

Finally, this Article discusses ways the law literature can work to ensure its future citations more accurately represent the empirical reality in the economics and social science literature. While the debate about the impact of online piracy is largely behind us, sometimes understanding what is in the rearview mirror can help us navigate the road ahead.

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92. Fallon, Jr., *supra* note 55, at 250.

## APPENDIX A

**TABLE 1: PEER-REVIEWED JOURNAL ARTICLES FINDING NO STATISTICAL IMPACT OF PIRACY**

| Citation  | Media Type   | Primary Data   | Result  |
|---|--|--|---|
| Oberholzer-Gee and Strumpf (2007, <i>Journal of Political Economy</i> ) | Music—<br>Physical and<br>Online Album<br>Purchases        | 2002 OpenNap music downloads, 2002 U.S. sales of popular albums                                    | "[F]ile sharing has had no statistically significant effect on purchases of the average album in our sample."                                 |
| Smith and Telang (2009, <i>MIS Quarterly</i> )                          | Movies—<br>Physical (DVD)                                  | 2005-2006 Amazon DVD sales ranks and BitTorrent movie file downloads                               | "[T]he availability of pirated content at [television broadcast] has no effect on post-broadcast DVD sales gains."                            |
| McKenzie (2009, <i>Australian Economic Papers</i> )                     | Music—<br>Physical and<br>Digital Single<br>Chart Position | 2007-2008 Australian Recording Industry Association Top 40 (digital) and Top 50 (physical) singles | "[T]he evidence suggests no discernible impact of [pirate] download activity on legitimate sales."  |
| Andersen and Frenz (2010, <i>J. of Evolutionary Economics</i> )         | Music—<br>Physical (CD)                                    | 2006 survey of Canadian customers' file sharing and CD purchasing behavior                         | There is "no (statistical) association between the number of P2P files downloaded and CD album sales."  |
| Aguiar and Martens (2016, <i>Information Economics and Policy</i> )     | Music—Digital  | Clickstream data on a panel of European Internet users in 2011                                     | Find "no evidence of digital music sales displacement by unlicensed downloading" and find a "small but positive" effect "for some countries." |

**TABLE 2: PEER-REVIEWED JOURNAL ARTICLES FINDING THAT PIRACY HARMS SALES**

| Citation   | Media Type   | Primary Data   | Result  |
|--|--|--|---|
| Hui and Png (2003, <i>Contrib. to Economic Analysis &amp; Policy</i> ) | Music—Physical (CD)  | 1994-98 IFPI worldwide CD sales data and physical piracy rates       | "[D]emand for music CDs decreased with piracy, . . . actual losses amounted to about 6.6 percent of sales or 42 percent of industry estimates."   |
| Peitz and Waelbroeck (2004, <i>Rev. of Econ. Res. on Copyright</i> )   | Music—Physical (Singles, LPs, Cassettes, CDs)              | 1998-2002 worldwide CD sales, IPSOS survey data for piracy downloads | Internet piracy may have been responsible for a 20 percent decrease in music sales between 1998-2002.   |
| Stevens and Sessions (2005, <i>Journal of Consumer Policy</i> )        | Music—Physical (Tapes, LPs, CDs)                           | 1990-2004 consumer spending on cassette tapes, LPs, and CDs          | "[T]he proliferation of peer-to-peer file sharing networks since 2000 has led to a <i>significant</i> decline in music format sales . . . Due to the increased availability of the substitute good, downloaded MP3 files, a 1 percent increase in the price of recorded music after 2000 was associated with a more than proportionate 1.4 percent decline in the quantity purchased—decreasing consumption and sales." |
| Zentner (2005, <i>Topics in Economic Analysis and Policy</i> )         | Music  | 1997-2002 country-level data on music sales and broadband usage      | "Countries with higher internet and broadband penetration have suffered higher drops in music sales"  |
| Bounie et al. (2006, <i>Rev. of Econ. Res. on Copyright</i> )          | Movies—Theatrical & Video (DVD or VHS) Purchase and Rental | 2005 survey of movie piracy and purchases from French universities   | "[Piracy] has a strong [negative] impact on video [VHS and DVD] purchases and rentals" but statistically no impact on box office revenue.   |

| Citation   | Media Type  | Primary Data  | Result  |
|--|---|---|---|
| Michel (2006, <i>Topics in Economic Analysis and Policy</i> )      | Music—Physical (CD)   | 1995-2003 U.S. BLS Consumer Expenditure Survey data                       | “The relationship between computer ownership and music purchases weakened” due to piracy, potentially reducing CD sales by 13 percent.                              |
| Rob and Waldfogel (2006, <i>J. Law and Econ.</i> )                 | Music—Physical (CD)   | 2003 survey U.S. college student music piracy, sales                      | “[E]ach album download reduces purchases by 0.2 in our sample, although possibly by much more.”   |
| Zentner (2006, <i>Journal of Law and Economics</i> )               | Music—Physical & Digital  | 2001 survey of European music purchases, piracy                           | “[Piracy] may explain a 30 percent reduction in the probability of buying music.”   |
| Bhattacharjee et al. (2007, <i>Management Science</i> )            | Music—Weeks on Billboard Top 100                                    | 1995-2002 Billboard 100 chart rankings, WinMX file sharing post 2000.     | P2P file sharing technologies have resulted in “significantly reduced chart survival except for those albums that debut high on the charts.”                        |
| DeVany and Walls (2007, <i>Review of Industrial Organization</i> ) | Movie—Box Office  | Box office revenue and the supply of pirated content for an unnamed movie | “[Piracy] of a major studio movie accelerated its box-office decline and caused the picture to lose about \$40 million in revenue.”                                 |
| Hennig-Thurau, Henning, Sattler (2007, <i>Marketing Science</i> )  | Movies—Box Office, Rental (DVD), and Purchases (DVD)                | 2006 survey of German movie purchases and piracy intentions               | Piracy causes “substantial cannibalization of theater visits, DVD rentals [and] purchases responsible for annual revenue losses of \$300 million in Germany.”       |
| Rob and Waldfogel (2007, <i>J. of Ind. Econ.</i> )                 | Movies—Legal Consumption (Theater, Television, Rental, or Purchase) | 2005 U.S. college student survey movie piracy, sales                      | “[U]npaid first [piracy] consumption reduces paid consumption by about 1 unit.”<br>“[Unpaid consumption] reduced paid consumption in [the] sample by 2.3 per cent.” |

| Citation  | Media Type  | Primary Data   | Result  |
|---|---|--|---|
| Liebowitz (2008, <i>Management Science</i> )                        | Music—Album Sales   | 1998-2003 Census data, Internet use, music sales                     | "[F]ile sharing appears to have caused the entire decline in record sales [observed from 1998-2003]."   |
| Bender and Wang (2009, <i>International Social Science Review</i> ) | Music—Digital (after 2005) and Physical                                   | 1999-2007 Country-level annual recorded music sales                  | "For a one percent increase in piracy rate, music sales declined about 0.6 percent."  |
| Danaher et al. (2010, <i>Marketing Science</i> )                    | Television Content—Pirated Digital (Bit Torrent) and Legal Physical (DVD) | 2007-2008 BitTorrent downloads of TV shows                           | "[T]he removal of NBC content from iTunes resulted in an 11.4 percent increase in piracy for its content."  |
| Waldfoegel (2010, <i>Info. Econ and Policy</i> )                    | Music (Songs)—Physical and Digital  | 2009-10 survey of student music piracy, sales                        | "[A]n additional song stolen reduces paid consumption...between a third and a sixth of a song."   |
| Bai and Waldfoegel (2012, <i>Information Economics and Policy</i> ) | Movies—Consumption (Theatrical, Digital, and/or Physical)                 | 2008-2009 survey of Chinese university students' movie behavior      | "[T]hree quarters of [Chinese students'] movie consumption is unpaid and . . . each instance of [piracy] displaces 0.14 paid consumption instances."                    |
| Hong (2013, <i>Journal of Applied Econometrics</i> )                | Music—Recorded Music Expenditure (CDs, Tapes, and LPs)                    | 1996-2002 survey data from U.S. BLS Consumer Expenditure Survey data | "[F]ile sharing is likely to explain about 20 percent of the total sales decline during the Napster period, mostly driven by . . . households with children aged 6-17." |
| Danaher et al. (2014, <i>Journal of Industrial Economics</i> )      | Music—Digital (iTunes)  | 2008-2011 iTunes music sales in France and other European countries  | The HADOPI anti-piracy law "caused iTunes music sales to increase by 22-25 percent [in France] relative to changes in the control group [countries]."                   |

| Citation  | Media Type  | Primary Data   | Result   |
|---|---|--|--|
| Danaher and Smith (2014, <i>Intl. Journal of Industrial Org.</i> )      | Movies—Digital (Sales and Rentals)  | 2011-2013 Movie sales and rentals, 12 European countries, 3 major studios    | “The shutdown of Megaupload and its associated sites caused digital revenues for three major motion picture studios to increase by 6.5–8.5 percent.”   |
| Ma et al. (2014, <i>Info. Sys. Research</i> )                           | Movies—Box Office   | All movies in wide release, Feb. 2006 to Dec. 2008.                          | “Pre-release piracy causes a 19.1 percent decline in revenue compared to [post-release] piracy.”   |
| Adermon and Liang (2014, <i>J. of Econ. Behavior &amp; Org.</i> )       | Music—Digital and Physical  | Digital and physical music sales in Sweden, Norway, and Finland, 2004-2009.  | IPRED copyright reform measure in Sweden “increased music sales by 36 percent in during the first six months [after it was implemented].”  |
| Leung (2015, <i>Information Economics and Policy</i> )                  | Music Demand—Physical (CD), Digital (iTunes songs), and pirated—and listening options (iPod, Computer, and Radio) | Survey data from ~900 college students in 2007-2008.                         | “Music piracy decreases music sales by 24-42 percent” but it also “contributes 12 percent to iPod sales”.  |
| McKenzie and Walls (2016, <i>B.E. J. of Econ. Analysis and Policy</i> ) | Movies—Box Office   | Australian theatrical sales, torrent downloads, Jan. 2010 through Aug. 2011. | Piracy causes “a sales displacement effect on box office revenues” via “release delay between the U.S. and Australian markets”. However, “although statistically significant, the economic significance of this displacement appears relatively small.” “[F]or every 100 downloads [of a median film from the sample data] somewhere between 2.4 and 3.4 cinema admissions are displaced.” |



| Citation   | Media Type                                 | Primary Data   | Result   |
|--|--|--|--|
| Reimers (2016, <i>Journal of Law and Economics</i> )   | Books—Physical, Audio, and Digital         | Print and e-book sales of 653 book titles from 2010 to 2014.                             | Studies implementation of private copyright enforcement against piracy of some book titles and finds “a protection-related increase of e-book sales . . . of more than 14 percent” but “sales of non e-book formats are not affected.” |
| Papies and van Heerde (2017, <i>Journal of Marketing</i> )   | Music—Concert and Recorded Format Revenues | German recorded music and live concert revenues for ~400 popular artists from 2003-2010. | Piracy and unbundling “weaken the effect of concert demand on record demand”, meaning that live performances have a smaller stimulating effect on record sales as a result of piracy.  |
| Peukert, Claussen, and Kretschmer (2017, <i>International Journal of Industrial Organization</i> ) <sup>93</sup> | Movies—Box Office                          | Weekly box office revenue of 308 movies across 14 countries from 2011-2012.              | The shutdown of Megaupload caused “an increase of 47 percent” in box office revenues for the top decile of wide release films, but also caused “an average weekly decrease of 4 percent for narrow release films”.                     |
| Koh, Hann, and Raghunathan (2019, <i>MIS Quarterly</i> )   | Music—Physical and Digital                 | U.S. physical and digital album and single sales from 1982-2012.                         | Piracy displaces legal sales, but “the introduction of licensed digital downloads has weakened the piracy effect” by about “15 percent every year”.  |

93. This paper finds that shutting down a major piracy website helped box office ticket sales of movies in the top decile of sales but hurt ticket sales of films in the bottom decile of sales. I include this in the “piracy harms sales” category because sales of the top decile movies drive the vast majority of revenue in the motion picture industry.

| Citation  | Media Type     | Primary Data  | Result   |
|---|----------------|---|--|
| Danaher, Hersh, Smith, and Telang (2020, <i>MIS Quarterly</i> ) | Movies—Digital | Clickstream data to legal and illegal video sites among a sample of UK Internet users, 2012-2014. | Blocking access to a single dominant piracy site does not reduce piracy or increase legal consumption, but simultaneously blocking access to a number of piracy sites increased legal consumption by 7-12 percent and also caused some users to buy a legal streaming site subscription. |
| Hardy (2022, <i>Journal of Cultural Economics</i> )             | TV Viewership  | TV Ratings for 52 TV shows released between 1999-2016   | Shows experiencing a pre-release pirate leak “lost viewership for both the leaked episodes and those that followed.”   |

**TABLE 3: SUMMARY OF EMPIRICAL LITERATURE ON ANTIPIRACY ENFORCEMENT**

| <b>Citation</b>  | <b>Context</b>   | <b>Potential Workaround</b>  | <b>Result</b>   |
|--|--|--|---|
| Danaher et al. (2014, <i>Journal of Industrial Economics</i> )                                     | HADOPI “three strikes law” graduated response law in France                            | Use a VPN or wait for your second “strike” before changing behavior.         | The HADOPI anti-piracy law “caused iTunes music sales to increase by 22-25 percent [in France] relative to changes in the control group [countries].” |
| Adermon and Liang (2014, <i>J. of Econ. Behavior &amp; Org.</i> )                                  | IPRED law in Sweden allowing rightsholders to identify and take action against pirates | Use a VPN.   | IPRED copyright reform measure in Sweden “increased music sales by 36 percent in during the first six months [after it was implemented].”             |
| Danaher and Smith (2014, <i>Intl. Journal of Industrial Org.</i> )                                 | Shutdown of Megaupload.com following DOJ legal action                                  | Download pirated content from one of the many remaining pirate cyberlockers. | “The shutdown of Megaupload and its associated sites caused digital revenues for three major motion picture studios to increase by 6.5–8.5 percent.”  |
| Reimers (2016, <i>Journal of Law and Economics</i> )   | Piracy “takedown notices” and search delisting   | Search harder, use BitTorrent  | Finds “a protection-related increase of e-book sales . . . of more than 14 percent.”  |
| Peukert, Claussen, and Kretschmer (2017, <i>International Journal of Industrial Organization</i> ) | Shutdown of Megaupload.com following DOJ legal action                                  | Download pirated content from one of the many remaining pirate cyberlockers. | The shutdown of Megaupload caused “an increase of 47 percent” in box office revenues for the top decile of wide release films.                        |

| Citation  | Context   | Potential Workaround  | Result   |
|---|---|---|--|
| Sivan et al. (2020, <i>Management Information Systems Quarterly</i> )   | De-ranking of piracy sites from the first page of search engine results | Search to the second page of results where pirated links remained | “[R]educing the prominence of infringing links in search results causes users who otherwise would have consumed infringing content to switch their consumption to paid legal content, and that these results hold even among users whose initial search queries express an explicit preference for infringing content.”                              |
| Danaher et al. (2020, <i>Management Information Systems Quarterly</i> ) | Court ordered ISP blocking of piracy websites, 3 separate waves         | Use a VPN, find other unblocked sites.                            | Blocking access to ThePirateBay in 2012 “caused no increase in usage of legal sites but instead caused users to increase visits to other unblocked piracy sites and VPN sites,” whereas blocking 19 sites in 2013 and 53 sites in 2014 caused “users to decrease piracy and to increase their usage of legal subscription sites between 7% and 12%.” |

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## A Tale of Two Fashion Nations: Comparative Fashion IP Laws in the United States and China

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### ABSTRACT

*This Article compares intellectual property (IP) protection for fashion designs in the United States and China. As the two largest fashion markets in the world, these countries both have controversies over the optimal IP protection against knockoffs. This study reveals that similar disputes have occurred in both countries because IP laws are not primarily designed for fast-changing fashion products. Although courts in both countries have handled identical legal issues, such as separability in copyright law, distinctiveness in trademark law, and patentability for designs, their approaches are quite different. While the U.S. doctrines, such as functionality in three-dimensional trademarks and trade dress protection for product packaging, are more developed in precedents, the Chinese doctrines, such as copyrightability in garment designs, are sometimes led by industrial policies. Since the Chinese government has been determined to develop its fashion industry, these two major economies will continue to compete to be not only the largest fashion economy around the globe but also the best legal environment to foster fashion creativity. The broader implication of this Article is that IP issues in the fashion industry have demonstrated how two distinct legal frameworks, characterized by comparable regulations yet varying social and economic standings, address analogous legal challenges.*

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## TABLE OF CONTENTS

|  |     |
|--|-----|
| Introduction.....  | 209 |
| I.Fashion Imitation Associated with IP Infringement..... | 212 |
| A. Counterfeits .....                                    | 212 |
| B. Knockoffs .....                                       | 214 |
| II.IP Issues Concerning Fashion Knockoffs.....           | 215 |
| A. Copyright .....                                       | 215 |
| 1. The Separability Test in the United States.....       | 216 |
| 2. The Separability Test in China.....                   | 218 |
| 3. Comparison of the Chinese and U.S. Approaches.....    | 220 |
| B. Trademark.....  | 221 |
| 1. Three-Dimensional Trademarks .....                    | 223 |
| a. Three-Dimensional Trademarks in the United States ..  | 223 |
| b. Three-Dimensional Trademarks in China .....           | 226 |
| c. Comparison of the Chinese and U.S. Systems.....       | 232 |
| 2. Color Trademark .....                                 | 233 |
| a. Color Trademark in the United States .....            | 233 |
| b. Color Trademark in China .....                        | 234 |
| c. Comparison of the Chinese and U.S. Systems .....      | 236 |
| C. Design Patent.....                                    | 237 |
| 1. Novelty.....  | 240 |
| 2. Non-obviousness .....                                 | 242 |
| D. Unfair Competition .....                              | 244 |
| 1. Unfair Competition in the United States .....         | 244 |
| 2. Unfair Competition in China .....                     | 245 |
| 3. Comparison of the Chinese and U.S. Systems .....      | 247 |
| III.Conclusion .....                                     | 250 |

## INTRODUCTION

The United States and China are the two largest markets in the world for the fashion industry, with continuous growth after the COVID-19 pandemic.<sup>1</sup> The United States has led the global fashion market in terms of sales, value, job opportunities, market size, and the number of designers.<sup>2</sup> Despite the recent drop in the worldwide fashion market, China still makes the largest contribution to the industry's revenue globally.<sup>3</sup> The expansion of the Chinese fashion market is principally because of the rising income of the middle class and its consequent growing brand consciousness, as well as buying power.<sup>4</sup> Unsurprisingly, many Western fashion companies have invested significantly in the Chinese market.<sup>5</sup> Luxury brands have opened or refurbished stores

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1. See, e.g., IMRAN AMED ET AL., MCKINSEY & CO., THE STATE OF FASHION 2023: HOLDING ONTO GROWTH AS GLOBAL CLOUDS GATHER (2022), <https://www.mckinsey.com/industries/retail/our-insights/state-of-fashion> [https://perma.cc/W7PJ-YLHT] [<https://web.archive.org/web/20231018173434/https://www.mckinsey.com/industries/retail/our-insights/state-of-fashion>]; *Navigating the Winds of Change: China's Fashion Industry Experiences Unprecedented Growth*, DAXUE CONSULTING (May 10, 2023), <https://daxueconsulting.com/fashion-industry-in-china/> [https://perma.cc/27MG-CDXM] [<https://web.archive.org/web/20231018173540/https://daxueconsulting.com/fashion-industry-in-china/>]; see also Halley Herbst, Note, *The Price of Fashion: The Environmental Cost of the Textile Industry in China*, 45 *FORDHAM INT'L L.J.* 907, 907 (2022) ("China plays a prominent role in the fashion industry as a leading exporter and importer of textiles."); Loren E. Mulraine, *From Adidas To Zenga: A Historical and Comparative Analysis of International Intellectual Property Law in Fashion*, 48 *AIPLA Q.J.* 281, 323 (2020) ("China's fashion industry 'has now overtaken the European Union and the United States as the world's largest fashion retail market.'"); THE BUS. OF FASHION & MCKINSEY & CO., THE STATE OF FASHION 2023, at 33 (2023) [hereinafter MCKINSEY & CO.], <https://www.mckinsey.com/~media/mckinsey/industries/retail/our%20insights/state%20of%20fashion/2023/the-state-of-fashion-2023-holding-onto-growth-as-global-clouds-gathers-vf.pdf> [https://perma.cc/FG2X-25JT] [<https://web.archive.org/web/20231018173627/https://www.mckinsey.com/~media/mckinsey/industries/retail/our%20insights/state%20of%20fashion/2023/the-state-of-fashion-2023-holding-onto-growth-as-global-clouds-gathers-vf.pdf>] ("[T]he US has also reclaimed its spot as the largest market for luxury goods in the world in 2022, even if the country will likely concede this position to China again in the near term.").

2. See, e.g., Sky Ariella, *28 Dazzling Fashion Industry Statistics [2023]: How Much Is the Fashion Industry Worth*, ZIPPAA (June 15, 2023), <https://www.zippia.com/advice/fashion-industry-statistics/> [https://perma.cc/AW5V-N5M3] [<https://web.archive.org/web/20231018173734/https://www.zippia.com/advice/fashion-industry-statistics/>].

3. See DAXUE CONSULTING, *supra* note 1; see also MCKINSEY & CO., *supra* note 1, at 32 ("Even during the pandemic in 2020, China accounted for 25 percent of global apparel and footwear sales, ahead of the US and Western Europe with 20 percent and 22 percent respectively.").

4. See DAXUE CONSULTING, *supra* note 1; see also Jyh-An Lee & Lili Yang, *Viagra Did Not Work, but Michael Jordan Still Made It: Trademark Policy Toward the Translation of Foreign Marks in China*, 20 *DUKE L. & TECH. REV.* 36, 38 (2022) ("MNEs' interest in entering the Chinese market has increased significantly in recent years because of the country's economic reforms, which enable increasingly more local consumers to buy expensive foreign products of higher quality."); MCKINSEY & CO., *supra* note 1, at 43 ("In a recent survey, 26 percent of higher-income consumers in China—which is among the countries where economic growth is slowing—said they increased their fashion shopping budgets in the first half of 2022 compared to the same period in 2021, citing a desire to 'look and feel good.'").

5. MCKINSEY & CO., *supra* note 1, at 32.

in different shopping hubs, such as Chengdu, Hainan, Shanghai, and Wuhan.<sup>6</sup> Therefore, industry experts have predicted extraordinary profit opportunities from the Chinese fashion market.<sup>7</sup>

Due to the fashion industry's fast pace, short product life, and ever-changing trends,<sup>8</sup> creativity is at the heart of the industry.<sup>9</sup> Therefore, scholars have argued that intellectual property (IP) is essential for fueling the essential tinder—creativity—in the fashion industry.<sup>10</sup> Unsurprisingly, IP protection has been the main concern for multinational fashion companies operating in the two largest markets in the world. On the one hand, as a global leader in the fashion industry, the United States has not developed a consensus on the optimal protection for fashion creativity. On the other, although China has become one of the top markets for fashion products, it has also remained the largest producer of counterfeit goods.<sup>11</sup> Therefore, the extent to which fashion designs can be protected by IP laws in China concerns not only the country's attraction to international fashion brands but also its leading role in the global fashion industry.

Both the United States and China have been struggling to establish optimal IP policies for the fashion industry, especially those relevant to knockoffs. Some United States-based cheap-chic chain stores, such as H&M and Forever 21, have been accused of free riding on high-end designs and selling cheap, “brazenly close ‘interpretations’”

6. *Id.* at 33.

7. *See, e.g., Id.* (“China’s long-term growth projections remain robust . . . . China will likely remain a core market for fashion consumption in the long term, with significant untapped opportunities among a customer base whose sentiment for luxury brands in particular is holding strong.”).

8. *See, e.g.,* Violet Atkinson et al., *Comparative Study of Fashion and IP: Copyright and Designs in France, Europe and Australia*, 11 J. INTEL. PROP. L. & PRAC. 516, 528 (2016); Paige Holton, *Intellectual Property Laws for Fashion Designers Need No Embellishments: They Are Already in Style*, 39 J. CORP. L. 415, 418 (2014); Ronald Urbach & Jennifer Soussa, *Is the Design Piracy Protection Act a Step Forward for Copyright Law or Is It Destined To Fall Apart at the Seams?*, CORP. COUNS. BUS. J. (July 1, 2008), <https://cbjournal.com/articles/design-piracy-protection-act-step-forward-copyright-law-or-it-destined-fall-apart-sea#:~:text=Conclusion%3A%20The%20DPPA%20Is%20Fashion%20Forward&text=If%20one%20of%20the%20major,blatantly%20copy%20the%20designer%27s%20work.> [<https://perma.cc/8X9K-7FYT>] [<https://web.archive.org/web/20231115160110/https://cbjournal.com/articles/design-piracy-protection-act-step-forward-copyright-law-or-it-destined-fall-apart-sea>].

9. Pammi Sinha, *Creativity in Fashion*, 2 J. TEXTILE & APPAREL, TECH. & MGMT, Fall 2002, at 1, 2–3 (“Creativity is a form of problem solving and fashion design is a problem.”).

10. *See, e.g.,* Naman Priyadarshi, *Intellectual Property Rights: Crucial for Fashion Industry*, 4 INT’L J.L. MGMT. & HUMANITIES 1545, 1545–46 (2021); Kaitlyn N. Pytlak, *The Devil Wears Fraud-a: An Aristotelian-Randian Approach To Intellectual Property Law in the Fashion Industry*, 15 VA. SPORTS & ENT. L.J. 273 (2016); *see also* Cassandra Elrod, *The Domino Effect: How Inadequate Intellectual Property Rights in the Fashion Industry Affect Global Sustainability*, 24 IND. J. GLOB. LEGAL STUD. 575, 593 (2017) (“[J]ust because the fashion industry remains innovative and successful despite a lack of intellectual property protection does not automatically undermine the need to protect this industry.”); C. Scott Hemphill & Jeannie Suk, *The Law, Culture, and Economics of Fashion*, 61 STAN. L. REV. 1147, 1150 (2009) (“In the legal realm, this social dynamic of innovation and continuity is most directly engaged by the law of intellectual property.”).

11. *See, e.g.,* Angela Terese Timpone, Note, *The True Price for Your Fake Gucci Bag Is a Life: Why Eliminating Unsafe Labor Practices Is the Right Answer To the Fashion Counterfeit Problem*, 15 CARDOZO PUB. L., POL’Y, & ETHICS J. 351, 371 (2017).

of others' latest fashion products.<sup>12</sup> The fashion industry has actively lobbied for the Design Piracy Prohibition Act and other legislation to strengthen legal protection for fashion designs.<sup>13</sup> Since the late 2010s, China has endeavored to improve its long-criticized lax IP system and moved aggressively from an imitation economy to an innovation economy.<sup>14</sup> Therefore, it has become easier for multinational fashion brands to enforce their IP in the country; nevertheless, the challenges they face are different from those faced two decades ago. While international brand owners have successfully claimed trademark infringement against makers of "AMANI"<sup>15</sup> or "Baneberry" garments,<sup>16</sup> they have complained about cheap knockoffs that merely copy their iconic design features, such as Gucci's green-red-green stripes or Burberry's famous check pattern. Fashion designers assert that these knockoffs inappropriately free ride on their creativity, and Chinese courts have heard numerous IP infringement cases pertaining to such knockoffs.

Following the introductory part of this study, Part II presents two major types of imitations in the fashion industry—counterfeits and knockoffs. While counterfeits and knockoffs may trigger IP infringement concerns, it is more challenging for fashion designers to claim infringement against the latter. This is why design houses have been concerned about knockoffs in both the United States and China. Part III then compares brand owners' different approaches under American law and Chinese law to claim copyright, trademark, design patent, and unfair competition against imitators. Although knockoffs have been controversial in the fashion industries and IP communities in both countries, the United States and China have taken different approaches toward these controversies. Part IV concludes that there are limitations in the IP laws in both the United States and China when it comes to protecting fashion designs. While U.S. law provides fashion designers with more certainty, Chinese law

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12. See, e.g., Erika Myers, *Justice in Fashion. Cheap Chic and the Intellectual Property Equilibrium in the United Kingdom and the United States*, 37 AIPLA Q.J. 47, 66–67 (2009).

13. See, e.g., KAL RAUSTIALA & CHRISTOPHER SPRIGMAN, *THE KNOCKOFF ECONOMY: HOW IMITATIONS SPARKS INNOVATION* 34–36 (2012); Jessica Rosen, *The Inability of Intellectual Property To Protect the New Fashion Designer: Why the ID3PA Should Be Adopted*, 43 GOLDEN GATE U.L. REV. 327, 330–32 (2013).

14. See generally Guojia Chuangxin Qudong Fazhan Gangyao (国家创新驱动发展战略纲要) [Outline of the National Innovation-Driven Development Strategy] (May 19, 2016) (China), translated in *Outline of the National Innovation-Driven Development Strategy*, CTR. FOR SEC. & EMERGING TECH. (Dec. 11, 2019), <https://cset.georgetown.edu/publication/outline-of-the-national-innovation-driven-development-strategy/> [https://perma.cc/BES9-RWVP] [https://web.archive.org/web/20231018173849/https://cset.georgetown.edu/publication/outline-of-the-national-innovation-driven-development-strategy/]; see also Jyh-An Lee, *Shifting IP Battlefields in the U.S.-China Trade War*, 43 COLUM. J.L. & ARTS 147, 182–84 (2020) (illustrating the transformation of the Chinese government's role from inactive IP law enforcer to active facilitator of access to and acquisition of foreign technologies).

15. Qiaozhi Amani Youxian Gongsu Su Guangzhou Lideng Biaoye Youxian Gongsu Deng (乔治·阿玛尼有限公司诉广州利登表业有限公司等) [*Giorgio Armani S.P.A. v. Guangzhou Lideng Timepiece Co., Ltd.* et al.], CHINA JUDGMENTS ONLINE (Guangzhou Baiyun District People's Ct. 2022) (China).

16. Boboli Youxian Gongsu Su Xinboli Shangmao Youxian Gongsu Deng (博柏利有限公司诉新帛利商贸有限公司等) [*Burberry Limited v. Baneberry Trading Co. Ltd.* et al.], CHINA JUDGMENTS ONLINE (Jiangsu Suzhou Interm. People's Ct. 2020) (China) [hereinafter Baneberry].

has increasingly strengthened its protection for fashion designs through enforcing the Anti-Unfair Competition Law (AUCL) and broadening the scope of non-traditional trademarks. We expect that these two major economies will continue to compete to be not only the largest fashion economy but also the best legal environment to foster fashion creativity.

## I. FASHION IMITATION ASSOCIATED WITH IP INFRINGEMENT

IP owners in the fashion industry commonly claim infringement against imitators for two types of imitation: imitation or copying of a brand's name or trademarks (counterfeits) and imitation or copying of a brand's designs (knockoffs).<sup>17</sup> Although sometimes used interchangeably, the terms "counterfeit" and "knockoff" are conceptually different in the IP literature.<sup>18</sup> Brand names and logos can undisputedly be protected as trademarks, whereas specific design patterns cannot be easily protected by IP law. Multinational fashion companies used to be troubled by widespread counterfeits in China, but the major challenge for them currently is how to curtail knockoffs of their design elements.

### A. COUNTERFEITS

By definition, a counterfeit product refers to a pirated product bearing the originator's trademark with the obvious intention to imitate and deceive.<sup>19</sup> Therefore, counterfeits inevitably involve trademark infringement (and passing off in common law jurisdictions).<sup>20</sup>

Although a counterfeit is not necessarily a 1:1 replica of the genuine product, the variance from the original is barely discernible by amateur consumers.<sup>21</sup> An "Amani" t-

17. Kal Raustiala & Christopher Sprigman, *The Piracy Paradox: Innovation and Intellectual Property in Fashion Design*, 92 VA. L. REV. 1687, 1692 (2006) ("Our focus is the copying of apparel designs, not brand names."); *Id.* at 1692 n.7 ("It is also important to distinguish textile designs from apparel designs, though there is sometimes overlap.").

18. Marra M. Clay, *Copycat Cosmetics: The Beauty Industry and the Bounds of the American Intellectual Property System*, 106 MINN. L. REV. 425, 436 (2021); Kenneth L. Port, *A Case Against the ACTA*, 33 CARDOZO L. REV. 1131, 1141 (2012).

19. Port, *supra* note 18, at 1141–42; Clay, *supra* note 18, at 436–37; Julio O. De Castro et al., *Can Entrepreneurial Firms Benefit from Product Piracy?*, 28 J. BUS. VENTURING 75, 78 (2008).

20. Port, *supra* note 18, at 1141–42; Clay, *supra* note 18, at 436–37.

21. Some Chinese practitioners adopt a different set of definitions of the concepts, which sees counterfeits as 1:1 replicas (假冒), whereas knockoffs are slightly twisted versions of the originals (仿冒). See, e.g., Tie Liu & Zemin Deng (刘铁、邓泽敏), *Anti-Counterfeit Strategy against Counterfeits, Knockoffs and Other Illegal Practices (假冒、仿冒及相关违法行为的认定及打假对策)*, 1 J. APPLIANCE SCI. & TECH. (家电科技) 48, 48 (2011) (stating that counterfeits refer to copying of trademarks, while knockoffs refer to free riding on others' reputation through misappropriating their product name, packaging or decoration). *But see* Danli Chen & Jianjun Yang (陈丹丽、杨建军), *The Determination of Counterfeits in the Market (如何认定市场假冒与仿冒行为)*, 14 J. XIDIAN U. (SOC. SCI. EDITION) (西安电子科技大学学报(社会科学版)) 33 (2004) (recognizing the use without authorization of both identical and similar marks on identical or similar goods as counterfeits). In this Article, we adopt the broader set of definitions in line with the relevant literature.

shirt or “Baneberry” trench coat with slightly different designs from the originals could be an Armani or Burberry counterfeit. Sometimes, imitators even register trademarks for their counterfeit designs or logos. For example, the defendant in *Burberry Limited v. Baneberry Trading Co.* managed to register the “Baneberry” trademark in China in multiple classes.<sup>22</sup> Amusing as it may seem at first glance, there is actually a fair chance of consumer confusion when such counterfeiting techniques are combined with other imitative tactics (e.g., displaying the counterfeits in a physical or online store with a layout that is also confusingly similar to that of the original brand).<sup>23</sup> Although consumers are aware that they are buying counterfeits, initial interest confusion prior to the sale exists when they are attracted to the products. In these cases, although the counterfeit trademark is not identical to the originator’s mark, an infringement still exists, given the substantial similarity between the marks and the free-riding intention of the imitator.<sup>24</sup> This type of clumsy imitation accounted for a great proportion of fashion IP infringement in China in the 2000s.

Owners’ enforcement options against blatant counterfeits are straightforward. As long as the original brand owner has secured valid trademark registration for the brand name or logo, it will have a fair chance of success in civil proceedings.<sup>25</sup> This is why fashion companies are always willing to invest heavily in enforcing their trademarks against counterfeits.<sup>26</sup> In the *Baneberry* case mentioned above, Burberry successfully obtained a preliminary injunction enjoining the copyist from selling and marketing the counterfeited garment in a manner that was found to be confusing and deceptive.<sup>27</sup> When the value of counterfeited goods meets the criminal threshold, the manufacturer could even be held criminally liable.<sup>28</sup> The brand owner can also resort to

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22. See *Baneberry*, *supra* note 16.

23. See, e.g., *id.* at 24 (ruling that the alleged infringement was a “multi-dimensional imitation” of the Burberry brand, which will inevitably degrade, dilute, and damage the distinctiveness, recognizability, and reputation of Burberry).

24. *Id.*

25. Shangbiao Fa (商标法) [Trademark Law] art. 60 (China) [hereinafter Trademark Law 2019] (“Where any party has committed any of such acts to infringe the exclusive right to use a registered trademark . . . where they are reluctant to resolve the matter through consultation or the consultation fails, the trademark registrant or interested party may institute legal proceedings in the People’s Court or request the administrative authority for industry and commerce for actions.”).

26. See, e.g., RAUSTIALA & SPRIGMAN, *supra* note 13, at 29.

27. *Baneberry*, *supra* note 16.

28. Xing Fa (刑法) [Criminal Law] art. 213 (China), translated in *Criminal Law of the People’s Republic of China*, NAT’L PEOPLE’S CONG., [http://www.npc.gov.cn/zgrdw/englishnpc/Law/2007-12/13/content\\_1384075.htm](http://www.npc.gov.cn/zgrdw/englishnpc/Law/2007-12/13/content_1384075.htm) [https://perma.cc/HL52-KDQC] [https://web.archive.org/web/20231202233447/http://www.npc.gov.cn/zgrdw/englishnpc/Law/2007-12/13/content\_1384075.htm] (“Whoever, without permission from the owner of a registered trademark, uses a trademark which is identical with the registered trademark on the same kind of commodities shall, if the circumstances are serious, be sentenced to fixed-term imprisonment of not more than three years or criminal detention and shall also, or shall only, be fined; if the circumstances are especially serious, he shall be sentenced to fixed-term imprisonment of not less than three years but not more than seven years and shall also be fined.”).



administrative remedies, such as filing complaints with the local administration for market supervision or seeking assistance from customs.<sup>29</sup>

## B. KNOCKOFFS

A knockoff is usually labeled with the imitator's trademark, which is sometimes completely unrelated to the originator's brand.<sup>30</sup> The product's resemblance to the original comes solely from the imitation of style and design features. There is only a thin line between licit and illicit knockoffs because it is challenging to discern whether a subsequent design is plagiarizing a prior work or simply drawing inspiration from it.<sup>31</sup> Fast fashion brands, such as H&M and Forever 21, are frequently accused of knocking off pioneer designers.<sup>32</sup>

One key feature that distinguishes knockoffs from counterfeits is that knockoffs do not aim to create consumer confusion.<sup>33</sup> Even a layman consumer can easily discern that a bomber jacket she is purchasing from Forever 21, although it has similar design features or confusing elements, such as green and red stripes, is not actually a Gucci product. It can be distinguished based on the texture, material, price, other design features, and, most obviously, the "Forever 21" label. If consumer confusion is eliminated, claims based on trademark infringement are less likely to succeed.<sup>34</sup>

29. Trademark Law 2019, *supra* note 25, art. 60.

30. Clay, *supra* note 18, at 437. Fashion companies may integrate their trademarks in the designs and claim trademark infringement against knockoff producers. Burberry's distinctive plaid trademark is a notable example. However, this category of goods is rare in the fashion market. See RAUSTIALA & SPRIGMAN, *supra* note 13, at 29.

31. Barton Beebe, *Shanzhai, Sumptuary Law, and Intellectual Property Law in Contemporary China*, 47 U.C. DAVIS L. REV. 849, 852 (2014) (explaining that "shanzhai" is sometimes licit but usually illicit).

32. See, e.g., *Forever 21, Inc. v. Gucci Am., Inc.*, No. CV 17-04706 SJO (Ex), 2018 U.S. Dist. LEXIS 238201 (C.D. Cal. Feb. 9, 2018). Forever 21 filed a suit against Gucci to seek a declaratory judgment that its use of the green-red-green stripes on clothing does not infringe Gucci's trademark. *Id.* The case was settled outside the court before a substantive ruling could be made. See also *Anna Sui Corp. v. Forever 21, Inc.*, No. 07 Civ. 3235 (TPG), 2008 U.S. Dist. LEXIS 73457 (S.D.N.Y. Sept. 24, 2008); Irene Tan, Note, *Knock It Off, Forever 21! The Fashion Industry's Battle Against Design Piracy*, 18 J.L. & POL'Y 893, 913-21 (2010); *The Many (Law)suits of Forever 21*, TFR NEWS (Oct. 2, 2019), <https://tfr.news/articles/2019/10/2/the-many-lawsuits-of-forever-21> [<https://perma.cc/7FJ8-6A94>]

[<https://web.archive.org/web/20231010012753/https://tfr.news/articles/2019/10/2/the-many-lawsuits-of-forever-21>]; Alanna Petroff, *Converse Sues Wal-Mart, H&M Over Copycat Sneakers*, CNN BUS. (Oct. 16, 2014), <https://money.cnn.com/2014/10/15/news/companies/converse-lawsuit-shoes/index.html> [<https://perma.cc/2HLK-2TAH>]

[<https://web.archive.org/web/20231115181531/https://money.cnn.com/2014/10/15/news/companies/converse-lawsuit-shoes/index.html>]. Most of the disputes above were settled outside the court.

33. Port, *supra* note 18, at 1141 ("When no consumer confusion is likely, the appropriate label is *knockoff*"). However, post-sale confusion is likely to exist. In other words, it may create confusion to third-party observers who might actually believe the pirated product is from the original brand owner. See, e.g., Kal Raustiala & Christopher Jon Sprigman, *Rethinking Post-Sale Confusion*, 108 TRADEMARK REP. 881, 883-84 (2018).

34. Clay, *supra* note 18, at 437 ("Under this definition, knockoffs are not illegal unless a brand can prove that a knockoff is so close to the original product that the consumer is misled into believing they are

Therefore, legal actions against the producers of such knockoffs are generally more limited and more challenging than those against the producers of counterfeits.<sup>35</sup>

Unsurprisingly, in recent years, knockoffs have become a major form of fashion imitation and a major challenge for fashion companies. Knockoffs are popular because of the fast-changing nature of the industry, consumer preference for trendy products, speedy information transmission enabled by digital technologies, and retailers' price differentiation strategies.<sup>36</sup> As Part III shows, the increasing number of lawsuits concerning fashion knockoffs has become a new challenge not only to judiciaries but also to policymakers aiming to improve the investment environment and IP protection.

## II. IP ISSUES CONCERNING FASHION KNOCKOFFS

Fashion companies have sought to protect their design elements through different categories of IP. By systematically studying American and Chinese court decisions, this part illustrates how they deploy IP, such as copyright, trademarks, design patents, and unfair competition law, to protect those elements, as well as the limitations of each approach.

### A. COPYRIGHT

Although some commentators have argued that, among all categories of IP, copyright is the most practical form of protection for fashion designs,<sup>37</sup> copyright sometimes functions in a limited way. The main challenge for fashion designers to claim copyright over their design elements is that most jurisdictions require the separability of copyrighted works and the underlying product's functions. In other words, because the products' aesthetic value is sometimes built on their utilitarian function, it is occasionally disputed whether fashion products, such as clothing, shoes, and handbags, are subject to copyright protection.<sup>38</sup> Nevertheless, the separability test

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purchasing the original."); see also RAUSTIALA & SPRIGMAN, *supra* note 13, at 5 ("[I]t is illegal to copy Gucci or Marc Jacobs . . . [b]ut the underlying clothes design can be copied at will.").

35. Notably, such disputes and accusations of design copying even occurs between two high fashion houses, or between two fast fashion brands. See, e.g., *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holding, Inc.*, 696 F.3d 206 (2d Cir. 2012); Plaintiff's Complaint for Copyright Infringement, Trade Dress Infringement, and Unfair Competition, *H&M Hennes & Mauritz AB v. Forever 21, Inc.* (S.D.N.Y. 2015) (No. 1:15-cv-05678).

