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Interior of the Ron Robinson store in Santa Monica, Calif.

## Novelty Textile Wins Major Case Over Fabric Design Copyright

By Deborah Belgum *Senior Editor*

More than one year after filing a copyright-infringement lawsuit over three different fabric designs, **Novelty Textile** has been awarded \$650,000 in a jury verdict.

The verdict is one of the largest monetary awards this year for a fashion copyright-infringement lawsuit in Los Angeles, said Scott Burroughs, one of the attorneys representing Novelty Textile.

The case, filed in U.S. District Court in Los Angeles on July 31, 2013, centered around three proprietary fabric designs that Novelty Textile said it had developed and then were ordered by one of the defendants, **Hot Shot HK**, doing business as **Brat Star Inc.** in New York.

Novelty Textile, based in Vernon, Calif., and owned by James Son, claimed that Hot Shot HK placed purchase orders for the fabrics and later canceled them only to have

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## No Change on the Waterfront as Cargo Slowly Clears the Ports

By Deborah Belgum *Senior Editor*

By the beginning of the holiday shopping season, normally there would be no sign of any cargo-container ships moored beyond the port breakwater waiting in line for days to dock.

But this is no normal year for apparel importers unfortunate enough to still be waiting for their holiday merchandise to clear the ports of Los Angeles and Long Beach, which handle about 40 percent of all the cargo that is destined for the United States.

The protracted contract negotiations between the **International Longshore and Warehouse Union** and the **Pacific Maritime Association**, which employs the longshore workers at 29 West Coast ports, have stalled until Dec. 2. Charges of work slowdowns at the ports have continued.

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### MADE IN AMERICA

## LA-Based Britannia Sees Bright Prospects in Black Sheep

By Alison A. Nieder *Executive Editor*

Terrence Chermak has been spending the better part of the last six months knee-deep in wool—specifically, black wool.

The owner of Los Angeles-based **Britannia Mills Ltd.** is no stranger to wool, which is always part of his line of contemporary knits.

But Chermak recently became enamored with the hard-to-find wool of black sheep and has put together the supply chain necessary to process it and bring it to market as an eco-friendly specialty product with its own natural beauty.

According to Chermak, most of the world's wool is white—or more accurately, a natural color, which makes

the wool easier and more efficient to process and dye. The wool from black sheep—which actually ranges in color from black to gray to brown to a warm honey shade—is primarily sold within specialty markets.

“[Black] wool is a cottage industry—expensive and very crafty,” Chermak said. “Fine [black] wool in commercial quantities doesn’t exist—with one exception,” he said. “I figured it out,” he said.

To produce commercial quantities of black wool, Chermak had to overcome several hurdles, starting with finding enough black sheep. Ranchers might have thousands of white sheep but just a few black sheep to help them quickly estimate the number of sheep in a field. “Scattered in a lot of

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### COMPANY PROFILE

## Dragon Crowd Garment: Connecting Asia to the U.S. Through Orange County

By Julie Gallego *Contributing Writer*

The office of **Dragon Crowd Garment Inc.** President J. Spencer is neat as a pin. His big, shiny desk has nothing but a brass “J,” a computer and a cell phone on it.

“I’m a simple guy,” said Spencer, an Oklahoma native from a town of about 20,000. “I have a hard time focusing if I don’t keep things neat and tidy.”

The rest of the office is just as clean, and the 49-year-old’s calm demeanor seems to fit perfectly in the quiet setting. But what the office represents—an international knitwear manufacturer with more than \$100 million in sales last year—is

anything but sparse.

Based in Ningbo, China, with U.S. headquarters in Costa Mesa, Calif., Dragon Crowd makes apparel for specialty stores and private labels for department stores such as the **BP** and **Make + Model** brands at **Nordstrom**.

“We are, at our core, a knitwear manufacturer; that is our greatest level of expertise,” Spencer said. Knits may be the foundation of Dragon Crowd’s business, but the company also produces woven tops, pants, jeans and jackets for men and women. But despite such assertions, the company’s plans look more like a strategy for market domination.

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A full-body photograph of a man with dark, curly hair and a beard. He is wearing a white t-shirt under a dark blue jacket, with his hands in his pockets. He is standing against a white background.

But with the pressures of fast-fashion retailers such as **H&M**, **Zara** and **Forever 21**, department and specialty stores began having a hard time delivering trends to their customers quickly enough.

