

Protecting a design's individual character

BY MARGARET O'BRIEN

The idea that a design's individual character can be protected under European design protection law was clarified earlier this month when Advocate General Melchior Wathelet of the Court of Justice of the European Union (CJEU) delivered his opinion on the latest instalment of the Karen Millen Fashions Ltd v Dunnes Stores case. The opinion of the Advocate General will guide the CJEU in its judgment of the matter, and that judgment often follows the same line as the opinion.

The case has its genesis in 2005 when Karen Millen Fashions designed and placed on sale in Ireland a striped shirt, in blue and brown versions, and a black knit top.

Dunnes made almost identical items that were sold in Ireland in 2006 under its Savida label.

Claiming entitlement to protection by virtue of unregistered Community Design rights, Karen Millen commenced infringement proceedings in the Irish High Court in January 2007. It sought injunctions and payment of the profits made by Dunnes Stores from the items, and won.

While Dunnes did not deny that it copied the garments, it disputed that Karen Millen was the holder of an unregistered Community Design for either garment on the basis that the garments had no "individual character" which is a requirement for protection under the Community Design Regulation.

The case came before the Supreme Court, who referred two questions to the CJEU for a preliminary ruling.

As Niamh Hall, a partner

in leading Intellectual Property law firm FRKelly, explains, "The nub of the issue was whether designers can bring together various known design elements to produce something which is protected by unregistered design rights, which was Karen Millen's contention."

"If combining existing elements is not protectable, designers seeking protection would have a difficult task to show that their designs differ from the design corpus, the body of existing design elements. This would logically require the use of some entirely new design element before a design would be afforded protection."

Hall reports, "The Advocate General came down in favour of Karen Millen's position – that combinations of known elements can be protectable as making a different overall impression on the informed user compared to the earlier

individual designs. The assessment is against one or more individual designs, not an artificial amalgam of specific or isolated features taken from several designs."

She adds, "An interesting point arises from this, namely that a different overall impression from earlier designs is both a requirement for design protection and a part of the test of infringement."

"If the earlier design can incorporate pre-existing design elements and still have a different overall impression from those pre-existing designs, how will this affect a defendant who takes design elements from different designs of a single designer, but argues that these create a different overall impression?"

This issue also highlights the importance of registering any important designs with the relevant authorities as and when they are released, to obtain the best protection



Niamh Hall, a partner in leading intellectual property law firm FRKelly

available, with the guidance of specialists such as FRKelly."

Dunnes Stores also argued that Karen Millen must prove that its designs had individual character – namely, that they had a different overall impression from all earlier designs, which is a practical impossibility.

The Advocate General held that the designer need only indicate the element or elements of its design that give it individual character and does not have to positively prove that its design is different to everything which has gone before.

Hall believes that the Advo-

cate General's opinion will be welcomed by designers in this often neglected area of unregistered rights. However, it is also a timely reminder that while unregistered rights are useful, they are no substitute for the registration of any important designs for maximum coverage, as the protection

of a registration lasts longer than an unregistered right (25 years versus three years) and a registration carries a lower burden of proof to show infringement.

She concluded, "Now it remains to be seen whether the CJEU's judgment will be cut from the same cloth."

Put the time in for R&D credit rewards

When it comes to attracting businesses interested in the creation, use and exploitation of Intellectual Property (IP), Ireland has pushed itself up the rankings in recent years. "The R&D credits have been intelligently improved in successive Finance Acts," says Donal Leahy, director with Baker Tilly Ryan Glennon.

However he cautions, "On the ground, the mechanics of claiming R&D credits can prove a draw on resources and time-consuming for companies, especially smaller indigenous companies making relatively small claims."

He observed that large multinationals with sophisticated R&D machinery around them are wise to the credits available in the area of R&D and are very successful in capturing those credits. "However, for many SMEs the administration bar for claiming R&D credits has been set too high,

and they sometimes fail to capitalise on the opportunities."

"For example, small companies getting into the export market have limited resources and, although they can apply for a generous R&D claim of 25 percent of R&D spend, I fully understand how they might be put off by the level of paperwork required and a feeling of uncertainty regarding their claim."

He goes on to explain, "To successfully complete an R&D claim you need to have back-up in the form of a dossier. With the right procedures and some professional assistance, this can be easily achieved; we traditionally helped large clients to make successful claims, but we now see increasing numbers of smaller clients benefiting from the relief. When Revenue investigate claims further they typically ask 23 specific questions, and we assist clients in having



Donal Leahy, director with Baker Tilly Ryan Glennon

these answers prepared when making the original claim, well in advance of Revenue making any enquiries. We fully realise that this level of preparation is an investment by clients, but it is an investment worth making."

The good news is that smaller companies are educating themselves about R&D credits and they are starting to reap the benefits. "It's our job as tax consultants to sell the benefit of R&D credits to them – the relief was put in place to encourage R&D jobs and we are happy to promote the relief."

"But we also have to respect that – for some clients – the level of administration involved is too much for them, they would rather concentrate their resources on other aspects of their business, and forego a generous tax refund."

