

Chapter VI

Fashion design protection under Trademark Law

6.1 Introduction

‘What’s in a Name?’ Shakespeare once said. In the current fashion business, ‘name’ is everything.¹⁸⁹ Sabyasachi Mukherjee, Ritu Kumar, Manish Malhotra in India and Hermes, Louis Vuitton, Chanel, and Dior are known by the very names themselves. These fashion houses have international cross-border reputations and have struggled to reach where they are. Competition is very high in the fashion industry, so it is challenging for a fashion house to find a place in the market. It is more difficult to sustain in such a competitive market. A fashion brand cannot be built overnight. It takes years of hard work and creativity to be recognised as an international brand. A brand name helps a fashion house to build its identity. A brand is associated with specific trends, lifestyles, and status in the fashion industry. People become aware of a particular fashion brand by identifying their trademark. Stripping a fashion brand of its trademark equals stripping the business itself. The trademark is an integral part of the business of any fashion house. Consumers identify a fashion brand through their trademark. The very function of the trademark is to distinguish its products from its competitor's products in the market. It is through trademarks that a fashion house builds its name, fame and reputation. A trademark assures the consumers of a particular source and its quality. Such being the significance of brand names and trademarks to the fashion industry, counterfeiting fashion and knockoff fashion have adversely affected the fashion houses. Imitating a fashion design is the worst form of robbery in the fashion industry. Consumers purchase counterfeit and knock off fashion with the knowledge that they are counterfeit. Consumers prefer counterfeit and knockoffs over original fashion designs as the counterfeit and knockoffs are available at a significantly lower price. Consumers' casual and unmindful behaviour encourages

¹⁸⁹ Dorothy Fay, *Trademarks: What's in a name? Practical Lawyer*, 24 (8), pp. 75-82 (1978).

counterfeit and knock off fashion in the market. Counterfeit and knockoff fashions are not a national issue anymore; instead are a transnational phenomenon. The introductory part of this chapter deals with the importance of a trademark to a fashion house that protects their fashion designs and the consumers' lousy attitude towards counterfeit fashion that requires immediate attention.

The trademark is defined under section 2 (1) (zb) as a mark that is capable of graphical representation and capable of distinguishing the goods or services of one person from those of others, Such marks may as well include the shape of goods or their packaging and combinations of colours. Fab India¹⁹⁰, Satya Paul¹⁹¹, Spykar¹⁹², Chumbak¹⁹³, Manish Malhotra¹⁹⁴, Soch¹⁹⁵ and many more Indian fashion brands have registered trademarks in India. There are multiple big fashion houses in India that have claimed trademarks for their sub-brands. Anita Dongre has claimed trademarks for her brands Indian Soul¹⁹⁶, Grass Roots¹⁹⁷, Timeless¹⁹⁸, Interpret¹⁹⁹ and House of Anita Dongre²⁰⁰. Reliance Ritu Kumar Pvt Ltd has registered trademarks over Aareke Ritu Kumar²⁰¹ and Label Ritu Kumar.²⁰² Rohit Bal Designs Pvt Ltd has registered trademarks over Bal Bachche by Rohit Bal²⁰³, Biba by Rohit Bal²⁰⁴ and Balance by Rohit Bal.²⁰⁵ International brands like

¹⁹⁰ India Trademark No. 401939

¹⁹¹ India Trademark No. 866119

¹⁹² India Trademark No. 244981

¹⁹³ India Trademark No. 1322597

¹⁹⁴ India Trademark No. 744389

¹⁹⁵ India Trademark No. 980946

¹⁹⁶ India Trademark No. 897967

¹⁹⁷ India Trademark No. 2317826

¹⁹⁸ India Trademark No. 1543194

¹⁹⁹ India Trademark No. 1545290

²⁰⁰ India Trademark No. 2067924

²⁰¹ India Trademark No. 2800471

²⁰² India Trademark No. 1303656

²⁰³ India Trademark No. 3050950

²⁰⁴ India Trademark No. 2330616

²⁰⁵ India Trademark No. 651580

Gucci²⁰⁶, Prada²⁰⁷, Christian Louboutin²⁰⁸, Chanel²⁰⁹, Christian Dior²¹⁰ and many more brands have registered their trademarks in India. Apart from registered trademarks, the Trademark Act 1999 also grants protection to Well-known trademarks as defined under 2 (1) (zg).²¹¹ There are a few fashion brands that have acquired the status of the well-known mark in India like Polo by Polo/Lauren Company IP,²¹² Woolworth by F.W.Woolworth Company²¹³, Louis Vuitton Louis by Vuitton Malletier²¹⁴ and Raymond by M/s Raymond Ltd.²¹⁵

6.2 Evolution and Growth the Indian Fashion Brands

When we think of major leagues in the fashion industry, we could never miss thinking about Manish Malhotra, Sabyasachi Mukherjee, Anita Donre, Ritu Kumar, Gaurav Gupta, Tarun Tahiliani, Rohit Bal, Rahul Mishra and others. As an art and handicraft lover, Ritu Kumar could not allow Indian craftsmanship to die. In her early years, she intended to revive Indian art and craft, and in furtherance of that, she established two little stores in Kolkata and Delhi. She started her and Delhi's first-ever boutique in Delhi in 1966. Soon after two years, she launched another boutique in Kolkata.²¹⁶ Her major milestone for success was when her collection was sold in Paris, and there was no turning back after that. She received orders from London and New York. Thus, marking her presence in the international fashion industry. Currently, she has three brands: Ri, a premium bridal line; Ritu Kumar, a traditional brand offering daily ethnic wear and semi-formal wear; and Label, a fashion ready-to-wear line.²¹⁷ It took her almost

²⁰⁶ India Trademark No. 345025

²⁰⁷ India Trademark No. 513194

²⁰⁸ India Trademark No. 1064071

²⁰⁹ India Trademark No. 1200205

²¹⁰ India Trademark No. 110910

²¹¹ CS(OS) 1763/2005

²¹² CS(OS) 1763/2005

²¹³ IPAB 2004 (29) PTC 477

²¹⁴ CS (OS) 270/2014

²¹⁵ IPAB OA/16-17/2010/TM/CH

²¹⁶ Himanshu Kakkar, *From learning block painting herself, to setting up a label the whole country admires – Recapping Ritu Kumar's 45-year journey*, Outlook Business, <https://wow.outlookbusiness.com/ritu-kumar/>

²¹⁷ *Id.*

fifteen years to establish her brand in India and twenty years to etch it internationally. Rahul Mishra, the haute couturier of India, was called twice by Chambre Syndicale de la Haute Couture in Paris to present his couture in France. He started his journey in 2006, and in 2020, he first exhibited his design ‘Butterfly People’ at Paris Haute Couture Week.²¹⁸ He was the first Indian designer also to win the International Woolmark Prize.²¹⁹ Between these years, his hard work and creativity have tuned him towards sustainable and mindful fashion. He started his brand with the intention of providing work to Indian embroiderers and weavers. He has also stated that he had a hard time during COVID, with less number of working hours to prepare for his second exhibition at Paris Haute Couture Week as he had to follow strict protocols. Next, in 2022, his collection ‘The Tree of Life’ commemorating ancient trees was showcased at the Paris Haute Couture Week.²²⁰ Next Anita Dongre, when many fashion houses rejected her designs, with the aim of creating semi-formal working attire for women, started Anita Dongre Pink City. After relentless work, she established brands like AND, Global Desi and Grassroot.²²¹ In a recent interview, Manish Malhotra recalled being paid 500 Rs for working in a boutique. From there to becoming a costume designer and having sold NFTs on the digital platform, he has worked his way to establish his brand, especially in Indian ethnic wear.²²² These are only a few stories of Indian fashion designers that shows their persistence and dedication that is required to

²¹⁸Rujuta Vaidya, Rahul Mishra’s AW2020 haute couture collection “Butterfly People” is an ode to the artisans that worked on it, Vogue India, Jul. 27, 2020 <https://www.vogue.in/fashion/content/rahul-mishra-aw2020-haute-couture-collection-butterfly-people>

²¹⁹ International Woolmark Prize, <https://www.woolmarkprize.com/designers/rahul-mishra/> (July. 03, 2023 4.00 PM IST).

²²⁰ Saionee Chakraborty, *Rahul Mishra’s The Tree of Life collection was a stark departure from his usual*, The Telegraph Online, July. 27, 2022, <https://www.telegraphindia.com/culture/style/rahul-mishras-the-tree-of-life-fashion-collection-was-a-stark-departure-from-the-usual-rm/cid/1876634>

²²¹ Sujata Assomull, *The rise of India’s biggest fashion house*, Vogue Business, Mar. 11, 2020 <https://www.voguebusiness.com/companies/the-rise-of-indias-biggest-fashion-house-anita-dongre-traditional-wear-sustainability>

²²² Hindustan Correspondent, *All I earned was Rs 500 a month: Manish Malhotra on life struggles, his inspiring journey from boutique worker to ace couturier*, Hindustan Times, Feb. 29, 2020, <https://www.hindustantimes.com/fashion-and-trends/i-earned-was-rs-500-a-month-manish-malhotra-on-life-struggles-his-inspiring-journey-from-boutique-worked-to-ace-couturier/story-TLDpWCZd59rIrjJHl1qQUP.html>

create a brand name for themselves. Such a brand name is reflected in their trademarks.

6.3 Relationship between a Trademark and the Fashion Brand - A Case Study of Christian Louboutin Red-Heeled Shoes

The intention of considering Christian Louboutin's red-heeled shoes is only to bring out the importance of trademarks in the fashion industry and not to analyse the effectiveness of trademark protection. The name Christian Louboutin is synonymous with red-heeled shoes. Soon his creation became the talk of Hollywood and across countries. To legally protect his creation, he filed trademark applications in the U.S., Mexico, the Philippines, New Zealand, and Australia. The U.S. Trademark Office granted him registration as the colour red was not functional in nature and was not a result of any manufacturing process. They agreed that he chose the red colour only to make his product distinctive from the rest of the products. However, after the registration, he filed a series of trademark infringement cases in the U.S., France, India, and Poland. In the U.S., the trademark infringement case was filed against YSL. In Poland, he filed a case against Van Haren before the District Court of Hague. In France, he filed a case against Paciotti. In India, he filed two separate cases for passing off against Abu Baker and Nakul Bajaj. In Switzerland, he appealed before the Supreme Court to claim trademark registration for his red after it was rejected by the Intellectual Property Office.

