

Protecting Designs Overseas
Experience from an Industry Perspective



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1 – Introduction - Nestlé Legal IP Counsels

Nestlé IP in-house lawyers are responsible for the protection and defence of Nestlé's Brand IP Rights.

They are providing specific advice and insight in the context of a multinational company.

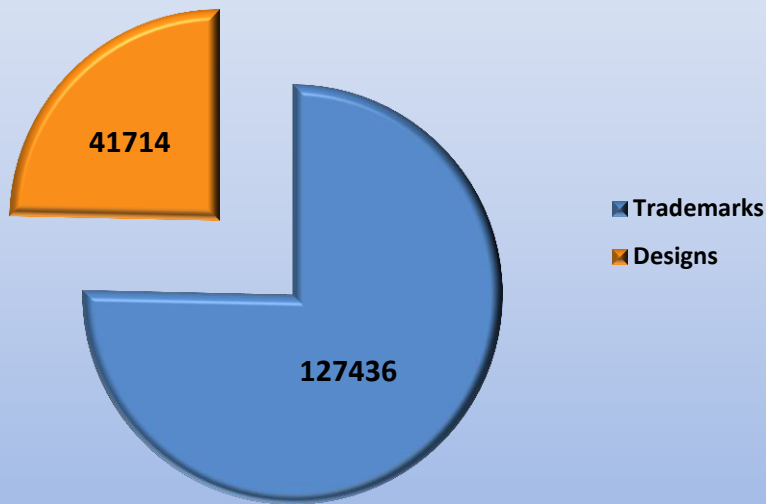
They are working in close collaboration with the Nestlé business entities to co-pilot their projects.

- Doing business = taking risks
- We help our clients identify the risks
- Our role :
 1. to manage the risks
 2. to avoid unnecessary risks
 3. to best manage unavoidable risks

Setting the scene - Brands portfolio at Nestlé

Over 2000 Brands
In total around 160.000 protections:

Active Protections Worldwide - All Brands



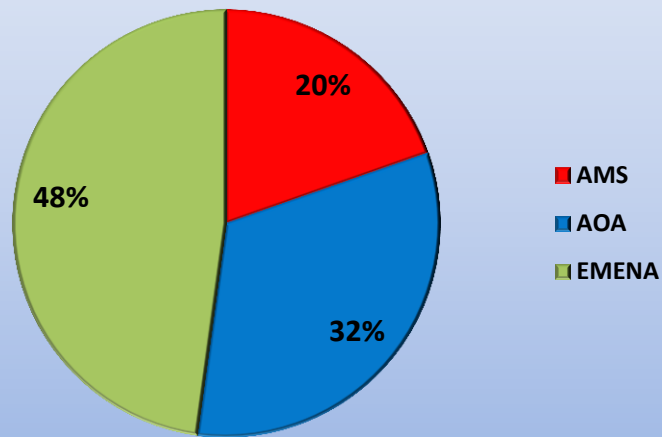
Example NESCAFÉ

197	Trademarks
4447	Trademark protections
46	Designs
1119	Design protections
375	Domain names

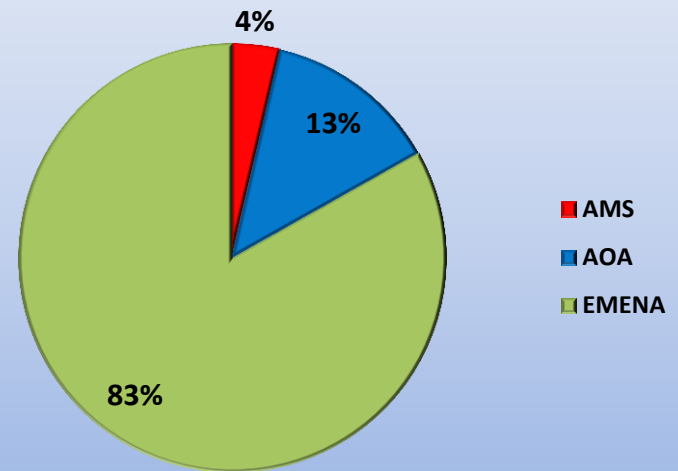
Brands Protection – Statistics

Active Protections per Zones

Trademarks

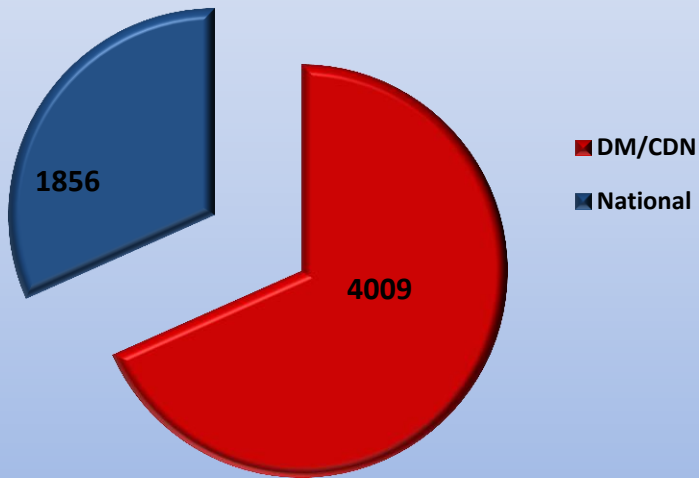


Designs

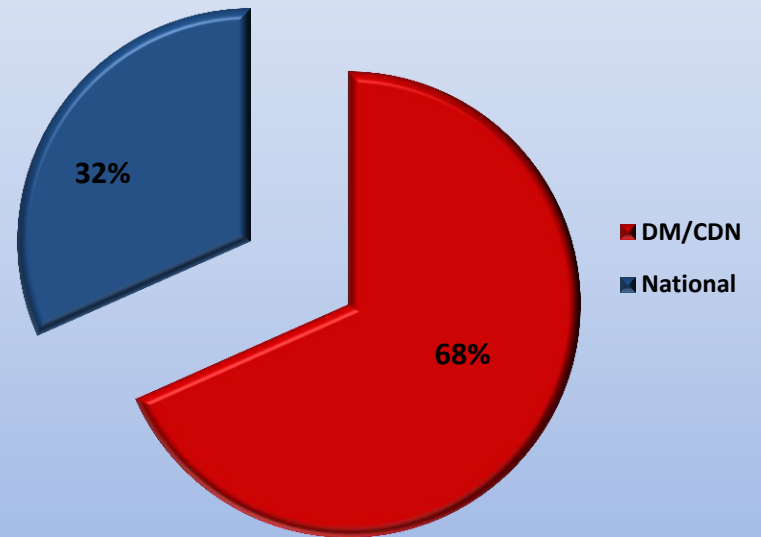


Design Protection Strategy – Statistics

DM-CDN versus Local/National (5864 Designs representing 41714 protections)



DM-CDN versus Local/National



2 - Nestlé's customized filing strategy

We usually favor the International route but our strategy depends on several factors

Geographical Scope



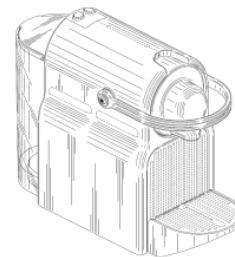
Global Presence – Protection Strategy

Nestlé's global presence requires a thorough protection strategy that is:

- providing the broadest protection → *word mark vs. logo + design*
- covering (most of) the existing markets → *enforcement of protection*
- constantly adapted to business plans and launches
- taking into account the economic situation and ongoing challenges
→ *imitations/counterfeits*

Questions to be considered:

- What to protect? Whole product? Parts of it?
- New, original, functional?
- Which countries to cover?
- Timing? Consider the launch date... Publication.
- Filing requirements (drawings, declaration of transfer of rights, etc.)?



National and/or International Filings? That is the question!



- The Madrid System
- The Hague System

Design Protection Strategy – Due Diligence

Liaise with R&D and Patent Colleagues at early stage of new projects

Make sure novelty is adequately preserved during development and consumer tests

Identify and make primary analysis of elements that could be protected

Secure Assignment of rights from the Agency and the creators of the final designs

Design protection can be a suitable complement to Patent protection or be a good alternative if Patent protection is not an option (...depends on the nature of the development).

Most countries require «absolute novelty» => Avoid disclosure during development stages and consumer tests => Ask detailed information and secure confidentiality agreements.

Review artwork and assess novelty and individual character => conduct search for “prior art” (online and in existing databases -> unfortunately not exhaustive!)

Novelty requires to know where to protect to preserve validity => Seek assignment as wide as possible without restriction in time or geography!

