

Safeguarding style: an examination of brand protection in the fashion and luxury industry

 WTR SPECIAL REPORTS



FOREWORD



The global fashion and luxury industry is undergoing an unprecedented transformation marked by rapidly evolving consumer preferences, technological advancements and a borderless digital landscape. The fusion of creativity, craftsmanship and cultural resonance that characterises the industry has led to the creation of iconic brands that transcend products to become symbols of status, origin and self-expression.

Protecting these brands has never been more important. Alongside a wave of innovation, counterfeit goods, unauthorised replicas and IP infringements have continued to proliferate. These threats erode the economic value of brands and tarnish their hard-earned reputations, diluting the essence of what makes them unique. The battle to safeguard intellectual property and maintain brand integrity in the fashion and luxury space has escalated

into a high-stakes contest between genuine artistry and opportunistic infringement.

In this context, brand protection stands as a linchpin of the fashion and luxury industry's future. The convergence of e-commerce, social media and virtual experiences may introduce novel avenues for infringers to exploit, but it also offers innovative platforms for brand engagement and education. This is not merely a legal concern; there is a moral commitment to preserve the authenticity of brands and protect consumers and workers from criminal – and sometimes dangerous – activity.

This report delves into the multifaceted landscape of brand protection, exploring the filing strategies, anti-counterfeiting technologies and international collaborations that are essential to navigate this evolving terrain. The resilience of the fashion and luxury industry lies in its ability to adapt while continuing to defend the creativity at the heart of all its brands. [WTR](#)

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EXECUTIVE SUMMARY

1

Almost 90% of the top 50 fashion and luxury trademark filers originate from Europe and the United States, but nearly 50% prioritise Chinese filings above all others.

2

Only 6% of trademark applications by the world's most valuable fashion brands are filed in-house, leaving plenty of opportunities for new partnerships.

3

Fashion and luxury brands around the world are adopting a more comprehensive IP protection strategy that encompasses copyrights, patents and unfair competition law in addition to traditional trademark rights.

4

adidas, Bottega, Christian Louboutin, Hermès and Manolo Blahnik are among the big-name brands driving case law in evolving areas such as NFTs, 3D marks, platform liability and unregistered rights.

5

Fashion brand owners need to expand their online enforcement focus beyond global e-commerce platforms to incorporate regional resale sites, social media networks and shopping agents in line with the latest consumer trends.

Fashion through a data lens: an introduction

With counterfeiting and infringement being significant issues for the fashion and luxury industry – and fierce competition among rival brands still roaring – companies in the industry are always on the lookout for the latest insights on how best to boost their brand value and protect their iconic marks around the world.

In this section, we focus on the numbers behind those names. On page 6, Brand Finance's Annie Brown reflects on the business strategies that have made brands such as Porsche, Louis Vuitton and Chanel modern and exciting while maintaining their core ethos and identity. From celebrity endorsements and sponsorship partners to social media campaigns and Formula 1 teams, the most valuable fashion and luxury brands in the world are working hard to broaden their appeal – and to protect the assets and identities that made them so valuable in the first place. Sustainability has also become an important factor in driving consumer choice in the sector, with many brands yet to unlock their full value potential by better aligning perceptions with performance in this area.

Turning to trademark prosecution strategies, French fashion house Louis Vuitton is the most prolific filer in the sector with 16,849 active trademarks worldwide, Clarivate data on page 9 shows. Rivals E-Land, Chanel, Christian

Dior and Inditex follow suit. Europe and the United States lay claim to 45 of the spots on the top 50 list in the industry, while Asian registers dominate as the most important filing jurisdictions for local and foreign companies alike. The portfolios of top European and US fashion and luxury filers are typically spread out across a wide range of jurisdictions, a closer analysis reveals. Top Asian filers, meanwhile, tend to focus their prosecution strategies much more intensely on a small number of registers, most often within their own region.

Finally, when it comes to selecting representatives for trademark prosecution work, most big-name fashion houses rely primarily on external counsel, IP Pilot data on page 13 shows. Only three of the top 10 most valuable fashion companies of 2022 filed more trademarks in-house than via their leading law firm representatives between 2018 and 2022. Of the more than 21,300 trademarks filed collectively by those top 10 companies, only 6% were filed in-house. South Korean firm Kim & Chang is crowned as the most popular firm for external prosecution work, featuring in the top 15 representatives for six of the 10 top companies. Meanwhile, Nike left its sporting apparel rivals lagging behind in patent prosecution with the support of leading US law firm Banner & Witcoff Ltd. [WTR](#)

TOP 50 luxury and premium brands worldwide

Brand Finance's Annie Brown reflects on the company's Luxury & Premium 50 2023 report, which reveals that Porsche retains its first-place ranking while the apparel sector continues to dominate

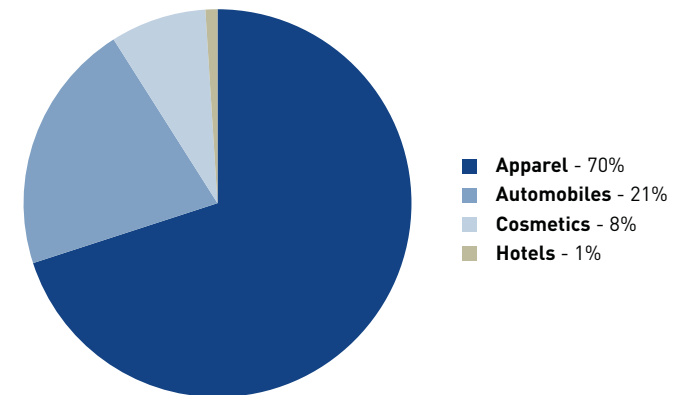
In June 2023, Brand Finance released its annual [Luxury & Premium 50 2023](#) report, which ranks the 50 strongest and most valuable brands across four key sectors globally: apparel, automobiles, cosmetics and hotels. The apparel sector dominated the list, accounting for around 70% of the top 50 brands, with a staggering combined value of \$180.6 billion.

Table 1: Most valuable luxury and premium brands

Rank	Brand	Brand value	Change in value from 2022
1	Porsche	\$36.8 billion	9%
2	Louis Vuitton	\$26.3 billion	12%
3	Chanel	\$19.4 billion	27%
4	Gucci	\$17.8 billion	-1%
5	Hermès Paris	\$14.2 billion	5%
6	Dior	\$13.2 billion	46%
7	Cartier	\$12.5 billion	1%
8	Rolex	\$10.7 billion	28%
9	Tiffany & Co	\$7.4 billion	10%
10	Ferrari	\$7.4 billion	-8%

Source: Luxury & Premium 50 2023, Brand Finance, June 2023

Figure 1: Percentage share of top 50 brands by sector



Source: Luxury & Premium 50 2023, Brand Finance, June 2023

“The strength behind the prancing horse mark is its ability to be exclusive but leave no one behind”

Automobiles

Since Brand Finance’s first luxury and premium brand ranking in 2018, Porsche has topped the table each year. Unlocking the value of Porsche’s brand was a key factor in its recent demerger from the Volkswagen Group, with the Porsche brand now being valued at \$36.8 billion.

The brand’s ongoing success can be traced all the way back to Ferry Porsche’s dream: to create *the* modern sports car. Although this might seem like an impossible task as technology and resources evolve among competitors, our analysis suggests that the Porsche brand is successfully continuing to promote its vision of modern luxury while retaining its core ethos. The brand continues to grow as it expands its product portfolio with new concepts – such as the Porsche Mission X – while also focusing on limited editions.

Lamborghini’s brand value more than doubled in 2023, increasing by 124% to \$4.3 billion to make it the fastest-growing brand in the ranking. As one of the premium manufacturers for the Volkswagen Group clocking up record profits for 2022, this is a golden time for Lamborghini – the brand delivered 9,233 cars in that same year. Its brand equity contributed towards record sales in excess of \$2.2 billion in 2022.

Just holding onto its top-10 status, Ferrari’s brand value grew by 3% to \$7.4 billion. Brand Finance uses a balanced scorecard of metrics to determine a brand’s relative strength. According to our research, the Ferrari brand comes out on top with a AAA+ rating. The strength behind the prancing horse mark is its ability to be exclusive but leave no one behind. The brand’s involvement in Formula 1 continues to help bolster Ferrari’s brand strength. Despite being overtaken by Red Bull in the 2022 Constructors’ Championship, top-five finishes for both Ferrari drivers further solidified its position in the sport and its rich motoring heritage.

Ferrari’s luxury team sponsorship partners, including Ray-Ban and Armani, also offer special opportunities for the brand. Sponsorship is a key tool for marketing teams to consider, and brand valuation rankings like

Brand Finance’s help companies to understand what those sponsorships are worth in monetary terms. Recently, Ferrari has moved into the luxury fashion sector, hoping to diversify its brand portfolio, increase familiarity and awareness, and nurture the next generation of Ferrari loyalists.

Apparel

Louis Vuitton retains second position in the 2023 ranking with a brand value of \$26.3 billion making it the most valuable luxury apparel brand. A strong contingent of French brands was present in the ranking, including Chanel, Hermès, Dior and Cartier in the top 10.

An emblem of luxury, Chanel has found a balance between its remarkable heritage and effectively capturing consumer desire. Chanel’s high brand value and 27% year-on-year growth reflects its ability to be agile and adaptable yet allow the brand to retain its core values, timelessly linking back to iconic creations, such as the little black dress and the Chanel suit.

Chanel also has a talent for staying relevant; it is regarded as one of the most influential and popular luxury brands on Instagram with over 57 million followers. This has certainly played a part in maintaining its esteemed position within the industry. As well as strong financial results, our analysis reveals that Chanel has maintained a notable overall familiarity rate among the public of 72% and has one of the highest consideration percentages among all luxury apparel brands at over 50%.

On the other hand, other luxury brands have chosen to abandon tradition. In 2018, British brand Burberry, valued at \$4.6 billion, launched a visual rebrand and ditched the 1999 equestrian knight logo. Despite these actions, which are presumably motivated by a desire to be positioned as trendy and innovative, Burberry’s brand value has not necessarily suffered but has remained relatively flat in recent years. For luxury brands, a more conservative, subtle approach to repositioning seems to garner the best returns for brand value.

Italian brands also performed particularly well in the ranking. Gucci was in fourth position overall with a brand value of \$17.8 billion. The brand’s strong influence in the Americas and the Asia-Pacific region has contributed to its success, which also leads to its position as Italy’s most valuable brand. Gucci has achieved strides in terms of familiarity and recognition in China, with brand awareness surpassing 80% – a 10% increase since the previous year. This follows the launch of parent brand Kering’s reinvigorating sales strategy in the region, bridging the cultural gap between Gucci and consumers. With Sabato De Sarno replacing Alessandro Michele as the company’s creative director at the beginning of 2023, it will be interesting to see the impact of his vision on Gucci’s global brand performance in the coming years.

Cosmetics

Just losing out on a top-10 spot, Estée Lauder is ranked as the 11th most valuable luxury cosmetics brand, valued at \$7.2 billion. The cosmetics giant is agile and has adapted its strategy to reach young consumers without compromising its core legacy and values. Innovative marketing campaigns and celebrity endorsements from Gigi Hadid, Kendall Jenner and Anne Hathaway have enhanced the brand's relevance among a broader and younger range of consumers. This is further boosted by a solid social media presence. The brand's 'My Shade, My Story' campaign, which captured the inclusivity of all skin tones in its cosmetics range, earned 58 million views on TikTok in just two weeks.

Sustainability as key differentiator and driver for brand success

Sustainability is an extremely important factor in driving choice in the luxury and premium industry. Recent analysis by Brand Finance found that the role of sustainability in driving choice in the luxury automobiles sector is about 23%. It is vital that brands effectively and transparently market and communicate their sustainability initiatives to continue to attract the next generation of consumers.

In July 2023, we launched our first Sustainability Gap Index, which examines the disparity between sustainability perceptions and performance. It revealed that, for many companies, brand value is either at risk or has been left untapped by not aligning sustainability perceptions with actual performance.

One brand that excels in both performance and perception is Chanel. The brand has shown a real commitment to making its core operations and manufacturing processes more environmentally friendly while also effectively communicating these initiatives to its different stakeholder groups. For example, Chanel's partnership with the University of Cambridge to promote sustainability solutions and leadership has enabled the brand to align its perception and performance at the same time. Further, via , the brand "has worked in solidarity with its not-for-profit partners [to create] conditions for women and girls to be free to shape their own destiny" for over 10 years.

Another example within the cosmetics sphere is Lancôme, which ranked 13th overall in the Luxury & Premium 50 2023 ranking and is valued at \$5.2 billion. Its sustainability programme, Caring Together for a Happier Tomorrow, captures environmental initiatives in its production practices

from sourcing to packaging, while also promoting the need for sustainable consumption (for example, by offering refillable and recyclable products in stores). Lancôme's commitment to advancing gender equality by promoting education and employment opportunities for underprivileged women further reflects the brand's action-orientated approach.

These initiatives are not elaborate marketing gestures; they showcase the brand's genuine efforts towards making a positive impact. Further, Lancôme's sustainability efforts may signal that the brand is pivoting away from relying on its strong French luxury heritage, which served it well in China, but might not have been enough to stand out in other markets.

When it comes to luxury automobile brands, Tesla must be discussed. Although Tesla does not meet the criteria for the Luxury & Premium 50 2023 ranking, the electric vehicle brand poses a competitive threat to more conventional, high-performing brands in terms of perceptions of sustainability. Porsche and Lamborghini are two names that have value at risk because their perceived sustainability and actual sustainability are not wholly aligned; however, Ferrari has almost \$140 million's worth value to gain.

Ferrari is undoubtedly taking proactive steps towards a sustainable future, including through the e-building – the home of its internally developed strategic electric components – and by implementing a higher degree of production flexibility for its hybrid and full electric models. Nonetheless, Ferrari has brand value that could be unlocked through improved communication with its stakeholders regarding its sustainability initiatives.

Comments

For luxury and premium brands, quality and craftsmanship are not enough to become and remain market leaders. Brands must evolve at just the right pace to keep up with consumer preferences and trends, but not so fast that they lose their legacy. This includes communicating and acting sustainably, and leveraging their price-insensitive customer bases to drive environmentally friendly initiatives. To stay relevant, luxury and premium brands should also carefully utilise sponsorship, licensing and other marketing strategies to reinforce their value. **WTR**

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TOP 50 filers in fashion and luxury

Europe and the United States lay claim to 45 spots on the list of the top fashion and luxury filers in the world, while Asian registers continue to be the focus of top prosecution strategies, Clarivate data shows

French fashion house Louis Vuitton tops our list of the most prolific filers in the fashion and luxury industry, with a portfolio size of 16,849 active trademarks across all Nice classes. Of the top 50 portfolios in the industry – ranked by overall portfolio size – Louis Vuitton is also the most prolific company when it comes to its fashion and luxury portfolio, with 8,480 active filings across Classes 14, 18 and 25 combined. Other

“French fashion house Louis Vuitton tops our list of the most prolific filers”

companies that rank highly include South Korean E-Land, French Chanel and Christian Dior, and Spanish Inditex.

Table 2: Top 50 filers in the fashion and luxury industry by total portfolio size

Ranking	Company	Country of origin	Total portfolio size	Fashion and luxury portfolio*	Top filing destination
1	Louis Vuitton Malletier/LVMH	France	16,849	8,480	China
2	E-Land (World and Retail)	South Korea	13,944	6,286	South Korea
3	Chanel	France	13,663	6,281	China
4	Christian Dior	France	11,922	3,464	France
5	Industria de Diseño Textil (Inditex)	Spain	11,810	6,593	South Africa

Ranking	Company	Country of origin	Total portfolio size	Fashion and luxury portfolio*	Top filing destination
6	Abercrombie & Fitch	United States	11,083	5,447	United States
7	Cartier	France	9,800	6,510	South Korea
8	Polo Ralph Lauren	United States	8,918	5,446	South Korea
9	Rolex	Switzerland	8,501	6,324	Taiwan
10	Nike	United States	8,159	6,859	China
11	adidas	Germany	8,106	6,541	China
12	Hermès	France	7,899	5,086	France
13	Yves Saint Laurent	France	6,970	2,348	China
14	Giorgio Armani	Italy	6,717	3,671	China
15	Levi Strauss	United States	6,701	6,640	China
16	Gucci	Italy	6,432	5,306	Taiwan
17	Calvin Klein	United States	6,395	2,520	United States
18	Vans	United States	6,247	5,043	China
19	Heilan	China	5,965	2,112	China
20	Skechers	United States	5,722	5,022	China
21	Richemont	Switzerland	5,687	5,047	Switzerland
22	Wacoal	Japan	5,462	4,039	South Korea
23	ASICS	Japan	5,260	4,884	Japan
24	Hugo Boss	Germany	5,210	3,264	China
25	El Corte Inglés	Spain	5,208	2,894	Spain
26	American Eagle	United States	5,058	4,225	Canada
27	Swarovski	Austria	4,959	2,508	China
28	Wrangler	United States	4,954	4,883	China
29	De Beers	United Kingdom	4,898	2,523	South Africa
30	Victoria's Secret	United States	4,504	1,632	China
31	Gap	United States	4,498	2,410	China
32	HBI Branded Apparel	United States	4,361	3,733	United States
33	Mizuno Corporation	Japan	4,331	2,945	Japan
34	Perry Ellis	United States	4,063	3,746	United States
35	Marks and Spencer	United Kingdom	4,016	2,007	United Kingdom
36	Hennes & Mauritz (H&M)	Sweden	3,848	2,809	China
37	Off-White	Italy	3,847	2,223	China
38	Montblanc	Germany	3,800	2,307	China
39	Reebok	United Kingdom	3,626	3,268	South Korea
40	Tommy Hilfiger	United States	3,585	2,668	China
41	Puma	Germany	3,558	3,304	South Korea
42	North Face	United States	3,519	2,693	China
43	Alfred Dunhill	United Kingdom	3,471	1,998	China
44	Burberry	United Kingdom	3,423	2,436	China
45	Valentino	Italy	3,327	2,509	China
46	Salvatore Ferragamo	Italy	3,275	1,945	China
47	Quiksilver	United States	3,118	2,389	Australia
48	Gunze	Japan	3,035	2,225	Japan
49	Montres Tudor SA	Switzerland	3,028	2,729	Taiwan
=50	Prada	Italy	2,939	1,840	South Korea
=50	Speedo	United Kingdom	2,939	2,116	South Korea

* Fashion and luxury comprises Nice Classes 14 (watches and jewellery), 18 (luggage and leather goods) and 25 (clothing and footwear).

Source: Clarivate CompuMark, 24 August 2023

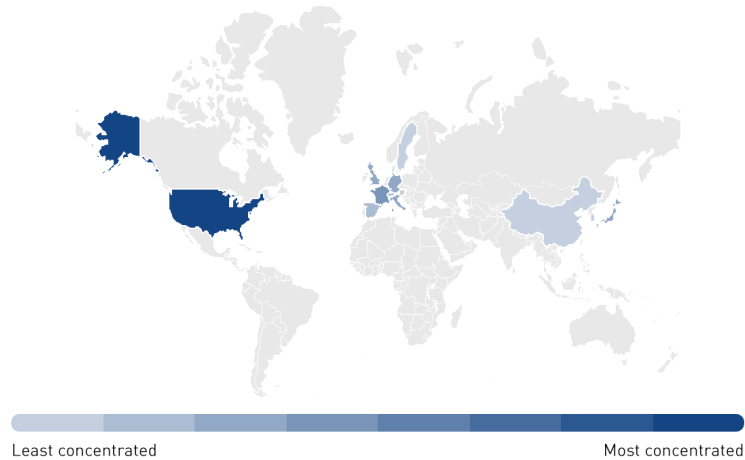
Impressively, four of the top 10 filers by total portfolio size are French (LVMH, Chanel, Christian Dior and Cartier) and three are from the United States (Abercrombie & Fitch, Polo Ralph Lauren and Nike).

E-Land, coming in second place in overall portfolio size, ranks eighth when looking only at its fashion and luxury portfolio. Conversely, Nike, which ranks 10th in the overall rankings, comes in second when looking only at its fashion and luxury-related filings. Prada and Speedo share the 50th spot in the rankings, with an overall portfolio size of 2,939 active trademarks each.

Company origin and key jurisdictions

Of the top filers in the industry, an overwhelming 45 companies present on the top 50 list are of European or US origin. Only six originate from Asia: E-Land, Heilan, Wacoal, ASICS, Mizuno Corporation and Gunze - and four of those six originate from Japan specifically.

Figure 2: Top 50 filers - by country of origin



Source: Clarivate CompuMark, 24 August 2023

Despite being predominately based in the United States and Europe, most of the top companies claim a register in Asia as their top filing destination. China emerged as the most popular register by far, with 24 companies filing the most applications there. South Korea was the second most popular register (eight companies), followed by the United States (four), Taiwan (three) and Japan (three). Most (73%) of the brands listed in Table 2 favour a register outside their country of origin.

Figure 3: Top 50 filers - by top filing destination



Source: Clarivate CompuMark, 24 August 2023

Companies appear focused on filing with national IP offices, rather than using WIPO or the EUIPO; none of the top companies have prioritised filings with these organisations over national IP offices. Only Chanel and Christian Dior file with WIPO as their second most popular register. Just one company, El Corte Inglés, files with the EUIPO as its second most popular register. WIPO is the third most popular register for five companies, and the EUIPO for four.

By comparison, China is the most popular jurisdiction for 24 companies, the second most popular for 14 companies and the third most popular for one company.

International versus local protection strategies

The most striking finding from our analysis is a strong preference for local registers among the Asian companies listed. Five out of six of the top filers from Asia filed roughly a third or more of their total filings at their top register, all of which were in Asia and most of which were their domestic registers. The least international in its trademark prosecution strategy is Chinese Heilan, which has filed 90.7% of all its marks in China alone. The second most prolific filer, E-Land, has filed 67.8% of its total trademarks in its home country of South Korea. Its second top filing destination, China, accounts for 28.9% of its total filings. ASICS stands alone in having a more international prosecution strategy, filing only 14.8% of its total filings in its home country of Japan.

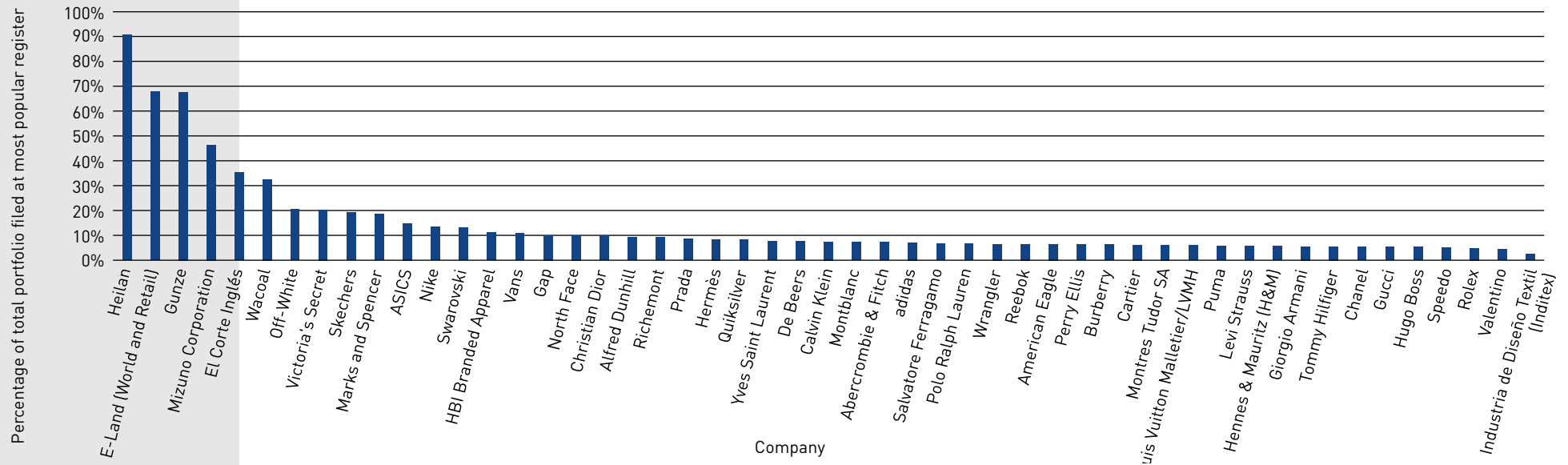
US and European companies with similar sized portfolios (namely, Chanel, Skechers, Richemont, Hugo Boss, HBI Branded Apparel and Montres Tudor SA), have a much more diverse spread of filings and only one favours its domestic register.

To showcase the spread of a company's filing activity across jurisdictions, we produced a diversity rating that compares the number of active trademarks at each company's most popular jurisdiction to the total number of marks in its global portfolio. The less concentrated a company's

portfolio is in its most popular filing destination, the more international the company's portfolio.

The most diverse filer is Inditex. Despite a total portfolio size of 11,810 marks, the company has filed just 290 marks in South Africa and 290 in Macau, its preferred filing jurisdictions. This means that less than 2.5% of Inditex's marks are filed in any single jurisdiction. Most companies (36 of those listed in Table 2) filed 10% or less of their marks in any single jurisdiction. **WTR**

Figure 4: Top 50 filers – concentration of company filings in each company's favoured destination



Source: Clarivate CompuMark, 24 August 2023

Disclaimer: The top 50 filers in fashion and luxury list reveals the companies that own the greatest number of active trademarks worldwide as of 24 August 2023. It is challenging to compile top lists of brand owners as entity names can vary over time and across registers, and company structures and changes can be complex. Clarivate has taken every effort to ensure that these rankings are accurate, but complete accuracy cannot be guaranteed.

The fashion and luxury category is difficult to define in trademark terms. Three Nice classes can be used with confidence – Classes 14, 18 and 25. Therefore, we have identified the largest global trademark portfolios across these three classes. Some companies with large Class 14, Class 18 and Class 25 portfolios, including Disney, Target, Viacom and Walmart, have been removed from the list on the basis that fashion and luxury is not their core business.

