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Bringing Clout to the Masses: An In-Depth Look at the “Legal Fake” Phenomenon

Nicole Kim

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Cover Page Footnote

J.D. Candidate, 2022, Fordham University School of Law. Senior Writing and Research Editor, Fordham Intellectual Property, Media & Entertainment Law Journal. The Author thanks Sara Mazurek, Katherine Ballington, David Devich, Laura Rann, Caroline Vermillion, and Professor Susan Scafidi for their assistance, feedback, and revision in the writing of this Note.

Bringing Clout to the Masses: An In-Depth Look at the “Legal Fake” Phenomenon

Nicole Kim*

A snaking line of customers that wraps around the block leading to a minimalist, yet iconoclastic store can only mean one thing: drop day. Rain or shine, devoted fans of brands such as Supreme, Palace, and Off-White, among others, are willing to spend their time and money for the opportunity to cop the latest and most exclusive items. In recent years, the rise of streetwear has projected once-underground skater labels to the forefront of youth culture, mainstream society, and high fashion. Not only has this movement affected niche designers and traditional luxury names, but streetwear has also reshaped the consumer experience. However, the continued evolution and globalization of fashion, fueled by the near-instantaneous speed of the internet and social media, has brought the seemingly novel issue of legal fakes to the forefront. In reality, legal fakes are a face-lifted version of counterfeiting and traditional trademark squatting. By “legally” registering a stolen trademark, impostor companies run their entire business under the guise of a well-known brand. To address this threat, this Note examines the intricacies of a typical legal fake scheme, from its shady origins, to widespread distribution of fake products, to its eventual demise in litigation. This Note further proposes a solution requiring multinational cooperation in order to seal the cracks in international trademark law through which legal fakes have slipped.

* J.D. Candidate, 2022, Fordham University School of Law. Senior Writing and Research Editor, *Fordham Intellectual Property, Media & Entertainment Law Journal*. The Author thanks Sara Mazurek, Katherine Ballington, David Devich, Laura Rann, Caroline Vermillion, and Professor Susan Scafidi for their assistance, feedback, and revision in the writing of this Note.

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INTRODUCTION

From up-and-coming fashion designers creating products that pay tribute to the works of well-known artists, to young brands adopting the business strategies of established companies, players in the fashion industry are no strangers to copying. One may even argue that the act of copying serves as the driving force behind the traditional life cycle of luxury fashion. The first step begins with high-profile fashion labels designing products that are adopted by high-status or affluent consumers.¹ These products serve as “social signaling devices,” creating a new trend among other groups who seek to emulate the original purchasers.² Third-party brands seeking to join the trend subsequently draw *inspiration* from these designs and create lines of similar items at lower prices and in greater quantities.³ As comparable products—whether legitimate or knock-off—flood the market and become available to the general public (i.e., “the masses”), the trend becomes passé and the cycle begins anew.⁴

However, the modern age of fashion has essentially rendered this traditional cycle obsolete.⁵ Advances in textile technology have facilitated the high-speed distribution of low-quality knockoffs in large volumes.⁶ Further, certain third-party brands define “inspiration” rather loosely.⁷ In an effort to mimic luxury fashion houses, obscure companies have seemingly appeared from thin air with the singular goal of stealing and registering trademarked names, manufacturing identical products, and adopting duplicate business structures.⁸ The most successful impostors have even come to supplant original brands in limited foreign markets, profiting by duping consumers.⁹

¹ See Susan Scafidi, *Intellectual Property and Fashion Design*, in 1 INTELLECTUAL PROPERTY AND INFORMATION WEALTH: ISSUES AND PRACTICES IN THE DIGITAL AGE 115, 125 (Peter K. Yu ed., 2006).

² *Id.*

³ *See id.*

⁴ *See id.*

⁵ *See id.*

⁶ *See id.* at 116, 125.

⁷ *Cf. id.* at 118.

⁸ *See infra* Part II.

⁹ See Silvia Grazioli, *Legal Fakes and the Shopping Experience – Italy’s Fashion Challenges*, WORLD TRADEMARK REV. (June 29, 2018),

Within the fashion industry, the term “legal fake” is used to describe this type of harrowing scheme.¹⁰ Upon first glance, the term is a puzzling oxymoron—how can something be both legitimate yet fake at the same time?¹¹ Under its most basic definition, a legal fake is a phenomenon by which a third-party company precedes the original brand company in registering the trademark and running the entire business—from production to sales—in another country where the original brand has yet to be launched.¹² The “legal” portion of the term is derived from the *technically* legitimate loophole that third-party companies take by registering the mark in an official trademark office.¹³ “Fake” is derived from the fact that the third party is essentially an impostor posing as the original brand in the registration and business operation.¹⁴

This phenomenon is greatly intertwined with the streetwear industry.¹⁵ This subset of the fashion industry, commonly associated with social media influencers and outrageously expensive hoodies and sneakers, has risen in status to high-fashion luxury houses while managing to stay grounded in a close-knit relationship with consumers—at least the ones who can afford to purchase products.¹⁶ The unique balance of streetwear’s characteristics has created the perfect environment for legal fake impostors to proliferate. Recent controversies involving big names in the industry have quickly rippled

<https://www.worldtrademarkreview.com/brand-management/legal-fakes-and-shopping-experience-italys-fashion-challenges> [https://perma.cc/HLZ5-AF8K].

¹⁰ *See id.*

¹¹ Lorraine Tay et al., *The Phenomenon of “Legal Fakes”: A Supreme Contradiction?*, BIRD & BIRD LLP (Feb. 2019), <https://www.twobirds.com/en/news/articles/2019/singapore/the-phenomenon-of-legal-fakes-a-supreme-contradiction> [https://perma.cc/LP52-PD4A].

¹² *See* Grazioli, *supra* note 9.

¹³ *See id.*

¹⁴ *See id.*

¹⁵ “Streetwear” and “streetwear industry” will be used interchangeably.

¹⁶ *See* Zep Parry, ‘From Hood to Haute’: The Luxurification of Streetwear 18 (June 14, 2018) (B.A. project report, Amsterdam University of Applied Sciences) (on file with author); *see also* Marjorie van Elven, *The Business of Hype: Why So Many Fashion Brands Are Now Doing “Product Drops,”* FASHIONUNITED (Oct. 17, 2018), <https://fashionunited.uk/news/retail/the-business-of-hype-why-so-many-fashion-brands-are-now-doing-product-drops/2018101739501> [https://perma.cc/J6PC-HRRH].

concern throughout the fashion industry as a whole.¹⁷

In recent years, legal fakes have become a troubling trend that many fashion brands face with limited legal solutions.¹⁸ While there are currently international treaties in place to mitigate and prevent some of the damage,¹⁹ the uneven patchwork of intellectual property laws around the world leaves brands seeking to expand their businesses overseas vulnerable to impostors in foreign countries. This Note highlights the pernicious threat to brands posed by the legal fake phenomenon and the resulting legal implications. It proposes a solution involving international cooperation among countries to harmonize, strengthen, and streamline the trademark regime.

The discussion proceeds in the following parts: Part I explains streetwear's development and role in influencing the legal fake phenomenon in the traditional luxury market. This section also reviews the applicable legal theories and current international treaties in place. Part II examines a recent, well-publicized controversy involving one of the most recognizable streetwear brands worldwide—Supreme—and its larger implications in international intellectual property law. Finally, Part III proposes a solution by advocating for continental harmonization of trademark laws, a consolidated registration process, and relevant international adjudicating bodies.

I. CREATION OF A LEGAL FAKE MOOD-BOARD

The legal fake phenomenon stems from the interplay of current laws and the nature of the victimized industries. Impostor companies can simultaneously take advantage of the streetwear's peculiarity as an exclusive insider's club—low inventory, high demand, recognizable logos—as well as loopholes in the international trademark

¹⁷ See Grazioli, *supra* note 9 (affecting brands such as Boy London, Supreme, Kith, Pyrex; registered in Italy as Boy London Italia, Supreme Italia, Kith Official, and Pyrex Original, respectively).

¹⁸ See Tay et al., *supra* note 11 (depending on specific facts of the case, various maneuvers may not be available for all brand owners).

¹⁹ See Paris Convention for the Protection of Industrial Property art. 1, Mar. 20, 1883, 828 U.N.T.S. 305 (creating “a union for the protection of industrial property”) [hereinafter Paris Convention]; see also Madrid Agreement Concerning the International Registration of Marks art. 1, Apr. 14, 1891, 828 U.N.T.S. 389 [hereinafter Madrid Agreement].

law regime.²⁰ The first section will explore the origins of streetwear's subculture, its crossover into mainstream luxury fashion, and how its focus on exclusivity distinguishes it from the traditional luxury fashion market. The subsequent section will examine the development of existing international trademark law that has established these loopholes, allowing impostors to flourish.

A. *Swatches of Streetwear*

A precise definition of the term “streetwear” remains elusive.²¹ To some, streetwear represents a highly individualized style that integrates themes of skate, basketball, and hip-hop.²² Others adopt a definition that embodies a movement “centered around fashionable, casual clothes, including t-shirts, hoodies, and sneakers.”²³ To yet another group, the term itself has become irrelevant, a “diluted” visual and verbal buzzword.²⁴ Regardless, streetwear is a constantly evolving movement with different flavors in urban communities spread across the globe.²⁵

1. From the Skate Park to the Runway

Set to a rebellious punk-rock soundtrack, the origin of North American streetwear stems from the fusion of West Coast surf and East Coast hip-hop cultures in the eighties and nineties.²⁶ At that time, the four pillars of hip-hop culture—music, dance, fashion, and

²⁰ See *infra* Part II.

²¹ See Parry, *supra* note 16, at 5 (explaining that it has become increasingly difficult to define “streetwear”).

²² See Mayan Rajendran, *The Development of Streetwear and the Role Of New York City, London, and Supreme NY 1* (Jan. 1, 2012) (M.A. thesis, Ryerson University) (on file with author).

²³ See *How Streetwear Brands and Consumers Are Toppling Previously Understood Notions of Luxury and Exclusivity*, FASHION L. (May 29, 2019), <https://www.thefashionlaw.com/how-streetwear-and-its-consumers-are-toppling-previously-understood-notions-of-luxury-and-status/> [https://perma.cc/5VJW-JDNB] [hereinafter *Streetwear Toppling Notions*].

