

## CASE TRACK 3: Luxury Fashion

### Aurelia Maison



### Brief

Artisan cooperatives representing the craft's origin community have already gone public, compressing the timeline.

A luxury brand copies a certified traditional craft (a lac bangle) without credit, artisans go public, backlash follows, and legal exposure turns out to be low while reputational exposure is high. The company must decide within 5 weeks: apologize and negotiate, quietly drop the design, or hold firm and keep selling.

Students argue one path using the sales drop, sentiment numbers, and two real precedent outcomes as evidence.

### Background

Aurelia Maison is a privately held European luxury house, founded in 1961, with group revenue of roughly €2.1 billion last year. Leather goods and footwear make up close to 40 percent of that.

The brand has spent decades building its identity around "craftsmanship without compromise": small ateliers, hand-finishing, limited runs, a deliberate contrast to the larger, more industrial luxury conglomerates it competes with.

For the past six years, Aurelia's creative director has leaned into a strategy of drawing on craft traditions from around the world and reworking them into runway pieces, calling it "cultural dialogue through design."

Past collections have referenced Andean weaving, West African indigo dye work, and Provencal embroidery. None of that drew real backlash, mostly because none of those techniques carried formal protected status, and none of those communities had the infrastructure to organize a public response.

This time is different because of how heritage certification works. Many artisan crafts worldwide are registered under regional certification schemes that protect a craft's name and origin claims, similar in spirit to the protection of certain regional foods and drinks.

What these schemes generally don't do is prevent others from copying the visual design, as long as the protected name and an explicit origin claim aren't used commercially. That's the gap this case sits in: a company can be on shaky moral ground and reasonably solid legal ground at the same time.

## **The Situation**

- Three weeks ago, Aurelia launched "The Solene," an €890 sandal in its Resort collection. Industry press and social media noticed almost immediately that it closely copies the Velora, a handwoven leather sandal made for generations by artisan cooperatives in the Kaveri Hills, certified under the region's heritage scheme since 2011.
- The weave, sole construction, and strap layout were close enough that artisans themselves posted side-by-side comparisons that spread fast.
- Aurelia's show notes described the design only as "inspired by traditional handwoven forms." No mention of the Kaveri Hills, the Velora name, or its certified status. No cooperative, artisan, or regional authority was contacted, credited, or paid before or after the show.
- Within 72 hours, the Kaveri Artisans' Cooperative Federation, representing about 4,000 registered weavers, went public. They called it uncredited commercial use of a certified community craft and demanded acknowledgment, a licensing conversation, and a contribution to their artisan welfare fund.
- The regional trade ministry, which administers the certification scheme, said only that it was "reviewing the matter," stopping short of threatening formal action.
- International coverage followed within the week, split between straight reporting and opinion pieces framing this as part of a broader pattern: luxury brands drawing value from artisan traditions without paying for it. A boycott hashtag picked up real traction online.
- Two retail partners have already asked Aurelia's account teams what they should tell customers walking into stores.

- Internally, legal has assessed the company's exposure as low to moderate: since no certified name or explicit origin claim was used, a formal case against Aurelia is weak under current rules. But those rules are largely untested, and if the ministry escalates, it could take months to resolve, keeping the story alive in the press the whole time.
- Communications have three draft responses ready but no decision. The next production cycle locks in five weeks, and leadership needs to decide before then.

### **A Few Numbers**

- Sales on The Solene rose in the week the controversy broke (1,960 units, up from 1,140 the week before), then fell sharply the week after (740 units), with returns climbing from 4 percent to 11 percent over that span, as two retail partners paused reorders.
- Media sentiment tracking currently shows 38 percent negative coverage, 47 percent neutral, and 15 percent positive or defending the brand.
- In a comparable incident at another brand, a fast public apology and a co-created capsule collection with the originating community brought sentiment back within about two months.
- In a separate case where a brand stayed silent and quietly dropped the design, press attention faded within three weeks, but the brand took a lasting hit to favorability in the craft's home region.

### **Stakeholder Voices**

- The Federation says: "We are asking to be seen, named, and included in the value this design creates." Aurelia's creative director, internally, pushes back: "I do not think we did anything different this time than we have done for six years."
- The trade ministry has made clear the stakes go beyond this one case: "How the company responds will shape how we handle similar cases going forward." A retail partner just wants clarity: "We need something we can repeat with confidence."

### **The Decision Question**

Aurelia's leadership has to choose one of three paths before the five-week deadline:

1. Apologize publicly and negotiate credit, licensing, or a co-created collection with the Federation.
2. Quietly pull the design from future production, with no public statement.
3. Hold its ground, call it independent creative work, and continue production as planned.

### **Address in your response:**

1. What each path costs Aurelia in reputation over the next two to three years, not just this quarter
2. The real gap between legal exposure and reputational exposure, and how much weight that gap deserves
3. What each path means for Aurelia's ability to keep sourcing from artisan regions going forward
4. What each path signals to Aurelia's own design team about how to treat outside craft references next time

Ground your recommendation in the numbers and precedent given here, not just general principle. A student who picks an option and defends it in the abstract, without engaging the actual trade-offs, will score lower than one who argues from the specifics.