

UNITED KINGDOM

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Introduction

As of 1 January 2021 the UK is no longer a member of the European Union. EU Regulations that were in force on 31 December 2020 were brought into English law and thus there may currently be little difference to the pre-Brexit situation. However, in the future, as EU Regulations and laws change, English law will not change but will create its own laws, thereby diverging away from European law. Hence the contents below are accurate as of 2021 but are liable to material change over the next few years.

1. What are the main intellectual property legal tools available to protect fashion products in the United Kingdom?

The main weapons to protect fashion related IPRs are trade marks (the badge of origin), copyrights (the two-dimensional design on paper or a computer or as surface decoration on a product) and design rights (all or part of the three-dimensional product itself). Ancillary protection can also be obtained using patents, trade secrets, and domain names and all of these are discussed below.

1.1 Trade marks and non-traditional trade marks

The Trade Marks Act 1994 (TMA) implements Council Directive 89/104/EEC and Council Regulation (EC) No.40/94 and provides for the registration of a trade mark if it is capable of distinguishing goods or services of one business from another. The registration is valid for 10 years and is renewable an unlimited number of times. The trade mark must be effectively used within the first 5 years of registration and its use must not be discontinued for more than 5 consecutive years, in order to avoid cancellation actions for non-use.

Of particular interest to the fashion industry would be some “non-traditional” trade marks such as the following.

Colour mark. According to English case law a colour trade mark must be capable of:

- distinguishing its owner from others;
- being adequately represented and clear as to what it is to be applied to; and
- referring to the unique colour identification code known as Pantone by way of identification.

Well known colour trade marks include Cadbury purple and Barbie pink.

Position mark. This relates to the specific method of placement or application of the sign on the product. In the Adidas Case (C-145/2014), the European Court of Justice (ECJ) held that both the distinct position and the specific number of stripes could be considered sufficient elements to avoid any risk of confusion.

In addition, the combination and layout of colourways on a *Lambretta* jacket was found not to qualify for design right protection by the English Court of Appeal (*Lambretta Clothing Company Ltd v. Teddy Smith (UK) Ltd & another* [2004] EWCA Civ 886).

Shape mark. Section 3(2) TMA states that a shape cannot be registered if it:

- results from the nature of the goods themselves;
- is necessary to obtain a technical result; or
- gives substantial value to the goods.

English case law suggests that there needs to be some imaginative element responsible for the final design in order for a shape to be registrable. In the *Philips v. Remington* case (*Koninklijke Philips Electronics NV v. (1) Remington Consumer Products Limited* and (2) *Rayovac Europe Limited* [2006] EWCA Civ 16) the English Court of Appeal (after a referral to the ECJ) considered the three headed rotary shaver head to consist exclusively of a shape attributable only to a technical result. The court reaffirmed this decision in *Lego Juris A/S v. OHIM* (Case T-270/06, 12 November 2008).

Black/White mark. Currently, the protection of black and white (or grayscale) marks extends to colour variations. This does not apply when the colour plays a crucial role in the distinctive character of the sign.

Pattern mark. This consists of simple geometric shapes or designs commonly applied to the surface of products, capable of identifying their origin. The *Gucci* 'green/red/green' pattern is a classic example.

"Made in". The word mark 'Made in England' or 'Made in Britain' cannot be registered as a trade mark without the addition of further words or a logo. The use of 'Made in England' or 'Made in Britain', with or without additional words or a logo, is governed by the Consumer Protection from Unfair Trading Regulations 2008 (as amended in 2014) (CPUTR) where the general rule is that using either of these labels must not be misleading.

In order to use such a label, we currently still rely on the European Union product classification system. Therefore, in order to use the 'Made in England' or 'Made in Britain' label you will need to have done one or more of the following in England or Britain:

- added at least 50% of the value of the goods;
- carried out a specific production process (e.g. first firing of a ceramic); or
- substantially changed the product (e.g. turned leather into a bag).

