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Prasanna S,

Chairman of Institute of Legal Education

No. 08, Arul Nagar, Seera Thoppu,

Maudhanda Kurichi, Srirangam,

Tiruchirappalli – 620102

Phone : +91 94896 71437 - info@iledu.in / Chairman@iledu.in



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“CHALLENGES FACED BY THE FASHION INDUSTRY IN THE DIGITAL WORLD: TRADEMARK VIS-À-VIS BRAND MANAGEMENT”

AUTHOR – MS. PRASHASTI BHATI, L.L.M. (IP) STUDENT AT AMITY UNIVERSITY SECTOR 125 NOIDA

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1. INTRODUCTION

In today's fashion world, a brand is much more than just the clothes it sells. It's the name, the logo, the signature design everything that makes it instantly recognizable and trusted by customers. These unique brand elements are protected through trademarks, which help fashion labels stand out, build loyal customers, and protect their reputation from being copied or misused. As fashion becomes more global and moves increasingly into digital spaces like e-commerce and social media, protecting these trademarks has become much more complicated.

Online shopping platforms, social media influencers, and even virtual fashion in the metaverse have changed how people discover and buy fashion. But they've also made it easier for infringers to misuse famous brand names and designs. Now, fake versions of luxury products can be sold across the world with just a few clicks. Legal systems are struggling to keep up, especially when it comes to enforcing trademark rights across different countries and digital platforms. A key example of this is the *Christian Louboutin vs. Nakul Bajaj* case, where the court held an online platform accountable for selling fake branded shoes, setting an important precedent for digital trademark protection.

This paper looks at how trademarks help build and manage fashion brands, and why it's getting harder to protect them in a digital-first world. It explores the challenges that big and small fashion brands face when it comes to protecting their identity. It also suggests that in today's fast-changing industry, legal systems need to do more, not just by updating laws, but by using technology like AI and blockchain to detect fakes and keep brand trust intact.

2. The Relationship Between Trademarks and Brand Management in the Fashion Industry

In today's fast-paced digital world especially in a highly competitive and image-driven industry like fashion building a strong brand isn't just important, it's essential. But a brand is more than just a logo, name, or catchy slogan. It represents the soul of a business: its values, identity, personality, and the emotional connection it builds with consumers over time.

However, building that connection is only half the job. The other half is about protecting it. That's where trademarks come in. A trademark

is a legal tool that protects the visual and textual elements of a brand such as its name, logo, tagline, or even packaging style from being misused or copied by others. It gives businesses exclusive rights over their brand identity, helping them preserve the trust and recognition they've worked so hard to build.¹⁸⁸

But here's the key point: simply having a trademark doesn't guarantee a successful brand. To truly thrive, a brand needs consistent and strategic brand management. This means

¹⁸⁸ Promod Iyer (2016) “Brand Management Capability and Brand Performance”



shaping how people perceive the brand, ensuring consistency across all platforms and adapting to market trends while staying true to the brand's core message.

When used together, trademark protection and brand management form a powerful partnership. One defends the brand legally; the other nurtures and grows it in the minds of consumers.

3. Role and Importance of Trademark in Brand Management

Trademarks are one of the most important tools in effective brand management, as they help protect and promote a brand's identity in both legal and commercial terms. A trademark is not merely a logo, slogan, or design; it is the legal recognition of a brand's uniqueness in the marketplace. It grants the business exclusive rights to use certain symbols, words, or visual elements that help consumers instantly identify their products or services. This legal protection plays a vital role in preventing others, including competitors and counterfeiters, from copying or imitating a brand's identity. In today's fast-moving and highly competitive business world, this kind of security is essential for maintaining a strong market presence and a trusted reputation.¹⁸⁹

Moreover, trademarks contribute to building and maintaining customer trust. When people see a trademark, they recognize it, such as the Nike "Swoosh" or the Apple logo; people associate it with a particular standard of quality and reliability. This emotional connection helps companies build lasting relationships with customers, increase brand loyalty, and generate repeat business. Trademarks also play a crucial role in ensuring consistency across various platforms, including advertising campaigns, product packaging, social media, and more. This consistency reinforces the brand's message and strengthens its recall value in the minds of consumers.

