

Protecting Designs Internationally

Experience from an Industry/practitioner Perspective



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Geneva, November 2, 2017

Introduction – the context

- Working for or with big companies with a global /WW presence requires:
 - to think «out of the box» i.e. beyond the usual pure Legal considerations and boundaries
 - to work in close collaboration with all relevant stakeholders / business partners
 - to have a good business understanding and knowledge to anticipate future needs and constraints
- To define proper IP protection strategies with a business focused perspective to facilitate sustainable long term business developments

Setting the scene - Brands portfolio at Nestlé

Over 2000 Brands
 In total around 160.000 protections:

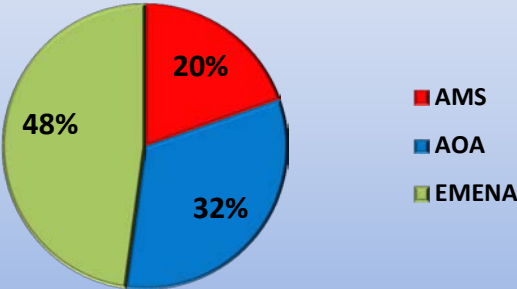
Active Protections Worldwide - All Brands



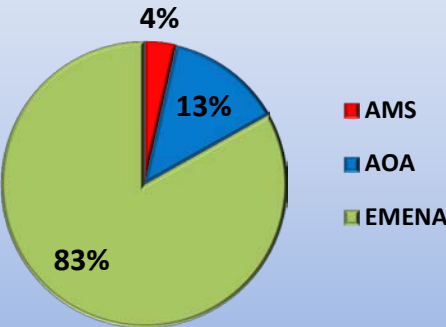
Example NESCAFÉ

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

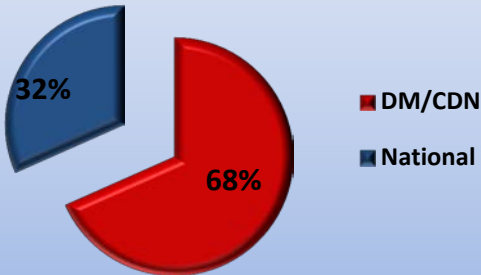
Trademarks



Designs



DM-CDN versus Local/National



To define a Filing Strategy means looking into all directions and all aspects of projects...!



=> Allows to decide which «route» to chose –
National or International?!

Global Presence – Protection Strategy

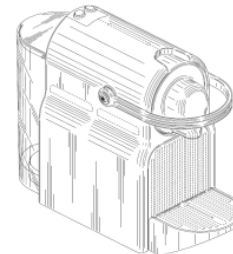
Companies with a global presence require a thorough protection strategy that is:

- 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 i.e. be relevant and in line with customer expectations
- 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? What is the best option...?



- The Madrid System
- The Hague System

International Registrations: Obvious options at companies like 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 has more than 1.800 active International Trademark Registrations and ranks in the top 10 companies for filing IRs applications (although it seems to have slowed down the pace of its filings in 2016 due to internal reorganization).
- ✓ It has more than 800 active International Design Registrations and it constantly assesses and reviews the list of countries to designate
- => that is for example the case with the recent accession of Cambodia which can be designated in International design application since February 25, 2017

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 – Assessment

Criteria for protection

Query the planned use and importance of the project

- The importance of the project and the relevance of concerned 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 a machine driven businesses, like 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...but scope of protection may be very narrow!)



Basic 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 clients very often struggle with this!

Designs - weak protections...?

Burden of proof – Reversed...!

There is a Legal presumption of validity of the designs!

=> Lack of novelty is irrelevant if not proved and the right holder of a design is not required to prove novelty.