36. Elizabeth Ferrill & Tina Tanhehco, *Protecting the Material World: The Role of Design Patents in the Fashion Industry*, 12 N.C. J.L. & TECH. 251, 264–68 (2011).

37. See, e.g., Brittany West, *A New Look for the Fashion Industry: Redesigning Copyright Law with the Innovative Design Protection and Piracy Protection Act (IDPPPA)*, 5 J. BUS., ENTREPRENEURSHIP, & L. 57, 64, 74 (2011).

38. See, e.g., *Galiano v. Harrah's Operating Co.*, 416 F.3d 411, 422 (5th Cir. 2005); Raustiala & Sprigman, *supra* note 17, at 1699; see also *Shanghai Lukun Fushi Youxian Gongsi Su Shanghai Rongmei Pinpai Guanli Youxian Gongsi Deng* (上海陆坤服饰有限公司诉上海戎美品牌管理有限公司等) [*Shanghai Lukun Clothing Co., Ltd. v. Shanghai Rongmei Brand Management Co., Ltd. et al.*], CHINA JUDGMENTS

only restrains copyright for three-dimensional (3D) articles; therefore, two-dimensional (2D) fashion sketches, design features, and textile patterns printed on a fashion item are not considered “useful.”<sup>39</sup>

In 2022, an Australian court refused to recognize the Neoprene tote bag as a work of artistic craftsmanship.<sup>40</sup> The court ruled that the subject design was undoubtedly constrained by functional considerations because the designer intended to design a stylish “carry-all” bag from the beginning. Therefore, the function of the bag to “carry all” governed its overall design.<sup>41</sup> Nevertheless, fashion design companies sometimes overcome this separability threshold by proving that the design goes beyond the function. For example, the Regional Court of Cologne in Germany, applying the framework of the Court of Justice of the European Union (CJEU), held that, under the category of “applied art,” a sandal design “went beyond mere functional elements and was not exclusively determined by technical considerations.”<sup>42</sup> However, this decision was criticized by some commentators as improperly blurring the boundaries between copyright and design systems in the European Union (EU).<sup>43</sup>

### 1. The Separability Test in the United States

In the United States, applied art is only protected when it passes the “separability test”—that is, when “its design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.”<sup>44</sup> Such a distinction between artistic and utilitarian values is intrinsic in the legislative intent of IP laws: While copyright law reigns over expression, utility patent law protects functionality.<sup>45</sup> Historically, the Copyright Act of 1909 constrained copyright protection to “works of art,”<sup>46</sup> a term explicitly limited by the Copyright Office to “fine arts,” excluding industrial arts, even if “artistically made or ornamented.”<sup>47</sup> In 1960, the Copyright Office introduced the separability test in a

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ONLINE (Shanghai Intell. Prop. People’s Ct. 2018) (China) [hereinafter Shanghai Lukun]; Brandon Scruggs, *Should Fashion Design Be Copyrightable?*, 6 NW. U.J. TECH. & INTELL. PROP. 122, 123–24 (2007).

39. RAUSTIALA & SPRIGMAN, *supra* note 13, at 27–28; Raustiala & Sprigman, *supra* note 17, at 1692.

40. *State of Escape Accessories Pty Ltd. v Schwartz* [2022] FCAFC 63 (Austl.).

41. *Id.*

42. Landgericht Köln [Regional Court of Cologne] Mar. 3, 2022, 14 O 3 66/21, openJur (Ger.). For detailed discussion of the case, see The Bird & Bird IP Team, *Round-up of Fashion-Related IP Decisions in 2022*, J. INTELL. PROP. L. & PRAC. 199, 202–03 (2023).

43. *Id.*

44. Jane C. Ginsburg, “Courts Have Twisted Themselves into Knots”: *US Copyright Protection for Applied Art*, 40 COLUM. J. L. & ARTS 1, 1 (2016) (quoting 17 U.S.C. § 101 (1976)).

45. See Christopher Buccafusco, *A Theory of Copyright Authorship*, 102 VA. L. REV. 1229 (2016); Jeanne C. Fromer, *A Psychology of Intellectual Property*, 104 NW. U.L. REV. 1441 (2010).

46. Copyright Act of 1909, Pub. L. No. 60-349, § 5(g), 35 Stat. 1075, 1077 (1909) (prior to repeal by 1976 Act).

47. U.S. COPYRIGHT OFF., RULES AND REGULATIONS FOR THE REGISTRATION OF CLAIMS TO COPYRIGHT 8 (1910).

proposed legislation to provide sui generis protection for artworks in useful articles.<sup>48</sup> Despite the Senate's endorsement of such a system, the House of Representatives rejected the proposed sui generis protection, opting instead to amend the statutory definition of "pictorial, graphic, and sculptural works" to encompass useful articles.<sup>49</sup> As a result, the Copyright Act of 1976 incorporates the separability test to delineate between protectable applied art and unprotectable industrial designs.<sup>50</sup>

By their very nature, fashion designs are expressive, but many of them simultaneously serve certain functions.<sup>51</sup> These functional designs are viewed as useful articles, which are not subject to copyright protection.<sup>52</sup> Therefore, the key to copyright protection is whether a design feature's expressive aspects can be separated and exist independently from the utilitarian purposes the object serves. Historically, U.S. courts have recognized the separability (and thus copyrightability) of the ornamental features of belt buckles.<sup>53</sup> However, courts have different viewpoints regarding the separability of fashion designs and their functions. Some courts denied protection for the design features of a casino uniform<sup>54</sup> and ornaments of a prom dress<sup>55</sup> as a result of inadequate separability from their functions. Conversely, in *Varsity Brands, Inc. v. Star Athletica, LLC*,<sup>56</sup> the Sixth Circuit held that the design features of a cheerleading uniform, such as stripes, chevrons, zigzags, and color-blocking, are "wholly unnecessary" and separable from the uniform's ability to cover the body, permit free movement, and wick moisture.<sup>57</sup> In contrast to prior rulings that denied copyright protection for "functional clothes" like casino uniforms and prom dresses, this decision, later affirmed by the Supreme Court,<sup>58</sup> has extended protection to fashion designs.<sup>59</sup>

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48. See 37 C.F.R. § 202.10(c) (1960) ("If the sole intrinsic function of an article is its utility, the fact that that article is unique and attractively shaped will not qualify it as a work of art. However, if the shape of a utilitarian article incorporates features, such as artistic sculpture, carving, or pictorial representation, which can be identified separately and are capable of existing independently as a work of art, such features will be eligible for registration.").

49. For a detailed discussion, see Ginsburg, *supra* note 44, at 5–11.

50. H.R. REP. NO. 94-1733, at 82 (1976) (Conf. Rep.).

51. Christopher Buccafusco & Jeanne C. Fromer, *Fashion's Function in Intellectual Property Law*, 93 NOTRE DAME L. REV. 51, 68 (2017).

52. See, e.g., RAUSTIALA & SPRIGMAN, *supra* note 13, at 27.

53. See, e.g., *Kieselstein-Cord v. Accessories by Pearl, Inc.*, 632 F.2d 989, 993 (2d Cir. 1980).

54. *Galiano v. Harrah's Operating Co.*, 416 F.3d 411, 412 (5th Cir. 2005).

55. *Jovani Fashion, Ltd. v. Cinderella Divine, Inc.*, 808 F. Supp. 2d 542, 549 (S.D.N.Y. 2011); *Jovani Fashion, Ltd. v. Fiesta Fashions*, 500 F. App'x 42, 44 (2d Cir. 2012).

56. *Varsity Brands, Inc. v. Star Athletica, LLC*, 799 F.3d 468 (6th Cir. 2015).

57. *Id.* at 492.

58. *Star Athletica, L.L.C. v. Varsity Brands, Inc.*, 580 U.S. 405 (2017).

59. See Lili Levi, *The New Separability*, 20 VAND. J. ENT. & TECH. L. 709, 713 (2018) ("Although it need not be read this way, the *Star Athletica* approach will likely lead to extensive overprotection of useful works through strategic deployment of copyright in incorporated expressive designs."); David E. Shipley, *All for Copyright Stand Up and Holler! Three Cheers for Star Athletica and the U.S. Supreme Court's Perceived and Imagined Separately Test*, 36 CARDOZO ARTS & ENT. L.J. 149, 150 (2018) ("The *Star Athletica* decision is predicted to be a boon to the fashion and apparel industry, furniture designers . . . [I]t could result in an increase in the number of useful articles with artistic features which can be conceptually separated from the article's utilitarian features and protected by copyright.").

Nevertheless, the definitions of “useful articles” and “functionality” remain contentious.<sup>60</sup> Some scholars argue that a cheerleading uniform should be classified as a regular graphic work rather than a useful article, thus rendering the separability test irrelevant in this case.<sup>61</sup> Others question the Court’s interpretation of “functionality,” contending that a design feature should be deemed “functional” not solely for its mechanical and technological functionality but also for its functions to, for example, enhance the wearer’s appearance by making them look taller, slimmer, or curvier.<sup>62</sup>

## 2. The Separability Test in China

Chinese copyright law does not specifically recognize “applied art” as a distinct copyrightable subject matter.<sup>63</sup> However, being a signatory to the Berne Convention for the Protection of Literary and Artistic Works, China is obligated to afford protection to works falling under this category.<sup>64</sup> In 2014, China attempted to address this obligation through a draft amendment to the Copyright Law, which proposed the addition of an applied art category. However, this addition was ultimately excluded from the final version promulgated by the National People’s Congress in 2020.<sup>65</sup> Despite the exclusion, in 2018, the Beijing High Court released a guiding document that incorporated the concept of applied art and the separability test.<sup>66</sup> However, since the document is not a binding law in China,<sup>67</sup> applied art continues to be protected under the broad category of “works of art,” with individual courts evaluating and expounding

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60. In fact, the panels themselves in *Varsity Brands* did not reach an agreement on these issues. Justice McKeague dissented with the Sixth Circuit’s approach in defining functionality, saying that the particular uniform also served the function to “identify the wearer as a cheerleader,” to which the claimed features were essential. *Varsity Brands, Inc.*, 799 F.3d at 494–97 (McKeague, J., dissenting). Justice Breyer, joined by Justice Kennedy, dissented in the Supreme Court’s decision, and viewed the majority’s test as a deviation from Congress’s unwillingness to expand copyright to cover industrial designs. *Star Athletica, L.L.C.*, 580 U.S. at 448 (Breyer, J., dissenting).

61. Ginsburg, *supra* note 44, at 22.

62. See Buccafusco & Fromer, *supra* note 51, at 70; Christopher Buccafusco & Jeanne C. Fromer, *Forgetting Functionality*, 166 U. PA. L. REV. ONLINE 119, 119 (2017); Mark P. McKenna, *Knowing Separability When We See It*, 166 U. PA. L. REV. ONLINE 127, 132 (2017).

63. See Zhuzuo Quan Fa (著作权法) [Copyright Law] (promulgated by the Standing Comm. Nat’l People’s Cong., Nov. 11, 2020, effective 1 June 2021), art. 3 (China) [hereinafter Copyright Law 2020].

64. Article 2 of the Berne Convention lists “[w]orks of applied art and industrial designs” as a protectable subject matter. See Berne Convention for the Protection of Literary and Artistic Works art. 2, Sept. 9, 1886, as revised at Paris on July 24, 1971 and amended in 1979, S. Treaty Doc. No. 99-27 (1986). The 1979 amended version does not appear in the United Nations Treaty Series or International Legal Materials.

65. See Xiaoqing Feng (冯晓青) & Jicun Fu (付继存), *The Separability of Applied Art Under the Copyright Law (实用艺术品在著作权法上的独立性)*, 2 CHINESE J.L. (法学研究) 136, 137 (2018).

66. Qin Hai Zhuzuoquan Anjian Shenli Zhinan (侵害著作权案件审理指南) [Guidance on the Determination of Copyright Infringement Cases] (promulgated by the Beijing High People’s Ct., Apr. 2018), art. 2.6 (China).

67. Jia Wang, *Reconceptualizing the Interface of Copyright and Design Rights for 3D Printing*, 17 J. INTELL. PROP. L. & PRAC. 1011, 1019 (2022).

on the separability of functionality and aesthetic elements in each case.<sup>68</sup> Similar to the situation in the United States, this approach has led to inconsistency among court decisions.

While not explicitly outlined in the statutes, the standard of separability in China does not differ significantly from that in the United States. As demonstrated by several prior decisions, applied art must meet two criteria to be protected in China: First, its artistic expression must be physically or conceptually separable from the underlying functional considerations, and, second, the separable artistic expression must exhibit a certain degree of originality.<sup>69</sup>

In *Yunchuang Design (Shenzhen) Group Co. v. Chongqing Kashilan Clothing Co.*, the plaintiff claimed that the defendant infringed its copyright over its polka-dot dress design with a V-collar, waistband, French cuff, and skirt with lace trim.<sup>70</sup> The Chongqing court held that the contour of the dress, together with the black-and-white polka dots, reflected the designer's personal choice and special arrangement; thus, the plaintiff's design of the dress was copyrightable.<sup>71</sup> The court explained that if the contour or polka dots were revised or removed, the function of the piece of clothing would be unaffected.<sup>72</sup> Therefore, the artistic value of the dress could be separated from its utilitarian functions.<sup>73</sup>

At around the same time, the Guangzhou Internet Court ruled in another case that the same plaintiff's design of the polka-dot dress failed to possess originality for copyright protection because it was merely a combination of common design features,

68. See, e.g., *Beijing Zhonghang Zhicheng Keji Youxian Gongsu Su Shenzhen Shi Feipengda Jingpin Zhizao Youxian Gongsu* (北京中航智成科技有限公司诉深圳市飞鹏达精品制造有限公司) [*Beijing Zhonghang Zhicheng Technology Co., Ltd. v. Shenzhen Feipengda Quality Manufacturing Co., Ltd.*], CHINA JUDGMENTS ONLINE (Beijing High People's Ct. 2014) (China) [hereinafter *Shenzen Feipengda*] (holding that when deciding the copyrightability of a design, a court should first distinguish the design elements which were determined by, or inseparable from, the product's functionality from those which are purely artistic, and then decide whether the separable artistic expression possesses the required degree of originality); *Zhejiang Kelubo Jixie Youxian Gongsu Su Lanhe Guoji Youxian Gongsu Deng* (浙江克虏伯机械有限公司诉蓝盒国际有限公司等) [*Zhejiang Krupp Machinery Co., Ltd. v. Blue Box International Limited et al.*], CHINA JUDGMENTS ONLINE (Shanghai 1st Interim. People's Ct. 2015) (China) [hereinafter *Blue Box*] (holding the aesthetic values of a mall train with a bear face-shaped front design conceptually separable from its functionality).

69. See, e.g., *Shenzhen Feipengda*, *supra* note 68; *Blue Box*, *supra* note 68.

70. *Yunchuang Sheji (Shenzhen) Jituan Youxian Gongsu Su Chongqing Kashilan Fushi Youxian Gongsu* (云创设计(深圳)集团有限公司诉重庆卡诗兰服饰有限公司) [*Yunchuang Design (Shenzhen) Group Co., Ltd. v. Chongqing Kashilan Clothing Co., Ltd.*], CHINA JUDGMENTS ONLINE (Chongqing Pilot Free Trade Zone People's Ct. 2021) (China).

71. *Id.*

72. *Id.*

73. *Id.*

such as a V-neck, short sleeves, and an invisible zipper.<sup>74</sup> Since the design already failed the originality requirement, the Guangzhou Internet Court did not discuss the applicability of the separability test. The different viewpoints between these two Chinese courts on the same design reveal the uncertainties faced by fashion companies because of the inconsistent application of copyright law.

### 3. Comparison of the Chinese and U.S. Approaches

Divergent views exist in both American and Chinese laws regarding the separability test, but they exist for different reasons. As previously discussed, the notion of separability was initially introduced through the House of Representatives's amended definition of "pictorial, graphic and sculptural works".<sup>75</sup> While not explicitly stated in the statutory language, the House aimed to broaden the standard to encompass either *physical* or *conceptual* separability.<sup>76</sup> The introduction of "conceptual separability," a criterion arising from legislative history,<sup>77</sup> rather than the statute itself, has contributed to inconsistent judicial interpretations.<sup>78</sup> Additionally, there remains an ongoing lack of consensus among courts and in scholarly debates regarding the appropriate delineation of the scope of "functionality" and "useful articles."

In contrast to U.S. copyright law, China's copyright legislation lacks explicit provisions addressing "applied art." Instead, Chinese copyright law protects such creations under the traditional subject matter of "works of art" contingent upon meeting separability and originality criteria.<sup>79</sup> Nevertheless, courts have long denied copyright in garment designs because the utilitarian functions and aesthetic values of clothes are usually intertwined.<sup>80</sup> On October 28, 2021, the State Council promulgated a national plan on IP protection and utilization, which is an integral part of the country's "14th Five-Year Plan." The national plan specifically set out its aim to "improve policymaking on IP protection for the fashion industry, including garment

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74. Yunchuang Sheji (Shenzhen) Jituan Youxian Gongsi Su Guangzhou Hongboya Trading Co., Ltd. (云创设计(深圳)集团有限公司诉广州弘薄雅贸易有限公司) [Yunchuang Design (Shenzhen) Group Co., Ltd. v. Guangzhou Hongboya Trading Co., Ltd.], CHINA JUDGMENTS ONLINE (Guangzhou Internet Ct. 2021) (China).

75. See texts accompanying *supra* notes 46–50.

76. H.R. REP. NO. 94-1476, at 54–55 (1976).

77. Ginsburg, *supra* note 44, at 17.

78. *Id.* at 18 ("[A]most every federal court of appeal that has adjudicated the copyrightability of design elements of useful articles has purported to apply a test of conceptual separability, though each court has formulated that test differently.")

79. Copyright Law 2020, *supra* note 63, art. 3.

80. See, e.g., Shanghai Lukun, *supra* note 38.

designs.”<sup>81</sup> The Chongqing court hearing the *Kashilan* case proclaimed itself to be the first court to recognize garment design copyright after the promulgation of the plan.<sup>82</sup> Policy considerations played a part in shifting the Chinese courts’ attitude toward fashion designs.

In summary, in China, the country’s industrial policies significantly shape the discourse on the separability test and at times steer judicial interpretations of the law. Given the State Council’s explicit promotion of IP protection for fashion products, the criteria for the separability test are likely to become clearer in the future. In contrast, the debate over separability in the United States is a legal one that primarily concerns the scope of “useful articles” and “functionality.”

## B. TRADEMARK

A trademark, by its statutory definition, is a mark used in trade that identifies the source of goods or services.<sup>83</sup> As mentioned previously, a trademark can undoubtedly protect the designer’s logo or brand name, but that protection cannot always protect the fashion design itself.<sup>84</sup> In the United States, a fashion design can be protected as a trade dress only if the design has acquired recognition among consumers as being associated with a particular brand.<sup>85</sup> In China, the equivalent of trade dress protection can be found in both trademark law and the AUCL. As illustrated below, enforcement under the AUCL is generally less challenging for fashion houses.<sup>86</sup>

Apart from the overall design of a fashion item, a certain pattern may also acquire the status of a trademark if it has repeatedly appeared on almost every piece of a brand, and therefore has been perceived as a symbol of the brand.<sup>87</sup> However, because patterns

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81. “Shi Si Wu” Guojia Zhishi Chanquan Baohu He Yunyong Guihua (“十四五”国家知识产权保护和运用规划) [The 14th “Five-Year Plan” National Plan on Intellectual Property Protection and Utilization] art. 3 (China) (promulgated by the St. Council, Oct. 2021).

82. 2021 Nian Zhishi Chanquan Sifa Baohu Dianxing Anli (2021 年知识产权司法保护典型案例) [Intellectual Property Judicial Protection Typical Cases 2021] (promulgated by the Chongqing Liangjiang New Dist. (Free Trade Pilot Zone) People’s Ct. 2022) (China) (“The case is the first within the country that grants copyright protection to garment designs and the fashion industry after the implementation of the Plan . . . . The rule it established has an exemplary value to similar cases. It has showcased the mission of courts to strengthen the degree of copyright protection for garment designs and promote the healthy development of the fashion industry.”).

83. 15 U.S.C. § 1127; Trademark Law 2019, *supra* note 25, art. 8.

84. See *supra* Part II; see also Lynsey Blackmon, *The Devil Wears Prado: A Look at the Design Piracy Prohibition Act and the Extension of Copyright Protection To the World of Fashion*, 35 PEPP. L. REV. 107, 123 (2007) (“[U]sing trademark law to protect anything more than counterfeit items has proven near impossible.”).

85. *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 211 (2000).

86. See *infra* Part III.D.

87. Article 8 of the Chinese Trademark Law provides that “any visible sign, including any word, design, letter of the alphabet, numeral, three-dimensional symbol and color combination, or any combination of the above, that can serve to distinguish the goods of a natural person, legal person, or other organization



potentially lack distinctiveness, it is much more challenging for design companies to trademark such design elements, especially when they are presented as non-traditional trademarks.<sup>88</sup> The distinctiveness requirement of trademark law has two prongs— inherent distinctiveness and acquired distinctiveness.<sup>89</sup> A mark is inherently distinctive when it serves to identify the source of a product or service.<sup>90</sup> An inherently generic mark may acquire a “secondary meaning” and become distinctive when consumers have developed an association between the mark and the source of the product or service.<sup>91</sup>

For fashion companies to claim trademarks over their design patterns successfully, they need to prove either the inherent distinctiveness or the secondary meaning of such patterns. For example, in the United States, Louis Vuitton (LV) has successfully trademarked its Toile Monogram, consisting of the entwined “LV” initials.<sup>92</sup> Gucci has registered trademarks for its renowned green-red-green stripes in various jurisdictions, including China.<sup>93</sup> Nevertheless, many fashion designs fail the

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from those of another, may be made a trademark for application for registration.” Trademark Law 2019, *supra* note 25, art. 8.

88. Take Van Cleef & Arpels’ failure to secure the three-dimensional (3D) trademark registration for its four-leaf clover jewelry in China as an example. See Fanke Yabao Youxian Gongsu Deng Su Guojia Zhishi Chanquan Ju (梵克雅宝有限公司等诉国家知识产权局) [Van Cleef & Arpels et al. v. China National Intellectual Property Administration], CHINA JUDGMENTS ONLINE (Beijing High People’s Ct. 2020) (China) [hereinafter VCA v. CNIPA]. The same is true with Chanel failing to prove to the United States Patent and Trademark Office (USPTO) the distinctiveness of its classic No.5 fragrance bottle design, which was preliminarily refused to be registered by the USPTO, pending further examination. See Mohan Dewan, *Shape of Chanel No.5 Bottle Is Not Distinctive: USPTO*, LEXOLOGY (Sept. 6, 2022), <https://www.lexology.com/library/detail.aspx?g=612540b5-9c85-4f3b-b6ea-6a914b1db8c7>

[<https://perma.cc/2NLJ-5HER>]

[<https://web.archive.org/web/20231019181702/https://s3.amazonaws.com/documents.lexology.com/8d258ad6-07c2-4dbd-9bed-3c57416bf789.pdf?AWSAccessKeyId=AKIAVYILUYJ754JTDY6T&Expires=1697739503&Signature=v8OdRko9wVuPPIM%2BZ9qGoc%2FBWPy%3D>].

89. See 15 U.S.C. § 1052(f); see also Trademark Law 2019, *supra* note 25, art. 11(2) (stipulating that an inherently indistinctive mark could acquire distinctiveness through use); Haochen Sun, *Protecting Non-Traditional Trademarks in China*, in THE PROTECTION OF NON-TRADITIONAL TRADEMARKS: CRITICAL PERSPECTIVES 186, 187 (Irene Calboli & Martin Senftleben eds., 2018).

90. See generally *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 8 (2d Cir. 1976) (stating the source-identifying function of a trademark in the United States); see also Shangbiao Shencha Shenli Zhinan (商标审查审理指南) [Guide on Trademark Review and Examination 2021] book II, ch.1, art. 3.2 (2021) (China) (promulgated by the China Nat’l Intell. Prop. Admin., Nov. 16, 2021, effective Jan. 1, 2022) [hereinafter Guide on Trademark Review and Examination 2021] (stating the source-identifying function of a trademark in China).

91. AMERICAN AND ENGLISH ENCYCLOPEDIA OF LAW (David S. Garland et al. eds., 1905).

92. Ashley E. Hofmeister, Note, *Louis Vuitton Malletier v. Dooney & Bourke, Inc.: Resisting Expansion of Trademark Protection in the Fashion Industry*, 3 J. BUS. & TECH. L. 187, 188 (2008).

93. See Yiwu Haiguan Guanyu Yiwu Shilutong Jinchukou Youxian Gongsu Qinfan “GUCCI (Zhiding Yanse Lv-Hong-Lv)” Shangbiao Quan Liankuwa De Xingzheng Chufa Jueding Shu (义乌市海关关于义乌市诗路通进出口有限公司侵犯“GUCCI (指定颜色图形绿红绿)”商标权连裤袜的行政处罚决定书) [Administrative Penalty Decision of the Yiwu Customs on Yiwu Shilutong Import & Export Co.,

distinctiveness test because they are inseparable parts of the underlying products<sup>94</sup> or because of associated competition concerns.<sup>95</sup> Such controversies have become increasingly common when fashion companies try to register their designs as 3D trademarks or color trademarks.

### 1. Three-Dimensional Trademarks

A 3D trademark protects the specific shape or three-dimensional presentation of a mark. Across various jurisdictions, applications for 3D trademarks commonly face rejection due to a lack of distinctiveness. As an example, in 2022, the European Union Intellectual Property Office (EUIPO) partially refused to register Dior's iconic Saddle Bag design as a 3D trademark.<sup>96</sup> Tecnica, the producer of the renowned Moon Boot, also faced a partial invalidation of its 3D trademark by the EUIPO on the ground that the shape lacked distinctive character compared to regular after-ski boots in the European market.<sup>97</sup> This invalidation was subsequently affirmed by both the Board of Appeal and the General Court.<sup>98</sup> Similar debates surround the registrability of such 3D marks in both the United States and China.

#### a. Three-Dimensional Trademarks in the United States

Three-dimensional symbols are protected in the United States under the category of "trade dress."<sup>99</sup> The biggest hurdle for fashion designs to be protected as trade dress is the distinctiveness requirement.<sup>100</sup> There is rich case law on trade dress distinctiveness. First, the framework for deciding the inherent distinctiveness of a

Ltd.'s Stockings Infringing the Trademark "GUCCI (Device Designated to Color Green-Red-Green)"] HANGZHOU CUSTOMS PUB. OF ADMIN. PENALTY (Yiwu Customs 2022) (China).

94. See, e.g., VCA v. CNIPA, *supra* note 88; Yidali Aimashi Gongsi Su Guojia Gongshang Xingzheng Guanli Zongju Shangbiao Pingshen Weiyuanhui (意大利爱马仕公司诉国家工商行政管理总局商标评审委员会) [Hermès Italia S.p.A. v. Trademark Appeal Board of the State Administration of Industry and Commerce], CHINA JUDGMENTS ONLINE (Sup. People's Ct. 2012) (China).

95. See, e.g., Guide on Trademark Review and Examination 2021, *supra* note 90, book II, ch. 7, art. 2.

96. European Intellectual Property Office (EUIPO), Decision of the Second Board of Appeal of 7 Sept. 2022 in Case R 32/2022-2 (EU).

97. Case T-483/20, Tecnica Grp. SpA v. Eur. Union Intell. Prop. Off., ECLI:EU:T:2022:11 (Jan. 19, 2022) (EU).

98. *Id.*

99. See 15 U.S.C. § 1125(a). Some practitioners view 3D trademarks as a subset of trade dress. See, e.g., Michael Lasky, *Three Dimensional Trademarks: Understanding United States Law and Practice* (2000) (unpublished manuscript), <http://alteralaw.com/docs/3d-trademarks.pdf> [<https://perma.cc/G27U-N4AK>] [<https://web.archive.org/web/20231013161453/http://alteralaw.com/docs/3d-trademarks.pdf>]. Others use the two terms interchangeably. See, e.g., Qadir Qeidary, *Shape Mark (Trade Dress) Distinctiveness: A Comparative Inquiry into U.S. and E.U. Trademark Law*, 13 WM. & MARY BUS. L. REV. 71, 74 (2021).

100. See RAUSTIALA & SPRIGMAN, *supra* note 13, at 30 (pointing out that fashion designs usually cannot be protected as trade dress because their primary significance is not to identify the source of the product).

word mark was set out in *Abercrombie & Fitch Co. v. Hunting World, Inc.* in 1976. Under the framework laid out in *Abercrombie*, putative trademarks were divided into the following five categories: (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; and (5) fanciful.<sup>101</sup>

Generic marks are not protectable. Descriptive marks, although inherently indistinctive, can be protected only if they have acquired secondary meaning. Finally, marks falling under the last three categories are considered inherently distinctive.<sup>102</sup> In 1992, in *Two Pesos, Inc. v. Taco Cabana, Inc.*, the Supreme Court faced the question of whether the *Abercrombie* test also applied to trade dress marks.<sup>103</sup> Suggesting an affirmative answer to the question, the Court held in *Two Pesos* that a “trade dress that is inherently distinctive is protectable . . . [even] without a showing that it has acquired secondary meaning.”<sup>104</sup> In other words, the Court found no need to require a secondary meaning for trade dress marks falling under the last three categories in the *Abercrombie* spectrum.<sup>105</sup> This, however, does not suggest that all trade dress marks are inherently distinctive. In 2000, on the basis of its *Two Pesos* decision, the Supreme Court further elaborated in *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.* on the distinctive assessment of trade dress, which divided trade dress into “product packaging” and the “shape or design” of a product; the former could be inherently distinctive, whereas the latter could only be trademarked by showing a secondary meaning.<sup>106</sup> As fashion designs are usually recognized as product designs rather than product packaging, this distinction has impeded many iconic pieces from being protected as trade dress.<sup>107</sup>

101. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976).

102. *Id.*

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

104. *Id.* at 767.

105. *Id.* at 774 (“[Secondary meaning] is a requirement that applies only to merely descriptive marks and not to inherently distinctive ones. We see no basis for requiring secondary meaning for inherently distinctive trade dress protection under § 43(a) but not for other distinctive words, symbols, or devices capable of identifying a producer’s product.”).

106. *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 212–13, 216 (2000).

107. *See, e.g.*, *Brighton Collectibles, Inc. v. Coldwater Creek Inc.*, No. 06-CV-01848-H (POR), 2009 WL 10671818, \*3 (S.D. Cal. Apr. 22, 2009) (holding that the defendant had infringed the trade dress of a product design of the plaintiff’s heart-shaped fashion accessories); Christina Phillips, Note, *The Real Cinderella Story: Protecting the Inherent Artistry of the Glass Slipper Using Industrial Design*, 48 VAL. U. L. REV. 1177, 1204 (2014) (“As a result, fashion falls under trade dress product design and therefore requires secondary meaning to obtain protection.”); Note, *The Devil Wears Trademark: How the Fashion Industry Has Expanded Trademark Doctrine To Its Detriment*, 127 HARV. L. REV. 995, 1009–10 (2014) (“[T]he [Wal-Mart] Court expanded trade dress doctrine significantly—from covering only product packaging to covering product design—thereby bringing fashion design within its ambit of protection.”); Linna T. Loangkote, Note, *Fashioning a New Look in Intellectual Property: Sui Generis Protection for the Innovative Designer*, 63 HASTINGS L.J. 297, 305–06 (2011) (stating that the *Wal-Mart* court had made clear that product design trade dress is the type that applies to fashion designs). Note that the subject matter in *Wal-Mart* itself was children’s clothing with printed motifs, which was held to be unprotectable due to lack of secondary meaning. *Wal-Mart Stores, Inc.*, 529 U.S. at 216.

While a product design cannot be inherently distinctive, it can acquire distinctiveness or secondary meaning through extensive use, allowing fashion brands to claim trade dress protection. An illustrative example is Hermès, which obtained registration for the 3D configuration of its Birkin bag and subsequently enforced the mark by enjoining both a knockoff company and an online platform from offering knockoff products.<sup>108</sup> In contrast, Chanel's iconic No.5 fragrance bottle has been preliminarily viewed by the United States Patent and Trademark Office (USPTO) examiner as unregistrable due to its lack of inherent distinctiveness and insufficient evidence of acquired distinctiveness.<sup>109</sup> Chanel has responded by submitting additional evidence to support its claim of acquired distinctiveness, seeking to counter the examiner's preliminary stance in the final decision.<sup>110</sup> However, given the challenging evidential threshold and the absence of a clear standard, the enforcement of trade dress right over product design can be intricate and largely unpredictable.

Another obstacle to trade dress protection for fashion designs is functionality. A functional design cannot be protected, regardless of its secondary meaning.<sup>111</sup> Similar to copyright law's separability test, trademark law distinguishes protectable aspects of a trademark or trade dress (i.e., those aspects capable of communicating an association) from unprotectable functional aspects.<sup>112</sup> Unlike copyright law, however, trademark law expressly embraces the concepts of both utilitarian functionality and aesthetic functionality.<sup>113</sup> Utilitarian functionality refers to a product design being functional when it is essential to the use or purpose of an article.<sup>114</sup> In contrast, aesthetic functionality suggests that a product design is considered aesthetically functional when its value is primarily derived from its visual appeal.<sup>115</sup> In other words, consumers are more likely to choose the product based on its visual attractiveness rather than utilitarian benefits.<sup>116</sup> The Supreme Court has held that aesthetic function would not

108. See *Hermès Int'l v. Emperia, Inc.*, No. 2:14-CV-03522-SVW-VBK (C.D. Cal. July 31, 2014).

109. See Dewan, *supra* note 88.

110. TFL, *Chanel Pushes for No. 5 Bottle Registration, Emphasizing "Look-For" Ads*, THE FASHION L. (Mar. 8, 2023), <https://www.thefashionlaw.com/chanel-pushes-for-no-5-bottle-trademark-registration-citing-acquired-distinctiveness/> [https://perma.cc/WSQ5-ZRK9] [<https://web.archive.org/web/20231013162227/https://www.thefashionlaw.com/chanel-pushes-for-no-5-bottle-trademark-registration-citing-acquired-distinctiveness/>].

111. J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 7:63 (5th ed. 2023) ("For 'functional' items, no amount of evidence of secondary meaning . . . will create a right to exclude."); Russ VerSteeg, *Reexamining Two Pesos, Qualitex, & Wal-Mart: A Different Approach . . . or Perhaps Just Old Abercrombie Wine in a New Bottle?*, 23 FORDHAM INTELL. PROP., MEDIA, & ENT. L.J. 1249, 1290 (2013) ("Secondary meaning is irrelevant vis-à-vis functionality.").

112. VerSteeg, *supra* note 111, at 1295.

113. *Id.*

114. *Yurman Design, Inc. v. PAJ, Inc.*, 262 F.3d 101, 116 (2d Cir. 2001).

115. VerSteeg, *supra* note 111, at 1279.

116. *Id.*

be protected if the inability to copy the design would put the defendant at a significant disadvantage for reasons not related to reputation.<sup>117</sup> Therefore, even though a design feature may be purely decorative, it could be deprived of trade dress protection because of the aesthetic functionality doctrine if such protection would hinder competition by limiting the range of alternative designs in the market.

However, the combination and arrangement of several individually “functional” features could sometimes become non-functional and, consequently, protectable.<sup>118</sup> For instance, in *Cartier, Inc. v. Sardell Jewelry, Inc.*, Cartier successfully established a trade dress claim in its “Tank Française” wristwatch design. The court found that the design, when viewed in its entirety, was not functional because there were many alternative designs that could perform the same function; enforcing Cartier’s rights in this design would not inhibit competitors from being able to compete effectively in the market for luxury watches.<sup>119</sup> Another case in point is *LeSportsac, Inc. v. K Mart Corp.*, in which the plaintiff successfully rebutted the defendant’s functionality defense and enforced its rights in a line of nylon bags.<sup>120</sup> In short, the court ruled that the combination and arrangement of the design features in LeSportsac’s bag were non-functional, emphasizing that these features had genuinely served “the trademark purpose of identification.”<sup>121</sup>

*b. Three-Dimensional Trademarks in China*

There has been an increasing number of 3D trademarks registered in China,<sup>122</sup> where distinctiveness and non-functionality are also required.<sup>123</sup> However, neither trademark law nor the relevant regulations have expressly presumed a 3D trademark to be inherently indistinctive. Although the China National Intellectual Property Administration (CNIPA) states that the distinctiveness of a 3D symbol, *just like* that of a 2D trademark, should be decided by considering the composition of the mark, the cognition of the relevant public, the industry norms, and so on,<sup>124</sup> courts have revealed different standards for assessing distinctiveness for 2D and 3D trademarks in practice.

In 2014, Van Cleef & Arpels (VCA) applied for registration in China of its signature four-leaf-clover-inspired jewelry design as a 3D trademark, and the application was approved in 2016. This line of jewelry is branded under VCA’s “Alhambra” trademark.

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117. *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 32–34 (2001).

118. *See, e.g., Cartier, Inc. v. Sardell Jewelry, Inc.*, 294 F. App’x 615, 621 (2d Cir. 2008).

119. *Id.*

120. *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71 (2d Cir. 1985).

121. *Id.* at 78.

122. Sun, *supra* note 89, at 189.

123. *See* Guide on Trademark Review and Examination 2021, *supra* note 90, book II, ch. 6, arts. 2–3.

124. *Id.* book II, ch. 6, art. 3.2.

In 2018, a third party initiated an invalidation proceeding at the Trademark Review and Adjudication Board (TRAB), and it successfully nullified the registration in 2019. VCA then appealed to the Beijing Intellectual Property Court and, later, the Beijing High Court. Upholding the lower court's decision, the Beijing High Court denied the distinctiveness of VCA's jewelry design.<sup>125</sup> The court ruled, first, that the four-leaf clover pattern, although originated by VCA, was more likely to be perceived by the relevant public as the shape, appearance, or ornament of the product when used on the designated goods, rather than a source identifier; hence, it was inherently indistinctive.<sup>126</sup> Second, although VCA had adduced evidence to show its extensive use of the applied-for mark, such use was, again, found to be the shape, appearance, or ornament of the designated goods, diluting its function as a source identifier.<sup>127</sup>



**Figure 1: Van Cleef & Arpels Alhambra Three-Dimensional Trademark Application<sup>128</sup>**

VCA was not the first fashion company to lose a case in China because of inadequate distinctiveness. Hermès encountered a similar setback a few years before the decision in VCA when attempting to trademark the design of its world-renowned Kelly bag as a 3D symbol. In dismissing Hermès's petition for a retrial against a Beijing High Court decision, the Supreme People's Court (SPC) reasoned that, when a 3D symbol cannot

125. VCA v. CNIPA, *supra* note 88.

126. *Id.*

127. *Id.*

128. China Trademark No. 15736970. Chinese trademarks are viewable through TRADEMARK OFF. OF CHINA NAT'L INTELL. PROP. ADMIN., [http://wcjs.sbj.cnipa.gov.cn/sgtmi?b9La8sqW=0iFSsFAlqEqIOr67.K.uVzHHq6O88UsNh.KaoDvgRA.Jvp7\\_WA.JEm350xIQiaotNxRj6Q1sBd3yJy8b64K\\_ajxNMpskpgR](http://wcjs.sbj.cnipa.gov.cn/sgtmi?b9La8sqW=0iFSsFAlqEqIOr67.K.uVzHHq6O88UsNh.KaoDvgRA.Jvp7_WA.JEm350xIQiaotNxRj6Q1sBd3yJy8b64K_ajxNMpskpgR) [<https://perma.cc/JD5X-W757>] [<https://web.archive.org/web/20231116010356/http://wcjs.sbj.cnipa.gov.cn/sgtmi>] (last visited Nov. 15, 2023).

be separated from the product, consumers are more likely to view it as a component of the product rather than a trademark, unless the unique features make the symbol distinguishable from those on similar products or there is sufficient evidence to prove that the relevant public associates the symbol with the brand. The SPC denied both the inherent and acquired distinctiveness of the design features of the Kelly bag.<sup>129</sup> Therefore, the fact that 3D marks are normally inseparable from the products also makes it more difficult to meet the non-functionality requirement.<sup>130</sup> Compared with 2D marks, 3D marks are more likely to cover the product function.



**Figure 2: Hermès Kelly Bag Three-Dimensional Trademark Application<sup>131</sup>**

It should also be noted that although 3D marks are recognized in the Chinese Trademark Law,<sup>132</sup> conventional 2D marks, such as words, devices, letters, and numbers, make up the great majority of marks.<sup>133</sup> Trademark examinations and judicial practices have set a higher bar for 3D and other non-traditional trademarks in terms of distinctiveness. Therefore, it is easier for designer companies to register and enforce 2D trademarks than 3D trademarks. For example, although VCA's abovementioned 3D

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129. Sun, *supra* note 89, at 189.

130. *Id.*

131. China Trademark No. G798096.

132. Trademark Law 2019, *supra* note 25, art. 8.

133. Sun, *supra* note 89, at 185 (“[Non-traditional trademarks] offer new ways to attract consumers, as they differ from the words, logos, letters, and numbers that are traditionally used as trademarks.”).

mark was declared invalid by the court, its registration of the 2D device trademark for the same four-leaf clover design has been quite smooth.<sup>134</sup> In another invalidation case brought against this 2D trademark, both the CNIPA and the Beijing Intellectual Property Court recognized its inherent distinctiveness.<sup>135</sup> The Beijing Intellectual Property Court explicitly stated that the standards to determine distinctiveness for a 3D trademark and those for a 2D trademark should be differentiated.<sup>136</sup> Notably, in practice, 2D and 3D trademarks also provide different scopes of protection. As shown in another case brought by VCA against a knockoff manufacturer,<sup>137</sup> VCA's 2D registration could only protect fabric or graphic designs and could not be used to protect the designs from knockoffs.

In 2021, a 400-page review and examination guideline was issued by the CNIPA, replacing the previous version and elaborating in great detail on examination standards under the 2019 Trademark Law. The guideline makes clear that, when determining the distinctiveness of a 3D symbol, the examiner should also look into the way in which it is used before drawing conclusions about its source-identifying role.<sup>138</sup> To be trademarkable, an inherently indistinctive 3D symbol needs to acquire distinctiveness through use.<sup>139</sup> However, if a 3D symbol is considered "functional," it cannot be registered, even with extensive evidence of use.<sup>140</sup> In terms of functionality, the guideline endorses the concepts of both utilitarian and aesthetic functionality in a similar way to its U.S. counterparts.<sup>141</sup> This guideline not only explicitly recognizes the registrability and acquired distinctiveness (or second use) of 3D trademarks, but also acknowledges the functionality doctrine, which excludes useful product features from trademark protection.<sup>142</sup>

The section concerning 3D trademarks in the guideline was largely derived from the SPC's 2018 decision in *Parfums Christian Dior v. Trademark Review and Adjudication*

134. See, e.g., China Trademark No. 48311547.

135. Feng Wei Su Zhonghua Renmin Gongheguo Guojia Zhishi Chanquan Ju (冯伟诉中华人民共和国国家知识产权局) [Feng Wei v. China Nat'l Intell. Prop. Admin.], CHINA JUDGMENTS ONLINE (Beijing Intell. Prop. Ct. 2022) (China).