Beyond trust and recognition, trademarks also carry immense commercial and economic value. A registered trademark enhances a company's credibility and can significantly boost investor interest, attract business collaborations, and support future expansion into new markets. Trademarks are particularly useful in licensing and franchising deals, where companies can monetize their brand name while maintaining legal control over its use. Furthermore, in industries plagued by imitation and counterfeit goods, a trademark serves as a powerful tool to assure consumers of authenticity, thus safeguarding not only the company's interests but also consumer rights and safety.¹⁹⁰

From a broader legal standpoint, a registered trademark provides a presumption of ownership and nationwide rights, making it easier for businesses to take legal action if their brand identity is misused or copied. This legal backing acts as a deterrent for potential infringers and reinforces the company's position in the market. Additionally, trademarks enhance brand equity, that is the overall value of a brand by contributing to its reputation, customer base, and ability to command premium pricing. This is evident in globally dominant companies like Google, McDonald's, and Apple, whose trademarks form a key part of their brand value.¹⁹¹

In conclusion, trademarks are much more than just identifiers; they are strategic business assets that protect, define, and elevate a brand. They enable businesses to build strong market identities, create emotional connections with consumers, deter infringement, and unlock long-term commercial potential. In the context of brand management, the role of trademarks is indispensable, offering a powerful legally backed foundation for maintaining brand consistency, fostering consumer trust, and driving sustainable business growth in an increasingly competitive global marketplace.

¹⁸⁹ Bhumi Raj "Building A Strong Brand Identity: The Role of Trademarks in Business Strategy".

¹⁹¹ Paula Celestino "The Importance of Trademarking Your Business".

¹⁸⁹ [The Role of Trademarks in Building a Competitive Advantage](#)



Case Law: Victoria's Secret vs. Victor's Little Secret¹⁹²

The case of *Victoria's Secret v. Victor's Little Secret* (formally *Moseley v. V Secret Catalogue, Inc.*, 2003) is a landmark decision in trademark law, particularly significant from the perspective of brand management. In this case, Victoria's Secret, a globally recognized lingerie brand, filed a lawsuit against a small Kentucky-based adult novelty store named "Victor's Secret" (later changed to "Victor's Little Secret"), operated by Victor and Cathy Moseley. Victoria's Secret argued that the use of a similar name diluted the distinctiveness and reputation of its brand by associating it with sexually explicit content, thereby causing harm to its brand image. Although lower courts sided with Victoria's Secret on the grounds of likely dilution, the U.S. Supreme Court unanimously ruled in favour of the Moseleys, holding that under the Federal Trademark Dilution Act (FTDA) of 1996, a claimant must prove actual dilution, not merely the likelihood of it. This decision is a landmark in brand management and intellectual property law because it highlighted the difficulty for brand owners to protect their marks against reputational harm in the absence of clear, measurable evidence. The ruling exposed a significant gap in the legal framework, prompting the U.S. Congress to enact the Trademark Dilution Revision Act (TDRA) in 2006, which lowered the burden of proof by allowing claims based on likelihood of dilution. For brand managers, the case underscored the critical importance of legal tools in protecting brand equity, distinctiveness, and public perception. It also raised awareness about the limitations of trademark protection in the face of parody and non-commercial use, emphasizing the need for comprehensive brand monitoring strategies and legal readiness to defend brand identity in an increasingly competitive and often irreverent market landscape.

¹⁹² *Victoria's Secret vs. Victor's Little Secret* [537 U.S. 418 · 123 S. Ct. 1115; 155 L. Ed. 2d 1; 2003 U.S. LEXIS 1945; 65 U.S.P.Q.2d 1801]

4. Gucci v. Guess: A Landmark Case in Global Trademark Enforcement and Brand Management

The Gucci vs. Guess trademark battle is one of the most prominent global legal disputes in the fashion industry, involving allegations of trademark infringement, counterfeiting, and unfair competition. The case originated in 2009 when Italian luxury fashion house Gucci filed a lawsuit against Guess, an American fashion brand, accusing it of deliberately copying Gucci's iconic design elements. Gucci claimed that Guess had infringed on several of its trademarks, including the interlocking "G" logo, the green-red-green stripe, the repeating "G" pattern, and the stylized script logo. These elements, Gucci argued, were central to its brand identity and had been wrongfully imitated in Guess's products particularly in shoes, handbags, and accessories. According to Gucci, this was part of an intentional strategy by Guess to "Gucci-fy" its brand and confuse consumers, thereby capitalizing on Gucci's reputation and brand equity.

