

## **Press Release**

13<sup>th</sup> October 2015

## Shoppers lose as Government fails to act on copycat packaging.

Today's Government announcement not to strengthen measures against parasitic packaging is deeply disappointing. Such packaging dupes shoppers in large numbers day-by-day and it is frustrating that this will continue to go unchallenged. Not allowing brand owners to stop the practice themselves is a missed opportunity.

Parasitic copying (also known as copycats or lookalikes) involves companies packaging their products to mimic the look of familiar brands. Where packaging is so similar that shoppers are confused or misled, it is unlawful but there has been precious little enforcement and the practice has persisted. Today's announcement, coming after 21 years of campaigning, changes nothing.

John Noble, Director of the British Brands Group, said, "Misleading shoppers is simply wrong. Parasitic copies do this and it is illegal. Allowing brand owners to act would have given shoppers clearer choices and companies more confidence to invest in giving people even better, more innovative products. As it is, the decision to do nothing is bad for shoppers, bad for brands, bad for companies of all sizes that play by the rules and bad for fair competition."

Consumer protection law is the most effective way to tackle the problem but it can only in practice be enforced by Trading Standards. They are overstretched and have not been given adequate resources to do so effectively, there having been only one enforcement action in seven years. Today's announcement means nothing changes, shoppers will continue to be misled and the UK remains at odds with many other countries in not giving affected brand owners the tools to sort out the problem themselves.

The makers of branded products that have their packaging unlawfully mimicked have a strong incentive to enforce the law. It will help their products stand out, reinforce their authenticity and points of difference and help shoppers make accurate decisions, at no cost to the taxpayer.

The case for change has been made. Recent Government-funded research found that shoppers are more likely to make mistaken purchases if packaging is similar and substantial numbers have done so. It also found that similar packaging increases perceptions of quality and that the products come from the same maker. As a result, shoppers are more likely to be duped into buying the mimic.

**ENDS** 

## **NOTES TO EDITORS**

- The Government-funded IPI study "<u>The Impact of Lookalikes</u>. <u>Similar packaging and fast-moving consumer goods</u>" was published in 2013. A <u>common understanding</u> on its conclusions, including that significant numbers of shoppers are misled, was reached with the UK Intellectual Property Office the same year.
- 2. The UK is required under the <u>Unfair Commercial Practices Directive</u> to provide adequate and effective remedies to unfair commercial practices. To date it has restricted civil enforcement to, effectively, Trading Standards in the area of misleadingly similar packaging but no additional resources were provided for this new duty. Consequently enforcement has been virtually non-existent. There has been one enforcement action in seven years, involving Müller yoghurt.
- 3. Parasitic copying affects many types of brands and of different sizes. The consumer organisation Which? investigated the problem in its May 2013 and December 2014 editions, featuring examples of copies it had found.
- 4. Tackling parasitic copies by enforcing the law will not reduce shopper choice or competition. Nor will it increase prices. Any product in offending packaging can be placed back on the market in distinctive packaging, allowing the product to compete on its own merits.
  - Competition between branded and supermarket private label products will also not be affected. The vast majority of private label products are distinctively, lawfully packaged.
- 5. The British Brands Group was founded in 1994 as a non-profit-making membership organisation. It speaks on behalf of brand manufacturers and seeks to deepen understanding of how brands benefit consumers, society and the economy through the provision of choice, value for money and innovation.
  - It represents its members collectively when commercial and regulatory issues threaten the ability of brands to deliver value and to be a positive force in society. It also provides the prime forum for its members on brand-related issues.

The British Brands Group is part of a global network of similar brand associations, and is the UK representative of AIM, the European Brands Association, based in Brussels.

For more information and further background briefings on this subject please visit the special page on the British Brands Group website: www.britishbrandsgroup.org.uk.

The British Brands Group is happy and available to discuss this issue and today's announcement. Please contact:

John Noble on 01730 821212 / 07711 202292 / jn@britishbrandsgroup.org.uk