²⁴ See Zoe Suen, *Streetwear Took Over the Fashion Industry. Now What?*, BUS. OF FASHION (Nov. 6, 2019, 5:20 AM), <https://www.businessoffashion.com/articles/luxury/streetwear-took-over-the-fashion-industry-now-what-supreme-stussy/> [https://perma.cc/D4GF-PT8L].

²⁵ See Parry, *supra* note 16, at 5.

²⁶ See *id.*

art—were deeply embedded in common threads of rebellion and protest.²⁷ The expression of these themes resulted in rap, breakdance, graffiti art, and a distinct fashion style that eventually became known as “streetwear.”²⁸

Stüssy was the first mainstream fashion brand to emerge from this cultural mashup, believed by many consumers to be the originator of the modern streetwear as recognized by consumers today.²⁹ In the 1970s, founder Shawn Stüssy “made his name in Southern California, the [epicenter] of skating and surfing, shaping high quality surfboards by hand,” decorated with his authentic signature.³⁰ Though originally created as a way to promote business, the unexpected popularity of t-shirts bearing his iconic signature marked the inception of a worldwide apparel brand.³¹

The nineties also introduced SoHo, New York as a streetwear hub.³² Stüssy opened its first brick-and-mortar store in collaboration with James Jebbia, Supreme’s founder.³³ The spirited, lower Manhattan neighborhood soon became a “melting pot of everything youthful and avant-garde—a place where skate, hip-hop culture and artists like Basquiat and Haring came together.”³⁴ SoHo became a trendy gathering place, catering to “skaters, graffiti artists, underground filmmakers and rappers.”³⁵

However, streetwear’s increased popularity and introduction into the mainstream caused tension with the maintenance of its niche, underground roots.³⁶ New brands—such as A Bathing Ape, FUBU, and Spitfire—began materializing around the world to similarly capitalize on the trend.³⁷ Despite increased competition and

²⁷ *Id.* at 6.

²⁸ *See id.*

²⁹ Miguel Lobo de Macedo, *The Evolution of Streetwear 14* (May 2015) (M.A. dissertation, Universidade Católica, Faculdade de Economia e Gestão) (on file with author).

³⁰ Parry, *supra* note 16, at 6.

³¹ *Id.*

³² *Id.*

³³ Jebbia founded Union New York in 1989, and Supreme in 1994. *Id.*

³⁴ *Id.* at 6–7.

³⁵ *Id.* at 7.

³⁶ *See id.*

³⁷ *Id.*

exposure, brands such as Stüssy and Supreme actively constrained inventory and distribution levels to retain their exclusive images.³⁸ This era reflected a shift in the importance of brand image as consumers began to value wearing certain logos and brands to signify their own identities.³⁹

Streetwear's continued evolution and growing popularity eventually crossed over into the high fashion sector.⁴⁰ The blurred lines between high fashion and streetwear have become more apparent in recent years, exemplified by both big names in streetwear being appointed to creative positions in traditional fashion houses, and streetwear-luxury collaborations.⁴¹ For example, in 2018, Virgil Abloh, creator of streetwear label Off-White, was named artistic director of the menswear division at Louis Vuitton.⁴² Collaborations, such as the Louis Vuitton x Supreme capsule collection at the 2017 Paris Fashion Week and the Gucci x Dapper Dan "ready-to-wear" line, reflect the increasingly consumer-driven intermingling of luxury and streetwear sectors.⁴³

Despite representing substantial portions of apparel and footwear markets, as well as perpetuating the influx of casual wear on the runway for multiple seasons, streetwear's hype has dimmed as luxury brands transition into new styles.⁴⁴ It remains to be seen whether the damage done by legal fakes has advanced the life cycle of streetwear to its end. However, as discussed below, the impact of streetwear on society and consumer experience will live on.

³⁸ *Id.*

³⁹ *Id.*

⁴⁰ *Id.* at 8.

⁴¹ See Suen, *supra* note 24.

⁴² See Vanessa Friedman & Elizabeth Paton, *Louis Vuitton Names Virgil Abloh as Its New Men's Wear Designer*, N.Y. TIMES (Mar. 26, 2018), <https://www.nytimes.com/2018/03/26/business/louis-vuitton-virgil-abloh.html> [<https://perma.cc/SB7R-YVLD>].

⁴³ See Jake Woolf, *Supreme x Louis Vuitton Is Real and Here's What You Need to Know (Update)*, GQ (Jan. 19, 2017), <https://www.gq.com/story/supreme-louis-vuitton-collaboration-2017> [<https://perma.cc/T2L9-D82P>]; see also *Gucci-Dapper Dan: The Collection*, GUCCI, <https://www.gucci.com/us/en/stories/advertising-campaign/article/pre-fall-2018-dapper-dan-collection-shoppable> [<https://perma.cc/9Q5N-7DPA>].

⁴⁴ See Suen, *supra* note 24.

2. Characteristics of Streetwear

Typical streetwear brands known by consumers today are built from an array of defining traits, including a focus on logo-branded products, business models built on scarcity, and a heavy social media presence.⁴⁵ The combination of these traits, among other niche quirks, distinguishes streetwear from other fashion subindustries, such as traditional high fashion predecessors.⁴⁶

A streetwear brand's logo, name, or other identifying mark is at the forefront of consumer recognition, whether printed, stamped, or embroidered.⁴⁷ A survey of the industry's most recognizable names demonstrates a penchant for relatively simplistic logos placed on basic items: Supreme's infamous "box logo hoodie" consists of a plain sweatshirt with a small, centered logo,⁴⁸ while Comme de Garçon's "PLAY t-shirt" is completely blank except for a tiny, embroidered red heart.⁴⁹ However simplistic the design may be, many consumers believe the logo itself represents more than the t-shirt on which it is printed.⁵⁰

Business strategies used by the most successful brands reflect an emphasis on one word: exclusivity.⁵¹ Whereas the traditional fashion system was driven by high price points and craftsmanship, streetwear focuses on making exclusive and highly desirable products.⁵² Brands with a strong following can create a scarcity frenzy by "releas[ing] a large number of different products," but each in very low quantities.⁵³ This principle is best demonstrated by a

⁴⁵ See Parry, *supra* note 16, at 7, 11, 15.

⁴⁶ See *id.* at 18.

⁴⁷ See Macedo, *supra* note 29, at 54.

⁴⁸ SUPREME, <https://www.supremenewyork.com/> [https://perma.cc/A7BL-25Y9] (depicting the logo).

⁴⁹ Dover Street Market, a retailer of streetwear brands, stocks Comme de Garçons merchandise that can be seen online. DOVER STREET MARKET, <https://shop.doverstreetmarket.com/us/comme-des-garcons/play> [https://perma.cc/R44L-5VG7].

⁵⁰ See Macedo, *supra* note 29, at 42.

⁵¹ See *Streetwear Toppling Notions*, *supra* note 23.

⁵² See *id.*

⁵³ Damian Fowler, *The Hype Machine: Streetwear and the Business of Scarcity*, BBC (Feb. 5, 2018), <https://www.bbc.com/worklife/article/20180205-the-hype-machine-streetwear-and-the-business-of-scarcity> [https://perma.cc/X8MX-ZKK8].

strategy now known as “the drop.”⁵⁴ For example, every Thursday morning at eleven o’clock, Supreme “drops” the latest merchandise on its website and opens the doors to its twelve flagship stores worldwide, often selling out the entire online inventory in seconds.⁵⁵

Finally, the development of online platforms and social media has shaped the way streetwear brands interact with their ever-expanding consumer base. Online blogs such as Hypebeast and Highsnobiety, along with Instagram “influencers,” allow readers from all over the world to be “in the know” on newest items.⁵⁶ Along with drop-culture and social media’s influence, streetwear’s legacy also stems from the creation of a new type of consumer. This culmination of social media presence, hype, and exclusivity form an engaged community in which the typical streetwear consumer must be aware of launch dates, drop times, and current collaborations.⁵⁷ Consumers from around the world form a global community that is constantly refreshing, liking, sharing, and updating each other on the newest and most-popular brands.⁵⁸

B. Palette of Relevant Legal Theories

The “legal” aspect of legal fakes ultimately stems from impostors’ literal regard for adherence to the law, though accomplished in a backdoor way. Because of limited protection and the relative ease of registration, even for unregistered marks, trademark law is generally seen as the most applicable and flexible protection mechanism for fashion brands.⁵⁹ At the same time, however, this convenience invites impostors to explore intricacies of international trademark law to gain a foothold over original brands in untapped markets.⁶⁰

This Note discusses both the history and development of international trademark law, and the relevant doctrines that shaped the

⁵⁴ van Elven, *supra* note 16.

⁵⁵ See Andrea Tuzio, *In How Many Seconds Do Supreme Items Sell Out?*, *NSS MAG.* (Mar. 19, 2019), <https://www.nssmag.com/en/fashion/18056/in-quantii-secon-di-vanno-sold-out-gli-item-supreme> [<https://perma.cc/HY7X-8ZLN>].

⁵⁶ See Parry, *supra* note 16, at 11.

⁵⁷ van Elven, *supra* note 16.

⁵⁸ See Parry, *supra* note 16, at 12, 15.

⁵⁹ See Scafidi, *supra* note 1, at 121.

⁶⁰ See *infra* Part II.

current scheme. A corollary, unfair competition law (and its subsidiary, parasitic unfair competition law) is used to supplant that which trademark law does not reach.

1. Trademark Law

a) International Treaties in Trademark Law

Created in 1883, the Paris Convention for the Protection of Industrial Property (“Paris Convention”) was the first multilateral agreement governing patents, trademarks, and unfair competition.⁶¹ At a high level, the Paris Convention acted as a pact between member nations to give the same trademark rights to both members’ own citizens and the citizens of other member nations.⁶² Importantly, the agreement further recognized the trademark territoriality principle: a mark exists only under the laws of each sovereign nation.⁶³

The most notable section of the Paris Convention was Article *6bis*, under which countries agreed to police domestic trademark registries on behalf of foreign owners of famous or well-known marks already registered in other member countries.⁶⁴ Specifically, Article *6bis* allowed member countries to refuse, cancel, or prohibit the use of a domestic trademark that was considered by “competent authority,” to be an imitation of an existing, well-known mark, used for similar goods, and likely to create confusion.⁶⁵ This provision signified an important development in international trademark law: whereas the burden to both police a mark and bring grounds for cancellation against infringers traditionally fell on the holder, the new system only required the holder of a famous or “well-known” mark to request cancellation of a confusingly similar mark, even if the infringing mark was made in good faith.⁶⁶

⁶¹ Paris Convention, *supra* note 19, at 307 (creating “a Union for the protection of industrial property”).

