

## Retail Therapy:

*Insights on Intellectual Property Rights for Retail Players*

2024

### Transcript of Retail Therapy Episode 11

Nicola	Hello and welcome to Bird & Bird's Retail Therapy podcast – where we explore the trends, changes and legal aspects of the retail & consumer industries. I'm Nicola Conway and I'm a Senior Associate in Bird & Bird's R&C team.
Sana	And I'm Sana Malik, I'm a Trainee Solicitor at Bird & Bird. In today's episode: We're going to discuss how, why and when IP rights overlap with the retail world. We're joined by Jae Park who is a Partner in Bird & Bird's London IP team. Jae, would you like to kindly introduce yourself and a little bit about your practice?
Jae	<p>Hello, thanks for inviting me Nicola and Sana. It's great to be here.</p> <p>As Sana has mentioned, I'm a partner in the IP department of Bird &amp; Bird here in London. I've been with Bird &amp; Bird for about 11 years now.</p> <p>The IP department at Bird &amp; Bird is pretty unique. We're one of the largest departments in the firm, and it's not common for an international law firm, or a city law firm, like us to have IP as its one of biggest departments. But it probably gives a good insight to the kind of clients that we as a firm work with – they tend to be IP-rich clients, or clients for whom IP is at the heart of their business.</p>
Nicola	Thanks Jae, great to have you on the podcast. I think it might be helpful if we on the kick off actually with a little bit of information on the different intellectual property rights that we might be covering in this episode today, just so we can have a high-level understanding.
Jae	Sure. It would be impossible of me to give a crash course in IP here. Given the limited time and not to lose any listeners, I'm going to keep it very simple. Let's just talk about the four main IP rights that people may be somewhat familiar with – Trademarks, Designs, Copyright and Patents.

I think all four are applicable to retailers, which might not seem like a hugely controversial statement, but I can imagine some IP lawyers raising eyebrows wondering how copyright and patents are that applicable to retailers.

Start with easy one: Trademarks: Probably easiest if I demonstrate how each right is applicable to retailers by way of examples.

Trademarks is an easy one in that sense as we've just had a big decision in the Court of Appeal which a lot of trademark lawyers are talking about – and that's the case of Tesco v Lidl. As many of the listeners will know this is all about the yellow circle with the blue background. I'm sure this case deserves a podcast on its own (and I'm sure the lawyers who handled this case at Bird & Bird – we acted for Lidl – would be happy to do one with you). So I'm not going to go into the details of this case, but the upshot of all this is that Tesco now needs to rebrand its Clubcard logo as a result. So Trademark is a pretty relevant IP right I say.

The other relatively recent case a few years ago now involving trademarks was the Colin v Cuthbert saga. That was to do with the Colin the Caterpillar sold by M&S and the Cuthbert the Caterpillar cake sold by Aldi. The case settled before it got to trial, but it again, I think we can deduce from this the relevance of trademarks for retailers.

There are just so many trademark cases involving retailers, there's no point me going through that here – I think probably more interesting to us if how the other rights could be relevant to retailers.

Designs – this is usually to do with the look and feel of the product. And again, there's a quite an interesting recent case here – and can you believe it, it involves M&S and Aldi again. It's after the Colin v Cuthbert saga, but not that much later. And this time it was all to do with a snow globe range of gin bottles. Not sure if you've seen one, but it's like a bottle of gin, which has a built-in light at the bottom, and you have gold snowflakes in the gin and some wintery shapes inside the bottle. You can shake it like a snow globe. M&S had a registered design on it. Aldi brought out something that looked similar. This case actually went all the way to a decision and M&S won. And it goes to show how designs – registered designs in this case – can be an effective tool in stopping your competitors from riding on your coattails.

So on to copyright – For this I can again turn to the Tesco v Lidl case, all about the yellow dot and the blue background. That case was not only a trademark case but there were allegations of copyright infringement. Interestingly, although Lidl won on copyright infringement of the logo in the first instance, recently this was overturned in Court of Appeal – but obviously this was inconsequential to the overall result. So yes, copyright is certainly relevant to retailers.

