HANNES SNELLMAN

FASHION LAW *Review*

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WELCOME TO HANNES SNELLMAN

Fashion Law Review

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We are excited to publish the second edition of Hannes Snellman Fashion Law Review. The first edition received a great deal of attention, and we are grateful for all the positive comments we received from our readers. The purpose of this publication is to highlight interesting cases and trends within the fashion industry, and to give you, as a designer, brand, retailer, or other key player within the fashion industry, a chance to learn more about what legal aspects should be taken into account when growing and expanding your business.

In this second edition, we examine some topical issues within the fashion industry, including how to use environmental marketing claims correctly and how to take advantage of AI solutions in the context of e-commerce. We also take a look at recent branding trends and how they impact brand protection as well as what aspects one should consider before selling a trademark comprising one's own name. Furthermore, we consider how different outsourcing models can help fashion industry players to gain access to cutting-edge innovations and market-leading know-how.

Hannes Snellman's retail and fashion lawyers provide innovation and flexibility in an increasingly complex legal and regulatory environment. We have experts from different legal disciplines to guide you proactively with thoughtful business planning and creative strategies to address emerging legal issues facing the retail and fashion industries.

We hope you enjoy the second edition of Hannes Snellman Fashion Law Review!

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IN THIS *issue*

AI in the Fashion Industry

By Linn Alfredsson & Elisabeth Vestin

Artificial intelligence (AI) is currently revolutionising the fashion industry by fundamentally transforming every element of its value chain — from designing and manufacturing to marketing and sales. In this article, we examine the various legal considerations relating to privacy and intellectual property rights which brands and retailers should take into account before implementing AI-based solutions to support their business.

Environmental Claims in Marketing

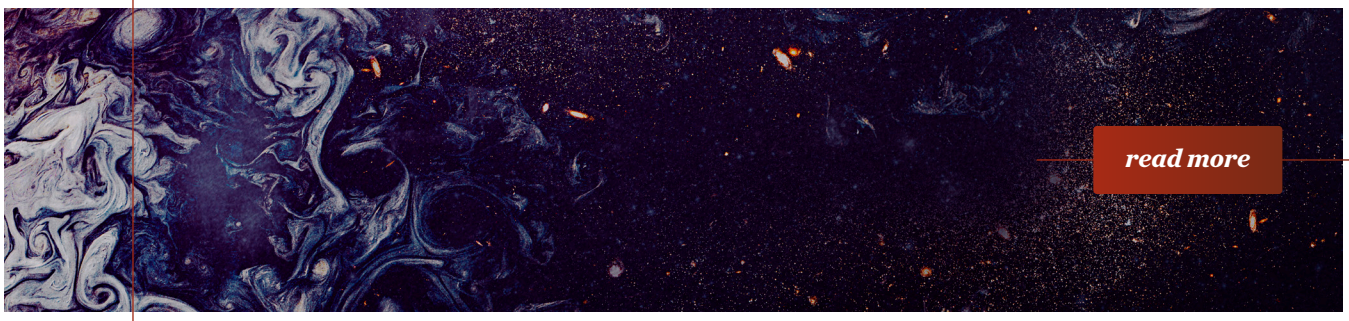
By Anna Räty & Jessica Tressfeldt

The environmental impact of consumption has become a frequent topic for discussion during the last couple of years. Consumers are eager to make environmentally friendly choices, and, to attract consumers' attention, marketers are increasingly including environmental claims in their marketing, claiming that their products are climate-neutral, climate-positive, or climate-compensated. However, environmental claims are surrounded by several legal issues which must be addressed and considered before launching a marketing campaign. In this article, we discuss the main issues and considerations relating to environmental claims.

Branding Trends in the Fashion Industry

By Sarita Schröder

In order to stay relevant, brands must keep up with the times — not just with respect to the goods and services that they offer, but also with respect to their look and feel. Consequently, according to various sources, businesses rebrand about every 7 to 10 years on average. In this article, we highlight three prominent branding trends in the fashion industry and consider the implications that they may have on the legal protection of a brand.



Outsourcing in the Post-Digital Era

By Itai Coleman, Jesper Nevalainen & Anton Pirinen

At its best, outsourcing is one of the most efficient ways to access top know-how in the market, offering a clear competitive advantage also for fashion businesses. However, in the world of high-speed technological advancement, new kinds of outsourcing strategies are needed. In this article, we focus on the benefits that especially vested outsourcing can offer for the fashion industry and discuss certain associated legal aspects that should be taken into account.

You Wouldn't Sell Your Soul But What About Your Name?