136. *Id.*

137. Fanke Yobao Youxian Gongsi Su Shanghai Aijing Zhubao Youxian Gongsi Deng (梵克雅宝有限公司诉上海瓊晶珠宝有限公司等) [Van Cleef & Arpels SA v. Shanghai Aijing Jewelry Co., Ltd. et al.], CHINA JUDGMENTS ONLINE (Beijing Chaoyang Dist. People's Ct., 2021) (China) [hereinafter VCA v. Shanghai Aijing].

138. See Guide on Trademark Review and Examination 2021, *supra* note 90.

139. *Id.* book II, ch. 6, art. 3.2.5.

140. *Id.* book II, ch. 6, art. 3.3.

141. *Id.* book II, ch. 6, art. 3.3.3.

142. See also Trademark Law 2019, *supra* note 25, art. 59 ("The holder of the right to exclusively use a registered trademark shall have no right to preclude others from legitimately using the common name, design or model of goods on which the trademark is used, the direct indications of the quality, main raw materials, functions, uses, weight, quantity, and other features of goods, or the place name in the trademark.").



*Board of the State Administration for Industry and Commerce*,<sup>143</sup> which is viewed by some practitioners as a commendable victory for fashion houses on the trademark battlefield. In this case, Dior sought to extend its international 3D trademark registration of the J'Adore fragrance bottle to China through the Madrid Protocol, but the extension application was rejected by the China Trademark Office,<sup>144</sup> and Dior's appeals were denied all the way up to the Beijing High Court.<sup>145</sup>

Dior petitioned to the SPC based on two grounds. First, the Trademark Office and the TRAB had mistakenly examined the application as a regular device trademark instead of a 3D trademark. Second, the J'Adore fragrance bottle possessed inherent distinctiveness because it was uniquely devised and not a generic design for perfume bottles; it also possessed acquired distinctiveness because the design had been extensively used and promoted in China and generated considerable market reputation as well as the general public's association of the subject mark and its source.<sup>146</sup> The SPC acknowledged the procedural error in not properly identifying the application as a 3D trademark and ordered the TRAB to re-examine the registrability of the applied-for mark.<sup>147</sup> Nonetheless, the SPC did not comment on the distinctiveness issue but only named a few factors that the TRAB should consider before reaching a decision, including the time when the applied-for mark entered the Chinese market, the evidence supporting the use and promotion of the concerned trademark, the possibility of acquiring a source-identifying function, and the consistency of examination standards.<sup>148</sup> The SPC seemed to imply that these were the factors to be considered in finding acquired distinctiveness.

Pursuant to the SPC's order, the TRAB reissued a decision in 2019, allowing the registration of the J'Adore fragrance bottle as a 3D trademark designated as "perfumes"

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143. Kelisidiang Diaoe Xiangliao Gongsi Su Yuan Guojia Gongshang Xingzheng Guanli Zongju Shangbiao Pingshen Weiyuanhui (克里斯蒂昂迪奥尔香料公司诉原国家工商行政管理总局商标评审委员会) [Parfums Christian Dior v. Trademark Review and Adjudication Board of the State Administration for Industry and Commerce], CHINA JUDGMENTS ONLINE (Sup. People's Ct. 2018) (China) [hereinafter Dior].

144. *Id.*

145. *Id.*

146. *Id.*

147. *Id.*

148. *Id.* Just like Van Cleef & Arpels and the four-leaf clover, Dior's registration of the J'Adore fragrance bottle as a 2D device mark was accepted by the TRAB. As a result, the SPC mentioned the consistency issue when correcting the TRAB's decision.

in class 3,<sup>149</sup> while rejecting the application for all other goods.<sup>150</sup> While the TRAB still found the bottle inherently indistinctive, it accepted Dior's evidence of use and found acquired distinctiveness.<sup>151</sup> However, the evidence of use could only support public association between the bottle design and perfumes; therefore, the application for all other goods was rejected.<sup>152</sup>



**Figure 3: Christian Dior J'Adore Three-Dimensional Trademark Application<sup>153</sup>**

149. When filing a trademark application, the applicant is required to specify the designated goods or services on which the applied-for mark is or is going to be used. According to the Nice Classification, an internationally recognized trademark classification system established by the 1957 Nice Agreement, goods or services under the same sub-class are generally considered "similar" to each other. Therefore, the classification of a trademark's designated goods or services is important in terms of the identification of similar prior marks as well as the recognition of market reputation and well-known status. For example, a mark could be recognized as well known when used on one particular good but not on others. See World Intellectual Property Organization [WIPO], *Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (as amended on September 28, 1979)*, TRT/NICE/001 (Sept. 28, 1979).

150. Guanyu Guoji Zhuce Di 1221382 Hao "Tuxing (Sanwei Biaozhi, Zhiding Yanse)" Shangbiao Bohui Fushen Juedingshu (关于国际注册第 1221382 号"图形(三维标志、指定颜色)"商标驳回复审决定书) [Review Decision on the Refusal of Trademark International Registration No.1221382 "Device (3D Symbol, Designated Colour)"], TRADEMARK OFF. OF CHINA NAT'L INTELL. PROP. ADMIN. (Trademark Rev. & Adj. Bd. 2019) (China).

151. *Id.*

152. *Id.*

153. See China Trademark No. G1221382.

c. *Comparison of the Chinese and U.S. Systems*

For a 3D symbol to be protected, both the United States and China require the following two conditions to be met: distinctiveness and non-functionality. However, they analyze distinctiveness differently. In the United States, as mentioned above, *Wal-Mart* divided trade dress protection into two categories. The first category is *product packaging*; depending on the facts, product packaging could be inherently distinctive. The second category is *product designs*, which are inherently indistinctive and can only be protected after acquiring secondary meaning.<sup>154</sup> Specifically, the Court in *Wal-Mart* held that, with product packaging, consumers were “predisposed” to regard packaging as an indication of the producer and thus packaging items “almost *automatically* tell a customer that they refer to a brand.”<sup>155</sup> This is contrary to the CNIPA’s approach in its latest examination standards. According to the examination standards, product packaging is generally considered indistinctive because the relevant public usually will not perceive it as a source identifier when it is being used alone.<sup>156</sup> It further states that even if a packaging of a product has been uniquely designed and possesses an unusual visual effect, it still cannot be presumed to have the requisite distinctiveness.<sup>157</sup> However, if there is evidence that the packaging has acquired the source-identifying function through use, it could acquire distinctiveness (and be protected as a trademark).<sup>158</sup> In other words, although 3D trademarks in China also include the shape and packaging of a product, there is not much difference in the CNIPA’s presumption of their lack of inherent distinctiveness. Nevertheless, as discussed below, although trademark law in China cannot offer product packaging the same degree of protection that trade dress provides in the United States, brand owners in China can still resort to the AUCL to enforce legal rights in a product packaging that has a certain degree of public recognition.<sup>159</sup>

Meanwhile, functionality is an absolute ground for rejection in both countries. A functional design cannot be trademarked, regardless of its distinctiveness. Moreover, both countries endorse the concepts of utilitarian functionality and aesthetic functionality.<sup>160</sup> In the United States, the aesthetic functionality doctrine is established

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154. See text accompanying *supra* note 106.

155. *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 212–13 (2000).

156. Guide on Trademark Review and Examination 2021, *supra* note 90, book II, ch. 6, art. 3.2.2.

157. *Id.*

158. *Id.*

159. See *infra* Part III.D.

160. See *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995); *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001) (endorsing the notion of aesthetic functionality in the United States). But see Justin Hughes, *Non-Traditional Trademarks and the Dilemma of Aesthetic Functionality*, in *THE PROTECTION OF NON-TRADITIONAL TRADEMARKS: CRITICAL PERSPECTIVES* 107, 107 (Irene Calboli & Martin Senftleben ed., 2018) (arguing that the most convincing cases for aesthetic functionality in the United States are more

through a line of thoroughly elaborated case law,<sup>161</sup> whereas in China, the rule is set down in block letters in the administrative organ's examination guidelines.<sup>162</sup>

## 2. Color Trademark

Under certain circumstances, a color or a combination of colors may serve the function of identifying the source of a product. Nonetheless, there has been no international consensus regarding the ability of colors or color combinations to be trademarked, with the United States and China holding disparate perspectives on this matter.

### *a. Color Trademark in the United States*

Similar to 3D symbols, colors, including a single color, are viewed as trade dress and may be protected in the United States if they are distinctive and non-functional. However, as colors are classified into "descriptive marks" (i.e., the second category of the *Abercrombie* spectrum), they can only be protected if they have acquired secondary meaning.<sup>163</sup> In *Christian Louboutin S.A. v. Yves Saint Laurent America Holding, Inc.*, the Second Circuit explicitly ruled that the lower court's holding that "a single color can never serve as a trademark in the fashion industry" was inconsistent with the Supreme Court's decision in *Qualitex*.<sup>164</sup> Put differently, the United States does not have a per se rule against single-color trademark registrability.<sup>165</sup> A successful example of fashion

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about "cognitive and psychological responses in consumers" than about aesthetics). See also Guide on Trademark Review and Examination 2021, *supra* note 90, book II, ch. 6, art. 3.3.3 (endorsing the aesthetic functionality doctrine in China). But see Wenting Huang, *Protection of Fashion Designs in the United States and China: Non-Traditional Marks*, 44 EUR. INTEL. PROP. REV. 91, 97 (2022) (claiming that the trademark authorities sometimes do not distinguish "utilitarian functionality" from "aesthetic functionality").

161. See, e.g., *Pagliero v. Wallace China Co.*, 198 F.2d 339 (9th Cir. 1952) (holding that the plaintiff's floral design features were functional for china because of their appeal to consumers); *Wallace Int'l Silversmiths, Inc. v. Godinger Silver Art Co.*, 916 F.2d 76 (2d Cir. 1990) (ruling that no matter what secondary meaning the plaintiff's baroque silverware might have acquired, it could not exclude competitors because the design elements are necessary to compete in the market for baroque silverware); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995); *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001) (holding that a design was functional if its aesthetic values could generate a significant advantage which could not be duplicated by alternative designs); *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 33 (2001) (establishing a two-step functionality test which has distinguished aesthetic functionality from utilitarian functionality).

162. Guide on Trademark Review and Examination 2021, *supra* note 90, book II, ch. 6, art. 3.3.3.

163. See generally, *Qualitex*, 514 U.S. 159.

164. *Christian Louboutin S.A. v. Yves Saint Laurent America Holding, Inc.*, 696 F.3d 206, 212 (2d Cir. 2012) (citing *Qualitex*, 514 U.S. at 162). In *Qualitex*, the Court allowed Qualitex to trademark a special shade of green-gold color on the pads it manufactured for use on dry cleaning presses.

165. *Qualitex*, 514 U.S. at 161.

companies trademarking a single color would be the famous robin's egg blue, generally known as "Tiffany Blue," registered by Tiffany & Co. as a color trademark.<sup>166</sup>

Despite successful registrations of color trademarks by Tiffany & Co. and other fashion companies, proving that consumers can learn the source of a product via a single color is never an easy task. Christian Louboutin, which is famous for its high-end women's high-heeled shoes with a red-lacquered outsole design, has failed to trademark the red sole in several countries, including Japan, France, and Switzerland.<sup>167</sup> In the abovementioned *Christian Louboutin S.A.* case, the Second Circuit instructed the USPTO to limit the registration of Louboutin's red-sole mark to "only those situations in which the red-lacquered outsole contrasts in color with the adjoining 'upper' of the shoe."<sup>168</sup> Since both the outsole and the adjoining upper of the high heel design offered by YSL were red, the court held that YSL did not infringe Louboutin's red-sole mark.<sup>169</sup>

#### b. Color Trademark in China

China currently does not accept a single color as a trademark due to monopolization concerns.<sup>170</sup> It is possible for designers to register a color-combination mark, but such a mark is presumed to be inherently indistinctive. The applicant must prove that the color-combination mark has acquired sufficient distinctiveness through use to have it registered.<sup>171</sup>

Policymakers did consider recognizing the registrability of a single color. The Draft Amendment of the Trademark Law, published in 2012, included a paragraph stating that "a single color used on a product or package of a product, which has acquired distinctiveness and can distinguish the product from others, can be registered as a

166. See *Our Story: Tiffany Blue*, TIFFANY & CO. NEWSROOM, <https://press.tiffany.com/our-story/tiffany-blue/> [https://perma.cc/573C-K5QM] [<https://web.archive.org/web/20231007185514/https://press.tiffany.com/our-story/tiffany-blue/>] (last visited Nov. 15, 2023).

167. Cassidy Aranda, *The Worldwide Trademark Battle over the Iconic Red Bottom Shoe*, CHI.-KENT J INTEL. PROP. (Jan. 23, 2023), <https://studentorgs.kentlaw.iit.edu/ckjip/the-worldwide-trademark-battle-over-the-iconic-red-bottom-shoe/> [https://perma.cc/MY7A-ENPU] [<https://web.archive.org/web/20231007190320/https://studentorgs.kentlaw.iit.edu/ckjip/the-worldwide-trademark-battle-over-the-iconic-red-bottom-shoe/>]. However, Christian Louboutin managed to register the red sole in jurisdictions such as the United States, Canada, Mexico, France, Norway, India, and Singapore. See TFL, *Louboutin Lands Injunction in Its Latest Red Sole Trademark Registration Bid*, THE FASHION L. (Aug. 15, 2023), <https://www.thefashionlaw.com/louboutin-lands-injunction-in-its-red-sole-trademark-registration-bid/> [https://perma.cc/H982-S5TT] [<https://web.archive.org/web/20231123150539/https://www.thefashionlaw.com/louboutin-lands-injunction-in-its-red-sole-trademark-registration-bid/>].

168. *Christian Louboutin S.A.*, 696 F.3d at 228.

169. *Id.*

170. Guide on Trademark Review and Examination 2021, *supra* note 90, book II, ch. 7, art. 2.

171. *Id.*

trademark.<sup>172</sup> However, this sentence was deleted in the final version.<sup>173</sup> China decided to take a rather conservative approach to recognizing and protecting single colors as trademarks.

Louboutin's abovementioned color trademark associated with the red sole has a different story in China. In 2010, the company filed an international registration for its red sole under the Madrid Protocol and sought to extend the registration to several member states, including China.<sup>174</sup> The TRAB rejected its registration because the mark lacked distinctiveness. The TRAB first identified the mark as a combination of a high-heeled device and a single color applied to the sole, which was inherently indistinctive,<sup>175</sup> and then held that Louboutin failed to prove the acquired distinctiveness.<sup>176</sup> Having gone through several rounds of appeals, the case eventually went to the SPC, which upheld the Beijing High Court's decision, recognizing Louboutin's design as "a single-color trademark designated to a particular position."<sup>177</sup> Although this categorization was not listed as a protectable subject matter in Article 8 of the Trademark Law, the court reasoned that it was also not precluded by the article because the list was non-exhaustive.<sup>178</sup> Notably, this categorization of the mark is consistent with Louboutin's filing strategy in the EU, which had been accepted by the CJEU.<sup>179</sup> The latest update on the CNIPA's website shows that the mark has been registered exclusively as "women's heels" under sub-class 2507 after reexamination,<sup>180</sup> similar to the CNIPA's approach in *Dior*.

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172. Shangbiao Fa Xiuzhengan (Caoan) (商标法修正案(草案)) [Draft Amendment of the Trademark Law] art. 2(2) (China) (promulgated by the Standing Comm. Nat'l People's Cong., Dec. 28, 2012).

173. Trademark Law 2019, *supra* note 25, art. 8.

174. See Yong Wan & Hongxuyang Lu, *Trademark Protection of Single-Colour Trademarks: A Study of the Chinese Louboutin Case*, 10 QUEEN MARY J. INTELL. PROP. 255, 257 (2020).

175. Kelisiti Lubutuo Su Yuan Guojia Gongshang Xingzheng Guanli Zongju Shangbiao Pingshen Weiyuanhui (克里斯提鲁布托诉原国家工商行政管理总局商标评审委员会) [Christian Louboutin v. The Former Trademark Review and Adjudication Board of the State Administration of Industry and Commerce], CHINA JUDGMENTS ONLINE (Beijing High. People's Ct. 2018) (China).

176. *Id.*

177. *Id.*

178. Guojia Zhishi Chanquan Ju Su Kelisiti Lubutuo (国家知识产权局诉克里斯提鲁布托) [China National Intellectual Property Administration v. Christian Louboutin], CHINA JUDGMENTS ONLINE (Sup. People's Ct. 2019) (China). The case is still pending reexamination at the CNIPA.

179. See Case C-163/16, Christian Louboutin v. Van Haren Schoenen BV, ECLI:EU:C:2018:423 (June 12, 2018) (EU).

180. See China Trademark No. G1031242.



**Figure 4: Christian Louboutin's Red-Sole Mark Application<sup>181</sup>**

*c. Comparison of the Chinese and U.S. Systems*

China's trademark policy regarding single-color trademarks is more restrictive than that in the United States because all single colors are considered indistinctive and cannot acquire distinctiveness through use. This means that it is more difficult for fashion companies, such as Tiffany & Co. and Louboutin, to protect brands built upon a single unique color. Nevertheless, Louboutin's experience in China provides new possibilities for fashion companies to protect their design based on specific colors by filing trademark registration as a combination of a single color and a position. Compared to this Chinese approach, the Second Circuit's holding that designers may register a red sole with a contrasting upper color provides them broader protection because there is no need to identify a specific contrasting upper color.

In fact, the protection of single-color trademarks has always been controversial in both the United States and China. Experts in the United States have raised concerns over the excessive monopoly power in a single color granted to brand owners. Chinese authorities had also considered allowing single colors as trademarks.<sup>182</sup> The monopoly concerns are peculiarly acute for fashion designs. Colors are limited in number: The Pantone color system for fashion, home, and interiors, a standardized color-coding system that is widely used in the fashion industry, has only 3,049 colors.<sup>183</sup> Some

181. See China Trademark No. G1031242.

182. See texts accompanying *supra* note 172.

183. *Pantone Color Systems – for Textiles*, PANTONE, <https://www.pantone.com/color-systems/for-textiles> [https://perma.cc/2SHP-7TDA] [https://web.archive.org/web/20231122152259/https://www.pantone.com/color-systems/for-textiles] (last visited Dec. 3, 2023).

commentators argue that, for fashion designs, colors are aesthetically functional; therefore, single colors should be denied trademark protection, at least when used in fashion designs.<sup>184</sup> Notably, jurisdictions worldwide diverge on this issue. While it is possible to register a single color in the United States, the EU,<sup>185</sup> and the U.K.,<sup>186</sup> it is not possible in many Asian countries, including China, Vietnam,<sup>187</sup> and the Philippines.<sup>188</sup>

### C. DESIGN PATENT

In light of the constraints associated with copyright and trademark protection for design elements, designers increasingly turn to design patents as a viable alternative for legal protection of fashion designs. However, opinions diverge on its suitability. Some advocate for design patents as a fitting solution,<sup>189</sup> while others contend that they may not be well-suited for the dynamic nature of the fashion industry.<sup>190</sup> Design patents have indeed played a critical role in both China and the United States. In China, for example, Nike has various design patent registrations in the country for its footwear

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184. See, e.g., Briana Reed, *Color Monopoly: How Trademarking Colors in the Fashion Industry and Beyond Expands the Lanham Act's Purpose and Policy*, 15 LIBERTY U. L. REV. 371, 410 (2021).

185. See European Union Intellectual Property Office (EUIPO), *Trade Mark Guidelines* § 4, ch. 3, art. 13.1 ("Single Colours"), <https://guidelines.euipo.europa.eu/1803468/1790394/trade-mark-guidelines/14-1-----13-1-single-colours> [<https://web.archive.org/web/20231116031220/https://guidelines.euipo.europa.eu/1803468/1790394/trade-mark-guidelines/14-1-----13-1-single-colours>] (last visited Nov. 15, 2023) ("A colour is not normally inherently capable of distinguishing the goods of a particular undertaking (para. 65). Therefore, single colours are not distinctive for any goods and services except under exceptional circumstances. Such exceptional circumstances require the applicant to demonstrate that the mark is unusual or striking in relation to these specific goods or services.")

186. See, e.g., *Societe des Produits Nestle SA v. Cadbury UK Ltd*, [2022] EWHC 1671 (Ch) (UK) (confirming the possibility of a pure color to be registered as a trademark).

187. *Registering a Single Colour as a Trademark Is Not Possible in Vietnam [2023]*, BONAMARK, <https://bonamark.com/content/registering-single-colour-trademark-not-possible-vietnam-2023> [<https://perma.cc/5J4N-KGMF>] [<https://web.archive.org/web/20231007203010/https://bonamark.com/content/registering-single-colour-trademark-not-possible-vietnam-2023>] (last visited Nov. 15, 2023).

188. An Act Prescribing the Intellectual Property Code and Establishing the Intellectual Property Office, Providing for Its Powers and Functions, and for Other Purposes, Rep. Act No. 8293, Part III § 123.1 (June 6, 1997) (Phil.) ("A mark cannot be registered if it: (l) Consists of color alone, unless defined by a given form.")

189. See, e.g., Ferrill & Tanhehco, *supra* note 36, at 277–79; Phillips, *supra* note 107, 1200–02.

190. See, e.g., Denisse F. García, Note, *Fashion 2.0: It's Time for the Fashion Industry To Get Better-Suited, Custom-Tailored Legal Protection*, 11 DREXEL L. REV. 338, 358 (2019) (discussing how design patents may not be viable for independent designers who need immediate protection); Aleksandra M. Spevacek, Note, *Couture Copyright: Copyright Protection Fitting for Fashion Design*, 9 J. MARSHALL REV. INTEL. PROP. L. 602, 609 (2009) (claiming that design patents and garment designs are incompatible).



designs.<sup>191</sup> Moreover, a domestic brand successfully enforced its design patent rights against an online store selling garments with similar designs, and obtained damages plus reasonable expenses of RMB 427,151.7 (around USD 59,640), in addition to an injunction.<sup>192</sup> Design patents have also been deployed for fashion products in the United States, ranging from shoes, garments, bags, and belts to fragrance packaging, eyeglass frames, and timepieces.<sup>193</sup> The number of design patents filed by and granted to major players in the fashion industry in the country has continuously surged.<sup>194</sup>

Design patents protect the unique visual qualities of manufactured items.<sup>195</sup> On the one hand, it is the visual design of a useful article, rather than the article itself, that the law aims to protect;<sup>196</sup> on the other, the design must be applied to and not separable from the useful article because the law does not protect a stand-alone design by itself.<sup>197</sup> Similar to copyright law, design patent law draws a distinction between a design's functionality and its ornamentality.<sup>198</sup> However, unlike copyright law's separability test, patent law examines a design in its entirety, "for the ultimate question is not the

191. See, e.g., China patent publications nos. CN308000051S, CN307950857S, CN307950671S, CN307935731S, and CN307935734S, available at <https://pss-system.cponline.cnipa.gov.cn/conventionalSearch> [<https://perma.cc/NJQ6-MWWJ>] [<https://web.archive.org/web/20231018033607/https://pss-system.cponline.cnipa.gov.cn/conventionalSearch>].

192. Nanjing Shengdiao Shizhuang Youxian Gongsi Su Liu Shiqin Deng (南京圣迪奥时装有限公司诉刘世琴等) [Nanjing SDeer Clothing Co., Ltd. v. Liu Shiqin et al.], CHINA JUDGMENTS ONLINE (Nanjing Intem. People's Ct. 2016).

193. See, e.g., Ferrill & Tanhehco, *supra* note 36, at 277–78, 283–89; García, *supra* note 190, at 360.

194. See, e.g., García, *supra* note 190, at 361.

195. See, e.g., 35 U.S.C. § 171(a) (“[A]ny new, original and ornamental design for an article of manufacture. . . .”); Zhuanli Fa [专利法] [Patent Law] (promulgated by the Standing Comm. Nat'l People's Cong., Oct. 17, 2020, effective June 1, 2021), art. 2(4) (China) [hereinafter Patent Law 2020].

196. See *In re Zahn*, 617 F.2d 261 (C.C.P.A. 1980); Zhuanli Shencha Zhinan [专利审查指南] [Patent Examination Guideline] book I, ch. 3, art. 7(2) (China) (promulgated by the China Nat'l Intell. Prop. Admin., Dec. 11, 2020, effective Jan. 15, 2021) [hereinafter Patent Examination Guideline 2020] (stipulating that it is the visual features of a product design or the combination of such features that constitute the object of a design patent).

197. *Curver Luxembourg, SARL v. Home Expressions Inc.*, 938 F.3d 1334, 1340 (Fed. Cir. 2019) (“[L]ong-standing precedent, unchallenged regulation, and agency practice all consistently support the view that design patents are granted only for a design applied to an article of manufacture, and not a design per se. . . .”); Patent Examination Guideline 2020, *supra* note 196, book I, ch. 3, art. 7(1) (clarifying that a patentable design must be the design of an industrial product, while handicrafts, agricultural products, or natural objects are not eligible for protection).

198. See *In re Carletti*, 328 F.2d 1020, 1022 (C.C.P.A. 1964) (“[W]hen a configurations is the result of functional considerations only, the resulting design is not patentable as an ornamental design for the simple reason that it is not ‘ornamental.’”); *Blisscraft of Hollywood v. United Plastic Co.*, 189 F. Supp. 333, 337 (S.D.N.Y. 1960), *aff'd*, 294 F.2d 694 (2d Cir. 1961) (“It must be motivated by ornamental or decorative inventiveness because a design dictated solely by mechanical or functional requirements is not patentable.”); Patent Examination Guideline 2020, *supra* note 196, book I, ch. 3, art. 7.3 (“‘Having aesthetic values’ means, when determining whether a design is protected by the design patent law, it is the visual impression of a product’s appearance rather than its functionality or technical effects that should be focused.”).

functional or decorative aspect of each separate feature, but the overall appearance of the article, in determining whether the claimed design is dictated by the utilitarian purpose of the article.<sup>199</sup> In other words, a *primarily* ornamental design, the features of which are not *purely* “dictated by” functional considerations, would be eligible.<sup>200</sup>

Some have questioned whether the filing and examination procedure for patent application is incompatible with the fast-paced nature of the fashion industry.<sup>201</sup> It takes around thirteen to fifteen months to have a design patent granted in the United States, but fashion companies usually cannot wait that long.<sup>202</sup> Therefore, some experts have pointed out that design patents are more suitable for “enduring or ‘signature’ aesthetic features with demonstrated longevity.”<sup>203</sup> Furthermore, while copyright can provide protection for a longer period of time<sup>204</sup> and trademarks have the advantage of being renewable every ten years,<sup>205</sup> the duration of design patents in both the United States and China is only fifteen years.<sup>206</sup>

199. L.A. Gear, Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1123 (Fed. Cir. 1993).

200. See, e.g., Sport Dimension, Inc. v. Coleman Co., 820 F.3d 1316, 1320 (Fed. Cir. 2016). Chinese laws do not explicitly stipulate whether a primarily ornamental design with certain functional aspects could be protected as a design patent. However, it has been made clear that, when determining whether an infringement has occurred, the court should compare the two concerned designs from their overall visual appearance, and the more ornamental a feature is, the more impact it will have on the product’s overall visual appearance. Moreover, the features that are constrained by the functional considerations of the product or irrelevant to the aesthetics of the product should be excluded from the comparison. It could therefore be inferred that Chinese laws do not preclude primarily ornamental designs with certain functional aspects from protection. See Gaoyi Gufen Gongsi Su Zhejiang Jianlong Weiyu Youxian Gongsi (高仪股份公司诉浙江健龙卫浴有限公司) [GROHE AG. v. Zhejiang Jianlong Sanitary Ware Co., Ltd.], SUP. PEOPLE’S CT. GAZ. (Sup. People’s Ct. 2017) (China).

201. See, e.g., Barton Beebe, *Intellectual Property Law and the Sumptuary Code*, 123 HARV. L. REV. 809, 864 (2010); Dayoung Chung, *Law, Brands, and Innovation: How Trademark Law Helps To Create Fashion Innovation*, 17 J. MARSHALL REV. INTELL. PROP. L. 492, 494 (2018); Holton, *supra* note 8, at 418; Caroline Olivier, *A Musical Cue for Fashion: How Compulsory Licenses and Sampling Can Shape Fashion Design Copyright*, 19 NW. J. TECH. & INTELL. PROP. 219, 225–26 (2022); Raustiala & Sprigman, *supra* note 17, at 1704–05; Urbach & Soussa, *supra* note 8; Kristin L. Black, *Crimes of Fashion: Is Imitation Truly the Sincerest Form of Flattery?*, 19 KAN. J.L. & PUB. POL’Y 505, 507 (2010); Anya Jenkins Ferris, *Real Art Calls for Real Legislation: An Argument Against Adoption of the Design Piracy Prohibition Act*, 26 CARDOZO ARTS & ENT. L.J. 559, 567 (2008).

202. See, e.g., Chung, *supra* note 201, at 494; García, *supra* note 190, at 360; see also Myers, *supra* note 12, at 59 (“[T]he process for obtaining a design patent would be too lengthy and too costly to be of any real value in the fashion industry; most designs would be long out of fashion before the designer could obtain the patent.”).

203. García, *supra* note 190, at 360.

204. In China, when the author is a natural person, the copyrighted work is protected for fifty years plus the author’s lifetime. When the author is a legal person, the work is protected for fifty years after its publication. See Copyright Law 2020, *supra* note 63, art. 23. In the United States, for works created after January 1, 1978, copyright protection generally lasts for the life of the author plus an additional seventy years. See 17 U.S.C. § 302(a).

205. Trademark Law 2019, *supra* note 25, art. 40.

206. 35 U.S.C. § 173; Patent Law 2020, *supra* note 195, art. 42.

The most challenging part for design companies in using design patents to protect their work is the patentability requirements of novelty and non-obviousness.<sup>207</sup> Both the U.S. Patent Act and the Chinese Patent Law have novelty and non-obviousness requirements for design patents.<sup>208</sup> According to the novelty requirement, a claimed design must be distinguishable from any prior designs.<sup>209</sup> Moreover, under the non-obviousness requirement, the differences from pre-existing designs in the relevant market must be non-trivial.<sup>210</sup> Many fashion designs cannot be protected by patent law because they are merely reworkings of previous designs.<sup>211</sup>

## 1. Novelty

Novelty is a statutory requirement for design patents.<sup>212</sup> A design patent should be new and unknown to the public at the point of patent filing.<sup>213</sup> U.S. and Chinese court decisions reflect different debates over the novelty of design patents in the fashion industry. In the United States, Judge Learned Hand rightly pointed out in 1929 that, given the rapidity of the fashion cycle and the nature of fashion products, it was sometimes challenging for fashion designers to prove novelty in their designs.<sup>214</sup> Some commentators similarly indicated that most fashion designs fail to meet the statutory requirement of novelty.<sup>215</sup>

While novelty remains a crucial consideration for design companies pursuing design patent protection, the case law in the United States and China reflects distinct

207. See, e.g., Anne Theodore Briggs, *Hung Out To Dry: Clothing Design Protection Pitfalls in United States Law*, 24 HASTINGS COMM & ENT. L.J. 169 (2002); Sara R. Ellis, *Copyrighting Couture: An Examination of Fashion Design Protection and Why the DPPA and IDPPPA Are a Step Towards the Solution To Counterfeit Chic*, 78 TENN. L. REV. 163, 179 (2010); Shayna Ann Giles, *Trade Dress: An Unsuitable Fit for Product Design in the Fashion Industry*, 98 J. PAT. & TRADEMARK OFF. SOC'Y 223, 234 (2016); see also García, *supra* note 190, at 359 (“[T]he biggest hurdle when seeking design patent protection for a fashion design is the non-obviousness requirement.”); Myers, *supra* note 12, at 59 (“Fashion designs rarely pass the nonobviousness and nonfunctionality tests required to obtain design patents [in the United States].”); Erica S. Schwartz, Note, *Red with Envy: Why the Fashion Industry Should Embrace ADR as a Viable Solution To Resolving Trademark Disputes*, 14 CARDOZO J. CONFLICT RESOL. 279, 287 (2012) (“[M]ost fashion designs fail the statutory requirement of novelty, non-obviousness, and non-functionality.”).

208. See Patent Law 2020, *supra* note 195, art. 23(1)(2); 35 U.S.C. § 171.

209. See Patent Law 2020, *supra* note 195, art. 23(1); 35 U.S.C. § 102(a).

210. See Patent Law 2020, *supra* note 195, art. 23(2); 35 U.S.C. § 103; see also Ellis, *supra* note 207, at 194.

211. See, e.g., RAUSTIALA & SPRIGMAN, *supra* note 13, at 28.

212. 35 U.S.C. § 171(a) (requiring design patents to be “new”); Patent Law 2020, *supra* note 195, art. 23(1) (stating that any design for which patent right may be granted shall not belong to a prior design).

213. 35 U.S.C. § 171(a); Patent Law 2020, *supra* note 195, art. 23(1).

214. Cheney Bros. v. Doris Silk Corp., 35 F.2d 279, 279–82 (2d Cir. 1929).

215. See, e.g., Chung, *supra* note 201 at 494; Laura C. Marshall, *Catwalk Copycats: Why Congress Should Adopt a Modified Version of the Design Piracy Prohibition Act*, 14 J. INTELL. PROP. L. 305, 313 (2007); Raustiala & Sprigman, *supra* note 17, at 1704.

emphases on the novelty issue. In the United States, although courts occasionally had different views on whether a fashion item was novel,<sup>216</sup> a major controversy was whether and how novelty would affect the infringement of a design patent. The Federal Circuit introduced the “point of novelty” test in *Litton Sys., Inc. v. Whirlpool Corp.* in 1984 by holding that “the accused device must appropriate the novelty in the patented device which distinguishes it from the prior art.”<sup>217</sup> This test has been replaced by the “ordinary observer” test after a decision by the same court in *Egyptian Goddess, Inc. v. Swisa, Inc.* in 2007.<sup>218</sup> Under the ordinary observer test, the plaintiff is only required to demonstrate that, when giving the product normal attention under the circumstances, an ordinary observer would be deceived by the infringing product in light of pre-existing designs.<sup>219</sup> This test simplifies the process for the patentee to establish a successful claim against the infringer by decoupling the determination of infringement from the novelty of the design patent, because now the comparison is based on the overall visual impact of the designs rather than isolated design features identified as points of novelty.<sup>220</sup> In China, the novelty issue has not advanced to the stage where it affects the determination of infringement. Novelty primarily pertains to patentability and the validity of registration, echoing early debates in the United States.<sup>221</sup> Chinese fashion companies sometimes undermine the novelty element of their own design patent applications by marketing the underlying products prior to patent filing. This is a common mistake because popular designs are usually fast-changing and design brands usually need to promote their products as early as possible.<sup>222</sup> For example, in December 2020, the CNIPA invalidated LV’s design patent for its “Archlight” sneaker

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216. See, e.g., *Vacheron & Constantin-Le Coultre Watches, Inc. v. Benrus Watch Co.*, 260 F.2d 637, 643 (2d Cir. 1958) (Clark, J., dissenting) (arguing that due to lack of novelty, the design patent for a wrist watch in this case was invalid).

217. *Litton Sys., Inc. v. Whirlpool Corp.*, 728 F.2d 1423, 1444 (Fed. Cir. 1984).

218. *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665, 670–79 (Fed. Cir. 2008).

219. *Id.*

220. *Id.* at 678.

221. See text accompanying note 216.

222. See, e.g., *Why You Need To Promote Your Fashion Brand in Advance*, XANDRA JANE DESIGN (Jan. 18, 2020), <https://www.xandranedesign.com/blog/why-you-need-to-promote-your-fashion-brand-in-advance> [https://perma.cc/DAR5-2SV3]

[<https://web.archive.org/web/20231123151239/https://www.xandranedesign.com/blog/why-you-need-to-promote-your-fashion-brand-in-advance>]; Kati Chitrakorn, *How To Make Fashion Pre-Orders Work*, VOGUE BUS. (Aug. 30, 2021), <https://www.voguebusiness.com/consumers/how-to-make-fashion-pre-orders-work-farfetch-dressx-lncc-dipetsa> [https://perma.cc/73K8-JS82] [<https://web.archive.org/web/20231123151351/https://www.voguebusiness.com/consumers/how-to-make-fashion-pre-orders-work-farfetch-dressx-lncc-dipetsa>].

because LV's promotional materials of the product were featured on Chinese social media platforms, Tencent and Sohu, before the patent filing date.<sup>223</sup>

In summary, both the United States and China require novelty for obtaining design patent protection. However, courts in these countries have emphasized different aspects of novelty. Chinese courts consider novelty as a fundamental patentability issue, centering on the comparison between the subject design and prior art. In contrast, U.S. courts delve into discussions beyond patentability and consider the impact of novelty on the determination of infringement, comparing the defendant's accused infringing product, the plaintiff's design, and the prior art. This difference reflects distinct approaches to the determination of design patent infringement.

## 2. Non-obviousness

Non-obviousness is the most challenging patentability requirement for fashion companies applying for design patents because each seasonal trend is typically an evolution of the previous ones and changes such as sleeves with a different cut or different necklines are frequently considered "trivial."<sup>224</sup> Therefore, some commentators view the non-obviousness requirement as almost impossible for fashion designers to meet, as they would have to create a completely new type of clothing to demonstrate non-obviousness.<sup>225</sup> That said, practice shows that design patent rights still exist in various fashion items, including shoes, handbags, belts, and eyeglass frames.<sup>226</sup>

A key difference between the United States and China in terms of non-obviousness is that, in the United States, the starting point for determining non-obviousness is the perspective of someone skilled in the relevant art,<sup>227</sup> whereas in China, it is the average consumer's level of attention.<sup>228</sup> In an invalidation case brought by a third party against

223. Wuxiao Xuangao Qingqiu Shencha Juedingshu Di 47305 Hao (无效宣告请求审查决定书第 47305 号) [Decision No. 47305 on the Examination of Invalidation Application], TRADEMARK OFF. OF CHINA NAT'L INTELL. PROP. ADMIN. (China Nat'l Intell. Prop. Admin. 2020) (China).

224. See Susan Scafidi, *Intellectual Property and Fashion Design*, in 1 INTELLECTUAL PROPERTY AND INFORMATION WEALTH: ISSUES AND PRACTICES IN THE DIGITAL AGE 115, 122 (Peter K. Yu ed. 2007); M. C. Miller, *Copyrighting the "Useful Art" of Couture: Expanding Intellectual Property Protection for Fashion Designs*, 55 WM. & MARY L. REV. 1617, 1627 (2014); Nikki Rigl, *A Passion for Fashion: The International Trade Commission Should "Step Up" Its Role in the Enforcement of Design Patents*, 23 U. MIAMI INT'L & COMPAR. L. REV. 801, 816-17 (2016).

225. Kari Heyison, *If It's Not Ripped, Why Sew It? An Analysis of Why Enhanced Intellectual Property Protection for Fashion Design Is in Poor Taste*, 28 TOURO L. REV. 255, 260 (2012).

226. Ferrill & Tanhehco, *supra* note 36, at 277-78.

227. See *Graham v. John Deere Co.*, 383 U.S. 1, 15 (1966); Ellis, *supra* note 207, at 179.

228. See, e.g., Zuigao Renmin Fayuan Guanyu Shenli Qinfa Zhuanli Quan Jiufen Anjian Yingyong Falv Ruogan Wenti De Jieshi (最高人民法院关于审理侵犯专利权纠纷案件应用法律若干问题的解释) [Interpretation of the Supreme People's Court on Questions Regarding the Application of Law in Examining

a patent over a zipper design, the CNIPA invalidated the design patent on the basis that the design failed the non-obviousness requirement because the slight variance between the design and other products in the market was not easy for an average consumer to notice.<sup>229</sup> The designer's appeal to the Beijing Intellectual Property Court<sup>230</sup> and the later petition to the SPC were both unsuccessful.<sup>231</sup>

The identity of the observer from whom the obviousness is to be evaluated has a direct impact on the patentability threshold. Notably, U.S. courts have identified the "one of ordinary skill in the art" as a designer of the type of article at issue.<sup>232</sup> By contrast, the Chinese SPC elaborated in a 2020 case that an "average consumer" in the obviousness test should not be construed as the general public but rather a specified group of purchasers or users of a given product.<sup>233</sup> Such consumers would be expected to have some general knowledge of the prior art in the relevant field and be able to tell the overall differences—but not the small variances—between different designs' shapes, patterns, or colors.<sup>234</sup> The court pointed out that, in this case, the "average consumer" included not only end users but also operators and buyers in the supply chain because end users rarely sourced the wood product directly; more frequently, the distributors were the ones doing so. This line of reasoning has played a significant role in the court's decision to overturn the lower court's ruling, which had deemed the design features in question non-obvious to an "average consumer." The lower court's definition excluded those upstream or downstream players in the supply chain, suggesting that the progress of the subject design might go unnoticed by end consumers.<sup>235</sup> These cases suggest that altering the presumed observer from the general public to an "average consumer" raises the threshold of required non-obviousness (and

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Patent Infringement Cases] art. 10 (China) (promulgated by the Sup. People's Ct., Dec. 28, 2009, effective Jan. 1, 2010) (stipulating that when determining the similarity of two designs, the court should take into account an average consumer's level of attention, analogous to the comparison between a new design and the pre-existing designs in the market).

229. Wuxiao Xuangao Qingqiu Shenchu Jueding Shu Di 24208 Hao (无效宣告请求审查决定书第 24208 号) [Decision No. 24208 on the Examination of Invalidation Application], TRADEMARK OFF. OF CHINA NAT'L INTELL. PROP. ADMIN. (China Nat'l Intell. Prop. Admin. 2014) (China).

230. YKK Zhushi Huishe Su Guojia Zhishi Chanquan Ju Zhuanli Fushen Weiyuan Hui (YKK 株式会社诉国家知识产权局专利复审委员会) [YKK Corp. v. Patent Reexamination Board of the China National Intell. Prop. Admin.], CHINA JUDGMENTS ONLINE (Beijing Intell. Prop. Ct. 2015) (China).

231. YKK Zhushi Huishe Su Guojia Zhishi Chanquan Ju Zhuanli Fushen Weiyuan Hui (YKK 株式会社诉国家知识产权局专利复审委员会) [YKK Corp. v. Patent Reexamination Bd. of the China Nat'l Intell. Prop. Admin.], CHINA JUDGMENTS ONLINE (Sup. People's Ct. 2016) (China).

232. See, e.g., *In re Nalbandian*, 661 F.2d 1214, 1216 (C.C.P.A. 1981); *In re Carter*, 673 F.2d 1378 (C.C.P.A. 1982).

233. Yao Xizhi, Guojia Zhishi Chanquan Ju Su Shantou Bangling Musu Youxian Gongsi (姚喜智, 国家知识产权局诉汕头邦领木塑有限公司) [Yao Xizhi, China Intellectual Prop. Admin. v. Shantou Bangling Wood Carving Co.] (Sup. People's Ct. 2020) (China).

