
FROM RUNWAY TO COURTROOM: ENFORCING FASHION CONTRACTS UNDER INDIAN LAW

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The Indian Contract Act, 1872, is the primary legal framework governing contractual relationships in India. It provides the legal foundation for the formation, execution, and enforcement of agreements between two or more parties. The Act ensures that all agreements, whether oral or written, meet essential criteria such as offer, acceptance, lawful consideration, capacity of parties, and free consent to be considered legally binding. Therefore, the enforceability of fashion contracts depends on compliance with the legal principles outlined in the Act. Disputes often arise in supplier agreements and brand collaborations. Hence, there is a call for the need of precise contractual drafting, which must be prioritised.

The fashion business, consisting of innovators, intellectual property assets, and brand-driven collaborations, relies strongly on these clearly defined and enforceable contractual frameworks. These contracts govern interactions between: traders and designers, influencers and brands, models and employers, manufacturers and retailers. Although the niche of fashion law is in the early stages in the market, it is not foreign to the Indian jurisprudence. Ayushman Mishra ¹explains the extent to which the Indian fashion industry is presently regulated by a "network of legal domains," with contract law at its core, in his paper. Mishra identifies the zones of intersection between the Indian Contract Act and labour law, competition law, and intellectual property law, thereby setting out its significance in adjudicating complaints about employment misclassification, licensing violation, and unfair trade practices. Mishra confirms that "Contract law plays a key role in maintaining balance and accountability in the fashion system, especially as the industry continues to globalise and digitise.

Relevance in the Fashion Industry

1. *Brand Partner and Design Licensing:*

The arrangement of design contracts is essential for ensuring that designers and

¹ Ayushman Mishra. 'Exploring Fashion Law and Its Potential in India'. *IJLLR Journal*, vol. Volume VI, no. Issue VI, Jan 13, <https://www.ijllr.com/post/exploring-fashion-law-and-its-potential-in-india?>

commercial enterprises can collaborate securely and profitably in contexts where the designs of these enterprises pertain to brand partnerships and design licensing. Such contracts delineate the terms and conditions related to revenue sharing, creative control, and exclusivity, thereby balancing commercial interests with artistic integrity. The Act is responsible for enforcing these contracts, provided that adequate consideration and consent are obtained.

2. *Model and Influencer Contracts:*

In light of the rise of online marketing, influencer contracts have emerged as a predominant element in fashion advertising. These contracts typically incorporate morality clauses, performance clauses, and exclusivity clauses. As stipulated by the Act, it is imperative that all such clauses adhere to a legal format to mitigate the risk of being deemed voidable or subject to misinterpretation.

3. *Independent Contractor and Employment Agreements:*

Mishra highlights that the misclassification of labour constitutes one of the most significant challenges within the Indian fashion industry. A substantial number of workers are engaged as independent contractors, yet they are often deprived of minimum statutory protections. The Act functions as a key instrument for safeguarding their rights through legally enforceable contracts, which are necessitated by complex structuring and compliance with Indian law.

4. *Settlement of Disputes and Remedy of Breach:*

There are usually controversies arising out of the infringement of designs, delays in delivery, and payment delays. The Act, with its provisions relating to liquidated damages (Section 74) and compensation (Section 73), gives a legal framework for the compensation of claims. Such clauses deter unfair practices and also uphold justice in contractual relations.

The Role of Contractual Agreements in Governing Business Interactions Within The Fashion Sector:

Today, contractual agreements are the fundamental component in almost all business and

commercial relationships. From design collaborations, manufacturing deals, to influencer endorsements and digital licensing, Contracts offer a legal framework that outlines the rights, responsibilities and expectations of the parties involved. These agreements play a crucial role in safeguarding income and intellectual property while ensuring general transparency and responsibility in highly competitive and frequently fast-paced fashion sectors.

Such contracts are legally binding and, therefore, must account for any violation, delay, or non-compliance so as to reduce litigation potential and ease doing business. In a world in which exclusivity, supply schedules, and brand image matter to every stakeholder, ultimate benchmarks of performance and methods of dispute resolution may be defined by contracts.

In "Synthesis of Fashion and Law: An Interdisciplinary Perspective," Siddhi P. Joshi² stresses the significance of interdisciplinary legal resources, particularly the law of contracts, in managing moral and commercial transactions in fashion. Joshi asserts that since contracts are an interweaving factor between the regulation of the economy and freedom for creativity, contracts promote creative behaviour that can legally be safeguarded. Joshi notes: **"Fashion law must move beyond mere IP protection and embrace the nuanced role of contracts in shaping equitable and enforceable relationships in a fragmented industry."**

Thus, from protecting a designer's signature style or setting the deliverables for a garment manufacturer, contractual agreements are an indispensable tool in regulating India's evolving fashion industry.

