

17-123456

UNITED STATES COURT OF APPEALS
for the
SECOND CIRCUIT

FIDGETS & WIDGETS ARE US, INC.

Appellee/Cross-Appellant

-against-

ANNOYEUR.

Appellant/Cross-Appellee

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

BENCH MEMORANDUM OF ALL PARTIES
NYIPLA MOOT COURT JULY 18, 2017

Robert J. Rando, Esq.
THE RANDO LAW FIRM P.C.
626 RXR Plaza
Uniondale, NY 11556
(516) 799-9800 (o)
(516) 799-9820 (f)
Moot Court Organizer
(other counsel listed at end)

TABLE OF CONTENTS

	Page
I. BACKGROUND	1
A. Questions Presented	1
B. Parties.....	1
C. Procedural Background and Jurisdiction	2
D. Factual Background	3
E. Legal Standard	5
II. ARGUMENT BY APPELLEE/CROSS-APPELLANT FIDGETS & WIDGETS ARE US, INC.....	7
A. New York District Court Properly Exercised Personal Jurisdiction Over Annoyeur	7
1. Jurisdiction is Proper Under New York’s Long-Arm Statute Using the “Zippo Test”	7
a. The Long-Arm statute is satisfied because Annoyeur transacts business in New York.	8
b. Annoyeur’s lack of a physical presence in New York does not preclude the District Court’s exercise of personal jurisdiction.....	9
2. Jurisdiction is Proper Under the Due Process Requirements of the 14th Amendment Using the Calder “Effects Test.”	10
a. Annoyeur’s acts were aimed at New York.	11
b. Annoyeur knew the injury caused would be felt in New York.....	11
B. Both FSR’s 2-D And 3-D Designs Are Entitled To Copyright Protection Under The Copyright Act As PGS	13
1. A Fully Integrated Fidget Spinner’s Utilitarian Function Does Not Preclude its Non-functional and Non-mechanical 3-D Designs From Copyright Protection	13

2.	FSR’s 3-D Designs are Separable from their Utilitarian Function Under Star Athletica.....	14
3.	FSR’s 2-D Designs are Subject to Copyright Protection as PGS.....	16
4.	Annoyeur’s 2-D Designs are Substantially Similar to FSR’s 2-D Designs	18
III.	ARGUMENT BY APPELLANT/CROSS-APPELLEE ANNOYEUR	20
A.	New York District Court Did Not Have Personal Jurisdiction Over Annoyeur	20
1.	The Elements for Jurisdiction are not met Under New York’s Long-Arm Statute Using the “Zippo Test.”	20
a.	Annoyeur did not make any sales or otherwise purposefully avail itself to jurisdiction in New York.	21
b.	Annoyeur’s single financial advisor in New York does not give rise to personal jurisdiction.....	22
2.	The Lower Court Erred by Exercising Jurisdiction Over Annoyeur Because Annoyeur Does Not Have Sufficient ‘Minimum Contacts’ with New York Under the Calder Effects Test.....	23
a.	Annoyeur’s actions did not create a connection to this forum under the Calder effects test.	24
b.	Annoyeur’s in-forum advertising does not connect the allegedly injurious actions to the forum nor does FSR’s claim arise from, or relate to, the in-forum advertising.	25
c.	Jurisdiction is inappropriate under Calder because Annoyeur’s allegedly tortious actions were not “expressly aimed” at New York.....	26
B.	FSR’s 2-D And 3-D Designs Are Not Entitled To Copyright Protection Under The Copyright Act As PGS	27
1.	The “Hub-and-Spoke” Design Comprises Functional Elements of Useful Articles	27
2.	The Claimed 3-D Design is Inseparable From Function	28

3.	The 2-D “Shield” Design is not Entitled to Copyright Protection.....	31
4.	Even if the “Shield” Design is Copyrightable, Annoyeur Has Not Infringed it.	32

I. BACKGROUND

A. Questions Presented

1. Did the District Court in New York have personal jurisdiction over Annoyeur under the New York long-arm statute (N.Y. C.P.L.R. § 302(a)) using the Zippo Sliding Scale Test?
2. Was personal jurisdiction over Annoyeur proper under the due process requirements of the 14th Amendment using the Calder “Effects Test”?
3. Are FSR’s 2-D and 3-D designs entitled to copyright protection as “pictorial, graphic, and sculptural works” under 17 U.S.C. § 102(a)(5)?

B. Parties

Fidgets & Widgets Are Us, Inc., (“FSR”) is a New York corporation that develops and manufactures “fidget spinners,”¹ as a stress-relief toy that assists children who have difficulty focusing. The toy was first invented in the 1990s, but just became popular in early 2017. FSR’s fidget spinners come in different colors and patterns and are made of a variety of materials.² Its three-blade design is most popular, but FSR also makes and sells models with more than three blades.

¹ A fidget spinner is a series of ball bearings. At the center and “blade” of each fidget spinner sits a bearing race. A bearing race is a circular path or channel around which a tiny, weighted ball rolls at a very low friction ratio. The ball bearings on the outer portion of each fidget blade are mainly for weight. The outside shell color and/or texture are primarily for aesthetic purposes. From an optics perspective though, many fidget spinners combine a color scheme and blade design so that when a fidget spinner is spun at a high RPM and viewed from above, images of specific flowers and other items appear.

² See Appendix 1.

Annoyeur is a Texas company with its principal place of business in California and a parent company based in France. Following the success of FSR’s fidget spinners, on April 1, 2017, Annoyeur launched the “twisty turny,” a three-blade, hub-and-spoke plastic toy similar to FSR’s fidget spinners. Annoyeur does not dispute that the three-dimensional hub-and-spoke design of its “twisty turny” is identical to that of FSR’s fidget spinners. But while the “twisty turny” also resembles a tri-color shield, once spun, it has a different design.³

C. Procedural Background and Jurisdiction

FSR sued Annoyeur in the Southern District of New York for copyright infringement. With its complaint, FSR filed a motion for preliminary injunction, requesting that the court enjoin Annoyeur from infringing its two-dimensional (“2-D”) and three-dimensional (“3-D”) designs. In response, Annoyeur moved to dismiss the complaint, arguing that the New York courts did not have jurisdiction over it. Annoyeur further argued that fidget spinners are “useful articles” under 17 U.S.C. § 101 and are not subject to copyright protection. According to Annoyeur, “the design of a useful article” is protected by the copyright laws only if the “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.” Annoyeur argued that allowing copyright protection of “useful articles” reduces competition and stifles innovation, contrary to the public’s interest. Moreover, Annoyeur argued that the shield of its accused product was not substantially similar to that of FSR’s fidget spinners.

³ See Appendix 2.

In reply, FSR argued that both its 2-D graphic designs and 3-D designs are properly copyrighted. Specifically, it argued that if its 2-D or 3-D designs had “originally been fixed in some tangible medium other than a useful article before being applied to a useful article,” they would have been eligible for copyright protection. FSR emphasizes that the number of blades on its fidget spinners does not affect the function of the spinners — though FSR conceded that the toy must include at least three blades to function as intended.

The District Court found that all of FSR’s designs — both 2-D and 3-D — were eligible for copyright protection as pictorial, graphic, or sculptural works (“PGS”) under 17 U.S.C. § 102(a)(5), as interpreted by the Supreme Court in *Star Athletica v. Varsity Brands*. Accordingly, the District Court granted FSR’s motion for preliminary injunction, finding that Annoyeur’s website rose to the level of transacting business in New York as it was highly interactive, and that Annoyeur infringed FSR’s copyright in the design of the physical structure of FSR’s fidget spinners. But the District Court also found that there was not substantial similarity between the two shield designs. Accordingly, the District Court granted FSR’s motion for preliminary injunction and FSR cross-appealed the determination that the copyright in its shield design had not been infringed. Annoyeur appealed the District Court’s decisions.