234. *Id.*

235. *Id.*

consequently, patentability) standards. This is because the average consumer typically exhibits a higher degree of attention. In the United States, where designers in the relevant field are identified as the appropriate observer, who is presumed to possess an even higher degree of knowledge and attention, the bar for non-obviousness is higher than that in China.

## D. UNFAIR COMPETITION

### 1. Unfair Competition in the United States

Unfair competition law in the United States presents some complexity, as it never evolved into an independent body of law. However, in nearly all trademark litigation, a supplementary unfair competition claim—either under federal or state law—is commonly included alongside trademark infringement claims.<sup>236</sup> The intricate relationship between unfair competition and trademark law has given rise to diverse interpretations. Some argue that trademark is a subset emerging from the broader area of unfair competition law,<sup>237</sup> while others hold the opposite view.<sup>238</sup> Nevertheless, it is less disputed that unfair competition protection is incorporated into the Lanham Act of 1946, the primary legislation for trademark law in the United States.<sup>239</sup> Therefore, trademark and unfair protection issues are usually discussed together.

Prior to the enactment of the Lanham Act, trademarks provided limited protection, with most trade dress marks today excluded from coverage.<sup>240</sup> Following the implementation of the Lanham Act and the *Two Pesos* Court's acceptance of trade dress marks,<sup>241</sup> both trademarks and trade dress are now protected under Section 43(a) of the Lanham Act. The primary objective of this provision is to address both consumer protection and unfair competition.<sup>242</sup> Trade dress has evolved into a recognized subset

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236. Christine Haight Farley, *The Lost Unfair Competition Law*, 110 TRADEMARK REP. 739, 743 (2020).

237. See, e.g., John M. Fietkiewicz, *Section 14 of the Lanham Act—FTC Authority To Challenge Generic Trademarks*, 48 FORDHAM L. REV. 437, 440 (1980) (“Trademark protection evolved from the common law of unfair competition.”).

238. Farley, *supra* note 236, at 745 (“Unfair competition was developed as a gap filler for trademark law.”).

239. *Id.* at 776 (“Today, we accept that unfair competition protection is provided in Section 43(a) of the Lanham Act.”).

240. *Id.* at 747 (“The subject matter of trademarks was narrowly construed; only a limited range within the broad range of indicia of source could qualify as a trademark. Most of what is today referred to as ‘trade dress’ was excluded.”).

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

242. Michele A. Shpetner, Note, *Determining a Proper Test for Inherent Distinctiveness in Trade Dress*, 8 FORDHAM INTELL. PROP., MEDIA & ENT. L.J. 947, 950 (1998) (“The Lanham Act’s underlying purpose is to protect both consumers and competitors from fraud and a variety of misrepresentations of products and service.”).

of trademark.<sup>243</sup> As a result, many trademark doctrines, including distinctiveness and non-functionality requirements, are also applicable to trade dress.<sup>244</sup> As discussed earlier, fashion designs in the United States have the potential to be protected as trade dress, exemplified by notable cases such as the Hermès Birkin bag and the Louboutin red-sole shoe.<sup>245</sup>

## 2. Unfair Competition in China

In contrast to the United States, China addresses unfair competition through a distinct legislation.<sup>246</sup> Moreover, the AUCL contains an article which provides a protection very similar to the “product packaging” branch of trade dress protection in the United States.<sup>247</sup> Specifically, Article 6.1 of the AUCL prohibits business operators from using, without authorization, product names, packages, decorations, and other identical or similar symbols with certain influence in a way that would mislead the public to associate the operators’ product with other products in the market.<sup>248</sup> This article has provided fashion companies with another option to protect their designs or design elements. A signature example is how VCA used this article to protect its abovementioned four-leaf clover jewelry design against Shanghai Aijing Jewelry Co., Ltd., the company that brought the invalidation action against VCA’s 3D trademark.<sup>249</sup> After VCA’s 3D trademark was declared invalid by the CNIPA, the Beijing Chaoyang District Court accepted VCA’s claims based on the AUCL, granting VCA damages of RMB 1.5 million (around USD 215,000).<sup>250</sup>

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243. *Id.* at 950 (“Trade dress falls within the scope of the Lanham Act, the primary federal legislation protecting trademarks.”); Ronald J. Horta, Note, *Without Secondary Meaning, Do Product Design Trade Dress Protections Function as Infinite Patents?*, 27 SUFFOLK U. L. REV. 113, 114 (1993) (“Trade dress is a subset of trademark law as both trade dress and trademark law indicate the source of a product and both emanate from Section 43(a) of the Lanham Act.”).

244. Horta, *supra* note 243, at 114–15 (“An understanding of trademark principles, therefore, is fundamental to comprehending the purpose of trade dress protections.”); Steven Schortgen, “Dressing” Up Software Interface Protection: *The Application of Two Pesos To “Look and Feel,”* 80 CORNELL L. REV. 158, 162 (1994) (“Because both trade dress and trademark protection find their origin in the same common-law torts, and because the Lanham Act concerns unfair competition generally, few legally substantive distinctions exist between the law of trademark and the law of trade dress.”).

245. See texts accompanying *supra* notes 108 and 168.

246. Fan Buzhengdang Jingzheng Fa (反不正当竞争法) [Anti-Unfair Competition Law] (promulgated by the Standing Comm. Nat’l People’s Cong., Apr. 23, 2019, effective Apr. 23, 2019) (China) [hereinafter Anti-Unfair Competition Law 2019]; see also PETER GANEA, DANNY FRIEDMANN, JYH-AN LEE & DOUGLAS CLARK, *INTELLECTUAL PROPERTY LAW IN CHINA* 403–05 (2d ed. 2021) (explaining the legislative purpose of the Anti-Unfair Competition Law).

247. Anti-Unfair Competition Law, *supra* note 246, art. 6.1.

248. *Id.*

249. VCA v. Shanghai Aijing, *supra* note 137.

250. *Id.*



The court reasoned that, first, although a “decoration” in the AUCL requires the separability of functional and aesthetic aspects, the nature and features of the jewelry indicated that its whole piece had no function other than being ornamental.<sup>251</sup> As such, the whole piece of jewelry was a decoration.<sup>252</sup> Second, the four-leaf clover pattern was uniquely developed by VCA and was not a generic jewelry design.<sup>253</sup> No other firm had used similar designs before VCA did, and any subsequent use could not directly deprive the design of its distinctiveness.<sup>254</sup> Third, VCA adduced evidence to prove that the relevant public would associate the decoration with the brand, establishing the jewelry as a “decoration with certain influence” as required by the AUCL.<sup>255</sup>

VCA’s successful litigation strategy based on the AUCL has provided important inspiration for VCA and other fashion companies. In addition to protection under the traditional copyright, trademark, and design patent approaches, designs now have the potential to be protected as a “decoration with certain influence” in China. Subsequently, VCA embarked on more anti-piracy projects in China based on unfair competition claims.<sup>256</sup> Louboutin also brought a civil lawsuit against a knockoff designer of similar red-sole heels in China under the AUCL,<sup>257</sup> although its trademark rights to the red sole are still uncertain. In 2022, the Guangzhou Internet Court even applied the AUCL provision to a batch of pirated garment designs,<sup>258</sup> finding the imitator liable for its knockoff products, in addition to copyright infringement.<sup>259</sup> Chanel also successfully protected the shape of its signature No.5 fragrance bottle under

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251. Compare this with the aesthetic functionality doctrine in the United States. *See, e.g.*, *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holding, Inc.*, 696 F.3d 206 (2d Cir. 2012) (citing *Pagliero v. Wallace China Co.*, 198 F.2d 339 (9th Cir. 1952)); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995); *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1006 (2d Cir. 1995).

252. *VCA v. Shanghai Aijing*, *supra* note 137.

253. *Id.*

254. *Id.*

255. *Id.*

256. *See, e.g.*, *Fanke Yabao Youxian Gongsi Su Yiwu Zhuyi Shipin Youxian Gongsi* (梵克雅宝有限公司诉义乌市缀宜饰品有限公司) [*Van Cleef & Arpels S.A. v. Yiwu Zhuyi Accessories Co.*], CHINA JUDGMENTS ONLINE (Zhejiang Jinhua Interm. People’s Ct. 2021) (China).

257. *Kelisiti Lubutuo Jianyi Gufen Youxian Gongsi Deng Su Guangdong Wanlima Shiye Gufen Youxian Gongsi Deng* (克里斯提·鲁布托简易股份有限公司等诉广东万里马实业股份有限公司等) [*Christian Louboutin Ltd. V. Guangdong Wanlima Indus. Co.*], CHINA JUDGMENTS ONLINE (Beijing Intell. Prop. Ct. 2022) (China). The case is pending appeal at Beijing Higher People’s Court.

258. Since garment designs do not fall into the enumerated items in the preceding paragraphs, the court applied Article 6(4), which is a general catch-all item. *See* Anti-Unfair Competition Law 2019, *supra* note 246 (“A business shall not commit the following acts of confusion to mislead a person into believing that a commodity is one of another person or has a particular connection with another person: . . . (4) Other acts of confusion sufficient to mislead a person into believing that a commodity is one of another person or has a particular connection with another person.”).

259. *Guangzhou Aibo Fushi Youxian Gongsi Su Hangzhou Laizhe Fushi Youxian Gongsi* (广州爱帛服饰有限公司诉杭州莱哲服饰有限公司) [*Guangzhou EPO Clothing Co. v. Hangzhou Laizhe Clothing Co.*], CHINA JUDGMENTS ONLINE (Guangzhou Internet Ct. 2022) (China).

this title against a perfume brand in China.<sup>260</sup> This series of cases revealed a huge potential for fashion companies in China to use the AUCL to protect their designs. Compared with trademark and design patent infringement claims, a claim made under the AUCL has the advantage of not requiring prior right acquisition.

### 3. Comparison of the Chinese and U.S. Systems

The United States and China conceptualize the relationship between trademark, trade dress, and unfair competition differently. In the United States, unfair competition law is dispersed, revolving around trademark to address gaps arising from the limited scope of trademark law.<sup>261</sup> Additionally, trade dress is considered a subset of trademark and is further divided into “product shapes” and “product packaging” by the *Wal-Mart* court.<sup>262</sup> Notably, for product packaging, acquiring secondary meaning is not always necessary because it could be inherently distinctive in certain circumstances.<sup>263</sup> In contrast, in China, unfair competition and trademark are legislatively distinct, with product shapes protected under the Trademark Law (as 3D trademarks) and product packaging falling under the jurisdiction of the AUCL.<sup>264</sup> However, the AUCL still borrows trademark concepts to define protectable product packaging. First, product packaging needs to be distinctive.<sup>265</sup> The SPC has provided several examples regarding indistinctive product packaging, but it also held that such packaging can still be protected if its acquired distinctiveness could be proven by evidence of extensive use, except when the design of the packaging is functional.<sup>266</sup> From this perspective, the two countries’ approach toward product packaging are largely consistent, as both the U.S. Supreme Court and the Chinese SPC reject the trademark registrability of functional aspects of a packaging, and neither of them has presumed a product packaging to be inherently indistinctive.

Second, the SPC holds the view that the term “certain influence” in the AUCL means that the product packaging should enjoy certain market recognition and have a source-

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260. Xiangnaier Gufen Youxian Gongsi Su Yiwu Shi Aizhiyu Huazhuangpin Youxian Gongsi (香奈儿股份有限公司诉义乌市爱之语化妆品有限公司) [Chanel, Inc. v. Yiwu Story of Love Co.], CHINA JUDGMENTS ONLINE (Shaanxi High People’s Ct. 2021) (China).

261. Farley, *supra* note 236, at 742.

262. See *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 212–13, 216 (2000).

263. See *id.*

264. Anti-Unfair Competition Law 2019, *supra* note 246, art. 6.1.

265. Zuigao Renmin Fayuan Guanyu Shiyong <Zhonghua Renmin Gonghe Guo Fan Buzhengdang Jingzheng Fa> Ruogan Wenti De Jieshi (最高人民法院关于适用《中华人民共和国反不正当竞争法》若干问题的解释) [Interpretation of the Sup. People’s Ct. on Some Issues Regarding the Application of the Anti-Unfair Competition Law of the People’s Republic of China] art. 4, SUP. PEOPLE’S CT. GAZ., Mar. 16, 2022 (China) (promulgated by the Sup. People’s Ct., Jan. 29, 2022, effective Mar. 20, 2022).

266. *Id.* art. 5.

identifying function.<sup>267</sup> This also aligns with the Lanham Act's approach, as it protects both trademarks and trade dress as long as the source-identifying function is present.<sup>268</sup> However, there are still some unresolved issues with respect to that definition. Notably, the same term has also appeared in the Chinese Trademark Law. Article 32 of the Trademark Law prohibits the squatting of others' prior marks with "certain influence."<sup>269</sup> Article 59.3 of the Trademark Law shields unregistered prior trademarks with "certain influence" against an infringement claim brought by a subsequent registrant of a similar mark.<sup>270</sup> Some scholars argue that the term in the AUCL should have the same meaning as it has in the Trademark Law.<sup>271</sup> Nevertheless, as we have argued in another article, the use of the same term within the Trademark Law has caused chaos because they contain different meanings. Although both Articles 32 and 59.3 employ the term "certain influence," its use in these two articles entail very different thresholds concerning the required degree of market recognition. This differentiated threshold aligns with the varied degree of protection provided by the two articles.<sup>272</sup> Put differently, Article 32 demands a notably higher degree of market recognition than Article 59.3 because it provides much more rigorous protection than the latter.<sup>273</sup>

Some have nevertheless argued that the bar for "certain influence" in the AUCL should be set higher than the bars in both Articles 32 and 59.3, requiring the kind of market reputation of a "well-known" trademark.<sup>274</sup> This argument is defeated by the different results for VCA's trademark and unfair competition claims. Although the "Alhambra" 3D trademark application was rejected because it did not meet the acquired distinctiveness test, it was nevertheless recognized as a "decoration with certain influence" under the AUCL.<sup>275</sup> This suggests that a symbol failing to meet the criteria for trademark protection may still be protected under the AUCL. Consequently, it can be inferred that the threshold for "acquired distinctiveness" in the Trademark Law is

267. *Id.*

268. Horta, *supra* note 243, at 132–33 ("The definition of trade dress now includes product features that indicate source to the consumer. Trade dress law mirrors trademark law in the purposes it serves and in the protections available.")

269. Trademark Law 2019, *supra* note 25, art. 32.

270. *Id.* art. 59.3.

271. See Taiping Wang (王太平) & Zhenzong Yuan (袁振宗), *反不正当竞争法的商业标识保护制度之评析* [An Analysis Of Commercial Symbol Protection Under the Anti-Unfair Competition Law], 5 知识产权 [INTELL. PROP.] 3, 12 (2018).

272. See Jyh-An Lee & Jingwen Liu, *Prior-Use Defence in the Chinese Trade Mark Law*, 42 EUROPEAN INTELL. PROP. REV. 751 (2020).

273. *Id.* at 759.

274. See Lingling Zhang (张玲玲), "有一定影响"在《反不正当竞争法》与《商标法》中的理解与判断 [The Understanding and Determination of "Certain Influence" in the <Anti-Unfair Competition Law> and in <Trademark Law>], 中国知识产权 [CHINA INTELL. PROP.] 18 (2018).

275. Compare VCA v. CNIPA, *supra* note 88, with VCA v. Shanghai Aijing, *supra* note 137.

higher than that for “certain influence” under the AUCL. Meanwhile, it is acknowledged that the “well-known” status establishes an even higher, and likely the highest, threshold compared to “acquired distinctiveness,” because this status aims to create an exception to the registration-based system by protecting unregistered well-known trademarks.<sup>276</sup> Therefore, while the exact meaning of “certain influence” remains unclear as a prerequisite for product packaging or decoration protection, it is certain that it does not entail an evidential threshold as high as that of a well-known trademark.

Therefore, it is clear that, despite being legislatively separate, trademark and certain unfair competition concepts in China are intricately connected, resulting in confusion similar to that in the United States regarding the relationship between the two. This connection arises from the shared objectives of these branches of law.<sup>277</sup>

Recognizing the complexities inherent in the relationship between the AUCL and the Trademark Law articles, we propose a tiered system of requisite market recognition, aiming to not only tighten up the doctrine but also assist brand owners in navigating the intricate process of evidence submission. First, it is well-established that achieving the well-known status of a trademark requires the highest degree of market recognition, to the extent that the mark is widely known by Chinese consumers nationwide. Secondly, the law should explicitly state that the degree of market recognition required for an inherently indistinctive mark to acquire distinctiveness is higher than that required by the “certain influence” language in Article 6.1 of the AUCL. This principle aligns with the logical reading of the decisions in *VCA v. CNIPA* and *VCA v. Shanghai Aijing*. Thirdly, the law should clarify whether the term “certain influence” in the AUCL clause carries the same meaning as the same term used in the Trademark Law. If so, legislators should specify which threshold the AUCL clause is referencing since the term appears twice in the Trademark Law, with different thresholds in the respective articles. Taking into account prior scholarly arguments,<sup>278</sup> we propose that the AUCL’s standard should be set no lower than the bar set by Article 32 of the Trademark Law (substantially higher than Article 59.3), but not exceeding the degree required to acquire distinctiveness. Unfortunately, however, the law in its current form does not properly reflect these varied thresholds. Should this problem be solved, the AUCL could become the primary battlefield for designers seeking to enforce their rights against knockoffs in China.

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276. See Trademark Law 2019, *supra* note 25, art. 13.

277. Both trademark law and unfair competition law share the objectives of protecting consumers against fraud and businesses from unfair competition conducts. See 15 U.S.C § 1127; Trademark Law 2019, *supra* note 25, art. 1; Anti-Unfair Competition Law 2019, *supra* note 246, art. 1.

278. See, e.g., Wang & Yuan, *supra* note 271; Zhang, *supra* note 274.

### III. CONCLUSION

Despite the fashion industry's growing importance to the global economy, leading fashion companies have been struggling to protect their designs against cheap knockoffs via existing IP regimes in both the United States and China, the two largest markets for the consumption of fashion products. These efforts have been largely in vain because none of the existing IP laws are specifically designed for this fast-changing industry. In both the United States and China, the designs in numerous fashion products fail the separability test in copyright law, distinctiveness requirement in trademark law, and non-obviousness requirement in patent law.

Design brands have encountered different challenges in these two major economies. First, the separability test in U.S. copyright law follows an established analytical framework that distinguishes useful articles from fine arts. Although China incorporates a similar concept of separability, its judiciaries have not yet developed consistent views on whether the applied arts should be treated differently from other copyrightable works. Second, the United States and China have rather different approaches to the distinctiveness requirement for non-traditional trademarks. Three-dimensional trademarks that consist of the shape or design of a product per se are presumed to be inherently indistinctive in the United States, whereas they could be inherently distinctive under certain exceptional circumstances in China. With regard to color trademarks, China adopts a more conservative approach than the United States does, as the former denies the registrability of single colors on absolute grounds, whereas the latter does not have a per se prohibition against the registration of a single color. Third, although both countries have a non-obviousness requirement for design patent protection, the starting points are very different. The United States analyzes non-obviousness in the perspective of a random designer of the same type of articles presented, whereas China consults the perspective of an average consumer of the relevant product. Since an average consumer has a lower level of knowledge and pays less attention to the design details, the bar for non-obviousness in China is likely lower than that in the United States. Finally, recent practices in China suggest that the protection for product packaging or decoration "with a certain influence" under the AUCL has huge potential to be deployed by fashion designers as a weapon against knockoffs. This provision resembles product packaging trade dress protection in the United States. Although, in its current form, the AUCL clause seems to be the most appropriate means of protection for fashion designers in China, its terms and wordings are ill-defined, and they have blurred the boundaries between the AUCL and trademark or copyright laws.

In addition, while U.S. laws are developed by precedents that provide fashion designers with more certainty, Chinese doctrines are sometimes led by industrial policies. Since the Chinese government has been determined to develop its fashion

industry, Chinese courts have increasingly strengthened their protection of fashion designs by enforcing the AUCL and broadening the scope of non-traditional trademarks. Therefore, these two major economies will continue to compete to be not only the largest fashion economy but also the best legal environment to foster fashion creativity.



## Laughing All the Way To the Bench: The Role of Humor in Supreme Court Confirmation Hearings

*Joanna T. Brown\**

Senator SCHUMER. Yesterday, as I told you, I was sort of confounded by the refusal to answer certain questions. I do not think any of us expected you to answer every question or answer the—give us the answer the way we want it. But we did hope that you would answer enough questions with enough specificity so that we and the American people would get a clear picture of the kind of Chief Justice you will be, not just rely on your assurances. So I want to try this another way because I really want to find out. You are one of the best litigators in America. You know how to convince people. That is what you have been paid to do for a long time. So let me ask you, if you were sitting here, what question would you ask John Roberts so that you or us could be sure that we were not nominating what I call an ideologue, someone who you might define as somebody who wants to make law, not interpret law? And then how would you answer the question you asked yourself?

[Laughter.]

Judge ROBERTS. I'd begin by saying, "Well, that's a good question, Senator."

[Laughter.]<sup>1</sup>

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This humorous exchange between Senator Chuck Schumer and then-Judge John Roberts, captured by the “[Laughter.]” notation in the hearing transcript, is anything but trivial. In the midst of Roberts’s confirmation hearing to become Chief Justice, Senator Schumer pushed him to divulge more information about his jurisprudence and how he would decide important legal questions if confirmed to the Supreme Court. Roberts could have explained his dodginess by reasoning that judges must decide impartially when presented with new cases, and thus cannot divulge certain stances without rendering potential future decisions partial,<sup>2</sup> or that answering too honestly about a contentious legal issue may jeopardize gaining the requisite number of Senate votes to be confirmed. Instead, Roberts’s cheeky reply—“Well, that’s a good question, Senator”—further evades answering Schumer’s questions. This kind of response, though exceedingly common, complicates the role of a hearing; after all, a confirmation hearing’s purpose is to “gather information useful to deciding whether to approve or reject a candidate nominated for a high office.”<sup>3</sup> The absurdity of trying to gather information from an individual who is ethically, if not also politically, obligated to obfuscate, may in fact account for the first instance of “[Laughter.]” during the exchange between Schumer and Roberts. Roberts’s witty reply played off this shared understanding as well, and similarly provoked laughter, perhaps in part because his question-dodging was so on the nose.

Clearly, Senator Schumer did not find the joke endearing, ultimately voting “nay” both in the Judiciary Committee<sup>4</sup> and in the Senate roll-call confirmation vote.<sup>5</sup> Roberts was eventually confirmed 78-22,<sup>6</sup> but his clash with Senator Schumer continued well past a single line of questioning.<sup>7</sup> In a 2007 address to the American Constitution Society, Senator Schumer exclaimed:

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1. *Confirmation Hearing on the Nomination of John G. Roberts, Jr. To Be Chief Justice of the United States Before the S. Comm. on the Judiciary*, 109th Cong. 438 (2005).

2. Expressing this sentiment, Chief Justice Roberts famously related judges to umpires in his confirmation hearing opening statement, saying, “Judges are like umpires. Umpires don’t make the rules, they apply them.” *Id.* at 55.

3. *Confirmation Hearing*, BLACK’S LAW DICTIONARY (11th ed. 2019).

4. *Judiciary Committee Votes on Recent Supreme Court Nominees*, U.S. S. COMM. ON THE JUDICIARY, <https://www.judiciary.senate.gov/nominations/supreme-court/committee-votes> [<https://perma.cc/C4QF-MWHG>]

[<https://web.archive.org/web/20231013173851/https://www.judiciary.senate.gov/nominations/supreme-court/committee-votes>] (last visited Nov. 16, 2023).

5. *Roll Call Vote 109th Congress – 1st Session*, U.S. SENATE, [https://www.senate.gov/legislative/LIS/roll\\_call\\_votes/vote1091/vote\\_109\\_1\\_00245.htm](https://www.senate.gov/legislative/LIS/roll_call_votes/vote1091/vote_109_1_00245.htm)

[<https://perma.cc/DHK3-W6W2>]

[[https://web.archive.org/web/20231013173928/https://www.senate.gov/legislative/LIS/roll\\_call\\_votes/vote1091/vote\\_109\\_1\\_00245.htm](https://web.archive.org/web/20231013173928/https://www.senate.gov/legislative/LIS/roll_call_votes/vote1091/vote_109_1_00245.htm)] (last visited Nov. 16, 2023).

6. *Id.*

7. Senator Charles E. Schumer, Keynote Address To the American Constitution Society (July 27, 2007) (transcript available at <https://www.schumer.senate.gov/newsroom/press-releases/schumer-declares-democrats-hoodwinked-into-confirming-chief-justice-roberts-urges-higher-burden-of-proof-for-any-future-bush-nominees> [<https://perma.cc/NY6K-PAVF>]

[<https://web.archive.org/web/20231117024724/https://www.schumer.senate.gov/newsroom/press->

So the question comes: Were we too easily impressed with the charm of nominee Roberts and the erudition of nominee Alito? . . . Were we sold a bill of goods by two hypersmart and wellcoached [sic] nominees who artfully exploited a confirmation process illsuited [sic] to lay bare their genuine judicial philosophy? . . . Based on the record of the last Supreme Court term, sadly, the answer to each of these questions is yes.<sup>8</sup>

In his speech, Schumer thus implied that Roberts' "charm" clouded senators' judgment and led to an easy confirmation that may have been avoided had his "genuine judicial philosophy" been laid bare.

Supreme Court confirmation hearings serve a unique role in our government: They are the only instances where future Justices and their judicial philosophies are televised and subject to the scrutiny of not only the Senate, but also the public. In some cases, such scrutiny has resulted in nominees withdrawing their candidacy<sup>9</sup> or failing to garner the requisite number of votes in the Senate.<sup>10</sup> But more often than not, nominees across the spectrum of political affiliation garner a spot on the Court following intense media frenzy and congressional grilling. Against this backdrop, Senator Schumer's remark thus raises the question: In the push and pull between candor and ambiguity in confirmation hearings, how does charm—or in other words, humor—serve as a tool for nominees? Furthermore, what can we learn about a nominee's future jurisprudence through studying their use of humor during their confirmation hearings?

In this Note, I will investigate these and related questions about the use of humor and the denotation of "[Laughter.]" in Supreme Court confirmation hearing transcripts. How is humor used as a defense mechanism versus a means to bond with and appeal to the Judiciary Committee? Who uses humor the most, and who the least, and what factors could account for those differences? And lastly, what can humorous comments from Supreme Court nominees forecast to both the Committee and the public about their behavior once they are on the Court?

releases/schumer-declares-democrats-hoodwinked-into-confirming-chief-justice-roberts-urges-higher-burden-of-proof-for-any-future-bush-nominees]).

8. *Id.* Schumer also responded directly to Roberts's umpire analogy, stating, "Unfortunately, if there is one thing this term has showed us, notwithstanding protests to the contrary, it is that Chief Justice Roberts seems intent on changing the strike zone. When the team he favors is at bat—those who seek to restrict access to the courts, those who seek to roll back civil rights and liberties—he calls all balls. When the team he doesn't like is at bat, he calls all strikes. If the past Supreme Court term were a movie, it might be called: 'The Umpire Strikes Back.'" *Id.*

9. In 2005, President George W. Bush nominated Harriet Miers to the Court. Miers was attacked by conservatives and liberals alike, criticized for a lack of legal experience and accused of "cronyism" because of her close relationship to Bush. Miers withdrew her candidacy in response to the criticisms. See *Miers Withdraws Supreme Court Nomination*, NBC NEWS (Oct. 27, 2005, 8:52 AM), <https://www.nbcnews.com/id/wbna9837151> [https://perma.cc/643V-RSV7] [https://web.archive.org/web/20231013173501/https://www.nbcnews.com/id/wbna9837151].

10. In 1987, Robert Bork famously did not hold back on extreme right-wing views, and the Senate rejected his nomination. See Jane Coaston, "Borking," *Explained: Why a Failed Supreme Court Nomination in 1987 Matters*, VOX (Sept. 27, 2018, 4:02 PM), <https://www.vox.com/2018/9/26/17896126/bork-kavanaugh-supreme-court-conservatives-republicans> [https://perma.cc/U8W7-WLHJ] [https://web.archive.org/web/20231013173313/https://www.vox.com/2018/9/26/17896126/bork-kavanaugh-supreme-court-conservatives-republicans].

I do not wish to imply that all instances of humor are the result of calculated, conniving preparation intended to manipulate senators during the confirmation process. In fact, many instances of humor are prompted by senators themselves, or drawn from the inherent awkwardness of days-long formal hearings. But, by that same token, even benign moments of lightheartedness in this specific context may provide valuable insights that are easily overlooked. Especially as judicial nominations become increasingly politicized and polarized,<sup>11</sup> appearing trustworthy, likeable, and sensible becomes essential to a nominee's candidacy. Humor thus arms nominees with the ability to volunteer positive information, appear humble, showcase values, lighten difficult topics, and otherwise bond with senators. Perhaps more saliently, it enables them to dodge, correct, or mock contentious or unflattering lines of questioning. Based on an analysis of each nominee's hearing transcript since Justice Sandra Day O'Connor in 1981, every nominee harnesses the power of humor to their advantage, and perhaps to the detriment of the gullible, "too easily impressed" senators about whom Senator Schumer spoke in his remarks. By studying when, why, and how nominees use humor, we can get a glimpse into their future jurisprudence and decisions on the bench. Avoiding a topic or making light of a question may seem harmless in the hearing, but it can actually reveal a nominee's position on an issue and serve an important truth-telling role.

In Part I, I will explore the history of Supreme Court hearings and literature on the role that hearings play in the confirmation process. Further, I will discuss several studies conducted on the role of humor at the Supreme Court, which will also provide us with a philosophical and psychological angle through which to analyze confirmation humor. Part II will build upon this foundation with my own research. First, I will explain which future Justices elicited the most laughter, the least laughter, and how these numbers may reflect or be informed by an increasingly polarized political landscape. Then I will illustrate how the nominees use humor as a "shield" to defend against probing questions or negative perceptions and as a "sword" to bond with senators and appeal to the public. Finally, in Part III, I will explore the connection between humor during confirmation hearings and Justices' later behavior on the Court through case studies on different lines of questioning about weighty topics like abortion rights, constitutional interpretation, and the scope of congressional power. While the language in the transcript says one thing, the "[Laughter.]" notation communicates much more: how nominees are perceived and, derivatively, how they

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11. Confirmations increasingly toe party lines with each vote, made clear by comparing Justice Breyer's vote (87–9) in 1994 to Justice Jackson's (53–47) in 2022. *Compare Roll Call Vote 103rd Congress – 2nd Session*, U.S. SENATE, [https://www.senate.gov/legislative/LIS/roll\\_call\\_votes/vote1032/vote\\_103\\_2\\_00242.htm](https://www.senate.gov/legislative/LIS/roll_call_votes/vote1032/vote_103_2_00242.htm) [https://perma.cc/V89K-VAP4] [[https://web.archive.org/web/20231013173154/https://www.senate.gov/legislative/LIS/roll\\_call\\_votes/vote1032/vote\\_103\\_2\\_00242.htm](https://web.archive.org/web/20231013173154/https://www.senate.gov/legislative/LIS/roll_call_votes/vote1032/vote_103_2_00242.htm)] (last visited Apr. 15, 2024), with *Roll Call Vote 117th Congress – 2nd Session*, U.S. SENATE, [https://www.senate.gov/legislative/LIS/roll\\_call\\_votes/vote1172/vote\\_117\\_2\\_00134.htm](https://www.senate.gov/legislative/LIS/roll_call_votes/vote1172/vote_117_2_00134.htm) [https://perma.cc/FQ7W-RVUL] [[https://web.archive.org/web/20231129004826/https://www.senate.gov/legislative/LIS/roll\\_call\\_votes/vote1172/vote\\_117\\_2\\_00134.htm](https://web.archive.org/web/20231129004826/https://www.senate.gov/legislative/LIS/roll_call_votes/vote1172/vote_117_2_00134.htm)] (last visited Apr. 15, 2024).

will win over votes because and in spite of their judicial philosophies. Given this, the American public and the Judiciary Committee would be well served to pay attention to confirmation humor to better understand the nominees and, in turn, check them during the Advice and Consent period.

## I. A BARREL OF LAUGHS: A BRIEF HISTORY OF CONFIRMATION HEARINGS AND HUMOR AT THE SUPREME COURT

### A. HISTORY OF “ADVICE AND CONSENT” OF THE SENATE

Article II Section 2 of the Constitution, the Appointments Clause, mandates that “[the President] shall nominate, and by and with the Advice and Consent of the Senate, shall appoint . . . Judges of the supreme Court . . . .”<sup>12</sup> Before 1916, however, the “Advice and Consent of the Senate” simply consisted of a “yea” or “nay” vote.<sup>13</sup> Compared to the present, nominees scarcely faced close scrutiny of their character and jurisprudence: The Senate did not hold hearings to interview potential candidates, much less weigh public opinion into the decision.<sup>14</sup> Confirmation was relatively quick, routine business in the Senate. For instance, in 1894 Edward Douglass White, a former Confederate, was nominated and sworn in on the same day.<sup>15</sup> Not until 1916, when President Woodrow Wilson appointed Louis Brandeis, the first Jewish nominee to the Court, did Advice and Consent include a hearing, presumably in reaction to a liberal-leaning Jewish person being nominated.<sup>16</sup> Brandeis did not show up to the hearing. Rather, several witnesses testified before the Judiciary Committee about Brandeis, with some opponents employing antisemitic tropes to try to discredit the judge.<sup>17</sup> Notwithstanding the attacks on Brandeis’s character and politics during the confirmation hearing, he was confirmed 47-22, four months after his nomination.<sup>18</sup>

12. U.S. CONST. art. II, § 2.

13. Jay Willis, *A Brief Guide To Supreme Court Confirmation Hearings, the Silliest Ritual in Washington*, BALLS AND STRIKES (Mar. 15, 2022), <https://ballsandstrikes.org/nominations/supreme-court-confirmation-hearings-brief-guide> [https://perma.cc/8VML-MX5R] [https://web.archive.org/web/20231013172702/https://ballsandstrikes.org/nominations/supreme-court-confirmation-hearings-brief-guide/].

14. *Id.*

15. *Id.*

16. Drew DeSilver, *Up Until the Postwar Era, U.S. Supreme Court Confirmations Usually Were Routine Business*, PEW RSCH. CTR. (Feb. 7, 2022), <https://www.pewresearch.org/fact-tank/2022/02/07/up-until-the-postwar-era-u-s-supreme-court-confirmations-usually-were-routine-business/> [https://perma.cc/G7RM-RU4A] [https://web.archive.org/web/20231013172055/https://www.pewresearch.org/short-reads/2022/02/07/up-until-the-postwar-era-u-s-supreme-court-confirmations-usually-were-routine-business/]; see also Matthew Wills, *The Confirmation of Louis D. Brandeis*, JSTOR DAILY (June 1, 2016), <https://daily.jstor.org/confirmation-louis-brandeis> [https://perma.cc/6TUM-9BRQ] [https://web.archive.org/web/20231013173153/https://daily.jstor.org/confirmation-louis-brandeis/].

17. Willis, *supra* note 13.

18. *Id.*

Brandeis's contentious confirmation process, though pivotal, did not immediately usher in a new era of months-long debates about nominees. From the birth of the United States to the early 1950s, the average time between nomination and confirmation remained a quick and easy 13.2 days.<sup>19</sup> From the 1950s to 2020, however, the time between nomination and confirmation averaged 54.4 days, nearly quadrupling the average period of Advice and Consent.<sup>20</sup>

The more modern organization of confirmation hearings—which almost resemble a trial, where the nominee justifies past actions and overall worthiness—came four decades after Louis Brandeis, with Potter Stewart's nomination. Stewart was nominated in 1959 against the backdrop of the civil rights movement as well as the Cold War.<sup>21</sup> As the spotlight on the Supreme Court grew brighter in the wake of monumental decisions like *Brown v. Board of Education*, confirming a Justice in line with senators' views felt more important than ever: “[S]outhern Democrats were fully hostile to the Supreme Court because of its desegregation decisions, and conservative Republicans were worried about the Supreme Court over national security issues, and Stewart got a fair grilling.”<sup>22</sup>

More probing lines of questioning also emerged with more contentious, publicized hearings, especially for minority nominees. When Thurgood Marshall was nominated as the first Black Justice, he was asked if he would be prejudiced against white southerners and interrogated about crime rates.<sup>23</sup> Sandra Day O'Connor's nomination also marked a shift in confirmation hearing protocol. Not only was she the first female nominee, but her hearing was also the first to be broadcast live in its entirety; this opened her up to heightened scrutiny from the press, the public, and the Judiciary Committee, especially on hot button women's rights issues like abortion.<sup>24</sup>

As the confirmation process became increasingly polarized, publicized, and otherwise arduous, a nominee's odds of actually being confirmed became increasingly

19. DeSilver, *supra* note 16.

20. *Id.*

21. *A History of Supreme Court Confirmation Hearings*, NPR (July 12, 2009, 4:00 PM), <https://www.npr.org/templates/story/story.php?storyId=106528133> [<https://perma.cc/H3T6-RQG8>] [<https://web.archive.org/web/20231013172625/https://www.npr.org/templates/story/story.php?storyId=106528133>].

22. *Id.*

23. Kayla Epstein, *The Discriminatory History of the Senate Confirmation Process that Started when a Jewish Person Was First Nominated for the Supreme Court in 1916*, INSIDER (Mar. 24, 2022, 6:01 PM), <https://www.businessinsider.com/racist-history-of-senate-scotus-confirmation-hearings-ketanji-brown-jackson-2022-3> [<https://perma.cc/5AA2-89KL>] [<https://web.archive.org/web/20231013172547/https://www.businessinsider.com/racist-history-of-senate-scotus-confirmation-hearings-ketanji-brown-jackson-2022-3>].

24. Ronald J. Hansen, *Spectacle of Sandra Day O'Connor's 1981 Confirmation Hearing Foreshadowed Today's Politics*, AZCENTRAL (Sept. 11, 2022, 11:26 AM), <https://www.azcentral.com/story/news/local/phoenix/2019/03/15/sandra-day-oconnor-senate-confirmation-hearings-1981-were-spectacle-barry-goldwater-ted-kennedy/2722312002/> [<https://perma.cc/V7VK-HSAY>] [<https://web.archive.org/web/20231013172538/https://www.azcentral.com/story/news/local/phoenix/2019/03/15/sandra-day-oconnor-senate-confirmation-hearings-1981-were-spectacle-barry-goldwater-ted-kennedy/2722312002/#tbl-em-lnovqoshn3xsx89fh7>].

slim. Prior to 1965, only three of 130 nominees had been confirmed by a margin of under ten votes, and twenty-four nominations failed due to rejection, Senate inaction, or withdrawal.<sup>25</sup> Post-1965, of the twenty-eight nominations, seven have failed (including, most recently, Merrick Garland, whose nomination the Senate refused to act on in 2016<sup>26</sup>) and five have been confirmed by a margin of fewer than ten votes.<sup>27</sup>

Among those nominees who never reached the bench, Robert Bork's high-profile hearing and rejection by the Senate may be the most infamous. In his 1987 hearing, Bork did not hold back on his extreme right-wing views, leading a majority of the Senate to vote against his confirmation.<sup>28</sup> The campaign against Bork's confirmation was so vigorous that a new term emerged in the political lexicon—to "Bork" someone—or to publicly vilify someone to prevent their appointment to political office.<sup>29</sup> Since Bork's significant embarrassment, nominees have trended towards caginess in hearings, refusing to offer their opinion on matters that may come before the Court. "A judge sworn to decide impartially can offer no forecasts, no hints," explained Ruth Bader Ginsburg during her hearings in 1993, adding that doing so would "display disdain for the entire judicial process."<sup>30</sup> Indeed, avoiding getting "Borked" may well be a real fear for contemporary nominees, even those with spotless records. Take, for example, the current Supreme Court. Of the nine Justices, five—Clarence Thomas, Neil Gorsuch, Brett Kavanaugh, Amy Coney Barrett, and Ketanji Brown Jackson—were sworn in by a margin of less than ten votes, with the more recent appointees nearly split along party lines.<sup>31</sup>

Political polarization has also leaked into the lines of questioning in contemporary hearings. To be expected, the Judiciary Committee grilled recent nominees about contemporaneous legal issues like abortion, terrorism, and the Affordable Care Act, generally receiving vague, indefinite responses.<sup>32</sup> Most recently, however, conservatives used the confirmation hearing of Ketanji Brown Jackson to press on politicized topics like critical race theory and transgender women in sports, asking the judge unorthodox, non-legal questions like how religious she is on a scale of one to ten, or if she thinks babies are racist.<sup>33</sup> Thus, Jackson's hearing may have signaled yet

25. DeSilver, *supra* note 16.

26. *Id.*

27. *Id.*; see also *Supreme Court Nominations (1789-Present)*, U.S. SENATE, <https://www.senate.gov/legislative/nominations/SupremeCourtNominations1789present.htm> [<https://perma.cc/Q32U-XM9T>]

[<https://web.archive.org/web/20231117035043/https://www.senate.gov/legislative/nominations/SupremeCourtNominations1789present.htm>] (last visited Nov. 16, 2023).

28. See Coaston, *supra* note 10.

29. *Bork*, OXFORD DICTIONARY OF ENGLISH (3d ed. 2010).

30. Willis, *supra* note 13.

31. *Supreme Court Nominations (1789-Present)*, *supra* note 27.

32. Adam Liptak, *Confirmation Hearings, Once Focused on Law, Are Now Mired in Politics*, N.Y. TIMES (Mar. 23, 2022), <https://www.nytimes.com/2022/03/23/us/politics/ketanji-brown-jackson-confirmation-hearing.html> [<https://perma.cc/EGK8-VLTS>]

[<http://web.archive.org/web/20231104135751/https://www.nytimes.com/2022/03/23/us/politics/ketanji-brown-jackson-confirmation-hearing.html>].