Fashion's top representatives

Analysis of IP Pilot data by WTR unveils the law firms behind the 10 most valuable fashion brands around the globe

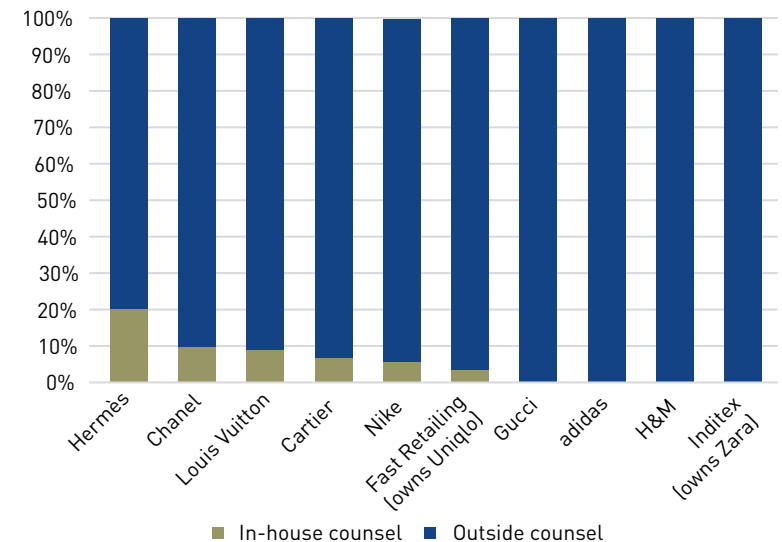
WTR has analysed [IP Pilot filing data](#) on the world's 10 most valuable fashion brands in 2022: adidas, Cartier, Chanel, Gucci, H&M, Hermès, Louis Vuitton, Nike, Uniqlo and Zara. The results show that the companies behind these brands filed over 21,300 trademarks between 2018 and 2022, of which only 6% were filed in-house.

Four companies employed outside counsel for all their trademark prosecution work between 2018 and 2022: adidas, Gucci, H&M and Inditex, which owns Zara. In fact, adidas outsourced 69.4% of its filings to just six firms.

Gucci and Inditex outsourced between 15% and 17% of their filings to one firm alone, while Nike relied most heavily on a single law firm partner. One in every five Nike filings from the past five years has been filed by ZY Partners in China. Meanwhile, China Sinda Intellectual Property is the most popular law firm filer for both adidas and Chanel. On average, each company's favoured law firm accounts for 12% of its filings.

Only three companies filed more trademarks in-house than via their leading law firm representatives: Cartier, Chanel and Hermès. For Hermès, only one mark made the difference.

Figure 5: Proportion of representatives filings trademarks (2018–2022)



Source: IP Pilot

Table 3: Top law firm filers by brand (2018–2022)

Rank	Company	Top law firm filer	Top law firm filer jurisdiction	Number of trademark filings	Proportion of total company filings
1	Nike	ZY Partners	China	444	20.8%
2	Gucci	Spheriens	Italy	176	17.3%
3	Fast Retailing (owns Uniqlo)	Dayup Intellectual Property Co Ltd	China	404	16.7%
4	Inditex (owns Zara)	ClarkeModet	Brazil, Mexico, Portugal, Spain, Tunisia	207	15.2%
5	adidas	China Sinda Intellectual Property	China	94	14%
6	Hermès	Jacobacci & Partners	France, Italy	231	9.8%
7	H&M	Westerberg & Partners Advokatbyrå AB	Sweden	123	9.4%
8	Louis Vuitton	Baker McKenzie	Hong Kong, Japan, Taiwan, United States	444	7.6%
9	Cartier	Estudio Chaloupka – Industrial Property	Argentina	70	6.6%
10	Chanel	China Sinda Intellectual Property	China	118	3.7%

Source: IP Pilot

Table 4: Top law firm representatives for adidas (2018–2022)

Rank	Law firm	Jurisdiction	Number of trademark filings	Proportion of total filings
1	China Sinda Intellectual Property	China	94	14%
2	Notaro Michalos & Zaccaria	United States	90	13.4%
3	J A Kemp	United Kingdom	77	11.5%
4	Estudio G Brever	Argentina	69	10.3%
5	Hogan Lovells	Spain	68	10.1%
6	Yoon & Yang	South Korea	68	10.1%
7	Beijing Sihilon	China	22	3.3%
8	Bhering Advogados	Brazil	18	2.7%
9	Basham, Ringe & Correa SC	Mexico	17	2.5%
10	Yanagida & Associates	Japan	12	1.8%
11	Gowling WLG	Canada	11	1.6%
12	RNA IP Attorneys	India	10	1.5%
13	Sargent & Krahn	Chile	7	1%
14	Ferrere	Uruguay	7	1%
15	Rouse	United Arab Emirates	6	0.9%

Law firm representatives

Twenty-two firms featured among the top 15 representatives of more than one leading fashion or luxury company. The most popular firm was Kim & Chang, which placed in the top 15 for six of our top 10 brand owners. Lee and Li Attorneys at Law also featured in the top 15 for half of our brands, while Abu-Ghazaleh Intellectual Property appeared in the top 15 of four.

“The most popular firm was Kim & Chang”

Source: IP Pilot

Table 5: Top law firm representatives for Cartier (2018–2022)

Rank	Law firm	Jurisdiction	Number of trademark filings	Proportion of total filings
1	Estudio Chaloupka – Industrial Property	Argentina	70	6.6%
2	House of Hikma Consulting	United Arab Emirates	60	5.6%
3	BKM Berkemeyer	Uruguay, Paraguay	48	4.5%
4	Fross Zelnick Lehrman & Zissu PC	United States	47	4.4%
5	Abu-Ghazaleh Intellectual Property	Saudi Arabia, Bahrain	46	4.3%
6	Wilkinson & Grist	Hong Kong	43	4%
7	Sonderhoff & Einsel Law and Patent Office	Japan	37	3.5%
8	Taylor Wessing	United Kingdom, Netherlands	28	2.6%
9	Lee and Li Attorneys-at-Law	Taiwan	24	2.2%
10	Zhongzi Law Office	China	19	1.8%
11	Kim & Chang	South Korea	19	1.8%
12	Bereskin & Parr	Canada	18	1.7%
13	Mohammed Abdul Aziz Mohammed Al Asaker Law Firm	United States	15	1.4%
14	Germain & Maureau	France	11	1%
15	Fox & Lapenne	Uruguay	11	1%

Source: IP Pilot

Table 6: Top law firm representatives for Chanel (2018–2022)

Rank	Law firm	Jurisdiction	Number of trademark filings	Proportion of total filings
1	China Sinda Intellectual Property	China	118	3.7%
2	Basham, Ringe & Correa SC	Mexico	99	3.1%
3	TMI Associates	Japan	97	3.1%
4	Kim & Chang	South Korea	94	3%
5	Wilkinson & Grist	Hong Kong	89	2.8%
6	Rahmat Lim & Partners	Malaysia	89	2.8%
7	Sorensen Garcia Advogados Associados	Brazil	84	2.7%
8	Spruson & Ferguson	Australia	75	2.4%
9	Marval, O'Farrell & Mairal	Argentina	72	2.3%
10	Gowling WLG	Canada	70	2.2%
11	Lee and Li Attorneys-at-Law	Taiwan	68	2.1%
12	Withers & Rogers	United Kingdom	54	1.7%
13	Abu-Ghazaleh Intellectual Property	United Arab Emirates	53	1.7%
14	E-Patent SA	Switzerland	53	1.7%
15	DFMG Solicitors	Ireland	45	1.4%

Source: IP Pilot

Table 8: Top law firm representatives for H&M (2018–2022)

Rank	Law firm	Jurisdiction	Number of trademark filings	Proportion of total filings
1	Westerberg & Partners Advokatbyrå AB	Sweden	123	9.4%
2	Ferraiuoli LLC	Puerto Rico	77	5.9%
3	Rodrigo, Elías & Medrano Abogados	Peru	66	5.1%
4	Estudio FRTB	Argentina	61	4.7%
5	Mishaal Ahmed Abdullah Al-Ageel Law Firm	United States	58	4.5%
6	Rouse	Sweden, Indonesia, Cambodia, Hong Kong, Thailand	57	4.4%
7	Zacarias & Fernández	Paraguay	47	3.6%
8	Cedar White Bradley	United Arab Emirates	26	2.0%
9	Abu-Ghazaleh Intellectual Property	United Arab Emirates, Saudi Arabia, Puerto Rico	20	1.5%
10	BLP Legal	Costa Rica	18	1.4%
11	Kelly IP LLP	United States	16	1.2%
12	Hogan Lovells	Hong Kong, Germany	15	1.2%
13	Sargent & Krahn	Chile	12	0.9%
14	Tsar & Tsai Law Firm	Taiwan	12	0.9%
15	BakerHostetler	United States	12	0.9%

Source: IP Pilot

Table 7: Top law firm representatives for Gucci (2018–2022)

Rank	Law firm	Jurisdiction	Number of trademark filings	Proportion of total filings
1	Spheriens	Italy	176	17.3%
2	Santarelli	France	85	8.3%
3	Arochi & Lindner SC	Mexico	71	7%
4	Fross Zelnick Lehrman & Zissu PC	United States	49	4.8%
5	Beijing IParagon Law Firm	China	44	4.3%
6	Marval, O'Farrell & Mairal	Argentina	41	4%
7	Kim & Chang	South Korea	38	3.7%
8	Di Blasi, Parente & Associados	Brazil	35	3.4%
9	Saba & Co	United Arab Emirates, Morocco	30	2.9%
10	Corrs Chambers Westgarth	Australia	27	2.6%
11	Bennett Jones LLP	Canada	26	2.5%
12	Deacons	Hong Kong	26	2.5%
13	Barlaw	Peru	25	2.5%
14	Haseltine Lake Kempner	United Kingdom	24	2.4%
15	Wenping & Co	Taiwan	23	2.3%

Source: IP Pilot

Table 9: Top law firm representatives for Hermès (2018–2022)

Rank	Law firm	Jurisdiction	Number of trademark filings	Proportion of total filings
1	Jacobacci & Partners	France, Italy	231	9.8%
2	Kim & Chang	South Korea	114	4.8%
3	Marval, O'Farrell & Mairal	Argentina	106	4.5%
4	Foley & Lardner LLP	United States	101	4.3%
5	Hayabusa Asuka Law Offices	Japan	94	4%
6	Norton Rose Fulbright	Canada	53	2.2%
7	Deacons	Hong Kong	52	2.2%
8	Winkler Partners	Taiwan	45	1.9%
9	Luiz Leonardos & Cia – Propriedade Intelectual	Brazil	42	1.8%
10	BKM Berkemeyer	Uruguay, Paraguay	30	1.3%
11	Shearn Delamore & Co	Malaysia	26	1.1%
12	Alessandri & Compania	Chile	23	1%
13	Mohammed Abdul Aziz Mohammed Al Asaker Law Firm	United States	20	0.8%
14	Sulaiman Al Ammar Law Office	Saudi Arabia	17	0.7%
15	Angara Abello Concepcion Regala & Cruz Law Offices	Philippines	16	0.7%

Source: IP Pilot

Table 10: Top law firm representatives for Louis Vuitton (2018–2022)

Rank	Law firm	Jurisdiction	Number of trademark filings	Proportion of total filings
1	Baker McKenzie	United States, Hong Kong, Japan, Taiwan	444	7.6%
2	Saba & Co	United Arab Emirates, Jordan, Morocco, Saudi Arabia	309	5.3%
3	Cedar White Bradley	United Arab Emirates, Jordan, Bahrain	205	3.5%
4	Estudio G Breuer	Argentina	154	2.6%
5	Gusmao & Labrunie S/C LTDA	Brazil	140	2.4%
6	CG Matute & Asociados SRL	Argentina	134	2.3%
7	Fross Zelnick Lehrman & Zissu PC	United States	131	2.2%
8	Salomoni & Asociados	Paraguay	124	2.1%
9	Shearn Delamore & Co	Malaysia	115	2%
10	Lavery, De Billy LLP	Canada	104	1.8%
11	Barreda Moller	Peru	101	1.7%
12	Lee and Li Attorneys-at-Law	Taiwan	99	1.7%
13	Mamo TCV Advocates	Malta	98	1.7%
14	Porzio, Rios & Asociados	Chile	88	1.5%
15	TMark Conseils	France	87	1.5%

Source: IP Pilot

Table 12: Top law firm representatives for Uniqlo owner Fast Retailing (2018–2022)

Rank	Law firm	Jurisdiction	Number of trademark filings	Proportion of total filings
1	Dayup Intellectual Property Co Ltd	China	404	16.7%
2	King & Wood Mallesons	China, Australia	370	15.3%
3	Minami Aoyama Patent and Trademark Attorneys	Japan	170	7%
4	Mendez + Cortes SC	Mexico	107	4.4%
5	Shearn Delamore & Co	Malaysia	65	2.7%
6	Veirano E Advogados Asociados	Brazil	63	2.6%
7	Lee and Li Attorneys-at-Law	Taiwan	61	2.5%
8	Skrine	Malaysia	53	2.2%
9	Muncy, Geissler, Olds & Lowe PC	United States	52	2.1%
10	Kubota Patent Office	Japan	49	2%
11	Mayer Brown LLP	Hong Kong	44	1.8%
12	Kim & Chang	South Korea	42	1.7%
13	Bereskin & Parr	Canada	41	1.7%
14	Dravya Siddhi Corporation Limited	Guernsey	28	1.2%
15	Wong & Partners	Singapore	28	1.2%

Source: IP Pilot

Table 11: Top law firm representatives for Nike (2018–2022)

Rank	Law firm	Jurisdiction	Number of trademark filings	Proportion of total filings
1	ZY Partners	China	444	20.8%
2	Panamericana De Patentes Y Marcas SC	Mexico	165	7.7%
3	Stobbs IP Limited	United Kingdom, Ireland	150	7%
4	Berton Moreno + Oiam	Argentina	86	4%
5	Gusmao & Labrunie SC LTDA	Brazil	68	3.2%
6	Kim & Chang	South Korea	58	2.7%
7	Cassels, Brock & Blackwell LLP	Canada	50	2.3%
8	Lee and Li Attorneys-at-Law	Taiwan	36	1.7%

NB: Of Nike's top 30 law firm representatives, only eight handled trademark filings. The remaining 22 exclusively dealt with patent filings.

Source: IP Pilot

Table 13: Top law firm representatives for Zara owner Inditex (2018–2022)

Rank	Law firm	Jurisdiction	Number of trademark filings	Proportion of total filings
1	ClarkeModet	Spain, Mexico, Tunisia, Brazil, Portugal	207	15.2%
2	BKM Berkemeyer	Paraguay, Uruguay	136	10%
3	Abu-Ghazaleh Intellectual Property	United Arab Emirates, Puerto Rico, Saudi Arabia	116	8.5%
4	Richelet & Richelet	Argentina	108	7.9%
5	Cikato Lawyers	Uruguay	78	5.7%
6	Guerrero-Noble. Perez-Orama & Guerrero-Calderon	Puerto Rico	71	5.2%
7	Rodrigo, Elias & Medrano Abogados	Peru	42	3.1%
8	Bustaman	Malaysia	31	2.3%
9	CCPIT Patent and Trademark Law Office	China	23	1.7%
10	Elzaburu	Spain	22	1.6%
11	Baker McKenzie	Spain, United States, Canada, Cambodia, Hong Kong, Taiwan, Sweden	20	1.5%
12	Beijing UNIPAT Intellectual Property Law Firm	China	17	1.3%
13	Wilkinson & Grist	Hong Kong	17	1.3%
14	ArentFox Schiff LLP	United States	16	1.2%
15	Dechert LLP	United States	16	1.2%

Source: IP Pilot

Patent representatives

Nike filed a whopping 8,129 patents between 2018 and 2022 – over 10 times as many as adidas in second place (744). One firm in particular – Banner & Witcoff in the United States – filed over 2,800 Nike patents. Thirteen other firms filed between 100 and 1,000 patents on Nike’s behalf. Nike itself filed 362 patents, which is more than double the number of trademarks that it filed in-house (117).

adidas only filed two patents in-house; it relied on three firms to file over 100 patents each: Sterne, Kessler, Goldstein & Fox PLLC; Bardehle Pagenberg Partnerschaft MBB; and Kilpatrick Townsend & Stockton.

Between 80% and 90% of Hermès’ and Louis Vuitton’s patents were filed by their single respective leading law firm representative.

As Louis Vuitton and Nike continue to file trademark applications in the thousands, and adidas and H&M ramp up activity without bringing work in-house, law firms have a chance to capitalise on a continually lucrative market. **WTR**

“Nike filed over 10 times as many patents as adidas between 2018 and 2022”

Table 14: Patent filings and representatives by company (2018–2022)

Rank	Company	Number of patent filings	Top law firm filer	Top law firm filer jurisdiction
1	Nike	8,129	Banner & Witcoff Ltd	United States
2	adidas	744	Sterne, Kessler, Goldstein & Fox PLLC	United States
3	Chanel	196	Plasseraud IP	France
4	Cartier	182	Oloff PLC	United States
5	Hermès	149	Jacobacci & Partners	Italy
6	Fast Retailing (owns Uniqlo)	97	Takaoka IP Patent Office	Japan
7	Louis Vuitton	72	Fross Zelnick Lehrman & Zissu PC	United States
8	H&M	9	Rouse	Sweden
9	Gucci	3	Stanek Lemon Crouse and Meeks PA	United States
10	Inditex (owns Zara)	0	Not applicable	Not applicable

Source: IP Pilot

Disclaimer: All data was kindly supplied by IP Pilot, which used its database of trademark and patent filing data to compile relevant filing data for the calendar years 2018 to 2022.

The 10 most valuable fashion brands were selected by WTR based on the Brand Finance Apparel 50 2022 and Luxury and Premium 2023 rankings. It is challenging to compile a top list of law firms, as multiple representatives can file applications on behalf of a company under the same law firm/agency name, a foreign transliteration of the same law firm/agency, or a foreign subsidiary or partner firm of the same law firm/agency.

While IP Pilot and WTR have taken every effort to ensure that these variations have been accounted for, all relevant figures were considered and rankings presented here are accurate, WTR accepts no responsibility for any errors in the tables.

The strategic playbook: an introduction

In this section, we hear from in-house experts, enforcement agencies and e-commerce platforms on the latest strategies in the fight against trademark infringement and counterfeiting.

On page 19, winners of the WTR Fashion, Cosmetics and Luxury Goods Team of the Year Award from the past decade offer their top tips on brand protection. Law firm experts reveal why international brands might consider adopting a multi-pronged approach to brand protection that incorporates various forms of IP rights on page 26. Then, on page 36, WTR runs through some of the most recent major wins and defeats for fashion and luxury brands around the world to reveal how case law is evolving to reflect modern consumer trends.

Turning to the fight against counterfeits, Greater Manchester Police's Neil Blackwood reflects on how Operation Vulcan has transformed the United Kingdom's anti-counterfeiting approach and become a model for other police services around the world on page 39. Meanwhile, the new director of anti-counterfeiting at INTA, Alastair Gray, sheds light on the digital scams keeping brand protection teams busy on page 43.

Moving on to wider brand protection issues, IP practitioners from CMS, HGF and Perkins Coie outline the consumer expectations and regulatory frameworks surrounding green claims in China, the United States, the United Kingdom and the European Union on page 48. Baker McKenzie's

IP and technology group in Hong Kong discusses key regulations in China relating to influencers and live stream marketing on page 53, and Parlux Holdings' Jessica Cardon also takes a look at influencer marketing by highlighting the hurdles that brand professionals should be aware of when working with influencers in the United States on page 56. Xavier Ragot, group general counsel and global data protection officer at Christian Louboutin, discusses the company's consumer-facing, anti-counterfeiting awareness platform Stopfake on page 58, which is his company's consumer-facing platform aimed at fighting fakes and raising awareness.

Turning our attention to emerging online platforms, Vinted's Marion Savary details how brand owners can collaborate with the popular resale marketplace to better protect their rights on page 60. Honing in on China, Shein's IP protection efforts are examined on page 63. We delve into the company's own trademark prosecution strategy before asking what more it could be doing to protect third-party brands. WTR then reveals four shopping agents that fashion and luxury brand owners should have on their enforcement radars on page 67. We delve into the company's own trademark prosecution strategy before asking what more it could be doing to protect third-party brands.

Finally, on page 70, academics Irene Calboli and Vera Sevastianova provide an update on the status of foreign fashion trademarks in Russia following its full-scale invasion of Ukraine in February 2022. [WTR](#)

A decade of excellence: top tips from award-winning in-house teams

WTR has digested advice given by industry leaders over the past decade to put together a best practice guide for in-house IP teams

For years, WTR has recognised the trailblazing efforts of in-house IP teams around the world, whose work on brand protection has modernised their industries and set examples that many others would do well to follow. We have shortlisted five teams per year and identified those we think are the best in their field. In this article, we look back at our winners of the Fashion, Cosmetics and Luxury Goods Team of the Year Award from the past decade, revisiting the work that won them their recognition and condensing their efforts into a guide for teams seeking similar success.

2014

The first winning team on the list is Avon – its willingness to collaborate with competitors as well as with other teams in the company set it apart from the rest of the pack. The six-person team oversaw around 40,000 registrations back in 2014 and covered every aspect of trademarks and rights of publicity. We spoke to John M Bergin, who was Avon’s chief trademark and copyright counsel at the time.

2015

Kate Spade & Company won the 2015 award after overseeing a monumental portfolio shift, where many brands were sold and the company changed its name twice. Clearing the name changes, due diligence and reverse M&A gave the team, consisting of just two industrious trademark specialists, an unprecedented workload, which they handled deftly. Geri Mankoff-Elias, then-vice president and IP counsel, accepted the award and spoke to WTR following her victory.

2016

In 2016, the award was given to the team at Moncler in light of its truly groundbreaking win in China, the first in which maximum statutory damages were awarded under the country’s then-new Trademark Law. In China’s notoriously challenging IP climate, this was no easy task. We spoke to Federica Zambelli – who was brand protection manager at the time – after the win was announced.

2017

Maus Frères Brands Group (MF) won the 2017 award for its success in achieving well-known status for the iconic crocodile mark of the Lacoste was also party to a landmark EU case the previous year. The European Court of Justice (ECJ) confirmed that operators of physical marketplaces may be held liable for the sale of counterfeit and other illicit goods by market traders. IP director Zeeger Vink shared his thoughts on the industry after accepting the award.

2018

The relatively young and mercurial Superdry won the award in 2018 for its watertight coverage of a hugely dynamic portfolio across a range of sectors. The team kept a lid on a portfolio that rapidly enveloped the lifestyle sector while maintaining an arsenal of hero marks, which cover its renowned fashion products. Then-senior IP counsel James Sweeting spoke to us about his team’s strategy.

2019

adidas was the most visible brand on social media in 2018, according to Brandwatch. Its popularity led to huge demand for counterfeit products bearing the company's name, but its IP team's canny litigation and enforcement efforts helped to curb criminal activity. This, alongside numerous successes in preventing competitors from infringing on adidas marks in courts across the globe, won the IP team the 2019 award.

2020

Tommy Hilfiger's collaborative efforts won its IP team the 2020 award. As well as signing up to Alibaba's Anti-counterfeiting, the team entered a sweeping partnership with bodies as diverse as Philip Morris International and the US Chamber of Commerce, which sought to raise awareness of the trade in fraudulent personal protective equipment during the COVID-19 pandemic. We spoke to Mark Bearfoot, who at the time was the company's legal director of global brand protection, about their enemy-of-my-enemy approach to trademark enforcement.

2021

The pandemic fettered the 2021 awards, and no Fashion, Cosmetics and Luxury Goods Team of the Year Award was given.

2022

In 2022, the award was handed to Puma, whose team oversaw a brand experiencing an elastic rebound from its pandemic slump, with sales growing 32% in 2021. Puma's leap into the metaverse and NFT markets gave the IP team a host of new challenges, which it met with aplomb.

2023

Most recently, Christian Louboutin won the 2023 award, following its successes in portfolio restructuring, enforcement under Chinese unfair competition law and defeating Amazon in the Court of Justice of the European Union (CJEU). We spoke to Xavier Ragot, group general counsel and global data protection officer, who accepted the award in August 2023.

Prosecution

Fight for well-known status if you can

The MF team is responsible for protecting powerhouse brands such as Lacoste, Aigle and Gant. In 2016, it secured well-known status for Lacoste's crocodile mark in both the European Union and China. Vink hailed the importance of well-known status but added that such protection should be the norm rather than the exception. "Well-known status is a formidably powerful tool in the trademark box, so we are happy to have it confirmed in these important territories," he said.

Although it is worth investing heavily in high-reward areas, efficiency and cost-effectiveness are crucial in running the most productive teams. "You want maximum protection, but need to avoid unnecessary spending on, for example, trademarks relating to projects that won't last," said Vink.

Be selective with filings – unregistered designs can be a powerful tool

The Superdry team had acquired a large number of new trademark registrations – especially in new or emerging markets, where it had to overcome absolute grounds objections – when it won the award in 2018. However, in registering new design rights, the group was more selective. Sweeting explained at the time: "We produce several thousand designs each year and sell to around 180 countries. That makes registering designs everywhere almost impossible for a team and a business of our size. We will register really innovative and technical aspects of a product, as well as designs for hero products that have a longer shelf life."

Protecting Superdry's innovations depended partly on "a patchwork of unregistered rights", he continued. "EU unregistered design rights are a powerful tool for fashion businesses because of the breadth and term of the right from first disclosure, and we've had good success in deploying unfair competition arguments in places like Germany and France."