Validity and Enforcement of Fashion Contracts

The principles derived from the Indian Contract Act, 1872, establish the legal parameters that determine contract validity and enforceability in the fashion industry. Every fashion contract that intends to have a legally binding status under Section 10 of the Indian Contract Act needs to follow the rules of a valid contract. These conditions include:

- Offer and acceptance with mutual consent,

² Siddhi P Joshi. 'SYNTHESIS OF FASHION AND LAW: AN INTERDISCIPLINARY PERSPECTIVE'. INTERNATIONAL JOURNAL OF ADVANCED LEGAL RESEARCH, vol. VOLUME 3, no. ISSUE 4, May 2023, <https://ijalr.in/wp-content/uploads/2023/06/Siddhi-P.-Joshi-Synthesis-of-Fashion-and-Law-An-Interdisciplinary-Perspective.pdf>.

- Lawful consideration and object,
- Competence of parties (Section 11),
- Free consent (Section 14), and
- Certainty of terms (Section 29).

In the practical world, these legal contracts tend to depend heavily on vague language and informal negotiations, and unwritten agreements that frequently occur during influencer partnerships and design licensing. The presence of these ambiguous terms can lead to the agreement becoming unenforceable since courts might determine it to be too unclear or open to different interpretations. For example, a model who promotes a product without a written payment agreement stands vulnerable to denial of payment in the case of a dispute.

Thus, enforcing fashion-related contracts face the following challenges :

Firstly, in the case of *verbal agreements*, many collaborations between brands and models, actors, and influencers start informally. Verbal agreements are difficult to put into force unless there is any substantial evidence supporting it. This is usually more common in smaller fashion houses or start-ups like NewMe, Zudio etc.

Secondly, with the use of generic templates, for endorsements or supplier agreements, there is a lack of specific details and clarity regarding dispute resolution and contract termination, terms and conditions, exclusivity, and duration thus increasing the likelihood of litigation cases.

Thirdly, fashion brands that do not establish precise ownership rights to their intellectual property face disputes when their designs get replicated without permission and distributed through unauthorised channels. We can get a clearer understanding of this with the help of a case study, let's look at the 2021 collaboration between H&M and Indian bridal brand Sabyasachi.

Sabyasachi Mukherjee, an esteemed Indian designer, joined forces with H&M in 2021 to release an exclusive collection called "Wanderlust", which aimed to combine Indian textile heritage with fast fashion trends. The partnership was established on formal contractual terms however, unanticipated risks surfaced from the negative response about brand deterioration

and contract changes. The collection was one that was meant to be exclusive and limited; however, the designs and logos were replicated by unauthorised sellers in local markets like Chandni Chowk³. Since the designs, though protected under copyright law, were relatively simple, it allowed **counterfeiters to exploit design gaps** without facing immediate legal consequences. This example leads one to emphasise the importance of **monitoring and enforcement mechanisms** across jurisdictions, registering designs and logos before the official launch, as well as including exclusivity and anti-infringement clauses in fashion contracts. As Tyagi⁴ notes “IPR misuse in Indian fashion increasingly occurs in grey-market spaces that exploit licensing gaps and enforcement fatigue.” Thus we can infer that even legally proofread collaborations can become victims to the misuse of IPR.

Lastly, in contract drafting for international platform usage between Indian designers and foreign platforms, thorough jurisdictional assessment and legal choice-of-law provisions are essential. The 2018 Delhi High Court case of Christian Louboutin SAS against Nakul Bajaj functions as a strong legal precedent. The case established IP clause enforcement in commercial contracts and said platform operators are responsible for adequate diligence to maintain contractual obligations, specifically within online luxury sales. The luxury French shoe designer Christian Louboutin brought legal action against Nakul Bajaj, who operates the luxury e-commerce platform Darveys.com in India. A lawsuit filed by the plaintiff accused Darveys.com of doing the following:

- (a) Selling Louboutin’s products without authorisation,
- (b) Misrepresenting itself as affiliated or officially partnered with Louboutin,
- (c) Failing to obtain contractual licenses to use the brand name and design elements; thus infringing trademark rights and violating the principles of contract law.