D. Factual Background

FSR’s fidget spinners were born from a collaboration between its co-founders, Andrea Warhol and Brooke Smith. The idea began when Andrea, an amateur artist, was sketching ideas for a new, abstract art piece. Andrea thought the sketch might be her big break into the professional art scene and showed the sketch to her best friend, Brooke Smith, to get her

thoughts. Brooke loved the visual appeal of the design, but also noticed that the design's hub-and-spoke outline could be converted to a three-dimensional structure that her son, recently diagnosed with ADHD, could use while doing homework to stay focused. Andrea thought Brooke's idea was great, and the two worked together to create the fidget spinner and form FSR.

Since its launch, FSR's fidget spinners have achieved immense popularity and can now be purchased in a wide array of retail outlets, including but not limited to, toy stores (e.g., Toys 'R Us), independent dollar stores, and Amazon.com. FSR has 15 different copyright registrations for its fidget spinner designs, covering the 2-D graphic designs of stripes, swirls, and colorful shapes, which appear on the surface of the toys that they make; the flower, swirl, and star-shaped optical illusions that appear when viewing a fidget spinner in motion from above; and the 3-D designs of the three-, five-, and six-blade structures. One particular design involves a series of stripes on each blade such that, when spun, the device resembles a tri-color shield.

Annoyeur sells its "twisty turny" toy on its personal website. It displays its toll-free number on its website for consumer inquiries and both websites offer shipping of products to the United States, Canada, and across the European Union. Annoyeur would have shipped its toys to New York had an order from New York through either its own website or Amazon been received, but it has never done so because, as of April 1, 2017, when it launched its product, Annoyeur has only received orders from within the European Union. Annoyeur has no employees or offices in New York. Annoyeur has advertised its products in a number of local papers in the United States, including several papers that are distributed to New York residents,

as well as other residents of the Tri-State area. Annoyeur works exclusively with a financial adviser in New York City, which manages a substantial portion of its company revenue.

E. Legal Standard

In determining whether New York courts have jurisdiction over a non-domiciliary defendant, the Court must conduct a two-part inquiry: “First, it must determine whether jurisdiction is proper under the state’s long-arm statute; and second, it must assess whether the court's assertion of jurisdiction under these laws comports with the requirements of due process.” *Metro. Life Ins. Co. v. Robertson-Ceco Corp.*, 84 F.3d 560, 567 (2d Cir. 1996). The New York long-arm statute, N.Y. C.P.L.R. § 302(a) provides that “a court may exercise personal jurisdiction over any non-domiciliary . . . who in person or through an agent: transacts any business within the state or contracts anywhere to supply goods or services within the state”

Federal courts have applied a sliding scale when considering whether a defendant’s use of a website subjects it to personal jurisdiction under CPLR 302(a)(1). The Second Circuit has endorsed this approach. *See Best Van Lines, Inc. v. Walker*, 490 F.3d 239, 251 (2d Cir. 2007) (citing *Zippo Mfg. Co. v. Zippo Dot Com, Inc.*, 952 F. Supp. 1119, 1124 (W.D. Pa. 1997)). To meet the due process requirements of the Constitution: (1) the defendant must have minimum contacts with the forum and the claim must have arisen from those contacts; and (2) jurisdiction must be reasonable and in line with notions of fair-play and justice.

Copyright protection is available to original works, so long as they are fixed in a tangible medium and possess a minimal degree of creativity. *See* 17 U.S.C. § 102(a); *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345 (1991). Section 102(a) sets forth

categories of copyrightable subject matter, including original “pictorial, graphic, and sculptural works” (“PGS”), 17 U.S.C. § 102(a)(5). Designs of “useful article[s]” fall within this category and are eligible for copyright protection if the 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.” 17 U.S.C. § 101.

Any copying of a copyrighted work constitutes infringement if the copyright holder can prove: (1) ownership of a valid copyright and (2) copying constituent elements of the work that are original. *Feist*, 499 U.S. at 361. In most cases, the test for substantial similarity is the “ordinary observer” test, which asks whether the average person would recognize the alleged copy as having been appropriated from the copyrighted work. *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d at 996 (2d Cir. 1995).

In determining whether a design feature is copyrightable, the Supreme Court held that “an artistic feature of the design of a useful article is eligible for copyright protection if the feature (1) can be perceived as a two- or three-dimensional work of art separate from the useful article and (2) would 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.” *Star Athletica, L.L.C. v. Varsity Brands, Inc.*, 137 S. Ct. at 1016 (2017). The focus on the separability inquiry is on the extracted design feature and not on any aspects of the useful article remaining after the imaginary separation. *Id.* at 1013. An artistic feature that would be eligible for copyright protection on its own cannot lose that protection simply because it was first created as a feature of the design of a useful article, even if it makes that article more useful. *Id.* at 1014.

Accordingly, various stripes, chevrons, and colorful designs on the surface of respondent's cheerleading uniforms were eligible for copyright protection as separable, two-dimensional original art. *Id.* at 1016.

**II. ARGUMENT BY APPELLEE/CROSS-APPELLANT
FIDGETS & WIDGETS ARE US, INC.**

**A. New York District Court Properly Exercised
Personal Jurisdiction Over Annoyeur**

**1. Jurisdiction is Proper Under New York's
Long-Arm Statute Using the "Zippo Test"**

The Southern District of New York may exercise personal jurisdiction over Defendant Annoyeur under New York's long-arm statute, N.Y. C.P.L.R. § 302(a). The Second Circuit applies the *Zippo* "sliding scale" test to analyze personal jurisdiction based on a defendant's internet activities under an analysis of New York's long-arm statute. *See Zippo Manufacturing Company v. Zippo Dot Com, Inc.*, 952 F. Supp. 1119, 1124 (W.D. Pa. 1997); *Best Van Lines, Inc. v. Walker*, 490 F.3d at 251. Under *Zippo*, "active" websites that allow users to "enter[] into contracts with residents of a foreign jurisdiction" and "involve the knowing and repeated transmission of computer files over the Internet" may confer personal jurisdiction. *Best Van Lines*, 490 F.3d at 251. "A passive Web site that does little more than make information available to those who are interested in it is not grounds for the exercise [of] personal jurisdiction." *Id.* "The middle ground is occupied by interactive Web sites where a user can exchange information with the host computer. In these cases, the exercise of jurisdiction is determined by examining the level of interactivity and commercial nature of the exchange of information that occurs on the Web site." *Id.* Annoyeur maintains an "active" website through which New York customers can view, inquire about, and pay for Annoyeur's products.

a. **The Long-Arm statute is satisfied because Annoyeur transacts business in New York.**

“Specific jurisdiction . . . rests on the premise that ‘the commission of some single or occasional acts of the corporate agent in a state may sometimes be enough to subject the corporation to jurisdiction in that State’s tribunals with respect to suits relating to that in-state activity.’” *DH Servs., LLC v. Positive Impact*, No. 12 Civ. 6153 (RA), 2014 U.S. Dist. LEXIS 14753, at *7-*8 (S.D.N.Y. Feb. 5, 2014). New York’s long-arm statute provides that:

[a]s to a cause of action *arising from* any of the acts enumerated in this section, a court may exercise personal jurisdiction over any non-domiciliary [who] . . . 1. *transacts any business* within the state or contracts anywhere to supply goods or services in the state

N.Y. C.P.L.R. § 302(a) (emphasis added).

