TACKLING SUBSTITUTE SALES
A GUIDE FOR BRAND OWNERS ON HOW TO AVOID BEING STUNG ONLINE

PRODUCED IN CONJUNCTION WITH

British Brands Group

Pannone Corporate
Tackling substitute sales

This brochure, co-authored by the British Brands Group and Pannone Corporate, is designed to help any brand owner selling products through online trading platforms such as Amazon or eBay (whether directly or indirectly through customers or distributors).

The British Brands Group is a not-for-profit association representing brand manufacturers in the UK. Its role is to promote the diverse contribution of brands and to represent the interests of brand manufacturers. Substitute selling harms consumers and brand owners while undermining fair competition and as such is a problem it is keen to see addressed.

Pannone Corporate is a boutique commercial law firm based in the North West. One of the firm’s strengths is intellectual property and it has extensive experience of advising on issues concerning substitute selling through online platforms. Pannone Corporate has represented brand owners across various sectors in claims against substitute sellers, including through High Court and specialist Intellectual Property Enterprise Court proceedings. Further details on the firm can be found at Annex A.

Substitute selling is a relatively new dilemma for brand owners. It concerns the practice where an online seller advertises products for sale under a popular brand listing in order to attract customers, but thereafter supplies a generic, imitation or substitute product to the shopper. The shopper does not receive what was advertised or ordered while the brand owner loses sales and control over its brand.

This brochure seeks to inform brand owners and the marketplace about the problem of substitute selling through online trading platforms and outlines practical steps which can be taken to tackle the problem.

The information it contains is intended for general guidance only.
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The importance of brands

Shoppers use brands every day to help them navigate markets, understand the offers they face and inform their choices. Meanwhile, sitting at the heart of a successful business is a well-known and popular brand.

Businesses make a substantial investment in developing and building their brands, which are readily signalled by memorable names, logos, imagery and get-up. Continual investment is required to make sure these brands remain relevant and firmly in the minds of consumers.

A brand is important because it acts as a convenient cue to the origin, quality and reputation of products. Brands often have a personality, associated with core values and characteristics, which help individuals develop a connection with, and loyalty towards, a business.

Brand protection is becoming increasingly important in an ever-competitive environment. Brand owners are continually faced with a changing retail landscape and new technologies which present new challenges for tackling infringement.

Substitute selling through online trading platforms represents an attack both on consumer choice and brand owners’ rights and is the focus of this brochure. Brand owners who sell products through online trading platforms such as Amazon or eBay (whether directly or indirectly through customers or distributors) may be affected by the issues discussed in this brochure.
Substitute selling -
A summary of the problem

Substitute selling involves online sellers ‘tagging onto' an existing brand listing whilst selling a substitute, rather than the advertised, product.

The substitute seller takes advantage of the higher ranking of an established brand listing to sell inferior, generic or imitation products. The substitute seller typically represents to shoppers via its listings that it is offering the genuine branded item at a cheaper price than the competition. In fact, the substitute seller will often not even stock the genuine product, but will supply a substitute.

Substitute sellers divert shoppers away from genuine brand stockists and threaten to undermine a brand owner's reputation through the sale of unauthorised goods.

Substitute sellers can include brand owners' former customers, distributors and competitors, and can range from very sophisticated operations with large warehouses to individuals operating amateur online stores from their bedrooms.

The role of the online trading platforms

Brand owners cannot ignore the role played by online trading platforms. With over 300 million active customers on Amazon and around 160 million on eBay, the growth and accessibility of these types of trading platforms has changed the retail landscape. Today, anyone with an online seller’s account has a ready-made storefront from which to trade with a click of a button.

Most producers of branded consumer goods will now have a presence on trading platforms, whether through their own Amazon or eBay stores, stores operated by their retail customers or as a result of ad hoc consumer resales on these platforms.

A key feature of many platforms is the ability for multiple sellers to advertise simultaneously the same product for sale through existing listings across Europe, including for example via Amazon’s [www.amazon.co.uk](http://www.amazon.co.uk) (for the UK), [www.amazon.de](http://www.amazon.de) (for Germany) and [www.amazon.fr](http://www.amazon.fr) (for France).