⁶² 5 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 29:25 (5th ed. 2020).

⁶³ *See id.*

⁶⁴ *See* Paris Convention, *supra* note 19, at 325.

⁶⁵ *Id.*

⁶⁶ *See id.*

Although the language in the Paris Convention appeared to mandate protection for famous marks registered in foreign countries, the term “well-known” remained undefined.⁶⁷ The treaty merely characterized such marks as “being already the mark of a person entitled to the benefits of this Convention”⁶⁸ Further, because the language lacked specific guidance, the World Intellectual Property Organization (“WIPO”) issued a report entitled, “Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks.”⁶⁹ This report provided several, non-binding factors in the analysis, including:

(1) the degree of knowledge or recognition of the mark in a relevant sector of the public; (2) the duration, extent and geographical area of any use of the mark; (3) the duration, extent and geographical area of any promotion of the mark . . . ; (4) the duration and geographical area of any registrations . . . ; (5) the record of successful enforcement of rights in the mark . . . ; and (6) the value associated with the mark.⁷⁰

Because these factors were not binding, countries were free to incorporate them at their discretion.⁷¹ Unsurprisingly, this resulted in widely inconsistent judicial outcomes.⁷²

Despite shortcomings with textual ambiguity, the Paris Convention represented a significant development for international trademark law.⁷³ Traditionally, the burden to police infringing marks was left to the original owner, requiring affirmative grounds for

⁶⁷ See generally *id.* at 301–13.

⁶⁸ *Id.* at 325.

⁶⁹ World Intell. Prop. Org. [WIPO], *Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks*, No. 833(E) (2000), https://www.wipo.int/edocs/pubdocs/en/wipo_pub_833-accessible1.pdf [<https://perma.cc/7QZN-YXWP>].

⁷⁰ *Id.* at 6.

⁷¹ See *id.*; Kitsuron Sangsuvan, *Trademark Squatting*, 31 WIS. INT’L L.J. 252, 285 (2013).

⁷² See Sangsuvan, *supra* note 71, at 284.

⁷³ See Zachary Shufro, *Haute Couture’s Paper Shield: The Madrid Protocol and the Absence of International Trademark Enforcement Mechanisms*, 45 N.C. J. INT’L L. 645, 661 (2020).

cancelling a confusingly-similar mark.⁷⁴ The Paris Convention, however, favored the trademark owner by simply requiring cancellation request for a confusingly-similar mark, even if made in good faith, provided the original mark was “well-known.”⁷⁵

In 1891, the Madrid Agreement Concerning the International Registration of Marks (“Madrid Agreement”) expanded upon the trademark provisions introduced by the Paris Convention.⁷⁶ Whereas the former system required a trademark holder to obtain separate registrations in every member country in which protection was sought, the Madrid Agreement created a streamlined process allowing an owner’s singular, domestic registration to serve as the basis for registration in any other member nation.⁷⁷ After a domestic registration in a member country was registered in the International Bureau of Intellectual Property (“IB”), the mark’s protection in each contracting country was treated “as [if] the mark had been filed therein direct.”⁷⁸ In effect, the Madrid Agreement gave international registrants “a bundle of national applications, each subject to the domestic legislation of the designated nations.”⁷⁹

Following the 1967 establishment of WIPO and its mandate to “promote the protection of intellectual property throughout the world through cooperation among the states,”⁸⁰ the provisions of the Madrid Agreement were adapted in the 1989 Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (“Madrid Protocol”).⁸¹ Like the Madrid Agreement, this protocol secures protection of IB-registered marks in each member country as if filed directly, but reduces the term duration from

⁷⁴ See Jessica E. Lanier, Note, *Effective Policing: Giving Trademark Holders a Pre-Emptive Strike Against “Genericide,”* 20 B.U. J. SCI. & TECH. L. 247, 259 (2014) (discussing courts’ treatment of cease and desist letters in this context).

⁷⁵ See Paris Convention, *supra* note 19, at 325.

⁷⁶ See Madrid Agreement, *supra* note 19.

⁷⁷ *Id.* at 393.

⁷⁸ See *id.* at 399.

⁷⁹ MCCARTHY, *supra* note 62, at § 29:31.

⁸⁰ Convention Establishing the World Intellectual Property Organization art. 3, July 14, 1967, 828 U.N.T.S. 3.

⁸¹ See generally World Intell. Prop. Org. [WIPO], *Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks*, WIPO Publ’n No. 207E/21 (June 27, 1989), https://www.wipo.int/edocs/pubdocs/en/wipo_pub_207_2021.pdf [<https://perma.cc/T9XU-JGX6>] [hereinafter “Madrid Protocol”].

twenty years to ten years.⁸² Unlike the Madrid Agreement, which required a domestic *registration*, the Madrid Protocol includes new provisions that, for example, permit a domestic *application* to also serve as the basis for an international registration.⁸³ These provisions are especially attractive to U.S. companies that are now permitted to simply file a U.S. Intent-to-Use (“ITU”) application. An applicant who has yet to actually use his or her mark in commerce can now file an ITU application and immediately qualify for Madrid Protocol registration, advantageously granting an early priority date abroad.⁸⁴

Finally, in 1995, the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS Agreement”) was negotiated in response to growing globalization concerns, resulting in counterfeit goods’ proliferation.⁸⁵ The TRIPS Agreement updated the Madrid arrangement (both the Agreement and Protocol) to recognize fair use for descriptive terms, reduce the term of protection to seven years, and create use requirements.⁸⁶ By further including provisions that ranged from broader protectionary measures to criminal sanctions, the TRIPS Agreement provided, for the first time, comprehensive international minimum standards for enforcing intellectual property rights.⁸⁷ However, the agreement still recognizes a member country’s ability to implement the provisions within its domestic courts under its own laws.⁸⁸

b) Domestic Trademark Law Regimes

Another aspect of the international trademark framework is the disparate registration approaches taken by member countries. The biggest discrepancy is found between countries that follow a first-

⁸² *Id.* at 16.

⁸³ *See* MCCARTHY, *supra* note 62, at § 29:32.

⁸⁴ *Id.*

⁸⁵ *See* Agreement on Trade-Related Aspects of Intellectual Property Rights pmbl., Apr. 15, 1994, 1869 U.N.T.S. 300 [hereinafter “TRIPS Agreement”].

⁸⁶ *Id.* at 307.

⁸⁷ *See* PETER K. YU, *Why Are the TRIPS Enforcement Provisions Ineffective?*, in RESEARCH HANDBOOK ON CROSS-BORDER ENFORCEMENT OF INTELLECTUAL PROPERTY 770, 770–71 (Paul Torremans ed., 2014).

⁸⁸ *See* TRIPS Agreement, *supra* note 85, at 301.

to-use system, versus those that use a first-to-file system.⁸⁹ Common law countries, such as Canada and the United States, rely on a first-to-use system in which the trademark's first use establishes ownership.⁹⁰ For instance, in the United States, the Lanham Act requires that the mark is used in commerce to acquire priority rights at the United States Patent and Trademark Office ("USPTO").⁹¹ By contrast, first-to-file countries award rights to the first party who registers the trademark or completes the registration process.⁹² Rather than relying on the date of first use in commerce, this system looks to the application date or priority date to determine mark entitlement.⁹³

Traditional trademark squatting—or trademark piracy—is defined by WIPO as “the registration to use a generally well-known foreign trademark that is not registered in the country or is invalid as a result of non-use.”⁹⁴ Although trademark squatting can occur in any jurisdiction, countries employing a first-to-use system are better able to deter such practices by requiring demonstration of the mark's first use in commerce to assert priority over later copyists.⁹⁵ In these countries, because original owners are likely the first to use their marks, subsequent impostors are prevented from asserting earlier use in commerce dates.⁹⁶

Unfortunately, trademark squatting often occurs in first-to-file countries,⁹⁷ representing the majority of jurisdictions worldwide.⁹⁸ Because any party can gain mark registration rights regardless of actual or prior use in commerce, squatters can take advantage of

⁸⁹ See Sangsuvan, *supra* note 71, at 261.

⁹⁰ See *id.* at 262.

⁹¹ See *id.* at 262–63; 15 U.S.C. § 1127.

⁹² See Sangsuvan, *supra* note 71, at 263.

⁹³ See *id.*

⁹⁴ *Id.* at 258 (quoting World Intell. Prop. Org. [WIPO], *Intellectual Property Handbook*, at 90, No. 489(E) (2008), https://www.wipo.int/edocs/pubdocs/en/intproperty/489/wipo_pub_489.pdf [<https://perma.cc/T5C5-GCW5>]).

⁹⁵ See *id.* at 261–62.

⁹⁶ See *id.* (exemplifying the application of first-to-file systems to deter impostors).

⁹⁷ *Id.* at 263.

⁹⁸ Tulip Mahaseth, *First-to-Use Versus First-to-File Trademark Regimes*, RED POINTS: BLOG, <https://www.redpoints.com/blog/first-to-use-vs-first-to-file-trademark> [<https://perma.cc/MQX6-QEQH>].

potential owners who are late to file applications in these countries.⁹⁹ This can pose obstacles for later attempts by the original brand to register or use the mark in the same jurisdiction when the same or similar mark has already been registered by a squatter.¹⁰⁰ When a third-party races to the trademark office to obtain a registration before the original brand, the result may be two distinct companies operating under the same name but in different countries.¹⁰¹

Merely stealing registrations from original brands, however, is typically not the end goal for trademark squatters. After registering another's mark in a country, a squatter may engage in a variety of practices, such as selling the mark back to the real owner, distributing counterfeit products that bear the stolen mark, suing the original owner for trademark infringement, or even utilizing the trademark for a line of market products wholly separate from the original owner's products.¹⁰²

2. Unfair Competition Law

The unfair competition doctrine initially grew from protection gaps in trademark law.¹⁰³ Dating back to the nineteenth and early twentieth centuries, the doctrine initially applied to issues between direct market competitors, in which one competitor sought to deceive buyers by "passing off" their product as that of another by using similar marks, packaging, or advertising.¹⁰⁴ Over the years, trademark protection's gradual development signaled expansions in businesses' legal protection, hence the expansion of unfair competition law.¹⁰⁵ Understood most expansively, this doctrine covers *any* inequitable conduct in trade.¹⁰⁶

⁹⁹ See Sangsuvan, *supra* note 71, at 264.