Unregistered mark. Unregistered trade marks are protected in the UK by a common law right known as passing off. If you have been trading using an unregistered trade mark and have built up considerable reputation in that trade mark, you can prevent third parties from using that trade mark, or a confusingly similar one. You will also be able to oppose a third party applying for that trade mark or invalidate a registered trade mark (assuming the registration is made after the unregistered rights have been created).

1.2 Design as an alternative or addition to TM registration

Following the end of the Brexit transition period on 31 December 2020, the EU Community design regime governed by Commission Regulation 6/2002 (the Community Design Regulation) ceased to apply in the UK. Accordingly, both Registered Community Designs (RCDs) and Unregistered Community Designs (UCDs) ceased to have effect, provide protection or be enforceable in the UK from that date (although their force and effect will continue in the EU). Instead, design protection in the UK is now solely governed by the UK's domestic design legislation, to which changes have been made to compensate for the loss of Community design protection in the UK as follows:

- **Continuing Unregistered Design (CUD).** The CUD right is intended to prevent any loss in protection in the UK for any UCD which existed at the end of the

transition period and still had time left to run. The CUD right will continue to protect the design automatically in the UK for the remainder of its 3-year term.

- **Supplementary Unregistered Design (SUD).** The SUD is a forward-looking right, intended to fill the gap left by the absence of UCD. Designs that are first disclosed in the UK (or another qualifying country) after the end of the transition period will be protected automatically under the new SUD right in the UK for a 3-year term from the date of that disclosure. This is required due to the difference in protection between UCD and the new UK design protection discussed below.

The scope of the UKUDR (see below) does not mirror that of the UCD right.

For instance, UCD protects the appearance of the whole or a part of a product (2D or 3D designs) for a term of 3 years, whereas UKUDR only protects shape/configuration but not surface decoration (effectively only 3D designs) normally for 10 years. The validity requirements for UCD are that the design be novel and have individual character over prior designs, whereas for UKUDR the design must be original (i.e. not copied) and not commonplace.

A consequence of this mismatch is that some designs that would attract UCD protection (e.g. surface decoration) would not meet the requirements to benefit from UKUDR protection. Therefore, from the end of the transition period when UCD ceased to have effect and be enforceable in the UK, many designs which would previously have benefitted from UCD protection could be left unprotected. Hence the creation of the CUD and SUD rights.

- **UK Unregistered Design Right (UKUDR).** Unregistered designs are protected under the Copyright, Designs and Patents Act 1988 (CDPA). UKUDR subsists automatically without the need for any formality such as registration or the deposit of documents. The duration of a UKUDR is 15 years from the end of the calendar year in which the design came into existence or 10 years from the end of the calendar year in which the design was first made available for sale or hire (whichever comes first). For UKUDR to subsist, it must:
 - comprise the shape or configuration (whether internal or external) of the whole or part of an article (section 213(2), CDPA);
 - be original, which means that it must not be commonplace in a qualifying country (section 213(1) and (4), CDPA);
 - be recorded in a design document or be the subject of an article made to the design (section 213(6), CDPA); and
 - qualify for design right protection by reference to the designer or the person by whom the designer was employed or the person by whom and country in which articles made to the design were first marketed (section 213(5), CDPA).
- **UK Registered Design (UKRD).** Registered designs are protected under the Registered Design Act 1949 (RDA). To obtain a UKRD, it is necessary to file a formal application at the UK Intellectual Property Office (UKIPO). The duration of a UKRD is 25 years, subject to payment of a renewal fee at 5 yearly intervals. A design which is the subject of an application for registration must meet two criteria. It must be both:
 - novel (i.e. it must differ from prior designs by more than immaterial details); and
 - possess individual character (i.e. it must produce a different overall impression on the informed user from prior designs). (Section 1B(1), RDA.)