Finally patents – This is often something that retailers don't really associate themselves with, because patents tend to be thought of as something that's relevant to tech companies who use high tech things to create techy things. Well, there are many high-tech patents, but there are also many low-tech or very simple patents out there. There are patents for soft-close toilets, garden loppers and bottle lids. There's are patents for home draught beers and of

	<p>course coffee pods. All of these are not just random patents I've dug up – these are actually patents from real life cases I've handled.</p> <p>Also, you know those LED light bulbs you can buy in stores? I'm pretty sure that whoever is selling those or supplying those have licence arrangements in place for the LED light patents. In fact, did you know that one of the biggest licensors of LED light patents are retailers? So, it is a pretty relevant right for any retailers to be thinking about.</p> <p>So all in all, all four main IP rights, even including patents, are very applicable to retailers.</p>
Sana	<p>That was great, that put everything into context for us and also looking at things on a more macro-level, IP law seems to be a very dynamic area, especially when we have technological advancements in AI all the time and the law then having to reflect that.</p> <p>What developments or trends in AI law have caught your attention recently, and how are they impacting your clients?</p>
Jae	<p>AI is certainly a hot topic – and again I'm not trying to deflect the question here, but I think it deserves probably a podcast by itself. For me, and for the retail clients, it's the globalisation of everything that's very relevant and hot at the moment. Globalisation because everything is now so quickly available online everywhere. And we now live in a world where we're so connected with everyone and to everywhere and IP right has always been a national right. I'm going to be really boring and go to some legal terms here. But the thing that has the IP is being shipped around the world and used and copied all over the world. And so the clients need an international, global advice, which you and I as lawyers know that such universal thing doesn't exist. But we've got to realise that for the retail clients it's rarely a case of just one issue in one country these days.</p> <p>I'm fortunate enough to be at a firm that has such a big international presence. We have over 33 offices in 23 countries all round Europe and Asia – and in all those offices we have an IP specialist – so in a way we can provide that international advice as one firm, which is great. But I know that I'm in a privileged position to say that – I don't think all IP lawyers can say that.</p>
Nicola	<p>That experience with retailers really resonates with me being in the commercial team as well. Most of the advice that we get asked for is a universal view or an international view which is hard to do.</p> <p>It seems as though innovation and change in the IP space is big and fast which is quite exciting for growth strategies and competition – but on the flipside I guess that the increased innovation also brings into play a higher volume of IP infringement claims or litigation? Are you seeing that and, if so, how are we advising our clients on both forging ahead at the forefront of the innovation whilst also maintaining a defensive position?</p>
Jae	<p>Yes, I think that's fair to say that innovation brings about more IP rights being created and protected and that in turn could contribute to an increase in IP infringement claims. As more and more rights holders think about asserting their IP. We're certainly seeing more assertions being made, but I also think</p>

	<p>it's important bear in mind that a large proportion of these do not end up being litigated especially in court. But that doesn't mean we as legal advisors are not involved in providing the IP advice to clients on these. One of our main jobs I think is dispute resolution and that means resolving disputes and clients prefer to do this in an amicable way where possible, particularly in the current times when costs are being squeezed. We are there to make sure that disputes can be resolved sensibly and hopefully amicably and that really comes with experience and knowing the client and knowing their culture and their business and obviously their sector.</p>
Sana	<p>Potentially unquantifiable financial risk exposure coming out of unexpected litigation is definitely something that clients are wary of. And apart from litigious threats, what other challenges are our retail clients facing?</p>
Jae	<p>So I'm going to answer that with litigation in mind ultimately but the things that clients are facing these days because most things are sold online now, people from all over the world can see what you're selling. That itself brings about lots of challenges – on the one hand, it's so easy for someone to copy your product or design and sell it in a country which the original product designer is not that interested in – in other words, it's easy to go under the radar. So retailer has to deal with that by going on the attack.</p> <p>On the other hand, because the retailers are so exposed online, you have somewhat random IP holders from all around the world trying their luck with them – asserting their IP rights against retailers in the hope of a big cheque or a licence fee. So the retailer has to deal with that by going on the defence.</p> <p>And if you're a decent size retailer, you might have hundreds of products that are at risk of attack or defence. So you need a decent sized IP team to deal with that– but that is often a luxury, especially in the current times as I mentioned before the costs are being squeezed. The likes of us are there to help those people.</p>
Nicola	<p>Yeah, that's tricky and I'm seeing that come up quite a lot. Another facet that I think our clients find quite tricky to stay on top of - and that I'd love to pick your brain on - is ESG and sustainability. Do these considerations affect your IP practice at all?</p>
Jae	<p>I think it certainly does. From my experience and I work with a lot of designers in house who are designing products for the retailers, I've seen product designers thinking more and more about the amount of material being used and how they have to be sustainable – and whether that would change the design of a product and if that becomes quite a good design, they're also thinking about whether they should be filing a registered design or to protect the design that they've created. So, although the systems may not have changed, I think the way the designers are thinking about these products have definitely changed and I think it's definitely worth thinking about how to protect the IP that's created.</p>
Sana	<p>Lots of food for thought here! Speaking of sustainability, in the world of fashion we are seeing a melting pot of consumer backlash against fast fashion along with a simultaneous rise in fast fashion copycat brands.</p>