4.1 Case Law: *Gucci America, Inc. v. Guess?, Inc.*, (United States)¹⁹³

The dispute led to a series of lawsuits across different countries, with varying outcomes. In the United States, the case was heard by the U.S. District Court for the Southern District of New York in 2012. The court issued a mixed ruling: although it acknowledged that Guess had copied some of Gucci's design elements, it also found that Gucci had failed to prove deliberate intent to confuse consumers in most instances. The court awarded Gucci just \$4.66 million in damages far less than the \$120 million it had sought. Moreover, the judge noted that Gucci had not consistently policed its trademarks, which weakened its claims. Thus, Guess emerged with a relative victory, and the ruling signalled to brand owners the importance of proactive brand enforcement.

4.2 Case Law: *Gucci v. Guess*, (Italy)¹⁹⁴

¹⁹³ *Gucci America, Inc. v. Guess?, Inc.*, [868 F. Supp. 2d 207 (S.D.N.Y. 2012)]



In contrast, Italian courts ruled in favour of Gucci. In 2013, a Milan court found Guess guilty of unfair competition and design imitation, particularly regarding the use of the "G" logo and signature stripe designs. The court granted Gucci an injunction preventing Guess from selling certain infringing products in Italy and imposed monetary penalties. Gucci's trademarks were deemed well-known and therefore entitled to broader protection under Italian law. This outcome reinforced the strength of Gucci's brand identity within the European fashion capital.

4.3 Case Law: *Gucci v. Guess, (France)*¹⁹⁵

In France, however, the Paris Court of Appeal ruled in favour of Guess, holding that there was no likelihood of confusion between the two brands' designs. The court concluded that the contested design elements were sufficiently distinct and that Guess had not infringed on Gucci's rights. Similarly, in Spain, the Madrid Commercial Court determined that Guess had not acted in bad faith and that the design elements did not amount to trademark infringement. These rulings highlighted the fragmented nature of international IP enforcement and the difficulty of achieving consistent protection across borders.

Overall, the Gucci vs. Guess case serves as a landmark example of the complexities of brand management and international trademark enforcement. It underscores the importance of maintaining distinctiveness in brand elements and the challenges of defending brand identity in the global marketplace. From a legal and strategic standpoint, the case illustrated that even famous brands must diligently monitor and protect their intellectual property to avoid weakening their rights. The outcomes also reflect how interpretations of trademark laws differ across jurisdictions, making global IP strategy a vital component of brand management in the fashion industry. Despite Gucci's aggressive legal approach, the case

yielded mixed results and sparked industry-wide discussions on the limits of trademark protection in fashion.

5. Digital Challenges in Trademark Protection in the Fashion Industry

The fashion industry has experienced a dramatic shift in the way brands interact with consumers, largely due to digital advancements. While e-commerce and social media have provided fashion brands with new opportunities for growth and global expansion, they have also made it increasingly difficult to protect trademarks and intellectual property. The rise of online counterfeiting, lack of strict enforcement on e-commerce platforms, legal loopholes, and jurisdictional complexities have made digital trademark protection one of the most pressing concerns for fashion brands today.

Counterfeit products not only lead to financial losses but also damage a brand's reputation, exclusivity, and consumer trust. The digital space has exacerbated this issue by allowing counterfeiters to operate anonymously and reach millions of unsuspecting customers worldwide.

5.1 Online Counterfeiting: The Growing Digital Threat¹⁹⁶

Counterfeiting in the fashion industry has long been a problem, but the digital age has taken it to new heights. Unlike traditional counterfeit markets that were confined to physical locations like Sarojini Nagar (Delhi), Grand Bazaar (Istanbul), and Guangzhou (China), digital marketplaces allow counterfeit goods to be sold across borders without any geographical restrictions.