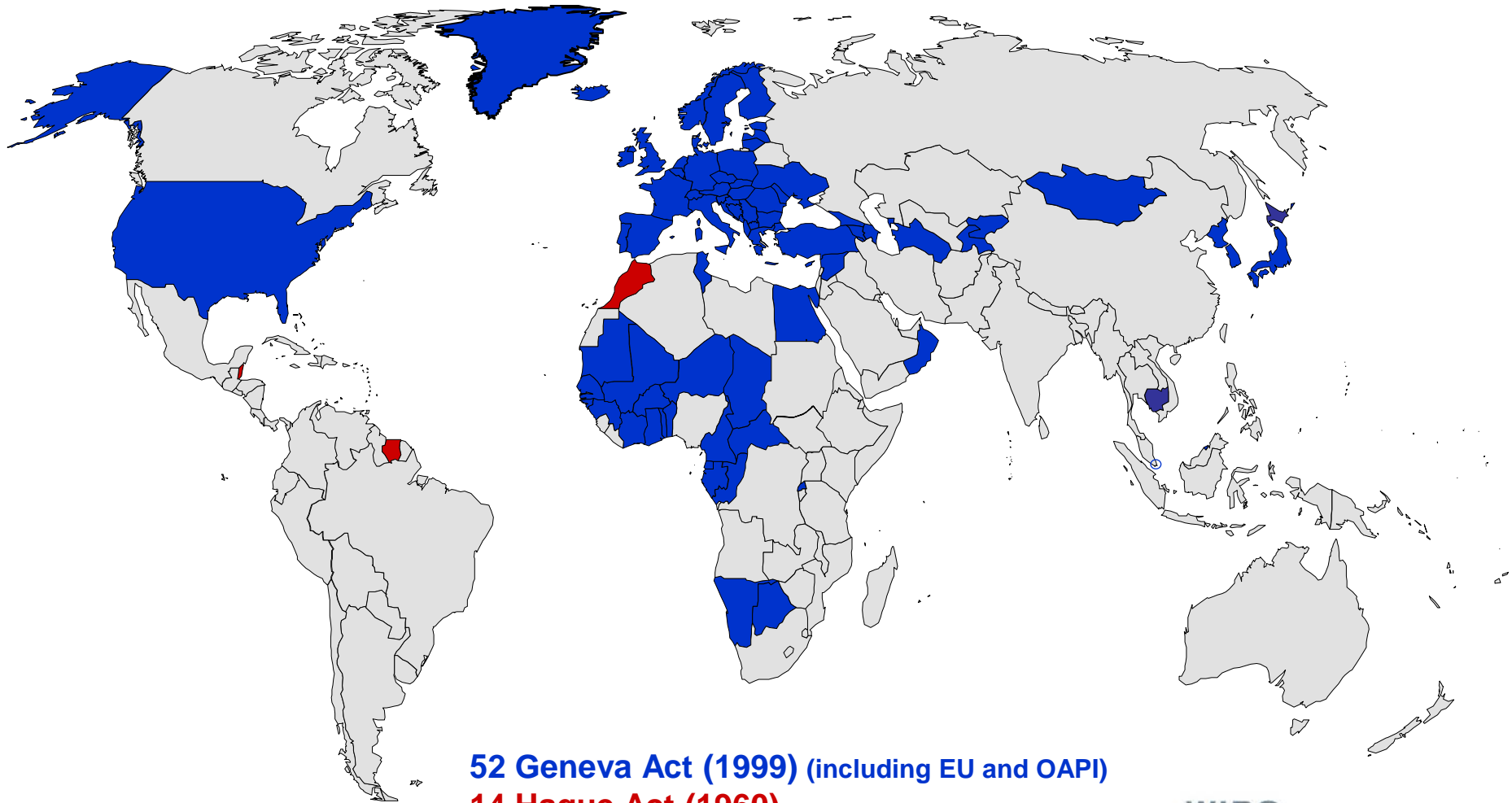
=> Similarly he does not have to prove that the Design has individual character (interpretation of the General Court of article 85 II of regulation 6/2002 [presumption of validity – defence of the merits])

The “missing examination” of a design is partially “compensated” by the Legal Presumption of validity

⇒ This Legal presumption is an advantage in case of conflicts!

- For sending Cease and desist letters
- In case of preliminary injunctions
- ...And for negotiating licences¹¹

