

AUSTRALIA

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Introduction

The fashion industry in Australia stands as a dynamic and ever-evolving landscape that seamlessly blends creativity, innovation and commerce. Within this realm, intellectual property plays a pivotal role, influencing how designers protect their creations, uphold the integrity of their brands and foster an environment of innovation and competition. Australia's fashion industry has come a long way since its modest beginnings, steadily establishing itself as a globally recognised hub for fashion excellence. This chapter will delve into the intricate relationship between intellectual property and the fashion sector. It will examine the legal frameworks and challenges faced by designers and brands in protecting their innovations and creations. Additionally, it will consider how intellectual property fosters competition, stimulates innovation and contributes to the industry's overall growth.

1. What are the main intellectual property rights available to protect fashion products?

1.1 Summary of IPRs

See the table on page 8 for a summary of IPR protection tools available to protect fashion products in Australia.

1.2 Trade marks and non-traditional trade marks

Many of the trade marks on the Australian Trade Marks Register in classes relating to fashion goods and services are traditional in that they consist of words, logos or device marks. In addition to traditional marks, the following non-traditional marks can be registered for goods and services pertaining to fashion:

- **Single colour or a combination of colours.** An example of such a trade mark is Gucci's signature colours: "The trade mark consists of three stripes applied to goods with the three stripes being parallel and contiguous and with the two outer stripes being coloured green and of equal width and the central stripe being coloured red, as shown in the representation of the trade mark attached to the application form".
- **Shape trade marks,** for instance the Adidas superstar shoe cap: "The trade mark that is the subject of this application consists of the three-dimensional configuration applied to a shoe toe cap consisting of a series of lines arranged radially as shown in the representation attached to the application form".
- **Sound marks,** for example, Deutsche Telekom AG has protection for its commercial tune in respect of clothing: "The mark consists of a series of five musical notes written on the treble clef in the key of C major, comprising a sequence of four joined semiquavers which are the musical notes CCC and E, followed by a crotchet which is the same musical note C as the three previous musical notes C. The musical note E is two tones higher than the all of the musical notes C. The notes forming the sound trade mark are shown in the musical notation in the attached schedule. The sound mark is as captured on track 2 of the accompanying compact disc."

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Summary of IPRs			
IPR	Duration	Time and modalities for grant	Pros and cons in the fashion sector
Trade marks	10 years, with the option to renew for a further 10 years indefinitely.	Four-step process that takes at least 7 months: <ul style="list-style-type: none"> • filing; • examination; • acceptance/opposition; and • registration. 	<p>Pros:</p> <ul style="list-style-type: none"> • Protection from competitors. Companies selling the same or similar goods and services are prevented from leveraging off another business’s brand. • It is easier to enforce rights online through take-down mechanisms. Most social media platforms, e-commerce platforms and domain hosts have take-down mechanisms for responding to trade mark infringement complaints, including counterfeit and replica goods. • Adds value and security to buyers of the business and/or brand. • Builds trust between a business and its customers where the brand is secure and assists in ensuring that customers are purchasing authentic products. <p>Cons:</p> <ul style="list-style-type: none"> • Obtaining and managing trade mark registration is an ongoing cost to a business. • Registrations cannot be altered if a business expands its product offering, although a new application for registration can be sought for the expanded range of products as needed. • Enforcing a registered trade mark through infringement litigation can be time consuming and expensive. • It can provide limited protection for fashion “products” as it does not protect the goods themselves – it protects the associated branding of those goods. In some circumstances, it may be possible to protect a particular aspect of the “product” – Christian Louboutin has protected the colour RED as applied to the sole of a shoe (Registration No. 1352410).
Design	10 years.	Two-step process: registration and certification. No statutory design protection exists for unregistered designs.	<p>Pros:</p> <ul style="list-style-type: none"> • Certification (examination) can only be necessary if enforcement is desired. • Registration (without certification) can have a deterrent effect for copiers. • A certified design is an enforceable registrable right to commercially exploit the product covered by the design for the term of the design. <p>Cons:</p> <ul style="list-style-type: none"> • Publication of registered designs in Australia happens much faster than other jurisdictions (e.g., WIPO Hague design registrations). • Litigation can be expensive.
Trade secrets	Indefinite.	No registration.	<p>Pros:</p> <ul style="list-style-type: none"> • A new fashion design for next season or a manufacturing process can be kept confidential. • Australian law prohibits unauthorised use or disclosure of trade secrets and/or breaches of confidentiality agreements. <p>Cons:</p> <ul style="list-style-type: none"> • The new fashion design will need to be commercialised at some point. • Proving unauthorised use or disclosure of trade secrets and/or a breach of confidentiality under common law can be more complex and perhaps more costly than enforcing registered rights.