In the U.S., YSL brought a bright red shoe, a colour similar to Christian Louboutin, to the market in 2011. He filed a trademark infringement case against YSL before the District Court for the Southern District of New York.²²³ The District Court held that the colour 'red' cannot be trademarked because if a monopoly over colour is granted to an entity, other competitors in the relevant business would be at a competitive disadvantage. Furthermore, the Court stated that in the fashion industry, colour serves ornamental and aesthetic functions, and

²²³78 F. Supp. 2d 445 (S.D.N.Y. 2011)

thus, a monopoly over a single colour should not be granted to one fashion house. He appealed the case before the Court of Appeals for the Second Circuit, which reversed the decision of the Lower Court only with respect to registration.²²⁴ The Appellate Court relied on the secondary meaning that the trademark had been acquired over a period of time, unlike the lower court that relied upon aesthetic functionality. His shoes had acquired distinctiveness in the market, so the Appellate Court ruled that his registration was valid as long as the red lacquered outer sole contrasts in colour with the adjoining ‘upper’ of the shoe.” The shoe created by YSL was completely red; thus, the appellate Court ruled that there was no trademark infringement.

He sued Paciotti for trademark infringement in France. The French Court was of the opinion that the red soles have been used since time immemorial, and Paciotti’s shoes had a dagger on them and thus prevented deception.²²⁵ In another case filed against Zara for the shape of the shoes, the French Courts were of the view that functionality dictates the shape.²²⁶ In Poland, he filed a case against Van Haren, and the Dutch Court requested CJEU for a preliminary ruling if the colour ‘red’ could be trademarked. CJEU ruled that the red colour has acquired distinctiveness and is internationally identified by most consumers; thus, it should be protected.²²⁷ The trademark is sought for the colour and not the shape of the sole. So, Christian Louboutin has a trademark over the colour red.

In India, he filed a trademark infringement suit against Abu Baker.²²⁸ According to section 2(1) (m), a mark should be a combination of colours and not one colour. So, the Delhi High Court ruled that a single colour could not be considered a trademark. Abu Baker sold his shoes under the trade name ‘Veronica’, which is not similar to the trademark of Christian Louboutin and thus caused no confusion to the public. Later, he sued Ashish Bansal for selling similar shoes online. The Delhi High Court awarded damages to Louboutin not by recognising his

²²⁴696 F.3d 206 (2d Cir. 2012)

²²⁵ (2007) 06/ 06228.

²²⁶ (2012) Cass. Com., 30.

²²⁷ECLI:EU: C:2018:423.

²²⁸019 SCC OnLine Del 8028.

trademark, but because the defendant had a domain similar to the plaintiff's. Currently, the Trademark Manual clarifies that a single colour can be registered as a trademark if it's unique and unusual in the trade as long as the traders and consumers recognise that it identifies the origin for that class of goods.

It has been a long battle for Christian Louboutin to protect his creation in many countries. But, it is to this extent that a fashion designer will go to protect his trademark. Deeply saddened by the non-recognition of his trademark in many countries, he said, "I do not monopolise a colour, I have put a colour at a place where nobody has put it, and became iconic, as a trademark. At one point, it makes part of your identity. It is my trademark." It is through a trademark that a fashion brand claims identity and recognition. Ripping them of their trademark hurts their business brutally. Counterfeits and knockoffs affect the profits of the fashion houses primarily. Counterfeiting is considered a soft crime. So, it is not adequately regulated under the Trademarks Act 1999 or the Intellectual Property Rights (Imported Goods) Enforcement Rules 2007, read with Customs Act 1962. Though the Trademarks Act 1999 penalises counterfeiting under Sections 103 and 104, the act does not define the term 'counterfeiting'. With these lacunae in the laws, counterfeiting continues to be a significant concern to the fashion industry.

6.4 Consumers' Attitude Towards Fashion Counterfeits

Counterfeiting is considered a crime of the 21st Century.²²⁹ The demand side of counterfeiting considers the reasons why consumers demand counterfeit fashion. Look-alike products at a lesser price is why consumers turn to counterfeit products. An original Rolex Submariner²³⁰ would cost a consumer about INR 1,275,500, whereas the price of the counterfeit Rolex is much cheaper and costs around INR 1500 to 3000.²³¹ Christian Louboutin red heels are also available in

²²⁹ Wilcox, K., Kim, Sen, S, *Why do Consumers buy Counterfeit Luxury Brands?*, 46 (2) J. Mark. Res 247, 252 (2009).

²³⁰ ROLEX <https://www.rolex.com/en-us/watches/submariner/m126613lb-0002> (Last Accessed July. 04, 2023).

²³¹ GTGADGET, <https://gtgadget.in/product/rolex-submariner-7aa-automatic-collection-for-men-3/>

the online market for consumers on etsy.com. Though they claim that the heels are inspired by Christian Louboutin, they still look alike.²³² Coco Chanel dress is available on peechyboo.com.²³³ The upenmeghastore.com has Gucci, Dior and Micheal Kors accessories at a very cheap price.²³⁴ It's usually the exclusivity of luxury fashion that instigates consumers to buy. Social and peer pressure can also be a reason for people choosing counterfeits over the originals.²³⁵ To create these fashion products, the designers and their entire staff would have spent sleepless nights and invested large amounts of money, but creating a counterfeit would require little investment.

Supply-side of the counterfeit luxury fashion industry claims that the consumer base for these luxury fashion brands is not lost because of the look-alike or the counterfeit products. Those who purchase counterfeit fashion products are not the consumer base for these luxury brands. However, the genuine problem for these fashion brands is how it affects the product's value. Supply-side of counterfeiting fashion designs considers the loss of brand value of the original fashion brands rather than considering the monetary or consumer base losses.²³⁶ Counterfeit of a fashion brand adversely affects that fashion house's brand value, reputation and goodwill. The more counterfeit products available in the market, the lesser the brand value for that company. The availability of counterfeit fashion products degrades the value of the originals.²³⁷

²³² https://www.etsy.com/in-en/market/louboutin_replica (Last Accessed July. 04, 2023).

²³³ PEACHYBOO, <https://peachyboo.in/search?q=chanel&options%5Bprefix%5D=last> (Last Accessed July. 04, 2023).

²³⁴ UPENMEGHASTORE, https://www.upenmeghastore.com/?s=gucci&post_type=product (Last Accessed July. 04, 2023).

²³⁵ Yajin Wang, *A conceptual framework of contemporary luxury consumption*, 39 (3). Int. J. Res. Mark, 788, 792 (2022).

²³⁶ Cademan, Arvid, Richard Henriksson and Viktor Nyqvist, *The Affect of Counterfeit Products on Luxury Brands: An Empirical Investigation from the Consumer Perspective* (2012).

²³⁷ Grossman, Gene M., and Carl Shapiro, *Foreign Counterfeiting of Status Goods*, 103 (1) QJE. 79, 93 (1988).

After considering the existing literature review, seven reasons that motivate consumers to buy counterfeit fashion products have been identified.²³⁸ Psychographic motivation, the influence of other people in determining a consumer's buying pattern, is one of the prime reasons consumers prefer counterfeit fashion products. In other words, when a luxury fashion product is famous among people, the psychology of the consumer would direct him towards purchasing it, but the cost of the product may not allow him to purchase it. So, the higher chance that the consumer will purchase a counterfeit fashion product to be at par with others in society.²³⁹ The value consciousness of a consumer is yet another reason for purchasing counterfeit products. The price of a counterfeit fashion product is less than its original price. Consumers are fine purchasing a lower quality product when there is a price advantage in favour of them.²⁴⁰ Lower integrity is the third reason why consumers go for counterfeit fashion products. Those who fear the deterrence effect of laws do not prefer counterfeit products, but those with lesser integrity and no fear of laws are the ones to quickly grab counterfeit products in the market quickly.²⁴¹ Status consumption is the fourth reason for the flourishing counterfeiting fashion, where consumers purchase counterfeit luxury products. To live up to the standard of those in their society. Strong belief in materialism or possession-defined success is the fifth reason why consumers buy counterfeit fashion goods.²⁴² Acquisition or owning material goods defines success to them; thus, they own as many fashion products as they can, irrespective of originals or counterfeits.²⁴³ The counterfeits available in the market are look-alikes and appear similar to the original fashion products. Thus, product

²³⁸ Kim, H. J., & Karpova, E, *Consumer attitudes towards fashion counterfeits: Application of the theory of planned behavior*, 28 (2). *Cloth. Text. Res*, 79, 86 (2010).

²³⁹ Bearden, W. O., Netemeyer, R. G., & Teel, J. E, *Measurement of consumer susceptibility to interpersonal influence*, 15 (4) *J. Consum. Res*, 473, 454 (1989).

²⁴⁰ Lichtenstein, D. R., Netemeyer, R. G., & Burton, S., *Distinguishing coupon proneness from value consciousness: An acquisition-transaction utility theory perspective*, 54 (3) *J. Mark.* 54, 62 (1990).

²⁴¹ Rokeach, M. J, *A theory of organization and change within value-attitude systems*, 24. *JSI*, 13, 18 (1968).

²⁴² Eastman, J. K., Fredenberger, B., Campbell, D., & Calvert, S, *The relationship between status consumption and materialism: A cross-cultural comparison of Chinese, Mexican, and American students*, 5(1) *J. Mark. Theory Pract*, 52, 59 (1997).