Each product listed on Amazon is assigned one of Amazon’s unique ASINs (Amazon Standard Identification Number). Amazon’s system then allows sellers of identical products to advertise against existing ASINs so that shoppers searching for that product are given the option to purchase it from a range of different sellers.
The role of the online trading platforms

This is a convenient way for the online platforms to organise and categorise goods, for sellers to quickly advertise products which are already listed on that platform and for shoppers to locate easily the goods they are looking for. This technology is, however, being taken advantage of by sellers who are advertising through high-ranking brand listings to sell their substitute products.

In order to understand substitute selling, it is helpful to appreciate the way that online platforms work and to understand the key features of an online listing. The example below illustrates the mechanics of a customer search for a "Kingfisher" branded product through Amazon and the way in which a substitute sale can take place.

A search for a 'Kingfisher electronic water timer' through Amazon generates a list of search results called 'listings'. Multiple sellers can sell through each of the listings if they sell the product advertised in the listing.
The role of the online trading platforms

In the case of low value goods, a shopper may not search by brand but by product description i.e. the shopper may type “electronic water timer” into Amazon's search engine rather than specifically searching for a Kingfisher branded product. Even if the shopper does not have a specific brand in mind at the point of the search, when provided with a list of search results, they are more likely to select a brand they recognise than an unknown seller's product.

In the example to the left, Kingfisher is ranked at the top of the search results. The placement of the product listing in the search results is crucial for online sellers and is as important as location and footfall to a high street retailer. It can take several years to establish a high ranking listing through an online trading platform.

Complex algorithms determine the order in which product listings will appear in search results. Pricing, customer reviews and the brand associated with the listing all play a role.

Sellers on Amazon also compete for the unique “buy box”, which awards top-rated sellers the most prominent advertisement and the ability for shoppers to purchase by adding the item to their basket with one click. After the buy box winner is selected, up to three further qualifying sellers' names and advertisements will appear in the “more buying choices” panel on the product detail page as shown below:

![The Amazon 'buy box'
Other qualifying sellers](image)
The role of the online trading platforms

In reality, sellers with the higher-placed listings or the buy box will monopolise shoppers' attention. As with Google, shoppers associate a higher ranking with relevance and quality and are therefore more likely to place an order with these listings than to scroll through the search results or click through to look for other sellers.

When a shopper selects a listing from the search results for Kingfisher electronic water timers, they will see the following brand identifiers in the body of the listing:

The image clearly bears the Kingfisher brand logo

The brand is expressly recorded as being ‘Kingfisher’

This is the seller/supplier of the item

The item is said to be “by Kingfisher”. Clicking thorough the “Kingfisher” hyperlink in the listing directs customers to a range of other Kingfisher branded goods.

Each of the cues below reassures the shopper that the item on offer is a Kingfisher-branded electronic water timer. A shopper may decide to purchase this item on the basis that they trust the Kingfisher brand, either because they have previously bought a Kingfisher item or because they have heard positive feedback (whether through the customer reviews on the listing or otherwise) and trust its reputation.
The role of the online trading platforms

Having selected to buy the Kingfisher item, the shopper should then be supplied with the product advertised i.e. it should be a Kingfisher-branded electronic water timer that is delivered to their home.

The danger comes when substitute sellers of generic or imitation watering timers 'piggyback' on the Kingfisher listing in order to benefit from its higher-placed ranking and brand reputation while supplying a substitute product, as in the example below:

Here, the substitute product is presented in imitation or 'copycat' packaging, increasing the likelihood that the customer may not realise the product delivered does not come from Kingfisher. Meanwhile, the opportunity to sell a genuine Kingfisher water timer is lost to the substitute seller.

Rather than create a new online listing for the substitute water timer (left) which would appear lower in the search results, the substitute seller chooses to use the Kingfisher listing and to misrepresent to shoppers that it is supplying the genuine branded product advertised.
What this means for brand owners

Substitute sellers take advantage of the intellectual property rights which subsist in a listing, including trade marks and copyright. Brand owners do not allow their competitors to use their logos or photographs on billboards or in television advertisements, yet substitute sellers routinely infringe intellectual property rights through online platforms in order to secure sales of their products.