¹⁰⁰ See *id.* at 259.

¹⁰¹ See *id.* at 254.

¹⁰² See *id.* at 259 (quoting Samantha D. Slotskin, *Trademark Piracy in Latin America: A Case Study on Reebok International Ltd.*, 18 LOY. L.A. INT'L & COMP. L. REV. 671, 671 (1996)).

¹⁰³ See MCCARTHY, *supra* note 62, at § 1:15.

¹⁰⁴ *Id.*

¹⁰⁵ *Id.*

¹⁰⁶ Christine Haight Farley, *The Lost Unfair Competition Law*, 110 TRADEMARK REP. 739, 744 (2020).

a) International Treaties in Unfair Competition Law

Efforts to implement unfair competition standards through international treaties have generally had the same effect as trademark law efforts.¹⁰⁷ The Paris Convention did not originally provide protection against unfair competition until Article 10*bis* was added in the 1900 revision.¹⁰⁸ Article 10*bis* defined unfair competition as “any act of competition contrary to honest practices in industrial or commercial matters,” specifically prohibiting (1) “all acts of such a nature as to create confusion” with a competitor’s establishment, goods, industrial, or commercial activities; (2) false allegations that discredit a competitor; and (3) indications or allegations that “mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods.”¹⁰⁹ However, as noted below, treaties’ enforceability, including sections addressing unfair competition matters, have mostly fallen flat or been codified into domestic jurisprudence.¹¹⁰

b) Domestic Unfair Competition Regimes

Due to different social, political, and economic traditions of nations worldwide, the approaches to unfair competition and commercial practices have created a patchwork of inconsistent legislation and adjudicative results.¹¹¹

Beginning with the least comprehensive systems, competition policy in Asian countries has not gained a great deal of domestic support compared to European and American counterparts.¹¹² Historically, many countries in East Asia faced difficulties establishing a culture of free competition as governments frequently invaded the market to promote industries or establish state-owned enterprises.¹¹³ However, a significant number of these nations have enacted

¹⁰⁷ See *supra* Part I.B.1.a.

¹⁰⁸ See Paris Convention, *supra* note 19, at 337.

¹⁰⁹ *Id.*

¹¹⁰ See *infra* Part II.B.2.

¹¹¹ Compare Radka MacGregor Pelikánová, *The Ephemeral Concept of Parasitic Commercial Practices in the EU* (Inst. Econ. Rsch., Working Paper No. 66/2017, 2017), with Ping Lin, *The Evolution of Competition Law in East Asia*, in COMPETITION POLICY IN EAST ASIA 15, 17 (Erlinda Medalla ed., 2005).

¹¹² See Lin, *supra* note 111, at 36.

¹¹³ See *id.* at 34–35.

competition laws over the latter half of the twentieth century that widely vary in coverage, content, and enforcement procedures.¹¹⁴ For example, China enacted the Law of the People's Republic of China Against Unfair Competition in 1993.¹¹⁵ Although this was a significant step toward preventing anticompetitive policies, one of the act's stated goals was to safeguard the development of a socialist, market economy.¹¹⁶

Unfair competition law in the United States plays an important yet modest and supplemental role within the greater intellectual property framework. In practice, courts tend to consign unfair competition primarily to unregistered trademark infringement actions, endorsing the proposition that "unfair competition" under the Lanham Act could only apply to "certain unfair trade practices" as defined by the Act's "inherently limited wording."¹¹⁷

Every European Union country has codified laws protecting against unfair competition, or at least against certain commercial practices.¹¹⁸ Parasitic unfair competition—a subset of unfair competition—has arisen especially in European legislation. The Italian Civil Code sums up this practice as when an imitator, following a competitor's success, continually copies the competitor's products and advertisements and all creative, organizational, and business efforts in a parasitic-like fashion.¹¹⁹ Apart from securing stolen trademarks, parasitic unfair competition is the backbone of impostor companies' activities. European courts have found parasitic behavior existing in a range of impostor actions, including the imitation of

¹¹⁴ See *id.* at 18–34.

¹¹⁵ See *id.* at 17, 26; see also Zhonghua RenMing GongheGuo Fan Bu ZhengDang JingZheng Fa (中华人民共和国反不正当竞争法) [Law of the People's Republic of China Against Unfair Competition] (promulgated by the Standing Comm. Nat'l People's Cong., Sept. 2, 1993, effective Dec. 1, 1993) (China).

¹¹⁶ See Lin, *supra* note 111, at 26.

¹¹⁷ *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 593 U.S. 23, 29 (2003); see 15 U.S.C. § 1125(c).

¹¹⁸ See Pelikánová, *supra* note 111.

¹¹⁹ CODICE CIVILE [C.c.] [CIVIL CODE] art. 2598 (It.), available at <https://www.brocardi.it/codice-civile/libro-quinto/titolo-x/capo-i/sezione-ii/art2598.html> [<https://perma.cc/KS3U-UVU8>].

similar products, storefronts, interior designs and concepts, and even shop assistant clothing.¹²⁰

Although parasitic commercial practices are regulated in a number of nations, implementation and interpretation varies widely. For example, European Union member nations, such as France and the Czech Republic, have dedicated entire sections of their Civil or Commercial Codes to protect against parasitic practices, while other countries, such as the United Kingdom, rely solely on case law to police such matters.¹²¹ However, the overall ambiguity about the classification and regulation is a *prima facie* example of insufficient and ineffective legislation throughout the entire continent.¹²²

II. THE PROBLEM WITH COUNTERFEITING CLOUT

At its foundation, a legal fake is a copy of a brand, where “legal” indicates that the fake brand is a trademark—possibly with slight graphical modifications compared to the original—registered in a country where the original mark has yet to be launched.¹²³ Although it appears this grievance may simply be dispensed as traditional trademark squatting,¹²⁴ the analysis does not end there. Impostor companies go beyond traditional squatters and actually put the registered mark to use by copying the brand’s distinctive elements, from marketing strategies and advertising materials, to fake storefronts.¹²⁵ Some impostors have been successful in fooling consumers and winning over fans, essentially supplanting the original

¹²⁰ See Eva Troiani, *Parasitic Unfair Competition: What Is the Limit of Similarity Between Activities in the Same Sector?*, REGISTRARE MARCHIO, <https://registrare-marchio.com/en/>

parasitic-unfair-competition-what-is-the-limit-of-similarity-between-activities-in-the-same-sector/ [https://perma.cc/5KZB-ZWGC].

¹²¹ See Pelikánová, *supra* note 111, at tbl.1.

¹²² See *id.* at 3.

¹²³ See Grazioli, *supra* note 9.

¹²⁴ See Sangsuvan, *supra* note 71, at 252.

¹²⁵ See Grazioli, *supra* note 9; see also Salibian, *Kiko Milano Wins Legal Battle Against Wycon Cosmetics Again*, WWD (Apr. 10, 2018), <https://wwd.com/beauty-industry-news/beauty-features/kiko-milano-wins-legal-battle-against-wycon-cosmetics-again-1202646484/> [https://perma.cc/JN92-ZLMD].

brands in foreign countries where the original brand has yet to establish its business.¹²⁶

The first section below demonstrates the legal fake phenomenon through the plight of Supreme, a leading name in streetwear, against an unknown company whose shameless operation caused an ongoing chain of legal battles worldwide.¹²⁷ The subsequent sections examine three main issues stemming from the controversy that highlight cracks in the global trademark regime and the challenges growing fashion brands face as they expand globally: (1) weak enforcement of international intellectual property agreements leading to (2) burdensome litigation and conflicting judgments of well-known marks, and (3) troublesome media effects that indicate a need for greater consumer protection.¹²⁸ Finally, the last section discusses current attempts to fix such problems.

A. Overview of the Supreme and IBF Controversy

Founded by James Jebbia in 1994, Supreme, an American streetwear brand based in New York City, was originally created for the skateboard market.¹²⁹ Similar to its Stüssy predecessor,¹³⁰ Supreme's core foundation was the rebellious attitude of young NYC skateboarders with influences from punk and hip-hop culture.¹³¹ Since then, the brand has become “the holy grail of high youth street culture by curating a mix of the city's iconography—fashion, music, celebrity, and politics—within its walls”¹³²

Supreme's name and box logo—the now-infamous red and white rectangle bearing the word “Supreme” in Futura Heavy Oblique font—has been a source of legal trouble for Supreme from

¹²⁶ See Grazioli, *supra* note 9.

¹²⁷ See Chantal Fernandez, *Supreme Breaks Silence on 'Criminal' Global Counterfeiting Menace*, BUS. OF FASHION (Apr. 3, 2019), <https://www.businessoffashion.com/articles/news-analysis/supreme-breaks-silence-on-criminal-global-counterfeiting-menace> [<https://perma.cc/X264-HV8Y>].

¹²⁸ See *infra* Part II.B.

¹²⁹ See Macedo, *supra* note 29, at 37.