²⁴³ Albers-Miller, N. D, *Consumer misbehavior: Why people buy illicit goods*, 16 (3), *J. Consum. Mark*, 273-279 (1999).

appearance is the sixth reason why consumers prefer counterfeit fashion goods.²⁴⁴ The last compelling reason consumers continue to purchase counterfeits is their past consumption. Having purchased a counterfeit in the past will motivate them to purchase in the future.²⁴⁵ However, past consumption does not apply to consumers purchasing a counterfeit fashion product for the first time.

6.5 Fashion Counterfeits in India

Doctrinal research conducted by the Centre for New Economics Studies, OP Jindal Global University on Understanding Factors Affecting Consumer Behavior Towards Fashion Counterfeits: Reflection from Markets in Delhi (India).²⁴⁶ They considered Palika Bazar and Karol Bagh to determine consumer behaviour towards fashion counterfeits. They interviewed 60 consumers at Palika Bazar, out of which 47% were females and 53% were males. Their empirical research revealed the following about counterfeit fashion in Palika Bazar;

- a. Consumers, both men and women, are inclined to purchase counterfeit fashion products because of the lower prices and the availability of the latest variety of fashion products.
- b. 43% of consumers said they prefer counterfeit fashion products, especially apparel and bags, when broke.
- c. 51% of the respondents preferred counterfeit products of particular brands.
- d. 15% of the respondents stated that they preferred particular brands while purchasing counterfeit bags.
- e. 23% of the respondents claimed they were delighted with the counterfeited fashion products they had purchased.

²⁴⁴(Unpublished manuscript) Kim, H., & Karpova, E, *Exploring consumers' perceptions and motivations toward fashion counterfeits*, Auburn University (2005).

²⁴⁵ d'Astous, A., Colbert, F., & Montpetit, D, *Music piracy on the Web: How effective are antipiracy arguments? Evidence from the theory of planned behavior*, 28. J. Consum. Policy, 289, 395 (2005).

²⁴⁶ Diya deep Singh, Mitali Arora , *Understanding Factors Affecting Consumer Behavior Towards Fashion Counterfeits: Reflection from Markets in Delhi (India)*, Centre for New Economic Studies, <https://jgu.s3.ap-south-1.amazonaws.com/jslh/Counterfeit+Market+Report+.pdf> (Last Accessed Mar. 15, 2023).

f. 61% of the respondents suggested that they purchased counterfeit products to meet the ever-changing fashion trends.

They interviewed 60 consumers from Karol Bagh, out of which 93% were females and 7% Their empirical research conducted at Karol Bagh revealed the following about counterfeit fashion;

a. 40 respondents were aware of the fact that they were purchasing counterfeit fashion products.

b. 42% of the respondents preferred counterfeit bags over branded bags and only 8% preferred branded bags over counterfeit bags.

c. Most of the respondents preferred fashion products from luxury brands like Louis Vuitton, Michael Kors, Gucci and Dior which indicates that having trademarks of these brands on their fashion products increases the value of the products.

d. 50% of the respondents stated that they were satisfied with the quality of the counterfeit fashion products.

e. 68% of the respondents purchased counterfeit bags as they spotted them in fashion shows, magazines etc.

Consumers prefer counterfeit products over branded products due to lesser prices and the diverse availability of choices. Consumers' attitude towards counterfeit fashion products motivates them to sell more counterfeit products.²⁴⁷ In India, especially bridal lehengas of Bollywood actresses are in high demand and available at a very cheaper price. For instance, Kiara Advani's haldi lehenga and wedding lehenga counterfeits are available on indiamart.com²⁴⁸ and Etsy.com²⁴⁹, respectively. Deepika Padukone's black sequin saree, designed by Sabyasachi Mukherjee, is available on royalanarkali.com and 24thspoke.com. The sarees

²⁴⁷ Jain, S., Khan, M.N. and Mishra, S, *Understanding consumer behavior regarding luxury fashion goods in India based on the theory of planned behavior*, 11 (1). J. Asia Bus. Stud, 4, 15 (2017).

²⁴⁸INDIAMART, <https://dir.indiamart.com/search.mp?ss=kiara+advani+wedding+lehenga&prdsrsrc=1&mcatid=3377&catid=224&stype=attr=1|attrS&res=RC4> (Last Accessed Mar. 15, 2023)

²⁴⁹ETSY, https://www.etsy.com/in-en/listing/1409190216/kiara-advani-pink-lehenga-for-women?ga_order=most_relevant&ga_search_type=all&ga_view_type=gallery&ga_search_query=kiara+advani&ref=sr_gallery-1-19&frs=1&organic_search_click=1 (Last Accessed Mar. 15, 2023)

worn by the heroines of the film industry are available on JioFab.com²⁵⁰ The consumers, though aware of the counterfeits, still continue to purchase them. According to ASSOCHAM, online portals are accountable for 25% of counterfeit products. According to the ASPA CRISIL Report on the State of Counterfeiting in India, consumers are aware of the durability and lower quality of the products. However, they continue to purchase for two reasons: they are cheap and want to impress society. The report also stated that counterfeits are usually sold online by offering deep discounts and creating WhatsApp groups and other social media platforms to sell fashion counterfeits. Such online portals are escaping liability by claiming the position of intermediaries as they have safe harbour provisions under section 79 of the Information and Technology Act 2002.²⁵¹ The research will not discuss the applicability of the safe harbour provision and its adverse impact on counterfeiting because this research intends to limit itself to regulating counterfeiting under the Trademarks Act 1999.

The United States Trade Representative (USTR) in 2021 considered Palika Bazar of Delhi, India Mart (an online shopping website), Heera Panna of Mumbai, Kidderpore of Kolkata, Tank Road of New Delhi to be categorised as ‘Notorious markets’ due to the extensive counterfeiting business.²⁵² Despite these facts and figures, enforcement agencies consider counterfeiting fashion designs as a ‘soft crime’.²⁵³ The Association Chambers of Commerce and Industry of India estimated that the fake luxury goods market might touch 6,000 crores.²⁵⁴ Delhi is currently the hub of counterfeit goods in India. One of the reasons why India found its place in the U.S. Priority Watchlist in 2021, and 2022 is because of the lack of counterfeiting laws. Indiamart, an online shopping website, is also listed as

²⁵⁰ JIOFAB, <https://www.jiofab.com/bollywood-sarees> (Last Accessed Mar. 15, 2023)

²⁵¹ The Information and Technology Act 2002, § 79.

²⁵² *2021 Review of Notorious Markets for Counterfeiting and Piracy, The Office of the United States Trade Representative*, <https://ustr.gov/sites/default/files/IssueAreas/IP/2021%20Notorious%20Markets%20List.pdf> (Last Accessed 15.03.2023)

²⁵³ OECD, *supra* note 15.

²⁵⁴ Khushboo Narayan, *Counterfeit products: Top Global luxury brands agree to join customs probe*, The Indian Express, April. 20, 2016 <https://indianexpress.com/article/business/business-others/counterfeit-products-top-global-luxury-brands-agree-to-join-customs-probe-2761371/> (Last Accessed 15.03.2023).

a ‘Notorious market’. The USTR report further reported that Indiamart failed to implement best practices relating to anti-counterfeiting, including verifying the sellers, penalising the sellers involved in selling counterfeit products, and monitoring of infringing products.²⁵⁵ However, Indiamart ostensibly claims that it has a notice-and-takedown system, but the trademark owners reported that it is a burdensome, time-consuming, and less transparent process.²⁵⁶

6.6 Counterfeiting under the Trademarks Act 1999

Currently, though counterfeit is penalised under sections 103 and 104 of the Trademarks Act 1999, there is no definition of the word ‘counterfeit’ under the Act. But, under section 28 of the IPC the word ‘counterfeit’ is defined. Counterfeit under the IPC is defined as “a person is said to be ‘counterfeit’ who causes one thing to resemble another thing, intending by means of that resemblance to practise deception, or knowing it to be likely that deception.” The definition also states that a counterfeit need not necessarily be an identical imitation. Furthermore, the provision presumes that a person intended to practise deception by committing to a counterfeit unless otherwise proved. Hence, the burden of proof is on the person who is alleged to have committed the counterfeit. But counterfeiting of goods is not punished under the IPC as it deals only with counterfeiting of currency notes.

Counterfeit of a trademark or a property mark was penalised in India under sections 482 and 483 of the IPC. Section 482 punishes any person who used a false trademark or property mark unless proven that he acted without intent to defraud shall be liable to punishment which may extend up to one year or a fine or

²⁵⁵ *Explained | What is the Notorious Market List*, The Hindu, February 22, 2022, <https://www.thehindu.com/news/international/explained-i-what-is-the-notorious-market-list/article65070654.ece> (Last Accessed 15.03.2023).

²⁵⁶ *IndiaMart.com, Palika Bazaar, and 3 other Indian markets figure in US Notorious Markets List for counterfeiting and copyright piracy*, The Economic Times, Feb 18, 2022, <https://economictimes.indiatimes.com/industry/services/retail/indiamart-com-palika-bazaar-and-3-other-indian-markets-figure-in-us-notorious-markets-list-for-counterfeiting-and-copyright-piracy/articleshow/89655358.cms?from=mdr> (Last Accessed 15.03.2023).

both. Section 483 punishes any person counterfeiting a trademark or a property mark shall be liable to punishment that may extend up to two years, a fine, or both. Section 482 was concerned with falsely applying a trademark whereas section 483 dealt with counterfeiting a trademark. However, section 135 of the Trade and Merchandise Marks Act 1958 repealed 'the word trademark' from sections 482 and 483 of the IPC. Thus, the counterfeiting of trademarks is not covered under the IPC anymore, but it continues to penalise the counterfeiting of property marks.

The Trade and Merchandise Marks Act 1958 under sections 78 and 79 penalised falsifications of trademarks. The word 'counterfeit' did not find its place in the Act. Section 78 penalised a person who applied false trademarks or trade descriptions on goods with imprisonment which may extend to two years or fine or both. Section 79 penalised a person who sold goods to which a false trademark or a trade description was applied with imprisonment which may extend to two years or a fine or with both unless otherwise, the alleged offender is able to show that he took all the reasonable precautions against committing the offence. The Act was repealed by the current Trade Marks Act 1999.