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Summary of IPRs (continued)			
IPR	Duration	Time and modalities for grant	Pros and cons in the fashion sector
Domain names	.au domains have a registration period of 1 - 5 years with an identical renewal length of an indefinite period. .com domains have a registration length of 1 - 10 years with an identical renewal length of an indefinite period.	Each type of domain has specific registration requirements. To register a .au domain name, the brand owner must have an Australian presence, which includes being a citizen or permanent resident of Australia or being an organisation registered in Australia. In addition, to register the .com.au namespace, the brand owner must have a commercial entity.	<p>Pros:</p> <ul style="list-style-type: none"> • Builds credibility for customers and provides a convenient online location for customers to view the brand owner’s products. • Allows fashion brands to have an online presence and take advantage of e-commerce. • Is a useful marketing tool for a brand. <p>Cons:</p> <ul style="list-style-type: none"> • Provides no intellectual property rights for the brand and a domain cannot be relied on for enforcement purposes if a competitor is using a similar domain. However, it may be possible to acquire a domain from a third party where the brand owner can establish sufficient trade mark rights. • Obtaining and managing a domain registration is an ongoing cost to a brand.
Patents	20 years.	Mandatory application and examination process.	<p>Pro: a granted patent is a legally enforceable registrable right to commercially exploit the invention covered by the patent for the term of the patent.</p> <p>Cons:</p> <ul style="list-style-type: none"> • Generally, fashion creations are not patentable. • Litigation can be expensive.
Copyright	The life of the author plus 70 years, although there are exceptions.	Automatic protection upon creation with no registration required.	<p>Pros:</p> <ul style="list-style-type: none"> • Can protect drawings, sketches and patterns for clothes and accessories, as well as works of artistic craftsmanship (one-off hand-made garments, masks and jewellery). • There are no fees to obtain and maintain copyright protection as protection is automatic. <p>Cons:</p> <ul style="list-style-type: none"> • Copyright only provides limited protection. • If the design is a three-dimensional object or item that is being exploited commercially, it won’t benefit from copyright protection. It will be necessary to file for design protection.

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- **Movement marks**, for example, Beacon Pty Ltd has protection for a moving image in respect of clothing: “The Trade Mark is a moving image. The moving image is of a person holding a rope. The rope is attached to a motorcycle which drags the person. The Trade Mark appears in the video file attached to the application form.”

Section 40 of the Trade Marks Act 1995 (Cth) requires that a trade mark be represented graphically. Sub-regulation 4.3(8) of the Trade Marks Regulations 1995 states that the representation of a trade mark must clearly demonstrate the nature of the mark and show each feature clearly enough to permit proper examination.

There are other types of non-traditional marks that can be registered, however successful registration of the trade mark will depend on whether the sign is

capable of distinguishing the goods from those of other traders of the same or similar goods and/or services, and whether the non-traditional mark would be used in the ordinary course of another trader’s business and without improper motive.

An unregistered trade mark can be protected under the common law tort of “passing off” or, if the defendant’s use of the mark constitutes misleading or deceptive conduct, under the Australian Consumer Law. A person who does not have a registered trade mark, but who has used a particular mark, may be able to take action to stop the use by a third party of any mark that is substantially identical, or deceptively similar to it, even if that third party has applied for (or obtained) registration of that mark.

