

INTERNATIONAL JOURNAL OF LAW
MANAGEMENT & HUMANITIES

[ISSN 2581-5369]

Volume 4 | Issue 4

2021

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IP in Fashion Industry: IP Strategies that can be Undertaken to Prevent Counterfeiting in the Industry

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ABSTRACT

Fashion designers as we call them create some great fashion pieces with whatever they have in mind as their fashion sense calls out to them to create something innovative and creative. Such designers are no less than artists who create such great works with their creative intellectual efforts that they deserve to get a great amount of stringent protection and so they benefit economically and are not harassed by some counterfeiters hiding in a corner to copy and cheat the original creators and also their marketing strategies. In this digital age because of certain new platforms and trending applications being created now and then there's a lot that these designers need to keep up with so as to prevent counterfeiting. The designers or the fashion brands won't stop creating because this is what they ultimately do to create beautiful pieces. This is what needs to be preserved as it is their very livelihood that they have created themselves. The paper will be discussing the same as how actually the process goes into making of such creations by the designers through their intellectual efforts and what all kinds of intellectual property is involved in the fashion industry. It will also be discussing mainly the intellectual property strategies that can be undertaken by them to protect their intellectual creations in such a way as to prevent counterfeiting. The paper will be guiding towards protecting fashion brands intellectual property to prevent counterfeiting and to save the customers from being tricked.

Keywords: Fashion, Intellectual, Counterfeit, Strategies, Intellectual Property.

I. INTRODUCTION

Fashion designing involves creative work in an art form to create fashion pieces and also other accessories. As a fashion designer one must have a great artistic quality and creative mind. These are usually artists who put great visual imagination and make garments. Apart from their interest in these things they should also be aware of the market requirements for commercial

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exploitation of their fashion products such as intellectual property (IP). Fashion industry is one industry that works in a continuous and consistent manner in generating and exploiting new ideas and innovation which they have to do so as to bring newness in the market and also to maintain their growth and popularity for which they need to protect their IP very effectively. With so much growth in this industry it has become imperative that ideas are being stolen and fakes or counterfeit products are being made and sold online with so many fake websites to sell these products online at a lower price so as to override on the original brands' goodwill and reputation in the market and maximize profits at a low cost. This industry is an IP intensive industry and so the businesses need to identify the IP assets at a timely manner and make decisions on IP that need to get protection effectively through the IP system.

(A) Literature Review

Fashion is something that is an art and reflection of life. Fashion designing involves expressing oneself and is an extension of one's personality. There are changes in the fashion sense which is constant in nature.² It is also defined as the styles or styles of clothing and accessories worn at any given time by a group of people.³

Biana Borukhovish⁴ in her article describes counterfeit as a copy of the original products developed by the designers as well as the brand name, logo or may be the label also. The intention in case of counterfeiting involves deceiving the customers in buying fakes that actually look like they come from the true origin but in actual practice they are not.

Julie P. Tsai⁵ in her article discussed the possibilities of intellectual property protection for the designers in the fashion industry. She discussed that there is a conflict in a way that whether IP protection is actually necessary or not at all. She may be right at a point for the start-ups or small businesses that are actually not able to afford such protection at an earlier stage but can only when their business gets developed.

Kal Raustiala and Christopher Sprigman⁶ in their article expressed that there may not be a necessity for IP protection in the fashion industry as the absence of IP protection will lead to designers only innovating new products and designs.

² Merriam-Webster Online: Dictionary and Thesaurus, available at, <http://www.merriamwebster.com/dictionary/fashion>

³ "Fashion Industry", in *Encyclopaedia Britannica Online*, available at, <http://www.britannica.com/EBchecked/topic/1706624/fashion-industry>

⁴ Biana Borukhovich (2008-09), "Fashion Design: The Work of Art that is Still Unrecognized in the United States"

⁵ Julie P. Tsai (2005), "Fashioning Protection: A Note on the Protection of Fashion Designs in the United States"

⁶ Kal Raustiala and Christopher Sprigman (2006), "The Piracy Paradox: Innovation and Intellectual Property in Fashion Design"

Poojan Sahny⁷ also in her article expressed that to avail protection under any IP protection laws is a lot time consuming especially under the Indian Designs Act, 2000 that takes around ten to twelve months and is not favourable to the needs of the fashion design industry because any garment of any particular season will last in any store for three to four months only.

