Editorial

Covid-19 uncovers a new challenge for designers

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The Covid-19 pandemic presents an unprecedented range of challenges for our society. It is often said that in every difficulty there is opportunity, and many seem to have taken this to heart. The life sciences, technology and telecoms sectors in particular are supporting our efforts to adapt to and, hopefully, eradicate the virus. Intellectual property is of course a critical asset in those sectors, and this Journal has already published several articles considering the issues of IP law that have been raised.

For companies operating in the retail and consumer sectors, the challenges caused by the pandemic (including falling consumer confidence, supply chain difficulties, reduced footfall in physical stores and a forcibly accelerated digital transition) outweigh the commercial opportunities. Aside from home delivery services and making and selling the new work-from-home uniform (loungewear), one of the few obvious opportunities is the production of personal pandemic supplies (hand sanitizers, face coverings and gloves).

Many companies in the fashion sector have begun to sell their own face coverings, but a cottage industry has also developed which poses a risk to the owners of luxury brands. Enterprising individuals are repurposing designer scarves, handkerchiefs and other items as makeshift face coverings and selling these via online marketplaces. This is a problem for brand owners. It is now widely considered that face coverings offer a degree of protection from the novel coronavirus, but the level of protection depends on several factors, such as the material and method of construction.1 There is no guarantee that a repurposed garment will make an effective mask, so there is a potential safety risk for the consumer and those with whom they come into contact. Brand owners are used to the reputational risk that comes from poor quality (and potentially unsafe) counterfeits; in this public health context, the risk of reputational harm is compounded, and the nature of the problem—and potential solutions—become more nuanced.

Some of these coverings are made from counterfeit fabrics, which cause value “leakage” for brands, but can largely be dealt with under well-trodden legal routes and established brand protection programmes. The more difficult challenge is how to deal with secondary sales of repurposed genuine items; items which were first placed on the market with the brand owner’s consent.

One step that many brands have taken is to launch their own face covering lines, which reduces the attraction of repurposed products. Assuming that this is insufficient to stop all sales, what else can be done?

Within the EU (and UK), trade marks offer the simplest answer. If the repurposed product is sold under and/or incorporates the brand owner’s trade mark, this will constitute use of the mark in the course of trade. Exhaustion is unlikely to be an obstacle because under Article 15(2) of the Trade Mark Directive2 (and Regulation),3 a trade mark owner can oppose further commercialization of genuine goods where it has “legitimate reasons” to do so, “especially where the condition of the goods is changed or impaired after they have been put on the market”. It is almost certain that the condition of the original product will be altered and/or added to in turning it into a face covering. A more interesting question is whether any removal of the original trade mark would also constitute infringement – the reasoning in the judgment of the Court of Justice of the European Union (CJEU) in Mitsubishi4 does not expressly apply to goods that have already been placed on the market in the EEA.

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1 Mills, M. and Ors, "Face masks and coverings for the general public: Behavioural knowledge, effectiveness of cloth coverings and public messaging", https://royalsociety.org/-/media/policy/projects/set-c/set-c-facemasks.pdf?la=en-GB&hash=A22A87CB28F76DAD9B39BCCBF2CBB24.

2 Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks, OJ L 336, 23.12.2015, pp. 1–26.

3 Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (codification), OJ L 154, 16.6.2017, pp. 1–99.

4 Case C-129/17, Mitsubishi Shoji Kaisha Ltd and Mitsubishi Caterpillar Forklift Europe BV v Duma Forklifts NV and G.S. International BVBA, Judgment of the Court (Second Chamber) of 25 July 2018, ECLI:EU:C:2018:594.
The position in respect of Community designs is similar. Although the Regulation on Community designs lacks a provision equivalent to Article 15(2) of the Trade Mark Directive and Regulation, the Bundesgerichtshof’s decision in *Verlängerte Limousinen* strongly suggests that potential exhaustion would not prevent the enforcement of a design right to prevent the repurposing of a garment made to (or incorporating) the design that is already in circulation.

There is a potentially fascinating argument to be had regarding whether the CJEU’s decision in *Art & Allposters International BV v Stichting Pictoright* (the distribution right of the author of an artwork incorporated into a poster was not exhausted in respect of a transfer of the image in that poster, via a chemical process, to canvas) could be stretched to apply to repurposed garments. The issue would turn on whether the altered object would constitute a "new reproduction" of the original work, and would therefore be highly fact-dependent. The point is likely to remain moot because the situations in which a luxury brand owner must rely on copyright alone are likely to be few.