¹³⁰ Jebbia was a former manager at Stüssy NY. See *id.*

¹³¹ See *id.*

¹³² *Id.*

the start.¹³³ The logo was an obvious play on the work of renowned graphic designer, Barbara Kruger, whose white-futura-text-in-red-box designs were already well-known in the industry.¹³⁴ Although Jebbia filed to register the logo at the USPTO in March 2013, the application was rejected on grounds of descriptiveness,¹³⁵ rather than similarity to Kruger's work.¹³⁶ Further, despite efforts to register its name, Supreme faced repeated refusals due to other registrants who were already using the mark in similar classes of goods.¹³⁷ Supreme eventually overcame pushback and secured rights in both its "SUPREME" name and logo for use on clothing, and eventually for use on all-purpose sports and athletic bags, fanny packs, and other forms of apparel.¹³⁸ But even after amassing dozens of valid registrations by Supreme's legal counsel, the reach of those trademark rights remained solely within the United States.¹³⁹ Given the rights' jurisdictional limitations and Supreme's slow filing in other countries, foreign actors have since carried out significant counterfeiting activities to capitalize on Supreme's worldwide success.¹⁴⁰

Founded in 2015 under the direction of Michele di Pierro, International Brand Firm ("IBF"), a then-unknown company, began laying the foundation for a global trademark-collecting scheme.¹⁴¹ By 2016, through a series of affiliated companies, IBF had built a collection of trademark registrations in over fifty countries, employing the word "Supreme" and versions of the box logo.¹⁴² An overview

¹³³ See *From the Name to the Box Logo: The War Over Supreme*, FASHION L. (Feb. 22, 2018), <https://www.thefashionlaw.com/from-the-name-to-the-box-logo-the-war-over-supreme/> [https://perma.cc/EVP6-44P3].

¹³⁴ Jebbia later acknowledged that Supreme's logo was based directly on Kruger's work. *Id.*

¹³⁵ *Id.*; see 15 U.S.C. §1052(e)(2) (stating the bases of registration refusal, which include descriptiveness as a valid ground).

¹³⁶ See U.S. Trademark Application Serial No. 85868116 (filed Mar. 6, 2013).

¹³⁷ See *id.*; SUPREME, Registration No. 4,554,309, Office Action (Feb. 5, 2014); SUPREME, Registration No. 4,157,110, Office Action (Jan. 6, 2012).

¹³⁸ See SUPREME, Registration No. 4,157,110; see also *From the Name to the Box Logo: The War Over Supreme*, *supra* note 133.

¹³⁹ See *Supreme Adds New Chinese Registration to Its Arsenal Amid Crackdown on Counterfeits*, FASHION L. (May 5, 2020), <https://www.thefashionlaw.com/supreme-adds-new-chinese-registration-to-its-arsenal-of-trademarks/> [https://perma.cc/3QUX-JCJR].

¹⁴⁰ See *id.*

¹⁴¹ See Fernandez, *supra* note 127.

¹⁴² See *id.*

of IBF's brazen venture and the resulting chaos is chronicled below to illustrate the legal fake problem.

1. The Italian Job

The legal fake's birthplace can be traced to Barletta, a small and sleepy town in Southern Italy.¹⁴³ In 2015, IBF, working through its affiliated company, Trade Direct SrL, attempted to exploit Italy's "first-to-file" trademark system and successfully secured the mark, "Supreme Italia"—wholly unaffiliated with Jebbia's Supreme.¹⁴⁴ The near-identical mark featured Supreme's iconic red box and white Futura Heavy Oblique lettering but appeared much larger on IBF's products.¹⁴⁵ From its central location in Barletta, IBF successfully presented itself as an international fashion brand distributor, duping retailers into believing they were purchasing legitimate Supreme products.¹⁴⁶ The operation may have continued undetected if not for a social media stir during the 2016 Pitti Uomo Fair, an international menswear event.¹⁴⁷ A post from the event, displaying hoodies and t-shirts bearing IBF's version of the box logo, eventually reached Supreme's legal team in New York, sparking a legal battle that would rage for years.¹⁴⁸

Supreme, acting through its intellectual property holding company, Chapter 4, filed a complaint with the Business Specialized Division of the Court of Milan, alleging IBF was actively engaged in "counterfeiting activities and unfair competition" by distributing

¹⁴³ Francesca Milano, *Supreme Italia – Story of a 'Legal Fake,'* NSS MAG. (Oct. 26, 2016), <https://www.nssmag.com/en/fashion/9262/supreme-italia-story-of-a-legal-fake> [<https://perma.cc/4K52-JSKS>]. IBF is also known as "Supreme Italia" or "Supreme Barletta." *Id.*

¹⁴⁴ *Id.*; Filippo D'Asaro, *What Is Supreme Italia? A Brief Guide,* NSS MAG. (Dec. 11, 2018), <https://www.nssmag.com/en/fashion/17066/supreme-italia-guide> [<https://perma.cc/J56D-V3EN>]; see also Grazioli, *supra* note 9.

¹⁴⁵ See Milano, *supra* note 143.

¹⁴⁶ See Grazioli, *supra* note 9.

¹⁴⁷ See *id.*

¹⁴⁸ See *id.*; *How a Quiet Trademark Scheme & Epidemic-Level Counterfeiting Led to a Global, \$1 Billion Fight for Supreme,* FASHION L. (Dec. 12, 2018), <https://www.thefashionlaw.com/how-a-quiet-trademark-scheme-amp-epidemic-level-counterfeiting-led-to-a-global-fight-for-supreme/> [<https://perma.cc/3W8H-VHCZ>].

“garments bearing a slavish reproduction of Supreme’s [mark].”¹⁴⁹ Supreme further cited its own Italian trademark application that predated IBF’s registration by just over a month.¹⁵⁰

The Milan court’s first ruling in January 2017 was a win for Supreme: IBF was ordered to cease any production, exportation, and marketing of clothing and any other products bearing the mark “Supreme”; withdraw from the market any products bearing the mark (including related advertising or promotional materials); and discontinue using its “supremeitalia.com” domain name.¹⁵¹ Following an appeal by IBF, in April 2017, the Milan court held again in Supreme’s favor on grounds of parasitic unfair competition.¹⁵² This time, the court confirmed the unlawfulness of IBF’s conduct, citing trademark counterfeiting under Article 20(a) of the Italian Industrial Property Code and the independent circumstance of parasitic unfair competition under Article 2598(3) of the Italian Civil Code.¹⁵³ The court found that IBF’s use of Supreme’s logo for an overlapping line of products, the related promotional images, and even advertising methods exploited Supreme in a parasitic way by taking advantage of Supreme’s entrepreneurial success and popularity.¹⁵⁴

Following the courts’ decisions, Italian police began seizing unauthorized products.¹⁵⁵ In mid-March of 2019, the Italian police carried out Operation “Golden Brand,” seizing over 700,000 of IBF’s Supreme-branded items, worth over €10 million.¹⁵⁶

2. A Worldwide Heist

Unfortunately for Supreme, IBF’s distribution channels extended far beyond the humble and idyllic Barletta. Initial wins in

¹⁴⁹ See Trib., 11 gennaio 2018, n. 57721, Foro it. Milano 2018, III, A, 5 (It.); Grazioli, *supra* note 9.

¹⁵⁰ See Trib. Milano, 11 gennaio 2018, n. 57721, at 5.

¹⁵¹ Grazioli, *supra* note 9.

¹⁵² Trib. Milano, 11 gennaio 2018, n. 57721, at 5.

¹⁵³ Pursuant to the Italian Acts of Unfair Competition, parasitic unfair competition occurs when an entrepreneur places himself in the wake of his competitor in a systematic and continuous way, passively exploiting their strategies and making improper use of ideas, research, and investment of others. See C.c. art. 2598 (It.).

¹⁵⁴ See Trib. Milano, 11 gennaio 2018, n. 57721, at 5.

¹⁵⁵ Fernandez, *supra* note 127.

¹⁵⁶ *Id.*

Italy were only the beginning of a global battle for the coveted box logo.¹⁵⁷ Civil proceedings in San Marino, China, Spain, and with the European Union Intellectual Property Office (“EUIPO”) have continuously forced Supreme into legal actions in various jurisdictions over the years.¹⁵⁸

In Spain, IBF filed to register the mark “Supreme Spain,” in April 2017, beating Supreme to the trademark office by five days.¹⁵⁹ This considerably weakened Supreme’s position in litigation and caused a court in Barcelona to eventually rule in IBF’s favor, rejecting Supreme’s secondary meaning argument that was previously successful in Italy.¹⁶⁰ IBF subsequently began opening fake “Supreme Spain” stores in Madrid, Barcelona, Malaga, Ibiza, and Formentera.¹⁶¹

Headlines in December 2018 brought attention to IBF’s international joyride when Samsung China announced a collaboration with “Supreme.”¹⁶² At a live-streamed product launch conference, two men introduced as the apparent CEOs of Supreme, announced cross-over products between the brands, as well as plans to open a seven-story flagship store in Beijing and official stores on Chinese e-commerce platforms.¹⁶³ In reality, Samsung had partnered with IBF’s “Supreme Italia,” which was quickly revealed through a social media statement released by Jebbia disclaiming any collaboration.¹⁶⁴ The uproar and public backlash eventually led Samsung to issue an official statement terminating the collaboration with IBF’s

¹⁵⁷ *See id.*

¹⁵⁸ *See id.*

¹⁵⁹ *Id.*

¹⁶⁰ Jacopo Prisco, *Battle of Supremes: How ‘Legal Fakes’ are Challenging a \$1B Brand*, CNN (Mar. 18, 2019), <https://www.cnn.com/style/article/supreme-italia-legal-fake/index.html> [<https://perma.cc/S9WC-ETL7>].

¹⁶¹ Fernandez, *supra* note 127.

¹⁶² Rachel Cheung, *Samsung Makes Supreme Error, Announces Collaboration with Street Wear Counterfeiter in Beijing*, S. CHINA MORNING POST (Dec. 11, 2018, 5:15 PM), <https://www.scmp.com/lifestyle/fashion-beauty/article/2177460/samsung-makes-supreme-error-announces-collaboration-street> [<https://perma.cc/W9XZ-AHP7>]; *see* Ashley Carman, *Samsung Cancels its Fake Supreme Collaboration in China*, VERGE (Feb. 4, 2019, 10:01 AM), <https://www.theverge.com/2019/2/4/18210312/samsung-supreme-italia-china-partnership-knockoff-cancel> [<https://perma.cc/DQ42-YE6Q>].

¹⁶³ Cheung, *supra* note 162; Carman, *supra* note 162.

¹⁶⁴ Cheung, *supra* note 162; Carman, *supra* note 162.