Rajesh Masrani v. Tahiliani Design Pvt.Ltd.⁸ was the first ever case to develop jurisprudence that protection under copyright law given to any fashion design is much stronger as original artistic work than protection offered under the Designs Act, 2000 and so the fashion designers in India always seek protection as artistic works under the copyright law than the designs act.

Ritika Private Limited v. Biba Apparels Private Limited (2016),⁹ through this case it was developed that neither the copyright law nor the designs act can provide complete protection to the designers in the fashion industry. Section 15 (2) of the Indian Copyright Act was the main player in this case in which it states that copyright in any design that is capable of being registered under the Designs Act, 2000 but which has not been so registered shall cease protection as soon as any article to which the design has been applied has been reproduced for more than fifty times by an industrial process. In this case Ritika Private Ltd. couldn't claim an injunction against Biba Apparels because the design for which they were claiming protection had been already produced more than 50 times.

Susan Scafidi¹⁰ expressed her thoughts that there must be IP protection for each and everyone in the fashion industry to ensure that the profits received from selling of such products must go to the rightful owner and not to their counterfeiters those who merely copy their work to sell fakes in the market and earn profits.

Christian Louboutin v. Mr. Pawan Kumar & Ors,¹¹ this case was of great importance as the defendants in this case counterfeited the big brand's famous red sole shoes with different colour schemes in the market overriding over the brand's goodwill and reputation. Christian Louboutin's Red Sole shoes are quite popular amongst the celebrities and also the red coloured high heeled shoes are also quite famous among many customers who intend to actually copy

⁷ Poojan Sahny (2012), "The Designs Act, 2000: A Fashion Faux Pas", 1-12, available at, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2185519

⁸ Appeal No.: FAO (OS) No.393/2008 (decided on 28/11/2008 by A.K. Sikri and Manmohan Singh, JJ.), available at, <http://lobis.nic.in/dhc/MAN/judgement/02-12-2008/MAN28112008FAOOS3932008.pdf>

⁹ 230 DLT 109 (India)

¹⁰ Statement of Susan Scafidi, Academic Director, Fashion Law Institute, Fordham University, at *HEARING Before The Subcommittee On Courts, The Internet, And Intellectual Property Of The Committee On The Judiciary House Of Representatives One Hundred Ninth Congress Second Session On H.R. 5055 on 27 July 2006* (hereinafter *HEARING*), available at, <http://www.gpo.gov/fdsys/pkg/CHRG-109hhrg28908/html/CHRG-109hhrg28908.htm>

¹¹ CS(COMM) 714/2016

their favourite celebrity's fashion sense and style. This was an important case since it dealt with the counterfeiting and that is the main issue of this paper.

People Tree v. Dior, this case brought the most important issue to gather up for discussion how to actually protect the IP right related to the works in the fashion industry. Dior which is such a big brand lifted certain designs from the People Tree's collection. Since, people tree was started as a platform to engage with the self-help groups of different places and the designs copied were made in collaboration with artisans from Rajasthan. This case posed a lot of questions involving human integrity by such a big brand exploiting the needy and also raised questions over the IP issues that can be addressed here over who will actually be the owner in case of People tree's design.

Louis Vuitton Malletier v. Atul Jaggi,¹² this case dealt with the trademark jurisprudence wherein the Delhi High Court restrained the defendants from passing off the very famous trademarks i.e. Louis Vuitton by using identical marks as their own. Trademark law allows the designers to protect the trade dress that involves the whole look and feel of the product apart from protection of brand names and logo.