The Trademarks Act 1999 does not contain the word 'counterfeit' but penalises false application of trademarks and selling of goods and services on which there is a false application of trademarks. Furthermore, along with counterfeit fashion, knockoffs are also very much prevalent in the fashion industry. In the case of counterfeit fashion, the fashion designs do possess a false trademark, whereas in the case of knockoffs, they manufacture similar or identical products, but they do not falsify the trademark. Knockoffs, technically, do not infringe any fashion brand's trademark as they don't apply for any trademark. But knockoffs are as dangerous as counterfeit products. To some extent, knockoffs can be considered as trade dress infringement, but all the knockoffs cannot be termed as trade dress

infringement. Trade dress can protect only protect the shape of the goods or their packaging in parts and not the fashion design as a whole²⁵⁷.

The Trademarks Act 1999 penalises counterfeiting under sections 103 and 104 of the Act. Section 103 penalises a person who applies false trademarks or trade descriptions on goods or services or has in possession any dye or machine or ink that is used to falsify the trademark with imprisonment of six months but which may extend to two years or a fine of not less than fifty thousand rupees but which may extend to two lakh rupees. Furthermore, the provision states that the court by writing reason in the judgement, can impose a sentence of less than six months or a fine of less than fifty thousand rupees. Section 104 penalises a person who sells or lets to hire or exposes to sell or has possession of goods or services to which a false trademark or a trade description was applied with imprisonment of six months but which may extend to two years or a fine of not less than fifty thousand rupees but which may extend to two lakh rupees unless otherwise, the alleged offender is able to show that he took all the reasonable precautions against committing the offence. Furthermore, the provision states that the court, by writing reason in the judgement, can impose a sentence of less than six months or a fine of less than fifty thousand rupees. Compared to the Trade and Merchandise Marks Act 1958, the Trademarks Act 1999 is broader in scope and covers more offences related to falsifying the trademark. The former statute covered only the falsification of trademarks on goods, but the latter statute covered both goods and services. The former statute did not deal with a false description of an indication of a country, but the latter statute considers it under section 104. Section 103 penalises a person who applies false trademarks or trade descriptions on a fashion design or has in possession any dye or machine, or ink that can help them to create a false trademark of a fashion brand shall be penalised. Section 104 penalises a person who sells or hires to sell or has in possession of any fashion goods to which falsified trademarks or trade descriptions are applied is liable to punishment unless he can show that he took all the reasonable steps to prevent the

²⁵⁷ Kevin V Tu. "Counterfeit Fashion: The Interplay between Copyright and Trademark Law in Original Fashion Designs and Designer Knockoffs", 18. Tex. Intell. Prop. L.J. 419 (2010).

offence from being committed. However, the word ‘counterfeit’ is not defined under the Trademarks Act 1999.

6.7 Counterfeiting under the Customs Act 1962

India is a TRIPS-compliant country to a great extent. Articles 51 to 60 deal with border issues by protecting the IPRs from infringement in the transborder trade. TRIPS mandates that every member country must have a competent authority, be it a judicial or administrative body, responsible for enforcing the provisions from Art. 51 to 60²⁵⁸. The right holder could submit an application for custom action with prima facie evidence to prove infringement of his IPRs to such authority. The authority, upon receiving and acceptance of the application, must inform the right holder of the time period required to take action. Art. 53 tries to protect the defendant and the authority from false accusations of the right holder. Art.53 directs that the plaintiff has to provide a security or equivalent assurance, but such security should not be so unreasonable that the right holders are stopped from choosing the recourse. Art. 54 is based on the principle ‘audi alteram partem’, which stipulates the authority to inform of the detention of the goods to the right holder and the importer. Art. 55 allows the right holder to initiate proceedings leading to a decision within ten days, failing which the goods shall be released. As required under Art. 56, the right holder may be required to pay compensation to the parties adversely affected either because of the detention of the goods or the applicant failing to prove his case on the merits. If the goods are found to be infringed, it is left to the discretion of the member countries to take further action as given under Art. 57. According to Art. 58, by virtue of holding the office, the authorities can seek information from the right holder at any time during the investigation. The defendant and the right holder have the right to seek a review of the authority’s decision before the competent judicial body. If the review authority upholds the decision, Art. 59 gives the competent authorities the power to destroy the infringed goods. De minimis provision finds its place under Art. 60. Criminal sanctions may be imposed on those who have willfully been involved in

²⁵⁸ TRIPS, *supra* note 126

trademark counterfeiting on a commercial scale. Criminal sanctions could be either imprisonment or fines, but such a criminal sanction should be to effectuate deterrence and be based on the gravity of the offence committed, according to Art. 61. India, a member country of the TRIPS, has amended the Customs Act 1962 and enforced IPR Enforcement Rules, 2007.

The Customs Act 1962, read with IPR Enforcement Rules 2007, incorporates the TRIPS provisions. The competent authority for the purposes of the Customs Act 1962 is the Customs Authority. Section 11 grants them the power to prohibit the imports and exports of goods of any description, absolutely or with conditions to be fulfilled. The reasons why the authority could prohibit imports and exports of goods are given under 11 (2). As this chapter deals with the counterfeiting of trademarks, the relevant and specific provision is the protection of patents, trademarks, copyrights, designs and geographical indications, 11(2) (n). Another relevant but general provision is given under 11 (2) (u): “the prevention of the contravention of any law for the time being in force”.²⁵⁹ The IPR (imported goods) Enforcement Rules, 2007 lays down the detailed rules to be followed by the right holder, but it shall not be discussed as it is outside the scope of the research. The specific provisions with respect to prohibiting infringing IPR goods are given under sections 111 and 113. Confiscation of improperly imported goods and exported goods are dealt with under sections 111 and 113, respectively. For violating section 111, a person shall be liable for a penalty not exceeding the value of the goods or INR 5000, whichever is greater. For violating section 113, a person shall be penalised not more than three times the value of the goods as declared by the exporter.

To protect IPRs in the course of exports and imports, the Central Government has issued several notifications. It has passed two different notifications to deal with the imports and exports separately concerning the goods infringing IPR. Notifications cover IPRs in general, but for the purpose of this research, only

²⁵⁹ Srinivasan Gopal, *Comparative Analysis of Inspection, Survey, Search, Seizure and Arrest under the CGST Act, 2017, Customs Act, 1962, Prevention of Money Laundering Act, 2002 and NDPS Act, 1985*, 5 INT'L J.L. MGMT. & HUMAN. 98 (2022).

those goods that infringe on trademarks will be covered. A notification dated 30.6.2010 enlists the type of goods that are prohibited for infringing IPRs. With respect to the imported goods that infringe the trademark, the notification prohibits the goods where there is an application of false trademarks, as specified under section 102 of the Trademarks Act 1999 and goods with false descriptions, as defined under section 2 (1) (i) of the Trademarks Act 1999. Another notification dated 8.5.2007 deals with the exports of the trademark infringed goods. It prohibits exports of goods on which indications must be applied, as required under section 139 of the Trademarks Act 1999, but failed to apply such indications and those goods on which stamp is required, as necessitated under section 81 of the Trademarks Act 1999, but failed to apply such stamp. There have been amendments to both notifications in 2018; however, the amendments did not bring any changes with respect to infringed trademark goods. So, discussing the amended notification is not necessary for the purpose of this research.

The provisions under the Customs Act 1962 are discussed only to highlight how it prohibits counterfeiting. Analysing the efficiency or effectiveness of the Customs Act 1962 to prohibit counterfeit goods would be outside the scope of research. It is pertinent to be noted that the penalty for improper imports and exports infringing on trademarks under Customs Act 1962 is more than the penalty prescribed under the Trademarks Act 1999. The Customs Act 1962, like the Trademarks 1999 does not fix the maximum penalty; instead, it depends on the value of the improperly exported or imported goods or INR 5000 whichever is greater. However, the Customs Act 1962 applies only to improper imports and exports but not the trade inside the country. In the case of manufacturing and selling of counterfeiting goods inside the territory of India, the Trademarks Act 1999 is the applicable law, but the punishment for counterfeit goods is not adequate to deter further counterfeiting. Consequently, counterfeiting is still a significant problem in India. The Trademark Act 1999 should follow the footsteps of the Customs Act 1962 and not stipulate the maximum penalty.

6.8 Judicial Treatment of Fashion Counterfeits

All the counterfeit cases are trademark infringements, but all the trademark infringements are not counterfeits.²⁶⁰ Drawing a thin line between counterfeit and trademark infringement is crucial. In the case of counterfeit, fashion designs are manufactured by the counterfeit manufacturer in such a way that it is indistinguishable from the original branded products, but in the case of trademark infringement, the trademarks look deceptively similar to the original trademarks. A trademark infringement might be intentional or unintentional, but in the case of a counterfeit, it is a deliberate act to deceive the consumers. It is trademark infringement when the infringer tries to create confusion between the infringed and the original products. In a counterfeit case, the manufacturer tricks the consumer into believing they are purchasing the original trademarked product. Trademark infringement is well defined under the Trademarks Act 1999 whereas counterfeit isn't defined. This being the situation, it is no wonder that none of the fashion brands has registered a case for counterfeiting; rather, all the cases have been filed as trademark infringements.

India has seen a rise in the cases filed against counterfeit fashion design manufacturers. Fashion houses are concerned about the losses they incur due to counterfeit fashion made available to consumers at a cheaper price. All the cases have been filed for trademark infringement under section 29 of the Trademarks Act 1999 and have not invoked sections 103 or 104 that deal with counterfeiting. Guccio Gucci filed a counterfeit case against Shipra Overseas, owned by Iniyaz Sheik, alleging intentional use of the Gucci trademark on their fashion products, thus creating confusion in the minds of the consumers. An ex parte order was passed by the Tis Hazari Courts, Delhi and granted a permanent injunction in favour of the plaintiffs as the prima facie case was made out by the plaintiffs and ordered two lakhs rupees to be made as damages.²⁶¹ In the next case, *Hermes*

²⁶⁰ *Trademark Infringement and Counterfeiting*

<https://selvams.com/blog/trademark-infringement-and-counterfeiting/> (Last Accessed Mar. 15, 2023)

²⁶¹ CS (COMM) NO. 2090/2019.