In terms of offering a solution to his dilemma, Leahy suggests the introduction of a more innovative and less burdensome approach. "For example, if one of the university research centres is working with an SME on an

R&D initiative, or similarly if Enterprise Ireland is actively supporting R&D, those criteria alone could satisfy Revenue for claims up to €100,000 R&D spend, say, or a similarly modest amount."

"We would like to see Revenue encouraged along a path to be more flexible in their approach to R&D credits. The government has put in place generous reliefs and infrastructure in this space, now Revenue needs to echo that spirit, because the goal here is to create jobs and encourage R&D," says Leahy.

He concludes: "Revenue takes a pragmatic and business-focused approach when encouraging FDI into Ireland, and that is to be applauded. It would be great if the government could encourage them to adopt the same approach for Irish SMEs, particularly ones who are doing exactly what we want them to do by investing in R&D, leading the drive in the export market and creating jobs which are born in Ireland and will stay in Ireland."

A strategy for IP protection

Laura Myles, head of IP at TradeSecrets@FOD, offers advice on putting in place the right strategy for the protection and exploitation of IP rights



Laura Myles

Intellectual property (IP) rights recognise and reward your creative efforts and inventiveness. They provide a means through which this innovation can be protected – whether by international laws, treaties or registration systems – and commercially exploited. This recognition and reward then encourages the creation of new IP and is fundamental to the protection and proper management of these important rights.

Adopting a strategy for the protection and exploitation of IP rights is important, but adopting the right strategy is critical. The IP strategy for your organisation is personal to your organisation and should be formulated and implemented in a way that best suits your business or academic needs – now and in the future.

Different IP considerations will arise depending on the nature of your business, and the nature of the product or market you service. For example, we find that our technology and medtech clients need an IP strategy that is fluid and allows them to innovate, protect and commercialise their IP at the same pace as their business demands and in-line with their budget.

For our academic clients, another important consideration is the dissemination of research findings through peer-reviewed journals, conferences, presentations, websites and other public formats. Bearing in mind, however, that the premature disclosure of an invention may rule out the

possibility of obtaining a patent for that invention – and enjoying the rights attached to it – balancing these potentially conflicting interests forms an integral part of the IP strategy in this case.

Usually, a reasonable publication review procedure would be agreed and implemented in advance of making the publication concerned. As for commercialisation, then, state-aid rules, funding terms and conditions and the National IP Protocol, launched in Ireland in June 2012, may also apply to IP rights resulting from publicly-funded research and, as such, will, together with the terms and conditions of the research agreement or other relevant agreement, usually help pave the way for the subsequent use, publication and commercial exploitation of the resulting IP.

Examples of some of the items typically assessed in devising an IP strategy include:

- The actual technology or project concerned
- Ownership and inventorship
- Any existing contractual obligations that might apply and rights of any third parties
- The intended use of the technology, eg, whether you intend to develop it in-house or licence it out
- The proposed timing and roll-out plan for commercialisation
- The existing procedures and agreements in place for the protection of related, confidential information
- Any publications already made or other academic rights that might apply

- From a geographic point of view, the key territories of interest to you and to your prospective licensees or other commercial partners
 - The name under which the product will be marketed and the scope of protection available for that name
 - The potential distributors, licensees, partners or other channels through which the technology may be commercialised and the corresponding terms and conditions agreed or attached to same; and
 - The available budget
- Careful assessment is required at an early stage to

determine on a case-by-case basis how best to protect, manage and market your IP rights in order to yield the greatest reward, whether financial or otherwise.

Contact Laura Myles, David Ryan or any member of the TradeSecrets@FOD team at 091-396540 or 01-6424220, or visit fod.ie

Trade Secrets merges with Flynn O'Driscoll

TradeSecrets Limited (TSL) is to merge with business lawyers Flynn O'Driscoll (FOD), with effect from this month.

TSL, founded by Laura Myles in 2005, specialises in intellectual property law and practice. The Galway-based firm's client base has grown over the years to include Irish universities, institutes of technology and other research facilities, as well as firms involved in producing medical devices, veterinary medicines, and the software development and technology, medtech, fashion and food production sectors.

With offices in Dublin, Galway and London, FOD is an award-winning business law firm that advises on all areas of corporate, commercial and employment law. Other areas of its prac-

tice include aviation, commercial litigation, information technology and intellectual property, which together TSL and FOD intend to grow under the new name TradeSecrets@FOD.

Laura Myles describes the deal as "a milestone for both firms". She will be head of Intellectual Property at TradeSecrets@FOD. Myles said, "We are confident that by pooling our capacity and expertise in this way, the scope of services we can offer to our clients will be broadened and improved."

David Ryan, partner at FOD, said, "FOD's work with early stage and established firms across the spectrum means that, in conjunction with TSL, our already incisive and direct delivery of business-focused advice just got that bit sharper."

Intellectual Property Licensing IP Strategies Brand Protection IP Policies and Training Software Development & Licensing IP Management Commercial Exploitation Agreements and Forms Assignments



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