By Sarita Schröder

Many fashion brands carry the name of their founder. As long as the founder retains control of the business, this is generally without problems. However, selling the business together with the brand name can have unexpected consequences for the founder. In this article, based on real-life examples, we look at what aspects one should consider before selling a trademark comprising one's own name.

AI IN THE *fashion* INDUSTRY

– How to Approach the Next Trend

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As new and emerging technologies are continuously improving, they also play an ever-more significant role in shaping the fashion industry. During the past few years, we have seen fashion brands and retailers implement online solutions to enhance the customer experience through automation, machine learning, and algorithms. Today, artificial intelligence (AI) is revolutionising the fashion industry by fundamentally transforming every element of its value chain – from designing and manufacturing to marketing and sales.

AI is a buzzword in the fashion industry, and industry players are rushing to take advantage of the opportunities that it offers to the e-commerce sector. According to Salesforce, 25% of retailers and marketers of consumer goods were leveraging some form of AI in 2019 – a figure predicted to increase to 70% over the next two years. AI has the potential to drive improvements in various areas including forecasting, capacity planning, merchandising, and production automation and delivery. Consumers may be the ultimate beneficiaries, enjoying improved product availability, a personalised shopping space, and accelerated fulfilment. However, we need to understand that the ever-evolving technological development also provokes certain risks and uncertainties.

There are already plenty of great examples of brands and retailers utilising AI. For example, UK-based online fashion company Asos uses a tool called Fit Assistance to help its customers to find the perfect size by providing recommendations based on a survey of the customer's age, height, weight, and body measurements. Understanding customer needs also helps fashion platforms such as Germany-based Zalando in keeping up with the latest trends, using AI-powered fashion designing to generate new items based on its customers' preferred colours, textures, and shapes. In addition, by employing AI, retail giants such as H&M and Zara are able to reduce wastage and inventory costs by organising and allocating unsold stock to stores with a high demand.

AI and Privacy

The implementation of AI-powered tools in the fashion industry has magnified the debate on consumer privacy. By tracking customers' previous activities, data-generated solutions can be personalised down to an extremely specific level including, as mentioned above, suggestions on sizes or related items. From a legislative point of view, these privacy risks have not gone unnoticed. The European General Data Protection Regulation (GDPR), which took effect in 2018, was the first large-scale effort to offer consumers more legal protection. The GDPR has been followed by similar legislation in the US, such as the California Consumer Privacy Act (CCPA), which became effective on 1 January 2020.

However, as the volume and variety of data collection continue to expand, it is safe to say that brands and retailers must continue to prioritise consumer concerns on privacy matters. AI and data are two critical components in respect of meeting the raised expectations of today's conscious consumer. In order to truly benefit from using data, to secure consumer trust, and to meet legal requirements, brands and retailers must be transparent and provide clear privacy policies on how personal data is collected and processed.

Furthermore, data-driven systems have the ability to learn for themselves and make decisions based on the data they are provided. Basically, data-driven systems generally adapt better when they are provided with large amounts of data. This means that in order for data-driven systems to serve their intended purpose, a large amount of data regarding, for example, the consumer's behaviour on the retailer's platform, in-store movement, and ordering history is required before the systems can be used effectively. However, the personal data collected, as well as the processing of this data, is subject to the aforementioned data protection laws and regulations.