Design Protection Strategy – Criterias for protection

Query the planned use and importance of the project

- The importance of the project and the relevance of concerned Nestlé business in the market(s) have to be considered to define the territorial coverage.

Assess the competitive environment and risk of facing infringements and the degree of enforcement

- The risk of facing infringements is higher in countries like China for example, and for certain business categories (especially for the machine driven businesses, e.g. Nespresso).

Examine the nature of the designs

- A stricter approach is recommended for categories where the freedom of the designer is by default very narrow, such as for containers and accessories.

Consider the prior art and freedom of the designer

- Is the proposed design sufficiently new and original ?
- In overcrowded sectors where the freedom of the designer is more limited, small differences can make the difference (e.g. bottles shapes)

Criteria for protection of Designs:

Novelty

No identical design has been made available to the public before the date of application. (Novelty applies worldwide or regional)

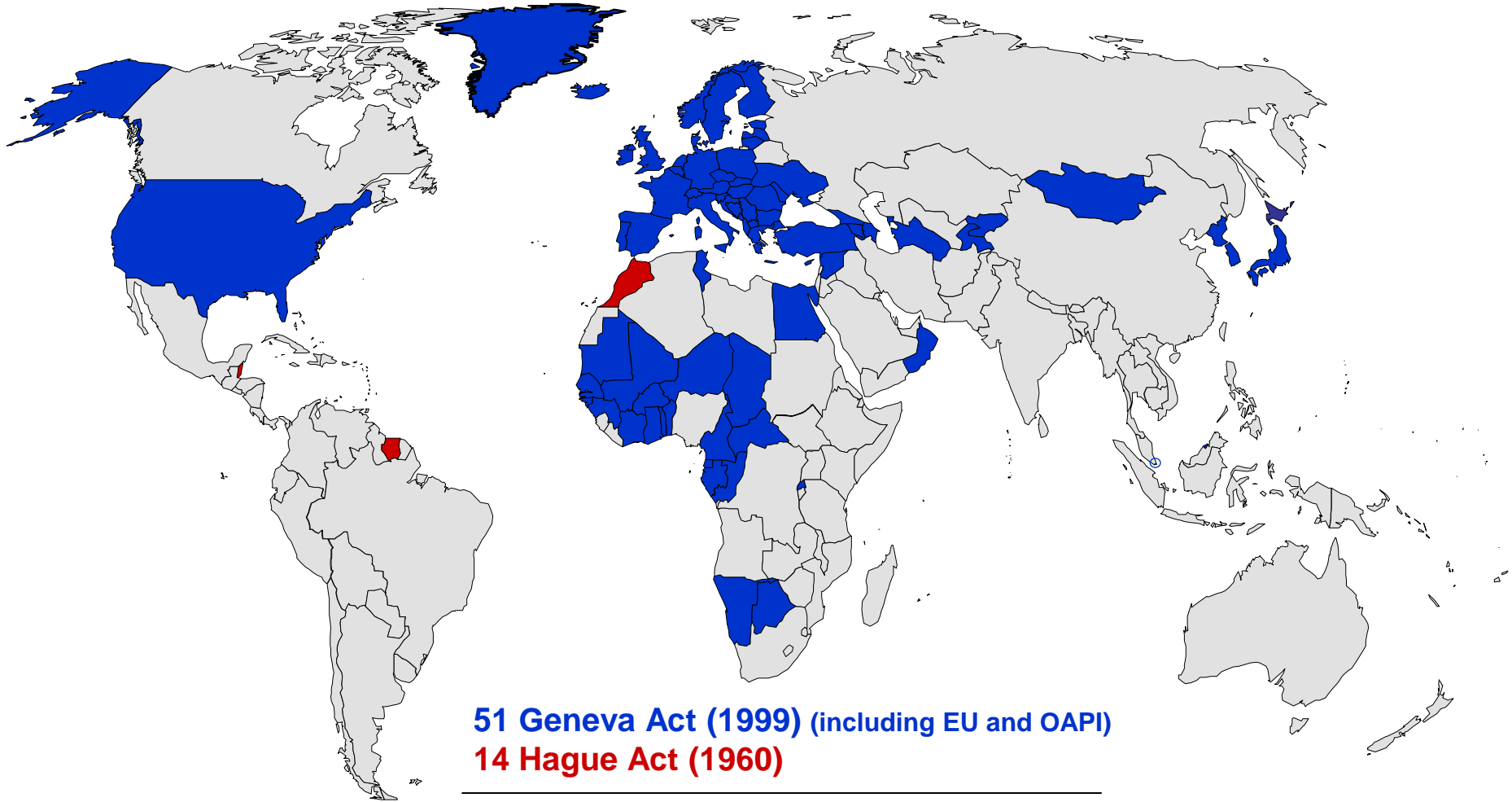
→ a design shall be deemed to have been made available to the public if it has been published (e.g. in a patent) or exhibited, used in the trade or otherwise disclosed before the date of application

Individual character

The overall impression differs from the overall impression produced by any design made available to the public.