The legal framework refused Darveys' intermediary status because the firm was personally involved in the sale of pirated products. The court ruled that e-commerce firms should have official licensing arrangements for fashion distribution and increase their liability for

³ *Counterfeiting And IP Enforcement: Challenges In The Indian Fashion Market*. <https://www.mondaq.com/india/trademark/1610350/counterfeiting-and-ip-enforcement-challenges-in-the-indian-fashion-market>. Accessed 12 May 2025.

⁴ ‘Counterfeiting and Its Impact on Trademark in the Fashion Industry through the Lens of Indian Law’. *Journal of Intellectual Property Rights*, vol. 29, no. 3, May 2024. DOI.org (Crossref), <https://doi.org/10.56042/jipr.v29i3.3397>.

wrongdoing. The court ruled the following absence of licensee and authorised approval to apply in this case: Christian Louboutin did not have an official licensing agreement with Darveys.com. Use of brand images and logos by Darveys.com without authorisation violated the Indian Contract Act provisions of legal object and consensus as stipulated under Section 10 and Section 23.

The enforcement of the contract only depends on the fact that there existed a written contract, because Darveys' rightful claim of resale lost its validity. The court believed that the use of a brand in the absence of contractual rights through any third-party vendor causes misrepresentation and unauthorised exploitation of the reputation of the brand. As noted by Tyagi, "The Louboutin case reinforces the need for enforceable contracts in online marketplaces to prevent unauthorised brand exploitation. "The Christian Louboutin v. Nakul Bajaj case demonstrates the growing importance of binding contractual frameworks and IP rights in fashion law. By holding Darveys.com liable for unauthorised sales and branding, the Delhi High Court emphasised that fashion-commerce, especially in the online realm, must be governed by legally defined, enforceable contracts.

Intellectual Property Licensing in Fashion: A Contractual Examination

In this section of the paper, I will be emphasising role of contracts in protecting trademarks, copyrights, and design rights in fashion, along with analysing case studies highlighting disputes in IP licensing within the Indian fashion industry.

For fashion brands, intellectual property (IP) is not merely a theoretical concept; it's the very definition of brand identity and commercial value. Trademarks, copyrighted designs, and proprietary prints not only help identify fashion brands amidst the chaos in the marketplace, but also equal sizeable top-line revenue by way of licensing and collaboration contracts. These assets are best served and utilised through legally enforceable contracts regulated under the Indian Contract Act, 1872.

Role of Contracts in IP Protection

Under Section 10 of the ICA, a valid license agreement must be with free consent, legal consideration, and competent parties. Fashion designers and fashion brands utilise contracts to: Set up ownership and usage restrictions on designs and trademarks, set time limits, territorial limits, and exclusivity requirements; additionally, establish frameworks and royalty models for

sharing revenues. Prevent the illegal copying or use of intellectual property. IP assets are at risk of abuse without such contracts, particularly at a time when e-commerce and fast fashion facilitate high-volume bulk production of goods.

As noted by R. Basu in *Fashion, IPR & the Emerging Designer*⁵, “Licensing is the lifeline of fashion IP; without it, even a globally recognised design can be locally dismantled by counterfeit markets.”

Case Studies of IP Licensing Disputes

A) Ritu Kumar v. Utsav Fashion

The lawsuit highlighted the aspect that even such designs inspired by traditional craft need registered and contractually licensed protection to avoid illegal exploitation. Pioneer of Indian fashion, Ritu Kumar filed a case against Utsav Fashion for the unauthorized use of her copyrighted designs. Utsav Fashion had reproduced and retailed versions of her trademark prints without any valid licensing arrangement. The court ruled this to be an infringement of copyright as well as a commercial ethics breach, basing itself on the lack of a contract as central to the controversy.

B) Sabyasachi x H&M

As examined earlier, in a legally sound yet controversially executed collaboration. Sabyasachi licensed his brand designs to H&M. The **loopholes in enforcement clauses** allowed **widespread replication of designs** and **resale abuse** by third parties. As noted by J. Ghosh and R. Ghosh (2024), IP licensing in Indian fashion lacks uniformity in enforcement⁶. “Contracts often ignore post-launch vulnerabilities such as unauthorised replication and resale.”

The Indian Contract Act gives a broad yet solid premise. However, industry-specific changes need to be made to safeguard fashion IP effectively. Scholars state that Indian licensing

⁵ Basu, Ronojoy. ‘Fashion, IPR & The Emerging Designer’. *SSRN Electronic Journal*, 2015. DOI.org (Crossref), <https://doi.org/10.2139/ssrn.2635087>.

