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PROTECTING INTELLECTUAL PROPERTY RIGHTS IN THE FASHION INDUSTRY

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INTRODUCTION

Given the new trends and styles that emanate regularly from its players, the fashion industry is one that is constantly evolving. This industry, which is largely characterised by the production, display and sale of clothing, shoes, and perfume products has contributed immensely to the global gross domestic product. The global apparel market, in terms of value, currently stands at USD1.5 trillion and is projected to grow to about USD2.25 trillion by 2025, despite the current outbreak of COVID19 which has had a counteract effect to the growth and development of economic activities globally [1]

This projected growth in revenue simply suggests that the demand for clothing and shoes is on the rise across the globe. Based on this position, it remains imperative to protect intellectual property rights (IPRs) in the fashion industry.

It is indubitable that the protection of the IPRs of a brand impacts directly on its revenue. This position applies strongly to the fashion industry given that patronage by fashion shoppers, and profitability in the fashion industry are both largely connected to and based on brands and styles. For example, brands like Yves Saint Lauren, Louboutin and Hermes have been able to establish names for themselves in the international market and are deemed luxury brands. Hence, their products and services are highly distinguished, particularly in terms of pricing, from that of *rookie* brands.

It is important to note that the concerns for the protection of IPRs in the fashion industry are not novel, as in recent times, fashion brands and labels have become protective of their IPRs. These concerns for the protection of IPRs are, however, much more conspicuous in countries in Europe, North America and Asia. This is evident in the various laws that have been enacted to cover the lapses which previously existed in the legal regime governing the fashion industry (within these climes) and the recent judgments passed by the various courts, enforcing IPRs in the fashion industry.

A typical example is the recent judgment of the Pudong New Area People's Court in Shanghai, China, which awarded the sum of USD1.5 million against New Barlun, a Chinese company, in favour of America's sport footwear and apparel brand- New Balance. In the said case, the Court held that the "N" logo which appears on New Barlun's shoes (that is like the "N" of the New Balance brand) amounted to "unfair competition" and "could cause customers to be confused" regarding the source of the sneakers and/or their potential connection to or affiliation with the New Balance Brand [2]

[1] <https://www.statista.com/topics/5091/apparel-market-worldwide/>
[2] <https://www.thefashionlaw.com/new-balance-lands-1-5-million-win-in-chinese-court-over-n-trademark/>

In a similar vein, in a 2014 lawsuit filed by American brand, Chanel, against the Chanel Jones brand, the judges mandated the proprietor of the Chanel Jones brand to stop using the term “Chanel” as it amounted to an infringement of the rights of the registered trademark of the Chanel brand.

The succeeding paragraphs of this article examines IPRs in the fashion industry, using Nigeria as a reference point, compared to the situation in other climes, and how international laws, treaties and agreements impacts on the IPRs of fashion brands.



New Balance is on the left, while New Barlun is on the right

IPRs in the Fashion Industry

IPRs in the fashion industry are generally governed by laws that apply to trademarks, copyrights, counterfeit and knockoffs, patents, commercial images, industrial designs, trade secrets, advertising, marketing, and publicity.

In Nigeria, the primary statutes governing IP are the Trademarks Act, the Patent and Design Act, and the Copyright Act. We will examine the legislative provisions below and consider how they affect fashion brands.

Trademarks

Under the Trademarks Act, a mark is deemed registrable if it meets the requirement for distinctiveness under Sections 8 and 9 of the Trademarks Act.

Section 8 of the Act states that in order for a trademark to be registrable in Part A of the register it must consist of at least one of the following essential particulars:

- a. The name of the company, individual or firm, represented in a special or particular manner;
- b. The signature of the applicant for registration or some predecessor in his business;
- c. An invented word or invented words;
- d. A word or words having no direct reference to the character or quality of the goods, and not being according to its ordinary signification of geographical name or surname;
- e. Any other distinctive mark.

The proviso to the above section indicates that a mark will not be registered unless there is evidence of distinctiveness. This requirement is also obtainable under Part B of the Act. This makes the distinctiveness of a mark the major requirement for its registration. Hence, a fashion brand that intends to trademark its brand or name must show evidence of its distinctiveness.

