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Hindustan Unilever Cracking Down on Counterfeits Using Similar Logos

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Brands: Creating Desire ►► 5

HUL Steps Up Legal Action to Curb Counterfeit Menace

FMCG company averaged filing about two cases of violations of its IPR and trademark weekly in FY19

Maulik Vyas & Sagar Malviya

Mumbai: Hindustan Unilever, the country's biggest pure-play consumer goods firm, has averaged filing about two cases of violation of its intellectual property rights (IPR) and trademarks weekly in FY19, signalling a vigorous attempt to crack down on counterfeit products that use similar logos or packaging as HUL brands and sold at knockdown prices.

With over 90 such cases during year to March, HUL's latest number is nearly eight times more than the cases in 2018 and double of the preceding two years combined. Most of these were filed in the Bombay High Court, data obtained from court filings across Indian courts showed. The maker of Dove soap and Lipton tea said higher numbers are a direct reflection of incidents of counterfeiting that multiplied over the past few years.

"We have shifted our focus on actions resulting in value impact and started directing our efforts more on curtailing counterfeits at manufacturing and filling points than on the retail trade alone," said Dev Bajpai — executive director, legal & corporate affairs, HUL. "This has resulted in curbing counterfeit trade at the source."

In March, HUL approached the Bombay High Court against Mahadev Soap Factory, a firm from Bardoli near Surat, alleging trademark violation. HUL claimed the Gujarat-based firm's washing powder brand 'Go-Win' had packaging identical to its mass-market washing powder brand 'Wheel.' Ditto in the case of Navi Mumbai-based Glint Cosmetics that manufactured and sold products under the brands 'Fasaline' and

Fighting Tooth & Nail

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Co says higher number of cases reflects incidents of counterfeiting that multiplied over the past few years

HUL also engaging with customs depts across the ports

Industry estimates suggest that 7-10% of all products sold in the 3-lakh cr FMCG market in India are counterfeit



'Fair & Life', similar to HUL's brands 'Vaseline' and 'Fair & Lovely.'

"HUL's recent move of taking prompt legal action against not only small companies but third-party manufacturers to protect its IPR is phenomenal," said Priyanka Sinha, co-founder of Mumbai-based law firm A&P Partners. "You don't see firms of that size adopting such aggressive methods. One of the many reasons is that not many firms have deep pockets like HUL to implement such robust systems and processes."

HUL said higher case numbers are a reflection of incidents of counterfeiting that multiplied over the past few years

across five major cities and headed by a retired colonel from the Indian Army.

Industry estimates suggest that 7-10% of all products sold in the ₹3 lakh crore FMCG (fast-moving consumer goods) market in India are counterfeit. That's over ₹21,000-30,000 crore of loss in sales for branded products each year. This is despite strong laws to regulate the infringement of IPR. As part of its advocacy, HUL also enga-

ges with the customs departments across the ports, which seized fake goods worth ₹60 crore being imported from China last year

"We don't shy away from filing a suit wherever we feel it is a fit case for getting orders based on our investigation," said Bajpai, adding that it starts with the surveillance, progressing into investigation and then results in action pursuant to us getting a court order.

"Various laws, including the Trade Marks Act, Copyright Act and the IPR Enforcement Rules of the Customs have some rough edges and HUL is working with the government, through industry forums, to smoothen it out. If some of the provisions of the above enactments are suitably amended, actions against counterfeiters can be more effective," Bajpai said.

HUL isn't alone. Over the past few years, there have been several petitions filed with the courts by brands and consumers of fake products. As e-commerce picked up pace and consumers shed their initial apprehensions about purchasing online, foreign companies have seen a significant rise in fakes being sold on various e-commerce sites.

Companies including L'Oréal, Tommy Hilfger, Lacoste, Calvin Klein, Levi's and Superdry have helped confiscate thousands of fake apparels through court-aided raids on warehouses, owned by either sellers or smaller niche fashion portals, over the past three years.