Summary of additional IPRs			
IPR in UK	Duration	Time and modalities for grant	Pros and cons in the fashion sector
Patents	20 years (non-renewable).	Filing of the application before the UKIPO Office (UKIPO). Grant in about 5 years from the filing of the application.	Pros: a strong 20-year exclusivity on the market. Even if your patent is not granted the use of 'Pat Pending' deters many infringers. Cons: novelty and inventive step requirements are difficult to meet (accessories and fabrics may be patentable products).
Trade secrets	Unlimited, unless legally disclosed.	Automatic protection pursuant to the Trade Secrets (Enforcement, etc.) Regulations 2018 provided that the information is: <ul style="list-style-type: none"> • secret; • commercially valuable; and • adequately protected. 	Pro: potentially unlimited and "free" protection of the information. Cons: it does not protect the information from reverse engineering or lawful disclosure.
Domain names	1 year (renewable without any limits).	Purchase through recognized channels. Grant based on availability on purchase.	Pro: essential for online visibility and brand awareness. Cons: unavailability of desired domain name once already registered by others.
When there are no exclusive IPRs enforceable, English law relies on a number of regulations and common law principles governing unfair competition, unfair commercial practices and misleading pricing and advertising.			

Both these criteria are judged with reference to designs which have been made available to the public before the effective filing date of the application (section 1B(2) and (3), RDA).

1.3 Copyright as an alternative or addition to TM registration

Copyright law is governed by the Copyright, Designs and Patents Act 1988 (as amended) (CDPA) and grants the right to exclusive economic exploitation of creative works from the moment of their creation until (in most cases) 70 years

after the creator's death. In the fashion industry drawings and sketches could be protected by copyright, provided that the creations are original and exhibit a degree of labour, skill or judgement.

2. Beyond intellectual property: what contractual arrangements are useful in manufacturing, distributing and advertising fashion products in the United Kingdom?

The fashion industry and its production line encompass a wide variety of contractual agreements. Below is an overview of the main elements of the most relevant agreements.

2.1 Manufacturing fashion products

Licence agreements and Non-Disclosure Agreements (NDAs). Licensing is an important phenomenon in the fashion industry. It gives brand owners a big opportunity to explore new markets and brand extensions that it cannot do on its own. A licence agreement is a form of lease of the trade mark, copyright, know-how and/or patents (IPR) whereby the brand owner licences (leases) its IPR's to a manufacturer on certain terms such as a period of time, a certain geographical area, payment of royalty fees, a specific distribution channel, etc. The licence will also cover development of samples, pricing, distribution, and conditions of sale.

Given the importance of the licence agreement it is usual to identify a number of potential manufacturers and find out which one is more suited to your product and your strategy. In order to be able to provide commercially sensitive information to each manufacturer (so as to allow them to make you an offer of services) you would need each of them to enter into a non-disclosure agreement (NDA).

An NDA is an agreement by which the undersigning parties undertake not to disclose and to maintain the confidentiality of classified information exchanged during the contractual relationship. It will always include clauses relating to applicable law, jurisdiction and/or arbitration, penalties for disclosure, duration, and language.

Subcontract agreements / in-house manufacturing. A subcontract within the fashion industry is treated as a normal commercial contract and is not subject to any specific rules or regulations. The subcontractor can be chosen by the brand owner whereby work carried out by the subcontractor can be supplied to the brand owners' main contractor or manufacturer. Alternatively, the brand owner's main contractor or manufacturer may appoint a subcontractor to carry out particular work on its behalf.

In both cases it is important to protect the IPR's by way of NDA's with the subcontractor clarifying how the IPR's may be used and providing consequences for infringement and/or breach of contract.

Where brand owners allow their main contractor or manufacturer to use subcontractors it is becoming important for brand owners to know that the subcontractors are being paid fairly and that their employees are treated well. In the UK the Modern Slavery Act 2015 obliges every company with a turnover of

more than GBP36 million to publish an annual statement on transparency in its supply chain. Whilst there may not be a penalty for non-publication, the adverse press and social media backlash that could follow might be a reputational disaster for a brand.