	<p>With the rise of fast fashion and knock-off designs, how do you think luxury fashion brands should navigate the challenges of design infringement and intellectual property theft, particularly in the context of global supply chains and manufacturing?</p>
<p>Jae</p>	<p>I've literally just come off a call with a client to discuss this very issue. It's a well know fashion brand having trouble with knock offs being sold in several Asian countries. I'm not sure we were able to come up with a universal solution here, but one thing became clear during the call. What the client really needed and had to execute was acting very quickly when these things happen and the client's preference is not briefing each team in each jurisdiction every time this happens, you have to go through the motions over and over again every time this happens, and this happens all the time. So for the client, you need somebody who can act quickly all over the world. I think we as a firm were able to avoid that – we knew the client well having worked with them for a few years now and they always shared their business plans and thoughts with us – we built trust. Then at the same time we have all this great network in all the countries that I mentioned before, the 23 countries. We had this great network in all of the countries that the client was having issues in, and we were able to quickly pounce on copycats everywhere as soon as we saw any signs of knockoffs coming available. So I think my suggestion is something very simple – but it's something quite hard to achieve: Build up trust and relationship with your clients, the retailers and your advisors – that will take years and often a lot of investment. What I mean by investment it's just time and sometimes cost, you've got to give those free advice, but I think crucially, in order to build trust, you need to have a genuine interest in what the client does and for us, I think retail clients that is one of the, in a way, easiest things to achieve because we can buy things that the client sells and we can try them out and give feedback and it just shows them how much we care and actually on this call that I was just on, one of our colleagues had purchased this product because she genuinely liked their products and the clients were so over the moon about that and so they started to build a rapport and you know, it's gone to another level with that relationship and so I think for retail clients its quite, I'm not going to say easy, but it is the interest could be there and we can show the genuine interest and so having built that relationship, that trust and with our again, a very strong network all over the world, I think that is the best thing we can do as retail advice.</p>
<p>Sana</p>	<p>I love that answer so much, I don't think we speak about trust and kind of relationship aspects enough. And I hope we get into this more in other podcasts. Thank you so much for that Jae and this theme of retail clients being faced with more challenges than ever is something that is coming up on a lot of our episodes at the moment. It's definitely a time to test resilience. So moving away from challenges and pivoting to think a bit more about commercial and protective strategies</p> <p>It goes without saying that brand protection and safeguarding your valuable assets is absolutely critical. I know one particularly interesting matter we worked on together was for a big home retailer, and we explored design rights - really looking at the detail required behind the designs themselves to earn</p>

	<p>protection, and the commercial strategy for designing certain products in certain ways.</p> <p>Could you tell us more about the design process and some key factors for retailers to consider when trying to put watertight IP protections in place?</p>
Jae	<p>Sure and I think it's probably better if we step back and try to understand why they are doing this</p> <p>The big retailers and all retailers are being squeezed. It's no longer profitable to just provide shelf space or online space to sell goods made by third parties. They want in on the profits too. So what are they doing – they are making their own products and slapping on their own labels. And even that is not enough these days. Consumers want more – so what do they want? They want cheaper but better goods. So how can the retailers react to this? They are upping their game. They are making and designing their own branded goods which are better and cooler than the non-branded goods. The Tesco's and Waitrose's of this world need to make ketchup that tastes better than the Heinz ketchup. The John Lewis's need to make kitchen utensils that look better than Joseph Joseph. The B&amp;Q's need to make drills that work better than Black &amp; Decker drills. These are pretty tough challenges – but they are all doing it. And as they are doing this, they need to seek protection for the things they are coming up with. They're coming up with great designs and they're doing this by having a quality in-house design team and yes, if they are putting that much effort into it, they should definitely think about protecting these designs. So what are they doing? They are filing patents, they are filing registered designs, the whole package. This is a business model you would associate with the Apples and Samsungs of this world – not a retailer of just normal day to day goods and so retailers really need to start thinking about protecting their own designs even though, you know, in the past the focus has been how do we avoid third party rights? They really need to step up their game.</p>
Nicola	<p>Makes a lot of sense, if you're going to invest the time designing it, you may as well protect it.</p>
Sana	<p>This is off topic, but I just have a question. Jae – do you, as an IP lawyer, do you ever have a say in when they come to you with a design, and they say is this innovative enough? Is this enough basically to take it to the next level to beat a competitor if you have that industry knowledge about competition and you know, in general, is that something you weigh in on?</p>
Jae	<p>Yeah, probably every week that is something we have to advise on!</p> <p>So patents is a very different angle to design, but you need it, it costs more money than let's say for example, filing a design application and so you want to make sure that you have some kind of a subject matter that is vaguely patentable and so rather than spending a lot of money and investing going through application and so you want to make sure that you have some kind of subject matter that is vaguely palatable and so rather than spending a lot of money and investing in and going through the whole patenting process for years they just come to us and ask what's your thought on this. Again there's an element of legal knowledge required there, but there's also a huge</p>