Substitute selling means a complete loss of control for brand owners. A substitute seller decides what products, packaging, quality, branding and customer service offering is to be delivered in connection with a brand listing, without the consent of the brand owner.

*Substitute selling means a complete loss of control for brand owners.*

Substitute products will often be of poorer quality and appearance than the genuine branded product and may be faulty or unsafe, undermining the brand owner’s investment. Any negative feedback associated with the substitute product could be wrongly attributed to the brand owner, or worse, the brand owner may lose custom without ever realising why. Poor customer reviews may start to collect on the brand owner’s listing, risking irreparable reputational damage.

Often the substitute product is cheaper than the product advertised (due to its lower quality and/or cost) and therefore more likely to secure the sale. Shoppers are therefore enticed, misleadingly, to purchase from the substitute seller and sales are diverted from the brand owner.

Where competition is already fierce through online marketplaces, substitute sellers threaten to undercut genuine sellers of branded products from these platforms altogether. Where brand owners sell through distributors that trade online, these commercial business relationships can be significantly undermined should the distributor find itself repeatedly undercut by the substitute seller. If the brand owner fails to take action, the distributor may well decide to delist the brand as not being economically viable for it to list and sell.

This is not a problem of one or two substitute sellers appearing online. This is a problem which is affecting brand owners across the country and across different sectors and product categories, with small and medium-sized businesses reporting monthly losses of tens of thousands of pounds.
What is the legal position?

Brand owners have a range of legal claims available to them to enforce against substitute sellers.

Where a goodwill and reputation subsists in a brand such that shoppers have come to recognise it as being exclusively associated with a business, the brand owner will acquire unregistered trade mark rights. Misrepresenting that you are associated with that business, including through the unauthorised use of the brand or a confusingly similar brand, can give rise to a claim for **passing off**.

Substitute sellers use a brand owner’s listings, which as we have seen include brand names, logos and imagery, to sell a different product from that advertised. In this way they expose themselves to a claim for passing off as they misrepresent to shoppers that they are selling the branded product.

Many brand names are registered as trade marks. The use of a registered trade mark in the course of trade without the consent of the proprietor can also give rise to claims for **trade mark infringement**. Piggybacking onto branded listings that feature the brand owner’s trade mark will amount to such infringement.

Claims of **copyright infringement** can also arise where copyright images appear in the body of the listing used by the substitute seller.

Insofar as substitute selling comprises misleading advertising, it may also fall foul of a host of **consumer protection regulations**, which include the Consumer Protection from Unfair Trading Regulations 2008 and The Business Protection from Misleading Marketing Regulations 2008.

There can therefore be both civil and criminal penalties for engaging in substitute selling.

What can be done?

As a defensive measure, it is important to ensure that your listings clearly identify your brand by including the brand name, logo, and photographs of branded products and packaging. This sends a message that only genuine sellers of that branded item should join a listing, and makes it more difficult for substitute sellers to justify doing so.

If your branded listing is being infringed by substitute sellers, then this brochure offers brand owners a proposed 5 stage strategy to assist in tackling the problem.
What can be done?

1 Evidence gathering

Often, the only way to prove substitute selling is happening is to place test purchases. There are no hard and fast rules on how many items to purchase and it will depend on the suspected scale of infringement. Many brand owners initially place two or three test purchases from a particular seller. It is certainly worth placing more than one order to avoid the “it was a one-off mistake” response commonly received. Further test purchases can then be made subsequently to check whether substitute selling continues to take place.

It is critical to capture evidence of the entire test purchase process, including:

- screen shots of the brand listing, capturing the date of the advertisement;
- screen shots at every stage of the test purchase process, from placing the item in your online shopping basket to payment and order confirmation;
- safely storing all receipts and delivery notes after delivery of the item;
- photographing the product received and storing this together with photographs of the genuine branded product which should have been supplied.

Evidence gathering makes it more difficult for a substitute seller to deny infringement and will be crucial if it becomes necessary to escalate the claim to the issue of court proceedings.