A study by the International Trademark Association (INTA) estimated that the global economic impact of counterfeiting and piracy could reach \$4.2 trillion by 2025.¹⁹⁷ Fashion brands like Gucci, Chanel, Louis Vuitton, and

¹⁹⁴ Gucci v. Guess, Decision No. 7259/2013

¹⁹⁵ Gucci v. Guess, 4e chambre, section B

¹⁹⁶ Micheal Wight (2023) "What impact do counterfeits have on the fashion industry?"

¹⁹⁷ International Trademark Association (INTA) 2021 Report



Burberry are among the most counterfeited names online. These fake products are often marketed as "high-quality replicas" and sold at a fraction of the original price, misleading consumers and eroding brand value.

Online counterfeiters use various deceptive tactics, such as:

- Creating fake product listings on e-commerce sites that look identical to genuine ones.
- Selling through anonymous accounts that can be easily deleted and recreated under new names.
- Using digital payment methods that make tracking and prosecuting them difficult.
- Advertising on social media platforms using paid promotions or influencer endorsements to reach a large audience.

These factors make it increasingly difficult for brands to track and remove counterfeit products from digital platforms.

5.2 Cybersquatting: Hijacking Brand Identity Online¹⁹⁸

Another growing digital challenge in trademark protection is cybersquatting, where individuals or businesses register domain names that resemble well-known fashion brands with the intent to profit from their reputation. Cybersquatters often create fake websites that:

- Sell counterfeit products under a misleading domain name.
- Redirect users to competing or fraudulent websites.
- Demand large sums of money from brands to sell them the domain back.

For example, a cybersquatter may register a domain like "guccishoponline.com" or "officiallouisvuittonstore.net", tricking customers into believing they are visiting the official brand website. These fraudulent websites often use

the original brand's logos, product images, and design elements to deceive consumers.

In response to cybersquatting, the Uniform Domain-Name Dispute-Resolution Policy (UDRP), established by the Internet Corporation for Assigned Names and Numbers (ICANN), provides a legal framework for trademark holders to reclaim domain names. However, enforcement remains slow, and by the time brands win legal battles, counterfeiters often move on to new domain names.¹⁹⁹

Additionally, cybersquatting extends beyond domains to social media handles. Fraudsters register brand names as usernames on platforms like Instagram and TikTok, using them to mislead customers or sell counterfeit goods.

5.3 Keyword Advertising Infringement

One of the major challenge trademarks faces in the fashion industry today is keyword advertising infringement. This happens when a competitor uses a popular fashion brand's trademark like the name of a designer label or logo as a keyword in online ads (like Google Ads) to attract traffic to their own website. For example, a lesser-known brand might buy ads that appear when someone searches for "Louis Vuitton" or "Zara," even though their products have nothing to do with those brands.²⁰⁰

This can confuse customers, who may think they're clicking on the official brand's site, when in reality, they're being redirected to a different seller. It also dilutes the original brand's identity, making it harder for consumers to distinguish between authentic and unrelated products. For fashion labels that rely heavily on reputation and brand value, this kind of digital misuse can seriously hurt their business, especially in a market where online shopping dominates.

While some countries have legal frameworks to tackle this, like the Lanham Act in the US or specific EU regulations, enforcement is not always consistent, and proving consumer

¹⁹⁹ [Domain Name Dispute Resolution Policies - ICANN](#)

²⁰⁰ <https://www.khuranaandkhurana.com/2024/04/16/trademark-infringement-in-e-commerce-in-india-challenges-in-digital-era/>

¹⁹⁸ [Cyber Squatting | GeeksforGeeks](#)



confusion in court can be complex. As a result, fashion brands must stay alert and actively monitor how their trademarks are being used in online advertising spaces.

5.4 The Role of E-Commerce Platforms in Trademark Violations²⁰¹

E-commerce platforms like Amazon, eBay, Alibaba, and Taobao have revolutionized the retail industry, but they have also become a major avenue for counterfeit goods. While these platforms claim to have anti-counterfeiting policies, counterfeiters exploit loopholes to continue selling fake goods.