Enforcement

Go after the landlords

In 2016, Lacoste was party to a landmark EU case, in which the ECJ confirmed that operators of physical marketplaces may be held liable for the sale of counterfeit and other illicit goods by market traders. Reflecting on the wider implications of that decision, MF's Vink said at the time: "The concept of landlord liability is not new, but unfortunately such counterfeit markets have remained in operation. It is time to reactivate the approach on a global level and I believe the decision can reignite the fire. Courts and legislatures have shown a certain reluctance in embracing the concept, but now Europe's example can show there is nothing wrong with letting those who facilitate the sale of illegal goods take responsibility."

The COVID-19 pandemic saw the peddling of counterfeit goods at physical markets move online, causing a rapid change in the enforcement landscape. Many of the principles that apply to offline enforcement apply online and, in December 2022, the Christian Louboutin team secured a remarkable CJEU victory that ruled that Amazon may be liable for trademark infringement where it promotes adverts selling counterfeit goods on its platforms.

Although the ruling applies only in specific circumstances, pursuing online marketplaces liable for trademark infringement is a new and important part of a successful enforcement strategy. Ragot hopes that the *Amazon* decision will prompt significant change in the ways in which online platforms police IP infringement. "The time has come for EU jurisdictions to update their guidebook as platforms become more and more hybrid, therefore participating in IP infringement," he said.

Put in the legwork; think prophylactically

Moncler won in 2016 on the back of a groundbreaking trademark win in China the previous year. The judgment was the first in which maximum statutory damages were awarded under the country's then-new Trademark Law. China is a notoriously difficult forum. The secret to the team's success was putting in the hours. As Zambelli acknowledged at the time: "We won last year, but we had spent over two years setting up the case." The same applies to internal work on aligning company focus on intellectual property; by 2016, the Moncler team had already spent over 500 hours on dedicated training for various departments.

Superdry's team looks after an expansive and dynamic trademark portfolio beset by "an inevitable swell of demand for copycat and counterfeit products", said Sweeting in 2018. It gives similar credence to putting in work hours where they count; three of its brand professionals focus exclusively on anti-counterfeiting and supply-chain issues.

Understand what evidence you need and use the right counsel to get it

Putting in the work means little if you do not know what you are working for. Superdry's Sweeting reiterated the importance of evidence and preparedness: "We love it when our outside counsel give us very clear guidance on evidential standards and volumes of evidence as this varies hugely from country to country," he said. "If we get the right guidance, we usually get the right result."

"Well-known status is a formidably powerful tool in the trademark box"

On Christian Louboutin's successful strategy, Ragot added in 2023: "Collaboration with competent IP attorneys across jurisdictions is essential to navigate local laws and ensure comprehensive coverage. [Meanwhile], regular review and adaptation of the strategy to align with evolving legal landscapes and market dynamics can eventually contribute to long-term success."

Discussing specifically the case in which the brand's red sole mark was used to leverage Chinese anti-unfair competition law, he continued: "Extensive evidence was meticulously collected and notarised, demonstrating the widespread recognition of Christian Louboutin's red sole signature in the Chinese market. Through collaboration across business divisions and with our Chinese leading counsel, we successfully convinced the Beijing IP Court of the infringement, leading to a very positive decision."

Work with law enforcement

The support of local authorities and law enforcement agencies on the ground in Beijing proved crucial in ensuring that Moncler prevailed in China in 2015. In the previous two years, the brand had conducted intelligence investigations and raids in cooperation with local law enforcement agencies in over 100 countries around the world, with around 1,450 individual cases resulting in the seizure of more than 450,000 fake items. These activities informed a harmonised approach to enforcement, explained Zambelli – and online traffic is just as important. By 2016, the team had shut down over 74,000 auctions and more than 1,800 websites selling fake products.

The Puma IP team referenced its "good relationship with law enforcement" as a key element to its success. This included "regular training sessions" and an "exchange of know-how" with legal authorities, meaning that all parties were better equipped to do their jobs. This included active participation in the wider industry, including with the UK Anti-Counterfeiting Group.

Non-governmental enforcement agencies have grown in recent years, further helping to share knowledge between companies that fall victim to counterfeiters. Tommy Hilfiger's team told us in 2020 that it had signed up to the Alibaba Anti-Counterfeiting Alliance the year before, which led to the identification of a range of suspicious online activity and the completion of various investigations and enforcement actions.

Internal operations

Keep clear records

Whether acquiring or enforcing rights, having the relevant evidence organised and prepared is key. Sweeting believed that Superdry had an edge in this respect. "It's important to be prepared and to understand how to

access relevant evidence quickly and effectively," he told WTR. "Many things are digitised and freely available to us through ever-improving technology and product management systems."

Moncler's Zambelli seconded this sentiment, saying that the ability to collect and preserve evidence at the right time is often decisive.

Broaden your horizons

"Recent years have... witnessed a shift to additional design patents prosecution and enforcement," said Christian Louboutin's Ragot. "Dealing with the registration and enforcement of non-traditional trademarks like the red sole necessitates thinking outside the box. It compels us to explore uncharted territories and discover new avenues."

Build an internal IP culture

Be assertive

One of the most common pieces of advice that our winners have given WTR readers over the past decade is to foster the strongest possible IP culture across the whole business. Effective enforcement "can be done only if the brand protection department stays in very close touch with all the business lines and contributes to the creation of an internal culture around IP rights," Zambelli told us in 2016. As mentioned, her team had spent over 500 hours providing dedicated training to Moncler's various departments. "The board really appreciates our efforts, as protecting our brand represents a key factor for the business," she reflected.

"Building relationships internally is not easy as, generally, the legal department is seen as a negative and the department that squelches creativity," acknowledged Kate Spade & Company's Mankoff-Elias. "However, I make it a mission to foster and build relationships, and help the teams understand that we are not here to say no; we are here to help them in their creative quests and we can only advise them on the risks so they can make informed business decisions."

Part of this effort involved regular internal training seminars across all business functions, which gave employees the knowledge to serve as the company's eyes and ears in the market. Happily, thanks to this concerted drive to "educate, educate, educate", Mankoff-Elias noted that "marketing and the board do generally take our legal advice and are sensitive to important/critical legal issues".

MF's Vink went even further, explaining that his team enjoyed support from the foundations; awareness of – and respect for – intellectual property was formally enshrined in MF's strategic vision. "Brand-driven companies like ours need to have a solid IP consciousness throughout the organisation," he explained. "We have been working hard to make that a

reality; where intellectual property was sometimes perceived as a mere technicality, we are now fully involved in, for example, branding, marketing, product design and merchandising. But we wanted to go beyond that and brand protection now forms an integral part of Lacoste's code of conduct, next to other elements of corporate social responsibility."

Sweeting insisted that Superdry's success was explained by, among other factors, management's understanding of the importance of intellectual property. "It's great to work somewhere where our stakeholders see us as people who enable them to push the boundaries and work freely rather than [as] blockers," he said.

Bearfoot from Tommy Hilfiger told WTR how he kept the team's goals front and centre of the company's interests. "It's all about consistent and regular communication with management to better explain exactly what you do," he said. "You have to acknowledge IP infringement as a serious risk to the business and communicate what you are seeing in terms of real external threats to your brand." This should then help to secure the necessary budget for the IP team.

"IP rights are critical assets for many businesses, but you need strong support from the board and shareholders to be able to develop a strategy," Christian Louboutin's Ragot insisted. "It is indeed a bumpy road, so you need your company to back your positions when necessary – human and financial resources for sure, but also trust. This enables us to take action against infringers, regardless of their size or influence."

Be pragmatic; understand your role in the bigger picture

Advice from MF's Vink on cost efficiency also applies to how a team is viewed within the wider company – and within the global IP enforcement system. No one can pursue every lead, and IP teams must instead decide what is worth the effort and what is not. "You need to develop a certain intuition for this, which starts with knowing the company's strategic brand positioning and organisation well," he said. Similarly, he acknowledged that "enforcement strategies should be aligned with a brand's general marketing and communication strategy. Let's face it: enforcing IP rights is in large part about protecting the brand image."

Superdry's team keeps the brand's direction at the forefront of its mind. "This enables us to plan and not be blindsided," observed Sweeting. The expansion of the brand from its core fashion market into the lifestyle sector, its growing popularity in jurisdictions around the world and the company's entry into more licensing agreements were among the key trends that shaped the team's prosecution efforts in the 12 months before its award. The company was entering multiple new markets at the time, including those for watches, fitness trackers and cosmetics, all of which were new territory for the IP team.

"From an IP perspective, it's fundamental to ensure that we put the correct rights in place to allow this [entry into new markets] to run as smoothly and as globally as possible," Sweeting said. "From a business perspective, we also need to make sure that we enter into relationships with the right partners on the rights terms to make sure that consumers of the brand continue to trust our products across the board." The move into new markets meant the team had to overcome absolute grounds objections with regard to new trademark registrations, work that gained them further acclaim in the WTR awards.

"Prioritising our goals, determining the most important ones for both us and the business, and bearing in mind that consumers represent the very heart of our strategy and our activities are also key messages," said Moncler's Zambelli.

Puma's team was lauded by external legal professionals in the year it won its WTR award. The side gave "clear and efficient instructions... the perfect balance of firm but fair, which is not always present in companies with the size and reputation of Puma", one nominee stated. This coincided with a concerted effort from the wider company to expand its digital presence in the preceding years, including through initiatives such as changing its name on Twitter (now X) to 'Puma.eth' and establishing a Puma crypto portfolio.

Trademark practice enters a new realm as physical products must be replicated digitally. "Closely working with the designers, the merchandising department and the visual identity team enables the development of an IP prosecution strategy that is primarily driven by business needs," Christian Louboutin's Ragot explained.

Have a zero-tolerance approach

Christian Louboutin's approach is the most aggressive on this list, and it has seen strong results. Ragot criticised tactics that he perceived large online retailers to take, such as mixing listings of their own with those of third parties. "We relentlessly pursue the counterfeiters, no matter where they attempt to operate," he said. "In recent years, with a big acceleration [due to] COVID-19, more and more counterfeiting businesses moved online, where some may feel invisible or untouchable. Our goal is to prove the opposite."

He then discussed the company's proprietary Stopfake initiative and its zero-tolerance policy for counterfeits. The initiative comprises "a comprehensive program to deal not only with websites offering fake Christian Louboutin® goods, but the sources thereof, social media, auction platforms and other avenues of trade for fake products" according to the Stopfake website.

Keep up with new trends

Understanding business strategy is especially important in the fashion industry, where fads come and go unpredictably and the latest trends dictate consumer behaviour. Award-winning brands have pivoted in recent years to respond to the shift to e-commerce, NFTs and the metaverse.

Puma is a first-class example. After announcing its most successful year to date in 2021, Puma's CEO at the time Bjørn Gulden set his eyes on the next digital frontier: the metaverse. As mentioned, the company changed its Twitter (now X) name from 'Puma' to 'Puma.eth', representing an ethereum cryptocurrency domain and the crypto portfolio the company was building. In addition, it announced a collaboration with the popular Gutter Cat Gang to launch an NFT collection.

Puma's global chief brand officer Adam Petrick told Vogue Business: "As a sports company, we have to be thinking about connecting with people in the physical world and giving people the opportunity to bring physical products into the digital world... Whether it's gamified utility or access, it's like a fourth dimension of experience with the product... The metaverse, in general, is a great place for getting rid of the boundaries that the physical world creates to be able to think very progressively about design."

Mediate and collaborate, don't litigate


Avon, the winner in 2014, received praise for being proactive not only in building relationships with the rest of the company and external counsel,

but with its competitors too. Collaboration – whether to avoid conflict, make it easier to resolve disputes amicably or share knowledge and best practice – can give the whole industry the edge over counterfeiters, and help to quash new supply chains and criminal activity as soon as they are spotted.

One external nominator that year specifically praised the team's leader, Bergin, for promoting "a close link among professionals in the fashion, cosmetics and luxury goods field". Tommy Hilfiger's participation in the Alibaba Anti-counterfeiting Alliance spoke with much the same sentiment.

Love what you do

"I think that having team members who you trust, and who you know work hard and are passionate about what they do, coupled with our each having almost 20 years of experience, enables us to work together to achieve the best results for the company," said Kate Spade & Company's Mankoff-Elias. "Passion, determination, curiosity for new challenges, energy and strong cohesion" enabled Zambelli's team to thrive. The Superdry team's enthusiasm and love of the brand are what Sweeting pinned as the most important reasons for its success.

Perhaps some things cannot be taught.  WTR

This article contains information from several articles published on the WTR platform following the WTR Industry Awards from 2014 to 2023.

A 360-degree approach: why fashion brands are relying on more than just trademarks

Law firm experts reveal how international brands can overcome the challenges of guaranteeing sufficient protection in major jurisdictions by adopting a multi-pronged approach that incorporates various forms of IP rights

Brand owners around the world are reassessing their IP prosecution strategies to meet evolving needs and budgets. WTR reached out to law firm practitioners in four major jurisdictions to find out how fashion and luxury brands in particular are building all-encompassing strategies that incorporate other forms of IP rights beyond trademarks.

China

Trademark protection remains the primary IP right pursued by fashion brands in China. This is partly because most IP infringements involve trademarks, and partly because trademark protection is more direct and efficient compared to other IP rights for fashion brands. However, with the rise of e-commerce and the increasing sophistication of counterfeiters, fashion brands are gradually adopting more comprehensive IP protection strategies that involve copyrights, patents and unfair competition law in addition to trademark protection.

Key trends

Infringement lawsuits mainly focus on trademarks, with a gradual increase in copyright, appearance design and unfair competition disputes. According to the China Apparel Industry Intellectual Property Protection White Paper, in 2020, the number of trademark cases had reached 2,075. In addition to trademark cases, in recent years, figures for copyright, design patent and unfair competition disputes have shown an upward trend in the apparel sector.

Along with trademark registrations, there has been swift increase in patent applications and copyright registrations. This is exemplified by the Yinger Fashion Group, which owns nearly 1,000 patents, more than 1,000 copyrights and trademarks in China, and 70 overseas-registered trademarks. Among them, three trademarks have been recognised as well-known trademarks in China and five as famous trademarks in Guangdong Province. Sales from commercialised patent technologies and patented products account for over 50% of the company's total revenue. Yinger leads its industry peers in terms of its patent application volume and conversion rate.

Rights holders are also utilising Big Data, artificial intelligence and blockchain technology to protect their IP rights. This has created efficient and low-cost mechanisms for rights protection in the fashion industry.

Recordation with Customs has become an important enforcement tool for fashion brands. Rights holders can record their trademarks, patents and copyrights with Customs in advance, allowing Customs to proactively detain suspected infringing goods during inspections.

Therefore, while trademark protection remains the foundation, fashion brands in China are increasingly pursuing a comprehensive, multi-pronged approach to IP protection.

Assessing the benefits of each right

A diverse portfolio of IP rights allows fashion brands to fully leverage different forms of legal exclusivity and is pivotal for the high-quality development of intellectual property in the fashion industry. It enables a seamless and all-encompassing defence against

potential infringements and ensures protection at different levels of intellectual creation. This strategy aligns with the different stages of the product's life cycle, contributing to the overall safeguarding of the brand's integrity, innovation and competitive advantage.

Different aspects of the same brand

Different types of IP rights can protect different aspects of the same brand, as follows:

- Trademark protection ensures the uniqueness of a brand by preventing other businesses from using similar or confusing identifiers, safeguarding the brand image.
- Copyright protection protects creative outcomes, such as design drafts, product design diagrams and patterns on clothing. Design is one of the core competencies of the fashion industry, and copyright protection is vital to safeguard the hard work of designers. It ensures exclusive rights to their works and allows for legal redress in the case of unauthorised replication, distribution or display.
- Patent protection shields innovative technologies and manufacturing processes. With a patent, businesses can enjoy exclusive rights to their invention for a certain period, preventing competitors from illegally using or copying it. Most patents applied for in the fashion industry are design patents; however, fashion is a fast-moving consumer industry. By the time a brand secures a design patent, the product may already be out of season. This quick turnover makes design patents less applicable for most seasonal fashion items. Since fashion follows trends and seasonal patterns with shorter market cycles, there are very few designs that genuinely need a decade of patent protection. This need is mainly confined to classic pieces from high-end brands. Non-fast-moving items like jewellery and accessories may benefit more from appearance design patent protection, offering a more balanced approach.
- Protection under the Anti-Unfair Competition Law serves as a last resort when trademarks, copyrights and patents fail to provide sufficient protection. Violations of good faith and business ethics or confusion-inducing behaviour can be addressed under this law.

Consider time frames to ensure protection throughout the product life cycle

It is important to consider that the speed of obtaining different types of IP rights varies, and a diverse IP strategy can ensure all-round protection throughout the product's life cycle. Copyright exists as soon as the artwork is created, and registration merely aids in proof submission. Acquiring design patents takes longer. According to the China National Intellectual Property Administration, the review period for design patents in the first half of 2020 was 3.2 months. The registration period for trademarks is even longer – around seven months.

In the fast-paced fashion industry, pre-emptive planning for IP protection is vital. Protection must be secured at the product's completion or even earlier stages. For full life cycle protection, it is essential to consider how fast these rights can be obtained and act accordingly. By filing for quicker-to-obtain rights first and then staggering filings, brands can achieve continuous coverage.

In this sense, it is also important to consider the varying lengths of protection afforded by different types of IP rights. In China, copyright extends through the author's lifetime plus 50 years after their death (or 50 years after first publication for legal entities). Trademarks are valid for 10 years and can be renewed indefinitely. Patents offer varying lengths of protection; invention patents are protected for 20 years, design patents for 15 years and utility model patents for 10 years. Even after expiration, further protection may be available under the Anti-Unfair Competition Law if certain conditions are met.

Evidence of a multi-pronged approach in action

In recent years, brands have seen increasing success leveraging design patents, copyrights, trade dress and unfair competition laws to protect core fashion IP assets. Landmark cases in this area are detailed below.

Louis Vuitton v Belle International – copyright for sports shoes

In February 2018, luxury brand Louis Vuitton began selling its Archlight trainers, for which it owns the global design right, trademark and copyright. Louis Vuitton filed a lawsuit against Chinese footwear giant Belle International, accusing it of producing a shoe design that was strikingly similar to the Archlight shoes. This marked Louis Vuitton's first copyright lawsuit in China (specifically, the special administrative region of Hong Kong) in nearly three years. Although specific outcomes may vary, this case is indicative of the industry's shift in protection strategy beyond just trademark rights.

Dream Dance – copyright for clothing

In 2021, a landmark judgment was made by the Chongqing Free Trade Zone People's Court in the *Dream Dance* case, which recognised the design of Dream Dance clothing as an artistic work. The court found that the artistic beauty of the clothing was reflected in its black and white polka-dot pattern, sun dress cut, and linear splicing.

By combining these elements, a dual aesthetic effect of modern and retro fashion was created. Dream Dance clothing's utilitarian function and artistic beauty could be separated and exist independently of one another, making it an artistic work protected under copyright law.

Casio v Xuanfeng Company – design patent for watch designs

In this design patent infringement case heard by the Shanghai IP Court, Casio – as the patentee of the watch design – prevailed against four defendants who had copied and manufactured or sold its watch designs, and was awarded over Rmb 8 million in damages.

Longxiang v Shenzhen Yeeho – copyright for a work of practical art and misleading false advertising

In this case, the court not only found that defendant Yeeho Company's products infringed on the plaintiff's copyright for a work of practical art, but also identified additional misconduct related to unfair competition.

Specifically, Yeeho Company was found to have unilaterally compared its products to those of the plaintiff Longxiang on its website, using phrases such as "with or without, exactly the same". Such representations, in the context of everyday experience and the general attention of the relevant public, were likely to cause misidentification. The court deemed this to constitute misleading false advertising.

Outlook

Overall, the above cases illustrate that luxury brands are increasingly leveraging design patents and copyrights to protect core fashion IP assets in China, in addition to relying on trademarks. Success with non-trademark claims requires careful analysis of artistic and functional elements, which also strengthens the IP arsenal against copying, especially for iconic designs.

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European Union

European brand owners are clearly looking beyond trademarks to protect their brands and products. An important driver for this broader approach is the continuing harmonisation of IP rights in the European Union and more recently of copyright in particular. Trademark and design rights were harmonised and have been unitary rights for almost two decades; although they had a slow start, they have proven to be mighty weapons for brand owners. The effect of the ability to litigate in one member state and get an injunction in the whole of the European Union has been enormous. IP practitioners are used to it now, but unitary rights were remarkable at first in how they gave brand owners the means to effectively act against infringements on an EU-wide scale.

The challenges of harmonisation

Despite these enormous advantages, there are some disadvantages to these EU rights. The fact that trademarks and designs became European meant that differences between the various national systems had to be reconciled. For instance, in the Benelux, practitioners were used to a very broad type of protection for trademarks – including for non-traditional marks – whereas design rights were hardly used. On the other hand, in countries such as the United Kingdom and Germany, a much stricter approach to trademark protection was applied, especially for non-traditional marks and design rights, which were the rights used to protect product design.

Under EU trademark law, this clash of traditions resulted in a much more restricted protection for non-traditional marks, such as shapes and colours. The scope of design law protection has always been more restricted than that of trademark law, which led to rather restricted protections, especially for product design.

In countries such as the Netherlands and France, the problem of restricted protections afforded by product design has always been solved by allowing copyright protection for works of applied art. Again, this clashed with the traditions of the more conservative countries.

However, over the past decade or so, the CJEU has appropriated the topic of copyrights and, despite the lack of overall legislative harmonisation, harmonised this topic to a large extent. In the recent *Cofemel* and *Brompton* decisions, the CJEU clearly held that works of applied art can and should be protected by copyright. For countries such as the Netherlands, this did not change much, but for countries such as Germany, these decisions were groundbreaking. In Germany, there is now a fierce discussion raging about how to apply this new copyright protection, although it is likely that this will turn out to be nothing more than a rearguard action.

In addition to copyright and when possible, fashion brand owners can use design rights to seek protection. To a lesser extent, they can also use unfair competition laws to their advantage, but since they only provide national protection, they are less favourable. Nevertheless, in countries with strong unfair competition protections (eg, France and Germany), they are still very popular.

Benefits of a diverse portfolio

Fashion and luxury brands – such as Charlotte Tilbury and Ferrari – have demonstrated what is possible through copyright protection in the European Union. Charlotte Tilbury relied on copyright protection in its design of its Filmstar make-up palette in a dispute over product packaging in *Islestarr Holdings/Charlotte Tilbury v Aldi* ([2019] EWRC 1473). Meanwhile, Ferrari successfully relied on copyright protection in its product designs for, among other things, the Ferrari 488 GTB and the Ferrari 250 GTO when pursuing kit car infringers.

Ultimately, the more diverse a portfolio is, the wider the scope of protection that can be obtained – and every additional ground of protection widens this scope. It is therefore advisable for any fashion or luxury brand owner to diversify its portfolio and use all available opportunities.

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India

With advancement and innovation gripping every industry, fashion is witnessing dynamism like never before. The Indian fashion industry is one of the fastest growing, with more and more designers creating unique styles. At the same time, awareness of benefits associated with IP protection is on the rise. Brands are no longer restricting action only to instances of misuse, but are also building strong and diverse IP portfolios as a means to drive their brand value. From applicants filing for trademark protection and registering copyrights and designs under the applicable legislation to, in some cases, filing patents and seeking protection as geographical indications (GIs), the Office of the Controller General of Patents, Designs and Trade Marks is seeing increased numbers of filings from the fashion and textile industry.

Analysing available rights

Apart from protection under the Trademarks Act 1999, various laws in India enable the protection and recognition of rights in fashion created by designers.

Designs

Protection under the Designs Act 2000 is given to the non-functional aspects of a product with visual appeal. This includes features of shape, configuration, pattern, ornament, or composition of lines or colours applied to any 2D or 3D (or both) forms. Registration of designs is usually the fastest process of all, which is why, in some cases, subject to business interests, it is the preferred form of protection by designers looking at monopolistic and exclusive enjoyment of rights in a registered design.

In the past few years, there has been a significant increase in the number of design applications in the textile industry. According to the Office of the Controller General of Patents, Designs and Trade Marks' Annual Report 2016–2017, the total number of design applications originating from India was 6,292. Of those, only 545 applications were filed for Class 2 (articles of clothing and haberdashery). According to the office's Annual Report 2021–2022, the total number of design applications originating from India had increased to 18,851 (an increase of almost 200%). The number of applications for Class 2 numbered 3,570 (an increase of over 550%).

Copyright

With copyright encompassing a bundle of rights, many aspects – including drawings and sketches – can be registered as artistic works, with rights accruing for until 60 years after the lifetime of the author. An instance of this in the fashion industry can

be found in designer Rohit Bal, who sought copyright protection for his cockerel design. In fact, Bal was the first Indian designer to obtain copyright protection for his entire collection in 2017, followed by designers Anju Modi and Anita Dongre.

The Copyright Act 1957 also protects designs that are capable of being registered under the Designs Act 2000, but are not registered, for up to 50 reproductions. Copyright in the design ceases as soon as any article to which the design has been applied is reproduced more than 50 times by an industrial process.

GIs

Under the GI Act 1999, the work of local weavers, craftspeople and designers can be protected. If a style of weaving, dyeing or textile printing is protected as a GI, the woven, dyed or printed object embodies qualities or represents a manufacturing style, unique to a specific region within India. For instance, India's famous Chanderi sarees, Mysore silk, Odisha ikat and Kutch embroidery are registered under the GI Act 1999. GI protection is often considered suitable for collectives and artisans looking to protect indigenous traditions and heritage. A GI label prevents unauthorised use of the product's name, reputation and identity by third parties, provides a marketing advantage to the producer or manufacturer, and boosts the local, often rural, economy.

Patents

The filing of patent applications to protect innovation in the textile sector may also be considered. Such activity has been fairly consistent over the past few years. According to the Office of the Controller General of Patents, Designs and Trade Marks' Annual Report 2017–2018, the Office saw 795 patent applications from the textile sector in that period. This increased to 881 in 2018–2019, dropped to 693 in 2019–2020, increased again to 900 in 2020–2021 and remained at a steady 793 in 2021–2022.