2 Identify top targets

When you first begin your research, the scale of substitute products being sold can be overwhelming. It is therefore important to focus your searches, at least at first, on those that are the most problematic. These may be:

- sellers appearing in the higher ranking listings or who have the buy box on Amazon;
- sellers with multiple listings;
- sellers tagging onto best sellers – these may be seasonal;
- sellers who your customers or distributors are identifying as problematic, or who are receiving negative feedback through online platforms.

It is also important to research the identity of the seller. For example, look at their online storefront and:

- make a note of the contact details recorded in the detailed seller information;
- check any company name at Companies House;
- carry out a search against any VAT number appearing in the storefront;
- carry out a ‘Who Is’ search against any domain name appearing in the storefront.

Intelligence gathering can help to identify the people behind the substitute seller’s business and any connected businesses which may also be engaging in substitute selling.
What can be done?

3 Online platform infringement report

Most online platforms have a standard form complaints policy which can be used to report infringement. eBay has a procedure called VeRO (Verified Rights Owner Programme) where brand owners can complete a “Notice of Claimed Infringement” form and Amazon has a “Report Infringement” form.

These forms provide brand owners with a quick and free step to notify the online platforms that infringement is taking place. As the report is completed and submitted online, it is important for a printout / screenshot to be taken to show the report has been made.

The online platforms then have a range of options available which include deleting substitute seller listings, removing a seller from a listing or suspending a seller account.

Brand owners have found these reporting functions to be a helpful tool in their armoury. However, relying on these reporting functions alone will not provide a conclusive solution because:

- responses from the online platforms can be inconsistent and complaints of substitute selling are not always easily understood by the infringement team;
- the substitute seller can always move on to another listing or create a new account;
- the online report does not provide assurances that the substitute seller will not engage in such conduct in future, nor does it provide the brand owner with the opportunity to secure compensation for the infringement.

4 Letter of claim

Given the limitations of online reporting highlighted at stage 3, brand owners often find that they have no option but to take greater control and write directly to the substitute seller.

The letter of claim should explain the complaint of substitute selling in clear terms, referencing the evidence at stage 1. It is helpful to use screenshots, photographs and documentary evidence to support the claim.

Substitute sellers will often complain that they do not understand the claims against them. The more visual the complaint, the better. For example, the letter should include images of the brand listing used by the substitute seller, evidence of the test purchase made and a comparison of the substitute product delivered against the genuine branded product ordered.

The letter should seek settlement terms from the substitute seller which can include:

- the removal of listings used to sell substitute goods or agreement from the seller to remove itself from a listing;
- agreement not to engage in substitute selling in future;
- disclosure of the net profit made pursuant to substitute sales. This can easily be calculated by the substitute seller from the sales information recorded at their online seller’s account;
- compensation comprising an account of the substitute seller’s net profit or damages, at the brand owner’s election. Damages can be calculated as the net profit which the brand owner has lost through the substitute sales, or a notional royalty rate for the use of the branded listing.
What can be done?

These remedies represent the brand owner’s entitlement in any litigation. The substitute seller therefore has an incentive to reach agreement with the brand owner rather than face the risk of court proceedings which will give rise to exposure to pay the brand owner’s legal costs.

Brand owners must expect that a further exchange of letters with the substitute seller is likely before any satisfactory settlement is secured and they must be persistent in forcing the seller to engage with them. Letters should be sent by recorded delivery, a specific deadline for a response given and chasing letters promptly sent if that deadline is missed.

Court proceedings

In some cases, it will not be possible to agree voluntary settlement terms. Substitute sellers may refuse to provide satisfactory responses to pre-action letters or to engage meaningfully in negotiations.

At that stage, a brand owner may choose to draw a line under the dispute if the substitute selling has ceased or if it simply does not want to make any further investment in the particular dispute.

Brand owners in certain instances may be left with no choice but to issue court proceedings in order to secure an injunction against the substitute seller, an order for disclosure of sales made, compensation and costs. An example where a brand owner may feel that it has no choice is when it is faced with a group of associated companies perpetrating the substitute selling against a range of the brand owner’s best-selling products.