Specific jurisdiction exists here for at least three reasons. *First*, as explained above, Annoyeur maintains an “active” website through which customers in New York can view, inquire about, and input credit card information to pay for Annoyeur’s products. *See Hsin Ten Enter. United States, Inc. v. Clark Enters.*, 138 F. Supp. 2d 449, 456 (S.D.N.Y. 2000) (finding specific personal jurisdiction where defendants’ websites allowed potential customers to view products, download order forms, and pose questions to online representatives). *Second*, Annoyeur works exclusively with a financial adviser in New York that manages a substantial portion of its revenue. *Third*, Annoyeur advertises its product in local New York papers. Thus, the District Court properly exercised specific personal jurisdiction over Annoyeur under N.Y. C.P.L.R. § 302(a).

b. Annoyeur’s lack of a physical presence in New York does not preclude the District Court’s exercise of personal jurisdiction.

A defendant does not “need to be physically present in New York to transact business there within the meaning of the first clause of section 302(a)(1) . . . as long as he engages in ‘[p]urposeful activities’ or ‘volitional acts’ through which he ‘avails [him]self of the privilege of conducting activities within the . . . State, thus invoking the benefits and protections of its laws.” *Chloe*, 616 F.3d at 169-70 (quoting *Fischbarg v. Doucet*, 880 N.E.2d 22, 26 (N.Y. 2007)). Indeed, New York courts have recognized that “the growth of national markets for commercial trades, as well as technological advances in communication, enable a party to transact enormous volumes of business within a state without physically entering it.” *Deutsche Bank Sec., Inc. v. Montana Bd. of Invs.*, 850 N.E.2d 1140, 1142-32 (citing *Kreutter v. McFadden Oil. Corp.*, 522 N.E.2d 40 (N.Y. 1988)).

In *Chloe v. Queen Bee of Beverly Hills, LLC*, the Second Circuit held that defendants’ maintenance of a highly interactive website similar to Annoyeur’s website was sufficient to confer personal jurisdiction even though the *Chloe* defendants did not maintain a physical business presence in New York. 616 F.3d 158. In *Chloe*, as here, defendants’ website allowed potential customers to view, purchase, and inquire about the allegedly infringing product. *Id.* at 162. And like Annoyeur, the defendants in *Chloe* also had the capacity to ship their allegedly infringing product anywhere in the United States. *Id.*

The Second Circuit in *Chloe* affirmed the district court’s exercise of personal jurisdiction even though defendants consummated only one sale in New York. *Id.* at 170-71, 173. Significantly, that one sale was “manufactured” by Chloe — an administrative assistant

working for Chloe’s law firm purchased the alleged infringing product from defendants at the direction of an attorney. *Id.* Chloe confirms that the quantity of sales in New York is not dispositive when a defendant such as Annoyeur “operate[s] a highly interactive website offering [the allegedly infringing product] for sale to New York consumers” and has other New York contacts showing that defendant purposefully availed itself “of the benefits of transacting business in New York.” *Id.* at 170-71.

2. Jurisdiction is Proper Under the Due Process Requirements of the 14th Amendment Using the *Calder* “Effects Test.”

In order for a court to exercise personal jurisdiction over a party, the party must have certain “minimum contacts” with the state in which the court sits. *Int’l Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945). When evaluating a party’s contacts with a state in which the party does not have a physical presence, the Court should apply the “Effects Test” laid out in *Calder v. Jones*. 465 U.S. 783, 789-90 (1984). In *Calder*, the Court found that personal jurisdiction was appropriate where (1) the defendant had committed an “intentional, allegedly tortious, action[]” that was “expressly aimed at [the forum state,]”; and (2) the defendant “knew that the brunt of the injury would be felt by [the plaintiff] in [the forum state].” *Id.* at 789-90. Courts have applied the “effects test” to parties whose presence in the forum state is felt exclusively over the internet. *See, e.g., ALS Scan, Inc. v. Digital Serv. Consultants, Inc.*, 293 F.3d 707 (4th Cir. 2002); *DOE v. Ciolli*, 611 F. Supp. 2d 216 (D. Conn. 2009). Here, the District Court’s finding of personal jurisdiction was proper because Annoyeur’s actions satisfy the requirements of the Effects Test.

a. Annoyeur’s acts were aimed at New York.

The first prong of the test is met because Annoyeur purchased advertisements for its infringing product in several local newspapers distributed to residents of New York State. This demonstrates that Annoyeur’s intentional act was aimed at the state of New York. *Compare Dakota Indus., Inc. v. Dakota Sportswear, Inc.*, 946 F.2d 1384, 1391 (8th Cir. 1991) (in the context of trademark infringement, the court found that “[t]he fact that some of the ‘passing off’ occurred in [the forum state], along with the fact that [plaintiff’s] principal place of business is in [the forum state], demonstrates that [defendant’s] actions were uniquely aimed at the forum state”), *with Lopez v. Shopify, Inc.*, 16 Civ. 9761 (VEC) (AJP), 2017 U.S. Dist. LEXIS 77708, at *19 (S.D.N.Y. May 23, 2017) (finding no jurisdiction where the defendant advertised in the forum but the advertisements had no relation to the claim at hand).

b. Annoyeur knew the injury caused would be felt in New York.

As to the second prong of the Effects Test, Annoyeur knew or should have known that Fidgets & Widgets is located in New York because of the popularity of Fidgets & Widgets’ product and its prominent position in the market for fidget spinners. Therefore, Annoyeur understood that the harm from its infringing activities would be felt in New York. *See McGraw–Hill Cos., Inc. v. Ingenium Techs. Corp.*, 375 F. Supp. 2d 252, 256 (S.D.N.Y. 2005) (“The torts of copyright and trademark infringement cause injury in the state where the allegedly infringed intellectual property is held.”); *Design Tex Group, Inc. v. U.S. Vinyl Mfg. Corp.*, No. 04 Civ. 5002, 2005 U.S. Dist. LEXIS 2143, at *4 (S.D.N.Y. Feb. 14, 2005) (“[B]ecause the plaintiffs (and their intellectual property) are based in New York, the injury is felt within the state no matter where the infringement takes place.”). This case mirrors the facts in a defamation lawsuit

wherein the district court exercised personal jurisdiction over an individual from Texas whose defamatory statements were posted on the internet and could be viewed virtually anywhere. *DOE*, 611 F. Supp. 2d at 217, 223-24. In that case, the court found that jurisdiction was appropriate because the defendant knew that the victims resided in Connecticut, and the harm to the victims' reputations would be felt in Connecticut. *Id.* at 223-24. Similarly, Annoyeur's infringing products can be viewed and purchased online by customers located anywhere, but the harm from the infringement is felt where the copyright holder is located, i.e. New York state.

Annoyeur argues that the harm requirement is not met because it has not actually sold any infringing products in New York. However, this position requires a formulaic, impractical view of the precedent. In *Chloe*, the Second Circuit found that a single online sale to a New York-based representative of the plaintiff, combined with other business activity in New York, was enough to satisfy the requirements of personal jurisdiction. 616 F.3d at 165-67. The main difference between the facts of this case and the those of *Chloe* are that in *Chloe* the *plaintiff* took the step of purchasing an item in New York. *Id.* at 162. Besides that single purchase, the actions of the defendant in *Chloe* closely mirror the actions of Annoyeur in this case. The outcome here should be the same as the outcome in *Chloe* because the actions of a *plaintiff* should not affect analysis of a *defendant's* contacts to a state.