1.3 Design as an alternative or addition to TM registration

Designs protect the visual appearance of a product, and are a valuable commercial asset. Registered designs are useful in protecting products from the fashion industry, such as clothing, shoes, jewellery, luxury goods, headwear and printed textiles.

Designs can protect the visual features of a product's shape, configuration, pattern and ornamentation. Design protection is a registrable right obtained for a maximum of 10 years from the filing date. Australia does **not** have unregistered design rights.

Australia has a two-stage process for securing design protection: registration and certification. A design proceeds to registration after undergoing a formalities check. After the registration formalities are completed, the words "Registered Design" can be used in relation to products bearing the design.

Substantive examination is an optional, post registration procedure. Certification doesn't need to be requested at the time of registering the design. However, a design must be examined (and certified) to be enforced. A common strategy is to choose to certify the design when there is a need to enforce.

In Australia, the interaction between design and copyright law is complex. Generally speaking, design protection is intended to protect a commercialised product. Dual protection under design and copyright law is not allowed for three-dimensional products. Copyright protection is lost once a three-dimensional design embodying the artistic work is mass-produced or a design application is filed. A narrow exception to this rule is made for "works of artistic craftsmanship". Generally, copyright protection in Australia doesn't apply to the appearance of a product that is going to be commercialised (i.e., more than around 50 made).

1.4 Copyright as an alternative or addition to TM registration

Copyright is a bundle of rights which protects certain subject matter from being reproduced, published or communicated to the public without the copyright owner's permission. In Australia, copyright protection is automatic – there is no requirement of registration. Categories of artistic works which are of relevance to the fashion industry include sketches, photographs, patterns, paintings and works of artistic craftsmanship. Copyright protection does not extend to artistic works that are "industrially applied". Moral rights are personal rights that also arise automatically under the Copyright Act 1968 (Cth) and include:

- the right of attribution;
- the right against false attribution; and
- the right of integrity.

Moral rights cannot be transferred; however, the author of a work may consent to an act or omission that would otherwise infringe their moral rights. In Australia, it is not necessary to "assert" one's moral rights.

1.5 Any other pertinent IP rights

Patents

Patents protect the function of a device, product, substance, method or process that is new, inventive and useful. Protection may be relevant to the fashion industry for new and inventive inventions such as wearable technologies (i.e., smart accessories and clothing), innovative sustainable clothing, innovative footwear having a functional aspect, or a new manufacturing process.

The threshold for patentability in Australia is relatively high compared to other jurisdictions, so in the context of fashion, the product and/or process will need to have advantageous features that are functional and technical.

Geographical indications (GIs)

Geographical indications (GIs) can be protected in Australia through either a registered GI (which is only available for wines) or a registered certification trade mark, which may function as a GI. Currently, there is no dedicated standalone GI registration for textiles. Other mechanisms under Australian law, such as passing off, may also be used to protect GI terms.

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

2.1 Manufacturing fashion products

Licence agreements

A licence agreement is a contract under which the holder of intellectual property grants permission for the use of its intellectual property to another person, within the limits set by the provisions of the contract, while retaining ownership of the IP. The following key clauses should be included in a licence agreement:

- exclusivity or non-exclusivity of licence;
- term of licence;
- obligations of licensor and licensee;
- whether the licence is assignable or sub-licensable;
- geographical limitations on the licence;
- representations and warranties;
- ongoing control; and
- termination.

Non-disclosure Agreements (NDAs)

It is advisable that the holder of the intellectual property enters into an NDA in respect to any confidential information that it may need to disclose to the contracting party during the negotiation process. The following key clauses should be included in an NDA:

- purpose and permitted use;
- definition of confidential information;
- restrictions on use;
- term and duration;
- termination; and
- remedies for breach.

Subcontract agreements with suppliers/in-house manufacturing

In the fashion industry, it is common to use contractors, for example, photographers or graphic designers. The following key clauses should be included in a subcontract agreement:

- scope of work required;
- ownership and assignment of IP created;

- waiver of moral rights or moral rights consent;
- requirement to comply with all laws applicable to the agreement;
- confidentiality provisions; and
- warranties and representations (for example, the contractor represents and warrants that all services will be performed by qualified personnel and in good and workmanlike fashion); and
- IP infringement indemnity; and
- term and termination.

