NYU Stern and NYU School of Law

Fashion Law and Business /Fall 2018

Instructor:

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Overview:
Fashion law is the emerging business law specialty that provides legal counsel to fashion executives and entrepreneurs as they make strategic decisions and confront problems in design, manufacturing, distribution and retail.

Fashion is not only a multi-trillion industry (as narrowly defined in terms of apparel, footwear, jewelry and cosmetics), but it has also become a driving force in the greater business world as the concept of fashion branding has spread to enhance such other product areas as eyewear, home products, hotels, automobiles, and electronics.

This course will teach students to develop effective synergies between strategic and legal perspectives in the growth of a fashion company. Students will practice analyzing business issues from a legal perspective -- and legal issues from a business perspective -- throughout the life cycle of a fashion company. The course will address the key challenges faced by companies as they move from entrepreneurship through domestic growth, brand extension through licensing, international expansion via sourcing and distribution to potential M&A liquidity events.

Approach:
This course uses a combination of business and legal materials. Via industry guest speakers, practical exercises, case studies and simulations, students will learn to devise effective strategies for intellectual property protection (including design protection and counterfeits), commercial operations and expansion of a brand (including fashion and apparel licensing), commercial agreements (including distribution agreements), contractual compliance with human rights standards, retail leasing and “shop in shop” strategies, and professional responsibility and practice pitfalls.

This course aims to provide an arena for stimulating educational interaction between business and law students. Students will analyze fashion law cases not only from the legal perspective, but also as a window on actual fashion business practices.

Learning Objectives and Competencies Acquired:
Upon successful completion of the course students will be able to:

1. Devise and implement an effective brand and design protection strategy for a fashion company.
2. Enumerate the procedures and describe the costs and time required to obtain trademark, copyright and patent protection both domestically and internationally.
3. Identify profitable brand-extension licensing strategies and conduct a licensing negotiation from conception through final contract.
4. Develop a dispute-resolution or litigation strategy for dealing with typical I.P. and business conflicts in fashion.
5. Anticipate and avoid via a well-drafted contract the most common conflicts in commercial operations with major fashion buyers and suppliers.
6. Develop an international sourcing policy which complies with sustainability and transparency guidelines and minimizes the risk of human rights abuses.
7. Develop a comprehensive employment and outsourcing policy which protects I.P. and trade secrets while avoiding risks of litigation for discrimination or noncompliance with federal and state employment statutes.
8. Devise a fashion retail distribution strategy to select the optimal distribution mode in various markets from among the options of licensing, franchising, joint venture and directly-operated stores and which avoids the most common conflicts arising from commercial leases.
9. Understand the issues that attend M&A in the fashion industry including the important role of securing and incentivizing creative talent through restrictive covenants.

Text and Materials:

Business Cases (available online via PDF download):
Warby Parker: Vision of a “Good” Fashion Brand
Calvin Klein v Warnaco: A Licensing Dispute
Moda Operandi: A New Style of Fashion Brand
Zara: Managing Stores for Fast Fashion

During the semester, students will be encouraged to read fashion industry periodicals such as Business of Fashion, Women’s Wear Daily, and/or Lean Luxe to stay abreast of current topics. Current topics will be discussed at the beginning of each class.

Grading:

Class participation: 20%
Students will be called upon to discuss cases in class and in-class exercises will require students, either individually or in teams, to demonstrate completion and mastery of reading materials.

Written assignments: 20%
There will be 2 short written assignments (length, details and due dates provided in the syllabus), and a team negotiation-simulation which requires the drafting of a fashion licensing agreement.

**Final exam: 60%**
The in-class final exam will consist of two or more essay questions analyzing business/law problems covered during the class and in reading materials.

**Office Hours/Consultations:**
While the instructor will not maintain regular office hours, they will seek to respond promptly to reasonable student requests for course guidance.