The other facts of *Chloe* closely align with the present case. Annoyeur's other connections to New York, namely its advertisement activities and the company's *exclusive* work with a New York-based financial manager to manage a substantial portion of the company's revenue, are analogous to the other in-forum business activities by the defendant in *Chloe*. *Id.* at

167. In sum, the actions of the defendant in *Chloe* and the Annoyeur here both targeted sales through their infringing products in the forum and thus still satisfy the harm requirement.

B. Both FSR's 2-D And 3-D Designs Are Entitled To Copyright Protection Under The Copyright Act As PGS

1. A Fully Integrated Fidget Spinner's Utilitarian Function Does Not Preclude its Non-functional and Non-mechanical 3-D Designs From Copyright Protection

FSR agrees that its fully integrated fidget spinners are “useful articles.” *See* 17 U.S.C. § 101. Indeed, adaptation of its original 3-D design into the fidget spinner was motivated by a utilitarian concern: creating a toy to help children with ADHD focus. But the fully-integrated fidget spinner’s utilitarian function does not preclude copyright protection for its 3-D designs because this Circuit’s “useful article” analysis for toys focuses on whether the elements of a toy, as opposed to the toy itself, have utilitarian aspects. *See Lego A/S v. Best-Lock Constr. Toys, Inc.*, 874 F. Supp. 2d 75, 99 (D. Conn. 2012).

The Second Circuit identifies utilitarian aspects of toys as those that are functional, focusing on mechanical capabilities. *See Durham Indus., Inc. v. Tomy Corp.*, 630 F.2d 905, 915 (2d Cir. 1980). These mechanical capabilities often “involve movement or attachment.” *Lego*, 874 F. Supp. 2d at 98. For example, this Court has classified wind-up mechanisms, levers and buttons, and a steering wheel and its moving path as “mechanical, utilitarian aspects” and, therefore, “purely functional.” *Durham Indus.*, 630 F.2d at 909 n.3, 915.

District courts in the Second Circuit have reached similar conclusions. *See CJ Prods. LLC v. Snuggly Plushez LLC*, 809 F. Supp. 2d 127, 143 (E.D.N.Y. 2011) (“Velcro straps that effect the toy’s transformation from pillow to sculpture” were purely functional); *Great Am.*

Fun Corp. v. Hosung N.Y. Trading, Inc., 960 F. Supp. 815, 819 (S.D.N.Y. 1997) (“weighting, flexibility and extended length of the marionettes’ legs and feet” that enabled puppets to “walk,” and “positioning of strings enabling the puppeteer to control the walk” were “driven by wholly functional aims”). By contrast, a cylindrical, head-shaped design, which moved only once attached to a Lego figure, was sculptural and not “functional.” *Lego*, 874 F. Supp. 2d at 100.

Explained further below, certain fidget spinner elements are functional, but their various 3-D, hub-and-spoke designs are not. Notably, the 3-D designs, themselves, have no mechanical aspects or movement capabilities. Rather, the 3-D designs function mechanically only when integrated with a series of ball bearings. The 3-D fidget spinner designs are like the cylindrical head in *Lego* because they move only once attached to the ball bearings and do not function independently. The ability to swap one 3-D design for another — for example, three blades, as opposed to five or six — without affecting the integrated fidget spinner’s utilitarian function further shows that the *designs* are not functional.

2. FSR’s 3-D Designs are Separable from their Utilitarian Function Under *Star Athletica*

FSR’s 3-D designs satisfy both the separate-identification and independent-existence requirements, first set forth in the Copyright Act and elaborated in *Star Athletica*.

Features of a useful article qualify as PGS only if they “can be identified separately from . . . the utilitarian aspects of the article.” 17 U.S.C. § 101. The Supreme Court recognized this requirement “is not onerous.” *Star Athletica*, 137 S. Ct. at 1010. A 3-D feature satisfies this requirement if, when looking at the useful article to which the feature belongs, one can “spot some . . . three-dimensional element that appears to have pictorial, graphic, or

sculptural qualities.” *Id.* Courts are openly deferential when identifying pictorial, graphic, or sculptural elements because judges recognize they are ill-equipped to impart artistic judgment. *See Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251 (1903) (“It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits.”).

One can identify FSR’s 3-D design separately from its integrated fidget spinner to which it belongs. Observers of an FSR fidget spinner clearly can identify the particular 3-D, hub-and-spoke design as separate from the integrated toy — specifically, its ball bearings. FSR’s registered 3-D designs, which began as a sketch for a sculpture, certainly are “work of artistic craftsmanship” with “sculptural qualities,” especially under this Circuit’s deferential assessment of creativity. *See* 17 U.S.C. § 101; *Scholz Design, Inc. v. Sard Custom Homes, LLC*, 691 F.3d 182, 186-87 (2d Cir. 2012).

A useful article’s features also must be “capable of existing independently of” its utilitarian aspects. 17 U.S.C. § 101. The key question is “whether the feature . . . would have been eligible for copyright protection as a [PGS] had it originally been fixed in some tangible medium other than a useful article before being applied to a useful article.” *Star Athletica*, 137 S. Ct. at 1010. Several considerations guide this inquiry. First, the feature cannot, itself, be a useful article. *Id.* at 1010. Second, the feature need only be conceptually, not physically, separable. *Id.* at 1014. Third, once separated, the feature cannot replicate the useful article. *Id.* 1012. Notably, however, the useful article need not remain useful after separation. *Id.* at 1013.

Applied to FSR, *Star Athletica*'s guidance confirms that FSR's 3-D designs are independent and eligible PGS. The 3-D designs are conceptually separable, and the corresponding 3-D structures are physically separable from their utilitarian features — the ball bearings. The separated 3-D designs would not replicate an FSR fidget spinner because, once separated, the 3-D shells would not function as toys.

3. FSR's 2-D Designs are Subject to Copyright Protection as PGS

FSR's 2-D design satisfies 17 U.S.C. § 101's separate-identification and independent-existence requirements, as interpreted in *Star Athletica*.

First, design features of useful articles qualify as PGS only if they “can be identified separately from . . . the utilitarian aspects of the article.” *Star Athletica*, 137 S. Ct. at 1008. A two-dimensional feature satisfies the separate-identification requirement if one can “look at the useful article and spot some two- . . . dimensional element that appears to have PGS qualities.” *Id.* At 1010. In *Star Athletica*, the Court held that distinction between physical and conceptual separability is unnecessary when deciding if a two-dimensional article is separable. *Id.* at 1013.

FSR's 2-D shield design is distinct and separately identifiable from its utilitarian function. Users of a fidget spinner can readily identify the 2-D, graphic designs of different colorful stripes, swirls, and shapes that appear on the surface of the fidget spinner as separate from the fully-assembled, rotating function of the ball-bearings and blades. The 2-D design features contain PGS qualities uniquely designed by the creating artist.