*International & Anr v. Macky Lifestyle Private Limited*²⁶², the plaintiff alleged that the defendants deceived the consumers into believing that Hermes had launched a new range of “Birkin” Bags that were budget-friendly to the consumers. Hermes claimed that the defendants were violating Hermes, a well-known mark, by selling similar bags, which would cause plaintiffs irreparable loss. The Court passed an ex parte order in favour of the plaintiffs and granted an ad-interim injunction. Next case in the line, *Blue Heaven Cosmetics Pvt Ltd V. Shivani Cosmetics*²⁶³, the Court ordered an ex- parte interim injunction against the defendants for using the identical wordmark ‘Blue Heaven’ on the eyeliners. These are only a few cases to name. Christian Louboutin has filed multiple cases for infringement of his red-heeled soles. Louis Vuitton, Burberry, Givenchy, Cartier International and many others have filed multiple cases of trademark infringement and no case of counterfeiting. Trademark infringement and passing off are civil offences, whereas counterfeiting is criminal. Considering counterfeiting as a criminal offence, on the one hand, and not providing the definition for the word on the other hand, creates oblivious confusion. Neither the Trademark Office nor the judiciary has taken active steps to define it.

6.9 Prevention of counterfeiting in the fashion industry at the Global Level

Countries have been taking strict and stringent preventive and punitive measures to regulate counterfeiting. Knockoffs and counterfeiting being a borderless problem, cooperation amongst the countries is required. The authorities that regulate counterfeiting across a few nations are given in table 2. The USA, the UK, France, Italy, and Kenya have been considered for this purpose. The USA and the UK are considered because they are developed countries with strict laws to combat counterfeiting. France and Italy have been considered for two reasons; firstly, the research is about combating counterfeiting in the fashion industry and Italy and France are the fashion hubs and secondly, these countries have effective

²⁶² CS(COMM) 716/2021.

²⁶³ CS(COMM) 702/2021.

non-profit organisations to counter the counterfeit problem in the fashion industry. Kenya is considered for this analysis as it is the only country with exclusive legislation to combat counterfeit goods. All the other countries consider border force or customs as the authorities to prevent counterfeiting, but Kenya has the Anti-Counterfeit Authority (ACA) to fight against counterfeiting.

Table 5 - Countries and their enforcement authorities to combat counterfeit including non-profit organisations.

Name of the Country	Exclusive National Authority to prevent Counterfeiting	Non Profit Association to prevent counterfeiting	Non-exclusive national authority that also prevents counterfeiting
The USA	None	The International Anti - Counterfeiting Coalition Inc	US Customs and Border Protection (CBP) U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigation (HSI)
France	None	Comite Colbert Union des Fabricants	Les douanes (Customs)
Italy	None	None	ADM or Agenzia delle Dogane e dei Monopoli (Customs and Monopolies Agency)
The U.K	None	The Anti-Counterfeiting Group - works with the EU	The National Crime Agency UK Border Force and Her Majesty's Revenue and

			Customs
India	None	ASPA	Customs Authority of India
Kenya	Anti-Counterfeiting Authority - 2008	None	Not applicable

6.10 Analysis of ACA and success story of Kenya in Combating Counterfeiting

Kenya is a country that is TRIPS compliant and has IPR laws in place. Despite the IP laws in Kenya, it suffers from counterfeiting. With the intention to systematically reduce counterfeiting, Anti-Counterfeit Act 2008 was enacted. ACA is an authority established under the Act to regulate counterfeiting within the territory of Kenya. The Anti-Counterfeit Act 2008 contains provisions relating to the power and functions of the ACA, funds for the authority, inspection of counterfeit goods and penalties for involvement in counterfeit goods. The ACA has reported that counterfeit products in Kenya accounted for about 100 billion Kenyan shillings in 2020.²⁶⁴

6.10.1 The Anti-Counterfeit Act 2008

The Act was enacted by the Parliament to prohibit trade in counterfeit goods and set up the ACA to achieve the above purpose. The Act under section 2 contains the definitions for the words ‘counterfeiting’, ‘counterfeiting goods’ ‘counterfeiting goods depo’ and ‘counterfeit mark’. The counterfeiting definition under the Act is comprehensive and deals with counterfeiting with respect to

²⁶⁴Alex Nelson Malanga, *Tanzania and Kenya agree to jointly fight counterfeit products*, *THE CITIZEN*, Apr. 12, 2023, [https://www.thecitizen.co.tz/tanzania/news/business/tanzania-and-kenya-agree-to-jointly-fight-counterfeit-products--4196302#:~:text=In%20Kenya%2C%20the%20value%20of,%2DCounterfeit%20Authority%20\(ACA\).](https://www.thecitizen.co.tz/tanzania/news/business/tanzania-and-kenya-agree-to-jointly-fight-counterfeit-products--4196302#:~:text=In%20Kenya%2C%20the%20value%20of,%2DCounterfeit%20Authority%20(ACA).)

IPRs. It is considered counterfeiting if the following actions are committed without the authorization of the IP holder; firstly, manufactures, produces, packages, re-packages, and labels, whereby such goods are imitated in a way that they look substantially similar to the IP-protected goods. Secondly, causing confusion to the consumers between the IP-protected goods and the colourable imitation of those goods. Manufacturing, producing or making a colourable imitation of the protected IP goods causes calculated confusion to the consumers between such colourable imitated goods and the goods that originates from the owner or his licensee. Thirdly, manufacturing, producing or making copies in the territory of Kenya that violates the author's rights over his IP. Fourthly, deliberately and fraudulently mislabelling medicine of their sources or identity. 'Counterfeit goods' are defined as goods resulting from counterfeiting with valid IPR. Furthermore, a 'counterfeit goods depot' is defined as a place designated under section 29 of the Act. Section 29 states that the Board of the Authority may designate a place to be a 'counterfeit goods depot' and appoint a fit and proper person to be in charge of such a depot. 'Counterfeit mark' means a spurious mark, and the following all the essentials to prove a mark a 'counterfeit mark'.²⁶⁵ Firstly, such a mark is used in connection with goods, labels, stickers, documentation or packaging of any nature. Secondly, it is identical or substantially indistinguishable from the registered trademark in use, irrespective of whether the registration was known to the person or not. Fourthly, it is applied in connection with the goods for which the registration of a mark was granted. Fifthly, it intends to deceive and cause confusion in the minds of the people. Importing and exporting such counterfeit goods are also regulated under the Act.

The Anti-counterfeit Act 2008 considers the counterfeiting of goods a crime. It unambiguously defines the meaning of the word 'counterfeiting'. Counterfeiting covers any rights granted under the Copyright Act 2001; plant breeders' rights granted under the Seeds and Plant Varieties Act; any right protected under the Trade Marks Act; and any right protected under the Industrial Property Act 2001.

²⁶⁵ Allan Maleche & Emma Day, *Right to Health Encompasses Right to Access Essential Generic Medicines: Challenging the 2008 Anti-Counterfeit Act in Kenya*, 16 HEALTH & HUM. Rts. J. 96 (2014).

Counterfeiting a trademark is considered as counterfeiting irrespective of the infringer's intention. The Act also allows the ACA to take cognizance of the import and export of counterfeit goods. Customs Authority and the ACA have concurrent powers to take cognizance of the imports and exports counterfeiting. However, if the counterfeiting goods are manufactured, produced, labelled and sold in Kenya, then only ACA has the authority to deal with them. To enforce the provisions of the Act to create public awareness of counterfeit goods and to prohibit counterfeiting, under section 3, the Act has established the Anti-Counterfeit Authority.

The vision of the ACA is to make Kenya a counterfeit-free country. The mission is to prohibit counterfeiting through the promotion and enforcement of IPRs. The functions of the authority are given under section 5 of the Act; to educate, enlighten and keep the public informed on the issues of counterfeiting; to combat counterfeiting in Kenya; to organise and promote training programmes to combat counterfeiting; to coordinate and cooperate effectively with other intergovernmental and international agencies involved in combating counterfeiting; to provide advice and recommendations to the Parliament through Cabinet Secretary for the efficient enforcement of IPRs; to carry out research, inquiries on the extent of counterfeiting prevailing and the IP enforcement in the territory of Kenya; other functions as deemed fit may be performed by the Authority to fulfil the vision and mission of the ACA.²⁶⁶

For the efficient and smooth functioning of the ACA, the Board of Authority is constituted under Section 6. According to Section 7, the Board has the power to frame policies for the smooth functioning of the ACA, control the assets of the ACA, receive and invest funds on behalf of the ACA, enter into association with other bodies in furthering the purpose of the ACA and open and maintain banking accounts for the ACA. The Board has the power to appoint inspectors under section 22 of the Act. The powers of the inspectors are envisaged under section 23 and are as follows: enter and inspect any place or vehicle or premises if they

²⁶⁶ Margaret Bruce, *Combating Counterfeiting and Piracy: The Commonwealth Initiative*, 35 COMMW. L. BULL. 703 (2009).

suspect there are counterfeit goods physically present or such goods are being manufactured; take necessary steps to terminate the process of manufacturing, producing or making counterfeit goods; seize and detain those industrial apparatuses or tools through which counterfeit goods are manufactured or produced; question and demand to procure those documents from a person with reference to the act of counterfeiting and seal off any place where the counterfeiting goods are manufactured or produced. The inspectors also have the power to make an arrest without a warrant if there is a reasonable ground to suspect that the person has committed any of the offences under the Act.