33. *Id.*

another shift for confirmation hearings, where Senators fail to even ask about concrete legal issues, treating the confirmation process instead as an “ideological food-fight.”<sup>34</sup>

## B. PRIOR LITERATURE ON SUPREME COURT CONFIRMATION HEARINGS

Several studies have attempted to identify the various factors driving increased polarization around confirmation hearings and explore the consequences of such polarization. In 2011, Geoffrey Stone conducted extensive research on Supreme Court confirmations, concluding that the evolution towards a more polarized, heated nomination and confirmation period was influenced by several factors including: (1) an increasingly conservative court makeup at least since the early nineties; (2) highly publicized, controversial, and polarized decisions such as *Bush v. Gore* where the Court stood divided on clear political grounds; (3) the high-stakes, highly publicized news coverage of nominees; (4) interest groups’ involvement in the process;<sup>35</sup> and (5) the more general polarization of the political process such as “stealth” nominations and the decline of “moderate” nominees.<sup>36</sup> Looking at more recent nominations, the effects of these factors are clear: Elena Kagan and Sonia Sotomayor, the most recent nominees at the time of the article, were both seemingly straightforward candidates—highly qualified, ideologically moderate, and with clean personal records. Yet, they received a much higher percentage of “nay” votes than similarly situated historical candidates.<sup>37</sup>

In addition to the broader political factors driving confirmation dynamics, Patrick Barry’s 2018 article posited that additional factors, such as media attention, which senators are present or leading the Judiciary Committee, and aspects of a nominee’s identity, culminate to create different biographical depictions of a nominee that can either help or hinder their confirmation process.<sup>38</sup> These “micro” factors could have potentially large effects on the perception of a given nominee and, in turn, whether or not they get confirmed. Barry illustrated, for example, that the attitude of the Chairman of the Judiciary, then-Senator Joe Biden, was very jovial during Clarence Thomas’s hearing, which arguably helped Thomas fight off accusations of unfitness and appear more likeable.<sup>39</sup>

Given that confirmation has become more difficult and that manipulating different aspects of the process can create a more favorable depiction of a nominee, it figures that nominees would increasingly use a tool like humor to avoid controversial stances and help curb political opposition. But the lack of candor in hearings also comes with a price. More recent confirmation proceedings have been described as “a rapid and

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34. *Id.* The “ideological food fight” metaphor is borrowed from Neil Gorsuch himself, who described modern confirmation trends as such while still a lawyer. *Id.*

35. Examples include the National Organization for Women and the Christian Coalition.

36. Geoffrey R. Stone, *Understanding Supreme Court Confirmations*, 2010 SUP. CT. REV. 381, 447–54 (2011).

37. *Id.* at 453–54.

38. Patrick Barry, *Sites of Storytelling: Supreme Court Confirmation Hearings*, 94 IND. L.J. SUPPLEMENT 1 (2018).

39. *Id.* at 3–4.

hollow charade, an exercise in obfuscation, and even a carefully choreographed kabuki dance” where nominees divulge little information of value.<sup>40</sup> In response to dwindling confidence in the truth-telling function of confirmation hearings, recent scholarship proposes various solutions to re-legitimize the confirmation process. For instance, Robert Post and Reva Siegel proposed that senators ask nominees about how they would have voted in cases the Supreme Court already decided.<sup>41</sup> According to Post and Siegel, this framework would allow senators to “obtain information necessary to discharge their democratic responsibilities in confirming nominees” without offending the autonomy of courts, since the questions are retrospective rather than prospective.<sup>42</sup> Until such change occurs, however, the confirmation process finds itself trapped in a feedback cycle. Increased politicization leads to less forthright nominees, which leads to distrust in the confirmation process, consequently feeding further political polarization around nomination and confirmation.

### C. PRIOR LITERATURE ON HUMOR AT THE SUPREME COURT

Against this backdrop, humor can play a key rhetorical and interpersonal role to help nominees evade hard questions and appeal to more senators. While prior literature on the role of humor in confirmation hearings remains scarce, research and analysis of humor at Supreme Court oral arguments can provide a helpful framework for analyzing how, why, and to what ends humor is employed by the Justices. This research also illustrates the insights humor can provide; notably, that instances of humor in oral arguments help predict Justices’ ultimate decisions and opinions.

In order to understand prior findings about the role of humor on the bench, we should first explore the basic theories of humor. There are three main theories of humor: Superiority, Relief, and Incongruity. Espoused by Plato, Aristotle, and Thomas Hobbes, the Superiority theory of humor posits that a person laughs at the misfortunes of others because it makes that person feel superior.<sup>43</sup> Though this theory probably fails to account for *every* instance of humor, the Superiority theory of humor explains why we find home videos of people bellyflopping funny. By contrast, the Relief theory of humor maintains that laughter is the release of nervous energy.<sup>44</sup> Freud believed that laughter served to alleviate repressed emotions like sexual desire or hostility—when a

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40. Dion Farganis & Justin Wedeking, “No Hints, No Forecasts, No Previews”: An Empirical Analysis of Supreme Court Nominee Candor from Harlan To Kagan, 45 LAW & SOC’Y REV. 525, 525 (2011) (internal quotation marks omitted).

41. Robert Post & Reva Siegel, *Questioning Justice: Law and Politics in Judicial Confirmation Hearings*, 115 YALE L.J. F. (Sept. 1, 2006), <https://www.yalelawjournal.org/forum/questioning-justice-law-and-politics-in-judicial-confirmation-hearings> [https://perma.cc/PT28-LBZU] [<https://web.archive.org/web/20231117182111/https://www.yalelawjournal.org/forum/questioning-justice-law-and-politics-in-judicial-confirmation-hearings>].

42. *Id.*

43. *Philosophy of Humor*, STAN. ENCYCLOPEDIA OF PHIL. (Aug. 20, 2020), <https://plato.stanford.edu/entries/humor/> [https://perma.cc/43F9-9EJ4] [<http://web.archive.org/web/20231104140404/https://plato.stanford.edu/entries/humor/>].

44. *Id.*



person cracks wise about sex or gossips about a mutually disliked person, they overcome their internal censor and offer relief to their true emotions.<sup>45</sup> The third main theory, the Incongruity theory favored by Kant and Kierkegaard, says that humor is the perception of something that violates our expectations and thus is funny as an incongruous deviation.<sup>46</sup> Think of modern stand-up comedian jokes that consist of a set-up and the punch line; the punch line is funny because it violates the expectations teed up by the set-up.

In addition to these theories of humor, others have cropped up to help explain humor's mysterious workings. For example, evolutionary psychologist Geoffrey Miller contends that humor evolved as a result of sexual selection, since it serves as an indicator of a prospective mate's mental fitness.<sup>47</sup> As a complement to the Superiority theory, the Inferiority theory views humor as a tool to display self-deprecating behavior or modesty.<sup>48</sup> Moreover, the Punctuation theory posits that humor is used as a rhetorical device to strategically emphasize certain phrases or ideas.<sup>49</sup>

Several studies have analyzed humor in Supreme Court oral arguments. In 2005, Jay Wexler counted how often each Justice provoked laughter by counting "(laughter)" notations in the Court's 2004–2005 oral argument transcripts to reveal which Justices were the funniest.<sup>50</sup> Following this lighthearted exercise, Ryan Malphurs conducted a more extensive study of humor. Malphurs considered four factors contributing to each instance of "(laughter)" during oral arguments: context (Malphurs views theoretical contexts, such as the Superiority theory, as a framework to view each joke), frequency of laughter, tone (negative or positive), and direction (at themselves, at advocates, or at other Justices).<sup>51</sup> Through this analysis, he found that Justices poked fun at themselves—for example, Justice Stephen Breyer admitted that "people did sometimes stick things in my underwear [during gym class]" during the oral argument for *Safford Unified School District v. Redding* just as often as they directed jokes at advocates and other Justices.<sup>52</sup> Thus, Malphurs concluded that through self-deprecating comments by the Justices or moments of lightheartedness shared with litigants, "[humor] enables advocates and [J]ustices to negotiate the complex institutional, social, and intellectual barriers to obtain brief moments of equality within the Courtroom."<sup>53</sup>

Responding to Malphurs's optimistic conclusion, Tonja Jacobi and Matthew Sag conducted a study in 2019 that found that Justices did not use humor to equalize; rather, making jokes at the advocates' expense served as a rhetorical weapon, often

45. *Id.*

46. *Id.*

47. GEOFFREY MILLER, THE MATING MIND: HOW SEXUAL CHOICE SHAPED THE EVOLUTION OF HUMAN NATURE 111–12, 132–33 (2001).

48. Tonja Jacobi & Matthew Sag, *Taking Laughter Seriously at the Supreme Court*, 72 VAND. L. REV. 1423, 1433–34 (2019).

49. *Id.* at 1434

50. Jay D. Wexler, *Laugh Track*, 9 GREEN BAG 2D 59 (2005).

51. Ryan A. Malphurs, "People Did Sometimes Stick Things in My Underwear": The Function of Laughter at the U.S. Supreme Court, 10 COMM'N L. REV. 48, 51 (2011).

52. *Id.* at 48.

53. *Id.*

foreshadowing how the Justice would eventually come out on an issue.<sup>54</sup> Jacobi and Sag identified every episode of laughter in oral argument transcripts since 1955, considering not only the main three theories of humor, but also some of the lesser known theories like Punctuation or Inferiority.<sup>55</sup> By comparing frequency of laughter and Justices' decisions, the study hypothesized that humor targeted at advocates could predict how a given Justice would decide a case.<sup>56</sup> Moreover, by analyzing meta-trends in instances of humor since 1955, the study concluded that "in an increasingly polarized Court, the Justices are significantly more likely to make laugh-inducing comments . . . just as they have a greater tendency to engage in other forms of aggressive advocacy" such as strategic interruptions, greater dominance over the conversation, and theatricality.<sup>57</sup>

Though their ultimate conclusions differ, both studies can be instructive for analyzing humor not only on the bench but also, for our purposes, during the uphill battle to gain a seat on that bench. True, there are clear differences between these studies and this Note. During oral arguments, Justices hold a position of relative power, whereas in confirmation hearings, they are largely beholden to the Judiciary Committee. Moreover, in an oral argument, it is unlikely that a Justice would use humor to dodge a question since they hold the position of asking, not answering, questions. That said, larger trends like political polarization, heightened media attention, and a growing distrust of government inform trends in humor both during and after confirmation. Against this backdrop, I will thus explore how nominees use humor to facilitate interpersonal benefits, per Malphurs, and as a tool of rhetorical aggression that may serve as a predictive device for later decisions, per Jacobi and Sag.

## II. TAKING [LAUGHING] STOCK: STATS, TRENDS, AND USES OF HUMOR IN CONFIRMATION HEARINGS

### A. DISCUSSION OF METHOD

In order to assess humor's role in confirmation hearings, I first noted all "[Laughter.]" notations in hearing transcripts, starting with the first televised hearing of Justice O'Connor in 1981. Of course, there may have been instances of humor before O'Connor, but for our purposes, we will only analyze instances of humor in fully televised, modern hearings from the past four decades. I attributed instances of "[Laughter.]" to the nominee if that text came directly after their speech, though this

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54. Jacobi & Sag, *supra* note 48, at 1482–83. However, the authors noted that their study also "leaves room for the alternative theory that the Justices make more jests at advocates they disagree with, but only because they spend more time speaking to them in the first place. Put another way, while we can predict who a given Justice would favor based on who is the butt of his or her jokes, we could have ascertained that same information from examining who the Justice spoke more to, and laughter tells us little new in addition to that." *Id.*

55. *Id.* at 1429, 1432–34.

56. *Id.* at 1455–56.

57. *Id.* at 1429–30.

may not include a delayed reaction. Moreover, this notation may be underinclusive, since there may be quieter tittering at a comment. However, for our purposes, the comments that elicit audible laughter reflect the Judiciary Committee's reception of certain comments more than a silent giggle would, thus telling us not only that a joke was made, but that it was well-received by those tasked with confirmation. As of the writing of this Note, the official transcripts for Barrett and Jackson have yet to be released, so the data for those Justices is limited to C-SPAN broadcast transcripts. Because these transcripts are not as detailed as official copies, they do not include as many instances of "[Laughter.]" as would probably be noted by the official stenographers. My discussion comparing the number of "[Laughter.]" notations in different hearings will thus be limited to hearings between O'Connor in 1981 and Kavanaugh in 2018, but I will also include examples of humor from Jackson and Barrett anecdotally in later analysis.

## B. HUMOR BY NUMBERS

Every nominee since O'Connor has provoked at least one instance of "[Laughter.]" during their confirmation hearing. Common topics covered by humor included abortion rights, character and fitness of a nominee, constitutional interpretation, separation of powers, logistics such as federal judge salaries, the judicial process and access, and general filler conversation regarding the hearings themselves. As for individuals, Gorsuch, Thomas, and Kavanaugh had the most total instances of "[Laughter.]" at their hearings, with 169, 162, and 124 notations of "[Laughter.]," respectively. Interestingly, and perhaps relatedly, Gorsuch and Kavanaugh are two of the most recent nominees, while Thomas and Kavanaugh both faced serious sexual harassment allegations during their hearings. Conversely, the least number of "[Laughter.]" notations are found in Antonin Scalia's hearing transcript, with a mere twenty-five total instances of laughter—ironic given the late Justice's famed sense of humor on the bench.<sup>58</sup> As for individuals, the numbers indicate that the "funniest" nominees were Neil Gorsuch, with forty provocations of laughter, and John Roberts, with twenty-four, while the "least funny" award goes to Anthony Kennedy with only one joke to his name throughout the whole hearing. By percentage of total laughs, however, the funniest nominee is Elena Kagan, who provoked twenty-nine percent of all titters in her hearing.<sup>59</sup> All told, factors like race, gender, and political affiliation were not dispositive on which nominees provoked more or less laughter. Rather, how

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58. See Malphurs, *supra* note 51, at 63–64. Malphurs's study found that Scalia provoked "laughter" sixty times during the 2006–2007 term oral arguments, accounting for almost half of all "laughter" tags that term (135 total). Wexler's study also crowned Scalia the "funniest" Justice, as he provoked seventy-seven laughing episodes in the 2004–2005 term, far ahead of the second-place Justice, Stephen Breyer, with forty-five laughing episodes. See Wexler *supra* note 50, at 60.

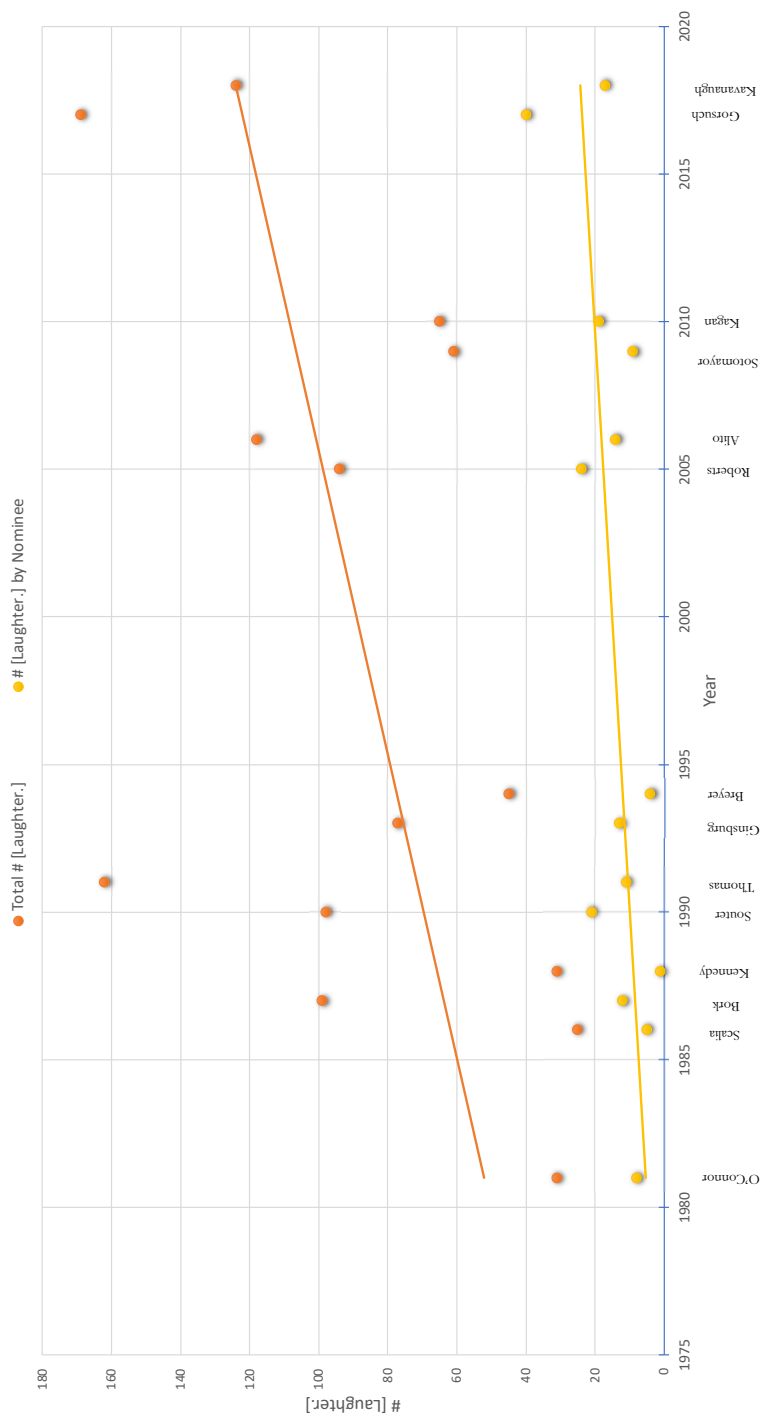
59. Compare to Clarence Thomas, who, despite having one of the highest total number of laughs in his hearings, only accounted for about seven percent of them!

recently the hearing was held (and relatedly, how controversial that hearing may have been) seemed to be the most predictive measure of humor during hearings.<sup>60</sup>

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60. See Figure 1.

Figure 1: # OF [LAUGHTER.] NOTATIONS 1981-2018



According to “[Laughter.]” notations in official hearing transcripts, humor at Supreme Court confirmation hearings has increased considerably from O’Connor in 1981 to Kavanaugh in 2018, both from the nominees and the Senate Judiciary Committee members.<sup>61</sup> Several factors, of course, may account for the increase in “[Laughter.]” notations. First, hearings themselves may be particularly long, which could in turn increase the amount of laughter recorded during them; for example, Justice Kennedy’s hearing in 1988 lasted three days, while Justice Kavanaugh’s hearing two decades later lasted five days.<sup>62</sup> Additionally, more recent hearings could be more conversational than in the past, inspiring more laughter overall. In addition to these possible factors, though, there is also a strong correlation between the increase in “[Laughter.]” and heightened political polarization around the Supreme Court and nominations to it.

The connection between humor and polarization is perhaps best evidenced by the total number of “nay” votes to confirm nominees over time as compared to the number of “[Laughter.]” notations.<sup>63</sup> Apart from significant outliers Robert Bork and Clarence Thomas, nearly every nominee from 1981 to 2000 was easily confirmed with little to no “nay” votes and bipartisan support.<sup>64</sup> Correspondingly, most hearings in the 80s and 90s contained relatively low total instances of “[Laughter.]”<sup>65</sup> By comparison, Bork and Thomas’s hearings had high “[Laughter.]” totals, making those hearings the most contentious *and* some of the funniest of those decades.<sup>66</sup> Nominees during the Bush and Obama administrations faced slightly more opposition, but were still confirmed with margins above ten votes.<sup>67</sup> These nominees’ hearings also saw an uptick in the average number of “[Laughter.]” notations during their confirmation hearings. Then, following the Senate’s pseudo-rejection of Merrick Garland and the 2016 election of Donald Trump, confirmation of Supreme Court nominees became highly polarized, with margins under ten votes falling neatly across party lines.<sup>68</sup> As evidenced by Gorsuch and Kavanaugh’s datapoints, their highly contentious hearings also produced a higher average number of “[Laughter.]” notations than earlier hearings.

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61. *Id.*

62. *Nomination Hearings for Supreme Court Justices*, U.S. SENATE, <https://www.senate.gov/committees/SupremeCourtNominationHearings.htm> [<https://perma.cc/GAE7-HTSZ>] [<https://web.archive.org/web/20231123032657/https://www.senate.gov/committees/SupremeCourtNominationHearings.htm>] (last visited Apr. 15, 2024).

63. See Figure 2; see also *Supreme Court Nominations (1789-Present)*, *supra* note 27.

64. *Supreme Court Nominations (1789-Present)*, *supra* note 27.

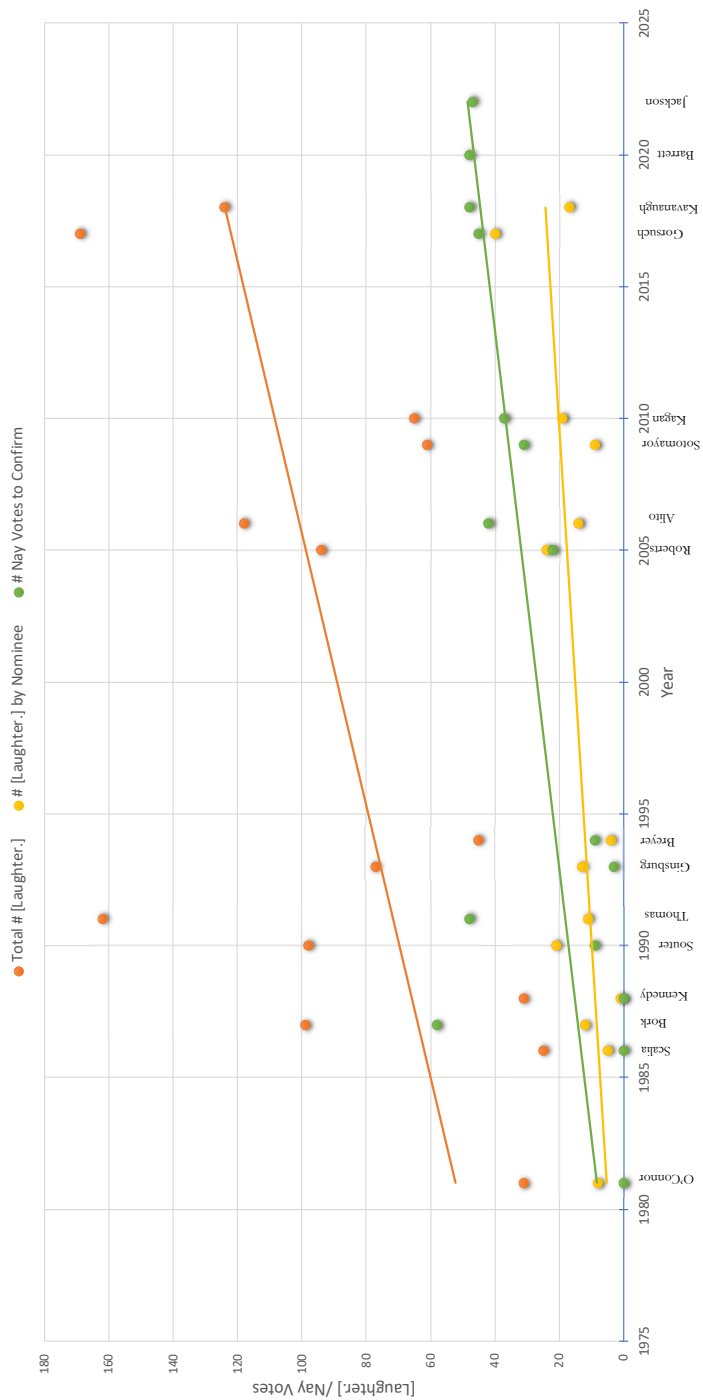
65. *Id.*

66. *Id.* While not a particularly contentious hearing, Justice Souter’s hearing also contained a high total number of “[Laughter.]” notations.

67. *Id.*

68. *Id.*

Figure 2: # OF [LAUGHTER.] NOTATIONS / # OF NAY VOTES 1981-2022



This correlation tracks. Against the backdrop of an increasingly politicized process, humor serves as both a defensive shield and an offensive sword for nominees. On the defensive side, humor enables nominees to dodge questions or correct negative assumptions. Defensive humor may be a particularly pertinent rhetorical device in polarized hearings, as it can help nominees gain strategic dominance over the conversation and steer it in a more favorable direction.<sup>69</sup> On the flipside, humor also serves an important social role in polarized hearings by allowing nominees to bond with senators, showcase values, appear more “likable,” and lighten difficult topics.

### C. HUMOR AS A SHIELD

Humor helps nominees avoid answering controversial questions in their hearings. For example, compare these two exchanges where the respective nominees, Ruth Bader Ginsburg and Brett Kavanaugh, use humor to dodge questions:

- Senator COHEN: Let me come back to the issue of conduct and speech. We have a somewhat ironic situation where conduct can in fact be interpreted as speech protected by the first amendment. For example, we know the Court’s ruling on burning of the American flag. A number of people believe that to be an act which is not protected by the first amendment, but the Court ruled otherwise. So this is a case in which what I consider to be a violent act is construed to be speech. We also have a situation in which speech can be construed to be conduct. You would agree with that?
- Judge GINSBURG. That conduct—
- Senator COHEN. That speech itself can constitute conduct.
- Judge GINSBURG. Can you give me an example?
- Senator COHEN. I could, but if I did, you couldn’t answer the question.
- Judge GINSBURG. Then you are tipping me off that I shouldn’t—
- [Laughter.]
- You are starting me down the slope and I shouldn’t put on the skis.<sup>70</sup>

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69. See *infra* Parts II.C, II.D; see also Jacobi & Sag, *supra* note 48, at 1495 (“[L]aughter is used strategically by the Justices to shape the process [of oral arguments] and, potentially, the outcome. Laughter incidents are exercises of control by Justices over their subordinates that are used strategically to favor preferred positions.”).

70. *Nomination of Ruth Bader Ginsburg, To Be Associate Justice of the Supreme Court of the United States Before the S. Comm. on the Judiciary*, 103d Cong. 225 (1993) [hereinafter *Ginsburg Hearing Transcript*].



Senator WHITEHOUSE. And, did the word “ralph” you used in your yearbook relate to alcohol?

Judge KAVANAUGH. I already said—I already answered the question. If you’re—

Senator WHITEHOUSE. Did it relate to alcohol?

Judge KAVANAUGH. I like beer.

Senator WHITEHOUSE. You have not answered that.

Judge KAVANAUGH. I like beer. I don’t know if you do. Do you like beer, Senator, or not?

Senator WHITEHOUSE. Okay.

Judge KAVANAUGH. What do you like to drink?

Senator WHITEHOUSE. The next one is——

Judge KAVANAUGH. Senator, what do you like to drink?

Senator WHITEHOUSE [continuing]. Judge, have you—I do not know if it is “boofed” or “bufed”—how do you pronounce that?

Judge KAVANAUGH. That refers to flatulence. We were 16.

[Laughter.]<sup>71</sup>

In her exchange with Senator William Cohen, Ginsburg explicitly dodges the question about First Amendment protections. To Ginsburg’s credit, Senator Cohen’s question—“you would agree . . . that speech itself can constitute conduct”—without context or an example seems to set a trap that simply answering in the affirmative could set off.<sup>72</sup> The collective laughter that ensued seems to reflect a common understanding about the aggressive nature of this kind of question, confirmation hearing questions in general, and the consequences of mis-stepping. This mirrors the Relief theory of humor, because acknowledging the high-stress nature of the hearing releases nervous energy brewing for all parties. By comparison, Kavanaugh dodged questions about his high school yearbook quotes that senators used as part of a line of questioning about his character and fitness in light of, among other things, sexual assault allegations from high school.<sup>73</sup> Kavanaugh’s remark—“That refers to flatulence. We were 16.”—

71. *Confirmation Hearing on the Nomination of Hon. Brett M. Kavanaugh To Be an Associate Justice of the Supreme Court of the United States Before the S. Comm. on the Judiciary*, 115th Cong. 703–04 (2018) [hereinafter *Kavanaugh Hearing Transcript*].

72. See *Ginsburg Hearing Transcript*, *supra* note 70, at 225.

73. Kate Kelly & David Enrich, *Kavanaugh’s Yearbook Page Is ‘Horrible, Hurtful’ To a Woman It Named*, N.Y. TIMES (Sept. 24, 2018), <https://www.nytimes.com/2018/09/24/business/brett-kavanaugh-yearbook-renate.html> [https://perma.cc/9FBT-TWWD] [https://web.archive.org/web/20231010210852/https://www.nytimes.com/2018/09/24/business/brett-kavanaugh-yearbook-renate.html] (“Judge Kavanaugh’s years at Georgetown Prep, in a Maryland suburb of

exemplifies the Superiority theory of humor.<sup>74</sup> Though not explicitly calling attention to his question-dodging like Ginsburg, he dodges feeding into a heated interrogation into his past by essentially making a fart joke. With this and similar remarks, Kavanaugh minimizes the line of questioning about his character as a youth, conveying that such questions are beneath him, uncouth, and irrelevant to the hearings.

Humor also allows nominees to correct negative assumptions or depictions of their character, which proves imperative with heightened media coverage and scrutiny of nominees. For example, during Elena Kagan's nomination and confirmation hearing, she faced a persistent narrative that she was too politically motivated to be a neutral arbiter, in part because she had previously worked for two Democratic administrations.<sup>75</sup> To help quash one such question relating to this negative depiction of her jurisprudence, Kagan employed humor to succinctly discredit Senator Tom Coburn's question:

Ms. KAGAN. Senator Coburn, my—the advocate's hat that I was referring to was not a political hat, it was the hat that I wear as Solicitor General of the United States, representing the interests of the United States. That has nothing to do with my own political views. It has to do with a long and historic tradition that the Solicitor General's Office has of representing the long-term interests of the U.S. Government.

Senator COBURN. Then let's move back to your political hat. How are you going to take that off?

Ms. KAGAN. Senator Coburn, that hat has not been on for many years.  
[Laughter.]

Ms. KAGAN. Senator Coburn, I know that, you know, some people have said, oh, she's a political person. I've had a 25-year career in the law. Of that 25-year career, 4 were spent in the Clinton White House.<sup>76</sup>

With her quip, Kagan authoritatively rejects the premise of the question; rather than answering how she would remain neutral despite having worked in politics, she manipulates the hat metaphor to gut Senator Coburn's assumption that she would need to remove a "political hat" in the first place. While her subsequent explanation that out of a twenty-five-year career in law, only four were spent in politics, supports this

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Washington, are under intense scrutiny because of allegations by Christine Blasey Ford that he sexually assaulted her during high school.").

74. *Kavanaugh Hearing Transcript*, *supra* note 71, at 704.

75. Reuters, *Elena Kagan Under Fire from Republicans*, THE GUARDIAN (June 29, 2010), <https://www.theguardian.com/law/2010/jun/29/elena-kagan-barack-obama-supreme-court> [https://perma.cc/UL5E-CHBR] [https://web.archive.org/web/20231010211153/https://www.theguardian.com/law/2010/jun/29/elena-kagan-barack-obama-supreme-court].

76. *The Nomination of Elena Kagan To Be an Associate Justice of the Supreme Court of the United States Before the S. Comm. on the Judiciary*, 111th Cong. 178 (2010) [hereinafter *Kagan Hearing Transcript*].

conviction, her initial statement, “Senator Coburn, that hat has not been on for many years,” wields important rhetorical power. This is a prime example of the Punctuation theory of humor; Kagan’s curt remark serves more as an exclamation emphasizing her sentiment than an explanation of it.

In a broader sense, humor aids nominees from diverse backgrounds to dismiss persistent lines of questioning that their diverse perspectives and identities are somehow at odds with neutral judging. During his campaign, Ronald Reagan promised to nominate the “most qualified woman I can possibly find” to the Supreme Court.<sup>77</sup> During O’Connor’s confirmation hearing, she was peppered with questions about women’s rights and abortion, seemingly addressing concerns that, despite her conservatism, her identity would seep into decisions.<sup>78</sup> In one such line of questioning, Senator Arlen Specter cut right to the chase:

Senator SPECTER. Let me skip quite a number of questions since my time is almost up and ask you one final question, Judge O’Connor. Do you think there is any basis at all for appointing a Supreme Court Justice with a view to diversity on account of sex, race, religion, or geography; or would you think it preferable to appoint the nine most qualified people that could be found for the job, even if they all came from Stanford in the same year and lived in Arizona?

Judge O’CONNOR. Senator Specter, that would undoubtedly guarantee quality if that were to be the case.

[Laughter.]<sup>79</sup>

Senator Specter’s question—should diversity matter, or should the “most qualified” candidate be nominated—exemplifies the concern about identity politics and neutral judging. O’Connor thus uses humor to simultaneously dodge the question and advocate for herself, stressing that the “most diverse” and the “most qualified” are not mutually exclusive terms. Under the Superiority theory of humor, her response effectively dismisses the absurdity of the question itself without having to explicitly rebut Senator Specter’s insulting assumption that as a woman she would not be able to competently serve on the bench.

Justice Thomas also marked a historic nomination as the second Black Justice on the Court and Justice Thurgood Marshall’s successor. However, in light of Thomas’s outspoken views on affirmative action, senators had to grapple with whether he would

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77. Mark Z. Barabak, *Column: The Architect of Reagan’s Pledge To Put a Woman on the Supreme Court Says It Was All Political*, L.A. TIMES (Feb. 1, 2022), <https://www.latimes.com/politics/story/2022-02-01/biden-reagan-supreme-court-politics> [https://perma.cc/K2VB-SSVL] [https://web.archive.org/web/20231010211443/https://www.latimes.com/politics/story/2022-02-01/biden-reagan-supreme-court-politics].

78. See *The Nomination of Judge Sandra Day O’Connor of Arizona To Serve as an Associate Justice of the Supreme Court of the United States*, 97th Cong. 198–200 (1981).

79. *Id.* at 214.

safeguard constitutional protections for minorities, despite having benefitted from those same systems.<sup>80</sup>

Senator HEFLIN. In this article, it goes on and says,

In a November 1987 interview with Reason Magazine, he lamented, the thing that bothered me when I was in college was that I saw myself rejecting the way of life that got me to where I was. We rejected a very stable and disciplined environment, an environment with very strict rules, an environment that did not preach any kind of reliance on government.

Do you want to comment on that?

Judge THOMAS. Well, as I have indicated in these hearings, the environment in which I grew up was a disciplined environment, it was one in which you were expected to be up early. I can still remember my grandfather on Saturday mornings, when he thought we were going to sleep until 7 or 7:30, he would come to the open windows of our bedrooms and just simply say, “Y’all think y’all rich,” and that had a way of inspiring me to get up.

[Laughter.]<sup>81</sup>

Through introducing a personal story, Thomas illustrates the origins of his “anti-reliance” philosophy. Thomas’s grandfather’s exclamation emphasizes Thomas’s humble origins, perhaps conveying a more authentic picture of his upbringing than a non-humorous discussion of his anti-reliance philosophy may have done. While not directly responding to criticisms and concerns about his attitudes towards governmental protections for minorities, Thomas’s story serves to “show not tell” about his own experience growing up as a Black man in America that informs his current beliefs, reaffirming his anti-reliance position rather than evading or justifying it. Especially in the midst of criticisms about Thomas’s legal views and Anita Hill’s sexual harassment allegations, Thomas’s “ingratiatingly self-deprecating” sense of humor, as evidenced here, “may [have been] one of the strongest things going for him,” helping him win senators’ confidence and garner a position on the Court.<sup>82</sup>

More recently, Justice Sotomayor, the first Latina to be nominated to the bench, faced several questions about a speech she made at UC Berkeley School of Law where she said she hoped that a “wise Latina woman with the richness of her experiences would more often than not reach a better conclusion than a white male who hasn’t lived

80. Barry, *supra* note 38, at 4–5.

81. *Nomination of Judge Clarence Thomas To Be Associate Justice of the Supreme Court of the United States*, 102d Cong. 368 (1991) [hereinafter *Thomas Hearing Transcript*].

82. Richard L. Berke, *Sense of Humor Helps Thomas in His Trial by Committee*, N.Y. TIMES, Sept. 14, 1991, at 6, <https://www.nytimes.com/1991/09/14/us/the-thomas-hearings-sense-of-humor-helps-thomas-in-his-trial-by-committee.html> [https://perma.cc/B4KZ-NHMA] [https://web.archive.org/web/20231010212117/https://www.nytimes.com/1991/09/14/us/the-thomas-hearings-sense-of-humor-helps-thomas-in-his-trial-by-committee.html].

that life and those life experiences.”<sup>83</sup> Her speech, given to an audience at Berkeley’s “Raising the Bar: Latino and Latina Presence in the Judiciary and the Struggle for Representation” symposium in 2001, became the focus of a smear campaign against Sotomayor, with opponents using the “wise Latina” quote as evidence that she was a biased, activist ideologue, not an impartial judge.<sup>84</sup> In light of these allegations, Chairman Patrick Leahy asked Sotomayor to explain the “wise Latina” remarks during her confirmation hearing:

Chairman LEAHY. So tell us. You have heard all of these charges and counter-charges, the wise Latina and on and on. Here is your chance. You tell us what is going on here, Judge.

Judge SOTOMAYOR. Thank you for giving me an opportunity to explain my remarks. No words I have ever spoken or written have received so much attention.

[Laughter.]<sup>85</sup>

The Inferiority style of humor explains why Sotomayor’s comment here provoked laughter, humbly downplaying her status as a prominent federal judge and Supreme Court nominee. Her remark, “[n]o words I have ever spoken or written have received so much attention,” also plays off the influx of criticism she faced leading up to and during confirmation. Though Sotomayor goes on to sincerely justify her “wise Latina” comment, her initial quip emphasizes the overblown spotlight on her speech which was repeatedly taken out of context to attack her character, helping to defend against further interrogation about that same quote.

#### D. HUMOR AS A SWORD

Proactive instances of humor, while perhaps less obviously strategic than defensive dodges, also serve an interpersonal role in confirmation hearings. Over the course of their hearings, nearly every nominee at some point showcases their family values and humility:

Judge GORSUCH: Mr. Chairman, I could not even attempt to do this without Louise, my wife of more than 20 years. The sacrifices she has made, and her open and giving heart, leave me in awe.

I love you so much.

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83. Virginia Sanchez Korrol, *Sotomayor’s “Wise Latinas,”* HUFFPOST (May 25, 2011), [https://www.huffpost.com/entry/sotomayors-wise-latinas\\_b\\_229875](https://www.huffpost.com/entry/sotomayors-wise-latinas_b_229875) [<https://perma.cc/WL5K-A99M>] [[https://web.archive.org/web/20231010212311/https://www.huffpost.com/entry/sotomayors-wise-latinas\\_b\\_229875](https://web.archive.org/web/20231010212311/https://www.huffpost.com/entry/sotomayors-wise-latinas_b_229875)].

84. *Id.*

85. *Confirmation Hearing on the Nomination of Hon. Sonia Sotomayor, To Be an Associate Justice of the Supreme Court of the United States Before the S. Comm. on the Judiciary*, 111th Cong. 66 (2009).

We started off in a place very different than this one, a tiny apartment and little to show for it. When Louise's mother first came to visit, she was concerned by the conditions—understandably. As I headed out the door to work, I will never forget her whispering to her daughter, in a voice I think intended to be just loud enough for me to hear, "Are you sure he is really a lawyer?"

[Laughter.]<sup>86</sup>

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Chairman SPECTER. Welcome back, Judge Alito. A thought just crossed my mind that this is the only time when you walk into a room that everybody does not stand up.

Judge ALITO. That happens to me all the time at home, Senator.

[Laughter.]<sup>87</sup>

These are just a couple examples of nominees appealing to senators and the general public alike by showcasing their roots and emphasizing that, despite being considered for one of the most important offices in the nation, their personal lives are humble and relatable. Like Sotomayor's remarks above, these comments draw on the Incongruity and Inferiority theories of humor—Gorsuch relating a story about his humble origins or Samuel Alito talking about his subservience at home may be particularly funny precisely because of the positions of power they hold in the public sphere. By volunteering intimate information about their home lives, the nominees help paint flattering, accessible portraits of their characters, not unlike when a celebrity discusses going to the grocery store or getting a flat tire.

This type of proactive humor also extends to bonding with Senators:

Senator HATCH. I have got to go vote, so you will have to forgive me, but I wish you well.

Judge GINSBURG. May I say, if my mother-in-law is watching, she just loves you, Senator Hatch?

[Laughter.]<sup>88</sup>

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86. *Confirmation Hearing on the Nomination of Hon. Neil M. Gorsuch To Be an Associate Justice of the Supreme Court of the United States Before the S. Comm. on the Judiciary*, 115th Cong. 64 (2017) [hereinafter *Gorsuch Hearing Transcript*].

87. *Confirmation Hearing on the Nomination of Samuel A. Alito, Jr. To Be an Associate Justice of the Supreme Court of the United States Before the S. Comm. on the Judiciary*, 109th Cong. 607 (2006) [hereinafter *Alito Hearing Transcript*].

88. *Ginsburg Hearing Transcript*, *supra* note 70, at 366.

Chairman BIDEN. Judge, because of your youth and, God bless you for it—I never thought I would be sitting here talking about the youth of a nominee to the Supreme Court, but I am. Heck, you are 6, 7 years younger than I. I am 48. How old are you, Judge? Forty-two? Forty-three?

Judge THOMAS. Well, I have aged over the last 10 weeks.

[Laughter.]

But I am 43.<sup>89</sup>

Flattering senators like Ginsburg does has obvious benefits; being well-liked by those tasked with confirming you is a clear interpersonal strategy to obtain “yea” votes. Calling attention to the grueling confirmation process as Thomas does is also a recurring trend in hearing humor. The Advice and Consent period presents a stressful and strenuous period for all parties, not just the nominees. Senators must endure long hearings and make high-stakes voting decisions. Thus, by pointing out that the confirmation process “aged” him, Thomas emphasizes the common experience he shares with the Judiciary Committee, strengthening the sense of camaraderie between himself and those tasked with voting on his confirmation.

Humor also helps candidates from underrepresented backgrounds volunteer positive information about themselves. Facing a polarized Senate and a contentious confirmation process where the democratic members of the Judiciary Committee did not even attend the Committee vote in protest of the proceedings,<sup>90</sup> nominee Barrett volunteered several lighthearted comments about being a mother in her hearing.

Senator FEINSTEIN. Mr. Chairman, Judge, it is wonderful to see you also with the family I have been observing. They sit still, quiet, you’ve done a good job.

Judge BARRETT. I have eyes in the back of my head.

[Laughter.]<sup>91</sup>

Since her children were observing the hearing, Barrett was able to showcase being a mother rather than just talking about it. Moreover, her comment that she has “eyes in the back of [her] head” playfully communicates that being a mother and keeping an

89. *Thomas Hearing Transcript*, *supra* note 81, at 5.

90. *Amy Coney Barrett Confirmation Hearings and Votes*, BALLOTPEDIA, [https://ballotpedia.org/Amy\\_Coney\\_Barrett\\_confirmation\\_hearings\\_and\\_votes](https://ballotpedia.org/Amy_Coney_Barrett_confirmation_hearings_and_votes) [<https://perma.cc/ZC2N-SF3U>] [[https://web.archive.org/web/20231010212742/https://ballotpedia.org/Amy\\_Coney\\_Barrett\\_confirmation\\_hearings\\_and\\_votes](https://web.archive.org/web/20231010212742/https://ballotpedia.org/Amy_Coney_Barrett_confirmation_hearings_and_votes)] (last visited Nov. 16, 2023).

91. *Barrett Confirmation Hearing, Day 2 Part 1*, C-SPAN (Oct. 13, 2020), <https://www.c-span.org/video/?476316-1/barrett-confirmation-hearing-day-2-part-1> [<https://perma.cc/J4N7-XWP5>] [<https://web.archive.org/web/20231010212846/https://www.c-span.org/video/?476316-1/barrett-confirmation-hearing-day-2-part-1>].

eye on her children are not put on pause, even during a hearing to be confirmed to the most powerful court in the country.