Claims are typically well-suited to the Intellectual Property Enterprise Court (IPEC). IPEC provides a capped-costs regime and is intended to be a quicker and streamlined forum for claimants, with directions for disclosure and witness evidence being carefully case-managed and trial being limited to no more than two days.

Brand owners who do not expect to recover more than £10,000 in compensation should consider pursuing their claims in the small claims court of IPEC. That process is designed to be simple enough for claims to be pursued without legal representation and will provide brand owners with a faster route for redress. Costs recoverability in the small claims court is fixed and will only include court fees and expenses.

Issuing court proceedings against substitute sellers sends a strong message to the marketplace that this type of infringement will not be tolerated.

The courts are becoming accustomed to the application of traditional laws to modern technologies and are more frequently being required to consider cases of online intellectual property infringement.

Case studies

Brand owners are being left with no choice but to implement strategies such as those in this guide to mitigate the damage caused by substitute selling. The following case studies of Spur, Kingfisher, Smiffys and Seatriever show how brand owners are battling with these issues on a daily basis.
Case studies

**Storage Solutions Ltd**, trading as SPUR

About us

At Storage Solutions Ltd our best known brand is SPUR®, which has been in use since the 1950s and covers a wide range of products from the wall-mounted shelving for which it is best known to hanging basket brackets.

Online infringement and substitute sales

We became aware that a number of companies were selling cheap, light duty substitute products of generally poor quality, using our brand, artwork and images to fool consumers into thinking they were buying genuine SPUR products. This problem was most acute online so we needed to understand how these substitute products were getting in front of consumers.

Initially we focused on those who appeared high in the Google search ranking for the SPUR brand and those using it in text and titles on platforms such as eBay and Amazon. After being contacted, many substitute sellers ceased their activities altogether; others desisted for a while, only to re-appear months later, sometimes in a different guise; some simply refused to stop their activities. These latter categories became the main targets of our efforts.

Legal action

An initial hurdle was that we felt the law was not in touch with this relatively new problem. However, the courts are becoming more familiar with applying traditional laws to online platforms and new technologies with several legal precedents having been set. We have succeeded in taking legal action against substitute sellers through the court.

Our first success was in 2013 when we issued a claim against a persistent but small offender in the small claims division of the Intellectual Property and Enterprise Court. We secured an injunction preventing further infringements, with the directors personally liable for any breach. We also secured a compensation award of £10,000, the maximum permissible for small claims cases, together with costs. We currently have a number of similar actions underway.
The investment made to date by Storage Solutions against substitute selling is well over £100,000, a substantial commitment for a relatively small company but one we have little choice but to make to protect our brand. We have faced some challenging times, taking on companies ranging from back room sellers to some of the largest retailers in the world.

The future?

We wish to work with Trading Standards and Government agencies to tackle this huge problem. We wish to see brand owners uniting to support these organisations and to find solutions that will benefit consumers, legitimate online sellers and brand owners.

Bonnington Plastics, trading as KINGFISHER

About us

Bonnington Plastics has been trading for just under 50 years and is one of the largest importers of value for money gardening, DIY and houseware products in Europe. The company stocks around 2,500 products which are warehoused in the UK. We supply a whole spectrum of customers from large high street retailers with a few hundred shops to small independent retailers.

Substitute selling

Substitute selling is a big problem for Bonnington Plastics. Not only does it damage our reputation when customers receive a substitute (and often inferior quality) product but it also has a huge impact on our relationship with our distributors, which ultimately affects sales.

We face the risk that our distributors may cancel orders if they cannot compete with substitute sellers offering products at prices that the genuine product simply cannot match.

Furthermore, substitute sellers often secure the 'buy box' on Amazon, meaning that our customers struggle to sell the genuine Kingfisher products purchased from us.

Substitute sellers unlawfully benefit from the pulling power and high ranking of a Bonnington Plastics' online listing, whilst selling substitute goods, seen in the example below:
What are we doing about it?

We have made a significant investment in IP protection. Our in-house legal team focuses on this and we have a close relationship with our external solicitors when legal proceedings are issued against substitute sellers. We have helped develop specialist software to detect IP infringement by substitute sellers and take action against such infringement across online platforms.