The Act enlists offences under section 32. It shall be an offence to possess, manufacture, or produce counterfeit goods in the course of trade; to sell, hire or exchange counterfeit goods; exhibit or expose counterfeit goods; distribute any counterfeit goods for the purpose of trade, import into or export any counterfeit goods from Kenya except for domestic and private use; disposing of counterfeit goods; to have in possession in the course of trade any labels, stickers, documentations or packaging on which the counterfeit mark is applied; aids or abets commission of any offence under the Act; import any goods into Kenya that is not recorded with the ACA, fail to or falsely declare the subsisting IPR in any goods imported to Kenya; import into or transit through Kenya any labels, stickers, documentations, or packaging of any type or nature, with a counterfeit mark applied. If the IPR holder suspects that any offence under section 32 is being committed, he can lodge a complaint with the Executive Director of the ACA, provided that the goods are prima facie IP-protected, the IP subsists in the protected goods, and the applicant is the prima facie owner of the IP. Upon such application, if the executive director is satisfied that the applicant is the prima facie owner of the protected goods and there is a reason to believe that the complaint is made in reasonable circumstances, he shall cause to take appropriate action.²⁶⁷

²⁶⁷*Id.*

The penalty for the offence committed under section 32 is provided under section 35. In case of a first conviction, imprisonment for a term of not more than five years or a fine not less than three times the value of the prevailing retail price of the goods is calculated with respect to each article involved or both. In case of a second or subsequent offence, imprisonment for not more than fifteen years or a fine not less than five times the value of the prevailing retail price of the goods, or both. There is also a provision to penalise corporations for counterfeiting of goods. If any body corporate has committed with the consent attributable to any director, manager or other similar officers of the body corporate, he and the body corporate would be considered as offenders. The punishment for the same is based on if it's a first offence or second or subsequent offence. Furthermore, during any judicial criminal proceedings, if the court believes that the suspect has benefitted in some way from dealing with the counterfeit goods, the court shall order the ACA to forfeit such benefits within a period of three months.

6.10.2 Miscellaneous provisions that empower ACA

ACA is a dedicated authority to deal with counterfeiting in Kenya. ACA has suo motu powers to investigate any matter related to counterfeiting if they have reasonable grounds to believe the act of counterfeiting is taking place.²⁶⁸ ACA can take cognizance of counterfeit goods even if they are in transit through Kenya. ACA has jurisdiction over all the offences relating to counterfeiting as long as it is committed on their soil. There is also scope for outside settlement between the IP holder and the infringer. If they are not able to reach a settlement within three months, ACA will proceed with the criminal complaint. Furthermore, they introduced an IP recordation system in 2018 by amending the Act to encounter the counterfeiting of goods. However, the regulations for the IP recordation system were released only in 2021. Though the Act specifically talks only about the recordation of the trademarks under section 34B, the Anti-Counterfeit recordation regulations contain provisions to record all the IPR. The IP holders should record

²⁶⁸ Johanna von Braun & Peter Munyi, *New Enforcement Mechanisms Challenge the Legality of Generics in the Name of Public Health: The Emergence of Anti-Counterfeiting Legislation in East Africa*, 18 AFR. J. INT'L & COMP. L. 238 (2010).

their trademark with the ACA, as required under section 34B of the Act if they want to import any goods to Kenya. This would lead to dual registration of IPR. For instance, a trademark is registered under the Trademarks Act, and if such a brand owner intends to import his goods to Kenya, he also should register the trademark with the ACA. This definitely increases the cost of brand protection in Kenya but ensures that there is a database with the ACA of all the IPRs held by their holders. Upon registration, the ACA will issue a certification mark. Any goods without the certification mark will be seized by the ACA immediately. Such registration of IP with the ACA is valid. It is also pertinent to note that the IP recordation system is not applicable to exports. IP recordation was introduced only in 2021, and ACA allowed IP holders to register till January 2023. Thus, it is too early to judge the effectiveness of IP recordation in combating the counterfeiting of goods. Furthermore, the ACA's "Fagia Bandia" ("Sweep the Counterfeits") campaign, launched in 2016, was one of its most successful public awareness efforts. The "Fagia Bandia" campaign was a statewide project that attempted to raise public awareness about the hazards of counterfeit goods and encourage them to buy real products. The campaign included radio and television commercials, billboards, posters, and a social media effort. The "Fagia Bandia" campaign was a huge success in terms of increasing awareness about the hazards of counterfeit items and emphasising the significance of purchasing authentic products.²⁶⁹

6.11 Punishment for Counterfeiting - A Comparative Study

Counterfeiting goods is widespread in India. Considering counterfeiting as a crime under the Trademarks Act 1999 is not sufficient enough to reduce counterfeiting. Any type of crime can be controlled only if the punishment prescribed is deterrent enough. The punishment for counterfeiting is prescribed

²⁶⁹ Kenya Loses Over Ksh 70B Through Counterfeit Products, <https://www.citizen.digital/news/kenya-loses-over-ksh-70b-through-counterfeit-products-7479> 3 May 15, 2014 03:45 (EAT)

under sections 103 and 104 of the Trademarks Act 1999. But the punishment prescribed is not proportional to the crime committed. Fashion designers invest enormous labour and a huge amount of money to create a fashion design. Counterfeiting a fashion design would be lesser, and pirating an already pirated design would even cost less. One of the ways to tackle the issue of counterfeiting is to create a deterrent effect in the punishment prescribed. Various countries and the punishment prescribed for counterfeiting are given below in Table 4. The U.S. and the UK are considered for the purpose of comparison because they are developed countries, France and Italy are considered because they are the fashion centres of the world, and it is relevant for the study. Kenya is also considered the only country with exclusive legislation and a dedicated authority to deal with counterfeiting.

Table 4 - Countries and their fines and imprisonment for both individuals and corporations for counterfeiting of goods and services

Countries and the legal provision	Fines - individual	Imprisonment - individual	Fines - Corporations
The USA 18 U.S.C. § 2320(b)(1)(A)	First offence - Up to \$ 2.0 million Repeated offence - \$5.0 million	First offence - 10 years Repeated offence - 20 years	First offence - \$5.0 million Repeated offence - \$ 15.0 million
France - Article 414 of the French Customs Code	Between one and two times the value of the counterfeit goods	3 years imprisonment	
	10 times the value of the goods if it is commissioned by an organised criminal group.	10 years imprisonment if it is commissioned by an organised criminal group.	

Italy - Law No. 99 of 23 July 2009 articles 473 and 474 of the Italian Criminal Code	EUR 2,500 to EUR 25,000 and	six months to three years imprisonment	500 shares for the counterfeiting crimes under Articles 473 and 474 of the IPC.
	Importing products bearing counterfeit trademarks into Italian territory: a fine from EUR 3,500 to EUR 35,000.	One to four years imprisonment	
	Introducing those products into the market: a fine of up to EUR 20,000 and	up to two years imprisonment	
The UK - Section 92 Trademarks Act 1994	fine not exceeding the statutory maximum and/or	not exceeding six months	
	on conviction of indictment - fine	Up to ten years imprisonment	
India - The Trademarks Act 1999	First offence - 50,000 - 2 lakhs	First offence - Six months - 2 years	
	Subsequent offence - not less than one lakh which can extend up to two lakhs	Subsequent offence - not less than one year which can extend up to three years	
The Customs Act 1962	Not less than the value of the goods or INR 5000, whichever is greater.		

Kenya - Anti-Counterfeit Act 2008	First-time offender - three times the value of the prevailing retail price of the goods Subsequent offender - five times the value of the prevailing price of the goods.	First-time offenders - up to five years Subsequent offenders - up to fifteen years	Corporation is also liable like any other person
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India and Italy are the two countries levying lesser fines and less imprisonment compared to other countries for counterfeiting in Table 4. Customs Act 1962 considers counterfeiting as a civil offence and imposes a fine. Accordingly, any improper imports, including counterfeiting, are fined, which is not less than the value of the goods or INR 5000, whichever is greater. Trademarks Act 1999 considers counterfeiting a crime and imposes imprisonment and fines as a punishment. However, the maximum amount of fines is fixed. In a first offence, the fine cannot be less than fifty thousand rupees and not more than two lakh rupees. In case of a second or subsequent offence, the fine cannot be less than one lakh rupees or more than two lakh rupees. Fines are fixed under the Act and are not determined based on the value of the counterfeit goods. Penalising with less amount fines is a mockery on the face of the Indian fashion industry. This also could be the reason why fashion houses have not chosen to file a counterfeit case but instead filed a trademark infringement suit and claimed injunctions and damages. For this reason, it can be perceptible that India is considering counterfeiting as a soft crime.²⁷⁰

²⁷⁰ Peter Lowe, *The Scope of the Counterfeiting Problem*, 7 Currents: INT'L TRADE L.J. 78, 80 (1998).

6.12 Non-legal solutions to tackle counterfeiting in the fashion industry

The Government, the fashion houses and the NGOs are three key stakeholders who could take steps to combat counterfeiting. The laws enacted by the Parliament with respect to counterfeiting have been discussed already. The fashion houses could use technology to mitigate counterfeiting. Fashion brands can employ artificial intelligence (AI), blockchain technology and QR codes to identify original designs from counterfeit ones. NGOs can mitigate counterfeiting in the fashion industry by collaborating with the government and fashion houses. Counterfeits are manufactured because they have a consumer base. Public awareness programs by the government, fashion brands and NGOs could be beneficial in educating the public about the harmful effects of counterfeit fashion goods. A discussion on the use of technology to combat counterfeiting will be followed by a discussion on the role of NGOs in stopping counterfeiting in the fashion industry.

