

## The role of intellectual property right morality and affordability in consumers legally copied product purchase decision-making

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Some fashion brands are inspired by other fashion brands' designs, modify them to some degrees, and sell modified, sometimes, visually similar products in the market. As it is difficult to prove the (dis)similarities between the original and the modified designs clearly in the legal court settings, the modified products can be sold in the market legally (Huttner, 2022). These products are called legally copied products (LCP), which is different from illegal counterfeit products which replicate the exact details of the original product (Bian & Moutinho, 2009). Legislation efforts, such as H.R.2196 [Design Piracy Prohibition Act] are in place in the United States to prevent illegal design copies since the early 2010s. However, the differences between LCP and counterfeits can be rather small, especially, the people's interpretation of such differences can vary to determine whether a product is LCP or counterfeit. This issue generates a legal gap between the will of IPR protection and the actual market practices in the fashion industry. As a result, consumers' will of IPR protection rests on internal conflicts between their willingness to respect others' intellectual efforts (i.e., IPR morality) and their disposition to prioritize affordability centered on price (Liu, 2002; Mrad et al., 2020).

Copyright Law's Theory of Consumers explains the two types of consumers: (a) passive (low IPR morality) and (b) active (high IPR morality) (Liu, 2002). Passive consumers are "couch potatoes" (p.402) who take care of their own satisfaction from the purchase without considering others' IPRs. Active consumers regard themselves as "potential author" of IPRs (p.405). Hence, active consumers are highly involved in fair IPR use of original creators' effort. However, the price point is also an essential factor in finalizing consumer purchasing decisions (Mrad et al., 2020), suggesting consumers affordability moderates the relationship between IPR morality and purchasing decisions-making. Meanwhile, Decision Theory explains how a person makes a rational decision based on the given criteria. That is, consumers calculate the expected utility of the given possible choices and choose the highest expected utility option, following the top-ranked preference (Weirich, 2021). However, little is known about the role of IPR morality and its relationship with affordability in assessing consumers' expected utility and therefore, LCP purchase decisions. To fill this gap, the study developed the following research questions (RQs):

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(a) do consumers differentiate LCPs from original fashion products? If so, (b) what are the roles of IPR morality and affordability in their utility expectation and purchasing decision, respectively? (c) what do the interaction effects look like between the two in their utility expectation and purchasing decision?

To answer the three RQs, we conducted one-on-one semi-structured interviews with each lasting 40-50 minutes with ten female participants in their 20s to 40s. All participants represented various ranges of affordability by checking their disposal income. Out of 16 pairs of the original-LCP images, two pairs were selected during the preliminary research as the study stimuli as they showed the most similarities but still legal to be sold in the market. All participants saw the same two pairs of images during the interviews. As exploratory research, we recruited our participants through purposive and snowballing sampling in line with previous design piracy qualitative research (Bardey et al., 2022). The study data were analyzed thematically within the theoretical frameworks, and we found new themes and patterns. The interview questions consisted of IPR protection as a consumer's morality, and their LCP purchase decision-making. Throughout the analysis, two researchers reached a unanimous agreement regarding the interview data codes.

For RQ (a), all 10 participants differentiated the LCPs from the original, focusing on the the similarities of the silhouette and colorways. For RQ (b) and (c), the findings led to a new contingency table showing the participants' LCP purchase decision-making (see Table 1). The participants with low IPR morality and low affordability (i.e., L-L, n=2) prioritized their affordability in any given situations, such that only affordability directly affected their expected utility calculation processes. Therefore, buying LCPs was their top-ranked preference. L-H participants (n= 5) showed a possible interaction effect between their IPR morality and affordability, indicating that their low IPR morality might change depending on other factors due to high affordability. They shared that they usually buy LCPs; however, they were also conscious of others' opinions for products like handbags (which is highly visual), considering their social positions. H-L participants (n=2) also showed a possible interaction effect, but in this case, the IPR morality could be jeopardized due to their low affordability. They shared that they try to buy the originals; however, they confessed that cheaper LCPs would maximize their expected utility given their low affordability. Finally, H-H participant (n=1) seemed to prioritize their IPR morality in all situations, which showed a strong direct effect of IPR morality on their decision-making regardless of affordability. In this case, the participant viewed LCPs as counterfeits and therefore, it cannot be purchased in any circumstances.

This study explored the consumers' purchase decision-making mechanism of LCPs based on their IPR morality and affordability. We tried to differentiate LCPs from counterfeits by exploring how consumers discern (di)similarities. In addition, by adopting the decision theory, we focused on consumers' LCP purchase decision-making mechanism by exploring the expected utility of each decision. The study findings may provide implications for high-end brands and LCP brands in terms of how different levels of affordability moderate consumers' IPR morality,

and therefore, they make decisions. As this study provided a consumer view of LCP purchase decision-making, future research is recommended to figure out the current brands' and legal perspectives on LCP business practices.

**Table 1**

*Participants' expected utility of legally copied product purchasing decision*

		Affordability	
		Low	High
IPR Morality	Low	Affordability priority "I think I always choose the no-named brand one, mostly because of the budget."	Selectively Active IPR morality "If you're in a high social position, people around you can easily tell your bag is at least not the original."
	High	Selectively Passive IPR morality "Actually, people don't really pay attention to my shoes. Shoes are the outlier."	IPR morality priority "Even if the brand says they were inspired by high-end brands, I wouldn't buy it. I think that's kind of making myself fake."

Note(s): IPR = Intellectual Property Rights

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