Technology and Creativity

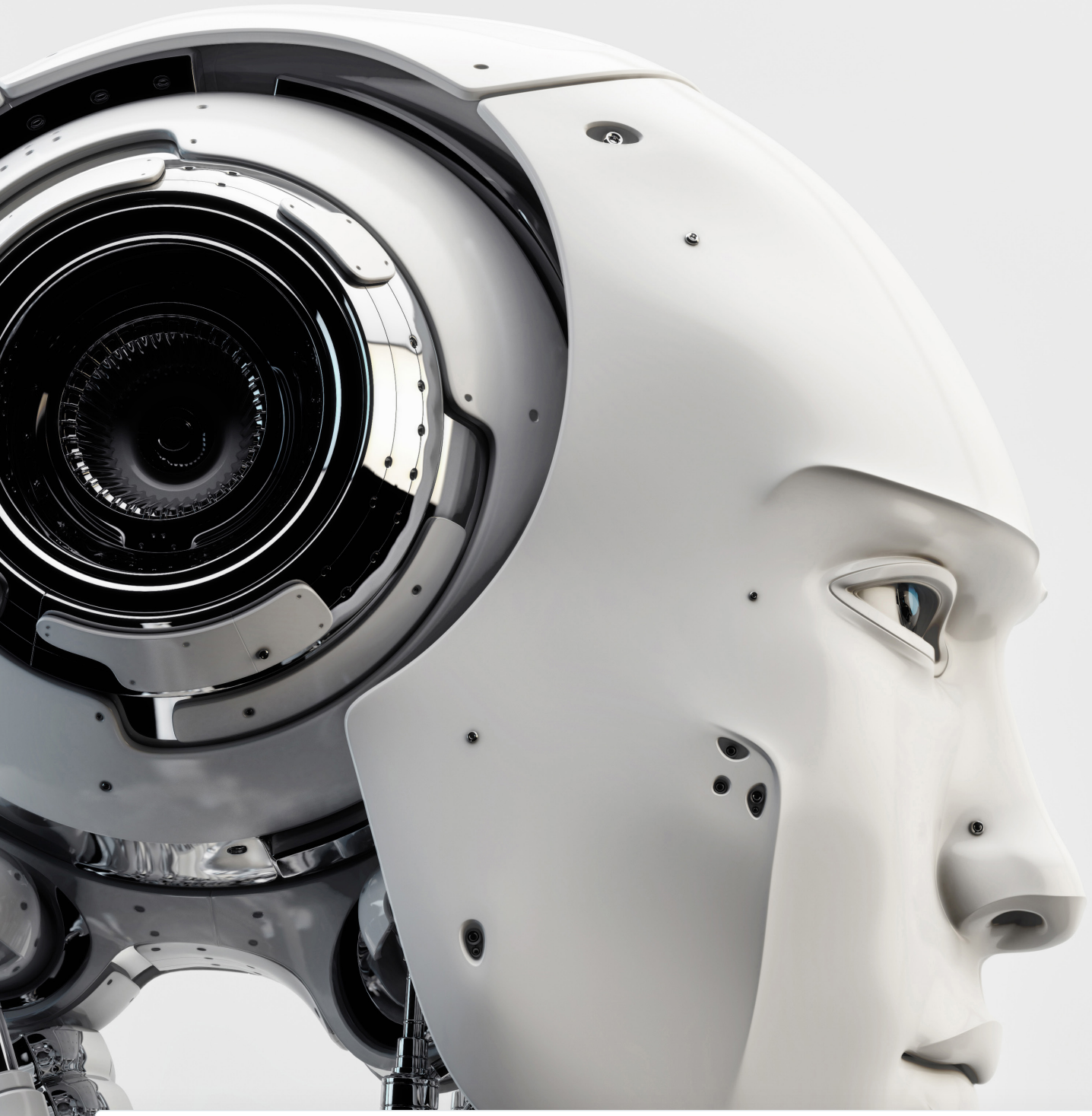
Some may argue that AI is too mechanical to capture the creative core of fashion. However, the benefits of accepting AI as a creative tool extend across the value chain, covering areas such as design, marketing, and merchandising. That being said, the creation of AI-based fashion items has taken the relationship between technology and creativity to a new level. This development is interesting, as it raises several legal questions, such as who – if anyone – will ultimately own the rights to designs created using AI: the programmer of the AI, the user of the AI, or the AI itself?

Currently, the understanding in many jurisdictions is that while AI programs and algorithms themselves can enjoy copyright or trade secret protection in the same way as other computer programs, AI cannot be an author (in the legal sense) or hold the copyright to the works it generates. However, this does not rule out the possibility that the copyright to AI-generated works could belong to the programmer of the AI or the user of the AI, or that AI-generated works could be eligible for other forms of protection, such as trademark or design protection. In such a case, the answer to the question of which of these parties will own the copyright or other intellectual property rights may also depend on what has been agreed between them. Therefore, brands and retailers procuring AI systems to help in the creative process should be sure to specify in their agreements that the intellectual property rights to anything that the AI creates will automatically belong to them.

Challenges for Brands and Retailers

The main future challenges for brands and retailers will be tailoring the new and emerging technologies to their needs and adapting to consumers' ever-changing expectations. AI can enhance the customer experience rapidly, but brands and retailers must assess the risks arising from using these tools, and they must also prepare to meet the legal requirements relating to such use. The fashion industry is currently undergoing a technological transformation in an effort to become seamless and digital in all aspects of its supply chain to fit consumers' need for on-demand services. In addition, there is a need for brands and retailers to become increasingly transparent with respect to privacy matters.

The main future challenges for global brands and retailers will be tailoring the technology for their purposes and adapting to consumer expectations.