(B) Gap Analysis

The literature available nowhere deals with the definition of fashion industry in a virtual mode since we are in a pandemic and everything is taking place in a virtual mode then we need to define jurisprudence that deals with what actually the virtual aspect of it involves. Instead of dealing with the IP rights which are obvious to any creator to gain protection for their works there is no discussion of IP strategies or IP management that these fashion designers can undertake to deal with counterfeiting and better protection of their creations. The literature though says that somewhere it will not be necessary to obtain IP protection for the big brands but what the small business can possibly do there is no discussion on the suggestions and recommendations that these small businesses can undertake in order to protect their creations and save them from losses. There should be more research work on how we can effectively protect the fashion industry in an online world. There should be more research work on how actually we can protect the fashion industry through more techniques and devices online and offline both.

(C) Research Objectives

1. To interpret how law can protect the fashion brands from counterfeiting.

¹² 2010 (44) PTC 99 (Del)

2. To discuss IP rights that can be used by brands to exploit in a commercial manner.
3. To discuss certain IP strategies so as to timely exploit their IP assets and save them from counterfeiting.
4. To analyse how the counterfeiters can be stopped from copying the brands creations and marketing strategies.
5. To create solutions so that the customers are prevented from choosing counterfeit products.

(D) Research Methodology & Tools

The research methodologies used are doctrinal research to carry out in an in-depth analysis of the fashion industry and the intellectual property than can be used by them was through the use of available academic literature like some scholarly articles written by some distinguished scholars and case laws. Analysis of counterfeiting and how it can be stopped was also done with the help of research articles and again case laws. Once such analysis was done then an interdisciplinary approach was taken in case of how to prevent customers from being tricked through such counterfeiting.

The research was done with the help of statutes, available public documents, and research articles accessed through various web portals and through remote-access of e-resources like EBC Reader, HeinOnline, JSTOR and Scopus.

(E) Scope & Limitation

With the advent of the fashion industry in the online world as well as offline it is quite difficult to spot the actual counterfeiters and punish them. Sometimes it also gets unnoticed, especially online of who are the actual cheaters selling fake products. It also gets difficult sometimes when the original owner has no intellectual property protection over the creations so as to enforce for speedy relief because of lack of awareness of such strategies that can be actually adopted by them so as to prevent losses to them economically.

(F) Significance of Research

The research work will help in formulating effective IP strategies for the fashion industry and sketch out possible IP protection that will help them commercially exploit their creations in a much better way. It will be helpful for the businesses in this field to prevent counterfeiting of their products that are actually not aware of the same and then can take possible action against the counterfeiters. It will be of great significance for the small business owners or for start-ups who are actually not aware of the IP protection that can be given to their creations so as to effectively commercially exploit in the market for profit gains and to make them enforceable

in the sense that will help them take action against their cheaters. It will also be guiding the consumers to be more aware when buying products online or offline so they don't buy fakes and get cheated on a later stage with getting bad quality products.

II. FASHION INDUSTRY IN INDIA

The Indian Textiles sector is one of the oldest sectors and the most developing in nature since many years. There is a paradigm shift and abundance of the fashion industry in India with increase in variety of raw materials along with the skilled workforce involved in the industry.¹³

There is an increase in the play of the international players in the Indian market with more people buying a lot of variety products trying different and unique brands that they haven't bought before. The Indian film industry has played a very important role in promotion of fashion wear both on and off screen. People have a tendency to follow their favourite stars and copy their fashion sense that has set different trendsetters in the industry.

(A) Importance of IP to the Fashion Industry

Intellectual property rights involve right governing the intangible assets of the human intellect. They represent a very important part of the fashion industry that protects the creations of the mind. The fashion designers have an exclusive right to protect their creations that are the intellectual creations of the designers. Such creations have to be protected through the intellectual property rights so as to promote exclusivity and creativity in the industry.¹⁴

Counterfeiting causes damage to the reputation and economic loss to the original owner. It becomes necessary for effective intellectual property management and to adopt well proven strategies to help combat such piracy and counterfeiting. The intellectual property rights are just not to be viewed as protection against copying but it gives the rightful owner the recognition and identifies the creator of content. Such approaches need to be taken and managed in a way that is adaptable and more akin to the virtual era¹⁵ where such counterfeiting is omnipresent in nature and combating it can be difficult at a later stage. Intellectual property rights relevant to the fashion designer must be managed and handled properly from the beginning itself.¹⁶