“Supreme Italia.”¹⁶⁵ This bold move by IBF was followed by counterfeit fashion shows, duplications of Supreme’s invoices, shopping bags, signage, and even claims in March 2019 of opening a new brick-and-mortar retail location at a popular Shanghai shopping strip.¹⁶⁶ However, according to several news sources, Supreme’s legal counsel communicated that IBF’s store had not officially opened and the footage of people queuing outside were paid actors posing as customers.¹⁶⁷

From the manufactured scarcity and meager twelve stores worldwide, to the uphill battle faced by a logo considered too general and descriptive by some courts, there is an argument that Supreme is to blame for failing to internationally register its marks sooner.¹⁶⁸ Fortunately for Supreme, it now appears di Pierro’s long-winded heist has run its course. Following the seizure of IBF’s branded products from stores and warehouses¹⁶⁹ and the eventual recognition of Supreme’s mark ownership by Chinese and European Union courts, IBF ceased all retail operations worldwide.¹⁷⁰ In a decision on June 25, 2021, a London court sentenced di Pierro to eight years in prison for “hijack[ing] every facet of [Supreme]’s identity.”¹⁷¹ Despite the Supreme-IBF saga coming to a close, the tactics used by this impostor company reflect a new level of sophistication in the unauthorized use and duping of less-informed consumers.

B. Ripped Seams of the Current Legal Framework

Demonstrated by IBF’s worldwide operations, the biggest danger posed by legal fakes occurs when impostors take advantage of the current global intellectual property framework to promote

¹⁶⁵ See Cheung, *supra* note 162; Carman, *supra* note 162.

¹⁶⁶ See Alexander Zeng & Jonathan Hyman, *Which Supreme Will Reign Supreme: “Legal Counterfeits” in China*, LEXOLOGY (Apr. 24, 2019), <https://www.lexology.com/library/detail.aspx?g=96ad8b17-6487-4f9c-8c93-7d5ecaa29c0d> [<https://perma.cc/VQ28-PUD3>].

¹⁶⁷ *Id.*

¹⁶⁸ *Id.*

¹⁶⁹ Fernandez, *supra* note 127.

¹⁷⁰ See Francesca Sironi & Alberto Gottardo, *How to Shamelessly Knock Off Supreme Worldwide and Get Away with It, for a While*, BLOOMBERG (July 2, 2021), <https://www.bloomberg.com/features/2021-supreme-knockoff/> [<https://perma.cc/HJ7C-5MG2>].

¹⁷¹ *Id.*

unlawful activities.¹⁷² A secondary, consumer protection concern arises from the media's active role shaping the public's perception of the controversy.¹⁷³ The following sections highlight three main issues relating to these concerns that have potential ramifications for brands spanning the fashion industry, indicating the international trademark regime's need for reform.

1. Grey-Area Trademark Squatting

The strongest hold that impostors such as IBF have over original brands originates from the differing trademark systems between countries, permitting squatters to register stolen marks.¹⁷⁴ Supreme fell victim to this situation when IBF began collecting registrations worldwide for the stolen box logo mark.¹⁷⁵ Although Supreme acquired domestic rights to use its mark in the United States after many registration attempts, trademark rights were limited to the United States and several other countries where brick-and-mortar stores resided. By beating Supreme to registration in a multitude of foreign countries under first-to-file systems, IBF essentially barred Supreme from expanding into those markets.¹⁷⁶

As mentioned above, simply stealing registrations from original brands is usually only the initial move for squatters.¹⁷⁷ Impostors like IBF take squatting to the next level. Not only did IBF register the box logo mark in various countries spanning Europe and Asia, but also copied products, opened fake stores, impersonated high-level Supreme executives, fabricated invoices, and utilized similar-looking shopping bags.¹⁷⁸ This level of impersonation can place brands like Supreme, who have yet to break into certain foreign markets, in an expensive bind.

Ideally, current international treaties would prevent impostor companies from squatting on stolen marks, regardless of first-to-

¹⁷² See *supra* Part II.A.

¹⁷³ See *supra* Part II.B.3.

¹⁷⁴ See *supra* Part II.

¹⁷⁵ See *supra* Part II.A.

¹⁷⁶ See *supra* Part II.A.

¹⁷⁷ See *supra* Part II.

¹⁷⁸ See Fernandez, *supra* note 127.

file/first-to-use registration regime.¹⁷⁹ Article 6*bis* of the Paris Convention originally sought to provide protection for well-known marks through an agreement to police domestic trademark registries on behalf of foreign owners of famous marks already registered in other member countries.¹⁸⁰ However, the widespread reach of IBF and similar companies reveals these provisions ultimately deal with the issue ineffectively.

There are multiple explanations for this ineffective protection of brand owners against impostor companies. The first explanation is the general lack of domestic enforcement of international measures among member states.¹⁸¹ Because the sections use broad language, providing rather minimal enforcement standards, treaties such as the TRIPS Agreement have made interpretation difficult for mediators or dispute-settlement panels to identify clear-cut violations of trademark infringement.¹⁸² Further, not all members hold the treaties as directly enforceable.¹⁸³ For example, for any Paris Convention provision to have legal impact in the United States, there must be congressional implementation through domestic legislation.¹⁸⁴ Various provisions of the Lanham Act loosely embody obligations imposed by the Paris Convention but require action through domestic laws.¹⁸⁵

Further, practical factors—history, economics, negotiation, and technology—explain how multinational intellectual property agreements struggle to provide effective global enforcement.¹⁸⁶ For example, international intellectual property agreements' historical legacy demonstrates the failure to develop strong enforcement, attributed first to the origins of international agreement and now to the developed countries' misguided implementation tactics.¹⁸⁷ Economically, strong enforcement requires a substantial investment of resources and supporting infrastructure—a cost that not all countries

¹⁷⁹ This is assuming we are dealing with countries within the World Trade Organization.

¹⁸⁰ See Paris Convention, *supra* note 19, at 325.

¹⁸¹ See YU, *supra* note 87, at 771.

¹⁸² See *id.*

¹⁸³ See MCCARTHY, *supra* note 62, at § 29:25.

¹⁸⁴ See *id.*

¹⁸⁵ See, e.g., 15 U.S.C. § 1127.

¹⁸⁶ See YU, *supra* note 87, at 772.

¹⁸⁷ *Id.* at 772.

are willing to allocate.¹⁸⁸ These economic costs, coupled with disciplinary costs, can include building new institutional infrastructures or restructuring existing agencies, or even developing specialized expertise, staffing courts, police forces, and prisons.¹⁸⁹ With many of the world's least developed countries still struggling to meet basic needs (electricity, school, healthcare, etc.), it is understandable why enforcement is a highly sensitive issue in international intellectual property negotiations.¹⁹⁰ Relatedly, negotiation challenges arise when dealing with delicate topics such as resource allocation and capacity questions.¹⁹¹ Due to delays in discussing enforcement measures and deliberate efforts to inject ambiguities in treaty language, many countries complain about the standards' unfair and biased nature.¹⁹² Finally, the advent of the internet and new communication technologies has, to some extent, rendered the TRIPS Agreement obsolete even before it became effective.¹⁹³ All of these factors that countries weigh when enforcing international treaties (especially considering the fashion industry's high-paced and globalized network) have allowed impostor companies to slip through the cracks of policing provisions.

2. Burdensome Litigation and Inconsistent Rulings

A closely related issue stemming from disparate trademark systems is the burdensome litigation that ensues once a brand decides to reclaim stolen rights. The TRIPS Agreement stipulates that a legal proceeding's venue is the contracting state's domestic courts. Accordingly, under domestic laws, a single brand—victim to a legal fake scheme—must pursue litigation in every country where an opposing trademark has been filed if all rights are to be reclaimed.¹⁹⁴ As discussed above, Supreme's litigation in Milan was only the beginning of a worldwide pursuit to end IBF's illicit activities.¹⁹⁵ Although perhaps a headache for the legal team, Supreme ultimately

¹⁸⁸ *Id.* at 774.

¹⁸⁹ *Id.*

¹⁹⁰ *Id.* at 775.

¹⁹¹ *Id.* at 778.

¹⁹² *Id.*

¹⁹³ *See id.* at 787.

¹⁹⁴ *See* TRIPS Agreement, *supra* note 85, at 301.

¹⁹⁵ *See supra* Part II.A.1.

has sufficient resources at its disposal to pursue litigation, per a reported valuation of \$1 billion in 2017.¹⁹⁶ However, this is not a viable option for all brands fighting back against impostor companies.

Not only is litigation costly and time-consuming, but the Supreme controversy also demonstrates that courts do not consistently rule in favor of the original mark owner.¹⁹⁷ Although Supreme was initially successful in stopping IBF's operations in Italy, Supreme's case proved futile in Spain despite advancing the same arguments of counterfeiting and unfair competitive activities.¹⁹⁸ This inconsistency stems from widely disparate interpretations of the broad international treaty language.¹⁹⁹ For example, the well-known marks provision originally cited in Article 6*bis* of the Paris Convention, and subsequently in Article 16 of the TRIPS Agreement, fails to define "well-known."²⁰⁰ Rather, the treaties encourage countries to "take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark."²⁰¹ In effect, member countries are tasked with determining the meaning and validity of a well-known mark on a case-by-case basis, leading to inconsistent rulings despite the same actions being brought.²⁰²

Although every European Union nation universally detests unfair commercial practices and parasitism, every member nation's laws on the matter diverge according to tradition, preferences, and domestic caselaw.²⁰³ This is compounded by impostor companies' activities varying between countries of operation. IBF's operations in Italy, though infamous, were located in a modest town—

¹⁹⁶ See Dow Jones Newswires, *Supreme Streetwear Brand Sold to VF in \$2.1 Billion Deal*, BARRON'S (Nov. 9, 2020, 3:29 PM), <https://www.barrons.com/articles/supreme-streetwear-brand-sold-to-vf-in-2-1-billion-deal-51604953762> [https://perma.cc/5NM5-TY43].

¹⁹⁷ See *supra* Part II.A.

¹⁹⁸ See Fernandez, *supra* note 127.

¹⁹⁹ See Sangsuvan, *supra* note 71, at 284.

²⁰⁰ See *id.* at 283.

²⁰¹ See TRIPS Agreement, *supra* note 85, at 306.

²⁰² See Sangsuvan, *supra* note 71, at 284.