Similarly, Justice Jackson, the first Black woman to be confirmed to the Supreme Court, humorously referenced her husband, a white man, when recounting her first semester of college:

I get there and whoa, so different. I am from Miami, Florida. Boston is very cold. It was rough. It was different from anything I had known. There were lots of students there who were prep school kids like my husband [laughter] who knew all about Harvard and that was not me. I think the first semester, I was really homesick. I was really questioning do I belong here?<sup>92</sup>

This lighthearted aside about her husband serves two purposes. First, Jackson preempted negative questions about her husband's background by getting the first word in about his privileged upbringing. Second, by distinguishing herself from her husband, she also called attention to her inspiring, and potentially relatable humble beginnings as a Black student from Miami at Harvard.

In sum, in the four decades since the first publicly broadcast hearing, political polarization and nominee obfuscation have surged. Interestingly, and perhaps relatedly, the use of humor in hearings has also increased substantially. Nominees across the board use humor to their advantage to evade, justify, flatter, bond, and otherwise increase their odds of confirmation in the game of Advice and Consent.

### III. IT'S ALL FUN AND GAMES UNTIL SOMEBODY GETS CONFIRMED: CHANGING HOW WE VIEW CONFIRMATION HUMOR

In confirmation hearings, hot button legal issues like abortion, balance of powers, and other unresolved constitutional questions are bound to crop up. When they do, nominees often respond humorously, either dodging the question, mocking a premise of the question, or otherwise goofing off. Comparing these instances of humor with post-confirmation decisions reveals humor's truth-telling, predictive ability; when nominees humorously evade or make light of certain questions, their disposition towards an issue is often, ironically, revealed.

Jacobi and Sag illustrate how humor in Supreme Court oral arguments can serve as a predictive measure for decision-making.<sup>93</sup> In reviewing oral argument transcripts from the 1950s to the mid-2010s, they found that "Justices do in fact use laughter overwhelmingly against their foes as a descriptive matter" and thus we can predict which argument a given Justice would favor based on who is "the butt of his or her jokes."<sup>94</sup> While humor is not the *only* indicator of disapproval—Jacobi and Sag noted

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92. *Jackson Confirmation Hearing, Day 3 Part 4*, C-SPAN (Mar. 23, 2022), <https://www.c-span.org/video/?518343-104/jackson-confirmation-hearing-day-3-part-4> [<https://web.archive.org/web/20231014203637/https://www.c-span.org/video/?518343-104/jackson-confirmation-hearing-day-3-part-4>].

93. Jacobi & Sag, *supra* note 48, at 1482–83.

94. *Id.* at 1482.



that pointed humor mirrors other instances of performative advocacy or aggressive dominance in the modern, highly politicized bench—it provides a lens through which we can parse otherwise “neutral” statements.<sup>95</sup>

In order to flesh out the correlation between confirmation humor and later decisions, I will explore three examples that illustrate humor as a predictive tool for future behavior on the bench: first, humor about *Roe v. Wade* and precedent from members of the majority in *Dobbs v. Jackson Women’s Health Organization*; second, Justice Scalia’s quips about delegation and constitutionality; and third, Justice Kagan’s response to a hypothetical that mirrors a counterargument used against the passage of the Affordable Care Act.

### A. ABORTION RIGHTS AND PRECEDENT IN THE WAKE OF *DOBBS*

For a topical example of confirmation hearing humor foreshadowing later decisions, we need look no further than the *Dobbs* majority’s humorous comments about *Roe v. Wade*, abortion rights, and precedent. In 2022, the Supreme Court overturned *Roe v. Wade* and *Planned Parenthood v. Casey* in *Dobbs v. Jackson Women’s Health Organization*.<sup>96</sup> The decision was two pronged: First, that the Constitution does not confer a right to abortion and second, that the Supreme Court may overrule a wrongly decided constitutional question in spite of *stare decisis*.<sup>97</sup> In response to *Dobbs*, many pointed to the majority Justices’ confirmation hearings, accusing them of misleading testimony surrounding *Roe* and the role of precedent.<sup>98</sup> Others argued that nothing misleading had been stated during the hearings.<sup>99</sup> Looking at the Justices’ humorous responses to questions about abortion rights and precedent during their confirmation hearings may offer a new lens to explain the decision and the public’s perception of it. Compare the following excerpts from Alito, Gorsuch, and Kavanaugh’s hearings:

Chairman SPECTER. Do you agree that *Casey* is a super precedent or a super *stare decisis* as Judge Luttig said?

Judge ALITO. Well, I personally would not get into categorizing precedents as super precedents or super duper precedents, or any—

95. *Id.* at 1482–83.

96. *Dobbs v. Jackson Women’s Health Org.*, 597 U.S. 215, 231 (2022) (“We hold that *Roe* and *Casey* must be overruled.”).

97. *Id.* at 229–32.

98. Dan McLaughlin, *What the Dobbs Majority Said at Their Senate Hearings*, NAT’L REV. (June 24, 2022), <https://www.nationalreview.com/corner/what-the-dobbs-majority-said-at-their-senate-hearings/> [https://perma.cc/GN5B-B6X3] [https://web.archive.org/web/20231014205513/https://www.nationalreview.com/corner/what-the-dobbs-majority-said-at-their-senate-hearings/].

99. Rich Lowry, *No, Conservative Justices Didn’t Lie About *Roe* at Their Confirmation Hearings*, N.Y. POST (June 27, 2022), <https://nypost.com/2022/06/27/conservative-justices-didnt-lie-about-roe-at-confirmation-hearings/> [https://perma.cc/LBN5-T2YB] [https://web.archive.org/web/20231015074723/https://nypost.com/2022/06/27/conservative-justices-didnt-lie-about-roe-at-confirmation-hearings/].

Chairman SPECTER. Did you say “super duper?”

[Laughter.]

Judge ALITO. Right.

Chairman SPECTER. Good.

Judge ALITO. Any sort of categorization like that—

Chairman SPECTER. I like that.

[Laughter.]

Judge ALITO. [continuing]. Sort of reminds me of the size of laundry detergent in the supermarket.

[Laughter.]

Judge ALITO. I agree with the underlying thought that when a precedent is reaffirmed, that strengthens the precedent, and when the Supreme Court says that we are not—

Chairman SPECTER. How about being reaffirmed 38 times?

Judge ALITO. Well, I think that when a precedent is reaffirmed, each time it's reaffirmed that is a factor that should be taken into account in making the judgment about stare decisis, and when a precedent is reaffirmed on the ground that stare decisis precludes or counsels against reexamination of the merits of the precedent, then I agree that that is a precedent on precedent.<sup>100</sup>

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Judge GORSUCH. Absolutely, Senator. And if I might, Mr. Chairman, go back just a moment to promises? I have offered no promises on how I would rule in any case to anyone, and I do not think it is appropriate for a judge to do so, no matter who is doing the asking.

And I do not because everybody wants a fair judge to come to their case with an open mind and to decide it on the facts and the law. One of the facts and one of the features of law that you have to decide it on is the basis of precedent, as you point out. And for a judge, precedent is a very important thing.

We do not go reinvent the wheel every day. And that is the equivalent point of the law of precedent. We have an entire law about precedent, the law of judicial precedent. Precedent about precedent, if you will.

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100. *Alito Hearing Transcript*, *supra* note 87, at 321.

And that is what that 800-page book is about. It expresses a mainstream consensus view of 12 judges from around the country appointed by, as you point out, Presidents of both parties, great minds. Justice Breyer was kind enough to write a foreword to it. It makes an excellent doorstep.

[Laughter.]<sup>101</sup>

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Senator GRAHAM. So what kind of country have we become? None of this happened just a couple years ago. It is getting worse and worse and worse, and all of us have an obligation to try to correct it where we can.

*Roe v. Wade*, are you familiar with the case?

Judge KAVANAUGH. I am, Senator.

[Laughter.]<sup>102</sup>

The use of humor in these excerpts may help explain the dissonance between the public perception of Justices respecting the precedent of *Roe* and their decision to overrule it in 2022. Alito dodges the question about *Casey* being a “super precedent” by mocking the term itself. By likening “super precedent” to laundry detergent, Alito implies that the term itself is arbitrary and frivolous. This conviction is buttressed by his following explanation that he agrees with the underlying reasoning behind strengthened precedent, but he is careful not to categorize *Roe* as a “super precedent.”

Similarly, Gorsuch punctuates his discussion of precedent with a joke that minimizes it. Though he clearly states that precedent is “very important,” Gorsuch’s final statement emphasizes that the law of judicial precedent “makes an excellent doorstep.” While this lighthearted quip refers to how lengthy the doctrine is, it also serves the Superiority function of humor wherein Gorsuch seems to place himself (and the Supreme Court) above the academic text. Gorsuch’s initial lengthy, academic account of precedent does not actually admit any opinion; his punctuating joke, however, exposes his potential position on the doctrine while shrouding it in farse.

On the other hand, the laughter after Kavanaugh’s simple “I am, Senator” demands that we focus not on Kavanaugh’s words but on the audience’s perception of them: Why is “I am, Senator” funny? This begs the introduction of context and could be an example of the Incongruity theory, since the audience’s expectations clash with the answer, or of the Relief theory, where the statement resolves some sort of tension in the room. It could also simply be an example of the unique setting of confirmation hearings and how a deviation from the norm of serious, complete answers can then be humorous. Regardless, clearly the audience has some contextual understanding of Kavanaugh’s attitudes towards *Roe*, or of *Roe*’s status as a controversial case, and thus the simple phrase “I am, Senator” provokes laughter.

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101. *Gorsuch Hearing Transcript*, *supra* note 86, at 74.

102. *Kavanaugh Hearing Transcript*, *supra* note 71, at 157.

We can apply the correlation between humor and decisions to the *Dobbs* ruling and the majority's jokes about precedent and *Roe* during their hearings. Their scorn toward the importance of precedent is particularly pertinent in light of the *Dobbs* opinion's detailed argument for overturning long-settled law by weighing several factors including whether a precedent is erroneous, badly reasoned, or unworkable, as well as its effects on other areas of law and reliance interests.<sup>103</sup> So, while Alito may have agreed that precedent can be strengthened by reaffirmation, his mockery of "super precedents" in his confirmation hearing arguably foreshadows his majority opinion which questions what *kind* of precedent carries weight and what kind does not. Such glimpses of contempt in the midst of otherwise vague testimony may help explain why some believed that the *Dobbs* majority had deceived the Judiciary Committee while others felt they had been honest about their stances on the long-politicized issue. Focusing instead on the tone of nominees' replies to questions about abortion and precedent thus provides a more accurate picture of their stances on those issues than the substance of their replies did.

## B. SCALIA'S CHARMING CONSERVATISM

Humor also serves as a predictive device for broader jurisprudential dispositions: Justice Scalia's use of humor during his confirmation hearing foreshadows his conservative jurisprudence with respect to administrative law.<sup>104</sup> Given Scalia's famously conservative jurisprudence, his road to the bench was relatively easy. While Bork failed to garner enough Senate votes in 1988, largely because of criticisms of his conservative views, Scalia was sworn in unanimously just two years earlier.<sup>105</sup> As detailed in Part II, though Scalia came to be known for his humor on the bench, he had one of the lowest total and individual numbers of "[Laughter.]" elicited during his hearings.<sup>106</sup> Bork's contentious confirmation hearing had almost four times as many total "[Laughter.]" notations as Scalia's, and Bork provoked more than double as many laughs as Scalia did, perhaps reflecting the high polarization around Bork's nomination as compared to the low polarization surrounding Scalia's.<sup>107</sup> Why Bork failed and Scalia succeeded may be due to any number of factors, but it is worth noting how the discussion around Scalia's nomination and the narratives fleshed out at the hearing may have greased the wheels of confirmation. For one, rather than focusing on Scalia's conservative jurisprudence as they did with Bork, the media and Judiciary Committee drew attention to his Italian-American heritage and his winning personality instead.<sup>108</sup> Moreover, Scalia's hearings came shortly after an intense, heated hearing for William

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103. *Dobbs v. Jackson Women's Health Org.*, 597 U.S. 215, 218–22 (2022).

104. See JUSTICE ANTONIN SCALIA: HIS JURISPRUDENCE AND HIS IMPACT ON THE COURT, CONG. RSCH. SERV. 8 (2016) ("Justice Scalia's opinions on administrative law can be seen to reflect his broader text-based approach to statutory interpretation and his commitment to bright-line rules.").

105. *Supreme Court Nominations (1789-Present)*, *supra* note 27.

106. See Figure 2.

107. *Id.*

108. Barry, *supra* note 38, at 9.

Rehnquist to become Chief Justice.<sup>109</sup> Following this exhausting and politically tense exercise, the young Judge Scalia faced little opposition from hearing-weary senators, coasting easily to the bench with evasive answers and defending his caginess by explaining that issues may come up on the Court of Appeals on which he sat or the Supreme Court for which he was nominated.<sup>110</sup> For instance, during an exchange with Senator Ted Kennedy, Scalia explained his decision on the D.C. Circuit about the delegation of power issue in *Bowsher v. Synar*, noting that the “excessiveness” of the delegation to Congress did not in and of itself constitute a constitutional violation and that determining constitutionality when it comes to congressional delegation should generally be “resolved by the Congress.”<sup>111</sup>

Judge SCALIA. Well, again, I am reluctant to talk about what Scalia will say in the future. I can talk about what he said in the past, and I think you have me on the wrong side on the matter

Senator KENNEDY. That is good. Help me out.

Judge SCALIA [continuing]. Of broad delegation. The fact is, in the *Synar* case that we were discussing earlier, the principal attack on the legislation was that it was unconstitutional because of the excessiveness of the delegation. And the three judges of the district court on which I sat rejected that argument. It did not sustain it. The article that you have there, which is an article from *Regulation* magazine, that I used to be editor of at one period, I do not think—I think you read it incorrectly if you view it as an attack on the constitutionality of broad delegation. To the contrary, I think, if I recollect the article you are referring to correctly, it displayed quite the opposite view, that it is very difficult for the courts to say how much delegation is too much. It is a very, very difficult question, and I think it expressed the view that, in most cases, the courts are just going to have to leave that constitutional issue to be resolved by the Congress. Congress has an obligation to follow the Constitution as well.

Senator KENNEDY. Well, would I be correct in saying that you would support then a broad congressional mandate in these areas?

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109. *Rehnquist, Scalia Win Senate Confirmation*, in CQ ALMANAC 1986, at 67 (42d ed. 1986), <https://library.cqpress.com/cqalmanac/document.php?id=cqal86-1149676> [<https://perma.cc/8Q3X-8TFH>] [<https://web.archive.org/web/20231015081423/https://library.cqpress.com/cqalmanac/login.php?requestid=%2Fdcqalmanac%2Fdocument.php%3Fid%3Dcqal86-1149676>].

110. *Id.*

111. *Synar v. United States*, 626 F. Supp. 1374, 1386 (D.D.C.), *aff'd sub nom. Bowsher v. Synar*, 478 U.S. 714 (1986) (“The second contention that may be viewed as going to *per se* nondelegability of the authority conferred by the Act . . . concerns the breadth of the power allocated to administrative officials, which plaintiffs assert is constitutionally excessive. There is no doubt that the Act delegates broad authority, but delegation of similarly broad authority has been upheld in past cases.”).

Judge SCALIA. I would support a broad congressional mandate that is not unconstitutionally overbroad, yes.

[Laughter.]<sup>112</sup>

Scalia's seemingly vague reply to Kennedy's follow-up—"I would support a broad congressional mandate that is not unconstitutionally overbroad"—actually emphasizes his point. Whether Senators laughed because of Scalia's pedantic insistence on "constitutional broadness" rather than just "broadness" or his cheeky, circular answer, the resulting "[Laughter.]" in either case illustrates the Punctuation theory at work; Scalia uses humor as a rhetorical device to help articulate his earlier statement. Instead of focusing on the "broadness" of a delegation as Senator Kennedy does, Scalia inquires into the substance and nature of those powers as proscribed by the Constitution. Though this joke helped Scalia dodge a pointed question, it also illustrates his later jurisprudence on constitutional questions regarding separation of powers and delegation, holding, for example, that the Court has "almost never felt qualified to second-guess Congress regarding the permissible degree of policy judgment that can be left to those executing or applying the law."<sup>113</sup> Thus, despite Scalia's short, uncontroversial, and unrevealing hearing replete with evasive answers,<sup>114</sup> his pointed humor offers kernels of candor about his future jurisprudence.

### C. KAGAN AND THE "BROCCOLI HORRIBLE"

Humor in hearings may also predict future outcomes when a hypothetical argument used in questioning is later mirrored in a legal argument. For example, nominee Kagan responded humorously to a line of questioning about the scope of congressional power, presumably designed to mirror the debate around the Affordable Care Act's individual insurance mandate.<sup>115</sup>

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112. *Nomination of Judge Antonin Scalia, To Be Associate Justice of the Supreme Court of the United States Before the S. Comm. on the Judiciary*, 99th Cong. 40 (1986).

113. *Whitman v. Am. Trucking Ass'ns*, 531 U.S. 457, 474–75 (2001) (citing *Mistretta v. United States*, 488 U.S. 361, 416 (1989) (Scalia, J., dissenting)); see also *Morrison v. Olson*, 487 U.S. 654, 699 (1988) (Scalia, J., dissenting) ("Power. The allocation of power among Congress, the President, and the courts in such fashion as to preserve the equilibrium the Constitution sought to establish—so that a gradual concentration of the several powers in the same department, can effectively be resisted." (internal quotation marks omitted)).

114. *Rehnquist, Scalia Win Senate Confirmation*, *supra* note 109.

115. Adam Gopnik, "The Broccoli Horrible": A Culinary-Legal Dissent, *THE NEW YORKER* (June 28, 2012), <https://www.newyorker.com/news/news-desk/the-broccoli-horrible-a-culinary-legal-dissent> [<https://perma.cc/5EWF-LEWG>] [<https://web.archive.org/web/20231015082353/https://www.newyorker.com/news/news-desk/the-broccoli-horrible-a-culinary-legal-dissent>] ("One of the really startling things about today's decision on the Affordable Care Act is that the whole broccoli issue, which one might have thought beneath the dignity of the Court, was not only raised in the various rulings and dissents but tossed around, argued back and forth, and made more or less central to the whole thing.").

Senator COBURN. Let me go to one other thing. Senator Cornyn attempted to ask this, and I think it's a really important question. If I wanted to sponsor a bill and it said, Americans, you have to eat three vegetables and three fruits every day, and I got it through Congress and it's now the law of the land, you've got to do it, does that violate the Commerce Clause?

Ms. KAGAN. Sounds like a dumb law.

[Laughter.]

Senator COBURN. Yes. I've got one that's real similar to it I think it equally dumb. I'm not going to mention which it is.

Ms. KAGAN. But I think the question of whether it's a dumb law is different from whether the question of whether it's constitutional, and—and—and I think that courts would be wrong to strike down laws that they think are—are senseless just because they're senseless.<sup>116</sup>

Senator Coburn's hypothetical was later echoed in the majority opinion of *National Federation of Independent Business v. Sebelius* when Chief Justice Roberts refused to construe the Commerce Clause to allow Congress to mandate purchasing insurance: "Congress addressed the insurance problem by ordering everyone to buy insurance. Under the Government's theory, Congress could address the diet problem by ordering everyone to buy vegetables."<sup>117</sup> The partial-dissent, drafted by Justice Ginsburg and joined in part by Justice Kagan, refuted this "broccoli horrible" argument by pointing to several checks that would prevent a congressional mandate to buy vegetables to take hold, including the attenuated inferences a reviewing Court would need to find between buying vegetables and health, other constitutional provisions checking congressional activity, and the democratic process.<sup>118</sup> In light of these considerations, Ginsburg concluded that "[w]hen contemplated in its extreme, almost any power looks dangerous . . . . The Chief Justice accepts . . . specious logic when he cites the broccoli horrible as a reason to deny Congress the power to pass the individual mandate."<sup>119</sup>

The language used in the dissent parallels Kagan's response during her confirmation hearing. There, Kagan used Senator Coburn's question to showcase her understanding of legal arguments and constitutionality. By joking that the hypothetical vegetable mandate "sounds like a dumb law," Kagan exposes some contempt for the logical extreme she was being asked to contemplate. This statement also serves to emphasize her conclusion that not everything that is nonsensical is unconstitutional, which gives us a glimpse into her understanding of the soundness of legal arguments. In other words, there are set ways for something to be constitutional or not, and even if something is incredibly frivolous, that is not one of the prescribed checks on constitutionality in our existing legal framework. Even without specific mention of the

116. *Kagan Hearing Transcript*, *supra* note 76.

117. Nat'l Fed'n of Indep. Bus. v. Sebelius, 567 U.S. 519, 554 (2012).

118. *Id.* at 615–17 (Ginsburg, J., concurring in part and dissenting in part).

119. *Id.* at 616–17.

Affordable Care Act or the scope of the Commerce Clause, Kagan's humor illustrates her jurisprudence on the issues at play two years later, and it should come as no surprise that rejecting the "broccoli horrible" argument in 2010 would lead to her rejecting the same argument again on the bench.

#### IV. THE LAST LAUGH

The Supreme Court confirmation process may be broken, but our analysis of it does not have to be. As confirmation becomes more contentious and nominees more evasive, humor is increasingly deployed. Not only does humor serve defensive and deflective goals, but it also helps form key social bonds and create an appealing, likeable persona of the nominee. Moreover, understanding nominees' jokes helps predict how they will behave on the bench, especially when the substance of their answers leaves candor to be desired.

This Note does not purport to offer a complete guide to predicting future Supreme Court decisions based on nominees' humor during confirmation. Rather, I hope to draw attention to an interpretive tool that can supplement the information available to adequately perform Advice and Consent. So long as the Supreme Court becomes increasingly politically polarized and nominees continue being cagey about their jurisprudence during confirmation, the crisis of legitimacy around the hearings and the Court itself will persist. But by changing how we digest and interpret nominees' answers, looking not at the substance of their language but at other cues like humor, the public and Judiciary Committee alike may be able to discern more concrete jurisprudential stances from nominees. Shifting our perception could, as a result, bolster the democratic check at the heart of Advice and Consent or at the very least force nominees to be more candid about certain highly politicized issues. The joke doesn't have to be on us.





## The Role of Black Artists in the Reconceptualization of U.S. Resale Royalty Rights

Gabrielle E. Stanfield\*

### INTRODUCTION

In the past few years, Black artists have been at the forefront of advocacy on the issue of resale royalties for visual artists in the United States. These efforts have occurred in conjunction with a significant uptick in the value of pieces on the resale market and growing appreciation specifically for Black art. In 2022, global auction houses set new records in annual sales, reporting revenue close to eight billion dollars apiece.<sup>1</sup> Following a decrease in sales globally in 2020 as a result of the pandemic,<sup>2</sup> the success of art transactions seemed to offer evidence of renewed success in the art market generally and in the United States specifically. For example, in 2022, the Paul Allen sale at Christie's New York brought in a total of \$1.6 billion, cementing it as the largest single-owner sale in auction history, with several pieces within the collection going for

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1. Lyle Niedens, *Sotheby's, Christies Post Record Annual Sales, Defy Weak Economy*, INVESTOPEDIA (Dec. 21, 2022), <https://www.investopedia.com/large-auction-houses-record-highest-sales-ever-in-2022-6951545> [https://perma.cc/4M5M-JPLE] [https://web.archive.org/web/20231009153709/https://www.investopedia.com/large-auction-houses-record-highest-sales-ever-in-2022-6951545].

2. Angelica Villa, *2021 Art Basel Global Market Report Reveals 22 Percent Drop in 2020 Sales To \$50 Billion*, ARTNEWS (Mar. 16, 2021), <https://www.artnews.com/art-news/market/2021-art-basel-report-says-50-billion-1234586822/> [https://perma.cc/R2W9-CHF8] [https://web.archive.org/web/20231009153944/https://www.artnews.com/art-news/market/2021-art-basel-report-says-50-billion-1234586822/].

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more than \$100 million each.<sup>3</sup> As the U.S. art market has grown and matured, there has been increased attention on the promotion and sale of work by diverse artists as condemnation of organizations that have systematically excluded underrepresented individuals became more widespread. This advocacy has prompted change as it directly implicated the practices of museums, galleries, auction houses, and collectors.<sup>4</sup> Actors at every level of the art world have responded, demonstrating greater intentionality in the inclusion and support of diverse artists through better collection, exhibition, and consignment practices. Yet, inequities within the U.S. art market have persisted. Despite measurable increases in the sales of fine art, the myth of the starving artist lives on, specifically as creators of visual art in the United States remain shut out from direct financial benefits of the sale of their work, particularly in the secondary market.<sup>5</sup>

The issue of resale royalties for artists has been a topic of contentious debate in the United States for decades. A key aspect in the consideration of this provision today rests within the evaluation of the role of Black visual artists to the U.S. art market. Between 2008 and 2021, the market for work by Black artists grew by close to 400%.<sup>6</sup> While on its face, this increase appears to represent tremendous growth in the recognition of Black artists, more careful analysis reveals that there is still great inequity given the structure of the U.S. art market with respect to royalties. Resale royalties, also known as *droit de suite*,<sup>7</sup> are recognized in legislation by more than seventy countries abroad.<sup>8</sup> In practice, these provisions recognize a so-called “natural right” of artists to benefit from their work long term by providing artists with a reasonable percentage of the

3. Jacqui Palumbo & Oscar Holland, *Record-Breaking Sale of Microsoft Co-Founder's Art Collection Surpasses \$1.6 Billion*, CNN (Nov. 10, 2022), <https://www.cnn.com/style/article/paul-allen-collection-christies-auction-record/index.html> [https://perma.cc/FVJ8-TUUV] [https://web.archive.org/web/20231009154139/https://www.cnn.com/style/article/paul-allen-collection-christies-auction-record/index.html].

4. *The “Black Renaissance” in Full Swing*, ARTPRICE, <https://www.artprice.com/artprice-reports/the-contemporary-art-market-report-2021/the-black-renaissance-in-full-swing> [https://perma.cc/87GQ-7TXR] [https://web.archive.org/web/20231009154327/https://www.artprice.com/artprice-reports/the-contemporary-art-market-report-2021/the-black-renaissance-in-full-swing] (last visited Nov. 4, 2023).

5. Eileen Kinsella, *A New Study Shows that Most Artists Make Very Little Money, with Women Faring the Worst*, ARTNET NEWS (Nov. 29, 2017), <https://news.artnet.com/market/artists-make-less-10k-year-1162295> [https://perma.cc/9N4R-4ET6] [https://web.archive.org/web/20231009154432/https://news.artnet.com/market/artists-make-less-10k-year-1162295].

6. Julia Halperin & Charlotte Burns, *Introducing the 2022 Burns Halperin Report*, ARTNET NEWS (Dec. 13, 2022), <https://news.artnet.com/art-world/letter-from-the-editors-introducing-the-2022-burns-halperin-report-2227445> [https://perma.cc/43R5-ALNH] [https://web.archive.org/web/20231009154605/https://news.artnet.com/art-world/letter-from-the-editors-introducing-the-2022-burns-halperin-report-2227445].

7. *Droit de suite* translates roughly from French to English as a “right of following.” See Michael B. Reddy, *The Droit de Suite: Why American Fine Artists Should Have a Right To a Resale Royalty*, 15 LOY. L.A. ENT. L. REV. 509, 509 n.5 (1995).

8. OFF. OF THE REG. OF COPYRIGHTS, *RESALE ROYALTIES: AN UPDATED ANALYSIS* (2013), <https://www.copyright.gov/docs/resaleroyalty/usco-resaleroyalty.pdf> [https://perma.cc/R49R-YG4A] [https://web.archive.org/web/20231009155200/https://www.copyright.gov/docs/resaleroyalty/usco-resaleroyalty.pdf].

profits from the sale of their work in the secondary market.<sup>9</sup> In the United States, the legislative implementation of *droit de suite* has been largely unsuccessful on both the state and federal level. In countries where *droit de suite* has been implemented, there is no shortage of criticism regarding the merits of the policy,<sup>10</sup> as many view its shortcomings as an additional harm in the plethora of inequities faced by visual artists.

Focusing on more recent advocacy for resale royalties in the United States, there is a clear connection to the work of Black artists at the center of the conversation. Modern attempts to ensure a legal right to resale royalties have taken place through more targeted models including, but not limited to, mandatory terms for public auctions of Black art, specialized contract provisions in private art sales, and the use of Blockchain technology in the development of smart contracts.<sup>11</sup> Furthermore, many successful models of securing resale royalties for artists have been developed as a result of the work of organizations committed to supporting the work of contemporary Black artists, such as the Souls Grown Deep Foundation<sup>12</sup> and the Dean Collection.<sup>13</sup>

This Note will examine the unique position of Black artists in the establishment of a legal right to resale royalties in the United States and the broader implications of this effort on the enhancement of equity for all American visual artists. Part I reviews the history of *droit de suite*, focusing on the history of resale royalty rights in the United States and pertinent factors that have contributed to the failed implementation of *droit de suite* thus far. Part II analyzes the harms perpetuated by an absence of resale royalty rights for visual artists in the United States, with a particular focus on the impact on Black artists despite an increased popularity of Black art. Part III examines the

9. M. Elizabeth Petty, *Rauschenberg, Royalties, and Artist's Rights: Potential Droit de Suite Legislation in the United States*, 22 WM. & MARY BILL RIGHTS J. 977, 983 (2014).

10. Guy A. Rub, *The Unconvincing Case for Resale Royalties*, YALE L.J.F. (Apr. 25, 2014), <https://www.yalelawjournal.org/forum/the-unconvincing-case-for-resale-royalties> [<https://perma.cc/L5XZ-QG2Y>] [<https://web.archive.org/web/20230610065448/https://www.yalelawjournal.org/forum/the-unconvincing-case-for-resale-royalties>].

11. See SOULS GROWN DEEP FOUND. & COMTY. P'SHIP, BIENNIAL REPORT (2022), [https://indd.adobe.com/view/publication/000db57c-ba8a-469b-9ba9-d8cf021166c1/dgk2/publication-web-resources/pdf/SGD\\_Digital\\_Annual\\_Report\\_2019-21.pdf](https://indd.adobe.com/view/publication/000db57c-ba8a-469b-9ba9-d8cf021166c1/dgk2/publication-web-resources/pdf/SGD_Digital_Annual_Report_2019-21.pdf) [<https://perma.cc/5B6A-WJS3>] [[https://web.archive.org/web/20231104231223/https://indd.adobe.com/view/publication/000db57c-ba8a-469b-9ba9-d8cf021166c1/dgk2/publication-web-resources/pdf/SGD\\_Digital\\_Annual\\_Report\\_2019-21.pdf](https://web.archive.org/web/20231104231223/https://indd.adobe.com/view/publication/000db57c-ba8a-469b-9ba9-d8cf021166c1/dgk2/publication-web-resources/pdf/SGD_Digital_Annual_Report_2019-21.pdf)]; FAIRCHAIN, <https://fairchain.art/> [<https://perma.cc/9DFM-HM35>] [<https://web.archive.org/web/20231011212041/https://fairchain.art/>] (last visited Nov. 4, 2023); Keith Estiler, *Destinee Ross-Sutton Is Making Sure Black Artists Get Royalties if Their Works Resell*, HYPEBEAST (Aug. 14, 2020), <https://hypebeast.com/2020/8/destinee-ross-sutton-say-it-loud-christies-reseller-contract-info> [<https://perma.cc/8BXM-EVUD>] [<https://web.archive.org/web/20231009155631/https://hypebeast.com/2020/8/destinee-ross-sutton-say-it-loud-christies-reseller-contract-info>].

12. *Souls Grown Deep Foundation*, SOULS GROWN DEEP, <https://www.soulsgrowndeepp.org/foundation/about> [<https://perma.cc/8F6R-4MMX>] [<https://web.archive.org/web/20231011212830/https://www.soulsgrowndeepp.org/foundation/about>] (last visited Nov. 4, 2023).

13. The Dean Collection (@thedeancollection), INSTAGRAM, <https://www.instagram.com/thedeancollection/?hl=en> [<https://perma.cc/KYP7-TSU7>] (last visited Nov. 4, 2023).

methodologies through which resale royalty rights have been reframed in the United States and the consideration of Black art in particular within these models. Overall, given the various dimensions of the American art market, the primary focus will be on public art transactions; however, the merging of contractual solutions with technological advancements is presumably adaptable to private sales as well. Ultimately, this Note argues that the reconceptualization of resale royalty rights toward an approach of individual implementation presents the most promising solution for securing a legal right to resale royalties in the U.S. art market, and increasing equity in the U.S. art market for all visual artists.

## I. CONSIDERING THE HISTORY OF RESALE ROYALTIES

### A. ANALYZING INTERNATIONAL LEGISLATIVE MODELS OF *DROIT DE SUITE*

The topic of resale royalties for visual artists globally has typically been framed in the context of a legislative policy known as *droit de suite*. Within *droit de suite* legislation, there is a common underlying interest in promoting fairness for artists by rectifying the unequal distribution of profits in the secondary market, as visual art appreciates from the time of the initial sale.<sup>14</sup> Furthermore, resale royalties are particularly significant for artists globally who are disproportionately impacted by the remnants of structural racism and elitism within the art world.<sup>15</sup> The evolution of resale royalty legislation in the European Union (“EU”), and the United Kingdom (“UK”) illustrates several key components that inform the analysis of resale royalty legislation in the United States.

Discussions at the 1886 Berne Convention for the Protection of Literary and Artistic Works laid the groundwork for a legal right to resale royalties.<sup>16</sup> At this meeting, representatives from various countries developed a framework to incorporate protections for creators and establish an ideology regarding the moral rights of artists

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14. See Herbert I. Lazerow, *Art Resale Royalty Options 4* (Univ. of San Diego Sch. Of L., Research Paper No. 15-198, 2015), [https://digital.sandiego.edu/cgi/viewcontent.cgi?article=1006&context=law\\_fac\\_works](https://digital.sandiego.edu/cgi/viewcontent.cgi?article=1006&context=law_fac_works) [https://perma.cc/A27U-A2L8] [https://web.archive.org/web/20231011214313/https://digital.sandiego.edu/cgi/viewcontent.cgi?article=1006&context=law\_fac\_works].

15. Lauren van Haften-Schick & Amy Whitaker, *From the Artist's Contract To the Blockchain Ledger: New Forms of Artists' Funding Using Equity and Resale Royalties*, 46 J. CULTURAL ECON. 287, 292 (2022) (“Resale royalties can be especially meaningful for artists impacted by the lingering disenfranchisement of colonization and structural racism; for example, Farchy and Graddy (2017: 29) find that after Australia’s resale royalty scheme came into effect in 2010 Aboriginal artists benefited substantially.”).

16. Today, the Berne Convention for the Protection of Literary and Artistic Works reflects a set of international standards and laws that serve to protect copyrighted works from infringement across the member countries. The Convention originated at a meeting of ten European member countries in Berne, Switzerland in 1886. Samuel Jacobs, *The Effect of the 1886 Berne Convention on the U.S. Copyright System's Treatment of Moral Rights and Copyright Term, and Where that Leaves Us Today*, 23 MICH. TELECOMM. & TECH. L. REV. 169, 171 (2016). As of the writing of this Note, the Berne Convention consists of over 180 member countries and jurisdictions.

to their work.<sup>17</sup> In 1886, the Convention did not explicitly define a right to resale royalties; however, these discussions informed the historical development of this right.<sup>18</sup> With the passage of *droit de suite* laws in 1920, France was the first country to recognize an artist's legal right to resale royalties through legislation.<sup>19</sup> The French *droit de suite* model allowed for artists to receive ongoing financial benefits for any consignment of their work within the art market after the initial sale. Specifically, the law provides that artists receive a payment consisting of a 3% royalty on the subsequent sale price of applicable works, covering sales at both private and public auctions and lasting the period of the artist's life plus fifty years.<sup>20</sup> Overall, the French law was impactful because it recognized an artist's inherent right to reap the financial rewards of their work, based on the undeniable link between an artist and the value of their work.<sup>21</sup>

The French model of *droit de suite* set a precedent which is followed across the EU through the legislation of individual Member States. The Berne Convention incorporated more explicit language regarding resale royalty rights in a 1948 revision to the Convention under Article 6bis(1). The revision specifically outlined an optional provision for *droit de suite*, stating:

(1) The author, or after his death the persons or institutions authorized by national legislation, shall, with respect to original works of art and original manuscripts of writers and composers, enjoy the inalienable right to an interest in any sale of the work subsequent to the first transfer by the author of the work. (2) The protection provided by the preceding paragraph may be claimed in a country of the Union only if legislation in the country to which the author belongs so permits, and to the extent permitted by the country where this protection is claimed.<sup>22</sup>

In accordance with this provision, in 2001, the EU introduced a Directive requiring all Member States to establish *droit de suite* legislation on a country-specific basis no later than 2006. The text of the law recognized resale royalty rights as a natural right, stating, “[i]n the field of copyright, the resale right is an unassailable and inalienable right, enjoyed by the author of an original work of graphic or plastic art, to an economic interest in successive sales of the work concerned.”<sup>23</sup> Under EU *droit de suite* legislation, Member States have the ability to establish a minimum threshold price, not to exceed 3,000€, for resale royalties. For sales of work above a Member State's established threshold price, the resale requirement is triggered.<sup>24</sup> Today, there are a range of

17. *Id.* at 170.

18. Reddy, *supra* note 7, at 515.

19. Deborah A. DeMott, *Looking Beyond the Easel: Artists' Contexts and Resale Payments*, 27 DUKE J. GENDER L. & POL'Y 135, 135 (2020).

20. Reddy, *supra* note 7, at 516.

21. *Id.*

22. Berne Convention for the Protection of Literary and Artistic Works art. 6bis(1), Sept. 9, 1886, S. Treaty Doc. No. 99-27, 828 U.N.T.S. 221 [hereinafter Berne Convention].

23. Allison Schten, *No More Starving Artists: Why the Art Market Needs a Universal Artist Resale Royalty* 7 NOTRE DAME J. INT'L & COMPAR. L. 115, 118 (2017).

24. *Id.*

minimum prices among Member States. For example, legislation in Germany reflects a minimum price of 400€, whereas Austrian law sets forth a 3,000€ threshold.<sup>25</sup> Pursuant to this model, the total amount of royalties for a given artist is determined by a sliding scale rate, with the total amount of royalties from resales capped at 12,500€ in the EU.<sup>26</sup> Adopting a relatively standard approach to resale royalties across the EU has provided an additional measure of security for artists, further embodying the principles set forth at the Berne Conference.

*Droit de suite* legislation in the UK is set forth in the Artist's Resale Right (Amendment) Regulations of 2011 ("ARR Regulations").<sup>27</sup> The ARR Regulations recognize the right of artists and their estates to receive a fair share of the proceeds from the resale of work.<sup>28</sup> The threshold price for resale royalties under the ARR Regulations is £1000, allowing artists to collect profits on a sliding scale according to the resale price of the artwork itself.<sup>29</sup> Royalty payments are capped at a total amount of €12,500 for the single sale of a given work.<sup>30</sup> The UK art market has continued to grow since the implementation of *droit de suite* legislation, despite the expressed concerns of auction houses and art dealers about the potential chilling effects of the legislation at the time of its passage. Furthermore, artists have shared in the benefits of the UK art market success as a result of ARR Regulations. Data as of 2020 revealed that *droit de suite* provisions in the UK have resulted in a total of over £65 million distributed to over 5,000 artists.<sup>31</sup> In all, the regulations have created an equitable system for the distribution of profits from the secondary market as art sales have continued to break records globally.

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25. *Id.*

26. *Id.* at 119.

27. *Guidance: Artist's Resale Right*, GOV.UK (May 16, 2014), <https://www.gov.uk/guidance/artists-resale-right#introduction> [https://perma.cc/M7TR-SWXT] [<https://web.archive.org/web/20231013202822/https://www.gov.uk/guidance/artists-resale-right#introduction>].

28. Artist's Resale Right (Amendment) Regulations 2009, SI 2792, art. 2 (UK), [http://www.legislation.gov.uk/ukxi/2009/2792/pdfs/ukxi\\_20092792\\_en.pdf](http://www.legislation.gov.uk/ukxi/2009/2792/pdfs/ukxi_20092792_en.pdf) [https://perma.cc/QT2T-G78J] [[https://web.archive.org/web/20231013205408/https://www.legislation.gov.uk/ukxi/2009/2792/pdfs/ukxi\\_20092792\\_en.pdf](https://web.archive.org/web/20231013205408/https://www.legislation.gov.uk/ukxi/2009/2792/pdfs/ukxi_20092792_en.pdf)].

29. *Guidance: Artist's Resale Right*, *supra* note 27.

30. *Id.*

31. Jessica Wang, *Flipping Black Art: Christie's Special Contract*, CARDOZO INT'L & COMPARATIVE L. REV. ONLINE (Sept. 28, 2020), <https://www.cardozociclr.com/post/flipping-black-art-christie-s-special-contract> [https://perma.cc/JX4F-4DKG] [<https://web.archive.org/web/20231013210239/https://www.cardozociclr.com/post/flipping-black-art-christie-s-special-contract>].

## B. EVOLUTION OF RESALE RIGHTS IN THE UNITED STATES

The United States is among a very small minority of countries that still do not incorporate a right to resale royalties.<sup>32</sup> Despite this, in 2021, art sales in the United States accounted for nearly half of art transactions globally, resulting in a total of approximately \$28 billion in sales.<sup>33</sup> On both the federal and state level, attempts to implement legislation recognizing the right of artists to resale royalties have been unsuccessful. The main source of conflict is the perception that a legal right to resale royalties infringes on the scope of the Copyright Act of 1976. Yet, the most recent guidance of the U.S. Copyright Office advocates for the establishment of a resale royalty system.<sup>34</sup> Overall, progress to implement resale royalty rights for artists in the United States on a legislative basis is at an impasse, further highlighting the importance of an evolved approach.

### 1. *Close v. Sotheby's* and the California Resale Royalty Act

The 2018 Ninth Circuit case *Close v. Sotheby's* was the final factor prompting a halt in attempts to implement *droit de suite* legislation in the United States. The case consisted of three class-action lawsuits brought by individual artists in California against Sotheby's, Christie's, and eBay for failure to pay royalties pursuant to the 1977 California Resale Royalty Act ("CRRA").<sup>35</sup> In addition to the question of royalties for plaintiffs, the main issue before the Ninth Circuit was whether claims under CRRA were preempted by federal copyright law.<sup>36</sup>

The CRRA is recognized as "the first, and thus far only, American recognition of the *droit de suite*."<sup>37</sup> CRRA require sellers of fine art to withhold 5% of the resale price for the artist for the period of the artist's lifetime plus twenty years so long as: (1) the resale price is greater than the original purchase price; (2) the work is sold for more than \$1,000; and (3) the seller is a resident of California, or the sale takes place in California, and the artist is either a resident of California for two years or a U.S. citizen.<sup>38</sup> By the time of the *Close* decision in 2018, close to 400 artists had benefited from the legislation, with the amount of royalties distributed totaling \$328,000.<sup>39</sup> The

32. Other countries that do not currently offer a legislative model for resale royalties, as of the writing of this Note, include Canada, China, and Switzerland. Each of these countries is currently considering proposals for implementation. See Lazerow, *supra* note 14, at 1–2.