5.5 Challenges with E-Commerce Enforcement

- **Massive Volume of Listings:** Millions of new product listings appear daily, making manual verification almost impossible. AI-based detection is still in its early stages and cannot catch all infringements.
- **Third-Party Seller Anonymity:** Many counterfeiters create multiple seller accounts using fake information, making it difficult to track and ban them permanently.
- **Jurisdictional Challenges:** E-commerce platforms operate globally, and enforcement varies from country to country. A counterfeit product banned in one country may still be sold in another.
- **Safe Harbor Protections:** Many platforms claim they are not responsible for counterfeit sales unless a brand directly reports the infringement, shifting the burden onto brands.

Even when brands file complaints, the removal process can take weeks, allowing counterfeiters to make significant profits before being shut down. Hence, to tackle this issue, platforms like Amazon's brand registry and Alibaba's IP Protection Program have been introduced, allowing brands to report counterfeit listings. However, enforcement remains inconsistent,

and counterfeiters continue to find ways around detection mechanisms.

5.6 Social Media: A New Playground for Counterfeiters²⁰²

Social media platforms have transformed fashion marketing, but they have also become a major tool for counterfeiters. Platforms like Instagram, Facebook, TikTok, and WhatsApp are now being used to sell counterfeit fashion products through private groups, influencer collaborations, and direct messages.

5.6.1 How Counterfeiters Exploit Social Media

- **Influencer Marketing:** Many counterfeit sellers use influencers to promote fake designer goods, making them seem legitimate.²⁰³
- **Hidden Listings:** Some sellers use vague descriptions like "LV-inspired" instead of "Louis Vuitton" to avoid detection.
- **Private Sales:** Instead of listing counterfeit products openly, seller direct customers to private groups on WhatsApp, Telegram, or Facebook Messenger to complete the transaction.
- **Fake Reviews and Engagement:** Some counterfeit sellers use fake reviews and bot-generated engagement to appear more credible.

The rapid growth of social media marketplaces has made it even harder for brands to monitor and shut down counterfeit operations effectively.

6. Legal Provisions for digital space in the US, EU, and India

Trademarks are essential for protecting brand identity, especially in the digital realm where online platforms and e-commerce have expanded the reach of businesses globally. The legal frameworks governing trademarks in the digital space vary across jurisdictions, including the United States (US), the European Union (EU),

²⁰¹ "Drive E-commerce Sales in Luxury & Fashion with Brand Protection" (2022) blog [Drive E-commerce Sales in Luxury & Fashion with Brand Protection - Corsearch](#)

²⁰² "Popularity and demand for luxury replicas on social media?" [Combating Superfakes: Safeguarding brands from counterfeit goods on social media platforms | Hubstream ONE](#)

²⁰³ Eric Alsbaugh (2024) "Knockoffs on Social Media: The Role of Influencers in Promoting Counterfeit Products"



and India. Understanding these differences is crucial for businesses operating internationally.

6.1 United States

In the United States, trademark protection in the digital world is primarily guided by the Lanham Act, which is the cornerstone of trademark law. Under this Act, businesses can take action against anyone using similar marks online that could confuse consumers whether through domain names, website content, or keyword advertising. This is especially important in the fashion industry, where brands are frequently targeted by counterfeiters selling fake items or using similar-sounding names online to mislead buyers.²⁰⁴ One key digital safeguard in the US is the Anti-Cybersquatting Consumer Protection Act (ACPA), which protects fashion brands from bad-faith domain registrations.²⁰⁵ For example, if someone registers "louisvutton.shop" just to mislead people and make money off a well-known name, the brand can take legal action under ACPA.

In addition, although the Digital Millennium Copyright Act (DMCA) is not a trademark law, it plays a supporting role. It allows brands to request takedowns of infringing content (like images of fake products using a brand's logo) from websites and digital platforms. Furthermore, online marketplaces and social media platforms in the US are expected to act once they're notified of trademark violations. If they ignore such complaints, they can also be held liable under the Lanham Act for contributory infringement. Together, these laws form a strong framework to protect fashion brands in the digital space from domain abuse and fake listings to unauthorized use of brand elements in online ads and social media.²⁰⁶

Case Law: *Tiffany & Co. v. eBay Inc.*²⁰⁷

The case of *Tiffany & Co. v. eBay Inc.*, was decided in the United States by the United States Court of Appeals for the Second Circuit.