²⁰³ See generally Pelikánová, *supra* note 111.

notwithstanding the amount of product it moved.²⁰⁴ IBF's operations in China, however, made international headlines with its highly-publicized collaboration scandal and plans to open a seven-story flagship store in Shanghai.²⁰⁵ Domestic courts evaluating varying activities discretionarily decide whether a mark is unfairly appropriated.²⁰⁶ Because of this, a single brand attempting to reclaim the rights to its name in various countries will likely face a myriad of obstacles proving infringement against local law. Although disparate laws preserve member countries' autonomy and variety, this scheme is ultimately at odds with an increasingly global fashion market and multi-country counterfeit schemes.

3. Concern for Consumer Protection

Legal fakes also illuminate an increasing concern over consumer protection. Consumer protection efforts are designed to protect consumers against unfair trade and credit practices involving consumer goods, as well as faulty and dangerous goods.²⁰⁷ Although the struggle to educate consumers about counterfeit products has long existed in the fashion industry,²⁰⁸ the legal fake phenomenon reflects an attitude edging toward acceptance of illicit products and impostor companies. Not only does this deprive original designers of the fruits of their labor, broader safety and ethical concerns are implicated as well.²⁰⁹

The shady origins of the term "legal fake" play a big role in shaping this concern. Although the phrase sounds like legal jargon, the term is not found in any legal dictionary.²¹⁰ It spontaneously occurred in the 2010s at the height of Supreme and IBF's pending

²⁰⁴ See *supra* Part II.A.1.

²⁰⁵ See *supra* Part II.A.2.

²⁰⁶ See Pelikánová, *supra* note 111.

²⁰⁷ *Consumer-Protection Law*, BLACK'S LAW DICTIONARY (11th ed. 2019).

²⁰⁸ Connor S. R. Goddard, Exploring the Efficacy of Consumer Education with Regard to Consumption of Branded and Luxury Counterfeit Merchandise 18 (May 2014) (M.S. thesis, Ohio University) (on file with author).

²⁰⁹ *Id.* at 25.

²¹⁰ See *Foreign Trademarks, Legal Feuds and Fake News: Supreme v. Supreme Italia*, FASHION L. (Apr. 9, 2019), <https://www.thefashionlaw.com/foreign-trademarks-legal-feuds-and-fake-news-supreme-v-supreme-italia/> [<https://perma.cc/9Q3R-XUNQ>].

litigation in Italian courts.²¹¹ One online magazine site, *nss Magazine*, covered the story and began using the term “legal fake” in reference to IBF²¹² as a “legal copy of a brand, where ‘legal’ indicates that the fake brand is a trademark registered in a country . . . where the original mark has yet to be launched.”²¹³

On closer inspection, certain facts of this origin story give rise to suspicion. Since its publication, the term has been used extensively and almost exclusively in reference to this particular debacle.²¹⁴ *The Sportsware Magazine*, another source that used the term, registered its website domain under IBF founder di Pierro’s name,²¹⁵ and articles published on the site during the litigation almost exclusively pertained to Supreme and IBF.²¹⁶ Reports from these sites are further responsible for widespread inaccuracies about the Supreme and IBF conflict. For example, a July 2018 article published in *nss Magazine*, incorrectly stated that Supreme lost a case to IBF in Italy.²¹⁷ In reality, the court ordered three of IBF’s domain names, “www.supremeitalia.com,” “www.supremeitalita.it,” and “brand-shopstore.com” be returned to IBF after being subject to a court-ordered block during litigation.²¹⁸ The article further omits reportage on the court’s order barring IBF from manufacturing and selling products bearing the Supreme label, instead framing IBF’s activities as “minor crimes of unfair competition and civil offense.”²¹⁹

These events hint at the question of conspiracy: did IBF invent a new term to describe their activities? Did IBF exert any influence over the media’s coverage to shape public opinions? Regardless of whether the creation of “legal fake” was a public relations technique

²¹¹ *See id.*

²¹² *See* Milano, *supra* note 143.

²¹³ Grazioli, *supra* note 9; Milano, *supra* note 143.

²¹⁴ *See Foreign Trademarks, Legal Feuds and Fake News: Supreme v. Supreme Italia*, *supra* note 210.

²¹⁵ *See id.*

²¹⁶ *See id.*

²¹⁷ *See* Filippo D’Asaro, *An Italian Court Votes Against Supreme in the Legit Fake Phenomenon*, *NSS MAG.* (July 31, 2018), <https://www.nssmag.com/en/pills/15778/italian-court-votes-against-supreme-in-the-legit-fake-phenomenon> [<https://perma.cc/XN5D-5GWH>].

²¹⁸ *See id.*

²¹⁹ *Id.*

to shape the narrative, impostor companies have benefitted from the term by painting a prettier picture of activities which would otherwise be branded as counterfeiting and grey-area trademark squatting.²²⁰ To a trained lawyer or industry expert, IBF's actions are clearly "misleading and technically erroneous."²²¹ However, to the average consumer, the word "legal" may give a false sense of legitimacy to these actions.²²² Jebbia himself acknowledged that "it would be sad if a new generation thinks [legal fakes are] actually legit[imate]."²²³

On a broader level, legitimizing legal fakes raises serious safety and ethical concerns. By legitimizing these practices, consumers who brush past the misnomer are ultimately supporting the manufacture and distribution of counterfeit products.²²⁴ Counterfeit items often raise serious safety concerns, such as the use of harmful substances in the fabrics of garments.²²⁵ Because low-cost coloring agents and unsafe chemicals are frequently used in manufacturing fakes, consumers are at risk of serious health concerns.²²⁶ Legitimizing the use of counterfeits and legal fakes also implicates broader ethical concerns over labor conditions. The exploitive use of forced labor within the counterfeit industry has grown exponentially in recent years.²²⁷ Many consumers of counterfeit products are unaware of such human rights violations, ranging from factory disasters to severely underpaid workers.²²⁸ Although there are no overt links between legal fakes and unethical or unsafe counterfeit practices, legitimizing legal fakes is the first step in acquiescing to illicit practices in the fashion industry as a whole.

²²⁰ See *Foreign Trademarks, Legal Feuds and Fake News: Supreme v. Supreme Italia*, *supra* note 210.

²²¹ *Id.*

²²² See *id.*

²²³ See Fernandez, *supra* note 127.

²²⁴ See *Foreign Trademarks, Legal Feuds and Fake News: Supreme v. Supreme Italia*, *supra* note 210.

²²⁵ IT. MINISTRY FOR ECON. DEV., NO TO FAKE: THE COUNTERFEITING OF CLOTHING AND ACCESSORIES 4 (2019).

²²⁶ See *id.* at 4–5.

²²⁷ See Angela Terese Timpone, Note, *The True Price for Your Gucci Bag is a Life: Why Eliminating Unsafe Labor Practices Is the Right Answer to the Fashion Counterfeit Problem*, 15 CARDOZO PUB. L. POL'Y & ETHICS J. 351, 354 (2017).

²²⁸ See *id.* at 357.

C. Current Proposed Solutions in the Field

Current solutions proposed by scholars mainly focus on broad international trademark reform to mitigate general problems within the fashion industry.²²⁹ By grouping legal fake concerns with similar infringement or counterfeit issues, most solutions aim for high-level reform or cooperation among governing bodies to solve an array of problems.²³⁰

One proposed effort seeks to strengthen global trademark enforcement at the world organizational level. A solution proposed by Zachary Shufro advocates for cooperation between WTO and WIPO in establishing an international tribunal to handle trademark disputes.²³¹ Under this effort, a trademark-specific tribunal handles cases in which “a trademark holder in one country suspects that their trademark rights are not being sufficiently accorded Madrid Protocol deference in another jurisdiction.”²³² A similar effort proposed by Shufro looks to expand the WIPO Arbitration and Mediation Center’s existing jurisdiction to handle international trademark cases.²³³ At present, jurisdiction for these tribunals is limited to disputes in which parties have a pre-existing mediation or arbitration agreement that specifies the WIPO Arbitration and Mediation Center as the venue.²³⁴

Other efforts, such as that proposed by Timothy W. Blakely at the University of Pennsylvania, seek to establish a unitary transnational system of trademark protection.²³⁵ This solution suggests using the Community Trademark System (“CTM”), an European Union-based trademark-harmonization effort, as a model for a worldwide trademark system.²³⁶

²²⁹ See Shufro, *supra* note 73, at 648; see generally Timothy W. Blakely, Comment, *Beyond the International Harmonization of Trademark Law: The Community Trade Mark as a Model of Unitary Transnational Trademark Protection*, 110 U. PA. L. REV. 309 (2000).

²³⁰ See Shufro, *supra* note 73, at 648; Blakely, *supra* note 229.

²³¹ See Shufro, *supra* note 73, at 700.

²³² See *id.*

²³³ See *id.* at 704–05.

²³⁴ See *id.* at 704.

²³⁵ See Blakely, *supra* note 229, at 310.

²³⁶ See *id.* at 311.

III. MAKING ALTERATIONS TO AN ILL-FITTING FRAMEWORK

In an ideal world, every brand owner from any country would file their mark early with a world trademark registry, and every international dispute would be handled by a single tribunal under the same laws. This would have allowed Supreme, a U.S. company, to gain worldwide rights to its mark and streamline litigation under a single court tasked with adjudicating any dispute with IBF, a British company, should it arise. However, the effort required to overhaul domestic laws and create a worldwide trademark system in hopes that brands will automatically know to file their marks early is highly unrealistic. The type of solution needed is one that seeks to operate in the real-life scenario of countries with inevitably varying laws, and in which impostor companies are free to capitalize on brands that are not quick enough to register their marks.

The proposed solution advocates for international trademark system reform within continental blocs, with the goal of domestic law harmonization and streamlined adjudication across country borders. By creating regional trademark offices that register from a bloc of countries, brand owners seeking protection for marks will be granted a bundle of rights from a single filing. At the same time, the push for harmonization of trademark laws within a bloc will preserve the domestic jurisprudence of each individual country while providing consistent outcomes for a case brought in multiple countries—as in the case of Supreme. The solution, broken into two main portions, will be discussed in more detail below. The first portion describes the necessary steps to create and manage continental trademark registries. The second portion looks to recent attempts of regional harmonization of trademark laws on a continental basis and further delineates measures for international dispute resolution.

A. Regional Trademark Registration

The first portion of the proposed solution is establishing regional trademark registries or offices. This is first accomplished by grouping WIPO-member countries into separate regions based on geographic, economic, and cultural factors, among others.²³⁷

²³⁷ See YU, *supra* note 87, at 772 (stemming from the challenges that have demonstrated the ineffectiveness of the TRIPS Agreement).