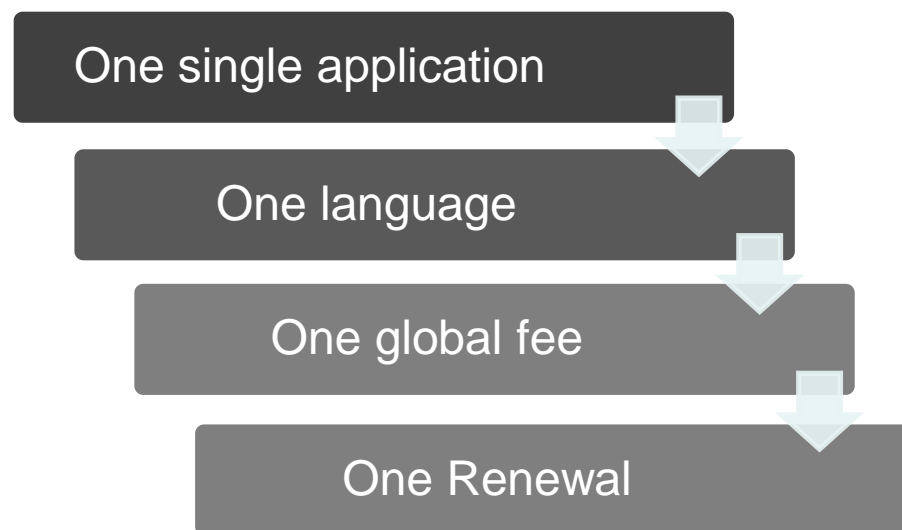
In assessing individual character, the degree of freedom of the designer in developing the design shall be taken into consideration.

The Hague System



The Hague System

- No Prior National Application or Registration
- Easy and simple way to obtain wide geographical coverage (currently up to 65 countries representing 83 jurisdictions)
- But no extension possible (because of novelty requirement)



3 - International Registrations: Obvious options at Nestlé

- Nestlé is a big user of the Madrid Protocol for the protection of International Trademark registrations and of the Hague Agreement for the protection of International Designs
- Today Nestlé owns 1.860 active International Trademark Registrations and 888 active International Design Registrations
- Countries to designate regularly assessed and reviewed

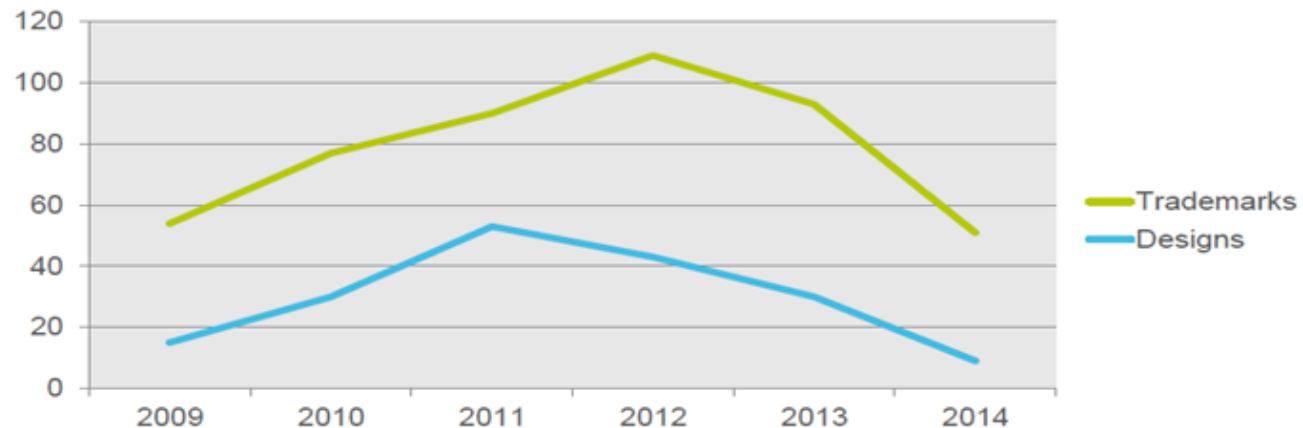
- Most designated countries:

TMs

CTM, NOR, RUS, TUR, UKR,
AUS, SGP, CHN, JPN, BHR

Designs

CDN, NOR, TUR, SGP, SRB, UKR,
CHE, HRV, EGY, MOR



Example of complete IP protection: NESCAFÉ

Word mark
NESCAFÉ

Special
Lettering

NESCAFÉ

Figurative
Trademark



Word mark
GOLD BLEND

Copyright



Design



Figurative
Trademark

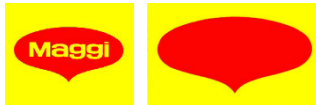


Domain Name
nescafe.com

Patents

Example of complete IP protection: MAGGI

Word mark
Figurative
Trademarks



Word mark
MAGGI DOBLE GUSTO

Special
Lettering

**DOBLE
GUSTO**

Copyright



Design



Device Marks



Domain Name
maggi.com

Patents

Example of complete IP protection: NESPRESSO

Word mark
NESPRESSO

Figurative
Trademarks

NESPRESSO

Word marks
INISSIA
AEROCCINO
ARPEGGIO

Domain Names
nespresso.com



Design



Copyright



Patents

5 - Designs - Best Practices

- ✓ The protection strategy must be defined before any disclosure N.B.: In most countries, novelty is **worldwide** → disclosure in e.g. Nigeria destroys novelty in e.g. Malaysia
 - 1st filing must be done prior to any public disclosure
 - 1st filing determines 6 months priority to complete protection abroad with same filing date as first filing
- ✓ Be careful about divulgation when presenting a project to partners or clients. Idem for consumers tests → secure confidentiality agreements!
- ✓ Ensure that the creator of the design, if not a Nestlé employee, has transferred to Nestlé the copyrights related to the design, worldwide
- ✓ Claim of priority can however be very burdensome => plan properly filings!

Designs - Best Practices – Continued...

- ✓ How to deal with variations of shapes? The shape has evolved compared with the one covered by the 1st filing
 - a) If essential characteristics are the same, no impact
 - b) If essential characteristics are affected → new filing

- N.B:
 - Possibility to defer the publication up to 30 months
 - Unpublished application is reputed non-existing
 - Also allows to hide our filings to our competitors

- ✓ Be selective in terms of countries where to protect
 - a) If enforcement not possible => no usefulness of protection
 - b) If no active business in country => no business impact → no filing

- ✓ Look at print requirements and quality of specimens to avoid formal objections

Designs - Best Practices – Continued...

- ✓ Design protection can be a good alternative:
 - a) If feature cannot function as a Trademark
 - b) Given increased difficulty to secure 3-D Trademark registration

- ✓ Scope of the protection obtained through design protections is narrower than Trademark protection -> Explain and Manage clients expectations!

- ✓ Possibility to file multiple designs gives flexibility -> We have to also remain costs focused!

- ✓ Not experienced a lot of conflicts based on Designs until now -> will no doubt come!

5 - Practical difficulties with new members states (i.e. Japan, Korea and the USA)

USA

- **Multiple design not admitted** if considered distinct. Non distinct designs can be kept as “embodiments” of the one design.
- Claim (name of the product) to add in the E-filing
- Fees in 2 parts
- Oath or **Declaration of the creator** and **Information Disclosure Statement (IDS)** to attach to the E-filing form to WIPO or at UPSTO directly (via agent)
- **Priority document** to send to USPTO (via local agent)
- **Problem with drawings (only line drawings). If Office considers the reproduction not sufficient to determine scope of protection, will issue refusal.**