2.2 Distributing fashion products

Agency agreement. Using agents should give the brand owner an opportunity to broaden the territories in which its products are sold. In the UK the appointment of agents is still regulated by the Commercial Agents (Council Directive) Regulations 1993 (CAR).

When appointing an agent, it is advisable to enter into a written agency agreement. This should set out the key terms including whether the agent is exclusive, what territories (and potentially which distribution channels) the agent is responsible for, how long the agreement will last and how the agent will be paid.

The agent's task is to sell or market the brand owners' goods. To the extent the agent does this and enters into contracts on behalf of the brand owner, it binds the brand owner as if it had entered into the contract. The only way the brand owner could get out of a contract agreed to by its agent is if the agent acted without authority to enter into the contract.

Where a brand owner wishes to terminate the agency agreement, even if it is lawfully permitted by the agency agreement to do so, it is likely that the CAR will require the brand owner to pay the agent compensation. There are two ways compensation can be calculated. First, by calculating the value of the business the agent has built up and then determining an amount the agent should receive for no longer being the agent. Secondly, calculating the extent to which the agent has brought in new customers or significantly increased business from existing customers and then calculating an amount deemed fair for the loss of commission. Overall, the law is in favour of the agent which is why many fashion designers are looking to distribution agreements instead, where the CAR does not apply.

Selective distribution online in high-end fashion and trademark protection.

A selective distribution agreement will typically be used by a brand owner to maintain greater control over the resale of its products. In such a system, the supplier agrees to supply to those distributors who meet certain minimum criteria. The distributors, in return, agree to supply only other distributors who are within the approved selective distribution system or end users. The selection criteria used will typically require that the products are sold only through outlets that convey a particular image or that the distributor undertakes specific obligations such as staff training or after-sales services. Selective distribution arrangements are essentially about achieving a consistent standard and quality of service in outlets where the products are sold. One of the main categories using such arrangements is luxury products where the brand owner is looking to create an exclusive brand image.

In the UK the law relating to selective distribution agreements is still governed by the EU block exemption, Commission Regulation (EU) 330/2010. As to online selective distribution, the ECJ in the Coty Germany case (C-230/16)

ruled favourably on the lawfulness of the contractual clause by which the manufacturer prohibited the selected distributors from selling the products through e-commerce platforms that are easily identified as not part of the network. However, the same products may be offered for sale through the “showcase sites” of selected distributors, or through third party platforms, but without the intervention of the latter being recognizable to the consumer.

Co-branding and co-marketing. Co-marketing occurs when two brands collaborate together to promote products and services for which they share a common philosophy. When two brands join forces to manufacture a single product or provide a specific service and work together in marketing activities, this is referred to as co-branding. Such agreements can be instrumental in helping a brand reach a wider audience. With this goal in mind, it is important to clarify all aspects in the co-branding and co-marketing agreements such as brand positioning, marketing, royalties, and compensation for damages. However, one of the most important areas to consider is the possibility of termination in the event that one of the brands or the co-branded product suffers a serious reputational problem which has a knock-on effect to your own brand.

Some of the best co-branding examples look at the long-term value of the co-branded product and do not focus on the short-term monetary gains. It will often be sensible for brand owners to accept a modest return in the early stages and to allow a reasonable proportion of the profits to be re-invested in the co-branded product. A fair split of the profits is also necessary because only by allowing both parties to earn a reasonable reward from the project can they be motivated to develop co-branding as a long-term relationship.

2.3 Advertising fashion products

Correctly placing a product on the market and reaching the target audience is crucial. The use of models to better advertise fashion products is a long-established practice. However, in the last decade social media, and in particular “influencers”, have also become vital in the fashion brand success story.

Employing fashion models. When collaborating with models, clearly defining the framework of their activity and use of their image is essential, for example during a photoshoot it is important that every model signs a release form for their image use and that the organizer responsible obtains a license from the photographer for the use of the photographs. The brand owner will also need to consider the diversity of its advertising campaigns and whether to use ‘size zero’ models, ‘plus-size’ models, black, Asian and/or ethnic minority models, or older models.