It bears mention that the rising demand for sustainable and ethical fashion is leading to an uptick in fashion patents. Eco-friendly alternatives garner strong attention from consumers and several innovative products can be seen entering the market. As the largest mango producer in the world, India now has 'mango-leather'. Scientists at the Chennai-based Central Leather Research have developed a leather-like material from mango pulp to make bags, belts and other items. An eco-friendly alternative to synthetic leather, the new material contains 50% mango pulp.

Other interesting initiatives include use of floral waste from temples to dye organic fabric. As the country progresses in its aim towards sustainability and a circular economy, innovation is likely to increase in the textile industry.

Monetising IP in a changing industry

The Indian fashion industry is changing. There has been a sharp rise in corporatisation owing to two powerhouses, Reliance Brands Limited and Aditya Birla Group, acquiring stakes in renowned home-grown designer brands. A growing luxury market at home, coupled with a strong spotlight on the enormous role that Indian textiles and embroidered fabrics play in the global fashion market, has also fuelled a growing realisation on the importance of protecting proprietary rights. A robust and diverse IP portfolio can be key to setting a fashion brand apart from its competitors.

The business of luxury and fashion requires heavy cash flows to build exclusive brand relationships with consumers. Post the Aditya Birla group acquiring a stake in Sabyasachi's label, the latter has expanded his footprint to open a signature Sabyasachi store in New York City. Another way in which popular brands can expand their presence, consumer base and ultimately profits is through licensing arrangements. For instance, many high fashion brands license their trademarks to eyewear manufacturers. Mortgaging of IP rights is also a part of India's IP narrative these days. But before steps can be taken to monetise IP rights through any of these channels, it is key to understand that a brand's valuation, image and strength is much higher if it has registered IP rights under its belt. The stronger and more diverse the IP portfolio is, the better the possibility is of leveraging intellectual property to develop the brand and exploit value.

Most importantly, a diverse portfolio of IP rights enables action against misuse of a brand's style, allowing the company to exclusively enjoy its designs, styles and creations. Registration is prima facie evidence of ownership and having registered IP rights makes action against third-party misusers not only possible, but easier, allowing the company's intellectual property to remain strong and free from dilution.

Success stories

There are various examples of fashion and luxury brands enforcing their rights in this way.

Within trademarks, expanded protection is being recognised in India. An example of this was when Christian Louboutin sought to enforce its trademark rights in the colour red for soles against a number of Indian footwear brands (*Christian Louboutin SAS v Pawan Kumar* (CS (COMM) 714/2016)). Recognising that Christian Louboutin's red sole trademark had acquired well-known status, the judgment was declared in favour of the fashion company. This case highlighted the expanding contours of

unconventional trademarks being capable of rendering trademark functions. Another case on this point is where Hermès's single letter stylised "H" mark was declared well known by the Delhi High Court in *Hermès International & ANR v Crimson Fashion Accessories Private Limited* (CS (COMM) 919/2022 & IA 22377/2022).

Apart from protection under trademarks, many designers have also been able to obtain relief under copyright law. This includes designer Tarun Tahiliani, whose work was recognised as an original artistic work under section 2(c) of the Copyright Act 1957, entitling him to protection against infringement in *Rajesh Masrani v Tahiliani Design Pvt Ltd* (FAO (OS) 393/2008, Delhi High Court).

Designers with registered designs have also been successful against imitators. Designer Sabyasachi Mukherjee successfully enforced his rights in *Sabyasachi Calcutta LLP v Ankit Keyal Proprietor Asiana Couture* (CS (COMM) 533/2021 and IA 13942/2021, 13947/2021, 13948/2021). The Delhi High Court observed that the infringing designs were an obvious imitation of Mukherjee's registered designs and an attempt to link the products of the defendant with those of the designer. On this basis, the High Court passed a restraining order against the defendant.

Conversely, the absence of design registrations has negatively affected designers in actions against misusers. For instance, designer Ritu Kumar was unable to obtain an injunction against the alleged imitation of her design in *Ritika Private Limited v Biba Apparels Private Limited* (CS (OS) 182/2011) in the absence of a design registration. She sought to base her case on copyright protection; however, this ground was denied as more than 50 reproductions of her design had already been made.

Outlook

Although still not at an optimum level, the Indian fashion industry's awareness and action with regard to protecting intellectual property is on the rise. What was previously a mere choice to protect brand names and trademarks has seen an expansion of protection under copyright and design laws. The need to maximise the protection of one's creation is growing, particularly in a world where intellectual property and innovation are driving businesses. As the fashion industry in India grows, it is hoped that designers and brands will be increasingly able to maximise their IP assets.

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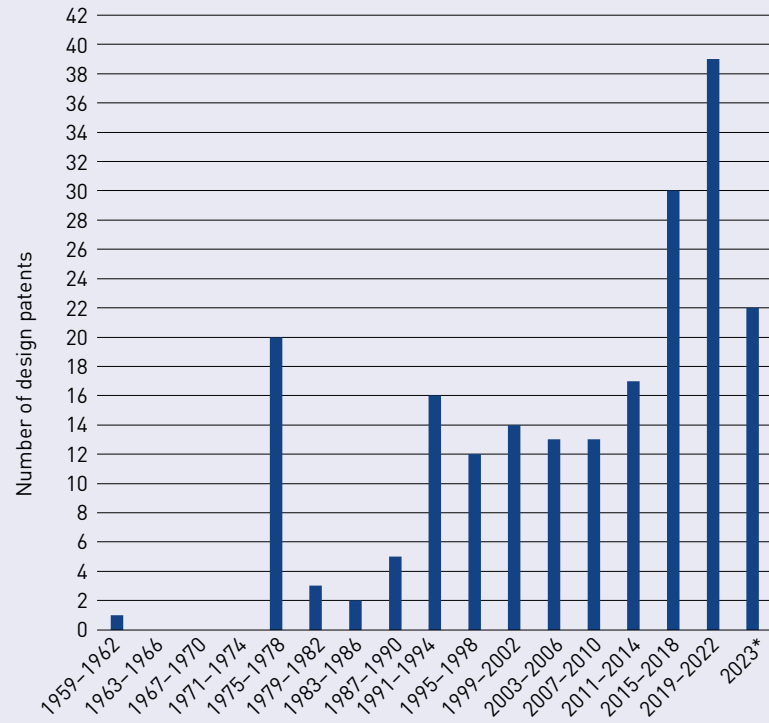
United States

A number of fashion and luxury brand owners are increasingly seeking protection in the United States through IP rights beyond trademarks, such as design patent and copyright protection.

Using design patents as an example, it is evident from issued US design patents alone that several fashion and luxury brand owners are seeking US design patent protection. Four fashion and luxury brand owners are detailed in this article.

Christian Dior Couture SA has over 200 US design patents in total, around 60 of these having been issued since the start of 2019. Products include sunglasses, bags and watches.

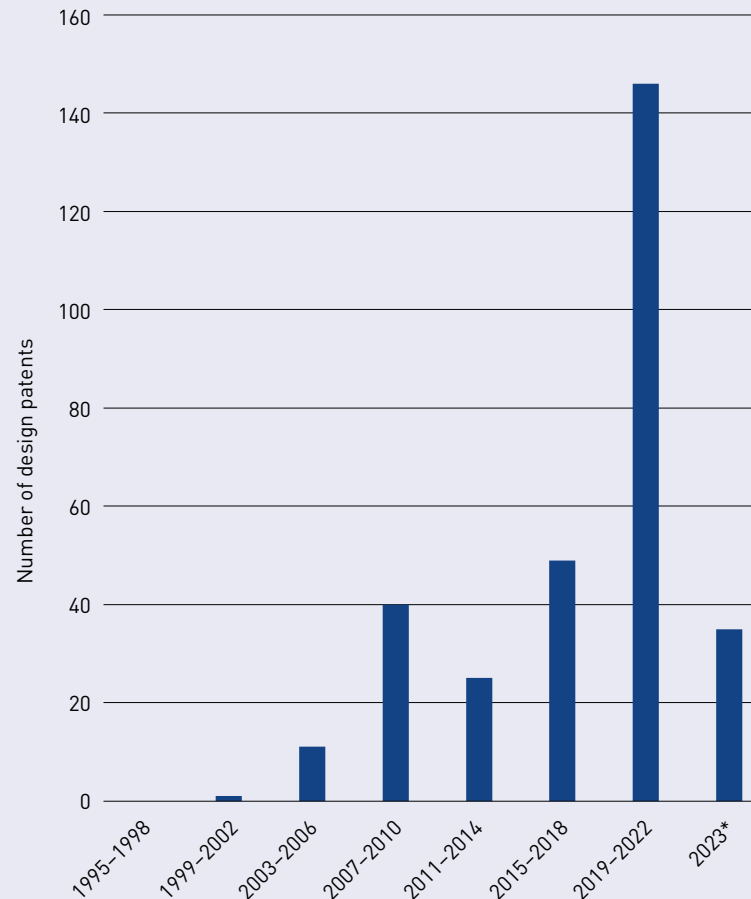
Figure 6: Christian Dior Couture SA design patents (1959–2023)



Source: Google Patents *1 January 2023-1 September 2023

Hermès Sellier has around 300 US design patents in total, around 180 of these having been issued since the start of 2019. Products include bracelets, shoes and belt buckles.

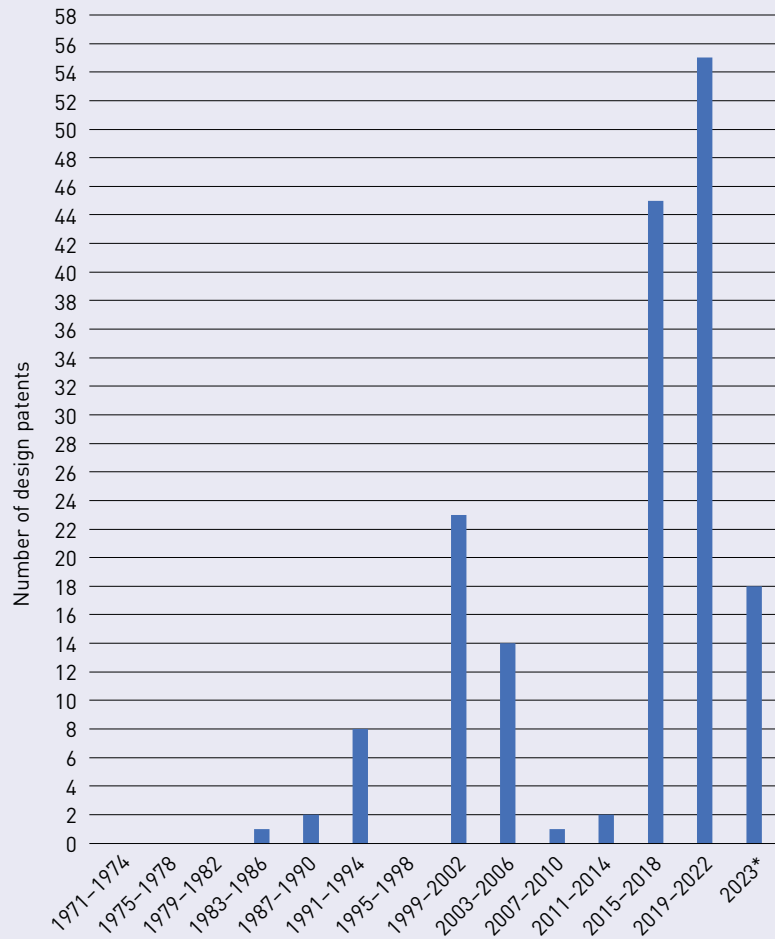
Figure 7: Hermès Sellier design patents (1995–2023)



Source: Google Patents *1 January 2023-1 September 2023

Louis Vuitton Malletier has over 160 US design patents in total, around 70 of these having been issued since the start of 2019. Products include precious stones, sunglasses and handbags.

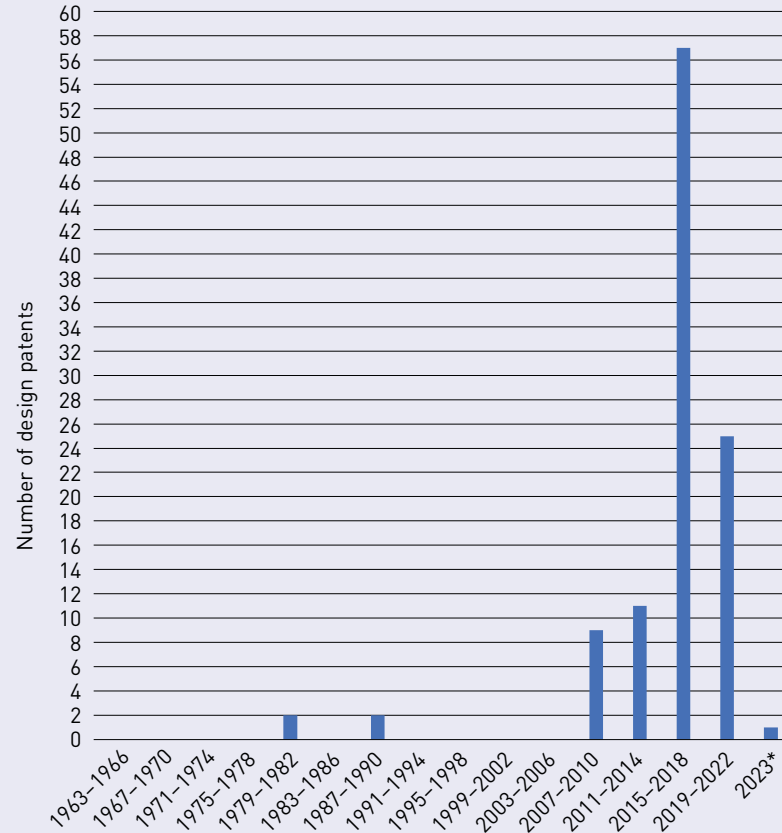
Figure 8: Louis Vuitton Malletier design patents (1971–2023)



Source: Google Patents *1 January 2023–1 September 2023

Yves Saint Laurent (YSL) has almost 110 US design patents in total, 26 of these having been issued since the start of 2019. Products include clutches, handbags and shoes.

Figure 9: YSL design patents (1963–2023)



Source: Google Patents *1 January 2023–1 September 2023

YSL is the only one of these four brands that appears to be trending downwards in terms of US design patent filings; however, YSL does appear to be using its issued design patents against perceived copycats.

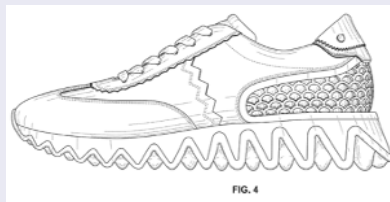
High-profile enforcement actions

There are a number of recent cases in which these – and other – fashion and luxury brands have successfully enforced their patent design rights in the United States.

Christian Louboutin v Vinci Leather

In May 2023, Christian Louboutin sued Vinci Leather in the US District Court for the Southern District of New York for trade dress and design patent infringement. Among other things, Christian Louboutin’s complaint alleged that Vinci Leather’s Zibo shoe infringed two Christian Louboutin design patents – US Patents No. D934,536 (directed to a whole Loubishark shoe) and No. D934,539 (directed to the Loubishark shoe outsole).

Figure 10: Christian Louboutin’s Loubishark design patents compared to Vinci Leather’s Zibo shoe



Christian Louboutin, No. D934,536



Christian Louboutin, Loubishark



Vinci Leather, Zibo

Source: Complaint in *Christian Louboutin SAS v Vinci Leather Inc*

Converse v Steve Madden

In 2020, Converse sued Steve Madden in the US District Court for the District of Massachusetts alleging that Steven Madden’s shoe designs infringed Converse’s design patents directed to Converse’s Run Star Hike shoe. The asserted patents were US Patents No. D873,547 (the 547 patent) and No. D874,106 (the 106 patent). In August 2021, the District Court denied Steve Madden’s motion to dismiss. The case later settled.

Figure 11: Converse’s Run Star Hike design patents compared to Steven Madden Shark and Winnona trainers



Converse, No. D874,106



Converse, No. D873,547



Converse, Run Star Hike



Steve Madden, Shark



Steve Madden, Winnona

Source: Complaint in *Converse Inc v Steven Madden Ltd*

Steve Madden v YSL

In a case that settled before trial, Steve Madden sued YSL in August 2018 in the US District Court for the Southern District of New York for declaratory judgment of non-infringement. As a precursor to the suit, YSL sent Steve Madden a cease-and-desist letter alleging that the Steve Madden Sicily sandal infringed both its design patent (US Patent No. D607,187) and YSL's trade dress in its Tribute sandal. Prior to this lawsuit, Steve Madden had sold its high-heeled Kananda shoe that much more closely resembled YSL's asserted design patent, but Steve Madden had previously agreed to discontinue sales of the Kananda shoe.

These cases show situations in which brands were looking beyond trademarks to enforce their rights.

Future-proofing with copyrights and design patents

A major benefit of diversifying a fashion brand owner's IP portfolio is that it gives the owner additional enforcement tools (with additional potential remedies) to combat copycats and counterfeiters. Fashion companies do not always know ahead of time what parts of a new design will be copied. Sometimes, a copycat will take only a portion of a design and there may not be any of the brand owner's trademarks in the copied design. If the copied portion is not acting as a source identifier, there may not be trade dress protections available either, so the brand may need to rely on rights like copyrights and design patents for protection.

Although copyrights have a longer term than design patents, copyright protection is limited or unavailable for useful items. Although design patents expire 15 years after issuance in the United States, design patent protection can be a valuable asset for new designs since it is intended for useful items. Although design patents are sometimes criticised for the long pendency from filing to issuance in relation to the short seasonality of certain designs, there are 'rocket docket' procedures at the US Patent and Trademark Office for expediting examination that can lead to issuance in as little as four to six months. Indeed, applicants can currently expect to wait an

Figure 12: YSL design patent compared to Steve Madden Sicily sandal



YSL, No. D607,187



Steve Madden, Sicily

Source: Complaint in *Steven Madden Ltd v Yves Saint Laurent*

average of 2.5 months after requesting an expedited examination before they receive a first office action or an immediate allowance.

When devising a protection and enforcement strategy, it is best practice for fashion brands to consider (and, in many cases, use) multiple forms of IP protection, including design patents, trade dress registrations and copyrights. **WTR**

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“Sometimes, a copycat will take only a portion of a design”

Key cases from around the world: a snapshot of lessons learned

WTR runs through some of the most recent major wins and defeats for fashion and luxury brands around the world to reveal how case law is evolving to reflect modern consumer trends

An examination of trademark disputes before the courts over the past couple of years reveals that adidas, Bottega Veneta, Christian Louboutin, Hermès and Manolo Blahnik are among the big-name fashion brands driving case law in evolving areas such as NFTs, 3D marks, platform liability and unregistered rights.

“The judgment in *Christian Louboutin v Amazon* may have far-reaching implications for operators of online hybrid marketplaces”

Europe, Middle East and Africa

Platform liability in *Christian Louboutin v Amazon*

In this case, the CJEU considered whether an operator of an online marketplace can be held directly liable for trademark infringement resulting from an advertisement by a third-party seller under Article 9(2) (a) of Regulation (EU) 2017/1001 on the EU trademark. The CJEU ruled that Amazon could be found to be infringing Christian Louboutin's rights when displaying advertisements for counterfeit Christian Louboutin goods by third-party sellers in certain circumstances.

The decision highlights that a marketplace operator can be regarded as using a sign identical to an EU trademark when the sign appears in a third-party advertisement if a well-informed and reasonably observant site user has the impression that the operator itself is marketing, in its own name and on its own account, the goods in question. Although the case was fact-specific, the judgment may have far-reaching implications for operators of online hybrid marketplaces as well as for brand owners seeking to combat fakes online.

NFTs in *Juventus v Blockeras*

In Italy, Juventus Football Club SpA won a landmark ruling against Blockeras srl, the creator of NFTs displaying former Juventus player Christian 'Bobo' Vieri. Juventus claimed that the NFTs reproduced its registered word marks 'JUVENTUS' and 'JUVE', and its registered figurative mark consisting of a black-and-white striped jersey with two stars on the chest, without its permission. In its decision, the Court of Rome noted that the fact that Juventus had not registered the marks at issue for use on "downloadable virtual goods" was irrelevant, as Juventus had registered its marks in Class 9 for "digital downloadable publications". Further, Juventus was engaged in online merchandising activities and in the field of crypto games based on the use of NFTs.

The ruling seems to be the first known judgment by a European court finding that NFTs reproducing third-party trademarks without authorisation constitute infringement, and may prove to be key to protecting luxury and fashion brands in the metaverse.

Targeting in *Lifestyle Equities v Amazon UK*

In the United Kingdom, the Court of Appeal overturned a High Court decision and ruled in favour of brand owner Lifestyle Equities in this case, finding that the listing and sale of Beverly Hills Polo Club-branded products on 'amazon.com' constituted use of the trademarks in the United Kingdom. In reaching its decision, the court reviewed a UK customer's journey when making a purchase on 'amazon.com', and found that the price and shipping costs were in UK pounds sterling at the order review stage and that the goods were advertised as being available for shipment to the United Kingdom. Although the question of targeting remains highly fact-specific, the judgment provides a helpful summary of the current case law on targeting in the country.

3D marks in *Bottega Veneta v Öner*

In Turkey, the Court of Cassation issued a groundbreaking decision finding that use of Bottega Veneta's 3D trademark – consisting of the shape of a knot – as a bag lock on counterfeit goods infringed the Italian fashion house's trademark rights. The defendant claimed that there was no trademark infringement as the goods did not bear the 'BOTTEGA VENETA' word mark. The court disagreed, however, finding that the counterfeit bags displayed a shape that was identical to Bottega Veneta's registered trademark and that the bag lock had a trademark function. The decision constitutes a positive development for fashion and luxury brands seeking to enforce non-traditional marks in the country.



Asia-Pacific

Bad faith in *Manolo Blahnik v Fang Yuzhou*

In China, shoe designer Manolo Blahnik won the right to use his name in the country following a two-decade-long legal battle when the Supreme People's Court ruled that the brand had provided sufficient new evidence to demonstrate its reputation both internationally and in China.

In 2000, Blahnik opposed the registration of the mark 'MANOLO&BLAHNIK' by Chinese individual Fang Yuzhou, but the opposition was dismissed on the grounds that the evidence submitted was insufficient to prove a reputation in China before the filing date of the mark. Appeals were then dismissed at every instance.

In 2014, Blahnik filed an invalidation action against the mark based primarily on the unregistered well-known mark 'MANOLO BLAHNIK' and on the designer's personal name rights. Blahnik also alleged bad faith – an additional ground under the fourth amendment to the Trademark Law that came into effect in 2019. The action was dismissed at every instance.

In a retrial of the case, however, the Supreme People's Court overturned the previous judgments and invalidated the registration, thus giving hope to brand owners dealing with long-running trademark hijacking cases. The decision shows that it pays to gather new evidence on a brand's reputation in mainland China, and that reputation in Hong Kong and foreign countries may extend to mainland China. Although bad faith was not explicitly mentioned, the judgment suggests that the submission of evidence of bad faith may be an important factor in the outcome of a case.

Online marketplaces in *Hells Angels v Redbubble*

In Australia, Hells Angels Motorcycle Corporation (Australia) Pty Ltd successfully enforced its trademark rights against print-on-demand online marketplace Redbubble Ltd. The Federal Court found that Redbubble had infringed Hells Angels' word mark 'HELLS ANGELS' and its winged skull device by offering for sale products bearing images that were substantially identical or deceptively similar to Hells Angels' marks. Although the court accepted that Redbubble had taken steps to protect Hells Angels' rights, these were insufficient and were not always successful. The decision is significant for online marketplaces that promote and sell third-party content; such businesses must be proactive and ensure that they have sufficient processes in place to detect and remove infringing material.

Emotive allegations in *Swatch v Apple*

In Singapore, Swatch AG unsuccessfully argued that Apple Inc had applied to register 'THINK DIFFERENT' for smart watches in bad faith after Apple's unsuccessful opposition against Swatch's 'TICK DIFFERENT' in 2018. In

Swatch v Apple, the registrar dismissed Swatch's argument that Apple had no intention of using the mark in relation to the goods based on its trademark filing behaviour around the world, stressing that "any trademark applicant has the freedom to structure its global filing strategy in accordance with myriad factors". Further, the registrar dismissed the allegation that the application had been filed to retaliate against Swatch following the unsuccessful opposition against 'TICK DIFFERENT', holding that it was unhelpful to evaluate "emotive allegations" such as "wanting to 'get back'". The decision emphasises that the threshold for establishing bad faith in Singapore is a high one.

Colour marks in *Christian Louboutin v Japan Patent Office/Eizo*

In Japan, Christian Louboutin failed in its attempt to register a mark consisting of the colour red for use on the soles of high-heeled shoes, with the High Court confirming that the Japan Patent Office (JPO) had rejected the application. The court found that the mark lacked inherent distinctiveness, as numerous high-heel shoes with red soles were distributed by other producers in Japan. Further, the court found that the survey submitted by Christian Louboutin was insufficient to prove that the red sole mark had acquired distinctiveness among the relevant consumers.

The decision shows that brand owners seeking to register their colour marks in Japan face an uphill battle, with the JPO and the courts having extremely strict criteria in this respect compared to other jurisdictions. In a further blow to the fashion company, the High Court's decision came on the heels of the dismissal of an infringement claim against Japanese company Eizo Collection, in which the court found that Christian Louboutin's red soles did not function as a source indicator. The IP High Court admitted that certain consumers may recognise the red soles as a source indicator of Christian Louboutin, but research limited to a specific demographic of consumers revealed that only half thought of the brand when seeing a high-heeled shoe with red soles.