Second, FSR’s 2-D design features can exist “independently as a work of art.” *See Star Athletica*, 137 S. Ct. at 1011. The controlling question is whether “a feature of a design . . . when identified and imagined apart from the useful article, it would qualify as a pictorial, graphic, or sculptural work either on its own or when fixed in some other tangible medium.” *Id.* at 1012. In *Star Athletica*, the Court held that surface decorations on cheerleading uniforms were PGS and eligible for copyright protection because the surface decorations: (1) were clearly identifiable as features having pictorial, graphic, or sculptural qualities; (2) qualified as two-dimensional works of art when separated from the uniforms and applied to another medium; and (3) could be imaginatively removed and applied in another medium without replicating the uniform itself. *Id.*

The Court rejected the argument that the surface stripes and chevrons did not qualify for copyright protection because they merely outlined the cheerleading uniform itself when set upon a new medium—for example, canvas. *Id.* Instead, the Court held a surface decoration is not barred from copyright protection merely because it tracks the contours of the article on which it is applied. *Id.* Moreover, two-dimensional applied art is copyright eligible regardless of whether it is first sketched on paper and then applied to an article’s surface, or *vice versa*. *Id.*

Application of the independent-existence test to FSR’s surface decorations follows the same straightforward analysis. First, similar to the respondent’s surface designs in *Star Athletica*, FSR’s 2-D graphics appear on the surface of the spinners themselves and are readily visible to the naked eye. *See Star Athletica*, 137 S. Ct. at 1008. The average person can

easily identify the colorful stripes, swirls, and shapes found on the surface of the spinners as features having PGS qualities. Second, and again, similar to *Star Athletica*, fidget spinners' surface designs of colorful stripes, swirls, and shapes can be lifted from the spinners themselves and placed on a new medium as two-dimensional applied art. See *Star Athletica*, 137 S. Ct. at 1014. Because the tri-color stripes, swirls, and shapes, are static graphics, without which the shield would never result once the fidget spinners are put in motion, the fact that the shield happens to be created by motion is irrelevant to the analysis. Finally, as in *Star Athletica*, fidget spinners' shield design can be imaginatively removed and reapplied elsewhere as two-dimensional applied art without replicating the physicality of the fidget spinner. The fidget spinner would still spin without the shield as an optical design feature.

4. Annoyeur's 2-D Designs are Substantially Similar to FSR's 2-D Designs

FSR's 2-D designs constitute original authorship and contribution. Applying the ordinary observer standard, Annoyeur's appropriation of a nearly identical color scheme and pattern fidget spinner infringes FSR's valid and registered copyright under 17 U.S.C. § 101.

To prove copyright infringement, a plaintiff must demonstrate that: (1) the defendant has actually copied the plaintiff's work; and (2) a substantial similarity exists between the defendant's work and the protectable elements of plaintiff's work. *Peter F. Gaito Architecture, LLC. v. Simone Development Corp.*, 602 F.3d 57 (2d Cir. 2010).

The standard test for substantial similarity is whether "an ordinary observer, unless he set out to detect the disparities [between two items], would be disposed to overlook them, and regard the aesthetic appeal as the same." *Peter Pan Fabrics, Inc. v. Martin Weiner*

Corp., 274 F.2d 487 (2d Cir. 1960). Stated differently, “if an average lay observer would recognize the alleged copy as having been appropriated from the copyrighted work, then the two products are substantially similar.” *Hamil Am. Inc. v. GFI*, 193 F.3d 92 (2d Cir. 1999).

In *Peter Pan*, the Court compared the ornamental designs of competing fabric converters and noted that, though not identical, the designs shared the same general color, pattern, and color distribution, which was enough for a general observer to regard their aesthetic appeal to be the same. *Peter Pan Fabrics, Inc.*, 274 F.2d at 489. Under the ordinary observer test, the *Hamil* court found that differences in two fabric patterns faded within a few feet or absent sharp scrutiny. *Hamil Am.*, 193 F.3d at 102. Thus, the Court held that the appearance of identical colors and intended uses resulted in substantial similarity, requiring a finding of infringement. *Id.*

Here, Annoyeur’s 2-D designs are actual copies of, and necessarily substantially similar to, FSR’s 2-D designs. As in *Peter Pan*, Annoyeur’s shield design shares the same general color scheme, distribution, and pattern as FSR’s shield design. Notably, while sharp scrutiny of the shields side-by-side might reveal subtle differences in design features, cursory review of the shields by a general observer from short distance reveals virtually no aesthetic difference. Similar to the infringer in *Hamil*, Annoyeur uses identical colors for the identical purpose as that of FSR — namely, to create a tri-color shield design when the fidget spinner is spun.

III. ARGUMENT BY APPELLANT/CROSS-APPELLEE ANNOYEUR

A. New York District Court Did Not Have Personal Jurisdiction Over Annoyeur

1. The Elements for Jurisdiction are not met Under New York's Long-Arm Statute Using the "Zippo Test."

The Court should reverse the lower court's decision because the elements for jurisdiction are not met. To determine jurisdiction under New York's long-arm statute, N.Y. C.P.L.R. § 302(a)(1), a court must decide (1) whether the defendant "transacts any business" in New York and, if so, (2) whether the cause of action "aris[es] from" that transaction. *See Deutsche Bank Sec., Inc. v. Montana Bd. of Invs.*, 7 N.Y.3d 65, 71 (2006). New York courts "define 'transact[ing] business' as... 'some act by which the defendant purposefully avails itself of the privilege of conducting activities within the forum State.'" *Best Van Lines, Inc. v. Walker*, 490 F.3d 239, 246 (2d Cir. 2007) (internal citations omitted). A cause of action lies if there is "a substantial relationship, between the claim... and the actions that occurred in New York." *Henderson v. I.N.S.*, 157 F.3d 106, 123 (2d Cir. 1998) (internal citations omitted). The New York long-arm statutory analysis may "overlap[] significantly with the constitutional 'minimum contacts' doctrine." *Best Van Lines*, 490 F.3d at 247.

In the context of website activity, courts assess the 'transacts business' element by applying the "Zippo test," which characterizes websites as passive, interactive, or active, depending on the nature and level of interaction between consumers and the website.⁴ *See*

⁴ Passive websites are analogous to "an advertisement in a nationally-available magazine or newspaper" and active websites are those a party uses to "clearly do[] business over the internet, such as where it knowingly and repeatedly transmits computer files." *Citigroup Inc. v. City Holding Co.*, 97 F. Supp. 2d at 565. Occupying the middle ground

Citigroup Inc. v. City Holding Co., 97 F. Supp. 2d 549, 565 (S.D.N.Y. 2000). In addition to the level of website interactivity, courts assess whether commercial activity in the state transpired. See *Savage Universal Corp. v. Grazier Constr., Inc.*, No. 04 Civ. 1089, 2004 WL 1824102, at *9 (S.D.N.Y. Aug. 13, 2004); *ISI Brands, Inc. v. KCC Intern., Inc.*, 458 F. Supp. 2d 81, 87-88 (E.D.N.Y. 2006) (“Even the existence of an interactive ‘patently commercial’ website that can be accessed by New York residents is not sufficient to justify the exercise of personal jurisdiction unless some degree of commercial activity occurred in New York.”) (internal citations omitted).

a. Annoyeur did not make any sales or otherwise purposefully avail itself to jurisdiction in New York.

Annoyeur is a Texas Company with its principal place of business in California, a parent company based in France, and no employees or offices in New York. Annoyeur has no alleged connections to New York except for a single financial advisor. In addition to having no connections to New York, Annoyeur did not sell *a single product* to a N.Y. resident nor did it ship a product into the state. See *ISI Brands, Inc.*, 458 F. Supp. 2d at 89 (finding no personal jurisdiction where plaintiff failed to allege any sales to New York buyers); *Lopez v. Shopify*, No. 16 Civ. 9761, 2017 WL 2229868, at *8 n.9 (S.D.N.Y. 2017) (holding that the operation of an “interactive” commercial website that operated as an online marketplace to sell the allegedly infringing goods was not sufficient to establish personal jurisdiction when there were no sales in New York or evidence that the defendant targeted New York or its residents).

are interactive websites “which permit[] the exchange of information between users in another state and the defendant, which depending on the level and nature of the exchange may be a basis for jurisdiction.” *Id.*

Annoyeur did not directly target its products or website to New York residents. *See Lopez*, 2017 WL 2229868, at *8 n.9 (“there must be evidence that the defendant ‘purposefully availed’ itself of conducting activity in the forum state, by directly targeting its web site to the state, knowingly interacting with residents of the forum state via its web site, or through sufficient other related contacts” (internal quotation marks and citations omitted)).