33. Press Release, Art Basel, The Art Basel and UBS Global Art Market Report (Mar. 29, 2022), [https://d2u3kfw92fzu7.cloudfront.net/The%20Art%20Market%202022\\_Press%20Release%20I%20EN.pdf](https://d2u3kfw92fzu7.cloudfront.net/The%20Art%20Market%202022_Press%20Release%20I%20EN.pdf) [<https://perma.cc/F5D7-27JP>] [[https://web.archive.org/web/20231105021313/https://d2u3kfw92fzu7.cloudfront.net/The%20Art%20Market%202022\\_Press%20Release%20I%20EN.pdf](https://web.archive.org/web/20231105021313/https://d2u3kfw92fzu7.cloudfront.net/The%20Art%20Market%202022_Press%20Release%20I%20EN.pdf)].

34. See OFF. OF THE REG. OF COPYRIGHTS, *supra* note 8.

35. See *Close v. Sotheby's, Inc.*, 894 F.3d 1061 (9th Cir. 2018).

36. *Id.* at 1064.

37. *Id.* at 1066.

38. Reddy, *supra* note 7, at 521–22.

39. OFF. OF THE REG. OF COPYRIGHTS, *supra* note 8, at 22.



potentially complex enforcement process was the overarching critique of CRRA. The Act placed responsibility on artists themselves to bring an action for damages in order to collect within three years after the resale date or one year of receiving actual notice, whichever is later.<sup>40</sup>

Analyzing the CRRA in the context of *Close*, the Ninth Circuit held that plaintiffs' claims for damages under the Act were barred, affirming the position of the district court. The court explicitly addressed the question of preemption, concluding that "the CRRA falls within the subject matter of the Copyright Act and asserts rights equivalent to those found in § 106(3) of the Copyright Act. The CRRA is therefore expressly preempted by § 301(a)."<sup>41</sup> The court's analysis highlighted a key tension of the CRRA, which is its attempt to grant rights equivalent to those granted by the 1976 federal Copyright Act. The first sale doctrine of the 1976 Copyright Act granted a copyright holder a limited right of exclusivity over distribution for the primary sale of a copyrighted work. However, the CRRA permitted artists to maintain a certain exclusivity right over their work in subsequent sales.<sup>42</sup> In fact, the Ninth Circuit addressed this discordance stating, "[t]he CRRA *expands* the federal distribution right because, whereas the first sale doctrine limits artists' right to payment to the first sale, the CRRA grants artists an unwaivable right to a 5% royalty on all downstream sales."<sup>43</sup> To mitigate this conflict, the court limited the relevant time frame of claims under the California Statute to the period between the effective date of the CRRA, January 1, 1977, and the effective date of the 1976 Act, January 1, 1978.<sup>44</sup> The holding in *Close* not only voided the effectiveness of the CRRA but it also further reinforced obstacles to the implementation of resale royalty legislation in the United States overall. Thus, the CRRA has not provided the same degree of relief to artists since the *Close* decision. This amounted to what many viewed as "a final nail in the coffin of a future that includes *droit de suite* for artists in the American legal system."<sup>45</sup> The underlying issue of state law preemption also shifted the focus of *droit de suite* toward implementation on the federal level; however, this too has proven to be a futile path.

## 2. U.S. Federal Legislation on *Droit de Suite*

Resale royalties have been evaluated on a federal level on numerous occasions, dating back to the mid-1970s with the proposed Visual Artists Residual Rights Bill of 1978.<sup>46</sup> This legislation sought to codify *droit de suite*, requiring the seller of any work

40. *Id.* at 23; CAL. CIV. CODE § 986(a)(3) (Deering 2023).

41. *Close*, 894 F.3d at 1072.

42. CAL. CIV. CODE § 986(b)(1) (Deering 2023).

43. *Close*, 894 F.3d at 1071.

44. *Id.* at 1076.

45. Ethan T. Ashley, *Case Review: Droit de Suite . . . Not So Sweet*, CTR. FOR ART L. (Sept. 27, 2018), [https://itsartlaw.org/2019/12/05/case-review-droit-de-suite-not-so-sweet/?p\\_txn\\_id=56957](https://itsartlaw.org/2019/12/05/case-review-droit-de-suite-not-so-sweet/?p_txn_id=56957)

[<https://perma.cc/SJ7J-ZQDX>]

[<https://web.archive.org/web/20231014012724/https://itsartlaw.org/2018/09/27/case-review-droit-de-suite-not-so-sweet/>].

46. Visual Artists' Residual Rights Act, H.R. 11403, 95th Cong. (1978).

of visual art sold in the United States or abroad for more than \$1,000 to pay a 5% fee to a “National Commission on the Visual Arts.”<sup>47</sup> Artists would then be entitled to receive these payments in the form of royalties through the Commission.<sup>48</sup> After the bill failed to pass in 1978, Senator Edward Kennedy and Representative Ed Markey attempted to implement similar legislation in 1986 and 1987, seeking a 7% royalty rate on appreciated value.<sup>49</sup> Facing heavy opposition from prominent auction houses and dealers, this bill also failed. In 1988, however, there seemed to be new hope as the United States finally signed onto the Berne Convention.<sup>50</sup> While this signing was executed with what was deemed a “minimalist approach,” Congress was nonetheless prompted to review the issue of moral rights for artists in the context of the United States.<sup>51</sup> Following this review, Congress passed the 1990 Visual Artists Rights Act; however, the document was noticeably void of any language regarding a national scheme for resale royalties.<sup>52</sup>

### 3. Equity for Visual Artists Act of 2011

The next major efforts to implement *droit de suite* legislation into federal law occurred in 2011 with the introduction of the Equity for Visual Artists Act by New York Congressman Jerrold Nadler.<sup>53</sup> Nadler sought to introduce the *droit de suite* concept into federal law, proposing a 7% royalty on works sold for more than \$10,000 at public auction houses exclusively.<sup>54</sup> The unique distributive mechanism of this bill was that the 7% resale royalty would go toward a “visual artists’ collecting society.”<sup>55</sup> After taking a commission of up to 18%, the society would allocate half of the remaining amount to the artist directly and the other half toward a new fund dedicated toward art acquisitions for non-profit museums.<sup>56</sup> Ultimately, this bill did not go through.

47. *Id.* § 4(a).

48. *Id.*

49. OFF. OF THE REG. OF COPYRIGHTS, DROIT DE SUITE: THE ARTIST’S RESALE ROYALTY, at vi (1992), [https://www.copyright.gov/history/droit\\_de\\_suite.pdf](https://www.copyright.gov/history/droit_de_suite.pdf) [https://perma.cc/L7NE-TN95] [https://web.archive.org/web/20231014020412/https://www.copyright.gov/history/droit\_de\_suite.pdf]; Sarah Cascone, *New ‘American Royalties, Too’ Bill Would Allow Resale Royalties for US Artists*, ARTNET NEWS (Feb. 28, 2014), <https://news.artnet.com/market/new-american-royalties-too-bill-would-allow-resale-royalties-for-us-artists-3082> [https://perma.cc/UFZ6-JTMW] [https://web.archive.org/web/20231105051614/https://news.artnet.com/market/new-american-royalties-too-bill-would-allow-resale-royalties-for-us-artists-3082].

50. Jacobs, *supra* note 16, at 171.

51. *Id.*

52. Schten, *supra* note 23, at 123.

53. Tracy Zwick, *Battle Heats Up over Resale Royalties for Artists*, ART IN AM. (May 17, 2013), <https://www.artnews.com/art-in-america/features/battle-heats-up-over-resale-royalties-for-artists-59308/> [https://perma.cc/65P8-3GJB] [https://web.archive.org/web/20231010022511/https://www.artnews.com/art-in-america/features/battle-heats-up-over-resale-royalties-for-artists-59308/].

54. *Id.*

55. Equity for Visual Artists Act of 2011, S. 2000, 112th Cong. § 3 (2011).

56. CultureGrrl, *New U.S. Artists’ Equity Bill Is an Auction-House Inequity Bill*, ARTS J. (Dec. 20, 2011), [https://www.artsjournal.com/culturegrrl/2011/12/new\\_artists\\_equity\\_bill\\_create.html](https://www.artsjournal.com/culturegrrl/2011/12/new_artists_equity_bill_create.html) [https://perma.cc/AP68-FG3K]

However, despite its failure, the proposed bill's approach to resale royalties sparked conversation about the small remaining cut for artists under the 50-50 split model.<sup>57</sup>

#### 4. American Royalties Too Act

The 2014 American Royalties Too Act ("ART Act") presented a revitalized attempt at codifying *droit de suite* in federal legislation. The bill proposed a resale royalty of 5% for every work sold for more than \$5,000 at public auctions as well as online public auctions.<sup>58</sup> With this attempt, Congressman Nadler echoed the underlying principle of fairness for artists. However, auction houses spared no expense in voicing their opposition to the passage of this legislation. Spending nearly \$1 million on lobbying efforts, auction houses expressed concern that the proposed bill on royalties would negatively influence the art transactional market, driving sales from public to private deals and causing irreparable harm to the U.S. art market overall.<sup>59</sup> The ART Act was proposed again in 2015 and most recently in 2018, but it has not been re-introduced to date.<sup>60</sup>

Due to the impact of *Close* and the lack of momentum surrounding the passage of *droit de suite* on a federal level, the creation of resale royalty protections for artists through a legislative approach is unlikely. Yet, protecting an artist's right to benefit from the continued sale of their work remains an important agenda item as the global norms of the art world recognize this right as an indicator of equity.

## II. THE NECESSITY OF RE SALE ROYALTY RIGHTS IN THE U.S. ART MARKET

### A. IMBALANCED DISTRIBUTION OF PROFITS FOR VISUAL ARTISTS

Although progress for resale royalties has stalled at the federal legislative level, the need for resale royalties within the U.S. art market overall has persisted as visual art continues to appreciate in value in the secondary market. A classic example supporting the need for advocacy of resale royalties is the case of Robert Rauschenberg. In 1973,

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[[https://web.archive.org/web/20231010024356/https://www.artsjournal.com/culturegrl/2011/12/new\\_artists\\_equity\\_bill\\_create.html](https://web.archive.org/web/20231010024356/https://www.artsjournal.com/culturegrl/2011/12/new_artists_equity_bill_create.html)].

57. *Id.*

58. Cascone, *supra* note 50.

59. Patricia Cohen, *Lobbyists Set To Fight Royalty Bill for Artists*, N.Y. TIMES (Mar. 3, 2014), [https://www.nytimes.com/2014/03/24/arts/design/auction-houses-taking-no-chances-on-american-royalties-too-act.html?\\_r=0](https://www.nytimes.com/2014/03/24/arts/design/auction-houses-taking-no-chances-on-american-royalties-too-act.html?_r=0) [<https://perma.cc/DUX8-ULJ9>] [[https://web.archive.org/save/https://www.nytimes.com/2014/03/24/arts/design/auction-houses-taking-no-chances-on-american-royalties-too-%20act.html?\\_r=0](https://web.archive.org/save/https://www.nytimes.com/2014/03/24/arts/design/auction-houses-taking-no-chances-on-american-royalties-too-%20act.html?_r=0)].

60. Press Release, Congressman Jerry Nadler, Nadler, Hatch, Leahy & Collins Introduce Bipartisan, Bicameral American Royalties Too Act (Sept. 25, 2018), <https://nadler.house.gov/news/documentsingle.aspx?DocumentID=391396> [<https://perma.cc/B356-KY9M>] [<https://web.archive.org/web/20231010031328/https://nadler.house.gov/news/documentsingle.aspx?DocumentID=391396>].

his piece *Double Feature*, which he sold to consignor Robert Scull in 1959 for \$2,300, sold for \$90,000 in an auction hosted at Sotheby's Parke Bernet.<sup>61</sup> This very same sale brought in \$85,000 for Rauschenberg's piece *Thaw*, which he had sold only a year prior to the Sculls for \$900.<sup>62</sup> The most recent sale of *Double Feature* at auction at Christie's in 2019 yielded \$88.8 million dollars.<sup>63</sup> This situation highlighted a problematic discrepancy in the U.S. art market structure—the artist witnessed the appreciated value of their work but did not benefit at all. Furthermore, it prompted Rauschenberg himself to become an advocate for introducing *droit de suite* legislation in the U.S. art market.<sup>64</sup>

The disparity in the distribution of profits from sales of artwork in the secondary market has become more evident as price transparency has become the new norm in the art transactional world.<sup>65</sup> Historically, the established convention among galleries and dealers was to disregard consumer protection laws that required consignors to conspicuously disclose the prices of the works.<sup>66</sup> Prices were noticeably absent at exhibition spaces at top-selling art fairs, such as Art Basel, and even some online listings.<sup>67</sup> One stated rationale for the absence was that dealers and gallery owners hoped to emphasize the symbolic value of art as opposed to its commercial value.<sup>68</sup> There were also a number of valuable business incentives for concealing prices, including protecting pricing models from competitors and allowing for preferential treatment to VIP customers.<sup>69</sup> The transition to online sales due to the COVID-19 pandemic partially explains the shift towards greater price transparency as the processes for art consignment adapted to a virtual format.<sup>70</sup> Furthermore, the increased use of technology overall to automate several processes of art transactions has been a contributing factor as well.<sup>71</sup>

The now measurable disparity in the distribution of profits within the U.S. art market objectively shows that visual artists are shut out from the direct financial

61. Petty, *supra* note 9, at 978.

62. *Id.*

63. Robert Rauschenberg, *Double Feature, 1959*, ARTSY, <https://www.artsy.net/artwork/robert-rauschenberg-double-feature> [https://perma.cc/R353-H3CF] [https://web.archive.org/web/20231105193053/https://www.artsy.net/artwork/robert-rauschenberg-double-feature] (last visited Nov. 5, 2023).

64. John Henry Merryman, *The Wrath of Robert Rauschenberg*, 41 AM. J. COMPAR. L. 103, 110 (1993).

65. Darla Migan, *Art Dealers Are Notorious for Obscuring Prices. But as the Market Shifts Online, Many Are Finally Embracing Price Transparency*, ARTNET NEWS (Oct. 19, 2020), <https://news.artnet.com/market/price-transparency-art-market-1915145> [https://perma.cc/UZ7D-BN5U] [https://web.archive.org/web/20231105193356/https://news.artnet.com/market/price-transparency-art-market-1915145].

66. *Id.*

67. *Id.*

68. *Id.*

69. *Id.*

70. *Id.*

71. Pippa Stevens, *Buy a Monet Instead of a Treasury? Art Has Shown Long-Term Returns that Rival Bonds*, CNBC (Dec. 7, 2019), <https://www.cnbc.com/2019/12/07/art-has-shown-long-term-returns-that-rival-bonds.html> [https://perma.cc/CJ23-JU76] [https://web.archive.org/web/20231012051054/https://www.cnbc.com/2019/12/07/art-has-shown-long-term-returns-that-rival-bonds.html].

benefits associated with the resale of their work.<sup>72</sup> Surely, Rauschenberg in his lifetime, and other living artists today, benefit from tangential factors associated with appreciated value, such as increased notoriety and the ability to set a higher initial sale price for new work. The immediate impact of this imbalanced system, however, is harmful, particularly for artists that rely upon the sale of their work to sustain their livelihood.<sup>73</sup>

The current structure of the U.S. art market favors the interest of collectors, agents, auction houses, and gallery representatives, all of whom stand to gain a cut of the sale from an artist's work.<sup>74</sup> Yet, that same artist is not legally entitled to any percentage of the profits of that sale. Artists themselves critique this condition of the U.S. art market: "The asymmetric profit distribution, artists argue, reflects the current system's moral defects and economic disincentives, failing to fulfill a fundamental principle that artists should benefit from the increasing value of their labor's output."<sup>75</sup> The fundamental principle that artists should benefit from the increased value of their labor is an otherwise key feature of U.S. copyright protections.<sup>76</sup> In fact, royalties are a fundamental aspect of profit distributions for almost all other forms of creative property, such as music and literature.<sup>77</sup> For American creators of unique works, such as sculptures, paintings, or collages, no such protection exists.<sup>78</sup>

The need for a resale royalty scheme in the U.S. art market is further heightened by the discord between rapid growth of the global art market and stagnant wealth of artists. Making adjustments for inflation, global art market sales increased by thirty percent between 2008 and 2021.<sup>79</sup> This growth takes into account the obvious downturn of sales in 2020 as a result of the COVID-19 pandemic, reflecting a recovery of all lost values in the art market and exceeding profit margins of the market pre-pandemic.<sup>80</sup> New York specifically emerged as the clear leader of the global marketplace, with \$3.27 billion in sales in the first half of 2022, reinforcing the position

72. Merryman, *supra* note 65, at 107.

73. Melissa Smith, *Young Black Artists Are More in Demand than Ever — but the Art World Is Burning Them Out*, ARTNET NEWS (Apr. 29, 2019), <https://news.artnet.com/market/young-black-artists-burning-out-1523446> [https://perma.cc/8TPA-42P] [https://web.archive.org/web/20231012051527/https://news.artnet.com/market/young-black-artists-burning-out-1523446].

74. See OFF. OF THE REG. OF COPYRIGHTS, *supra* note 8.

75. Chinmay G. Pandit, *A New Royalty: The Future of Compensation in the Visual Art Industry*, ONLABOR (May 11, 2022), <https://onlabor.org/a-new-royalty-the-future-of-compensation-in-the-visual-art-industry/> [https://perma.cc/2MC3-494C] [https://web.archive.org/web/20231105194449/https://onlabor.org/a-new-royalty-the-future-of-compensation-in-the-visual-art-industry/].

76. *Id.*

77. *Id.*

78. *Id.*

79. Halperin & Burns, *supra* note 6.

80. *The Art Market Returns To Strong Growth in the West*, ARTPRICE.COM, <https://www.artprice.com/artprice-reports/global-art-market-in-h1-2022-by-artprice-com> [https://perma.cc/UB87-SXH9] [https://web.archive.org/web/20231013053343/https://www.artprice.com/artprice-reports/global-art-market-in-h1-2022-by-artprice-com] (last visited Nov. 5, 2023); CLARE MCANDREW, *THE ART MARKET 2022*, at 11 (2022).

of the United States as a leading art market worldwide.<sup>81</sup> As further evidence of an upward trend in the global art market, leading rival auction houses Christie's and Sotheby's each announced annual sales of around \$8 billion dollars this past year, marking new records in the 200-year histories of these businesses.<sup>82</sup> The price of artworks has also increased. According to a study of the global art market conducted by UBS, the number of collectors purchasing works that cost more than \$1 million close to doubled, rising from twelve percent in 2021 to twenty-three percent in the first half of 2022.<sup>83</sup> In all, art sales by dealers and auction houses in 2022 reached a total of \$65.1 billion worldwide.<sup>84</sup>

In sharp contrast to the continued growth of the global art market, wealth among artists is not nearly as bountiful. According to the U.S. Bureau of Labor Statistics, the reported median annual income for fine artists, including painters, sculptors, and illustrators, in 2021 was \$60,820, up from \$52,340 in 2020 and \$54,170 in 2015.<sup>85</sup> However, it is estimated that the majority of artists make closer to \$10,000 or less annually from their artwork alone, emphasizing the fact that the myth of the starving artist is a clear reality among the majority of American artists.<sup>86</sup> Data of art transactions in the past few years reveals the severe imbalance in the distribution of profits from the sale of fine art. Furthermore, the abundance of profits in the global art market only further stresses the importance of resale royalties to an equitable system. Failing to provide such a system casts the U.S. art market in a negative light, as it is set apart from

81. *The Art Market Returns To Strong Growth in the West*, *supra* note 81.

82. Eileen Kinsella, *Christie's Generated \$8.4 Billion in Global Art Sales for 2022, Marking Its Best Year Yet*, ARTNET NEWS (Dec. 19, 2022), <https://news.artnet.com/market/christies-generated-8-4-billion-in-global-art-sales-for-2022-2232772> [https://perma.cc/2X3Z-GGJM] [https://web.archive.org/web/20231013055542/https://news.artnet.com/market/christies-generated-8-4-billion-in-global-art-sales-for-2022-2232772].

83. Brian Boucher, *Despite a Turbulent 2022, Wealthy Collectors Are Buying More – and Pricier – Art*, ART BASEL, <https://www.artbasel.com/stories/seven-key-takeaways-from-the-2022-art-market-survey-collectors?lang=en> [https://perma.cc/7MP9-ZM3E] [https://web.archive.org/web/20231105201018/https://www.artbasel.com/stories/seven-key-takeaways-from-the-2022-art-market-survey-collectors?lang=en] (last visited Nov. 5, 2023).

84. MCANDREW, *supra* note 81, at 14.

85. *Occupational Employment and Wages, May 2021*, U.S. BUREAU OF LAB. STATS., <https://www.bls.gov/oes/2021/May/oes271013.htm> [https://web.archive.org/web/20231105201654/https://www.bls.gov/oes/2021/May/oes271013.htm] (last visited Nov. 5, 2023); *Occupational Employment and Wages, May 2020*, U.S. BUREAU OF LAB. STATS., <https://www.bls.gov/oes/2020/may/oes271013.htm> [https://web.archive.org/web/20231105201945/https://www.bls.gov/oes/2020/may/oes271013.htm] (last visited Nov. 5, 2023); News Release, U.S. Bureau of Lab. Stats., *Occupational Employment and Wages—May 2015* (Mar. 30, 2016), [https://www.bls.gov/news.release/archives/ocwage\\_03302016.pdf](https://www.bls.gov/news.release/archives/ocwage_03302016.pdf) [https://web.archive.org/web/20231105202350/https://www.bls.gov/news.release/archives/ocwage\_03302016.pdf].

86. Anny Shaw, *Rapper Pays \$18.5M for Work at Auction but the Artist Gets Nothing—Is the System in Need of Reform*, ART NEWSPAPER (June 16, 2018), <https://www.theartnewspaper.com/2018/06/16/rapper-pays-dollar185m-for-work-at-auction-but-the-artist-gets-nothingis-the-system-in-need-of-reform> [https://perma.cc/TN49-7NK8] [https://web.archive.org/web/20231105203028/https://www.theartnewspaper.com/2018/06/16/rapper-pays-dollar185m-for-work-at-auction-but-the-artist-gets-nothingis-the-system-in-need-of-reform].

the majority of other countries. Additionally, it imposes a unique harm to American artists despite the position of the United States as a leader in the art market worldwide. Ultimately, this dynamic continues to privilege players in all sectors of the art world except for artists themselves.

## B. MINORITY ARTISTS EXPERIENCE AMPLIFIED EFFECTS OF INEQUITIES IN THE U.S. ART MARKET

### 1. Resale Royalty Implications for Contemporary Black Artists

In an environment where Black artists already lack substantive resources to maximize the performance of their work in private and public sales, the lack of *droit de suite* becomes increasingly exploitative. The example of two successful Black artists in particular helps to illustrate this point. Kerry James Marshall and Amy Sherald are both considered to be among the very top of high-performing contemporary artists, as well as within the category of African American artists.

#### a. Kerry James Marshall

At sixty-two years old, Kerry James Marshall holds the record among living African American artists for the highest price of a single work sold at auction.<sup>87</sup> In addition to this impressive feat, Marshall's auction results speak for themselves, reflecting an average sale price of \$8 million with a thirty-five percent price over estimate rate for his impressive work in painting.<sup>88</sup> Marshall's first sale to a major museum took place in 1993 when the Los Angeles County Museum of Art purchased his piece *De Style* for what Marshall estimates to be "around twelve thousand dollars."<sup>89</sup> In 2015, a work by Marshall titled *Still Life with Wedding Portrait*, previously donated to the Museum of Contemporary Art in Chicago for its benefit auction where it was sold for \$750,000, was listed at auction at Christie's for \$1.5 million.<sup>90</sup> The piece, however, surpassed

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87. Sarah P. Hanson, *Kerry James Marshall Sets \$21M Record for a Living African American Artist at Sotheby's Sale*, ART NEWSPAPER (May 17, 2018), <https://www.theartnewspaper.com/2018/05/17/kerry-james-marshall-sets-dollar21m-record-for-a-living-african-american-artist-at-sothebys-sale> [https://perma.cc/X8K8-RBAT]

[https://web.archive.org/web/20231105203435/https://www.theartnewspaper.com/2018/05/17/kerry-james-marshall-sets-dollar21m-record-for-a-living-african-american-artist-at-sothebys-sale].

88. *Kerry James Marshall*, ARTSY, [https://www.artsy.net/artist/kerry-james-marshall/auction-results?hide\\_upcoming=false](https://www.artsy.net/artist/kerry-james-marshall/auction-results?hide_upcoming=false) [https://perma.cc/QUG9-CZZF] (last visited Nov. 5, 2023). At the time of writing this Note, Kerry James Marshall's average sale was \$8 million, with a thirty-five percent price over estimate rate. Those rates have since fluctuated and will continue to be updated in this source.

89. Calvin Tomkins, *The Epic Style of Kerry James Marshall*, NEW YORKER (Aug. 2, 2021), <https://www.newyorker.com/magazine/2021/08/09/the-epic-style-of-kerry-james-marshall> [https://perma.cc/FHC5-MW4Q] [https://web.archive.org/web/20231105204555/https://www.newyorker.com/magazine/2021/08/09/the-epic-style-of-kerry-james-marshall].

90. Bolaji Sosan, *Kerry James Marshall Painting Sells for Record \$5 Million*, SOC. LIFE CHI. (Nov. 19, 2017), <https://www.socialifechicago.com/kerry-james-marshall-still-life-with-wedding-portrait-sells-for-5->

estimates, ultimately selling for a final price of \$5 million.<sup>91</sup> While the increase in value was positive for Marshall, who was still creating and selling work at the time, he did not enjoy the full scope of benefits associated with this increase because he received exactly none of the increased value in royalties.<sup>92</sup>

In 2018, Marshall garnered a lot of attention in the art world with the sale of his painting *Past Times* for \$21.1 million to hip hop music mogul Sean Combs.<sup>93</sup> In addition to setting a new record for the most money paid for a work by a living African American artist, the sale was more than four times Marshall's previous record at auction of \$5 million.<sup>94</sup> This sale significantly surpassed estimates, which were between \$8 million to \$12 million, thus capturing the attention of the art world as Marshall "obliterated the glass ceiling of prejudicial art pricing."<sup>95</sup> The increased value of Marshall's work in his lifetime coincides with the increase in the value of Black art. However, as currently situated, the U.S. art market structure did not provide Marshall with any cut of this legendary sale. In contrast, the European model of *droit de suite* would have provided Marshall with \$14,700, limited by the cap on royalties.<sup>96</sup>

It is undeniably true that Marshall has benefited in many ways from the appreciation in value of his works. Because he is a living contemporary artist, the prices of his works at primary sale have increased as well, therefore allowing Marshall to reap financial rewards from the success of his works.<sup>97</sup> This, however, does not negate the inequity of the fact that Marshall and other contemporary Black artists must navigate an art world which has systematically oppressed Black creators. Considering the history of exclusion and exploitation within cultural industries in the United States, the growing popularity of Black art in the secondary market indicates the urgent need for a system to ensure redress.

#### b. Amy Sherald

The controversy surrounding the sale of Amy Sherald's oil on canvas work, *Welfare Queen*, represents the systemic problem created by a lack of resale royalties. Sherald has achieved numerous impressive accomplishments in her career, including completing

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million/ [https://perma.cc/PH3Q-27DW]  
 [https://web.archive.org/web/20231105204900/https://www.socialifechicago.com/kerry-james-marshall-still-life-with-wedding-portrait-sells-for-5-million/].

91. *Id.*

92. Deanna Isaacs, *A Kerry James Marshall Painting Sold for \$5 Million, but He Didn't See Any of It*, CHI. READER (Dec. 19, 2017), <https://chicagoreader.com/columns-opinion/a-kerry-james-marshall-painting-sold-for-5-million-but-he-didnt-see-any-of-it/> [https://perma.cc/PB96-WNRE] [https://web.archive.org/web/20231105205049/https://chicagoreader.com/columns-opinion/a-kerry-james-marshall-painting-sold-for-5-million-but-he-didnt-see-any-of-it/] ("In just two years, the painting's market value had jumped \$4 million, none of which would make its way back to the artist who had conceived of it, created it, and given it away.").

93. Shaw, *supra* note 87.

94. Hanson, *supra* note 88.

95. Shaw, *supra* note 87.

96. *Id.*

97. Isaacs, *supra* note 93.



the portrait of First Lady Michelle Obama in 2016.<sup>98</sup> Simultaneously, Sherald had major health complications and financial stress that required her to work as a waitress to maintain basic living costs while building her career as an artist.<sup>99</sup> Sherald ultimately sold *Welfare Queen* to Professor Imani Phillips, the Hughes-Roger Professor of African American Studies at Princeton University.<sup>100</sup> Sherald generously agreed to a payment plan, allowing Phillips to pay the full amount over time to account for her financial needs.<sup>101</sup> When *Welfare Queen* was included in the twentieth-century and contemporary evening sale at Phillips New York in 2021, the piece sold for \$3.2 million, outperforming the estimated price by over \$1 million. Sherald, of course, did not receive any of these profits.<sup>102</sup>

Amy Sherald's experience with the sale of this work provides a critical lens into the ethical implications associated with a lack of resale royalties for Black women artists in particular. Through both the technical aspects of the work and the historical origins of the "welfare queen" trope, Sherald's painting rejected the stereotypical framing of Black women as exploiting public benefits by portraying the subject with colors and imagery that evoke a sense of royalty.<sup>103</sup> The implications of the sale of this work in the context of the resale royalty debate are significant as well.<sup>104</sup> Scholars of visual art and sociology discussed this aspect of the piece, stating that "Welfare Queen is consistent with Sherald's aim of creating space to reimagine cultural archetypes and economic systems beyond structural racism. Systems of resale royalties—and equity for artists in the financial sense—embody the democratic values of community and intergenerational collaboration that have surrounded Sherald's work."<sup>105</sup> Like Sherald's reclamation of the welfare queen in this work, the concept of resale royalties has been re-envisioned through the experience of Sherald and other Black artists.

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98. Dodie Kazanjian, *Amy Sherald, Michelle Obama's Portraitist, Readies Her New York Debut*, VOGUE (July 15, 2019), <https://www.vogue.com/article/amy-sherald-new-york-debut-vogue-august-2019-issue> [<https://perma.cc/7XFC-E8SV>] [<https://web.archive.org/web/20231105205656/https://www.vogue.com/article/amy-sherald-new-york-debut-vogue-august-2019-issue>].

99. *Id.*

100. Cheryl Finley et al., *The Recent Sale of Amy Sherald's 'Welfare Queen' Symbolizes the Urgent Need for Resale Royalties and Economic Equity for Artists*, ARTNET NEWS (Nov. 22, 2021), <https://news.artnet.com/opinion/amy-sheralds-welfare-queen-resale-royalties-economic-equity-artists-2037904> [<https://perma.cc/AG4K-ALV7>] [<https://web.archive.org/web/20231105210003/https://news.artnet.com/opinion/amy-sheralds-welfare-queen-resale-royalties-economic-equity-artists-2037904>].

101. *Id.*

102. *Amy Sherald*, ARTSY, [https://www.artsy.net/artist/amy-sherald/auction-results?hide\\_upcoming=false&metric=in](https://www.artsy.net/artist/amy-sherald/auction-results?hide_upcoming=false&metric=in) [<https://perma.cc/343D-R7PY>] [[https://web.archive.org/web/20231105210213/https://www.artsy.net/artist/amy-sherald/auction-results?hide\\_upcoming=false&allow\\_empty\\_created\\_dates=true&metric=in&currency=&include\\_estimate\\_range=false&include\\_unknown\\_prices=true&allow\\_unspecified\\_sale\\_dates=true](https://web.archive.org/web/20231105210213/https://www.artsy.net/artist/amy-sherald/auction-results?hide_upcoming=false&allow_empty_created_dates=true&metric=in&currency=&include_estimate_range=false&include_unknown_prices=true&allow_unspecified_sale_dates=true)] (last visited Nov. 5, 2023). At the time of writing this Note, Amy Sherald's average sale was \$5 million, with a 324% price over estimate rate. Those rates have since fluctuated and will continue to be updated in this source.

103. Finley et al., *supra* note 101.

104. *Id.*

105. *Id.*

Overall, like Marshall, Sherald has undoubtedly benefited from the appreciation in value of her work, allowing her to make sales in the primary market now at much higher prices. The average sales price of her work over the last thirty-six months was \$5 million, with her works selling for an average of 324% more than the estimated prices.<sup>106</sup> As the work of Sherald and other contemporary Black artists continues to grow in popularity and change hands in subsequent sales, the exclusion of these artists from profits generated in the secondary market is unsettling. Yet, this dynamic is mitigated in part for well-known working artists such as Sherald and Marshall as they are able to benefit from increased prices for the sale of their work in the primary market. Thus, a lack of resale royalty is particularly harmful for Black artists with less notoriety or delayed recognition.

## 2. Historical Exclusion of Black Artists and Resultant Barriers to Success

While the popularity and success of Kerry James Marshall and Amy Sherald offer insight into the issue of the lack of resale royalties in the U.S. art market, the treatment of Black artists within the American market reveals broader systemic harms. Speaking about *droit de suite* in the context of Black art, Maxwell Anderson, founder of the art foundation Souls Grown Deep, stated, “The introduction of *droit de suite* legislation in the US would help rectify this inconvenience for well-known contemporary artists like Marshall but it would be an even bigger boon for historically disadvantaged artists who have been left out of the American canon of art for reasons of race, gender or other socio-economic limitations.”<sup>107</sup> A pattern of inequitable treatment toward minority artists has worked in tandem with overall negative conditions in the U.S. art market, thus amplifying the harmful effects of an art market structure that lacks resale royalty provisions. Historical conditions of segregation, racial discrimination, and inferior treatment toward Black artists resulted in indifference toward innovative work by Black artists for years. Furthermore, the little inclusion of work by Black artists that did occur as the American art market gained traction in the twentieth century brought new challenges of appropriation and devaluation which continue to affect the poor treatment of Black art today.<sup>108</sup> In recent years, the market for work by Black artists has

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106. Amy Sherald, *supra* note 103.

107. Maxwell L. Anderson, *Why American Artists Should Benefit from the Resale of Their Works*, ART NEWSPAPER (Jan. 4, 2019), <https://www.theartnewspaper.com/2019/01/04/why-american-artists-should-benefit-from-the-resale-of-their-works> [https://perma.cc/F67P-DVR5] [https://web.archive.org/web/20231105215355/https://www.theartnewspaper.com/2019/01/04/why-american-artists-should-benefit-from-the-resale-of-their-works].

108. Shelly Feldman, *The Discriminatory Effect of U.S. Intellectual Property Law on Black Artists*, MICH. J. RACE & L. BLOG (Mar. 28, 2022), <https://mjrl.org/2022/03/28/the-discriminatory-effect-of-u-s-intellectual-property-law-on-black-artists/> [https://perma.cc/L7RU-DRM4] [https://web.archive.org/web/20240416010143/https://mjrl.org/2022/03/28/the-discriminatory-effect-of-u-s-intellectual-property-law-on-black-artists/].

grown tremendously, particularly within the genre of Contemporary Art.<sup>109</sup> For example, six out of ten of the most highly priced contemporary works to sell at auction as of September 2018 were created by African American artists.<sup>110</sup>

At the same time, various institutions within the art world have started to pay attention to the fact that minority artists do not have the same resources in terms of gallery representation, museum acquisitions, and exhibition access. For example, in 2019, an organization of Black artists criticized the fact that the Metropolitan Museum of Art in New York had hosted exactly eight exhibitions focused on African American artists out of approximately 400 over the past ten years.<sup>111</sup> At this time, the collection at the National Gallery of Art contained only 986 works by Black artists out of 153,621 pieces, amounting to less than one percent.<sup>112</sup> In 2020, as imagery of racial violence resulting from the murder of George Floyd challenged the conscience of leaders across industries, a nation-wide call for accountability prompted various institutions in the art world to make public commitments toward dismantling systemic racism.<sup>113</sup> Indeed, positive strides have been made toward the greater inclusion of minority artists since 2020; however, work by Black artists continues to represent a very small percentage of the overall auction market.<sup>114</sup> Furthermore, the absence of diverse perspectives among leading galleries, auction houses, museums, and art fairs has further perpetuated an isolating experience for Black artists.<sup>115</sup> These conditions, combined with the disparity

109. Robin Pogrebin, *Artists of Color and Women Soar at Christie's '21st Century' Sale*, N.Y. TIMES (May 10, 2022), <https://www.nytimes.com/2022/05/10/arts/design/christies-contemporary-auction.html> [<https://perma.cc/9N75-NCXX>] [<https://web.archive.org/web/20231105215800/https://www.nytimes.com/2022/05/10/arts/design/christies-contemporary-auction.html>].

110. Charlotte Burns & Julia Halperin, *For African American Artists, the Market Remains Woefully Unbalanced*, SOTHEBY'S (Feb. 13, 2019), <https://www.sothebys.com/en/articles/for-african-american-artists-the-market-remains-woefully-unbalanced> [<https://perma.cc/WTT3-FHBK>] [<https://web.archive.org/web/20231105220011/https://www.sothebys.com/en/articles/for-african-american-artists-the-market-remains-woefully-unbalanced>].

111. Nicquel Terry Ellis, *Art So White: Black Artists Want Representation (Beyond Slavery) in the Met, National Gallery, USA TODAY* (May 5, 2019), <https://www.usatoday.com/story/news/nation/2019/05/05/black-artists-african-american-art-museums-galleries-collections-painting/3483422002/> [<https://perma.cc/5JLP-R7CH>] [<https://web.archive.org/web/20231105220529/https://www.usatoday.com/story/news/nation/2019/05/05/black-artists-african-american-art-museums-galleries-collections-painting/3483422002/>].

112. *Id.*

113. Jo Lawson-Tancred, *Two Years Ago, Museums Across the U.S. Promised To Address Diversity and Equity. Here's Exactly What They Have Done So Far*, ARTNET NEWS (Sept. 5, 2022), <https://news.artnet.com/art-world/museum-dei-plans-2022-2161690> [<https://perma.cc/PML2-Q4SU>] [<https://web.archive.org/web/20231006155110/https://news.artnet.com/art-world/museum-dei-plans-2022-2161690>].

114. Julia Halperin & Charlotte Burns, *Exactly how Underrepresented Are Women and Black American Artists in the Art World? Read the Full Data Rundown Here*, ARTNET NEWS (Dec. 13, 2022), <https://news.artnet.com/art-world/full-data-rundown-burns-halperin-report-2227460> [<https://perma.cc/XMK7-62CM>] [<https://web.archive.org/web/20231006160313/https://news.artnet.com/art-world/full-data-rundown-burns-halperin-report-2227460>].

115. Margaret Carrigan, *How the Art World Is Grappling with Its Systemic Race Inequality*, ART NEWSPAPER (July 10, 2020), <https://www.theartnewspaper.com/2020/07/10/how-the-art-industry-is>

in the distribution of profits from the sale of work in the secondary market, place minority artists—and Black artists in particular—in a marginalized position within the U.S. art market and the global art market overall.

### 3. Establishing Substantive Resources To Protect Black Artists

Institutions in the U.S. art market have seemingly responded to the call to increase the representation of Black artists; however, it becomes difficult to view these efforts as much more than an exercise of “performative wokeness” given the lack of perceptible change in the position of minority artists within the overall art world.<sup>116</sup> Black artists have shared their sentiment that recognition alone is not sufficient, stating that,

[W]hile the industry’s gatekeepers are now paying attention to black culture, establishing strong relationships with them is still disproportionately harder for all artists of color than for their white peers. And if black artists have nabbed a spot, they’ve done it by serving as their own advocates, translators, and promoters in a system not designed to fully understand—or accommodate—blackness.<sup>117</sup>

By failing to provide Black artists with resources to be continually successful, promises of change are futile. Additionally, the threat of burnout continues to exist for Black artists given the unpredictability of trends in the art market.<sup>118</sup> While Black art is popular now, it is not certain that this moment of popularity will last. Thus, artists may feel pressure to produce at a higher volume to capitalize on this moment. Ultimately, establishing a system to ensure resale royalties for artists would redress the unique concerns of minority artists by offering the substantive solution of ongoing benefits from the resale of increasingly valuable work.

### 4. A Solution of Fairness and Support for Contemporary Black Artists

An additional concern for Black and minority artists in the U.S. art market is the fact that high figures for sales of work by Black artists are extremely concentrated among a very small population of artists. A survey by *Artnet News* and *In Other Words* reported that only eleven African American artists had cumulative auction sales exceeding \$1 million in the ten years up to 2018.<sup>119</sup> Additionally, seventy-seven percent

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grappling-with-its-systemic-race-inequality [https://perma.cc/HEF3-5N7T]  
[https://web.archive.org/web/20231006160734/https://www.theartnewspaper.com/2020/07/10/how-the-art-industry-is-grappling-with-its-systemic-race-inequality].

116. *Id.*

117. Smith, *supra* note 74.

118. *Id.* (“The art world demands that all artists pay their dues—but black burnout, many artists say, is the result of unfair and unequal distribution of those dues.”).

119. Maxwell Anderson, ‘Self-Taught’ Black Artists Are Often the Last To Benefit when Their Prices Go Up. *But We Can Change That — Here’s How*, ARTNET NEWS (Nov. 25, 2020), https://news.artnet.com/opinion/resale-royalties-souls-grown-deep-1926363 [https://perma.cc/P6JC-HZ28] [https://web.archive.org/web/20231006195545/https://news.artnet.com/opinion/resale-royalties-souls-grown-deep-1926363].

of the \$2.2 billion auction sales for African American artists in this ten-year time period consisted of works by Jean-Michel Basquiat alone.<sup>120</sup> Of course, one explanation for this is the ability of auction houses to assign value to works and determine certain outcomes through various marketing strategies, such as promotion dedicated to a certain work or the strategic construction of a catalog of work in a given sale.<sup>121</sup> Yet, these figures further emblemize the problematic treatment of Black artists in the transactional art market.<sup>122</sup> An equitable solution to even the playing field for Black artists would grant overdue recognition for artists who have made substantial contributions to the field of art independent of their ability to surpass the \$1 million mark in sales at auction.<sup>123</sup> The practical and substantive method to doing so includes establishing a standard for resale royalties to offer protection for artists and their estates and to mitigate the inherent flaws in the art market. The current demand for Black artists who have been historically undervalued and overlooked presents the ideal climate for demanding such a change.

The current demand for work by both contemporary and historical Black artists in the global art market reflects what is viewed by many as a renaissance of Black art, underscoring the unique position of Black artists in the American art marketplace to institute substantive changes around the issue of resale royalties.<sup>124</sup> One key example of this is the recent auction success of African American artist Ernie Barnes. In 2022, his painting *Sugar Shack*, famous for its feature on the 1970s sitcom “Good Times” and as the cover art of American R&B artist Marvin Gaye’s album, sold for \$15 million, significantly surpassing the estimated price of \$200,000.<sup>125</sup> The next day, another Barnes work sold for \$2.3 million compared to an \$150,000 price estimate.<sup>126</sup> Beyond underscoring the issue of undervaluation and lack of documentation, the Barnes example reflects a potentially problematic phenomena of mainstream attention toward the work of Black artists.<sup>127</sup> Furthermore, the success of Barnes’s work underscores the

120. James Pickford, *Black Artists Matter: The Winds of Change Are Blowing Through the Art World*, FIN. TIMES (Aug. 24, 2020), <https://www.ft.com/content/10c8bef5-b62f-464f-a3ee-1512056c62aa> [<https://perma.cc/6FS2-8DDY>] [<https://web.archive.org/web/20231006162914/https://www.ft.com/content/10c8bef5-b62f-464f-a3ee-1512056c62aa>].