Social media, influencers and brand ambassadors/celebrities. By the end of 2019 the influencer marketing industry was worth around USD8bn a year. This is why it is so important for brand owners to market on social media but also to find the right influencers for their brand. However, regulation around the use of influencers is light and, in the UK, there have only been a few instances where the Advertising Standards Authority (ASA) has banned advertising involving influencers.

In essence, the ASA has stated that where an influencer gets a 'payment' (that might be monetary, a free loan of a product/service, a free product/service, or any other incentive) any post-promoting or endorsing the brand must disclose it is an advert by adding a prominent label to the post, such as 'Ad', 'Advert', 'Sponsored', 'Paid Partnership', etc.

In addition to the ASA, a brand may find itself in hot water if one of its influencers posts about the brand's products giving the impression that he/she is a consumer and failing to identify the post as a paid advert, thereby making the post an 'unfair commercial practice' and in breach of the Consumer Protection from Unfair Trading Regulations 2008 (CPUTR).

Agreements entered into with brand ambassadors should be structured in such a way as to clearly outline the role and influence the ambassador has in relation to the promotion of the brand and its products. Aside from the compensation paid to the brand ambassador, the agreements should also contain, amongst other standard contract clauses (such as representation and warranties, jurisdiction, confidentiality, etc.), the following key clauses:

- "code of conduct" when promoting the products;
- copyright;
- product use and ownership; and
- consequences for breaches of the above.

Standard practice usually dictates that the products are provided to the brand ambassador free of charge and that they cannot be subject to resale.

You need to be careful about with whom you contract, be it the influencer, his/her agent, or the online platform itself.

With regard to copyright, the agreement may provide that the brand ambassador owns the copyright on the promotional work he/she/they create, meaning that any future use following the termination of the agreement will require the consent of the former brand ambassador. This can be particularly true when dealing with content creators who are active on social media in a specific field, as well as influencers, who are more common in the fashion sector. When promoting products through social media the content creator or influencer must clearly indicate in their material that its content constitutes an advertisement and the name of the sponsor.

One final point, where data has been created around the success of the posts, with interaction between influencer and consumers and so on, the agreement must be clear on who owns the data and who can use it in the future.

Advertising standards, relevant authorities and advertising practice. The UK Advertising Standards Authority (ASA) is the UK's advertising regulator responsible for ensuring that marketing communications are honest, truthful, and correct and adhere to the advertising rules (the Ad Codes). The Committee of Advertising Practice (CAP), whose members represent advertisers, media owners, and agencies, are responsible for writing the Ad Codes.

The ASA does not provide a pre-clearance service, but CAP practice provides advice on non-broadcast campaigns. It is a free-of-charge service and usually takes 24 hours to respond. Advertisers would need to submit their advertising proposal in no more than 4 pages (there are also rules on font size and type). If

an advertiser would like a turnaround faster than 24 hours, a 4-hour turnaround is available for a fee.

It is also important to note that TV advertisements must receive pre-clearance from Clearcast (www.clearcast.co.uk), and radio advertisements must receive pre-clearance from the Radio Centre before they can go live (see <https://clearance.radiocentre.org/ClearanceSystemUserGuide.pdf>). This is the case even where CAP has been consulted on the proposed advertising campaign.

3. What regulations govern online marketing and how are the rules enforced in the United Kingdom?

The main concerns with e-commerce relate to tackling unlawful conduct, counterfeiting, and the issues relating to selective distribution in the luxury sector.

In the UK e-commerce is currently regulated pursuant to a number of different provisions:

- The Consumer Protection from Unfair Trading Regulations 2008;
- Consumer Rights Act 2015 (as amended by the Consumer Protection (Amendment, etc.) (EU Exit) Regulations 2018);
- GDPR (EU Regulation no. 2016/679) on privacy and data protection;
- The Electronic Commerce (EC Directive) Regulations 2002;
- Privacy and Electronic Communications (EC Directive) Regulations 2003; and
- Consumer Protection Act 2015.