Some Practical Aspects to Consider

In light of the above, we suggest that you consider the following when working with AI:

- be aware of data protection laws and regulations, such as the GDPR, and remember that amendments to privacy policies (and in some cases also the collection of consumer consents) may be needed in order to commence any new collection or use of consumer data;
- make sure you are aware of where consumers' personal data is located and stored;
- look into the different legal means available to protect the AI program or algorithm and the content that it generates;
- consider the ethical aspects of using AI (so-called trustworthy AI); and
- consider the related transparency processes.

ENVIRON-MENTAL *claims in* MARKETING

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Consumers are becoming increasingly aware of the environmental impact of their consumption, and they are eager to make environmentally friendly choices. This relates to all industries, but the environmental impact of the fashion industry has recently gained much attention. Likewise, marketers are more often including environmental claims in their marketing, claiming that their products are climate-neutral, climate-positive, or climate-compensated.

It has, however, been shown that consumers do not find environmental claims easy to understand and that there is generally a lack of reliable and available information on the environmental impacts of products. In 2020, several consumer protection authorities in the EU screened websites using environmental claims and the results of this joint investigation supported the aforementioned conclusion. In fact, the consumer protection authorities had reason to believe that 42% of the claims were exaggerated, false, or deceptive and could potentially qualify as unfair commercial practices under EU legislation (see the European Commission's press release here). The use of false or misleading environmental claims makes it harder for consumers to make environmentally friendly choices (see e.g. the Swedish Consumer Authority's report 'Konsumenterna och miljön', 2020, available in Swedish).

Although there is currently no specific legislation applicable to environmental claims in marketing, general marketing legislation is applicable when using environmental claims. In addition, the ICC's Advertising and Marketing Communications Code (the "**ICC Code**"), which is a globally applicable self-regulatory framework, includes specific rules on environmental claims in marketing. However, as part of the European Green Deal, the European Commission has begun preparing a legislative proposal on the substantiation of green claims. The aim is to introduce standard methods for quantifying environmental claims to make sure that they are reliable, verifiable, and comparable across the EU. The regulation proposal is expected to be published during the second quarter of 2021 (see the European Commission's website for the initiative here).

Consider the Overall Impression

According to well established principles of law, all marketing claims are to be assessed based on the *average consumer's* overall impression following a brief reading. The average consumer should be understood as *the average consumer within the group of consumers to which the claim is addressed.* Therefore, this fictive person's knowledge and ability to understand a marketing claim differs depending on the context.

For environmental claims, complementary information is almost always necessary in order to give the consumer full details on a product's environmental impact. However, it may not be sufficient to provide such complementary information only in the fine print or in some other way that does not immediately catch the average consumer's attention. Therefore, marketers should carefully asses from the average consumer's perspective the overall impression that is conveyed by the marketing before making an environmental claim.

Only Use Claims That You Can Prove

As is always the case with marketing claims, the marketer bears the burden of proof for the accuracy of environmental claims. In the context of environmental claims, this becomes evident, as it may be difficult to produce objective evidence supporting the claim. The marketer must have the necessary supporting evidence available when making the claim or at least be certain that such evidence can be provided upon request.

It should be noted that a claim's relevance may decrease over time. Therefore, the marketer should make sure that the documentation is up to date for as long as the claim is in use in marketing. This is highly relevant especially for claims that compare a product to other products on the market.

Provide Clear Information and Use Relevant Claims

Information Must Be Clear and Specific
Information must always be presented in a clear and unmistakable manner, avoiding unspecified and ambiguous expressions. In the context of environmental claims, it must be clear to the consumer whether the claim relates to the product itself, its packaging, or, for example, the product's manufacturing process.

False Claims Are Forbidden
The marketer must always be prepared to confirm the validity of the environmental claim it has used in the marketing of its products or services — false and untruthful claims must not be used.

Factually Correct but Misleading Claims Are Forbidden
The use of factually correct but misleading claims is not acceptable. Typical mistakes by traders relate to exaggerating the actual impact of an individual consumer's purchase decision and to overvaluing the environmental impacts of the products or services in general.

Vague Expressions Should Be Avoided
The marketer must be able to prove all possible interpretations of a claim. Therefore, vague expressions should be avoided.

The ICC Code stipulates that vague or non-specific claims of environmental benefit, which may convey a range of meanings to consumers, should be made only if they are valid, without qualification, in all reasonably foreseeable circumstances. General claims without any reservations, such as "environmentally friendly", may be difficult — if not impossible — to prove. In any case, the use of such general claims requires that the environmental impacts of the entire life cycle of the product have been researched.