121. *Id.*

122. Anderson, *supra* note 120.

123. Pickford, *supra* note 121.

124. *The “Black Renaissance” in Full Swing*, ARTPRICE.COM, <https://www.artprice.com/artprice-reports/the-contemporary-art-market-report-2021/the-black-renaissance-in-full-swing#:~:text=The%20remarkable%20rise%20of%20non,and%20the%20entire%20Art%20Market> [<https://perma.cc/T9JS-4MF8>] [<https://web.archive.org/web/20231006200715/https://www.artprice.com/artprice-reports/the-contemporary-art-market-report-2021/the-black-renaissance-in-full-swing>] (last visited Nov. 5, 2023).

125. Katya Kazakina, *The Surprising New Record for Earnie Barnes Didn’t Come from Left Field. We Deconstruct the Playbook for Selling ‘The Sugar Shack,’* ARTNET NEWS (May 20, 2022), <https://news.artnet.com/news-pro/deconstructing-the-playbook-for-selling-ernie-barnes-sugar-shack-2118710> [<https://perma.cc/5USF-858Z>] [<https://web.archive.org/web/20231105225428/https://news.artnet.com/market/adam-lindemann-madonna-2118789>].

126. *Id.*

127. Yvonne Bynoe, *Record Breaking Ernie Barnes Sales Highlight the Need for More Documentation of Black Artists*, BLACK ART IN AM. (Aug. 20, 2022), <https://www.blackartinamerica.com/blogs/news/record->

sense of urgency for resale royalties. As work by Black artists has gained significant popularity in recent years, there is a sizable cohort of Black artists who are not able to meet the market demands due to age. Included in this group are African American artists McArthur Binion and Howardena Pindell, who shared their sentiments about the disproportionate pressures on Black artists in an interview with the *New York Times*.<sup>128</sup> Pindell specifically commented on the bittersweet reality of the newfound demand for the work of Black artists, stating, “The kind of elation I may have had back 30 years, I’m past that point.”<sup>129</sup>

Overall, while the current climate for Black artists reflects a necessary departure from a history of exclusion and discreditation, the unbalanced distribution of profits from the appreciated value of Black art offers clear evidence of the continued systemic harms of this pattern. Thus, Black artists are in a unique position of leverage to drive change on the subject of resale royalties, which will increase equity in the market for all.

### III. BLACK ARTISTS AND THE RECONCEPTUALIZATION OF RESALE ROYALTY RIGHTS IN THE U.S. ART MARKET

#### A. NON-LEGISLATIVE APPROACHES TO *DROIT DE SUITE* IN THE U.S. ART MARKET

Whereas resale royalty discussions in the United States thus far have focused on a legislative approach to implementation, a privatized resale royalty solution seeks to effectuate a model for artists to retain economic interest through a more targeted approach. A non-legislative approach refers to actions taken by art organizations, auction houses, and collectors to guarantee a right to royalties for the resale of certain work. Unlike the public approach which employs a blanket approach to resale royalties, privatized solutions implant the idea of resale royalties to dealers, collectors, and purchasers on a case-by-case basis. For example, a buyer may consent to providing a resale royalty for a particular work, a special auction, or all of their transactions with a given dealer of an auction house.

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[<https://perma.cc/7F2B-NY7K>]

[<https://web.archive.org/web/20231006202710/https://www.blackartinamerica.com/blogs/news/record-breaking-ernie-barnes-sales-highlight-the-need-for-more-documentation-of-black-artists>].

128. Hilarie M. Sheets, *Discovered After 70, Black Artists Find Success, Too, Has Its Price*, N.Y. TIMES (Mar. 23, 2019), <https://www.nytimes.com/2019/03/23/arts/design/black-artists-older-success.html> [<https://perma.cc/5NVS-B2C2>]

[<https://web.archive.org/web/20231105231030/https://www.nytimes.com/2019/03/23/arts/design/black-artists-older-success.html>].

129. *Id.*

## 1. Black Artists and Privatized Approaches To Resale Royalties

Between 2008 and 2021, the amount of money spent on work by Black artists grew by approximately 389.5%.<sup>130</sup> The clear rise in the demand for work by Black artists over the past few years has created a valuable window of opportunity for the implementation of resale royalty rights in the U.S. art market by emphasizing the clash between overdue recognition for the work of Black artists and the inequity associated with massive appreciations in price for works by Black artists in the secondary market. In 2021, the market for works by Black artists further demonstrated this, reaching a new record of \$626.2 million in sales, the overwhelming majority of which took place in the secondary market.<sup>131</sup> The combination of these trends has made resale royalties a priority again, as evidenced by the emergence of several successful organizations committed to procuring resale royalties for Black artists. However, these organizations have approached the issue of resale royalties in a unique capacity, departing from the unsuccessful focuses of past legislation. The tie between Black artists and resale royalty advocacy within the past few years reveals a shift toward the privatization of resale royalty rights. Specifically, many successful examples of resale royalty rights have taken place on a contractual basis. Overall, the success of these models has influenced the establishment of new parameters around the collection of Black art, which will ultimately address inequities to the benefit of all artists in the U.S. art market.

Three key examples that demonstrate the critical role of Black artists in the development of privatized resale royalty solutions are Souls Grown Deep Foundation, the advocacy of the Dean Foundation, and a 2020 exhibition of work by Black artists at Christie's New York titled *Say It Loud: I'm Black and I'm Proud*.<sup>132</sup> A common attribute of these models is their prioritization of Black artists within their advocacy for resale royalty rights. Furthermore, each of these models helps to illustrate the multifaceted nature of non-legislative resale royalty rights through the engagement of key representatives within the art world. Black artists are integral to the success of each of these strategies, given the social and ethical factors which emerge in connection to the purchase of Black art.

## 2. Critiques of Resale Royalty Rights

It would be naïve to suggest that the enactment of a resale royalty right would not present its own potential host of challenges and biases. In fact, a right to resale royalties would likely pose the greatest benefit to the small pool of already successful artists whose work receives acclaim in the secondary market. Yet, this fact should not preclude an argument in favor of instituting such a right. First, any scheme for resale royalties would increase options for artists to receive a valuable benefit from the appreciated value of their work, as demonstrated by the effect of this right abroad. Additionally,

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130. Halperin & Burns, *supra* note 115.

131. *Id.*

132. *Souls Grown Deep Foundation*, *supra* note 12; FAIRCHAIN, *supra* note 11; see Estiler, *supra* note 11.

centering the experience of Black artists within this debate, it is evident that provisioning a right to resale royalties is timely and necessary to build in a measure of protection for a group of artists who have been historically disadvantaged within the market. While the focus on Black artists is a contemporary feature of the art market, the longevity of this phenomena is not clear. Thus, capitalizing on the existing condition of the market, which stands to offer long-term protection for minority artists through the application of contract-based solutions, is crucial.

A successful approach to the implementation of resale royalties takes into account the principal criticisms of *droit de suite* legislation. Among these critiques, a recurring concern is that resale royalty payments contribute to the concentration of wealth among already wealthy and well-respected artists.<sup>133</sup> A study of *droit de suite* in France supports this, reporting that approximately seventy percent of the royalty payments went to the estates of only a handful of famous twentieth-century artists, such as Pablo Picasso and Henri Matisse.<sup>134</sup> Furthermore, *droit de suite* legislation has consistently faced opposition from key players in the art market, including sellers, museums, and galleries, who object to what they view as an added tax, increasing the cost of art transactions and reducing overall profits.<sup>135</sup> In their view, the mechanics of the art market require the labor of dealers, collectors, and auction houses, which justifies the distribution of profits for the appreciated value of work.<sup>136</sup> Furthermore, for collectors, the risk of purchasing an artist's work before it has reached its full value potential would be greater if faced with a potential resale royalty tax, thereby decreasing sale activity in the primary market.<sup>137</sup>

A contractual approach to the implementation of a legal right to resale royalties for artists addresses these concerns about *droit de suite* legislation. For one, the provision of royalties for artists is still useful even if these payments occur in small amounts to the general population of artists.<sup>138</sup> Legislative models of *droit de suite* in the EU seek to address the needs of artists generally. Contrastingly, a contractual approach provides artists with agency to negotiate terms that more specifically address their needs. Due to the reduced financial burden, this would ultimately provide artists with more freedom to focus on their work.<sup>139</sup> A study by the UK Intellectual Property Office shortly following the passage of the ARR Regulations supports this fact, finding that most artists reinvested even small totals of resale royalty payments back into their art to purchase necessary materials and equipment.<sup>140</sup> Contractual solutions to resale royalty payments also help to emphasize the fundamental importance of the inherent tie

133. Anne Sanders, *Artists' Resale Royalties: Bonus or Burden?*, 42 ART & AUSTL. 450, 451 (2004).

134. Phillip McCouat, *Should Artists Get Royalties?*, J. ART SOC'Y, <https://www.artinsociety.com/should-artists-get-royalties.html> [https://perma.cc/RU6W-G7N9] [https://web.archive.org/web/20231206201439/https://www.artinsociety.com/should-artists-get-royalties.html] (last visited Dec. 6, 2023).

135. DeMott, *supra* note 19, at 141.

136. *Id.*

137. *Id.* at 141–42.

138. *Id.* at 144.

139. *Id.*

140. *Id.*



between an artist and their work in the recognized value of a piece. While dealers, auction houses, gallery owners, and purchasers are important players within the art market for analyzing demand, determining trends, and serving as patrons for artists, it is the artist who has the most clear, ongoing connection with their work despite periods of increased and decreased value for a given work.<sup>141</sup> Thus, contractual solutions to resale royalties strike the appropriate balance between recognizing the entitlement of artists and sustaining the overall robustness of the U.S. art market.

### 3. Souls Grown Deep

Souls Grown Deep represents one of the leading organizations committed to the promotion of work by Black artists. The foundation was founded in 2010 by art collector William Arnette with a model centered on the acquisition of works by Black artists and the transfer of these works to the permanent collection of established American and international art museums.<sup>142</sup> Since its founding, the foundation has contributed to the acquisition of over 500 works by more than 110 Black artists by museums across the United States.<sup>143</sup> In 2020, Souls Grown Deep initiated a resale royalty program which has become a defining aspect of the foundation in terms of its overall impact on the art market.<sup>144</sup> The Souls Grown Deep model, known as the Resale Royalty Award Program (“RRAP”), offers living artists a 5% resale royalty threshold of proceeds from secondary market sales at up to \$85,000 annually per artist.<sup>145</sup> This unprecedented model applies not only to future transactions but also to past transactions for pieces within the Souls Grown Deep collection, thus providing the estates of accomplished Black artists with this right as well.<sup>146</sup> Furthermore, the program includes sales at auction, within galleries, and to museums.<sup>147</sup>

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141. *Id.* at 143.

142. Victoria Stapley-Brown, *Souls Grown Deep Expands the Canon of US Art*, ART NEWSPAPER (June 7, 2017), <https://www.theartnewspaper.com/2017/06/07/souls-grown-deep-expands-the-canon-of-us-art> [https://perma.cc/BJS5-BMN4] [https://web.archive.org/web/20231106020943/https://www.theartnewspaper.com/2017/06/07/souls-grown-deep-expands-the-canon-of-us-art].

143. *Souls Grown Deep Foundation*, *supra* note 12.

144. Cassie Packard, *Souls Grown Deep Starts Unprecedented Resale Royalties for Artists*, HYPERALLERGIC (Nov. 5, 2020), <https://hyperallergic.com/599296/souls-grown-deep-starts-unprecedented-resale-royalties-for-artists/> [https://perma.cc/5RWD-3JQS] [https://web.archive.org/web/20231206204542/https://hyperallergic.com/599296/souls-grown-deep-starts-unprecedented-resale-royalties-for-artists/].

145. *Resale Royalty Award Program*, SOULS GROWN DEEP (Nov. 5, 2020), <https://www.soulsgrowndeep.org/foundation/resale-royalty-award-program> [https://perma.cc/SCR4-VPUH] [https://web.archive.org/web/20230121134419/https://www.soulsgrowndeep.org/foundation/resale-royalty-award-program].

146. *Id.*

147. *Id.* (“Since the initial purchases of the artworks in the collection decades ago, the artists’ careers and art world reputations have advanced significantly through the work of Souls Grown Deep and other advocates and the original rates are a fraction of what the works are sold for today. The awards under RRAP will acknowledge these artists.”)

The Souls Grown Deep approach to contractual resale royalties has effectively leveraged the modern trend toward the recognition of Black art to redress the systemic disregard for and undervaluation of this work throughout history. In addition to the symbolic importance of increasing recognition for the work of Black artists, the foundation has promoted a strategy for increasing equity in the U.S. art market, with tangible benefits for Black artists in the form of royalties. Since the establishment of this program in November 2020, Souls Grown Deep has continued to make its mark in the art world, including the acquisition of forty works by the National Gallery of Art in December 2020, the acquisition of work by five university art museums in 2021, and historical acquisitions by Tate Modern and other international institutions in 2021.<sup>148</sup>

The success of RRAP suggests that the effectiveness of contractual resale royalty rights is uniquely informed by the social and ethical considerations associated with the collection of Black art. As social awareness in the art world overall has resulted in a new consciousness for the experience of Black artists, this has bolstered support for resale royalties on a privatized basis. The president of Souls Grown Deep acknowledged the importance of resale royalties specifically to Black artists in a statement on the RRAP, stating, “Our resale royalty award program is a belated acknowledgment that visual artists, whose creativity spawns fortunes for others, should participate in downstream earnings, just as do musicians, writers, and patent holders. This program is particularly overdue for artists of color who have been routinely excluded from the art market.”<sup>149</sup> Centering this program on the work of Black artists has allowed Souls Grown Deep to not only provide restitution for the unique harms faced by Black artists but also implant a valuable protectionary measure for artists in the realm of art acquisitions within the United States as well. The role of Black artists has become a key distinguishing factor in this approach to resale royalties, which stands to increase equity in the U.S. art market for all artists.

#### 4. The Dean’s Choice

Another key example of advocacy with respect to the implementation of a privatized right to resale royalties is the “Dean’s Choice.” Dean’s Choice is defined as “an option

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148. Press Release, Nat’l Gallery of Art, National Gallery of Art Acquires Forty Works by African American Artists from Souls Grown Deep Foundation (Dec. 28, 2020), <https://www.nga.gov/press/acquisitions/2020/soulsgrowndeep.html> [<https://perma.cc/3WBZ-9AT3>] [<https://web.archive.org/web/20230601223035/https://www.nga.gov/press/acquisitions/2020/soulsgrowndeep.html>]; *Five University Art Museums Acquire Artwork from the Collection of Souls Grown Deep*, SOULS GROWN DEEP (Nov. 18, 2021), <https://www.soulsgrowndeep.org/five-university-art-museums-acquire-artwork-collection-souls-grown-deep> [<https://perma.cc/6DCX-BEUB>] [<https://web.archive.org/web/20221128170503/https://www.soulsgrowndeep.org/five-university-art-museums-acquire-artwork-collection-souls-grown-deep>]; Francesca Aton, *Tate Modern and Other International Institutions Acquire Artworks from Souls Grown Deep Collection for the First Time*, ARTNEWS (Apr. 19, 2022), <https://www.artnews.com/art-news/news/souls-grown-deep-collection-first-international-acquisitions-1234625740/> [<https://perma.cc/7G5P-JTCJ>] [<https://web.archive.org/web/20231106023733/https://www.artnews.com/art-news/news/souls-grown-deep-collection-first-international-acquisitions-1234625740/>].

149. Packard, *supra* note 145.

for collectors selling a work through an auction house or gallery to simply check a box—yes or no—to indicate whether they'd like to give a percentage of the sale to the artist.<sup>150</sup> This model for resale royalties specifically addresses the collection of Black art from the perspective of collectors such as music producer Kaseem “Swizz Beatz” Dean and his wife, recording artist Alicia Keys, who are co-founders of the Dean Collection.<sup>151</sup> Beyond his recognition as one of the largest collectors of work by Black artists, Dean is also acknowledged for his strong support of the art community, including advocacy on behalf of artists for resale royalties.<sup>152</sup> In fact, Dean is considered to be among the first collectors to openly support resale royalties for artists. At the 2018 Sotheby's auction at which Kerry James Marshall's piece *Past Times* sold for \$21.1 million, Dean spoke about the importance of providing artists with resale royalties.<sup>153</sup> As a result, Sotheby's art advisor, Joel Strauss, publicly decided to provide Marshall with a percentage of royalties from the \$1.8 million sale of the *Study for Past Times* at an auction later that year.<sup>154</sup> This gesture represented likely the first time that a living artist received a cut from a U.S. Sotheby's sale.<sup>155</sup>

Ultimately, the Dean's Choice provides additional insight into a non-legislative resale royalties model which builds upon the desire of collectors of Black art to engage in the practice of collection mindfully.<sup>156</sup> Practically speaking, this model would allow collectors to opt into an agreement to provide a royalty back to the artist, or the artist's family, upon any subsequent sale of the work.<sup>157</sup> By voicing the importance of resale royalties to an audience like Sotheby's, Dean created awareness about an issue, from a

150. Podcast: 5 Questions To Kasseem “Swizz Beatz” Dean, ART FIX, <https://art-fix.com/story/5-questions-to-kasseem-swizz-beatz-dean/> [https://perma.cc/TNC6-TZWC] [https://web.archive.org/web/20231206210601/https://art-fix.com/story/5-questions-to-kasseem-swizz-beatz-dean/] (last visited Dec. 6, 2023).

151. Sanja Lazic, *The Dean Collection*, WIDEWALLS (Oct. 29, 2014), <https://www.widewalls.ch/magazine/the-dean-collection-swizz-beatz-scope-miami-beach-2014> [https://perma.cc/YRD3-DRN8] [https://web.archive.org/web/20201204232909/https://www.widewalls.ch/magazine/the-dean-collection-swizz-beatz-scope-miami-beach-2014].

152. Eileen Kinsella, *Swizz Beatz To the Art World: Pay Your Artists Royalties when Their Work Is Resold*, ARTNET NEWS (Sept. 25, 2018), <https://news.artnet.com/market/swizz-beatz-sothebys-artist-royalties-1355674> [https://perma.cc/79TY-QCN3] [https://web.archive.org/web/20231014212440/https://news.artnet.com/market/swizz-beatz-sothebys-artist-royalties-1355674].

153. *Id.*

154. *Id.*

155. M.H. Miller, *How Swizz Beatz Bridged the Worlds of Hip-Hop and Contemporary Art*, N.Y. TIMES (Feb. 13, 2019), <https://www.nytimes.com/2019/02/13/t-magazine/swizz-beatz-art.html> [https://perma.cc/89A3-CV4U] [https://web.archive.org/web/20231004100849/https://www.nytimes.com/2019/02/13/t-magazine/swizz-beatz-art.html].

156. Antwaun Sargent, *Dean's List: Swizz Beatz and Alicia Keys Focus on Collecting African-American Art*, ARTNEWS (Dec. 16, 2019), <https://www.artnews.com/art-news/news/swizz-beatz-alicia-keys-art-collection-13359/> [https://perma.cc/F2X7-5DDK] [https://web.archive.org/web/20230323022622/https://www.artnews.com/art-news/news/swizz-beatz-alicia-keys-art-collection-13359/].

157. *Id.*

collector's perspective, that is direct and personal to the very artists whose works are sold by major auction houses. Dean characterized his approach to resale royalty advocacy as "an appeal for real patrons."<sup>158</sup> The consideration of the Dean Choice by Sotheby's and the visible effects of Dean's advocacy for resale royalties overall further help to include important perspectives from institutions within the art world. Moreover, focusing on the experience of Black artists offers an important distinction from previous attempts at implementing resale royalties.

### 5. *Say it Loud: I'm Black and I'm Proud, an Exhibition at Christie's New York*

The 2020 auction curated by Destinee Ross-Sutton at Christie's New York offers an additional approach to implementing resale royalty rights. The sale, titled *Say it Loud: I'm Black and I'm Proud*, focused exclusively on work by Black artists and shed light on the auction houses' perspective on the tie between Black art and resale royalties. Christie's employed several stipulations with this sale, making it somewhat unique. First, the auction house provided that 100% of proceeds go directly to the artists.<sup>159</sup> Additionally, Christie's asked prospective purchasers to agree to specialized contract terms that restrict purchasers from reselling works from the sale for at least five years.<sup>160</sup> After the initial five-year period, purchasers remain contractually bound to offer the artist a first right of refusal before pursuing a subsequent sale.<sup>161</sup> If an artist consents to the sale, the purchaser could go through with the transaction; however, the artist would be entitled to fifteen percent of the profits.<sup>162</sup>

Buyers participating in this sale met the terms with full cooperation, indicating a clear willingness among Black art collectors to honor the right of artists to resale royalties.<sup>163</sup> An article commenting on the success of the exhibition stated, "The contract also serves as what [Ross-Sutton] calls 'a litmus test' for the motivations of the buyer. Although she had her doubts about how people would respond to the limitations . . . it's basically been a feeding frenzy. It's encouraging that people aren't going radio silent when you send the agreement."<sup>164</sup> By instituting this requirement as a barrier to entry for purchasers in this sale, Ross-Sutton further strengthened the tie between resale royalties and the sale of Black art. Furthermore, this sale set a valuable precedent for the implementation of resale royalties with respect to a major player in the art market.

A combined analysis of the Christie's model, the "Dean Choice" provision, and the trailblazing efforts of Souls Grown Deep illustrates the overall shift of the consideration of resale royalties within the U.S. art market toward a focus on a privatized strategy of implementation. Additionally, these cases highlight an approach to resale royalties that

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158. *Id.* (internal quotations omitted).

159. Estiler, *supra* note 11.

160. *Id.*

161. *Id.*

162. *Id.*

163. *Id.*

164. *Id.* (internal quotations omitted).

centers the experience of artists who have been historically overlooked and disadvantaged by the art world. Perhaps the most promising aspect of these solutions is the unique capacity of an individualized approach to resale royalties to address nuances of the art market that are not as effectively captured by *droit de suite* legislation. Each of these solutions directly engages players in the art world that have historically objected to *droit de suite*, including collectors and auction houses. The newfound success for resale royalty advocacy conveys the significance of framing the resale royalty debate today around the growth of Black art.

## B. INCREASING EQUITY FOR ARTISTS IN THE U.S. ART MARKET THROUGH CONTRACTUAL RESALE ROYALTY MODELS

### 1. Efficiency, Accessibility, and Enforceability in Contractual Solutions for Resale Royalties

In addition to an overall shift toward the privatization of resale royalty rights, contractual models specifically have emerged as a lucrative solution to the absence of *droit de suite* in the U.S. art market. Contractual solutions for resale royalties are a mechanism to advance resale royalty advocacy at the organizational level by protecting this right in a way that is practical and accessible for all artists.<sup>165</sup> Modern examples of contractual resale royalties leverage advances in technology as well as the ethical motivations of contemporary art collectors to enhance the effectiveness of these solutions.

### 2. The Artist's Reserved Rights Transfer and Sale Agreement

The initial model for contractual resale royalties rights was developed by lawyer Robert Projanksy and art curator Seth Siegelau in 1971.<sup>166</sup> This model, known colloquially as the "Artist's Contract," provided a template for artists to draft contract terms, protecting the various interests of the artists, including the right to resale royalties.<sup>167</sup> Projanksy and Siegelau structured the Artist's Contract by permanently attaching a notice of the agreement to the work itself. Under the terms of the agreement, a purchaser would agree not to alienate or sell the work without binding the buyer to the covenant as well.<sup>168</sup> With regards to resale royalties, the covenant stipulated that the artist would receive 15% of the proceeds every time a purchaser

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165. Christopher G. Bradley & Brian L. Frye, *Art in the Age of Contractual Negotiation*, 107 KY. L.J. 547, 549 (2019).

166. Lauren van Haaften-Schick, *Can Artists Use Their Sale Contracts To Game the System?*, FRIEZE (Mar. 10, 2021), <https://www.frieze.com/article/can-artists-use-their-sale-contracts-game-system> [https://perma.cc/S5YP-HCBT] [https://web.archive.org/web/20231007000908/https://www.frieze.com/article/can-artists-use-their-sale-contracts-game-system].

167. Bradley & Frye, *supra* note 166, at 549.

168. *Id.* at 577.

resold the work.<sup>169</sup> There was skepticism regarding the enforceability of the Artist's Contract due to its attempt to bind subsequent parties to a contract to which they were not initially a party.<sup>170</sup> The Artist's Contract was, however, very effective in terms of its impact on reframing the relationship between artists and collectors in a legal framework, in contrast to the informal norms in the art world at large.<sup>171</sup> Contractual solutions to resale royalties today address the issue of enforceability through the use of technology such as blockchain. Furthermore, the general social awareness of the art market today suggests that there are persuasive social and ethical factors associated with the collection of contemporary art which create an additional incentive for both the initial and subsequent buyers to honor contract terms that mandate royalty payments to artists.

### 3. The Artist's Contract Revised

In 2019, prominent U.S. art lawyers and curators collaborated on the development of a revised edition of the Artist's Contract.<sup>172</sup> This rendition of the contract enables artists to designate a charitable organization as the recipient of the 15% of resale profits from the sale of their work.<sup>173</sup> This modernized attempt draws upon the ethical inclinations of contemporary art collectors by adding a philanthropic angle.<sup>174</sup> Specifically, once the buyer honors this stipulation of the contract, the reseller has the option to receive a tax deduction upon the completion of the donation.<sup>175</sup> While this approach does not directly address the issue of financial burden faced by American artists, it nonetheless serves a significant redistributive function, redressing the issue of inequity in the U.S. art market. Notably, by offering a direct benefit, this solution addresses the hesitations of buyers due to their assumed risk with respect to resale royalties. Additionally, it promotes the continued interest of artists in their work by allowing creators to align any appreciated value in their work with their social values and philanthropic interests.<sup>176</sup> Ultimately, this solution further normalizes a royalty scheme in the sale of work in the secondary market and leverages the current climate of social awareness within the art market.

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169. *Id.*

170. *Id.* at 549.

171. *Id.* at 550.

172. van Haften-Schick, *supra* note 167.

173. Joseph del Pesco, *How a New Kind of Artist Contract Could Provide a Simple, Effective Way To Redistribute the Art Market's Wealth*, ARTNET NEWS (July 27, 2020), <https://news.artnet.com/opinion/resale-royalties-contract-kadist-joseph-del-pesco-1897169> [<https://perma.cc/NAD6-C366>] [<https://web.archive.org/web/20231007004139/https://news.artnet.com/opinion/resale-royalties-contract-kadist-joseph-del-pesco-1897169>].

174. *Id.*

175. *Id.*

176. van Haften-Schick, *supra* note 167.

#### 4. The Use of Technology in Art Sales Agreements

Technology is another distinguishing feature of resale royalty mechanisms today and acts as a key factor within contractual solutions. For example, the Fair Artists' Reserved Equity ("FARE") Contract offers an accessible online database for artists, including legal templates for drafting sales contracts that contain resale royalty stipulations.<sup>177</sup> Several models of contractual resale royalties today also employ blockchain technology to ensure compliance with predetermined conditions in an automated process format known as "smart contracts."<sup>178</sup> A blockchain represents a "distributed ledger technology in which information is kept secure by having many interconnected copies of the ledger."<sup>179</sup> Blockchain technology presents a solution that guarantees efficiency and eliminates the previous difficulty faced by artists of tracking down their work. In the context of the art market, blockchain is viewed as a tool with the capacity to "change funding models for artists and arts organizations because of its distinctive properties as a distributed and immutable record that can be maintained without trust in a central record-keeping authority."<sup>180</sup> In practice, smart contracts are based upon a code that sets forth various conditions for the completion of a transaction.<sup>181</sup> Failure to comply with any of these conditions results in the failure of the transaction overall.<sup>182</sup> Thus, the challenges of enforceability of royalty legislation that existed within the CRRRA model and various forms of *droit de suite* legislation abroad are significantly mitigated.<sup>183</sup>

A recently founded organization called Fairchain is a leader in the space of blockchain technology and art sales agreements. Fairchain has developed a model

177. *The Fare Contract*, THE ARTIST'S CONTRACT, <https://www.artistscontract.com/fare-contract> [https://perma.cc/SZ22-L6GU] [https://web.archive.org/web/20231010032650/https://www.artistscontract.com/fare-contract] (last visited Nov. 5, 2023).

178. Blockchain technology is defined as "a shared, immutable ledger that facilitates the process of recording transactions and tracking assets in a business network." *What is Blockchain Technology?*, IBM, <https://www.ibm.com/topics/what-is-blockchain#:~:text=Blockchain%20overview,patents%2C%20copyrights%2C%20branding> [https://perma.cc/EN8RJAWN] [https://web.archive.org/web/20231010033023/https://www.ibm.com/topics/blockchain#%20] (last visited Nov. 5, 2023). In other words, it provides a means of tracking transactions through a digitized secure process. See generally *id.*; *What Are Smart Contracts on Blockchain*, IBM, <https://www.ibm.com/topics/smart-contracts> [https://perma.cc/A67W-NXZP] [https://web.archive.org/save/https://www.ibm.com/topics/smart-contracts] (last visited Nov. 5, 2023).

179. van Haften-Schick & Whitaker, *supra* note 15, at 295; see also Amy Whitaker, *Art and Blockchain: A Primer, History, and Taxonomy of Blockchain Use Cases in the Arts*, ARTIVATE: J. ENTREPRENEURSHIP ARTS, summer 2019, at 21.

180. van Haften-Schick & Whitaker, *supra* note 15, at 295.

181. Charlotte Kent, *Artists Have Been Attempting To Secure Royalties on Their Work for More than a Century. Blockchain Finally Offers Them a Breakthrough*, ARTNET NEWS, (Apr. 7, 2021), <https://news.artnet.com/opinion/artists-blockchain-resale-royalties-1956903> [https://perma.cc/EW7R-YKRY] [https://web.archive.org/web/20231013012812/https://news.artnet.com/opinion/artists-blockchain-resale-royalties-1956903].

182. *Id.*

183. See van Haften-Schick & Whitaker, *supra* note 15.

which generates digital certificates of title and authenticity for works of art.<sup>184</sup> This aspect of the model is significant, given the fact that authenticity poses one of the greatest risks to purchasers in the art market.<sup>185</sup> Questionable provenance can greatly decrease the value of a work going forward; therefore, the ability to ensure authentication in an automated process presents a valuable benefit to buyers.<sup>186</sup> The Fairchain framework requires new buyers to sign an agreement in which they commit to convey a percentage of the transaction value for a work to the original artist.<sup>187</sup> This percentage is determined up front by the artist when the work is initially sold, thereby affixing the terms of the agreement to the work permanently through a smart contract.<sup>188</sup> Accordingly, the Fairchain contract does not have the enforceability issues of traditional contracts because a new contract is generated with each subsequent sale. Additionally, with this approach the artist receives the royalty payment automatically, ensuring a procedurally sound and reliable process.<sup>189</sup>

One example of the Fairchain model in practice was a 2022 auction presented in partnership with Good Black Art, an art collecting platform, titled *MY PEOPLE*.<sup>190</sup> This auction featured the work of five Black artists, each representing diverse spaces within the diaspora through their varying backgrounds and choice of artistic style.<sup>191</sup> In line with the Fairchain mission, the works were backed with digital certificates of title and authenticity, which required the buyer's adherence to a 10% resale royalty for artists in the case of future resale.<sup>192</sup> Works were available for bidding on Artsy, which committed to donating 10% of show sale proceeds to Derrick Adams's The Last Resort Artist Retreat, a residency dedicated to investing in the growth and education of young Black creatives in Baltimore, Maryland.<sup>193</sup>

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184. *About Us*, FAIRCHAIN, <https://fairchain.art/about-us/> [<https://perma.cc/J9PH-4L63>] [<https://web.archive.org/web/20231013232700/https://fairchain.art/about-us/>] (last visited Nov. 5, 2023).

185. See Lawrence M. Shindell, *Provenance and Title Risks in the Art Industry: Mitigating These Risks in Museum Management and Curatorship*, 31 MUSEUM MGMT. & CURATORSHIP 406, 406 (2016).

186. See *id.* at 410.

187. Pandit, *supra* note 76.

188. *Id.*

189. *Id.*

190. *MY PEOPLE: Good Black Art Benefit Auction 2022*, ARTSY, [https://artsy.net/auction/my-people-dot-good-black-art-benefit-auction-2022?sort=sale\\_position](https://artsy.net/auction/my-people-dot-good-black-art-benefit-auction-2022?sort=sale_position) [<https://perma.cc/4K4C-58MK>] [[https://web.archive.org/web/20231013235145/https://www.artsy.net/auction/my-people-dot-good-black-art-benefit-auction-2022?sort=sale\\_position](https://web.archive.org/web/20231013235145/https://www.artsy.net/auction/my-people-dot-good-black-art-benefit-auction-2022?sort=sale_position)] (last visited Nov. 5, 2023). Good Black Art provides a platform for the sale of work by emerging Black artists. The company was founded by Phillip Collins in 2021 with the goal of increasing accessibility for aspiring and established collectors. See *Vision*, GOOD BLACK ART, <https://goodblackart.com/pages/about> [<https://perma.cc/85LY-DBPZ>] [<https://web.archive.org/web/20231019211006/https://goodblackart.com/pages/about>] (last visited Nov. 5, 2023).

191. Emily Davenport, *New Exhibition in Manhattan Aims To Uplift Black Community and Artists*, AMNY (Sept. 12, 2022), <https://www.amny.com/entertainment/arts-entertainment/new-exhibition-manhattan-uplift-black-community-artists/> [<https://perma.cc/FA4L-EV9D>] [<https://web.archive.org/web/20231106042456/https://www.amny.com/entertainment/arts-entertainment/new-exhibition-manhattan-uplift-black-community-artists/>].

192. *MY PEOPLE: Good Black Art Benefit Auction 2022*, *supra* note 190.

193. *Id.*



The Fairchain model was also a key aspect of a February 2023 Artsy auction presented in honor of Black History Month.<sup>194</sup> Again featuring exclusively work by Black artists, the auction was framed to purchasers as an opportunity to invest in and support an equitable future for all artists.<sup>195</sup> In addition to the mandatory resale royalty provision, a portion of the proceeds from this sale was donated to 15 Percent Pledge, an organization committed to advancing opportunity and equity for Black-owned businesses.<sup>196</sup> In all, these examples illustrate the feasibility of implementing a legal right to resale royalties with modern mechanisms of the art market. Furthermore, the vision of Black artists and collectors exists at the center of each of these sales, reinforcing the intrinsic tie between Black art and consideration of resale royalties today. More specifically, the use of the Artsy platform in both of these auctions meant that bidding was available online.<sup>197</sup> This use of technology not only serves to increase accessibility in art collection, but it also addresses concerns of transparency and exposure in the marketplace by increasing the visibility of sales that celebrate Black art.<sup>198</sup>

Overall, the development of contractual resale royalty solutions emphasizes the reconceptualization of *droit de suite* provisions within the American art market toward an individualized approach. While resale royalties offer to serve as a redress for the history of inadequate recognition of the contributions of Black artists, the inequity that exists due to the lack of *droit de suite* legislation in the U.S. art market applies across the board.<sup>199</sup> Contractual solutions offer a vehicle to implement resale royalty rights on a large scale due to their emphasis on efficiency, accessibility, and reliability.

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194. *Artsy Impact Auction: Black History Month Focus, Presented with Fairchain*, ARTSY, [https://www.artsy.net/auction/artsy-impact-auction-black-history-month-focus-presented-with-fairchain?sort=sale\\_position](https://www.artsy.net/auction/artsy-impact-auction-black-history-month-focus-presented-with-fairchain?sort=sale_position) [https://perma.cc/2UJ5-CFT5] [https://web.archive.org/web/20231106043236/https://www.artsy.net/auction/artsy-impact-auction-black-history-month-focus-presented-with-fairchain?sort=sale\_position] (last visited Nov. 5, 2023).

195. Artsy Editorial, *Meet the 8 Artists of Artsy and Fairchain's Black History Month Impact Auction*, ARTSY (Feb. 14, 2023, 1:53 PM), <https://www.artsy.net/article/artsy-editorial-meet-8-artists-artsy-fairchains-black-history-month-impact-auction> [https://perma.cc/AZJ8-NMEF] [https://web.archive.org/web/20231014005046/https://www.artsy.net/article/artsy-editorial-meet-8-artists-artsy-fairchains-black-history-month-impact-auction].

196. *Id.*

197. *About*, ARTSY, <https://www.artsy.net/about> [https://perma.cc/EXJ5-GUVV] [https://web.archive.org/web/20231014170830/https://www.artsy.net/about] (last visited Nov. 5, 2023). Artsy is considered one of the largest online marketplaces for art. Through its website, as well as its mobile app, Artsy allows aspiring collectors to browse through a catalog of artwork consisting of work by artists around the globe. See Ben Popper, *Gallery View: How Artsy Finally Convinced Galleries To Sell Fine Art Online*, VERGE (July 18, 2017), <https://www.theverge.com/2017/7/18/15983712/artsy-fine-art-galleries-online-auction-sales> [https://perma.cc/U2VB-24D9] [https://web.archive.org/web/20231014171542/https://www.theverge.com/2017/7/18/15983712/artsy-fine-art-galleries-online-auction-sales].

198. *About*, *supra* note 198.

199. Schten, *supra* note 23, at 133.

### C. ADDRESSING THE INEQUITIES PERPETUATED BY AN ABSENCE OF *DROIT DE SUITE* LEGISLATION IN THE U.S. ART MARKET

#### 1. Establishing New Norms for U.S. Resale Royalties

The position of Black artists within this space is critical to the status of resale royalty rights in the U.S. art market today. A recurring critique of *droit de suite* legislation globally is that artists do not have the necessary bargaining power to demand resale royalties. The increased focus on the contributions by Black artists in the past five years has established a platform for substantive progress on the issue of resale royalties. Prior promises of change and increased equity in the art market have been superficial, as evidenced by data that illustrates that the work of Black American artists on the whole continues to be undervalued, comprising a small percentage of the global auction market.<sup>200</sup> The continued demonstration of commitment toward the promotion of Black artists by museums, auction houses, collectors, and galleries presents a valuable opportunity to hold these agents accountable. The demonstrated willingness of purchasers of Black art to consent to resale royalty terms is already evidence of this opportunity.

#### 2. Incorporating Diverse Perspectives of Players in the Art World

The reconceptualization of resale royalty rights in the U.S. market today addresses several pertinent critiques of *droit de suite* legislation. Specifically, the shift toward privatization has resulted in a strategy that balances the different interests of players across the art world. Auction houses, for example, previously objected to the potential harm that resale royalty provisions might create for art transactions, ultimately driving down the profits from the sale of work. The willingness of these same institutions to institute resale royalty provisions in sales contracts for work by Black artists reflects a step toward broader acceptance of resale royalty rights within the art world. The privatization of resale royalty rights has also catered to the concerns of art collectors by including strategies that mitigate apprehension around the perceived risks associated with resale royalty provisions. For example, Kadist, a non-profit contemporary art organization, introduced a tax benefit.<sup>201</sup> Additionally, an overall climate of social awareness around the ethical implications of collecting the work of contemporary and Black artists has further captured the interests of art collectors on the subject of resale royalties.

Gallery owners have also taken on a visible role within attempts to implement resale royalties. For example, Jack Shainman, a prominent New York art dealer, provides artists with a percentage of the resale value; therefore, he encourages buyers to resell work back through his gallery to ensure that artists receive this benefit by facilitating

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200. See Halperin & Burns, *supra* note 6.

201. del Pesco, *supra* note 174.

the purchase process.<sup>202</sup> Lastly, artists themselves are best served by the shift toward privatization in resale royalty rights. The modern focus on accessibility and efficiency in contractual resale royalty rights has resulted in a template that is accessible for artists of all backgrounds and success levels. Furthermore, these templates provide a guideline for resale royalty provisions, thus allowing the artist to maintain agency over the specific terms and specifications of a sale agreement.

### 3. Leveraging Advancements in Technology

A privatized approach to resale royalties effectively leverages modern advancements in technology to increase efficiency and ensure legal enforceability. Specifically, the use of blockchain technology has allowed provisions tied to the original sale of a piece to apply to future purchasers by generating new contracts, thereby securing the right to resale royalties for the artist in perpetuity. This solution mitigates previous inefficiencies in the process of collecting royalties for artists by eliminating the need for a third party or commission agency to facilitate the transmission of funds. Furthermore, the adaptation of technological solutions for art transactions with respect to resale royalties has addressed other risks associated with the purchase of art, such as authenticity, through measures that increase transparency and accessibility of provenance.

### 4. Increasing Equity in the U.S. Art Market for All Artists

Trends within the art market already demonstrate that only a subset of artists generate profits of a certain margin. While the normalization of resale royalties would not necessarily change this fact, it would provide relief to underrepresented artists who stand to benefit significantly from this right. On an individual basis, even a small amount of royalties for artists who would otherwise receive nothing is significant, particularly lesser-known artists.<sup>203</sup> In fact, the majority of American fine artists are estimated to earn only \$7,000 per year.<sup>204</sup> Thus, even a small royalty amount would facilitate the purchase of supplies or cover the cost of bills, thus allowing an artist to dedicate more time toward their craft.<sup>205</sup> The fact that resale royalties would likely generate the largest profits for artists whose work is already valued highly in primary sales does not negate the significance or overall efficacy of this right. With respect to Black artists specifically, allowing contemporary artists to collect royalties is a logical solution given the history of exclusion that delayed recognition and high valuation of Black art. Furthermore, for all artists, the dramatic appreciation of the value of artworks in the secondary market has resulted in an imbalance between actors in the art market and the artists. The redistributive capacity of resale royalties, as well as the

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202. Kinsella, *supra* note 153.

203. See Reddy, *supra* note 7, at 531.

204. *Id.*

205. *Id.*

timeliness of this step toward increased equity, illustrates the importance of this right to the continued success of the U.S. art market.

#### IV. CONCLUSION

Looking at the evolution of *droit de suite* from a global perspective, the trend toward including resale royalty provisions on a contractual basis suggests a major turning point for the recognition of this right within the United States. This trend follows the broader shift toward using contracts in art transactions within the American art market. However, the success of resale royalty models today is directly attributable to the bargaining power of Black artists because the demand for work by Black artists has transformed the U.S. art market. Given the large role that American artists play in the creation of innovative visual work and the United States' role as a leader in global art transactions, the recognition of royalty resale rights within the U.S. market is significant.

In sum, Black artists have challenged leaders in the art world to institute substantive measures to address systemic inequities in the context of a newfound social consciousness of racial injustice across industries in the United States. The recognition of resale royalty rights falls right within this goal given the disparity in the distribution of profits for the sale of work in the secondary market. Contractual measures that secure a legal right to resale royalties are a multi-faceted solution that addresses this inequity, remedies the historical exclusion of Black artists, and enhances equity in the U.S. art market for all visual artists.







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