Americas

NFTs in *Hermès v Rothschild*

The US District Court for the Southern District of New York ruled in favour of Hermès International in its dispute with artist Mason Rothschild over the production and sale of his MetaBirkin NFT collection. The jury found that Rothschild's use of the famous 'BIRKIN' mark in his NFT collection did not constitute artistic expression under the *Rogers v Grimaldi* test and, therefore, was not protected under the First Amendment. The jury concluded that Rothschild's NFTs were likely to cause confusion, and that it constituted trademark infringement, dilution and cybersquatting, with the court awarding Hermès \$133,000 in damages. In June 2023, Rothschild was issued a definitive injunction, permanently prohibiting him from the further sale of MetaBirkin NFTs.

As one of the first to consider the intersection of trademark law and NFTs, this case is expected to have major implications on where to draw the line between artistic expression and trademark infringement. The decision is also likely to influence courts in other jurisdictions.

Smaller brands in *adidas v Thom Browne*

Still in the Southern District of New York, luxury fashion designer Thom Browne scored a major victory in his long-running dispute with adidas over the use of stripes on his clothing items. adidas originally objected to Thom Browne's use of a three-stripe design on clothing in 2007 on the grounds that it was confusingly similar to its famous three-stripe mark, leading the designer to change to a four-stripe design. The dispute reignited in 2018, with Thom Browne's company having grown significantly and expanded into sportswear. adidas filed an action in the Southern District of New York, but the jury found Thom Browne not liable for trademark infringement and dilution, and the case was dismissed in its entirety.

The decision seems to indicate that similar brands can coexist within the fashion industry provided that they remain in their own specific niche, which is considered good news for new, smaller companies seeking to develop their trademarks. The case also suggests that major brands do not necessarily have a monopoly on certain signs simply because they own a trademark registration.

Use of names in *In re Elster*

Still in the United States, in *In re Elster*, the US Court of Appeals for the Federal Circuit held that the USPTO's refusal to register the trademark 'TRUMP TOO SMALL' for use on shirts in Class 25 was unconstitutional. The USPTO had rejected the application under Section 2(c) of the Lanham Act, which bars registrations that contain the name of a living individual without

their consent. The Federal Circuit disagreed, holding that it is unconstitutional to refuse registration to a trademark that criticises a public figure simply because the latter did not consent. The court notably stressed that the government's interest in protecting privacy and publicity rights did not outweigh the First Amendment interest in allowing criticism of public figures.

Fashion and luxury brands thinking about using the name or likeness of individuals on their products should closely follow this case, with the Supreme Court having agreed to take up the USPTO's challenge to the Federal Circuit's ruling.

Unregistered marks in *Christian Louboutin v Bruna Silvério Shoes*

In Brazil, Christian Louboutin scored a victory against Brazilian shoe manufacturer Bruna Silvério Shoes ME despite its lack of registered rights over its red-soled shoes in the country. The Court of Appeals of São Paulo upheld a trial judge's decision granting a preliminary injunction in favour of the French luxury brand, prohibiting the defendant from manufacturing, selling and offering red-soled shoes for sale. The court notably based its decision on the reputation of the red sole mark and the trade dress of Christian Louboutin's shoes; a key point was that the trade dress of a product may be infringed even if not all the elements of the trade dress are included in the counterfeit product.

The decision constitutes a milestone for fashion brands in Brazil, with the court seemingly committing to the protection of original creations, even in the absence of more conventional forms of IP protection. Shortly after the Court of Appeals decision was issued, the Brazilian Patent and Trademark Office (PTO) rejected Christian Louboutin's application to register its red sole mark as a position mark. However, following an appeal, the 13th Federal Court of Rio de Janeiro issued a preliminary injunction suspending the PTO's decision until a final ruling is rendered in this case. [WTR](#)

Operation Vulcan: shutting down a counterfeiting hub

Greater Manchester Police's Neil Blackwood explores the innovative Operation Vulcan that has transformed the United Kingdom's anti-counterfeiting approach – and could be a model for other police services around the world

Operation Vulcan was set up by Greater Manchester Police (GMP) as a police-led, multi-agency partnership to target the Cheetham Hill and Strangeways area of Greater Manchester, which has been synonymous with the counterfeit goods trade and more serious associated criminality for over 40 years.

Criminals make vast amounts of money from selling counterfeit goods. This money is used to fund far more serious and insidious crimes, including drug trafficking, organised violence, human exploitation and even modern slavery.

Prior to October 2022, a massive network of around 208 shops selling counterfeit goods existed in the Cheetham Hill and Strangeways area. It was well known across the United Kingdom that this was the place to go to buy fake designer goods for cheap. National Trading Standards estimates that the trade in counterfeit goods is worth £8.6 billion per year – and the Cheetham Hill and Strangeways area was believed to be linked to almost 50% of this trade, earning it the title of the UK capital for counterfeit goods.

Enforcement activity was sporadic and yielded few to no results, with many shops simply reopening and returning to business after police had carried out a raid – sometimes as soon as the day after the fact. Clearly, a new and innovative approach was needed to tackle counterfeit and associated crime in the area once and for all, so Operation Vulcan was launched in October 2022 and implemented the following month.

Operation Vulcan aims to decimate the network of counterfeit shops in the Cheetham Hill and Strangeways area, and to restrict trade. It brings together an enormous raft of collaborators – including 195 delegates from across 65 agencies and partners from high-end fashion companies – to work together to tackle counterfeit crime. Counterfeiting is a huge problem for the fashion and beauty industries, but its negative impact goes far beyond economic loss.

Prior to the introduction of Operation Vulcan, warrants conducted at premises where activities associated with counterfeit goods were occurring were invariably time-consuming and unwieldy. The subsequent transport, storage and destruction of tonnes of seized illegal goods was hugely expensive and came with extensive logistical challenges. Seized goods were routinely retained for months at a time, costing GMP upwards of hundreds of thousands of pounds.

Upon implementation, Operation Vulcan challenged these traditional methods and has created a truly innovative process to streamline the seizure, transport and destruction of counterfeit goods. As a result, officers can obtain forfeiture orders from the courts much quicker and bring about the rapid destruction (or repurposing) of seized items.

A fresh approach to external partners' involvement

Prior to the introduction of Operation Vulcan, police services had to reach out to a legitimate brand's representatives individually and on an ad hoc basis once a warrant had been executed at extremely short notice – so attendance by brand representatives was understandably inconsistent. Gathering statements from brand representatives to confirm whether the seized items were fake could also take up to 10 working days.

Given the volume of shops that Operation Vulcan was set to encounter, officers recognised that this process needed to be streamlined. The decision was made to involve the Anti-counterfeiting Group (ACG), as it has the industry contacts needed to create a network through which police and brands can communicate with one other. The ACG network also ensures that brand representatives are well informed ahead of warrant executions, enabling them to be present at every raid and provide a statement immediately. This model has now become best practice for police services across the United Kingdom when tackling the counterfeit goods trade. Further, brands and IP professionals share a common interest with police in tackling counterfeiting conduct, so it is important that all stakeholders continue to work together on this issue.

Luxury goods are a prime target for counterfeiters, but brands can engage with the police on anti-counterfeiting efforts. The quality of counterfeit goods varies greatly from low-cost imitations to exceptionally high-quality fakes that can only be distinguished from the legitimate product by experienced brand experts. GMP's ability to call on brand experts on days that raids were taking place, thanks to help from the ACG, is instrumental to quickly securing seizure and forfeiture orders. Brands and IP professionals are encouraged to support policing operations as it makes the process of conducting warrants more efficient and means that the police can target large-scale operations.

GMP is also committed to working with partners such as Manchester City Council (MCC), Greater Manchester Fire and Rescue Service, local environmental health teams, and the MCC's Antisocial Behaviour Action Team. These partners have powers above and beyond what GMP alone can exercise, ensuring that counterfeiting operations can be targeted from every angle. With these partners onside, GMP is able to secure closure orders for criminal enterprises, systematically taking out their businesses and buildings, and imposing hefty fines where appropriate.

Attributing a value to seized items

An expedited digitised seizure process created by Operation Vulcan officers and approved by the Crown Prosecution Service (CPS) allows accurate values to be represented at the point of seizure. GMP approaches the legitimate brands and asks them for the average value of each item (eg, a bag, coat or shirt), following which analysts from Operation Vulcan create an interactive spreadsheet to schedule seized items.

Items are seized by type and brand so that officers can apportion an average value to each bag of goods seized. This allows the officers to attribute a value to each seizure and demonstrate an accurate amount of loss to legitimate brands. It also allows them to provide evidence to the courts of the exceptional value of the seized goods, which helps to justify forfeiture, and supports the charges and sentencing of the suspects.

Expediting the forfeiture process with the courts

With the immediate brand statements and value of items combined, Operation Vulcan officers are able to work with the CPS to expedite the forfeiture process and reduce storage costs. Previously, forfeiture orders could take years to be approved, which resulted in extremely high storage costs. This process was so logistically challenging that it restricted police services; they simply did not have the resources or capacity necessary to carry out large-scale warrants.

Once the process had been streamlined, Operation Vulcan was able to begin relentlessly targeting every shop that it received intelligence about, including by going after large-scale wholesalers high up in the supply chain in the area without worrying about the debilitating costs of storage space.

The courts have to be persuaded to treat seized counterfeit items with the same severity that is usually reserved for drugs or other criminal assets, which are not retained for years at a time at police expense. To do this, a high-ranking GMP officer writes a community impact statement that goes into every prosecution file, civil application and forfeiture order to demonstrate the detrimental effects of counterfeiting on local communities.

Building a case against counterfeiters

Traditionally, counterfeiting has been seen as a low-level crime, and criminals perceive that the amount of money that they can make through counterfeiting is worth the risk. Through Operation Vulcan, GMP realised that harsher sentencings for counterfeiters must be secured as a deterrent by arresting those involved in the counterfeit trade for a wide range of offences. As a result, large conspiracy cases can be built against counterfeiters to ensure that they feel the full weight of the law, rather than prosecuting them for one type of conduct and imposing a suspended sentence.

For example, those selling counterfeit goods in the Cheetham Hill and Strangeways area would often close the shutters to their shops if they saw police officers approaching, leaving members of the public locked inside structurally unsound buildings with no fire escapes – sometimes for hours. GMP now arrests anyone caught doing this under suspicion of false imprisonment, which carries a heavy potential sentence.

GMP officers also pursue criminals of all levels by exercising their stop-and-search powers on known individuals each time there are necessary grounds to do so. Further, officers ensure that they are well positioned to arrest such individuals for traffic offences, seizing their cars in the event that they have not insured their vehicles. This practice of pursuing harsher sentences through multiple serious charges is expected to create a hostile environment for counterfeiters in Greater Manchester, making it inconvenient or impossible to operate in certain areas.

Communicating the negative impact of counterfeiting to the public

An element that is key to combating this type of crime is the messaging promoted by both GMP and brands to communicate how harmful the counterfeit trade is to communities, and its links to serious organised crime. There is a global appetite for counterfeit goods, so it is important to educate the public on these harms to change their attitudes to fake goods and realise the damage that counterfeiting does to people – not just to large corporations.

Operation Vulcan recognises the importance of educating consumers and raising awareness of counterfeiting. GMP ran an advertising campaign in the heart of the Cheetham Hill and Strangeways area to highlight the ‘cheap and nasty’ side of counterfeit goods that funds serious organised crime. The economic loss experienced by industry is high on the agenda for corporations and the government, but it is less relevant to members of the public. GMP has found highlighting the human cost to be incredibly impactful, with many consumers saying to police in informal conversations that they simply had not been aware of the links that counterfeiting has to violence, drugs, human exploitation and modern slavery.

Outlook

Policing alone cannot solve the issue of the counterfeit goods trade, which is why working with different authorities and organisations, and getting brands on board, has been key to Operation Vulcan from the very beginning. These partnerships have ensured that a huge range of consumers, demographics and industries see Operation Vulcan’s messaging.

Consumers are starting to become more conscious about what they buy and the impact of their purchasing habits. Operation Vulcan enables GMP officers to work with brands and other partners to craft messaging that taps into this to remind the public that, by shunning counterfeit goods, they are making the more ethical and sustainable choice.

Although there may always be a demand for fake goods, if police services work in partnership with other interested stakeholders to win over the hearts and minds of consumers, a bigger blow to criminal profits can be dealt than enforcement could achieve on its own. **WTR**

Neil Blackwood is a detective superintendent at Greater Manchester Police

“National Trading Standards estimates that the trade in counterfeit goods is worth £8.6 billion per year”

The trap door inside our phones: a guide to the latest trends in brand scams

INTA's newly appointed director of anti-counterfeiting, Alastair Gray, explores the perils hidden in our smartphones and unveils the latest surge in brand scams and counterfeiting

We feel a sense of security when using our mobile phones. Protected behind our passcode, thumbprint or facial recognition safeguards, we interact via messaging or social media with friends and family, enjoy and share memories through photos and videos, play games, read the news – and conduct an increasingly significant amount of our daily business. These seemingly indispensable devices provide a safe, familiar glow in the hand or on the bedside table.

However, they can also act as a digital trap door that leads to counterfeit goods, scams and criminal activity. This is especially true for shoppers looking for a bargain or social media users trying to break into the world of influencing. For brand protection teams and their partners, these trap doors can be challenging to find, time-consuming to explore and difficult to shut down.

In this article, I dive into current trends in counterfeit sales that are accessible directly from our phones, which are more difficult to identify because of the small screen and the brief time frame within which we tend to use our devices. Some trends are not new but are persisting and evolving; others were turbocharged during the COVID-19 pandemic as criminals and counterfeiters pivoted to the digital-first environment as the world went into various lockdowns.

As the recently appointed director of anti-counterfeiting at INTA, this is the focus of my work. Previously, I was head of digital IP enforcement for Tommy Hilfiger, part of PVH Corp. I believe that IP practitioners and partners should proactively seek out problems rather than waiting for them to arise – the extreme pace at which counterfeiters and criminals exploit new avenues of deception can challenge even the best of intentions.

The expanding nature of threats

The online and digital ecosystem continues to grow in scope and opportunity. At the same time, the way we consume it has shrunk from desktop monitors down to our phones and tablets. On a smaller screen, the average

scroller might not be so aware of – or able to easily spot – red flags when navigating webpages. Cyber criminals are increasingly using brand recognition and attraction to target a new set of victims from which to extract money and personal information through sophisticated fraud schemes. Increasingly more often, this type of brand infringement and fraudulent activity tasks brand protection teams with the need to look beyond counterfeiting problems. For them and the brands they defend, this can mean:

- an increase in negative customer interactions when things go wrong as a result of the purchase of a counterfeit or being scammed in relation to a brand;
- a continuing increase in workload to deal with enforcement across multiple channels, including social media, websites and domain names, payment processors, paid or sponsored advertising, and email accounts;
- an increase in shopper resistance to purchasing a given brand based on previous negative incidents, especially if not resolved to their satisfaction; and
- a decrease in brand equity and market share, leading to a decrease in brand value.

The work of identifying and attempting to shut down counterfeiting and scams harks back to the start of the internet, when the laborious and ad hoc process of setting up multiple online brand protection programmes involved faxing eBay to remove individual listings, and using Google Translate (launched in 2006) to navigate Chinese and Brazilian platforms. In those days, brand threats were very much circumscribed to defined areas: e-commerce, early social media, and websites and domain names. Today, we are undoubtedly in a somewhat easier place for online enforcement teams as new technologies afford brands and others involved in protection with far more tools to identify and shut down nefarious activities. Unfortunately, those same advances allow threats to evolve and elude detection.

It is frustrating to be faced with threats that seemingly reappear each month; however, today, there are many more opportunities for direct dialogue and collaboration (with platforms and rights holders) as well as enhancements that can be added to brand protection programmes. The latter

comes with the help of proactive monitoring programs, which are fed counterfeit images and keywords, alongside improvements in data capture and analysis to spot trends more quickly.

Consumers buying fake goods do so in one of two ways:

- unintentionally purchasing counterfeits or victimhood as a result of falling for scams that are predicated on the appeal of buying famous brands cheaply; and
- intentionally purchasing counterfeit goods.

Unintentional purchase methods E-commerce counterfeits and fraud via sponsored advertising

Fraudulent advertising is prevalent on social media and accompanying websites. It tricks consumers with brand logos, slick product images, false advertising of the health benefits of unregulated products and highly discounted prices. For anti-counterfeiting professionals, these activities are a source of endless focus and effort. Over the past six to eight months, the scope of targeted jurisdictions has been broadened. Where once this counterfeit advertising was focused on the major e-commerce markets, criminal syndicates are now active in countries in Southern and Eastern Europe, Latin America, and the Middle East, as well as in South Africa. Many see this trend as a direct result of the pandemic that led to a huge rise in the number of e-commerce transactions globally, meaning that the scammers' potential market expanded exponentially in a short space of time.

How it works

Although counterfeit and fraudulent advertising has been widely reported for many years, such advertising generally used English-language ad copy (targeting Australia, Canada, the United Kingdom and the United States). Now, advertisers can post multiple advertisements using the same text and emojis, translated into whatever language gains the criminals a new market. This requires brand protection agents to expand the scope of their oversight to any online community, in any language. The same goes for the destination websites – they are all country-specific, so the buyer's address information can only be located in the country or countries that the website is targeting.

“Scammers monitor fans’ posts and comments on official brand social media accounts”

In the past, inadvertently ordered counterfeits from scam sponsored advertisements mostly arrived from China (if they arrived at all). Now, many of the websites are offering cash-on-delivery (COD) with no payment taken upfront. In these cases, after placing the order on the website, the buyer receives an email confirmation, a local logistics company arranges delivery and payment is taken on the buyer’s doorstep. This entails that counterfeiters either establish local warehousing prior to running the ads or send buyer information directly to logistics intermediaries. In either case, the last mile is handled by an entity that allows the counterfeiters to distance themselves from the supply chain.

This targeted localisation of activity is difficult to detect unless brand protection teams spot the commonalities or patterns within the ads and advertisers. Fraudulent websites typically use famous brand store logos – such as those of major supermarket chains and pure play retailers – to sell products to deceive users rather than presenting themselves as official stockists. The perennial outcome from these ads and websites for buyers remain the same: they receive a shoddy counterfeit (often a style never made by the rights holder) or nothing at all. Either way, they are left trying to get their money back from unknown entities.

Identification and remedy

Rights holders need to take a three-pronged approach to identifying ads:

- Sign up to available brand protection portals on social media platforms to be able to search ads using keywords as well as frequently used images and logos.
- Ensure that in-house social media and customer services teams are aware of counterfeit sponsored advertising, and that they share any leads with brand protection and legal teams.

- Where possible, have local external counsel or local business teams check their personal social media feeds and report any incidents of counterfeit or fraudulent advertising targeting their brands.

One tip for detection is to look for the frequently used ‘.top’ and ‘.shop’ URL extensions, as many destination websites have been known to use them. The local logistics COD element presents real challenges. Where once brand protection teams could disrupt or freeze the payment processing connected to a counterfeit ecommerce website, now their only recourse is to make their own COD purchase from every website to identify the local logistics companies and then consider what legal action might be available. This is a new component in the counterfeiting supply chain – and innovative tools must be developed to address them.

Influencer marketing scams

A dark trend that has emerged over the past year targets brand fans directly on social media. This criminal activity takes advantage of legitimate influencer marketing and opens up new avenues for criminal activity.

How it works

Scammers monitor fans’ posts and comments on official brand social media accounts. When a comment is made, it is followed up with a direct message on the platform to the commentor,

“One tip for detection is to look for the frequently used ‘.top’ and ‘.shop’ URL extensions”

offering them an opportunity to become an influencer and be part of the next marketing campaign. The outreach email addresses appear to be from legitimate marketing or influencer project teams; they incorporate the original brand name or URL with keywords including 'official' and 'collaborations', but use free mail address providers such as Gmail or Yahoo Mail.

What follows is a simple yet effective scam to extract money and personal information from the victim. First, the scammer entices the victim by asking them to select 10 items from the brand's official website. Then, the influencer contract is introduced, which is three to four pages long and complete with the usual copyright, governing law and force majeure clauses. The typical offer is \$100 per social media post, which is an amount significant enough to attract victims who are least likely to question the validity of the arrangement.

The victim is then asked to cover the initial delivery charge of between \$100 and \$200, to be paid back in the first contract payment. At the same time, they get a separate email from a different address appearing to come from a logistics company (eg, FedEx or UPS) with a request to use the 'friends and family' function on PayPal to pay the local delivery manager, which bypasses PayPal's payment protection system. Other payment methods include online payment services such as Apple Pay or Zelle, and even gift card codes.

This approach might seem far-fetched, but it works because it relies on a pool of unsuspecting victims who have no previous experience interacting with big business and who are equally new to the world of contracts.

Identification and remedy

Brands learn of these scams when they are contacted by customers who have been duped. For obvious reasons, it can be difficult or impossible for brands to find out about them before they occur. It can be particularly challenging to shut these scams down as it requires contacting email service providers, providing email headers and payment service provider information, and coordinating with the victim to block the nefarious account. Even when all these steps are taken, new email addresses appear almost as soon as one is shut down. Tracking when this occurs is vital; INTA encourages anyone with information about or experiences of this taking place to share this information.

Intentional purchases Hidden links

When hidden links first emerged as an issue in 2018, the practice was confined to a limited number of groups operating exclusively on social media. Today, they are just as – if not more – present and wielded even more widely. These links offer the counterfeit-minded consumer the ability to find what they want via links that are hidden in plain sight.

How it works

Bad actors list what appears to be a generic (even unrelated) product on an online store, then share hidden links on social media and the dark web that lead to the counterfeit good the consumer is in fact looking to buy. The counterfeit is then shipped to the customer with little in the way of a trail to follow. The links are notoriously (and deliberately) difficult to detect.

Identification and remedy

Brand owners have taken steps to disrupt the more obvious counterfeiting groups on social media. In response, the groups are increasingly shifting to messaging platforms that allow large group chats (eg, Telegram) and have been found operating location-specific groups in local languages such as Arabic, Dutch, French, Hebrew, Polish and Spanish (including a number of groups in Latin American). When the groups are shut down, the operators re-emerge almost immediately under a different guise, employing more clandestine or generically named marketplace platforms and hidden links to avoid detection.

Some of the hidden link operators have even set up their own websites, complete with user-friendly FAQs and links directly to the marketplaces. Searching via an online search engine for 'hidden links fashion' will yield a number of dedicated websites in the first few results, in addition to a list of instructions for consumers looking to purchase illegal goods with little to no fear of consequences.

Given the complexity of hidden links, as well as counterfeit sales operating across both social media and e-commerce marketplaces, there is a real need for a collaborative approach. Platforms and brands need to identify targets both at the source and where the purchases

are facilitated and enabled to ultimately reduce the visibility and availability of counterfeit goods. As a global association, INTA is an ideal nexus where rights holders, platforms, government agencies and other stakeholders can connect, share best practices and work together in developing long-term solutions to ending this persistent trend.

Outlook

We have reason to be optimistic for our future ability to check and diminish the counterfeiting threat.

As mentioned, although the digital environment is constantly developing and counterfeit trends are evolving to adapt to consumer shopping trends, the enforcement environment is increasingly armed with detection and takedown tools – all of which make detection easier to navigate and more accessible to rights holders.

INTA's recently published Anti-counterfeiting Benchmarking Report found that the key challenges are often related to time and resources. Technological advancements for detection can make these efforts more

efficient. INTA also serves as a central point for enhanced collaboration among stakeholders, made possible through our external relations team, and our anti-counterfeiting committee and subcommittees.

When given the opportunity, today's shoppers are much more readily engaged in sharing leads or reports of counterfeiting and scam activity to customer services, social media community teams or dedicated reporting pages on official websites. INTA's Unreal Campaign is continuing its outreach efforts to educate young adults around the world about the danger of counterfeit goods and the criminal activities they support, as well as how to avoid them.

In my new role at INTA, I will focus on weaving these threads together to support INTA members, identify brand protection challenges throughout the IP ecosystem, and continue the work of identifying and seeking redress for threats as soon as they become apparent. **WTR**

Alastair Gray is director of anti-counterfeiting at INTA (agray@inta.org)

Sustainability claims, consumers and the law: what brand owners should know about going green

IP practitioners from four jurisdictions offer expert perspectives on how consumer perceptions of companies' sustainability efforts can make or break a business

With consumers placing an ever-higher premium on sustainability, it is unsurprising that so many brand owners are now looking to cater to this demand; however, there are risks to going green in a vague and unsubstantiated way. Consumers and the media are increasingly critical of companies whose words don't match their actions, and legislators in several jurisdictions are proposing regulatory changes to address deceptive or misleading sustainability claims more directly. Brands should embrace changes that are concrete and easier to substantiate, WTR's guest authors suggest. International certification marks and in-store recycling programmes offer transparent

and relatively low-risk options for brands looking to make both a difference and a statement.

United States

Brands are increasingly focused on sustainability claims in response to consumer demand for sustainable and eco-friendly products. In the United States, there is growing regulatory scrutiny of sustainability and green claims, including green trademarks; both the USPTO and the Federal Trade Commission (FTC) have promulgated rules and guidance on such claims.

The term 'greenwashing' is used to describe organisations' false or misleading claims about their positive impacts on the environment. For example, using terms like 'eco-friendly', 'vegan', 'organic' or 'sustainable' in a deceptive or unsupported manner could be deemed greenwashing, which can damage consumer trust and result in enforcement.

Trademark protection for green brands

In the fashion industry, consumers became more cautious about sustainability after the COVID-19 pandemic, and there has been a surge of applications for green trademarks in the United States. A recent search of the US trademark database revealed over 250 pending trademark applications covering Class 18 (leather products and bags, etc) or Class 25 (clothing, footwear and headwear) that also cover sustainable, eco-friendly or recycled goods or services.

Two possible types of trademark protection for green brands in the United States, among others, are:

- a trademark, which is a source identifier that helps consumers recognise and distinguish the product from others; and
- a certification mark, which shows that particular products or services, or their providers, have met certain standards.