3.1 Consumer protection regulations

After 1 January 2021 it is unclear how much of the EU New Deal for Consumers, which has not already been implemented as part of English law, will apply to the UK. The Omnibus Directive which updates four of the main consumer directives will not form part of English law and there will, therefore, be a divergence on EU consumer legislation. However, the Omnibus Directive will apply to UK businesses selling to consumers in the EU.

The 2020 EU New Deal for Consumers was aimed at harmonizing and modernizing the protection of the consumer in line with the digital transformation. The Omnibus Directive updated the following directives:

- The Unfair Commercial Practices Directive 2005/29;
- The Consumer Rights Directive 2011/83;
- The Unfair Contract Terms Directive 1993/13; and
- The Price Indications Directive 1998/6.

Thus, the main consumer protection regulations in the UK will be the Consumer Protection from Unfair Trading Regulations 2008, the Consumer Protection Act 2015 and the Consumer Rights Act 2015 (as amended by the Consumer Protection (Amendment, etc.) (EU Exit) Regulations 2018).

3.2 Physical store and online store layout

There is no English case law or regulation governing the protection of a physical or online store layout. However, there are some interesting comments from European courts where this has been argued for a trade mark, copyright, and design right.

Trade Mark. In 2010 Apple successfully obtained a US trade mark registration for a three-dimensional representation of its flagship store. It subsequently filed an international registration in the hope that it could extend its protection to other countries. The German Patent Office was the first to complain, who referred the matter via the German Patent Court to the CJEU.

The CJEU agreed with Apple (*Apple v DPMA* (C-421/13)). It first of all established that the simple street-level, one-point perspective drawing of Apple's layout constituted a sign capable of graphic representation. Secondly, the CJEU also confirmed that the layout of a retail store could be capable of distinguishing the goods or services of one company from another and thus of identifying the origin of those goods or services. In relation to the question of what mark would be considered distinctive, the court expressed its standard adage that distinctive character must be assessed *in concreto* with reference to (a) the goods or services for which it has been filed; and (b) the perception of the relevant public. The court then looked to the criteria it had previously developed for shape marks. This meant that the layout of a retail store will be considered distinctive only if it departs significantly from the norm or customs of the economic sector concerned.

Copyright. Shoebaloo's Amsterdam and Maastricht stores had a wall layout, designed by MVSA, inspired by the American Antelope Canyons, consisting of layered waves with integrated displays made out of translucent material and an elliptical cut-out at the front of the store. Shortly after the Amsterdam store's launch, the Belgian company Invert opened a shoe store in Antwerp with a similar interior design.

The case was brought before the District Court The Hague (*Shoebaloo & MVSA v Invert* ECLI:NL:RBDHA:2019:8166), which examined the design heritage and concluded that even if wall displays (partly) consisting of multiple layers could possibly be considered a given style, MVSA had nonetheless (through the particular combination of features incorporated in the Shoebaloo store) expressed that style in an original manner.

The store design was therefore held to merit copyright protection. Because Invert's store contained the same combination of characteristic elements, the court furthermore held that (in spite of a few differences) copyright had been infringed, and it ordered Invert to pay damages.

Design Rights. In the case of *Fabulous Cipher v Parfois*, the defendant had filed a total of six views of its stores as Registered Community Designs (RCDs). All six of these, as well as 13 RCDs for individual furniture pieces Parfois used in its stores, were attacked in EUIPO cancellation proceedings by the Portuguese company Fabulous Cipher.