We have sent over 100 letters of claim to substitute sellers and secured pre-action settlements on occasions. We have also had successes in the High Court and IPEC where we have secured injunctions against companies and their directors engaged in substitute sales, recovering well in excess of £100,000 in compensation and costs. We are committed to raising awareness of the problem through seminars, press activity and working with others to eradicate the practice.

The future?

We wish to work with online platforms to find a more permanent solution to the problem.

**RH Smith & Sons, trading as Smiffys, Fever Collection and Time for Fun**

**About us**

RH Smith & Sons is a leading supplier of fancy dress and dress-up accessories, serving around 5,000 stockists in 58 territories worldwide.

**Substitute Selling**

The increasing accessibility of online trading platforms allows anyone with a seller account to reach a wide customer base. Changes in the online trading environment have presented challenges for brand owners, the main one for us being substitute selling.

RH Smith & Sons is the proprietor of a huge catalogue of high quality copyright-protected images and a portfolio of trade marks, including those for its key brands Smiffys, Fever and Time for Fun. We became concerned that many sellers using our IP rights across online trading platforms were unlikely to be selling genuine RH Smith & Sons’ products. Test purchases revealed that our IP rights were being used without

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**Genuine Smiffys product**

**Substitute product**
consent to sell cheaper, inferior, non-branded or competitor products.

Substitute sellers use the Smiffys' brand in advertising whilst supplying either a competitor’s product or a completely unbranded, inferior product.

Ongoing Issue

The significant growth of online trading platforms means it is relatively straightforward for substitute sellers to list products across multiple territories just with the click of a button.

Substitute selling harms consumers, diverts sales and undermines our reputation as a leader in this market. We send cease and desist letters to a substantial number of infringers to deter offenders and to send a clear message that RH Smith & Sons will not tolerate substitute selling.

The future?

We and other brand owners are investing significant resource in dealing with this issue. However, taking action against a substitute seller today does not stop a new substitute seller cropping up tomorrow. Brand owners can only do so much to tackle the problem. Input is needed at a policy level and with co-operation from the online platforms if a more permanent solution is to be found.

Seatriever International Holdings

About us

Seatriever is an innovative Cheshire-based company which designs, manufactures and distributes its own range of patented FMCG products. These include a unique range of illuminated latex balloons called ILLOOms®, standard balloons with an LED light, batteries and a pull tab. When the tab is pulled, the light within illuminates and the balloon can be inflated. They are stocked in leading UK retailers, exported worldwide and more than 200 million have been sold. ILLOOms® are protected by a variety of IP rights and are classified as a “toy”, requiring compliance with the stringent EU Toy Safety Directive.

Substitute selling

Due to the success of ILLOOms®, a large number of substitute products have appeared on the market, selling mainly through websites such as eBay and Amazon (having been imported from China through websites such as Alibaba). When these do not conform with relevant safety standards, they may be unsafe and should not be distributed in the EU. Substitute products of poor quality attract negative reviews which, when wrongly attributed to ILLOOms®, damage our reputation and sales.
Case studies

What are we doing about it?

- A Brand Protection Guide for customs authorities helping to identify substitutes;
- bespoke third party software trawling over 120 e-commerce platforms daily;
- working with Amazon's Product Integrity Team to reduce substitute sales;
- a global network of external lawyers taking legal action (both civil and criminal);
- evidence bundles for trading standards authorities to support criminal prosecutions;
- participating in programmes such as BBC1's Fake Britain to inform consumers.

We estimate that, through such steps, we have cost infringing distributors over £1m in total.

The future?

A significant problem is that sellers can list items for sale on platforms without any due diligence on the product description or the actual item despatched. An increasing number of Chinese sellers list items for sale on Amazon and eBay and ship directly from China, complicating enforcement.

When complaints are filed with platforms, co-operation is not always forthcoming, with platforms contending they are “passive” in the sale process and that the complaint should be directed to the seller instead. Action has not been taken even when we demonstrate the product is banned for sale in the EU for failing to meet requisite toy safety standards. Frequently, individuals tasked by platforms to analyse complaints do not appear to be trained or equipped to deal with the issue.