¹³“Fashion Industry”, in *Encyclopaedia Britannica Online*, available at, <http://www.britannica.com/EBchecked/topic/1706624/fashion-industry>

¹⁴ Biana Borukhovich (2008-09), “Fashion Design: The Work of Art that is Still Unrecognized in the United States”

¹⁵ Puneet Kapani, Virtual Meets Reality: The Future of Fashion Shows, *Entrepreneur* (Oct. 16, 2020), <https://www.entrepreneur.com/article/357898>

¹⁶ Julie P. Tsai (2005), “Fashioning Protection: A Note on the Protection of Fashion Designs in the United States”

(B) Intellectual Property Rights relevant in the Fashion Industry

1. Copyright¹⁷

Copyright protects the original creative works of any owner of the work. Fashion designers get copyright protection when they meet the originality and creativity criterion that is also fixed in tangible medium. In the fashion industry, jewellery gets copyright protection and designs that are two-dimensional in nature include prints, patterns or weaving designs. It is the most beneficial form of intellectual property protection for any designer creating their original creative works.

2. Trademark¹⁸

A trademark can be any word, symbol or logo that protects the products or services that helps in distinguishing different goods and services from others. In the fashion industry it actually protects the brand name of any product and the product itself. It is one of the most important forms of protection for brands that are relatively famous than others and also for brands who want to create goodwill in the market. It is advisable to manage such form of protection very efficiently because it helps in the creation of goodwill and reputation in the market. It helps in recognition of counterfeits for the customers and helps in generation of revenue.

The fashion industry includes shoes, clothing, accessories, fabric, etc. that can be trademarked with the help of logos and names. Another type includes trade dress that helps in protection of look and feel of the product itself that is the design or the packaging of the product.

3. Patent¹⁹

Patent is an exclusive right given to inventors who discover something new in the form of an invention. In the fashion industry patents can only be given to something that is new or novel. Patent protection leads to successful commercialization of products or processes developed by the fashion designers. Patent in the fashion industry can be given to products like shoes or lingerie. Design patents are also another category of patents that gives protection to the ornamental and decorative aspect of certain functional products.

4. Design Law²⁰

Design protection is given for visual appeal of the products. If the design is unique and is distinctive then it can be accorded protection. In the fashion industry design law gives a very

¹⁷ The Copyrights Act, 1957

¹⁸ The Trademarks Act, 1999

¹⁹ Patents Act, 1970

²⁰ The Designs Act, No. 16 of 2000, India Code (2019)

stringent protection to the fashion designers that protect their aesthetic aspects be it three-dimensional or two-dimensional. An industrial model will involve any three-dimensional product that may involve a purse, garment or any accessory. An industrial design will not be a three-dimensional shape but designs that are printed on any fabric involving any combination of images, lines or colours.²¹

(C) Issues involving Counterfeiting in the Fashion Business

Fashion business is known by its creativity and visual imagination that helps brands in achieving recognition and goodwill in the market. Seeking these goodwill counterfeit goods has become a trending concept nowadays that pose a great threat to the industry. For instance in the case of **Christian Louboutin v. Mr. Pawan Kumar & Ors**,²² which is of great importance as the defendants in this case counterfeited the big brand's famous red sole shoes with different colour schemes in the market overriding over the brand's goodwill and reputation. Christian Louboutin's Red Sole shoes are quite popular amongst the celebrities and also the red coloured high heeled shoes are also quite famous among many customers who intend to actually copy their favourite celebrity's fashion sense and style. This was an important case since it dealt with the counterfeiting and that is the main issue of this paper.

Such cases not only affect the brand's reputation but also cause a grave violation of the rights possessed by the rightful owners of the industry.

Counterfeiters use techniques online in a very effective way from finding shortcuts to get at the top of the search result on Google search by usage of keywords and Meta tags that links the customer to the site which is duplicate and not original. The main objective of these counterfeiters is for a short period of time but it affects the original owners for a long term.

Cyber squatting is another technique used where the counterfeiter uses the same brand name as its own domain name with very slight difference so that the customer doesn't notice it and then they buy the products thinking it to be original.