Fabulous Cipher argued that Parfois's RCDs for its store layouts and shop fronts lacked novelty and individual character over the stores of, among others, Bottega Veneta, Mulberry, Zara and Uterque. However, Fabulous Cipher's efforts in filing cancellation proceedings was not accepted at either the EUIPO Cancellation Division or the EUIPO Board of Appeal, and the validity of all of Parfois's six RCDs was consistently upheld in first instance and on appeal (EUIPO 26 March 2019, R2582/2017-3 and EUIPO BoA 23 July 2019, R2746/2017-3 through R2750/2017-3 (*Fabulous Cipher v Parfois – Barata & Ramilo*)).

In reaching this decision, the Board of Appeal took a highly detailed look at the Parfois registrations as well as the photographs of the Bottega Veneta, Mulberry, and Zara stores. The Board closely compared the placing of the shelves and display cabinets, the presence or absence of tables and their positioning, even the lighting system on the ceiling of the Parfois designs, and the question of what kind of goods were on display and how they were distributed around the store. The Board also noted that the Parfois designs had a cold white look, whereas the previous store designs that Fabulous Cipher had invoked had a warmer, yellowish look. It could be debated whether at least in part that last difference was not just due to the lighting of the photographs, rather of the design itself. In any case, according to the EUIPO Board of Appeal these differences together made up a different overall impression; the Parfois designs were considered “dazzling” and cluttered with a wide variety of objects, while each of the prior art examples were considered to have a warmer, less cluttered atmosphere. While the Board of Appeal’s in-depth analysis of the prior art and the RCDs may have saved Parfois’s registrations, it also straight away points out the weakness of an RCD, particularly where it is registered as a photo.

4. What are the most relevant unfair competition rules for fashion businesses and how do the Courts interpret and enforce these rules in the UK?

The UK does not have a statute protecting traders against unfair competition nor has it developed a common law cause of action relating to unfair competition. Brand owners are therefore required to look at their particular circumstances and consider a host of legislation to find out which one(s) would give them the best chance of preventing any unfair competition from continuing.

The key area most brand owners fix upon is the common law tort of passing off. This cause of action is similar to trade mark infringement but applies to unregistered rights associated with a particular business, its goods or services. The main principle underlying the tort of passing off is that ‘A man is not to sell his own goods under the pretence that they are the goods of another man’ (*Perry v. Truefit* (1842)). The key issue is the misrepresentation as to the origin of the goods or services. If someone leads consumers to believe that their goods or services are connected with another business, when they are not, this may give grounds to an action for passing off.

Passing off claims are difficult to prove because brand owners need to show that at least some of the public are at risk of confusion between the two businesses. It is also not easy to show that there has been a misrepresentation. For example, if someone advertised their latest mobile phone as the ‘Rolls Royce of handsets’ there may be an infringement of Rolls Royce’s trade mark but it is unlikely that an English court would find they were passing themselves off as connected to Rolls Royce.

The case most closely connected with unfair competition in the UK was *Arsenal Football Club v. Reed* ([2003] EWCA Civ 696). The claimants are a football club who have a number of registered trade marks, including the word ‘Arsenal’ and a shield logo. The defendant, Mr. Reed, was a trader who sold clothing, bearing the football club’s trade marks outside the ground for many years. The claimant brought an action for registered trade mark infringement and passing off. Even though the passing off claim did not succeed, the Court of Appeal did recognise that the cause of action of passing off was perhaps best referred to as unfair competition ([2003]

ETMR 73 CA). However, this is as close as it gets to the UK recognising unfair competition, and brand owners are left, in reality, with having to use trade mark infringement and/or passing off as dual weapons to prevent unfair competition.

Where there has also been misleading advertising, including false or deceptive messages, leaving out important information, or using aggressive sales techniques, the brand owner may also be able to use the Consumer Protection from Unfair Trading Regulations 2008 to prevent unfair competition.

5. Is there any regulation specifically addressing sustainability or ESG (Environmental, Social and Governance) in the fashion industry in the UK?

Consumers, especially the younger generation, will increasingly expect and demand an emphasis on sustainability from fashion brands. The fashion industry's sustainability efforts are critical to cutting the quantity of greenhouse gas emissions as set out by the Intergovernmental Panel on Climate Change and ratified in the 2015 Paris agreement.