Examples of green trademarks include Net-a-Porter's 'NET SUSTAIN', Patagonia's 'BETTER THAN NEW', Everlane's 'RECAMMERE' and 'REWOOL', rePurpose Global, Inc's 'CERTIFIED PLASTIC NEUTRAL', and GreenCircle Certified's 'GREENCIRCLE CERTIFIED'.

Descriptiveness refusal

Although green trademarks can be a powerful tool to promote environmentally positive products and services, applicants may face some prosecution issues. The USPTO will refuse to register a mark that merely describes an attribute or characteristic of a product or service – for example, 'CARBON NEGATIVE FIBER' was refused registration for natural fibres used in composite materials for manufacturing. That said, marks that are suggestive (ie, that allude or hint at applied-for products or services) can be registrable, such as 'RECOTTON', 'REKNIT' and 'CIRCULAR BY DESIGN'.

Failure to function refusal

The USPTO will also refuse to register common terms or phrases that fail to function as trademarks. For example, 'LET'S BUILD A SUSTAINABLE FUTURE' and 'NO WASTE' were refused for allegedly being too common to act as source identifiers. Although a failure to function refusal is often fatal, it can be overcome by showing sufficient evidence that the mark or phrase is not commonly used, as Eileen Fisher did for 'WASTE NO MORE'. Additionally, for applications filed based on use in commerce under Section 1(a) of the Trademark Act 1946, careful selection of the supporting specimen of use can mitigate against such a refusal.

Deceptively misdescriptive/deceptive refusal

A mark will be refused as being deceptively misdescriptive if it misdescribes the goods or services and consumers would likely believe the misrepresentation.

For example, 'CLEAR' was refused for non-transparent products. If such misrepresentation is also likely to affect a significant portion of the relevant consumer's purchase decision, the mark will be refused as being deceptive; 'AG GREEN LABEL' was refused registration for clothing where the specimen did not show that the applicant's clothing was environmentally friendly.

In addition to counterarguments, a deceptively misdescriptive refusal can be overcome via acquired distinctiveness or supplemental registration, and a deceptive refusal can be overcome by amending the identification of the goods or services (eg, for an ORGANIC-formative mark, amending it to only cover organic offerings). Applicants might avoid these types of refusals by steering away from deceptive terms that are exaggerated, unsupported or irrelevant.

Of course, the USPTO will issue a likelihood of confusion refusal if a mark and products or services are so similar and related to those of a prior filing or filings that consumer confusion is likely. Third parties can also challenge an application on these bases.

Federal and state treatment of environment-related marketing terms

As new environmentally friendly marketing terms gain recognition among consumers, brands choosing trademarks should monitor for developments in relevant state and federal guides, regulations and case precedents.

For example, the FTC's Green Guides may indicate whether a mark presents a risk of being considered misdescriptive or otherwise misleading when used. At a high level, the Green Guides are the FTC's interpretation of how the FTC Act applies to environmental marketing claims, although states can incorporate the Green Guides into state law (California has done so). In addition to providing guidance on specific green claims (eg, describing a product as 'recyclable' or 'biodegradable'), the Green Guides warn brands against conveying broad and unqualified environmental claims (eg, the terms 'eco-friendly' or 'green' appearing in isolation), which the FTC views as difficult or impossible to substantiate all reasonable interpretations thereof.

These and other truth-in-advertising standards and precedents continue to develop. For example, the FTC recently sought public comment on its Green Guides, with a particular emphasis on establishing consumer understanding of common environmental marketing terminology. Therefore, familiarity with the latest Green Guides, and similar guides and regulations, may help brands to identify or anticipate risks relating to the adoption of certain environment-related terminology as a trademark.

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“Chinese consumers’ focus on sustainable development and green practices has been increasing in recent years”

China

Although Chinese consumers’ focus on sustainable development and green practices may still be developing, especially compared to their counterparts in the West, their attention and level of value recognition for sustainable development has been increasing in recent years.

According to a 2022 Future Consumer Index report by Ernst & Young, 32% of Chinese respondents stated that they prioritise sustainability and the planet’s environment in their consumption decisions, 76% of Chinese consumers believe that a company’s behaviour is equally important as its products and 68% of Chinese consumers believe that brands should create an actual positive impact on society. However, like consumers globally, many Chinese consumers may simultaneously place unwarranted trust in major brands, which may lead them to overlook the possibility of false green marketing in the absence of proper regulation.

Regulations

While there are currently no specific regulations in China targeting greenwashing, there is a relatively comprehensive system for regulating commercial marketing practices that can effectively cover deceptive and misleading promotional activities related to sustainability claims. The relevant regulations include:

- the Anti-Unfair Competition Law (Article 8c);
- the Advertisement Law (Article 28);
- the Consumer Rights Protection Law;
- the Product Quality Law (Article 5); and
- the Criminal Law (Article 222).

In addition, non-mandatory national standards with recommendatory significance (eg, the General Principles for Environmental Management Environmental Labelling and Declaration) can serve as points of reference for enterprises when regulating their own sustainable promotional activities to some extent.

Brand owners should also take note of guidelines, notifications and cases issued by governmental departments – such as the Market Supervision and Administration Bureau, and the State Administration of Radio, Film and Television – to understand the latest requirements for production, sales and

advertising. Moreover, content approved by national agencies or released by nationwide social organisations is also worth noting, such as those from the China Environmental Protection Federation, the Environmental Protection Industry Association, the Society for Promoting Environmental Civilisation and the Environmental Protection Foundation.

The China Environmental United Certification Centre, approved by the former State Environmental Protection Administration and supervised by the National Certification and Accreditation Administration, also provides green product certification services.

Navigating these issues as a brand owner

With these regulations in force, and as a result of guidelines, decisions and notifications being issued by various Chinese administrative bodies and agencies, fashion and luxury brands operating in China are expected to adhere to published sustainable development directions. If they are found to be in breach, not only would they fall foul of the applicable law, but consumer reaction in China could be devastating to their brand image.

An increasing number of Chinese media organisations have also turned their attention to sustainability claims and instances of greenwashing among prominent brands. It is worth noting that *South Weekly News*, a renowned Chinese media outlet, recently unveiled the ninth edition of the China Greenwashing List that it has published since 2009. Among the brands featured on the list, notable fashion brands have been accused of engaging in “environmentally misleading advertising” as part of their marketing efforts. This heightened media scrutiny has the potential to captivate the interest of environmentally conscious consumers and significantly impact their consumption decisions.

In recent years, with the introduction of concepts and requirements (eg, Xi Jinping’s opinion on ecological civilisation, carbon peak and carbon neutrality at the 20th National Congress of the Communist Party of China), relevant national institutions have successively issued supporting guidelines and implementation plans. These include:

- the National Development and Reform Commission, the Ministry of Commerce and the State Administration for Market Regulation’s Notice on Promulgation of the Implementation Plan for Promoting Green Consumption (January 2022);

- the Ministry of Ecological Environment’s Administrative Measures for the Mandatory Disclosure of Environmental Information by Enterprises (February 2022); and
- the Supreme People’s Court Opinions on Completely, Accurately and Comprehensively Implementing the New Development Concept, and Providing Judicial Services for Actively and Steadily Promoting Carbon Peak and Carbon Neutrality (February 2023).

Although China’s current legal framework is not directly related to sustainability claims and greenwashing, market supervision and judicial practices are increasingly emphasising false advertising by companies. That said, an even more important factor for brand owners to consider is that the Chinese market is important for fashion and luxury brands. This, coupled with growing levels of awareness among Chinese consumers with regard to sustainability practices and greenwashing, means that environmentally conscious brand owners should adopt sincere and substantial sustainability initiatives, regardless of applicable regulations.

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United Kingdom and European Union

Consumers have been increasingly making purchase decisions based on eco-friendly or green credentials of products and services, and brand values that align with such credentials. This trend seems set to grow with sustainability becoming a top priority among young consumers. Brands in return are understandably keen to target such consumers and communicate eco-friendly product qualities and brand initiatives, but the fear of getting called out for greenwashing or falling foul of regulations may lead many to stay silent.

“Greenwashing is firmly on the agenda, and new legislation is expected to be forthcoming”

Regulations

Regulators in both the United Kingdom and the European Union have recently announced intentions to specifically legislate for green claims, which are currently dealt with under general regulations against misleading advertising. In March 2023, the European Commission published a proposal for a Green Claims Directive, obliging EU member states to enact national legislation that would:

- compel brands to accurately evidence environmental claims to consumers; and
- expand the definition of ‘misleading practices’ to environmental claims that:
- are generic and unsubstantiated; or
- relate to the company’s future environmental performance, and are unsupported by clear, objective and verifiable targets and an independent monitoring system.

Greenwashing is firmly on the agenda, and new legislation is expected to be forthcoming. That said, law governing this area is perhaps unlikely to change radically and a lot of what the European Commission has proposed can already be found in the existing guidance issued by national consumer protection and advertising authorities.

The key principles seem to be, in essence, that green claims should have a clear basis, be verifiable and consider the whole picture – whether that’s the whole product life cycle or the total components of a product. For example, greenwashing allegations typically arise from the use of terms such as ‘sustainable’, ‘natural’ or ‘eco-friendly’, which may be considered vague and in breach of regulations if not accurate.

This can also include trademarks that are themselves suggestive of green credentials. These may be registrable if they are not directly descriptive but could still be considered misleading advertising if they include eco-friendly wording or terminology. Registered green trademarks could also potentially be open to revocation if used in a misleading or deceptive way – for example, the mark ‘ORWOOLA’ (pure wool) was used on products containing 100% synthetic material and was removed from the register as a result.

Generally, broad, general or vague claims will be more difficult to substantiate, whereas a more limited, specific claim is more likely to be considered verifiable. The Advertising Standards Agency in the United Kingdom has stated that if a product is advertised as being greener or friendlier to the environment, it should provide a net environmental benefit over the previous version of the product or that of a competitor. The basis of the comparison must also be fully substantiated, and broad claims are assumed to be based on the full life cycle of the advertised product and its

components unless stated otherwise. For example, it would be best to avoid a broad claim that a garment is recycled if less than 100% of its fibre content is recycled material.

The focus on making claims verifiable places a heavy obligation on brands to provide their own verifiable data. Some have chosen to commission their own research, producing independently verifiable data that is then used in campaigns.

Certification marks and recycling initiatives

Brands can also consider applying to use a certification mark to demonstrate that their products or services meet certain standards. These are not only a useful tool to communicate to consumers, but an independently certified measure of environmental credentials, thus immediately creating less risk for brands when used in marketing campaigns. For businesses trading internationally, a certification mark can also be a useful way of having a common symbol across multiple jurisdictions where that mark indicates a worldwide standard.


Another key feature of certification marks is that all are free to use the mark if they meet the certified criteria. The owner of a certification mark is required to submit a list of regulations to the relevant IP office for approval, which are made public. These regulations stipulate the criteria to be met to be approved for the use of the certification mark, which increases transparency for potential users of a certification mark.

For textile standards, brands could look to collaborate with the Global Organic Textile Standard, which is a world-leading textile processing standard for organic fibres, or the Better Cotton Initiative. The Fairtrade

standard is also widely known and certifies working conditions. The owner of a certification trademark cannot themselves supply the goods or services that are being certified in the United Kingdom or the European Union, so if a brand wanted to offer its own sustainability mark and keep trading its goods or services, the mark would need to be registered in the name of a separate entity.

Brands could also choose to partner with resale or rental platforms or charities, or offer their own recycling or clothes swap initiatives. Many brands have started offering in-house platforms: John Lewis has recently launched a rental section on its website, and Arket's ReARKET platform enables consumers to upload and sell their own Arket pieces for an discount. Marks and Spencer has had a garment recycling programme in place for several years, offering incentives for returned clothes, which they have recently expanded to cover hard-to-recycle beauty product packaging. Collaborating with other companies in the sustainability space or focusing on these initiatives can lead to positive publicity without risking a breach of advertising rules for unclear or vague statements.

Outlook

Ultimately, consumers want to be better informed and brands want to integrate sustainability information into their branding – clearer legislation is hopefully on the way to help bridge that gap. In the meantime, collaboration with certification trademarks and circular initiatives can help brands to communicate green credentials more effectively. 

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Tackling influencer and live stream marketing in China

Baker McKenzie's IP and technology group in Hong Kong discusses key regulations in China that deal with influencers and live stream marketing

Influencer marketing and live streaming have become popular marketing tools for fashion and luxury brands that target Chinese consumers. Brands can now reach millions of potential buyers through social media platforms in an engaging way. However, as these new forms of marketing grow exponentially, the Chinese authorities have introduced regulations governing influencer and live stream marketing content. Brands must understand the legal landscape and follow best practices to minimise risks. This article examines the key regulations in China and provides practical guidance for compliance.

Overview of the Advertising Law

China's comprehensive Advertising Law applies to various forms of commercial advertising activities. Like traditional advertisements, the promotion of products or services by influencers or through live streaming, or both, are caught under the Advertising Law, and are subject to the general requirements and prohibitions prescribed thereunder.

The Advertising Law imposes various restrictions on the content of an advertisement, such as:

- advertisements must not contain false or misleading information;
- superlative terms such as 'the highest quality' or 'the best' must be avoided – on this issue, brand owners should also refer to the latest Guidelines for Law Enforcement on the Use of Absolute Terms in Advertising issued by the State Administration for Market Regulation (SAMR) in March 2023 for further guidance;
- advertisements must not disparage the products or services of other producers or traders;
- data and statistics must be accurate, with source indicated; and
- advertisements must be readily identifiable by consumers as such.

Regulations on influencer and live stream marketing

The Administrative Measures for Online Advertising measures published by SAMR came into force on 1 May 2023. The measures set out the rules and regulations specific to online advertising activities. The measures echo parts of the Advertising Law and reiterate the latter's core principles, such as the truthfulness of online advertising content and the requirement for online advertisements to be clearly identifiable.

“Brands should conduct thorough background checks on influencers before engaging them”

The measures expressly regulate certain forms of advertising where the commercial intent may be less apparent (eg, promotion by way of knowledge introduction, experience-sharing or consumption evaluation), which must be clearly labelled as advertisements if a shopping link is included. For example, if a social media post promotes a product in the form of a user review and contains a link to where the product can be purchased, the post should be marked as an advertisement.

The Advertising Law envisages that four main parties are involved in advertising activities: advertisers, advertising publishers, advertising agents and advertising endorsers. Each party has different roles and responsibilities under the Law, and the measures confirm that this legal framework equally applies to commercial live streaming activities.

Specifically, the sellers of goods and services (eg, brand owners) would be considered advertisers, while live stream studio operators and marketers are considered advertising publishers and advertising agents if they provide design, production, agency or publishing services. Live stream marketers (eg, influencers appearing in a live stream) may additionally be considered advertising endorsers if they make recommendations about products or services in their own name.

There are certain implications for classifying influencers who endorse products or services as advertising endorsers. Notably, the Advertising Law requires that endorsers must have personally used or experienced a product or service before they can endorse it. In addition, it is illegal to engage individuals or companies as advertising endorsers if they made recommendations that amounted to false advertising and received administrative punishments within the prior three years as advertising endorsers.

The personal use requirement is emphasised in the Beijing Compliance Guidelines for Celebrity Advertising Endorsement Behaviour, which was issued by the Beijing Municipal Administration for Market Regulation in March 2023. They stipulate that, before agreeing to endorse a product or service, celebrities and influencers must have a thorough understanding of what they are promoting and the brand involved. Furthermore, celebrities have a duty to monitor the brands and products or services that they endorse throughout the contractual endorsement period. If the brand engages in

serious illegal or dishonest conduct, or if there are major quality or safety issues in the endorsed products or services, the endorsers should take remedial action, which may include terminating the endorsement contract.

Given the popularity of live streaming in China, various government authorities have also published several other pieces of live streaming-specific guidance. Examples include:

- the Code of Conduct for Online Presenters (8 June 2022, the National Radio and Television Administration and the Ministry of Culture and Tourism);
- the Opinions on Further Regulating For-Profit Live Streaming Activities and Promoting the Healthy Development of the Live Streaming Industry (25 March 2022, the Cyberspace Administration of China (CAC), the State Administration of Taxation and SAMR); and
- the Administrative Measures for Live Streaming Marketing (for Trial Implementation) (25 May 2021, CAC and several other government agencies).

The above documents provide additional guidance on commercial live streaming. For example, the Administrative Measures for Live Streaming Marketing (for Trial Implementation) specifically prohibits live stream studio operators and marketers from deceiving or misleading consumers by deleting or hiding unfavourable comments.

The Code of Conduct for Online Presenters requires live stream hosts to maintain a positive image on screen. Relevant to luxury brands, live streaming hosts are to refrain from money-worshipping behaviour; they must not flaunt wealth by showing a large amount of luxury goods, jewellery or money on camera, exhibiting an unrestrained luxury-driven lifestyle, or belittling low-income groups. Fashion brands should also note that the clothes worn by live stream hosts should be considered “civilised and appropriate” by the public and should not be sexually suggestive.

Liability for false advertising

Under the Advertising Law, advertisers bear responsibility for the accuracy of advertising content. False or misleading content must not be included in advertisements, otherwise the advertiser may be punished with fines of up to Rmb2 million or 10 times the advertising fee in serious cases, as well as civil liability to consumers.

Other parties involved – including the advertising publishers, agents and endorsers – may also be subject to various liabilities under the Advertising Law. For example, they may be liable if they knew or should have known that the content was false but still participated in designing, producing, publishing or endorsing the advertisement, or providing agency services in relation thereto. Other laws in China also prohibit false or misleading advertisements, such as the Anti-Unfair Competition Law.

Luxury and fashion brands often find themselves targeted by false advertising allegations. In one case, a District Administration for Market Regulation fined an international fashion company Rmb200,000 for falsely describing a product as “Chinese Limited Edition” online. The design was not unique to China, nor was it limited in availability there; rather, the description aimed to attract Chinese customers. Similarly, some luxury brands have faced fines for making misleading claims about product effects or specifications.

Best practices for brands to mitigate risk

The risk of becoming liable for false advertising becomes even greater in live stream contexts. Without taking precautions, brands risk making prohibited claims that are broadcast to consumers in real time. When engaging in influencer marketing and live streaming in China, brand owners should implement safeguards to minimise legal and reputational risks.

Choose influencers wisely

Brands should conduct thorough background checks on influencers before engaging them. This is important not only from a branding perspective, but also because engaging inappropriate influencers may expose a brand to legal risks. Some industry associations, such as the China Advertising Association, have issued practical guidelines on choosing appropriate advertising endorsers, which brands may refer to.

Enter into a well-drafted written contract

It is a legal requirement for written contracts to be entered into between the advertisers, advertising agents and advertising publishers. In addition to the usual clauses that set out the parties’ respective rights and obligations, brand owners may also consider adding some special clauses to enhance contractual protection.

Morality clause

It is not uncommon for influencers and celebrities to be found to have committed illegal or immoral acts, or to be caught up in public relations scandals. Following the issuance of the Code of Conduct for Online Presenters and other guidance (eg, the Guiding Opinions on Further

Regulating Celebrity Advertising Endorsement Activities) by the Chinese authorities in 2022, the ethical standard to which influencers are held continues to be an enforcement priority. This highlights the importance of including morality clauses in influencer contracts, which allow the brand to exit agreements if the influencer engages in misconduct that could damage the brand’s image.

Exclusivity clause

An exclusivity clause that restricts influencers from promoting competing brands for a specified period may also be considered. This helps brands to maintain a competitive advantage in the market and avoid any potential dilution of the brand’s image due to conflicting promotions by influencers.

Ensure that influencers are familiar with the products

Brand owners should familiarise influencers with the products and services to be promoted and ensure that they have personally used or tried the products or services before advertising them. To mitigate the risks associated with inaccurate promotional statements, brand owners should also consider preparing speaking points for the influencers’ reference before live streaming sessions and instruct influencers to not answer questions to which they do not know the answers.

Conclusion

Influencer and live stream marketing present valuable opportunities for fashion and luxury brands to resonate with digitally native Chinese consumers, but brands should be aware of the potential risks associated with the use of these marketing tools. By striking a balance between seizing opportunities and exercising caution, brands can leverage influencers and live streaming as powerful tools when entering or expanding their footprints in the exciting – yet challenging – Chinese market. **WTR**

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The business of influencing: corporate law trends in influencer agreements

Parlux Holdings' Jessica Cardon outlines some of the hurdles that brand professionals should be aware of when working with influencers

Although a digital media star can be born through just a single viral post, the savviest of these social media personalities not only aim to create digital content to attract followers, but also seek opportunities for brand expansion. Influencers are not just global brand ambassadors or product endorsers these days; they are also entrepreneurs and small business owners – and an influencer's social media personality brand often leads to the foundation of a lifestyle brand.

In recent years, many influencers have sought protection for their brands by securing domain names, social media handles and trademark registrations in multiple classes of goods and services. Now, influencers have begun using corporate legal counsel to establish holding companies and are seeking legal options to limit personal liability, including through contractual limitations.

This desire to insulate the influencer from personal liability and to protect influencer activity revenue has highlighted two legal issues that legal practitioners should anticipate when negotiating a transaction for services or content with an influencer:

- the use of a lending company as the licensor of the influencer's services; and
- the inclusion of a provision that will cap the lending company's or the influencer's liability, or both.

Today, many high-profile influencers are using counsel to incorporate an entity that will function both as an IP holding company and as the holder of the influencer's talent and creative services. The company will be identified in a licence agreement, or a talent or creative services agreement, as the lender for the services of the influencer or talent. To that end, agreements with an influencer's corporation will reflect a corporate entity that exists for services of the influencer. The entity will likely need to be treated as

though it is the licensor of both the influencer's services and any intellectual property associated with the influencer's name. Agreements should take into consideration any changes that must be made to address the inclusion of a lender for the influencer's services, especially in indemnification or insurance provisions for the benefit of the influencer, which would also need to include the lender company.

In the same vein that a lending corporation may provide the influencer with some degree of insulated personal liability, and perhaps may facilitate an influencer's ability to secure business and other insurance protection, many influencers are now seeking to limit personal liability for influencer activities by capping their (and their lending companies') financial liability in licensing and ambassador agreements.

A typical provision seeks to limit the financial liability of the influencer and the influencer's lending entity to funds received by such parties from the brand owner that engages the influencer over the course of a 12-month period prior to the claim. For high-compensation engagements of services or for high-profile brand and influencer partnerships, the brand owner may succeed in expanding the liability cap to the total value of compensation received by the influencer and the lending party during the term of the agreement – or even a multiplier thereof. The cap would be in addition to any transfer of liability to the brand owner that the influencer can negotiate along with indemnification by the brand owner for uses of the brand's intellectual property and content in any digital or social activations.

These trends in negotiating with influencers reflect a growing awareness among social media personalities that their business opportunities require nuanced legal treatment to ensure financial stability and longevity as a public persona with associated brand rights. Brand owners who are concerned about assuming more liability when engaging high-profile influencers should evaluate their existing insurance policy coverage to

“Brand owners who are concerned about assuming more liability when engaging high-profile influencers should evaluate their existing insurance policy coverage”

determine if the brand should enhance its coverage values or potentially add insurance policies, such as a media liability policy aimed to protect a wide range of brand advertising activities. In addition, brands can also seek to include a morals clause in their influencer and licensing agreements that protects the brand should the influencer engage in any conduct that could damage the brand's reputation.

In the final quarter of 2023, WTR will publish a full-length article on working with increasingly business-savvy influencers and the pitfalls that must be avoided to ensure that major brands are sufficiently protected when partnering with these digital figures. [WTR](#)

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Stopfake: raising consumer awareness

How Christian Louboutin's Stopfake portal broke luxury brands' silence on counterfeiting

The shift to e-commerce has created a whole new world of challenges for luxury brands policing fake goods. "The challenge is the same for everyone," says Xavier Ragot, group general counsel and global data protection officer at Christian Louboutin, in an interview with WTR.

But not everyone tackles it the same way.

"It's about being very flexible and proactive," Ragot says. Christian Louboutin relies heavily on third parties to help monitor the incredible volume of goods that the legal team alone could never cover. Unusually for many luxury brands, which prefer to keep their counterfeiting issues to themselves, this ranges from IP service providers to consumers.

The Christian Louboutin legal department realised early on how to utilise technology to its advantage. In 2010, it launched the Stopfake portal, an easy-to-use online platform for consumers to:

- report fake goods;
- confirm authorised retailers; and
- access details of the brand's latest anti-counterfeiting efforts.

Figure 13: Stopfake's online store checker function

DATE	COUNTRY	CONTENT
December 9, 2022	China	Seizure of 186 counterfeiting goods by Customs
October 19, 2022	Bulgaria	Seizure of 65 counterfeiting goods by Customs
October 11, 2022	United States	Seizure of 479 counterfeiting goods by Customs
October 7, 2022	Italy	Seizure of 142 counterfeiting goods by Customs
September 9, 2022	China	Seizure of 966 counterfeiting goods by Customs
June 16, 2022	China	Reid, with the help of local authorities, leading to the seizure of

Source: Stopfake.christianlouboutin.com

“For us, the issue was simple; at the time, the legal department was just two people, and we were receiving messages from people that had suffered abuse online and thought that we were responsible, because it was our brand being abused and our product being copied, and some of them were really aggressive,” Ragot recalls. “We had to do something. As your brand is still on this product, it is still an experience with your brand. If we didn’t do anything, more and more people would have a bad experience with the brand so it would probably harm our business more significantly.”

The aim was twofold:

- to communicate to consumers how much the company was already doing to combat counterfeiting; and
- to create a space for people to spot fake offerings, and to discuss both the brand and the counterfeiting issues that it faces.

Users of the platform can fill out a form and select the subject that they want to discuss. This goes to the legal team, and the template format makes it easy for Ragot and his colleagues to follow up.