Also, customers apart from getting duped know that they are buying false because of the low pricing of the same looking clothing or footwear. It has become a lot more common among the younger generation to buy such counterfeit products because they produce fakes with so much precision that they look almost similar to the original and what can be more attractive than buying the most top brand at such a cheaper rate which may be really expensive when bought

²¹ Poojan Sahny (2012), "The Designs Act, 2000: A Fashion Faux Pas", 1-12, available at, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2185519

²² CS(COMM) 714/2016

from the original store.

(C) IP Strategies that can be adopted to Prevent Counterfeiting

Firstly, brands should adopt effective legal remedies so as to keep themselves away from counterfeits. If no intellectual property is protected then no effective legal action can be rendered against the counterfeits.

Customers can be made more aware of the dark sides of the counterfeit industry that involve cheap quality products that can create potential bodily harm.

Virtually, brands can effectively manage to protect their fashion brand online. Artificial intelligence can be used most effectively in detecting brand fakes, reducing the time for the owners when done manually.

Sometimes it will become possible to combat such counterfeiting because of their omnipresence but the innovation in this respect can be protected in a very efficient way when the owners stay alert by seeking the right protection for their creations.

Protecting the intellectual property is very significant also to boost income through sale, licensing or even franchising so that the brands are able to improve their market share and attain goodwill.²³

Efficient management of the intellectual property assets helps the brands in enhancing their value in the eyes of the investors as well as the financing institutions.

III. RESULTS AND DISCUSSION

Fashion industry is one of the most dynamic and growing industries with its presence felt all over the world. Everyone wants to keep updated with the fashion trends that keep on changing every time of the year. It is very much necessary to stay afloat with the changing trends. In terms of intellectual property protection it can be difficult sometimes because of the time-consuming method of registration that in turn destroys the shelf-life of any product. But if no protection is sought then it again can be a hurdle because of the danger of counterfeits.

Damages that are pecuniary in nature are also not exceeding more than 50,000 rupees. The threshold of the damages needs to be increased immediately as it undermines the value of articles that are of big brand names.

The problem also lies under the design law protection wherein infringement occurs only when

²³ Kal Raustiala and Christopher Sprigman (2006), "The Piracy Paradox: Innovation and Intellectual Property in Fashion Design"

the cored design is copied but not the accompanying elements and so it becomes difficult to seek remedies for such piracy as well.

It is of utmost importance that effective intellectual property protection is being administered and better intellectual property management strategies are adopted so as the original owners of the brand in the industry are protected against such counterfeiting and given the best that they deserve for their creativity and hard work.

IV. SUGGESTIONS AND RECOMMENDATIONS

Taking into consideration the issues involved in the fashion industry that is hampering the industry in a lot many ways, there are few ways of combating the problem that are as follows:

- The threshold limit mentioned under Section 15(2) of the copyright act²⁴ should be increased from 50 to more given the rising popularity among the customers and more production nowadays.
- Laws should be amended in order to meet the international standards of intellectual property protection.
- Damages that are to be paid as penalty by the infringer must increase from the given threshold which is very less in comparison to what the owner must have suffered in actual practice.
- Enforcement of intellectual property rights must be carried out in a more stringent manner in the form of criminal sanction apart from damages or injunction that is only civil remedies.
- The fashion designers must be more stringent and adopt intellectual property strategies that help them combat such counterfeiting in the future.
- Creating public awareness about counterfeiting goods in the market and its ill-effects.

V. CONCLUSION

To conclude, it is apparent that we have to keep and can keep the fashion brands out of counterfeiting by making sure that all the legal aspects are covered. Their creative works are the only things that make them successful. Handling counterfeits can be difficult and can also undermine the brand's profits if they are not dealt with or to prevent them no proper intellectual property strategies and management are undertaken. The fact is that such brands can actually be associated with their fakes by some unsuspecting customers. Thus, in order to prevent counterfeiting it is important to protect the brands and also the customers from choosing such

²⁴ The Indian Copyright Act, 1957

fakes.

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