⁶ Ghosh, Jayanta, and Rima Ghosh. ‘Exploration of Fashion Industry Protection as Need of Hour on Intellectual Property’. *Illustrating Digital Innovations Towards Intelligent Fashion: Leveraging Information System Engineering and Digital Twins for Efficient Design of Next-Generation Fashion*, edited by Pethuru Raj et al., Springer Nature Switzerland, 2024, pp. 397–415. Springer Link, https://doi.org/10.1007/978-3-031-71052-0_15.

agreements tend to be poorly drafted and lack effective enforcement provisions, making them cumbersome in the field of litigation. Caponigri (2024)⁷ explains that **cultural heritage-based fashion designs require even more careful contractual controls**, especially when exported to global markets. Moreover, **Raj and Sikchi (2023)**⁸ emphasise that **patent licensing for technical fashion (e.g., functional wearables)** must align with Indian IP law and contract principles for monetisation and legal security.

Employment and Independent Contractor Agreements in Fashion

Employment agreements in the fashion industry vary from permanent positions to independent contractor arrangements, especially for designers, models, and influencers. Key contract provisions such as compensation, exclusivity, and termination terms determine the rights and responsibilities of each party. Misclassification of employment status can lead to serious legal disputes, highlighting the need for contract clarity.

In legal parlance, an employee is under the control and direction of the employer, he enjoys benefits such as health insurance, fixed salaries, and statutory protections under Indian labour laws such as Provident Fund, Gratuity, and ESI. On the other hand, an independent contractor is self-employed, he works on individual assignments, and is not eligible for employee benefits. The distinction depends upon factors like: Control over work process, mode of payment, ownership of equipment, duration and exclusivity of engagement. *“The fashion industry in India, especially the modelling and influencer markets, relies heavily on project-based independent contracts, leaving many professionals outside the safety net of employment benefits.”*⁹ Under **Sections 11 and 23 of the Indian Contract Act**, only lawful agreements with competent parties and lawful objects are termed as enforceable. False classification or exploitative terminology can render a contract voidable or lead to legal penalties.

⁷ Caponigri, Felicia. ‘Contracting and Licensing for Heritage: Lessons from Fashion and Luxury Brands’. *The Routledge Handbook of Heritage and the Law*, Routledge, 2024.

⁸ Ranka, Siddharth, et al. ‘RELEVANCE OF PATENTS IN THE GROWING FASHION INDUSTRY’. *Russian Law Journal*, vol. 11, no. 1S, 2023, pp. 99–107. [cyberleninka.ru](https://cyberleninka.ru/article/n/relevance-of-patents-in-the-growing-fashion-industry), <https://cyberleninka.ru/article/n/relevance-of-patents-in-the-growing-fashion-industry>.

⁹ Haque, Saiba. ‘Influencers, Cognitive Goods, and Labor Conditions in the Platform Economy: Delving into the Careers of Influencers in North America and South Asia’. *Senior Theses*, May 2022, https://research.library.fordham.edu/international_senior/87.

Contractual Clauses in Fashion Work Agreements

A. In the case of designers;

Fashion designers are usually employed either as creative staff under full-time contracts or as part time freelancers. Laney & Miller (2020)¹⁰ argue that IP assignment clauses in designer contracts are crucial, especially when working for larger fashion houses. The most important clauses in their contracts are:

- (i) Creative control & deliverables
- (ii) IP assignment or retention rights
- (iii) Non-compete and non-disclosure clauses
- (iv) Benefits or revenue share in collaborations

B. In the case of Models;

Models typically operate under the category of independent contractors. As they are hired per show or campaign. Their contracts often include:

- (i) **Usage rights of images for commercial or editorial purposes.**
- (ii) **Exclusivity clauses** (to prevent them from working with competitor brands within a specific period)
- (iii) **Payment timelines and cancellation fees**
- (iv) **Morality clauses**, especially in high-end fashion endorsements

Bhatia & Juneja (2016)¹¹ emphasise that models' contracts in India often lack protective clauses, making dispute resolution difficult in cases of exploitation or breach.

¹⁰ Sheryl A. Farnan , Michele M. Granger . *The Fashion Industry and Its Careers*. 5th ed., Bloomsbury Publishing, 2024, <https://www.bloomsbury.com/uk/fashion-industry-and-its-careers-9798765104903/>.