Some users simply want help to receive reimbursement for fake goods that they have purchased. The team then asks that they either destroy the goods or forward them on to the company. The process has been highly efficient, Ragot says. “Some shoes will be sent to us, while others will send us pictures of them being destroyed. You might say that it’s a pity they cannot be used, but most of these products are faulty in some way and might be dangerous.”

Others use the platform to notify the company of any shops, platforms or physical markets where they have seen counterfeit Christian Louboutin products for sale. Following these reports, the legal team has launched successful actions to investigate such marketplaces and get them shut down.

Whatever the user’s motivation, the platform provides Ragot’s team with an unlimited number of sources and a far wider reach than it could ever hope to achieve on its own. “Our team is quite small but we have all these people who can find something, somewhere in the world, and who have the possibility to connect with us and to help us fight against counterfeiting,” he says. “We’re able to achieve much more than if we were just in our office, trying to look for something online or with investigators.”

Although this sounds like an obvious solution for brand owners trying to extinguish counterfeiting fires around the world, Christian Louboutin’s transparency in its efforts makes it an anomaly in the luxury goods industry. “I have to admit that when we initially launched Stopfake, we were considered crazy; in particular, in the luxury world, you don’t talk about these things, so we were not supported with this project.”

But with public awareness of the dangers of counterfeiting increasing every year, the company saw the value of communicating with consumers on exactly what it was doing to help fight illicit trade and protect not only its IP rights but their safety too.


“Behind counterfeit goods you have bad people and bad behaviours. It is not just the fact that they are manufacturing these goods, it is the working conditions of the people producing them, the way they are made and the terrible impact they have on the environment or the health issues caused by components of the products, and people are becoming more and more conscious of that,” Ragot reflects. “It is good that we are not afraid to talk about it and we actually partner to do something against it, because we all have something win.”

And it really is a partnership – the brand benefits from having unlimited eyes and ears on the ground, while consumers can be assured that it will take action to fight for their rights and concerns.

As a result, the industry seems to be opening up more. Ragot recalls that a shift occurred a few years ago, with more luxury brands starting to publicise their biggest anti-counterfeiting operations, whether online or through films to raise awareness – but progress remains slow. “They will communicate only when they have a great success or a big seizure, not on a regular basis, or to have that communication with their fanbase or customers,” he says.

“People often want to hear about Stopfake or they say: ‘that’s great what you’re doing’ but very few of them receive the support within their organisation to do the same,” he muses. “Within the organisation you’ll probably have the IP people who are ready and willing to try to do something, but when you talk about that to the communication team or top management, they don’t want to get involved and there is some resistance.”

But Ragot acknowledges that what works for one brand may not work for everyone else. “Everyone should decide in consideration of their own priorities and difficulties,” he says. “For us, it was necessary because we were small compared to the problem.”

For the Christian Louboutin brand at least, the decision to talk openly and honestly has clearly been the right one. Stopfake has been a huge success – not only in terms of helping to clear the streets of counterfeit goods, but by helping to build a loyal customer base that has easy access to the people responsible for protecting the brand they love. 

This article is an extract from [a longer interview](#) published on the WTR platform in May 2021.

Vinted: working with resale platforms

WTR sits down with Vinted's Marion Savary to find out how brand owners can work with the online marketplace to better protect their rights in the resale environment

The once-niche market of second-hand goods has transcended its thrift store origins to reshape the online retail industry over recent years. There has been an unmistakable shift towards pre-loved items as more and more consumers turn to resale platforms to source cheaper, more environmentally conscious solutions to their fashion needs. As a result, resale platforms have redefined not only how consumers buy and sell clothes, but also our collective perception of consumption and sustainability.

But this burgeoning industry brings its own IP challenges. Counterfeit goods and the impact that these platforms have on traditional retail models are major concerns. The peer-to-peer environment raises brand protection issues at a time when online marketplaces are under greater pressure than ever to work with brand owners and protect IP rights. In this article, WTR presents an exclusive Q&A with a representative from one of Europe's biggest resale platforms to find out what the company is doing to help combat these issues.

Founded in 2008, Lithuanian unicorn Vinted has been increasing in value significantly since 2019. Particularly popular in France, Germany and the United Kingdom, the platform had a pre-money valuation of €3.5 billion in 2021. In 2022, the app received a staggering 32.35 million downloads – and in January 2023, it hit its highest ever peak with 4.25 million downloads in a single month.

With such high activity, we asked IP director Marion Savary how much of a concern IP infringement is and what steps rights holders can take to protect themselves on this increasingly popular platform.

What responsibility does Vinted have to ensure that third-party IP rights are protected on its platform?

Marion Savary (MS): As a hosting provider, Vinted's legal responsibilities regarding third-party IP rights are governed by intermediary liability rules. Under these provisions, the platform is not liable for infringing content uploaded by third-party sellers until it becomes aware of the infringement or the harmfulness of the content. Vinted's primary legal responsibility is therefore to respond promptly and appropriately to valid infringement notices from IP rights holders once they are made aware of the infringing content.

That being said, our commitment to combating counterfeiting and IP infringement extends beyond mere compliance with legal requirements. Vinted actively investigates technological solutions and continuously improves its IP protection measures with the aim of creating a safe and trusted environment where users can confidently buy and sell genuine products.

For instance, to ensure the protection of IP rights, Vinted has established comprehensive policies and guidelines that explicitly highlight our commitments. They outline the steps taken to address instances of IP infringement and the consequences that transgressors face.

Beyond such statements, Vinted actively employs proactive measures to detect and prevent the listing of counterfeit items on its platform. By utilising technologies such as automated systems or algorithms, Vinted strives to identify potentially problematic listings.

Also, in acknowledgment of the importance of cooperation, Vinted fosters open channels of communication with rights holders. It responds promptly to inquiries and takedown requests, collaborating closely to develop effective best practices for IP protection. This collaboration allows for the timely resolution of IP concerns, and further strengthens the trust between Vinted and brand owners.

How much of a concern is counterfeiting and IP infringement for Vinted and Vinted users?

MS: As with other platforms, counterfeiting and IP infringement pose both a risk and a challenge for Vinted, as well as for our members.

Not only do counterfeiting and IP infringement undermine the integrity of our marketplace and pose a risk to our reputation, but they also directly affect our members, whether buyers or sellers. Maintaining a trusted and authentic platform for our community is extremely important to us, so we have adopted a strict policy towards counterfeiting and IP infringements. We are highly committed to combating these issues effectively.

We have implemented various measures to protect against counterfeiting and IP infringement, including robust policies and guidelines, proactive monitoring, efficient reporting mechanisms, and cooperation with rights holders.

We also encourage members to report any suspicious or potentially infringing items promptly. Our community, the members of which are passionate about second-hand goods, is helping a lot with this.

What effect does Vinted's peer-to-peer business model have on its ability to protect third-party IP rights?

MS: As Vinted's business model is mainly based on consumer-to-consumer transactions, we face challenges and opportunities when it comes to protecting third-party IP rights. Indeed, this model allows for a large and diverse inventory of items to be listed on the platform, and while it provides an extensive selection for members, it also increases the potential for counterfeit or infringing items to be listed.

Further, in a peer-to-peer model, users themselves are responsible for listing and selling items on the platform. Vinted acts as an intermediary facilitating the transactions. This places a certain level of responsibility on individual users to ensure that the items they list do not infringe third-party IP rights.

For us at Vinted, this means that although there may be difficulties in terms of direct control and monitoring, we can leverage collaboration, education and technological advancements to enhance our IP protection efforts, and to foster a trusted marketplace for both our members and rights holders.

How does your strategy to protect third-party IP rights vary depending on the regulatory requirements or tools (or both) available in each jurisdiction?

MS: We prioritise compliance and collaboration to create a secure and trustworthy platform for members and rights holders across the 19 countries in which we offer our marketplace and services.

In terms of compliance, this includes diligently adhering to the applicable laws and regulations related to IP rights in each of our markets. We work hard to ensure that our policies, processes and enforcement actions are in line with local legal requirements.

Collaborating with local authorities and rights holders is also key in jurisdictions where legal mechanisms exist, where we collaborate closely with authorities and rights holders to combat counterfeiting and IP infringement – for example, by establishing relationships with industry associations to share information and best practices, and to coordinate enforcement efforts.

What are the biggest challenges that Vinted faces when it comes to preventing IP infringement on its platform, and how are these overcome?

MS: Vinted faces several challenges when it comes to preventing IP infringement on its platform. Understanding them, and implementing appropriate mitigation measures, is crucial for effective IP protection. Examples include:

- Volume and scale – our platform operates at a large scale with a vast number of listings and users, which presents a challenge in detecting potential IP infringements among the listings. We have invested heavily in automated systems as well as algorithms that analyse and flag potentially infringing content.
- Detection of counterfeit items – counterfeit items can be sophisticated and therefore challenging to identify accurately. Collaboration with rights holders and regular training for our content moderation team help to enhance the accuracy of our counterfeit detection methods.
- Increasingly advanced and evolving counterfeit tactics – counterfeiters continuously adapt their tactics to circumvent detection measures and exploit online platforms. We work hard to stay up to date with counterfeit trends by collaborating with rights holders and industry experts, and investigating technological advancements, to keep pace with evolving counterfeit tactics.

“A dedicated form allows IP rights holders and their representatives to report up to 300 infringing listings in bulk”

How can users report IP infringement on Vinted, and what steps does the company take when infringement is reported?

MS: Vinted provides users as well as IP rights holders with straightforward and efficient processes to report IP infringement. We first encourage users to report any suspicious or infringing items promptly. This can be done very easily by clicking on the three dots at the top right of the picture of the suspicious item (app version) or flag (web browser version). When it comes to IP rights holders or their representatives, a dedicated form allows them to report up to 300 infringing listings in bulk.

Upon receiving a report of a potential IP infringement, our content moderation team reviews the information provided and investigates the reported listing. We aim to complete this review process promptly, although the time needed depends on the complexity of the case and the volume of reports received.


If we determine that a reported listing indeed infringes upon third-party IP rights, appropriate enforcement actions are taken. These actions include removing the infringing listing from the platform and, in cases of repeated offences, suspending or terminating the seller's account. Although we believe that education is key for our users, our strict policy against counterfeiting and IP infringement reinforces the seriousness with which we approach enforcement actions.

How can brand owners work with Vinted and other resale clothing platforms to crack down on the volume of illicit or counterfeit goods in circulation online?

MS: Brand owners can work collaboratively with resale platforms to help to effectively address the issue of illicit and counterfeit goods in circulation online. This collaboration not only protects the brand owners' IP rights, but also promotes a safe and trusted environment for consumers on these platforms.

One great forum for platform collaboration with brand owners is the memorandum of understanding on the sale of counterfeit goods on the internet, which is a voluntary agreement facilitated by the European Commission to prevent offers of counterfeit goods from appearing in online marketplaces. Vinted joined this forum in October 2021.

Collaboration can work in the following ways:

- Establish dedicated communication channels – this enables proactive engagement, and facilitates the exchange of information regarding IP rights, counterfeit trends and specific enforcement actions.
- Share IP information – brand owners may provide resale platforms with comprehensive information about their IP rights. This helps us to better identify and address potential counterfeit or infringing listings on the platform.
- Report IP infringements – brand owners should promptly report any suspected IP infringements that they identify on any platform. Vinted provides a specific reporting mechanism for this purpose. Providing detailed evidence and supporting documentation strengthens the case against counterfeit or infringing listings.
- Explore technology solutions – brand owners can work with resale platforms to explore and implement technology-driven solutions to combat counterfeiting. This may involve leveraging advanced automated filters or other technologies that enhance the detection and removal of counterfeit listings from the platform.
- Conduct training sessions – brand owners can conduct training sessions for resale platforms' content moderation teams to enhance their understanding of specific brand attributes, counterfeit indicators and common counterfeiting practices. This empowers the team to identify and act against counterfeit or infringing listings more effectively.
- Support legal actions – in cases where legal action is necessary, brand owners and resale platforms may support each other in taking swift and appropriate action against counterfeiters.
- Share best practices – brand owners can collaborate with resale platforms to share best practices and industry insights related to IP protection. This includes information on new counterfeit trends, enforcement strategies and emerging technologies that can assist in combating counterfeiting effectively. 

Marion Savary is the IP director at Vinted (marion.savary@vinted.com)

Shein: a deep dive into trademark activity

WTR reflects on shopping platform Shein's trademark filing activity and IP protection

Chinese online fast-fashion retailer Shein was the most searched fashion brand worldwide in 2022. In the same year, its total revenue reached \$23 billion, with net profit totalling \$800 million. By attracting young consumers – many of whom are under the age of 30 – through low prices, on-trend fashion and speedy delivery, the company has quickly grown its clientele and now delivers to customers in more than 150 countries.

However, Shein is frequently under fire for claims of alleged IP infringement, most often copyright and trademark infringement over copycats and unauthorised reproductions of artwork and clothing designs. At least three lawsuits are ongoing in the United States, involving parties such as Levi Strauss & Co.

What, then, is Shein's stance towards protecting its own intellectual property?

Trademark filing activity increased in 2017

Shein officially claims that it was founded in 2012, but it has been reported that the company was established in 2008 as ZZKKO and later renamed as Shelinside in 2012, when it branched into wedding dresses. Three years later, the company rebranded to Shein, as it sought a name that was shorter and easier to remember.

This repeated rebranding could explain Shein's trademark filing activity in its early years. According to data from Clarivate, the company filed its first trademark in 2011. It was, however, for 'ROMWE', a Chinese e-commerce retailer that Shein acquired in 2014 ('ZZKKO' was filed in 2013, five years after the company was established).

Between 2011 and 2016, Shein filed only an average of five applications annually. On closer inspection, it filed no applications in 2014. But the company saw a small spike in activity in 2015, when it filed 16 trademark applications, coinciding with the company's rebranding to 'Shein'. This was also reflected in its applications – 12 of them sought protection for 'SHEIN', 'SHEINTEE' and 'SHEIN SHE IN SHINE OUT' in China, the European Union, the United Kingdom and the United States.

Filing activity picked up further in 2017, when Shein filed 81 applications – a figure that represents nearly three times the number of applications that it owned. The following year, filings slowed again to just 52.

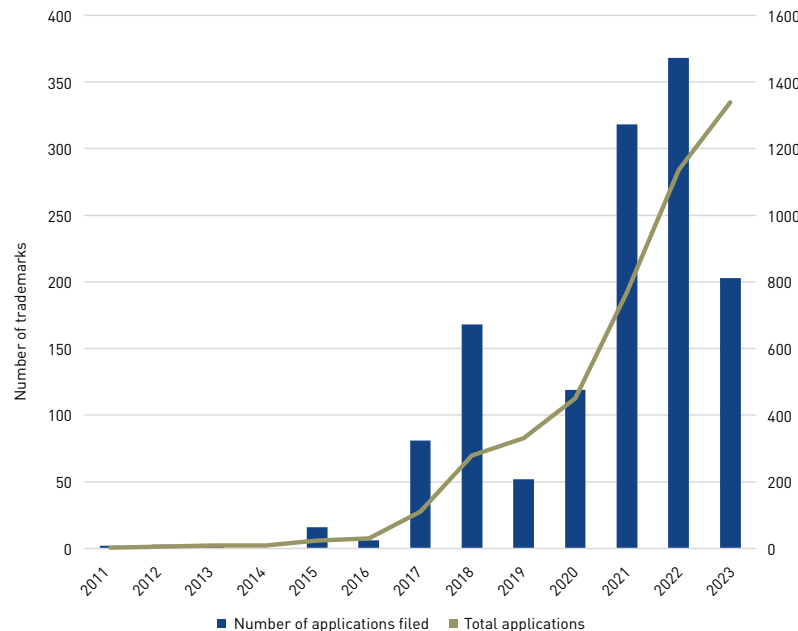
In 2020, things began to ramp up. Shein filed 119 applications that year – the first time it had exceeded 100.

In 2021, it more than doubled that figure, reaching 318 applications. This momentum continued in 2022 with a 16% increase (368 applications) – and, as at July 2023, Shein has filed 203 applications in 2023. This suggests that it is on track to file a similar or greater number of marks as it did in 2022.

As a result, Shein is now responsible for 1,339 trademark applications. A notice on the company's website notes that its trademark registrations are held by a Singapore company, Roadget Business Pte Ltd. Some are also held by two businesses in Hong Kong: Zoetop Business Co Ltd and Shenhe International Holdings Group Co Ltd.

However, Clarivate has been unable to locate copyright filings owned by Shein.

Figure 14: Shein trademark filings (2011–2023)



Source: Clarivate, July 2023

China is top filing destination, accounting for 19% of portfolio

Shein has filed trademarks at 52 registers worldwide. China's register takes the lead with 253 trademarks, accounting for 19% of all filings. China is therefore Shein's most important jurisdiction, which is hardly surprising as the company's reported 6,000 clothing factories are located there.

Filing trademarks in manufacturing hubs seems to be central to Shein's global IP strategy. As the company moves some of its production out of China and localises manufacturing in South America, Brazil and Mexico (where it has filed 130 and 118 trademarks, respectively) already account for

19% of its trademark portfolio – and are expected to grow in significance. In April 2023, the company announced that it will invest nearly \$150 million in Brazil to establish a network with 2,000 local textile manufacturers. A month later, it was reported that Mexico, too, is expected to become a manufacturing hub.

At the same time, Shein protects its trademarks in its major consumer markets. Topping this list is the United States. Home to most of its customers, the United States is Shein's second most important trademark filing jurisdiction with 134 applications. Shein has also been eyeing the European market; it has filed 200 trademarks at the EUIPO and the UK Intellectual Property Office, while establishing its regional headquarters for the Europe, Middle East and Africa market in Dublin. Pop-up stores have appeared in Barcelona, London, Madrid and Paris, in addition to three distribution centres in Italy, Poland and the United Arab Emirates.

Among Shein's top 10 registers is India's, with 31 filed trademark applications – and this number is expected to grow. In June 2023, three years after the Indian government banned the app as a retaliatory move against China, Shein signed a licensing deal with Reliance Industries. Although Shein can only provide production support and training to local suppliers, more than 25,000 small and medium-sized enterprises will manufacture Shein-branded products that will require trademark protection.

Interestingly, despite moving its headquarters to Singapore in 2022, Shein has only filed 24 trademarks in the country so far. It was also around this time that Shein transferred its trademarks – previously held by Hong Kong-based Zoetop – to Roadget, which was established in 2019 and became the company's legal entity in 2021.

Table 15: Shein's top 10 filing registers and trademarks filed (2011–2023)

Register	Trademarks filed
China	253
United States	134
Brazil	130
Mexico	118
EUIPO	104
United Kingdom	96
Saudi Arabia	68
Canada	45
India	31
Israel	28

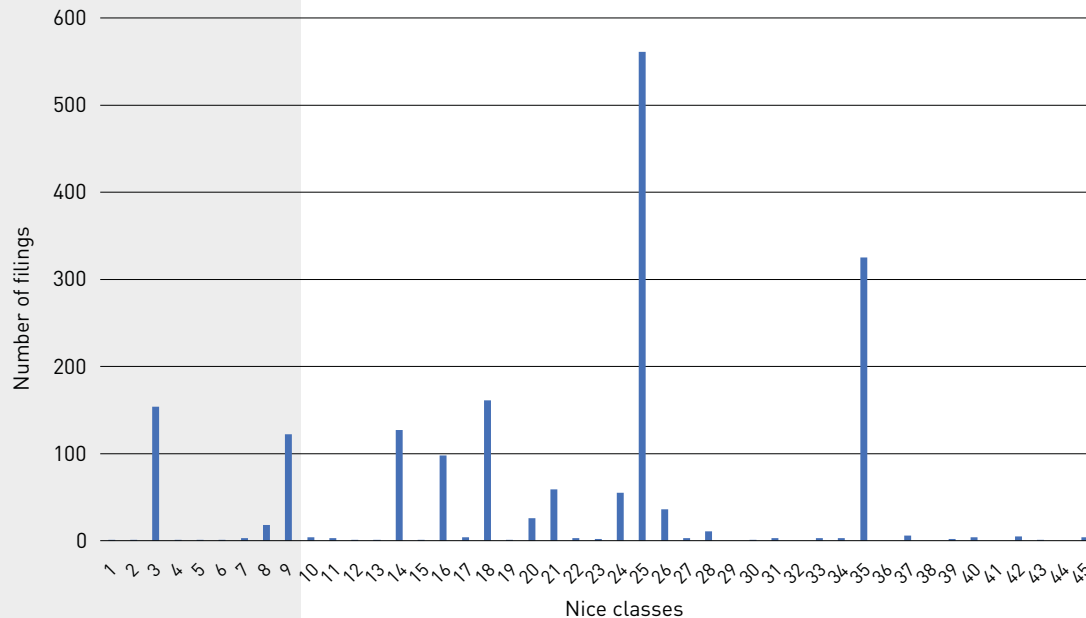
Source: Clarivate, July 2023

Table 16: Shein's top 10 trademarks (2011–2023)

Word mark	Trademarks filed
SHEIN	202
ROMWE	128
SHEGLAM	84
DAZY	31
LUVLETTE	30
MOTF	29
COZY CUB	28
CUCCOO	26
EMERY ROSE	23
Design only	72

Source: Clarivate, July 2023

Figure 15: Shein's active trademarks by Nice class (2011–2023)



Source: Clarivate, July 2023

One-third of protected marks relate to in-house brands

Unsurprisingly, Shein's most protected mark is its company name. The group has filed around 200 applications for 'SHEIN' and has proactively sought protection for its in-house portfolio of brands.

Its remaining three brands – Glowmode, Petsin and SlowSunday – are accounted for with 18, 16 and 16 applications, respectively.

Across its top 10 in-house brands, Shein has filed a total of 429 marks, comprising 32% (nearly one-third) of its portfolio. It has also filed one application each for 'ZZKKO' and 'SHEINSIDE'.

Protection in Nice classes centre on core business

Similarly, Shein's trademark protection across Nice classes focuses on the goods and services that it offers. Known for selling clothing and lifestyle products, especially apparel, footwear, accessories and beauty products, Shein has filed a large proportion of its marks in related classes, namely:

- Class 3 (fragrances and cosmetics);
- Class 14 (jewellery and accessories);
- Class 18 (leather goods and luggage);
- Class 25 (clothing, footwear and headgear); and
- Class 35 (retail services).

Given that an estimated three-quarters of Shein's sales are in the apparel category, it is no surprise that 561 applications have been filed in Class 25 and comprise nearly one-third of its portfolio. Another 18% are in Class 35, and 9% and 8% are in Classes 18 and 3, respectively.

At least 10 IP litigation matters in the United States

Shein has put in place an online portal for rights holders to submit IP-related complaints, following which affected listings may be removed and users terminated. As it states in its IP notice: "As we ask others to respect our intellectual property rights, we respect the intellectual property rights of others."

However, allegations of IP infringement suggest that Shein needs to ramp up its filing activity. At least three trademark infringement lawsuits are pending in the United States, according to data from Docket Navigator, namely:

- *Levi Strauss & Co v Shein Group Limited et al* (NDCA-5-18-cv-05247);
- *PRL USA Holdings Inc v Zoetop Business Co Limited et al* (CDCA-2-21-cv-02424); and
- *Yiwu Lubo Trading Co, Ltd v Roadget Business Pte Ltd et al* (NDIL-1-22-cv-04444).

Another two lawsuits are currently undergoing mediation and five have been dismissed or settled.

The lawsuits claim that Shein is wilfully manufacturing and selling products that infringe and dilute trademarks owned by other companies, and continue to do so even after suspending sales. For instance, Levi Strauss & Co claims that infringing products were still offered for sale “though, on information and belief, [Shein] had edited images of the Shein Infringing Products to obscure the infringing designs”.


Shein is also embroiled in “dozens” of lawsuits alleging design theft, the *Wall Street Journal* reported in July 2022. Among the most recent cases against Shein is one brought forth by H&M, which is suing Shein for copyright infringement in Hong Kong, and another by three independent designers, who are accusing Shein of “egregious” copyright infringement.

In response to these allegations, a spokesperson said in July 2023: “Shein takes all claims of infringement seriously, and we take swift

action when complaints are raised by valid IP rights holders. We will vigorously defend ourselves against this lawsuit and any claims that are without merit.”

Shein did not respond to WTR’s request for an interview.

Outlook

Shein will continue to grow in popularity and prominence. In August 2023, it entered a partnership with US fast-fashion retailer Forever 21 that may, in future, allow Shein shops to operate inside Forever 21’s 560 stores worldwide. This could lead to a more expansive trademark portfolio and, given that Shein has been intensifying its filing activity in recent years, it seems that the company is already putting in place a proactive rights protection strategy. 

Four Chinese shopping agents to keep on the radar

Consumers outside China sometimes seek the services of shopping agents to purchase goods on Chinese online shopping platforms, but some of these agents have also promoted their ability to order and ship counterfeits

A Chinese shopping agent helps users to connect with China, and to overcome the language barrier and technicalities of shipping when purchasing goods online through Chinese platforms. Since foreign users are often unable to make direct purchases, usually due to lack of a domestic payment method, a shopping agent can buy and ship the product on behalf of the user.

However, buyers of counterfeit goods – especially those wanting to purchase fake fashion and luxury items from Chinese online marketplaces in China (eg, Taobao, Weidian and Yupoo) – are using these agents to send products to them all over the world. Such agents can offer a legitimate service through which to purchase cheaper authentic goods, but some agents have promoted their ability to order and ship counterfeits. The FashionReps subreddit, the world’s largest counterfeit discussion forum, is a popular platform that the agents use to market themselves to Western buyers of counterfeit goods. WTR takes a closer look at some of these agents.