Misleading Omissions Are Forbidden
Leaving out essential information might also be deemed misleading. For example, it would most likely be deemed misleading to claim that a product is environmentally friendly because an environmentally friendly process has been used for manufacturing the product if the product also has environmentally detrimental effects.

Consumers are becoming increasingly aware of the environmental impact of their consumption.

Claims Must Be Relevant

All marketing claims must relate to essential aspects of the environmental impact of the product. For example, it may be regarded as misleading to highlight an aspect that only has a limited environmental impact either in general or in comparison to similar products in the same product category. A claim may also be regarded as misleading if one positive effect is highlighted while several negative effects are omitted.

Refrain from Practices on the So-Called "Blacklist"

In the EU, the following practices are included in the so-called blacklist of practices that are always considered unfair and, thus, forbidden regardless of whether they would have an impact on the average consumer's purchase decision:

- falsely claiming to be a signatory to a code of conduct;
- displaying a trust mark, quality mark, or equivalent without having obtained the necessary authorisation;
- falsely claiming that a code of conduct has an endorsement from a public or other body; or
- falsely claiming that a marketer or a product has been approved, endorsed, or authorised by a public or private body.

Only Make Relevant Comparisons

When claiming that a product is better than other products from an environmental perspective, it is essential that the product is compared with products within the same product category (i.e. ones that fulfil the same needs or purpose). Moreover, it is essential that the methods used to establish the environmental impact are the same, as this is the only way to assure that the results are comparable.

What to Remember

As shown in this article, several legal aspects should be considered before using an environmental claim in marketing. However, the fundamental principle to always remember is that **the consumer must not be misled in any way** — the more specific rules mentioned above specify this general principle. Therefore, the headings used in this article may serve as a checklist for key things to consider before publishing any environmental claim.

In January 2021, the Swedish Patent and Marketing Court ruled in favour of the Swedish Consumer Agency in a case relating to unfair use of words "eco" and "organic", as the terms were not sufficiently specified. The court found that the claims in this case should be followed by an explanation "in direct connection" to the claims (PMT 687-20). The judgment is the first one of its kind in Sweden.

In light of the current developments in this field, it is likely that consumer protection agencies and self-regulatory bodies will pay even more attention to environmental claims going forward. Therefore, marketers have an increased incentive to comply with marketing legislation in this regard. This will benefit honest marketers and enable them to compete on fair terms.

BRANDING *trends in* THE FASHION INDUSTRY

– a Lawyer's Perspective

This article is a summary of a blog series previously published on the Hannes Snellman Blog. You can find the full blog series here.

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In order to stay relevant, brands must keep up with the times — not just with respect to the goods and services that they offer, but also with respect to their look and feel. Consequently, according to various sources, businesses rebrand about every 7 to 10 years on average. In addition, they regularly play around with and tweak their brand elements, for example, in the context of short-term marketing campaigns. In this article, we highlight three prominent branding trends in the fashion industry and consider the implications that they may have on the legal protection of a brand.

Trend 1: Less is More

One of the biggest aesthetic and lifestyle trends in recent years has been minimalism. The minimalism trend can also be clearly seen in branding, with an increasing number of businesses replacing decorative heritage logo designs with more sleek and simplistic logo designs. For example, in recent years, a number of well-known fashion brands, such as Balmain, Burberry, and (Yves) Saint Laurent, have embraced the minimalism trend and adopted highly simplistic, monochrome, sans serif logotypes.

BALMAIN

EU trademark no. 001262039

BALMAIN

EU trademark no. 017988375

From a lawyer's perspective, minimalism in branding can be a blessing or a curse, depending on the situation at hand.

A fundamental requirement for trademark protection is that the trademark must be capable of distinguishing the goods and services of its owner from other similar goods and services on the market. When the minimalist aesthetic is combined with the related trend of clearly evocative or even descriptive brand names, such as 'organicbasics' for clothing made of various sustainable materials, the unfortunate end result can be that the brand is ineligible for trademark protection — at least without proof of longstanding use through which the relevant public has come to recognise the brand as a sign of a particular commercial origin. Moreover, even if the brand is eligible for trademark protection, the weaker its distinctive character is, the narrower its scope of protection will be.

On the flipside, however, when the brand name is highly distinctive — as, for example, Balmain, Burberry, and Saint Laurent almost undoubtedly are — opting for a minimalist logo design can help to streamline the brand's trademark portfolio, as fewer trademark registrations may be needed to sufficiently protect all off the relevant elements of the brand's visual identity. For example, a search in the EU trademark database reveals that Burberry has opted not to register its new, unadorned logotype as a figurative trademark in the EU. Rather, it seems to rely on the strength of its 'BURBERRY' word mark registrations.