This landmark case addressed the growing concern over counterfeit products being sold on online platforms. Tiffany & Co., a renowned American luxury jewellery brand, discovered that counterfeit "Tiffany" items were being listed and sold by third-party sellers on **eBay**, a major online marketplace. Tiffany sued eBay, arguing that the platform was responsible for trademark infringement by allowing the sale of fake goods and benefiting from those sales.

However, the court ruled in favour of eBay, holding that eBay could not be held liable for trademark infringement unless it had specific knowledge of particular listings selling counterfeit products and failed to act. The court found that eBay had put in place reasonable measures like its Verified Rights Owner (VeRO) program to detect and remove infringing listings, and that it responded appropriately when Tiffany raised concerns.

This case is important because it shaped how courts view the responsibilities of online platforms in controlling the sale of counterfeit goods. It clarified that platforms are not automatically liable for user-generated listings unless they wilfully ignore clear evidence of infringement. The ruling struck a balance between protecting intellectual property rights and encouraging innovation and growth in e-commerce. It remains a key precedent in digital trademark enforcement today.

6.2 European Union (EU)

In the EU, digital trademark protection is regulated through a combination of EU-wide and national laws. The main law is the European Union Trade Mark Regulation (EUTMR), which allows brands to register a single trademark valid across all EU member states. This is especially helpful in the digital space, where e-commerce platforms operate across borders. The EUTMR includes Article 9, which protects registered marks from unauthorized use online such as when counterfeit sellers use a brand's

²⁰⁴ The Lanham Act (Trademark Act of 1946)

²⁰⁵ Anti-Cybersquatting Consumer Protection Act (ACPA), 1999

²⁰⁶ Digital Millennium Copyright Act (DMCA), 1998

²⁰⁷ *Tiffany & Co. v. eBay Inc.*, [600 F.3d 93 (2d Cir. 2010)]



logo or name in website URLs, social media handles, or online ads.²⁰⁸

Another important provision is Article 14 of the E-Commerce Directive gives limited liability to online platforms like Amazon or Instagram as long as they act quickly after being notified of infringing content. However, if they knowingly allow counterfeits or trademark misuse to continue, they can be held responsible.²⁰⁹ Recent EU case law, like the *Louboutin v. Amazon* ruling by the Court of Justice of the European Union (CJEU), confirmed that platforms can be liable if they play an active role in promoting fake goods. This is especially relevant for the fashion sector, where visuals and branding are everything.²¹⁰

The Digital Services Act (DSA), which came into effect in 2024, strengthens these rules further by requiring large online platforms to be more transparent and quicker in removing illegal or infringing content. For fashion brands operating across Europe, this means faster action against counterfeit products and fake online stores that misuse trademarks. Overall, EU law now provides strong tools to help fashion brands maintain their identity and fight digital misuse across member states.²¹¹

Case Law: *Louis Vuitton v Google France*²¹²

In the case of *Louis Vuitton v. Google France*, the luxury brand Louis Vuitton sued Google France for allowing other companies to use the “Louis Vuitton” trademark as a keyword in Google Ads. These companies were using the trademark to promote their own websites some of which sold fake or counterfeit products. Louis Vuitton argued that this was damaging its brand and misleading customers, so Google should be held responsible for trademark infringement.

However, the Court of Justice of the European Union ruled in Google’s favour, saying that simply letting advertisers buy keywords that

match trademarks is not illegal. The court said that Google is just an intermediary platform and is not directly responsible for how those keywords are used unless it is actively involved in misleading advertising. In short, Google wouldn’t be liable unless it was helping create or promote those fake ads knowingly.

This case is important because it clearly explained that online platforms like Google aren’t automatically responsible for trademark misuse by advertisers. It gave online businesses more freedom, while still allowing brands to take action against those who actually misuse their trademarks. It also set a major precedent for how trademark laws apply to online advertising across the European Union.