2.2 Distributing fashion products

Agency agreement

An agency agreement sets out the agreed relationship between one party (the principal) who authorises another party (the agent) to engage third parties in legal relationships for the benefit of the principal. An agency agreement gives rise to a fiduciary relationship, which means that the agent is obliged to act in the best interests of the principal at all times. The following key clauses should be included in an agency agreement:

- obligations of each party;
- the extent to which the agent is authorised to act on the principal's behalf;
- whether the agent is exclusive;
- which territories the agent is responsible for;
- the term of the arrangement; and
- payment terms and obligations.

Selective distribution online in high-end fashion and trade mark protection

It is important to ensure that selective distribution agreements do not breach Australian Consumer Laws. Brand owners can use distribution agreements to exercise a degree of control in relation to the territories in which their goods are distributed. The following key clauses should be included in a distribution agreement:

- exclusivity arrangement;
- whether the distributor can sell to sub-distributors and whether the distributor can sell competing products;
- territory for distribution;
- volume;
- IP and confidential information;
- acceptable marketing methods;
- payment terms and conditions including price adjustments;
- warranties and indemnities; and
- term and termination.

Co-branding and co-marketing

Collaboration lines with other brands and designers offer the opportunity to reach a wider audience and to create hype and anticipation over the line or product that is being produced. The following key clauses should be included in a co-branding or co-marketing agreement:

- cross-licences for the use of existing IP;
- ownership of the intellectual property arising out of the collaboration;

- the term;
- the territory;
- the stores in which the goods will be available for purchase;
- the obligations on each brand/ the designer to promote the range;
- royalties;
- obligations (payment and reporting);
- warranties (for example, that each other's IP does not infringe any third party's IP and to ensure the parties do not damage or disparage each other's brands); and
- termination.

Franchising and alternative sales model agreements

Franchise agreements and consignment store contracts are used to commercialise a brand's IP. Franchising agreements are a formal contract between a franchisor and franchisee and are governed under the Franchising Code of Conduct. A franchise agreement should include standard terms which deal with intellectual property, royalty fees, term and renewal, marketing and social media, approved suppliers, minimum performance criteria and termination. A consignment arrangement allows the consignor to attract additional exposure to their brand and products without investing in marketing. As with any agreement, it is important to have a consignment agreement in writing. As the consignee is not the owner of the products, the agreement will need to contain terms to protect the brand's products and IP.

2.3 Advertising fashion products

Employing fashion models

It is important to ensure that all relevant parties to a photoshoot or similar, including the models, photographer, hair and makeup artists, production crew and so on understand their rights and obligations in relation to production. These rights and obligations should be agreed in writing prior to production taking place. In addition to model release forms, a location release may need to be obtained, as well as insurance, and of course IP ownership will need to be provided for within the agreement. This type of agreement will constitute a service agreement. The following key clauses should be included:

- scope of the services to be provided by the models, photographer, makeup artists, production crew etc.;
- ownership and assignment of any IP created;
- payment terms;
- confidentiality obligations;
- termination provisions;
- independent contractor clause; and
- insurance and liability clauses.

Social media, influencers and brand ambassadors/celebrities

These arrangements will often be dealt with by way of a services agreement. Often, a brand will not be contracting directly with an influencer or brand ambassador, but with that person's agency. The following key clauses should be included:

- ownership and assignment of the IP created;
- limited licence to the influencer or the supplier to use the brand IP and vice versa;
- obligations and prohibitions of the parties;
- brand owner control over the outputs; and
- warranties from the influencer or brand ambassador to comply with all laws relating to the agreement, including the Australian Consumer Law and the Influencer Marketing Code of Practice.