Trend 2: Thinking Outside the Box

When we think of trademarks, we intuitively think of names and logos. However, trademarks can be much more than just that. For example, under EU law, a trademark may consist of any sign that is capable of distinguishing the goods and services of one undertaking from those of others, and that is capable of being represented clearly and precisely on the trademark register.

This is good news for brand owners who, in the increasingly crowded and competitive market, are looking for new ways to stand out. Specific patterns and colours are perhaps some of the more well-established types of non-traditional trademarks out there — just think of adidas' three stripes and Tiffany's signature blue hue. Other types of non-traditional trademarks that we are already used to seeing include 3D shapes (e.g. various perfume bottles) and so-called position marks (e.g. the red soles of Louboutin shoes).

Going forward, also other types of non-traditional trademarks may become more prevalent. The reason for the shift is that a few years ago, the EU did away with the requirement that a trademark must be capable of being represented graphically. Now, trademarks can be represented in any appropriate form using generally available technology, including audio, video, or multimedia files. Thus, it has become easier for brands to protect, among other things, trademarks with sound or motion elements.

Nevertheless, certain types of non-traditional marks still remain that would be very challenging — if not currently impossible — to protect due to limitations on what contemporary technology can reproduce in digital format. These include scents, tastes, and tactile marks (e.g. the texture of a fabric). So, until "smell-o-vision" and similar technologies possibly become generally available, brands will need to rely primarily on trade secret protection or other intellectual property rights to maintain exclusivity in, for example, the signature scents they use to create the right ambiance in their stores.

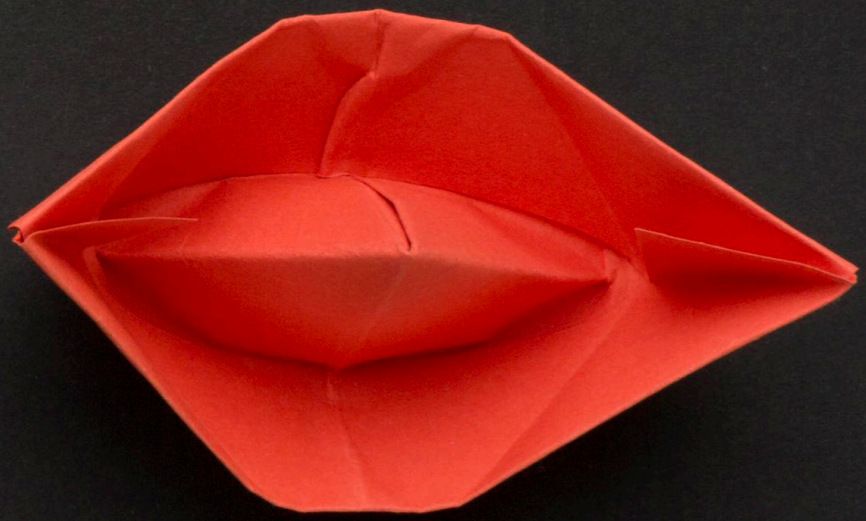
Trend 3: Teaming Up

Co-branding often occurs between brands in the same industry or in related industries, but it can also take place between brands in entirely different industries. A common instance of the first type of co-branding is high-street brands partnering with more high-end brands to create coveted limited edition collections. For example, H&M has collaborated with numerous luxury brands and designers over the years. The latter type of co-branding, on the other hand, can range from the surprisingly logical (e.g. Coca-Cola bottles designed by the likes of Jean-Paul Gaultier and Marc Jacobs) to the somewhat bizarre yet nevertheless somehow appealing (e.g. Fauchon chocolate eclairs adorned with preppy Lacoste designs).

In order for a brand partnership to work out as a win-win for both parties involved, there are — in addition to strategic matters — various legal aspects that should be considered.

Just as is the case with all other business partnerships, the parties to a brand partnership should enter into a specific written agreement clearly setting out each party's rights and responsibilities with respect to the partnership. Key issues to agree on include the scope and duration of the partnership, who will own the rights to any new intellectual property that may be created through the partnership, and what the parties' liability towards one another is for any problems that may arise in relation to the partnership.

If the brand partnership entails a brand branching out into new geographical or product markets, or if the purpose of the partnership is to create something entirely new, it is imperative to conduct a clearance search to confirm that there are no pre-existing third party rights that may end up being infringed through the partnership. Moreover, even if the partnership is only intended to be a short-term affair, it is worth considering whether it warrants registering new trademarks or other intellectual property rights to ensure that third parties cannot try to piggyback on its success or put an abrupt end to it through bad faith registrations of their own.