6.12.1 Use of Technology by the Fashion Houses to Combat Fashion Counterfeit

Technology has become an aider for those who manufacture or produce counterfeit goods. Online websites and social media are the major sources of distribution of counterfeit products, especially products of luxury fashion brands. Instagram accounts and Facebook accounts can be created and used as a distribution channel. Technology enables the creation of a counterfeit at a very low cost, and falsification of a product is thus easier than ever before. Selling counterfeit fashion products on these websites and social media platforms results in huge losses for fashion brands. On the one hand, technology acts as a catalyst in the process of counterfeiting, but on the other hand, it assists fashion brands to identify and stop counterfeiting.²⁷¹ Thus, technology is a two-edged sword when it

²⁷¹ Lorrie Willey, *RFID and Consumer Privacy: Let the Buyer Beware!*, 10 J. LEGAL ETHICAL & REGUL. ISSUES 25 (2007).

comes to counterfeiting. Machine learning, AI, blockchain and smart contracts are a few of the ways that fashion brands could employ to combat counterfeiting. Holograms, special inks and Radio Frequency Identification (RFID) are the specific and surer technologies that are adopted by the big fashion houses to stop their product counterfeiting.²⁷² Fashion brands are engaging in AI-based technology to verify the authenticity of the product, track and trace them and finally decode the history through the supply chain.

The consumer base is the biggest motivation and contributing factor to the rise in the counterfeiting business. Consumers with full knowledge purchase counterfeit fashion. The consumer believes that the brands reflect the person they are, so they purchase and use counterfeit fashion guilt-free. Technology is falsifying products in such a way that it's becoming difficult to distinguish between counterfeit products and original products. There are little to no faults in the counterfeit fashion products, and look deceptively similar to the original fashion products. Recent research predicts that AI-based monitoring technology can detect 70% of all the faults that are present in a counterfeit product, whereas manual processes could detect such faults between 35% to 60%.²⁷³

Undoubtedly, technology makes the process of counterfeiting easier. But there is multiple software like MarkMonitor, Cyveillance and BrandDimensions that can be used to track and detect the websites which illegally make use of others' identities. Louis Vuitton uses RFID tags, Gucci's microprint on its label is difficult to fabricate without sophisticated technology and Chanel uses holograms stickers, watermarks and serial numbers to verify the authenticity of the products.²⁷⁴ Nike, in collaboration with the University of Auburn, initiated RFID

²⁷²Laura Meraviglia, *Technology and counterfeiting in the fashion industry: Friends or foes?*, *Business Horizons*, 61(3). Bus. Horiz., 467, 469 (2018);

²⁷³ Shull, F., Boehm, V.B., Brown, A., Costa, P., Lindvall, M.,Port, D., Rus, I., Tesoriero, R., and Zerkowitz, *What We Have Learned About Fighting Defects*, In Proceedings of the Eighth International Software Metrics Symposium, 249-258, (2002).

²⁷⁴ *How Anti Counterfeiting Technology is being used to protect luxury*, <https://www.cxotoday.com/specials/how-anti-counterfeiting-technology-is-being-used-to-protect-luxury-brands/><https://www.cxotoday.com/specials/how-anti-counterfeiting-technology-is-being-use>

tags and blockchain technology to check counterfeiting, which is patented in the U.S.²⁷⁵ Etsy, an online shopping website, has initiated a Legal Response and Enforcement team to review the complaints on counterfeit products sold on their website. If Etsy is satisfied that the seller is selling counterfeit products, along with the seller's shop, it also terminates its contract with the other shops related to the seller. These terminations are bound to have a deterrent effect on the other sellers. However, Etsy still has counterfeit products on its website. Amazon has launched Anti-Counterfeiting Exchange (ACX), an initiative where it enables the participating stores to share information about counterfeit products on their site.²⁷⁶ Online websites can be created and destroyed easily without leaving any trace about the creator of such websites. Online shopping websites act merely as an intermediary between buyers and sellers. They can claim a 'safe harbour' defence under section 79 of the Information and Technology Act 2002 and thus are not liable, provided the conditions are fulfilled. However, mandating at least one anti-counterfeiting software to identify fashion counterfeits for every online shopping site can be a solution to tackle counterfeiting in India.

Blockchain technology has the potential to assist the fashion industry immensely in preventing counterfeit fashion. A new block is added to the chain of blocks as and when a fashion design is moved down to the consumer. The creator of the fashion design or the manufacturer enters the required details of the design and initiates a block. When it is moved down to the supplier, he cross-verifies if there has been any tampering with the data in the blockchain created by the manufacturer. The supplier, if satisfied that there is no tampering of data, enters the details like the destination, and the consumer details thus creating another block in the blockchain. Finally, when the consumer purchases the product, he can verify the history of the blockchain transaction and check the authenticity of the fashion design. Fashion design is original if there is no tampering with the data in the blockchain and if the details given by the manufacturer and the supplier are

d-to-protect-luxury-brands/#:~:text=Gucci%20uses%20microprinting%20to%20protect,replicate%20without%20sophisticated%20printing%20technology (Last Accessed Mar. 15, 2023).

²⁷⁵ US Patent No. 10505726B1.

²⁷⁶ AMAZON, <https://brandservices.amazon.com/anticounterfeitingexchange> (Last Accessed June. 15, 2023).

the same. In this system, the manufacturer and the supplier add separate blocks without tampering with the data of the already existing block.²⁷⁷

6.12.2 Role of NGOs in Mitigating Fashion Counterfeits

NGOs can be game changers in combating fashion counterfeits. Fashion hubs like Italy and France have NGOs working exclusively to combat counterfeit fashion. In France, Comité Colbert and Union des Fabricants (Unifab) work with governmental agencies to combat counterfeit fashion. Unifab also owns a counterfeit museum to create awareness among the public about the harmful effects of purchasing fashion counterfeits. Asociación para la Defensa de la Marca (ANDEMA) of Spain organises effective campaigns to stop counterfeit fashion. The Anti-counterfeiting Group (ACG) of the UK has fought counterfeits in all sectors, but not limited to the fashion industry. The International AntiCounterfeiting Coalition Inc. (IACC) of the U.S. is an NGO that solely deals with counterfeit but does not restrict itself to the fashion industry. Authentication Solution Providers' Association (ASPA) of India, an NGO, provides its members with the best authentication solution technologies to stop counterfeiting, but not exclusive to the fashion industry. Though exclusively dedicated to the fashion industry, the Fashion Design Council of India (FDCI) does not aim to combat counterfeiting in the fashion industry but instead promotes sustainable fashion. This part of the chapter examines the extent of effectiveness of NGOs in combating counterfeiting in the fashion industry.

6.12.2a France - Comité Colbert and Unifab

France witnesses fashion counterfeits, especially in the tourist spots like the Louvre and the Eiffel Tower. The President and the CEO of the Comité Colbert, Elisabeth Ponsolle des Portes, once said, "Creativity cannot express itself, gain recognition and prosper unless intellectual property rights are strictly respected,

²⁷⁷ Kunal Wasnik¹, Isha Sondawle¹, Rushikesh Wani, and Namita Pulgam, *Detection of Counterfeit Products using Blockchain*, 44 ICACC (2022).

for this ensures that creators receive fair compensation for their labours."²⁷⁸ Comite Colbert firmly believes that IP protection for the fashion industry is crucial for its growth. It, in fact, furthered the enacting of the Longuet Law in France. Currently, Longuet Law is responsible for stopping counterfeiting in France. Its members include various fashion brands like Balenciaga, Chanel, Christian Louboutin, Givenchy, Christian Dior Couture, Hermes, Louis Vuitton, and others are its members.²⁷⁹ It organised an advertising campaign with the illustrator Serge Bloch, in collaboration with UNESCO, to combat online and offline counterfeits.²⁸⁰

Unifab is a French association to promote and defend intellectual property rights. It has 200 companies and other professional federations as its members. Adidas Group, Burberry Ltd, Decathlon, Fossil, Gucci France SA, L'Oréal, Nike, Prada, Swarovski, Tommy Hilfiger, and Yves Saint Laurent are a few members of the organisation.²⁸¹ It strives to bring solidarity to the fight against counterfeiting and piracy. It also provides operative services to the IP right holders whose goods are being counterfeited. They also run a museum of counterfeits to bring awareness to the public about the detrimental effects of purchasing counterfeit fashion. The museum is supervised by the Ministry of Economy, Finance and Industry and the Ministry of the Interior. They exhibit counterfeits seized by the Customs, Police and Gendarmerie agents.²⁸² The museum exhibits counterfeits next to the original to educate consumers. The original products are given by the companies themselves.²⁸³

6.12.2b Spain- ANDEMA

²⁷⁸ Thomas Adamson, *French campaign fights counterfeit fashion*, THE SEATTLE TIMES, June. 03, 2012 7.31 am,

<https://www.seattletimes.com/life/travel/french-campaign-fights-counterfeit-fashion/>

²⁷⁹ Comitecolbert, <https://www.comitecolbert.com/en/> (Last Accessed Mar. 15, 2023)

²⁸⁰ *France's Comité Colbert Sends an Important Message About Buying Knockoffs*, Vogue, June. 24, 2015, <https://en.vogue.me/archive/legacy/comite-colbert-unesco-against-knockoff-industry/>

²⁸¹ Unifab, <https://www.unifab.com/en/the-members/> (Last Accessed Mar. 15, 2023)

²⁸² Museecontrefacon, <https://musee-contrefacon.com/exposer-le-faux/> (Last Accessed Mar. 15, 2023).

²⁸³ *Id.*

ANDEMA belongs to the Global Anti-Counterfeiting Network (GACG) and the Association des Industries de Marques (AIM, the European Trademarks Association). It has various private and public entities, including the European Union Patent and Trademark Office (EUIPO), as its members. It has organised various campaigns effectively to stop counterfeiting. In 2017, ANDEMA, in collaboration with Customs Department and other governmental agencies, organised an event highlighting the detrimental effects of counterfeit goods and their wide distribution online. They also released a video that helps the common man to understand IP rights.²⁸⁴ ANDEMA, in collaboration with the Spanish Patent and Trademark Office (OEPM) and the Madrid City Council, organised an awareness campaign with the slogan "IF YOU BUY COUNTERFEITS GOODS, THE ADVENTURE ALWAYS END WRONG". It also organised a road show and distributed an informative guide concerning counterfeits and their ill effects.