	<p>element of experience in the industry and that sector because you just need to know what's been around and what you think may be relevant and so we give that advice very regularly probably I would say at least once a week on a certain product.</p>
Sana	<p>How amazing, hence the trust and genuine authentic interest in your client.</p>
Jae	<p>Absolutely. It's not even just the trust between their legal teams it's actually the, for example, the design team you can be talking to them directly and they will be asking you questions and actually sometimes we are actually suggesting a few things saying how about you stick a little feature in here and that might work and they'll go away and think about it and usually they will shoot us down because we are probably not technically enough but sometimes they come up and say that's actually a good idea so we'll go with that so that's actually quite enjoyable.</p>
Nicola	<p>Such a multi-faceted role, that's so cool.</p>
Jae	<p>And I've got an engineering background and for me it's to use this background I've had to in the legal context it's actually very fulfilling.</p>
Nicola	<p>I have a shopping background and that's how I ended up in retail – I'm kidding!</p> <p>But we actually did talk about this the other day, I did work in shops when I was in university and stuff and I did make up for a while and so now I advise a lot of makeup retailers and stuff like that so we do all have this history in this background that we bring to our legal advice it does make us I think more well-rounded hopefully.</p>
Jae	<p>Yes and I think R&amp;C, the retail sector, it's so approachable for anyone and I'm not saying that as the barriers being low, I'm sort of saying as we can also see it and touch it whereas in some sectors it's really hard to have that relationship like you know I'm not dissing any particular sector but let's say for example life sciences sector where you know unless you're taking particular drug it is so far-fetched whereas in retail I think that connection can be real and very close and so I think everyone loves it in a way because everyone loves it is also very difficult to navigate your way around it because everyone is an expert in there and so in order for you to be a true expert you really got to be doing it every, day in day out and I think that's what we do here at Bird &amp; Bird.</p>
Nicola	<p>Absolutely.</p>
Sana	<p>Jae was amazing, so I think I told you this - I went to the design studio with the matter that we were working on together and Jae, you could tell Jae had an engineering background, like he was just he had this intricate knowledge of the way this item was being designed from a perspective that I don't think most lawyers would have and he could like see the way components were coming together that the rest of us were just like – cool does that part go there then? It was actually amazing, it just made me so like kind of in awe of the practise that we have at Bird &amp; Bird to be honest like the way the</p>