Fashion brands are using labels to indicate to consumers that their products are environmentally friendly, but they are also using technology to create circular business models whereby products can be resold and used again without creating waste or indeed making new products from waste materials.

At the moment in the UK, there are no regulations governing the use of labels and therefore, some products may mislead consumers as to their environmental credentials, a phenomenon known as 'greenwashing' (whereby a company spends more time and money on marketing itself as environmentally friendly than on minimising its environmental impact).

Common labels used include:

- The Better Cotton Initiative.
- The Oeko-Tex Standard 100.
- The Global Recycled Standard.
- Certified Vegan.

A more comprehensive list can be found at www.ecolabelindex.com/ecolabels/?st=category,textiles.

However, such practices can be banned by the UK's Advertising Standards Authority using certain parts of the CAP Code which relate to basing environmental claims on the full life cycle of the product (UK Code of Non-Broadcast Advertising and Direct & Promotional Marketing (CAP Code), code 11.4). Where only part of a product's life cycle is referred to, it must not mislead consumers about that product's total environmental impact.

A relevant international standard for testing a product's biodegradability is BS EN ISO 14855. The test takes place over a period of 6 months and for a product to be certified as biodegradable, 90% CO₂ must be produced by the end of that period.

6. Customs monitoring in the UK: do any special import and export rules apply to fashion products?

HM Revenue and Customs (HMRC) is the governmental body which deals with monitoring goods coming into the UK and is one of the ways in which

counterfeit products can be stopped at the port of entry. In addition to the process outlined below, brand owners invest a lot of time in training and educating customs officers on the security aspects of their products in order to assist HMRC in identifying counterfeits quickly.

HMRC provided updates on the UK Customs Enforcement process which rights holders and representatives will now need to follow given that the Brexit transition period has ended. In 2021 a new form for UK Applications for Actions (AFAs) was launched.

From 1 January 2021:

- Pre-existing EU AFAs filed via an EU27 Customs office will remain valid and enforceable in the EU27 but will cease to have effect in the UK.
- Pre-existing EU AFAs filed via HMRC will remain valid and enforceable in the UK but will cease to have effect in the EU27.
- Any new EU AFA filed via an EU27 Customs office will apply across EU27 only and will not be enforceable in the UK. To obtain protection in the UK, the UK national system must be followed.
- UK Customs Enforcement post-Brexit: The Customs (Enforcement of Intellectual Property Rights) (Amendment) (EU Exit) Regulations 2019 now dictate the format of the UK system. The reassuring news for brand owners is that this system largely mirrors the EU process.
- From 1 January 2021, new UK AFAs must be filed online via the HMRC portal. The content of the form is largely the same as the EU AFA form: brands and rights owners need to provide details of relevant IP rights, evidence of ownership, authority of any representative to act on their behalf, and information to help identify counterfeit products. The system mirrors the user interface of UK registered rights applications forms, presenting the user with a number of multiple choice and data input questions and allowing for documents to be uploaded.
- As noted above, EU AFAs that existed prior to 1 January 2021 and filed via HMRC remain valid and enforceable in the UK: they effectively convert to UK only protection (given the lapse in EU27 protection). The 'residual' AFA remain valid until the expiry of the existing term and can be enforced in the UK until expiry. There is no need to re-file the application in the UK whilst it remains valid. Details of these AFAs are recorded in the HMRC system but renewals must be processed via the new online system.
- Brand owners will need to file an EU AFA via an EU27 customs office to obtain protection in the EU27.

AUTHOR BIOGRAPHY



Gary Assim

I am passionate about brands, especially in the clothing & footwear sector, and help them expand internationally, protect their valuable IP and be a trusted adviser. I am best known for acting for Jimmy Choo, Chloe, H&M and Dr Martens in UK reported cases. I love the law and fast cars!