Advertising standards, relevant authorities and advertising practice

The Australian Consumer Law prohibits engaging in conduct that is likely to mislead or deceive consumers. Anyone working in the Australian Influencer Marketing sector must abide by an Influencer Marketing Code of Practice. Advertising disclosure is required when there is a contracted agreement and the required minimum disclosure is to use '#Ad' or '#Sponsored'.

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

- **The Australian Consumer Law.** Online marketing in Australia is primarily regulated under the Australian Consumer Law (Schedule 2, Competition and Consumer Act 2010 (Cth)), which prohibits misleading or deceptive conduct, or conduct likely to mislead or deceive, in trade or commerce.
- **The Spam Act 2003 (Cth) (Spam Act).** This governs the sending of "commercial electronic messages" (e.g., email or SMS) and places responsibility on a business or brand owner wishing to promote its goods and services to comply with the Spam Act.
- **The Australian Privacy Principles.** The Privacy Act 1988 (Cth) governs the collection and use of personal information and will apply to an organisation with an annual turnover of more than AUD 3 million.

3.1 Consumer protection regulations

The Competition and Consumer Act 2010 (Cth) provides consumers with rights and guarantees which broadly protect them from unfair sales and business practices and unsafe products. For example, the Australian Consumer Laws provide protection to consumers against unfair contract terms and it provides consumers with the right to refunds and consumer guarantees.

3.2 Physical store and online store layout

It is technically possible to register a store layout as a trade mark, for example. However, such a mark will face the same test of distinctiveness as any other mark, namely, whether the shape, colour and/or design is one that other traders would wish to use in the ordinary course of their business and without improper motive. It is unlikely that such marks will be considered to be inherently distinctive and they are likely to be difficult to register without significant and substantial evidence of use demonstrating that the store layout operates as a trade mark, being a badge of origin for the brand owner's goods.

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

The fashion industry, including retailers and manufacturers, must ensure that they do not engage in conduct in trade or commerce that is misleading or deceptive or is likely to mislead or deceive. The Australian Consumer Law also prohibits the making of certain false and misleading representations about goods and services in connection with the supply or possible supply of those goods. Furthermore, the ACL prohibits conduct that is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose or the quantity of any good.

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

There is no legal definition of what kind of products or practices qualify as "sustainable". ESG practices are often managed and promoted by brands on their own and the following certification options are also available in Australia:

- The Australian Fashion Council (AFC) owns a registered certification mark which is a symbol of Australian fashion and can be applied to goods which meet the standards set by the AFC in relation to homegrown quality. The process to achieve registration of a certification mark requires the applicant to have its certification rules approved by the Australian Competition and Consumer Commission (ACCC) ensuring they meet the specific compliance criteria.
- Ethical Clothing Australia (ECA) is an accreditation body which works collaboratively with local textile, clothing and footwear businesses to protect and uphold the rights of Australian garment workers. To be ECA accredited, a business's manufacturing operations are audited from design to dispatch to ensure that local textile, clothing and footwear workers are being paid appropriately, receiving all their legal entitlements and working in safe conditions.
- The Woolmark certification trade mark was established by the Australian Wool Research and Promotion Organisation. The Woolmark trade mark denotes that the products bearing the mark are made according to certification guidelines set out by the Australian Wool Research and Promotion Organisation that include the material content, mode of manufacture, treatment, quality, technical performance, style or other characteristics.
- The Australian Made certification mark can be used on products that are registered with the not-for-profit Australian Made Campaign Ltd, and which meet the criteria set out in the Australian Consumer Law and the AMAG Logo Code of Practice.
- The Modern Slavery Act 2018 (Cth) (Modern Slavery Act) requires entities based or operating in Australia, with an annual consolidated revenue of more than AUD 100 million, to report annually on the risks of modern slavery in their operations and supply chains, and actions to address those risks. Following a statutory review of the Modern Slavery Act in early 2023, there have been recommendations for changes to be made, including

Frequently Asked Questions (FAQs)

Why would a brand need to register a trade mark if unregistered trade marks are protected?

