

Fashion Upcycling—Permissible Creativity or Trademark Infringement?

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Upcycling, the act of repurposing or embellishing an article of apparel or an accessory that already bears a trademark, is a popular and growing fashion trend. It allows consumers to express their own style and, by reusing existing materials, can have environmental and sustainability benefits. Upcycling has received significant attention when a famous brand is embellished or repurposed and sold at a price point which is significantly higher than the original branded product. Many “upcyclers” defend their practices on the basis that they are creating “one of a kind” works of art which are protected by the First Amendment or as a fair use of the branded product. However, many brand owners disagree and claim such upcycled products infringe their trademark rights or constitute counterfeiting. This article explains what upcycling is and discusses trademark issues related to the practice.

Upcycling

Fashion upcycling is the act of “recycling (something) in such a way that the resulting project is of a higher value than the original.” Upcycling in the fashion industry refers to garments or accessories created by reusing and repurposing existing fabrics or materials, such



Credit: asauriet/Adobe Stock

as old clothing or buttons. Often, the value of the repurposed materials is enhanced because the upcycled product is meant to be one of a kind or unique. Upcycling can take different forms. One example is when the original product is taken apart and used to create a new products such as using buttons or handbag material to create earrings or other new products that bear the trademark of the original product. Another example is taking the original product and adding to it (e.g., painting new designs on a sneaker).

The Benefits of Upcycling

The idea of upcycling was in response to the increased waste from the fashion industry and the global pressure to reduce the carbon foot-

print and increase sustainability. In terms of reducing fashion waste, upcycling takes materials that would normally go in the garbage and incorporates them into new pieces. Being able to reuse existing materials reduces the demand for new raw materials, which in effect will also reduce the associated greenhouse gas emissions that come from the extraction, transportation and processing of the raw materials.

In addition to the environmental benefits, upcycling has community benefits that are worth noting. Upcycling allows designers who value individuality and personal expression to establish a creative outlet where they can incorporate such values into their fashion designs. Upcycling is frequently used in local communities and small businesses, allowing local artisans and craftspeople to share their creative skills and become acknowledged in the industry.

Trademark Law

A trademark is any word, name, symbol, device or any combination of them which identify and distinguish products and services. It indicates the source or origin of a product of service and represents the goodwill associated with the word or symbol in respect of the owner's products or services. To prevail on a claim of trademark infringement, a plaintiff must establish that: it has a valid trademark entitled to protection; that the defendant used the same or similar mark in commerce in connection with its sale or advertising of goods or services; and defendant's use of its mark is likely to cause confusion as to source, affiliation, connection, sponsorship or association of defendant with plaintiff. Likelihood of confusion exists if the marks used by two unrelated entities are so similar that consumers are likely to believe the goods and services upon which the marks are used have a single source. The trademark office and courts consider a number of factors in determining whether there is a likelihood of confusion. These factors include the following:

- The strength of the senior mark.
- Similarity of the marks.
- Similarity of the good and services.
- The marketing channels for the goods and services.
- Whether the goods are substitutes of for one another.
- The intent of the junior party.
- Instances of actual confusion.
- Any other relevant factors.

The analysis of whether there is a likelihood of confusion involves a degree of subjectivity. Therefore, the courts faced with the same or similar fact patterns may reach different conclusions. The subjective nature of the analysis often makes it difficult to predict an outcome of a dispute. This is especially true in connection with claims that an upcycled product infringes the brand owner's trademark where the upcycler takes steps to clearly advise the consumer that its products are not associated, affiliated or sponsored by the original brand owner.

Conflict Between Trademark Law and Upcycling?

Upcycling has stirred up legal concerns in the fashion industry concerning the materials used to create the upcycled products and whether the use of such materials infringes the trademarks owned by the brand owner. Recently, there have been several instances where luxury brands have taken legal action alleging that the use of its trademark on an upcycled product constitutes trademark infringement. While many courts have addressed this issued, they have yet to create clear guidelines to determine the differences between an infringing and noninfringing use of another's party's trademark on or in connection with an upcycled product.

For example, in 2021, Chanel sued a small company named Shiver + Duke, which is in the business of selling upcycled jewelry. The company took authentic Chanel buttons and

produced jewelry pieces. Shiver + Duke did not receive Chanel's consent to use their trademark, nor did they receive verification authenticated by Chanel. Chanel claimed that producing and selling jewelry of this design could confuse customers into believing the jewelry was created or authorized by Chanel. The case settled and the details of the settlement are confidential.

However, Shiver + Duke have now incorporated a disclaimer on its website that states, "In no way is Shiver + Duke affiliated with Chanel, Louis Vuitton, Dior or Gucci. S+D creates unique designs using authentic buttons and bags to preserve their beauty while reducing waste and its impact on the planet. The names of the above companies are registered trademarks of their respective owners."

In a similar case, Louis Vuitton brought a suit against Sandra Ling Designs, Inc., alleging that the defendants engaged in trademark infringement when they took original Louis Vuitton products and made material alterations to the original pieces. Louis Vuitton argued that the material alterations of the products decreased the value and originality of the brand's name. The court issued a judgment against Sandra Ling Designs that consisted of a \$603,000 fine and a permanent injunction against her use of the Louis Vuitton trademark. With the abundance of upcycling brands entering the fashion industry combined with the lack of legal clarity on what types of upcycling activities constitute trademark infringement, it is difficult for brands to determine which upcyclers to peruse and which to leave alone.

One issue to consider is whether the use of the brand owner's mark is protected under the first sale doctrine. The first sale doctrine allows for the resale of trademarked products after the

trademark holder has put them on the market. The doctrine states that a producer's right to control the distribution of their product ends after the first authorized sale. This means that the trademark rights are exhausted for a given item after the first sale.

The first sale doctrine is an affirmative defense to trademark infringement. It balances the policies of protecting goodwill, preventing confusion, and preserving an area for competition. For example, if a reseller materially alters a product, it can damage the trademark owner's goodwill and business reputation, which is considered an infringement of the owner's trademark rights. However, the first sale doctrine also applies when a trademarked product is incorporated into a new end product. In this case, the doctrine may apply if the seller adequately discloses how the trademark product was used or modified in the new product.

With the consumer market becoming increasingly environmentally conscious, the role of intellectual property law needs to find a happy medium to support sustainability while also giving luxury brands the value they deserve. In protecting luxury brands, it is their responsibility to monitor different platforms to discover the different recyclers in the industry and whether they are misusing their trademarks. Usually, brands contact the local company to discuss removing their trademarked designs. Larger companies like Chanel or Louis Vuitton may seek court involvement if this communication is unsuccessful. Hopefully, the case law related to upcycling and trademark infringement will develop overtime so as to create clearer guidelines.

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