¹¹ Bhatia, Gauri and Sunny Juneja. 'Analytical Study on Indian Fashion Designers'. *International Journal of Recent Research Aspects*, vol. 3, no. 3, Sept. 2016, pp. 86–94, <https://www.ijrra.net/Vol3issue3/IJRRRA-03-03-19.pdf>.

To conclude, “The Indian fashion sector’s rapid digitalisation demands that employment classifications be revisited to ensure fair treatment, particularly for creative freelancers and social media-based talent.”¹² This further reflects on the lack of uniformity in employment classification and how it has true consequences, like fashion designers inadvertently transferring full IP rights to fashion firms without provisions for royalties.

Models are often subjected to unilateral termination or commercialisation of their likeness beyond contracted arrangements, with unenforceable remedies.

Thus, as fashion industry contracts become increasingly complex, correct categorisation between employment and independent contracting is no longer discretionary—it is imperative. Indian fashion brands need to craft agreements that fairly represent the character of the relationship, safeguard creative work, and provide legal and ethical treatment to workers. Making these practices harmonise with the Indian Contract Act, 1872, not only protects brands in terms of the law but also creates a fairer creative ecosystem.

Breach of Contract in the Fashion Industry

Another recurring issue in the fashion industry is breach of contracts. Disputes over endorsement deals, supplier non-compliance, and licensing violations are usually observed. Disputes often arising due to IP infringement, contract violation, payment delay, or brand misrepresentation. Efficient dispute resolution is critical to the reputation and continuity of business. Indian fashion contracts increasingly include such clauses in the form of arbitration, mediation, or hybrid models to help resolve these issues expeditiously and confidentially. The Indian Contract Act helps create a legal framework in the form of damages, injunctions, and specific performance to guarantee compliance with contract terms.

Alternative Dispute Resolution in Fashion Law

"In disputes involving fashion, confidentiality, speed, and flexibility are paramount — and ADR provides precisely that."¹³

¹² Luthra, Bharat. *Understanding the Mid Luxury Apparel Businesses - A UX Perspective*. https://www.dituniversity.edu.in/assets/frontend/architecture/pdf/Dissertation_Report_Bharat_Luthra.pdf.

¹³ ‘WIPO ADR for Fashion and Luxury Disputes’. *Podcasts*, <https://www.wipo.int/web/podcasts/amc/transcripts/arbitration-and-mediation-matters-04>. Accessed 10 May 2025.

Under the **Indian Contract Act, 1872** and the **Arbitration and Conciliation Act, 1996**, parties can predefine how disputes will be handled. Contracts often include:

- (i) **Arbitration clauses** for IP and manufacturing conflicts,
- (ii) **Mediation** for influencer and designer disputes,
- (iii) **Jurisdictional clauses** to avoid litigation complexities.

ADR offers benefits such as **speed and cost-efficiency**, **confidentiality** in line with preserving brand reputation, and **flexible remedies** including partial refunds, design credits, or future partnership discounts, along with **jurisdictional clarity**, particularly in international collaborations.

Conclusion

To conclude, although the Indian Contract Act forms a general legal framework for fashion contracts and complexities in the fashion industry require a higher standard of drafting and enforcing fashion contracts. Improving contract frameworks and good dispute-resolution measures will improve commercial stability and legal certainty in Indian fashion.

Furthermore, this study points out that contract agreements are the legal bedrock of India's fashion law, regulating every aspect ranging from creative collaborations and IP licensing to designer agreements and employment arrangements. The Indian Contract Act, 1872, offers a solid foundation for enforcing these contracts.

Key findings

The analysis of key findings proves that stakeholders are at risk of substantial legal exposure due to unclear contract wording combined with inadequate intellectual property protection and employment classification issues. The legal battles of Christian Louboutin against Darvey's and the collaboration between Sabyasachi and H&M shed light on the urgent need to improve contract terms and enforcement procedures.

Recommendations

In order to improve legal clarity and hold industries accountable, the paper puts forward the

following suggestions: Firstly, the development of standardised fashion engagement contracts that include required provisions regarding intellectual property rights protection and work classification and dispute resolution. The research further supports the implementation of dispute resolution mechanisms such as ADR for quick and confidential conflict resolution. Additionally, the paper puts forth that legal education should be provided to fashion stakeholders to prevent them from signing agreements that may lead to their exploitation or enforcement problems.

The incorporation of transparent, fair terminology and enforceability in fashion contracts allows Indian law to more effectively safeguard creative rights, support commercial stability, and promote ethical standards throughout the fashion industry.