Copyright Act

Since the work of a fashion designer can be considered an artistic creation, it would appear that it can be protected under Section 1 of the Copyright Act. However, a limitation to this protection is that; at the time it was made, such artistic work must not have been intended by the author to be used as a model or pattern to be multiplied by any industrial process.

This exception clearly implies that the draftsmen of the Copyright Act did not contemplate the evolving nature of fashion as this means clothing apparels cannot be protected as copyright where they will be manufactured and further reproduced for use by the public.

Patents & Designs Act

Under Section 13 of the Patent and Design Act, any combination of lines or colours or both, and any three-dimensional form, whether associated with colours, is regarded as an industrial design if it is intended by the creator to be used as a model or pattern to be multiplied by industrial process and is not intended solely to obtain a technical result.

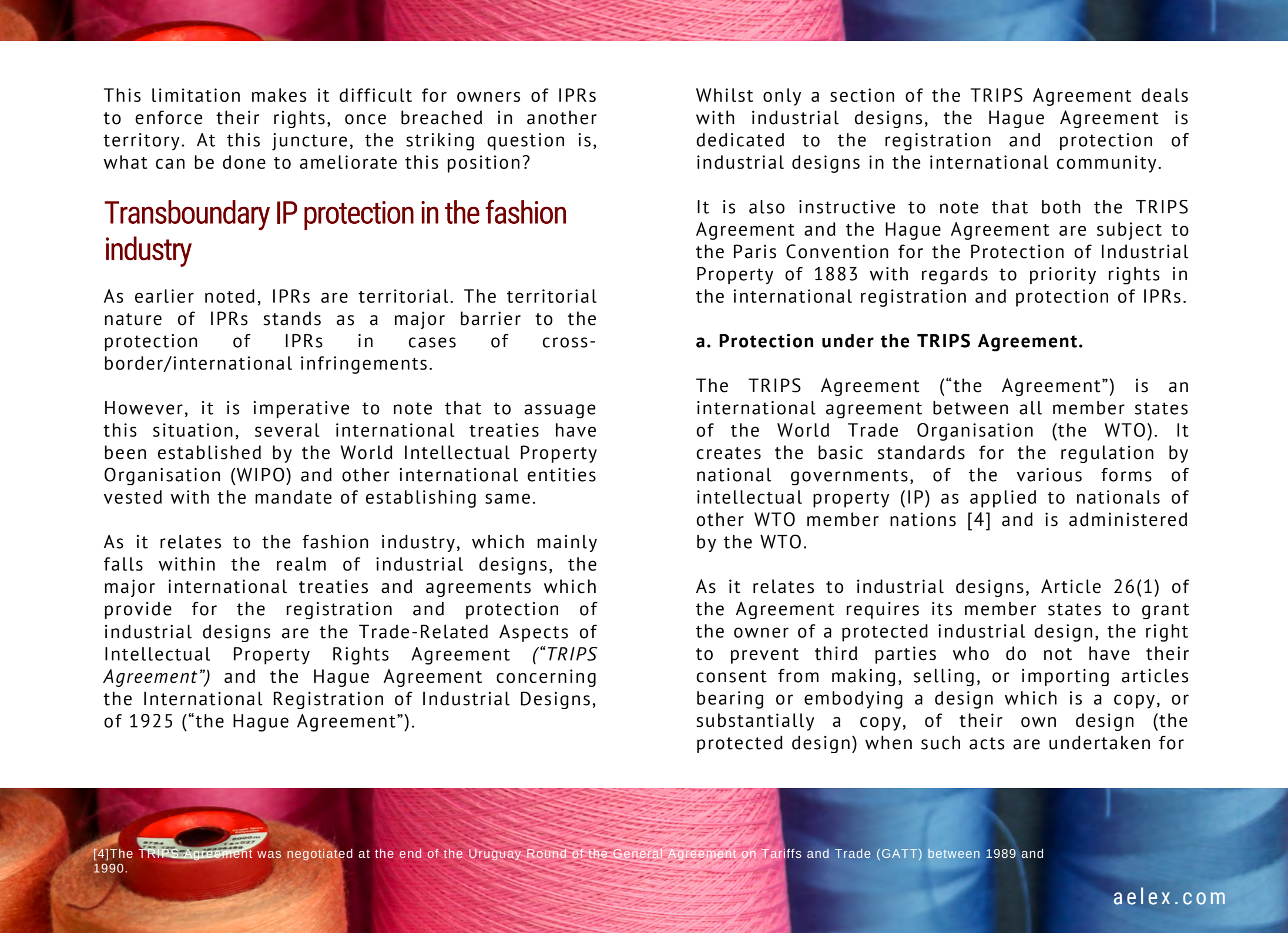
However, for an industrial design to be registrable, it must fit into two major requirements; it must be new and must not be contrary to public order or morality.