That Annoyeur advertised in local papers distributed to New York residents is not sufficient to satisfy jurisdiction. *See Maranga v. Vira*, 386 F. Supp. 2d 299, 308 (S.D.N.Y. 2005); *see also Selman v. Harvard Med. Sch.*, 494 F. Supp. 603, 612 (S.D.N.Y. 1980) (“Mere solicitation, advertising, or telephone calls to New York do not satisfy the ‘transaction of business’ test”) (internal citations omitted). Additionally, even if Annoyeur advertised in local papers based in New York, “a defendant is not subject to § 302(a)(1) jurisdiction simply by virtue of having placed advertising in a New-York-based publication.” *Maranga*, 386 F. Supp. 2d at 308.

As a result, Annoyeur does not transact business in New York and the Court need not consider the “arising from” prong of the inquiry.

b. Annoyeur’s single financial advisor in New York does not give rise to personal jurisdiction.

Although Annoyeur’s financial advisor manages a portion of the company’s revenue, Annoyeur has *no other* alleged connection to New York sufficient to rise to the level of transacting business. *See DirecTV Latin America, LLC v. Park 610, LLC*, 691 F. Supp. 2d 405, 423 (S.D.N.Y. 2010) (stating “no single event or contact connecting defendant to the forum state

need be demonstrated; rather, the totality of all defendant's contacts with the forum state must indicate that the exercise of jurisdiction would be proper” in finding that personal jurisdiction was not proper); *see also Keramchemie GmbH v. Keramchemie (Canada) Ltd.*, 771 F. Supp. 618, 623 n.6 (S.D.N.Y. 1991) (“The passage of funds... in New York, held by [defendant's agent or alter ego]... does not show, by extension, [] personal jurisdiction over [defendant]” under § 302(a)(1)). Annoyeur’s management of its resources through a financial advisor is separate and distinct from any of the elements of FSR’s copyright infringement claim, and does not provide a sufficient nexus to establish jurisdiction.

For these reasons, the Court should find that the jurisdictional elements are not met under C.P.L.R. § 302.

2. The Lower Court Erred by Exercising Jurisdiction Over Annoyeur Because Annoyeur Does Not Have Sufficient ‘Minimum Contacts’ with New York Under the *Calder* Effects Test

Even if FSR could show that New York has jurisdiction under C.P.L.R. § 302, FSR cannot satisfy due process. “[D]ue process requires a plaintiff to allege (1) that a defendant has certain minimum contacts with the relevant forum.” *In re Terrorist Attacks on Sept. 11, 2001*, 714 F.3d 659, 673 (2d Cir. 2013). FSR claims that the minimum contacts requirement as met by satisfying the *Calder* “effects test.” 465 U.S. 783 (1984). The effects test guides minimum contact analysis for a non-domiciliary defendant “based on his alleged: (1) intentional, tortious actions; (2) which were expressly aimed at the [forum state]; (3) that causes harm, the brunt of which is suffered—and which the defendant knows is likely to be suffered—in the [forum state]; and (4) the injuries that are the subject of the litigation arise from or relate to

defendant's subject conduct.” *In re Terrorist Attacks on Sept. 11, 2001*, 718 F. Supp. 2d 456, 478–79 (S.D.N.Y. 2010). The lower court erred when it found that merely because the FSR allegedly suffered harm in New York, jurisdiction was appropriate because “*Calder* made clear that mere injury to a forum resident is not a sufficient connection to the forum.” *Walden v. Fiore*, 134 S. Ct. 1115, 1118 (2014).

a. Annoyeur’s actions did not create a connection to this forum under the *Calder* effects test.

The *Calder* effects test is something of a misnomer: the effects test is not satisfied by merely showing an effect on an in-forum plaintiff. To satisfy the effects test “the plaintiff cannot be the only link between the defendant and the forum.” *Walden*, 134 S. Ct. at 1122. In *Walden*, the Supreme Court’s most recent holding on *Calder*, a unanimous bench held that *Calder* requires the effects of the defendant’s actions do more than merely connect it to an in-forum plaintiff, the actions must tie it to the forum state itself:

“The crux of *Calder* was that the reputation-based ‘effects’ of the alleged libel ***connected the defendants to California, not just to the plaintiff.*** The strength of that connection was largely a function of the nature of the libel tort. However scandalous a newspaper article might be, it can lead to a loss of reputation only if communicated to (and read and understood by) third persons... Accordingly, the reputational injury caused by the defendants’ story would not have occurred but for the fact that the defendants wrote an article for publication in California that was read by a large number of California citizens. Indeed, because publication to third persons is a necessary element of libel, the defendants’ intentional tort actually occurred *in* California. (‘The tort of libel is generally held to occur wherever the offending material is circulated’). In this way, the ‘effects’ caused by the defendants’ article—*i.e.*, the injury to the plaintiff’s reputation in the estimation of the California public—***connected the defendants’ conduct to California, not just to a plaintiff who lived there.***

Walden, 134 S. Ct. at 1123–24 (citations omitted) (emphasis added). *Walden* requires the defendant’s out-of-state actions to effect a tort in the forum state. The article at issue in *Calder* was widely read by consumers in the forum state and subsequently damaged the plaintiff’s reputation out-of-forum, but those effects did not create jurisdiction because they did not constitute an in-forum tort. The defendants were only connected to the forum because libel occurred in-forum when forum citizens read the libelous article. In the instant case, FSR alleges she was wrongfully deprived of profit by the sale of infringing goods in the European Union. But just as in *Calder*, the effect on FSR stemming from out-of-forum torts only serves to connect Annoyeur to FSR, not to the forum. *Walden* and *Calder* allow out-of-forum actions to subject an actor to in-forum jurisdiction, *but only where those actions effected an in-forum tort, not just in-forum harm*. Because “[c]opyright infringement... [is a] commercial tort[]... deemed to take place at the point of consumer purchase,” the alleged tort did not occur in New York but in the European Union. *Bus. Trends Analysts v. Freedonia Grp., Inc.*, 650 F. Supp. 1452, 1455–56 (S.D.N.Y. 1987). Even when viewed in the most favorable light, FSR only alleges that Annoyeur created connections to the FSR personally and to the forum where the infringing products were sold, the European Union. Jurisdiction is therefore not appropriate in New York.

b. Annoyeur’s in-forum advertising does not connect the allegedly injurious actions to the forum nor does FSR’s claim arise from, or relate to, the in-forum advertising.

FSR asserts that Annoyeur’s in-forum advertising satisfies *Calder*, but *Calder*’s holding was based on the fact “that the defendants wrote an article for publication in California that was read by a large number of California citizens... and because publication to third persons is a necessary element of libel, the defendants’ intentional tort actually occurred *in* California.”

Walden 134 S. Ct. at 1123-24. The tortious action alleged by FSR *did not* occur in New York, regardless of whether Appellant advertised in New York. Instead, FSR set forth a claim of copyright infringement which is a “commercial tort[.]... deemed to take place at the point of consumer purchase,” not at the point of advertisement. *Bus. Trends*, 650 F. Supp. at 1455–56. Advertising in-forum when the purchases, and thus the tort itself, did not even occur in this country clearly does not effect a tort in the forum as required by *Walden*.

