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The Third Circuit Goes Bananas

August 14, 2019
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In *Silvertop Associates, Inc. v. Kangaroo Manufacturing, Inc.*, the Third Circuit applied the two-part test set forth in the Supreme Court's decision in *Star Athletica, L.L.C. v. Varsity Brands, Inc.*, and held that a full-body banana costume qualified for copyright protection.

The dispute arose from a business relationship gone bad. Plaintiff Silvertop Associates, Inc., doing business as Rasta Imposta (Rasta), designs, manufactures and sells costumes for adults and children. In 2010, Rasta obtained a copyright registration for its full-body banana costume, and began selling it in 2011. In 2012, Rasta entered into a business relationship with Yagoozon, Inc. (Yagoozon), which had a sister company called Kangaroo Manufacturing, Inc. (Kangaroo). After the business relationship between Rasta and Yagoozon ended, in around September 2017, Rasta discovered Kangaroo selling full-body banana costumes that resembled Rasta's full body banana costumes without a license.

Rasta sued Kangaroo for copyright infringement, trade dress infringement, and unfair competition. After settlement discussions were unsuccessful, Rasta moved for a preliminary injunction and Kangaroo moved to dismiss. The District Court granted the motion for a preliminary injunction, but dismissed the unfair competition count. Kangaroo appealed and argued that Rasta did not hold a valid

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copyright in its banana costume. The Third Circuit disagreed and affirmed.

At the outset, the Third Circuit explained that while copyright law extends to "original works of authorship fixed in any tangible medium of expression," a special rule applies to copyright protection of "useful article[s], i.e., those which have an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information." The Court counseled that useful articles that "incorporate[] pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article" may be eligible for protection of those features alone. To determine whether a useful article contains copyrightable features, the Court relied on the "separability" test set forth in *Star Athletica, i.e.*, (1) can the artistic feature of the useful article's design "be perceived as a two- or three-dimensional work of art separate from the useful article[?]" and (2) would the feature "qualify as a protectable pictorial, graphic, or sculptural work either on its own or in some other medium if imagined separately from the useful article[?]"

The Court of Appeals noted that while the first requirement "is not onerous," the second one is more "difficult to satisfy" and "requires that the separately identified feature has the capacity to exist apart from the utilitarian aspects of the article." The Court also explained that it does not analyze "each feature in isolation," but rather a "specific combination of elements," including "texture, color, size, and shape." For example, the Court noted, the Supreme Court in *Star Athletica* analyzed "the uniform designs' arrangement of colors, shapes, stripes, and chevrons together, not individually" and found a "cheerleading uniform's utilitarian 'shape, cut, and dimensions' are not copyrightable." However, the Supreme Court held that "the two-dimensional design patterns" that appear on

cheerleader uniforms may be eligible for copyright protection.

Based on those legal principles, the Third Circuit concluded that Rasta's banana costume is a "useful article," and that the costume met the requirements for copyrightability. The Court reasoned that "[t]he artistic features of the costume, in combination, prove both separable and capable of independent existence as a copyrightable work: a sculpture. Those sculptural features include the banana's combination of colors, lines, shape, and length." Conversely, the Court held that "[t]he cutout holes for the wearer's arms, legs, and face; the holes' dimensions; or the holes' locations on the costume" – like the "shape, cut, and dimensions" of the cheerleader uniforms in *Star Athletica* – are not protectable "because those features are utilitarian." The Court held "that sculpted banana, once split from the costume, is not intrinsically utilitarian and does not merely replicate the costume, so it may be copyrighted....the separately imagined banana—the sum of its non-utilitarian parts—is copyrightable."

The Court of Appeals rejected Kangaroo's approach of looking at each element independently (what the court called "divide-and-conquer"). The Court further rejected Kangaroo's argument that the costume is unoriginal because it looks like a natural banana. The Court explained that essential question is "whether the depiction of the natural object has a minimal level of creativity," and concluded "Rasta's banana meets those requirements."

The Circuit Court also rejected Kangaroo's reliance on the merger and *scenes á faire* doctrines. The Court explained that the merger doctrine is a "rare occurrence" to prevent monopolization and does not apply here. The Court explained that "copyrighting Rasta's banana costume would not effectively monopolize the underlying idea because there are many other ways to make a costume resemble a banana," for instance with different "shapes,

curvature, tips, tip's color, overall color, length, width, lining, texture, and material."

Likewise, the *scenes á faire* doctrine was a non-starter to the Third Circuit. The Court explained that the *scenes á faire* doctrine merely covers "those elements of a work that necessarily result[] from external factors inherent in the subject matter of the work," and like the merger doctrine, it seeks to stop monopolization of an idea. On the contrary, here, Kangaroo failed to point to any specific feature that necessarily results from the costume's subject matter (a banana) and, thus, the *scenes á faire* doctrine did not apply.

The Third Circuit opinion is an instructive and careful application of *Star Athletica*. The devil in the details is how to determine whether a similar "work" is infringing – something avoided when the alleged infringing work is virtually identical to the copyrighted work.