Continental division (i.e., North America, Asia) is likely to be the most efficient and effective grouping as demonstrated by previous harmonization routes and treaties.²³⁸ Countries within a continental bloc are in the best position to establish similar cross-nation trademark systems. Although the China Trademark Office (“CTMO”)²³⁹ and the USPTO²⁴⁰ are well-established agencies in powerful nations, establishing continent-wide offices to handle international marks better serves the needs of growing brands in an increasingly global economy. It should be noted that this solution does not request the dissolution of current national trademark offices already in place. Rather, looking to EUIPO as a model, this solution advocates for establishing an additional cross-nation trademark system to prosecute applicants who seek protection in all member countries within a region.

Regarding the continental trademark office’s specific duties, existing institutions created for regional registration provide a starting point for worldwide implementation. Specifically, the current European system, though imperfect, shows promise as a model for other countries in continental blocs to follow suit. The European Union trademark (“EUTM”) is a trademark registration granted by the EUIPO.²⁴¹ A EUTM mark has uniform effect in all European Union member states²⁴² and has automatic legal force without necessitating separate national legislation.²⁴³ As a separate legal entity within the European Union, EUIPO issues registrations after examination and search for previous marks both within the EUIPO-specific registry

²³⁸ Previous efforts include the Unfair Commercial Practices Directive and Community Trademark System. Blakely, *supra* note 229, at 311; *see* Pelikánová, *supra* note 111. American efforts include the Inter-American Convention for Trademark and Commercial Protection. *See generally* General Inter-American Convention for Trade Mark and Commercial Protection, Feb. 20, 1929, 124 L.N.T.S. 357.

²³⁹ CHINA PAT. & TRADEMARK OFF., <https://www.chinatrademarkoffice.com/> [<https://perma.cc/D24E-V2L9>].

²⁴⁰ U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/> [<https://perma.cc/DJS3-STNP>].

²⁴¹ *About EUIPO*, E.U. INTELL. PROP. OFF., <https://euiipo.europa.eu/ohimportal/en/about-euiipo> [<https://perma.cc/PEW2-MK4T>].

²⁴² Participating offices in the EU are on the European Union Intellectual Property Network (“EUIPN”) website. *See Participating Offices*, EUIPN, <https://www.tmdn.org/network/web/csc/offices-summary> [<https://perma.cc/2HH8-KU98>].

²⁴³ *See* McCARTHY, *supra* note 62, at § 29:35.

and registries from individual member nations.²⁴⁴ The main advantage of a EUTM registration is the cross-nation protection while lowering the cost and time needed for filing separate applications in individual member nations.²⁴⁵

The possible benefits of implementing similar EUTM offices in other continental blocs include not only preventing impostors from legal fake activities, but also providing flexible options to growing brands. Because new brands may not have the resources nor foresight to register their marks in certain markets worldwide, any country not listed in the trademark filing is vulnerable to impostor companies. Continental registration streamlines the process by which brands can expand their business into a selection region of the global market. Given that a new brand will file or use its mark as early as possible (depending on whether the bloc is decidedly a first-to-file or first-to-use system), this solution would bar impostor companies from exploiting the market of any country within that region.

The unfortunate reality is that original brands are not always able to beat squatters. The principles of streetwear seemingly dictate an unhurried expansion into markets to preserve its exclusive nature.²⁴⁶ On its face, the possibility of impostor companies barring original brands from entire continental markets is daunting. However, the second portion of the proposed solution addresses this concern by proposing harmonization at the domestic level.

B. Regional Harmonization of Trademark Laws

As discussed above, continental trademark registration does not fully solve the problem of impostor companies stealing original brand owners' marks and setting up legal fake schemes.²⁴⁷ The second component of the solution aims to harmonize trademark laws between countries within a bloc. In the case where an original owner seeks to reclaim a stolen mark, harmonized laws will hopefully lead to consistent outcomes in litigation.

²⁴⁴ *See id.*

²⁴⁵ *See id.*

²⁴⁶ Parry, *supra* note 16, at 6.

²⁴⁷ *See supra* Part III.A.

“Harmonization is the process by which the varying laws of different sovereign entities are changed to more closely reflect a common set of legal principles agreed to by those sovereign entities.”²⁴⁸ Because global harmonization of trademark laws may be too ambitious given the current patchwork of intellectual property laws worldwide, this solution presents regional harmonization along the same continental blocs established by the trademark offices set forth in the prior section.²⁴⁹

Although mostly ineffective, previous efforts to promote harmonization along continental lines provide a helpful guide in the ongoing pursuit for unification.²⁵⁰ For example, the Unfair Commercial Practices Directive was a prior European effort for full harmonization of unfair competition and consumer protection laws.²⁵¹ Other efforts, such as the Trademark Law Treaty, Trademark Registration Treaty, and the Madrid Protocol have similarly been enacted over the years with limited success.²⁵² Despite unclear language, overambitious goals, and general lack of enforcement resulting from most of these agreements, steady continued efforts through such international coalitions are a step in the right direction toward regional harmonization.

Free Trade Agreements (“FTAs”) among member countries within a continental region are another promising route through which harmonization of intellectual property standards can be promulgated. Since the mid-nineties, countries interested in higher intellectual property standards have shifted negotiations toward FTAs to expand on the TRIPS Agreement provisions.²⁵³ Because FTAs are negotiated frequently,²⁵⁴ member countries can consider changing economic and developmental needs for stronger intellectual

²⁴⁸ Blakely, *supra* note 229, at 312.

²⁴⁹ See *supra* Part III.A; see also *supra* Part II.

²⁵⁰ See Blakely, *supra* note 229, at 315 (discussing the “procedural harmonization” of the Paris Convention).

²⁵¹ See Pelikánová, *supra* note 111.

²⁵² Trademark Law Treaty, Oct. 27, 1994, 2037 U.N.T.S. 35; Trademark Registration Treaty, June 12, 1973, 1464 U.N.T.S. 383; Madrid Protocol, *supra* note 81.

²⁵³ See Henning Grosse Ruse-Khan, *The International Law Relation Between TRIPS and Subsequent TRIPS-Plus Free Trade Agreements: Towards Safeguarding Trips Flexibilities?*, 18 J. INTELL. PROP. L. 325, 327–28 (2011).

²⁵⁴ See *id.* at 327.

property protection as different concerns, such as the growing threat of legal fakes, come to light.

Finally, with the establishment of continental trademark offices, an associated adjudicative body, such as the Trademark Trials and Appeal Board (“TTAB”) within the USPTO, can oversee adversary proceedings.²⁵⁵ Bloc-based opposition or cancellation proceedings would streamline litigation that would otherwise be handled on a country-by-country basis.

C. Benefits of the Proposed Solution

The proposed solution aims to overcome weaknesses in the current trademark framework and in the scholar-proposed solutions. A major weakness in the current trademark scheme is the member countries’ ability to opt-out of international treaties completely. A country that chooses to opt-out or limit the degree to which an international governing system has jurisdiction over domestic affairs, places that country outside any arbitration power that WIPO may hold. The proposed solution avoids this pitfall by making changes to the domestic laws of member countries through extensive harmonization efforts. Although it may take time for countries within a bloc to agree on standards of trademark enforcement, even slight amendments to domestic law will be more effective than countries disregarding broad promulgations of international standards.

The proposed solution also advocates for specific trademark and unfair competition reform on a realistic scale. This contrasts with the main philosophy underlying previously-proposed solutions that advocate for sweeping changes at international levels to solve a multitude of smaller trademark issues—legal fakes being one of many. Because a legal fake dispute is highly specific in the exploited market spaces, the type and extent of impostor activities, and relief sought, it is unclear to what degree WIPO tribunals will be able to halt activities in every country. This issue is compounded by the need for finding judges to appoint to WIPO tribunals (whether due to the expertise level needed or geopolitical disputes) and logistical difficulties in handling an international docket. A more effective

²⁵⁵ *Trademark Trial and Appeal Board*, U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/trademarks/ttab> [<https://perma.cc/WX9M-XMC6>].

solution would be to reform the trademark system on a smaller scale that resolves disputes before they reach international proportions. This is demonstrated by the proposed solution's establishment of trademark registration mechanisms and harmonized laws at the domestic and regional levels, targeted to prevent legal fakes. Although this solution is specific to the issue at bay, the effects of a cohesive worldwide trademark regime will mitigate similar counterfeiting and squatting issues.

D. Critiques of the Proposed Solution

The main critique of the proposed solution lies in fact that impostor companies can still preempt an original brand owner by squatting in any country or region where the owner has no registered mark. Even more harrowing is the potential for impostors to oust the owner from an entire bundle of countries in a regional proximity. For example, had Supreme only registered its mark within the North American trademark office (as created by the proposed solution), IBF would be free to conduct illicit business in all member countries in the European bloc and around the world upon successful registration.

Despite these shortcomings, the proposed solution aims to operate in the real world where deadlines are missed and brands cannot always predict growth into previously-untapped markets. As such, the continental harmonization portion of the solution acts as a safety net for brands that find themselves victims of legal fake schemes. Even though original brand owners may need to pursue litigation in the various courts within a continental bloc, harmonization of laws within a bloc will lead to consistent judicial outcomes. Further, a more synchronous cross-nation trademark system can be achieved with cooperation and global recognition of the need for reform.

CONCLUSION

Streetwear brands have recently faced an onslaught of attacks from impostor brands who seek to sell exclusive merchandise—normally reserved for the class of elite influencers—to a wider audience. In essence, impostors seek to bring clout to the masses. Despite efforts to paint themselves as the “Robin Hoods” of streetwear,

impostors cannot escape the fact that their actions amount to unlawful activities. As evidenced by the rise and fall of IBF worldwide, efforts to cash in on the legal fake scheme eventually end in cumbersome litigation and eventual seizure of goods. Ultimately, the damage done to victim brands demonstrates a need for reform among the trademark and unfair competition laws worldwide. An ambitious yet long-term and realistic solution looks to previous models and efforts that advocate for continental harmonization of laws and trademark systems. Only then will all brands, regardless of style, subcategory, or size, be able to promote and protect their names in an increasingly globalized fashion market.