Making a purchase through shopping agents

A few steps go into completing a purchase and receiving the products:

- A customer will identify items they want on a Chinese shopping platform, and copy and paste the links to those listings into the shopping agent’s website.
- The agent will complete the online purchase and have the items delivered to a warehouse in China.
- Once the goods have arrived, the agent will send photos of the items to the customer and (for an additional fee) can provide detailed pictures that show close-up details of certain aspects of the item (often referred to as a ‘quality check’, which can be used to compare the goods to an authentic item).
- If a customer no longer wants the item after seeing the photos, they can request the agent to exchange or return it to the original seller. Otherwise, the items will be delivered to the customer.

Most agents offer an option for users to store the goods in their warehouse for a set period (eg, six months). This allows users to buy more items and create a ‘haul’, which can then be packaged together and shipped as a single large delivery rather than as multiple smaller deliveries.

“PandaBuy is the recommended shopping agent for users on the FashionReps subreddit”

PandaBuy

PandaBuy is the newest shopping agent to grow in popularity. With an aggressive social media strategy (especially on Reddit, TikTok and YouTube), PandaBuy launched in early 2022 and quickly became a go-to resource for obtaining counterfeit goods, with over 500,000 downloads on the Google Play app store as at August 2023.

PandaBuy is currently the recommended shopping agent for users on the FashionReps subreddit, which even features an exclusive voucher code for a discount on shipping prices. It also appears to operate its own subreddit, with accounts claiming to be PandaBuy employees answering users’ questions about their orders, including giving advice about shipping and customs procedures for ‘rep hauls’.

Its growing popularity is not by accident. According to one FashionReps user, PandaBuy is “super invested” in its media presence. “They pay their users to advertise their service by refunding them if they post their hauls on social media,” the user claimed. “They are super new, yet they rapidly became the best and most popular, and not without reason. They [have] invested a ton of money in their image.”

The community has further put in efforts to share numerous Google spreadsheets with vast lists of counterfeit items with photos and PandaBuy links on PandaBuySheets, although a footer on one page claims: “We have no affiliation to PandaBuy, we only want to help people find reps.”

The terms of service on the PandaBuy website explicitly state that users “cannot use the PandaBuy service” for reasons including buying drugs, cigarettes, weapons and “items that infringe or violate any copyright, trademark, publicity or privacy or any other proprietary rights under the laws of any jurisdiction”.

When, however, WTR spoke with a PandaBuy customer service representative about buying items that breach the terms of service, they said “we can purchase [them] for you”, adding: “From historical data, the chances of being seized by customs are very small. If you are very worried about this situation, we suggest that you choose insured logistics.”

When questioned further about buying infringing items, the representative reiterated the low risk of the items being seized. “In international transportation, no matter what logistics route or goods are sent, there will be [a] certain customs risk. Please do not worry too much, my friend.”

Sugargoo

Officially launched in August 2020, Sugargoo appears to be linked to or owned by a seller that produces counterfeit goods. It explicitly promotes itself on forums for those seeking counterfeits, pledging to “avoid the shortcomings of other agencies, for example, Superbuy cannot buy branded goods [and] WeGoBuy charges expensive service fees”. By contrast, Sugargoo claims to charge no service fee for orders, and promotes its ability to buy from Taobao, Yupoo and Weidian.

Its user agreement states that it “does not support” the purchasing of “counterfeit goods, prescription drugs, tobacco, lottery tickets, adult magazines and DVDs”. However, when WTR asked Sugargoo how to buy replica goods from Taobao and Yupoo to sell in the United States, a customer service representative linked to a video on the Sugargoo subreddit to find more information. When asked about purchasing a significant amount of fake goods to sell in the United States, the representative said: “You can ship one big haul or multiple orders.”

Superbuy and WeGoBuy

Superbuy was founded in 2012 by Haixing Gong, who is also a co-founder of Tencent. By 2019, it claimed to have 1 million users in 70 countries and appeared to be a favourite among international counterfeit buyers, despite never having promoted its ability to send replica or imitation products from China.

In 2019, a new policy seemed to emerge, pursuant to which orders for counterfeit goods were being rejected. The Superbuy website posted a service notice saying that the company “has strengthened inspection on products from third-party platforms” and that some products “[were] not eligible” for its shipping agent service.

Evidence suggested that Superbuy support representatives recommended using WeGoBuy instead, which is “part of our company business”. They added: “In the near future you will be required to [use WeGoBuy instead of Superbuy]. We want all replica purchases to be on WeGoBuy and not on Superbuy. We have been planning this change for several months now. WeGoBuy is our first big movement to help the replica community.”

But when contacted by WTR, Gong firmly denied any connection between the two platforms. “Superbuy does not own WeGoBuy or have any relationship with WeGoBuy,” he said.

“Evidence suggested that Superbuy support representatives recommended using WeGoBuy”

He clarified: “Superbuy is an agent service [that] just follows customers’ instructions to purchase products from third-party platforms... However, as an international company with social responsibility, Superbuy keeps trying to find solutions on controlling the legality of third-party orders. After months of

research, we successfully developed new manual/automated functions and methods to distinguish more illegal products in customers’ orders.”

On top of that, Gong pledged that Superbuy wants to be part of the solution to combat fake goods. “Superbuy is open to working with the international community to help in the global fight against counterfeit goods. That is why we keep working hard on upgrading our ability to be against orders of counterfeit products, and we will continue our input on this work – this is our open message.” **WTR**

This article is an amalgamation of articles that first appeared on WTR between 2020 and 2023, specifically on [PandaBuy](#), [Sugargoo](#), and [Superbuy](#) and [WeGoBuy](#).

Luxury fashion trademarks in Russia: what has changed for foreign rights holders since February 2022

In an exclusive article for WTR, academics Irene Calboli, Texas A&M University School of Law, and Vera Sevastianova, Hanken School of Economics, outline what brand owners in the fashion space need to know about protecting their rights in Russia amid the ongoing conflict in Ukraine

In Spring 2022, after Russia began its full-scale invasion of Ukraine, many foreign companies withdrew from the Russian market as a sign of protest. As we analysed in a report, this led to a rush of trademark applications filed with the Russian Intellectual Property Office (Rospatent) for signs similar or identical to the trademarks of the departing companies. These opportunistic filings included applications for famous names such as Apple, IKEA, Coca-Cola, Mercedes-Benz and Facebook, as well as the names of luxury fashion brands such as Chanel and Christian Dior. Almost immediately, Western companies and

practitioners started to discuss how to tackle this issue – specifically, how to prevent the registration of these bad faith applications, as well as how to avoid the cancellation of their lawfully registered Russian trademarks due to the temporary non-use.

In August 2023, more than a year and a half from the onset of the war, we would like to offer an update on the opportunistic applications filed in 2022 and how Rospatent has handled them to date. This update is important not only for the Western companies that left the Russian market, but for all companies and practitioners interested in trademark law. This article also briefly discusses recent changes to Russian laws on parallel imports, and the recent administrative and judicial proceedings related to the registration, cancellation and enforcement of foreign trademarks. In general, our remarks focus on luxury fashion brands, but the main takeaways from this article also apply to any trademark lawfully registered today in Russia.

How much has really changed since 2022?

The first questions that IP practitioners and interested parties may be interested in when discussing trademark law in Russia today are the following:

- How much have things really changed since the departure of many Western companies?
- Do Russian consumers still have access to Western products or did the departure of Western companies, combined with multiple rounds of Western sanctions, dramatically change the options available for them in the Russian market?

To answer these questions, Moscow's TSUM website is a useful resource, which was named the largest department store in Eastern Europe several years ago. There, one will immediately notice a large offering of Western products, for example bags from brands such as Gucci (2,225 different items in total as at 24 August 2023), Prada (1,262), Loewe (147), Chloé (521), Burberry (279) and Balenciaga (176). Similarly, one can visit the Wildberries website, the largest Russian online marketplace, and see clothes by Uniqlo, H&M or adidas available for sale and shipment to consumers in Russia.

All the goods sold through TSUM, Wildberries and similar platforms are genuine products that lawfully arrived in Russia after March 2022, meaning that neither the exodus of Western companies nor the issuance of Western sanctions seem to have affected the availability of products offered for sale to date in Russia. This fact was recently confirmed also by a representative of the Lamoda multi-brand online store in Russia, who said that no change in the assortment or the level of consumer demand for premium goods seemed to have affected their business since 2022.

To many, this state of affairs may come as a surprise. How can this be possible after reading testimonial after testimonial of companies leaving the Russian market, and several rounds of Western sanctions?

Interestingly, and perhaps not surprisingly, the availability of genuine fashion products on the Russian market today is largely the result of recent changes to the Russian legislation regarding parallel imports to allow the importation of these products into Russia. Notably, Article 1487 of the Russian Civil Code traditionally established the principle of national exhaustion of trademark rights in Russia, meaning that the holders of Russian trademark registrations could prevent the unauthorised import into the Russian market of genuine products first distributed in foreign countries. Only products coming from within the Eurasian Economic Union, of which Russia is a party, could lawfully enter the Russian market, as the Treaty of the Eurasian Economic Union provides for a principle of regional exhaustion. However, Russian authorities swiftly changed the domestic

position on trademark exhaustion after the beginning of the war and started to allow parallel imports of specific products into Russia, including luxury goods and other products sold by foreign brands. Today, the list of products that can be lawfully imported into Russia is constantly growing, as demonstrated by the large quantity of diverse goods for sale at TSUM or Wildberries.

Opportunistic trademark applications: how well have they fared?

Above all, what happened to the many opportunistic applications that were filed with Rospatent as soon as Western brands started to announce their departure from Russia is key information to know.

In Summer 2022, we counted 393 such applications, which included the names of ultra-famous brands such as Cartier and Rolex. Even local professionals admitted that this run to Rospatent to register famous Western trademarks was unprecedented. Interestingly, many of these applications were filed by the same entities – often individuals or small businesses. For example, Aleksey Zhabreyev had at least 100 applications, while Trade Technologies LLC was the owner of at least 81 filings. At that time, many companies and practitioners had serious doubts about how Rospatent would proceed with these applications, given Russia's flagrant and growing disrespect for international norms, and the increasing resentment felt in Russia towards the foreign companies that had left the country.

“Neither the exodus of Western companies nor the issuance of Western sanctions seem to have affected the availability of products offered for sale to date in Russia”

However, against many predictions, many of the fears related to the good faith of these applications and possible changes in Rospatent's practices did not materialise. Instead, in August 2023, 209 applications (53.2%) were considered withdrawn (ie, dead applications) by Rospatent out of the 393 filings we recorded in 2022. In general, an application is considered withdrawn in Russia when the applicant does not provide requested materials or did not pay the necessary application fees. Of the 209 withdrawn applications, only 14 were withdrawn at the applicants' request. Moreover, again as at August 2023, Rospatent had refused 96 applications (24.4%), while 70 applications (17.8%) were still under substantive examination (no applications were left under formal examination). Finally, only 18 applications (4.6%) were accepted for registration (all but one already had registration numbers).

To offer specific examples, among the applications that were considered withdrawn, there are signs including terms like 'Louis Vuitton', 'Giorgio Armani', 'Cacharel', 'Ralph Lauren', 'Tom Ford Beauty', 'Balenciaga', 'HERMES', 'Karl Lagerfeld', 'Lacoste', 'Burberry' and 'BOSS cotton' (these applications are kept in the Russian register of trademark applications with withdrawn status). Twenty-seven applicants were responsible for these 209 withdrawn applications, with two of them owning over half of the filings; Zhabreyev (100 applications, most of which being for products in all 45 classes) and Smart Beauty LLC (26 applications) topped the list in this respect. In particular, the applicants must have predicted that Rospatent would treat their submissions unfavourably, so they may have decided against paying the fees.

On the other hand, examples of refused applications include those for 'ARMANI COLLEZIONI', 'ARMARI SPORT' and 'CANADA GOOSE' as well as stylised 'Loui's Vuitton', 'Yves Saint Lauren', 'Cartier', 'Tommy Hilfiger', 'Hugo Boss', 'Zara' and 'Bershka.' Also in this case, 40% of the refused applications belonged to a single active filer – Trade Technologies LLC.

Unlike the individual and companies above that withdrew their applications without paying the fees, Trade Technologies did cover its application fees, perhaps hoping to obtain registration due to the unstable political situation in Russia. However, Rospatent did not allow these applications to be registered due to their similarity (or identity) to famous foreign brands. In other words, in accordance with Rospatent's clarifications in April 2022, it continued to apply its standard ex officio examination based on both absolute and relative grounds for refusal, which led to the rejection of most opportunistic applications. These results show that Rospatent's procedures have not been affected by the war in Ukraine.

Similarly, the decisions adopted by the Rospatent's Chamber for Patent Disputes (the Chamber) since the beginning of the war also indicate that all

procedures related to trademark opposition have been functioning according to the general principles of trademark law. For instance, the figurative sign '000 Sergio Valentini' (in Russian) filed in 2021 was refused in late 2022 by Rospatent, which identified several Valentino trademarks that predated the application in Russia. The mark was ultimately not registered after the Chamber reaffirmed the refusal. Further, the applicant for the figurative sign 'PORSHA RU' failed to challenge Rospatent's decision in October 2022 to deny the mark's registration based on several pre-existing trademarks belonging to a foreign rights holder (Porsche). In this case, the Chamber even mentioned that because of the foreign owner's fame, reputation and prestige, the applied-for sign may have misled consumers.

Of course, not all applications were rejected; 18 were accepted, including for names such as 'LUCKY STRIKE JEANS', 'MARS' and 'ШАШ МАРС' ('OUR MARS' in English), 'PAMPERS', 'KiA', 'Oracle', 'Pirelli', 'PANDORA', 'SANYO' and 'Jaguar'. Other examples of accepted signs are 'IDEA' (similar to IKEA), 'HERSCHI COLA' (similar to Hershey's), 'БигТак' ('BigTak' in the Roman alphabet, similar to Big Mac), 'ТакФест' ('TakFest' in the Roman alphabet, similar to McFeast), two signs with the Cyrillic alphabet character 'Ё' (similar to the McDonald's Golden Arches laid on their side). A logo in the KFC style, though with a quite different embodiment, was also accepted. However, it should be noted that these applications were generally filed for products unrelated to those of the corresponding famous brands, even though a detailed review may be needed to understand the specific reasoning of Rospatent in each of these cases.

Moreover, the affected companies can file a request for invalidation with respect to the new registered trademarks, a procedure that continues to function appropriately. For example, Hugo Boss convinced the Chamber to cancel the word mark 'HAPPY BOSS' registered for clothes in late 2022, referring to a series of its registrations in Russia. Rospatent also issued decisions invalidating registered marks in favour of TBL Licensing (challenging a trademark based on the protected Timberland logo) and Mary Kay (challenging a trademark based on a series of 'Mary Kay' word marks).

It is also worth mentioning that the filing of opportunistic applications has slowed down in recent months – although some noticeable examples still appeared in the register. For instance, a number of filings including the word 'Gucci' or 'Balenciaga', or resembling the Martini, Lego and KFC logos, have been recently recorded. In the register, one can also find a picture of a Coca-Cola bottle for petrol and soda lye, and a series of signs that resemble the Pepsi logo but with the colours organised to resemble the Russian flag. Still, based on recent trends and Rospatent's decisions, it seems unlikely that these applications will be registered.

“The decisions adopted by the Rospatent’s Chamber for Patent Disputes since the beginning of the war indicate that all procedures related to trademark opposition have been functioning according to the general principles of trademark law”

What about registrations and revocations?

Besides seeing (with relief) that opportunistic applications have largely been rejected or withdrawn, foreign trademark owners were able to continue to register new trademarks in Russia as well as cancel third parties’ registrations in revocation proceedings. It seems that Rospatent has followed general trademark procedures without any specific impact or delay.

Gucci recently filed a series of signs with Rospatent – including purely figurative ones – that were submitted in early June 2023 and are still pending. Other examples include an application from April 2023 for the word sign ‘DOLCE & GABBANA SHOW FASHION EYE DARE YOU!’ (accepted for registration) and an application for ‘TOM FORD BLACK LACQUER’ from October 2022 (under substantial examination), both for cosmetic products.

Foreign companies also successfully registered signs that they had applied for before the beginning of the war. For example, in 2021, Fendi was not successful in registering the ‘FF’ international trademark with Rospatent because of a pre-existing registration by a different Italian company. However, Fendi presented a consent letter from the owner of the prior registration and the new Fendi mark is now registered in Russia. A similar situation occurred with Loewe’s international trademark ‘L by Loewe’ that also managed to obtain protection in the country. Rospatent had refused to protect Louis Vuitton’s international trademarks ‘LV VOLT’ and ‘LV MONOGRAM FLOWER’ for jewellery due to its lack of distinctiveness; however, Rospatent registered the trademarks in late 2022 based on Louis Vuitton’s objections after the former had accepted evidence of how the ‘LV’ designation is widely associated with the applicant in Russia, including for jewellery.

In some instances, applicants were not successful in their appeals, as in the ‘Google Orion’, ‘LG Eclair’ and Disney’s STAR logo registration cases, these decisions were based on the existence of relative grounds for refusal and not the unfriendliness of the applicants’ countries (the unfriendly status of a party is not a factor in registration-related cases; see, for example, Case No СИП-356/2021).

Foreign companies also faced refusals based on earlier third parties’ trademarks in Russia and had to cancel those registrations due to non-use at the Russian Intellectual Property Court (IPC). For instance, L’Oréal successfully had a third party’s trademark revoked in September 2022 and later managed to challenge Rospatent’s refusal to register its international trademark ‘OVER THE TOP’. A similar case occurred with the international trademark ‘GIORGIO ARMANI la Prima’, which was not granted protection by Rospatent in 2021, but was later registered in 2023 after the applicant successfully had one of the opposing trademarks revoked.

Of course, foreign applicants did not emerge successfully in all revocation cases, but this was not because of any special retaliation due to their foreign status. For example, L’Oréal attempted to revoke the trademark ‘Azzaro’ registered by another foreign holder for alcohol and tobacco products. Its justification was that the use of the trademark may cause dilution by blurring and tarnishing (not stipulated by Russian law) of L’Oréal products’ image and reputation. The IPC disagreed and found neither confusion nor that L’Oréal’s Azzaro brand had acquired any reputation. In addition, the IPC noted that L’Oréal itself had filed an application for alcohol and tobacco goods with Rospatent, which represented a contradiction on the claimant’s side.

What about recent trends in trademark enforcement?

It seems that Rospatent has continued to treat foreign trademark applications and related actions in the same way it did before the onset of the war – business as usual. The same can be said for enforcement-related cases. Notably, despite the notorious *Peppa Pig* case and frequent claims regarding limiting the rights of foreign persons, courts in Russia have repeatedly confirmed that the unfriendly status of a foreign trademark owner is not a sign of bad faith in infringement cases and shall not prevent the appropriate enforcement of IP rights (see, for example, Case No. A07-13191/2021).

In this respect, law-related media outlets in Russia have noticed a growing number of lawsuits filed by foreign right holders in recent months – for instance, Chanel, Levi Strauss and Calvin Klein have all initiated legal disputes. The primary reason for these actions was to fight counterfeit products in the Russian market. Additional parties that have brought legal actions in Russian courts are Rovio Entertainment (for *Angry Birds*), Entertainment One (for *Peppa Pig* and *PJ Masks*) and Carte Blanche (for

Tatty Teddy). In addition to traditional infringement actions, in October 2022, Samsung succeeded in pursuing an infringer that used the rights holder's trademark in a domain name, and administrative proceedings in commercial courts have been initiated to make parties liable for infringing foreign trademarks in Russia. For example, in a case initiated in March 2022 and completed in three instances by May 2023, the Russian Customs Service as an applicant and Lego as an interested party proved the counterfeit nature of products with Lego figurines on their packaging and prevented them from appearing on the market.

The Russian Supreme Court recently issued a resolution on calculating lost profits in a case related to counterfeit Chanel and Dior products. In particular, the Supreme Court stated that, as a rule, a rights holder may request either compensation with no need to prove losses or losses, including lost profits. However, the Supreme Court clarified that, in a counterfeiting case in which parties request lost profits, a counterfeit product does not represent a substitute of a luxury item on the market. In other words, the full price of luxury items cannot be used to calculate the potential losses by simply multiplying that price by the number of counterfeit goods. Although some lawyers in Russia believe that the Supreme Court's resolution may make the work of counterfeiters easier, this position is not new and is not related to the war or the fact that the luxury companies concerned were foreign. Parties can still request compensation, as Chanel and Dior did when the case was returned to the court of first instance (as a result of the new trial, the court awarded Chanel with €194 and Dior with €97, with the latter being the minimum amount of statutory compensation).

Ultimately, despite the difficulties in obtaining compensation, the current trends in IP enforcement and litigation also demonstrate that the judiciary applies trademark law correctly and foreign companies can file their claims in court as they did prior to the war.

What can we learn from current practices in Russia?

Trademark practice, both by Rospatent and its Chamber as well as in the Russian courts, seem to be proceeding normally; however, can IP practitioners and interested parties fully relax and believe that trademark practice in Russia will continue to be largely unaffected by the war against Ukraine?

At this time, no matter how calm and regularly functioning the Russian trademark landscape may appear, it remains difficult (if not impossible) to accurately forecast specific developments for foreign parties, especially for those who are domiciled in unfriendly states. The recent episode related to the de facto confiscation of the Russian assets of foreign companies Danone and Carlsberg clearly demonstrates the ongoing risks for foreign entities.

These assets were transferred to a new temporary management procedure with unclear consequences, including for the companies' IP portfolios.

In general, however, it is worth remembering that Russia remains a member of the World Trade Organization and its Agreement on Trade-Related Aspects of Intellectual Property Rights. Russia is also a signatory to the Paris Convention for the Protection of Industrial Property. Membership to these agreements ensures that Russia's trademark regulations remain in line with international requirements, which provides (at least theoretically) important guarantees for foreign trademark owners if their rights are violated in Russia.

What is important to consider when forming a strategy to preserve trademark rights in Russia?

It is important to regularly monitor the Rospatent trademark applications register, preferably with the help of an experienced attorney who is fluent in Russian, to identify applications not only for signs that may be identical and confusingly similar to the company's marks from a visual standpoint, but also for signs that may also be phonetically or conceptually similar.

Should any application for identical or similar signs be detected, it is then important to file a soft opposition, which is a freely written document that includes the arguments against the application at issue in accordance with Article 1493 of the Russian Civil Code [based on relative and absolute grounds for refusal, such as the sign's misleading character regarding the product, its manufacturer or place of manufacturing]. If a questionable application is registered, the decision could still be challenged in front of the Chamber, with the subsequent possibility of a judicial review at the IPC.

If a foreign entity believes that it is worth preserving and developing its trademark portfolio in Russia, it should continue to file trademark applications and provide additional information so that Rospatent may reconsider its examiners' initial response. In addition, companies can appeal to the IPC to control the correctness of the examination process. When necessary, companies can undertake parallel revocation proceedings regarding third parties' trademarks to clear the path for new applications.

As many foreign brands have officially withdrawn from Russia, the issue of non-use may arise. A successful non-use case may result in the revocation of a foreign trademark by an interested party. In this respect, companies may try to pre-empt a revocation action by filing new trademark applications (eg, with an updated design of the sign or for an extended list of goods and services). This strategy may work to prolong the formal period after which third parties may attempt to cancel the foreign mark (ie, one of the conditions in a revocation case is non-use of a trademark for a continuous three-year term after registration, with symbolic use not accepted as evidence of genuine use).

However, Russian lawyers and courts are aware of the Court of Justice of the European Union's practice and dislike of trademark evergreening, so foreign rights holders should be cautious about possible bad faith arguments towards their new applications (eg, it is fixed in IPC practice that, if a third party has no intention to use a mark, this can lead to a finding of bad faith, even though a lack of use per se does not signify bad faith). Companies may also apply to include their marks among reputable trademarks in Russia, since many luxury fashion brands are not included into the official Russian register today, though it could imply extra protection under Article 1508 of the Russian Civil Code.

In general, collecting documentation on the actual use (also post-sale) of trademarks in Russia is also important for a possible revocation proceeding. Although under Article 1486 of the Russian Civil Code it is also possible to submit evidence that the lack of use was due to reasons beyond the rights holder's control (eg, the war and sanctions), the decision of the Russian courts on accepting this kind of proof may be guided politically away from a finding in favour of foreign parties.


Finally, as infringement proceedings still seem to be working well in Russia, fighting counterfeit products and other illegal activities in Russian courts remains an important strategy to remove non-genuine goods from the market and control the distribution of lawful goods in the marketplace. Moreover, successful infringement proceedings may help to prevent the establishment of similar brands that might become an obstacle in an invalidation proceeding. Likewise, it is useful to seek registration in the reputable marks register, which may help in enforcing the mark against non-similar goods and services in future legal proceedings.

Conclusion

Despite the initial fears of Russia becoming lawless with regards to trademark rights, the war against Ukraine does not seem to have

jeopardised the rights of foreign trademark holders in terms of registration and cancellation procedures or with respect to their ability to successfully enforce their trademarks in Russia. In other words, the trademark system continues to properly function in Russia and does not openly discriminate against foreign entities in the everyday trademark practice. Still, foreign rights holders may find it useful to carefully review our recommendations, and actively monitor and enforce their marks.

We believe that opportunistic trademark filings may continue, albeit on a reduced scale, as has been the case in recent months. Foreign rights holders will continue to be able to challenge these filings administratively and judicially. Non-use cases may be initiated, especially by bad faith actors that do not understand that cancelling a popular foreign trademark shall not open a way for them to appropriate the name. In the enforcement domain, foreign parties will continue the fight against counterfeiting, but will not likely succeed against genuine parallel-imported products considering the recent changes to the principle of trademark exhaustion in Russia.

As the recent situation with Danone and Carlsberg indicated, we cannot forget that anything can happen in Russia at any time. Plan for the best but prepare for the worst may thus be the only effective winning strategy for companies working in the country. In conclusion, although luxury fashion companies can generally rely on the fact that the Russian trademark system seems to be working, they also should be ready for sudden changes, including the possibility of the Russian government confiscating their assets – including their marks.  **WTR**

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