Hague Union



52 Geneva Act (1999) (including EU and OAPI)

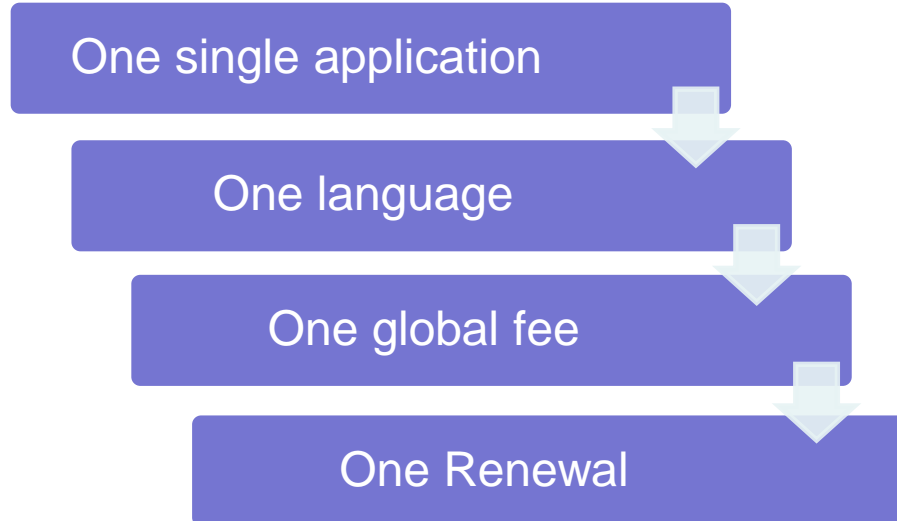
14 Hague Act (1960)

12

66 Contracting Parties

Why use The Hague System?

- Allows for great simplification of the registration procedure
- Easier management of the portfolio - > time saving!
- Provides a cost efficient way to protect designs abroad -> One set of fees in only one currency!



Practical Advantages of The Hague System

- Easy and simple way to obtain wide geographical coverage (currently up to 66 countries representing 84 jurisdictions)
- ...But no subsequent extension possible (because of novelty requirement)
- Application can be filed directly with WIPO either online or on papers
- Formal Examination only by WIPO resulting in very fast procedure
- Only substantive examination by the Offices of the designated contracting parties

Practical Advantages of The Hague System

- Unlike for Trademarks there is no need for a Prior National Home Basic Application or Registration => No “dependency” and No “Central Attack” risk!
- One filing with a maximum of 100 designs for a moderate fee – only condition all designs have to be in the same Locarno class
- Filing in only one language (French, English or Spanish)
- Attractive fee in comparison with Trademarks and patents system or with other Design protection systems (for example in case of multiple application with a certain number of filed designs

Practical Advantages of The Hague System

- All steps of the procedure facilitated by effective online services (fee calculator, guidelines for print requirements, e-renewal, e-changes)
- Maintenance/changes highly facilitated and easy to perform (change of name and address of the holder, change of ownership, limitations, assignments)
- The loss of design protection in one country does not automatically cause the loss of the protection in the remaining designated countries
- No need to designate foreign local representatives at the time of filing (only in case of refusals)

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 an employee, has transferred to the 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 the design filings to the competitors

- ✓ Select carefully countries where to protect

- a) Check in particular where deferment is possible and if deferment is needed do not designate countries where deferment is not possible
- b) If enforcement not possible => question usefulness of protection
- c) If no active or planned 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 -> Helps to also remain costs focused!

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

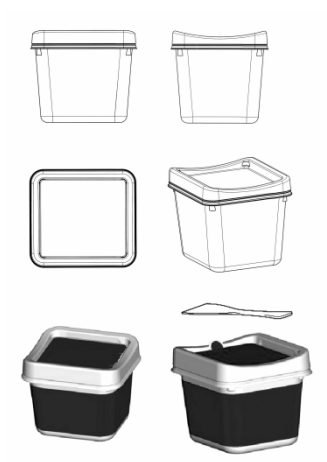
Nestlé protects internationally various types of designs...