6.12.2c UK - Anti-counterfeiting Group

ACG is an international non-profit trade association that is dedicated to protecting brands from counterfeiting by extending cooperation and working with national and international organisations. One of the goals published on their website is to develop knowledge on IP enforcement and provide training about counterfeiting through roadshows, campaigns, border force and brand protection training. ACG is not exclusive to fashion counterfeits but is against counterfeits of any sector. A few of the fashion brands that are members of ACA are Adidas, Chanel, Burberry, Hermes, Michael Kors, Puma, Nike, Rolex, Tiffany and others. There are professional members who provide technological and legal services to the brands to promote their brands and prevent counterfeiting. They have initiated various posters to stop counterfeiting. In their posters, they have mainly highlighted the dangers of purchasing counterfeit products like the revenue from counterfeit goods could be utilised as funds for organised criminal activities, terrorism, drugs and modern slavery.

²⁸⁴ Asociación para la Defensa de la Marca / ANDEMA, La historia de Marta y Juan- Día Antifalsificación, YouTube (Jul. 05, 2017), <https://youtu.be/MT6x4kH0SXE>.

6.12.2d The U.S.- International Anti-Counterfeiting Coalition

IACC is an exclusive association to combat counterfeiting from the economy and has its headquarters in Washington DC. Its main objective is to end counterfeiting and IP theft by promoting laws. It initiates various programs with government and private organisations to enforce the IP laws better and to ensure that IP theft is properly prosecuted, thus creating a deterrence effect on the IP infringers and pirates. It has various brands, IT companies and law firms as its members. Levis Strauss, Chanel, Louis Vuitton, Victoria's Secret and others are members of the fashion industry. The legal firms that are its members ensure that the IP infringers are prosecuted effectively. IT companies provide various technological solutions to member brands to stop counterfeiting. One of the many initiatives to counter counterfeiting by the IACC is its RogueBlock®. It is a technological solution that initiates partnerships with various credit and financial services to block payment to the counterfeiting merchant accounts. It has terminated almost 5000 merchant accounts and 200,000 online websites.²⁸⁵ The IACC also has a full exhibition at Alcatraz East Crime Museum in Pigeon Forge, Tennessee. It's an interactive exhibition where the users are made to learn the ill effects of counterfeiting. It has a juxtaposition of the original and the counterfeit goods from apparel, footwear and household products.

6.12.2e India - ASPA and Fashion Design Council of India

ASPA is a non-profit organisation established in 1988 and has been working towards providing technological solutions to stop the counterfeiting of goods in all sectors. It has more than sixty IT companies to provide physical and digital authentication software. It encourages adopting best practices using technology effectively and provides cost-effective authenticating solutions to combat counterfeit products. The ASPA has launched 'Consumers Connect' wherein consumers can report the fake and counterfeit products available online, and

²⁸⁵ Ellie Mertens, *Technology Alters the Anti-Counterfeiting Landscaping*, 275 MANAGING INTELL. PROP. 35 (2018).

subsequently, an action shall be taken to remove such goods from the website.²⁸⁶ It has released various reports examining the extent of counterfeiting existing in all the sectors in India. FDCI is yet another non-profit organisation working exclusively for the fashion industry. Anita Dongre, Manish Malhotra, Ritu Beri, Ritu Kumar, Rohit Bahl, Tarun Tahiliani, Sabyasachi Mukherjee and other designers are its members. But FDCI mainly focuses on sustainable growth in the fashion industry and, to that effect, organises various fashion shows. ASPA deals with counterfeit products but is not exclusive to fashion counterfeits, and FDCI exclusively deals with promoting sustainable fashion but does not take any steps to combat counterfeiting. Thus, in India, no NGOs work exclusively to combat counterfeiting in the fashion industry like in France. Neither ASPA nor FDCI has launched any initiatives to increase public awareness regarding fashion counterfeits.

6.13 Observations

As per the estimates by Bain & Co, the luxury fashion industry in India is valued at around \$6 billion, and growth is expected to be around 15- 20% a year. Furthermore, YES Bank estimates the current luxury market to be valued at \$8 billion in 2013.²⁸⁷ Dilijeet Titus of Titus & Co stated that with all the measures in place to check counterfeit goods in India, the counterfeit market for the luxury fashion goods is growing around 40% per year.²⁸⁸ Pravin Anand of Anand & Anand rightly pointed out that the growth of counterfeits in the fashion industry is proportional to the deterrence created by the brands in the minds of the IP infringers.²⁸⁹ A crime needs to be punished as it is a public offence and is

²⁸⁶ ASPAGLOBAL, September 2018 News Issue, https://www.aspaglobal.com/pre_upload/repo/1576489109-9add1f617678c4a155970c1fdb4b18f2-Authentication%20News%20Issue%20September%202018.pdf, (Last Accessed Mar. 15, 2023).

²⁸⁷ Vijaya Rathore, *Luxury brands like Hermes, Gucci & others to take on faster growing fakes in India*, The Economic Times, Aug. 28, 2013 5.28 pm IST https://economictimes.indiatimes.com/industry/cons-products/fashion-/-cosmetics-/-jewellery/luxury-brands-like-hermes-gucci-others-to-take-on-faster-growing-fakes-in-india/articleshow/22107281.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

²⁸⁸ *Id.*

²⁸⁹ *Id.*

punishable because it creates fear in the mind of future perpetrators. However, the problem in considering counterfeiting as a ‘crime’ in India is that the word ‘counterfeit’ is not found under the Trademarks Act 1999. ‘Counterfeit’ is rampant in India across all sectors, especially in the fashion industry, but the word has found no place in the Trademarks Act 1999. Though the Act penalises those who sell goods or services by falsely applying trademarks without authorisation, it does not cover knockoffs and look-alikes where the product is manufactured similarly to the original but does not contain the trademark. In the case of knockoffs, look-alikes and deep fakes, the trademark of the original brand doesn't need to be applied to them. Many look-alikes that are sold claim that they have taken inspiration from the original brand. Thus, it does not fall under falsely applying a trademark or a trade description which is considered a crime currently under the Trademarks Act 1999. There is a need to include the word ‘counterfeit’ and provide a comprehensive definition to combat counterfeiting in India. For this purpose, India could look at the Anti-counterfeit Act 2008 of Kenya.

Furthermore, sections 103 and 104 penalise falsely applying trademarks or trade descriptions and selling such falsely applied trademarks and trade descriptions, respectively. Counterfeiting is more than falsely applying trademark and trade descriptions. Counterfeiting should also cover knockoffs, look-alikes, deep fakes and replicas in its ambit.²⁹⁰ The punishment prescribed for falsely applying trademark and trade descriptions is not sufficient compared to other countries to create deterrence in the minds of the perpetrators. In case of applying a trademark or trade description falsely, a first-time offender is punished with imprisonment not less than six months but not exceeding two years and with a fine of fifty thousand to two lakhs. The subsequent offender is punished with imprisonment not less than one year, which may extend up to three years, and with a fine of one lakh rupees which may extend up to two lakhs. The fine prescribed is fixed, but it should rather be based on the value of the counterfeited goods so that deterrence is created in the minds of the future perpetrators. Sections 103 and 104 penalise only if the trademarks are applied falsely, but in case of knock offs and look-alikes, the

²⁹⁰ Colleen Jordan Orscheln, *Bad News Birkins: Counterfeit in Luxury Brands*, 14 J. Marshall REV. INTELL. PROP. L. [i] (2015).

trademark is not applied. So, in the case of knockoffs and look-alikes, the fashion designer is bound to file a suit for trademark infringement, a civil remedy and a claim for injunction with or without damages.

Tarun Tahiliani once expressed his grief that IPRs in India have no value. He also mentioned the greater danger for the fashion industry is when there are no differences between the look-alikes or knock offs and the original. This would result in the consumer believing that the bad-quality copy itself is original. He further shared a case that he filed a case of trademark infringement against the designer who had made an identical copy of his apparel with her brand name on it. In this case, there was no false application of the trademark. A look-alike of Tarun Tahiliani's apparel was created by a designer, and her name was printed on the outfit. The case continued so long that the printer who had printed his design for the look-alike even passed away. In India, the Customs Authorities effectively regulate counterfeiting with respect to imports and exports. However, the goods that are manufactured and distributed in the territory of India have to be regulated adequately. India, like Kenya, should have exclusive authority to deal with counterfeiting. With an exclusive authority to deal with counterfeiting, justice is more promising and realistic for the fashion industry.

The role of the customers in promoting fashion counterfeits is not insignificant. The large consumer base is the reason why the counterfeiting market is thriving. Without consumers buying, there would be no business for counterfeit manufacturers.²⁹¹ NGOs can step in here to create awareness among the public about the harmful and detrimental effects of counterfeit products on health and lifestyle. In France, there are two NGOs especially dedicated to combat counterfeiting in the fashion industry. Other countries like Spain, the UK and the US have NGOs working relentlessly to stop counterfeiting but are not dedicated solely to the fashion industry and fashion counterfeits. The NGOs of these countries conduct road shows, campaigns, and posters to create awareness in public regarding the adverse effects of buying counterfeit. They also cooperate

²⁹¹ Erin Fitzgerald, *The Fashion Police: Criminalizing the Knowing Purchase of Trademark Counterfeit Fashion Items*, 47 NEW ENG. L. REV. 127 (2012).

and coordinate with governmental and private agencies to stop counterfeiting. These NGOs also strive to provide technological solutions to their member brands to combat counterfeiting. In India, ASPA provides technological assistance and authentication solutions to brands aiming to stop counterfeiting. ASPA is not an exclusive association to deal with fashion counterfeits but deals with counterfeits in all industries. The Fashion Design Council of India is exclusive to the fashion industry but does not intend to combat counterfeiting. Thus, neither of these associations in India has conducted any campaigns or roadshows to increase public awareness regarding the pernicious effects of purchasing counterfeit products.