6.3 India

In India, protecting trademarks in the digital space especially in the fashion industry requires more than just the Trade Marks Act, 1999. While this Act is the primary law for securing brand identity, digital challenges like counterfeit websites, fake online stores, and misuse of brand names on social media demand broader protection. Section 29 of the Trade Marks Act plays a key role here, as it covers trademark infringement even when the goods are not identical, as long as the original brand has a reputation and the use is likely to confuse or harm the brand. This becomes crucial in fashion, where popular names are often copied online to sell look-alike products.²¹³

Alongside this, the Information Technology Act, 2000 helps fill in the gaps when misuse happens on digital platforms. For instance, Section 66C and 66D of the IT Act deal with identity theft and cheating through impersonation such as when someone creates a fake Instagram page or website pretending to be a known fashion brand. Section 79 also holds online platforms (like e-commerce websites or social media) accountable if they don’t act quickly after being informed of trademark violations.²¹⁴ With the 2021 IT Rules, these

²⁰⁸ European Union Trade Mark Regulation (EUTMR)

²⁰⁹ Directive 2000/31/EC (E-Commerce Directive)

²¹⁰ *Louboutin v. Amazon* [Case C-148/21]

²¹¹ Digital Services Act (DSA) – Regulation (EU) 2022/2065

²¹² *Louis Vuitton v Google France*, [C-236/08 to C-238/08 (2010)]

²¹³ The Trade Marks Act, 1999 (India)

²¹⁴ Information Technology Act, 2000 (India)



platforms must remove infringing content within 36 hours of a complaint, giving fashion brands an effective tool to protect themselves in the online world. Together, both these laws ensure that brands can maintain their reputation, stop fakes from spreading, and keep their identity safe in the digital fashion marketplace.²¹⁵

Case Law: Christian Louboutin SAS v. Nakul Bajaj²¹⁶

The case of *Christian Louboutin SAS v. Nakul Bajaj* is a significant judgment in the realm of trademark protection in e-commerce. Christian Louboutin, the well-known luxury brand famous for its red-soled shoes, filed a lawsuit against Nakul Bajaj, the owner of Darveys.com, for selling Louboutin products online without proper authorization. The brand argued that the website used its name to attract customers and misled them into believing that they were buying directly from Louboutin, even though Darveys was not an official seller. Bajaj claimed that his website only acted as a platform connecting buyers and sellers and should not be held liable. However, the Delhi High Court disagreed and ruled in favour of Louboutin. The court observed that Darveys.com was not just a passive intermediary it actively promoted luxury goods, advertised them, and even assured their authenticity. This level of involvement made the platform legally responsible for trademark infringement. The court held that selling luxury goods without authorization was illegal, and that e-commerce platforms cannot avoid accountability when they facilitate or promote the sale of unauthorised or fake branded products. This decision reinforced the importance of trademark rights in the digital space and placed a clear obligation on online platforms to ensure that they do not misuse or allow the misuse of well-known brand names. This ruling made it clear that online shopping websites must take responsibility if they sell unauthorized or fake luxury products. It set a strong example for trademark protection in e-

commerce, ensuring that brands can take action against websites that misuse their name.

7. Conclusion

The fashion industry sits at the crossroads of creativity, business, and legal protection where trademarks play a major role in helping brands stand out and maintain their identity in a highly competitive market. Whether it's a luxury fashion house or a small designer label, having a strong trademark can make all the difference in building consumer trust and long-term brand value. But in today's fast-changing world, where trends shift quickly and everything is moving online, protecting those trademarks has become increasingly difficult.

With the rise of e-commerce, social media, and even virtual fashion in the metaverse, brands are more exposed than ever. Counterfeits are easier to sell online, fake websites can pop up overnight, and logos or designs can be copied and spread instantly. These digital challenges can seriously harm a brand's reputation and weaken the value of its trademark if not addressed quickly and effectively. Although there are international treaties and national laws in place to protect trademarks, they often fall short when it comes to keeping up with the pace of technology and the borderless nature of the internet.

One of the biggest challenges is that the legal system wasn't designed for the digital world. Infringers can hide behind fake accounts or operate from countries with weak enforcement, making it harder for brands to take action. On top of that, the rules aren't always clear when it comes to new digital issues like virtual fashion or AI-generated content.

To tackle these problems, trademark laws and enforcement strategies need to evolve. There should be clearer rules for digital use, faster ways to resolve disputes, and stronger cooperation between countries. Most importantly, brands, governments, platforms, and consumers all need to work together.