The Act goes further to provide that; for a design to be deemed new, it must be such that before the date of application for registration, it would not have been made available to the public anywhere and at any time by means of description, use or in any other way, except it is shown to the satisfaction of the Registrar of Patent and Designs that the creator of the design could not have known that it had been made available to the public. [3]

This limitation may be a big challenge for many fashion designers who are unaware of the provision of the law as it relates to the registration and protection of industrial designs, as some, if not most of them, may have had their designs on display, prior to considering them for registration as industrial designs.

Apart from the limitation highlighted above, another challenge that appears to be a major hindrance to IP protection in the fashion industry is the territorial nature of IPRs as they are mostly only protected within the confines of the country or region in which they are registered. This means that where the IPRs of a Nigerian fashion brand is breached in another jurisdiction, save for protection guaranteed under certain international instruments and treaties, such right is not enforceable and the breach cannot be remedied unless the IPRs are also registered in that other jurisdiction.

[3]However, the Act further provides that an industrial design shall not be deemed to have been made available to the public solely by reason of the fact that within the period of six months preceding the filing of the application for registration the creator has exhibited it in an official or officially recognised exhibition.



This limitation makes it difficult for owners of IPRs to enforce their rights, once breached in another territory. At this juncture, the striking question is, what can be done to ameliorate this position?

Transboundary IP protection in the fashion industry

As earlier noted, IPRs are territorial. The territorial nature of IPRs stands as a major barrier to the protection of IPRs in cases of cross-border/international infringements.

However, it is imperative to note that to assuage this situation, several international treaties have been established by the World Intellectual Property Organisation (WIPO) and other international entities vested with the mandate of establishing same.

As it relates to the fashion industry, which mainly falls within the realm of industrial designs, the major international treaties and agreements which provide for the registration and protection of industrial designs are the Trade-Related Aspects of Intellectual Property Rights Agreement (“*TRIPS Agreement*”) and the Hague Agreement concerning the International Registration of Industrial Designs, of 1925 (“the Hague Agreement”).

Whilst only a section of the TRIPS Agreement deals with industrial designs, the Hague Agreement is dedicated to the registration and protection of industrial designs in the international community.

It is also instructive to note that both the TRIPS Agreement and the Hague Agreement are subject to the Paris Convention for the Protection of Industrial Property of 1883 with regards to priority rights in the international registration and protection of IPRs.

a. Protection under the TRIPS Agreement.

The TRIPS Agreement (“the Agreement”) is an international agreement between all member states of the World Trade Organisation (the WTO). It creates the basic standards for the regulation by national governments, of the various forms of intellectual property (IP) as applied to nationals of other WTO member nations [4] and is administered by the WTO.

As it relates to industrial designs, Article 26(1) of the Agreement requires its member states to grant the owner of a protected industrial design, the right to prevent third parties who do not have their consent from making, selling, or importing articles bearing or embodying a design which is a copy, or substantially a copy, of their own design (the protected design) when such acts are undertaken for

[4]The TRIPS Agreement was negotiated at the end of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) between 1989 and 1990.

commercial purposes. Additionally, the Agreement provides that the duration of protection available shall be at least 10years.

Worthy of mention is that a signatory state need not have domesticated the Agreement before its nationals can be entitled to its benefit in other countries that are parties to it. As such, even though Nigeria is yet to domesticate this Agreement, a Nigerian fashion designer will be entitled to the benefits under this Agreement as Nigeria is signatory.

b. Under the Hague Agreement.

The Hague Agreement (“the Agreement”) provides for an international registration structure that offers the chances and possibility of securing protection for industrial designs in states and/or governmental organisations that are contracting parties to the Agreement, through a single international application filed with the International Bureau of WIPO [5]

Thus, under this Agreement, a single application would suffice, and IPR owners in the fashion industry would not need to carry out series of registrations in countries that are parties to the Agreement for their rights to be protected under the Agreement.