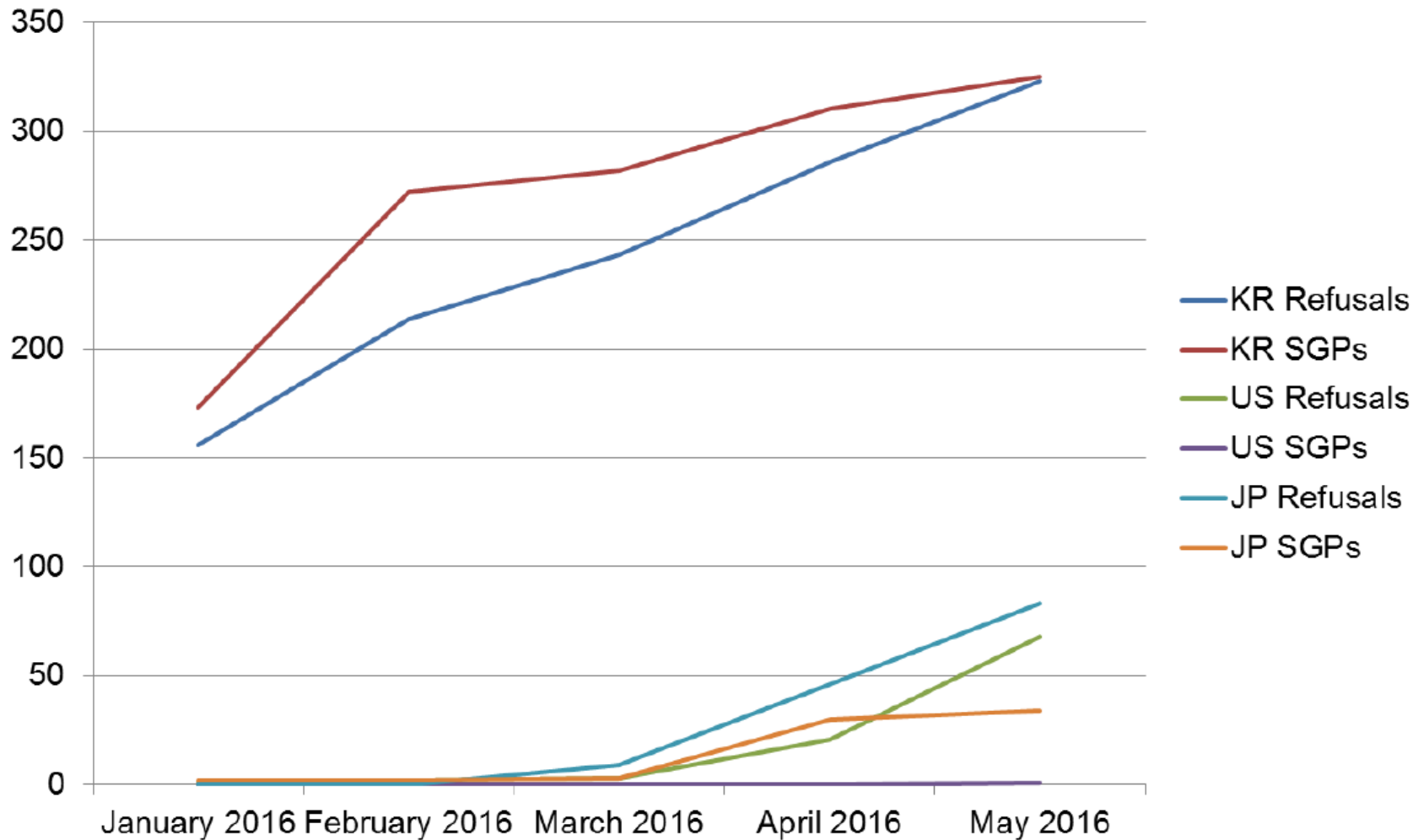
KOREA

- **Multiple design admitted**, but we must indicate the “main design”, the other designs will be considered as “related”
- Design must be **usable for an industrial purpose**
- **Priority document** can be sent to WIPO with the initial filing (WIPO will forward to KR Office)
- If Office considers the **reproduction not sufficient to determine scope of protection**, it will issue a refusal
- If **indication of the product** considered incorrect, Office will issue a refusal

JAPAN

- **Multiple design admitted**, but we must indicate the “main design”, the other design will be considered as “related”.
- **Priority document** to send to JPTO (via local agent)
- If Office considers the **reproduction not sufficient to determine scope of protection**, will issue refusal.
- **Logo per se not registrable**, but if on an article = OK (eg. Logo on a T-shirt).