The effects test also requires that “the injuries that are the subject of the litigation arise from or relate to defendant's subject conduct.” *In re Terrorist Attacks*, 718 F. Supp. 2d at 478–79 (S.D.N.Y. 2010). FSR claims injuries from profits lost due to sales of an infringing product in the European Union, yet also claims that Annoyeur is subject to New York jurisdiction because of advertising in New York. That sales in the European Union cannot arise from or relate to advertisements in Tri-State newspapers is obvious.

c. Jurisdiction is inappropriate under *Calder* because Annoyeur’s allegedly tortious actions were not “expressly aimed” at New York.

To satisfy the effects test, FSR must also show that Annoyeur’s allegedly tortious conduct was expressly aimed at New York because “[t]he proper question is not where the plaintiff experienced a particular injury or effect but whether the defendant's conduct connects him to the forum in a meaningful way.” *Walden*, 134 S. Ct. at 1125. FSR does not meet this test because Annoyeur’s advertisements were not ‘expressly aimed’ at consumers in New York State. Annoyeur advertised in local papers all across the United States. Furthermore, the only papers Annoyeur advertised in which were distributed to New York residents were also distributed to

residents of the entire Tri-State area. Where advertising has been aimed at many jurisdictions of which New York is merely one, courts have found this to be an insufficient hook to satisfy New York's long-arm statute:

“The mere solicitation of business, however, is not sufficient to establish personal jurisdiction in any given forum. Because [defendant's] business is not limited solely to the solicitation of business in New York, the plaintiff must show that the defendant has engaged in activities exceeding mere solicitation in order to invoke Section 301.”

Peters Griffin Woodward, Inc. v. Roadrunner Television Ltd. P'ship, 545 F. Supp. 288, 290

(S.D.N.Y. 1982). While analysis under the long-arm statute does not control the due process analysis, it is instructive, and FSR must show more than advertisements that ran in New York but did not target consumers in New York.

Because Annoyeur's out-of-forum actions did not affect an in-forum tort, Annoyeur's in-forum actions do not give rise to the claim, and because Annoyeur's allegedly tortious actions were not expressly aimed at the forum, Annoyeur has not committed a tort giving rise to jurisdiction in New York State. The Court should therefore reverse the lower court's finding on jurisdiction.

B. FSR's 2-D And 3-D Designs Are Not Entitled To Copyright Protection Under The Copyright Act As PGS

1. The “Hub-and-Spoke” Design Comprises Functional Elements of Useful Articles

It is undisputed both that fidget spinners distributed by FSR are “useful articles” under the Copyright Act, and that the Copyright Act precludes protection for functional elements

of useful articles. *See* 17 U.S.C. § 101. Crucially, the claimed hub-and-spoke design of the spinners itself performs the utilitarian function, rendering it ineligible for copyright protection.

Elements of a toy necessary for its intended “movement or attachment” are functional and not protected; only decorative elements reflecting “artistic craftsmanship” qualify for protection. *Lego A/S v. Best-Lock Const. Toys, Inc.*, 874 F.Supp.2d 75, 98 (S.D. Conn. 2012). FSR concedes that, to function as intended, its fidget spinners must comprise (1) an immobile hub, housing a central “bearing race”; and (2) at least three weighted blades, which spin freely. Thus, the hub-and-spoke design is necessary for the utility of the fidget spinners, and as a result consists entirely of unprotectable functional elements. The design is analogous to the “straight legs” of figurines held unprotectable in *Lego*, 87 F.Supp.2d at 102. Just as those legs “must be straight so that the user can rest the minifigures on base blocks,” *id.*, so too must the spinners have a hub-and-spoke design so the blades may rotate as intended. That the articles also require ball bearings to spin as intended does not diminish the functionality of the hub-and-spoke design; in *Lego*, the parties agreed that the features necessary for interplay “with other figures, other body parts, and with” other toy blocks were functional elements of the figurines. *Id.* at 98.

2. The Claimed 3-D Design is Inseparable From Function

To the extent that any elements of the 3-D design of FSR’s fidget spinners are not entirely uncopyrightable as functional aspects of a useful article, they are not copyrightable as inseparable from the spinners’ utilitarian functions. There are no elements of the design which are separately identifiable or exist independently of a useful article. *Star Athletica L.L.C. v.*

Varsity Brands, Inc., 137 S. Ct. 1002 (2017). Rather, the form of the spinners is inextricably intertwined with its function, and as a result they are not copyrightable.

First, one cannot identify the fidget spinners' 3-D designs separately from the spinner itself. In *Star Athletica*, the Supreme Court found the designs of cheerleading uniforms separately identifiable because the designs could be "separated from the uniform and applied in another medium." 137 S. Ct. at 1012. But here, the design is the entire article — there *is* no "other medium" in which the design could be applied. Although the spinners also incorporate ball bearings, the placement of those ball bearings must conform to the claimed useful article, which requires a hub-and-spoke design; removing the ball bearings would still yield the identical form. Indeed, the *Star Athletica* Court held that the plaintiff's copyright did not preclude others from "manufacturing a cheerleading uniform of identical shape, cut, and dimensions" to those marketed by *Star Athletica*. *Id.* at 1013. But, the "shape, cut, and dimensions" of FSR's spinners are precisely at issue here.

This distinction is dispositive, and demonstrates why the claimed design is not separable from the spinner's utilitarian function. Unlike in *Star Athletica*, or in the Supreme Court's earlier decision in *Mazer v. Stein*, 347 U.S. 201 (1954), the 3-D design of FSR's fidget spinners is not merely being "applied" to an already-existing useful article. 137 S. Ct. at 1012. Rather, the design was itself adapted *into* a useful article as opposed to adding decorative features to an existing one. Both the uniforms in *Star Athletica* and the lamps in *Mazer* existed before the claimed "arrangement of colors, shapes, stripes, and chevrons" and "statuettes of dancing figures," respectively, were applied. *See Star Athletica*, 137 S.Ct. at 1012; *Mazer*, 347

U.S. at 218. That is not the case here. Consequently, a much closer analogue is *Brandir Intern., Inc. v. Cascade Pacific Lumber Co.*, 834 F.2d 1142 (2d Cir. 1987), where this Court held that a claimed 3-D “sculpture” was uncopyrightable because the design was developed “to accommodate and further a utilitarian purpose”; namely, to function as a bicycle rack. *Id.* at 1147. In *Brandir*, as here, the claimed design was commensurate with the finished product, rather than a purely ornamental addition to an otherwise functioning useful article. Indeed, it is the placement of decorative additions on useful articles that confers copyrightability — and only over the added aesthetic features. *Carol Barnhart Inc. v. Econ. Cover Corp.*, 773 F.2d 411, 419 (2d Cir. 1985) (copyright may issue on decorative features where useful article “can serve its function satisfactorily without any ornamentation . . . that renders [it] distinctive”). Here, rather, the claimed 3-D design is “inextricably intertwined with the utilitarian feature” of the fidget spinners, and thus is not protectable. *Id.*

That there may be other possible fidget spinner designs with more or differently shaped blades is of no matter, especially because at least three blades are necessary for the devices to function. This Court has explained that where an element is necessary to allow a useful article to serve a utilitarian function, the particular configuration of that element does not render it inseparable. *Carol Barnhart*, 773 F.2d at 419 (rejecting argument as to separability of purportedly aesthetic features in mannequin of human torso because “in order to serve its utilitarian function [it] must have *some* configuration of the chest and *some* width of shoulders”) (emphasis added). Similarly, in *Brandir*, this Court explained that while “[t]here are numerous alternative bicycle rack constructions,” any particular claim as to the shape, height, or size of the pipes molded into the ribbon rack could sound only in trade dress. 834 F.2d at 1148. But FSR

has brought no such claim for trade dress, and thus any alternative spinner designs are inconsequential. Nor is it of any relevance that the design was originally intended for a piece of art; in *Brandir*, this Court rejected such a premise, holding the racks uncopyrightable “even though the sculptures which inspired them may well have been.” 834 F.2d at 1147; *see also Star Athletica*, 137 S. Ct. at 1010 (copyright in replica of useful article does not confer protection over the useful article itself).