To be entitled to IPR protection under this system, an applicant must satisfy at least one of the following requirements:

- a. Must be a national of a contracting party or a member state of an intergovernmental organisation which is a contracting party, e.g., the African Intellectual Property Organisation or the EU;
- b. Must have a domicile in the territory of a contracting party; or
- c. Have a real and effective industrial or commercial establishment in the territory of a contracting party.

It is also instructive to note that under this Agreement, an international application does not need any prior national application or registration. This means that a fashion designer who seeks to register its intellectual property right in another country, does not need to have previously registered such right in its own country, to be entitled to registration in that other country. The application filed with the International Bureau of WIPO would suffice.

While this system is indeed commendable and makes it easy for fashion designers to register and seek protection for their intellectual property rights, particularly as it relates to industrial designs, Nigeria is not a party/signatory to this Agreement. It, therefore, does not protect Nigerian designers.

[5] The Hague Agreement Concerning the International Registration of Industrial Designs: Main Features and Advantages (published by the World Intellectual Property Organisation).

Hence, Nigerian fashion designers that seek to be protected under this Agreement, will have to file a national or regional application. However, this method may not be as easy as the system applicable to the nationals of state parties.

c.The Right of Priority Under the Paris Convention for the Protection of Industrial Property.

As mentioned earlier, the protections afforded under the Hague and TRIPS Agreements are subject to the right of priority provided under the Paris Convention for the Protection of Industrial Property (“the Paris Convention”) [6]

The Paris Convention, yet to be domesticated in Nigeria, applies to industrial property in the broadest possible sense. It is divided into three main categories: national treatment, right of priority and common rules.

The right of priority ensures that, on the ground of a regular first application filed in one of its contracting states (i.e., one of the states that are signatories to it), a fashion designer may, within a period of 6 months apply for the protection of its IPR, in any other country that is a signatory to the Agreement [7]


Where an application is filed by a person in a country that is a signatory to the Agreement, and such a person intends to file another application in another country, the second application will be deemed filed at the same time as the original application.

For example, Ujay, a designer who has registered her design in Nigeria, intends to register the same design in the U.S. Under the Convention, the registration in the US will be deemed to have been done on the same day as that in Nigeria. By extension, if another designer applies to register Ujay’s design in the U.S after Ujay has done the registration in Nigeria, Ujay’s registration will take priority because it is deemed to have been done on the date the application was made in Nigeria. He will have protection over applications filed by others during the said period, for the same design.

A major advantage of this system is that applicants seeking protection in various countries are not mandated to present all their applications at the same time. They have 6 months to decide the countries in which they intend to seek protection and organise the steps necessary for securing protection.

[6] Industrial property is one the types of intellectual property (the other being copyright), it takes a range of forms, including patents for inventions, industrial designs (aesthetic creations related to the appearance of industrial products), trademarks, service marks, layout-designs of integrated circuits, etc.

[7] The Agreement stipulates a period of 6 months for industrial designs and marks, and 12 months for patents and utility models,



The rights afforded under the Hague and TRIPS Agreements are not automatic as fashion designers who intend to protect their IP under these international systems must consider the provisions of the Paris Convention as it relates to priority. It is not enough to contemplate international systems of protection; the right of priority must also be taken into consideration, to avoid a designer's IPR not being protected because the designer is out of time.

CONCLUSION

The need to protect IPRs in the fashion industry has become very imperative. The current economic and digital evolution being experienced globally is enough justification for IPRs in the fashion industry to be protected.

The fashion industry is indeed a huge one and since revenue generation and patronage is largely determined by a brand's worth, the continued agitations for the protection of IPRs and the reforms being experienced in this regard, on the international scene, must not only be sustained but must also be made firm.

Thus, African nations must begin to take steps that will ensure the protection of IPRs in the fashion industry. It is of concern that a densely populated country with rich cultural fashion like Nigeria, is not a party to the Hague Agreement and is yet to domesticate the TRIPS Agreement (even though it is signatory to it).

Nigeria must begin to take the necessary steps to protect the IPRs of the players in the fashion industry. It could do this by signing and domesticating the international agreements that protects these rights and enact/amend laws to cover up for any lapses that currently exists in this regard as the profits and overall revenue generation in the fashion industry, is predicated on the value of brands, which is in turn hinged on the protection of the IPRs of these brands.

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