Refusals and statements of grant of protection (SGPs)



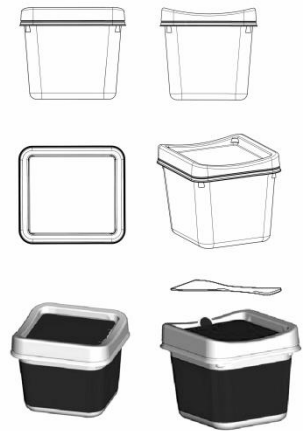
1 – What effect on the type of designs we protect internationally



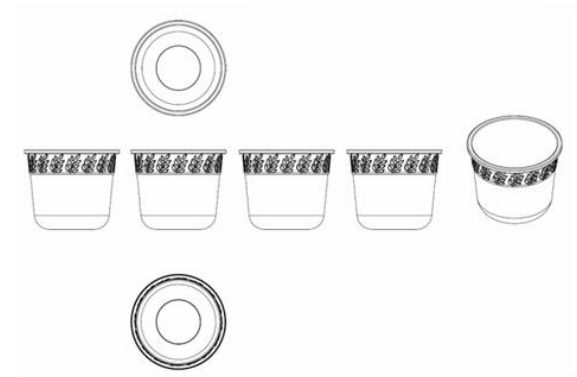
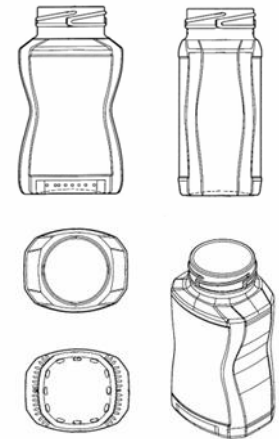
Machines



2 - What effect on the type of designs we protect internationally



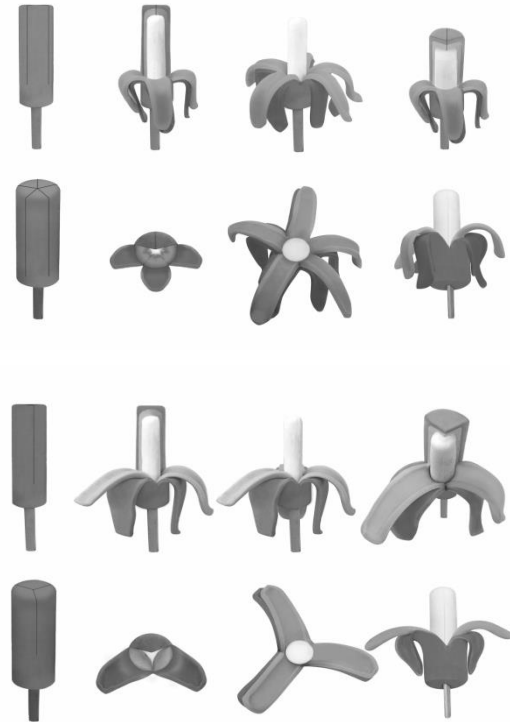
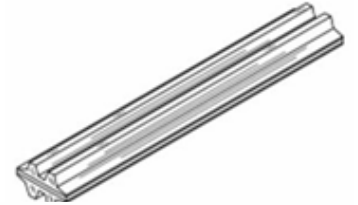
Containers



3 - What effect on the type of designs we protect internationally



Product shapes



4 - What effect on the type of designs we protect internationally



Labels and key visuals / 2D designs



Refusal by the designated countries:

- Before => Few refusals (most from EG and SY)
- Now => KR: 50% - JP: 20% - US: 17% - others: 13%
- For JP, KR & US: *insufficient disclosure* is the one of the main ground of refusal.
- Often issues with representations + Disclosure form for the USA which should be submitted at the filing date

QUID then for Nestlé's practice? Continue with national or via WIPO ?

- ⇒ To avoid refusals in those countries we (regrettably) tend to favor the national route rather than the Hague System
- ⇒ We hope to see more flexibility and uniformity in the examination and acceptance of designs/views and also look with interest at the future development and protection of GUIs and logos as per the new initiative discussed during the last SCT Meeting in Geneva

6 – Conclusion: “Imitation is the sincerest form of flattery...”

Yes, BUT what about...

...Investments in creation of products and their design?

...Time spent (research, development, etc.)?

...Marketing investments?

...Responsibilities towards our business partners (developers, machine partners)?

And most importantly ... responsibilities towards our customers?

➤ It is therefore important to have a good protection strategy in place...and the Hague Agreement surely helps... but as time is of essence, flexibility and simplicity is a key success factor to using it even more!

THANK YOU!