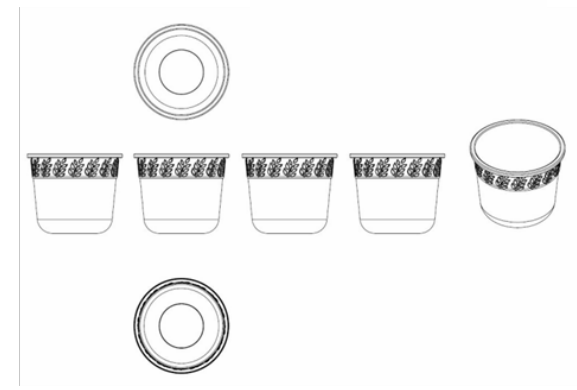
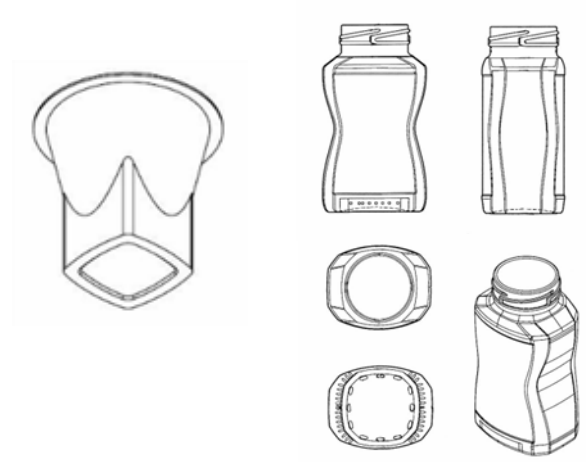
Machines



...depending of the nature of the businesses



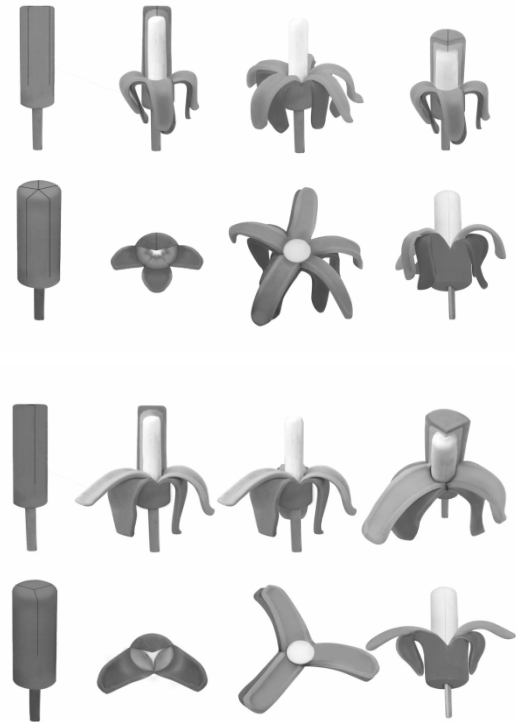
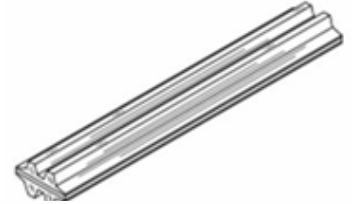
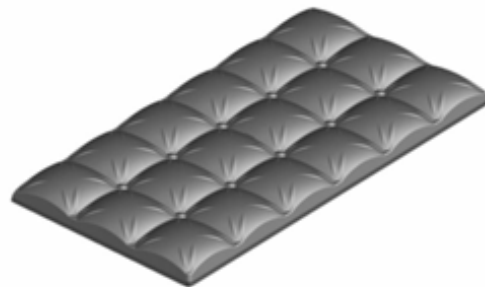
Containers



Other type of designs Nestlé protects internationally...



Product shapes



...including also multiple designs



Labels and key visuals / 2D designs



Practical difficulties with new members states may influence the filing strategy...

- For example for the USA, Korea and Japan – often facing objections related to the drawings submitted => forces to seek preliminary advice from local agents to secure easier acceptance
- Logos per se not registrable in Japan (must appear on an article)
- Design must be usable for an industrial purpose in Korea
- Criteria for acceptance of multiple designs and drawings are different and lead to frequent objections – For example Multiple design not admitted in the USA if considered distinct (although non distinct designs can be kept as “embodiments” of the one design, multiple designs accepted in Korea and Japan but with indication of the main design and other designs considered “related”
- It is hoped filings in Cambodia will go moothly...

Flexibility and simplicity is a key success factor to using the Hague system even more!

- Companies welcome very much new developments aimed at simplifying the protection of IP rights and especially Designs (such as e.g. providing the priority documents electronically)
- Companies view very favourably an enlargement of the list of Hague members and in particular the potential accession of China, the Russian Federation, Morocco, Asean Countries, Israel, Canada, Mexico, Madagascar and the U.K.).
- Companies hope to see more flexibility and uniformity in the examination and acceptance of designs/views so as to avoid refusals (as has been the case for the USA, Japan and Korea)



THANK YOU!

