

**Email-Response of International Trademark Association (INTA)'s Legislation and Regulation Committee, Europe and Central Asia sub-committee- Copycat packaging - Call for Evidence**

Dear Sirs,

The Europe and Central Asia sub-committee of the International Trademark Association's ("INTA") Legislation and Regulation Committee respectfully submits the following comments to the UK Department of Business, Innovation & Skills ("BIS") Review of the Enforcement Provisions of the Consumer Protections from Unfair Trading Regulations 2008 ("CPR") in respect of copycat packaging - Call for Evidence (the "BIS Review").

INTA is a not-for-profit association of trademark owners from more than 190 countries around the world, including all 28 Member States of the European Union. Our Association is headquartered in New York City, with representative offices in Brussels and Shanghai. Representing the trademark community since 1878, INTA is dedicated to the support and advancement of trademarks and related intellectual property as elements of fair and effective international commerce. INTA's membership includes over 6,600 trademark professionals spanning all fields of commerce and industry, including consumer goods makers, service providers, manufacturers and retailers.

INTA makes this statement to the BIS Review as a representative of a broad spectrum of brand owners and other stakeholders in the global trademark system. Our comments are accordingly limited to the effects that we, and INTA's members, have noticed in the operation of the UK trademark and other intellectual property laws that are used to combat copycat packaging. We do not offer any comments on the economic or competition rationales for or against the manufacture or retail of copycat products.

INTA believes that the sale of copycat products misleads consumers as to the quality, type and origin of those products to consumers' detriment. Consumers may purchase the wrong product, believing it to be another branded product, or buy a copycat product, intending to do so, but having been misled as to the nature and qualities of that product. The sale of copycat products also misappropriates the brands and designs of traders to benefit unfairly their competitors, thereby preventing fair and effective competition.

This sub-committee has had the benefit of reviewing an early draft of the submission of the British Brands Group ("BBG") to the BIS Review and it agrees with the conclusions reached by the BBG on the effectiveness of the law in the UK as it currently stands in preventing the sale of copycat products.

As the Hogan Lovells' study commissioned by the European Commission (EC/MARKT/2010/20D) published in January 2012 demonstrated, there are

noticeable inconsistencies in the treatment of copycat products by the courts of the European Union.[1] The UK has been regarded by brand owners and trade mark practitioners for some time as one of the more difficult jurisdictions in the European Union in which to enforce a brand owner's rights in respect of copycat products, even whilst action can often successfully be taken against those same products in other Member States.

Whilst this has in part been blamed on the difficulties of enforcing rights in passing off against brand cues used in copycat packaging, INTA believes that the prevailing view of its members for some time has been that this is likely to continue whilst the UK lacks a tort of unfair competition.

Indeed the Gowers Review of December 2006 concluded at paragraph 5.84 that the existing law was inadequate to protect businesses against the misappropriation of their brands and designs. It concluded at recommendation 37 that once the Unfair Commercial Practices Directive ("UCPD") had been transposed into UK law (which it was, as the CPR), the way in which it was enforced by local regulatory authorities should be monitored to see whether this would provide effective enforcement to counter instances of unfair competition.[2] Such monitoring was intended to be a necessary precursor to any assessment of whether a law of unfair competition ought to be introduced.

INTA submits that this has manifestly failed to be the case. It is the experience of INTA's UK members that it has proved to be very difficult to interest any regulatory authority tasked with enforcing the CPR in taking action against any copycat packaging. They are generally reluctant to take action in what is generally seen to be a business-to-business matter, irrespective of whether consumer confusion occurs, both because they lack the resources to do so and because they see their other responsibilities as being of a higher priority. We are informed that only one instance of enforcement against misleadingly similar packaging has been undertaken since 2008. We concur with the BBG in its view that "restricting enforcement to public authorities that do not have the resources or inclination to enforce falls short of the UCPD's requirement that 'adequate and effective means exist to combat unfair commercial practices'" and that it puts the UK in breach of Articles 10bis and 10ter of the Paris Convention and Article 2 of TRIPS and of its obligations to implement fully the UCPD.

Given that public enforcement of the CPR against copycat products has failed to take place in any meaningful way, INTA sees no significant change in how the UK market for copycat products has functioned from an enforcement perspective since the Gowers Review of 2006. Indeed, the perception of INTA's members who operate in the UK is that the presence of copycat products on the UK market is openly tolerated and difficult to combat. INTA sees little likelihood of any change in this regard unless brand owners in the UK are either given the opportunity to enforce privately the CPR against instances of misleading packaging, as they have in other

Member States of the European Union, or until a law of unfair competition is introduced.

In a Board Resolution of 3 March 1998,[3] INTA proposed that jurisdictions that do not yet have a law of unfair competition should introduce one, pointing by way of example to the differences in practice and protection available to traders in the UK and Germany. INTA remains of the view that the introduction of a tort of unfair competition in the UK would be the best possible way of addressing the issue of misappropriation of brand owners' rights and thereby preventing consumer confusion.

Nevertheless, in the absence of a law of unfair competition, INTA supports and proposes the introduction of a private right of enforcement of the relevant provisions of the CPR to combat instances of copycat packaging. This would place the onus of enforcement upon traders and brand owners who have both the resources to take action and the inclination to do so.

INTA notes the concerns expressed in the BIS Review as to whether the introduction of a private right of enforcement against copycat packaging, with the aim of preventing consumer confusion, would generate a more litigious atmosphere, and potentially one which encouraged vexatious or unnecessary litigation.

However, to the extent that the existence of a private right of enforcement resulted in an increase of litigation, it is important to note that all this would do is fill the enforcement gap that is already widely acknowledged to exist. It would not widen the scope of the right to take action under the existing law.

Further, if such cases were litigated before the current specialist IP civil courts, they would be considered by judges with experience and understanding of copycat products who would have at their disposal the usual provisions in the civil law that prevent or curtail vexatious litigation.

In practice, however, we consider that it is likely that a significant number of such disputes would be settled privately without recourse to the courts, particularly where the case involves a brand owner and one of its major customers, such as a supermarket chain.

Finally, the introduction of a private right of enforcement under the CPR would also establish a means of testing whether improved rights to enforce would encourage changes in behaviour amongst traders and retailers which would reduce the incidences of copycat products. That in turn would allow the UK government to evaluate, in line with recommendation 37 of the Gowens Review, whether there is a need for a tort of unfair competition.

For these reasons, INTA supports the introduction of a civil injunctive power for businesses to take action against copycat products under the CPRs.

Chair, Europe & Central Asia Sub-Committee of the INTA Legislation and Regulation Committee

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