8. Recommendations

²¹⁵ IT Rules, 2021

²¹⁶ Christian Louboutin SAS v. Nakul Bajaj [CS (COMM) 344/2018, I.As. 19124/2014, 20912/2014, 23749/2014 & 9106/2015]



8.1 Update Trademark Laws for the Digital Age

Many trademark laws were written before the internet and digital fashion became central to how brands operate. Countries need to modernize their legal frameworks to directly address online infringement, including fake listings on e-commerce platforms, unauthorized use of trademarks on social media, and virtual goods in the metaverse. Laws should also clearly define liability for online marketplaces and provide faster takedown procedures for digital violations.

8.2 Strengthen Cross-Border Enforcement

Since most online infringement happens across borders; international cooperation is the key. Fashion brands, especially luxury ones, often face infringement from jurisdictions with weaker enforcement. Governments should work together to streamline cross-border trademark protection, perhaps by expanding the scope of agreements like the Madrid Protocol or building regional trademark enforcement coalitions. This would allow for quicker legal action in multiple countries when infringement occurs online.

8.3 Strengthen Collaboration with E-Commerce and Social Media Platforms

Fashion brands must work closely with leading e-commerce platforms like Amazon, Flipkart, Alibaba, and social media platforms such as Instagram, Facebook, and TikTok. These partnerships should aim to build robust systems that detect and report counterfeit listings or brand misuse more efficiently. Programs like Amazon Brand Registry and Alibaba's IP Protection Platform are a step in the right direction, but they must be further enhanced and customized to support high-risk sectors like fashion, where visual branding plays a huge role. This collaboration should include automatic alerts for suspected violations, shared data analytics, and dedicated reporting dashboards for brand owners.

8.4 Leverage AI and Machine Learning for Trademark Monitoring

Manual tracking of trademark misuse is no longer sufficient due to the vast number of online listings and ads. Fashion brands should invest in AI-driven monitoring tools that can automatically scan online marketplaces, social media platforms, and even search engine ads for potential trademark infringements. These systems can be trained to detect fake listings, unauthorized logo use, product similarities, cybersquatting, and keyword advertising misuse. Real-time monitoring also enables faster takedown requests and reduces the time counterfeiters have to operate.

8.5 Introduce Mandatory KYC for Third-Party Sellers on Online Platforms

A major challenge in combating digital counterfeiting is the anonymity of sellers. Regulatory bodies should require all e-commerce and social platforms to implement mandatory Know Your Customer (KYC) procedures for sellers. This would include verifying identities, addresses, and banking details before allowing any product listings. A verified seller ecosystem would reduce the ease with which infringers create new accounts and continue illegal operations after being banned.

8.6 Use Blockchain Technology for Supply Chain and Product Verification

Blockchain can be a game-changer in ensuring the authenticity of fashion products. By assigning a unique digital code or QR code to each product at the manufacturing stage, brands can provide full traceability throughout the supply chain. Customers can scan the code to verify when, where, and by whom the item was made. This transparency boosts consumer confidence and makes it significantly harder for counterfeiters to pass off fake items as real ones.

8.7 Implement Fast-Track Takedown Procedures for Counterfeit Listings

Online platforms must introduce a clear, efficient, and time-bound takedown process for counterfeit product listings and trademark



misuse. There should be a set timeline ideally within 24 to 48 hours for:

- Verifying brand ownership
- Evaluating the reported infringement
- Taking immediate action to remove the content

Repeat offenders should face stricter penalties such as permanent account suspension or blacklisting. Transparency in the takedown process also builds trust between brands and platforms.

8.8 Strengthen Trademark Laws Specific to the Digital Economy

Trademark laws must evolve to directly address the digital-specific threats brands face today. Key legal reforms include:

- Recognizing digital use of trademarks (such as in metatags, hashtags, and online ads) as legally protected under existing trademark laws.
- Including influencer liability when social media personalities knowingly promote counterfeit goods.
- Empowering IP enforcement agencies to act across multiple digital jurisdictions under international agreements, especially for rapidly escalating situations like viral counterfeit campaigns.
- Mandating social media platforms to provide faster data access to trademark holders for identifying infringing users.

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