A recent discussion with Amazon's brand protection team in the US established that there is awareness of the problem and that new reporting tools are being developed to facilitate complaints. At our request, a “bar” has now been implemented on users from China listing ILOOMS® on Amazon without authority. Safety issues are also being investigated. These are encouraging developments and we hope to continue working with the online platforms to clear up substitute sales in the market.
The future

It is clear that some brand owners are monitoring the market closely and investing significant resource in dealing with the problem of substitute sales. They report successes through online platform notification forms, pre-action correspondence and court action. Brand owners have no choice but to invest in this type of action in order to safeguard their shoppers, protect their brands, sustain their relationships with distributors and avoid the diversion of sales to the substitute sellers.

Brand owners are, however, concerned that taking action against a substitute seller today does not stop a new substitute seller cropping up tomorrow. Brand owners can only do so much to tackle the problem. Input is needed at a policy level and with co-operation from the online platforms if a more permanent solution is to be found. There is a clear and close synergy between the interests of the brand owner and those of the consumer in eliminating substitute sales through online platforms from which the whole marketplace benefits. Brand owners are working collectively through the British Brands Group to bring about these wider benefits.

In the meantime, there is a concern that many brand owners are not aware of the problem or do not know how to tackle it. It is hoped that this brochure provides some guidance to help brand owners take action, clear up listings, protect their brands and safeguard their consumers.
About us

In February 2014, the partners of Pannone Corporate acquired the majority of the commercial practice of Pannone LLP to form a new boutique law firm. One of Pannone Corporate’s aims was that clients continue to work with the same people that they dealt with at Pannone LLP, in the same teams, offering the same high quality advice, but with a fresh and exciting approach to client service.

The firm has a strong identity in the legal market and has created a very supportive and collaborative environment in which to work. It has a strong and loyal client base which includes a wide range of longstanding clients including, amongst others, Manchester Airport Group, L’Oréal, Marlborough Fund Managers, Transport for Greater Manchester, PRS and Manchester City Council. Sustaining strong client relationships is very important to the firm and is one of its core strengths.

Our intellectual property team

The team advises clients across various sectors, in particular in the retail, fashion, consumer product, manufacturing, technology, bio-technology, software, IT and energy sectors. Our clients include well-known brands such as Boohoo.com, Brother, Bargain Booze and Dickies.

The team is known for and focuses on:

- trade mark, passing off, copyright, design right and database litigation and dispute resolution
- substitute selling disputes
- search and seize orders
- parallel importing/grey market trading cases
- litigation in the High Court and Intellectual Property Enterprise Court
- mediation
- website and domain name disputes and arbitrations

- securing urgent interim injunctive relief
- brand licensing, sponsorship and merchandising technology and patent licensing
- research and development agreements
- franchise agreements (involving licensing of the franchisor’s brand)
- advising on IP aspects of corporate transactions
- compliance with data protection and e-commerce legislation

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Annex B: British Brands Group

The British Brands Group is a not-for-profit membership trade association. It champions brands and represents the collective interests of its members (brand owners) on areas affecting their ability to create, build and sustain strong brands for the benefit of consumers and many other stakeholders.

Member companies vary in size (two thirds have a UK turnover under £50 million) and supply trusted, branded products in many product markets. These include consumer as well as business-to-business categories.

The Group focuses on matters that can be tackled effectively through collective action. Substitute selling is one such area. While companies may individually scan the market, make test purchases and take action against substitute sellers, the Group’s role involves:

- alerting companies across categories to the implications and risks;
- obtaining an overview of the scale of substitute sales;
- identifying and communicating best practice;
- ensuring members remain well-informed, up-to-date and best able to take effective action;
- building awareness amongst enforcement agencies and policymakers who shape market regulation, alerting them to the consumer and business harm;
- working collaboratively with platforms so that effective procedures are in place to identify, alert and stop substitute sellers that are acting unlawfully.

Working collectively through the Group, in addition to acting individually, brand owners are better able to address substitute sales faster and more effectively than would otherwise be possible.

To find out more and to join the Group, please contact:

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