In order to stay relevant, brands must keep up with the times — not just with respect to the goods and services that they offer, but also with respect to their look and feel.

OUTSOURCING IN THE *Post-Digital Era*

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In a fashion industry more competitive than ever, businesses need to take full use of the tools at their disposal. One of these tools is outsourcing, which is not a mere cost-saving measure, but one of the most efficient ways to access cutting-edge innovations and market-leading know-how. As outsourcing, and in particular outsourcing that helps achieve broader strategic goals, often takes a form of close collaboration, which affects the outsourcing entity's control over its business, taking full advantage of the legal toolbox is essential in ensuring that the sought benefits can be obtained throughout the outsourcing life cycle.

Outsourcing for Innovations

Sourcing different services from a number of specialised service providers is the dominant sourcing strategy in the market. In the fashion industry, this strategy has, however, resulted in difficulties managing the various technologies required to operate an omnichannel business model. Moreover, the puzzle is set to become even more complex with the wider introduction of big data analytics, robots, and the Internet of Things. As a result, many businesses will be forced to re-evaluate the effectiveness of the traditional in-house business functions, such as the IT department.

One of the growing strategies used to benefit from the increasing technological complexity and solving other innovation objectives, such as apparel design, is vested outsourcing, which can be characterised as a one-to-one business collaboration where both parties are invested in identifying the best solutions. The parties form an interdependent relationship, meaning that their teams often work in close collaboration to create value, come up with solutions, and face issues and conflicts together. The outsourcing entity may, for example, procure an entire external team that in principle acts as their internal team. At its best, vested outsourcing makes it possible for businesses to stay in charge of the big picture, while acquiring market-leading know-how to achieve objectives that they themselves could not achieve.

From a legal perspective, a common problem with vested outsourcing arrangements is that businesses often do not contract for true partnerships. For example, the more successful the service provider is in helping the outsourcing entity to achieve its objectives, the more the service provider should benefit, for example, in form of compensation. It is also important to thoroughly discuss and agree on the objectives and the nature of the co-operation. As unclarities regarding the aforesaid can easily lead to undesirable results and turf disputes, it is also important to include a mechanism for the management of the parties' relationship, and to ensure that the expectations, rights, and obligations of the parties remain clear throughout the arrangement. In addition, as in the case of more traditional forms of outcome-focused outsourcing, it is important to agree on the baselines from which success can be measured and to document not only this but also any progress towards the objectives. Disputes often arise due to objectives being too vaguely discussed, resulting in different views on whether the desired objectives have been achieved.

Contemporary Means for Reducing Costs

As vested outsourcing and other outcome-focused models are by their nature well suited for other objectives, the reputation of outsourcing as a cost-saving measure has diminished. However, this may be about to change again.

Today, many services are provided by people and supported by tools, but digital tools such as robots are increasingly becoming service providers which are merely being supervised by people. The emergence of digital outsourcing will continue to lead to cheaper, more efficient outsourcing practices. However, at the same time, the increased use of digital outsourcing will make questions related to data protection and security even more topical. Furthermore, it will change the outset for outsourcing agreements entailing that alternative contractual considerations and assessments should be made, for example, in relation to liability, pricing, and the ownership of data.

Change Is the Only Constant

The outsourcing industry has and will continue to be affected by the technological advancements, which has already resulted in the emergence of new outsourcing models and innovative digital approaches. As the world is set to become even more competitive in the coming years, outsourcing practices are likely to follow and become even more dynamic and collaborative. Therefore, the willingness to embrace technology, the ability to manoeuvre strategically, and taking full advantage of legal means to ensure that the desired objectives are met will be central and determinative in who will succeed in reaping the immense benefits that technological development and other megatrends of our time have to offer for the fashion industry.

The puzzle is set to become even more complex with the wider introduction of big data analytics, robots, and the Internet of Things.

YOU WOULDN'T *sell your soul* BUT WHAT ABOUT *your name?*

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Many fashion brands carry the name of their founder. As long as the founder retains control of the business, this is generally without problems. However, selling the business together with the brand name can have unexpected consequences for the founder. In this article, based on real-life examples, we look at what aspects one should consider before selling a trademark comprising one's own name.

Recently, Minna Parikka, an iconic Finnish shoe designer renowned especially for her whimsical, bunny-eared designs, shocked her fans by announcing that she would be shutting down her business indefinitely to take a creative break and to focus on her family. It has been reported that Ms Parikka's decision is unrelated to the coronavirus pandemic, as despite the challenging circumstances, Ms Parikka's company has been having a record year.