	specialisms and the different partners work together is actually incredible to see hands on I think yeah.
Jae	I think it's probably more enjoyable for me career, it's probably a career that I've never managed to have as a designer, product designer because you're so embedded in their culture and their investment and you've seen the product evolve for years now, so the particular product that we were discussing I had seen it from generation first generation I think it's in the third generation now, so I can see how the product has been evolving and the fact that it has been evolving and it's still continuing means it is a successful product and so everyone's vested in that project including myself and we just wanted to have a good design at the end of it all and try to make sure that it's protected and I was just very happy to be there and just contribute in some way.
Nicola	Alright then, so maybe just a broader question to end on - is there anything exciting on the horizon that we should be looking out for?
Jae	<p>So obviously I can only speak based on my experiences but I've actually had a few recent experience with this and so I think it might be a thing so I think Asia as a region is becoming more and more hungry and by this I don't mean in terms of the consumer demands, that's always been there and it has been there for years, but what I'm really talking about is the Asian investors and brand owners becoming more ambitious globally and they're making bold purchases of western brands so over there they call it reverse takeover of western brands. Probably better if I give you some examples. 'Fila' have you heard those sports brands? Did you know that that's owned by a South Korean company? No, so I think it started off as an Italian brand but eventually what the current leaders are actually South Korean and it's actually quite hip among the younger generation these days I've seen Fila shoes and Fila socks being worn everywhere and that explosion only came about once the South Korean owners got involved - they know how to sell things fashionably here, particularly with the rise of the K culture, the K pop, K brand the K dramas.</p> <p>The other brand is some, I think it used to be a German brand called 'MCM', It's like the bags luxury sort of fashion that's owned by an Asian company now as well and we've got other examples like 'Volvo' also owned by an Asian company.</p> <p>You've also got 'Harman Kardon' who are the speaker manufacturers that's actually now word by Samsung, but they all try to stay under the radar as owners because they want to keep the western brand facade because that actually sells so it's an interesting strategy, you don't want to dilute or affect the current image it has yet you want to bring the know-how of how to sell retail goods over in Asia into these western brands and thereby growing these western brands even further. It tends to be very stagnant sort of brands that they they're interested in because they feel as though they have something to contribute, and I think they are looking more and more for these opportunities now and I think these will only become more common in the coming years.</p>



	<p>There's so much money within the Asians market but that's been saturated so they're trying to invest the lot outside Asia and for them in terms of the retail sectors for any Asian culture is more the West of the European brands that is very attractive and therefore they will be investing heavily in those brands so I think it's something for the retail brands here in Europe and let's say America even, to be looking out for.</p> <p>I think another good example would it be something like the Hunter Boots which went into administration. It eventually got bought by an American company but I think in the bidding process I believe there were several Asian companies interested because again of the western brand, the Kate Middleton brand being so popular over there and so those kind of things are I think something to look out for and something that we because of our network and our connections within the retail industry we can be looking out for those opportunities for their potential investors.</p>
Nicola	That's fascinating and that's not easy to do change the ownership of a brand without changing the look and the feel in the culture of it.
Jae	Absolutely, and that's the thing they want to maintain but yet bring their know how of business and selling lots of things very quickly over in Asia to make money.
Sana	That's so interesting and also, I love Korean beauty so I'm really happy to hear that.
Nicola	Let's close the episode with a fun little question – Jae and then Sana, what's something that you purchased or were gifted recently and loved?
Jae	So I've had to have a think about this.
Sana	It could be a tech thing.
Jae	Yeah, it is it is a tech thing but it's a very low tech thing I would say, so I recently bought a Casio watch for about £20 but it's not the standard Casio watch, it is the one with the calculators if you see one of those and the only reason I bought it was because I remember when I was about 12 or something, these came out and I really wanted one but my dad just refused to buy me it because he thought it was excessive so I thought hmm I can go back to my, not even teenagers, younger years and just buy this and see what happens so and I've been amazed at how accurate is and how retro it is.
Nicola	Nostalgia purchases are good for the soul though, so you have fulfilled something that your younger self wanted.
Jae	Yes so, I think that's the thing, I felt I've been deprived of about 30 odd years, I'm revealing my age so I'm not going to do that!
Sana	Are you wearing it today?
	No that's the thing I've got my, sorry I should have brought it in!
Sana	I guess for me, so I've done this in every single podcast I think which is mention a Korean beauty product, a new one that I like. This is something I have spoken to Jae about a lot, so I repurchased some Tony Moly face sheet

	<p>masks which I think are some of the nicer Korean brand face sheet masks and there's a whole range so there's like an illuminating one to get that real glow if you have an event the next day or there's a really rejuvenating one there's like a vitality one if you've not been drinking loads of water recently so I would definitely recommend it.</p> <p>What about you Nicola?</p>
Nicola	<p>I recently purchased the Neal's Yard remedies bath salts in the fragrance <i>aromatic</i>, they've got a few different fragrances. The aromatic ones if you have a bath in the evening and you go to bed get up the next day go to work and go home your bathroom still smells like a spa the next day so even if you're not a bath salts person I feel like they're just home fragrance thing as well, they're amazing.</p>
Sana	<p>I feel like we just covered different areas of self-care there!</p> <p>Alright that's the end of our episode – thanks for joining us! If you'd like to join us for more Retail &amp; Consumer discussions, don't forget to subscribe or follow wherever you listen to your podcasts so that you're notified when the next episode goes live. Bye for now!</p>

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