“We are seeing a trend of foreign-owned U.S.-based companies taking advantage of a vertical model to thrive. The U.S. side gets competitive pricing, timely delivery, financing terms and production flexibility. The Asia side gets a more

A stack of several folded shirts in various colors including blue, yellow, and pink, neatly piled on top of each other.

• **Social Republic** is a graphic tee line sold at **Macy's** that Spencer said is meant to be a category killer. "It utilizes our abilities in knitwear, our expertise in being able to identify ways to reduce cost and build fabrications and still maintain



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the look to provide a product to big-box retailers that meets their quality needs, their design aesthetic and their pricing.” Social Republic T-shirts boasting giraffes dressed like singer Pharrell Williams in his signature oversized hat and rapper chains, an ostrich in a bowler hat, and a winged pig retail for about \$24 each.

Propping up Dragon Crowd are 2,500 employees, four offices, three factories and three fabric mills. Plans for a fourth factory and a research-and-development department are underway for 2015, Spencer said.

### Expanding with R&D

“There’s a lot of exciting things that are happening,” he said. “We’re focused intently on the innovation side of what we do and on building out our capacity.”

In January the new factory—and consolidation of other operations in China—will increase the number of employees to around 3,200, Spencer said. “On the top floor we’re going to put in 30 knitting machines so that we can continuously kick out fabric from that facility.”

The new factory and knitting facility will accommodate a research-and-development department that Spencer is especially excited about.

“If you look at some of the largest companies in the world—the **Pfizers**, the **Glaxo-SmithKlines**—they spend 5, 10, 15 percent of their annual revenue on R&D,” he said. “While we’re never going to do that, there’s lessons to be learned from that. So we’re focusing intently on that department—taking it out of the specific business units within



**3RD & ARMY:** One of Dragon Crowd’s three in-house brands, 3rd & Army is described as “a brand built for a semi-contemporary young man who is looking for an Americana type of look.”

our organization and creating a unit that’s not gauged on driving topline revenue but that’s gauged on the innovation that they provide, which I think is a unique thing in this industry.”

Spencer expects the research-and-development effort to focus on adapting new technologies for synthetics that could be used in the burgeoning “athleisure” category.

“All of the athleisure wear—going from gym to street—it’s crushing the denim market now,” Spencer said. “It’s comfortable, but it’s all synthetic-based, so we’re focused intently on how can we take some of these things that are happening in the cotton-based market and develop those in the active market in synthetic fibers.”

For all of Spencer’s optimism, he said Dragon Crowd is mindful of its place in the sector—even with revenue projected to triple by 2019.

“We’re not a huge business; we’re a large business,” he said, “but we have some pretty-aggressive growth plans over the next five years.” ●

## Sleepy Jones Opens in Santa Monica

Andy Spade is getting into the pajama game.

Spade, the co-founder of the **Kate Spade** fashion label, started **Sleepy Jones**, an independent New York-based sleep and loungewear company geared toward men and women, last year. On Nov. 20, he held a grand opening for a 650-square-foot Sleepy Jones boutique at 1318 Montana Ave. in Santa Monica, Calif. It is a couple of storefronts down from the **Aero Theatre**, a popular cinema that has been screening films since 1940. Another Sleepy Jones boutique opened in New York recently.

Chad Buri, co-founder and chief operating officer of Sleepy Jones, said the label was started because he and his partners, Spade and Anthony Sperduti, felt that pajamas could make a comeback. They noted that in the past men lounged around their homes and studios in pajamas, and with the right fabrics and proper sizing they felt that sales for pajamas could increase. Sleepy Jones has been sold at **Barneys New York**, **Nordstrom**’s e-commerce site, and leading boutiques such as **Stag** and **Unionmade**.

“There is no reason to think of pajamas as something only to be worn to bed,” Buri said. “It’s something nice and comfortable to be wearing around the house.”

The label also makes artist-edition pajamas. Mike Mills, an artist and filmmaker, made a graphic of sleeping pills for the label, which are printed on the pajamas. Other prints on pajamas are the more conventional black watch plaid, stripes and a plain gray. Pants retail around \$140. Shirts retail around



Andy Spade, left, and Chad Buri



\$150. The label also designs robes, men’s boxer shorts and women’s panties as well as T-shirts.—Andrew Asch

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