Considering that the company has been debt-free and profitable for several years, many have wondered why Ms Parikka opted to close it down rather than to sell it. Ms Parikka has commented publicly that although there had been interested buyers, they would have required Ms Parikka to commit to staying on with the company — meaning that she would have given up control over it without achieving her goal of having the opportunity to take a breather.

It has not been disclosed whether trademark and other intellectual property law considerations also played a role in Ms Parikka's decision not to sell the business. However, through the choice she made, Ms Parikka certainly avoided a minefield that several other designers before her have inadvertently stumbled into by selling the rights to a brand built around their personal name.

One of the most famous examples in this respect is the late handbag designer Kate Spade, who, in 1993, founded a company bearing her own name. In 2007, Ms Spade sold the company – and all rights to the Kate Spade brand – to a company called Liz Claiborne for USD 125 million. However, in 2015, when Ms Spade decided to set up a new footwear and handbag company, Frances Valentine, she was faced with the dilemma of how she could act as a spokeswoman for the company without creating a likelihood of confusion with her namesake brand. Ultimately, Ms Spade went as far as to officially change her personal name to Kate Valentine in order to avoid potential problems.

Thus, by not selling the rights to the brand bearing her name, Ms Parikka has ensured that she will have an easier time returning to the shoe design business should she one day desire to do so. The same applies to not selling the copyright and other intellectual property rights to her highly distinctive designs.

However, putting a brand on the shelf for an undetermined period of time is not entirely unproblematic, either. In particular, in many jurisdictions, trademark rights can be revoked if the trademarks in question are not put to genuine use for a certain period of time (five years in the EU). In the case of trademarks comprising a personal name, the risks associated with this may be slightly mitigated by the fact that many jurisdictions impose restrictions on who can trademark a personal name and to what extent such trademarks can be enforced against third parties with the same or similar name. Nevertheless, if in a few years' time it looks like Ms Parikka's sabbatical may extend beyond the five-year mark, one solution that she might consider is licensing the brand to maintain control of it while also ensuring that it does not fall prey to revocation claims.

What the Law Says

- In the EU, a trademark can consist of any sign — including a personal name — that is capable of distinguishing the goods or services of its owner from those of others and being represented clearly and precisely on the register.
- Finnish and Swedish trademark legislation include certain explicit restrictions on the right to register another person's name as a trademark (at least unless that person is long since deceased). There are no similar restrictions on the EU level. However, trying to monopolise another person's name could qualify as bad faith, which also forms a ground for refusal of a trademark.
- In case one's name happens to be identical or similar to a registered trademark, it is good to know that trademark legislation in many jurisdictions provides that a trademark owner cannot prohibit a natural person from using their own name in the course of trade in accordance with honest practices. However, agreements concerning the sale of brands built around a personal name may include stricter restrictions.

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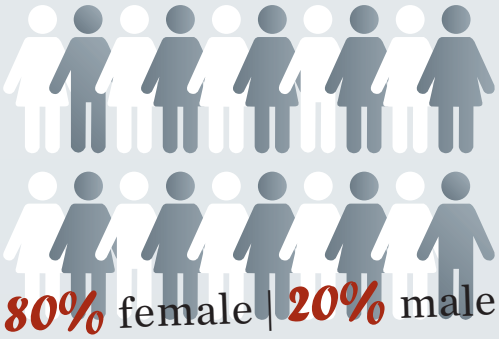
"The cooperation is smooth, effective and transparent, with each party working together to achieve a mutual goal."

IAM Patent 1000, 2020 edition



80% female | **20%** male

We are one team with over **20** outstanding lawyers and other professionals.

More than **170** years of combined experience.

More than **30%** of our lawyers have in-house experience.

9.5

Our average NPS value.

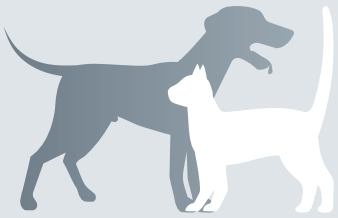
1.1

The value of our clients' IP & Tech projects amounted to more than EUR 1.1 billion in 2020.

From **1** to **500,000** employees – we always have the same commitment and focus regardless of the size of our client company.

Our team advised on **12** M&A projects completed in 2020.

80% of our team are clearly dog people...



...while **20%** like cats way more. But we get along just fine.

We advise our clients on intellectual property, technology, digitalisation, life sciences, marketing, media & online business, sourcing & outsourcing and data protection as well as related disputes and investigations.

96% of the team has been on a Swedish/ Finnish ferry more than once.

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