Registered trade marks are protected under statutory legislation, while an unregistered trade mark is not. Despite there being mechanisms of protection for unregistered marks, registered protection is recommended as registered trade marks are generally easier to enforce because owners do not need to prove a reputation as they would to enforce an unregistered trade mark.

I've disclosed my new fashion product, can I obtain valid design protection in Australia?

Whether you can obtain valid design protection in Australia depends on the disclosure. If it is a self-disclosure, e.g., publishing the new fashion product on your website, you can file a design application within 12 months of the disclosure. If it is a publication of the design by a foreign Design Office, then you must file a design application in Australia within 6 months from the filing date of the foreign design, otherwise the publication by the foreign Design Office will be prior art for the Australian design.

I've designed a new fashion product; can I obtain patent protection?

Generally, fashion products are artistic creations, which are not patentable. However, the innovative products and processes employed to create the fashion products or the fashion products themselves may have functional and technical characteristics that meet the criteria for patent production.

lowering the revenue threshold for reporting from AUD 100 million to AUD 50 million, penalties for non-compliance, requiring reporting entities to have a due diligence system for modern slavery and introduction of a high-risk declaration procedure.

There are also several ISO certifications available for the Australian fashion industry. Common ISO certifications include:

- ISO 14001: the international standard for an environmental management system.
- ISO 9001: the international standard for a quality management system.

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

Import provisions under the Copyright Act 1968 (Cth), Trade Marks Act 1995 (Cth) and Olympic Insignia Protection Act 1987 (Cth) allow the Australian Border Force (ABF), under certain circumstances, to seize goods that infringe trade marks, copyright and protected Olympic expressions. The above provisions give rise to Australia's Notice of Objection Scheme. Understandably, the ABF does not inspect every shipment that comes into Australia, however, if the rights holder has knowledge of the arrival of an infringing shipment, the ABF can be notified in advance. When goods are seized, the importer and the rights holder will each be

notified. The importer may forfeit the goods, or, if the importer makes a claim for the release of the seized goods, the rights holder has 10 days to commence legal action. In that case, the goods will be held by the ABF pending final determination by the courts.

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Jennifer Wyndham-Wheeler is a Principal and leading Patent and Designs Attorney at Griffith Hack, based in Sydney, Australia. Jennifer has a wealth of experience in engineering inventions, particularly in fashion and designs, covering a vast array of products including: consumer goods, locking systems, household tools, and giant mining excavators. Jennifer is excited to focus her practice on design-led businesses and work with designers and innovators to protect and commercially develop their IP. Jennifer enjoys working closely with clients and acting as a trusted adviser. She tells clients what they need to know to best protect their IP and give them a commercial edge.



Derek Baigent

Derek Baigent is a Principal and Senior Lawyer at Griffith Hack, based in Sydney, Australia. He specialises in intellectual property and technology law. Derek has over 25 years' experience representing companies across a broad range of industry sectors from electronics and telecommunications through to heavy industry and resources. Derek advises clients on anti-counterfeiting programmes and strategies designed to efficiently and comprehensively resolve infringement issues in the online space by drawing on his experience in enforcement, dealing with platforms, domain names, trade marks, copyright and misleading and deceptive conduct.



Shannon Fati

Shannon Fati is a Special Counsel, Lawyer and Trade Marks Attorney at Griffith Hack, based in Brisbane, Australia. Shannon has a broad range of experience in trade marks, including brand searching and clearance, trade mark filing, prosecution and registration, trade mark portfolio management and advice, trade mark oppositions and removal proceedings, and general dispute resolution. The combination of her technical skills has led to her representing some of the country's leading brands, including amongst the fashion and design industry. In addition, Shannon is experienced in representing clients in the courts of New Zealand as well as Australia.



Ellen Baker

Ellen Baker is an Associate and Lawyer at Griffith Hack, based in Brisbane, Australia. Ellen has particular experience in contentious trade mark, copyright and competition and consumer law matters, opposition and non-use proceedings, commercial contracting, clearance and prosecution matters. Ellen works with a range of local and international clients from online businesses, software providers, universities, fashion brands and food and beverage providers seeking to protect and enforce their valuable IP.