Thus, because the 3-D design of FSR’s fidget spinners are inseparable from their utilitarian function, they are uncopyrightable as PGS.

3. The 2-D “Shield” Design is not Entitled to Copyright Protection

FSR’s heavy reliance on *Star Athletica* and contention that the “shield” illusion formed by the rotation of its spinners is a copyrightable work is similarly unavailing, because *Star Athletica* is inapposite.

In *Star Athletica*, features of a useful article were held protectable because they were independently copyrightable designs applied to a different medium. *Star Athletica*, 137 S. Ct. 1006. But here, the shield design in which FSR claims copyright is *created by* the useful article. This illusion, generated by the non-copyrightable, functional elements from seemingly random stripes, is a discrete utilitarian function of the spinners. The “shield” formed by the blades is thus the inseparable product of the spinners’ utilitarian function of creating the design. *See Whimsicality, Inc. v. Rubie's Costumes Co.*, 721 F. Supp. 1566, 1575–76 (E.D.N.Y. 1989) *aff'd on other grounds*, 891 F.2d 452 (2d Cir. 1989) (finding a lack of separability between utilitarian and artistic aspects of masquerade masks because their utilitarian function was

creating the image of the costume). Moreover, while a picture of a shield may be copyrightable, the claimed design is simply an image of a useful article in motion and is not conceptually separate from it. But a picture of a useful article does not create copyright protection in the article itself. *Star Athletica*, 137 S.Ct. at 1032-33 (Breyer, J., dissenting). FSR may not improperly shoehorn protection of a useful article contrary to precedent and statute, through the copyright of its image.

4. Even if the “Shield” Design is Copyrightable, Annoyeur Has Not Infringed it.

FSR has also failed to establish that the “shield” designs generated by Annoyeur’s articles infringe. To prove infringement, FSR must show that: (1) its work was actually copied; and (2) Annoyeur’s work is substantially similar to protectable elements of its work. *Laureyssens v. Idea Group, Inc.*, 964 F.2d 131, 139 (2d Cir. 1992). Neither prong is met here.

Although Annoyeur had access to FSR’s designs, the accused design is not substantially similar to FSR’s. The images have several key differences that create a markedly different pattern on the “shield.” Annoyeur’s design contains six circular lines while FSR’s contains just three. Further, the lines in Annoyeur’s design are much thinner than those in FSR’s design and are multicolored. Most notably, Annoyeur’s design features a triangle in its center in contrast to FSR’s, which has a star. These prominent differences distinguish the two designs and serve as evidence of a lack of substantial similarity. *See Laureyssens*, 964 F.2d at 142. For instance, in *Boisson v. Banian, Ltd.*, this Court held that analogous differences, including in the colors chosen, use of a “zig-zag” pattern as opposed to a “wavy” border, and different placement of icons within an overall similar arrangement were sufficient to overcome an allegation of

infringement. 273 F.3d 262, 274-75 (2d Cir. 2001). As in *Boisson*, Annoyeur’s color selection and selection of shapes differ from those of the allegedly copied work; the additional lines are comparable to the different placement of icons which supported the finding of non-infringement.

Though both designs contain some common elements, these similarities are *de minimis* and do not amount to infringement. See *Williams v. Crichton*, 84 F.3d 581, 588 (2d Cir. 1996) The only similarities between the shield designs are in shape and color scheme, but these similarities are not enough to rise to level of infringement. Indeed, “elemental ‘raw materials,’ like colors ... and the catalogue of standard geometric forms” are not protectable. *Tufenkian Imp./Exp. Ventures, Inc. v. Einstein Moomjy, Inc.*, 338 F.3d 127, 132 (2d Cir. 2003). For example, in *Hayuk v. Starbucks Corp.*, the fact that the similarities between the two works derived from their common use of unprotectable elements such as overlapping colored rays, colors, and shapes precluded a finding of infringement. 157 F. Supp. 3d 285, 290-93 (S.D.N.Y. 2016). The *Hayuk* court there found that the use of these “basic elements of artistic creation” was “tantamount to a set of unprotectable concepts or methods over which there can be no copyright monopoly conferred.” *Id.* at 293. Annoyeur is similarly free to use the accused shapes and color schemes in its products.

Moreover, many of the similarities flow from the same unprotectable idea: the circular design formed by the rotation of a fidget spinner’s blades around its stationary center. This Court has held that when similarities between two works can be attributed to an idea rather than the expression of that idea, they are not substantially similar. *Mattel, Inc. v. Azrak-Hamway Intern., Inc.*, 724 F. 2d 357, 360 (2d Cir. 1983) (no substantial similarity between toy dolls

because “nearly all the similarity can be attributed to the fact that both are ... renderings of the same unprotectable idea”). The similarities at issue are intrinsic to *any* fidget spinner and can be attributed to the unprotected idea behind the toy’s design, not the expression of that idea. FSR violates a foundational principle of copyright law by seeking a copyright and de facto monopoly in an idea.

Nor would an ordinary observer find that the two works have the same aesthetic appeal as is required for infringement. *Laureyssens*, 964 F.2d at 141. A “general impression of similarity is not sufficient to prove an infringement of a copyright.” *Durham Industries, Inc. v. Tomy Corp.*, 630 F.2d 905, 912 (2d Cir. 1980). FSR relies on such a “general impression” here to support its infringement allegation. But the numerous differences between the designs in this case — in the number, color, pattern, and thickness of the lines, as well as the use of a different shape in the center — as discussed above, undercut any finding that they are substantially similar.

Thus, even if FSR holds a copyright in its shield design, there is no infringement here.

Submitted: June 30, 2017

Kristen E. Flick
David J. Yovanoff
Jessica L. Copeland
HODGSON RUSS LLP
The Guaranty Building
140 Pearl Street, Suite 100
Buffalo, New York 14202
Phone: (716) 848-1679
Fax: (716) 819-4657

Jessica Sblendorio
Benjamin Dahl
Jessica Zafonte
HAUG PARTNERS
745 Fifth Avenue, 10th Floor
New York, New York 10151
Phone: (212) 588-0800

*Counsel for Appellee/ Cross-Appellant
Fidgets & Widgets Are Us, Inc..*

Devon W. Edwards
Aislinn Toohey
Michael W. Johnson
WILLKIE FARR & GALLAGHER LLP
787 Seventh Avenue
New York, New York 10019
Phone: (212) 728-8000
Fax: (212) 728-8111

Esther Kim
Luke Rushing
Dyan Finguerra-DuCharme
PRYOR CASHMAN LLP
7 Times Square
New York, New York 10036
Phone: (212) 421-4100
Fax: (212) 710-6098

*Counsel for Appellant/ Cross-Appellee
Annoyeur*

Michael W. Johnson, Jenny Lee
NYIPLA Programs Committee Co-Chairs

APPENDIX ONE



FSR's traditional three-blade fidget spinner made of metal in solid red



FSR's six-blade fidget spinner with multi-colored striped design



FSR's mixed material (ceramic and metal) three-blade fidget spinner in multi-color with swirly design

APPENDIX TWO

IXL



FSR's shield design

IXL



Annoyeur's shield design